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OF THE

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OF

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Congressional Record.

PROCEEDINGS AND DEBATES OF THE SIXTY-SEVENTH CONGRESS SECOND SESSION.

SENATE.

FRIDAY, *June 30, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. McCUMBER. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Glass	McCumber	Smoot
Ball	Hale	McLean	Spencer
Borah	Harreld	McNary	Stanley
Brandegee	Harris	Nelson	Sterling
Bursum	Harrison	New	Sutherland
Calder	Heflin	Newberry	Trammell
Cameron	Johnson	Norbeck	Underwood
Capper	Jones, N. Mex.	Norris	Walsh, Mass.
Colt	Jones, Wash.	Overman	Warren
Culberson	Kellogg	Pepper	Watson, Ga.
Cummins	Kendrick	Poindexter	Watson, Ind.
Curtis	Keyes	Rawson	Willis
Ernst	King	Sheppard	
France	La Follette	Shortridge	
Frelinghuysen	Lodge	Simmons	

Mr. CURTIS. I wish to announce that the junior Senator from Illinois [Mr. McKINLEY] and the junior Senator from North Dakota [Mr. LADD] are engaged in a hearing before the Committee on Agriculture and Forestry.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Fifty-seven Senators having answered to their names, a quorum is present.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had passed the bill (S. 848) to amend section 22 of the act entitled "An act to regulate commerce," approved February 4, 1887, as amended, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the bill (S. 3425) to continue certain land offices, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed a bill (H. R. 11212) to amend an act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED.

The message also announced that the Speaker of the House had signed the enrolled bill (S. 3458) to authorize the Niagara River Bridge Co. to reconstruct its present bridge across the Niagara River between the State of New York and the Dominion of Canada, or to remove its present bridge and construct, maintain, and operate a new bridge across the said river, and it was thereupon signed by the President pro tempore.

REPORTS OF COMMITTEES.

Mr. CAPPER, from the Committee on Claims, to which was referred the bill (S. 2854) for the relief of Oakley Randall, reported it without amendment and submitted a report (No. 798) thereon.

Mr. HARRELD, from the Committee on Indian Affairs, to which was referred the bill (H. R. 11054) to validate certain deeds executed by members of the Five Civilized Tribes, and for other purposes, reported it without amendment.

Mr. KENDRICK, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 9257) to permit adjustment of conflicting claims to certain lands in Mohave County, Ariz., reported it without amendment and submitted a report (No. 801) thereon.

Mr. SPENCER, from the Committee on Indian Affairs, to which was referred the bill (H. R. 9814) amending the proviso of the act approved August 24, 1912, with reference to educational leave to employees of the Indian Service, reported it without amendment and submitted a report (No. 802) thereon.

COMPENSATION FOR NIGHT WORK BY POSTAL EMPLOYEES.

Mr. TOWNSEND, from the Committee on Post Offices and Post Roads, acting under authorization of Senate Resolution 259, agreed to March 28, 1922, submitted a report (No. 799) relative to compensation for night work by postal employees, and so forth, which was ordered to lie on the table and to be printed.

WHITE RIVER BRIDGE, ARK.

Mr. CARAWAY. From the Committee on Commerce I report back favorably House bill 11244, authorizing the construction of a bridge across White River in the State of Arkansas, and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the county of Independence, State of Arkansas, is hereby authorized to construct, maintain, and operate a bridge and approaches thereto across White River at a point suitable to the interests of navigation, at or in the immediate vicinity of Batesville, Ark., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

ENROLLED BILL PRESENTED.

Mr. SUTHERLAND, from the Committee on Enrolled Bills, reported that on June 30, 1922, they presented to the President of the United States the bill (S. 3458) to authorize the Niagara River Bridge Co. to reconstruct its present bridge across the Niagara River between the State of New York and the Dominion of Canada, or to remove its present bridge and construct, maintain, and operate a new bridge across the said river.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHIELDS:

A bill (S. 3772) to authorize the Court of Claims to hear and determine the claim of W. B. Davis & Son (Inc.) against the United States and render judgment therein; to the Committee on the Judiciary.

By Mr. TOWNSEND:

A bill (S. 3773) to reduce night work in the Postal Service; to the Committee on Post Offices and Post Roads.

By Mr. KELLOGG:

A bill (S. 3774) granting a pension to James T. Moran; to the Committee on Pensions.

By Mr. HARRIS:

A bill (S. 3775) making an appropriation to pay an award in favor of the Silver Lake Park Co.; to the Committee on Appropriations.

By Mr. POINDEXTER:

A bill (S. 3776) for the restoration of old Fort Vancouver stockade; to the Committee on Appropriations.

By Mr. JONES of New Mexico:

A bill (S. 3777) for the payment of interest on certain claims heretofore paid to Albert H. Raynolds; to the Committee on Claims.

By Mr. FERNALD:

A joint resolution (S. J. Res. 218) to create a commission to consider the proposal of a central building for art and industry in the District of Columbia; to the Committee on Public Buildings and Grounds.

HOUSE BILL REFERRED.

The bill (H. R. 11212) to amend an act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920, was read twice by its title and referred to the Committee on Civil Service.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House disagreed to the amendments of the Senate to the bill (H. R. 12090) making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1922, and prior fiscal years, supplemental appropriations for the fiscal year ending June 30, 1923, and for other purposes; agreed to the conference requested by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MADDEN, Mr. ANTHONY, and Mr. BYRNS of Tennessee were appointed managers on the part of House at the conference.

ENROLLED BILLS SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills and they were thereupon signed by the Vice President;

H. R. 9527. An act to amend section 5136, Revised Statutes of the United States, relating to corporate powers of associations, so as to provide succession thereof for a period of 99 years or until dissolved, and to apply said section as so amended to all national banking associations; and

H. R. 11228. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1923, and for other purposes.

AMENDMENT OF FEDERAL RESERVE ACT—CONFERENCE REPORT.

Mr. McLEAN. I present the conference report on Senate bill 831 and ask unanimous consent for its present consideration.

The PRESIDING OFFICER. The report will be read.

The Assistant Secretary read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 831) to amend the proviso in paragraph 10 of section 9 of the Federal reserve act, amended by the act of June 21, 1917, amending the Federal reserve act, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment numbered 4.

That the Senate recede from its disagreement to the amendments of the House numbered 1, 2, and 3, and agree to the same.

GEORGE P. McLEAN,
CARTER GLASS,
Managers on the part of the Senate.
LOUIS T. McFADDEN,
PORTER H. DALE,
Managers on the part of the House.

The PRESIDING OFFICER. The Senator from Connecticut asks unanimous consent for the present consideration of the report. Is there objection? The Chair hears none. The question is on agreeing to the report.

The report was agreed to.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. NORRIS. Mr. President, sometime ago the chairman of the Committee on Finance delivered an address in the Senate in the course of which he used a large number of exhibits. I do not know how that address impressed other Senators, but it had a great impression on me. It seems that later on other exhibits were made. I have in my possession now in my office exhibits similar to several of those which the Senator from North Dakota used. The articles that I have, and others, are claimed to have been made in America and sold by the manufacturers at prices which were indeed comparable to the prices at which it was shown by the chairman of the committee the imported articles were sold.

It would seem to me that the consumers were being profiteered upon by the importers, and exhorbitant prices asked and received. If the American manufacturers are manufacturing similar articles for about the same cost and selling them at retail for the prices which have been shown here, it would seem that there is a serious condition confronting us. The exhibits would seem to demonstrate that the manufacturers are selling articles to the consumers of America at a profit above their manufactured cost of several hundred and often more than a thousand or two thousand per cent. It struck me at the time that there ought to be some way in behalf of the people of the country to enable them to buy at retail these various articles, whether they are manufactured here or whether they are manufactured abroad, at a price that at least could not be put in a class properly designated as profiteering. It seemed to me then that it would be possible for us to levy a tax which would first allow the importer a reasonable profit and then tax the balance to such an extent as to make it possible for the consumer to get some benefit out of it. In other words, if we could levy on the knife which was exhibited here a tax of 99 per cent of the excess profit above the reasonable profit, they would be compelled to sell those knives in the market at a reasonable profit and the manufacturers of similar articles in America would be compelled to forego their profiteering prices and sell in competition at a fair price. It appeared to me whether the articles were manufactured here or abroad, that there was in reality no competition.

I have prepared an amendment to the bill which, to my mind, meets the situation, and which I am going to offer when it is in order to do so, after the committee amendments shall have been disposed of. If in the amendment which I intend to offer the profit which it is proposed to allow the tradesmen to make is not sufficient, it ought to be increased. If it is too much, it ought to be decreased. I submit the amendment in good faith; I am going to ask that it may be referred to the Committee on Finance, and I hope the committee will give it consideration.

Certainly, we are presented with a condition of affairs which demands a remedy. When, for instance, a knife which is imported into this country by the importer at a price of 10 or 15 cents is sold here for $1.50 or $2, it presents a condition which ought to be remedied. I am offering the amendment in the belief that, if it be agreed to, it will remedy the situation. I now send the amendment to the desk and ask that it may be read by the Secretary.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

The ASSISTANT SECRETARY. On page 207, after line 12, it is proposed to insert the following as a new paragraph:

PAR. 1460. In addition to the tax specified in this section, there shall be levied, collected and paid, an additional tax upon all articles mentioned in this section imported into the United States of 99 per cent of the amount by which the retail price of any such article is in excess of the imported price, plus the duty paid thereon, plus 25 per cent.

It shall be the duty of every person importing into the United States any of the articles mentioned in this section and selling the same to any other person, firm, or corporation (other than sales at retail) to furnish to the purchaser at any such sale a true statement of the imported price of such article or articles and the duty paid thereon, and any such purchaser making a subsequent sale of any such article (except sales at retail) shall likewise give to the purchaser the imported price of such article and the amount of duty paid thereon. The Secretary of the Treasury shall make such rules and regulations as he may deem advisable for the purpose of collecting the duty provided for under this section and all persons selling any such articles at retail shall keep an accurate account of the amount of duty, if any, that is due to the United States by virtue of any such retail sale, and pay the same to the United States under such rules and regulations and at such times as the Secretary of the Treasury may by general rule and regulation provide.

Any person who violates any of the provisions of this paragraph, or any importer or subsequent owner of such property imported into the United States, who shall fail or neglect to furnish the information to purchasers of such imported articles provided for in this paragraph, or any person selling any of such articles at retail who fails to keep an accurate account of the amount of money, if any, due on account of such sales to the United States, or any of said persons who in any other way violates any of the provisions of this paragraph shall be deemed guilty of a misdemeanor, and for each offense shall be punished by a fine of not less than $500 nor more than $5,000 or by imprisonment of not less than three months and not more than two years, or by both such fine and imprisonment.

Mr. NORRIS. Mr. President, it will be observed that if the amendment which has just been read should be enacted into law, upon any imported article which may be sold at a profit over the imported price plus the tariff of not to exceed 25 per cent there would be no tax collected, but if sold at a profit of more than 25 per cent, then a tax which would amount to 99 per cent of such excess sale price would be imposed. I ask that the amendment may be printed in the usual form and referred to the Committee on Finance.

The PRESIDING OFFICER. In the absence of objection, the amendment will be ordered to be printed and referred to the Committee on Finance.

Mr. SIMMONS. Mr. President, before the Senator takes his seat, I should like to ask him a question.

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from North Carolina?

Mr. NORRIS. I yield to the Senator from North Carolina.

Mr. SIMMONS. Mr. President, does the Senator from Nebraska propose to apply his amendment as a remedy to prevent profiteering in foreign goods without making any provision whatever for correcting profiteering in the sale of domestic products?

Mr. NORRIS. Mr. President, the Senator from North Carolina has asked me a very proper question. Of course, I doubt whether in this bill we could prevent any manufacturer or any salesman, either, from asking any price he saw fit. We could not limit the price; they might ask any price they chose. I do not attempt in the amendment to limit the importers' price, for importers may ask any price they please, but the amendment would apply to all of the articles mentioned in section 1 of the bill, which is the section in which duties are levied. That section includes everything which is imported into this country upon which tariff duties are proposed to be levied.

My theory is, I will say to the Senator from North Carolina, that if persons importing articles were limited to a profit of 25 per cent in the sale of the article to the retailer, and they were compelled, as I think this amendment would compel them, to sell at a profit not exceeding 25 per cent, that of itself would of course compel the American manufacturer of similar articles to put his price down in order to compete, so that he might make sales. I do not believe we could put into this tariff bill or, indeed, in any other bill, a provision that if I, for instance, had a knife which I had bought for 10 cents I should be prohibited from selling it for $1; but as to the importer, for instance, with whom we are dealing in this bill, if we tax him so that he can not afford to make a sale of a knife which he imports for more than a profit of 25 per cent, the American manufacturer of a similar article would be compelled to come down practically to the same level in his sales price.

Mr. SIMMONS. Mr. President, I do not think the proposed amendment would operate in that way. We have not found that the placing of a high rate of taxation upon profits has resulted in lessening profits, but it has resulted in increasing profits.

Mr. NORRIS. That depends on what the rate of taxation is.

Mr. SIMMONS. I think we must recognize the fact that the importers are only enabled to get high prices——

Mr. CUMMINS rose.

Mr. SIMMONS. If the Senator from Iowa will pardon me, I wish to make a few observations, and then I will yield to the Senator. Does the Senator desire me to yield to him now?

Mr. CUMMINS. I desire to present a conference report which will only take a moment.

Mr. SIMMONS. I myself only propose to occupy a few moments.

Mr. CUMMINS. The Senator knows that the House is about to adjourn.

Mr. SIMMONS. Very well, I yield to the Senator, for the purpose of presenting the conference report.

ADDITIONAL DISTRICT JUDGES.

Mr. CUMMINS. I ask unanimous consent that the tariff bill may be temporarily laid aside and that the Senate shall proceed to the consideration of the conference report on the bill (H. R. 9103) for the appointment of additional district judges for certain courts of the United States, to provide for annual conferences of certain judges of United States courts, to authorize the designation, assignment, and appointment of judges outside of their districts, and for other purposes.

The PRESIDING OFFICER. The Senator from Iowa asks unanimous consent that the tariff bill may be temporarily laid aside and that the Senate proceed to the consideration of the conference report on the judges' bill, so called. Is there objection?

Mr. KING. Reserving the right to object, may I inquire of the Senator what is the haste for the adoption or rejection of the conference report?

Mr. CUMMINS. The necessity for haste, I think, is obvious. The condition of the work of the Federal courts of the United States is shocking. I presume that no country in the world has ever presented such a spectacle as we are now presenting in our failure to try the cases of a criminal character which have been brought against the great number of persons and concerns. I think there is nothing more important than to make such additions to our judiciary as will enable the work of the Federal courts to be done with reasonable promptness.

Mr. KING. The Senator knows that Congress will be in session here for some time. The vacation period is coming on. Let the judges who are so far behind do a little more work. Many of them are not doing as much as they ought to do.

Mr. CUMMINS. That may be so, but, on the other hand, many of them are doing a great deal more than they ought to do. The House is about to adjourn for a period. If this bill is passed, it will require all the time between now and the fall term of the various courts to select the additional judges, which is not an easy task. I hope very much the Senator from Utah will not interpose an objection.

Mr. KING. I object, Mr. President, to the consideration of the conference report.

The PRESIDING OFFICER. Objection is made.

Mr. CUMMINS. I move that the Senate proceed to the consideration of the conference report on House bill 9103.

The PRESIDING OFFICER. The question is on the motion of the Senator from Iowa that the Senate proceed to the consideration of the conference report.

Mr. SHIELDS obtained the floor.

Mr. KING. That motion is subject to debate, Mr. President.

The PRESIDING OFFICER. The Senator from Tennessee has been recognized.

Mr. SHIELDS. Mr. President, I have not interposed any objection to the consideration of the conference report, but having discussed the bill at some length when it was before the Senate, as I view the record I can not allow one statement made by the distinguished Senator from Iowa to go unchallenged, namely, that there is a pressing necessity on account of pending business for the immediate appointment of 24 additional judges. According to my view of the evidence before us as to the work they have got to do, at least 20 of the proposed new judges are not required, are not necessary, and will constitute merely a surplus. This measure seems to be designed for the purpose of furnishing places for deserving Republicans. When the facts as shown by the Attorney General's report are considered there is really no congestion demanding the appointment of exceeding a half dozen additional district judges in the United States if the present district judges do their duty with reasonable diligence.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Idaho?

Mr. SHIELDS. I yield.

Mr. BORAH. I rise to a point of order.

The PRESIDING OFFICER. The Senator will state his point of order.

Mr. BORAH. I wish to submit some remarks myself upon the merits of this proposition. As I understand, the pending question is a motion to take up the report and is not debatable?

The PRESIDING OFFICER. The motion is debatable, because the Senate is in recess and the morning hour has expired. The motion is debatable.

Mr. BORAH. Then we may now debate the measure upon its merits?

The PRESIDING OFFICER. That is the opinion of the Chair.

Mr. BORAH. Very well.

The PRESIDING OFFICER. The question is on the motion of the Senator from Iowa that the Senate proceed to the consideration of the conference report.

Mr. CUMMINS. Mr. President, I desire to say a single word with regard to the matter.

This bill was passed by a very large majority in the Senate. It has not been essentially changed, save in two respects. The House bill provided for an additional judge for the middle district of Tennessee and an additional judge for the eastern district of Illinois. In the Senate bill the appointment of these judges was not authorized. In the Senate bill an additional judge was authorized for the district of New Jersey, an additional judge for Georgia, and an additional judge for New Mexico. The conference committee receded from the position of the Senate with regard to the middle district of Tennessee and the eastern district of Illinois and the House committee receded from its position with regard to the district of New Jersey and the district of New Mexico. These are the only essential changes made in the bill as it passed the Senate.

Mr. JONES of New Mexico. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from New Mexico?

Mr. CUMMINS. I yield to the Senator from New Mexico.

Mr. JONES of New Mexico. I have a recollection that in the conference report there is a special proviso regarding the judge from New Mexico. I have been trying to put my hand upon it in the CONGRESSIONAL RECORD, but have not been able to do so. I believe it was when the conference report was introduced in the House that it was printed in the RECORD; and according to that report there is a proviso attached to the judgeship in New Mexico which is different from that in any other district in the United States. If my recollection is cor-

rect, it is provided there that whenever there is a vacancy in the judgeship in New Mexico it shall not be filled except by additional authorization from the Congress. That is a proviso which does not attach to any other judgeship, and I should like to inquire of the Senator from Iowa what was the reason for putting in that special proviso regarding the judgeship in New Mexico?

Mr. CUMMINS. The reason was to secure the assent of the House to any additional judge in the district of New Mexico. If the Senate had not yielded to that extent, one of two things would have happened, either we would have had to yield the district of New Mexico entirely or there would have been no bill agreed upon.

Mr. JONES of New Mexico. Why was New Mexico singled out by the conferees on the part of the House for such a special provision?

Mr. CUMMINS. Simply because—I do not know whether or not I am at liberty to state the argument made in the conference committee, but I will take the chances upon that—the House members of the conference committee were very firm in their opinion that New Mexico did not need an additional judge, and we were informed very soon after we came together that under no circumstances would the House members consent to an additional judge in the district of New Mexico. We stood for two months laboring for that judge, in order to carry out the view which the Senate had taken upon the passage of the bill, and we finally conceded this provision, which applies to New Mexico and to no other district, simply to get a judge for New Mexico.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Idaho?

Mr. CUMMINS. I do.

Mr. BORAH. I think the conferees on the part of the Senate did very splendidly by New Mexico, because the proviso will amount to nothing. There will be no trouble whatever about passing a bill through here at any time to create an additional judgeship anywhere, upon any occasion; so I think the conferees upon the part of the Senate outgeneraled the conferees on the part of the House very much.

Mr. CUMMINS. I am very glad to receive and recognize and appreciate the compliment of the Senator from Idaho. We did the best we could.

Mr. JONES of New Mexico. Regardless of the merits of the situation, it seemed to me to be a very peculiar piece of legislation. New Mexico has one Federal judge now. He is a man of middle age. In fact, I think he is a little under middle age. At any rate, his life tenure presumably will be something like 25 or 30 years. I do not know of any decrepit person who is a candidate for the new judgeship. In all probability some one will be appointed who will live out at least 25 or 30 years, and why the Congress of the United States in this bill should be anticipating what the situation regarding the public business in New Mexico may be 20 or 30 years from now is a little beyond my conception. I could not understand why anyone in the House should insist on such a provision as that. I can not see now why that should have been any inducement for the appointment of an additional judge for New Mexico; and if the Senator from Iowa was able to convince the conferees on the part of the House that that was important legislation, that that was a very substantial inducement to warrant the creation of a new judgeship in New Mexico now, I want to compliment him upon his ability and finesse in working some spell over the conferees on the part of the House, because I can not see from any logic in the situation why such a provision should have been an inducement for anybody in this generation to try to put in a special proviso regarding something which may occur 20 or 30 years from now, when everybody knows that if there is any demand for an additional judge now there certainly will be a greater demand 20 or 30 years from now.

Mr. CUMMINS. I do not know whether the Senator from New Mexico intends to impeach my good faith or not.

Mr. JONES of New Mexico. I certainly do not. I am complimenting the Senator on being able to offer some reason here to induce the conferees of the House to agree to this new judge from New Mexico in a way that never would have occurred to me, at least.

Mr. STERLING. Mr. President——

Mr. CUMMINS. I yield.

Mr. STERLING. I simply want to say to the Senator from New Mexico that I was one of the conferees on this bill and I corroborate every word that has been said by the Senator from Iowa in regard to the difficulties, and that much of a concession, if it can be called a concession, had to be made in order that we might have an additional judge for New Mexico.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Idaho?

Mr. CUMMINS. I yield.

Mr. BORAH. I want to say to the Senator from New Mexico that he is exceedingly fortunate in having this judge in this bill at all, in my judgment, upon the showing which was made with reference to New Mexico. New Mexico, in my judgment, is one of the States where the business did not require an additional judge.

Mr. JONES of New Mexico. Mr. President, I simply wanted some explanation as to why New Mexico was singled out of all these districts. There are 24 new judgeships created by this bill, and why this special provision should have been made regarding New Mexico was something beyond me, and I wanted some explanation for it; that is all.

I must say that I still do not see why this proviso should have been necessary. The Senators assure me, and I know in good faith, that it was necessary, and, of course, we would rather have the bill as it is with the proviso than not have it at all, but I could not help expressing my surprise that anybody on the House conference committee could have been induced to agree to the present appointment by reason of such a proviso.

Mr. SHIELDS. Mr. President——

Mr. CUMMINS. I yield.

Mr. SHIELDS. I wish to ask the Senator from New Mexico a question. I have not been able to read this conference report. I returned only yesterday after an absence, and the conference report has not been printed except in the RECORD, and I was not able to find it. Do I understand that all of these additional judges are permanent judges, successors to whom are to be appointed, except the one provided for the district of New Mexico?

Mr. JONES of New Mexico. There is this provision, if I remember the report correctly, and the chairman of the committee will correct me if I am in error: As to New Mexico, we have one judge now. This bill gives us another judge, and then the conference report provides that if hereafter there shall be a vacancy in either one of these positions it shall not be filled without further authorization from the Congress.

Mr. SHIELDS. Does the Senator mean either one, or both?

Mr. JONES of New Mexico. It says that when any one of them——

Mr. SHIELDS. The first one, then?

Mr. JONES of New Mexico. The first one who happens to die or resign.

Mr. SHIELDS. Is that applicable in this conference report to the district of New Mexico alone?

Mr. JONES of New Mexico. It is applicable only to New Mexico.

Mr. SHIELDS. My recollection is that in the Senate bill, as well as in the House bill, it was provided that it should be applied to these new judges. Am I correct about that?

Mr. JONES of New Mexico. No, Mr. President——

Mr. CUMMINS. Allow me to answer that. The judges appointed under this act will have no successors unless otherwise directed by Congress. So far as New Mexico is concerned, if there is any vacancy either in the office of the newly appointed judge, or in the office of the existing judge, there will be no appointment, the idea being that if either of these two judges dies or resigns, then New Mexico will have but one judge until Congress otherwise orders.

Mr. BORAH. Mr. President, may I make a suggestion to the Senator from Iowa. Would he have any objection to considering the report as withdrawn and having it printed and put over until to-morrow morning?

Mr. CUMMINS. The report was printed in the RECORD several days ago.

Mr. BORAH. But I have not seen it.

Mr. CUMMINS. The reason why I did not call the report up sooner was on account of the absence of the Senator from Tennessee [Mr. SHIELDS]. It was understood that I would not bring it forward until the Senator from Tennessee requested it, and I bring it up three or four days after it was presented, at this time, because I want, if possible, to secure the adoption of the report by the House.

Mr. BORAH. I will not interfere with it.

The PRESIDING OFFICER. The Chair will state that the conference report was also printed as a Senate document.

Mr. SHIELDS. I did not know of that. I wish to ask the Senator from Iowa about the question raised by the Senator from New Mexico. My recollection of both the House bill and the Senate bill is that there is a provision that if any of these new judges die no successors are to be appointed; in other

words, that the bill was passed upon the theory that there was an emergency, and that they were emergency judges, on account of the immediate and present congestion in the Federal district courts, growing out of the prohibition and other laws conferring new jurisdiction upon those courts, which the Attorney General, judges, and others had investigated and had said would be over in a year or two. When these judges are appointed, on account of the existing emergency of two years, they will remain in for life. But I am going aside from the subject. The provision that no successor to these judges should be appointed applied to them all. Am I correct about that?

Mr. CUMMINS. The Senator is correct, with qualifications.

Mr. SHIELDS. I am in sympathy with the Senator from New Mexico, because if there is to be a provision that there is to be no successor of the permanent judge in case he dies there is a discrimination against the district of New Mexico not based on any facts, because there are a dozen other cases in which there is no more excuse for the creation of additional judgeships than there is in the case of New Mexico; and there is absolutely none in the case of New Mexico. They do not need any additional judge there, and they do not need any in a dozen other districts. I see the Senator from Arizona [Mr. ASHURST] taking an interest in this matter, and my statement applies to his State. I believe I said, when we were discussing the bill, in answer to his speech, that I presumed he had spoken, because he realized his case was the least meritorious of them all.

The point I want to make is that if this legislation is included in this bill, as it was not in the House bill, and was not in the Senate bill, it is subject to a point of order, and I make the point of order. It is entirely new legislation.

Mr. CUMMINS. Mr. President, the Senator from Tennessee is in error with regard to that. In the bill as it passed the Senate there was a provision that no successor should be appointed to the judges appointed under this act. The bill as it passed the House had no such provision in it. The House agreed to the Senate provision with a modification, and that modification is as follows:

A vacancy occurring, more than two years after the passage of this act, in the office of any district judge appointed pursuant to this act, except for the middle district of Tennessee, shall not be filled unless Congress shall so provide, and if an appointment is made to fill such a vacancy occurring within two years a vacancy thereafter occurring in said office shall not be filled unless Congress shall so provide: *Provided, however*, That in case a vacancy occurs in the district of New Mexico at any time after the passage of this act, there shall thereafter be but one judge for said district until otherwise provided by law.

Mr. SHIELDS. I wish to ask the Senator from Iowa if that is not new legislation in a conference report?

Mr. CUMMINS. It is not. It is a plain, clear, germane amendment to the Senate provision.

Mr. SHIELDS. Can a conference report amend a bill in a matter that was not considered either by the House or by the Senate? I submit that question to the Senator from Iowa.

Mr. CUMMINS. I answer unhesitatingly that we have jurisdiction to do what we have done here. It is to me so plain that it is hardly arguable.

Mr. SHIELDS. The motion now is to take up the conference report?

Mr. CUMMINS. That is the motion I made.

Mr. SHIELDS. My point is not in order at this time, but I shall make it when we take it up. It is new legislation.

Mr. CUMMINS. I will say to the Senator from New Mexico, in passing, that the Senate conferees had two alternatives finally, to accept this provision as it now appears in the conference report or yield the district of New Mexico entirely, and the Senator from New Mexico might make his choice.

Mr. McCUMBER. Mr. President, I hope it will not be offensive for me to suggest to the Senator that apparently, if we get into a discussion of this matter, we will have an all-day job on our hands, and it is not a bill which must be passed by the 1st day of July. I hoped that the Senator could get unanimous consent to dispose of it, and to dispose of it in a very short time, but I want to call the Senator's attention to the fact—and I think he will realize the situation—that this is the 30th day of June. There are a number of bills outside of the bill of which I have charge which ought to be passed to-day in order that they may be disposed of before the 1st day of July, and of course I would gladly yield the consideration of the tariff bill for the consideration of such measures that must necessarily come up in order to be disposed of before to-morrow.

I ask the Senator if he does not think it would be better to withdraw the motion at this time and let the Senate dispose of those small matters which ought to be gotten rid of, and then go on with the tariff bill during the day, and possibly some Senators who desire to discuss the judges' bill may obtain some additional information in regard to matters which they have not yet read over carefully which may shorten the discussion when I would be called upon to temporarily lay the tariff bill aside to consider the conference report on the judges' bill.

Mr. CUMMINS. Mr. President, if the Senator from North Dakota asks the Senate to vote against my motion, in all probability the motion will be defeated. I am very much in earnest about the matter. I think it is the duty of the Senate to dispose of this conference report, and once it is before the Senate it does not seem to me possible that it will take very much time to dispose of it, although I know there are some who are opposed to the whole legislation.

I want to say, however, before I do anything in regard to it, that I was told two or three days ago by the Assistant Attorney General, who has charge of all criminal prosecutions throughout the United States, that if all these judges were appointed immediately and entered upon the execution of their duties immediately, if it could so happen, it would require all of them for two years just to try the cases which are already ready for trial on indictments which have been presented on account of fraudulent use of the mails, cases of the very highest importance. In our hearts we are thinking that the criminal laws of the United States are not being enforced as they ought to be, and yet, not talking about prohibition or any other subject than the one I have mentioned, there are cases enough now ready for trial—which can not be tried on account of the impossibility of securing judges—to consume two years of time of 24 additional district judges. We might as well surrender any claim of administering justice in the United States if we can not punish people who are daily violating the law. The cases to which I refer are not trifling, unimportant cases; they are all cases of great magnitude, involving the exploitation of the people of the United States in all kinds of wicked and baseless schemes. If the Senator from North Dakota is not willing to ask that my motion prevail, I intend to withdraw it.

Mr. McCUMBER. That is what I was in hopes the Senator would do, for the reasons I mentioned, and then later in the day, or at a very early day, he can call it up again. I was moved to make the suggestion rather because of my desire to help out those who have bills which should be passed and disposed of to-day.

Mr. CUMMINS. I can only say that, so far as I am personally concerned, I will not be here for a week or more, and if the conference report goes over to-day, it will probably have to go over for some time.

Mr. CALDER. Mr. President, I do hope the Senator from North Dakota will permit this conference report to be considered now. I know that in New York City we have court calendars which will take us two years to dispose of. There is a crying need for additional judges in the southern district of New York to take care of the legal business of the Nation, and I know of no matter more important pending before the Congress than the termination of this subject. I do hope that we may consider the report and dispose of it now.

Mr. CUMMINS. I do not intend to press the motion against the objection of the Senator from North Dakota. I understood he was willing that I should make this motion. I find now that he is not, and therefore I withdraw the motion.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). The Chair desires to make a statement in reference to the ruling he made a moment ago. When the motion was made to proceed to the consideration of the conference report, the Chair ruled that the motion was debatable. That was based upon the rule of the Senate in reference to the consideration of bills. The Assistant Secretary has called the Chair's attention to clause 1 of Rule XXVII, which the Chair desires to read and to call to the attention of the Senate. It reads:

1. The presentation of reports of committees of conference shall always be in order, except when the Journal is being read or a question of order or a motion to adjourn is pending, or while the Senate is dividing; and when received the question of proceeding to the consideration of the report, if raised, shall be immediately put, and shall be determined without debate.

The Chair is of the impression that the latter part of that clause of the rule refers to the question of consideration at the time the conference report is received. This conference report was received several days ago, and the question of consideration was not called up at that time. The Chair is still of the impression that a motion to proceed to its consideration would be debatable, but the Chair has not a fixed opinion upon it. He is informed by the Assistant Secretary that rulings upon both sides of the question have been made. The Chair simply desires to call it to the attention of the Senate, so that if it comes up hereafter it may be properly considered. However, the motion to proceed to the consideration of the conference report at this time is withdrawn.

DISTRIBUTION OF SPEECHES BY FEDERAL RESERVE BANKS.

Mr. HEFLIN. Mr. President, on yesterday I called up Senate Resolution 308, and the Senator from Connecticut [Mr. McLEAN] asked that it go over until this morning. I ask for the immediate consideration of the resolution at this time.

The PRESIDENT pro tempore. The Secretary will read for the information of the Senate the resolution referred to by the Senator from Alabama.

The ASSISTANT SECRETARY. As modified the resolution reads as follows:

Whereas it has been charged upon the floor of the Senate that each and every one of the regional Federal reserve banks of the United States has had printed and distributed at its own expense a speech delivered in the Senate by Senator GLASS, of Virginia, in which the position of Senator HEFLIN on the deflation policy of the Federal Reserve Board was assailed and criticized: Therefore be it

Resolved, That the Federal Reserve Board is hereby requested to call on all of said Federal reserve banks, except the Federal Reserve Bank of Atlanta, which has already reported to the Senate, to furnish to the Senate in writing all information in their possession, respectively, called for in the following questions:

(1) At whose instance was the speech in question of Senator GLASS sent out? (2) At whose expense was said speech printed and distributed? (3) How was the fund provided, and how many copies of said speech were sent out, and how much money was expended in printing and distributing said speech? (4) Did any member of the Federal Reserve Board suggest the printing or distribution of the said speech? (5) Was any letter sent out with said speech? If so, attach a copy to your report.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

Mr. McLEAN. I object.

Mr. HEFLIN. Very well. I shall discuss the question a little later on.

The PRESIDENT pro tempore. Objection is made and the resolution goes over.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The PRESIDENT pro tempore. The Secretary will report the next amendment.

The ASSISTANT SECRETARY. Paragraph 718, page 102, fish.

Mr. JONES of Washington. Mr. President, I asked the chairman of the committee yesterday to allow that and the following paragraphs to go over. I have been so engaged that I have not yet had an opportunity to get my data together. I believe that I can save time for the Senate by getting my data in better shape, if the Senator from North Dakota will allow the paragraph to be passed over to-day.

Mr. McCUMBER. Very well, Mr. President. I hope we shall be able to take it up surely to-morrow.

Mr. JONES of Washington. I promise the Senator that I shall not ask that it may go over after to-day.

Mr. McCUMBER. Very well.

The PRESIDENT pro tempore. To just which paragraphs does the request of the Senator from Washington apply?

Mr. JONES of Washington. Paragraphs 718, 719, and 720, relating to fish.

The PRESIDENT pro tempore. Those paragraphs will be passed over until to-morrow. The Secretary will state the next amendment.

The ASSISTANT SECRETARY. Paragraph 721, page 103, fish (except shellfish). In line 14 the committee proposes to strike out "26" and insert "30," so as to read:

Fish (except shellfish), by whatever name known, packed in oil or in oil and other substances, 30 per cent ad valorem.

Mr. FRELINGHUYSEN. Mr. President, I send to the desk a resolution passed by the American Farm Bureau Federation and ask that the resolution may be read for the information of the Senate.

The PRESIDENT pro tempore. Without objection, the Secretary will read the resolution.

The Assistant Secretary read as follows:

Resolved, That the American Farm Bureau Federation, through its executive committee, favors a scientific tariff based on production and conversion costs, to be determined by a nonpartisan commission, and to be effective when announced by the President of the United States, together with a statement of the commission's estimate of revenues to be derived and the probable effect on trade prices, and to this end indorses the principle of the amendment to the pending tariff bill offered by Senator FRELINGHUYSEN, of New Jersey, on June 21, 1922.

Mr. UNDERWOOD. Mr. President, would the Senator from New Jersey object to having the resolution referred to the Committee on the Judiciary to ascertain their opinion as to whether under the Constitution of the United States such an organization can be made to write tariff bills? If there is no objection, I ask unanimous consent that the resolution be referred to the Committee on the Judiciary for that purpose.

Mr. McCUMBER. I would like to hear the resolution read again and the reasons given why it should go to the Committee on the Judiciary instead of the Committee on Finance.

Mr. UNDERWOOD. It is a law question, a question that constantly comes up here, to create a tariff commission with power to enact tariff bills. I am not going into it on the merits as to whether that is a fair or unfair way to write tariff bills, but we still have the Constitution of the United States, which provides that revenue bills shall originate in the House of Representatives. In order that we may have some ascertainment of the question, I suggested that the resolution be referred to the Committee on the Judiciary for an opinion as to whether or not the matter was within the terms of the Constitution of the United States.

Mr. McCUMBER. I desire to say that I have no objection to having the superior legal knowledge of the Judiciary Committee first expressed upon the matter before it goes to the Finance Committee, if it is the desire of the Senator from New Jersey that it should go there. I would be very glad to have the matter discussed by that committee.

Mr. UNDERWOOD. This is not a legislative proposal on the part of the Senator from New Jersey; it is a resolution passed by the American Farm Bureau Federation expressing an opinion. It has no legislative weight, of course, because it was only presented by the Senator from New Jersey to call to the attention of the Congress the position of this organization of men. But as questions continually arise as to how far we can go in taking away from the Congress of the United States the power to levy taxes, I thought we might have an opinion by those who are constituted to speak in a legal way on the subject. Of course, if the Senator from New Jersey does not desire a legal opinion on the question, I have no desire to press my request.

Mr. FRELINGHUYSEN. The resolution passed by the American Farm Bureau Federation was simply sent to the desk to be read for the information of the Senate. It is not legislation. It has nothing whatever to do with any legislation, except that it expresses the opinion of the Farm Bureau Federation in regard to an amendment to the pending tariff bill which I have introduced. I am perfectly willing to submit to the Judiciary Committee the question of the constitutionality of the amendment, but I am not willing to withdraw it from the Finance Committee nor from the right that I have to offer it to the pending tariff bill.

It is an amendment to the pending tariff bill. It deprives the Congress of no powers whatsoever. It simply clothes the Tariff Commission with certain authority to present facts to the Congress of the United States and goes no further. I do not intend to debate it now, but I intend to offer it in the committee, and if the committee reports it I shall then debate it, or I shall offer it on the floor and then debate it. We might just as well take every paragraph in the bill and every bit of legislation and refer to the Judiciary Committee the question as to whether it is constitutional or not.

Mr. UNDERWOOD. If the Senator will permit me, the Senator's statement about his own amendment is correct. This resolution passed by the American Farm Bureau Federation in reference to the Senator's amendment was evidently passed under a misapprehension of the facts, because the resolution clearly indicates that it is the desire of the bureau to give the power of fixing tariff rates, which is the same thing as fixing taxation, to the Tariff Commission.

I am not familiar with the Senator's amendment, and therefore I am not able to say what the effect of it might be; but the Senator says it does not authorize any commission to fix rates, and therefore, of course, it can not fix taxes. The resolution would not apply to the amendment because the resolution presented, from a reading of it, clearly discloses that the gentlemen evidently interpreted the Senator's amendment as giving power to the commission to fix rates.

Mr. FRELINGHUYSEN. They are undoubtedly in favor of that plan, but I want to say to the Senator from Alabama that if Congress had the power to delegate the authority to a governmental agency to fix rates after proper study and could constitutionally do it, I would vote for such a provision.

Mr. UNDERWOOD. Probably the Senator would, but of course that is only an academic question. The Senator recognizes the fact that the Congress has not that power, of course.

Mr. FRELINGHUYSEN. I do; and it is due to the framework of our Government, although pretty nearly every other country that fixes tariff rates or tariff duties delegates that authority to a governmental agency, and it is a very efficient system.

The PRESIDENT pro tempore. The resolution will lie on the table.

CONTINUATION OF CERTAIN LAND OFFICES.

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 3425) to continue certain land offices, and for other purposes, which was to strike out all after the enacting clause and insert:

That the land offices now located, respectively, at Bellefourche in the State of South Dakota, Waterville in the State of Washington, Dickinson in the State of North Dakota, Del Norte and Sterling in the State of Colorado, Clayton and Fort Sumner in the State of New Mexico, Harrison and Camden in the State of Arkansas, and Alliance in the State of Nebraska, are hereby continued for and during the fiscal year commencing July 1, 1922, and thereafter, in the discretion of the President, as long as the business at such offices shall warrant: *Provided, however,* That the President may consolidate the offices of register and receiver in any of said offices whenever he may deem it in the public interest.

SEC. 2. That such appropriations as are sufficient to maintain said offices are hereby authorized to be made from time to time as conditions may require.

Mr. SMOOT. I move that the Senate concur in the amendment of the House.

Mr. HARRIS. Mr. President, the junior Senator from Arkansas [Mr. CARAWAY] wanted to have this matter to go over until he can be present.

Mr. SMOOT. I will briefly state to my colleague the changes which have been made by the House of Representatives in the bill as it passed the Senate. The House has stricken out certain land offices which were provided for in the Senate bill 3425, and which were included in the bill by a vote of the Senate. Those offices are as follows: The office at Timber Lake and Lemmon, in the State of South Dakota; Williston and Minot, in the State of North Dakota; Broken Bow, in the State of Nebraska; and Springfield, in the State of Missouri. Those are the land offices, Mr. President, for which the House of Representatives refused to provide. The other land offices which are provided for in the bill are the ones which were abolished under an act of Congress which was passed in the early spring.

Mr. NORRIS. Mr. President, will the senior Senator from Utah yield to me?

Mr. SMOOT. Yes; I yield to the Senator.

Mr. NORRIS. Did not the House provide for one land office which was not included in the bill as it passed the Senate? On yesterday I compared the bill as it passed the House of Representatives with the bill as it originally passed the Senate, but I do not now have a copy of the bill before me. As I remember, however, the House of Representatives struck out a number of offices which the Senate had put in, but they included in the bill a new land office.

Mr. SMOOT. They provided for a land office at Sterling, in the State of Colorado.

Mr. NORRIS. What was the reason for that action?

Mr. SMOOT. I have not read the RECORD of the House proceedings, I will say to the Senator from Nebraska, but I doubt very much whether there was anything stated upon the floor of the House in relation to the matter. Evidently, however, the committee decided that it was absolutely necessary to provide for the additional office.

Mr. NORRIS. Neither have I read the RECORD, but I have had a conversation with some one who has done so, and, as I remember the situation as it was stated to me, the amendment to which I refer was offered on the floor of the House; it was not a committee amendment. I was wondering what reason had been given for including Sterling, in the State of Colorado.

Mr. STERLING. If the Senator from Utah [Mr. SMOOT] will yield to me, I desire to say that I have just been informed by Representative WILLIAMSON, of the House, that the amendment was put in by the committee of the House, and that one reason urged for the retention of that office was that over and above the disbursements of that office there has been a net gain to the Government of $2,225. That statement was urged in favor of the amendment as showing the need of the office.

Mr. NORRIS. I am not familiar with the conditions and I am not prepared, of course, to object to the House amendment, but what I really wanted to ask the Senator from Utah [Mr. SMOOT] before he made his motion was whether or not he had consulted the junior Senator from North Dakota [Mr. LADD] in reference to the matter?

Mr. SMOOT. I will say that I have.

Mr. NORRIS. Is it agreeable to that Senator for the Senator from Utah to make the motion which he has?

Mr. SMOOT. The Senator from North Dakota told me not five minutes ago to proceed and make the motion.

Mr. NORRIS. I have no objection to the Senator doing so, except that I inferred from my conversation with the Senator from North Dakota that he was opposed to the motion. If it is satisfactory to him, I have no objection.

Mr. SMOOT. It is perfectly satisfactory to the Senator from North Dakota.

Mr. President, I desire to say to the Senator from Nebraska, so that there may be no misunderstanding about the matter, that it is satisfactory to the Senator from North Dakota for me to make the motion which I have made to concur in the amendment of the House.

Mr. NORRIS. I should not have interrupted the Senator at all had it not been that on yesterday I had a conversation with the Senator from North Dakota, and I thought from what he stated that he was going to oppose the motion. As the Senator from North Dakota is not present in the Chamber, I thought I would make the inquiry of the Senator from Utah which I have. I have no further objection to the Senator's motion.

The PRESIDING OFFICER. The question is on concurring in the House amendment.

Mr. UNDERWOOD. I suggest the absence of a quorum before the pending matter shall be disposed of.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Ashurst	Glass	McLean	Simmons
Ball	Gooding	McNary	Smoot
Broussard	Hale	Nelson	Spencer
Bursum	Harris	New	Sterling
Cameron	Heflin	Newberry	Sutherland
Capper	Jones, N. Mex.	Nicholson	Townsend
Caraway	Jones, Wash.	Norbeck	Trammell
Colt	Kellogg	Norris	Underwood
Culberson	Kendrick	Overman	Walsh, Mass.
Cummins	Keyes	Pepper	Warren
Curtis	King	Phipps	Watson, Ga.
Dillingham	La Follette	Poindexter	Watson, Ind.
du Pont	Lenroot	Pomerene	Willis
Ernst	Lodge	Rawson	
Frelinghuysen	McCumber	Sheppard	

Mr. CURTIS. I wish to announce that the junior Senator from North Dakota [Mr. LADD] and the junior Senator from Illinois [Mr. MCKINLEY] are detained in attendance upon the Committee on Agriculture.

I also wish to announce that the Senator from Nevada [Mr. ODDIE] is necessarily absent.

The VICE PRESIDENT. Fifty-eight Senators have answered to their names. A quorum of the Senate is present.

Mr. KING. I regret that my colleague has made the motion to concur in the amendment of the House. Of course it was his duty to have the amendment of the House laid before the Senate, and therefore I make no criticism of his proceeding.

Some time ago, Mr. President, it became apparent that there were entirely too many land offices in the public-land States. Everybody familiar with the situation knows that some of them have been kept open under Republican administrations and Democratic administrations because of the importunities of politicians. The Government is made the scapegoat and offices are maintained in order to give the positions to Republicans or Democrats in the public-land States. I think that the Government in the past has been most generous in affording opportunity for those who desire to enter public land to do so. It has established, in my opinion, too many land offices in the public-land States. It has been out of a desire to accommodate the people and to take the land offices to the people instead of having the people go to the offices.

Some time ago it became so apparent that an injustice was being done to the Government in maintaining all these unnecessary land offices that, in a spasm of virtue, Congress passed a law abolishing land offices in the following places: Camden and Harrison, in the State of Arkansas; Del Norte, Hugo, and Sterling, in the State of Colorado; Alliance and Broken Bow, in the State of Nebraska; Clayton, Fort Sumner, and Tucumcari, in New Mexico; Dickinson, Minot, and Williston, in the State of North Dakota; Bellefourche, Gregory, Lemmon, and Timber Lake, in the State of South Dakota; Waterville, in the State of Washington; and Springfield, in the State of Missouri. With the abolition of those, as I believe, unnecessary offices—and evidently the Public Lands Committees of the House and of the Senate believed they were unnecessary because, as I am advised, they reported the bill and it passed both the House and the Senate—they left in those States the following number: In Arkansas there was still one public land office left at Little Rock; 7 were still left in Colorado; 1 in Nebraska; 3 in New Mexico; 1 in North Dakota——

Mr. BURSUM. Mr. President——

Mr. KING. I yield.

Mr. BURSUM. Does the Senator say three in New Mexico? He should have said two. There were three. We left out one.

Mr. KING. The number left in that State when the bill passed, as I recall, was three.

Mr. BURSUM. Oh, the total number?

Mr. KING. Yes; and that is the report which I have before me, which I think was prepared by some officials of the Land Office. I will ask the Senator now if it is not a fact that three are still left in the State of New Mexico?

Mr. BURSUM. Yes; but I understood the Senator to say that we have three in this bill.

Mr. KING. Oh, no.

Mr. BURSUM. The appropriation bill affected three, but in the new bill we left out one.

Mr. KING. You left out Tucumcari?

Mr. BURSUM. Yes; we left out Tucumcari; and I will say to the Senator that one of the offices which is reinstated has 550,000 acres of land in the district, and the revenues are close to $30,000—$28,000. The other district has 130,000 acres of land, and the revenues will also be close to $30,000. Only the Tucumcari office was closed and left out.

Mr. KING. There are still five left in Washington, and, of course, there are other States that are not affected by the bill. The report to which I have referred shows that in Springfield, Mo.—and I think that is preserved——

Mr. SMOOT. No; that is stricken out.

Mr. STERLING. That is stricken out.

Mr. KING. I am glad the Senate saw fit to do that. We have been keeping there for a long time a public land office with 48 acres of public land, with an expense, of course, for the necessary official. In Camden, Ark., there are 31,919 acres.

Mr. CARAWAY. Mr. President, may I interrupt the Senator?

Mr. KING. I yield.

Mr. CARAWAY. At Camden, Ark., while there is not a great acreage, recently one of the most productive oil fields in America has come in, and that has been a busy office. There is but one man there. The register and receiver are one and the same; but there is something less than $3,000 expense and quite a good, big revenue. I might say, incidentally, that the Secretary of the Interior did not want either of the offices abolished, and nobody knew, seemingly, that they were abolished. It was one of those unfortunate riders that are put on appropriation bills, and nobody knew its effect. I never heard of it.

May I continue the interruption for just a moment while I am on my feet?

Mr. KING. Yes.

Mr. CARAWAY. In the case of the other office, Harrison, I do not remember the number of acres of public land.

Mr. KING. One hundred and one thousand.

Mr. CARAWAY. But adjacent to it there are more than 500,000 acres of national forest lands. Thousands of acres are being released from it every year. It takes two days to go from that territory to Little Rock and two days to return. There is only one man there, and why anyone could seriously say that one having to do with the Government should be compelled to incur a loss of time of pretty nearly a week and great expense in order to abolish one man's job, when the office pays very much more in fees than the expense of maintaining it, I do not see. I dare say that the additional clerk hire resulting from the consolidation of the three offices in Little Rock will be as great as the expense of maintaining the two land offices. The Government has the buildings; it has the equipment; it has everything. The people are familiar with the offices. They are accustomed to go there. It will not save a penny, but it will make every man who has anything to do with the Government incur a loss of time and a heavy expense.

Mr. KING. Mr. President, we hear a great deal about economies, and those who have been advising the present administration I think have recommended, and I believe properly, consolidations wherever it was possible in the interest of economy.

Mr. CARAWAY. Mr. President, if I may interrupt the Senator, the Secretary of the Interior did not advise this, and did not want it.

Mr. KING. I understood the Senator. I think that many of these departments do not want to abolish needless offices. I think experience has demonstrated that in most of the executive departments of the Government, instead of there having been exhibited a desire for economy and for an elimination of useless offices, quite the contrary has appeared, and as a result we find constantly a multiplication of offices and an increase in the number of officeholders in the various executive departments of the Government. Even since the war was over—and we are removed from it now practically four years—there has not been that reduction in the war forces that was promised by our Republican friends and promised by Democrats, and the result is that in many of the executive agencies of the Government there are hundreds and thousands of needless employees.

Mr. CARAWAY. Mr. President, may I interrupt the Senator again?

Mr. KING. I yield.

Mr. CARAWAY. The thing that I complain about is this: Whenever economies are spoken of there is always an attempt to economize by depriving people who are not situated at the seat of government of the ordinary, necessary facilities of transacting business. Expenses may run riot in the District of Columbia, and everybody may have a job doing nothing with three helpers, and there is not any very great outcry against that; but if there is some little convenience down in a State where people are accustomed to go and deal with the Government, then it is a needless expense. There are post offices conducted in buildings that are so ill suited to the purpose that they are a disgrace to the Government, and you could not get a dollar for that purpose, but you can get millions if you will pour them out in the District of Columbia.

The Senator from Utah, who heretofore has impressed me ordinarily as being right, has now joined the hue and cry to cut off every possible facility for people who do not happen to live within the District of Columbia, to centralize the Government, to take away every agency that it has to popularize it and to meet the demands of the people, and concentrate it every bit, and call it economy, when the additional clerks necessary will cost as much as the maintaining of the office.

Mr. KING. The Senator is entitled to his opinion, and may animadvert as much as he pleases upon my attitude concerning these items, but it will not deter me from expressing the opinion which I entertain. I agree in the main with what my friend has said. We are perfectly willing to make enormous appropriations for centralized activities of the Government. Millions and tens of millions, I have insisted since I have been here, have been extravagantly used—have been wastefully employed—in many of these concentrated agencies of the Government. I sympathize entirely with the view which my able friend has taken. I am in favor of ceding these public lands to the States. I think it is absurd for the Federal Government to deal with this limited acreage. These public lands ought to be ceded to the States. The thirteen original Colonies had the lands within their borders. Texas, when she came into the Union, had all of the land within her borders.

Mr. CARAWAY. But nobody wanted that land in Texas.

Mr. KING. It is valuable land, and out upon that land there are found to-day millions of happy and prosperous and patriotic American citizens.

Mr. CARAWAY. But what I wanted to say to the Senator, if I may, is that if he will let us have these land offices until he gets his bill through to cede the land to the States, then I will agree with him that the land offices may be abolished.

Mr. KING. I wish the Senator would join now in a movement to cede the public lands to the States.

Mr. CARAWAY. I will. I will vote with the Senator whenever he introduces it.

Mr. KING. I have had a bill for that purpose pending here for five years.

Mr. CARAWAY. I know, but the Senator can not get it reported from his own committee.

Mr. KING. I am not on the committee, let me say to the Senator.

Mr. CARAWAY. Was not the Senator on it when the bill was introduced?

Mr. KING. No; I was not. I never have been.

Mr. CARAWAY. I will move to put the Senator on it when the Senate is reorganized and made Democratic, as it will be in the next Congress.

Mr. KING. The Senator is an admirable prophet, and I hope his prophecies will be realized with respect to the next Senate being Democratic.

Mr. President, if I felt that there was any necessity for some of these offices I should be the last one to oppose the measure which reestablishes these offices. Looking at this list I am of the opinion that perhaps in two districts the offices should be maintained—one at Fort Sumner, N. Mex., where it is claimed that there are 655,000 acres of public land; the other at Waterville, Wash., where there are 330,000 acres; and yet, Mr. President, in view of the fact that there are five remaining offices in the State of Washington, it does not seem to me that there is any necessity for continuing another one.

Mr. PHIPPS. Mr. President——

Mr. KING. I yield to the Senator.

Mr. PHIPPS. For the Senator's information, I should like to say that in the case of Del Norte, Colo., which is typical, the land office is situated about 150 miles from the nearest other land office. The area of land remaining to be disposed of exceeds 475,000 acres.

Mr. KING. Four hundred and ninety-two thousand.

Mr. PHIPPS. I deal in round figures as a rule. I am not quite as exact, perhaps, as the Senator from Utah. However, in this particular case it should have been put in the bill to retain the office with the positions of register and receiver consolidated. That would be the purpose of the present bill under the conference report and as it now stands. In some other States the offices will be consolidated so that one official will operate instead of two; and I believe that in all of these offices the Interior Department has kept in mind strongly the intention and the purpose of reducing the number of minor employees.

The subordinate positions can be carried on with a smaller number of clerks, and economy will be obtained in that way. I doubt very much, however, if it would be an economical measure for the Government to abolish these offices, because it would mean about the same expense to the Federal Government, and certainly a very great expense on the people who have taken up these public lands and who have not yet completed their payments and received their patents.

Mr. KING. Mr. President, in view of the fact that the area of public lands available for occupation which are being located upon by the people is being reduced to a minimum, I think I can state accurately that there will be fewer entries in the future than in the past; that there will be a constant diminution of entries, especially homestead entries, with the constantly diminishing area which is susceptible of irrigation.

Mr. WARREN. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Wyoming?

Mr. KING. I yield.

Mr. WARREN. There is another part of that which is important. In some offices hundreds of thousands of acres have been entered, but have not proceeded far toward the final proof, and it takes some time to finish it. As the Senator from Colorado has said, it is important to fix the matter so that those settlers shall not have to travel exceedingly long distances to make their proofs.

As the Senator knows, we have a general statute which permits the Secretary of the Interior to close any office which is considered no longer necessary, and also to combine the offices of register and receiver into one; and there are some cases where oil or minerals have been discovered, which affect the matter. So while the Senator is quoting the correct figures about the unentered lands, there is some difference as to the value of those lands which are subject to entry. Then there is the matter of unfinished proof, as well as the mineral proposition.

Mr. KING. Mr. President, what I stated I think will not be controverted, that the public area which is desirable to acquire is rapidly diminishing. Most of the land in the State of the Senator from Wyoming, as he knows, and millions of acres of land in the State of Arizona, and millions of acres of land in the State of Nevada and of Utah and other Western States, never can be irrigated. Much of it, indeed, is not even fit for grazing. It consists of rugged peaks, which lift their heads into the sky, and upon their backs bear no vegetation or verdure or timber. There are millions of acres of land which are alkali and valueless; so that there will be a reduced number of entries yearly.

To show that the Secretary of the Interior, if he has that authority—and the Senator quotes the statute accurately—has failed to consolidate or to abolish unnecessary land offices, I want to call attention to some of the offices which are found in this bill. There is Hugo, in Colorado, which has 1,805 acres of public land within the district.

Mr. PHIPPS. There is no attempt made to maintain that office.

Mr. KING. I understand.

Mr. PHIPPS. There are cases, like Durango, Colo., where there is large acreage not taken up, much of which is susceptible of cultivation under dry farming. Montrose, Colo., has an acreage of about 2,370,000, and, of course, the office is maintained. The two positions, however, have been consolidated. It was thought that there was sufficient work there for both officials, the register and receiver, but, as a matter of fact, if those two offices have been credited with the amount of money received from the sales of Indian lands, about $11,000 per year in each office, they would have been within the requirements, and their expenditures would have been less than 33⅓ per cent of their receipts; but they were not given credit for the Indian money, and they fall under the category of those offices where the two positions are to be consolidated.

The House takes that attitude, and we will have to submit. I think perhaps it can be worked along so that those offices can function under one official without great disadvantage, but, strictly speaking, they should not have fallen under the category of offices where the expenditures were more than 33⅓ per cent of the receipts.

Mr. HITCHCOCK. Mr. President, if the Senator from Utah will yield to me for a moment, I would like to draw his attention to what I think is an important distinction between the policy of maintaining these offices and the policy which he attacks, and justly attacks, of maintaining unnecessary public officials.

In the case of unnecessary public officials, here in Washington and elsewhere, the offices have been maintained for the benefit of the officials, and it amounts to a sort of an official graft; but, as he very well knows as a western Senator, these western offices have been maintained, where they have been maintained after the sales have subsided, for the convenience of the homesteaders themselves. I think the Government owes a duty to these thousands of people out there who have entered homesteads and taken up the battle of western civilization.

I believe the Government owes to them something more than the ordinary obligation of maintaining an office when the entries are being made. Those people are principally poor, and to close the office immediately, when the time arrives that the public lands have been largely entered, and compel those people to deal with an office hundreds of miles away would be putting an unfair hardship upon them.

The only objection I have to the amendment of the House is that it goes too far. In my State, for instance, the office at Broken Bow is closed, and the people who have entered lands at Broken Bow will be compelled to go probably 200 miles to the nearest office. I am glad to say that the office at Alliance has been retained. But I think the Senator from Utah should bear in mind that the offices in those regions are maintained not in order to keep some individual in office but in order to afford convenience to the homesteaders, who are having a hard time at best, and who should not be compelled to go or send a hundred miles to perfect their titles and get their patents ultimately.

Mr. PHIPPS. Mr. President, I merely want to mention, in this connection, the office at Sterling, Colo., which is typical of the very point the Senator raises, where the land has all been entered practically, and only some 6,000 acres remain. The closing of the transactions entered into by those homesteaders will continue over a period of three or four years, and during the coming fiscal year the receipts of that office, fairly estimated, will be amply large enough to justify the retention of one official in charge, rather than to put those homesteaders to the necessity of traveling a distance of 175 miles, on the average, to the next nearest land office, which is Denver, Colo.

Mr. HITCHCOCK. It should be borne in mind that these offices, particularly the two offices in Nebraska I have in mind, Alliance and Broken Bow, have for a large number of years been highly profitable to the Government, and I presume that is true of offices in other States. I question the public policy of closing those offices the moment their receipts fail to exceed their expenditures. I think the Government owes an obligation to the people who came there and have taken up homesteads, and that the Government is not justified, in order to save a few thousand dollars, in putting those people to an expense of many thousand dollars in perfecting their titles and getting their patents.

Mr. KING. Mr. President, I agree with all the Senator from Nebraska has stated. The only difficulty with his argument is that many of these offices do not come within the class to which he refers. Wherever there is any considerable quantity of land being entered, then I am in favor of the maintenance of an office, unless there is one very close at hand.

Mr. HITCHCOCK. The Senator misunderstood me. I am talking about land which was entered several years ago, and to which patents have not yet been received; that is, lands occupied in many cases by actually poor homesteaders, who are anxious to get their patents.

Mr. KING. Mr. President, most of the cases to which I am referring are cases, I understand, where there have been comparatively few entries within recent years. The land was taken up years ago. Take, for instance, Springfield, Mo., with 48 acres. My information is that it has been a number of years since any entries were made there. I will call attention to several others. I mentioned Hugo, with 1,805 acres. The receipts were $1,770 last year and the expenditures were $4,960. I can not conceive of a situation such as there presented warranting the continuance of an office at that point. It ought to have been abolished prior to this time.

Mr. STERLING. The Senator will have noted that Springfield, Mo., was not included in the bill as it passed the House.

Mr. KING. I understand that; but I started to answer a statement which has been made twice. The Secretary of the Interior has authority to close these offices, and I was stating that if he had authority he has not exercised it. I mentioned Springfield and Hugo as illustrations of that fact, as showing the necessity of Congress acting, or else you would continue these men in office with nothing to do. Sterling has been mentioned. Under that office there are 6,191 acres, and the expenditures are $10,802. Alliance has been mentioned. There are 14,950 acres only, with receipts of $9,413 and expenditures for the year of $6 363.

Mr. PHIPPS. Mr. President, I want to call attention to the fact that in those figures the Senator did not read the amount of the receipts of the Sterling office, which exceeded the expenditures by about $3,000. That the expenditures there were unjustifiable, I agree with the Senator.

Mr. KING. The Senator from Nebraska has mentioned Alliance, with 11,592 acres, with receipts of $6,900 and expenditures of $3,736.

Mr. HITCHCOCK. Mr. President, I have the official figures here on the Alliance office, and I think the Senator is mistaken. The area of the public lands on July 1, 1921, was 14,950 acres. The revenues for the fiscal year ending June 30, 1921, were $9,413 and the expenses were only $6,363.

Mr. KING. That is exactly what I stated.

Mr. HITCHCOCK. I misunderstood the figures, then. But I am not concerned with what the immediate receipts are, providing these offices have in their operation been the places where a great area of land has been entered and the patents not yet issued.

It seems to me those customers of the Government should be permitted to close their deals in the same offices where they began them, and that the offices should not be removed several hundred miles away and the homesteaders put to thousands of dollars of expense in order that the Government might save a little money. They have been profitable offices for the Government in their day. They have resulted in the settlement of a large area of territory, and on behalf of those homesteaders who are on the ground now, who have not yet received their title, I urge that a more liberal policy be continued.

Mr. McCUMBER. Mr. President, will the Senator allow me to make just one suggestion, which I do not think he has yet taken into consideration in the discussion, and which I think is important? If the Senator would take a State like any of our big prairie States, such as North Dakota or Montana, he would find that our four or five great transcontinental lines all run east and west. North Dakota is a State running 400 miles in one direction. There are very few opportunities to connect and to go from north to south, but it is very easy to get from east to west, and travel in that direction.

Knowing that there were some offices in my State in the very northwestern part, and that there were some others in the very southwestern part, 300 or 400 miles away, or nearly 800 miles if they had to go around by rail to reach them, I drew and had enacted into law a provision authorizing the Secretary of the Interior to hold the principal offices open, but to consolidate the offices of register and receiver in one individual, and allow the office to be held open as long as it paid a sufficient amount to take care of the expenses of the office and that one individual, so that those having contests, or having proofs to be made, could go to the nearest land office and have their business attended to, without the enormous expense of bringing their witnesses such long distances.

That was satisfactory to the Interior Department and we had decided on what land offices ought to be closed and what ones should be reduced or consolidated into a single office. Then without any knowledge on my part or that of my colleague, and, so far as I know, without any knowledge on the part of any of the members of our delegation in the House, there was put into a bill, I think an appropriation bill, and passed both Houses without attention being called to it a provision abolishing practically all those offices with the exception, I think, of one. It should not have been done. We should have allowed those consolidations in accordance with the old law.

This measure would give us a little remedial legislation and would give us an opportunity at least to hold open one or two of those offices. When they get down low in the matter of business, then we should reenact our law to allow the offices of register and receiver to be consolidated and not to dispense with the clerk, if his services are necessary, until the land in that vicinity has practically been taken care of.

Mr. KING. I agree with the Senator and sympathize entirely with the difficulties that have been encountered by the agriculturists of his State. I would have concluded what I had intended to say if I had not been interrupted so many times.

I desire briefly to refer to a number of other offices to show the situation.

Mr. SMOOT. Mr. President, I do not know whether my colleague has noticed that these places are continued for the fiscal year commencing July 1, 1922, and thereafter in the discretion of the President.

Mr. KING. I wanted to ask the Senator whether it was intended that at the end of the fiscal year all of the offices shall be abolished unless the President acts. Must he act affirmatively?

Mr. SMOOT. He must act affirmatively; but as long as the public business of such offices shall warrant, they may be kept open. Of course, if at any time the business does not warrant retaining them, the President will abolish them.

Mr. KING. Of course, the President will act upon the recommendation of the Secretary of the Interior; at least, I assume that he will.

I notice another office where the land within the district comprises 11,592 acres and the expense is $3,736. There is another district in New Mexico containing 58,000 acres, where the expenditures are $11,598 and the receipts only $10,000.

Mr. STERLING. Mr. President, is the one last mentioned in New Mexico included in the bill as reported from the House?

Mr. KING. I am not sure that it is in the bill reported by the House, but my recollection is that by the conference committee it was eliminated.

Mr. SMOOT. No; I will say to the Senator that it is still in the bill.

Mr. KING. It is still in the bill. I call attention to an office in North Dakota comprising only 6,000 acres, where the expenses were $3,881 and the receipts only $3,283. There is another one in North Dakota of 20,000 acres where the expenses are $4,309 and the receipts only $2,000. Gregory, S. Dak., 4,061 acres, receipts $2,614 and expenses $5,324.

Mr. STERLING. Mr. President, what is the use of taking the time of the Senate to discuss a proposition like that? The office at Gregory was discontinued some time ago. It has been discontinued.

Mr. KING. Does the Senator say it was not restored by the House?

Mr. STERLING. It was not restored by the House in the Senate bill. It was not in the bill which I introduced in the Senate. The bill passed the Senate with amendments, but Gregory was not included in the original Senate bill nor in the Senate amendments.

Mr. KING. Let me say to the Senator that the report which I have before me is of 1921 as to acreage. When was the office abolished, if it has been abolished?

Mr. STERLING. It was abolished several months ago. I do not recall exactly how long ago.

Mr. SMOOT. The report from which the Senator is reading is with reference to the offices abolished originally, but all of those offices have not been reinstated by the Senate bill.

Mr. KING. I mentioned Hugo, for instance, which was not included in the Senate bill, but I mentioned Hugo and Springfield, although Springfield was in the original bill, as evidence of the fact that notwithstanding there were only 48 acres it did not move the executive department of the Government to abolish the office. There we had an actual expenditure of $1,365 with an area of 48 acres in the district.

Mr. SMOOT. I will say to my colleague that all those offices were abolished.

Mr. KING. By law?

Mr. SMOOT. Yes; by not appropriating for them, and the pending measure is now restoring them.

Mr. KING. Exactly. We did, as I said, in a spasm of virtue abolish these offices, and now we are asked to undo what we have done. I am calling attention to what we have done and then showing that we are now undoing what we have heretofore done.

I call attention to the Timber Lake office in the State of the Senator from South Dakota.

Mr. SMOOT. That has been abolished.

Mr. KING. I understand that has been cut out, but it was not abolished by the Interior Department; it was abolished by failing to appropriate. There are only 4,718 acres there.

Mr. STERLING. Mr. President, I shall support the motion of the senior Senator from Utah [Mr. SMOOT] to concur in the House amendment to the bill. I do it reluctantly because of the elimination of the two offices—Lemmon and Timber Lake—in South Dakota. But this is June 30, and because of

want of time I have no other alternative. I can give the junior Senator from Utah a statement in regard to the business transacted at those offices and to be transacted.

In the Timber Lake district, while there are only 4,718 acres of land unentered, there are 171,600 acres of unperfected homestead entries. There are in the same district 408,300 acres proved up, but not patented——

Mr. KING. I hope the Senator will make his speech in his own time.

Mr. STERLING. So there is business for the land office at Timber Lake. The business of the land office at Timber Lake will continue for years if that office is kept open.

Mr. KING. I have called attention to a number of offices and districts where the areas are insignificant—from 48 up to 4,000 or 5,000 acres—and where we are keeping officials in positions and maintaining offices under circumstances such as I have detailed. Of course, I know the bill will pass. Any effort to secure the abolishment of any of these districts, or any other districts for that matter, would meet with failure.

I want to emphasize just in a sentence the unwisdom and impolicy of the Government dealing with these public lands. It ought to cede them to the States. The Legislature of New Mexico can deal with these lands far better than the Congress can deal with them and the officials in the Interior Department can deal with them. Every western Senator knows the annoyance, the irritation, the oppression of the bureaucratic despotism that exists with respect to public lands. We ought to cede them to the States and permit them, under such reservations as Congress may deem proper, to deal with those lands.

I regard this as a most impolitic procedure, costing the Government of the United States not millions but tens of millions of dollars annually in handling the public domain. Why not deed it to the States and let them dispose of the lands as they see fit? Other States have done it, and I am sure the disposition made by States of public lands has been more creditable to the States than has been the disposition made by the Federal Government. The States have handled the public lands committed to their charge with less scandal, with greater economy, in the interest of the people, than the lands have been handled by the Federal Government.

I sincerely hope that the committee before whom the bill is pending to cede to the States the public lands within the States will act favorably on the bill. The governors of the Western States have repeatedly convened and have resolved in favor of a cession of the public lands. Senators upon both sides of the Chamber have repeatedly declared for 25 years that the public lands ought to be ceded to the States. I can not understand why there should be any further obstacle or what reason there is for opposition to this measure.

Mr. HEFLIN. Mr. President——

The PRESIDING OFFICER (Mr. BURSUM in the chair). The Senator from Alabama.

Mr. HEFLIN. I am willing to have the Senate vote upon the question before I proceed, so long as I am recognized.

The PRESIDING OFFICER. The question is upon concurring in the House amendment.

The amendment was concurred in.

Mr. POINDEXTER. Mr. President, I ask unanimous consent to temporarily lay aside——

Mr. HEFLIN. Mr. President, I thought I had the floor. I addressed the Chair and stated to the Chair that I was willing to have the Senate vote upon the question then pending before I addressed the Senate, and the vote was had. The Senator from Washington then rose and addressed the Chair, but I had been standing here, having confidence that the Chair would recognize my right to the floor.

The PRESIDING OFFICER. The Senator from Washington is asking unanimous consent. If the Senator from Alabama objects, that is for the Senator from Alabama to determine.

Mr. HEFLIN. I am not asking unanimous consent for anything. I am going to address the Senate.

The PRESIDING OFFICER. The Senator from Washington desires to present a unanimous-consent request.

Mr. POINDEXTER. I should like to explain to the Senator from Alabama the purpose of my request. I am going to ask to take up the so-called scrapping bill. I apprehend there will be no debate on the bill. It comes over from the House, and the Senate committee will have certain amendments to present. If it is to pass at all before the House adjourns, it will be necessary for the Senate to take immediate action on it.

Mr. HEFLIN. I promised to yield to the junior Senator from Pennsylvania [Mr. PEPPER] first, who has a matter which he assures me will not lead to debate. If the Senator from Washington is willing for the Senator from Pennsylvania to dispose of that question first, I shall then be glad to yield to the Senator from Washington.

Mr. POINDEXTER. I have no objection to that.

Mr. HEFLIN. I now yield to the Senator from Pennsylvania.

AMENDMENT OF FEDERAL RESERVE ACT.

Mr. PEPPER. From the Committee on Banking and Currency I report back favorably with an amendment in the nature of a substitute the bill (S. 3531) to amend section 9 of the Federal reserve act, and I ask unanimous consent for its present consideration. I think it will lead to no deabte.

The PRESIDING OFFICER. The Senator from Pennsylvania asks unanimous consent for the present consideration of Senate bill 3531. Is there objection?

Mr. POMERENE. Before consent is given I desire to say that I am not advised as to what the bill provides.

The PRESIDING OFFICER. The Secretary will read the bill for the information of the Senate.

Mr. PEPPER. Mr. President, with permission of the Chair, I think I can make in just a sentence a statement which will enlighten the Senator from Ohio. Under the Federal reserve act at present a certain minimum capital is required for member banks before they can become eligible to membership in the Federal reserve system. That minimum capital is $25,000. This measure proposes to make State banking institutions eligible for membership if their capital is 60 per cent of that minimum and if, under regulations to be prescribed by the Federal Reserve Board, a certain percentage of their net earnings is set aside each year until the difference between the 60 per cent and the 100 per cent is made good.

This is a unanimous report from the Committee on Banking and Currency and has the assent of so many Members of the Senate that I venture to believe that, possibly, it may be disposed of in this way.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. KING. Mr. President, I should like to inquire of the Senator from Pennsylvania if the effect of the bill would not be to drive—and if that is not the purpose of it—State banks into the Federal reserve system?

Mr. PEPPER. Mr. President, I will answer the Senator from Utah by saying that it could not possibly have the effect of driving any institution into the Federal reserve system. The large number of institutions which are not now in this system, whose capital is above the minimum requirement, for reasons satisfactory to them, have not entered the system. This proposed act merely would extend to an additional number of banks the privilege of applying for membership if they desire to avail themselves of it. It is in the interest of giving an opportunity to the smaller banks to take advantage of membership in the system under the conditions and regulations which the measure prescribes.

Mr. KING. Mr. President, I do not like to object, but I think the Senator from Pennsylvania ought to give to those of us who are not on the Committee on Banking and Currency a little opportunity to examine the bill. I regard it as very important.

Mr. PEPPER. Mr. President——

Mr. KING. If the Senator will pardon me, I know that there has been a persistent effort by certain agencies of the Government either to drive the State banks out of existence or to make them national banks and to bring them into the Federal reserve system. That may be a wise policy; I express no opinion at this time in regard to that; but I do know there is a feeling on the part of many people that some persons who are engaged in banking under State laws have been discriminated against; that there has been a propaganda in favor of the extinguishment of the State banks and the consolidation of all fiscal agencies under the Federal Government.

Mr. SMOOT. This is merely another invitation for all of the banks to get in, no matter whether they have only $15,000 capital stock or not.

Mr. PEPPER. I am quite sure that the Senator from Georgia [Mr. HARRIS], when he introduced the bill, had no thought and that the Committee on Banking and Currency when it unanimously recommended the passage of the bill had no thought of driving or coercing State institutions to take any action whatsoever. The bill was introduced in response to a demand for the privilege of admission from a number of the smaller banking institutions of the country, which at present, by a kind of aristocratic limitation of capitalization, are not in a position to make application. This bill proposes to let down the bars to the extent of enabling them to apply, if they have 60 per cent of the existing requirements of the minimum capital,

under the safeguard of making up the difference between the 60 per cent and the 100 per cent out of a fund to be set aside annually out of net earnings, under regulations to be prescribed by the Federal Reserve Board.

Mr. POMERENE. If I understand the Senator from Pennsylvania correctly—and I think I do—the bill simply proposes to give to the smaller banks the privilege of the Federal reserve bank service, just that and nothing more? The outside banks are not to be forced into the system at all?

Mr. PEPPER. The Senator from Ohio understands me correctly, that this measure proposes to force no one; it places no compulsion upon any institution and is merely permissive under the circumstances mentioned.

Mr. KING. The Senator knows something of moral pressure. I do not say there is compulsion; of course not; the Government could not drive them except by some system of taxation or otherwise; but there is more than one method of compulsion. I ask the Senator from Pennsylvania to let the bill go over until to-morrow and give us a chance to examine it. It may be all right, but I am for the States and for the rights of the States and for State institutions, and against the centralizing tendency that builds up and centralizes everything in Washington.

Mr. PEPPER. I am very happy to comply with the request of the Senator.

Mr. HARRIS. Mr. President, I desire to make a statement to the junior Senator from Utah.

The PRESIDING OFFICER. Objection has been made to the consideration of the bill and it is not now before the Senate.

Mr. HARRIS. Mr. President, this bill was originally introduced at the request of bankers and business men in Georgia. Among others, the president of one of the banks located at Elberton, one of the best banks in my State, with a capital of $75,000, wrote me in favor of the measure. Under the law, that bank is not entitled to come into the Federal reserve system. A city having the population of Elberton must have a capital of $100,000. The requirement as to capital under the law ranges from $25,000 up to $100,000 and above, depending upon the population of the city in which it is located. Instead of the bill reported by the Senator from Pennsylvania, which I introduced, being an effort to drive the State banks into the Federal reserve system, it is an effort to help the State banks and gives them an advantage over the national banks. That is the intention of the bill. It gives them the benefits of the Federal reserve system when their capital is only 60 per cent of the capital now required to become a member of the Federal reserve system, and under the amendment added by the Committee on Banking and Currency 20 per cent of the annual net earnings must be placed to capital account until it meets the present law as to capital.

Mr. SMOOT. Does the Senator really believe that the wording of the bill applies to such a case as he has cited?

Mr. HARRIS. I believe so.

Mr. SMOOT. I have not studied it closely, but merely from reading it for the first time, it seems to me that it applies to banks whose capital stock is less than $25,000. I do not see how it applies to any other banks.

Mr. HARRIS. Mr. President, the requirements as to banks coming into the Federal reserve system are determined by the provisions of the law regarding the capitalization of national banks.

Mr. SMOOT. And one requirement is a capitalization of $25,000.

Mr. HARRIS. I understand that, but in towns of certain size national banks have to have $100,000 capital and above, depending upon the population of the place. In the town which I mentioned, Elberton, Ga., the bank I referred to with a capital of $75,000, can not come into the Federal reserve system because, under the national bank act, they are required to have $100,000 capital. All they wish is time to increase their capital, and the amendment to the bill requires that a bank desiring to avail itself of the provisions of the act shall increase its capital by the addition of 20 per cent of their net earnings every year until the bank has the capital now required under the law to become a member of the Federal reserve system.

Mr. SMOOT. I will say to the Senator from Georgia that that is one of the reasons why I think perhaps this bill is inadvisable. It is tantamount to saying to the stockholders of various banks, "If you come into the Federal reserve system and your capital stock is $75,000, you must, until your capital stock reaches $100,000, allow 5 per cent of all of your earnings to be set aside to increase your capital."

Mr. HARRIS. They are required to set aside 20 per cent of their net earnings until the capital comes up to the requirement.

Mr. SMOOT. I did not mean 5 per cent, but one-fifth of their earnings, to be taken out of the profits of the bank and added to the capital stock of the bank.

Mr. HARRIS. It is proposed by this bill to give them a preference by allowing them to come into this system without complying with the present law as to capital requirement. It will have a tendency to strengthen the small banks by increasing their capital stock; it will help the Federal reserve system; it will help the banks; and it will greatly help the farmers and business men in the small towns in the agricultural sections of the country, who are dependent upon the small banks to finance them.

This bill was referred to the Federal Reserve Board by the chairman of the Committee on Banking and Currency at the time there was a meeting of governors here of all the regional banks, and both bodies approved this measure.

Mr. President, I requested the Federal Reserve Board to furnish me data regarding nonmember banks in each State, and I ask that their reply and data be printed in the RECORD.

The PRESIDING OFFICER. Without objection, the matter referred to will be printed in the RECORD.

The matter referred to is as follows:

FEDERAL RESERVE BOARD,
Washington, June 17, 1922.

HON. WILLIAM J. HARRIS,
United States Senate, Washington, D. C.

MY DEAR SENATOR: With further reference to the request contained in your letter of June 6, I beg to say that we have obtained the data regarding nonmember banks in each State which, on the basis of capital requirements, will become eligible for membership in the Federal reserve system should Senate bill 3135 become a law, and a statement giving this information is inclosed herewith.

It will be noted that the table shows the number of such nonmember banks classified according to cities of population of over 50,000, of 6,001 to 50,000, of 3,001 to 6,000, and 3,000 and less. This grouping corresponds to the present provisions of the national bank act. In addition, figures are shown representing the number of national banks, the number of State bank and trust company members, the number of nonmember State banks and trust companies which are eligible on the basis of present capital requirements, the number of nonmember banks which are not eligible under present capital requirements and which will not become eligible if Senate bill 3135 is enacted, and the total number of all banks (exclusive of mutual savings banks, which have no capital stock, and of private banks, neither of which are eligible for membership in the Federal reserve system) in each State.

Very truly yours,

WM. W. HOXTON, *Secretary.*

Number of member banks, also of nonmember State banks, loan and trust companies, and stock savings banks in each State.

State.	Total number of banks in State.[1]	National banks.	State bank and trust company members.	Nonmember banks eligible for membership on basis of present capital riquirements.	Nonmember banks not eligible for membership under present capital requirements and which will not become eligible if S. 3531 is enacted.	Nonmember banks which, on the basis of capital requirements, will become eligible for membership if S. 3531 is enacted.			
						Total.	In cities of population of—		
							Over 50,000.	6,001 to 50,000.	3,001 to 6,000.	3,000 or less.
Maine	116	61	3	42	7	3	1	2		
New Hampshire	81	56		8	17					
Vermont	88	49		26	11	2		1	1	
Massachusetts	273	162	31	61	18	1	1			
Rhode Island	33	17	3	7	4	2	2			
Connecticut	136	64	5	37	25	5	4	1		
New York	839	505	96	207	24	7	5	1	1	
New Jersey	376	220	45	80	29	2	2			
Pennsylvania	1,476	861	56	419	66	74	64	3	2	5
Delaware	53	18	4	15	14	2				2

[1] Exclusive of mutual savings and private banks.

Number of member banks, also of nonmember State banks, loan and trust companies, and stock savings banks in each State—Continued.

State	Total number of banks in State.	National banks.	State bank and trust company members.	Nonmember banks eligible for membership on basis of present capital requirements.	Nonmember banks not eligible for membership under present capital requirements and which will not become eligible if S. 3531 is enacted.	Nonmember banks which, on the basis of capital requirements, will become eligible for membership if S. 3531 is enacted.			
						Total.	In cities of population of—		
							Over 50,000.	6,001 to 50,000	3,001 to 6,000.	3,000 or less.
Maryland	268	90	6	75	76	21	2	.....	.....	19
Washington, D. C.	47	15	1	10	18	3	3	.....	.....	.....
Virginia	511	174	16	136	99	86	4	4	2	76
West Virginia	349	123	9	191	19	7	3	3	1	.....
North Carolina	641	87	15	191	265	83	.....	4	3	76
South Carolina	460	81	18	213	82	66	.....	2	1	63
Georgia	723	95	70	293	77	188	2	4	3	179
Florida	272	56	12	97	28	79	.....	1	2	76
Alabama	358	107	18	136	45	52	.....	1	1	50
Mississippi	355	31	3	154	109	58	.....	5	1	52
Louisiana	269	36	14	130	38	51	.....	1	3	47
Texas	1,582	557	192	434	182	217	3	5	3	206
Arkansas	488	83	35	163	132	75	.....	3	4	68
Kentucky	602	134	11	192	38	227	.....	5	3	219
Tennessee	570	98	15	174	191	92	2	2	3	85
Ohio	1,008	375	84	406	101	42	10	6	5	21
Indiana	911	252	22	518	89	30	2	13	8	7
Illinois	1,893	494	80	1,036	168	115	2	2	3	108
Michigan	683	117	159	209	26	172	.....	4	6	162
Wisconsin	991	153	36	361	271	170	1	5	6	158
Minnesota	1,527	341	30	338	567	251	.....	2	.....	249
Iowa	1,703	354	704	721	280	244	2	6	10	226
Missouri	1,689	131	38	427	751	322	.....	7	10	305
North Dakota	854	180	5	123	329	217	.....	.....	2	215
South Dakota	700	134	18	194	182	172	.....	.....	.....	172
Nebraska	1,184	186	21	414	235	328	.....	3	8	317
Kansas	1,379	257	8	309	527	268	3	7	14	244
Montana	413	143	59	109	5	97	.....	1	.....	96
Wyoming	154	47	4	44	44	15	.....	1	.....	14
Colorado	396	143	3	86	141	53	1	1	2	49
New Mexico	125	50	7	51	16	2	.....	.....	2	.....
Oklahoma	981	359	20	156	309	137	.....	1	5	131
Washington	400	96	54	104	92	54	.....	1	.....	53
Oregon	285	96	33	69	41	46	.....	.....	1	45
California	731	309	46	315	41	20	4	10	6	.....
Idaho	216	83	46	42	21	24	.....	.....	3	21
Utah	129	28	36	50	3	12	.....	.....	4	8
Nevada	35	11	.....	23	.....	1	.....	.....	.....	1
Arizona	83	21	4	44	6	8	.....	1	2	5
Total	29,417	8,150	1,595	9,640	5,829	4,208	123	119	131	3,830

NOTE.—Figures of member banks and of nonmember banks eligible for membership on the basis of capital requirements are as of June 30, 1921, while those for other banks are as of the latest date for which figures are available.

Mr. SMOOT. It is only giving another power here to say that one-fifth of the earnings of a bank shall go into the capital stock of the institution if it desires to come into the Federal reserve system, whether it wants to or whether it does not want to. However, my colleague has objected to the bill, and it goes over, and I will not occupy further the time of the Senate.

SCRAPPING OF NAVAL VESSELS.

Mr. POINDEXTER. Mr. President——

Mr. HEFLIN. I yield to the Senator from Washington.

Mr. POINDEXTER. With the permission of the Senator from Alabama, I ask unanimous consent temporarily to lay aside the tariff bill in order that the Senate may proceed to the consideration of House bill 11214.

Mr. KING. Mr. President, I wish the Senator would defer that request for a moment. There are a number of Senators who desire to be here when the bill to which the Senator has referred is considered, and if he will permit the Senator from Alabama to continue, in the meantime I will send for those Senators.

Mr. POINDEXTER. I should like to make a brief explanation concerning the measure. I think the whole matter may be explained in a few words. If action is not taken very promptly there will be no use to take it at all, because the House is about to adjourn. If the Senate chooses to act upon it, it should act promptly. I have consulted with Members of the House, and they inform me that if it shall be passed by the Senate it can go through the necessary procedure in the House.

The purpose and effect of the bill is to authorize the President, so far as the Navy is concerned, to scrap a portion of the Navy in order to carry out the terms of the disarmament treaty. It is very general and simple in its provisions. Among other things, it is necessary to enact legislation giving authority to convert two of the battle cruisers which were under construction into airplane carriers. As I have said, the House is going to adjourn until some time in August, and there will be a great deal of confusion and delay in the work and, consequently, unnecessary expense unless this action is taken promptly.

SANATORIUM FACILITIES FOR SICK AND DISABLED SOLDIERS.

Mr. STANLEY. Mr. President, if the Senator from Alabama and the Senator from Washington will yield to me, if the bill referred to by the Senator from Washington will require a quorum for any considerable discussion, I should like to secure unanimous consent for the consideration of a bill which will require no discussion whatever. It is purely a local matter. In the neighborhood of the Dawsonsprings Sanatorium, citizens in Hopkins County and the adjoining county gave to the Government several thousand acres of land. Within this land there are two or three small holdings which were not turned over because the owners, as is always the case, held out for extortionate amounts. The bill simply authorizes the Government to institute condemnation proceedings to acquire these little tracts of land which are necessary to the proper operation of the sanatorium.

Mr. POINDEXTER. Mr. President, the question is with the Senator from Alabama as to yielding for that purpose. If the bill will take no time, so far as I am concerned, I am perfectly willing that it shall be considered.

Mr. HEFLIN. I have no objection to the bill being acted upon.

Mr. STANLEY. I ask unanimous consent for the present consideration of the bill (H. R. 11588) to amend an act entitled "An act to authorize the Secretary of the Treasury to provide hospital and sanatorium facilities for discharged sick and disabled soldiers, sailors, and marines."

The PRESIDING OFFICER. Does the Senator from Washington withdraw his request?

Mr. POINDEXTER. I withdraw my request temporarily.

Mr. STANLEY. I ask for the consideration of the bill only on the ground that there shall be no discussion. If it shall lead to debate I will withdraw the request.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill named by the Senator from Kentucky?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That subsection C of section 7 of the act entitled "An act to authorize the Secretary of the Treasury to provide hospital and sanatorium facilities for discharged sick and disabled soldiers, sailors, and marines," approved March 3, 1919, be amended by adding at the end thereof a new sentence to read as follows: "*Provided*, That whenever any person, company, or corporation, municipal or private, shall undertake or shall have undertaken to secure any land or easement therein, which in the opinion of the Secretary of the Treasury is needed for the site of or in connection with the proper and convenient construction, maintenance, and operation of such sanatorium for the purpose of conveying the same to the United States free of cost and shall be unable for any reason to obtain the same by purchase and acquire a valid title thereto, the Secretary of the Treasury may, in his discretion, cause proceedings to be instituted to acquire such land or easement for the United States by condemnation of said land or easement, and it shall be the duty of the Attorney General of the United States to institute and conduct such proceedings upon the request of the Secretary of the Treasury: *Provided further*, That all expenses of said proceedings and any award that may be made thereunder shall be paid by the said person, company, or corporation, to secure which payment the Secretary of the Treasury may require the said person, company, or corporation to execute a proper bond in such amount as he may deem necessary before said proceedings are commenced."

Mr. SMOOT. From what committee has the bill been reported?

Mr. STANLEY. The bill has been unanimously reported by the Committee on Public Buildings and Grounds.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

SCRAPPING OF NAVAL VESSELS.

Mr. POINDEXTER. Mr. President, I renew my request as to H. R. 11214, authorizing the President to scrap certain vessels in conformity with the provisions of the treaty to limit naval armaments, and for other purposes. I report the bill favorably from the Committee on Naval Affairs, and I submit a report (No. 802) thereon. I ask unanimous consent for the present consideration of the bill.

Mr. KING. Mr. President, this bill is so important that I feel constrained to ask for a quorum.

The PRESIDING OFFICER. The Senator from Utah suggests the absence of a quorum. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ball	Harreld	McLean	Smoot
Borah	Harris	McNary	Spencer
Brandegee	Heflin	Nelson	Stanley
Broussard	Johnson	New	Sterling
Bursum	Jones, N. Mex.	Norbeck	Sutherland
Calder	Jones, Wash.	Norris	Townsend
Cameron	Kellogg	Overman	Trammell
Capper	Kendrick	Pepper	Wadsworth
Culberson	Keyes	Phipps	Walsh, Mass.
Curtis	King	Pittman	Warren
Dillingham	La Follette	Poindexter	Watson, Ind.
Ernst	Lenroot	Pomerene	Willis
Fernald	Lodge	Rawson	
France	McCumber	Sheppard	
Hale	McKinley	Shortridge	

The PRESIDING OFFICER. Fifty-seven Senators have responded to their names. A quorum is present.

Mr. POINDEXTER. I renew my request.

The PRESIDING OFFICER. The Senator from Washington asks unanimous consent that the Senate proceed to the consideration of H. R. 11214. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

Mr. OVERMAN. Mr. President, can the Senator from Washington tell us whether or not the four-power pact has been ratified by the other nations?

Mr. POINDEXTER. I understand that favorable action has been taken by Japan and Great Britain. France and Italy have not taken any action, and I do not think the formal ratification has been thoroughly completed yet in either Great Britain or Japan; but steps are in progress toward that end. The important feature of this matter, I will say, is rather the authorizing of the President to convert these two battle cruisers into airplane carriers, which, it is considered, ought to be done regardless of action on the treaty, although there is no doubt that the United States and the principal naval powers concerned in the treaty will go through with the terms of the treaty. This bill simply authorizes the President to take this action. It does not direct him to take any action, and, of course, he will not take action until the final steps have been taken at least by Japan and by Great Britain.

Mr. OVERMAN. I just wanted some assurance of that kind. We appropriated this morning, in the deficiency bill, $5,000,000 for the purpose of carrying out the provisions of the scrapping bill.

Mr. POINDEXTER. That was to get us out of the contracts we had on those ships that are to be scrapped.

Mr. KING. Mr. President, I should like to ask the Senator a few questions before the bill is passed, as I presume it will pass, and before doing so I want to call the attention of the Senate to an article which appeared in the New York Times of Wednesday, June 28. It states:

The very latest naval intelligence survey of the programs of the five powers signatory to the naval limitation treaty signed at the Washington conference shows that Japan has building and projected more ships than any other power in those particular types upon which no restrictions were imposed by the conference.

These types are light cruisers, destroyer leaders, destroyers, submarines, and fleet submarines. Japan has building and projected 140 units with an aggregate tonnage of more than 160,794 among such types, as against 8 units of 11,275 tons being built by Great Britain, 52 units of 116,581 tons being built by the United States, 33 units of 68,400 tons by France, and 24 units of 42,550 tons by Italy.

Japan is building 52 submarines whose exact tonnage is unknown. Their aggregate tonnage will be around 50,000, so that Japan's present building program of light cruisers, destroyers, and submarines is nearer 210,000 tons than 164,796.

American naval officers feel that the failure of the arms conference to limit the construction of light cruisers, destroyers, and submarines is developing a situation that may some day return to plague the United States.

A ratio of 5–5–3–1.75–1.75 was fixed for capital ships of the five principal naval powers. This ratio was based on the existing strength in capital ships of England, the United States, Japan, France, and Italy at the time the agreement was reached. If the United States had been able to have its own way in the matter, this 5–5–3 ratio would have been applied also to submarines and auxiliaries, but France objected and prevented a conference agreement.

American naval officers feel that Japan will profit by the failure to adopt a submarine and destroyer ratio unless the United States Government shall exercise care and maintain its submarine and destroyer as well as light cruiser strength in the proportion of 5–3 as between this country and Japan.

Mr. President, the article contains very interesting statements relative to submarines and the general results of the naval treaty. Without taking the time to read it all, I ask that it may be inserted in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

The United States is well off at present in the matter of destroyers on account of the large number built during the war, but the Japanese building program respecting light cruisers and submarines in a few years will place the Japanese Navy in a better relative position.

UNRESTRICTED SHIPS NOW BUILDING.

Official naval intelligence data covering the whole naval situation up to June 26, 1922, show that in ships building and projected among types on which no restrictions were placed by the naval treaty the position of the powers is as follows:

GREAT BRITAIN.

First-line cruisers, none.
Destroyer leaders, 1 of 1,750 tons.
First-line destroyers, 3 of 3,725 tons.
First-line submarines, 4 of 5,800 tons.
Fleet submarines, none.

UNITED STATES.

First-line light cruisers, 10 of 75,000 tons.
Destroyer leaders, none.
First-line destroyers, 3 of 3,645 tons.
First-line submarines, 36 of 31,561 tons.
Fleet submarines, 3 of 6,375 tons.

JAPAN.

First-line light cruisers, 15 of 81,900 tons.
Destroyer leaders, none.
First-line destroyers, 50 of 58,500 tons.
First-line submarines, 23 of 30,394 tons and 52 of tonnage unknown to American Naval Intelligence officers.
Fleet submarines none.

FRANCE.

First-line light cruisers, 3 of 24,000 tons.
Destroyer leaders, 6 of 14,400 tons.
First-line destroyers, 12 of 16,800 tons.
First-line submarines, 12 of 13,200 tons.
Fleet submarines, none.

ITALY.

First-line light cruisers, 2 of 16,000 tons.
Destroyer leaders, 6 of 12,270 tons.
First-line destroyers, 12 of 11,680 tons.
First-line submarines, 4 of 2,600 tons.
Fleet submarines, none.

Study of these figures in comparison with other figures showing the ships retained on June 1, 1922, by each of the five powers, and excluding those to be scrapped under the naval treaty, has convinced naval officers studying the matter that Japan is gaining an advantage over the United States with respect to light cruisers and submarines.

The United States is building 10 light cruisers and on June 12 was retaining 12 light cruisers which are not to be scrapped. Japan is building 15 light cruisers in addition to the 18 which she is retaining as of June 1. On this showing Japan will have 33, to 22 for the United States, a ratio of 3 to 2 in favor of Japan. If light cruisers were built on the basis of the 5–3 ratio, the United States would be entitled to 55 light cruisers for the 33 which Japan will have when her building and projected light cruisers are commissioned.

OUTLOOK FOR SUBMARINE STRENGTH.

Japan has building and projected for immediate laying down a total of 75 submarines, as against 36 building and about to be laid down for the United States. In commission and built, Japan already has 23 first-line and 10 second-line submarines, which will give Japan a total of 108 submarines. The United States, on the other hand, on June 1 possessed 57 first-line and 28 second-line submarines and 3 fleet submarines. When the 36 classified as building are completed

and added to the present strength of 88, the American submarine strength will be 124 submarines. On the basis of a 5–3 ratio, the United States would be entitled to 180 submarines when Japan has her 108 in commission.

On the basis of present submarine strength of the American and Japanese Navies, the United States will have to build a great many more submarines than it has so far proposed. The existing strength ratio is 8 to 3, and on that basis the United States would be entitled to 288 submarines, when the best the American Navy can now see is 124. In other words, the United States would have to build 164 additional submarines in order to maintain the "existing" ratio of 8 to 3, or, if the battleship ratio of 5 to 3 were applied as the determining factor for submarine strength, the United States would need to build 56 submarines in addition to the 88 built and 36 building.

If there is to be any limitation on light cruiser, destroyer, and submarine tonnage, it must come up at the next naval limitation conference. It was the expectation of leaders in the Washington conference that such a conference would be held in about eight years, or approximately 1929. The United States having established the precedent in the Washington conference of making "existing" battleship strength serve as the basis for limitation of capital ship tonnage, it is feared by some naval officers that in the next naval limitation conference any attempt to impose a limitation upon light cruisers and destroyers will be met with the argument that such limitation should be based on the then existing relative strength instead of on the 5–5–3 battleship ratio.

It is similarly contended by a number of American naval officers that the United States, in order to be at no disadvantage with respect to "existing" strength in 1929, should see that the battleship ratio of 5–3 is also maintained with respect to submarines, destroyers, and light cruisers.

Mr. KING. I inquire of the Senator whether he thinks it is wise for the United States to execute, to the extent contemplated by this bill, the terms of the treaty for the reduction of naval armament until France and Italy have ratified, until the dominions of Great Britain have signified their approval, and until we have full assurance or satisfactory evidence of the ratification of it by Japan and Great Britain?

Mr. POINDEXTER. No, I do not; and this bill does not require that we should do that. I will say, however, that I would not regard the failure of the dominions of Great Britain or the failure of France or of Italy to ratify the treaty as of paramount importance. That, however, is only my own individual opinion. I think the essential question is as to the action of the United States, Great Britain, and Japan as the great naval powers of the world. That is particularly true in view of the actions which have somewhat vexed international relations, particularly in the Pacific, in which Great Britain, Japan, and the United States together are in absolute control.

I think the Senator will agree with many other lawyers that perhaps an act of Congress to authorize the President to execute the terms of a treaty is unnecessary; it is not a conclusive proposition that it is necessary, and it is at least open to argument. My own opinion is—and that, also, is just an individual opinion—that a treaty properly approved by the Senate being, along with the Constitution and the acts of Congress, the supreme law of the land, can be and must be executed by the President without any further authority, and the enactment of that part of this bill which expressly authorizes the President to carry out the terms of this treaty as to the scrapping of certain ships is rather in deference to the opinion, which might be called the minority opinion, that Congress should be consulted and should give its express authority before those steps are taken.

But the important part of this bill is important regardless of the treaty. It is true that the treaty does allow the conversion of two of the battle cruisers into airplane carriers. Work has been suspended upon those cruisers, and in the interest of economy, as well as of accomplishing the object in hand, we should go ahead with that work at once, if we are going ahead with it at all, and in order to change a ship from the type authorized by Congress it is necessary to have another act of Congress. That is the important part of this bill.

Mr. KING. Mr. President, I agree with the Senator that the construction of two airplane carriers is important, and, as the Senator knows, the Committee on Naval Affairs, of which he and I are members, have been practically a unit in favor of the conversion of at least two incomplete battleships into airplane carriers. I have been one of the Senators who believed that the supremacy or paramountcy accorded the battleship—the superdreadnought—if not at an end was materially weakened by reason of the development of submarines and airplanes and other methods of naval warfare.

Of course, this bill illustrates what was stated by the opponents of the Washington conference treaties, that Japan and other nations, while limiting the building of capital ships, will actively engage in the construction of cruisers, submarines, aircraft carriers, and other naval craft, which will give them an advantage over the United States unless it directs attention to these branches of naval construction. The Washington treaties do not touch any form of naval craft except capital ships, and all nations signing the treaties are at liberty to spend millions in naval craft—perhaps more powerful, or at least more effective, in naval warfare than battleships. The Senator knows that some of the ablest naval officers in the United States and Great Britain, including Sir Percy Scott, have declared that the day of primacy of the battleship was over; that is was no longer supreme at sea. Yet the Washington conference left Japan and France and Great Britain, and the United States for that matter, full and unrestricted liberty to construct as many submarines as they may desire, and as many airplanes as they may wish.

I regarded the four-power treaty and this naval limitation treaty then, and I regard them now, as but of little value. They will prove futile in preventing war, and the pæans of praise which have been sung by our Republican friends, and some Democrats, over the promulgation by the conference will return some day in loud reverberation but discordant and condemnatory.

I rose more particularly to ask the Senator the cost that will result from this bill. It is not stated here. Will it be $60,000 or $70,000 or $100,000,000 that we will be compelled to pay under its provisions?

Mr. POINDEXTER. We would not be compelled to pay anything under this bill.

Mr. KING. We will incur obligations which must be paid.

Mr. POINDEXTER. No; we would not incur any obligations under the bill or under the treaty, for that matter. The obligations have already been incurred. This bill carries no appropriation at all, and in so far as the conversion of these cruisers into airplane carriers is concerned, it is expressly provided that it shall be done within the original limit of cost.

But, to answer the Senator's question fully, I may say that while it is not affected by this bill in any way whatever, the obligation which the Government is under, which it would be compelled to assume on account of this building program, authorized and laid down in 1916, and which was well on its way when this international arms limitation conference met, will cost something like $70,000,000.

Mr. KING. That is to say, we have contracts outstanding the cancellation of which will entail upon the Government of the United States an expenditure of at least $70,000,000.

Mr. POINDEXTER. That is the estimate which is made of the settlement of all the Government's obligations under this program which is interrupted by the treaty.

Mr. KING. It will be twice $70,000,000. But may I inquire of the Senator what board is provided for to pass upon these claims? What methods are to be employed to liquidate these seventy or more millions? I venture the assertion now that demands will be made upon the Government not for seventy millions but for one hundred and seventy millions or two hundred millions.

Mr. POINDEXTER. In that respect this bill limits the obligations of the Government by laying down a more limited measure of compensation. Of course, the legal and constitutional effect of that may possibly have to be determined by the courts, but the bill provides that there shall be just compensation, and the purpose is to restrict the obligations of the Government rather than to enlarge them.

As to the board or the agency by which the Government's obligations will be settled, I am informed that a board has been established in the Navy Department, composed of high officers, who are devoting their entire time to the consideration and adjustment of these more or less complicated questions arising out of the contracts. Of course, in the final analysis, it is subject to the control of the President of the United States.

Mr. KING. Mr. President, I believe this is unwise legislation. It is loose legislation. We have contracts amounting to tens of millions of dollars. We now propose to cancel them. We give to the President unlimited authority to cancel and to settle claims. Of course that means officials or persons to be named by the President or some official of the Government. We do not say how he shall determine the damages which the United States shall pay, or the methods which shall be employed. We do not fix any tribunal. We do not provide that the controversy shall go to the Court of Claims. We merely say to the Executive, "Cancel all these contracts as you please, and settle in any way you please, the only limitation being that just compensation shall be paid."

Of course, under the Constitution, and under the decisions of the courts, the words "just compensation" have a legal significance. But we make no provision here for a legal arbitrament or determination of any controversy which may arise affecting any demand for damages upon the part of those who have contractual relations with the Government.

Mr. POINDEXTER. It provides that they shall have just compensation. I may say that the contractors object to that.

Mr. KING. They want unjust compensation.

Mr. POINDEXTER. They want to have inserted the words "full compensation in accordance with existing law." That is the language they want. The Senator, as a lawyer, knows that that perhaps would give them the right to recover a vast amount of unearned profits, profits which they would have earned if they had been able to go on and carry out the contracts. The intention of the committee is to limit the compensation to a fair and just settlement for work which has already been done.

Mr. KING. Mr. President, the words "just compensation," as I indicated a moment ago, would seem to have a well-defined meaning among lawyers and with courts.

Mr. POINDEXTER. I will say to the Senator from Utah what I think I called attention to once before, that in a case arising under this very language, in the Court of Claims, the phrase "just compensation" was defined and limited, and it was largely in view of that that it was used in the bill.

Mr. KING. In view of the statement made by the Senator, will he consent to an amendment to the bill to insert the proviso:

Provided, That in determining what is just compensation anticipated profits shall not be considered.

Mr. POINDEXTER. I think that amendment is not necessary. If it were put in the bill, it would probably defeat the passage of it at this time. We struck out the words "under existing law" so as not to authorize anticipated profits. Anticipated profits have been positively excluded by the construction of the courts already given to this language.

Mr. KING. I can only repeat that I regard this legislation as exceedingly loose and very dangerous. It is foolish to make predictions—very few will believe your predictions—you will be regarded as Cassandra of old; but I venture the prediction now that Senators will live to see the time when instead of $70,000,000 the United States will pay $150,000,000 under the authority of this measure.

Instead of just compensation being limited, as indicated by my learned and distinguished friend, demands will be made for anticipated profits, going into the millions and millions of dollars, and they will be potent arguments enforcing settlements which will result in the Government of the United States being compelled to pay millions of dollars more than that which would be just and fair.

When these men and corporations made contracts with the Government for building battleships—and let me say that many of those contracts were cost plus—they knew that the Government might terminate, or would have a right, and that it reserved the right to terminate, those contracts at pleasure. Why there should be any compensation paid where it is a cost-plus contract other than the per cent agreed upon and then only for the work done is something I can not understand. Some of those contracts are cost plus, condemned in Mr. Wilson's administration, and justly condemned, and some of them perpetuated in Mr. Harding's administration.

Mr. NEWBERRY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Michigan?

Mr. KING. I yield.

Mr. NEWBERRY. I would like to say, for the Senator's information, in regard to all these contracts, that if I am correctly informed they were made in 1916 at a fixed price. When the war came on the administration then in charge of the country's affairs canceled those contracts, and deliberately made cost-plus-10-per-cent contracts for these ships.

In 1920, after the war and before that administration was terminated, those contracts were again canceled by the Government, the second cancellation by the Government, and were then made at cost, plus a fixed fee.

In 1922, by the action of the treaty, those canceled contracts were again interfered with by the Government and work thereunder suspended. I think in every case the change was made at the instance and for the best interest of the Government. I have no criticism of what was done about the contracts, nor do I know any of the contractors, nor do I have the slightest interest in them, but I do think, in all fairness to them, they are hardly to be condemned for the action of the Government, due entirely to the war.

Mr. KING. The Senator refers to the contractors?

Mr. NEWBERRY. Yes.

Mr. KING. I have not intended in anything I have said to criticize the contractors. The contractors enter into contracts for the purpose of making money. It is their business to build ships and enter into contracts, and there is no criticism. I am only glad that we have business men in the United States who are competent, who have the mechanical equipment to build the necessary ships of the Government, but I do criticize some of the contracts which have been made and the loose methods which have been employed in the making of them. I criticize the enormous profits which have been made by some of the contractors, and the Senator knows that many of them have made enormous and, I believe, unjustifiable profits. It will be found that those contractors, whether cost-plus or readjusted contractors, will have demands before any tribunal that is established for tens of millions of dollars for anticipated profits.

I think, Mr. President, that the bill ought to be recommitted, that we ought to offer a measure that will create a tribunal having judicial powers, or refer it to some appropriate tribunal having judicial powers, with restrictions and limitations in the language as to the profits which shall be allowed. I think we ought to find the facts as to what has been expended by these men, and then allow a reasonable fee or profit for their time, for their services, and for whatever they have performed. They should be paid for all material which has been furnished, and then they should receive reasonable compensation for their services which they have put forth in behalf of the Government.

But in the pending measure there is no limitation. We send out into the air the bill without limitation, committed to agencies not defined, not prescribed, without limitations. The President may send the matter to a court. The President may detail some officer of the Navy. The President may employ any method that he sees fit in the determination of the questions of fact and the questions of law here involved. I regard the legislation as loose, impolitic, exceedingly dangerous, and I feel constrained to vote against the bill not only for that reason but because I think it is not wise to pass the bill just now. Let us wait a few days and see what Japan, Great Britain, France, and Italy will do. There is no such hurry as this. The House does not adjourn until to-morrow, and when it does adjourn it will come back again in August. We can wait for a few days, and time is often a very excellent physician and cures many ills, those afflicting the human frame as well as the political and industrial organism.

Mr. POINDEXTER. Mr. President, I wish to offer an amendment to the bill on behalf of the committee.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. The Committee on Naval Affairs proposes to strike out all after the enacting clause and to insert:

That for the purpose of giving effect to the provisions in the treaty limiting naval armament, concluded February 6, 1922, between the United States of America, the British Empire, France, Italy, and Japan, the President of the United States be, and he is hereby, authorized to demolish or otherwise make such disposition in accordance therewith as in his judgment may be proper of the capital ships of the Navy built or building which are not to be retained by the terms of the said treaty.

SEC. 2. That the President of the United States is hereby authorized to discontinue the construction of and to cancel or modify any contract entered into for and on behalf of the United States for the construction of seven first-class battleships and six battle cruisers authorized in the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1917, and for other purposes," approved August 29, 1916, and for the machinery, materials, equipment, armor, armament, and ordnance equipment therefor: *Provided*, That whenever any such contract is canceled or modified settlement of claims arising therefrom shall be made by the President upon a fair and equitable basis, as he may determine, out of any funds hereafter to be appropriated for that purpose: *Provided*, That if the terms of such settlement are unsatisfactory to any claimant such claimant shall be paid 75 per cent of the amount awarded by the President and shall be entitled to sue the United States to recover such further sums as added to the said 75 per cent shall make up such amount as will be just compensation for such claims, in the manner provided by section 24, paragraph 20, and section 145 of the Judicial Code.

SEC. 3. That of the battle cruisers authorized in the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1917, and for other purposes," approved August 29, 1916, the President of the United States is hereby authorized to undertake the conversion of the *Lexington* and *Saratoga* into airplane carriers, within the limits of cost heretofore authorized for said battle cruisers.

SEC. 4. The limits of cost of the vessels heretofore authorized and hereinbelow enumerated are increased as follows: Battleships *West Virginia* and *Colorado*, from $15,000,000 to $17,000,000; scout cruisers *Nos. 4* to *10*, inclusive, from $7,500,000 to $8,250,000.

Mr. POMERENE. Mr. President, before the amendment is acted on I wish to ask the Senator from Washington a question. I understand there is pending an amendment, possibly to some other bill, which has for its purpose the reinstating of or the giving to two officers in the Navy a certain rank. The matter was called to my attention the other day, and it was stated that an effort might be made to incorporate it as an amendment to the pending bill. Has the Senator any such thought as that?

Mr. POINDEXTER. The matter was brought before the committee, and in view of the large number of similar applications for personal legislation the committee declined to attach any of them to this bill, with the view of considering all of

them very shortly in connection with the so-called omnibus legislative bill.

Mr. POMERENE. That suits my view exactly. I may say that I have asked the question not so much because I was specially interested in it, but the junior Senator from Montana [Mr. WALSH], who is away because of the sickness and death of his former law partner, was very anxious that the matter should not come up during his absence. As I understand from the acting chairman of the committee, it is not intended to incorporate that matter in the pending bill.

Mr. POINDEXTER. The Senator is correct.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Committee on Naval Affairs.

The amendment was agreed to.

The bill was reported to the Senate as amended and the amendment was concurred in.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "A bill authorizing the President to scrap certain vessels in conformity with the provisions of the treaty limiting naval armaments, and for other purposes."

On request of Mr. POINDEXTER, and by unanimous consent, the report of the subcommittee of the Committee on Naval Affairs was ordered to be printed in the RECORD, as follows:

Report of subcommittee appointed to consider the bill (H. R. 11214) authorizing the President to scrap certain vessels in conformity with the provisions of the treaty to limit naval armaments and for other purposes.

The subcommittee recommends to strike out all after the enacting clause and substitute therefor the bill as they have written it.

Amend title as indicated.

We recommend adding a section to the bill to provide an increase in the limit of cost of the battleships and scout cruisers to be completed. This is rendered necessary by changes in construction, increase of armament in scout cruisers, improvements of machinery and appliances in all the ships, since limit of cost was last fixed by law.

Changes in the cost of labor and material during this interval have contributed to bring about this result.

The limit of cost either has been or will be reached during the coming fiscal year so that it is necessary, if work is not to be stopped, with consequent losses, to provide the necessary authorization at this time.

The PRESIDING OFFICER. The Senator from Alabama will proceed.

Mr. STANLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Kentucky?

Mr. HEFLIN. I yield to the Senator for a brief statement.

OFFICE OF ATTORNEY GENERAL.

Mr. STANLEY. When I retire from this august body, as any of us are liable to do at any time, I cherish the hope that if people can not say anything else or more of me, they will at least admit that I was good hearted. As an evidence of my innate good heartedness I rise on this occasion to the defense of a much maligned, much misrepresented, and cruelly abused colleague upon the other side of the Chamber, the junior Senator from Missouri [Mr. SPENCER].

A man with much less discernment than the bright-eyed statesman from Missouri can tell a hook from a hand saw, knows that a drake seated on a fence is a very good sign of a duck's nest, and that this is not a good year for "doubting Thomases" to shy their castors into the Democratic ring, especially in the State of Missouri. I believe that many of the unkind things, such as the editorial in the St. Louis Post-Dispatch, which I shall ask to have incorporated in the RECORD, are entirely unwarranted. I do not concur with the St. Louis Post-Dispatch in impugning the motive or doubting the courage or the disinterestedness of the genial junior Senator from Missouri. I think—nay, I am quite sure—he feels exactly like Napoleon's army felt when it beheld the Old Guard reeling and bleeding from its awful baptism in the reeking pass at La Haye Sainte, and horse and rider all, "in one red burial blent," just as they cried when they saw the Old Guard retreat for the first time they cried "Save who will." Now, looking on another old guard routed not by bullets but by ballots, they turn from this sickening scene of political slaughter and intuitively they cry, "Save who will."

The junior Senator from Missouri joins in the cry and warns his dear friend in St. Louis [Mr. Barrett] to keep his little hat out of the ring, and he is villified and abused. Why, they say that he really did not want two Republican Senators from St. Louis. From the signs of the times, it seems just about as probable that we shall have two guardian angels from perdition or two vestal virgins from the red-light district as two Republican Senators from Missouri if JIM REED is nominated, and they seem very much to fear that very thing.

Mr. President, I am persuaded the junior Senator from Missouri was absolutely sincere; that he was indeed in a way patriotic; that in fact he performed a great public service when he advised his aspiring friend that there was a possibility of being made Attorney General of the United States, because the junior Senator from Missouri, with his wisdom and his wide observation, must know that in selecting a new Attorney General we might do better and we can not do worse no matter whom we select or where we go.

Why, Mr. President and my fellow Senators, when I think even of a misguided champion of protectionism going into the lists this fall to defend this "comedy of errors" against an even ordinary advocate of the truth, he elicits my genuine sympathy. When I think of the gentleman to whom the Senator referred or any other man of less than colossal caliber attempting to maintain himself and this medley of blunders and derelictions against that doughty champion of democracy who has so long adorned this Chamber, I do not blame the junior Senator from Missouri and I do not blame any other discerning Republican for inviting his friends by letter, over the long-distance telephone, or through confidential communications, "For God's sake, old boy, listen to me; I know what I am talking about. It looks like JIM REED is going on the warpath this fall, and this is not the time of the year or the phase of the moon to march through a slaughterhouse into an open grave."

Mr. President, I ask that the editorial from the St. Louis Post-Dispatch to which I have referred may be incorporated in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MR. SPENCER'S SAFETY FIRST.

The citizens of St. Louis, whether wet or dry, whether pro-Newberry or anti-Newberry, whether devoted to Goldstein or opposed to him—all our citizens, we insist, must acknowledge that Senator SPENCER did everything in his power to save St. Louis from the embarrassment of harboring two Republican Senators at one and the same time.

Indeed, that statement scarcely covers the case. It would be no exaggeration to say that Mr. SPENCER went even beyond his powers to avoid this contretemps. His letter to Mr. Barrett tendering a place in the Cabinet should the latter abandon his senatorial aspiration proves there was no peak Mr. SPENCER was unwilling to scale in his desire to rescue St. Louis from a possible senatorial congestion.

It appears that Mr. Barrett turned a deaf ear to the pipings of the sirenic SPENCER'S beguiling overture. It may even be inferred that Mr. Barrett read the flattering proposal with a cool, incredulous leer. One might not be far astray if he concluded that Mr. Barrett regarded Mr. SPENCER'S ambition to place him in the Cabinet as a safety-first maneuver. And the celebrated Missouri cynics who have to be shown before convinced may raucously doubt whether Mr. Harding has ever delegated to Mr. SPENCER the task of selecting an Attorney General in the remote event of Mr. Daugherty's resignation.

Nevertheless, the original postulate stands. Be it reiterated that in his efforts to prevent St. Louis from becoming the old home town of two Republican Senators, Mr. SPENCER out-Spencered himself. And Piety and Perdition, Hades and Elysium, Booze and Grape Juice can all join hands in acclaiming that feat. Can and ought to.

DISTRIBUTION OF SPEECHES BY FEDERAL RESERVE BANKS.

Mr. HEFLIN. Mr. President, on yesterday I called up the resolution——

Mr. McLEAN. Mr. President, will the Senator yield to me to present a conference report?

Mr. HEFLIN. I have been yielding here for about an hour and I am anxious to say what I am going to say now.

Mr. McLEAN. I assure the Senator it will not occupy any time at all.

Mr. HEFLIN. I would rather the Senator would withhold his report, because I want him to hear what I have to say. I would rather the Senator would wait.

Mr. McLEAN. I hope the Senator will let me present the report.

Mr. HEFLIN. I would rather the Senator would wait.

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Connecticut?

Mr. HEFLIN. I fear that the report would lead to debate, and I do not yield at this time. The Senator from Connecticut has been so energetic and enthusiastic in objecting to my resolution I think it would be well to give him a little of his own medicine.

The PRESIDING OFFICER. The Senator from Alabama will proceed.

Mr. HEFLIN. Mr. President, on yesterday I called up my resolution requesting the Federal Reserve Board to give to the Senate certain information about the circulation of the speech of the junior Senator from Virginia [Mr. GLASS]. I then said:

Mr. HEFLIN. Mr. President, before the tariff bill is taken up I wish to say that I have modified my resolution as suggested by the Senator from Connecticut [Mr. MCLEAN].

* * * * * * * *

I ask unanimous consent for the present consideration of the resolution as it now reads.

The PRESIDENT pro tempore. Is there objection?

Mr. MCLEAN. I understand the Senator has stricken out the request for the mailing lists?

Mr. HEFLIN. Yes.

Mr. MCLEAN. And the resolution is now addressed to the Federal Reserve Board?

Mr. HEFLIN. To the Federal Reserve Board, asking it to call upon the other banks to answer who suggested that the speech be sent out, how many were sent out, and at what expense.

Mr. MCLEAN. Is the Senator willing that the resolution shall go over until to-morrow? I have not considered the numerous questions very carefully. My impression is there will be no further objection, but I would like to look at it further. I do not think that I shall renew my objection to the resolution as now framed.

Mr. HEFLIN. I will let it go over until to-morrow, then.

I struck out the provision of the resolution calling for a list of the voters to whom the Glass speech was sent. The Senator from Connecticut stated on the floor the other day that if I would strike that provision out he would have no objection to the passage of the resolution. I very much regretted to do that, but, seeing I was in the hands of the Senator, who could make his objection and prevent me from getting the resolution up and having it passed, I took the matter under consideration. The junior Senator from Ohio [Mr. WILLIS] came over and said to me that he hoped that I would strike out that provision; that with that provision stricken out he did not believe there would be any objection to the resolution; and that he would favor it. I told him that I would consider the matter. I talked to some other Senators about it, some of them on this side of the Chamber, and they said I was entitled to the information sought; but I followed the suggestion of my friend from Ohio and some other Senators and struck out the provision of the resolution calling for the list of voters to whom this speech attacking me and my position on deflation had been sent.

On yesterday I called up the resolution, but the statement which the Senator from Connecticut, the chairman of the Banking and Currency Committee, made at that time induced me to permit the resolution to go over until to-day.

Mr. MCLEAN. Mr. President——

Mr. HEFLIN. I yield to the Senator from Connecticut.

Mr. MCLEAN. I do not think there is any misunderstanding between the Senator from Alabama and myself as to my position with regard to the resolution. I think I told the Senator on yesterday that I should like to consider the five questions which are embodied in his resolution. My recollection is—and I think it is correct—that I told him that if he would eliminate the fifth question, which reads, "Was any letter sent out with said speech? If so, attach a copy to your report," I would have no further objection to the resolution.

Mr. HEFLIN. With that stricken out?

Mr. MCLEAN. With that question stricken out.

Mr. HEFLIN. Mr. President, the Federal Reserve Bank of Atlanta has sent in its report and furnished a copy of the letter sent out with every copy of the speech which was mailed out by that bank. The Senate was entitled to that letter; I was entitled to it. I wanted to know what the contents of it were, and I obtained that information. Why does the Senator from Connecticut desire to prevent me from having the other 11 banks that mailed that speech also send a copy of the letter which they mailed out with it? The Federal Reserve Bank of Atlanta has done it; I have that information; and I want similar information from the other banks. These banking institutions are Government institutions; they have taken up a speech made by a Senator; they are printing it at their expense in part and in part at the Government's expense, and mailing it broadcast throughout the country, a speech in which the position of another Senator is assailed and attacked. I want to know, Mr. President, just what they wrote in the letter sent out with the speech. Is not the Senate entitled to that information? I suppose that letter discloses the fact that they have entered politics over their own signatures. The fact that they have mailed another Senator's speech shows that they have gone into politics. Why should I not have that letter?

Mr. WATSON of Georgia. Mr. President——

The PRESIDING OFFICER (Mr. SPENCER in the chair). Does the Senator from Alabama yield to the Senator from Georgia?

Mr. HEFLIN. I yield to my friend from Georgia.

Mr. WATSON of Georgia. In the autobiography of Martin Van Buren, which was published in 1920, and which, perhaps, every Senator has read, we are told how the first national bank, whose president was Nicholas Biddle, used the press, used their publicity agents, used their lobbyists, used every agency that money could hire, to defame public men who were against the bank. I think, Mr. President, it is of interest and importance to the whole Republic if the Federal reserve system is now using its money and its agencies to defame public men who are fighting the money power as now organized under W. P. G. Harding.

Mr. HEFLIN. Mr. President, I thank my friend from Georgia for his statement. The Federal Reserve Board is in politics and it is trying to force the Federal reserve banks into politics. We hear a great deal about getting the tariff out of politics. Here is the most dangerous situation that ever confronted any country—the entrance into politics of the greatest banking system ever organized. The Federal Reserve Board has its hired agents to send out reports from this Capitol misrepresenting my position. I have never criticized the Federal reserve system; I have always defended that system. It is the greatest banking system ever devised by the genius of man. I have said so frequently, and I say it again. Yet one of the yelpers of W. P. G. Harding sent out from this Capitol the other day something that read like this:

Senator HEFLIN is the arch enemy of the Federal reserve banking system.

There is not a word of truth in it.

The writer knew that his statement was false when he wrote it.

Mr. President, the Federal Reserve Board is in politics up to its eyes. It used its power for the Republican Party in the campaign of 1920; it destroyed property values by the billions. Since that time a speech has been made on the floor of the Senate defending its deflation policy. I have criticized that policy as severely as I know how, because I regard it as a criminal act against honest business and a crime against the whole people of the United States, and I have dared to say so in my place here as a Senator. The Federal Reserve Board advised the Federal Reserve Bank of Atlanta, according to that bank's own statement, that the speech to which I have referred, assailing my position and undertaking to answer my argument, was available. What was that but going into politics? Then that bank, taking some of the Government's money in addition to its own money, had that speech printed by the thousands and mailed in all directions. I secured the adoption of a resolution by the Senate calling on them to state who suggested that they send it out. They replied the Federal Reserve Board advised that the speech was available. The resolution also requested information as to who had it printed. The reply was, "We had it printed." "Who paid for it?" "The bank paid for it." "How many copies did you send out?" "Six thousand five hundred"—in that little circle down there. "At what cost?" "At a cost of $108," I believe. "Did you send a letter with it; if so, submit a copy?" They submitted a copy. What did it say? They wanted the recipient to read the speech of the Senator from Virginia, and they said, "Write us how you felt upon this subject before you read this speech and then write us how you felt after you read the speech, making any other comment that you see fit."

What is that but going into politics? A great banking system which broke the power of Wall Street and freed the instrumentalities of the Government under Woodrow Wilson has been betrayed and had its reputation greatly injured by the Federal Reserve Board governor's conduct. Wall Street pats him on the back, and the Senator from Connecticut, who opposed the enactment of the Federal reserve banking law, now stands the champion and the mouthpiece of the board that has gone so brazenly into politics.

Mr. MCLEAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Connecticut?

Mr. HEFLIN. I yield to the Senator.

Mr. MCLEAN. The Senator has several times stated that I opposed the Federal reserve system.

Mr. HEFLIN. I read the Senator's remarks to him; I think he was present when I read a part of his speech opposing the Federal reserve act.

Mr. MCLEAN. That is a half truth, which is always very dangerous and very apt to misrepresent the person to whom it is attributed.

Mr. HEFLIN. Did not the Senator vote against the Federal reserve act?

Mr. MCLEAN. If the Senator will be patient a moment I will tell him what I did.

Mr. HEFLIN. I want to know if the Senator did not vote against it?

Mr. MCLEAN. I was strongly in favor of a Federal reserve system, but I voted against this system because I objected principally to the Secretary of the Treasury and the Comptroller of the Currency acting as ex-officio members of the Federal Reserve Board. I wanted to divorce the system absolutely from the influence of any political appointee. That was one of my

objections, and if I understand the Senator from Alabama correctly, he and I are in sympathy so far as that proposition goes.

Mr. HEFLIN. If I understand the Senator's position correctly, we are not at all in sympathy.

Mr. McLEAN. Another reason why I objected to this system was because I thought there were too many banks, and I believe experience has already demonstrated that the system would have been more effective and more satisfactory in every way if there had been fewer banks. Now, if the Senator will pardon me further, I will——

Mr. HEFLIN. I can not yield to the Senator to make a speech in my time, because I have been waiting here for some time, and the Senator has forced me to occupy time by his objection, after leading me to believe yesterday when I had the floor that he would not object.

Mr. McLEAN. I have no objection to the Senator occupying all the time he desires.

Mr. HEFLIN. But I have objection to standing here and giving the Senator my time when I want to present my own views upon this subject and let the country know the facts in the matter.

Mr. McLEAN. My interruption might lead to a solution of this controversy and make it unnecessary for the Senator to occupy any more time.

Mr. HEFLIN. I would rather the Senator would make his remarks in his own time.

Mr. McLEAN. Of course, if the Senator declines to yield, that is all right.

Mr. HEFLIN. I can not yield to the Senator to state why he was against the Federal reserve system. I have charged that he was against it, and he was, and he voted against it. The RECORD shows that he voted against it; and I am saying that when a Senator votes against a thing he most assuredly is against it, because the Bible tells us that "By their fruits ye shall know them."

Mr. HITCHCOCK. Mr. President——

Mr. HEFLIN. I yield to the Senator from Nebraska.

Mr. HITCHCOCK. I think the Senator from Connecticut should also admit that his whole party was against the Federal reserve act when it was passed, and that there was only one Republican United States Senator east of the Missouri River who voted for it, and that is a vast area of country.

Mr. McLEAN. That was because we hoped that by delaying action upon that particular system we would secure affirmative action on a better system. It does not argue at all that we were opposed to the Federal reserve system, because the whole idea of that system originated with Republicans, and the meritorious part of the Federal reserve system was taken bodily from a report that was framed by Republicans.

Mr. HEFLIN. I think that explains the Senator's position again. I thank the Senator from Nebraska for his suggestion. The whole Republican side, except one—just one, was it—voted against this great Federal reserve banking system?

Mr. HITCHCOCK. One east of the Missouri River. There were, I think, three or four western Republican Senators who supported it.

Mr. HEFLIN. Well, there were less than half a dozen, we will say, who voted for the system at all.

Mr. McLEAN. If we had been successful and had secured our idea of a Federal reserve system, very likely the objections which the Senator now has to this system never would have arisen.

Mr. HEFLIN. The Senator's party had no more to do with getting up the Federal reserve system than Pluto had to do with the Lord's Prayer—not a bit. [Laughter.]

Mr. President, this banking system did what a great many Republican leaders thought it would do. It killed the power of Wall Street in politics, and for the first time in years and years the country was free, and the people were again permitted to go to work. The hod carrier, the man beating at the forge, the mechanic at his bench, the farmer in his field, the merchant in his store, the little country banker, the doctor, the preacher, the teacher—everybody had something to do, and could get all the money he needed to carry on his business. That is what we needed to have done, and that is what the Federal reserve banking system did. That system worked admirably; it ran in clockwork fashion until May, 1920, when the Republican Senate passed a deflation resolution and started the thing going down and down and down until the South and West were prone upon their backs, and you are hearing from it in no uncertain terms every time the people in those sections get a chance to vote.

I cast no reflection upon the able and distinguished Senator from North Dakota [Mr. MCCUMBER]. I am fond of him personally. His defeat is more of a repudiation of this Republican administration than of him personally. The Federal Reserve Board's deflation policy, I understand, was a burning issue in the campaign, as it was in Iowa, and as it will be in every congressional district in the United States. We are not going to let you get away with it. You are not going to drag this system into politics and then stand here and shield and defend such a dangerous course and get away with it. The people must know the truth. Old Hickory Jackson drove the banks out of politics. We are going to drive the Federal reserve system out of politics.

You are putting them in and permitting them to take a speech made in this body defending their course and circulate it against me. I made a speech five and a half hours long criticizing and condemning their course, proving my contentions by their own figures and records, and I ask now that I may have the mailing list that a public institution used in circulating a speech against me and what I believe to be against the people's interest, and the Senator from Connecticut [Mr. MCLEAN], the chairman of the great Banking and Currency Committee in the Senate, demands that I strike it out and refrain from even calling upon these banks to furnish those names.

Why, Mr. President, there is not a country precinct in all the land where a jury would be assembled before a justice of the peace and a cause submitted for trial that the justice of the peace would not permit both sides to go to the jury, and let the jurors then pass upon the facts—the statement of the plaintiff and the statement of the defendant—and let the jury decide, after getting both sides of the case, what the truth was. The Senator from Connecticut puts himself in the attitude of wanting these banks—yes, of allowing these banks—to send out a speech, thousands of copies of it, when he knows that the correctness of many of the statements and figures contained in that speech are challenged by me, another Senator. Not only that, but he refuses to permit me to even know to whom the speech attacking me and assailing my position was sent. He will not permit me to present my side—the other side of the question—to the people who read the Glass speech. The Senator from Connecticut, chairman of the great Banking and Currency Committee of the Senate, has demanded in the open Senate that I be not allowed to have the list of names to whom the Glass speech was sent. I am entitled to it. My friend from Ohio [Mr. WILLIS] and some others suggested: "Oh, let that go out of this resolution; get the other information sought." I said, "All right," and I did it. Yesterday the Senator said: "If you will let it go over until to-morrow, I do not think I will object." Then he came over here to me and said to me: "I want you to strike out this part calling for the letter." I said: "I can not do it," and I would not agree to do it in a private conversation. The request that I am making is a fair and reasonable one; there is nothing unfair or unreasonable about it.

I want the people who read the Glass speech to read my speech, and I believe that most of them would like to have both sides of this great question. I want the facts of this thing to go to the country. Nearly 40,000 men and women read this RECORD daily, and I want them to know that while this great banking system is being perverted from the ends of its institutions and dragged in the mire of politics there are some of us fighting to keep it out and others fighting to hold it in.

Mr. WATSON of Georgia. Mr. President——

Mr. HEFLIN. I yield to my friend from Georgia.

Mr. WATSON of Georgia. I should like to ask the Senator from Connecticut what right has the Federal Reserve Board or any other bank to make war upon a Senator in this body? What right has any bank to make war upon a Senator in its State or in any other State?

Mr. HEFLIN. Mr. President, that is a question that a great many people are going to ask in this country. The American citizens are aroused as they have not been in many a day. They feel that although our boys won the World War and came back home victorious the profiteers who had tasted the blood of graft and pillage during the war want to continue it and act as though they have a license to do it, and the people are going to repudiate and smite your party, hip and thigh, and the Senator from Connecticut is aiding in the process every time he defends bad practice and wrongdoing as in the instance before us to-day.

Mr. McLEAN. Mr. President, I prefer that the Senator from Alabama let me answer the question of the Senator from Georgia.

Mr. HEFLIN. If the Senator can do it briefly, I will yield now for that purpose.

Mr. McLEAN. I think it will be somewhat different from the answer returned by the Senator from Alabama.

If the Senator was present the other day when this resolution was under discussion, he will remember that it was stated by myself and other members of the Banking and Currency Committee that these banks were private institutions; that their capital is furnished entirely by the member banks, State and National banks, which are private institutions; that the interest which the Government has is confined to the net profit, as the Senator probably knows. Any resolution inquiring as to the dissipation of those profits or the use of those profits or funds in any unwise or unwarranted manner would be legitimate; but it does not seem to me, and it has not seemed to the other members of the Banking and Currency Committee, that a private letter which a president of one of these banks might write when he forwarded the speech of the Senator from Virginia [Mr. GLASS] could be of any interest whatever to the Senate of the United States.

That is all that I ask to have eliminated from this resolution. Any inquiry that relates to the funds of the bank or the management of those funds is proper; but the Senator from Georgia can well understand that an official of one of these Federal reserve banks, in sending out the speech of the Senator from Virginia [Mr. GLASS], might have discussed a good many other things than the character or quality of the speech which was inclosed; and it did not seem to the Banking and Currency Committee that it was wise or proper or of any interest to the Senate of the United States to require that such letters should be made public.

Mr. WATSON of Georgia. Mr. President, will the Senator from Alabama permit a further interruption?

Mr. HEFLIN. I yield.

Mr. WATSON of Georgia. The Senator from Connecticut takes a very strange position. These Federal reserve banks are national institutions. They are part of the Government; and I want to know by what authority any one of these banks goes out on the warpath against a Senator and tries to take his scalp, by private correspondence or otherwise. How dare they do it? By what authority do they do it? They are subject to our will; they are in our power; and it is only a question of time when I intend to inaugurate a movement in this Chamber to revoke their charters, and give back to the Government the right to issue its own money and to prescribe the terms upon which that money shall circulate.

Mr. WILLIS. Mr. President——

Mr. HEFLIN. I yield to the Senator from Ohio.

Mr. WILLIS. May I ask the Senator whether the resolution which he now has introduced is identical with the resolution that was before the Senate the other day, except as to the provision requesting a list of names?

Mr. HEFLIN. I changed it also in the other particular suggested by the Senator from Connecticut:

> The Federal Reserve Board is hereby directed to call upon the Federal reserve banks—

And so forth. I made that change at the Senator's suggestion. I did not think it was necessary, but I made it hoping that the Senator would then permit my resolution to pass; but he found another objection to it, that it calls for the letter they wrote. I am entitled to that letter. I got the one from the Atlanta Bank, and I am entitled to know what these banks wrote when they sent out the speech in question.

Mr. WILLIS. Mr. President——

Mr. HEFLIN. I yield to the Senator.

Mr. WILLIS. I think, as a matter of fairness, since my name has been brought into this discussion, that I ought to say that what the Senator from Alabama has said about the matter is correct so far as I am concerned. I did go to him personally and say to him what I now say, that I thought he ought to eliminate from his resolution the request for a list of names. I am glad that he has eliminated that, and I told him that I understood from personal conversation with Members on this side that if that were eliminated there would not be objection. I may have misunderstood the Senator, but I thought that was the position taken. I do not accuse anybody of bad faith in that matter at all. That was my understanding—that if that were eliminated there would be no objection.

Mr. HEFLIN. The Senator is right. That was the understanding had on the floor with the Senator from Connecticut.

Mr. WILLIS. I may have misunderstood. I want to get this resolution through. I think the Senator is entitled to most of the information he is seeking. As I understand it, the only matter in controversy is the contents of a letter.

Mr. HEFLIN. That is the only thing in controversy now so far as this particular resolution is concerned.

Mr. WILLIS. Does the Senator think that is of vital importance? It seems to me the essential thing is to know how these speeches have been distributed and what funds have been expended in that distribution. I think the Senator and the Senate and the country are entitled to that information. But I think it is rather questionable, as the Senator from Connecticut says, whether we ought to go into a letter of that kind. There may have been other things discussed. It does not seem to me that it is essential, and I am asking the Senator if he will not eliminate that, so that we can get the resolution passed and get the essential information which the country ought to have?

Mr. HEFLIN. Suppose that letter disclosed the fact that the banks had criticized my position and commended the speech of Senator GLASS. That would show that they were going into politics. I take the position, as a Senator in this body, that the view presented by Senator GLASS is not the correct view, and I made a speech trying to show why it was not the correct view. I asked for the list of voters, so that I could get my speech to those who had read the speech of the Senator from Virginia. I struck that out at the suggestion of my friend from Ohio and others; and then I said that I felt that I should have the letter sent out with the speech. That may disclose that they have written something showing that they have taken sides. If that discloses that these banks have gone into politics, should not the Senate and the Congress take some steps to get them out?

Mr. WILLIS. I might be inclined to agree with my friend about some of his contentions in that regard, but it seems to me that the other facts which he seeks are the important things which the Senate and the country want to know about. There seems to be some controversy about that one thing, and it seems to me it would be very much better if the Senator would eliminate that portion of the resolution, and get the resolution adopted, and get the essential things which we ought to have.

Mr. WATSON of Georgia. Mr. President——

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Does the Senator from Alabama yield to the Senator from Georgia?

Mr. HEFLIN. I yield.

Mr. WATSON of Georgia. Will the Senator from Ohio tell us how we would know what the Atlanta Federal Reserve Bank said about the speech of the Senator from Virginia [Mr. GLASS] unless we had their letter? We have all read the RECORD. We know what the speech of the Senator from Virginia was. We know how fallacious it was. We know how sophistical it was. We know how easy any man on this side can tear it to shreds, which I intend to do some day in the near future. I will tear it apart and throw its remnants to the wind. I have not yet done so, but I am fully prepared to do that, and am going to. But in sending out that speech, if the Atlanta bank sent a letter with the speech, the letter is the main thing. We want to know what that bank said to the people of Georgia and Alabama against this brave Senator who represents the State of Alabama.

Mr. WILLIS. I am not objecting to that, but I am trying to reach some conclusion which will make possible the adoption of this resolution; and since the Senator asks that very proper question, my view is this, that the important thing is to find out what funds were expended, what number of speeches were sent out, and so forth, and if the situation shall develop as my friend from Alabama thinks it will, I have no doubt copies of that letter, whatever it may be, will be forthcoming; but it seems to me, since there is question about it, the thing to do now is to get these essential facts. I am not objecting; I am trying to make a suggestion which will lead to some progress.

Mr. McLEAN. Will my friend from Alabama yield to me to ask a question?

Mr. HEFLIN. I yield briefly to the distinguished Senator from Connecticut.

Mr. McLEAN. I want to ask the Senator from Ohio if he thinks a private letter, written by an official in a private institution, can be of interest to the Senate of the United States? The Secretary of the Treasury or the head of any one of the executive departments might send a speech written or delivered by the Senator from Ohio to a friend, and he might have said a good many things in that letter. Does he think it is anybody's business but his own?

Mr. WILLIS. If my friend from Alabama will further yield to me to make reply——

Mr. HEFLIN. I yield.

Mr. WILLIS. I should say I think that is an open question. Here are two distinguished and able Senators who take contrary views of that. The Senator from Connecticut thinks that that ought not to be made a matter of publicity. The Senator from Alabama thinks that it ought to be. Since it is a matter of controversy—and in my view is not essential—let us get it

out of this resolution and adopt the resolution and get the essential facts, which the country ought to have. That is my suggestion. I am not objecting to anything; I am trying to make some progress.

Mr. HEFLIN. Mr. President, the Senator from Connecticut, an able and distinguished Republican from the State of Connecticut, at the head of the Banking and Currency Committee of the Senate, takes the position that this is a private institution, when the Federal Reserve Board, provided for under law, is appointed by the President and confirmed by the Senate, and the governor of every one of these banks is appointed by the board and is a governing official, and the governing official has directed that these letters be written and the speech sent out; yet the Senator from Connecticut says it is a private institution.

Mr. McLEAN. The president of the bank is a private individual and he has some rights, I take it, one of which is to carry on correspondence. If he wants to send my speech or the Senator's speech to a friend, whatever may be contained in his speech or however iniquitous it may be, I do not think the accompanying letter is any of the Senator's business or any of my business.

Mr. HEFLIN. I am satisfied the Senator feels that way. When Paul was in darkness and persecuted Christ, before the scales fell from his eyes, he felt that he was doing right; but after the light came to him and the scales fell off he realized then that he was doing that which was a sin in the sight of the Creator of the world. When the Senator from Connecticut, in his environment, defends these institutions against such practices as I am condemning he believes in his heart that he is doing right. The scales are on his eyes and he can not see the right and the light as the great American public will see it when they read this record.

I suppose the king felt that he was doing right when he threw Daniel into the lion's den, and old Herod felt he was doing right when he had John the Baptist beheaded. But that did not keep the offenses from being crimes against good morals and crimes against religion and crimes against humanity. The fact that those fellows thought they were doing right did not in any way diminish the magnitude of their sin and crime. The Senator's defense of the political activity of the Federal reserve banks in no way lessens the wrong and the danger of such practice.

Mr. WILLIS. Mr. President, I want to convince my friend that his resolution is a very important resolution even with that language stricken out. The first request is:

1. At whose instance was the speech in question of Senator GLASS sent out?

That is of very great importance.

2. At whose expense was said speech printed and distributed?

That is important and proper.

3. How was the fund provided, and how many copies of said speech were sent out, and how much money was expended in printing and distributing said speech?

I think the Senate and the country are entitled to that information.

Mr. HEFLIN. Well, I will try to get the other information in another way a little later on in this body; but in order that I may get action now on the other provisions of my resolution, I accept the suggestion of the Senator from Ohio, and I ask unanimous consent for the present consideration of my resolution, modified by the suggestion of the Senator from Ohio.

Mr. WILLIS. With the language, "Was any letter sent out with said speech? If so, attach a copy to your report," stricken out.

Mr. HEFLIN. That will be stricken out.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution as modified? The Chair hears none, and it is before the Senate.

Mr. HEFLIN. I ask that the resolution be modified as suggested by the Senator from Ohio, eliminating question No. 5.

The PRESIDING OFFICER. The Chair hears no objection, and the Secretary will report the resolution as modified.

The resolution as modified was read and agreed to, as follows:

Whereas it has been charged upon the floor of the Senate that each and every one of the regional Federal reserve banks of the United States has had printed and distributed at its own expense a speech delivered in the Senate by Senator GLASS, of Virginia, in which the position of Senator HEFLIN on the deflation policy of the Federal Reserve Board was assailed and criticized: Therefore be it

Resolved, That the Federal Reserve Board is hereby requested to call on all of said Federal reserve banks, except the Federal Reserve Bank of Atlanta, which has already reported to the Senate, to furnish to the Senate in writing all information in their possession, respectively, called for in the following questions:

(1) At whose instance was the speech in question of Senator GLASS sent out? (2) At whose expense was said speech printed and distributed? (3) How was the fund provided, and how many copies of said speech were sent out, and how much money was expended in printing and distributing said speech? (4) Did any member of the Federal Reserve Board suggest the printing or distribution of the said speech?

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The next amendment of the committee was, on page 103, line 14, to strike out "26" and insert "30," so as to read:

Fish (except shell fish) by whatever name known, packed in oil, or in oil and other substances, 30 per cent ad valorem.

Mr. SIMMONS. Mr. President, I make the point of no quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The roll was called, and the following Senators answer to their names:

Borah	Harris	McLean	Sutherland
Broussard	Harrison	McNary	Trammell
Bursum	Heflin	Myers	Wadsworth
Cameron	Johnson	Norris	Walsh, Mass.
Capper	Jones, Wash.	Pepper	Warren
Caraway	Keyes	Poindexter	Watson, Ga.
Curtis	Ladd	Pomerene	Watson, Ind.
France	La Follette	Rawson	Willis
Glass	Lenroot	Sheppard	
Gooding	Lodge	Simmons	
Hale	McCumber	Spencer	

Mr. CURTIS. I desire to announce that the Senator from Nevada [Mr. ODDIE] and the Senator from Colorado [Mr. NICHOLSON] are necessarily absent. Also, that the Senator from Wyoming [Mr. KENDRICK], the Senator from Illinois [Mr. MCKINLEY], and the Senator from North Dakota [Mr. LADD], are detained in attendance on a meeting of the Committee on Agriculture and Forestry.

The PRESIDING OFFICER. Forty-one Senators have answered to their names. A quorum is not present. The Secretary will call the names of absentees.

The reading clerk called the names of the absent Senators, and the following Senators answered to their names when called:

Calder	Newberry	Phipps	Sterling
New			

The following Senators entered the Chamber and answered to their names:

Shields	Dillingham	Ernst	Culberson
Colt	Brandegee		

The PRESIDING OFFICER. Fifty-two Senators have answered to their names. A quorum is present. The question is on agreeing to the committee amendment.

Mr. WALSH of Massachusetts. May we have the amendment stated?

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. In paragraph 721, page 103, line 14, strike out "26" and insert "30."

Mr. McCUMBER. I ask that paragraph 721 be passed over until the other fish paragraphs are disposed of.

The PRESIDING OFFICER. The paragraph will be passed over.

Mr. McCUMBER. I ask that paragraph 722 may be taken up. In line 24, on page 103, after the word "meat," I move to insert "and lobster meat."

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 103, line 24, after the words "crab meat," insert "and lobster meat," so as to read:

Crab meat and lobster meat, packed in ice or frozen, or prepared or preserved in any manner, etc.

Mr. WALSH of Massachusetts. Mr. President, the Senate committee amendment to paragraph 722 decreases the rate on crab meat from 26 per cent ad valorem based on the American valuation to 25 per cent ad valorem based upon the foreign valuation; increases the rate on fish paste and sauce from 28 per cent ad valorem based on the American valuation to 30 per cent ad valorem based on the foreign valuation; and increases the rate on caviar and other fish roe from 28 per cent to 30 per cent ad valorem.

Crab meat was free of duty under the Payne-Aldrich and Underwood-Simmons laws. Under the Underwood law fish paste and sauce was 25 per cent ad valorem. Under the Payne-Aldrich law fish paste was dutiable at 40 per cent ad valorem. The increase in the rate on fish paste over the House bill is relatively small, and it is somewhat of a decrease of the Payne-Aldrich rate.

All the imports of crab meat come from Japan. We import about 3,000,000 pounds, valued at about $1,200,000. The im-

ported crab meat sells for so much more than the domestic crab meat that it competes with the American product scarcely at all.

What I have to say about the items named in the paragraph—they are not altogether particularly important—is perhaps better said in the two letters which I send to the desk and ask to have read.

The PRESIDING OFFICER. Without objection, the letters will be read as requested.

The reading clerk read as follows:

BOSTON, *April 14, 1922.*

Hon. DAVID I. WALSH,
Washington, D. C.

DEAR SIR: It is reported in newspapers and elsewhere that in the tariff bill just reported by the Tariff Committee a duty of 25 per cent is contemplated on Japanese crab meat.

This is a matter of concern all over the United States, but particularly in New England, where it is a most popular item of canned sea food.

New England alone uses almost as much as the rest of the United States put together, and there is nothing available to take its place.

We, therefore, protest against such an arbitrary duty, as it will prohibit importations and not serve the purpose of a tariff; that is, to raise revenue.

It is a fact that is easily demonstrated that Japan crab is a shellfish entirely dissimilar to any crab caught in domestic or Alaskan waters, and it is a type and size found only in waters adjacent to Japan. It is more like lobster in size and flavor than American crab, and Japan crab is usually from 2 to 5 feet long. There is, therefore, no American or Alaskan industry that suffers from Japanese competition or that needs any protection against lower cost of labor or materials.

A duty of 25 per cent will advance price on this delicacy to a prohibitive cost to consumers, so that the demand will entirely disappear, at a serious loss to present distributors and importers who have built up an important trade on this excellent substitute for lobster, and it will defeat the very purpose of a tariff. Our consumers can not pay any more than they are now obliged to pay by reason of excessive transportation costs.

The Japanese have other markets, namely, England and France, to which their pack will naturally be diverted, as the American market will be unable to compete if penalized with such a duty, and our people deprived of an opportunity to secure at any fair price this most desirable queen of sea foods.

We maintain that Japanese crab meat, like Canadian lobster, should remain on the free list, as it interferes in no way with any similar food product packed from our own waters.

We are asking the Senators from the New England States, particularly Massachusetts, to use their influence to have this contemplated duty positively eliminated from the tariff bill for reasons as above, and would appreciate a reply from you as to your attitude or desire for further information, which we will be glad to furnish.

Perhaps I should state for your use and information that for several years the writer was director for Massachusetts of the National Food Brokers' Association, and am at present secretary of the Boston Merchandise Brokers' Association, and have been in the canned foods brokerage business in Boston for 20 years. Our firm has specialized on Japanese crab meat for 10 years, and we are therefore intimately acquainted with the subject of Japanese crab meat as well as packs of domestic crab meat, and know their distinct and absolute dissimilarity.

Appreciating whatever of your time (of which I know you have little to spare) and your efforts you can give to this matter, I beg to remain,

Most respectfully and cordially yours,

WILLIAM A. MANN.

—

BOSTON, *April 5, 1922.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: Relative to the proposed duty on Japanese crab meat as a means of protecting American packers of crab we wish to express our conviction that the proposed duty would in no sense help or protect the American industry, as the American product is not in the least competitive owing to the inferior quality of the American pack in color, size, and flavor. There is no more comparison in quality than between a cheap herring and a fancy bristling sardine, and we believe the Alaskan product will never replace the Japanese crab meat, even though the price had the widest range.

On the other hand, if the proposed duty goes into effect, it will result in stifling the rapidly growing trade in an article which has merit and is popular with the American trade, as the consumer would not pay the necessary increased price, and the resulting income to the Government would be negligible.

Trusting this matter may have your earnest consideration, we are,

Very truly yours,

PALMER, MCELWAIN & COLE (INC.),
W. N. PALMER, *Treasurer.*

Mr. WALSH of Massachusetts. Mr. President, the letters just read state the case very fully and very clearly. The claim is made, and made authentically, that the Japanese crab meat does not compete with the American product. The additional amendment to the paragraph as offered by the committee through its chairman, as I understand it, puts canned lobster upon the same basis as crab meat. I understood that lobster was put upon the free list to conserve the declining domestic lobster supply. May I ask what is the reason for the change? The imported crab meat competes more nearly with domestic and imported lobster. A reasonably low duty would serve the purpose of conserving the domestic lobster supply. This duty is altogether too high. I can not understand why the American people are to be taxed for a useful and delicious sea food like Japanese crab meat the large sum named in the amendment—25 per cent ad valorem. I think that it is an extremely high rate and is not justified in view of the fact that the competition with the American crab meat is very slight. I ask the Senator from North Dakota how he justifies this high rate of duty?

Mr. McCUMBER. Mr. President, the committee had not perfected the amendment as it desired when the Senator rose. The committee report an amendment, on line 25, striking out "25" and inserting in lieu thereof "15," so as to make the ad valorem rate 15 per cent.

Mr. WALSH of Massachusetts. Is that rate to apply also to lobster meat "packed in ice or frozen or prepared or preserved in any manner"?

Mr. McCUMBER. It applies to all kinds of crab meat and all kinds of lobster meat, no matter how preserved, whether canned or fresh or otherwise.

Mr. WALSH of Massachusetts. Why is lobster meat now taken from the free list?

Mr. McCUMBER. Mr. President, there is, of course, more or less competition between the American fishermen and the Canadian fishermen. Most of our lobster now, on account of the exhaustion of our product, comes from Canada, just as the greater portion of our crab meat now comes from Japan. To place one upon the free list and the other upon the dutiable list would disarrange the relation which ought to exist between the lobster meat and the crab meat, which may be used interchangeably. It was, therefore, felt not only that a degree of protection should be accorded but also, in addition to that, they being at least semiluxuries, that the two articles should bear practically the same rate of duty.

Mr. WALSH of Massachusetts. Mr. President, the modification of the committee amendment is certainly helpful, and is very much more satisfactory than the original amendment. However, I still think that the rate of 15 per cent ad valorem is too high; and from the information that comes to me I can not see how it can be justified, in view of the fact that crab meat was upon the free list even in the Payne-Aldrich law; but I have nothing more to say, and I am ready for a vote.

The PRESIDING OFFICER. The question is on the committee amendment.

Mr. McCUMBER. Before the vote is taken I desire first to put into the RECORD at this point, for the convenience and guidance of the conference committee on the pending bill, certain facts in relation to the crab-meat and lobster industry. Crab meat is imported in very large quantities from Japan, and to a considerable extent also from Norway. The production in 1908 in this country of canned crab meat was 789,000 pounds. The annual crab catch in the United States is about 6,000,000 pounds.

Now I desire to show the imports of crab meat. In 1913 they were 2,820,000 pounds, in 1918 they were 3,154,000 pounds, in 1919 they were 2,690,000 pounds, and in 1920 they were 4,079,000 pounds. Therefore it will be seen that the importations of crab meat are about 66⅔ per cent of the production, which, as I have stated, is about 6,000,000 pounds.

I desire to insert in the RECORD the table which I send to the desk, showing the imports of canned lobster.

The PRESIDING OFFICER. Without objection, the table will be inserted in the RECORD.

The table is as follows:

Imports.	Canned lobster.	Average value.	All other lobster.	Average value.
1908	4,310,000	$0.235	3,921,000	$0.09
1914	2,294,000	.346	5,619,000	.10
1918	2,448,000	.379	4,704,000	.173

Mr. SHORTRIDGE. Mr. President, I should like to ask the chairman of the Committee on Finance with regard to the tariff which is imposed on American crab meat and lobster meat by the Japanese Government. I have no information immediately at hand in reference to that matter, but my recollection is that Japan imposes a very high rate of duty upon imports of these articles into that country.

Mr. McCUMBER. I am not informed as to that, I will say to the Senator from California.

Mr. SHORTRIDGE. While we were not entirely satisfied, we were disposed to be content with the rate which was originally fixed by the committee on these articles, and I must therefore express regret that the committee has, perhaps, upon due information or argument, receded or departed from the position originally taken when the bill was reported.

My information is that Japan, which very properly looks after the industries of her own land, imposes a very high, an almost prohibitive tariff on imported crab meat and lobster meat. We on the Pacific coast are interested in this industry,

and, while I can not throw any great light upon the matter, the data not being before me at the moment, I reserve the right to renew the subject at a later time in the hope that I can convince even the Senator from Massachusetts [Mr. WALSH] that the rate as originally suggested by the Committee on Finance was not excessive. However, I wish to have appear in the RECORD in support of the statement which I have just made, a letter which was addressed to me by the Canners' League of California, which reads as follows:

SAN FRANCISCO, *June 6, 1922.*

Hon. SAMUEL M. SHORTRIDGE,
United States Senator, Washington, D. C.

DEAR SIR: We note that importers of Japanese canned crab meat, who are opposed to an increase in the duty thereon, are being quoted as having stated that the only competitor Japanese crab meat has is canned lobster.

Permit us to point out that Japanese crab meat comes in direct competition with Gulf canned shrimps, California canned tuna, salmon, and practically all other fish products commonly used in salads.

Japan is levying nearly double the rate of duty on this product when shipped to Japan that we levy on Japan when her product is shipped here. The same is true of her tariff on canned salmon, tuna, and similar products.

We are writing you this letter because, no doubt, this will come up for discussion, and it has occurred to us that you will desire to have the facts brought to your attention.

Yours very truly,

CANNERS' LEAGUE OF AMERICA,
PRESTON MCKINNEY, *Vice President.*

In other words, and in brief, we on the Pacific coast in the States of California, Oregon, and Washington, and our people operating along the Alaskan coast to a certain extent, engage in this industry and we come in direct competition with Japanese and possibly Chinese capitalists who finance some of those companies, wherefore we are directly interested, and I have thought that the rate originally fixed was certainly not excessive.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment by the Committee on Finance will be stated.

The ASSISTANT SECRETARY. On page 103, line 25, the committee propose to modify the amendment after the word "manner" by striking out "26" and inserting "15."

The PRESIDING OFFICER. The question is on agreeing to the amendment as modified.

The amendment as modified was agreed to.

Mr. McCUMBER. I should like now to turn to page 101, paragraph 710, covering cheese.

Mr. WALSH of Massachusetts. Mr. President, may I respectfully request that we finish paragraph 722 so that the record may be consecutive? I have said all that I care to say as to paragraph 722, and I should like to have a vote taken and have that paragraph disposed of and then the Senator may return to any other paragraph he desires.

Mr. McCUMBER. Very well.

The PRESIDING OFFICER. The next amendment to paragraph 722 will be stated.

The next amendment was on page 104, line 1, before the words "per centum," to strike out "28" and to insert "30"; and in line 4, before the words "per centum," to strike out "28" and to insert "30"; so as to read:

Fish paste and fish sauce, 30 per centum ad valorem; caviar and other fish roe for food purposes, packed in ice or frozen, prepared or preserved, by the addition of salt in any amount, or by other means, 30 per centum ad valorem.

The amendment was agreed to.

Mr. McCUMBER. I ask now to recur to paragraph 710 on page 101. In that paragraph the committee proposes to strike out lines 18 to 21, inclusive, and insert in lieu thereof the following:

PAR. 710. Cheese and substitutes therefor, 5 cents per pound but not less than 25 per cent ad valorem.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Dakota on behalf of the committee.

Mr. WALSH of Massachusetts. Mr. President, am I correct in asserting that the amendment proposed by the committee increases the rate originally provided in paragraph 710 on cheese?

Mr. McCUMBER. The proposed change increases the rate of the House bill only in the case of cheese the import price of which is between 20 and 30 cents per pound. The rate of 5 cents per pound on the cheese valued at 29 cents per pound is equal to about 17 per cent ad valorem, while that rate on a cheese valued at 20 cents per pound is 25 per cent ad valorem. The only change, therefore, is on cheese the price of which is between 20 and 30 cents per pound.

Mr. WALSH of Massachusetts. What is the purpose of increasing the rate upon cheese valued at between 20 and 30 cents per pound?

Mr. McCUMBER. We have developed a very considerable industry here, since the war, in the manufacture of Swiss cheese. It was supposed when the bill was originally drawn in the House that 30 cents a pound would be the dividing line between the lower price cheese and the Swiss cheese, which costs considerably more, but of late the Swiss cheese is being offered for considerably less, and if the cost price is reduced even a half cent, so as to bring it down to 29½ cents, 2½ cents a pound are gained on the tariff. That is the reason for the modification, so as to include the importations of Swiss cheese in the higher bracket.

Mr. WALSH of Massachusetts. Mr. President, I do not care to discuss the rates on cheese in this paragraph at this stage of the proceedings.

Mr. McCUMBER. If the Senator will allow me, the Underwood rate, the present law, is 20 per cent, and this is 25 per cent—a difference of 5 per cent.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. WALSH of Massachusetts. Mr. President, before the next amendment is stated, I send to the desk a statement appearing in the papers of to-day relative to the 11 months' export trade from July, 1921, to June, 1922, during the time of the operation of the emergency tariff law. This statement is to the effect that there has been a substantial reduction in the export trade of the country. I suppose if the statistics showed that there had been a substantial increase during these months, the majority party would claim that it was due to the emergency tariff law. The facts are that there has been a substantial decrease, as the article in question shows, and that this tariff law passed May 27, 1921, has in no way increased business. I ask to have the article published in the RECORD.

The PRESIDING OFFICER. Without objection, that order will be made.

The article referred to is as follows:

[From the New York American of June 30, 1922.]

ELEVEN MONTHS' EXPORT TRADE IS BELOW 1921 LEVEL—IMPORTS ALSO SHOW REDUCTION COMPARED WITH SAME PERIOD YEAR AGO.

WASHINGTON, JUNE 29.—Declining exports of raw materials, foodstuffs, and manufactures were revealed in foreign trade reports for May. For the 11 months ended with May, exports of raw materials aggregated $855,000,000 compared with $1,214,000,000 during the corresponding period a year ago, while imports totaled $818,000,000 against $983,000,000 during the same period in 1921.

Exports of foodstuffs for the eleven months amounted to $1,047,000,000 compared with $1,644,000,000 last year, while imports aggregated $571,000,000 against $1,254,000,000 during the 11 months ending May, 1921.

Exports of manufactures for the 11 months of this year aggregated $1,462,000,000 compared with $3,180,000,000 in 1921, while imports totaled $940,000,000 against $1,200,000,000 for the 11 months ended with May a year ago.

The PRESIDING OFFICER. What amendment does the Senator desire to have taken up next?

Mr. McCUMBER. I desire now to go to page 104, paragraph 723.

The PRESIDING OFFICER. The amendment will be stated.

The ASSISTANT SECRETARY. On page 104, line 6, the committee proposes to strike out "15" and to insert in lieu thereof "20," so as to make the paragraph read:

PAR. 723. Barley, hulled or unhulled, 20 cents per bushel of 48 pounds; barley malt, 40 cents per 100 pounds; pearl barley and barley flour, 2 cents per pound.

Mr. WALSH of Massachusetts. Mr. President, we are approaching the discussion of the rates to be levied upon cereals. This amendment in paragraph 723 upon barley seeks to increase the rate from 15 cents per bushel, as fixed in the House bill, to 20 cents per bushel. This is practically the only change made in this paragraph by the Senate Finance Committee.

In the Underwood Act barley was dutiable at 15 cents per bushel. The amendment of the Senate committee proposes to increase the rate over the Underwood law 33⅓ per cent. It is only fair to state that the Senate committee amendment reduces the rate fixed in the Payne-Aldrich law.

INTERNAL REVENUE COLLECTION DISTRICTS.

Mr. KING. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. I yield.

Mr. KING. I am compelled to leave the Chamber and leave the city this afternoon, to return in the morning.

Mr. WALSH of Massachusetts. I yield, with pleasure.

Mr. KING. Yesterday Senate bill 2051 was passed, creating another collection district in the State of New York. The bill

as originally offered called for 10 new collection districts. I objected to the bill, and it was modified so as to create only one additional collection district. With that modification, though I was opposed to the bill, I did not object to its consideration.

Mr. President, I am going now to enter a motion to reconsider the action of the Senate in passing the bill.

The PRESIDING OFFICER. The Senator from Utah moves to reconsider the votes by which the bill was passed, and asks that that motion be entered.

Mr. KING. Yes; and let me say just a word. One reason which induces me to do it—and I will take up the matter with the Senator from New York later—is this——

The PRESIDING OFFICER. Does the Senator couple with that a request that the bill be returned from the House of Representatives, to which it has gone?

Mr. KING. Yes.

In this morning's paper, if the Senator will still pardon me, I notice that Hon. CHARLES L. KNIGHT—

Member of the House from Ohio and a candidate for the Republican nomination for governor in that State, yesterday made public a letter to Secretary Mellon, charging that deputy internal revenue collectors in Ohio had received orders from "higher up" to work for the nomination of Carmi Thompson for the gubernatorial nomination.

Mr. KNIGHT in his letter to Mr. Mellon said he wished to submit "the following facts, which seriously concern your department of the Government."

Then he refers to a primary campaign and the action of the collector in calling his subordinates before him and telling them that they must work for the nomination of Mr. Carmi Thompson for governor. He protests against the debauching of the public service and the utilization of those positions for political purposes. Numerous criticisms have been made about the activity of some officials in the Internal Revenue Bureau for political purposes. I have a resolution, which has been offered and which I hope will be considered, calling for certain information relative to the work of the Internal Revenue Bureau. I shall not take the time to comment upon the matter now.

The PRESIDING OFFICER. The Chair desires to call the Senator's attention to Rule XIII, in view of the statement it contains that "any Senator voting with the prevailing side" may move a reconsideration.

Mr. KING. That rule applies only where there has been a record vote.

The PRESIDING OFFICER. The rule does not say that.

Mr. KING. I simply enter the motion.

The PRESIDING OFFICER. The Senator can enter the motion, and that question can be raised later on.

Mr. WADSWORTH. Mr. President, may I say that the motion of the Senator from Utah creates a rather serious situation. As he knows, the House of Representatives is to take a recess to-morrow for several weeks. This measure, which was passed at the request and suggestion of my colleague [Mr. CALDER] yesterday, is one of immense importance to the Treasury Department and the proper administration of the tax laws in the city of New York. It is merely for the purpose of permitting the creation of an additional taxing and collection district, and I hope the Senator will not press any such motion. The Senate upon yesterday, when it passed the bill, understood perfectly well what it was doing, and we had hoped that the House of Representatives this afternoon or to-morrow might take action upon it.

Mr. KING. I had hoped that the tax-collection branch of the Government would be free from partisanship and from politics, but I am afraid it is not, and I submit the motion. I shall be happy to see the two Senators to-morrow morning.

Mr. WADSWORTH. Mr. President, what is the parliamentary situation? Where is the bill?

The PRESIDING OFFICER. The bill has gone to the House of Representatives. The Senator coupled with his motion a request that it be returned from the House.

Mr. WADSWORTH. May I inquire of the Presiding Officer how much time will be expended in operating this machinery and actually getting the bill back here?

The PRESIDING OFFICER. The Chair can not tell.

Mr. WADSWORTH. I realize, of course, that ordinarily the Senate extends to any Senator as a matter of courtesy the right to make a motion to reconsider or recall from the other House a bill which has been passed, but in this case I fear that it means the death of the legislation, and as I am especially interested in it, and the administrative authorities are exceedingly interested in it, I doubt if it is my duty to permit this legislation to die on the request of one Senator.

The PRESIDING OFFICER. The Chair desires to suggest to the Senator that Rule XIII provides that—

When a bill, resolution, report, amendment, order, or message, upon which a vote has been taken, shall have gone out of the possession of the Senate and been communicated to the House of Representatives, the motion to reconsider shall be accompanied by a motion to request the House to return the same; which last motion shall be acted upon immediately, and without debate, and if determined in the negative shall be a final disposition of the motion to reconsider.

Mr. KING. Of course, if a motion to reconsider—which, under the rule, is permitted to be made without consent, and to have a certain length of time—could be defeated because the bill has been transmitted, then we might as well abolish the rule.

The PRESIDING OFFICE. The Chair desires to suggest that the Senator can make his motion to request the House to return the bill.

Mr. KING. I move that the House be requested to return the bill.

The PRESIDING OFFICER. The question is on the motion of the Senator from Utah to request the House of Representatives to return the bill to which he refers. [Putting the question.] In the opinion of the Chair the "noes" have it.

Mr. KING. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Utah suggests the absence of a quorum. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ashurst	Heflin	McNary	Shortridge
Broussard	Johnson	Myers	Simmons
Calder	Jones, N. Mex.	Nelson	Sterling
Capper	Jones, Wash.	New	Sutherland
Caraway	Kellogg	Newberry	Townsend
Colt	Keyes	Norris	Trammell
Cummins	King	Overman	Wadsworth
Curtis	La Follette	Pepper	Walsh, Mass.
Dillingham	Lenroot	Poindexter	Warren
Glass	Lodge	Pomerene	Watson, Ind.
Hale	McCumber	Rawson	Willis
Harris	McKinley	Sheppard	
Harrison	McLean	Shields	

Mr. CURTIS. I desire to announce that the Senator from Illinois [Mr. MCKINLEY], the Senator from North Dakota [Mr. LADD], and the Senator from Wyoming [Mr. KENDRICK] are detained in a meeting of the Committee on Agriculture and Forestry.

The PRESIDING OFFICER. Fifty Senators having answered to their names, a quorum is present. The question is on the motion of the Senator from Utah [Mr. KING] to ask the House of Representatives to return Senate bill 2051 to the Senate.

Mr. WADSWORTH. I move to lay that motion on the table.

The motion was agreed to.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, the pending amendment being in paragraph 723, page 104, line 6.

Mr. WALSH of Massachusetts. Mr. President, there is absolutely no tariff issue involved in this paragraph. There is no question of revenue, because there are no imports. There is no question of protection, because there is nothing to protect, there being no competition from foreign countries. The statistics show that in 1920 the United States produced 202,000,000 bushels of barley, valued at $132,931,000. We imported in 1920 348,000 bushels, valued at $530,000. In 1920 we exported 17,854,000 bushels, valued at $27,165,000.

I call the Senate's attention to those two items, that our imports were valued at a half a million dollars, and our exports at $27,000,000. Imports of barley are insignificant except when the domestic crop is short. The better grades are used mostly for malt, and prohibition has greatly reduced this market. At the present time barley is used largely as feed stuff and for export. I repeat, there is virtually no tariff problem here.

I send to the desk and ask the Secretary to read a letter which states the objections to the rate named in this paragraph upon barley and the other products named therein.

The PRESIDING OFFICER. Without objection, the Secretary will read.

The Assistant Secretary read the letter, as follows:

NEW YORK, *June 17, 1922.*

SENATE FINANCE COMMITTEE,
Washington, D. C.

GENTLEMEN: We are herewith strongly protesting against the proposed duty of 2 cents per pound on pearl barley and barley flour. This means an increase over the present rate of 100 per cent. Without any doubt, the duty on very few commodities has been raised to such an extent. We are of the opinion that a duty of 2 cents per pound on the above-mentioned products is absolutely unreasonable and excessive. We also wish to mention the fact that the duties on all other grains

and grain products have not been increased to such an extent, as the proposed rates on the following products will prove:

Wheat, 30 cents per 60 pounds.
Rye, 15 cents per 56 pounds.
Corn, 15 cents per 56 pounds.
Buckwheat, 10 cents per 100 pounds.
Wheat flour, etc., 78 cents per 100 pounds.
Rye flour, 45 cents per 100 pounds.
Corn flour, etc., 30 cents per 100 pounds.
Buckwheat flour, 50 cents per 100 pounds.

Considering the above rates, it is plainly seen that the duty on pearl barley and barley flour is entirely out of proportion in comparison with the duties on all other grain products. We are quite aware of the fact that we must have a protective tariff, but everything within reason. Surely, you will agree with us that wheat and the wheat flour industry is of much more importance than barley and barley products, and still the proposed duty on wheat flour is only 78 cents per 100 pounds, whereas the proposed duty on pearl barley and barley flour is $2 per 100 pounds, or almost three times as much. This we can not understand. Pearl barley can be bought at the moment from the domestic mills at from $2.75 to $5.50 per 100 pounds, according to quality, whereas fairly good European pearl barley can not be purchased to-day for less than $4.50 to $5.25 per 100 pounds f. o. b. European port, which means at from $5.80 to $6.55 per 100 pounds c. i. f. New York, duty paid, based on the present rate of 1 cent per pound. You can therefore see that a duty of 1 cent per pound is rather high already and 2 cents per pound is out of reason entirely. Records show that very little pearl barley and barley flour has been imported into this country, and a 2-cent duty will probably prohibit the importation of pearl barley entirely. This is not fair to the importer, who has the same right to ask for protection as anyone else. If the Senate passes the 2-cent duty it surely will be of no benefit to the farmer and the public and will be beneficial only to certain barley manufacturers. They will simply raise their prices and the public will have to pay. We therefore wish you would reconsider the 2-cent duty, and we are confident that you will leave it with the old rate of 1 cent per pound.

Thanking you in advance for taking the above statement into consideration, we remain, gentlemen,

Very truly yours,

HINRICHS-BRAMANN & Co. (INC.).

Mr. LODGE. Mr. President——

The PRESIDING OFFICER. Does the junior Senator from Massachusetts yield to his colleague?

Mr. WALSH of Massachusetts. I yield with pleasure.

Mr. LODGE. I merely wish to say that my attention has been called to one of the patent preparations for food for children made of barley, which, under the present wording, would fall in the clause covering barley which has not been prepared in any special way. I have sent to the Treasury to inquire in regard to it. An amendment would not be in order at this time, but I merely wish to give notice that after the committee amendments are disposed of I shall wish to call the attention of the committee and the Senate to that point.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, on page 104, line 10, before the word "cents," to strike out "30" and to insert "10," so as to make the paragraph read:

PAR. 724. Buckwheat, hulled or unhulled, 10 cents per 100 pounds; buckwheat flour and grits or groats, one-half of 1 cent per pound.

Mr. WALSH of Massachusetts. That amendment is a reduction from the provision of the House bill; but I have received from my own State a very large number of letters protesting against any duty at all upon buckwheat, and upon bran, one of the products named in paragraph 731. The farmers of New England must get those products from Canada. They are justified in making a vigorous protest, and I protest this burden that you are about to levy upon them. The high duties on cereals in this bill are a gross injustice to the northeastern section of the United States. This section is to be penalized while the farmers of the West will receive no benefit, for the comparatively small consumption in that section is not competitive with the production in the West. They can not afford to pay the price required by reason of heavy freight rates to transport them from the far West.

We have an unusual situation, a situation that has developed repeatedly during the discussion of this bill. Yesterday we were increasing the duties upon eggs, poultry, and other farm products. To-day the farmers of New England are protesting against the duties upon feedstuffs. It seems that buckwheat and bran are used in very large quantities in feeding poultry and cattle. I can not allow this paragraph to be passed without having printed in the RECORD some of the protests which have come to me against the duty and urging that the products be placed upon the free list. I ask that a few of the letters which I have may be printed in the RECORD without reading before the vote is taken upon the amendment. The duties on feedstuffs will certainly be reflected in increased prices to the farmers of New England, for they must get these products from Canada; therefore increased duties means increased prices to them.

There being no objection, the letters referred to were ordered to be printed in the RECORD, as follows:

BRIDGEWATER, MASS., *December 9, 1921.*

Hon. DAVID I. WALSH,
United States Senator, Washington, D. C.

DEAR SIR: We are very anxious indeed that the proposed tariff, H. R. 7456, be so modified as to allow buckwheat to come into the country free and that bran and other mill feeds be allowed to come in at a specific charge of not over 10 cents per hundred pounds. New England, on account of its distance from the West, where most of the bran and wheat feeds are manufactured, has got to depend more or less on Canadian feeds where they can be delivered into New England at a cheaper rate than western feeds.

The tariff as it now reads will place a high duty on buckwheat and bran, and will bring up the cost of feeding to the New England farmer.

Yours truly,

EASTERN GRAIN CO.,
Per E. F. MCHUGH.

—

65 CROSS STREET, MALDEN, MASS.,
December 8, 1921.

Hon. DAVID I. WALSH,
Washington, D. C.

DEAR SIR: I understand that new tariff, H. R. 7456, is now being worked on and that it is contemplated putting a duty of 15 per cent on bran, to be figured on ad valorem basis. I consider that it would be much better if considered on specific basis, and that it should not be over 10 cents per hundred; this is what I mean by specific basis.

I also understand that buckwheat is to have a duty of 30 cents per hundred. The placing of this duty on bran and buckwheat would certainly work a hardship on the farmer and small back-yard poultry raiser. The back-yard egg producer is helping to keep down the high cost of living and should be encouraged in this sort of business. Certainly I think this class of people should be considered.

I for one hope that you will see to it that these matters are satisfactorily adjusted as above suggested.

Yours very respectfully,

ROBERT A. HODGDON.

—

BOSTON, *December 10, 1921.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: Referring to the proposed new tariff, known as H. R. 7456, we wish to go on record as protesting against this bill as now drafted, as it would be very detrimental to the interests of New England, as regards the farmers and poultry raisers.

The two items that we wish you would consider are that of bran; and, secondly, the proposed assessment of 30 cents per hundredweight on buckwheat. Probably the largest proportion of buckwheat used in New England comes from Canada, and it is important that this supply is not shut off. This grain ought to come in free, and we wish you would use your influence to have it placed on the free list, as well as make a specific duty on bran of 10 cents per hundredweight.

We feel that these changes are very vital to the interests of New England and ask that you exert your influence all possible.

Yours truly,

C. P. WASHBURN CO.

—

BOSTON, MASS., *December 12, 1921.*

Hon. D. I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: I understand a very material increase is proposed in the duty on Canadian grain products, such as buckwheat and wheat feeds, such as bran, middlings, and shorts.

There is only a small volume of these articles imported, to be sure, but there are times, like the present for instance, when flour mills in the American Northwest are not grinding wheat, on account of lack of flour business, when it is necessary in order to keep the New England farms producing, that we buy Canadian grains and feeds, and if what would be a prohibitive tariff is placed, it would be impossible to pay the price, and would work a hardship on New England.

A lot of buckwheat is used in poultry feeds, and with the flocks at a minimum, we do not want to do anything to further increase costs, and the same applies to cattle and horses where the bran and middlings are used, and I hope this proposed prohibitive duty will not go through.

Yours truly,

F. ELMER FENTON.

—

EAST MILTON, *December 10, 1921.*

Hon. DAVID I. WALSH,
Washington, D. C.

DEAR SIR: I have noticed in the papers that there is a proposed tax of 30 per cent to be put on buckwheat. To my way of thinking this would work a hardship on lots of people that keep a few hens, and I would ask that you do all you can to see that buckwheat remains on the free list.

Respectfully yours,

FRANK A. ERHARD.
31 Washington Street.

—

BOSTON, MASS., *December 10, 1921.*

Hon. Senator DAVID I. WALSH,
Washington, D. C.

HONORABLE DEAR SIR: It has come to our attention that a new tariff known as H. R. 7456, is now before the Senate Finance Committee and that this new tariff relates to duties on grain and its by-products, proposing an assessment of 30 cents per hundred pounds on buckwheat and 15 per cent "ad valorem" on bran.

For at least 20 years back, you will recall, there has been no duty on bran up to the emergency tariff act of last spring, at which time a rate of 10 cents per hundred pounds was established.

We feel that the value of this article is a great factor in the domestic life of New Englanders as it is fed entirely to hens, which means much to the thrifty common people.

May we respectfully request that buckwheat be allowed to continue to enter free, and if a duty must be placed it be 10 cents per hundred pounds, whereas I ask a price of 10 cents on bran based on a "specific" rate?

Respectfully yours,

KNIGHT-CHASE CO.

562 ADAMS STREET,
EAST MILTON, MASS., *December 10, 1921.*

DEAR SENATOR: I protest against bill H. R. 7456, page 24, placing a duty on buckwheat, as I have quite a number of hens trying to keep the high cost down. With the increase on this bill it would stop me raising poultry.

Yours respectfully,

C. VAN HAM.

—

22 ORCHARD PLACE,
QUINCY, MASS., *December 10, 1921.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: I protest against the proposed new tariff act, known as House bill 7456, placing a duty on buckwheat, as this would prove a hardship for the consumer.

Respectfully,

E. C. MACDONALD.

—

QUINCY, MASS., *December 10, 1921.*

Hon. DAVID I. WALSH,
United States Senator, Massachusetts.

DEAR SENATOR: In connection with proposed new tariff act, known as House bill 7456, paragraph 724, duty on buckwheat, I wish to oppose its enactment.

As most of this article comes from Canada, I believe it would impose an unnecessary burden on the public.

Respectfully yours,

M. T. SULLIVAN.

—

QUINCY, *December 10, 1921.*

Hon. DAVID I. WALSH.

DEAR SIR: I hereby protest against bill H. R. 7456, paragraph 724, in regard to buckwheat.

JOHN CURTIS,
265 Franklin Street.

—

BOSTON, MASS., *December 10, 1921.*

Hon. Senator DAVID I. WALSH,
Washington, D. C.

HONORABLE DEAR SIR: It has come to my attention that a new tariff, known as H. R. 7456, is now before the Senate Finance Committee, and that this new tariff relates to duties on grain and its by-products, proposing an assessment of 30 cents per 100 pounds on buckwheat and 15 per cent "ad valorem" on bran.

I would call your attention to the fact that for at least 20 years back there has been no duty whatsoever imposed on buckwheat, and no duty on bran up to the emergency tariff act of last spring, at which time a rate of 10 cents per hundred pounds was established.

It is my contention that the value of this article is a great factor in the domestic life of New Englanders, as it is fed entirely to hens, whose number is legion, and means much to our thrifty common people.

May I ask that you use your influence to place no additional hardship on our farmers, and respectfully suggest that buckwheat be allowed to continue to enter free, or, if a duty must be placed, it be placed not to exceed 10 cents per hundred pounds, and also that bran be placed on the "specific" basis and at a rate not exceeding 10 cents per hundredweight.

The fact that our freight rates are so high tend to cause considerable difference in the value of these articles between the Middle West and our New England States.

Very respectfully yours,

WILLARD B. WILSON, *Manager.*

—

LYNN, MASS., *December 9, 1921.*

Hon. DAVID I. WALSH,
United States Senate Chamber, Washington, D. C.

SIR: May we call your attention to the tariff act of 1921, wherein it is proposed to place a tariff of 30 cents per hundredweight on buckwheat?

Most of the buckwheat used in poultry feeds throughout New England has been imported from Canada. As far as we know there never has been any duty previously on buckwheat.

We wish that you would exert your influence to reduce the rate. Inasmuch as this is a commodity which is raised in limited quantities in this country, we feel that it is in the interest of reducing the high cost of living to allow buckwheat to enter the United States free from duty.

It will be especially beneficial to New England poultry raisers, as it is one of the chief ingredients of poultry feed.

Will you kindly try and have buckwheat placed on the free list?

Respectfully,

BUTMAN GRAIN CO.
W. W. BUTMAN.

—

BOSTON, *January 4, 1922.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: I wish to call your attention to the following items that have come to my notice and protest against the present proposed tariff on same:

Paragraph No. 724:

I am interested in New England, being a producer as well as a dealer in New England products myself, and have the interests of the producers at heart. New England does not produce buckwheat, wheat, or any of the grains mentioned in this tariff to any extent; on the other hand are large buyers for the maintenance of their cattle and poultry. Buckwheat is largely fed to poultry in New England and I think should come in free, as very little is produced in any of the New England States.

Paragraph No. 731:

This, relating to bran, etc., imposing an "ad valorem" duty.

In my judgment an "ad valorem" duty should not be imposed on any of these articles, as it is a hardship to New England and is based, as I understand it, on United States valuation. Our prices in the East are much higher on account of the added freight. In my estimation other grains and by-products are on a Pacific basis. Owing to the very high freight rates now prevailing, the price of bran in New England for the last few months has about doubled the value of the same products in the West.

As we can not raise the grains that we consume in New England we respectfully request the tariff should take into consideration the needs of the farmers of the East, who are the best customers of the West. We trust you will use your influence for the good of New England.

Yours truly,

A. H. WEEKS.

—

MEDFORD, MASS., *December 10, 1921.*

Hon. DAVID I. WALSH,
Washington, D. C.

DEAR SIR: The proposed increase of duty on bran and buckwheat under new tariff, H. R. 7456, is a hardship on the small poultry raiser, and I am strenuously opposed to an increase.

Respectfully yours,

RICHARD H. KIMBALL.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment will be stated.

Mr. McCUMBER. Mr. President, I have an amendment which the committee directed me to present at this time, on page 104, line 13, to strike out "15" and insert "20."

The PRESIDING OFFICER. The amendment will be stated.

The ASSISTANT SECRETARY. In paragraph 725, page 104, line 13, strike out "15" and insert "20," so as to read:

Corn or maize, including cracked corn, 20 cents per bushel of 56 pounds.

Mr. WALSH of Massachusetts. Mr. President, may I ask the Senator in charge of the bill why he now seeks to increase the rate upon corn 33⅓ per cent over the House rate?

Mr. McCUMBER. I will say that I am doing so by the direction of the committee. Ordinarily I think that very little benefit is to be obtained from a duty upon corn. We are the greatest corn-raising country in the world, the greatest corn-exporting country in the world, but there have been years in which, when we were short of what might be regarded as the home demand, considerable corn came in from Argentina and other countries of the world and drove the price down. While under ordinary conditions I do not think it would affect prices in the slightest degree, there may be conditions arise, as they have arisen in the past, when we would have a short corn crop, and when we would get some benefit from the duty. It is when we have a short crop that we are more in need of anything that will assist us in getting a better price.

Mr. WALSH of Massachusetts. Mr. President, it is proposed to increase by 33⅓ per cent the duty upon corn over the duty fixed in the emergency tariff law. Under the Underwood law, which preceded the emergency tariff law, corn was on the free list. The proposed increase is preposterous. There is absolutely no justification whatever for increasing the rate of duty named by the House. Listen to the statistics:

The domestic production in the fiscal year 1920–21 was over 3,000,000,000 bushels. The domestic exports were 135,000,000 bushels and the imports only 91,000 bushels. There is no question of tariff here and there can be no question of revenue because there are no imports worthy of mention. There is no protection whatever, because there is nothing to affect or influence the domestic price in the way of importation from without the domestic market. This is nothing more nor less than a paper duty. It illustrates perfectly the attempts made in the bill to deceive and mislead the farmers of the West. We are asked to increase the duty upon corn and upon barley, both of them cereals which are produced in such abundance that we are sending them to other parts of the world in large amounts, and yet with the admission that the duty will not have any influence or effect.

I suppose it is of no use to continue to make protests, but it does seem to me we are establishing a very bad precedent. If there is one state of facts that should prevent the levying of a protective tariff duty it is a state of facts which shows that we are exporting from this country the product upon which a duty is proposed.

I had supposed that the committee would at least be satisfied with the excessive duty named in the House bill. Twenty cents per bushel upon corn, a product that comprises such an important part of agricultural industry of the country, is excessive. There is no excuse and no justification for it. It should be on the free list. I protest against the deceit, the fraud, the misrepresentation, and the camouflage which is evidenced by even the duties fixed in the House bill, to say nothing of increasing over the House rates the duties upon corn and other farm products which are produced and exported in great quantities, and in which the record shows there are practically no imports.

It is very easy for one to understand why it is done. It is simply done so that candidates for public office can tell the

farmers that they have been given increased protection, so as to divert their attention from the excessively high rates upon those products which the farmer has to buy. When the committee feels obliged at this late date to increase the duty upon corn, it is apparent that they are grasping for the last straw. Corn ought to be on the free list. We are establishing a precedent which will return some day to plague us. The policy of distributing protective tariff duties regardless of the necessity for protecting an industry, regardless of any state of facts which might under some circumstances show that the domestic price was being reduced by reason of importations, is wrong.

Mr. President, I shall take up no more time discussing this item, but I do most strenuously object to the raising of the rate, and I again ask the chairman of the committee in all candor why he thinks it necessary to ask for an increase over the high duties fixed in the House bill? At this late hour, after the committee had the bill under consideration for months, why does he think it necessary to move that the rate on corn be increased 33⅓ per cent, and that we be asked to vote for a tariff duty of 20 cents per bushel upon corn? What facts have been presented in the last few weeks to increase this duty? Is the corn industry threatened with foreign competition when there are no imports?

Mr. McCUMBER. Mr. President, I really think the Senator from Massachusetts ought to withdraw his statement that the duty is placed upon corn to deceive—that it is camouflage, and so forth. I do not believe the Senator from Massachusetts for a single moment believes that anyone in the committee is trying to deceive anybody or trying to make a camouflage of this matter.

The Senator from Massachusetts heard my statement in presenting the amendment, and if anybody, farmer or otherwise, thinks he will be deceived in the matter in any political discussion of the subject, let him read what I now state, namely, that I do not think under ordinary conditions this duty will help him one penny. Therefore, he must take that fact in connection with it. It will not help him, and it will not do any harm as long as we are raising such big crops as we are now raising.

In the fiscal year 1913-14 we had a very short crop of corn, and while it was large as compared with our importations, even the 12,000,000 bushels that came from Argentina, shipped in and going west as far as Indianapolis, and I think some of it as far west as Kansas City, when it came into New York did have a depressing effect upon prices, and that depressing effect on the New York prices reflected itself in Chicago and other great centers. With an immense domestic crop, I think that 12,000,000 bushels coming in, if it could come in at all, would not have any effect whatever, but with the rather short crop in 1913, if one will look over the daily reports of that year, he will find that it did to some extent depress the price. Unless we again have some such year and some such similar conditions, I look for no help and no benefit and no harm whatever to come from this duty of 20 cents.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER (Mr. WILLIS in the chair). Does the Senator from North Dakota yield to the Senator from Ohio?

Mr. McCUMBER. With pleasure, Mr. President.

Mr. POMERENE. That being so, let me ask of the Senator from North Dakota two questions in one, and the Senator may answer them at the same time. What is the reason for increasing this duty to 20 cents over the rate of 15 cents provided by the House bill; and, if there was any reason for the increase, why not make the rate 25 cents?

Mr. McCUMBER. The only reason on earth that I can give is that the majority of the committee voted to increase the rate from 15 cents to 20 cents. I think 15 cents would give us just as much benefit as would 20 cents.

Mr. POMERENE. Who requested the rate to be increased?

Mr. McCUMBER. I do not now recall, but that was the vote of the committee.

Mr. POMERENE. Did anybody appear from the outside and request it?

Mr. McCUMBER. I am not certain, but I think those Senators who constitute the "tariff bloc" or the "farm bloc" or something of that character took some hand in these questions and presented their desires. Very likely they influenced the majority of the committee in raising the duty from 15 cents to 20 cents.

Mr. POMERENE. That is a very frank statement and I thank the Senator from North Dakota for it.

Now, let me ask another question or two. The Senator has spoken of the year perhaps of 1914 or 1915, when some corn from Argentina went as far west as Indianapolis. Was that the year when there was a very early frost in the Corn Belt and when corn did not mature?

Mr. McCUMBER. I think so, for we had a short crop, of course.

Mr. POMERENE. It was not short in bushels but it was short in quality.

Mr. McCUMBER. It was short in bushels as well as in quality.

Mr. POMERENE. Possibly that was so. I remember that particularly during that year in Ohio it was necessary to import from other States a considerable quantity of corn for seed purposes, because the corn we had had not properly matured. I do not know the source from which that corn came, but I have rather a hazy recollection that some of it came from abroad. I am not sure about that. Has the Senator from North Dakota any information on that subject?

Mr. McCUMBER. We imported, I do not know whether for seed or not, during that year, about 12,000,000 bushels of corn. I think most of it, however, was for feed, because the price of corn was so high here that it permitted the Argentine corn to be shipped into the United States.

Mr. POMERENE. If that corn came in to be used as feed, of course, we had it in the form of pork and beef. I did have some special knowledge of it at the time; but possibly there came in several million bushels of corn of a very inferior grade which was used at the starch mills. That may account for a part of those importations, though I do not know.

Mr. McCUMBER. I think a greater portion of the imported corn was used for feed, but I am not certain.

Mr. POMERENE. If that corn was used for seed purposes, it is clear it would do the farmer more harm than good to have to pay a duty upon corn.

The PRESIDING OFFICER. The question is upon the amendment offered by the Senator from North Dakota.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 104, paragraph 726, line 17, before the word "cents," to strike out the numerals "1½" and to insert the numeral "2," so as to read:

PAR. 726. Macaroni, vermicelli, noodles, and similar alimentary pastes, 2 cents per pound.

INTERCHANGEABLE MILEAGE TICKETS.

Mr. POINDEXTER. Mr. President, I wish to call attention very briefly, especially of any members of the Senate Committee on Interstate Commerce who may be present, to the bill (S. 848) to amend section 22 of the act entitled "An act to regulate commerce," approved February 4, 1887, as amended, which was passed by the Senate, sent to the other House, considered in the House Committee on Interstate and Foreign Commerce, favorably reported to the House by that committee, and then passed by the House with certain amendments which are now, I believe, on the desk of the Presiding Officer, with a message from the House of Representatives.

I have had some conversation with members of the Senate Interstate Commerce Committee who particularly interested themselves in the bill. From that conversation I have gathered that practically there is on the part of any of the members of the committee, or of any other Senator with whose views I am acquainted, objection to only one of the amendments adopted by the House; that is to the amendment of the House striking out the word "interstate," on page 1, line 12. That paragraph of the bill as it passed the Senate read as follows:

(2) The commission is directed to require, after notice and hearing, each carrier by rail, subject to this act, to issue at such offices as may be prescribed by the commission joint interchangeable mileage tickets at a just and reasonable rate per mile good for interstate passenger carriage upon the passenger trains of any and all other carriers by rail subject to this act.

As I have stated, the House struck out the word "interstate," so that it would read:

Interchangeable mileage tickets—

Leaving out certain other amendments adopted by the House—

at a just and reasonable rate per mile, good for passenger carriage upon the passenger trains of any and all other carriers by rail subject to this act.

As I understand, the objection certain members of the Committee on Interstate Commerce of the Senate have is that striking out the word "interstate" before the words "passenger carriage," thereby, at least nominally, making the bill apply merely to State rates, or intrastate rates, as the technical term is, would make the act unconstitutional, for they claim that the jurisdiction of Congress only extends to interstate commerce, which, of course, is true. But, Mr. President, it seems to me that the apprehension of those Senators who fear

that this amendment will make the act unconstitutional are not well founded, if I may say so, for this reason, that when the act, if it shall become an act, provides that interchangeable mileage tickets shall be issued for passenger carriage upon passenger trains without specifying whether it is State or interstate commerce to which it is intended to apply by necessary implication it would apply only to such passenger transportation as to which Congress has jurisdiction to legislate. It can not apply to anything else.

Mr. TOWNSEND. Mr. President, I think the Senator is correct about that, if the elimination of the word does not practically prohibit that construction. I am not clear about that. I should like the Senator's idea. On what trains does the bill say the interchangeable mileage tickets shall be good?

Mr. POINDEXTER. As amended by the House, it would read:

> Good for passenger carriage upon passenger trains of all carriers by rail subject to this act.

Mr. TOWNSEND. I think that the Senator is correct about that.

Mr. POINDEXTER. Of course, Mr. President, Congress has jurisdiction to legislate with regard to passenger service in interstate commerce, and interstate commerce undoubtedly is included in the language of the bill as it passed the House. So it seems to me that the utmost extent to which any judicial tribunal or any administrative tribunal, being in this case the Interstate Commerce Commission, could go would be to restrict the application and administration of the act to that branch of commerce over which Congress has jurisdiction. I fail to see how the act could be rendered unconstitutional merely because the language of the act, under a certain construction, might be made to apply to transportation within the State over which Congress did not have jurisdiction, while it likewise could be made to apply to commerce over which Congress does have jurisdiction.

Mr. POMERENE. Mr. President, when did the Senator change his view about this matter?

Mr. POINDEXTER. I am not aware that I have changed my view about it; I do not recall that I have.

Mr. POMERENE. Am I not rightly informed that the Senator said to the Interstate Committee of the House that the word to which he has referred was inserted in the bill because the committee itself had doubt as to whether it would be constitutional if that word were not in the law?

Mr. POINDEXTER. No; the Senator is not exactly correct about that. I think probably what the Senator is referring to may be the statement which I myself made to him. I will state exactly what occurred in the committee of the House of Representatives when I went before them to ask for the favorable consideration of the bill. On being questioned by a member of the committee as to the purpose of the Senate in putting this word into the bill at that place, my answer to the member of the committee was that I presumed it was put there to remove any question as to the constitutionality of the act, and I still assume that that was the purpose. But, Mr. President, I do not think that the distinguished Senator from Ohio can construe that remark as being equivalent to saying that it was my opinion, if the word was not there, that the act would be unconstitutional.

Mr. POMERENE. Well, Mr. President, of course I do not profess to say what the workings of the Senator's mind were then or are now, but that word was put in there, as I recall, because it was felt that Congress had no right to require railroads to receive mileage tickets in intrastate traffic. I know the pressure that is being brought to put this measure through right away. There are some gentlemen here now who are pressing for the immediate adoption of the House amendments.

Mr. POINDEXTER. Mr. President, I am going to conclude my remarks in a very short time. If the Senator's purpose is to make an extended statement I would prefer that he do so after I conclude.

Mr. POMERENE. Very well; I will conclude what I desire to say in my own time later on.

Mr. POINDEXTER. Mr. President, my purpose in referring to this measure is with the hope that there may be an agreement on the part of Members of the Senate to lay aside temporarily the consideration of the tariff bill, to take up Senate bill 848, and to concur in the amendments of the House of Representatives, so as to allow this measure to become a law. For a long time, ever since the railroads were turned back to their owners after the period of Government operation, there has been an effort to reestablish the former practice of issuing interchangeable mileage books. Of course, it is anticipated and hoped that when that practice is resumed the passenger rate for which these books will be sold, upon what is practically a wholesale plan of the sale of transportation, will be lower than the regular rate. The bill does not require that. The bill leaves the question as to the rate to be determined by the Interstate Commerce Commission.

Mr. President, the House is about to adjourn or take a recess until some time in August, and it was my hope that the objection based entirely upon the proposition which I have just stated—the fear that the striking out of this word may render this act unconstitutional—might be waived and that the Senate might concur in the amendments, which otherwise make no substantial change in the bill as it passed the Senate, and allow this bill to become a law before the recess of the House, which will otherwise delay the enactment of it for a period of some weeks, if not months, so that the country, and particularly those whose daily business requires them practically every day to travel from one point to another, may get the benefit of this convenience and of this advantage which they have been so long seeking.

It is only for that purpose that I present the matter to the Senate, particularly to the members of the Interstate Commerce Committee, and call attention to the fact that the House report is here, that it is lying upon the desk, and that the one objection to which I have referred is the only obstacle, so far as I know, to its becoming a law to-day, and to ask, if possible, that we may have consideration for it. If the objections which I refer to could be favorably disposed of or waived by the Senators who entertain them, I will seek an opportunity a little later to ask unanimous consent to take up this measure and act upon it.

Mr. POMERENE. Mr. President, this bill has been in the House for several months. It was passed on yesterday. A change has been made along the line indicated by the Senator from Washington [Mr. POINDEXTER]. The Senator from Washington came to me a little while ago, probably two hours ago, and there was a conference of three or four members of the Interstate Commerce Committee. Three of them were together, and, as I understood the chairman of the committee, he had serious doubts about its constitutionality. Another member of the committee said that he had doubts about it. I have doubts about it. The Senator from Washington asks me to waive my doubts. My doubts are based upon the constitutional objection.

I think I remember that I took an oath to support the Constitution of the United States. I do not know how I can waive that objection. I have asked that this matter might go over until I could have an opportunity to investigate it further. I have been reading the RECORD. Only one or two Members of the House discussed the constitutional question, and that is the question we have been considering. The Interstate Commerce Commission has jurisdiction over interstate commerce. The question before the Senate is this: Can the Congress of the United States and can the Interstate Commerce Commission require a railroad to accept one of these mileage tickets in purely intrastate business, let us say going from Columbus to Dayton, Ohio, or from Omaha to Lincoln, Nebr.?

Perhaps that is not of very much concern to some Senators. I think I ought to have a few hours to look into this question, in view of the fact that at least three Senators to my certain knowledge, members of this committee who have given a great deal of study to it, have serious doubts about it.

That is the question. It may be that later on I shall be content to have a vote upon it. As I feel now I shall vote against it because of its unconstitutional form. I fear the issuance of mileage books to the extent we have authority to do it. I understand that there is a certain convenience attached to these mileage books, and I shall be glad to have travelers get the benefit of mileage books to use where and when they can, but I can not brush aside my own views in the trivial way suggested under my conception of my duty here.

With equal vigor the insistence was made in the first place that all mileage tickets should be sold at the rate of 2½ cents a mile, regardless of whether the actual cost would be 3 cents or 4 cents or 5 cents per mile, and when I talked to some of the gentlemen who were here in the interest of the bill I found it had not even occurred to them that there was any doubt about the constitutionality of a law of that kind.

It seems to me that this matter can be delayed for a few hours longer until we can look into that question and determine what we want to do about it. That is what I am asking for, and that is all that I am asking for.

Mr. HARRISON. Mr. President, this is a very important matter. May I ask the Senator from Washington, who just preceded the Senator from Ohio, whether the House contemplates adjourning this afternoon?

Mr. POINDEXTER. I understand that the House will adjourn this afternoon or this evening.

Mr. HARRISON. It seems to me that in a matter of this importance the House could very well afford to stay over until to-morrow, so that if the Senate takes favorable action upon this bill it can then be signed by the Speaker and become a law before August 15, to which time, I believe, the House is to adjourn. I am very sorry to hear that the House is going to adjourn with important legislation like this pending, and other bills that are coming over.

Mr. POMERENE. Mr. President, just a sentence or two for the consideration of those who care to think over the matter.

Necessarily the Senate passed this bill providing that these mileage books should be used in interstate travel. Under the Constitution I do not know how we could have phrased it otherwise. Apparently the House did not want to limit it to interstate commerce, but they wanted to extend it to intrastate commerce. Therefore they struck out the word "interstate," making it apply to both interstate and intrastate commerce.

Mr. POINDEXTER. Mr. President, may I interrupt the Senator a moment?

Mr. POMERENE. Yes.

Mr. POINDEXTER. I infer from what I have read of the rather limited debate on the subject in the House that the intention of the Members who were responsible for that amendment of course was not to extend the act to any commerce of which Congress has not jurisdiction, but was, by striking out the word "interstate," to allow the act to apply to intrastate passenger traffic to whatever extent Congress has a right to make it apply. It has been held a number of times by the Supreme Court in passing upon acts of Congress that in certain cases and under certain conditions—as in the Shreveport case, for instance, as in the Wisconsin rate case—Congress may control merely intrastate or State rates when it becomes necessary to do so in the regulation or protection of interstate commerce. If the word "interstate" were put there, I think it is the idea of some Members of the House that it might exclude those cases of intrastate or merely State rates in which Congress might have a right to interpose its regulation so as to make it apply to all of those cases.

Mr. POMERENE. Mr. President, let me say just one word further, and then I will yield the floor.

Of course, the interpretation which the Senator places upon the conduct of the House may be correct. I can not look into the minds of the House Members to ascertain what they may be; but, under the phraseology of this bill as it now is before the Senate, it must follow that the holder of one of these tickets would feel that he had the right to tender it, if he were making a purely intrastate trip.

If we do not have power to make railroads accept these mileage tickets in intrastate travel, I do not want the passenger to be deceived into the belief that he has the right to use interstate transportation in intrastate travel.

The PRESIDING OFFICER. The Secretary desires to read a communication to the Senate.

The Secretary, Mr. George A. Sanderson, read as follows:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., June 30, 1922.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. WESLEY L. JONES, a Senator from the State of Washington, to perform the duties of the Chair this legislative day.

ALBERT B. CUMMINS,
President pro tempore.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives by Mr. Overhue, its enrolling clerk, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 11214) authorizing the President to scrap certain vessels in conformity with the provisions of the treaty to limit naval armament, and for other purposes.

The message also announced that the House had passed the bill (S. 3396) creating the positions of Second Assistant Secretary and private secretary in the Department of Labor.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 12092. An act granting the consent of Congress to the Louisiana Development Co. to construct a bridge across the Red River at or near Grand Ecore, La.;

H. R. 12120. An act granting the consent of Congress to the county court of Lafayette County, in the State of Missouri, to construct a bridge across the Missouri River; and

H. R. 12121. An act granting the consent of Congress to the county court of Saline County, in the State of Missouri, to construct a bridge across the Missouri River.

The message also announced that the House had agreed to the report of the committee on conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12090) making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1922, and prior fiscal years, supplemental appropriations for the fiscal year ending June 30, 1923, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate numbered 16 and 39 to the said bill; that the House had receded from its disagreement to the amendments of the Senate numbered 28 and 38 and concurred therein each with an amendment, in which it requested the concurrence of the Senate, and that the House insisted upon its disagreement to the amendments of the Senate numbered 31 and 42.

ENROLLED BILLS SIGNED.

The message further announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the Presiding Officer (Mr. JONES of Washington) as Acting President pro tempore:

S. 1033. An act regulating the issuance of checks, drafts, and orders for the payment of money within the District of Columbia;

S. 3396. An act creating the positions of Second Assistant Secretary and private secretary in the Department of Labor;

S. 3425. An act to continue certain land offices, and for other purposes; and

H. R. 11244. An act authorizing the construction of a bridge across White River, in the State of Arkansas.

DEFICIENCY APPROPRIATIONS—CONFERENCE REPORT.

Mr. WARREN. Mr. President, I present the conference report upon the deficiency appropriation bill and ask for its adoption.

The PRESIDING OFFICER (Mr. WILLIS in the chair). The report will be read:

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12090) making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1922, and prior fiscal years, supplemental appropriations for the fiscal year ending June 30, 1923, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 13, 18, 32, 33, 37, 45, 46, and 48.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 17, 23, 24, 25, 26, 27, 29, 30, 34, 35, 36, 40, 41, 43, 44, 47, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, and 59, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: ": *Provided*, That the appropriation for the public printing and binding for the fiscal year 1922 is hereby made available during the fiscal year 1923 for payment of the cost of constructing necessary tunnels and conduits, laying pipes and cables, and for all other expenses, including labor and materials, necessary to connect the Capitol power plant with the Government Printing Office for the purposes herein provided."; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In line 7 of the matter inserted by said amendment strike out "years 1922 and" and insert in lieu thereof the word "year"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In line 8 of the matter inserted by said amendment strike out "$150,000" and insert in lieu thereof the following: "fiscal year 1923, $100,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows: Strike out line 7 of the matter inserted by said amendment and insert in lieu thereof the following: "$30,000; in all, $75,850"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu

of the number proposed insert "seventeen"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the number proposed insert "eighty-two"; and the Senate agreed to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$212,596.67"; and the Senate agree to the same.

The committee of conference have not agreed on Senate amendments numbered 16, 28, 31, 38, 39, and 42.

F. E. WARREN,
CHARLES CURTIS,
LEE S. OVERMAN,
Managers on the part of the Senate.

MARTIN B. MADDEN,
D. R. ANTHONY, Jr.,
JOSEPH W. BYRNS,
Managers on the part of the House.

Mr. WARREN. I move the adoption of the report.

The PRESIDING OFFICER. The question is on agreeing to the report.

Mr. HARRISON. Mr. President, before that motion is put, may I ask how much is the total amount carried by this deficiency bill?

Mr. WARREN. Forty-two million two hundred and some thousand dollars.

Mr. HARRISON. This is the fourth or the third deficiency bill?

Mr. WARREN. It is the third, and in this bill nearly $30,000,000 is for the refund of internal-revenue taxes collected.

The PRESIDING OFFICER. The question is on agreeing to the report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate the action of the House on certain amendments, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES,
June 30, 1922.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 16 and 39 to the bill (H. R. 12090) entitled "An act making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1922, and prior fiscal years, supplemental appropriations for the fiscal year ending June 30, 1923, and for other purposes," and concur therein.

That the House recede from its disagreement to the amendment of the Senate numbered 28 and concur therein with an amendment, as follows:

In lieu of the matter proposed by said amendment insert:

"NAVAL ESTABLISHMENT.

"Scrapping of naval vessels: For necessary expenses in connection with the care and preservation of ships whose construction has been suspended pending the taking effect of the treaty limiting naval armament, and for expenses of handling, preserving, and inventorying material on hand or in course of fabrication for said vessels, and toward payment of bills of subcontractors for material already completed for the vessels, fiscal year 1923, $5,000,000."

That the House recede from its disagreement to the amendment of the Senate numbered 38 and concur therein with an amendment, as follows:

Preceding the matter inserted by said amendment, insert the following center heading:

"PUBLIC HEALTH SERVICE."

That the House insist upon its disagreement to the amendments of the Senate numbered 31 and 42.

Mr. WARREN. There were six matters in disagreement in the report just made from the committee of conference, and it appears that the House insists on its disagreement to two amendments, one of them numbered 31, regarding the payment to the heir of the former minister to Bolivia. I move that the Senate recede from its amendment.

The motion was agreed to.

Mr. WARREN. The same applies to amendment numbered 42, the Boston, Mass., assistant treasury matter. I make the same motion in regard to that amendment.

The motion was agreed to.

Mr. WALSH of Massachusetts. Will the Senator please state whether that is the amendment offered by my colleague last night?

Mr. WARREN. It is. The conferees on the part of the House would not agree to it without taking it to the House. They took it to the House, and the House would not agree. I have consulted since with the Senator's colleague, and we have agreed that we shall have to reach it in another way.

Mr. WALSH of Massachusetts. I think it was very unfortunate that that amendment was not agreed to, because it was most meritorious and should have been approved, without any question.

Mr. WARREN. As to amendment numbered 16, relating to the Bureau of Foreign and Domestic Commerce, the House has receded. That is true also of amendment numbered 39, relating to the Federal Farm Loan Board. That takes care of four of the amendments. One of the remaining amendments, No. 28, related to the scrapping of naval vessels. The House conferees agreed to the amount, but have asked us to strike out certain words, to which the Senate conferees are willing to accede. Therefore I move that the amendment of the House to the amendment of the Senate be concurred in.

The motion was agreed to.

Mr. WARREN. I also move that the Senate concur in the amendment of the House to the amendment of the Senate No. 38.

The motion was agreed to.

Mr. WARREN. Mr. President, I think I ought to say in connection with the appropriation bills, the last of which for the present year we have just passed, that I congratulate the Senate and the House on the establishment of the Budget system, which has been of great use to the Appropriations Committees. I want also to congratulate both bodies on the fact that we have completed the business of the year before the end of the fiscal year for the first time in some years. I think we have reason to believe that we may proceed to improve even upon what we have accomplished this year along the lines of close observance of the Budget law, as we have understood it, with the modifications and amendments which the committees of the Senate and the House have seen fit to make as to reductions, and we have made many of them.

MISSOURI RIVER AND RED RIVER BRIDGES.

The following bills from the House of Representatives were severally read twice by their titles and referred to the committee on commerce:

H. R. 12092. An act granting the consent of Congress to the Louisiana Development Co. to construct a bridge across the Red River at or near Grand Ecore, La.;

H. R. 12120. An act granting the consent of Congress to the county court of Lafayette County, in the State of Missouri, to construct a bridge across the Missouri River; and

H. R. 12121. An act granting the consent of Congress to the county court of Saline County, in the State of Missouri, to construct a bridge across the Missouri River.

Mr. CALDER. These bills are in the usual form. From the Committee on Commerce I report back favorably without amendment the bill (H. R. 12092), granting the consent of Congress to the Louisiana Development Co. to construct a bridge across the Red River at or near Grand Ecore, La., and I ask unanimous consent for its present consideration.

There being no objection, the bill was considered as in Committee of the Whole, and it was read as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the Louisiana Development Co. and its successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across Red River at a point suitable to the interests of navigation at or near Grand Ecore, in the parish of Natchitoches, State of Louisiana, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

Mr. CALDER. From the Committee on Commerce, I report back favorably without amendment the bill (H. R. 12120) granting the consent of Congress to the county court of Lafayette County, in the State of Missouri, to construct a bridge across the Missouri River, and I ask unanimous consent for its present consideration.

There being no objection, the bill was considered as in Committee of the Whole, and it was read as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the county court of Lafayette County, in the State of Missouri, to construct, maintain, and operate a bridge and approaches thereto across the Missouri River at a point suitable to the interests of navigation, at or near the town of Waverly, in the county of Lafayette and State of Missouri, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

Mr. CALDER. From the Committee on Commerce, I report back favorably without amendment the bill (H. R. 12121) granting the consent of Congress to the county court of Saline County, in the State of Missouri, to construct a bridge across

the Missouri River, and I ask unanimous consent for its present consideration.

There being no objection, the bill was considered as in Committee of the Whole, and it was read as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the county court of Saline County, in the State of Missouri, to construct, maintain, and operate a bridge and approaches thereto across the Missouri River at a point suitable to the interests of navigation at or near the city of Miami, in the county of Saline and State of Missouri, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

PUBLIC BUILDING AT PARIS, TEX.

Mr. SHEPPARD. Mr. President, there is a bill on the calendar, House bill 11298, which I would like to have passed, so that it can go to the House before the House recesses. It is a bill amending existing law which authorizes the construction of a public building at Paris, Tex., so as to authorize and empower the Secretary of the Treasury to acquire a new site for same by exchanging therefor land and property now owned by the United States Government in said city, and to authorize the erection on said new site, when acquired, of a public building suitable for post-office purposes, and for other purposes. It provides merely for an exchange of building sites in Paris, Tex., and carries no appropriation. The Secretary of the Treasury has investigated the matter and finds that the exchange would be to the advantage of the Government. I ask for the immediate consideration of the bill.

Mr. McCUMBER. I yield to the Senator for that purpose.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Public Buildings and Grounds with an amendment, on page 2, line 11, to strike out "Glick" and to insert in lieu thereof "Click," so as to make the bill read:

Be it enacted, etc., That existing law authorizing the Secretary of the Treasury to expend $170,000 "for the purpose of supplying the necessary building for the Federal court, post office, and other Government offices at Paris, Tex.," be, and the same is hereby, amended so as to authorize and empower the Secretary of the Treasury, in his discretion, to exchange and convey to the city of Paris, Tex., by the usual quit-claim deed, the present Federal building and so much of the site thereof in the city of Paris, Tex., bounded as follows: Fronting 123.07 feet, more or less, on the east side of North Church Street, and extending eastwardly of that width along the south side of East Houston Street 107.04 feet, more or less, for the title in fee simple to the site known as the Young Men's Christian Association property, together with the adjoining site known as the Click lot, bounded as follows: Fronting 216 feet, more or less, on the west side of North Twenty-third Street and extending eastwardly between the south side of East Houston Street and the north side of Lamar Street 71 feet, more or less: *Provided*, That the United States shall have the right to occupy the present Federal building, free of cost, until the new Federal building is ready for occupancy. That upon said new site, when acquired as aforesaid, the Secretary of the Treasury be, and he is hereby, authorized and directed to cause to be erected a suitable and commodious building, including fireproof vaults, heating and ventilating apparatus, approaches, etc., complete, for the use and accommodation of the post office, at not to exceed the limit of cost above stated, and said building shall be so constructed that accommodations for the United States courts and other Government offices may be provided at a later date at an increase in the limit of cost to be hereafter fixed. The general annual appropriations for the repair, mechanical equipment, maintenance, and operation of public buildings under the control of the Treasury Department shall be available for the present Federal building in said city so long as said building shall be occupied by the Government.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FRANK GRYGLA.

Mr. WATSON of Georgia. Mr. President, I ask unanimous consent for the immediate consideration of Senate bill 910, for the relief of Frank Grygla. This bill has been very carefully considered by the Committee on Claims, and, briefly stated, it provides for the payment to this former employee of the Government in the Alaskan service the amount which he would have earned had he not been suspended without cause. He was suspended under charges, and the fullest investigation developed the fact that he was not guilty. The report in his favor was unanimous, and the Committee on Claims recommends that this small amount, something like $600, be paid to his heirs at law.

The PRESIDING OFFICER. The Secretary will read the bill for the information of the Senate.

The bill was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the heirs of Frank Grygla, deceased, out of any money in the Treasury not otherwise appropriated, the sum of $669.71 for salary as special agent of the General Land Office for the period October 15, 1901, to May 3, 1902, being at the rate of $1,200 per annum, such salary having been withheld on account of his suspension from duty by an order of the department to investigate charges against him which were not sustained and from which he was entirely exonerated.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

Mr. WADSWORTH. I do not desire to object to the bill on its merits, but I ask the Senator from Georgia if he believes that the bill in the form in which it is reported is in line with the rule of the Senate. As I heard it read, it directs the Secretary of the Treasury to pay a certain sum of money to the heirs of this person. Is that an appropriation?

Mr. WATSON of Georgia. I am not familiar with the rules of the Senate, as the Senator from New York well knows, being a comparatively new Member of the body, but no suggestion was made in the Committee on Claims that the proceeding was irregular. It would seem to be altogether in conformity with the established practice.

The sum and substance of it is that this man Grygla was connected with the Government work in Alaska, and somebody preferred charges against him. He was suspended while those charges were being investigated, and the fullest investigation resulted in his complete exoneration. Therefore the committee thought that he ought to have the salary which would have been paid to him had he not been suspended under these false charges. The man having died in the meanwhile, the committee recommends the appropriation of this money to his family.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

FIFTY-SIXTH ANNUAL ENCAMPMENT, GRAND ARMY OF THE REPUBLIC.

Mr. CAPPER. From the Committee on Printing I report back favorably House Concurrent Resolution 36 and ask unanimous consent for its immediate consideration.

The concurrent resolution was read and agreed to, as follows:

Resolved by the House of Representatives (the Senate concurring), That there shall be printed as a House document 1,500 copies of the journal of the Fifty-sixth National Encampment of the Grand Army of the Republic for the year 1922, not to exceed $1,700 in cost, with illustrations, 1,000 copies of which shall be for the use of the House and 500 copies for the use of the Senate.

F. E. TAYLOR AND B. C. BROOM.

Mr. OVERMAN. Mr. President, while we are taking up bills from the calendar I do not believe I have asked unanimous consent for the passage of a bill on the calendar at this session, and I am going to ask it now. I ask unanimous consent for the immediate consideration of House bill 8767, for the relief of F. E. Taylor and B. C. Broom.

The PRESIDING OFFICER. Is there objection?

Mr. POINDEXTER. Let it be reported.

The PRESIDING OFFICER. The Secretary will read the bill.

The bill was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to F. E. Taylor the sum of $565 as compensation for personal injuries and damages to horse and buggy sustained by being run into from the rear by a United States Army truck belonging to Company 47, then stationed at Camp Greene, Charlotte, N. C.; and to B. C. Broom the sum of $50 as compensation for personal injuries sustained in the same manner.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. WADSWORTH. I make the same inquiry that I did with respect to the bill the passage of which was achieved at the request of the Senator from Georgia. If this is not an appropriation of money from the Treasury, I do not know what it is. The rules of the Senate provide that an appropriation bill shall be reported by the Committee on Appropriations alone.

Mr. OVERMAN. We have passed hundreds of bills like this, bills in the same language, which came from the Committee on Claims.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. WADSWORTH. I would like to have the opinion of the Senator from Utah [Mr. SMOOT] on this matter, because we

must know what we are doing. I want to know whether the rule is to apply to claim bills. Is this an appropriation or not?

Mr. SMOOT. I will say that if the bill passes and becomes a law the amount will have to be paid out of the Treasury of the United States.

Mr. OVERMAN. The Senator from New York wants to know whether under the rules every claim bill of this kind has to go to the Committee on Appropriations.

Mr. SMOOT. Oh, no; that has not been the policy of Congress.

Mr. OVERMAN. Under our rule, I think not.

Mr. SMOOT. Claims bills go to the Claims Committee, and if they pass they become the law without any reference to the Committee on Appropriations whatever.

Mr. WADSWORTH. Under what provision of the rule is that done?

Mr. SMOOT. It is a claims bill and the Committee on Claims was organized to consider claims.

Mr. WADSWORTH. That is perfectly true. The Committee on Military Affairs was organized for the purpose of considering military legislation, but it and all the other standing committees of the Senate have given up the prerogative of reporting appropriation bills. Instead of reporting direct appropriations, they report bills framed in such a way as merely to authorize the appropriations. Then at a later time the Committee on Appropriations makes the actual appropriations if it deems it wise. These claims bills do more than merely authorize; they direct, and the Committee on Appropriations has no part in the procedure; and yet the rules of the Senate say that no appropriation shall be reported except from the Committee on Appropriations.

Mr. OVERMAN. I think that only refers to general appropriation bills.

Mr. WADSWORTH. It says any appropriation.

Mr. HARRISON. Our rule further says that the Committee on Appropriations can not report claims not authorized by law. These claims are not authorized by law.

The PRESIDING OFFICER. The Chair will read the provision of the rule that does govern such cases:

All general appropriation bills shall be referred to the Committee on Appropriations, and no amendments shall be received to any general appropriation bill the effect of which will be to increase an appropriation already contained in the bill, or to add a new item of appropriation, unless it be made to carry out the provisions of some existing law, or treaty stipulation, or act, or resolution previously passed by the Senate during that session; or unless the same be moved by direction of a standing or select committee of the Senate, or proposed in pursuance of an estimate submitted in accordance with law.

The language is "all general appropriations." Is there objection to the present consideration of the bill?

Mr. POINDEXTER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the parliamentary inquiry.

Mr. POINDEXTER. Under the ruling of the Chair can the Committee on Irrigation and Reclamation report to the Senate a bill appropriating money out of the Treasury for the development of an irrigation project? Would that have to be in a general appropriation bill?

The PRESIDING OFFICER. If the present occupant of the chair should then be in the chair, he would rule upon that question when it was presented. That question is not now before the Senate.

Mr. POINDEXTER. The Chair then rules that the Committee on Claims can report appropriation bills which are not general appropriation bills?

The PRESIDING OFFICER. The point of order has not been raised, but the Chair is of the opinion that the bill under consideration does not come within the rule, it being not a general appropriation bill. Is there objection to the consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. POINDEXTER. Mr. President, I send to the desk and ask to have read a letter from the Everett Pulp & Paper Co. relative to a duty on chemical pulp.

The PRESIDING OFFICER. The Senator from Washington asks unanimous consent for the reading of the letter. Without objection it will be read as requested.

The letter was read as follows:

EVERETT PULP & PAPER CO.,
Everett, Wash., June 23, 1922.

Hon. MILES POINDEXTER,
United States Senate, Washington, D. C.

DEAR SIR: We understand that the Senate Finance Committee now propose to put chemical pulp on free list.

As first agreed on, it was to have some slight protection by a duty of 5 per cent, but we judge the action of the committee in changing chemical pulp to the free list is due to pressure from the newspaper publishers who, in spite of the advocacy of protection for American industries by those who believe in Republican policies, are willing to sacrifice an important industry in this country for their own selfish, short-sighted interests, which will eventually place the production of chemical pulp in the hands of the Canadians, Scandinavians, and Germans.

The manufacture of chemical pulp at Oregon City, Salem, Oreg.; Port Angeles, Camas, Spokane, and Everett, Wash., is an important and growing industry on the Pacific coast, and is entitled at least to the small amount of protection asked for, viz, 5 per cent, and we trust the proposed action of the Senate committee will not be taken.

Yours very truly,

A. H. B. JORDAN, *Vice President.*

Mr. WALSH of Massachusetts. Mr. President, I want to have a letter read which I have received from a merchant at Habana, Cuba, and a letter of introduction from the ex-mayor of one of the cities of Massachusetts, who is engaged in the manufacture of paper. The letters illustrate how the export business in this country is going to be affected by the imposition of these high tariff duties. I ask that both letters may be read.

There being no objection, the letters referred to were read as follows:

WHITMORE MANUFACTURING CO.,
Holyoke, Mass., April 15, 1922.

Hon. DAVID I. WALSH,
Senate Building, Washington, D. C.

MY DEAR SENATOR: This will introduce to you Mr. Garrett H. Smith, the United States representative of the Compania Litografica de la Habana.

The said company have been one of our most valued customers, and our business with them has gone into many hundreds of thousands of dollars.

Mr. Smith desires to bring some matters to your attention, and I trust that you will find it convenient to grant him an interview of sufficient time that he may lay his case before you.

Thanking you for any courtesies extended to Mr. Smith, I am

Very truly yours,

JOHN J. WHITE.

[Compania Litografica de la Habana. Habana, Cuba.]

NEW YORK, *June 23, 1922.*

Hon. DAVID I. WALSH,
Senate Building, Washington, D. C.

DEAR SIR: As you will note, I am the United States and Canadian representative of the Compania Litografica de la Habana. We import into this country for the cigar manufacturers cigar labels and cigar bands, and the extent of our importation is about $100,000 a year. Our work is considered the most beautiful produced anywhere, and a great many of the cigar manufacturers like to dress their packages as handsomely as it is possible to do. In having handsome packages, they compete in appearance with the imported Habana cigar packages.

If the contemplated duty, according to the Ways and Means Committee of the House and the Finance Committee of the Senate, goes into effect it will close us out from doing business in the United States and cause a great deal of hardship to the cigar manufacturers, who will then either be compelled to buy German work or work made in the United States at the price charged them.

As you will note from the letter of introduction, we buy all of the raw materials in the United States, and we are, therefore, just as much an addition to keeping the laboring man in the United States employed as if we had our factories in this country, besides paying an import duty to the Federal Government.

Our purchases of raw materials from the different manufacturers in the States amounts to about half a million dollars a year, and we believe that we are entitled to attention and consideration and not be eliminated from this market. We never have competed, nor have we tried to compete, with the prices of the domestic manufacturers, and we are in an entirely different class from the German importers who import all prices of work and do compete with the domestic manufacturers.

The tariff schedules on lithographed labels and bands is not drawn up on the proper basis, which I have duly reported to the Hon. Senator CALDER, of New York, who very kindly referred me to the Tariff Commission, and we have made an entire explanation to them. Before any change of tariffs is made on cigar labels and cigar bands, thorough investigation of respective costs and selling prices should be made, and due allowance should be made so that the Cuban goods are not taxed beyond a certain limit. The tariff for Cuban goods should in no way be the same as on German goods because the German lithographers manufacture all their own raw materials, or rather purchase them in their own country, where we purchase them here in the United States, pay a duty on them going into Cuba, and pay a further duty on them coming back into the States.

To reiterate and bring this matter vividly to your attention, we import into this country only about $100,000 worth a year and we purchase about half a million dollars worth of raw materials a year to be shipped to Cuba. It would not be right to force the purchasing of these raw materials in other markets.

Upon thorough investigation you will find this of sufficient importance to warrant your personal action.

Very truly yours,

GARRETT H. SMITH.

Mr. WALSH of Massachusetts. I ask that the letters be referred to the Finance Committee.

The PRESIDING OFFICER. Without objection, it is so ordered. The next amendment of the Committee on Finance will be stated.

The ASSISTANT SECRETARY. On page 104, paragraph 726, on line 17, the committee proposes to strike out "1½" and insert "2," so as to read:

PAR. 726. Macaroni, vermicelli, noodles, and similar alimentary pastes, 2 cents per pound.

Mr. WALSH of Massachusetts. Mr. President, the Senate committee amendment increases the duty from 1½ cents, as named in the House bill, to 2 cents a pound. Under the Underwood law these products were dutiable at 1 cent per pound and under the Payne-Aldrich law at 1½ cents per pound. The present bill provides a further increase to 2 cents, an increase of 33⅓ per cent in the rate.

The production in the United States in 1920 was about 450,000,000 pounds, and we imported only 800,000 pounds, less than three-tenths of 1 per cent of the domestic production. The imports come mostly from France and Italy. During the war our production of these articles was increased, and virtually supplied the domestic market. The Italian product commands a small price premium. Italy, however, imports durum wheat from the United States, and the Italian product, therefore, pays freight from and to the United States. Here we have another situation restricting our export business to foreign countries. Macaroni is made from American wheat. The American wheat is purchased from the American farmer, carried across the ocean, made into macaroni, and shipped back here and sold to the Italian people of the United States.

If this duty results in shutting out, as is intended and contemplated, the little macaroni that comes here from Italy, it means that the American wheat, which is purchased by the manufacturers and makers of macaroni in Italy, will lose these customers in Italy. Surely this is another one of the many cases in this bill where there is no tariff question involved, where there is no revenue to speak of, and where there is no occasion for a protective duty. This increased duty can not be defended.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. McCUMBER. Mr. President, I want to put in the RECORD at this point a few figures. In 1910 we imported 118,000,000 pounds of the products just under consideration. In 1914 we imported 129,876,000 pounds. The duty collected in 1910 was $1,782,000; in 1911, $1,720,000; in 1912, $1,625,000; and in 1913, $1,587,000. The imports increased up to 1914, when there were almost 130,000,000 pounds imported. So the imports had grown very rapidly, and there is a considerable revenue derived from the duty.

The PRESIDING OFFICER. The next amendment will be stated.

The ASSISTANT SECRETARY. On page 104, paragraph 727, in line 18, after the word "unhulled," the committee proposes to strike out "10" and insert "15," so as to read:

PAR. 727. Oats, hulled or unhulled, 15 cents per bushel of 32 pounds.

Mr. WALSH of Massachusetts. Mr. President, the Senate committee amendment proposes an increase in the duty on oats, hulled or unhulled, from 10 cents per bushel, as provided in the House bill, to 15 cents per bushel; on unhulled ground oats, from 32 cents per 100 pounds, as provided in the House bill, to 45 cents per 100 pounds; on oatmeal, rolled oats, oat grits, and similar oat products, an increase from 60 cents per 100 pounds, as provided in the House bill, to 90 cents per 100 pounds. It will be noted that these increases are very substantial.

Under the Underwood law oats, hulled or unhulled, were dutiable at 6 cents per bushel of 32 pounds. The pending bill therefore represents an increase of 50 per cent over the House bill and 250 per cent over the Underwood law. The Payne-Aldrich rate was 15 cents per bushel, the same as that recommended by the Committee on Finance.

The statistics of production and of imports and of exports do not justify this increased duty. The United States produced in 1920, 1,526,000,000 bushels of oats, valued at $719,000,000. We imported about 6,000,000 bushels and exported about 34,000,000 bushels. It will be noted that the exports were six times the amount of imports of oats. I think the facts show that the few oats that were imported came over the Canadian line, largely into the section of the country which I have the honor in part to represent—the New England section.

Our exports greatly exceeded, in fact, many times exceeded, our imports; and the imports are a very insignificant portion of our consumption.

Mr. President, neither is there a tariff issue involved here. This is a product which is on an export basis. There is no justification whatever for increasing the rate provided in the House bill. There is no revenue to be derived, because the imports are trivial. There is no protective tariff policy involved here, because there is nothing to protect. The situation is exactly the same as that which I have shown to exist in reference to the other cereals which we have discussed during the afternoon. I might add that under the Senate committee amendment the duty will amount to 35 per cent ad valorem.

Let me say in this connection that the only portion of the country that is likely to be affected by these duties upon cereals is the New England section, particularly as to some of the cereals named in paragraph 724 and paragraph 731. All these duties on cereals will be effective in increasing prices in New England. It is not fair to New England to compel us to pay these unusual duties on our Canadian imports. If effective at all, the duties will inure to the disadvantage of the small farmers of New England who depend upon getting feedstuffs for their poultry and cattle from Canada. This is a very serious matter with them, concerning which I shall have more to say when we begin to discuss paragraph 731.

Mr. McCUMBER. Mr. President, I think about the only effect of this tariff under ordinary conditions will be to stabilize the price of the product. In looking over the figures as to importations of products in the agricultural schedule it will be noted that in the fiscal year ending June 30, 1910, we imported 1,034,000 bushels of this cereal and exported 1,685,000 bushels. In 1912 we imported 2,622,000 bushels, in round numbers, and we exported 2,171,000 bushels.

Passing over two years to the fiscal year ending June 30, 1914, it will be found that the imports leaped from 2,622,000 bushels in 1912, or 723,000 bushels in 1913, to 22,073,624 bushels. Of course, that increase must have had a very serious effect upon the value of oats. It will be observed, however, that it was that fiscal year during which the corn crop was somewhat short and in which Argentina corn came into the United States. So the only real effect I think the duty will have will be to stabilize prices, taking one year with another, against any sudden, great inflation in the amount of imports. In other respects, the duty will probably have but little effect upon the price of oats.

Mr. WALSH of Massachusetts. I send to the desk three letters protesting against this proposed duty. I ask that the first letter, from Mr. Alexander S. MacDonald, may be read, as it indicates the effect of these proposed duties upon New England farmers.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested:

The Assistant Secretary read as follows:

BOSTON, MASS., *December 10, 1921.*

Hon. DAVID I. WALSH,
Washington, D. C.

DEAR SIR: My attention has been called to tariff bill H. R. 7456, passed by the House July 21, 1921, and now under consideration by the proper committee of the Senate.

I wish to call your attention particularly to paragraph 727 of page 39, which contemplates a duty of 10 cents per bushel of 32 pounds on oats. As you may or may not know, our 1921 American crop is very light in test weight; a large percentage of the new crop is entirely unsatisfactory for the established Massachusetts trade. This State, and all New England as well, buys a heavy-test oat. To make up for this deficiency in heavy oats we have been bringing in a number of oats from Canada (which oats are exceedingly heavy in test). There is at present a duty of 6 cents per bushel on this importation, which is an exceedingly heavy duty, considering the fact that American oats are offered at prices ranging from 45 cents to 50 cents per bushel delivered New England points.

We and all the New England trade would seriously and earnestly oppose any such advance in the duty as is contemplated by the bill in question.

In addition to the above, paragraph No. 724, same page, contemplates placing duty on buckwheat of 30 cents per hundred, whereas entry from Canada to this country on buckwheat has previously been free. This represents a heavy and unwarranted tax.

Paragraph No. 731 places an ad valorem duty of 15 cents per bushel on bran, shorts, and other by-products of wheat. There is at present a duty of about 7½ per cent.

Of far greater importance in connection with this duty on feed is the fact that section 402 of the bill, page 97, rules that the value for purposes of taxation shall be the American market value, which, of course, includes all costs, freight, etc. In other words, if bran is worth $30 per ton delivered in Boston, the new tariff would impose a duty of $4.50 per ton, whereas present duty of approximately 7½ per cent on f. o. b. Canadian value would figure a materially lower amount.

The passage of such duties as mentioned above would work an undue and absolutely unnecessary hardship on the Massachusetts and New England people and would be earnestly and strenuously opposed by each and every one of them if they were acquainted with the facts.

We are confident that the increased duties contemplated would in no way assist the American farmer. To give you a concrete example of this: When the emergency tariff became effective, imposing, as it did, a duty of 35 cents per bushel on Canadian wheat, what was the result? American wheat values continued their downward course and Canadian values, on the other hand, advanced and continued at a tremendous premium over American wheat values until the movement of the Canadian crop became exceedingly heavy in volume.

It is impossible to legislate value into commodities, particularly grains, in which world conditions make the price. If we place a duty prohibiting the movement of Canadian grain to the United States, that grain moves abroad, displaces an equal amount of American grain which might have found an export outlet.

We and others like us, engaged in the strenuous effort of providing a living for ourselves in business to-day, do not have the time or opportunity to dig into the voluminous bills that might be contemplated by a Congress, and sometimes in such cases as these wake up to find harm is done and no change is possible.

I sincerely hope that you will be good enough to look into this situation and do your part to prevent changes being made.

Thanking you in advance for your consideration, I beg to remain,

Very truly yours,

ALEX. S. MACDONALD.

Mr. WALSH of Massachusetts. I ask unanimous consent that the two other letters relative to this matter, to which I have referred, may be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

BOSTON, MASS., *February 8, 1922.*

HON. DAVID I. WALSH,
Washington, D. C.

MY DEAR SENATOR: We wrote you under date of December 10 last, protesting against the proposed increase in duty of oats (727, p. 39), of the new bill, etc.

We are indeed interested to hear from you what the situation is at the moment. The Boston Transcript of February 6 indicated that the sentiment of the Senate Finance Committee in framing tariff rates had approved recommendations of the Senate Republican agricultural bloc, etc. What are these recommendations?

Can you tell us whether our protest and the protest of other New England grain dealers has had any effect? We are also much interested to know when this much-discussed bill will become a law. We who have always handled large quantities of Canadian oats, bringing them into this country, are doing absolutely nothing at the moment, because we dare not. We must sell them "freight and duty paid"; in other words, "delivered Massachusetts and New England." The present duty is 6 cents; the new duty presumably 10 cents. If we had oats bought or in transit to this country when the duty was raised, we would be penalized 4 cents per bushel, which would involve serious loss if any quantities were handled.

You can see from the above that any information you may be in position to give us will be much appreciated.

Very truly yours,

A. S. MACDONALD COMMISSION CO.,
A. S. MACDONALD.

—

MALDEN, MASS., *December 17, 1921.*

HON. DAVID I. WALSH,
Washington, D. C.

DEAR SIR: A few days ago I wrote you in regard to the proposed change in tariff H. R. 7456, and that I was opposed to the increases as they were being considered.

It has come to my attention that oats are also to be included in this increase and that it may be an increase of 4 cents a bushel on Canadian oats. These oats are much heavier than our oats and are used extensively in the poultry feeds. It seems to me that it would be much better if the tariff was removed on the Canadian oats or made much less, in order to encourage the back-yard poultry folks and thereby help reduce the cost of living.

Certainly hope you will consider this matter seriously before finally acting. Thanking you for past favors, I am,

Yours truly,

ROBERT A. HODGDON.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 104, in line 19, after the word "oats," to strike out "32" and to insert "45," and in line 21, before the word "cents," to strike out "60" and to insert "90," so as to make the paragraph read:

PAR. 727. Oats, hulled or unhulled, 15 cents per bushel of 32 pounds; unhulled ground oats, 45 cents per 100 pounds; oatmeal, rolled oats, oat grits, and similar oat products, 90 cents per 100 pounds.

Mr. WALSH of Massachusetts. I have nothing further to say on this paragraph.

The PRESIDING OFFICER. The question is on the committee amendment.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 104, line 22, after the word "rice," to insert "three-eighths of," so as to read:

PAR. 728. Paddy or rough rice, three-eighths of 1 cent per pound.

Mr. BROUSSARD. Mr. President, I think it was on May 3 I addressed the Senate somewhat at length on the subject of the duty on rice, and for that reason I shall not impose upon the Senate any further discussion, unless it is desired to debate this paragraph. I do intend at the proper time, however, to ask the Senate to disagree to the amendment proposed by the Finance Committee. I shall not do so at this time, because my colleague [Mr. RANSDELL] happens to be absent and has requested that this paragraph go over until his return, which will be in the early part of next week. I trust that the chairman of the committee may be willing to grant the request of my colleague.

Mr. McCUMBER. Mr. President, I listened attentively to every word of the address of the Senator from Louisiana some time ago upon the subject of the growing of rice in the United States. I confess I was very much impressed with his presentation, and I believe, after more mature consideration, that the committee amendment is unjustified and that there should be a greater tariff duty upon the product than the committee has recommended. I shall be glad to grant the request made by the Senator and allow the paragraph to go over until his colleague has returned to the Senate.

Mr. BROUSSARD. I thank the Senator from North Dakota.

The PRESIDING OFFICER. Paragraph 728 will be passed over. The Secretary will state the next amendment.

The next amendment of the Committee on Finance was, on page 105, line 3, after the word "rye," to strike out "10" and to insert "15," so as to read:

PAR. 729. Rye, 15 cents per bushel of 56 pounds.

Mr. WALSH of Massachusetts. Mr. President, the same facts that have been presented with reference to the other cereals apply to rye. The Senate committee amendment increases the rate from 10 cents, as provided in the House bill, to 15 cents per bushel; and on rye flour increases the rate from 30 cents to 45 cents per hundred pounds. In the Underwood law rye and rye flour are on the free list. In the Payne-Aldrich law rye was dutiable at 10 cents per bushel and rye flour at one-half of 1 cent per pound, or 50 cents per hundred pounds. In the case of rye the pending bill provides an increase of 50 per cent over the rate of the Payne-Aldrich act. The production in the United States of rye increased from 32,000,000 bushels in 1914 to 89,000,000 in 1918. Our imports increased from 44 bushels in 1913 to 36,000 bushels in 1914 and reached 1,000,000 bushels in 1920. Our exports were 57,000,000 bushels in 1920. So we have a very large domestic production and an export trade 57 times greater than our import trade.

Here, again, there is no tariff question involved. We are on an export basis; and I can not understand any sound reason for the committee's action in increasing the rate named in the House bill from 10 to 15 cents per bushel.

The Senator from North Dakota has referred several times to the fact that the levying of tariff duties has a tendency to stabilize prices when there is a shortage in the production at home. The importation of cereals and like products tends to stabilize prices when there is a shortage at home and not the exclusion of them. The years when there have been importations of these cereals in any amount have been years when the production at home was not sufficient for our people; and how the Senator can argue that the exclusion of cereals at such a time stabilizes prices is beyond my understanding. I believe it is a positive benefit to our people to be able, with reasonable tariff duties, to get these cereals from foreign countries when our own supply is short. When our own supply is short and there are no imports available, it means that the price will rise and rise, and reach unjustifiable heights and limits.

I do not see how the Senator can defend these increases when these products in reality ought to be on the free list.

Mr. McCUMBER. Mr. President, the Senator is absolutely right in what he says. If the price is low, and there is a tendency for it to rise, importation into the country will stabilize it, but it will stabilize it at a lower rate. If the price is high, and there is a tendency to lower it, the keeping out of the product will stabilize it in the way of holding up the price, as those who represent the farming industries want it to do; so I think we are both correct. The only difference is that the Senator wants the low price and I want the high price. I want to stabilize it on the high standard and the Senator would prefer to stabilize it on the lower standard. We are both correct, I think.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The READING CLERK. On line 4, after the words "rye flour and meal," it is proposed to strike out "30" and insert "45," so as to read:

Rye flour and meal, 45 cents per 100 pounds.

The amendment was agreed to.

The READING CLERK. On line 5, after the word "wheat," it is proposed to strike out "25" and insert "30," so as to read:

Wheat, 30 cents per bushel of 60 pounds.

Mr. WALSH of Massachusetts. Mr. President, the Senator from North Carolina [Mr. SIMMONS] and other Senators are interested in this paragraph, and I should like to ask that it go over until to-morrow. It is a very important paragraph.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it will be passed over. The Secretary will state the next amendment of the committee.

The next amendment was, on page 105, line 10, before the words "per cent," to strike out "15" and to insert "10"; in line 11, after the word "valorem," to strike out "per ton"; at the beginning of line 13, before the word "malt," to strike out "dried beet pulp,"; in the same line, before the word "brewers'," to strike out "and"; in the same line, after the word "grains," to insert "and dried beet pulp,"; in line 15, after the word "with," to strike out "oil cake or oil-cake meal, or"; and to insert "oil cake, oil-cake meal,"; and in line 16, before the word "per," to strike out the figure "6" and to insert "15"; so as to make the paragraph read:

PAR. 731. Bran, shorts, and other by-product feeds obtained in milling wheat or other cereals, 10 per cent ad valorem; hulls of oats, barley, buckwheat, or other grains, ground or unground, 10 cents per 100 pounds; malt sprouts, brewers' grains, and dried beet pulp, $5 per ton; mixed feeds, consisting of an admixture of grains or grain products with oil cake, oil-cake meal, molasses, or other feedstuffs, 15 per cent ad valorem.

Mr. WALSH of Massachusetts. Mr. President, I think I have received more letters in protest of the duty fixed in this paragraph than any other paragraph in the whole bill.

These products come from Canada, and are used in the feeding of cattle and poultry by the New England farmers, and they are very, very much opposed to these duties. They urge that these products be placed upon the free list. I am not going to take the time to reiterate what I have said in discussing buckwheat, but I am going to ask that these letters be inserted in the RECORD, and I call attention particularly to a letter from the Boston Chamber of Commerce, protesting against these duties. I think these letters are from about every section of the State of Massachusetts, and they all unite in protesting against the duties named in this paragraph, and they all assert that these rates will be effective to them; they will have to pay an increased price, because they get these products from Canada and not from the West. It simply means the levying of an increased price upon the farmers of New England. These duties hit New England hard and do no good to the western farmers.

Mr. HITCHCOCK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Nebraska?

Mr. WALSH of Massachusetts. I do.

Mr. HITCHCOCK. They think they will probably be injured by this increased cost in the raising of poultry more than they can possibly be benefited by having a tariff put on poultry at the expense of the consumers in Massachusetts?

Mr. WALSH of Massachusetts. Exactly. I referred a short time ago to the fact that yesterday we considered that the tariff duties upon poultry should be increased, and to-day I have protest after protest against the increased duty upon these products which the raisers of poultry and of cattle feed to their poultry and cattle.

Mr. WADSWORTH. Mr. President, will the Senator state if he has received any protests against the tariff on poultry from poultry raisers?

Mr. WALSH of Massachusetts. No; I have not.

Mr. WADSWORTH. Then, as I understand, the Senator's correspondents are entirely willing to have a tariff on poultry, but not a tariff upon the material that they feed to poultry?

Mr. WALSH of Massachusetts. I will say to the Senator frankly that if I had any correspondence of that kind it probably would be of that nature; but whatever correspondence I have had has been in protest of these duties which increase the cost of the feedstuffs to the farmers of New England. I must say, to their credit, that I have not received, as far as I recall, a request from a farmer in New England or Massachusetts for an increased duty upon poultry—not one. I did receive some letters favoring protective duties upon milk and cream and agricultural products in general.

Mr. HITCHCOCK. Mr. President, it was asserted here yesterday that the reason why they needed the tariff upon poultry was because of the higher cost of producing poultry in the United States; and now we find in this paragraph, put in by the same committee, the main reason why poultry may be produced at higher cost in the United States than in Canada. It is the same old vicious circle that runs all through this bill. You have taxed every article you can possibly conceive of, and you have made it so that it costs the United States more to produce everything under the sun, according to your argument, than any other country can produce it for.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Massachusetts for printing in the RECORD certain letters indicated by him? The Chair hears none. The letters are as follows:

GRAIN BOARD OF THE BOSTON CHAMBER OF COMMERCE,
Boston, Mass., Dec. 7, 1921.

Hon. CHARLES M. COX,
7½ Chamber of Commerce Building Boston, Mass.

DEAR MR. COX: At a meeting of the grain board of the Boston Chamber of Commerce held to-day the question was brought up as to the proposed new tariff act on grain now under consideration by our Congress, and the following resolutions were passed unanimously:

"*Resolved*, That the grain board of the Boston Chamber of Commerce views with alarm the proposed new tariff act of 1921, known as H. R. 7456, so far as it relates to the marked increase in the tariff rates of importation on buckwheat, bran, and shorts. Representing, as we do, the wholesale and retail grain interests of New England, we take this method of informing our Senators that it is of material help to New England to receive importations from Canada of buckwheat and bran in certain years, especially when the supply is short in our own country."

The proposed new tariff—paragraph No. 724—would impose a duty on buckwheat of 30 cents per 100 pounds, whereas for at least 17 years to our knowledge there has been no duty whatever on this article. We respectfully request that this product should come in free or that a maximum duty be set not exceeding 10 cents per 100 pounds.

There is no item of domestic saving which comes closer to the common people of New England than that of keeping a small flock of hens. Their number is legion and they are scattered through every town and many cities. Buckwheat is fed entirely in New England to hens and is an important adjunct.

Paragraph No. 731 relates to bran and imposes a duty of 15 per cent "ad valorem," which, we understand, it is planned shall be on the basis of United States valuation. We respectfully protest against an "ad valorem" basis. It involves serious question as to what price shall be considered a fair value in a country as large as ours and where the prices in the Middle West are so much lower than in the East, owing to the high rates of freight. We respectfully urge that bran and shorts be put on a "specific" basis, and we also respectfully suggest a rate of 10 cents per 100 pounds as fair and reasonable.

A comparatively small amount of bran is imported from Canada when conditions are favorable. It usually comes at periods, as at the present time, when our own mills, which are running only part time, can hardly supply the demand. Bran is considered by farmers as an important feed for cattle and horses. We respectfully urge that the rate of duty be set not to exceed 10 cents per 100 pounds on a "specific" basis.

It was voted that you be delegated to represent the grain board before the Senate Finance Committee in respect to this matter, and we should appreciate any efforts which you can put forth to convince our Senators that New England would suffer from an advanced rate of duty on grain and grain products.

Very truly,

J. E. SOUTHWORTH, *Chairman.*

—

CHARLES M. COX CO.,
Boston, August 18, 1921.

Hon. DAVID I. WALSH,
United States Senator from Massachusetts,
Washington, D. C.

MY DEAR SENATOR WALSH: It is not often that I have felt called upon to write you for any business reason.

I am now taking the liberty of saying that there is one item, or perhaps one series of items, in the Fordney tariff bill which affects our business materially. It is that section which relates to a duty on bran or any other by-products of flour mills, and also which relates to tariff on ground oat hulls or by-products of oatmeal mills.

Very large amounts—many hundreds of cars annually—of bran have been imported into this country from Canada, but from no other country.

Probably at least nine-tenths of this bran comes into New England, and it all helps our eastern farmer to buy his grain ration at a little lower price.

We understand that in the latest phase of the Fordney bill the tariff on these goods is put at 15 per cent ad valorem, whereas the original Fordney bill carried a tariff of $1.50 per ton. Our hope and earnest desire is that when the bill is finally adopted it will be on a specific basis and not ad valorem, and, of course, also that the rate be as low as is reasonably possible.

The reasons that you have not heard from many people on this subject are manifest. In our own case, for example, we buy ten or twenty times as much bran and feedstuffs from our own mills as we do from Canada, and we are not in a position, therefore, to conduct an active campaign on this subject because of the possibility of offending our own mills.

Other similar reasons probably deter a good many people from making a campaign, while the consumers and eastern farmers are doubtless not informed on the question.

Anything you feel like doing in order to assist in bringing about the specific duty at a low rate, say $1.50 or $2 per ton, which would, in other figures, be 7½ cents to 10 cents per hundredweight, will be very much appreciated.

Yours very truly,

CHARLES M. COX.

P. S.—The reason that we desire the specific rather than the ad valorem duty is to avoid possible disputes in explanation of prevailing prices on commodities. We find it sometimes vexatious and troublesome.

Our own interests in this matter are small compared with that of the New England farmers, who are the ones who would be benefited by a reduced tariff.

—

CONCORD, MASS., *December 7, 1921.*

Hon. DAVID I. WALSH,
Washington, D. C.

DEAR SIR: With the interests of the farmers of this section in mind I wish to ask that you do everything within your power to defeat the proposed tariff taxing the imports of bran and buckwheat from Canada. I refer to the new tariff (H. R. 7456), on which I understand hearings are now being held.

Our farmers have hardly been able to receive for their products the amount expended to produce them, and with the proposed tariff in

effect it is sure to make their condition worse. Not only will it result in higher prices for the commodities themselves, but will be felt in all the ready-mixed feeds of which they form a part.

This past year has been one of unusual hardship for the farmer in this State and everything that can possibly be done in his behalf at the present time will help wonderfully. What we ask is that buckwheat will continue to come into the country free as it has in the past, and that bran will be on a "specific basis" of 10 cents per hundred pounds. I sincerely hope you will stand back of the farmers and do whatever you can to see that this additional burden is not allowed to be placed on the farmers of this State.

Respectfully yours,

B. W. BROWN GRAIN CO.
ROBERT P. DUKESHIRE, *Manager.*

—

WRENTHAM, MASS., *December 8, 1921.*

Hon. DAVID I. WALSH,
United States Senate Chamber, Washington, D. C.

SIR: We understand that the proposed tariff law tends to increase the duty on grain, and we should like to call this to your attention so that you may protect the interest of New England, and we believe that you can do so by bringing about a reduction of rates.

This would especially apply to bran, which is used in large quantities by the dairy interests of New England, and to buckwheat, which is used by poultry raisers.

It seems important enough to us for you to take some action immediately, and we respectfully urge that you do so.

Respectfully,

W. K. GILMORE & SONS, INC.
G. W. GILMORE.

—

ROSLINDALE P. O., BOSTON, MASS.,
December 7, 1921.

Hon. DAVID I. WALSH,
United States Senate Chamber, Washington, D. C.

SIR: Our attention has been directed to the proposed new tariff, known as H. R. 7456. In our opinion, we are very certain that this bill, as now drafted, will be detrimental to the interest of New England, especially to the farmers and poultry raisers.

There are two items in particular that we wish you would kindly consider. First, that of bran. We would ask that you use your good influence to have this assessed as a specific duty rather than on an ad valorem basis. It is probably needless for us to narrate our reasons for the change, as you well understand the confusion it would cause. The specific duty ought not to be over 10 cents per hundred.

Another item, appearing on page 39 of the bill, is the proposed assessment of 30 cents per hundredweight on buckwheat. This is the first time buckwheat has been placed on a duty list. A large proportion of the buckwheat used by New England poultry raisers comes from Canada, and we believe this supply should not be shut off. Buckwheat ought to come in free, and we kindly ask that you extend your influence to place it on the free list, as well as to make a specific duty on bran of 10 cents per hundredweight.

We can not help but reiterate that these changes seem so vital for New England that, consequently, we feel justified in asking you to exert very definitely your influence.

Respectfully,

THE WHITTEMORE CO.

—

LAWRENCE, MASS., *December 9, 1921.*

Hon. DAVID I. WALSH,
Washington, D. C.

DEAR SIR: We have noticed on page 39 of the new tariff act of 1921, bill H. R. 7456, that the duty assessed on bran is on ad valorem basis rather than a specific basis. We believe this will cause no end of confusion and materially increase the price to the New England dairy interests, and would kindly ask that you use your influence to change the basis of duty to 10 cents per hundredweight. We feel that bran is a very important article for the dairy interests of New England, and believe that you can be of real service in this matter. Will you kindly give this your attention?

Respectfully yours,

H. BRUCKMANN,
By FRED L. TINSCH, *Manager.*

—

WOBURN, MASS., *December 9, 1921.*

Hon. DAVID I. WALSH,
United States Senate Chamber, Washington, D. C.

DEAR SIR: We have been using more or less Canadian bran in our business for the last few years and have found that it has been of great value to the New England dairy interests.

This is especially true when the crop conditions in the United States are poor, as it gives us an outside supply tending to keep the prices down to a reasonable level.

We have always found Canadian bran to be of good quality.

The new tariff act of 1921 imposes a high ad valorem duty. We wish to protest against this vigorously, claiming that if any duty is to be assessed it should be a specific one and ought not to exceed over 10 cents per 100 pounds.

Our convictions are so strong that we are going to ask you to use your good offices to make the desired changes.

We trust that you will do all in your power to bring about an amendment in the proposed bill.

Respectfully,

CUMMINGS & CHUTE,
LOUIS A. CHUTE.

—

MALDEN, MASS., *December 10, 1921.*

Hon. DAVID I. WALSH,
Washington, D. C.

DEAR SIR: I am strenuously opposed to any increase in duty on buckwheat and bran as proposed in new tariff (H. R. 7456). It will certainly increase the price of these commodities and work a hardship on the consumer.

Respectfully yours, JOHN V. KIMBALL, *Mayor.*

WAKEFIELD, MASS., *December 10, 1921.*

Hon. DAVID I. WALSH,
Washington, D. C.

HONORABLE SENATOR: I have learned that there is now before the Senate Finance Committee a tariff which proposes placing a duty on bran, buckwheat, and grain products in general.

Would like, therefore, to call your attention to the fact that the farmers of New England are now already overburdened; that there are numerous farm lands for sale at the present time for little or nothing, and that any additional strain would mean much to them.

May I respectfully request that you support amendments to this tariff to the effect that buckwheat be allowed to enter free, or that, if a duty is necessary on either one of these above-mentioned items, it be not over 10 cents per hundred pounds, on a "specific basis."

Respectfully yours,

MRS. MABELLE J. WEBSTER.

—

GLOUCESTER, MASS., *December 8, 1921.*

Hon. DAVID I. WALSH,
United States Senate Chamber, Washington, D. C.

SIR: We wish to protest against the provisions of the new tariff act, known as H. R. 7456, wherein it is proposed to tax grain if brought from Canada into the United States.

We believe that the New England farmer and poultry raiser will suffer and that the western farmers will receive a benefit at the New England farmers' expense.

This is especially true when there is a short supply in our own country, and only by importing bran and wheat feeds from Canada are we likely to keep prices down to a reasonable level.

Can you not arrange to give your attention to this matter so as to reduce the rate of tariff, or, if possible, to eliminate it?

Anything which you can do will be appreciated, and we feel certain that you will be rendering a service to New England.

Respectfully,

D. B. HODGKINS SONS.

—

WEST BRIDGEWATER, MASS., *December 10, 1921.*

Hon. DAVID I. WALSH,
United States Senator, Washington, D. C.

DEAR SIR: Just a few words in protest against the proposed tariff bill (H. R. 7456), on grain, especially bran and buckwheat. We think this an added burden on the already overburdened people of New England. We respectfully urge that you use your influence to defeat this bill.

Very respectfully,

WEST BRIDGEWATER GRAIN CO.,
By A. D. TODD, *Vice President.*

—

BOSTON, *December 10, 1921.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: Congress is now in the act of forming a new tariff bill, known as H. R. 7456, and we understand they propose to about double the duty which we have been paying on Canadian bran.

This would make feed bran cost our farmers more than at present and we think you realize that the farmers in this country are selling their grain at very small prices and anything which we can get into this country that will cost them less, which they use, will surely help them.

From 1913 to 1921 bran was admitted free, but under the emergency tariff of 1921 the rate has been 10 per cent "ad valorem," based, however, on foreign values. It is now proposed to make the duty 15 per cent "ad valorem," based on American values.

What we would suggest is that the rate be made 10 cents per 100 pounds, on what is known as the "specified basis." We think the people should be interested in any legislation that will bring about the lower cost of living.

Yours very truly,

RODNEY J. HARDY & SONS.

—

WAKEFIELD, MASS., *December 8, 1921.*

Hon. DAVID I. WALSH,
United States Senate Chamber, Washington, D. C.

SIR: It has always been quite a help to us in the grain business to be able to buy Canadian bran at certain times of the year, and we feel that the interests of New England should be taken care of, especially as it appears that the powerful western agricultural interests are proposing a high tariff on bran. This tariff will act against us in their favor.

We certainly believe that the duty on bran should be reduced and should be based on a specific basis.

We hope that you can devote sufficient time and energy so as to effect an amendment to the new tariff law now in process of enactment.

Respectfully,

CURLEY BROS.

—

BOSTON, *December 29, 1921.*

Hon. DAVID I. WALSH,
Washington, D. C.

DEAR SENATOR: The proposed new tariff, paragraph 731, refers to bran and imposes a duty of 15 per cent "ad valorem," which we understand it is planned shall be on the basis of United States valuation. We respectfully protest against an "ad valorem" basis. It involves a serious question as to what price shall be considered a fair value in a country as large as ours and where the prices in the Middle West are so much lower than in the East, owing to the high rates of freight. We respectfully urge that bran and shorts be put on a "specific" basis, and we also respectfully suggest a rate of 10 cents per 100 pounds as fair and reasonable.

A comparatively small amount of bran is imported from Canada when conditions are favorable. It usually comes at periods, as at the present time, when our own mills, which are running only part time, can hardly supply the demand. Bran is considered by farmers as an important feed for cattle and horses. We respectfully urge that the rate of duty be set not to exceed 10 cents per 100 pounds on a "specific" basis.

The proposed new tariff, paragraph 724, would impose a duty on buckwheat of 30 cents per 100 pounds, whereas for at least eight years there has been no duty whatever on this article. We respect-

fully request that this product should come in free or that a maximum duty be set not exceeding 10 cents per 100 pounds. Buckwheat is fed in New England to hens and is an important adjunct.

There is no item of domestic saving which comes closer to the common people of New England than that of keeping small flocks of poultry. Their number is legion and they are scattered through every town and many cities.

All other grains and by-products are on a specific basis. The same arguments which make for a specific duty on wheat, corn, oats, rye barley screenings, dried beet pulp, etc., would apply to bran, shorts, and other wheat by-products.

Yours very truly,

WALKER-GORDON LABORATORY CO.,
By G. W. FRANKLIN, *Treasurer*.

—

NEWTON CENTRE, MASS., *December 9, 1921.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: In the interest of reducing the high cost of living, we feel that there should be no duty placed on grain which has previously come into this country free and at a low rate of duty. The proposed tariff act taxes grain quite materially. We believe that you could be of considerable aid to the people in New England by protesting against any increase in duty, and we kindly suggest that you bring your influence to bear.

Respectfully,

F. W. DORR CO.,
F. W. DORR.

—

MANSFIELD, MASS., *December 12, 1921.*

Hon. DAVID I. WALSH,
Washington, D. C.

SIR: We wish to refer to the duty assessed on page 39 of the bill H. R. 7456 as it relates to grain and grain products. We believe that the basis of assessing duty should be specific and not ad valorem. Such a provision would cause trouble, and we hope that you will do your best to have the tariff amended. We do not believe it right to assess any more duty than has been assessed for the last few years, and we trust that you will use your influence to this end.

Yours truly,

MANSFIELD COAL & GRAIN CO.,
ALEX H. MCRAE, *Treasurer*.

—

FALL RIVER, MASS., *December 12, 1921.*

Hon. DAVID I. WALSH,
Washington, D. C.

SIR: We wish you would devote your influence for a short time to the proposed new tariff bill relating to the assessment of duty on grain. New England has been very fortunate in obtaining a supply from Canada so that her farmers have been prosperous, but according to our understanding it is now proposed to shift this advantage from New England to the western farmer. We wish to enter our vigorous protests. Anything which you can do will be appreciated.

Yours truly,

MACKENZIE & WINSLOW (INC.),
By THOMAS WALKER, *Treasurer*.

—

QUINCY, MASS., *December 12, 1921.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

SIR: The proposed tariff bill places a high duty on grain and does not meet with our approval. We feel that the New England farmer is entitled to as low, if not lower, grain prices than he has enjoyed in the past, and we would kindly ask that you put forth your efforts in his favor. We feel certain that it will be appreciated, especially as it now appears that New England is going to suffer at the benefit of the western agricultural interests.

Yours respectfully,

F. H. CRANE & SONS (INC.).

—

SALEM, MASS., *December 9, 1921.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

SIR: The bill known as House bill 7456 increases duty on grain, part of which we have been in the habit of getting from Canada. To us it seems a mistake to restrict the market. Can you not help us out? We feel that you might be able to eliminate or at least lessen the rate of duty. We are expecting that you will put forth your best efforts.

Respectfully,

ROPES BROS.

—

BARRE, MASS., *December 10, 1921.*

Senator D. I. WALSH,
Washington, D. C.

DEAR SIR: I write to ask your support in opposing the new tariff bill, H. R. 7456, which places higher duties on Canadian grains and feeds.

The New England dealers and consumers will suffer greatly under such a bill. Up to date New England has been able to use many of these grains and feeds owing to short hauls and low rates, so it was of much value to the consumers in keeping prices down.

Yours truly,

HOWARD & HIGGINS.

—

FITCHBURG, MASS., *December 10, 1921.*

Senator DAVID I. WALSH,
Washington, D. C.

DEAR SIR: My attention has been called to the new tariff bill, H. R. 7456, placing higher duties on Canadian grains and feeds. I would like to ask you to oppose this, as it will work a great hardship on New England dealers and consumers. In the past New England has been able to use considerable of the grains and feeds from Canada, owing to short hauls and low rates, and it has been of great advantage to the consumers in keeping prices down.

Yours truly,

EDW. F. ACKLEY.

FITCHBURG, MASS., *December 10, 1921.*

Hon. DAVID I. WALSH,
Washington, D. C.

DEAR SIR: We understand that the proposed new tariff bill, known as H. R. 7456, proposes to greatly increase duties on all grain and grain products from Canada.

New England is a natural market for a considerable amount of Canadian grain and grain products at certain times of the year, and as agricultural conditions are in New England we feel careful consideration should be given to any tariff placing additional burdens on our people engaged in this line of activity.

Yours very truly,

J. CUSHING CO.

—

WINCHESTER, MASS., *December 10, 1921.*

Hon. DAVID I. WALSH,
Washington, D. C.

DEAR SIR: Am I correct in assuming that it is proposed to increase the duty on grain coming from Canada into the United States? If this is true, I should like to enter my protest, as it seems to me that the Canadian supply should not be artificially restricted.

This increase, of course, would have to be paid by the consumer.

One of our greatest problems to-day is to get the cost of living down to a basis where it would be fair to all, but if the country, carrier, and distributor will not cooperate I doubt if we ever see the problem settled.

Hoping you can favor the consumer on this bill, I am,

Very truly,

C. H. SYMMES.

—

SPENCER, MASS., *December 16, 1921.*

Hon. DAVID I. WALSH,
Washington, D. C.

DEAR SIR: Our attention has been directed to the fact that the new tariff bill, H. R. 7456, as passed by the House of Representatives tends to greatly increase the duty on grain.

We feel that grain should continue to come into the United States free or at a slight duty, and would kindly ask that you exert your influence to this proposition.

It is very important for New England that bran be admitted from Canada free when there is a poor crop in this country, so that the dairy interests of New England will not suffer and be at the mercy of the western farmers.

We hope that you will protest against such a duty, and ask that you do your utmost to give us relief.

Respectfully,

H. P. HOWLAND & SON.

—

FOXBORO, MASS., *December 12, 1921.*

Hon. DAVID I. WALSH,
Washington, D. C.

SIR: We wish to refer to the duty assessed on page 39 of bill H. R. 7456 as it relates to grain and grain products. We believe that the basis of assessing duty should be specific and not ad valorem. Such a provision would cause trouble, and we hope that you will do your best to have the tariff amended. We do not believe it right to assess any more duty than has been assessed for the last few years, and we trust that you will use your influence to this end.

Yours truly,

FOXBORO GRAIN CO.,
ALEX H. MCRAE, *Treasurer*.

—

HOLLISTON, MASS., *December 10, 1921.*

To the Hon. DAVID I. WALSH.

SIR: Recently we have been informed that there may be a duty assessed on grain coming in from Canada, which previously has been practically free from any duty. In our opinion, this would be a mistake and detrimental to the agricultural interest of New England. Will you kindly bring whatever influence is necessary to bear so as to change the proposed rates?

Respectfully,

G. A. FAIR.

—

NATICK, MASS., *December 8, 1921.*

Hon. DAVID I. WA SH,
United States Senate, Washington, D. C.

SIR: We understand that the new tariff law provides for increase in duty on grain coming into this country from Canada. To us this seems inimical to the interests of New England, and would kindly ask you to use your influence to have the rates of duty decreased. We refer especially to items of bran and buckwheat, which are vital to the dairy and poultry interests of New England. The duty on these two items should not be more than 10 cents per hundredweight.

Respectfully,

ROBINSON & JONES CO.,
CHARLES F. ROBINSON,
Secretary and Treasurer.

—

BOSTON, MASS., *December 10, 1921.*

Hon. DAVID I. WALSH,
Washington, D. C.

DEAR SIR: Referring to the emergency tariff bill, H. R. 7456, regarding increased duty on grain and feed coming from Canada to the United States—

We understand that this bill has passed the House and will go before the Senate next Tuesday or Wednesday. As we understand it, this is quite an increase in duty, which makes an increased cost to the consumers in the United States, especially New England, as there are great quantities of grain and feed shipped into New England from Canada.

It would seem to us that it is an inopportune time for the Government to increase any fixed charges, such as duty, thereby increasing the cost of the goods and making the cost of living so much higher to the general public. Inasmuch as the trend of the times is to reduce the cost of living and bring about stable business conditions, it would be wise policy for the Government not to make such a change in the tariff. In fact, we believe the less the Government has to do with interfering with general business conditions and protecting one interest at the cost of another, we would all be much better off in a shorter

time than by having continued Government interference, so that we do not know where we are at and are doing business under very annoying and uncertain conditions.

We trust you will use your best influence to oppose any passage of this tariff bill; and if it is to be passed, there should be sufficient time set so that present contracts that are made for shipment in December and January may be shipped without any increased duty and a disruption of the business.

Yours truly,

HENRY JENNINGS.

—

LAWRENCE, MASS., *December 9, 1921.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: I understand that the new tariff act of 1921 proposes to place a duty on certain grains which are shipped from Canada to this country.

New England, as you know, produces but little grain, and any import duty on same would work a hardship to farmers and consumers here who must use it.

The New England grain dealers are, of course, solicitous of the welfare of the farmer, who is his best customer, which accounts for my writing you this letter.

Respectfully yours,

DEAN K. WEBSTER, *Treasurer.*

—

UXBRIDGE, MASS., *December 10, 1921.*

Hon. DAVID I. WALSH,
Washington, D. C.

SIR: We should appreciate it very much if you would use your influence to reduce the tariff rate as now proposed on grain and mill feeds. Anything that you could do would be helpful to New England farmers, and our observation leads us to believe at the present time they should be helped rather than discouraged. It seems important to us to keep the price of grain as low as possible, and we would kindly ask that you put as many grain items as possible on the free list. If it is impossible to do this, we trust that you will see that the duty is reduced.

Yours truly,

TAFT BROS.

—

164 GREEN STREET,
MELROSE, MASS., *December 10, 1921.*

Hon. Senator DAVID I. WALSH,
Washington, D. C.

DEAR SIR: The people of this State and all New England are not in favor of the tariff now in process, which will place a duty on buckwheat and bran, because of the fact that these two articles are necessary to our farm life. We must have them and at a reasonable price, and we do not believe they are imported only at times when they come as a relief to us.

Will you kindly see that these articles are allowed to enter free or at a rate of not more than 10 cents on a specific basis?

Respectfully,

CHAS. H. CLOUDMAN.

—

1078 MAIN STREET,
MELROSE HIGHLANDS, MASS., *December 9, 1921.*

Hon. Senator DAVID I. WALSH,
Washington, D. C.

HONORABLE SIR: I have been informed that there is now in process a new tariff act proposing new increased duties on grain and grain products.

May I respectfully request that you protect the interests of the common people of New England in so far as a tariff is concerned that will place additional burden on our farmers in their effort to keep hens, cattle, and horses.

Respectfully yours,

GLADYS E. MORRISON.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from North Dakota?

Mr. WALSH of Massachusetts. Yes.

Mr. McCUMBER. If the argument of the Senator from Nebraska means anything, it means that the farmers of this country, and especially those who raise poultry, eggs, and so forth, are entirely dependent upon Canada, and could not live unless they could get Canadian imports free. This is one of those difficult problems that we have to solve, where one class of people who live upon the farm produce grain, and the other class produce cattle, and feed cattle, and sell milk and butter, as is indicated by the interesting question of the Senator from New York, when he asked whether or not any of these poultry raisers had asked that poultry be placed upon the free list. I think that the people who produce poultry and who produce eggs pressed us more vigorously for high rates than any other class of people that I know of in the United States. I am not complaining that they want the highest possible tariff. Also, those who produce milk and cream and butter want as high protection as they can possibly get; and in all cases we placed their duties considerably lower than they thought were necessary for them to live upon. They all want free feed for their cattle, however, and free feed for their chickens. We had to work out the best solution of the problem that we could upon a protective basis so as to give the producer of the feed some little protection, and at the same time to give a better protection to the man who produced the final product in the shape of eggs and dairy products.

Upon screenings, and so forth, we are going to recommend a very low rate of duty, about 10 per cent ad valorem; and upon bran, shorts, and so forth, while our farmers want a good price for their bran and shorts because they think that assists in holding up the price of the grain, we have had to consider their interest in connection with the interest of the dairymen who have to feed bran and shorts, and we have given both a protection which was as nearly as we could measure justice between the two.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 105, line 19, after the word "Unground," to strike out "75 cents" and to insert "$1.50"; and in line 20, after the word "ground," to strike out "$1.50" and to insert "75 cents," so as to read:

PAR. 732. Screenings, scalpings, chaff, or scourings of wheat, flaxseed, or other grains or seeds: Unground, $1.50 per ton; ground, 75 cents per ton.

Mr. McCUMBER. Mr. President, the committee requests me to propose the following amendment in paragraph 732, on page 105.

Strike out all of the matter after the word "unground," in line 19, down to and including the words "a ton" in line 20, where it last occurs in the line, and insert in lieu thereof the words "or ground, 10 per cent ad valorem," so that it will read:

Screenings, scalpings, chaff, or scourings of wheat, flaxseed, or other grains or seeds: Unground or ground, 10 per cent ad valorem.

The PRESIDING OFFICER. The Senator from North Dakota offers an amendment which will be stated by the Secretary.

The READING CLERK. On page 105 it is proposed to strike out all the matter after the word "unground" in line 19, down to and including the word "ton" in line 20, where it last occurs in the line, and to insert in lieu thereof the following:

Or ground, 10 per cent ad valorem.

Mr. WALSH of Massachusetts. Mr. President, may I ask the Senator if that is an increase in the rate?

Mr. McCUMBER. It decreases it enormously.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, on page 105, at the beginning of line 21, to strike out "That screenings, dirt, and other foreign matter mixed with grains or seeds provided for in this title shall pay the same rate of duty as the grains or seeds: *Provided further*," so as to read:

Provided, That when grains or seeds contain more than 5 per cent of any one foreign matter dutiable at a rate higher than that applicable to the grain or seed the entire lot shall be dutiable at such higher rate.

The amendment was agreed to.

The next amendment was, on page 106, line 5, after the word "for," to strike out the figures "17" and to insert "25," so as to make the paragraph read:

PAR. 733. Cereal breakfast foods, and similar cereal preparations, by whatever name known, processed further than milling, and not specially provided for, 25 per cent ad valorem.

Mr. WALSH of Massachusetts. Mr. President, may I ask the Senator from North Dakota what time we are going to suspend to-night? I will be glad to proceed as far as paragraph 735, but we will begin then to consider some matters which I would feel obliged to ask for a quorum to consider, and I do not like to do that.

Mr. McCUMBER. It would be satisfactory to me to go to paragraph 735. Allow me to ask at this time unanimous consent that when the Senate closes its session this calendar day it shall take a recess until 11 o'clock to-morrow.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. WALSH of Massachusetts. In view of the fact that the Senator is not desirous of continuing the session beyond the time we take in the consideration of matters up to paragraph 735, I am going to refrain from any discussion of paragraph 733 or paragraph 734. I simply want to call attention to the fact that these cereal breakfast foods are exported in very large amounts from this country, and that the same protest I have made in reference to the other items we have been considering to-day apply to the products named in paragraph 733 and to the products named in paragraph 734.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, in paragraph 734, page 106, line 10, after the word "kind," to strike out the figures "28" and to insert "30," so as to read:

Biscuits, wafers, cake, cakes, and similar baked articles, and puddings, all the foregoing by whatever name known, whether or not containing chocolate, nuts, fruits, or confectionery of any kind, 30 per cent ad valorem.

The amendment was agreed to.

Mr. McCUMBER. On page 106, line 10, I ask that the Senate disagree to the committee amendment beginning at the end of that line, reading as follows: "bread, 15 per cent ad valorem: *Provided*, That no article shall be dutiable as bread unless yeast was the leavening substance used in its preparation." The purpose of that is to enable us to place the article on the free list.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was rejected.

Mr. WALSH of Massachusetts. I will ask the Secretary to read paragraph 734 as agreed to.

The Assistant Secretary read as follows:

Biscuits, wafers, cake, cakes, and similar baked articles, and puddings, all the foregoing, by whatever name known, whether or not containing chocolate, nuts, fruits, or confectionery of any kind, 30 per cent ad volarem.

Mr. WALSH of Massachusetts. I ask that paragraph 735 be passed over.

The PRESIDING OFFICER. Without objection, paragraph 735 will be passed over.

Mr. WALSH of Massachusetts. I understand that completes all the chairman desires to have taken up this evening. However, I have no objection to the committee amendment in paragraph 736 being acted on.

Mr. McCUMBER. Very well.

The PRESIDING OFFICER. The Secretary will state the amendment.

The next amendment was, on page 106, after line 17, to strike out paragraph 736 in the following words:

PAR. 736. Bananas, 2 cents per bunch; dried, desiccated, or evaporated, and banana flour, 4 cents per 100 pounds.

The amendment was agreed to.

Mr. WALSH of Massachusetts. I shall have to ask that the next two paragraphs be passed over.

The PRESIDING OFFICER. Paragraphs 737 and 738 will be passed over.

Mr. WALSH of Massachusetts. I have no objection to the amendment in paragraph 739 being acted on.

The PRESIDING OFFICER. The Secretary will state the amendment.

The next amendment was, on page 107, line 5, before the word "cents," to strike out "10" and to insert "5," so as to read:

PAR. 739. Cider, 5 cents per gallon; vinegar, 6 cents per proof gallon: *Provided*, That the standard proof for vinegar shall be 4 per cent by weight of acetic acid.

The amendment was agreed to.

Mr. McCUMBER. I think there will have to be a number of amendments offered to paragraph 740.

Mr. WALSH of Massachusetts. We have reached a place in the schedule where I think we might as well suspend. The citrus fruits and the other fruits will cause a great deal of discussion.

FEDERAL RESERVE BANK BUILDING, ST. LOUIS.

Mr. SHORTRIDGE. I ask unanimous consent to report back favorably from the Committee on Banking and Currency Senate Joint Resolution 208, authorizing the Federal Reserve Bank of St. Louis to enter into contracts for the erection of buildings for its head office and branches.

The PRESIDING OFFICER. The Senator from California asks unanimous consent, out of order, to submit a report from the Committee on Banking and Currency on Senate Joint Resolution 208. Is there objection? The Chair hears none.

Mr. SHORTRIDGE. I ask for the immediate consideration of the joint resolution.

Mr. SMOOT. I ask the Senator from California whether it applies only to St. Louis.

Mr. SHORTRIDGE. Only to St. Louis. The Senator from Missouri [Mr. SPENCER] can explain it.

Mr. SPENCER. It applies only to the Federal reserve bank at St. Louis. The bank bought the lot upon which the building was to be erected, but did not make their contract, because they thought the price of material was too high a couple of years ago. In the meantime, as the Senate knows, legislation was passed forbidding any building beyond a certain price. The joint resolution applying only to that building went to the Committee on Banking and Currency and was referred to a subcommittee composed of the Senator from California [Mr. SHORTRIDGE], the Senator from Kentucky [Mr. ERNST], and the Senator from Virginia [Mr. GLASS], and they unanimously reported in favor of it. Then the whole committee took it up and unanimously reported in favor of it.

It authorizes the building to go up in the city of St. Louis, where the land is already purchased, and also at one of its branches at Little Rock, Ark., where the land is already purchased. As a matter of fact, I may say that there is a big block right in the business center of St. Louis, which the bank has acquired, has torn down all the structures, and so it will remain until this building goes up. I may also say to the Senate that the bank is now occupying rented quarters and has about a two years' lease, and there is no other place in the city of St. Louis to which that bank can go when their lease is up. A renewal of the lease would probably be prohibitive. It is an absolute necessity so far as the city is concerned.

Mr. SMOOT. I have no doubt but that the statement made by the Senator is absolutely correct, but he could not possibly have made a fairer statement of the conditions existing at Salt Lake City if he had known all the circumstances.

Mr. SPENCER. Then they ought to have the same relief.

Mr. SMOOT. I ask that, after the words "St. Louis," we strike out the word "is" and insert the words "and Salt Lake City are."

Mr. SPENCER. May I ask the Senator whether in Salt Lake City the land has been purchased?

Mr. SMOOT. It has been purchased and the buildings on it have been demolished, but because of the passage of the law the building was stopped. I want to say frankly that the Federal reserve bank desires the building. Their plans were all agreed to, bids were asked for, and the proceedings were immediately stopped when that law was passed.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution.

Mr. SMOOT. I move that, on page 2, line 3, the word "bank" be changed to "banks"; also, after the words "St. Louis" that the word "is" be stricken out and there be inserted the words "and Salt Lake City are," so as to read:

That the Federal Reserve Banks of St. Louis and Salt Lake City are hereby authorized to enter into contracts for the erection of buildings and to authorize the erection of buildings for its head office and branches on lots heretofore acquired for that purpose: *Provided*, That the total investment in such buildings shall not exceed an amount equal to 30 per cent of its paid-in capital stock and surplus.

The amendment was agreed to.

The joint resolution was reported to the Senate as amended, and the amendment was concurred in.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The title was amended so as to read:

A joint resolution authorizing the Federal Reserve Banks of St. Louis and Salt Lake City to enter into contracts for the erection of buildings for its head office and branches.

BUSINESS AT EVENING SESSION.

Mr. CURTIS. Mr. President, I wish to submit a request for a unanimous-consent agreement. We need a short executive session. I ask unanimous consent that at the conclusion of the executive session the Senate shall take a recess until 9 o'clock this evening, and that at that session no business shall be transacted except that the Presiding Officer shall sign enrolled bills which may come over from the House.

Mr. HARRISON. I do not see the senior Senator from Ohio [Mr. POMERENE] present. There was a question about the bill relating to the interchange of mileage tickets, Senate bill 848. I was in hopes that some disposition could be made of it, if possible, before the House adjourns, so that that might become a law, if the Senator from Ohio should withdraw his objection.

Mr. CURTIS. If he does and there is no objection from anyone else, we could include that bill. But all we want to accomplish at the session this evening is the signing of enrolled bills.

Mr. HARRISON. The Senator will make an exception of that bill?

Mr. CURTIS. I am willing to do that.

Mr. BROUSSARD. I just inquired of the leader of the majority in the House as to a joint resolution, No. 353, which passed the House some time ago providing for tents for the American Legion convention at New Orleans in October.

Mr. CURTIS. I will include action on that joint resolution if it comes over.

The PRESIDING OFFICER. Will the Senator again state his request?

Mr. CURTIS. I ask unanimous consent that at the conclusion of the executive session the Senate shall take a recess until 9 o'clock to-night, and that at the 9 o'clock meeting no business shall be transacted except the signing of enrolled bills, action upon the bill for the interchange of mileage tickets, if the objection of the senior Senator from Ohio is withdrawn——

Mr. HARRISON. Provided there is no other objection.

Mr. CURTIS. Yes; provided there is no other objection, and to consider the joint resolution mentioned by the Senator from Louisiana to loan tents to the American Legion for their convention at New Orleans.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kansas?

Mr. SMOOT. I understand that it will not be necessary for every Senator to come here this evening.

Mr. CURTIS. No one need come.

Mr. SMOOT. There will be no quorum call?

Mr. CURTIS. There will be no quorum call.

Mr. OVERMAN. And no other business transacted.

Mr. CURTIS. No other business will be transacted.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kansas? The Chair hears none, and it is so ordered.

JOHN G. SESSIONS.

Mr. HARRISON. Mr. President, I was very anxious awhile ago to call up a bill on the calendar, but I did not care to interfere with the proceedings on the tariff bill. There is a bill on the calendar. Senate bill 3157, for the relief of John G. Sessions, which has been reported from the Committee on Claims unanimously. I did not press the matter on the deficiency bill, but I would like to have it passed at this time.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Claims with an amendment, on line 6, to strike out "$12,519.46," and to insert in lieu thereof "$7,977.77," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury of the United States not otherwise appropriated, to John G. Sessions the sum of $7,977.77 to reimburse said Sessions for losses incurred by him in performance of work contracted to be done in construction of a levee on the Mississippi River, in Issaquena County, State of Mississippi, known as the Ellesly enlargement, on which the work was performed in 1917 and 1918, and said sum is hereby appropriated.

The amendment was agreed to.

Mr. SMOOT. I would like to have some little explanation of the bill.

Mr. HARRISON. This is the same character of bill for which an appropriation was made by the Appropriations Committee a year ago. There were many claims at that time, and this is based on the same state of facts. The bill went to the Committee on Claims and was unanimously reported. I offered it as an amendment to the deficiency bill, but I talked with the Senator from Wyoming [Mr. WARREN] and at his request did not press the matter, he preferring that it should be passed as a separate bill.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SETH J. HARRIS AND OTHERS.

Mr. CAPPER. From the Committee on Claims, I report back favorably with amendments the bill (H. R. 2694) for the relief of Seth J. Harris, Jimmie Lou Martin, Mary Holloman, and William Henry Coleman, and I submit a report (No. 803) thereon.

Mr. HARRIS. I ask unanimous consent for the present consideration of the bill.

There being no objection, the bill was considered as in Committee of the Whole.

The amendments were, on page 1, line 3, after the enacting clause, to strike out "That the Secretary of the Treasury be, and he is hereby, authorized and directed, through" and insert "That"; in line 5, before the words "to pay," to insert "be, and is hereby authorized and directed"; and in the same line, after the word "pay," to insert "out of the employees' compensation fund, provided for under the act of September 7, 1916," so as to make the bill read:

Be it enacted, etc., That the United States Employees' Compensation Commission be, and is hereby, authorized and directed to pay out of the employees' compensation fund, provided for under the act of September 7, 1916, to the following-named persons the sums designated as compensation for personal injury and death suffered through the explosion of a certain shell fired by the student officers of Fort McPherson, Atlanta, Ga., on the south side of Kepesaw Mountain, Cobb County, Ga., on August 8, 1917:

To the guardian of the two surviving minor children of Seth J. Harris, $20 per month each until they shall reach the age of 18 years, monthly compensation to commence from the date of the accident.

To Jimmie Lou Martin, on account of the death of her husband, Charlie Martin, the sum of $35 per month until her remarriage or death, and $3.50 additional per month for each of her six minor children; and in the event of the remarriage or death of said Jimmie Lou Martin payments on account of said minor children shall be paid to their guardian or guardians until such time as they shall have reached the age of 18 years, respectively, monthly compensation to commence from the date of the accident.

To Mary Holloman, on account of the death of her husband, James Holloman, the sum of $35 per month until her remarriage or death, and $3.50 additional per month for each of her two minor children; and in the event of the remarriage or death of said Mary Holloman payments on account of said minor children shall be paid to their guardian or guardians until such time as they shall have reached the age of 18 years, respectively, monthly compensation to commence from the date of the accident.

To William Henry Coleman, for personal injuries, the sum of $300.

The amendments were agreed to.

The bill was reported to the Senate as amended and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

EXECUTIVE SESSION.

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 6 o'clock and 5 minutes p. m.) the Senate, under the order previously made, took a recess until 9 o'clock p. m.

EVENING SESSION.

The Senate reassembled at 9 o'clock p. m., on the expiration of the recess.

Mr. CURTIS. Mr. President, I ask unanimous consent that the Senate take a recess for 10 minutes.

The PRESIDING OFFICER (Mr. JONES of Washington). Without objection, it is so ordered.

The Senate thereupon took a recess for 10 minutes, and at the expiration of the recess (at 9 o'clock and 10 minutes p. m.) reassembled.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 831) to amend the proviso in paragraph 10 of section 9 of the Federal reserve act amended by the act of June 21, 1917, amending the Federal reserve act.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 11298) amending existing law which authorizes the construction of a public building at Paris, Tex., so as to authorize and empower the Secretary of the Treasury to acquire a new site for same by exchanging therefor land and property now owned by the United States Government in said city; and to authorize the erection on said new site, when acquired, of a public building suitable for post-office purposes; and for other purposes.

The message further announced that the House had passed the following joint resolutions, in which it requested the concurrence of the Senate:

H. J. Res. 322. Joint resolution favoring the establishment in Palestine of a national home for the Jewish people; and

H. J. Res. 353. Joint resolution authorizing the Secretary of War to loan certain tents, cots, chairs, etc., to the executive committee of the Louisiana Department of the American Legion for use at the national convention of the American Legion to be held at New Orleans, La., in October, 1922.

ENROLLED BILLS SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the Presiding Officer [Mr. JONES of Washington] as Acting President pro tempore:

S. 831. An act to amend the proviso in paragraph 10 of section 9 of the Federal reserve act amended by the act of June 21, 1917, amending the Federal reserve act;

H. R. 11214. An act authorizing the President to scrap certain vessels in conformity with the provisions of the treaty limiting naval armament, and for other purposes;

H. R. 11298. An act amending existing law which authorizes the construction of a public building at Paris, Tex., so as to authorize and empower the Secretary of the Treasury to acquire a new site for same by exchanging therefor land and property now owned by the United States Government in said city; and to authorize the erection on said new site, when acquired, of a public building suitable for post-office purposes; and for other purposes;

H. R. 11588. An act to amend an act entitled "An act to authorize the Secretary of the Treasury to provide hospital and sanatorium facilities for discharged sick and disabled soldiers, sailors, and marines";

H. R. 12090. An act making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1922, and prior fiscal years, supplemental appropriations for the fiscal year ending June 30, 1923, and for other purposes;

H. R. 12092. An act granting the consent of Congress to the Louisiana Development Co. to construct a bridge across the Red River at or near Grand Ecore, La.;

H. R. 12120. An act granting the consent of Congress to the county court of Lafayette County, in the State of Missouri, to construct a bridge across the Missouri River; and

H. R. 12121. An act granting the consent of Congress to the county court of Saline County, in the State of Missouri, to construct a bridge across the Missouri River.

LOAN OF TENTS TO AMERICAN LEGION CONVENTION.

The joint resolution (H. J. Res. 353) authorizing the Secretary of War to loan certain tents, cots, chairs, and so forth, to the executive committee of the Louisiana Department of the American Legion for use at the national convention of the American Legion to be held at New Orleans, La., in October, 1922, was read twice by its title and referred to the Committee on Military Affairs.

Mr. BROUSSARD. On behalf of the senior Senator from New York [Mr. WADSWORTH], chairman of the Military Affairs Committee, who is unavoidably detained from the Chamber, I am authorized to report favorably, without amendment, the joint resolution (H. J. Res. 353) authorizing the Secretary of War to loan certain tents, cots, chairs, and so forth, to the executive committee of the Louisiana Department of the American Legion for use at the national convention of the American Legion to be held at New Orleans, La., in October, 1922.

I ask unanimous consent for the immediate consideration of the joint resolution.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, which was read as follows:

Resolved, etc., That the Secretary of War be, and is hereby, authorized to loan, at his discretion, to the executive committee of the Louisiana Department of the American Legion, for use in connection with the national convention of the American Legion, to be held in New Orleans, La., October 16 to 20, 1922, such tents, with necessary poles, ridges, and pins, cots, chairs, or camp stools, etc., as may be required at said convention: *Provided*, That no expense shall be caused the United States Government by the delivery and return of said property, the same to be delivered to said committee designated at such time prior to the holding of said convention as may be agreed upon by the Secretary of War and T. Semmes Walmsley, chairman of said executive committee: *And provided further*, That the Secretary of War shall, before delivering such property, take from said T. Semmes Walmsley a good and sufficient bond for the safe return of said property in good order and condition, and the whole without expense to the United States.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

RECESS.

Mr. CURTIS. I move that the Senate take a recess, the recess being under the unanimous-consent agreement, until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 9 o'clock and 25 minutes p. m.) the Senate, under the order previously entered, took a recess until to-morrow, Saturday, July 1, 1922, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate June 30 (legislative day of April 20), 1922.

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY.

COAST ARTILLERY CORPS.

Capt. Kenneth McCatty, Cavalry, with rank from January 24, 1919.

First Lieut. Norton Donald Adams, Air Service, with rank from July 1, 1920.

POSTMASTERS.

ALABAMA.

William C. Curtis to be postmaster at Double Springs, Ala., in place of J. W. Curtis, resigned.

ARIZONA.

Patrick D. Ryan to be postmaster at Fort Huachuca, Ariz., in place of O. E. Buchanan, resigned.

ARKANSAS.

William B. Owen to be postmaster at Alma, Ark., in place of W. A. Bushmiaer, resigned.

CALIFORNIA.

Dwight R. Jackson to be postmaster at Glendale, Calif. Office became presidential April 1, 1922.

Earl B. Birmingham to be postmaster at Hilts, Calif. Office became presidential April 1, 1921.

Etta L. Miller to be postmaster at Stratford, Calif. Office became presidential April 1, 1922.

FLORIDA.

John W. Philip to be postmaster at Sarasota, Fla., in place of C. S. Abbe. Incumbent's commission expired January 31, 1922.

ILLINOIS.

William L. McKenzie to be postmaster at Elizabeth, Ill., in place of John Coveny, deceased.

Mancel Talcott to be postmaster at Waukegan, Ill., in place of D. A. Grady. Incumbent's commission expired September 24, 1921.

MICHIGAN.

Frank O. Parker to be postmaster at Alma, Mich., in place of V. P. Cash, resigned.

Albert W. Lee to be postmaster at Britton, Mich. Office became presidential January 1, 1921.

MINNESOTA.

Dora N. Ruud to be postmaster at Granite Falls, Minn., in place of George Lien. Incumbent's commission expired January 24, 1922.

MISSISSIPPI.

William L. Fox to be postmaster at Lyman, Miss., in place of W. J. James, resigned.

Ocram C. Elliott to be postmaster at Nettleton, Miss., in place of B. C. Davis. Incumbent's commission expired December 20, 1920.

MONTANA.

Orson B. Prickett to be postmaster at Billings, Mont., in place of T. C. Armitage. Incumbent's commission expired February 5, 1922.

NEBRASKA.

Elmer W. Couch to be postmaster at Henry, Nebr. Office became presidential April 1, 1921.

Mildred E. Johnson to be postmaster at Mead, Nebr. Office became presidential April 1, 1921.

NEW JERSEY.

Edmund A. Kenney to be postmaster at River Edge, N. J. Office became presidential October 1, 1920.

Jennie Madden to be postmaster at Tuckahoe, N. J. Office became presidential April 1, 1922.

NEW YORK.

Robert A. Lundy to be postmaster at Ray Brook, N. Y., in place of R. A. Lundy. Incumbent's commission expired April 27, 1920.

NORTH CAROLINA.

Sadie M. Mullen to be postmaster at Huntersville, N. C., in place of O. G. Turbyfill. Incumbent's commission expired January 8, 1921.

OKLAHOMA.

Omer K. Benedict to be postmaster at Tulsa, Okla., in place of J. M. Crutchfield, resigned.

OREGON.

Lucius L. Hurd to be postmaster at Glendale, Oreg., in place of L. L. Hurd. Incumbent's commission expired July 21, 1921.

PENNSYLVANIA.

Harry A. Borland to be postmaster at Indiana, Pa., in place of H. W. Fee. Incumbent's commission expired February 4, 1922.

Samuel E. Crawford to be postmaster at Petrolia, Pa., in place of G. M. Jamêson, declined.

TENNESSEE.

Walter Carr to be postmaster at Moscow, Tenn., in place of E. D. Sneed. Incumbent's commission expired February 4, 1922.

TEXAS.

Robert A. Jackson to be postmaster at Chillicothe, Tex., in place of Mina Daughtry, resigned.

VERMONT.

Fred R. Lloyd to be postmaster at Fair Haven, Vt., in place of D. F. Carmody. Incumbent's commission expired January 24, 1922.

VIRGINIA.

Ira D. Baker to be postmaster at Lovettsville, Va., in place of C. F. Shumaker. Incumbent's commission expired July 21, 1921.

WISCONSIN.

Lyle H. Nolop to be postmaster at Alma Center, Wis., in place of G. M. Breakey. Incumbent's commission expired June 29, 1920.

CONFIRMATIONS.

Executive nominations confirmed by the Senate June 30 (legislative day of April 20), 1922.

REGISTER OF THE LAND OFFICE.

Galen C. Pond to be register of the land office, Montrose, Colo.

POSTMASTERS.

CONNECTICUT.

Charles W. Birely, New Haven.

IOWA.

R. Earl Ferguson, Rolfe.

NEW JERSEY.

Walter L. Stewart, Mount Holly.

OKLAHOMA.

Alice B. Spears, Hulbert.
Leo B. McWilliams, Miami.
Porter J. Newman, Welch.

OREGON.

Wallace W. Stnead, Heppner.

PENNSYLVANIA.

Daniel Jones, Coaldale.
DeWitt C. Vail, New Milford.
H. Stanley Drake, Norristown.
Ambrose D. Mitchell, Portage.
William L. Meserole, Springville.
Vincent S. Pownall, Swarthmore.
John C. McCurdy, Verona.

RHODE ISLAND.

S. Martin Rose, Block Island.

WEST VIRGINIA.

Julius Thompson, Petersburg.

HOUSE OF REPRESENTATIVES.

FRIDAY, *June 30, 1922.*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father who art in heaven. Thou art speaking to us in so many ways, God. Speaking to us in the promise and power of the seasons, in a merciful Providence, in our national existence, in the morning hours of youth, in the eventide of the years, in the weakness of sickness, and in the strength of health. O may we take heed, and we beseech Thee to never leave nor forsake us. Magnify, enlarge, and intensify a closer relationship among all our fellow citizens. More and more may our Nation come into a new light, and help us to long and work for the best things in its behalf. These hours so freighted with problems so vital to our country with which we have been intrusted and to which we have pledged our allegiance, O God, stand guard and be present in all counsels and conferences, and may the ultimate issues be foretokens of a golden age couched in the golden rule of Jesus. In His holy name we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed bills and joint resolution of the following titles, in which the concurrence of the House of Representatives was requested:

S. 3594. An act for the relief of Anton Rospotnik and the exchange of certain lands owned by the Northern Pacific Railway Co.;

S. 2051. An act to amend section 3142 of the Revised Statutes to permit an increase in the number of collection districts for the collection of internal revenue and in the number of collectors of internal revenue from 64 to 65; and

S. J. Res. 215. Joint resolution providing for reinvestigation of the tricounty irrigation project, Nebraska.

The message also announced that the Senate had agreed to the amendments of the House of Representatives to the following concurrent resolution:

Senate Concurrent Resolution 24.

Resolved by the Senate (the House of Representatives concurring), That there shall be printed 5,000 additional copies of Senate Document No. 179, Sixty-seventh Congress, entitled "Report of the United States and Canadian Government Engineers on the Improvement of the St. Lawrence River from Montreal to Lake Ontario," of which 3,000 copies shall be for the use of the Senate document room and 2,000 copies for the House document room.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House of Representatives to the bill (S. 1033) regulating the issuance of checks, drafts, and orders for the payment of money within the District of Columbia.

The message also announced that the Senate had passed without amendment bill of the following title:

H. R. 11244. An act authorizing the construction of a bridge across White River, in the State of Arkansas.

The message also announced that the Vice President had appointed Mr. PHIPPS, Mr. BALL, and Mr. HARRIS members of the joint committee on the part of the Senate pursuant to the provisions of the act entitled "An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1923, and for other purposes," approved June 29, 1922.

The message also announced that the Senate had passed with amendments the bill (H. R. 12090) making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1922, and prior fiscal years, supplemental appropriations for the fiscal year ending June 30, 1923, and for other purposes, had insisted upon its amendments, and asked for a conference with the House of Representatives upon the bill and amendments, and had appointed Mr. WARREN, Mr. CURTIS, and Mr. OVERMAN as the conferees on the part of the Senate.

SENATE BILLS REFERRED.

Under clause 2, Rule XXIV, Senate bills and joint resolution of the following titles were taken from the Speaker's table and referred to their appropriate committees as indicated below:

S. 3594. An act for the relief of Anton Rospotnik and the exchange of certain lands owned by the Northern Pacific Railway Co.; to the Committee on the Public Lands.

S. 2051. An act to amend section 3142 of the Revised Statutes to permit an increase in the number of collection districts for the collection of internal revenue and in the number of collectors of internal revenue from 64 to 65; to the Committee on Ways and Means.

S. J. Res. 215. Joint resolution providing for reinvestigation of the tricounty irrigation project, Nebraska; to the Committee on Irrigation of Arid Lands.

NEW POSITIONS IN THE DEPARTMENT OF LABOR.

Mr. SNELL. Mr. Speaker, I present a privileged report from the Committee on Rules.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

House Resolution 396 (Rept. No. 1169).

Resolved, That it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 3396) entitled "An act creating the positions of Second Assistant Secretary and private secretary in the Department of Labor." After general debate, which shall be confined to the bill and continue not to exceed one hour, equally divided between those for and those against, the bill shall be read for amendment. At the conclusion of said consideration the bill shall be reported to the House and the previous question considered as ordered on the bill and any amendment thereto to final disposition without intervening motion except one to recommit.

Mr. CRAMTON. Mr. Speaker, I wish to make a point of order that there is no quorum present.

The SPEAKER. It is clear there is no quorum present.

Mr. SNELL. I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

Anderson	Chalmers	Edmonds	Hersey
Andrew, Mass.	Chandler, Okla.	Ellis	Hicks
Arentz	Christopherson	Evans	Hogan
Bankhead	Clark, Fla.	Fields	Hooker
Beck	Classon	Foster	Hukriede
Beedy	Cockran	Frear	Humphreys
Bell	Codd	Fulmer	Husted
Bixler	Colton	Funk	Hutchinson
Black	Connell	Garrett, Tenn.	Ireland
Blanton	Connolly, Pa.	Garrett, Tex.	Jefferis, Nebr.
Brand	Cooper, Ohio	Gilbert	Jeffers, Ala.
Brennan	Copley	Goldsborough	Johnson, Miss.
Britten	Coughlin	Gorman	Kahn
Brooks, Ill.	Crisp	Gould	Kearns
Brooks, Pa.	Davis, Minn.	Graham, Pa.	Kelley, Mich.
Brown, Tenn.	Deal	Green, Iowa	Kiess
Buchanan	Dempsey	Greene, Mass.	Kindred
Burroughs	Dickinson	Greene, Vt.	Kitchin
Burtness	Drane	Harrison	Kleczka
Campbell, Kans.	Drewry	Hawley	Knight
Cantrill	Driver	Henry	Kopp
Carter	Dunn	Herrick	Kunz

Langley	Nelson, A. P.	Rosenbloom	Taylor, Ark.
Larson, Minn.	Nelson, J. M.	Rouse	Taylor, Tenn.
Lawrence	Newton, Minn.	Rucker	Ten Eyck
Lazaro	Newton, Mo.	Sabath	Thomas
Leatherwood	Nolan	Sanders, Ind.	Thompson
Lee, Ga.	Norton	Sanders, N. Y.	Tilson
Linthicum	O'Connor	Shelton	Treadway
Logan	Osborne	Shreve	Tyson
Longworth	Padgett	Sinclair	Vaile
Luce	Paige	Sisson	Vare
Lyon	Parks, Ark.	Snyder	Walters
McClintic	Patterson, Mo.	Stafford	Ward, N. Y.
McLaughlin, Pa.	Purnell	Steagall	Ward, N. C.
McSwain	Rainey, Ala.	Stedman	Wason
Maloney	Rainey, Ill.	Steenerson	Webster
Martin	Rayburn	Stevenson	White, Kans.
Merritt	Reber	Stiness	Williamson
Miller	Reed, N. Y.	Stoll	Wilson
Montoya	Riddick	Strong, Pa.	Winslow
Moore, Va.	Riordan	Sullivan	Wise
Morin	Roach	Summers, Wash.	Woods, Va.
Mott	Robertson	Sumners, Tex.	Yates
Mudd	Robsion	Swank	Young

The SPEAKER. Two hundred and fifty-three Members have answered to their names; a quorum is present.

Mr. MONDELL. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors.

THIRD DEFICIENCY APPROPRIATION BILL.

Mr. MADDEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill making appropriations for deficiencies in 1922 and prior fiscal years, disagree to the Senate amendments, and agree to the conference asked for by the Senate.

The SPEAKER. The gentleman from Illinois asks unanimous consent to take from the Speaker's table the deficiency appropriation bill, disagree to the Senate amendments, and agree to the conference asked by the Senate. Is there objection?

Mr. GARNER. Mr. Speaker, reserving the right to object, will the gentleman tell the House, if he will, about what amendments of the Senate are likely to be agreed to?

Mr. MADDEN. Well, I can not tell that now; it is impossible to keep those in one's mind; but I do not think any amendment will be agreed to to which the gentleman from Texas will not agree.

Mr. GARNER. Mr. Speaker, I do not intend to object, but I do hope the gentleman from Illinois and the House will indulge me just for a statement. It has been the custom of the Congress at the end of a session to bring in a deficiency bill, send it over to the Senate, and there it is loaded up with ancient amendments.

Mr. MADDEN. Will the gentleman yield for a second there?

Mr. GARNER. I will.

Mr. MADDEN. I wish to say that no such thing will happen in this case.

Mr. GARNER. Well, there are some amendments put on there that if we had a chance to vote on—and they will probably be agreed to—we would not have agreed to in the House. If I understand the gentleman from Illinois, he has already had an informal conference.

Mr. MADDEN. Yes.

Mr. GARNER. This bill is agreed to as a matter of fact; you have come to an agreement.

Mr. MADDEN. Yes.

Mr. GARNER. What I want to call to the attention of the House, and especially to the Committee on Appropriations, is the custom of bringing out in the last moment, just before Congress is preparing to adjourn, a deficiency bill, have it loaded down with amendments at the other end of the Capitol, and then it is brought here, and we are told that if we do not agree to this deficiency at once, why, we can not take a recess or can not adjourn. Congress has been held up for a number of times in that way, and the gentleman from Illinois and his associates ought to discontinue that practice by undertaking to bring out these deficiency bills before the last days of the session.

Mr. MANN. Let us hope we will have a reform in that matter in the Senate in the next Congress.

Mr. GARNER. We can hardly hope to carry the Senate the next time. [Laughter.]

We will try to carry this House and bring about a reform in this particular. This applies just as well to the Democrats as to the Republicans. There is no partisanship about it. It has occurred in the last 20 years that I have been here, and it ought to be stopped.

Mr. MADDEN. I think the gentleman from Texas will agree with me in what I have said when the conference report comes back. I think he will find that there are no such items in it.

Mr. GARNER. Why do you need a little deficiency in here for the Vice President's office, an item of $400 for taking care of his automobile? If he wants such a provision made for him, why wait until just before the 1st of July and put in a tit-bit of $400 for the presiding officer of the Senate?

Mr. MADDEN. That is a Senate matter that we do not try to control.

Mr. GARNER. I do not object to these particular matters, but I think it is too little for a body like the Senate to be guilty of, if I may use that expression in the sense of guilt, putting in a little tit-bit at the very last moment of Congress for $400. That is all.

The SPEAKER. Is there objection?

There was no objection; and the Speaker announced as the conferees on the part of the House Mr. MADDEN, Mr. ANTHONY, and Mr. BYRNS of Tennessee.

NEW POSITIONS IN THE DEPARTMENT OF LABOR.

Mr. SNELL. Mr. Speaker, I move the previous question on the resolution.

Mr. POU. That gives 20 minutes on a side?

Mr. SNELL. Yes.

The SPEAKER. The gentleman from New York moves the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The gentleman from North Carolina is entitled to 20 minutes and the gentleman from New York to 20 minutes.

Mr. SNELL. Mr. Speaker, the resolution as presented, if adopted by the House, provides for the consideration of Senate bill 3396. I think all the Members of the House fully understand what is provided in this legislation. It is to create a new position of Second Assistant Secretary of Labor and a private secretary to the Secretary.

Mr. MADDEN. Mr. Speaker, will the gentleman yield for a question?

Mr. SNELL. In just a moment. Then I shall be glad to yield.

Probably there is no man in this House that dislikes more to create additional offices and place additional men on the pay roll than I and I think my record in the House will prove that. [Applause.]

Mr. MADDEN. Will the gentleman yield me five minutes later?

Mr. SNELL. Yes.

When this matter first came before the Committee on Rules, personally I was opposed to the resolution; but after looking into the matter and getting all the information possible I decided that there was a condition there that we certainly must remedy if we want the Department of Labor to function properly in the Immigration Bureau. There is a condition that confronts the Labor Department occasioned on account of legislation that has been passed by this House and by a very large majority of the House that is impossible to comply with unless we furnish the Secretary the machinery to do it with. We have made many new restrictions on immigration and provided by law that every man who is kept out of this country has the right of personal appeal to the Secretary of Labor, or the Acting Secretary or the Assistant Secretary. These things must be acted upon by the Secretary of Labor, and the powers lodged with him can not be delegated to any other person in the department; and that is the reason why, in order to take care of these conditions, it is necessary to have an additional Assistant Secretary of Labor.

In December of last year the department passed upon 13,600 cases. If you want these cases passed on properly you must furnish the department with the machinery necessary to do it. On the average there are 300 cases a day coming before this Labor Department that must be passed upon by the Secretary of Labor himself, and he can not do it and attend to the other duties he is called upon to perform. Here we are simply providing the machinery to carry out the laws that we have passed and make it possible to perform the duties we have imposed upon the Labor Department. If you want to carry it on properly in accordance with the law you must furnish these men. [Applause.]

Mr. MADDEN. Mr. Speaker, will the gentleman yield me five minutes?

Mr. SNELL. Yes; I yield to the gentleman five minutes.

The SPEAKER. The gentleman from Illinois is recognized for five minutes.

Mr. MADDEN. Mr. Speaker, the reason why I am asking to be heard at this time is that a little later on I shall be busy with other things, perhaps when this matter comes up for consideration. I think it is well to study this proposition, whether it is wise or unwise. We ought not to go headlong into the creation of new places unless we are sure that it should be done.

Now, let me recite the situation in the various departments for a moment. The Department of Labor has an annual appropriation of $6,800,000. They want an additional Assistant Secretary to-day. The Department of the Interior has an appropriation of $295,000,000, and they have one assistant. The Department of Commerce has one assistant. The Navy Department spends $350,000,000 a year, and they have one assistant. The Army spends $350,000,000 a year, and the War Department has one assistant.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. In a moment.

I want to say now, gentlemen, right here, that if the Labor Department is permitted another assistant and a secretary to the assistant and perhaps a number of clerks under the secretary to the assistant, you will have to do this for every other department of the Government.

It is not merely the creation of an Assistant Secretary here. You are creating that place with all that goes with it. It means a new organization. No one knows how large an organization it will be that you will allow the Assistant Secretary.

Mr. JOHNSON of Washington. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. I can not yield now.

Mr. JOHNSON of Washington. Just for one question.

Mr. MADDEN. Very well.

Mr. JOHNSON of Washington. The gentleman knows that the head tax and other fees brought in by immigration along that line pay more than all the expenses of the department.

Mr. MADDEN. Yes; the same thing is true with the postage stamps. Everyone pays for postage stamps, but that is no reason why, because we have an income from some department, we should spend it and more. I am not so much concerned about the cost here in this particular case as I am about what will follow. If you create this place and all the places that will go with it, you will have to do the same thing for every other department of the Government, and the first thing you know you will have more than 2,000 additional employees on the pay roll.

Now, I want to ask you whether you are willing at this time to pass a bill that will involve the chance of any such contingency? I know the Secretary of Labor was here on the floor the other day lobbying with the Members for their votes for the creation of this place, and I want to say that he ought to be ashamed of himself. [Applause.] He had no business up here for any such purpose. I want to say one thing more for him, that if he would sit in his office and attend to the work assigned to him as Secretary of Labor he would not need this assistant. [Applause.] I am opposed to any Cabinet officer coming up on the floor of this House and lobbying for the creation of new places. There is a way to get such things done without doing that. He must prove his case. I do not believe he has proved it, and I hope, gentlemen, that this rule will not pass. [Applause.]

Mr. WYANT. Will the gentleman yield for a question?

Mr. MADDEN. I am through.

Mr. POU. I yield 10 minutes to the gentleman from Texas [Mr. Box].

Mr. BOX. Mr. Speaker and gentlemen of the House, the Secretary of Labor requested that either the Commissioner of Immigration be authorized to do the work of passing on these appeals or that an Assistant Secretary be created, and of course our friends the Republican majority presented a bill to create the new office instead of letting the man do it who is already being paid and can do it.

Mr. SNELL. Will the gentleman yield for a question?

Mr. BOX. If the gentleman will excuse me, I can not. I will insert the statement in the Secretary's letter requesting either that the Commissioner General of Immigration be authorized to do this work or that this place be created. He said:

> Congress should either amend the law so as to place final authority and responsibility in these appeals in the Commissioner General of Immigration or furnish the Secretary of Labor with another assistant, who may devote all of his time and attention to this important and ever-increasing work. (CONGRESSIONAL RECORD of June 19, 1922, p. 9001.

You can determine for yourselves what choice the committee has made. True to form, they are creating new Government jobs.

I am sorry that the House continues to do things like this. The number of immigrants now coming into the United States is only one-fourth or one-fifth of the number that came in some time ago when the law was administered by the existing force.

Mr. CABLE. Will the gentleman yield?

Mr. BOX. I can not yield. The Assistant Secretary of Labor has no new power of review given by the law passed by you or by any recent law. That talk is bunk. Look at the law and see whether there has been any change that invests him with any new authority in that connection. If the present force could handle 750,000 to 1,250,000 immigrants per year, why can it not now handle 240,000 per year? [Applause.] The former number came in under the old law and the latter number are coming in under the present law.

Mr. CABLE. Does the gentleman want an answer to that question?

Mr. BOX. I will answer it myself. I want to give the House information and not excuses for furnishing jobs.

Mr. CABLE. Will the gentleman yield?

Mr. BOX. I do not yield. I want to give the House some information. It is claimed that because of the last law—I presume that is the claim, because it is the only semblance of anything I could find in the Secretary's letter or in any of this talk except palaver—that because of the percentage law a greater amount of work is required. I think the distinguished gentleman from Illinois [Mr. MADDEN], chairman of the Appropriations Committee, has touched one of the keynotes of it in saying that if the Secretary of Labor would do more of this work himself instead of attending to matters outside his official duties the people would not have to pay somebody else to do it. He said:

> I know the Secretary of Labor was up here on the floor the other day lobbying with the Members for their votes for the creation of this place, and I want to say that he ought to be ashamed of himself. [Applause.] He had no business up here for any such purpose. I want to say one thing more for him, that if he would sit in his office and attend to the work assigned to him as Secretary of Labor he would not need this assistant. [Applause.]

I quote his exact, unrevised remarks as taken by the official stenographer.

Mr. WYANT. Will the gentleman yield for a question?

Mr. BOX. I can not yield. I do not wish to be discourteous, but my time is very short. If an additional number of appeals is presented, why is that so? A much smaller volume of immigration business is being handled by the department generally. That is plain. If the appeal business handled by the office of the Secretary of Labor is increasing, why is it? If that is true, it is due to two reasons. First, the department has ceased to observe the law and to be governed by it, and is being governed by the judgment and discretion of those who administer the office in disregard of the law. When a judge refuses to follow the law and substitutes his own ideas of what should be done, instead of being governed by the rule laid down by the law which applies to the case, his decisions are always appealed from, and confusion and uncertainty follow. When the Secretary of Labor claims the right to admit men notwithstanding the law, every man who is excluded comes up and asks that that discretion be exercised in his behalf. You passed a resolution here, on March 13 I believe, validating the illegal admission of a large number of people—admitted notwithstanding the provisions of the law. A number of gentlemen rose and asked what assurance there was that this would not be repeated. You were asked to validate the illegal act of letting in men in whose behalf Congressmen or Senators or somebody else went up there and said: "This is a good fellow. Please let him in."

Mr. KING. Will the gentleman yield?

Mr. BOX. I will ask the gentleman to excuse me. I have had to deny that courtesy to others.

I will submit in my remarks a statement of the official report showing that since that assurance was given to this House in March several hundred people excluded by the law have been admitted. I will give the exact number:

> Admissions in excess of the quota for the year appearing in the above table represent temporary admissions made in cases involving unusual hardship. Total excess up to and including March 15, 1922, 2,460. (Weekly report given by the Commissioner of Immigration, dated March 15, 1922.)
>
> Admissions in excess of the quota for the year appearing in the above table represent temporary admissions made in cases involving unusual hardship. Total excess to June 21, 1922, 3,034. (Weekly report of the Commissioner of Immigration, dated June 21, 1922.)

Mr. KING again rose.

Mr. BOX. I can not yield any further.

Mr. KING. Mr. Speaker, I make the point of no quorum present.

Mr. SNELL. I will ask the gentleman not to do that.

Mr. KING. Mr. Speaker, at the request of the gentleman from New York I withdraw the point of no quorum.

Mr. BOX. A second reason is that Senators and Members of this House too frequently join in breaking down the law by interceding with the Secretary of Labor to admit aliens illegally.

Mr. Speaker, I will insert in my remarks the questions asked by Members on the majority side when that question was up and when we were opposing it, when they asked what assurance the House had that this illegal admission of aliens would not occur again.

Mr. KINCHELOE. I want to ask the gentleman, if this resolution is passed admitting those who are here illegally, what assurance has the Congress that immigrants in the future will not come in under the same circumstances? (CONG. RECORD, March 16, p. 3969.)

The gentleman from Washington [Mr. JOHNSON] answered by a statement evidently meant to give the assurance sought by the gentleman from Kentucky [Mr. KINCHELOE].

Mr. GERNERD. What assurances have we, if this be agreed to, that there will not be a repetition of it? (CONG. RECORD, March 16, p. 3973.)

Mr. JOHNSON made a further recital meant to give the assurance sought by the gentleman from Pennsylvania [Mr. GERNERD]. The RECORD and recollection of Members will verify the statement that Members of the House understood that it would thereafter be unnecessary to validate violations of the law.

I will insert a statement by the Assistant Secretary of Labor that Congressmen send their appeals up there in bundles by the armful:

Just as I was trying to get out some Congressman's stenographer came in with an armful of them, and I want through them hurriedly. Some came within the rule we have been trying to lay down, others did not.—(Hearings Immigration Committee, Serial 1-B, December 19, 1921, p. 224.)

When the Secretary of Labor or his assistant instead of being governed by the law is governed by appeals of Congressmen or relatives of the alien or influential politicians and let in inadmissible aliens who are excluded by the law, you can not blame the country for laughing at the law as a farce. Things like that breed the contempt for the law that bodes so much ill for America. We talk learnedly and with great dignity and pomposity about the majesty of the law when the ragged, poor, and humble are involved, but our attitude is different when officialdom violates the law. That is the chief secret of the trouble up there in the Labor Department—it is not following the law. If I had time I would like to tell you from the record the condition of the underpaid employees of the Immigration Service. I have a letter in my files from a man in the service whom I think I met in the field. He tells why a lot of this business occurs. I will suppress the signature. The truth is many of the men are working at starvation rates—guards getting less than $1,000 a year, inspectors doing this important work for $1,100 and $1,200 a year, going aboard the ships, the great palatial passenger ships of the great steamship companies, and kowtowing around to the officers and others in charge like porters on a Pullman train, when they should be representing the majesty and dignity of the law of the United States. While they are working at starvation rates, accepting tips and bribes, and the dignity of the law is being lowered, the majority are making a job for some one of the crowd at the top to consume money which should be used in improving the service.

The SPEAKER pro tempore [Mr. DOWELL]. The time of the gentleman has expired.

Mr. BOX. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

Mr. KING. Reserving the right to object, will the gentleman include in his remarks the specific charge he has made against the Secretary of Labor, that he is away from his post and not attending to business?

Mr. BOX. I will quote what the gentleman from Illinois [Mr. MADDEN] has said as my authority.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had agreed to the amendment of the House of Representatives to the bill (S. 3425) to continue certain land offices, and for other purposes.

The message also announced that the Senate had passed with amendment the bill (H. R. 11214) authorizing the President to scrap certain vessels in conformity with the provisions of the treaty to limit naval armaments, and for other purposes, in which the concurrence of the House of Representatives was requested.

The message also announced that the Senate had passed without amendment the bill (H. R. 11588) to amend an act entitled "An act to authorize the Secretary of the Treasury to provide hospital and sanatorium facilities for the discharged sick and disabled soldiers, sailors, and marines."

NEW POSITIONS IN THE DEPARTMENT OF LABOR.

Mr. SNELL. Mr. Speaker, I yield four minutes to the gentleman from Washington [Mr. JOHNSON].

Mr. JOHNSON of Washington. Mr. Speaker, I sincerely hope the rule will be adopted, and I hope that thereafter the Members will pay close attention to some statements that will be made by those who have made an intensive study as to the situation which creates the actual necessity for the creation of this position. This bill comes to this body from the Senate, where it was reported after a hearing held by Senator BORAH and others, and it comes to this House from the Committee on Labor. But inasmuch as the situation largely hangs around the question of immigration, and inasmuch as immigration creates 75 or 80 per cent of the business of the Department of Labor, the members of the Committee on Immigration of the House have given the problem much attention, and since the bill was reported myself and other members of the Immigration Committee have gone to the department, have learned the exact situation, which we hope to discuss when the bill is up for consideration.

Those of you who have been here for some time remember that we had an acrimonious debate over the right of review of appeal cases by the then Assistant Secretary of Labor over the then Commissioner General of Immigration that resulted in a change of plan but not a change of law. Now, it is true that we have fewer immigrants than we had, and yet we are in a worse jam on account of the right of review. When we had 1,400,000 immigrants annually, we only had 2 per cent of the cases up on appeal for final review. In the old days the Commissioner General of Immigration took the report of the chief of the board of inquiry, wrote an opinion, followed by the word "approved" or "disapproved," and this went up ostensibly to the Secretary of Labor, as required by law, but really to the Assistant Secretary of Labor who was supposed to accept the opinion and sign his name. Assistant Secretary Post refused to do that. The row which followed—and I am sorry for my part of that phase of it—enabled Mr. Post to show that there was nothing in the law to require the commissioner to do that—it really was the duty of the Secretary of Labor or his assistant. In Mr. Caminetti's time the appealed cases piled up by the thousands. Since the advent of Mr. Husband as commissioner he has undertaken to simplify the situation with the understanding that all appeals go to the Assistant Secretary of Labor. This overloads the Secretary. It may be that there should be no appeals in quota cases, but they are there just the same. With no appeal some fierce mistakes would have been made in the execution of the new law. Any Member of Congress has the right to go there in behalf of a constituent seeking an appeal for some alien. And if a Member of Congress does go there he expects to be heard by the Secretary of Labor even if it takes an hour, and even if a thousand appeals are pending.

The Assistant Secretary of Labor sits there from sunrise to sunset acting in the capacity of a judge of a court. In fact, it is a court. We have set it up under our law, and you do not want a rubber stamp or a numbskull to do the work. [Applause.] Neither do we want the work there not done.

Mr. BOX. Mr. Speaker, I yield five minutes to the gentleman from California [Mr. RAKER].

Mr. RAKER. Mr. Speaker and gentlemen of the House, the report of the committee on this bill shows that the work is being done now by the solicitor general and then to justify the appointment of an Assistant Secretary of Labor they state in the report that there will be no additional appropriation needed to conduct the office of the Secretary of Labor. The purpose then is to turn the solicitor general out of work, creating a new position, and it is provided in the bill to add something over $8,000. It ought not to be done.

But the crux of the matter is this. We have now a Secretary of Labor whose duty it is to pass upon these appeal cases, whose sworn duty as Cabinet officer is to dispose of these questions and not give them to subordinates. That is the law and is as it ought to be.

The trouble is that the appeal after being thoroughly digested by the Commissioner of Immigration and the attorney for the Department of Labor goes to the Secretary of Labor and then what happens?

This is what happens. An attorney is employed, and after the Secretary of Labor has decided the case this attorney goes

to him and says, "I want you to hear me." Then a friend comes in from some distance with a long sad song and affidavit, ex parte statements, and after the Secretary has passed on the case again, he says, "I want you to hear me." Then the Members of the House and of the Senate, after the attorney and the friends have failed to succeed, say, "I want you to hear me," and in that way that case is kept open for months, when the evidence is taken by the proper public officials, sent to the Commissioner of Immigration, passed on by the commissioner general, shows beyond question and peradventure of doubt that the immigrant is not admissable, and should be excluded under the quota law. What is the result?

The result is that there has been a sufficient amount of pressure to allow the immigrant to remain. Look at the record and you will see that there are over 3,000 of those immigrants now in the United States in violation of law, where the Members of the House and of the Senate and the friends and the lawyers have gone down to the Secretary of Labor and he has postponed the cases and let them in with the hope that on the 1st day of July, 1922, the quota law again will be opened and that these people, being on the ground, will be the first to be admitted; when, as a matter of fact the reports show that the ocean is now lined with steamships loaded with immigrants, and that no doubt on the 1st of July the quota will be exhausted in over two-thirds of the countries. These people want to come in and the result has been that the law has not been enforced. The Secretary of Labor decides that the man exceeds the quota, but he has not been reported as he should be. The following newspaper article from The News, of Washington, D. C., of this date, confirms what I have just said. The item is as follows:

FOREIGN HORDE NEARS UNITED STATES—IMMIGRANT RESTRICTIONS LIFT TO-DAY, THOUSANDS COME.

[By Frank Getty, United Press staff correspondent.]

STAPLETON, N. Y.—The greatest immigrant armada in history bore down on New York to-day.

A score of liners, bringing a horde of foreigners, are rushing for port or hovering just outside the 3-mile limit.

At the stroke of midnight the gateway of the New World will swing open to admit a new year's quota of immigrants. After that hour Uncle Sam will admit from each country permitted to send immigrants one-fifth of 3 per cent of that country's present population in the United States.

The SPEAKER, pro tempore. The time of the gentleman from California has expired.

Mr. POU. Mr. Speaker, this proposal is but a repetition of the old story that as time passes efforts in behalf of economy are met with proposals for new offices. Some months ago Congress passed a law which very materially reduced the number of immigrants who can find their way into this country. Under the old law with a million a year coming into the country there was no suggestion that an additional Secretary of Labor was necessary. Yet when we reduce the number to about 3 per cent of the number originally admitted into the country, lo and behold, the office of the Secretary of Labor sends an appeal to Congress that the force is overworked, and that they can not possibly get along and attend to the duties of the office without an additional assistant. That seems rather contradictory. It is a little strange that when the number of immigrants has been so tremendously reduced, it should be found necessary to create an additional office of the Assistant Secretary of Labor.

Mr. CABLE. Mr. Speaker, will the gentleman yield?

Mr. POU. Yes.

Mr. CABLE. I just want to say that the appeals are permitted——

Mr. POU. Oh, I yielded for a question.

Mr. CABLE. I just want to tell the gentleman——

Mr. POU. I do not yield for any comments. If the gentleman wants to ask me a question, very well.

Mr. CABLE. Does the gentleman not think that with more appeals they need more help?

Mr. POU. My answer to that is this: When a million immigrants were brought into this country nobody ever suggested the need of another Assistant Secretary of Labor, but now when the number is reduced to 3 per cent it is indeed strange that a Cabinet officer of the party that has promised economy should, through his friends in this Chamber, send an appeal to Congress stating that he is overworked and can not possibly attend to the duties of his office unless a new office is created. [Applause.]

Mr. SNELL. Mr. Speaker, I yield four minutes to the gentleman from Ohio [Mr. FESS].

Mr. FESS. Mr. Speaker, when this measure was first proposed I was opposed to it. I was opposed to it on general principles, because I felt we did not want to enter upon the addition of any new offices at a time when our best effort is to prevent additional expense. I entered into a serious investigation of the situation, induced by the strong representation of the needs of the office. It is a condition that we are facing, no matter what theory I might have or anyone else might have. The condition is this. In recent years we have made an effort in our immigration laws to be more selective than we have been heretofore. In other words, the discriminations were not so sharp in the earlier legislation, but they are becoming sharper and sharper every day. Limiting the number that can come into the country has resulted in additional effort to get in, and that will also add to the effort of the officers to obey the law in spirit as well as in letter. That means necessarily more appeals than ever before. Anyone knows that to be a fact. Under the deportation act, which has added tremendously to the work of the immigration officers, we find our situation just as was suggested a moment ago. With the law limiting the number of immigrants to 3 per cent of the nationals, the fiscal year beginning to-morrow we know will show a great congestion in respect to cases on appeal. There is no possibility for the present organization to take care of the increased work, at least expeditiously. We have made laws, but failed to provide the necessary machinery for enforcement. Is it fair to the administrator of the law to let such a situation continue? Is it fair to those who have been admitted to passage in Europe and who have gotten here to be held up for weeks awaiting the final decision? It is neither fair to the immigrant nor to the immigration officers. It is not fair to the Government, and adding the sum of $8,000 annual additional expense to take care of the situation is not a large matter in the circumstances. We are confronted with a condition, not a theory. That was the determining factor in making up my mind so that I felt I could vote to bring this out of the Committee on Rules, and I think every Member on the Rules Committee did what he ought to do. This is a matter which I feel certain ought to have our approval. [Applause.]

Mr. SNELL. Mr. Speaker, in reply to what the gentleman from Illinois [Mr. MADDEN] said, this is not a question of how much money is spent by any department, but this is a matter of individual work, necessary to be performed by the Secretary, the First Assistant Secretary, or the Acting Secretary to carry out the instructions of this House. That is the only reason why this rule is brought in here and why we ask for its adoption. I move the adoption of the resolution.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. POU) there were—ayes 90, noes 28.

So the resolution was agreed to.

Mr. ZIHLMAN. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill S. 3396, creating the position of Second Assistant Secretary and private secretary in the Department of Labor.

Mr. RAKER. Mr. Speaker, a parliamentary inquiry. As I understand it, under the rule the time for debate is to be divided equally between those for and against the resolution?

Mr. ZIHLMAN. There is no member of the Committee on Labor on either side of the aisle who is opposing this bill.

Mr. RAKER. I am opposed to the bill, and I ask for the half-hour recognition.

Mr. ZIHLMAN. That is satisfactory to me, Mr. Speaker.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 3396, with Mr. MANN in the chair.

The CHAIRMAN. [Applause.] The House is in Committee of the Whole House on the state of the Union for the consideration of the bill S. 3396, which the Clerk will report.

The Clerk read as follows:

A bill (S. 3396) creating the positions of Second Assistant Secretary and private secretary in the Department of Labor.

Be it enacted, etc., That there shall be in the Department of Labor an additional Secretary, who shall be known and designated as Second Assistant Secretary of Labor. He shall be appointed by the President and shall receive a salary of $5,000 a year. He shall perform such duties as shall be prescribed by the Secretary of Labor, or required by law, and in case of the death, resignation, absence, or sickness of the Assistant Secretary shall, until a successor is appointed or such absence or sickness shall cease, perform the duties devolving upon the Assistant Secretary by reason of section 177, Revised Statutes, unless otherwise directed by the President, as provided by section 179, Revised Statutes.

SEC. 2. That there shall be in the Department of Labor one private secretary to the Second Assistant Secretary of Labor at a salary of $2,100 a year.

SEC. 3. That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $8,283.34, or so much thereof as may be necessary, to pay the salaries of the Second Assistant Secretary of Labor and the private secretary to the Second Assistant Secretary for the fiscal years 1922 and 1923.

Mr. ZIHLMAN. Mr. Chairman——

Mr. RAKER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RAKER. The Chair has recognized the gentleman from Maryland. Will he be recognized for one hour under this rule?

The CHAIRMAN. The gentleman from Maryland is recognized for 30 minutes.

Mr. RAKER. And am I recognized for those opposed to the bill?

The CHAIRMAN. The Chair will determine that question when it arises.

Mr. ZIHLMAN. Mr. Chairman, I yield five minutes to the gentleman from Indiana [Mr. BLAND].

Mr. BLAND of Indiana. Mr. Chairman, the Committee on Labor very carefully considered a bill identical with this one. I am unable fully to understand the attitude of the chairman of the Committee on Appropriations [Mr. MADDEN] concerning this bill. He indicates a prejudice against the Labor Department that is difficult to understand. Any man who goes thoroughly into a statement of the facts in this case is bound to realize it is for the betterment of the United States to have these immigration appeal services rendered by an assistant secretary. The gentleman from Texas, a moment ago, attempted to lead this House to believe that because there are fewer immigrants coming into this country we should need fewer immigration officers. He either is not in possession of the facts or did not want to give the House the facts, one or the other. He knows or ought to know the restriction we put upon immigration causes so many appeals that the Labor Department to-day is actually overwhelmed with them.. They can not hope to fairly hear those appeals unless we give them the relief asked for in this bill. Certain gentlemen say let the Immigration Commissioner pass upon them. The appeal decision must be made by some one. It must be by the Secretary or a deputy. We could authorize the commissioner to decide the whole question, of course. But the people more familiar with the immigration problems realize that that is not the thing to do. We ought to have a check placed upon it by way of appeal. When we are trying to stop the flood of undesirable citizens coming into this country it is worth while to give a little bit of consideration to this question of appeals, which have amounted to 2,000 a month. Why this opposition to this measure? I can not understand it. There is no additional expense.

If there is any, it certainly is not much. Why this quarrel, when it is generally admitted that this great service finds itself helpless by reason of the legislation which we ourselves passed? We ought to eliminate, gentlemen, the prejudice there is toward creating a new office if the new office is necessary and no one can advance an argument that is convincing against the necessity for this one. Would it not be foolhardy on our part to let this great service go to rack and ruin and not give fair consideration to the great number of appeal cases merely because we have changed the name of an officer who considers the cases? Gentlemen, I have studied this situation very carefully, and I know that every man who has fairly considered this bill is for it. The chairman of the Committee on Appropriations would not listen, would not talk to the Assistant Secretary of Labor when he came to present his cause. If he had listened and talked to him I think he would have taken a different attitude,

Mr. McDUFFIE. Will the gentleman yield?

Mr. BLAND of Indiana. I will.

Mr. McDUFFIE. Outside of the amount carried in the bill can the gentleman give us some idea of what the additional cost will be?

Mr. BLAND of Indiana. I do not think it will entail additional cost on the Government of the United States. These appeals have increased so enormously on account of the immigration laws that we passed that the Secretary can not hear them all. He should give his time to more important matters. He is a busy man. Why do you want to make the great position of Secretary of Labor a justice of the peace court?

Mr. McDUFFIE. The gentleman from Illinois did not seem to agree with that.

Mr. BLAND of Indiana. He has not gone into the case very thoroughly.

The CHAIRMAN. The time of the gentleman has expired.

Mr. RAKER. Mr. Chairman——

The CHAIRMAN. Does the gentleman desire recognition in opposition to the bill?

Mr. RAKER. I do.

The CHAIRMAN. The gentleman is recognized for 30 minutes.

Mr. RAKER. I yield 10 minutes to the gentleman from California [Mr. LEA].

Mr. LEA of California. Mr. Chairman, I ask unanimous consent to proceed out of order.

The CHAIRMAN. The gentleman from California asks unanimous consent to proceed in his 10 minutes out of order. Is there objection?

Mr. ZIHLMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ZIHLMAN. Is that permissible under the rule adopted?

The CHAIRMAN. It is not permissible under the rule. The Chair will state to the gentleman from California that the rule provides debate shall be confined to the bill.

Mr. LEA of California. I ask permission of the committee that I may proceed out of order.

The CHAIRMAN. The rule adopted provides that general debate shall be confined to the bill. The Chair thinks the committee would not have the power to change the rule by unanimous consent.

Mr. LEA of California. I yield back the balance of my time.

Mr. RAKER. I yield 10 minutes to the gentleman from Texas [Mr. Box].

Mr. BOX. Mr. Chairman and gentlemen of the committee, I insist on appealing to the judgment of Members that if there be a greater number of appeals by excluded aliens it is because the law is not properly enforced by the department. The only new test applied by the law which they are enforcing now is the quota or 3 per cent regulation.

Mr. JOHNSON of Washington. Let us get that exactly right. The gentleman knows that the immigration act passed in 1917 could not go into thorough effect on account of the war. That new act contained the illiteracy test, the psychopathic inferiority test, and the quota test—those three things.

Mr. BOX. But under that law 800,000 immigrants came in in one year without any appeal by the Labor Department for additional help, while the gentleman and his party associates now want two assistant secretaries to handle only 240,000 per year, while one formerly handled over 800,000 per year.

The truth is that our Immigration Department has not been functioning satisfactorily for some time, not since I have been acquainted with its work. The quota admissible each month is already figured out; we know weeks in advance whether a man from Russia or Italy or any other country is admissible. There is nothing to be settled by an appeal. If a case is appealed the figures have already been given a hundred times.

Mr. SIEGEL. Mr. Chairman, will the gentleman yield?

Mr. BOX. I can not yield further, because the time is limited.

It is a matter of mathematical count. They know how many can be admitted, and they know that if the law is complied with a man who is in excess of the quota can not be admitted. But the trouble is that this department has followed the rule of admitting them when there was lots of influence behind them in spite of following the law.

In the last weekly report of the Bureau of Immigration giving the number of these admissions you will see some 3,000 admitted because of "unusual hardships." The meaning of "unusual hardships" is not defined by law. It is not in the law. There is no rule defining it. These admissions are in spite of the law. The result is that the Assistant Secretary of Labor follows his discretion instead of the law. When one Congressman or Senator hears that the other Member's constituent has gotten in in spite of the law, he makes a hot trail to the Assistant Secretary and says, "You let in the alien relative or friend of so-and-so's constituent in spite of the law; now let mine in."

And so, the fence being broken down, they are trying to get in everywhere, and we shall have to have many officials to pass on the undefined question of "hardships" in each case. This House was warned that when the law was not followed there would be no guide. You can not administer that department satisfactorily with a dozen assistant secretaries without law. The trouble is that they are not administering the law; and that being true, these immigrants are being illegally received. That is one reason for the great number of appeals now to be disposed of at additional expense.

Mr. HIMES. Mr. Chairman, will the gentleman yield?

Mr. BOX. I am sorry I can not yield.

Another is this: When a Member of Congress or a public official or a foreign-language newspaper editor makes an appeal, he is heard. There is no law, so "discretion" and politics and favoritism prevail. The thing is in a mess because the law has not been followed.

Mr. KING. Mr. Chairman, will the gentleman yield?

Mr. BOX. Well, I have been refusing other gentlemen. I do not want to be discourteous, but I shall have to decline.

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Now, that condition prevails in that service, and the people of the country ought to know it. Some poor devils over there in New York have been taking bribes. They must live largely on tips. Think of a man living, performing duties of an inspector over there, on $1,200 a year. He goes on the ships to do a big lot of his inspection. I have seen them there. They do not march there like the President walks around the White House grounds.

The following is a part of a letter believed to have been written by one of them to the gentleman from Texas:

Hon. J. C. BOX,
Congressman, Washington, D. C.

DEAR SIR: It may be of some help to your committee to get acquainted with the inner workings of the watch force at Ellis Island. All that is needed to handle reds, insane, and convicts is enough able watchmen and proper equipment. * * * Your attention is also called to the fact that able watchmen get only $900 to $960, while old or in good graces of the supervisor get the limit of $1,020. Watchmen are compelled to hold outside jobs. * * * Could you do your best under these conditions if you were a watchman?

We are to blame for it; we are playing at the enforcement of these important laws. I have, against the judgment of gentlemen on my side of the House, urged the making of appropriations for the better enforcement of the law at the ports and on the frontier, but the House has not seen fit to do it, and now instead of paying living salaries, providing an adequate force and upholding the service as it should be upheld, we are feathering the nests of the politicians and permitting the underpaid employees and the service to suffer.

This bill was first introduced in the Senate by a Senator from Delaware. I would just like to show you the great number of communications that I have received in opposition to the immigration laws, attacking them, trying to break them down, attacking the literacy test, saying we need 4,000,000 of laborers, in the face of this imminent condition of unemployment, urging the committee to let in 4,000,000 laborers. Mr. COLEMAN DU PONT'S name is printed on much of that concern's literature, on many of those very letters as "chairman of the board." I speak of the "Interracial Council." Now, look at the record. That demand came from people financed by such concerns as the Du Pont de Nemours Co. and a great group of big business concerns, including the Standard Oil Co. Now the same set of men want somebody to help to enforce the law.

Gentlemen, this thing is wrong. It grows out of a wrong. It is perpetuating a wrong. The remedy is to be found by doing what public officials should do, enforcing the law. Anything else is political hypocrisy; anything else is subversive of good government. The employees down there who accept a tip of $50 or $75 or $100 from somebody for illegally letting in some alien have no more cause to feel worse about it than somebody higher up who violates the law to please a friend or make political capital. Some of the humbler ones have been indicted. I want to insert a report here as to some of those indictments. They did not say anything about the fellows that bribed them. Not a word about them. It is a press report published in one of the organs of the present administration at Washington, appearing in April of this year:

OFFICIALS AT ELLIS ISLAND ACCUSED OF MULCTING ALIENS—FOUR INSPECTORS AND BARBER ARE INDICTED ON CHARGES OF IMMIGRATION LAWS FOR MONEY FROM RELATIVES.

NEW YORK, April 3.—An investigation started several weeks ago by Immigration Commissioner Robert E. Tod has revealed at Ellis Island an alleged conspiracy on the part not only of immigrant inspectors but of land agents, missionaries, and other persons not directly connected with immigration to prey on persons seeking to bring relatives into this country.

As a result of the inquiry, the Federal grand jury to-day indicted four immigrant inspectors, William Alexander, William Leonard, Jeremiah Fitzgerald, and John Donovan, and a barber, Tobias Levy. The indictments charge accepting bribes, unlawfully admitting aliens into the United States, and altering Government records. Bench warrants have been issued for the men.

OTHER INDICTMENTS DUE.

Samson Selig, assistant United States district attorney, who is prosecuting the case, is unable as yet to tell how widespread are the operations of the alleged ring. He announced to-day, however, that the investigation has only started. He predicted other indictments shortly.

Foreign-born residents of eastern cities anxious to bring relatives into this country without delay have been mulcted of many thousands of dollars, according to Selig, who mentioned numerous instances where land agents in the employ of steamship companies worked in conjunction with unscrupulous inspectors.

HAVE PRICE LIST.

Selig said members of the ring collected from $500 to $1,500 in some instances where they procured speedy admission of an alien to the United States. In other cases $20 sufficed. Persons whose relatives were coming over in the steerage were given a horrifying description of conditions at Ellis Island and told that for a small sum of money their relatives could be spared detention and possible rejection, according to the prosecutor.

To make good on their promises, Selig charges, names were stricken from the alien manifest list and placed on the citizenship list and landing guards enabled aliens to come into the country without delay. Selig declared he had discovered instances where aliens having contagious diseases were admitted by trickery, and told also of the case of a woman with an illegal child who came here to marry the father of the baby.

Under the law she was barred. An Ellis Island missionary provided an inspector with a fraudulent marriage certificate and the woman and her baby were admitted, Selig asserted.

They said the inspectors were mulcting the immigrants. But aliens and their relatives went slipping around bribing them and getting them landed by some devious way. It was not wrong for alien influences to corrupt the service; oh, no. It was wrong for the poor devil at the bottom to take $10 as a tip or a bribe from an alien, his relatives, or attorneys. But why pick out that lowliest man and call him a criminal and say he was robbing the man who bribed him?

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BOX. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ZIHLMAN. Mr. Chairman, I yield four minutes to the gentleman from Georgia [Mr. UPSHAW].

The CHAIRMAN. The gentleman from Georgia is recognized for four minutes.

Mr. UPSHAW. Mr. Chairman and gentlemen, I ask the members of the committee to remember, first of all, that this bill was unanimously indorsed, regardless of political lines, by the Committee on Labor. It seems to me that such united action on the part of those who have studied the question should have weight with those who do not know the facts. I have voted for every restriction against foreign immigration that has come before me since I have been in Congress. I am compelled to take issue with my genial friend, the gentleman from Texas [Mr. Box], when I declare that the argument he has been making about things going wrong up yonder at Ellis Island does not touch this situation at all. It only makes stronger the argument that the Department of Labor ought to have more assistance to help compass the growing complications of the situation and see that mistakes are not made and that the laws are not evaded.

Mr. JOHNSON of Washington. If the gentleman will yield, I want to make it very clear that the handling of appeals in quota cases constitutes a very small part of the total number of appeals in a year's time.

Mr. UPSHAW. I want to emphasize another thing, gentlemen. I have it from the lips of the Secretary of Labor himself that this will not entail any extra expense upon the Treasury of the United States. I phoned the Secretary's office just a few moments ago, and the Assistant Secretary told me—the Secretary not being in his office at the moment—that if this bill passes one man will resign July 1 who is now getting the same salary that the Second Assistant Secretary will get if he is appointed, this man now doing work that, frankly, he has not quite the legal right to do. But this bill will officialize, so to speak, the work that must be done, and which is too overwhelming in volume and detail for the Secretary himself to personally perform.

Mr. HUDSPETH. Will the gentleman yield?

Mr. UPSHAW. My time is very brief, but I will yield to the gentleman.

Mr. HUDSPETH. I understand there seems to be some doubt whether it will cost the Government anything additional.

Mr. UPSHAW. I remind the gentleman that I have just made the statement based on the testimony of the Secretary of Labor, and the supplemental statement from his office since this debate began, that it will not cost the Government an extra dollar.

Mr. BOX. If so, why does the bill authorize the appropriation of additional money?

Mr. UPSHAW. That can be readily adjusted. I take the word of James J. Davis. I believe he tells the truth.

Frankly, I do not like to find myself out of harmony with many of my Democratic colleagues. They are just as patriotic and wiser perhaps than I am, but it is possible that they have not studied this Department of Labor as carefully nor dealt with it as intimately as I have. But the thing that I wish especially to resent, in my right as a Congressman and as an American citizen, is the criticism hurled at the Secretary of Labor by the chairman of the Committee on Appropriations [Mr. MADDEN], who said he was "ashamed of the Secretary of Labor for coming down here and trying to lobby for this bill." I want to say that I am proud of Secretary Davis for doing that very thing. [Applause.] Woodrow Wilson set the splendid Democratic example of leaving Olympus, if you please, and

coming down here as a human President to have helpful conferences with Senators and Congressmen about legislation. And President Harding and some of his Cabinet officers have wisely followed his sane and thoroughly American example. [Applause.]

If Mr. Lasker can come from the Shipping Board to Capitol Hill—he is not a member of the Cabinet—and make an appeal before committees for liquor on American ships, God knows that a high-class, God-fearing man like James J. Davis, who has proven that he has a heart bigger than his body and that he really loves humanity, has a right to come anywhere he wants to come and try to influence legislation that will make for the efficiency of his department. [Applause.] I am tired of the cheap epithet "lobbyist" being hurled at any man who, as an American citizen, to say nothing of being a member of the Cabinet, comes here to this Capitol and seeks to influence legislation by legitimate means. The humblest man or woman has a right to come to this Capitol in which he is a stockholder and to this Congress which he owns and seek by every clean, honest, legitimate means to secure worthy legislation. James J. Davis is a great, God-fearing, church-going man—may his tribe increase among high officials here and everywhere—and I have new hope for the solution of the problems between labor and capital while a man of such signal ability and such a Christian spirit keeps his hand of love and strength and wisdom upon labor's restless heart.

Often on Sunday and often during the week he speaks to thousands of workingmen and reaches his fatherly, brotherly hand to thousands of orphans, teaching the wholesome doctrine that the principles of the Prince of Peace in regenerated human hearts will solve every problem of society, individual and organic, in America and in this struggling world.

A man of such character and wisdom as I have personally found James J. Davis to be can get most anything I have got, especially my vote, to help him improve his department, that touches humanity more closely, perhaps, than any other department of our Government. Let us not vote prodigal millions right and left for Army and Navy and nations across the seas, and then suffer a small spasm of economy to keep us from doing our duty when efficiency and humanity are at stake. [Applause.]

Mr. RAKER. The statement of gentlemen on the other side was that there are so many cases because of the new law. The gentleman says he has investigated the matter. Is it not a fact that no appeals are allowed in the kind of cases he referred to, such as idiocy, epilepsy, and constitutional psychopathic inferiority?

Mr. UPSHAW. I can not answer that question technically, but I can say on general principles that this is a growing department and that its business has vastly increased.

Mr. RAKER. I should like to have the gentleman answer my specific question.

Mr. UPSHAW. I do not have to answer that direct question, because, very frankly, I do not know.

Mr. ZIHLMAN. Will the gentleman yield to me?

Mr. UPSHAW. I yield to the gentleman from Maryland.

Mr. ZIHLMAN. I will say to the gentleman from California that there were 14 cases of epilepsy heard in the month of May before the board of review.

Mr. RAKER. I yield five minutes to the gentleman from Tennessee [Mr. BYRNS].

Mr. BYRNS of Tennessee. Mr. Chairman, I am sure we all appreciate and admire the genial good nature and great optimism of my good friend from Georgia [Mr. UPSHAW], but I can not share in the optimism that he has shown in his recent remarks. My experience in Congress is that it is absolutely impossible to create an office and provide additional machinery of government that does not cost the people something. This bill provides for a second assistant secretary at $5,000 a year, with a private secretary at $2,100, and every man within the sound of my voice knows that that is not the limit of the expense, because as soon as this position is created, I dare say, certainly within the next year, there will be a request of Congress to provide an additional clerical force for this Second Assistant Secretary of the Department of Labor.

Mr. GALLIVAN. Will the gentleman yield?

Mr. BYRNS of Tennessee. I yield to the gentleman from Massachusetts.

Mr. GALLIVAN. Does the gentleman from Tennessee know that last year, because of diminished appropriations in the Department of Labor, the Secretary of Labor, James J. Davis, never drew a dollar of his salary for himself, but paid it out of his own pocket for extra help to do Federal work? [Applause.]

Mr. BYRNS of Tennessee. I do not know what the Secretary of Labor did with his salary. He is to be commended for his action if he did as the gentleman from Massachusetts suggests, although personally I do not think that he ought to have done it. I think the Government ought to pay for any services rendered or any assistance needed by him in his official capacity. [Applause.]

Mr. GALLIVAN. So do I.

Mr. BYRNS of Tennessee. I do deny that a Second Assistant Secretary of Labor is needed at this time. The gentleman from Indiana [Mr. BLAND] made some criticism of the gentleman from Illinois [Mr. MADDEN]. He said that the gentleman from Illinois [Mr. MADDEN] is prejudiced in this matter. I submit to the gentleman that it is not fair to say that, because no one is prejudiced against the Secretary of Labor or his great department, which is rendering a great service; but I submit that merely because a Member of this House gets on the floor and undertakes to plead for economy and to prevent the creation of new offices at this particular time it ought not to be charged that he is actuated by prejudice. It is always easy to find an excuse to create a new office or to get additional money out of the Treasury.

If anyone doubts that, he has only to read some of the speeches that have been made here this morning on this particular bill. After you once create an office you never get rid of it. That was demonstrated here yesterday, because only a few weeks ago this House and the Senate abolished certain land offices which cost the Government something like $80,000 a year. You will be called upon to pass an appropriation bill this afternoon carrying $75,850 to take care of the action of the House yesterday in restoring these land offices and providing for the employees whom Congress only a few weeks ago decided should be eliminated as wholly unnecessary.

Now, gentlemen, I submit that if the Secretary of the Interior Department has only one assistant secretary, if the Department of Commerce has only one assistant secretary, if the War Department and the Navy Department have only one assistant secretary, there certainly can be no reason for creating two assistant secretaries in the Department of Labor. Just as certainly as you pass this bill these other departments will be here asking for an additional assistant secretary. The bill carries $5,000 as a salary; but it is no secret, we all know that as soon as the reclassification bill becomes a law—and it doubtless will become a law at this session—the salaries of the assistant secretaries are going to be considerably increased, possibly to $6,000 or $6,500. We ought not to create new offices and make additional unnecessary charges on the Treasury when we are confronted with a deficit which the Secretary of the Treasury says will be over $500,000,000. [Applause.]

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. ZIHLMAN. Mr. Chairman, I yield five minutes to the gentleman from Washington [Mr. JOHNSON].

Mr. JOHNSON of Washington. Mr. Chairman, I know that the Appropriations Committee has a great amount of work to do, and I believe that gentlemen of that committee should not be criticized for their efforts to economize, but I contend that the members of the Appropriations Committee do not possess all of the information there is, and I contend that they are peculiarly lacking in information concerning the Department of Labor. That department has not had a committee especially assigned to make its appropriations these past 10 years, so the lump sum has had full sway there, and if the gentleman from Illinois will call me when they have the next appropriation bill up in his committee I will show them where to take out much more than this will cost and where it will do no harm.

Mr. BYRNS of Tennessee. Will the gentleman yield?

Mr. JOHNSON of Washington. Yes.

Mr. BYRNS of Tennessee. Does not the gentleman think it would be a good deal better to save the money and not create this new office?

Mr. JOHNSON of Washington. No; really I do not. All the expenses of the Labor Department and more are paid from the head tax taken from these aliens. We have set up a law giving every one of them a right of appeal. When Congress fails to uphold that law, when it can not provide money to hire secretaries to act on the appeals, to pay the judges of the very immigration court that we have provided, then we had better abolish the whole system. [Applause.]

Now, I am sincere about that. We must not enact a law authorizing these appeals and then fail to provide either the means or the men to take care of the appeals.

A great deal is being made of the fact that some appeals are on account of the quota law. Perhaps there should be no ap-

peals from an exact quota, but you must remember that the boundaries of the countries have been changed so that quotas have not been exact, and yet the quota appeals are but a small part of the labors of the Secretary of Labor. There are many appeals of cases of persons likely to become public charges. They are resisted and go up on appeal.

Mr. Chairman, I have tried every way I could for years to have the whole Department of Labor reorganized. It needs reorganization. It was hastily put together several years ago, and I hope that some day we will find time to reorganize the whole department.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. RAKER. Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. CONNALLY].

Mr. CONNALLY of Texas. Mr. Chairman, I ask unanimous consent to proceed out of order.

The CHAIRMAN. The Chair will say to the gentleman that the rule provides that general debate shall be confined to the bill.

Mr. CONNALLY of Texas. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. CONNALLY of Texas. I will ask the Chair if it is not true that anyone can speak out of order unless the point of order is made?

The CHAIRMAN. The gentleman from Texas submitted a request for the Chair to put to the committee. The Chair thinks that he can not submit that request to the committee without directly violating the rule. The gentleman can speak out of order if he is not called to order, but the Chair can not submit a request contrary to the provisions of the rule.

Mr. CONNALLY of Texas. Mr. Chairman and gentlemen, I want to call the attention of the committee to a matter that has occupied a great deal of space in the newspapers in the last two days. In prominent headlines, occupying conspicuous places among the dispatches, have been accounts of kidnaping of American citizens in Mexico and the capture by Mexican bandits of American property. These reports present a very serious situation.

Mr. WALSH. Mr. Chairman, I make the point of order that the gentleman is not discussing the bill under consideration. Other gentlemen who have sought permission to speak out of order have been denied.

Mr. CONNALLY of Texas. This being a nonpartisan matter, I did not know but that I might be allowed to proceed.

Mr. WALSH. I appreciate the fact that the gentleman from Texas never makes a partisan speech, but I do not think he ought to inject this into this debate. Furthermore, I would like to hear the gentleman more at length on this question.

Mr. CONNALLY of Texas. It is very evident that the gentleman from Massachusetts would like to hear me more at length from the fact that he has made objection before he has learned what I am talking about.

Mr. WALSH. It does not take long to ascertain what the gentleman is talking about.

Mr. CONNALLY of Texas. Very well, Mr. Chairman, I recognize the autocracy of the gentleman skilled in the rules, and I abide by his objection. I yield back the balance of my time. [Applause.]

Mr. ZIHLMAN. Mr. Chairman, I yield four minutes to the gentleman from New York [Mr. SIEGEL].

Mr. SIEGEL. Mr. Chairman, on December 10, 1920, speaking on the floor of this House, I said:

> I should like to say also to my colleagues that I could change and relieve the congestion at Ellis Island very quickly if Congress would abolish the office of Commissioner of Immigration and in lieu thereof place the Assistant Secretary of Labor at Ellis Island, so that he could act on each and every appeal promptly. If an immigrant is not fit mentally, morally, or physically, or if he is a crook, criminal, or an anarchist, see that he is sent back by the next ship after being given his legal rights. But you do not do that. Under the present law you bring the appeals from Ellis Island to Washington, and here they take from a week to four or five months before the appeals are acted upon. If you had your Assistant Secretary of Labor at Ellis Island to pass on the question you would not only get rid of all the correspondence and delay, but you would relieve the congestion. For many reasons that is the policy which should be adopted.

My views are more confirmed than ever that this is the only solution. Let us look at this question as Americans, and not as partisans. This is not a question with which to play politics.

Mr. BOX. Mr. Chairman, will the gentleman yield?

Mr. SIEGEL. Yes.

Mr. BOX. Is it contemplated that this Assistant Secretary of Labor shall be stationed at Ellis Island?

Mr. SIEGEL. My information is that he is going there to take up appeals and determine them quickly. In that way the Government would save more than $8,000 per year by reducing the number of your telegrams, by reducing the correspondence now passing back and forth. We would be able to use the men thus relieved for other purposes at Ellis Island. A moment ago the question came up as to whether the right of appeal exists under the immigration law. The United States Supreme Court has repeatedly said that it does exist. If you desire to deport an alien or attempt to keep an immigrant out, the right of appeal exists, and if you do not give it you are violating the elementary law of the land.

A moment ago the question was raised as to whether these quota law cases can be appealed. Those people are entitled as a matter of absolute right to appeal. If the doctrine of no appeals were carried out, there would not be any opportunity even for an infant to have his rights protected. Let me call your attention to a case, the report of which I take from the New York Tribune of June 27, 1922:

> Little Siranoosche Gulumian is on her way to Constantinople, a puzzled and frightened victim of the vagaries of the immigration laws. The girl's parents, Mannik Gulumian and his wife, Marucek, are in Dorchester, Mass., in the care of a son who fought under the Stars and Stripes in the World War. The same law which admitted them excluded her.
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> "As to the third relator Siranoosche Gulumian," said Judge Mack, of the United States district court, who upheld the writ of habeas corpus on which Mannik and Marucek Gulumian were released from Ellis Island, "inasmuch as the evidence was conflicting as to her place of birth, I can not hold that the board was without legal justification to find the place of birth to have been Constantinople. Under this finding and in view of the fact that the quota allowed under the immigration laws to Turkey had already been exceeded, her admission was properly refused."
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> By due process of law, therefore, little Siranoosche, the third relator, a Turk by birth and by law, was carried weeping, screaming, and kicking aboard the *Megali Hellas*, a steamship bound for Constantinople, Saturday night, while her equally tearful parents, the first and second relators, who were born in Armenia, prepared for the journey to Dorchester.
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> Since February 8, Siranoosche and her parents have been detained at Ellis Island. The little girl became a favorite there and for her it was the happiest period of her brief existence. Everyone at Ellis Island knew "Noosie," the smiling, black-eyed little girl who had been born while her parents were refugees in Constantinople awaiting an opportunity to sail for America, where a warm welcome awaited them at the home of their son.
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> It never occurred to them that there would be any question as to their admission. Their son Nubar, was a man of wealth and standing in the new land toward which their faces were turned and had fought in its Army. If there was any delay or misunderstanding, such as other immigrants feared, they would call on Nubar.
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> Even Nubar, though he engaged counsel, displayed his discharge papers, and appealed to Washington, could not get his small sister into the United States. She had been born in Constantinople.

True, there was the right of appeal which this crazy-quilt law gives, and that is what it is. It is the most inhuman law that was ever put on the statute books, and, regardless of what any man or organization says to the contrary, that is the fact. The great trouble is that the average Member in this House is so busy with other work, so busy with committee hearings and departmental matters which he is compelled to devote himself to, that he does not know the operations of the immigration law, and he does not know the immigration law itself nor the naturalization law, for that matter. On the floor of the House some of the members of my own committee have been discussing this immigration law without having a full knowledge of what it is. I refer to the statement made a few moments ago about the right of appeal. There is no doubt that the right of appeal exists. I agree with the gentleman from Texas [Mr. Box] in so far as he says they are expecting a large arrival of immigrants in the morning at Ellis Island. Tomorrow morning, with all of the ships coming in, instead of having the 703 men to act there, as was the case a few months ago, we will have a force of 500 men. Within the next 48 hours we are going to see the greatest congestion ever seen in this country on Ellis Island, with thousands of men, women, and children there having to sleep on the bare floors, with no pillows, no cushions, and with only their baggage on which to place their heads. This we have done in the name of economy, notwithstanding the fact that these immigrants pay a head tax of $8 and visé fee of $10. That is the kind of consideration we give to human beings. It is about time Congress woke up and did its duty by these people, by itself, also by our country, which is receiving these immigrants who are to be our future citizens. The first impressions often leave lasting ones. Now, gentlemen, I may not agree with all the views of Secretary of Labor Davis, but he is working very hard and should be commended instead of denounced here. He can not be here to defend himself. Let us play fair with our public servants and give them the credit they deserve. Let us tell the truth about them. [Applause.]

Mr. UPSHAW. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. ZIHLMAN. Mr. Chairman, I yield five minutes to the gentleman from Ohio [Mr. CABLE].

Mr. CABLE. Mr. Chairman, justice and humanity require proper consideration of appeals in cases involving the rights of people and our Government. Under our present law every alien who may not appear to the examination immigration inspector at the port of arrival to be clearly and beyond a doubt entitled to land, shall be detained for examination in relation thereto by a board of special inquiry. This board is appointed by the Commissioner of Immigration or inspector in charge at the various ports of arrival, as may be necessary for the proper determination of all cases of immigrants detained at such port under the provision of law. It consists of three members. The board has authority to determine whether or not an alien who has been duly held shall be allowed to land or shall be deported. At such hearings the immigrant is entitled to representation, and a complete record of the testimony is made. The alien has the right to appeal through the Commissioner of Immigration at the port of arrival and the Commissioner General of Immigration to the Secretary of Labor, and the taking of such appeals operate as a stay of action until the receipt by the Commissioner of Immigration at the port of arrival of a final decision by the Secretary of Labor. Similar proceedings are had when a warrant is issued for the arrest of an alien for the purpose of deportation, and such alien is entitled to representation and a hearing. In either case the law specifically requires the Secretary of Labor or, in his absence, his assistant, to pass on all these appeal cases.

It is important, both to the country and to the alien, that these appeals should have full consideration. The large amount of work that this law entails is quickly appreciated when we know the number of appeal cases. For example, the number of warrant and appeal cases received from January 1 to June 30, 1921, was 7,287, or an average of 1,214 per month. For the period from July 1 to December 31, 1921, the number was 9,131, or an average of 1,532 per month. The amount of work in these appeal cases involve consideration that is beyond the power of the Secretary or his assistant to give. Many vitally important questions arise each day in the Department of Labor, involving not only these appeals but questions arising in the Bureau of Immigration, of Naturalization, in the Children's Bureau, in the Women's Bureau, and in the Employment Service.

The Secretary of Labor, to facilitate the work, appointed a board of review of five members to pass upon these appeals, giving full right to the immigrant to have some one appear in his behalf. This board went into operation January 1, 1922, and a summary of that month is as follows:

Board of review, summary for January, 1922.

Number of cases reviewed	1,291
Number of aliens involved	1,994
Number of cases in which Senators or Congressmen were interested and heard	174
Number of cases in which attorneys were heard orally	151
Number of cases in which attorneys were interested and heard by brief or other memoranda	81
Number of cases in which societies, relatives, friends, and interested parties, other than Senators, Congressmen, and attorneys, were heard	57
Total	463

Nature or kind of cases coming before the board of review on appeal.

Number of alien contract labor	46
Number of Chinese cases	58
Number of dangerous contagious disease	29
Number of loathsome contagious disease	38
Number of crimes involving moral turpitude	61
Number of crimes involving prostitution	19
Number of stowaways	30
Number of communists	30
Number without passport	49
Number of aliens under 16 unaccompanied	21
Number of aliens assisted	56
Number of accompanying aliens	9
Number coming as excess quota	208
Number likely to become public charge	595
Number physically defective	128
Number of feeble-minded	27
Number insane	14
Number entering without inspection	149
Number of illiterates	193
Number coming from "barred zone"	4
Number deaf and dumb	3
	1,697

The summary of the work of the board to June 1 is as follows:

February, 1922.

Number of cases reviewed and decisions written	1,285
Number of aliens involved	1,993
Number of oral hearings by the board	296

March, 1922.

Number of cases reviewed and decisions written	1,900
Number of aliens involved	2,609
Number of oral hearings by the board	561

April, 1922.

Number of cases reviewed and decisions written	1,447
Number of aliens involved	2,471
Number of oral hearings by the board	286

May, 1922.

Number of cases reviewed and decisions written	1,409
Number of aliens involved	2,079
Number of oral hearings by the board	269

The Assistant Secretary of Labor now devotes 90 per cent of his time going over the results of this board of review, and he either confirms their findings or refuses to do so. This work involves such a big and important task and the issue is so great that some one should devote their entire time to the subject.

It is the intent of the law that the Secretary of Labor, himself, personally, or his assistant, shall investigate each one of these appeal cases and to render a decision that shall be fair and impartial to the persons involved as well as this country.

The gentleman from Illinois [Mr. MADDEN] is opposed to this bill. He protests against Secretary of Labor Davis coming to the Capitol in behalf of its passage. The Secretary of Labor, Mr. Davis, is making a fine record with his department. He says that all persons should be treated humanely and justly. The present law does not fully permit this. The law requires that each one of these cases should be considered on appeal fairly and impartially. The Secretary believes in a fair hearing, and he is entitled to such machinery that all persons appealing to him will receive justice. The Secretary ought to be congratulated, not condemned, for coming to Congress seeking a measure whereby persons shall receive justice and a fair hearing, particularly when the issue at stake is one of residing in the United States or in a foreign land.

The gentleman from Illinois [Mr. MADDEN], chairman of the Appropriations Committee, objects to the bill because of additional expense. That gentleman evidently forgets for the moment that the head tax the immigrant pays takes care of the expense of the department and that costs involved in appeals are not paid by the Government.

I am proud of the record of the Secretary of Labor, and am glad to speak on behalf of the bill that will permit him to carry out an efficient performance of the duties of his office. In other departments the Cabinet member has authority to delegate his work to his assistants or chiefs. In the Department of Labor Congress considered the rights of human beings of highest privilege, and that therefore the Secretary of Labor or his assistant only should consider these appeal cases and pass on them. This right can not be delegated. The duties of the Department of Labor are heavy and important. A special Assistant Secretary, giving his entire consideration to the appeal of human beings, is a proper subject of legislation for this Congress.

Mr. ZIHLMAN. Mr. Chairman, I yield three minutes to the gentleman from New York [Mr. LONDON].

Mr. LONDON. Mr. Chairman, in the Committee on Labor I voted to report this bill, surely not with the desire to increase the number of Republican officeholders nor with the hope that a representative of my party would be appointed as Assistant Secretary. The Department of Labor was intended to be a very important department and, as I said sometime ago, it was to be one of the pillars of the temple of liberty. The Secretary of Labor was supposed to represent the interests of labor, the sentiments of labor, the aspirations of labor in the executive branch of the Government. It is the duty of a secretary to see that everybody else attends to work. It is the duty of the Secretary, the head of a department, to attend to the big matters and take a national view of things. It is not his function to take care of individual cases. He has to determine policies; he has to debate policies; he has to participate in the deliberations of the Cabinet, as a member of the Cabinet, to be preparing himself adequately for performing the function of one of the board of directors of the Government.

When this department was created its purpose was declared by law to be, "to foster, promote, and develop the welfare of the wage earners of the United States; to improve their working conditions and to advance their opportunities for profitable employment." This was supposed to be the task of the office of the Secretary of Labor. No office should have been more important, and no Secretary of Labor should permit any other department to overshadow him.

The addition of an Assistant Secretary of Labor to take up a part of his task, to take up the work of looking over appeals, examining appeals, should enable the Secretary to do the bigger part of the work. Now, let me say one word to the gentleman from Texas. I do not like to be cruel in criticism; I recall one of the quaint characters of Dickens who says, "If that is the law, the law is a jackass," and I am very much reminded——

The CHAIRMAN. The time of the gentleman has expired.

Mr. LONDON. Give me one minute to complete this noble sentiment.

Mr. ZIHLMAN. I yield one additional minute to the gentleman from New York.

Mr. LONDON. I am very much reminded of that when I hear his insistent demand that the law be enforced literally and rigorously, without any intelligence, without any judgment—why, there must be intelligence used in enforcing any law. It can be turned into a cruel weapon of oppression or it can be made the intelligent vehicle of the expression of deliberate, well-thinking men. [Applause.] Whenever you enforce the law literally it is cruel. The immigration law is harsh enough. You must give room to the soul of the man who is to enforce it. The gentleman from Texas wants the letter of the law enforced and the spirit of man crushed. [Applause.]

Mr. ZIHLMAN. Mr. Chairman, may I inquire how much time I have remaining?

The CHAIRMAN. The gentleman from Maryland has six minutes remaining.

Mr. ZIHLMAN. I yield two minutes to the gentleman from Colorado [Mr. VAILE].

Mr. VAILE. Mr. Chairman, I just desire in this brief time to point out that the argument of the gentleman from Texas was unintentionally a little misleading. It was not correct to say that the very large number of these appeal cases are caused by immigrants coming in excess of the quota. If members of the committee will look at the sample month of January, which is put in this report, they will see that the total number of aliens involved in the cases of appeal numbered 1,924; the quota cases were only 206, averaging only a little more than 10 per cent of that amount. Neither is it correct to say that Congressmen are interfering in a great many of these cases, causing the great mass of appeals. Of course, people apply to Congressmen asking for their assistance, but January was a fair sample month, and there were only 174 of those cases out of a total number of 1,994; that is to say, less than 10 per cent in which Members of Congress were interested. Gentlemen must remember that at a time when the immigration is very much restricted, restrictd perhaps to 10 per cent of what it would be under the old law, a very large portion of all the cases that come are appeal cases, because the appeal is given under the positive provision of our law, and it would be most inhumane to deny the officers before whom that appeal should be heard. And if we do not provide for this assistant secretary we force Ellis Island to become a jail. Certainly that would be a serious reflection upon us, but it is a jail because the cases of these people can not be promptly disposed of now. I yield back what time may remain.

The CHAIRMAN. The time of the gentleman has expired.

Mr. RAKER. Mr. Chairman and gentlemen of the committee, the statement that this affects labor is just made for the purpose of getting sympathy somewhat. But labor is not involved. The question that the Secretary of Labor is looking after the conditions of labor is true, and under the law you have placed the jurisdiction of the immigration laws under that department. It is also true that under the law a solicitor general, at a salary of $5,000 a year, is assigned to the Secretary of Labor for the purpose of doing his work. The question of detention at Ellis Island is not involved, because there can only be 20 per cent during the month of July of about 240,000, as compared to about 1,250,000 who entered during the year prior to the law and prior to the enactment of the 3 per cent law.

Mr. KING. I wonder if the gentleman will submit to an interruption.

Mr. RAKER. For a question.

Mr. KING. It has been said here by the gentleman from Texas [Mr. Box] that the Secretary of Labor was neglecting his duty.

Mr. RAKER. I do not care to discuss that. Personally I feel that the Secretary of Labor, Mr. Davis, is trying to do his duty. I want him to act personally.

Mr. KING. And was not in his office. The gentleman is the last speaker; will he not state something upon that subject? I do not believe the story. I do not think there is any truth in the statement.

Mr. BOX. The statement was first made by the chairman of the committee, and I followed him.

Mr. KING. The gentleman has persistently kept from answering anything further.

Mr. RAKER. I will not go into that; I might possibly, but I do not want to go into that. I am discussing it here upon its merits. The question of Ellis Island is not involved. The gentleman from New York stands as he always stands and wants to leave the doors down absolutely for the immigrants of the Old World——

Mr. SIEGEL. Will the gentleman yield?

Mr. RAKER. I can not right now.

Mr. SIEGEL. Of course not.

Mr. RAKER. For all kind and character of immigrants, those that are excluded now under the law, to come here and destroy our country, and those who are afflicted with contagious and dangerous diseases.

Mr. SIEGEL. Now, will the gentleman yield for a question—for a brief question?

Mr. RAKER. No; I can not yield now.

Mr. SIEGEL. Will the gentleman yield later?

Mr. RAKER. I surely will always like to yield to the gentleman from New York if I have the time. I want to call your attention to this fact, that before the 3 per cent law was enacted for the fiscal year there were about 1,250,000 people coming into the United States. This number were actually admitted. Before the 3 per cent law was enacted, I say, and the question of a few exclusions arose, the same law relating to the exclusion of aliens was on the statute books, referring to those who were paupers and to those who believed in destroying the Government and those who were afflicted with contagious and infectious diseases. And yet, with 1,250,000 of those immigrants coming in a year, the appeals were heard.

Now, with only about 240,000 coming in, can it be possible, with only one-sixth of the number coming in, that out of that number the greater proportion of them are inhibited or prevented from entering the United States because of the restrictions as to anarchic beliefs, sabotage, contagious diseases, belief in doctrines involving the destruction of our Government, and including prostitutes and paupers and others? And how can it be possible that an additional organization is necessary to take care of them? The record shows the contrary, and further, under the rules and regulations adopted by the Secretary of Labor in regard to appeals, when the board of inquiry passes upon a matter it simply goes up to him and he approves or rejects it, a matter involving only two minutes' work.

Now, just a moment on the question of appeals. There has been a very loose statement made here in regard to these appeals, and it ought to be understood. Some men say on the floor of the House that they know all about the immigration laws, and they are going to have this Assistant Secretary moved out from Washington and away from the influence of the Secretary of Labor; and they are going to put him down at Ellis Island, right where he is in touch with all these organizations and institutions and purposes and desires to bring people here who want to destroy this Government, people afflicted with all the diseases known to mankind; they are going to be right there to watch them and to help bring them in. I think we ought to think something about our own country and about its condition. This country has been and is yet the haven of the downtrodden and oppressed of the world, but certainly we should not leave the doors wide open not only to those who are ready and willing and eager to destroy our Government but also to those who are afflicted with these diseases which, if allowed to enter, would sweep the country like a visitation of smallpox.

Now further as to the question of appeals, the law provides for a board of inquiry and a board of hearing. It takes the testimony when a man is arrested to be deported, and when he lands at Ellis Island for admission a full and impartial hearing is given him, and all the evidence is taken. If he is rejected on the ground that he is in excess of the quota permitted, or if he is rejected on the ground that he believes in destroying our Government and its officials or for any of the reasons or causes that exclude an alien, he has the right to appeal from that decision. That is certified up to the Commissioner of Immigration, and the Commissioner of Immigration goes over it with his lawyers, and then it goes to the Solicitor General, who makes an investigation of the facts and the law; and then the Secretary of Labor, with all that examination behind him to enable him to see what the law is and what the facts are, either approves or rejects the decision first made excluding the alien.

Mr. CABLE. Mr. Chairman, will the gentleman yield for a short question?

Mr. RAKER. In a moment.

Now the trouble is most of the cases could be disposed of in five minutes. Three thousand are admitted at this time and over 11,000 were admitted last year. An attempt is made on the part of various people to break down the immigration law. That is all there is to it. They admit 3,000 to-day, and they have been admitting them without law or rhyme or reason, hoping that on the 1st day of July, 1922, considered as in foreign territory, temporarily here, they will be admitted in excess of the number authorized to come, and, as some one has said, there will be a great congestion at Ellis Island on the 1st of July.

Mr. SINNOTT. Will the gentleman tell us how that 3 per cent per capita restrictive bill is working out?

Mr. RAKER. It is working out finely. Good results are being obtained every day. It is helping to give the country a little rest, so we can digest and assimilate those already here. Let America have a chance.

Now, further, as to the question of the appeal: It depends entirely upon whether or not the Secretary desires to hear counsel, whether he desires to hear outside individuals, whether he desires to hear Members of the House and to reopen the case and to pass upon it from one to a dozen times or not, or whether the man should be deported under the law. I guarantee to this House that there have been some of these cases that have been reopened at least a dozen times and the time of a man's deportation has been extended from one month to a year. That is the trouble. You speak about humanity; you speak about the human nature that enters into these cases.

Mr. CABLE. Will the gentleman yield there?

Mr. RAKER. I yield.

Mr. CABLE. I wondered if the gentleman believed justice could be done in a case where at least 2,000 cases are appealed in a month?

Mr. RAKER. Well, they take the testimony of the applicant and of his friends and what the record shows, and what he admits. You will find that in those 2,000 cases each one is in excess of the quota.

Mr. SIEGEL. I think the gentleman from California ought to address his remarks to the gentleman from Ohio [Mr. CABLE], or else the gentleman from Ohio should not consume the gentleman's time.

Mr. CABLE. I would like an answer to my question as to how much consideration they can give to a case when there are 2,000 cases appealed each month and there is a record in each case for consideration?

Mr. RAKER. They can give consideration to all of them and lots more and then have time to visit and time to spare. You have seen those records. On the first page of it all the authorities have been gone through; they simply affirm or reject the decision of the lower official. Why create more useless officers and thereby add more expense to the taxpayers? The burden is surely heavy enough now without adding more. But our friends on the other side think they must have a few more appointments. It is not right. You should stop it. If you do not the people will stop you from acting. Better have a little heed.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. RAKER. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ZIHLMAN. Mr. Chairman, it seems to me that in the opposition to this bill there has been a great ado about nothing, as the bill does not appropriate a single dollar out of the Federal Treasury. It merely authorizes the expenditure of $7,100 per year for the services of an additional Assistant Secretary of Labor and a private secretary to him.

The chairman of the Committee on Appropriations, the gentleman from Illinois, stated that this would involve the appointment of other officials and employees in the Department of Labor. Not a single official, other than the assistant secretary and his private secretary, is authorized in this proposed law; so that if additional employees and positions are created in the Department of Labor, it will necessitate an act of Congress, and could not be brought about unless the committee, of which the gentleman from Illinois is chairman, is convinced of the necessity for these additional employees and because of the work of the department.

The gentleman from Texas [Mr. Box] and the gentleman from California [Mr. RAKER] pointed out the danger of the immigration law being broken down because of pressure and influence. This might be possible, because of the tremendous pressure of work in the department, rendering it impossible to give proper consideration to the many cases brought before the board of review.

The Secretary of Labor has pointed out the great number of Members of Congress, both of the Senate and House, who have interested themselves in the many cases brought before him, so that if there is any undue influence being brought to bear in behalf of excluded aliens, we are all contributing to the breaking down of the law.

However, I do not feel that any alien has been admitted who is not entitled to admission, unless it might be because the Board of Review, the Secretary, and the Assistant Secretary, who must under the law personally pass on these cases, are unable to give the necessary time and study to same.

The gentleman from Tennessee [Mr. BYRNS] pointed out the fact that there is no additional Assistant Secretary to the Secretary of the Navy or to the Secretary of the Interior; but, gentlemen of the committee, in these departments it is not provided by law that the Secretary and the Assistant Secretary must personally review more than 300 cases per day, cases affecting the very life and existence of these would-be future citizens of the Republic.

Anyone who has given any thought to this subject knows it is physically impossible to review that number of cases per day and that this work must be delegated to some of the officials of the Department of Labor. The Secretary of Labor has delegated this work to the solicitor's office and has been paying out of his own pocket for a part of the service rendered.

Mr. OLIVER. Will the gentleman yield?

Mr. ZIHLMAN. Yes.

Mr. OLIVER. Does the gentleman feel that the appointment of an Assistant Secretary will greatly expedite the cases that are now pending and perhaps prevent the accumulation of work of this kind in the future?

Mr. ZIHLMAN. I do. I want to say further that the necessity for this additional official was placed before the Director of the Budget, and the Department of Labor advised the Director that unless this relief was given it would be necessary to ask for an additional appropriation for the solicitor's office. In the interest of economy, the Director of the Budget therefore recommended the creation of these two additional positions, an Assistant Secretary of Labor, to whom could be delegated the work of reviewing the appeals made by aliens who had been refused admission, which work must under existing law be performed by the Secretary or an Assistant Secretary and a private secretary to the above official.

The chairman of the subcommittee handling the appropriations for the Department of Labor advised the chairman of the Labor Committee, who is absent to-day because of illness, that he was convinced of the necessity for these additional employees or officials of the Department of Labor, and that an appropriation should be made for their salaries, and that the subcommittee was only prevented from recommending it because of the fact that there was no legislation authorizing them to make the appropriation.

I wish to insert at this point a letter I received from the Secretary of Labor in reference to this bill, which contains a statement of the number of cases brought before the department during the month of May and the nature of same; also giving a list of the number of Senators and Members of Congress who were heard, and also a list of the number of attorneys interested in these cases, as well as the number of aliens involved:

DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, June 6, 1922.

Hon. FREDERICK N. ZIHLMAN,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: I inclose a copy of the report showing the number of cases reviewed and decisions written in immigration matters during the month of May, and make the following observations of analysis:

The number of decisions reviewed and written were 1,409, involving 2,079 aliens. The amount of detail work requiring by law the signatures of the Secretary or Assistant Secretary of Labor involved the signing by one of these officials between 400 and 500 times a day, or between 10,500 and 13,000 a month. One hundred and twelve Senators and 295 Congressmen interested themselves in these cases, and 505 attorneys represented the alien clients. A goodly number of these were heard personally by myself or the Assistant Secretary.

From the above, since the authority to definitely decide in immigration cases can not by law be delegated by the Secretary to any other but the Assistant Secretary, it will be apparent that the immigration work of the Department of Labor takes up nearly all of the time and attention of the Secretary and Assistant Secretary of Labor. In fact we estimate that 85 or 90 per cent of our work is immigration, and there is no one to whom it can be delegated unless both the Secretary and Assistant Secretary are absent, in which case necessarily the Acting Secretary is charged with these duties.

The point has been raised that the Department of Labor now has a large number of appointments. Even though this were granted to be true, it does not help the situation in any manner, for only one appointee, namely, the Assistant Secretary of Labor, can assist the Secretary in 85 or 90 per cent of the activities of the department. The Department of Labor, although its immigration activities occupy so large a per cent of the time of the executive officers, has other functions equally as important to the public. It might be well to call attention to the other bureaus, namely:

Bureau of Labor Statistics.
Children's Bureau.
Bureau of Naturalization.
Women's Bureau.
Division of Conciliation.
United States Employment Service.
Bureau of Industrial Housing and Transportation.

No matter, therefore, how many appointments the Department of Labor might make in its eight bureaus there is no appointee authorized to assist the Secretary, and his one assistant is handling 85 or 90 per

cent of its work, which results in giving on an average only 2 per cent administrative direction to each of the other important functions.

Immigration under the 3 per cent quota act opens up again on July 1. At the present time, because of that 3 per cent act, immigration to the United States amounts to comparatively nothing to what it will be when the flood comes. With the burden of work thrust upon the Secretary of Labor and his one assistant, as evidenced by the inclosed statement, requiring so much time and attention, what the situation will be after the 1st of July can probably be best left to the imagination. Last year when immigration was at its flood tide the administrative officers worked practically double time, and even at present we are exercising daylight saving at both ends and still unable to render what I should term 100 per cent prompt service.

Cordially yours,

JAMES J. DAVIS.

Summary of immigration appeals for May, 1922.

Number of cases reviewed and decisions written	1,409
Number of aliens involved	2,079
Number of oral hearings by the board	269
Number of cases in which Senators and Congressmen were interested:	
Senators	112
Congressmen	295
Number of cases in which attorneys were interested	505
Number of cases in which societies, relatives, friends, and interested parties other than Senators, Congressmen, and attorneys were interested	567
The tabulation below will give an idea of the character of cases upon which decisions were rendered:	
Accompanying aliens	27
Actors	20
Alien contract labor	121
Anarchist, communist, I. W. W., etc	21
Assisted aliens	34
Barred zone	7
Children under 16, unaccompanied	49
Crimes involving moral turpitude (burglary, felony, forgery, grand larceny, murder, perjury, robbery, smuggling, etc.)	51
Domestic servants	22
Entered within one year of deportation without permission	8
Excess quota	238
Heart trouble	18
Hernia	20
Idiots, feeble-minded, imbeciles, or mentally deficient, etc	26
Illiterates	139
Insane	65
LPC (aliens arriving without funds)	404
Physical defectives (deformed, epileptics, nervous affections, paralysis, and senility)	80
Professional beggars	1
Prostitution, immorality, procurer, etc	75
Section 23 (foreign contiguous territory)	38
Students	5
Surreptitious entry, stowaways, without inspection, and without passport or visé	265
TB, LCD, and DCD (favus, leprosy, trachoma, venereal diseases, etc.)	101
Visitors	2
Chinese	141
Japanese	13

In handling this difficult question, which involves the very existence and well-being of the Nation, because it deals with the future citizens of the Republic, we want to make it possible for them to receive a hearing if they are being unjustly excluded and at the same time we want to protect ourselves against the entrance of undesirables, the infirm, the illiterate, and all of that class who are foisted upon us by municipalities of Europe desiring to rid themselves of undesirables.

Let us treat those who come among us to take up the responsibilities of citizenship with us and who desire to fit themselves for intelligent participation in the affairs of this great Government the opportunity of presenting their claims to the proper authorities without undue delay or hardship, so that their first impression of our Government and its people will be worthy of their expectation of the opportunities which we extend to the weak and oppressed of all the nations of the world.

If I might be pardoned a personal word, I might say that I am the son of an immigrant—my father came to this country in the steerage about a half a century ago—and for the past 30 years I have been in intimate touch with aliens and their descendants and have learned to know and appreciate them as I find them in the blinding glare of great furnaces, in the sweat and grime of industry, amid clanging machinery, deep down in the mines, weary with toil; and I think I know something of the struggles, something of the aspirations, as well as their appreciation of the wonderful opportunities of this free Republic which the forefathers founded, and which has been the hope of the downtrodden of the Old World.

Personally, I have always favored such laws as would encourage the right kind of immigration; not the riffraff, not the insane nor the criminal, nor that class encouraged to come here by steamship companies and their agents and runners; not that class which large employers have at times encouraged to come in great numbers, in order that they might beat down wages, lower the standard of living, beat the remnants of human ideals from the toilers' breast and make him take less and less for his labor, that even the little he has might not be taken away and given to another who would take even less.

Not the revolutionist and those who would destroy our existing form of representative government and set up another founded upon their own ideas and conceptions of moral, of national, and of international law.

But I have favored that class who have helped build up this empire of the west, the frugal, God-fearing, hard-working, clean-living, and clean-thinking men of the Old World, who seek and who love human freedom—imbued with the spirit of liberty, equality, and justice; who come to take up their permanent abode with us, to familiarize themselves with our form of government, and who believe in our institutions, and to whom we can turn with confidence and hope when danger threatens the great Republic from within or without.

To them we did turn—at least to their immediate descendants—when the baneful shadow of war thrust its red glare over the land and the achievements of centuries of constructive statesmanship hung in the balance; when the world trembled under the iron heel of a militarist, drunk with the lust of world dominion and domination.

Men of all the races of the earth, transplanted to this land of promise, nourished and fostered by the warm winds of hope, opportunity, and equality, believing in, standing for, and ready to defend America and all that she holds and proclaims. They gladly offered all, gladly gave all—a grand galaxy of descendants of Old World gladiators—now keeping step, now swearing allegiance to the colors, the Government, and the music of the Union.

And out of this world carnage that brought more suffering and cost more in human lives than any other great catastrophe in the world's history came a new confidence, a confidence in the loyalty and in the love of these descendants of the English, the French, the Poles, the Russians, the Finns, the Rumanians, and men of other Teutonic races as well.

They demonstrated the fact that they had been truly fused in the melting pot of the Western Hemisphere.

That here on the rim of the sunset,
The land of the melting pot vast;
And into it comes every stranger,
Regardless of color or cast—
The immigrant boy with his bundle,
The immigrant girl with her shawl,
Emerge from the caldron of nations—
Americans, all!

And when on the horizon rises
A war cloud to threaten the land,
With Liberty's native-born children,
Shoulder to shoulder they stand;
For America ready to battle;
For America ready to fall;
Not Russians, nor Swedes, nor Italians—
But Americans, all.

Many of us hold that probably the greatest problem confronting the Nation in working out our future prosperity is the relation between capital and labor, and the bringing about of such conditions and terms as will enable them to work harmoniously together for the advancement of their own and the country's best interest and the development of our foreign trade in the markets of the world.

More progress has been made during the past six years along the line of collective bargaining and cooperation, of mediation and conciliation, than in any similar period in the history of the Government. This was, of course, due in a large part to our participation in the World War—the necessity of increasing production and the speedy construction of camps, cantonments, shipyards, and factories.

The lesson of England's mistakes loomed before us, a danger signal as to what we should or should not do. The British Empire had attempted to determine her labor and industrial policy without taking into account in any way the men who were the recognized leaders among the laboring people of England, and as a result there was dissension and dissatisfaction, resulting in decreased production and bitter animosity as well. So that in the early days of the war it was determined by the Government, speaking through the National Council of Defense, that no advantage should be taken of the abnormal and unprecedented conditions that prevailed, either by the employer or employee, and labor was given representation in the new order of things which had been brought about to stimulate production, and thus was laid a foundation which should have been of permanent benefit in all of our future dealings with this great problem.

There has been criticism of labor in that it took advantage of the shortage of men in industry; that it coerced employers into giving abnormally high wages and shorter hours. Much has been said of this, and very little about the fact that business as a whole flourished and prospered beyond the wildest dreams of the most sanguine; exorbitant and abnormal profits

were exacted in many lines of industry and commerce. But, taken as a whole, both classes demonstrated their loyalty, their patriotism, and their willingness to submerge personal advantage for the common cause.

Millions of workers laid down the tools of peace and industry to take up the weapons of warfare and helped write another glorious page in the history of the American people. Thousands of employers offered their establishments to the Government; hundreds of them served on boards and commissions; hundreds of thousands of them stood back of the long line that stretched from home and fireside to the battle fields of France and gave of their own ripe experience without hope of pay or reward.

We had hoped that because employer and employee had during the war a common interest, and in many cases a common sorrow, with their sons fighting for their country, ofttimes in the same company, and were thus able to serve one another, the news of each day bringing the capitalist and the laborer into closer contact one with the other, that it meant a return to conditions somewhat akin to the early industrial conditions that existed in this country, when the children of both went to the same school, when each knew the other by his given name, when their interests were common and were not subject to the manipulations of a board of directors concerned only with the stock market.

It is a disappointing commentary upon our national life that no sooner had our war drums ceased beating and the troops returned that we find the same animosity, the same narrow vision, and the same antagonism that existed prior to the inception of the great struggle; and each day since that time they have drawn further apart; each day widens the gap which we hoped was closed forever, notwithstanding the fact that they both are dependent and interdependent upon the other and that the markets of the world are open in a greater degree than ever before, with competition here at home for a period eliminated from those sources which have chiefly menaced our standards of living and proven themselves to be a factor in American markets in former peaceful times. And thus to-day we find both capital and labor approaching our industrial problems as though the chief aim and purpose was not to increase and stimulate production and to avail ourselves of the opportunities ready and at our door, but as though their chief aim and object was to destroy each other.

Surely in this period of readjustment and of world chaos the need for patriotism and loyalty to the Government is as great as during the war, and he who casts aside all semblance of the spirit of sacrifice at this time is untrue to those who made the great sacrifice during the war.

There are certain automatic and fundamental rules by which organized labor must govern itself in order that it might continue to be a factor in our national life. If it disregards its agreements and contracts which have been solemnly entered into by its representatives, it can not exist in our modern industrial life. It must purge itself of all radicals and extremists, who would tear down our structural government and set up a new order in its stead; and it must build upon the foundation of a constructive and broad-minded policy, administered by honest and fair-dealing men whose Americanism is above reproach, and who will meet the problems confronting them on a business basis and with modern ideas.

It must continue to agitate for education and enlightenment and for improved working conditions, and not for a soviet system of government founded upon the rule of force.

Labor must make loyalty to our institutions and to our system of government—with such changes as are necessary from time to time to meet changing conditions, and these to be made by the means and manner provided by the laws of the land—a part of their teachings and tenets and one of their qualifications for membership. On the other hand, capital has no inherent nor vested right in labor; they are colaborers and copartners in the industrial struggle.

It has been established through years of litigation and sacrifice that labor has the same right to organize as capital has, and which right is exercised by almost every industry and profession in America. Labor has a right to a hearing and counseling with their employers. There can be no question about this, and it is a fundamental obligation, both legal and moral, which the Government has now laid down for the guidance of those industries and utilities over which they have jurisdiction.

The day has passed when one man sitting as the head of an industrial corporation can, by the grace of a board of directors, say that they will not counsel and will not discuss with their employees the conditions under which they work and live. I contend that during the critical times through which the country is now passing the position of any captain of industry in issuing a statement that he will deliberately precipitate an industrial conflict, rather than counsel with the men who man his factories and furnaces, is out of touch with the times, and has taken an untenable, un-American position, and he is equally to blame with those who preach the doctrine of industrial revolution and who hope to bring about chaos in the hope that thereby they may be elevated to positions of responsibility and power.

Hundreds of thousands of men who labor in the mines, far from the sunlight of the day, are to-day walking the streets in idleness because certain capitalists have refused to meet them in conference, and hundreds of thousands of men engaged in transportation and the operation of great utilities are now considering the question of the general strike.

Some way should be found which will compel the parties interested to make an honest attempt to settle their differences and not continue a condition which menaces every citizen of the land. And in meeting the perplexing question of to-day and the days to come let us keep in mind that the leaders who rose in other times and places when the preservation and the perpetuity of the Nation were threatened took counsel with and were guided by the best thought of all the people of the land. They believed in the combined and matured judgment of the great heart of America and looked to the people themselves to voice the remedies for existing ills.

Theodore Roosevelt said that we can not lift any part of the Nation without all classes being benefited thereby. Likewise we can not lower the standards under which any class of our people live without the entire structure being threatened. Let us, then, continue to have faith in America and in her destiny, truly believing that it is a government in the interest of all the people and not in the interest of any particular class, and by the combined and coordinated effort of the people themselves we can, when all is said and done, look for a happy solution of many of the perplexing problems of this era, so that the time is not far distant when—

In our busy mills and fertile hills
We may fashion the Nation's plan.
And the things we do, be the purpose true,
Of the people, and not any one man.

And the hopes we sow and the things we grow
May be fruits of a wider realm
Than a narrow street, where hot hearts beat,
And a lone hand holds the helm.

In the open book of the world we may look
And read with our open eyes,
And ask any aid, from the marts of trade,
How the way before us lies.

For the woe or the weal that the people feel
Are born in a mightier breast,
And we rise or fall by the good of all,
By the good of the East and the West.

The CHAIRMAN. The time of the gentleman has expired. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That there shall be in the Department of Labor an additional Secretary, who shall be known and designated as Second Assistant Secretary of Labor. He shall be appointed by the President and shall receive a salary of $5,000 a year. He shall perform such duties as shall be prescribed by the Secretary of Labor, or required by law, and in case of the death, resignation, absence, or sickness of the Assistant Secretary shall, until a successor is appointed or such absence or sickness shall cease, perform the duties devolving upon the Assistant Secretary by reason of section 177, Revised Statutes, unless otherwise directed by the President, as provided by section 179, Revised Statutes.

Mr. CABLE. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. OLIVER. Mr. Chairman, I make the same request.

The CHAIRMAN. The gentleman from Alabama makes the same request. Is there objection?

There was no objection.

Mr. KING. I make the same request.

The CHAIRMAN. The gentleman from Illinois makes the same request. Is there objection?

There was no objection.

Mr. LEA of California. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from California offers an amendment which will be reported by the Clerk.

The Clerk read as follows:

Amendment offered by Mr. LEA of California: Page 1, line 6, after the word "of," strike out "$5,000" and insert "$4,000" in lieu thereof.

Mr. LEA of California. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from California asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. LEA of California. Mr. Chairman, I ask unanimous consent to proceed out of order for 10 minutes.

The CHAIRMAN. The gentleman from California asks unanimous consent to speak out of order and to proceed for 10 minutes. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from California is recognized to speak out of order for 10 minutes.

Mr. MONDELL. Mr. Chairman, reserving the right to object, I do not think we ought to have speeches out of order at this stage of the proceedings.

Mr. SEARS. I make the point of order that the Chair had already recognized the gentleman and stated that there was no objection.

Mr. MONDELL. I object.

Mr. LEA of California. I make the point of order there is no quorum present.

Mr. MONDELL. The gentleman can do that if he desires.

The CHAIRMAN. The gentleman from California, having been recognized to speak out of order for 10 minutes, makes the point of order that there is no quorum present.

Mr. LEA of California. I misunderstood the situation. If I have permission to proceed, I withdraw the point of no quorum.

Mr. MONDELL. I am rather disposed to make the point of order myself under the circumstances.

The CHAIRMAN. Does the gentleman from Wyoming make the point of order that there is no quorum present?

Mr. MONDELL. I will not make the point.

Mr. JOHNSON of Washington. Has the gentleman from California 5 minutes or 10?

The CHAIRMAN. The gentleman from California is entitled to 10 minutes to speak out of order with the permission of the committee.

Mr. LEA of California. Mr. Chairman, in a speech recently delivered by the gentleman from Illinois [Mr. GRAHAM] this House has witnessed a recrudescence in mild form of the war investigating committee of other days. As a minority member of that committee, I feel justified in calling attention to some matters concerning the war investigation and the prosecution of war frauds, which were suggested by the speech of the gentleman from Illinois, and which perhaps can now be viewed in the clearer light of subsequent reflection.

THE UNPROVEN CHARGES.

In 1920 the gentleman from Illinois [Mr. GRAHAM] served in the double capacity of chairman of the war investigating committee and political ammunition maker. The epitome of many of his speeches was in these words:

> I say to you, with a full apprehension of the nature of the charge, that there are thousands of men who have violated the law during the war, of whom the Attorney General's department has full knowledge, and none of whom has been or will be prosecuted. * * * But I take considerable hope in the thought that after the 4th of next March another * * * Attorney General will have something to say about the administration of these matters.

The time for reckless talk and indiscriminate charges is past. For two years, during the Sixty-sixth Congress, the war investigating committee could make all sorts of unsupported charges and get away with it by charging that an Attorney General of opposite political faith would not prosecute the proven crimes. The investigating committee was free to make charges, but had no responsibility in sustaining them.

That time is past. For 16 months the Attorney General the gentleman from Illinois hoped for has been in that office and has not confirmed a single one of his charges of two years ago. One of two conclusions is inevitable. The charges were unwarranted or the Attorney General has failed to do his duty.

METHODS OF INVESTIGATING COMMITTEE.

The absence of that impartial and judicial balance, characteristic of the committee's work, destroyed even the merit of its efforts. The members in their overzeal to build up a case against political opponents constantly resorted to captious and specious criticism. In the zeal of advocacy they frequently ignored the presentation of exculpatory facts which, if revealed, would have destroyed their arguments. Not infrequently an excess of zeal resulted in misstatement of facts.

Take one notable case where an important exculpatory fact was concealed from the public. Muscle Shoals has been a fireside topic of the Nation. During the war investigation the Department of Justice conducted an investigation of Muscle Shoals. The chairman of the investigating committee and his stenographer and accountants were given access to the secret files of the Department of Justice. One of these files showed that a contract, dated June 8, 1918, was the product of Charles E. Hughes. The files also showed that the bill of Mr. Hughes, in a substantial sum for that service, was presented by the Air Nitrates Corporation for payment to the Government.

Liberal excerpts from these reports of the Secret Service files of the Department of Justice were embodied in the hearings by the chairman. Immediately adjoining the language quoted from the files of the department condemning this contract of June 8 was a paragraph showing the relation of Mr. Hughes to the contract. This was entirely omitted from the hearings and the report of the Graham committee and no reference made thereto.

The chairman of the investigating committee in a report filed in this House on the 18th day of May, 1920, denounced that contract in the following language:

> By this second unconscionable contract the Government officials permitted the American Cyanamid Co. and its subsidiary corporation, the Air Nitrates Corporation, to absolve the American Cyanamid Co. from any legal obligation, to increase the fee of the Air Nitrates Corporation on all its expenditures past and future to $1,500,000, to reserve to the American Cyanamid Co. the right to buy the plant when the Government was done with it, and to increase their royalty from $12 per ton to $30 per ton on nitrogen fixed, in case the Government should operate after the war. No reason is given for these contractual changes and it is obvious that no satisfactory explanation can be made.

Commenting on the officers responsible for making these contracts, it was declared:

> So flagrant and meretricious was the conduct of these officers, charged with this high responsibility, as to deserve the most severe and outspoken criticism. Such failure to perform their plain duty could only arise from ignorance or collusion.

Thus the officers in the War Department for their responsibility for this contract are denounced in outspoken terms. The gentleman from Illinois, however, in his report of the matter to this House and in his speech on this floor failed to inform the House that the contract he denounced was approved by the Hon. Charles E. Hughes and the bill for his services in that connection was presented against the Government. The important fact of the Hughes authorship was thus concealed.

In public estimation, Mr. Hughes's authorship of that contract would have been regarded as an exculpatory fact that would have made the country loath, indeed, to believe the characterization of the transaction given it by the gentleman from Illinois.

The gentleman criticizes Attorney General Palmer for refusing free access to the files while the investigation of Muscle Shoals was "actively pending" in the Department of Justice. He fails to state the Attorney General subsequently permitted him, his stenographer, and accountants free access to the files above mentioned. Had Attorney General Palmer entirely refused access to the files, his offense would have been less than that of the chairman of the committee, who withheld that important fact from the information he gave to Congress and the country. In purporting to give the facts the chairman assumed the obligation to give the whole facts.

Let us examine one or two concrete examples of erroneous information disseminated to the public by this committee.

For example, the gentleman from Illinois, in attempting to discredit a war expenditure, makes the bald assertion that a spruce logging railroad, 38 miles long, costing $4,000,000, had "no value as a logging road." As a matter of fact, the railroad tapped the greatest virgin stand of airplane spruce in the world. It was expressly built to furnish spruce for 1919 in contemplation of the war continuing. The sole reason it was not used was because the war fortunately terminated, making unnecessary the supply of spruce for which it was essential.

Again, the gentleman from Illinois stated that Disque, in charge of spruce production—

> built 13 railroads * * * over which no logs were hauled.

Nine of these roads were in fact used for transportation of logs during the war. Though there was unexpected delay in completing one or more of these unused roads they were intended primarily for a future supply of spruce which the early termination of the war made unnecessary.

Again, the chairman of the investigating committee stated—

> as result of our entire aviation program we obtained 213 * * * planes and 527 secondhand foreign planes, which were either bought or borrowed from our associates in the war.

The unquestioned fact is over 1,200 American-built planes were sent to Europe; over 5,000 planes were purchased from the Allies and used in Europe. We "borrowed" no planes. The statement as to the 213 planes was intended to cover the American-built planes in Europe. As a matter of fact, that is the total of the American-built planes at the front on the day of

the armistice and is only a part of a total of 417 American-built planes actually used on the front during the war. Counting planes of all classes and quality, we had over 16,000 planes during the war.

Again, in the recent speech it was stated that the report of the Committee on Aviation named "guilty officials" and infers there has been a wanton failure to prosecute them. Guilty of what? The report on aviation was replete with criticism, but recommended neither the prosecution of any man nor a suit to recover any money.

I have nothing to say in personal derogation of the members of the investigating committee. I respect them all. I regard the chairman as an able and useful Member of this House.

The war was conducted under the administrative heads of the Democratic Party. Democrats and Republicans alike rallied to the support of the country and equally shared war activities. Nevertheless, the party in power inevitably assumed political responsibility for the conduct of the war.

The expenditure of many billions of dollars in the course of a few months necessarily through organizations hastily assembled to meet the urgent necessities of war that brook no delay, inevitably meant waste, extravagance, a degree of inefficiency, and more or less avaricious preying upon public funds. It is the plain, important duty of everyone in position of responsibility to vigorously prosecute all guilty, regardless of politics, influence, or prestige.

Recently this House voted on a resolution, in substance providing for a congressional investigation of war expenditures and the work of the Department of Justice, in connection with the war-fraud cases. I have voted for every investigation of matters arising under the former administration that has been presented to this House. I have done that regardless of whether Democrats or Republicans were in power, because, generally speaking, the public has a right to know the facts concerning any matter of the public's business; also an investigation gives persons having complaints an opportunity to be heard. The publicity of an investigation tends to discourage and suppress evil influences in governmental affairs.

DISTRUSTFUL ATTITUDE OF PUBLIC.

I believe it is a fair statement of the situation to say that a large portion of the public is dissatisfied with what it regards as inexcusable inaction of the Attorney General in reference to war-fraud matters. Whether or not the Attorney General deserves that distrust is another question. I am merely stating what I believe to be the fact. Several circumstances have combined to create this distrustful attitude of the public.

In the first place, the Graham committee of the Sixty-sixth Congress created a widespread and exaggerated public opinion as to fraud, graft, and unconscionable profiteering in financial transactions in connection with the conduct of the war. From thousands of platforms and from more thousands of newspapers the public gained a distorted view as to the extent and character of these peculations. For two years every denunciation of these alleged conditions was accompanied by a declaration that on the advent of a new administration and Attorney General the wrongs would be righted, thousands of graft criminals would be sent to jail, and millions, even billions, of dollars recovered and restored to the Treasury of the United States. The public was led to believe that the number of criminals was so great and the proof so apparent that prosecution and conviction by the thousands would take place as soon as the Attorney General was sworn in.

In public opinion the Attorney General was assigned the impossible task of making a record to conform to these perverted and preconceived notions of the public.

With one or two exceptions, the Graham reports to Congress alleging the frauds in vast numbers were given to the country shortly preceding the advent of the present Attorney General. Such reports were also accompanied by the charge that the former Attorney General failed to act in these cases and the promise that the future Attorney General would. Therefore the burden of making good on the Graham reports was passed to the present Attorney General.

Vast business interests were closely associated in the public mind with war-fraud cases. The present Attorney General, justly or unjustly, was, in public opinion, regarded as too much of a politician of the machine type. Therefore public opinion was in a mood to accept the criticism that the Attorney General was too friendly disposed to large interests concerned.

The public expected that immediately upon the accession of the new Attorney General increased forces would be mobilized for a drive against war frauds. The converse happened.

Upon the accession of the present Attorney General the personnel of the war-fraud and graft division of the Bureau of Investigation of the Department of Justice, which had already been reduced, was increasingly reduced. The general inference created for 14 months after the accession of the present Attorney General was that war-fraud investigations and prosecutions were being brought to a close with little action or tangible results.

Even as to cases in court left pending by the former Attorney General the public failed to see the vigorous prosecution that was expected. For instance, in the case of the American Steel Spring Co., where five defendants were indicted for fraud, involving the manufacture of war materials, the case was dismissed with little, if any, explanation as to the reasons. The Attorney General may have been entirely justified in what he did, but the public did not readily understand or accept the reasons.

In the case of the Standard Steel Car Co., in which the Mellons, including the present Secretary of the Treasury, were directors, the chairman of the war investigating committee on December 16, 1919, denounced the transactions in these terms:

> It is so permeated with fraud and corruption that I do not wonder that any defender of this administration would not care to discuss it. There was fraud and bribery proved in some of the subcontracts, but all such accounts were allowed in full.
>
> The company stole a carload of small tools from this plant and removed them clandestinely to their own plant. The wonderful machine which they took from the Government as junk they are now sending to their subsidiary factories for use.

Commenting on the settlement made, Mr. GRAHAM said:

> Gentlemen, read the record, it stinks of corruption.

Those who joined in such charges are now chagrined to see no results confirming their charges.

The failure to institute and maintain prosecutions in these cases during the former administration was attributed to Democratic unwillingness to expose or prosecute wrongdoing that occurred during its period of power. High expectations were entertained in the popular mind that immediately on the accession of the new Attorney General a record of prosecution, conviction, and recovery of millions and even billions of money would make good the charges of the Graham committee. Sixteen months have expired and the public have observed no efforts or results to justify their anticipations thus created by that committee.

A number of cases charging civil and criminal frauds were pending in court at the end of the Palmer administration. The present Attorney General has had responsibility of these cases, with the conduct of which I am not familiar. Recently, however, Charles Ritzman, formerly an Army officer, who was indicted under the Palmer administration in September, 1919, was on the 15th day of this month convicted by a jury on a charge of having accepted a bribe of $800 to influence the purchase of supplies by the Government.

A recent newspaper item also gives an account of a case conducted by J. F. Staley, a Deputy Attorney General under the Palmer administration, temporarily acting for the present Attorney General, in which the Government secured judgment on the counterclaim against the Gulf Refining Co. for about $500,000 in a suit that company filed against the Government to recover $7,500,000.

Somewhat further increasing public distrust was the apparent effort of the Attorney General to suppress the investigation recently proposed, as indicated by its defeat in this House and the reversal of the Rules Committee in reporting it. Strong criticism of the Attorney General having been boldly asserted by members of his own party in this House, I question whether or not the Attorney General pursued the wise and diplomatic course in resisting an investigation to be conducted by members of his own party, whose friendship he had little cause to question.

The committee chosen to investigate the management of the war was of opposite political faith. The duty assigned them was to investigate and render a truthful, impartial report of the facts. An independent body should have been selected, free from political motives and influences. In all just trials only impartial judges are selected to determine controversies. That rule of common sense and justice was ignored in selecting Members for the war investigation. In effect, a party to the controversy was given official power to pass judgment upon his opponent's case.

For such a committee to fulfill its legitimate mission was practically an impossible task. To perform it required those rare qualities of impartiality and sportsmanship which are able and willing to concede an antagonist the merit and justice of his cause. How totally this committee failed to reach that high plane of impartiality and sportsmanship is evidenced by hundreds of pages of reports, in none of which is there any

concession of worthy patriotic motives or useful accomplishments to the persons administering our war activities. In all cases where political bias and suspicion could not suggest words of censure words of praise were at least withheld.

No recognition was given to the great achievements of the war. If a man from a newly discovered country could read the reports and have no other source of information, he would probably conclude that America lost the war, or if she did not lose it her participation in it was a record of humiliation and dishonor.

The committee permitted its work to be so characterized, tainted, and stratified with political and partisan motives that the whole legitimate purpose of an investigation failed.

In fact, the reports of the committee are preeminent. They are preeminent as a source of misinformation concerning the war. The intelligent student of the future will give about the same credence to these reports as a modern intelligent farmer would give to the weather predictions of an almanac.

The matter of investigating and prosecuting war frauds stands to-day practically where it stood 16 months ago on the discharge of the Congressional War Investigating Committee and on the accession of the new Attorney General. A widespread belief in the existence of frauds on a vast scale has been created and no adequate proof produced.

The new Attorney General coming into office under these conditions, the country naturally assumed that he would immediately augment his war investigating and prosecuting forces, clear the war record, and accomplish justice.

The country was unwilling that this matter should rest as it was 16 months ago. It wanted these matters disposed of by somebody in authority who had the responsibility to prosecute the guilty and to remove from the innocent the reflections unjustly cast upon them. Instead of charges the country wanted proof or disproof, punishment or exoneration. It has been furnished neither.

FRAUD-INVESTIGATING ORGANIZATION.

In volunteering a defense of the present Attorney General against the charges of inaction recently made, the gentleman from Illinois said, "The Attorney General has had to build his organization from the ground up."

On March 4, 1921, the day Attorney General Daugherty succeeded to that office, the head of the investigative service and the assistant director were both Republicans who had been in the service for many years preceding the Wilson administration. Practically all the heads of the nine divisions of the country were either Republicans or had been in the service by appointment before the Wilson administration began.

The former Attorney General turned over to the present Attorney General a war-fraud investigating organization of 45 men, most of whom have long connection with the Government. They were selected without regard to politics, and most of them were Republicans. Evidence produced before the House committee on the 4th day of May, 1921, two months after the accession of the present Attorney General, showed the office force of 45 engaged in war-fraud investigations had been reduced to 30.

I am advised that since March 4, 1921, 24 of these men engaged in war-fraud investigations have been released from the service, 3 of whom had previously been taken over by the Department of Justice from the fraud and graft section of the Military Intelligence Division of the War Department because of their particular experience and qualifications in war-graft cases.

FRAUD AND CLAIMS CASES.

In view of the past declaration of the chairman of the war investigating committee that Mr. Palmer, formerly Attorney General, "found no war frauds to prosecute"; in view of his prediction two years ago that it mattered not how many crimes would be "uncovered" none would be prosecuted, it is pertinent to place in the record some facts concerning claims and war-fraud matters. All cases, criminal and civil, growing out of contracts between the Government and individuals during and following the war were primarily investigated by the departments in which they arose.

WAR CLAIMS.

The Secretary of War, in his annual report for 1920, reported a settlement of claims aggregating $3,300,853,000 for a liquidated sum of $437,819,000, or 13 per cent of the amounts claimed. Following the armistice, 42 war claims boards were established and undertook the settlement, in accordance with the Dent Act and other laws, of many thousands of unliquidated claims against the Government. It was an undertaking of vast proportions and incidentally involved reports of probably 30,000 inspectors and agents of the United States in different war activities. Cases before war claims boards involving alleged frauds and the recovery of money were from time to time referred to the Department of Justice; but the war claims boards were primarily for financial adjustments and not for the investigation or prosecution of crimes.

The War Department, under Secretary Baker, on the 29th of May, 1919, made a request for funds for the investigation and prevention of graft and fraud in the administration of the Army. In this connection it was said the disposition of vast quantities of military supplies incident to demobilization of our Army "opens the way for graft and fraud, which, if not prevented, may assume very serious proportions."

The Military Intelligence Bureau of the War Department established a special division known as the Fraud and Graft Section to investigate and furnish evidence for the prosecution of fraud and graft cases.

Up to May 10, 1919, the War Department, Military Intelligence Division, Fraud and Graft Section, investigated 1,058 cases, and through the Department of Justice made 507 arrests and secured 196 convictions before civil and military courts. Prior to June 16, 1919, $600,000 was recovered. The department had on this work about 17 investigators. The cost as reported to Congress was about $68,000. All of the actual arrests and prosecutions before civil courts were carried on by the Department of Justice.

On March 25, 1920, in requesting an appropriation for the Fraud and Graft Section of the Military Intelligence, General Churchill, chief of the division, reported that the War Department during the period from August 1, 1918, to March 25, 1920, had investigated 3,212 cases, arrested 1,891 persons, and secured 1,024 convictions before civil and military courts.

After June 30, 1920, the War Department discontinued the investigation of cases other than those having to do with the personnel of the Army, and its records were turned over to the department, including 246 cases, of which 147 were theft and embezzlement cases.

The report of the Attorney General for 1920 states that the Department of Justice was conducting investigations of alleged frauds in 25 shipyards and munition plants involving millions of dollars, and also similar cases in reference to the Coastwise Lumber & Development Co., the air nitrates plant, Muscle Shoals, and the Hog Island shipyard. The report of the Attorney General for 1920 shows the investigation of 6,032 cases and the conviction of 435 persons. The prosecution of the shipyard cases resulted in acquittal of the defendants after a trial lasting several months.

The report of the Attorney General for 1921, covering eight months of the administration of Attorney General Palmer and four months of Attorney General Daugherty, shows 146 convictions and 857 cases closed. The amount of property recovered was only $63,548.

In August of 1920 a separate division of the bureau in the Department of Justice was created to handle this work, to which special agents were assigned. Ninety-nine of these cases involved charges of fraud, varying in amounts from small sums to several million dollars. The theft and embezzlement cases involve comparatively small amounts. The total amounts involved in fraud cases aggregated something like $25,000,000. The department took up the consideration and investigation and final classification and assignment of these cases. Doubtless no final determination was reached in part of these cases at the time the present Attorney General was inducted into office.

On April 13, 1920, the House passed a resolution requesting the Attorney General to institute investigations before grand juries for the purpose of prosecuting persons guilty of criminal conduct and institute civil suits for recovery of Government funds. On the 3d of June following Attorney General Palmer requested an appropriation of $3,500,000 to carry on the work. Congress not only refused the requested appropriation but reduced the appropriation for detection and prosecutions of crimes for the year 1921 by $825,000.

On the 18th of December, 1920, the Attorney General was advised through the Appropriations Committee that his department would have to be reduced. Material reductions were made.

On the 10th of January, 1921, Attorney General Palmer requested the Appropriations Committee for a deficiency appropriation of $500,000 to carry on these war-fraud investigations and the statement was made by representatives of the department that the investigations had been continued, notwithstanding the absence of necessary funds.

Representatives of the department appeared before the Appropriations Committee on May 4, 1921, two months after the accession of the present Attorney General, advised the committee that the investigation of the cantonments was still going

on but that only about 30 men were engaged in the work and "they figure that it is now drawing to a close." It is also stated there has been a reduction in the forces and the expenses have been reduced and that the Attorney General expected "to get along" next year on that amount, meaning the normal appropriation.

ACTS CONSTITUTING FRAUDS.

The general character of fraud cases and financial claims of the Government growing out of the war might be summarized as follows:

Cases where prime contractors failed to pay subcontractors the full amounts collected by them for that purpose; cases where the Government furnished materials to contractors and false or erroneous reports were made to the Government as to the amount or quality of Federal material on hand at the time work was ordered stopped following the armistice; cases in which war claims boards were unable to reach an adjustment with the contractor and where questions of fraud, questions of law, and disputes as to the facts are involved; cases to recover credit extended by the War Credits Board; cases of overpayments due to deception, error of facts, or disputes as to the legal rights involved; cost-plus settlement where the investigation showed that subcontractors were affiliated with prime contractors, and therefore not entitled to the amount of profit allowed on first settlement; cases of overpayment due to misunderstanding rules governing war settlements and also mistakes shown on reauditing accounts; cases of bribery to secure the acceptance of war contracts; padded pay rolls and overcharges of various kinds, where claims were made for amounts and quality of material in excess of that furnished.

The recently proposed investigation having been denied, the sole responsibility for action still rests with the Attorney General. He has recently augmented forces for a more vigorous handling of these matters. Personally, I hope the Attorney General will be big enough and brave enough to do the right thing, prosecute the guilty with energy, and protect the innocent against wrongful aspersions. In that way the taint of doubt and suspicion can be removed from the history of the war and a service performed for the country.

When this task of the Attorney General is performed guilt will rest upon some, but America's war record will remain cleaner and stronger as the passing of temporary passions give way to a more appreciative and clearer vision. When that time comes all citizens of the Republic will understand what Champ Clark understood at the close of the war when he said:

It is astounding that we raised an Army of four million and a half men and sent over 2,000,000 of them to France in a few months; that we gave sustenance and help and food and raiment to half the nations in Europe and are still not bankrupt ourselves. It is the most monumental job ever undertaken by the children of men, and we accomplished it and accomplished it well and thoroughly, and, as Admiral Schley said about the results of the naval victory in Cuban waters, there is glory enough for all. Let us quit quarreling.

Mr. ZIHLMAN. Mr. Chairman, I move that all debate on the section and all amendments thereto be now closed.

The CHAIRMAN. The gentleman from Maryland moves that all debate on this section and all amendments thereto be now closed.

The motion was agreed to.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from California [Mr. LEA].

The Clerk read as follows:

Page 1, line 6, after the word "of," strike out "$5,000" and insert in lieu thereof "$4,000."

Mr. LEA of California. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. The gentleman from California asks unanimous consent to withdraw his amendment. Is there objection?

There was no objection.

The Clerk read as follows:

SEC. 3. That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $8,283.34, or so much thereof as may be necessary, to pay the salaries of the Second Assistant Secretary of Labor and the private secretary to the Second Assistant Secretary for the fiscal years 1922 and 1923.

Mr. VOLK. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. WALSH. Reserving the right to object, I would like to know on what subject.

Mr. VOLK. It is on narcotic legislation.

The CHAIRMAN. Is there objection?

There was no objection.

The extension of remarks referred to are here printed in full as follows:

Mr. VOLK. Mr. Speaker, I desire to bring before this body two matters of very grave concern and importance to the public, both arising out of the narcotic drug situation in this country. The first pertains to a demand from medical and scientific men from every quarter of the United States calling for the report and adoption of House Resolution No. 258, which provides for a thorough, complete, and unbiased investigation of narcotic drug addiction. The second relates to corrolary condemnation of administration of the Harrison Narcotic Act, particularly since the enforcement of the law was transferred to the narcotic division of the prohibition bureau of the Internal Revenue Department.

In House Resolution No. 258 and in an address before this body on Friday, January 13, 1922, I called specific attention to rules and regulations issued by the Internal Revenue Department interpreting the Harrison Act, and having the force and effect of law, a document as extraordinary as ever issued by this or any other Government in its presumptuous assumption of authority and ruthless disregard of facts and experience.

I refer to the rulings promulgated October 19, 1921, by the office of the Federal Prohibition Commission, over the signature of R. A. Haynes, Prohibition Commissioner, and D. H. Blair, Commissioner of Internal Revenue.

This ruling, in effect, disposes of a medical and scientific problem relating to the handling of narcotic-drug addicts by eliminating the physician and scientist and turning the entire matter over to Federal police, district attorneys, and favored sanitarium proprietors and underworld peddlers, who have reaped a golden harvest from their nefarious and illicit traffic.

Without any foundation in proven medical knowledge or experience, this ruling asserts that "medical authorities agree" that addicts may not be treated unless confined within prison or sanitarium walls and that "this consensus of medical opinion" is used by the Revenue Department as a basis for the policies of the prohibition commissioner.

In the early stages of the discussion of this problem in this House I received a letter from the Commissioner of Internal Revenue, written in response to my request asking to know upon whose authority the remarkable ruling just cited was promulgated. The reply stated that medical and other experts attached to the Treasury Department decided these questions.

The only other explanation vouchsafed was contained in the language of the regulation to which I have referred, which says:

The following resolutions passed by the council of health and public education of the American Medical Association at its (the council) meeting on November 14, 1920, is pertinent in determining the period over which narcotic treatment should be extended in purely addiction cases:

"*Be it resolved*, That the council of health and public education of the American Medical Association indorses the principle expressed in the California law, section 8½, which forbids the use of opium and its derivatives in the withdrawal treatment of those addicted to the use of drugs for a period of more than 30 days after the commencement of the withdrawal treatment."

The American Medical Association may be stated to be the very bedrock of medical opinion in this Nation. It is comprised of the best brain and talent within a noble profession. It has in its membership about 90,000 of the physicians in the United States. It is bound by a code of ethics which has gone further than any other agency to place the practice of medicine upon the highest pinnacle and plane.

These men and this great institution are unimpeachable. Their integrity is undoubted. Their voice carries with it the weight of a professional body upon which the halt and the lame, the ill and well must depend for very life itself. And when they speak by resolution we all may listen in full confidence that we are receiving the pure thought of medical wisdom and the real consensus of medical opinion.

AMERICAN MEDICAL ASSOCIATION REPUDIATES ACT OF ITS COUNCIL ON ADDICTION.

It is of momentous importance, therefore, that the American Medical Association in solemn convention assembled should have arisen in its might and repudiated the minority findings of this so-called council, a group of five men out of this great body, which minority findings they have dared to set forth, and officials of these United States have accepted, as the solemn opinion of all the medical fraternity.

This repudiation was not the action of a minority committee in the association but resolutions openly introduced and adopted by the vote of the house of delegates of the American Medical Association, representing 90,000 physicians, who had been acquainted with the use made of their organization by the Internal Revenue Department to bolster up unsound policies.

The house of delegates of the American Medical Association also knew to a man this House Resolution No. 258, which specifically described the connivance of Government officials responsible for the Prohibition Commissioner's ruling of October 19, 1921, and of members of the medical profession behind the findings of the council of health and public education of the American Medical Association as a conspiracy to drive narcotic drug addicts into established sanatoria purporting to treat narcotic drug addiction. (See Appendix to the CONGRESSIONAL RECORD, 67th Cong., 2d sess.)

With this knowledge at hand, the house of delegates of the American Medical Association, representing a true consensus of opinion in general medical practice, voted on May 23, 1922, unanimous adoption of the following resolution, to be presented to this House:

Be it resolved, That the house of delegates of the American Medical Association approves House Resolution No. 258, providing for a select committee of 15 to inquire into the subject of narcotic conditions in the United States—

And so forth. This resolution is a consensus of medical opinion which neither this House nor the Internal Revenue Commissioner nor the Prohibition Commissioner can overlook or ignore. Nor does it stand alone as an expression of medical thought upon the subject of narcotic addiction and narcotic regulations.

AMERICAN THERAPEUTIC SOCIETY BLAMES "CHAOTIC CONDITION" ON RULINGS OF PROHIBITION COMMISSIONER.

On May 2, 1922, in the city of Washington, situate in the District of Columbia, an equally eminent body met in convention and deliberated upon the peculiarly ignorant policies of the Prohibition Commissioner with regard to the handling of the narcotic and addiction problem.

This was the American Therapeutic Society, known throughout the world as an organization whose roster embraces the foremost men of this or any other nation in the science and art of healing. Though I have said that the American Medical Association represents the consensus of general medical opinion, I may truthfully say that the voice of the American Therapeutic Society represents the last word in the treatment and cure of disease by those who are numbered among our famous specialists, our professors of medical practice, and our most illustrious scientific confreres.

This body, in its deliberations on the narcotic drug problem, found that rulings of the Prohibition Commissioner "had created a chaotic condition" and "had handicapped the practitioner and interfered with the prerogatives of physicians."

As its "consensus of opinion," the American Therapeutic Society, by an acclamation vote on May 2, adopted the following resolution to be presented to this House:

Be it resolved, That this society indorse the resolution introduced by the Hon. LESTER D. VOLK, to the end that a careful and scientific investigation of the entire narcotic situation may be had so that both the public and the physician may be benefited thereby.

Mr. Speaker, great as are the two learned professional societies whose solemn resolutions I have cited, there remains another and equally great aggregation of scientific savants whose lives have been given up to a study of problems peculiarly related to conditions fostered by our modern complex lives, especially in our great cities, where particularly exist the rings of drug peddlers and sanitarium interests preying on the addict. This body is the American Public Health Association, comprised of the health officers and students of health subjects from every quarter of North and South America.

AMERICAN PUBLIC HEALTH ASSOCIATION INDORSES NARCOTIC INVESTIGATION.

On October 19, 1921, Commissioner Haynes promulgated his interesting views on the subject of narcotics. On November 17, 1921, this body, meeting in annual convention in New York, and reviewing the work of and effects of narcotic regulations, anticipated the resolution of investigation No. 258, which I introduced before this body last January by adopting a resolution calling for a scientific investigation of the moot subject under discussion.

Similar position had been taken by this body for three years previous at its annual meetings and was the result of long and exhaustive investigation by special committees appointed to study various phases and problems of narcotics and addiction and of yearly open discussion of this subject.

The resolution adopted by the American Public Health Association in 1921 was sponsored by Dr. Peter H. Bryce, an internationally known health and scientific authority.

I might well stop here to point out that I have proved my case against the Government officials who claim that their policies represent the "consensus of medical opinion." However, so great and overwhelming is the demand of the medical profession at large for relief and clearing up of this complex and intolerable situation now existing, that the House should have knowledge of all expressions of opinion, that it may sit in solemn judgment upon the public officials under fire.

Therefore I call the attention of the House to the adoption of resolutions supporting House Resolution No. 258 by State medical societies, State pharmaceutical societies, and scientific and civic and quasi medical organizations, the enumeration of which would merely serve to accentuate the general growing demand for the investigation of the narcotic question.

An example of the expression of "consensus of medical opinion" by a State medical society is that of the home State of the Hon. D. H. Blair, Commissioner of Internal Revenue, which is as follows:

Realizing the importance of securing intelligent legislation on this matter at an early date, not only as a means of properly treating those that are afflicted but as a safeguard to the practicing physician, the Medical Society of the State of North Carolina, in convention at Winston-Salem, April 25, passed the following resolution during the meeting of the house of delegates:

"*Resolved, first*, The Medical Society of the State of North Carolina, now in session in Winston-Salem, approves House Resolution No. 258, providing for a select committee of 15 to inquire into the subject of narcotic addiction in the United States, the personnel of this committee to include all doctors who are now Members of the House of Representatives.

"*Resolved, second*, That this society indorses the position taken by Hon. LESTER D. VOLK, the propounder of Resolution No. 258, which position he has so ably and admirably sustained in a speech delivered in the House of Representatives on January 12, 1922.

"*Resolved, third*, That a copy of these resolutions be sent to the Senators and Representatives of North Carolina in Congress and that they be requested to use their best efforts to bring about the adoption of the resolution presented by Hon. LESTER D. VOLK."

There can be no controverting of this mass of evidence against the pernicious and ignorant policies adopted by the prohibition department, and a thorough and searching investigation should be made of the facts and incidents relating to the promulgation and enforcement of the order of October 19, 1921, and the conduct of the narcotic division of this department along these lines in the face of overwhelming medical disapproval.

If for no other reason, this House should act because of the humanitarian and economic issues involved.

THE CRY OF THE HONEST ADDICT.

No more convincing evidence for the necessity of an immediate and complete investigation of the narcotic drug problem could be presented than the facts contained in the following letters which have come to me unsolicited from various parts of the United States. They are merely a few from the collection which I have available. The names of the writers are withheld for obvious reasons.

This is the upright, honest, respectable, and respected addict, comprising from 80 to 90 per cent of those addicted. This is the type of addict whose care and treatment, yea, their very salvation, should command the interest of this wise, considerate, and humane Government. Contrast these with the so-called depraved, degenerate, criminal, underworld type of addict, exploited and advertised by morbid publicity.

As pointed out in my previous speech, there are between one and two million addicts in the United States. Over 1 per cent of our entire population.

The cries of these sufferers demand that we hear them in the name of humanity. Can we ignore that cry? Can we ignore their plea for help and assistance?

Congressman LESTER D. VOLK,

MY DEAR SIR: Recently I have had the pleasure of reading your remarkable speech relating to drug addiction.

Unfortunately I am one of the addicts, not of the criminal class. I am a trained nurse and hold a supervising position in a large hospital. What I have suffered for the past few years since the new laws and rulings came in I never can begin to tell you. I have never bought drugs from the underworld peddlers but will be obliged to resort to that means of obtaining it if something isn't done to assist decent, respectable persons, such as I claim to be. The price of the drug now is exhorbitant and the means of obtaining it is simply torture for ill persons. I have had a dreadful time finding anyone who would help me, as all physicians are afraid of the law.

I am tied up here in the hot city all summer and dare not go away for a vacation, which I need so badly, because I can only obtain three days' supply of the drug and must stay right here in New York to get it. A short time ago I lost my only brother and I could not even go to the funeral, out of town, because I could not go away from the doctor who gives me my prescription and the druggist who supplies me. This slavery is almost unbearable.

Addicts in New York are treated with less consideration and more cruelty than the law allows animals to be treated. All last winter I tramped through the bitter cold weather after my day's work was done to obtain my medicine, and then the fright and terror we live under all the time for fear of being deprived of it altogether and being obliged to admit our addiction, or the fear of being cast into prison and being treated with what is called the "cold-turkey treatment," which consists of sudden and complete withdrawal of the drug from the patient and being hourly washed down with a hose of cold water until cured. I will never submit to treatment at the hands of these brutal captors in a public institution. I will commit suicide on the steps of the Board of Health Building first and show the world how cruel these existing laws are.

I contracted this dreadful curse through an illness, and was surprised to find myself addicted after a very short time. Not one of my

friends know of my addiction and I never wish them to; it would kill me and disgrace my family, and no one would dare to give me a position of any kind much less such a fine one as I hold now.

If these people who are torturing decent drug addicts are Christians, I never wish to be one. In the name of God and humanity try to help us to go on our lives as best we can, not force us to any more humiliation. This thing of being registered publicly as an addict is an outrage. Physicians, many of them, would like to help us but are frightened to touch a case of addiction. Oh, for some humane law and treatment for decent drug addicts. Thousands exist. What can the law do by inflicting such awful penalties for sick and unhappy persons. Oh, for a relief from the hell and torture of the last few years—a tortured and frightened woman.

———— ————.

NEW YORK, *July 1, 1922.*

The ruling which creates the above condition of affairs is the one in which the Prohibition Commissioner solemnly ordains:

This bureau can not under any circumstances sanction the treatment of mere addiction where the drugs are placed in the addict's possession, nor can it sanction the use of narcotics to cover a period in excess of 30 days when personally administered by the physician to a patient, neither in a proper institution nor unconfined.

If a physician, pursuant to the so-called reductive ambulatory treatment, places narcotic drugs in the possession of the addict who is not confined, such action will be regarded as showing a lack of good faith in the treatment of the addiction, and that the drugs were furnished to satisfy the cravings of the addict.

Note that the drug can "under no circumstances" be "placed in the addict's possession" nor "when personally administered by the physician" "cover a period in excess of 30 days," where the addict is "neither in a proper institution nor unconfined."

No other construction can be placed upon this ruling than that it was intended to benefit the sanitarium interests or to encourage a policy voiced by an assistant United States district attorney in the southern district of New York that the best method was to drive all addicts into the underworld for their supply, where they will become a police problem and can be dealt with by the criminal authorities by a voluntary or involuntary commitment.

And if a physician to save a life or prevent the addict from going to the underworld should refuse to stultify his profession and should break this rule by placing "narcotic drugs in the possession of the addict who is not confined"—that is, should cheat the law of a potential criminal (?)—"such action shall be regarded as showing a lack of good faith * * * to satisfy the cravings of the addict."

Truly, a remarkable and learned pronouncement of a humane Government policy.

The following letter is from a woman 75 years old who for 40 years has been an addict. Although dependent upon a pension of $30 a month and paying $2.50 a week for her drug, a Federal agent (not a physician) changes the form of administering, making the cost $30 per week for an inadequate amount, and drives her into the hands of the "narcotic" bootleggers. An example of the practice of medicine by rule and regulation.

————, W. VA., *June 12, 1922.*

Hon. LESTER D. VOLK, M. C.,
Washington, D. C.

DEAR SIR: I have just noted in the columns of the Cincinnati Post an article regarding the resolution you have introduced in the Congress regarding the operation of the narcotic laws of the country.

I am much concerned in this matter, since I am myself an addict of the opiate habit and have been for 40 years. I find much interest in your views on this subject, since I am persuaded by recent experiences that persons falling victims to these drugs, usually under circumstances over which they have no control, are being unduly punished by our country's laws as they are written and enforced to-day.

For an instance, I am a woman 75 years of age. I draw a pension of $30, which is my only income. I have been a drug addict for the past 40 years, and naturally do not hope to recover. I have been allowed by the Federal authorities 20 grains of morphine every five days. For 40 years I have used this amount or more by the needle.

Last week the Federal agent ordered that hereafter it be given me in liquid form only, which is inadequate in amount in this form, and should I take enough in this way to satisfy the demand of my mind and body to a comfortable measure only it would cost me about $30 per week. Of course at this it would have to be purchased from bootleggers, since I can not get it from the proper authorities at all.

Persons who have to use this drug for disease, as I have to do, should have some reasonable and legal way to procure it. They can not hope even to retain the respect of the community when dealing with bootleggers and such, though persons who have any experience know that anyone will do such a thing when their mental balance demands it.

I am writing to say that I hope you will be able to enact an adequate remedy for this malignant ill, and that it may be soon and effective. Think of a person of $30 per month income having to spend $30 per week for a mere comfort, when it could be furnished me at $2.50, and a big profit realized on it by the seller at this.

Very truly yours,

———— ————.

The following is a letter from another resident of West Virginia. He states that the wonderful cure of ignorant officials is jail, and kick it out. Again, that there are 10 addicts in West Virginia to 1 in 1912. Truly a remarkable statement. It would seem that the present method of handling these unfortunates is to blame:

————, W. VA., *June 12, 1922.*

Hon. LESTER D. VOLK,
Washington, D. C.

MY DEAR SIR: I read in one of the Cincinnati papers an item of your proposed bill as a help to the drug victims of our country, which I have looked for and longed for since 1915, as I always felt some one who is placed in a position to do so would at some time do something to aid those at least who through disease are drug addicts. No one who has never experienced it knows the suffering one goes through, and, as you stated in your statement, all that has ever been done for those unhappy citizens has been to place them in insane asylums and jails, where their self-respect is lost and they either commit suicide or become criminals.

And to think we, a Christian Nation, who claim to live under the Christ laws, would so interpret the laws now practiced to clean up our country of the use of narcotic drug users. When one as I have, who has tried with all the strength of my will power to whip it and have visited the asylums, been placed among the insane, and in other ways until all the pride of my soul is dead, and I have a wife and a 5-year-old little girl to support, and without the drug I go blind and can not make a living, while with it I can, though it takes all the money I can make to get it. Yet who is it would not give all, and how much more we would love our country's flag if we felt our Government showed us humanity instead of the inhumane treatment we have so far received.

I come from a family who so far has not one, to my knowledge, who has been prosecuted for crime; yet in the past 24 months I have gone through a living hell, and if I only could find an asylum for a cure that would not make me feel and be looked upon as a criminal or could go to some of my physician friends, whom I could trust, and let treat me for the dysentery and nervous breakdown I am afflicted with, I would lend him all my aid to cure myself of the awful condition myself and wife also is in.

I only wish I had the command of the English language to express to you the awful condition we are in, and we have been insulted by ignorant officials who's wonderful cure is jail, and kick it out; and I have went down into them hell holes, found nails drove down through boards within 1 foot of your body, while on your cot, when, if you jumped up against the spikes, it might cause one's death, and I have sent up prayers to our Savior as he sent to His Father while on the cross. My Lord, my God, why has Thou forsaken me? So I feel that Christ is my friend and loves me, and I wonder who has carried my wife and myself with our darling child through these past years but the sympathy of our Savior's love?

I know it is not so for any aid from our Government, the land of the free, but we begin to wonder what is free in America to-day. Yet I still trust my Master to give some one like yourself the light to help we poor drug addicts out of the slough of despond and your plan of putting the treatment back into the hands of reputable physicians will do more to eliminate the drug addicts than all the politicians and petty officers can do, even if an army equal to the A. E. F. is put out to stop it.

In West Virginia to-day there is, I will safely say, 10 addicts to 1 in 1912. So I have been in all cures of not over three weeks at any one, and if I could get to a place where worries of a financial nature were off my mind and could have three months, I am sure I could keep clear of the awful habit. I'll bless you on my knees to the Giver of all happiness if you will fight to win a law that really will help us to be cured and God will award you for saving many souls from a suicide's death of despair.

Yours truly,

———— ————.

P. S.—Do you, as a physician, know of some treatment where we, my wife and self, could be treated to a successful cure? I have in the past 12 months had experiences which, if known by men, you would be bound to believe; that is, trying to be cured. I have gone out of my mind and for three weeks not remembering one thing. * * * I have worked at insurance and made as much as $500 in one week, but no hope to save a dollar as long as we use the drug and pay the price we have to pay. If you could recommend a place where no hyocine or fake treatment is used or jail or asylums, I will mortgage my birthright to pay it.

The following is a letter from a graduate of some of our widely known drug "cures" in the East. The fear of the hunted and haunted that they may be forced to undergo the horrors and tortures of the "board of health" treatment, the description of the "compulsory registration," and what it has done, are but too plain. It has been rumored that these lists are the prospective customers of the drug peddler and the prospective victims of the blackmailer:

Hon. LESTER D. VOLK.

DEAR SIR: I write this account of my addiction in gratitude to you for your wonderful efforts in behalf of such sufferers as I am and thousands more, quite as good as I am, right here in New York City, and trust that it may help by showing that all such are not degraded criminals, as the authorities make us out to be.

God grant you health and strength to carry on your wonderful work for us to the limit.

I will ask you not to use my name, for it would mean the loss of my livelihood and my family need me, and I must care for them. I feel you will understand and I most gladly trust you with my name and address.

———— ————.

NEW YORK CITY, *June 27, 1922.*

Hon. LESTER D. VOLK.

DEAR SIR: I have read your wonderful speech in the House of Representatives, and I feel that I must write to you and tell you how grateful I feel toward you for the noble and humane stand you have taken for the hunted, hounded, and persecuted drug addicts, of which, unfortunately, I am one. I am glad that some one is big enough, broad enough, and humane enough to understand us. No one except one who has been subjected to the horrors of the last few years can possibly understand what the decent drug addict has been through. This mistake that most people make in thinking that a drug user can only be of a criminal type is most cruel. I want to tell you my story, and I feel that I am but one of many who are of as gentle breeding, respected, honest, and unfortunate as I am.

I am a college woman, the daughter of a judge, the granddaughter of a physician, and of old colonial stock. Unfortunately, through

an illness, I contracted the drug habit and was a confirmed drug user before I knew it. I had been given it by a physician during the critical part of my illness, and when weak in the convalescing period, I continued to take it, feeling that I was not strong enough to do without it just then but would stop when I was a little stronger. I became quite well and made up my mind that I would cease buying the drug (morphine).

When my supply was exhausted I simply did not purchase more but at the week end went home to my residence in the country far away from the source of my drug supply. I laughed to myself about people contracting habits. I knew that there wasn't any such thing—it was simply weakness of character and ignorant and common to believe such foolish, fanciful things. I retired and before morning awoke with such distress of mind, horror after horror chasing itself through my mind—such physical distress and torture that I was nearly insane.

For a time it never occurred to me that it was due to the lack of the morphine, but after a few hours of this dreadful agony I determined that it was the lack of it and consoled myself with the thought that I had ceased using it before I was strong enough to do without its dependence. Before Monday morning when I could get back to town I nearly died from the sudden deprivation of the drug. How I got back into town to the source of my supply I know not, but I reached there in a condition of almost collapse and almost fell into the place.

On securing the usual amount I immediately became my normal self again, and this opened my eyes to the fact that I must have contracted the habit. I continued to take it simply to keep me from making a spectacle of myself among my friends and to enable me to continue my business—for I held and am still holding an important position of trust with many people dependent upon my instruction and advice—and to keep myself in hand and to appear normal, I continued to take just as small an amount as possible to keep myself in mental hand, and consoled my conscience with the promise that when my vacation came that I would find a "cure."

When my vacation came I began my hopeless quest for some one who would cure me. I went from physician to physician, was insulted, jeered at, and almost thrown out of medical office after office, and was told that I didn't want to be cured, called a "dope fiend," and one doctor said to me, "Go without it. What does a man do who has his arm cut off? Why, he does without it. Well, you go and do the same." I could not find anyone who would understand, and when I found one who did, he did not dare to help me. So, worn out mentally, physically, and almost broken hearted, I gave it up for the time, hoping at some time in the near future to find some one who would help me. Then the Boylan law came in and then my worry was to find some one who would even sell me the drug or enough to keep me from acting queer or breaking down with my work, for I had a family on my hands to support. I am a widow, and my little family had to have my support.

I struggled along under the difficulties that the Boylan law made for me, getting the drug anywhere I could possibly get it and paying once $5 for four one-half grain tablets. A friend of mine who was associated with a druggist got me a little, and so I went on, half insane for fear my supply would be entirely cut off; and in that event I should be obliged to acknowledge my addiction before the whole world—lose my position, in which I am beloved, apparently normal, and respected, and be obliged to creep away disgraced, unhonored, and reviled.

Oh, it was dreadful! What agonies of mind I suffered and agonies of body through lack of sufficient drug to keep me mentally balanced, no one can ever possibly understand. It's a wonder that I did not commit suicide, for I fully made up my mind to do so if I was compelled to make the curse of my life public. Then the dreadful horror of the "board of health treatment" came into existence and I determined to end it all if I was compelled to stand in the writhing, shivering line with crooks and thugs awaiting the daily dole of enough of the drug to keep me going.

Fortunately, before that happened I found a great humane physician, who obtained for me an "exemption" for a limited time. This physician would have cured me had there been any place where a decent, self-respecting person could go to obtain treatment, but there was none. So, after much search I found an advertisement of a western "cure" for addiction. Got into touch with the representative of that "cure" (?) (whom I found later to be a chiropractor) and paid out a large sum of money for a "home" cure.

Taking the last cent I had in the world from the bank with joy, trusting that it would be the means of making me free, I gladly paid it. This chiropractor "cure" representative had associated himself with a New York physician so as to conform with the law as to making out prescriptions for me, and the "cure" was on. I was told that in 10 days I would be completely free of my addiction. They gave me what afterwards proved to be some bottles of Hyoscine, with instructions as to taking it. I took it, nearly killed myself, and fell into a state of unconsciousness which lasted 48 hours, and frightened my family nearly to death. Fortunately, I was at home. The two doctors had my money and disappeared when they found I had given up my last cent. My family thought I had a nervous breakdown, and the physician they had called in during my collapse thought so also.

After a few weeks I staggered back to my place of employment, more dead than alive mentally and physically, and continuing the drug, hoping and praying for some help from somewhere, but it has never come. I am still holding my responsible position, and while my heart it almost broken, I am apparently just an active, normal, responsible business woman, honored by my employers and those under me. I have been able, through a wonderful physician, to obtain just enough of the drug to keep me going and normal, and hoping and praying for some relief.

I have a friend who is a trained nurse. She has been employed in one of the public institutions where the "cure of drug addiction" was applied to those unfortunates who fell into the hands of the "drug squad," and rather than go through what she has seen and truthfully relates, I would prefer death and have it all over at once.

The last three years have been years of torture. I thought it was hard enough to have to go to a physician for a prescription at all, but to be obliged to go daily for enough to keep body, soul, and mind together has been almost more than I can possibly endure.

My addiction was brought on by an illness of acute rheumatism, which has resolved itself into chronic arthritis, affecting my hands and knees particularly. Days and days when I have been so ill that I should have been in my bed, I have had to drag myself forth, and whatever the condition of the weather, beating snow or driving rain, I have had to go personally for my prescription—days when the very act of my going out and battling with the elements has only aggravated my disease, and several times has nearly killed me. I have crept to the doctors when my temperature has been 103°, for, without my drug, I could not exist.

Then the terror of the whole thing has been awful, the constant fear that I might be arrested and thrown into a "cure" with criminals and degenerates has filled my soul with fear every moment of the time. I have never for one moment felt free from the possibility of being arrested or the object of espionage from some of the "narcotic squad." I only want to be cured or left alone. I am not a menace to society, nor a blot on civilization, as drug users are termed and called. If they will only let me go the rest of the way quietly alone, I will be most grateful.

The very fact that they keep me in a state of constant fear makes me take more of the drug than I would if my mind was at rest. It keeps my nerves unstrung and terrorizes me constantly. The awful thought that I might, any day, fall into the hands of the police and be railroaded off to be cured, is horror in itself, as the board of health has a record of every addict, his home and place of employment, and I understand that these records are accessible to others. I can never feel safe, and each day seems to me may be the last day that I will be allowed to live my own life and go my own way. A threatening hand, heavy and ever ready to fall, hangs over thousands besides myself. The public "cures" in the city institutions are well known for the cruelty of method employed. Those poor creatures who had money could, during the cure, purchase the drug and thus elude the horrors of the cure, while the penniless ones stood the cure, were tortured and most of them died.

If I were obliged to go into a public institution with a lot of criminals and take such cure as has been administered to those poor creatures, I would gladly welcome death, for such procedure would mean my admitting my addiction to the world, and in doing so I would simply be committing suicide—for no one after such publicity would employ me for one moment, and without my work for myself and family I would be much better off dead. I would not submit to such a cure. I simply could not endure it either mentally or physically. I am hoping and praying for some relief somewhere.

I have found in my experience that drug addiction really has not the pleasures that lurid writers claim for it. I have never experienced any delightful langours or sensations—for me it is simply the one thing now that keeps me myself and allows me to continue my work for my little family. So I must have it—and as there is no cure for it, nor any place to go to be cured, if there were, I must continue.

To say that takers of drugs always increase their dosage and finally deteriorate into liars, thieves, and unclean specimens of degraded humanity is untrue. I have never increased my drug in years. I am a wide-awake, clean, wholesome woman, beloved by my family and associates, and always expect to be such unless I am forced by the law to associate with criminals by being thrown into prison to take a "cure"—which I will not be.

Also it is said that drug users flock together, reveling in the morbid joys of using their drug—another falsehood. I never knew but one drug user in my life, and this was years before I became so. I do not know the "underworld" and never in my life ever saw a purveyor of drugs in the street or elsewhere. I would not know one on sight. I have never lost a day's work through my addiction in years, and always dependable, active, and well-balanced mentally—and expect to be so if I am permitted to go my own way, lead my own life, and harm no one but myself—if I am harming myself.

I am so thankful for such a big, wonderful man as you are—one who understands the situation perfectly. I am sure that you will help us and reach down your strong hand and save us from going under amid all this torture and horror that surrounds us just now. God grant you courage and strength to change the situation as it now stands, for without some such help as you are offering us, thousands of decent, respectable, and respected drug addicts will be obliged to end it all some other way.

God help you to help us.

The following is an extract of the testimony of a woman drug addict published by the Nea Service (Inc.), in their release of June 26, taken from a sworn copy which I have in my possession. This woman has undergone practically every known form of treatment without success and with resulting near ruin. Her baby was born an addict. The fallacy and unreliability of the advertised routine treatments and so-called "cures" is shown, and it is an unanswerable document in favor of real scientific study and investigation of this condition:

STORY OF A WOMAN DRUG ADDICT.

(By Nea Service.)

I am a nurse 43 year old, a widow with one son. I have been a morphine addict for more than 20 years. My son was born an addict, but I cured him in babyhood—the only time, it seems to me, when addiction can be cured.

When I was 20 I became ill with appendicitis and a complication of internal trouble. I was sick for three years and had many treatments, and finally had to be operated on.

The doctors gave me morphine, but never steadily enough to cause complete addiction until the last attack, which lasted seven months.

The doctors stopped the morphine at the time of the operation. They lectured me about will power and warned me not to let the morphine get a hold on me. I never had any enjoyment out of it, except relief from suffering. But the damage was already done.

When they stopped the morphine, I became a wreck. I could not sleep. I was deathly sick.

I was without morphine for two or three months. Pains, weakness, nervousness, and sleeplessness were driving me insane. I had to have relief. I thought I could take morphine to relieve my suffering and quit when I was well.

I married before I fully realized I was addicted. When I finally found out that I could not stop the morphine I was nearly wild with suffering. My husband and I talked it over and he finally insisted I must stop trying to do without it.

BABY IS BORN WITH DRUG ADDICTION.

Then we began a search for some doctor who would save me. We tried and tried, without success—and then baby was born.

He was a fat, healthy looking baby. Then suddenly the nurses wouldn't let me see him. I knew something was wrong.

I got up out of bed and went to him. He was blue and drawn and looked as if he were dying. He looked just the way I did when I needed morphine.

We sent for the doctor and told him our fears. The baby seemed to be dying and the doctor gave him a little dose of morphine and in 20 minutes he was fine and quiet, with a good color and a healthy look.

My baby had been born a morphine addict.

I had the most awful ideas of killing myself and the baby, too. And then I made up my mind I would save him somehow.

It tore the heart out of me to see the way he suffered. He would draw up his little legs and shriek and moan and you'd think he would cry himself to death.

I insisted that he should not have any morphine except just when it would keep him from dying. He only got a few doses, but for 18 or 19 months he was awfully sick.

We stuck it out, and my baby lived and began to get stronger, and was completely cured.

But now I am terrified at what will happen to him if anyone ever gives him an opiate in case something happens to him.

I am constantly sick and scarcely ever able to work, though I used to earn good money as a trained nurse.

What I need is another operation. But I can't because there is no hospital I can find that will take care of my addiction.

I wish I had died when I was born. Or that my son had died in those first awful days.

Addicts like me, accidentally placed in the grip of a terrible disease, are hunted like criminals under present laws. The public does not know that most of us are not criminals at all.

ADDICTION IS MADE EASIER FOR CROOKS.

Recent interpretations of laws placing narcotic administration in the hands of laymen who have no medical knowledge of addiction have made things worse for thousands of accidental addicts like myself, who now must have opiates to live.

But things are easier for the crooks and degenerates who buy their drugs from peddlers.

I am sorry I ever registered as an addict under the law. I think I would be better off if I took chances buying morphine from peddlers.

Instead I am chained to one job, to one doctor. I dare not leave the city 48 hours, because no other doctor will prescribe for me. I have had to refuse several fine positions because of that.

I have to buy my drug every few days. I can not get a supply ahead. The expense is increasing all the time.

DRUGS COST HER $1.30 EVERY DAY.

Until two years ago I could buy a week's supply for 65 cents. Then it was 90 cents a week. That wasn't so bad. But now it costs me $1.30 a day.

I know the druggist doesn't want me to come to him any more than I want to. I know he can't help charging me so much more than the drug used to cost. He'd rather not have addiction prescriptions anyway.

Everything is playing into the hands of the peddlers. Out of the hysteria they are getting rich.

The trouble is the public knows only about the underworld addict. They class the rest of us, honest and law-abiding, with criminals.

Honest doctors are afraid to do anything for us beyond what the law allows.

But we addicts long for freedom. We know that our only hope for escape from the cruel chains of the drug habit is through scientific study and research and adequate provision for the intelligent and sympathetic care of addicts.

That is why we hope Congress will study our situation carefully, so that we can look forward to cures when possible, relief when addiction has progressed too far for a cure, and prevention of addiction at the outset.

THE HONEST AND INNOCENT NARCOTIC AFFLICTED.

The above are the class of opiate addiction sufferers declared by the report of the American Public Health Association and by every other report and investigation of reliable source, and in the modern textbooks and monographs on the subject of narcotics and addiction, to be medical problems. Honest and innocent people, from the judge to the returned soldier from France, from the minister to the laborer, from the woman of means and culture to the hard-working wife of the artisan or the self-supporting, honest laboring woman, from the corporation president to the clerk, from the legislator to the average "man on the street"—no age nor sex nor social scale immune to the physiological or pathological processes of this disease—the honest and innocent people who have contracted this condition as a result of therapeutic administration of opiate drugs.

They are the neglected, persecuted, and harassed and exploited sufferers to-day. The doctor or the druggist, terrorized by subordinate officialdom, can turn them from his door. The medical school can refuse to study and teach the facts and care of their condition and needs for its understanding and consideration. Casually appointed so-called "committees" can ignore their sufferings and needs. Hospitals can close their doors to them. Ignorant official subordinates can brutally force them through sufferings and harassments and finally drive them to the underworld peddler and smuggler.

They are the neglected crux of the narcotic drug situation. They are the victims for whose exploitation the fake treatment or sanitarium cure or advertised remedy contends with the underworld peddler and the extortionist and blackmailer. They are the real sufferers and victims of the narcotic situation to-day, and of the morbid publicity and hysterical promotion and incompetent administration. Nothing is being done for them, and all honest help and care is being driven away from them by administration of laws dominated by "interested" or partisan or promoting groups. To the honest narcotic addicts and their condition and needs the administration turns a deaf ear, led astray by the blare of the trumpets and the glare of the bonfires and the beating of the tom-toms of the "side show" medicine dance of the panacea promoters in medical and lay officialdom.

In what is probably the most comprehensive and accurate report from any scientific organization committee outlining the real needs of the situation, the report of a standing narcotic drug committee of the American Public Health Association, printed in the American Journal of Public Health January, 1920, pages 83–86, inclusive, contains the following:

> The administration of laws and regulations of a too restrictive character, as applied to physicians and druggists as a whole, has apparently resulted in the neglect of this disease by the medical profession and the consequent retarding of the solution of this problem, just as they would if thrown around the treatment of any other disease. The demands of various minor technicalities and the possibilities of unintentional violations render so hazardous the practice of medicine as applied to these cases as to drive away from help to the addict the average honest practitioner of medicine, while they encourage the shyster and charlatan as they do underworld commerce.

There is neither space nor time for full discussion of these cases of the persecuted, neglected, terrorized, exploited, honest, and innocent addiction sufferer. They are discussed in so many places and reports and writings that it is inconceivable that administration and interpretation should ignore them and their necessities.

But administration and interpretation has been led astray by a handful of people in whom it trusted, and has neglected the real literature and record and information available. By the hundreds of thousands these people are suffering and searching for help and relief and, if possible, cure. Driven by hope and desperation they try one after another of the advertised "cures" and "treatments" and institutions. The average result as shown by all investigation and inquiry and literature of competent origin has been failure—not failure on their part but failure on the part of those who do not yet understand their condition enough to achieve success in their care and treatment. That is the cold, hard fact, platitudes and sophistries and evasions of incompetent official or pseudo-official report and statistics to the contrary notwithstanding.

Those who would study and work upon this condition and care for the sufferers to the best of their honest ability and good faith are driven away by manipulated administration and perverted interpretation and popularized morbid hysteria and false conception and by terrorism and persecution.

The clear and comprehensive report of the standing committee in the American Public Health Association shows the repeatedly demonstrated facts and need of the situation—facts and needs ignored by administration and kept from fulfillment. This report is to be recommended for study and consideration as soon as constructive work and remedy and education is again made possible and the hysterical experiments have ceased to dominate in publicity and administration.

Three years of unbridled power and force should by this time show what these things are doing, both to the harm of the innocent and to the fostering of the evil. Their failure and effects were all warned against in clearly shown prediction and warning from many places of highest authority.

The burden of their viciousness of these years falls upon the hundreds of thousands of innocent addicted. In increasing numbers since my speech and resolutions in January, I have been hearing from these people and their physicians and relatives. A few of the letters and appeals for justice and honesty and mercy and help I have inserted above. Let them speak for themselves, and pray to a merciful God that the administration will at last pay attention to their plight and understand their needs as it did three years ago before the present medical group and their associates came into power.

THE DEGENERATE OR CRIMINAL NARCOTIC ADDICTED.

The type of criminal or degenerate addict who has been "touted" in the press and in reports and statistics by certain officials and committees and promoters, the "submerged tenth" of the narcotic addicted, is an entirely different matter from those I have just discussed. They are the advertising or publicity exploitable assets of the hysteria creator and publicity promoter.

They are not medical problems primarily and never will be. They are problems in vice and criminality and degeneracy. They have little to do with the real problems of addiction. If they constituted the typical addiction case, or even the larger proportion of addiction cases, there would be no controversy and no narcotic-drug situation to-day. It is not for their exploitation that the furore recurs in promotion and spectacular propagandizing of their attributes. They are but "smoke screens" to hide the real quarry aimed at.

They are usually shiftless and penniless and sources of profit neither to the cure promoter nor to the underworld smuggler and peddler. They are the more or less mythical leaders or members of the "drug rings," the "queens of the underworld drug traffic," the "opium kings," and so forth, that have recurrently occupied the headlines of sensational articles in the newspapers for many years whenever some official wanted publicity or some panacea promoter wanted a new law.

Mr. Speaker, I have, of course, sympathy for their affliction, but in them the element of public safety, as in the nonaddicted of their same type of individual, dominates the picture. They are primarily and inherently problems for forcible control. The last report from the American Public Health Association, November 17, 1921, states, "The control of this group is essentially a police problem."

The sordid details of selected specimens of criminality or degeneracy taken from such people and exploited in the press and official report have been the stock in trade of the publicity hunter and panacea promoter and have occupied the public press and administrative consideration to the exclusion of the honest and deserving majority. Such types of people have always existed and always will exist, both addicted and unaddicted.

The horrible and morbid popularizing of them and their environment and characteristics and supposed enjoyments has probably been the chief factor in the extension of the disease of addiction among the youthful and curious, victims of the peddler, and furnished free advertising for his wares. For this extension of the situation in the past three years the ignorant or morbid-minded official parading in the public press is responsible.

I have often wondered if these things were not reflections from the psychology of the particular individuals or political appointees who persistently voiced them and ignored the sufferings and needs of the great majority of honest, innocent, and suffering afflicted. After reading the many piteous letters from the innocent and honest addicted and the medical and scientific and other literature of reliable origin and authority, such perversion of breadth of vision and broadly established facts and such reveling in the morbid and obscene requires the psychology of a Nero or of one of the degenerate kings of medieval ages.

And the continued use of such selected specimens of morbidness and criminality and degeneracy to distract from the medical and scientific and public health and economic and sociological problems confronting those who would study and help the innocent and worthy and deserving sufferers and provide for their needs and difficulties and, as far as possible, render competent treatment, is a blight upon modern civilization. It should be exposed and stopped.

PERSECUTION OF DR. J. M. MANNING.

We can no longer afford to leave the interpretation of the law to the opinions of warring factions or administrative appointees, who change in personnel or may change their minds overnight. We can no longer afford to continue in our national life and administrative offices such situations as called forth the editorial in the Morning Star, of Wilmington, N. C., February 14, 1922, and which are calling forth magazine and newspaper comment with increasing frequency and openness of declaration and condemnation.

The editorial deals with the recent trial and acquittal of Dr. J. M. Manning, one of the most eminent medical men and citizens of his State, arrested for falsely alleged violation of the Harrison Act. The editorial states that during the trial it was brought out that subordinate officials were "going about the State terrorizing doctors and druggists." It voices public appreciation of the statements and attitude of Judge Connor, who condemned the actions of the Government official, and states in part as follows:

> The law under which Doctor Manning was indicted is one of the most wholesome and beneficial laws on the Federal statute books. But, like most Federal statutes, it provides that some department or officer may make regulations for carrying the act into effect. This law has been surrounded with so many abominable and useless regulations that it is almost impossible for a druggist or physician to sell or administer opiates or narcotics without violating some regulation.
>
> It should not be necessary for a judge to comment upon these "flimsy cases brought into court against our best citizens," engineered by "peripatetic" subordinate officials or whoever may influence or direct them.
>
> Government by inspectors and deputies during the war may have been to some extent necessary, but now that the war is over the citizen is going to demand that the Government to which he pays such enormous taxes shall protect his rights and not treat him as an alien enemy.

OFFICIAL MURDER OF DR. C. F. J. LAASE.

It was just such another flimsy case that was brought against my old friend and coworker in medical journalism, Dr. Christian F. J. Laase, one of the most utterly honest men I have ever known, and one of the most studious and devoted to his profession, a man whom I personally know to have started in his narcotic work and study at the request of the officials of the Government in cooperation with whom he studied and pursued his work.

The mere shifting of the enforcement of the Harrison law to the Prohibition Bureau brought into the field new appointees and subordinates who reversed the meaning of the law through arbitrary interpretation and arrested him for doing what their predecessors had advised him to do. He was tried and acquitted, but died as a result of the persecution and harassments he was subjected to in the effort to "get him." Medical journals printed eulogies and medical societies passed resolutions commending his work and writings.

He was killed by the action of an ignorant Government subordinate official. Fittingly inscribed upon his headstone is the epitaph, "A Medical Martyr."

SUPPRESSION OF DR. ERNEST S. BISHOP.

Dr. Ernest S. Bishop is to-day probably the foremost scientific student and authority on the subject of narcotics and addiction in this country, if not the civilized world. He was indicted over two years ago by the same ignorant and arrogant official subordinate, and has been held under indictment ever since. This is clearly being used to keep from dissemination the information on this subject contained in a library said to be one of the most comprehensive and complete in existence and to prevent the application of the principles evolved by an experience and work known to be the most extensive in this country.

In reply to a request from me for some of the facts of his indictment and experience his frank discussion of them is revelational of the methods of modern officialdom. In spite of the unanimous protest in the medical and lay press there appears to be some power able to prevent a fair inquiry into his case and to keep him under indictment and his work suppressed.

Information has come to me from other parts of the country concerning other administrative outrages perpetrated against men of high standing and reputation and honor and honesty, "flimsy cases brought into court against our best citizens and studious scientific workers," also communications describing the most brutal and barbarous tortures inflicted upon innocent, honest, and suffering sick people through the uncurbed power vested in ignorant subordinates.

ELIMINATION OF THE MEDICAL RECORD.

There is no independent weekly medical journal in the United States to-day. The last to go of the independent medical journals devoted to the general practitioner of medicine was the Medical Record. And its passing deserves more than casual mention in connection with this subject of narcotics and addiction. It was recently sold and discontinued under circumstances which at least arouse suspicions involving administrative officials.

For over 50 years the Medical Record has been a bulwark of independent medical and scientific thought, producer of the work of scientific geniuses whose fame reached around the world. It was edited by Dr. Thomas L. Stedman, the dean of and undoubtedly the most scholarly and widely informed and far-seeing and fearless of the medical editors of this country. It was invariably fair, invariably giving space to proponents of both sides in mooted subjects. This journal has been a factor in the development of medical science and honest, independent medical thought perhaps beyond any other medical journal of this country.

It is more than a suspicious circumstance that just prior to its being sold by its publishers and discontinued suit based upon allegations concerning a letter of greatest importance in the narcotic situation, which it published, was brought by the same official subordinate referred to above in discussion of the attacks upon Doctor Laase and Doctor Bishop. It is also a coincidence that this official subordinate's attorney was one of the assistant United States district attorneys involved in the promotion of the Smith-Fearon or Cotillo bill, New York, elsewhere referred to, and the furthering of the claims and ends of its promoters. Because of my interest in medical journalism and this narcotic matter, I have inquired into this episode of the elimination of the Medical Record.

In my opinion as a former medical editor for years and a physician and a lawyer, there were no true grounds for this attack by these two men upon the Medical Record, and it is a matter of grave concern to honest medicine and to independent medical journalism and to honest administration that all the factors and elements in the action of these two men be inves-

tigated and that it be determined to what extent their acts were deliberately directed or inspired toward the terrorizing of the owners of the Medical Record and its final elimination.

The intrigue that has made possible this horrible situation, involving the suppression of fact, is directly traceable to a small group of men who have willfully overlooked the findings of science and experience as relating to addiction.

I referred to them in my address before this body on January 13, and would not again venture upon discussion of their unimportant and discredited practices, opinions, and statements were it not for the fact that I am informed that they are even now engaged in a campaign of propaganda seeking to offset the demand of the medical profession for a complete exposition of their practices and an investigation of the whole narcotic question.

Unfortunately, the leaders of this movement reside in my own city of New York, and are without compunction in using the implied prestige of their appointed committee and official positions to continue a state of affairs that has become intolerable.

I bear no malice toward this coterie. I believe they should have their day in court and an opportunity to match their experience and study of addiction against that of other physicians, and that the whole matter of the handling of addiction should then be weighed and shaped in accordance with the finding of recognized authorities upon addiction subjects and the evidence adduced in current bibliography and available scientific information.

THE PRESENT NARCOTIC DRUG SITUATION.

Mr. Speaker, I desire to call the attention of the House to the condition that exists to-day.

The honest are being persecuted. The innocent are being hounded and harassed and exploited. The sick are being denied care and treatment. The quack and the charlatan and the specific cure promoter are thriving upon their false promises and the hopes and gullibilities of the desperate

Administration is being perverted and corrupted. Ignorant youth, untaught and uneducated in facts and truth, spurred on and his curiosity aroused by morbid and sensational presentation from irresponsible origins, is being drawn into the snares planted by the harpies of human woe and creators of human suffering—agents of the rapidly increasing criminal underworld traffickers and smugglers and peddlers.

The scientific and clinical work and research of men who have made an honest and able study of addiction is being ignored and blocked from recognition by propagandized unscientific and incompetent "formularizations."

From everywhere come increasing records of aggravation of the narcotic situation and of smuggling and peddling and connivance in it of administrative officials, the logical and inevitable outcome of a situation created by ignorance and propagandized misrepresentation and suppression of education and true information. In the uncovering and elimination of this machinery and the laying bare for open consideration and evaluation of all sides and sources of information lies the most important factor in its remedy and final control.

My colleagues are, some of them, supporting measures for international regulation of narcotics and for further extension of administrative control within this country. Both types of measures to a reasonable and competent extent, applied to the proper phases, are needed for control of some of the addiction problems.

With both types of these measures, if competently and intelligently administered, I am in hearty accord. But from 10 years of contact with the bickering and scheming and experimentation that have gone on, fostered and kept alive in my own State—New York—by forces well known and repeatedly exposed and overthrown, I know that under present conditions nothing more will be accomplished than the further confusion of this matter and increase of its evils and of its hideous sufferings and injustices.

Government administration must have active in this work honest and trusted and intelligent and unbiased men, fully informed and fully educated in all possible and available material bearing upon the subject, and must give due recognition to facts as they exist and not be swayed or influenced by any faction or clique or partisan presentation.

The time has come when the Federal Government must stand aside in scientific matters involving honest professional judgment and permit medical men to practice their profession unhampered by lay administrative dictation. The yardstick of rule and regulation must be discarded for the truer measure of "good faith" based upon scientific medical teachings.

WHY CONGRESS SHOULD INVESTIGATE.

The really fundamental task of this situation is to force upon administrators and legislators and bring before the courts all the available information upon the subject which they should consider. These branches of our Government must no longer remain periodically bereft of fair and open presentation of complete facts, nor must it further be possible for interested parties or factions to periodically jockey or manipulate the information which comes before them, nor to suppress such information as does not support or accord with their own desires or ends.

It must no longer be possible for the laity and officials and the courts to be uninformed of the mass and bulk of scientific and medical opinion and to have presented as ultimate and authoritative and complete information such now completely discredited announcements and reports as have for the past two or three years presumed and purported to represent the profession as a whole and to express "consensus of medical opinion."

Upon such presentations, accompanied with attacks upon and persecutions and suppression of the sources of qualified utterance and information, policies are constantly being formulated in administrative circles (see Rulings of Commissioner of Internal Revenue), and laws framed for legislatures (see Smith-Fearon or Cotillo bill, New York), and decisions rendered in courts of law (see United States *v.* Behrman, decided March 27, 1922).

This last decision is of great importance because it is capable of being made into another instrument of manipulative effect and terrorism. It may be used to drive still other thousands of innocent addicted to the clutches of the underworld smuggler and peddler and corrupt official. It declares that the prescribing of "unreasonable quantities" of narcotics is a violation of the Harrison Act, another phrase which can be twisted to subserve the purpose of ignorant or corrupt officialdom.

Is this term "unreasonable quantities" to be left to the definition or determination of picked "committees" or officials of no scientifc qualifications in this subject or the irresponsible discussion and publicity of inexperienced, advertised, overnight "authorities" and "experts"? Or is it going to be interpreted in the light of all available information from reliable sources, none of it muddled or perverted or suppressed? The outcome of the present narcotic situation can not be predicted until these questions are answered.

How much longer is the mere incident or accident of who gets appointed to "committees" and public office going to determine the interpretation and force and effect of statute law to an extent to which the very fundamental intent of the law and its beneficent purposes can be reversed overnight through change of administrators and administrative policies? How much longer can truth and honesty be attacked and suppressed and charlatanism and ignorance and fanaticism and special interest furthered and exploited through the machinery of Government?

How much longer can individual administrative appointees refuse to consider everything which does not accord with or further the purposes or theories of themselves or their selected associates? Is this country going to be governed by law or by arbitrary official opinion under commission powers of unchecked domination? The history of narcotic law in New York State and city should be a warning, a history now being reenacted in the Federal administration.

In the last three years of quibble over words and phrases and "formulæ" and unanalyzed statistics—in the last three years of vindictive attack on persons and gossip and intrigue and manipulation of office and press—beginning with the advent of a new crop of administrators in New York State and New York City and the Department of Internal Revenue, influenced, as shown in my speech of January 12, a most horrible situation has developed.

This situation is built upon chicanery and false doctrines and exploited panaceas—medical pseudomedical, legislative, administrative, and otherwise—and upon ignorance or apathy or incompetence or promotion in administrative office. Destroy that machinery and force upon administration the recognition and application of all facts and material of information and you have made the big and absolutely fundamental step in solution.

Neglect to do this and this country will face the worst horrors yet seen in this situation. Allow the arbitrary opinion of various groups of lay or medical political appointees of no competent experience or knowledge to arbitrarily determine the controversial or mooted questions in a basically scientific question and problem and the present situation will continue

and grow worse, and evil, misery, and injustice will increase. Nobody at all familiar with the history of the past 10 years' experiences and experiment and record of this subject would controvert this statement.

This situation has been periodically stirred up by scientific quibbles and squabbles, by sensational and publicity-seeking officials, and by the promotion of narrow or unscientific definition of various phrases and slogans. It has been kept alive by the persistent dissemination and repetition of meaningless phrases and sloganized definitions and arbitrary pronouncements of incompetent character and origin coming from official or pseudoofficial position. The effect and possibly the deliberate intent of this has been to muddy the clear waters of truth and to provide pseudolegal, petty technicalities which have been used to suppress or attack men whose study and work and established honesty and scientific reputation stood in the way of the promoters of commercial or fanatic or theoretical panaceas.

Shed upon this situation the light of truth, and all of the truth, and it will become possible of solution and checking and control. In no other way can this be done.

Make public and widespread all that is known or available upon this subject so that administrative officials can not avoid or evade facts and real issues and conditions and the public press can not be manipulated into sensational, hysteria-creating advertising of selected cases of vice and degeneracy to the neglect of the needs of the vast majority of the honest and deserving.

With the awakening and arousing and final expression of real "consensus of scientific opinion," as expressed in the unqualified indorsements of House Resolution 258, there can be no further excuse for continued persistence in domination over administration and administrative power and action of the fallacies now openly repudiated.

It rests now with the only unbiased, competent body which can openly and publicly and with widest recognition take up and seriously consider the material and evidence in this narcotic situation and compel its universal recognition—the Congress of the United States.

Mr. KING. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. WALSH. Reserving the right to object, upon what subject?

Mr. KING. It is on a subject that in no way reflects on Members of Congress.

The CHAIRMAN. Is there objection?

There was no objection.

Mr ZIHLMAN. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. BIRD. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Kansas asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

The extension of remarks referred to are here printed in full as follows:

Mr. BIRD. Mr. Speaker, the House finds itself about to take a short recess after months of continuous labor and it is fitting that the accomplishments of the session be reviewed at this time. We have had President Harding at the helm of a Republican administration for a period of 16 months and during all of that time he and the Congress have been in harmonious accord and have worked most diligently with the program of the Republican Party pledges constantly in mind.

In taking invoice it is necessary, first, to review the condition of our country as it was turned over to the Republicans by the Democratic administration on March 4, 1921, after eight years of gross carelessness and mismanagement. True, during part of that distressing period we were plunged into and passed through the most terrible war of all times, but that most terrible experience served as an almost impenetrable screen to hide the mismanagement and inefficiency of Democratic rule that took place not only before and after the war but also in the management of the war itself.

In 1913 when the Democratic Party took charge our national debt was approximately $1,000,000,000. In 1921 when the Republicans took charge our national debt was over $25,000,000,000, and the annual interest alone upon the debt was greater than the total debt in 1913. During 1913 the Democrats increased the running expenses of the Government $43,000,000; in 1914, $39,000,000; and in 1915, $35,000,000. All this was before the war or even preparation for war. In 1916 they increased it in the sum of $129,000,000. Thus it is that we find our national debt figures as follows:

1913	$1,029,000,000
1918	17,005,000,000

And in 1920 when the Nation so roundly decided that a change of administration was necessary we found ourselves struggling under the enormous debt of $25,234,000,000. Right here it should be noted that of that sum more than $11,000,000,000 was loaned by our then President to foreign nations. Much of it was loaned without security or even properly signed notes or due bills, and a very considerable amount was loaned without authority.

In 1920 a feverish, nervous condition was prevalent over the country as a result of the war and the uneconomic condition into which we had been led until the outcome of our national honor and our national and international prosperity was a matter of the gravest concern to all.

The remedy proposed by the Democratic Party was that this Nation of ours submit itself to a league of European nations and that we place ourselves and our problems upon a parity with and in the cauldron of European diplomacy. (And they still propose it.)

The remedy proposed by the Republican Party was:

That we enter no entangling alliances.

That we terminate the war at once and declare peace.

That we have a casting up of our accounts and that war graft cease.

That strict economy in Government be practiced to the end that the burden of taxes on the people be lightened.

That agriculture as the basic industry of the country be given every possible assistance.

That freight rates be reduced.

That our returned soldiers be given honorable and just consideration.

That our industries and our labor be given protection against the chaotic condition of the world markets, and that every facility be afforded for the marketing of our products in all corners of the globe.

The Republican Party, under the leadership of President Harding, and with the aid and support of a Republican Congress, was given the job of bringing order out of chaos, honor out of complication and threatened dishonor, efficiency out of inefficiency, and prosperity out of impending and threatening disaster.

A casting up of the work of the administration and the Congress is to bring before the people of the United States the evidence of the fulfillment of that trust of Government and the verdict at their hands can not be in doubt.

PEACE BASIS ESTABLISHED.

Peace was promptly declared. We have no entangling alliances. We are in no League of Nations. We have preserved our honor and our national integrity, and even more, thanks to our President and his most able Secretary of State, Charles Evans Hughes, we have led the nations of the world a step nearer to the dawn of a universal peace. The limitation of arms conference taught the peoples of the civilized world that there is a better way than war. A burden of billions was lifted from the shoulders of a war-sick world and we ourselves were enabled to cut our war and Navy expenditures in the enormous sum of $215,000,000. Our Army is now cut to a peace Army of 125,000 and our Navy is being reduced to the now famous and peaceful 5-5-3 plan of the conference.

FOREIGN DEBT COMMISSION.

Under a law passed by this Congress the President has named a commission for the purpose of refunding and placing upon a sound business basis the debts and moneys that are due and owing us by the various foreign nations of the world. To this commission, at this time, France is sending a financial commission for the purpose of arranging the refunding of the French debt to this country. A British commission will also come at an early date, and the end of the year may well see about seven-tenths of the total foreign debt put in negotiable form with interest payments at not less than 4½ per cent assured, and a date for final liquidation arranged. With negotiations concluded with the two principal debtor nations, it should not prove a difficult matter to take up the question with each of the other countries in turn and speedily convert the notes now held by the Treasury Department into securities that may be handled in the future as Congress may direct.

WAR GRAFT PROSECUTION.

Out of the maze of war-graft cases much is being developed. And this development is being made in the face of almost constant Democratic harassing, criticizing, and faultfinding. The work is in the hands of the legal department of the Government and the courts, the evidence is being steadily gathered, and indictments are being made. The Congress has appropriated an additional $500,000 for graft prosecution and is rendering every possible assistance.

THE BUDGET LAW.

The Budget law passed by this Congress is the greatest measure known to any great modern government for reduction of expenses in routine of government. It is the right arm of an administration seeking to get full value of the people's money in government expenditure. It has already been a great boon to the present administration and Congress and has greatly aided in the extraordinary record of a reduction of our public funded debt in the amount of $2,000,000,000, a reduction of our floating debt of $700,000,000, and a reduction of taxation of over three-quarters of a billion dollars per year.

AGRICULTURAL REHABILITATION.

Agricultural rehabilitation has been one of the dominating thoughts of the administration and of the Congress, and much progress has been made upon the program.

An emergency tariff was enacted into law May 27, 1921. It has been extended until such time as the regular tariff bill shall become effective. In protecting the products of the farm from foreign inflow at a time when war's reaction was pounding agricultural products to a price below that of production, it had a steadying influence upon the entire economic condition of the country. As an additional aid the Russian relief bill was passed which provided for an extension of $20,000,000 to be used in purchasing in this country corn, seed grain, and food for the starving Russians.

Extension of rural credits was given attention in two measures passed about a year ago. The War Finance Corporation was revived and is now enabled to extend credits for not to exceed three years to persons, firms, or corporations dealing in or marketing farm products and to any association of persons engaged in producing farm products or live stock, and to any bank, banker, or trust company which makes or has made loans to persons engaged in the production of agricultural products or in stock raising or marketing.

A law was passed increasing the interest rate on farm loan bank bonds without advancing the rate to the farm borrower, and this, together with a law diverting an additional $25,000,000, for farm loan purposes, has greatly aided the work of the Federal Farm Loan Board. It now has a working capital of $50,000,000 and for the first time since its organization it is able to function continuously in its making of loans to farmers upon satisfactory security.

PACKERS AND FUTURE TRADING ACTS.

These acts regulate the packing industry and grain exchanges. The packer act prohibits packers and stockyards from engaging in unfair or deceptive practices or giving preference or advantage to any person or locality, or engaging in any act in restraint of trade or such as would tend to price control or monopoly. It also requires fair and equal treatment and services to be rendered by stockyards to all at the same charge, and that schedules for service shall be filed and open for public inspection.

The Capper-Tincher, or futures trading, act prevents gambling in grain and abolishes trading in "privileges," "puts and calls," "offers," "ups and downs," and the like in grain exchanges. Further, it makes them subject to Federal control and holds them accessible to farmers' cooperative organizations. A portion of the act was held unconstitutional by the Supreme Court, and within the last few days a new bill was passed by the House to meet the constitutional objections.

Legislative provision has been made for the appointment of a "dirt" farmer on the Federal Reserve Board. This is as it should be and is the proper recognition of a basic industry.

A study of the agricultural markets of the day as to wheat, corn, live stock, and other farm products will reveal how the crisis has been passed; that the strong trend is upward; that the policy of the Republican administration has been wise, and the agricultural legislation passed by this Republican Congress has been beneficial to the farmer.

FEDERAL HIGHWAY LEGISLATION.

On November 9, 1921, a Federal highway act as an amendment to the Federal road aid act was passed. It carries out the President's recommendations with regard to needed and essential changes in the Federal road aid act, particularly with a view to centralizing authority in the States and insuring the upkeep of Federal aid roads. By it and subsequent legislation the road program is to progress with the greatest rapidity practicable. In this bill special provision is made for farm-to-market highways.

IMMIGRATION.

On May 19, 1921, an immigration law was enacted to be effective until June 30, 1922. On May 11, 1922, this law was extended to be effective until June 30, 1924. By these measures immigration is restricted to an annual 3 per cent of the alien population of the respective countries now within the United States. This is one of the most important pieces of legislation enacted and is a safe floodgate against the flow of immigrants to this country following the World War.

THE ANTIBEER ACT.

In the closing hours of the Wilson administration Attorney General Palmer rendered a decision that greatly weakened the administration of the prohibitory liquor laws. Immediately the incoming Republican Congress gave the matter attention and the antibeer bill was passed, entirely remedying the unfortunate situation the prohibitory liquor laws were left in by the Democratic Attorney General's ruling.

SOLDIER LEGISLATION.

We have kept faith with the returned soldier. The Sweet bill provides for his rehabilitation and upward of half a million of men are now under the supervision of the Veterans' Bureau. In this bureau and for this purpose there has been an expenditure during this year of the stupendous sum of $425,000,000, and this amount will be a continuing one. The adjusted compensation bill—frequently called the soldier bonus bill—has passed the House and is now under consideration in the Senate. That this Congress has endeavored to give the care and attention to the sick and disabled soldier that a grateful Nation wishes him to have is shown by an additional appropriation of $17,000,000, passed April 20 of this year, for the construction of additional hospitals. The work of the Veterans' Bureau has been stupendous and it is noticeable that its efficiency is steadily increasing. Decentralization so much desired by the boys has been almost accomplished. An act of April 7, 1922, provides that veterans of the World War who because of physical disabilities due to service were unable to return to their homesteads may make final proof without further residence or improvements and receive patent to their land. Also grant is made of preferred homestead entry right for 90 days to ex-service men in the opening of public lands, which can only be defeated by prior valid settlement rights. Also an act of April 6, 1922, provides that the period of time during which an honorably discharged soldier of the World War shall be receiving treatment for injuries or disabilities incurred in line of duty shall be deducted from the time of residence required on a homestead.

THE TARIFF.

The permanent tariff policy is well under construction and the Congress will shortly turn its attention to transportation problems. Freight rates have been reduced and must be reduced further and the markets of the world must be reached.

In addition to legislation already mentioned, the Congress has given attention to numerous other highly important subjects. It has enacted the maternity bill. Both the House and the Senate have passed the interchangeable mileage bill and it is now in conference. As amended by the House, it provides for interchangeable scrip or coupon tickets good for passenger service on railroads subject to Interstate Commerce Commission rules. This law when enacted will be of great benefit to the commercial traveler.

A cooperative marketing bill has passed the House; a "blue-sky securities" bill; an antilynching bill; an independent naturalization for women bill; a reclassification of civil-service employees bill; a railroad refunding bill; a bill providing for standard measures for fruits and vegetables, and one preventing interstate trade in filled milk; a bill for the promotion of trade with China; and a bill allowing soldiers' widows credit for time of husbands' service on homestead entries.

These, with more than 200 other bills of public or private nature, have constituted the work of the Congress. The grist of the legislative mill has amounted to a consideration of over two bills a day upon the average. A Congress should stand upon its record, and this Republican Congress is glad to stand upon its record thus far made. Its achievements have been constructive and far-reaching and it has dealt with fundamentals.

The other day I saw hewn in stone on a public building in Washington this axiomatic truth, "The farm—best home of the family—main source of national wealth—foundation of civilized society—the natural providence," and as we now contemplate the work thus far of the Republican administration and the

Republican Congress and by the use of that axiom as a measuring rod judge its labors, I feel confident that the people of this land will see with clearness that those now in charge of governmental affairs have been sound in their policies and their legislation, and have well started upon a safe highway to our Nation's honor and prosperity.

Mr. ZIHLMAN. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MANN, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (S. 3396) creating the positions of Second Assistant Secretary and private secretary in the Department of Labor, and had directed him to report the same back with the recommendation that the bill do pass.

The SPEAKER. The previous question is ordered by the rule. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. RAKER) there were—ayes 86, noes 16.

Mr. RAKER. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from California makes the point that no quorum is present. Evidently there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will bring in the absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 180, nays 68, answered "present" 1, not voting 181, as follows:

YEAS—180.

Ackerman	Faust	Kline, N. Y.	Quin
Ansorge	Favrot	Kline, Pa.	Radcliffe
Anthony	Fenn	Knutson	Ramseyer
Appleby	Fess	Kreider	Ransley
Atkeson	Fish	Lampert	Reece
Bacharach	Fitzgerald	Lea, Calif.	Rhodes
Barbour	Fordney	Lee, N. Y.	Ricketts
Begg	Foster	Lehlbach	Riddick
Benham	Free	Lineberger	Rodenberg
Bird	Freeman	Little	Rose
Blakeney	French	London	Rossdale
Boies	Frothingham	McCormick	Schall
Bond	Fuller	McFadden	Scott, Tenn.
Bowers	Gahn	McKenzie	Shaw
Brown, Tenn.	Gallivan	McLaughlin, Mich.	Siegel
Browne, Wis.	Gernerd	McLaughlin, Nebr.	Sinnott
Burdick	Glynn	McLaughlin, Pa.	Smith, Idaho
Burke	Gorman	McPherson	Smith, Mich.
Burton	Graham, Ill.	MacGregor	Snell
Butler	Griffin	Magee	Speaks
Cable	Hadley	Mann	Sproul
Campbell, Pa.	Hardy, Colo.	Mapes	Stephens
Carew	Haugen	Mead	Strong, Kans.
Chindblom	Hawes	Michener	Sweet
Clague	Hayden	Mills	Swing
Cole, Iowa	Hays	Millspaugh	Tague
Cole, Ohio	Henry	Mondell	Taylor, N. J.
Connolly, Pa.	Hickey	Moore, Ill.	Temple
Cooper, Wis.	Hill	Moore, Ohio	Thompson
Crago	Himes	Moores, Ind.	Timberlake
Crowther	Hogan	Morgan	Tincher
Cullen	Hull	Mott	Towner
Curry	Hutchinson	Mudd	Upshaw
Dale	Johnson, S. Dak.	Murphy	Vaile
Dallinger	Johnson, Wash.	Nelson, Me.	Vestal
Darrow	Jones, Pa.	Newton, Mo.	Voigt
Denison	Keller	O'Brien	Volk
Dowell	Kelley, Mich.	Ogden	Volstead
Dunbar	Kelly, Pa.	Olpp	Watson
Dupré	Kendall	Parker, N. J.	Wheeler
Dyer	Kennedy	Parker, N. Y.	Williams, Ill.
Edmonds	Ketcham	Patterson, N. J.	Williamson
Elliott	King	Perkins	Woodyard
Fairchild	Kirkpatrick	Perlman	Wyant
Fairfield	Kissel	Purnell	Zihlman

NAYS—68.

Almon	Dominick	Kopp	Sanders, Tex.
Andrews, Nebr.	Doughton	Kraus	Sandlin
Aswell	Echols	Lanham	Sears
Bell	Fisher	Lankford	Smithwick
Bland, Va.	Garner	Larsen, Ga.	Steagall
Bowling	Gensman	Lowrey	Taylor, Colo.
Box	Goodykoontz	McDuffie	Tillman
Brand	Hammer	Madden	Tinkham
Briggs	Hardy, Tex.	Montague	Tucker
Bulwinkle	Hoch	Oldfield	Underhill
Byrnes, S. C.	Huddleston	Oliver	Vinson
Byrns, Tenn.	Hudspeth	Park, Ga.	Walsh
Collier	Jacoway	Pou	Weaver
Collins	James	Raker	Williams, Tex.
Connally, Tex.	Jeffers, Ala.	Rankin	Wingo
Cramton	Jones, Tex.	Reed, W. Va.	Woodruff
Davis, Tenn.	Kincheloe	Rogers	Wright

ANSWERED "PRESENT"—1.

Cannon

NOT VOTING—181.

Anderson	Evans	Logan	Sanders, Ind.
Andrew, Mass.	Fields	Longworth	Sanders, N. Y.
Arentz	Focht	Luce	Scott, Mich.
Bankhead	Frear	Luhring	Shelton
Barkley	Fulmer	Lyon	Shreve
Beck	Funk	McArthur	Sinclair
Beedy	Garrett, Tenn.	McClintic	Sisson
Bixler	Garrett, Tex.	McSwain	Slemp
Black	Gilbert	Maloney	Snyder
Bland, Ind.	Goldsborough	Mansfield	Stafford
Blanton	Gould	Martin	Stedman
Brennan	Graham, Pa.	Merritt	Steenerson
Britten	Green, Iowa	Michaelson	Stevenson
Brooks, Ill.	Greene, Mass.	Miller	Stiness
Brooks, Pa.	Greene, Vt.	Montoya	Stoll
Buchanan	Griest	Moore, Va.	Strong, Pa.
Burroughs	Harrison	Morin	Sullivan
Burtness	Hawley	Nelson, A. P.	Summers, Wash.
Campbell, Kans.	Herrick	Nelson, J. M.	Sumners, Tex.
Cantrill	Hersey	Newton, Minn.	Swank
Carter	Hicks	Nolan	Taylor, Ark.
Chalmers	Hooker	Norton	Taylor, Tenn.
Chandler, N. Y.	Hukriede	O'Connor	Ten Eyck
Chandler, Okla.	Humphreys	Osborne	Thomas
Christopherson	Husted	Overstreet	Tilson
Clark, Fla.	Ireland	Padgett	Treadway
Clarke, N. Y.	Jefferis, Nebr.	Paige	Tyson
Classon	Johnson, Ky.	Parks, Ark.	Vare
Clouse	Johnson, Miss.	Patterson, Mo.	Walters
Cockran	Kahn	Petersen	Ward, N. Y.
Codd	Kearns	Porter	Ward, N. C.
Colton	Kiess	Pringey	Wason
Connell	Kindred	Rainey, Ala.	Webster
Cooper, Ohio	Kinkaid	Rainey, Ill.	White, Kans.
Copley	Kitchin	Rayburn	White, Me.
Coughlin	Kleczka	Reber	Wilson
Crisp	Knight	Reed, N. Y.	Winslow
Davis, Minn.	Kunz	Riordan	Wise
Deal	Langley	Roach	Wood, Ind.
Dempsey	Larson, Minn.	Robertson	Woods, Va.
Dickinson	Lawrence	Robsion	Wurzbach
Drane	Layton	Rosenbloom	Yates
Drewry	Lazaro	Rouse	Young
Driver	Leatherwood	Rucker	
Dunn	Lee, Ga.	Ryan	
Ellis	Linthicum	Sabath	

So the bill was passed.

The Clerk announced the following pairs:

On the vote:

Mr. Rainey of Illinois (for) with Mr. Thomas (against).

Mr. Kunz (for) with Mr. Johnson of Mississippi (against).

Mr. Cooper of Ohio (for) with Mr. Garrett of Texas (against).

Mr. Shreve (for) with Mr. Carter (against).

Mr. White of Maine (for) with Mr. Buchanan (against).

Mr. Riordan (for) with Mr. Black (against).

Mr. Sullivan (for) with Mr. Stevenson (against).

Mr. Kindred (for) with Mr. Stoll (against).

Mr. Sabath (for) with Mr. Driver (against).

Mr. Focht (for) with Mr. Drewry (against).

Until further notice:

Mr. Leatherwood with Mr. Garrett of Tennessee.

Mr. Langley with Mr. Clark of Florida.

Mr. Treadway with Mr. Cockran.

Mr. Funk with Mr. Wilson.

Mr. Lawrence with Mr. Sumners of Texas.

Mr. Reed of New York with Mr. Barkley.

Mr. Summers of Washington with Mr. Kitchin.

Mr. Codd with Mr. Swank.

Mr. Davis of Minnesota with Mr. Moore of Virginia.

Mr. Winslow with Mr. Deal.

Mr. Kahn with Mr. Cantrell.

Mr. Burtness with Mr. Lazaro.

Mr. Beck with Mr. Ten Eyck.

Mr. Brennan with Mr. Drane.

Mr. Dickinson with Mr. Johnson of Kentucky.

Mr. Knight with Mr. O'Connor.

Mr. Evans with Mr. Woods of Virginia.

Mr. Sanders of Indiana with Mr. Tyson.

Mr. A. P. Nelson with Mr. Crisp.

Mr. Frear with Mr. Padgett.

Mr. Greene of Massachusetts with Mr. Lyon.

Mr. Maloney with Mr. Overstreet.

Mr. Brooks of Illinois with Mr. Rayburn.

Mr. Layton with Mr. Martin.

Mr. Griest with Mr. Lee of Georgia.

Mr. Michaelson with Mr. Gilbert.

Mr. Yates with Mr. Bankhead.

Mr. Sinclair with Mr. Hooker.

Mr. Clarke of New York with Mr. McSwain.

Mr. Hicks with Mr. Parks of Arkansas.

Mr. Kearns with Mr. Mansfield.

Mr. Colton with Mr. Goldsborough.

Mr. Luce with Mr. Harrison.

Mr. Osborne with Mr. Stedman

Mr. Webster with Mr. Linthicum.
Mr. Woods of Indiana with Mr. Sisson.
Mr. Stiness with Mr. McClintic.
Mr. Hukriede with Mr. Rucker.
Mr. Larson of Minnesota with Mr. Blanton.
Mr. Robsion with Mr. Wise.
Mr. Taylor of Tennessee with Mr. Taylor of Arkansas.
Mr. Strong of Pennsylvania with Mr. Lyon.
Mr. Nolan with Mr. Fulmer.
Mr. Kiess with Mr. Ward of North Carolina.
Mr. Paige with Mr. Fields.
Mr. Ellis with Mr. Humphreys.
Mr. Patterson of Missouri with Mr. Rainey of Alabama.

The result of the vote was announced as above recorded.

A quorum being present, the doors were opened.

On motion of Mr. ZIHLMAN, a motion to reconsider the vote by which the bill was passed was laid on the table.

The bill H. R. 11155, of similar title, was ordered to lie on the table.

NATIONAL HOME FOR THE JEWISH PEOPLE.

Mr. FESS. Mr. Speaker, I submit the following privileged report from the Committee on Rules, which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 360 (Rept. No. 1172).

Resolved, That upon the adoption of this resolution it shall be in order for the Committee on Foreign Affairs to call up for consideration the joint resolution (H. J. Res. 322), being a joint resolution favoring the establishment in Palestine of a national home for the Jewish people. That there shall be not to exceed two hours debate on said joint resolution, to be controlled by the gentleman from New York, Mr. FISH.

Mr. FESS. Mr. Speaker, the Committee on Rules, having this measure before it, decided upon one hour of general debate. There is a general desire to expedite matters. The purpose of the resolution is well understood, having been considered in the Committee on Foreign Affairs. I therefore offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. FESS: Line 5, after the word "people," strike out the remainder of the paragraph.

Mr. FESS. Mr. Speaker, this strikes out all provision for general debate. [Applause.]

Mr. WALSH. Mr. Speaker, will the gentleman yield?

Mr. FESS. Yes.

Mr. WALSH. Does that contemplate also shutting out debate on any amendment?

Mr. FESS. It does not; this is general debate.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. FESS. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. FISH. Mr. Speaker, I call up House Joint Resolution 322, which I send to the desk and ask to have read.

The Clerk read as follows:

House joint resolution favoring the establishment in Palestine of a national home for the Jewish people.

Whereas the Jewish people have for many centuries believed in and yearned for the rebuilding of their ancient homeland; and

Whereas owing to the outcome of the World War and their part therein the Jewish people are to be enabled to re-create and reorganize a national home in the land of their fathers, which will give to the House of Israel its long-denied opportunity to reestablish a fruitful Jewish life and culture in the ancient Jewish land: Therefore be it

Resolved, etc., That the United States of America favors the establishment in Palestine of a national home for the Jewish people, it being clearly understood that nothing shall be done which may prejudice the civil and religious rights of Christian and all other non-Jewish communities in Palestine, and that the holy places and religious buildings and sites in Palestine shall be adequately protected.

Mr. FISH. Mr. Speaker, this resolution favors the establishment in Palestine of a national home for the Jewish people and is based on justice and humanity. It has been given full consideration in the Committee on Foreign Affairs and that committee has reported it out practically unanimously. It is almost similar in wording to a resolution passed a month ago in the other branch of the legislative body. The only difference is that we changed the word "the" to the word "a," so that instead of its reading "the national home" it reads "a national home." The House has had this matter under consideration for the past week and Members are familiar with the contents of the resolution. The passage of this resolution does not commit us to an entangling alliance or to any obligation to use military or naval force or the expenditure of any money. It is merely an expression of our sympathetic and favorable attitude in establishing in Palestine a refuge for the persecuted Jews of the world where they can develop their own culture, law, and ideals in the ancient land of their fathers, given by Jehovah to Abraham and consecrated in the hearts of the Jewish people as the birthplace of their traditions.

This resolution has nothing to do with the League of Nations or the mandatory power under the league. We are not a party to the league, and it would be a piece of impertinence for us to attempt to dictate to the membership of the league. Those who are for or against the league, reservationists and irreconcilables all alike, can support this resolution with equal fervor, as it expresses the moral encouragement of the Congress of the United States to a project already indorsed by Great Britain, France, Italy, Japan, and other great nations.

I append hereto a copy of House Joint Resolution 322 and a copy of the report.

Joint resolution favoring the establishment in Palestine of a national home for the Jewish people.

Whereas the Jewish people have for many centuries believed in and yearned for the rebuilding of their ancient homeland; and

Whereas, owing to the outcome of the World War and their part therein, the Jewish people are to be enabled to re-create and reorganize a national home in the land of their fathers, which will give to the House of Israel its long-denied opportunity to reestablish a fruitful Jewish life and culture in the ancient Jewish land: Therefore be it

Resolved, etc., That the United States of America favors the establishment in Palestine of a national home for the Jewish people, it being clearly understood that nothing shall be done which may prejudice the civil and religious rights of Christian and all other non-Jewish communities in Palestine, and that the holy places and religious buildings and sites in Palestine shall be adequately protected.

[Report No. 1038, House of Representatives, Sixty-seventh Congress, second session.]

The Committee on Foreign Affairs, to whom was referred House Joint Resolution No. 322, favoring the establishment in Palestine of a national home for the Jewish people, having considered the same, report favorably thereon, with the recommendation that the resolution do pass.

This report expresses our moral interest in and our favorable attitude toward the establishment in Palestine of a national home for the Jewish people. It commits us to no foreign obligation or entanglement. The protection of the holy places is carefully provided for, as well as the rights of Christian and all non-Jewish communities. There is a strong religious and humanitarian appeal in this recognition accorded to the Jewish people that goes beyond its purely material aspects and the discharge of such obligations assumed by the allied governments as expressed in the Balfour declaration of November 2, 1917, which has been indorsed by France, Italy, Japan, and other nations.

The Jews of America are profoundly interested in establishing a national home in the ancient land for their race. Indeed, this is the ideal of the Jewish people everywhere, for despite their dispersion Palestine has been the object of their veneration since they were expelled by the Romans. For generations they have prayed for the return to Zion. During the past century this prayer has assumed practical form.

Palestine, the ancient homeland of the Jew, is to-day a comparatively sterile country, due to the wanton and deplorable policy of desolation systematically carried out by its rulers, the Turks, for many centuries. What was once the country of milk and honey has become, through misrule and oppression, a devastated and sparsely settled land.

Jewish colonization began in Palestine over 40 years ago. In 1897 Theodor Herzl, the founder of the modern Zionist movement, established an organization for the purpose of securing legal recognition of the Jewish right in Palestine and began the practical work of settling the land. A great deal of labor and effort has been put into Palestine by Jews. They have established 72 flourishing colonies on a soil which, before they reclaimed it, was merely sand, stone, and swamp. With the investment of Jewish capital and labor part of this land has been transformed into beautiful gardens that evoke the admiration of visitors to the Holy Land. They have created and maintain a modern school system, and laid the foundations of a national Jewish university in Jerusalem. They have introduced modern sanitation, opened hospitals and clinics, and founded many industries. Banks have been established to provide credit for the smaller trade and business man. They are now prepared to develop a plan for harnessing the water power of the Jordan River, which will provide Palestine with ample electric light and power for a large industrial development.

In this work of regenerating a land that has become desolate and waste through governmental oppression, the Jews of America have participated to a large and generous extent, maintaining the American Zionese Medical Unit and making large contributions to the purchase of land and for the creation of credit institutions.

We of America should be glad to give our moral support to a project which is based upon justice and humanity. To give this recognition to so laudable an endeavor of a people seeking to create a haven of refuge for the oppressed and homeless of their race is to act in consonance with the loftiest American ideals. The Jews have suffered greatly during the war. There are now countless thousands of innocent members of the Jewish race in Poland, Galicia, Russia, Hungary, Ukraine, and Rumania who have been utterly ruined and for whom there is no place in the lands where they had formerly lived. The World War has overwhelmed them. They are seeking a home where, with the generous help of their brethren of other lands who are in more comfortable circumstances, they may re-create their own forms of life and realize their ideals.

The hope of a return of the Jewish people to Zion has had the good wishes of our foremost American statesmen. President Woodrow Wilson, in a letter dated August 31, 1918, wrote as follows:

"I welcome an opportunity to express the satisfaction I have felt in the progress of the Zionese movement in the United States and in the allied countries since the declaration of Mr. Balfour, on behalf of the British Government, of Great Britain's approval of the establishment in Palestine of a national home for the Jewish people and his promise

that the British Government would use its best endeavors to facilitate the achievement of that object, with the understanding that nothing would be done to prejudice the civil and religious rights of non-Jewish people in Palestine or the rights and political status enjoyed by Jews in other countries."

President Harding on June 1, 1921, expressed his friendly interest in and for the Zionist movement, and said:

"It is impossible for one who has studied at all the services of the Hebrew people to avoid the faith that they will one day be restored to their historic national home and there enter on a new and yet greater phase of their contribution to the advance of humanity."

Again, on May 11, 1922, President Harding wrote to a Zionist committee:

"I am very glad to express my approval and hearty sympathy for the effort of the Palestine Foundation Fund in behalf of the restoration of Palestine as a homeland for the Jewish people. I have always viewed with an interest, which I think is quite as much practical as sentimental, the proposal for the rehabilitation of Palestine, and I hope the effort now being carried on in this and other countries in this behalf may meet with the fullest measure of success."

Leaders of the Jewish people here and abroad, who have studied Jewish conditions and needs and are thoroughly familiar with the problems of Jewish life, anticipate the eventual creation of an enlightened state which shall be a center of Jewish culture, a blessing to humanity and to the Jewish race in that ancient land which was given by Jehovah to Abraham, and which is consecrated in all Jewish hearts as the birthplace of their traditions and ideals. The realization of this hope should be given the moral encouragement of the American people speaking through their Representatives in Congress.

Mr. Speaker, I move the previous question on the resolution.

The SPEAKER. The gentleman from New York moves the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on agreeing to the preamble.

The preamble was agreed to.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

On motion of Mr. FISH, a motion to reconsider the vote by which the resolution was agreed to was laid on the table.

Mr. GALLIVAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on this resolution.

The SPEAKER. Is there objection?

There was no objection.

Mr. GALLIVAN. Mr. Speaker, this resolution gives expression to sentiments of justice and humanity which are in perfect harmony with the great traditions of our country. It is clearly understood that nothing shall be done which may prejudice the civil and religious rights of Christian and all other non-Jewish communities in Palestine, and that the holy places and religious buildings and sites in Palestine shall be adequately protected. The hope of being restored to the land of their forefathers was never forsaken by the Jewish people, a hope which was sanctified throughout the ages by the tears and blood of the martyr of humanity—the Jew.

Let it not be forgotten that during the 2,000 years of Hebrew occupation of Palestine the land was coveted by all ambitious conquerors as a land of flowing milk and honey. After the destruction of the second Jewish commonwealth by the legions of Titus the land became more and more barren, laid waste by the sword, famine, plagues, and the sweeping sands of the desert. Nevertheless Jewish emigration into the Holy Land was never interrupted. The poet Judah Halevi left prosperous Spain for desolate Judea, meeting death in the attainment of his ideal.

Half a century ago the modern Zionist movement made its appearance. It was endowed with a "King Midas touch," turning into gold everything it attempted in Palestine. In spite of a hostile and indolent Turkish Government it succeeded in building up 50 model colonies, which are regarded by the veterans of Allenby as veritable oases in a desert of general stagnation and slothfulness. Only self-sacrifice of heroes could accomplish this result. The ambitious pan-Germans, headed by the Kaiser, lavished millions on their settlements in Palestine and failed. Just before the final collapse of the Central Powers the largest of the German colonies was sold to the highest bidder, the Jewish people. I can only mention cursorily the most efficient system of elementary and secondary schools which the Zionists established there and their having recently laid the foundation for a Hebrew university on the Mount of Olives, to which a critic like George Brandes and a philosopher like Henri Bergson have offered their inestimable services.

The geniuses of world imperialism—Alexander, Cæsar, and Napoleon—divined the rôle of Palestine as the gateway between the Orient and the Occident and always regarded the Jews as the natural gatekeepers. The Hebrew people, originating in the east and living in the west, possess the mystic heart of the oriental and the critical mind of the west European. The symphonic union of these two qualities might still "put it over" our dear Kipling, who standardized the phrase that "East is east" and "West is west." The gulf will be bridged.

The Jews in Europe are oppressed both physically and spiritually. The Slavs massacre them, the Huns bar their children from their schools and generally boycott them in social life. While some contented Jews in America ride their electric limousines to the luxurious temple, the charred bodies of their unfortunate brethren in Galicia lie buried under the ruins of the burned synagogues of Lemberg and Cracow.

Palestine, to be sure, will not harbor all the Jews of Russia and Poland, but it will remove from them the stigma and the accompanying suffering of a homeless wanderer.

When anyone says that millions of Jews are opposed to Zionism, he forgets that, after all, we have only a few million Jews in all the world, and the fact is that the traditional Jewry is nearly unanimous in support of Zionism, and even members of the so-called reform group are rapidly and surely entering its ranks.

America's sympathy, as expressed through this resolution, will be a source of encouragement to the Jewish people in their struggle to repatriate themselves to the land from which they were exiled by force. There in Palestine we shall see in evidence concrete expressions of the prophetic ideals of Judaism—the ideals of justice, peace, and equality to all children of man regardless of race or creed.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that Members may be given five legislative days within which to extend their remarks in the RECORD on this resolution.

The SPEAKER. Is there objection?

Mr. LONDON. Mr. Speaker, reserving the right to object, of course it will be just an extension of remarks?

The SPEAKER. It can not be in any other way. Is there objection?

There was no objection.

The extension of remarks referred to are here printed in full as follows:

Mr. APPLEBY. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD I desire to make brief comment and express my views on House Joint Resolution 322, now pending before the House, favoring the establishment in Palestine of a national home for the Jewish people. That we may have clearly before us the exact language of the proposed legislation I would like to preface my remarks by the insertion of the resolution, which reads as follows:

Joint resolution (H. J. Res. 183) favoring the establishment in Palestine of a national home for the Jewish people.

Whereas the Jewish people have for many centuries believed in and yearned for the rebuilding of their ancient homeland; and

Whereas, owing to the outcome of the World War and their part therein, the Jewish people are to be enabled to re-create and reorganize a national home in the land of their fathers, which will give to the House of Israel its long-denied opportunity to reestablish a fruitful Jewish life and culture in the ancient Jewish land: Therefore be it

Resolved, etc., That the United States of America favors the establishment in Palestine of a national home for the Jewish people, it being clearly understood that nothing shall be done which may prejudice the civil and religious rights of Christian and all other non-Jewish communities in Palestine, and that the holy places and religious buildings and sites in Palestine shall be adequately protected.

Hearings covering four days were given on the resolution by the Committee on Foreign Affairs, and many witnesses appeared offering arguments for and against the legislation. In submitting the resolution to the House with a favorable recommendation for its passage the committee stated:

This report expresses our moral interest in and our favorable attitude toward the establishment in Palestine of a national home for the Jewish people. It commits us to no foreign obligation or entanglement. The protection of the holy places is carefully provided for, as well as the rights of Christian and all non-Jewish communities. There is a strong religious and humanitarian appeal in this recognition accorded to the Jewish people that goes beyond its purely material aspects and the discharge of such obligations assumed by the allied Governments as expressed in the Balfour declaration of November 2, 1917, which has been indorsed by France, Italy, Japan, and other nations.

The Jews of America are profoundly interested in establishing a national home in the ancient land for their race. Indeed, this is the ideal of the Jewish people everywhere, for despite their dispersion, Palestine has been the object of their veneration since they were expelled by the Romans. For generations they have prayed for the return to Zion. During the past century this prayer has assumed practical form.

Palestine, the ancient homeland of the Jews, is to-day a comparatively sterile country, due to the wanton and deplorable policy of desolation systematically carried out by its rulers, the Turks, for many centuries. What was once the country of milk and honey has become, through misrule and oppression, a devastated and sparsely settled land.

Jewish colonization began in Palestine over 40 years ago. In 1897 Theodor Herzl, the founder of the modern Zionist movement, established an organization for the purpose of securing legal recognition of the Jewish right in Palestine and began the practical work of settling the land. A great deal of labor and effort has been put into Palestine by Jews. They have established 72 flourishing colonies on a

soil which, before they reclaimed it, was merely sand, stone, and swamp. With the investment of Jewish capital and labor part of this land has been transformed into beautiful gardens that evoke the admiration of visitors to the Holy Land. They have created and maintain a modern school system, and laid the foundations of a national Jewish university in Jerusalem. They have introduced modern sanitation, opened hospitals and clinics, and founded many industries. Banks have been established to provide credit for the smaller trade and business man. They are now prepared to develop a plan for harnessing the water power of the Jordan River, which will provide Palestine with ample electric light and power for a large industrial development.

In this work of regenerating a land that has become desolate and waste through governmental oppression, the Jews of America have participated to a large and generous extent, maintaining the American Zionese Medical Unit and making large contributions to the purchase of land and for the creation of credit institutions.

We of America should be glad to give our moral support to a project which is based upon justice and humanity. To give this recognition to so laudable an endeavor of a people seeking to create a haven of refuge for the oppressed and homeless of their race is to act in consonance with the loftiest American ideals. The Jews have suffered greatly during the war. There are now countless thousands of innocent members of the Jewish race in Poland, Galicia, Russia, Hungary, Ukraine, and Rumania who have been utterly ruined and for whom there is no place in the lands where they had formerly lived. The World War has overwhelmed them. They are seeking a home where, with the generous help of their brethren of other lands who are in more comfortable circumstances, they may re-create their own forms of life and realize their ideals.

The hope of a return of the Jewish people to Zion has had the good wishes of our foremost American statesmen. President Woodrow Wilson, in a letter dated August 31, 1918, wrote as follows:

"I welcome an opportunity to express the satisfaction I have felt in the progress of the Zionese movement in the United States and in the allied countries since the declaration of Mr. Balfour, on behalf of the British Government, of Great Britain's approval of the establishment in Palestine of a national home for the Jewish people and his promise that the British Government would use its best endeavors to facilitate the achievement of that object, with the understanding that nothing would be done to prejudice the civil and religious rights of non-Jewish people in Palestine or the rights and political status enjoyed by Jews in other countries."

President Harding on June 1, 1921, expressed his friendly interest in and for the Zionist movement, and said:

"It is impossible for one who has studied at all the services of the Hebrew people to avoid the faith that they will one day be restored to their historic national home and there enter on a new and yet greater phase of their contribution to the advance of humanity."

Again, on May 11, 1922, President Harding wrote to a Zionist committee:

"I am very glad to express my approval and hearty sympathy for the effort of the Palestine Foundation Fund in behalf of the restoration of Palestine as a homeland for the Jewish people. I have always viewed with an interest, which I think is quite as much practical as sentimental, the proposal for the rehabilitation of Palestine, and I hope the effort now being carried on in this and other countries in this behalf may meet with the fullest measure of success."

Leaders of the Jewish people here and abroad, who have studied Jewish conditions and needs and are thoroughly familiar with the problems of Jewish life, anticipate the eventual creation of an enlightened state which shall be a center of Jewish culture, a blessing to humanity and to the Jewish race in that ancient land which was given by Jehovah to Abraham, and which is consecrated in all Jewish hearts as the birthplace of their traditions and ideals. The realization of this hope should be given the moral encouragement of the American people speaking through their Representatives in Congress.

Many Jews reside in the third congressional district of New Jersey. As their Representative in Congress I was naturally much interested in this legislation. It was my privilege and pleasure to attend the hearings. Following closely the testimony submitted, I am frank to say there were many arguments presented in favor of the resolution which appealed to me strongly. Palestine of to-day, the land we now know as Palestine, was peopled by the Jews from the dawn of history until the Roman era. It is the ancestral homeland of the Jewish people. They were driven from it by force by the relentless Roman military machine and for centuries prevented from returning. At different periods various alien people succeeded them, but the Jewish race had left an indelible impress upon the land. To-day it is a Jewish country. Every name, every landmark, every monument, and every trace of whatever civilization remaining there is still Jewish. And it has ever since remained a hope, a longing, as expressed in their prayers for these nearly 2,000 years. No other people has ever claimed Palestine as their national home. No other people has ever shown an aptitude or indicated a genuine desire to make it their homeland. The land has been ruled by foreigners. Only since the beginning of the modern Zionist effort may it be said that a creative, cultural, and economic force has entered Palestine. The Jewish Nation was forced from its natural home. It did not go because it wanted to. A perusal of Jewish history, a reading of Josephus, will convince the most skeptical that the grandest fight that was ever put up against an enemy was put up by the Jew. He never thought of leaving Palestine. But he was driven out. But did he, when driven out, give up his hope of getting back? Jewish history and Jewish literature give the answer to that question. The Jew even has a fast day devoted to the day of destruction of the Jewish homeland. Never throughout history did they give up hope of returning there. I am told that 90 per cent of the Jews to-day are praying for the return of the Jewish people to its own home. The best minds among them believe in the necessity of reestablishing the Jewish land. To my mind there is something prophetic in the fact that during the ages no other nation has taken over Palestine and held it in the sense of a homeland; and there is something providential in the fact that for 1,800 years it has remained in desolation as if waiting for the return of its people. In testifying before the committee a representative of the Zionist organization of America said:

> There are 14,000,000 Jews in the world. The fundamental question is that of what is to be done for a homeless people of 14,000,000, whether they now enjoy a certain amount of liberty in one country at a certain time or not. There are 3,000,000 Jews in the United States, but the World War comes along and destroys the very foundations of life of 8,000,000 of them in other countries, and these 8,000,000 are entitled to justice and right dealing in view of the fact that this war was fought for certain ideals, and certain readjustments are being made, certain nations being set up that did not have a ghost of a chance two years before the war to set themselves up without assistance; certain nations have been set up on credit of the American Government; certain nations have been put into position where they have control of millions and millions of people, because it was felt that that was the right thing to do. And here are 14,000,000 Jews, with the very foundations of their lives removed, who find themselves in such a predicament that they appeal to the conscience of the world for a haven of refuge. They are absolutely without the means of reviving themselves without this assistance. We speak to the enlightened nations, "Give us this haven of refuge; we go in there with no intention of oppressing anybody or taking away from anybody what they have or taking away from any individual the rights, the religious liberties, or civil liberties which they have."

One of the greatest sources of pride of an American-born citizen is to hold aloft the land of his birth. The oft-repeated refrain of the poet—

> Breathes there a man with soul so dead,
> Who ne'er unto himself has said,
> This is my own, my native land?—

is but an outburst from one of the deepest wells of the human heart. And for the Jewish race, which gave Christianity to the world and brought to civilization its highest and noblest inspiration; a race which embraces some of our greatest bankers, merchants, lawyers, educators, and leaders in every line of the world's activities, to be longer denied a country which they can call their own is a humiliation too deep for the pride of an American. Fellow Members, the resolution before you embodies the faith of the Jewish people and gives expression to a longing which has never forsaken them. It should be the privilege of the House of Representatives to pass this resolution. It should be the privilege of any Christian nation to help make the cradle of Christianity again the center of civilization instead of permitting it to remain a land of devastation and epidemics, which it has now been for centuries. I believe the House in considering this matter should not consider it purely as if they were economists trying to decide whether this is a good thing for the Jewish people to do, but consider it as an expression of the sentiment and feelings and ideals of the Jewish people, of the soul of the Jewish people for generations. Any nation which attaches itself to this act of redemption of the Jewish land is a party to an epochal event in Jewish history. The adoption of this resolution will be a source of strength and inspiration to us and will be in harmony with the great ideals and traditions of the American people.

The extension of remarks referred to are here printed in full as follows:

Mr. HAWES. Mr. Speaker, this resolution contains a message of good will to Jewish citizens of the world. More important still, it is by indirection a national reply to the spirit of intolerance which unfortunately is developing in our own country.

I vote for the resolution most whole-heartedly, because it must show to the bigoted and narrow intolerant that the great American people do not indorse their activities.

The foe of religious liberty has always been intolerance, sometimes disguised but always the same. It rises for brief periods to considerable strength, but always falls back to its obscure cave of bigotry before the enlightened criticism of good citizenship.

Our danger will not come from a change in our laws, but from an intolerant spirit which would evade the established law and by indirection do those things which the law prohibits.

The friend of religious liberty is not concerned with the difference between creeds, nor, in fact, with the difference between faith and unbelief. Nor can he be satisfied alone with the political separation of church and state. He must oppose the invisible government, the secret cabal, or the political movement which attempt to do indirectly the thing which is prohibited by law.

The honest friend of religious freedom can not without protest permit any man's creed to be made the subject of persecution or the sole measure of his fitness for public office.

We can not lose religious freedom without losing civil freedom, so both must be guarded by zealous citizens.

The American Catholic, the American Protestant, and the American Jew must stand united in firm opposition to any intolerant movement which deprives any creed of the fullest freedom and equal rights under the law or curtails personal liberty of conscience or religion.

The extension of remarks referred to are here printed in full as follows:

Mr. CHANDLER of New York. Mr. Speaker, as an introduction to my speech I desire to read House Joint Resolution 322:

Joint resolution favoring the establishment in Palestine of a national home for the Jewish people.

Whereas the Jewish people have for many centuries believed in and yearned for the rebuilding of their ancient homeland; and

Whereas owing to the outcome of the World War and their part therein, the Jewish people are to be enabled to re-create and reorganize a national home in the land of their fathers, which will give to the House of Israel its long-denied opportunity to reestablish a fruitful Jewish life and culture in the ancient Jewish land: Therefore be it

Resolved, etc., That the United States of America favors the establishment in Palestine of a national home for the Jewish people, it being clearly understood that nothing shall be done which may prejudice the civil and religious rights of Christian and all other non-Jewish communities in Palestine, and that the holy places and religious buildings and sites in Palestine shall be adequately protected.

Mr. Speaker, I am in favor of the pending resolution and shall vote for its passage because it embodies the highest and noblest ideals of liberty, humanity, and civilization.

It is a similar resolution to the one already unanimously passed by the United States Senate, and congressional action in this matter is entirely consonant with the spirit of our free institutions and with our oft-repeated official proclamations of national sympathy with the hopes and aspirations of struggling races for freedom and independence.

This resolution does not propose to involve our country in any foreign entanglements or to bind us by any financial obligations whatsoever. It simply expresses our sympathy, as the representatives of a free people, with the national desires and aspirations for a homeland in Palestine of a scattered and persecuted race, whose contributions to the intellectual and spiritual wealth of the world have been unequaled by those of any other people.

Our sense of justice and our sentiment of freedom alike should dictate the immediate passage of this resolution. National gratitude also demands its passage, for our country, like every other civilized nation on the globe, is under a heavy debt of gratitude to the Jews for their marvelous contributions to the uplift of mankind and to the civilization of the earth.

Aside from the lofty inspiration and the rich heritage of Jewish genius in history, of which we are the direct beneficiaries along with all the other races of mankind, Jewish sacred influences confront and surround each and all of us at all times and in all places—at the prayer meeting, in the Sunday school, in the church, in the cathedral, and in the synagogue.

When the Chaplain offers prayer at each day's opening of this House he invokes upon its Members the benedictions of a Hebrew God and the intercessions of a Hebrew Savior.

The three great events of man's existence are said to be: Birth, marriage, and death. The spiritual food, solace, and inspiration of each of these great events are furnished by the Jew. The hallowing influence of Hebrew scriptures is invoked when infancy is christened into religious life. Jewish music, Mendelssohn's wedding march, furnishes the entrancing accompaniment when bride and bridegroom meet at the marriage altar to pledge eternal love and to be bound to the duties of wedded life by the obligations of Hebrew sacred law. And, lastly, at every open grave in Christendom is read the funeral sermon of St. Paul, a Jew. Thus the Jew goes with us from the cradle to the grave as our spiritual guide and savior. I respectfully submit that every sentiment of decent gratitude should prompt us to help him when we can, and never to persecute him at any time.

The gratitude that should prompt the adoption of this resolution is born not merely of the priceless legacy of spiritual hope, consolation, and assurance that he has bequeathed to us through the centuries. It springs, too, from the contributions of the Jew to the liberties of the human race in every land and time, for the Jew has been the child of revolution and the friend of freedom in every age.

The Mosaic commonwealth was theocratic in origin and character but democratic in function and effect. All the prophets of Israel were fearless champions of human rights. Isaiah and Jeremiah were the first great revolutionists of earth.

Not only have the Jews been friends of freedom in every age; the friends of freedom of every age—Montesquieu and Mirabeau, Cromwell and Macaulay, Cavour and Mazzini, and Washington—have been friends of the Jews. What more fitting tribute, then, could be paid, what finer, what more appropriate expression of appreciation could be offered by the Representatives of a free Nation than to vote this resolution of sympathy and encouragement to the people of a race that has always, in Senate and in Parliament and upon the battle field, been found foremost among the champions of human freedom and of human rights?

The project of founding a new Jewish commonwealth in Palestine is familiar to all readers of the daily press. The so-called Zionist movement has many ardent advocates and able supporters among Jews and gentiles throughout the earth. The overwhelming majority of the Jews of America, from all that I can learn, are enthusiastically in favor of it.

The great world struggle has given a powerful impetus to the movement. Besides, the national idea and the religious self-consciousness of the Hebrew race in all ages have been seeds awaiting ripening for such an event. It has been truly said that—

since the destruction of the second temple by Titus, since the dispersion of the Jews throughout the world, this ancient people has not ceased to long fervently for a return to the lost land of their fathers nor to entertain for it a determined hope.

If I forget thee, O Jerusalem,
Let my right hand forget her cunning;
Let my tongue cleave to the roof of my mouth,
If I remember thee not;
If I prefer not Jerusalem
Above my chief joy. (Psalm cxxxvii, 5, 6.)

This plaintive and pathetic song was chanted in Babylonian exile more than 2,000 years ago, and it finds to-day a sacred echo in the heart yearnings of every Zionist in the world.

To high patriotic purposes and to deep-seated race feelings and impulses is added the religious belief of millions of orthodox Jews that the time has come for the fulfillment of divine prophecy and promise in the gathering of the children of Israel again into the ancient homeland. The foundation of this prophecy is found in Deuteronomy xxx:

If any of thine be driven out unto the outmost parts of heaven, from thence will the Lord thy God gather thee, and from thence will he fetch thee: And the Lord thy God will bring thee into the land which thy fathers possessed, and thou shalt possess it; and He will do thee good, and multiply thee above thy fathers.

And in Amos, ix, 14–15:

And I will bring again the captivity of my people of Israel, and they shall build the waste cities and inhabit them; and they shall plant vineyards and drink the wine thereof; they shall also make gardens and eat the fruit of them.

And I will plant them upon their land, and they shall no more be pulled out of their land which I have given them, saith the Lord, thy God.

Patriotic pride, race impulse, and religious faith, fed and sustained by ancient prophecy and promise, are undoubtedly the great mainsprings of motive of the Zionist movement. Subsidiary and contributory to all these things is without question the cumulative effect of Jewish persecution of every age from the ancient Egyptians to the anti-Semites and Jew baiters of modern times.

Mr. Speaker, in all the history of prejudice the persecution of the Jew has no parallel. Whether born of human wickedness or divine vengeance, Jewish persecution is the strangest of all historical phenomena. When and where it originated and what have been its intensifying and perpetuating causes are still subjects of grave doubt and speculative debate. In any case it represents one of the blackest phases of human life, for it invariably involves all the elements of ignorance and bigotry, of cowardice and cruelty. I never hear any man engaging in wholesale slander of the Jewish race that I do not say to myself: You are either an ignoramus, a bigot, a coward, or all combined in one. Moreover, you are an ingrate of the meanest type, for you are the direct heir and beneficiary of all that the Jew has ever said or done to elevate and save mankind.

To describe the horrors and cruelties of Jewish persecution would be to narrate the history of the Jewish race during 2,000 years. Time does not permit and the occasion does not demand such a narrative. I will only quote in this connection Rabbi Ben Ezra's "Song of Death," which gives pathetic utterance to the agonizing cry of his people of all ages to the God of their fathers for protection and relief:

By the torture prolonged from age to age,
By the infamy, Israel's heritage,
By the Ghetto's plague, by the garb's disgrace,
By the badge of shame, by the felon's place,
By the branding tool, the bloody whip,
And the summons to Christian fellowship.

In this poetic plaint are crowded the cruel memories of a thousand years of Jewish persecution.

But only yesterday in private conversation with a Member of this House, himself a Jew, while discussing this resolution,

I was told that the days of Jewish persecution had practically passed forever, that the age of freedom and enlightenment was at hand, and that Jewish persecution was no longer a valid motive, a rational excuse, for the Zionist movement. I was astonished to hear him say this.

It is a truth well known to all intelligent men that racial prejudice against the Jew has not completely vanished from the minds and hearts of gentiles; that political freedom in an enlightened age has not brought with it full religious tolerance and social recognition; that the Jew enjoys the freedom of the letter but is still under the ban of the spirit. It is not necessary to go to Russia or Rumania to prove this contention.

In 1896 Adolph von Sonnenthal, the greatest of modern actors, who covered the Austrian stage with glory, celebrated the fortieth anniversary of his entrance into theatrical life. The city council of Vienna refused to extend him the freedom of the city because he was a Jew.

In 1906 Madame Bernhardt, the most marvelous living woman, while acting in Canada, was insulted by having spoiled eggs thrown upon the stage amidst shouts of "Down with the Jewess!" This outrage called forth a letter of apology, which appeared in public print, from Sir Wilfred Laurier, Prime Minister of the Dominion.

In the summer of 1907 the sister of Senator Isidor Rayner, of Maryland, was refused admission to an Atlantic City hotel because she was a Jewess. Be it remembered that these several acts of prejudice and persecution did not happen in the Middle Ages or under the Government of the Romanoffs. Two of them occurred at the beginning of the twentieth century, beneath the flags of two of the freest and most civilized nations of the globe. What have Americans to say of the exclusion of a virtuous, refined, intelligent sister of a great American Senator from an American hotel for no other reason than that she was a Jewess; that is, that she was of the same race with the Savior of mankind?

What have you to say, my colleagues, of the Leonard Kaplan incident at Annapolis, an occurrence of the last four weeks? Does this tend to show that the age of enlightenment and freedom is here and that Jewish persecution has ceased? The severe reprimand of the Government administered to the Christian midshipman for "cruelty"—to use a word of Mr. Roosevelt—to his Jewish classmate and comrade was a fitting and necessary rebuke, but it did not and will not cure Jewish persecution, for the very week following the Kaplan incident we learned from the public press that Harvard University, one of our greatest and oldest schools of learning, was to limit Jews among its students.

These considerations, among others, lead me to lend enthusiastic support to the passage of the pending resolution, for I want the Congress of the United States, of which I have the honor to be a Member, to express its sympathy with Jewish hopes and aspirations, register its approval of Jewish national rights, and condemn, indirectly at least, the spirit of bigotry and race prejudice that gives the lie to the Bill of Rights in our Constitution and brands with hypocrisy our national professions of equality of citizenship in America.

If ungenerous and un-American impulses and fierce and unbridled passions must kindle the fires and stir the hatreds of religious bigotry among the people at large, let us here at least, in the sacred confines of this Hall, preserve a dignified and patriotic equanimity, a statesmanlike composure, and a courageous attitude as the legislative guardians of civil and religious freedom on this continent. Let us, above all things, not forget that this Republic was not designed by the Revolutionary fathers to be Protestant, Catholic, or Jewish, but was intended as a perpetual asylum of religious freedom, where Protestant, Catholic, and Jew might each worship Almighty God after the dictates of his own conscience and in his own way.

To say the least of it, if we are to continue to persecute the Jew we should as a matter of simple justice be willing to aid him in the establishment of a homeland beyond the seas where he can be free from persecution. There is all the greater truth in this, since we are practically shutting out from our shores by unreasonably rigid and discriminating immigration laws struggling and persecuted Jews, the majority of whom would be a benefit rather than a hurt to our citizenship and our country.

In a speech delivered by me in this House on April 20, 1921, in opposition to the immigration bill of that year, I used the following language with reference to Jewish immigrants to our shores:

> I note numerous exceptions to the general provisions of this bill, and I unhesitatingly declare to you, my colleagues, that if I had the framing of the measure for final passage I would make a distinct exception of the Jews. I would do it upon no ground of sentiment or whim. I would base the exception upon righteousness and eternal justice. In the framing of the bill and the enactment of the law I would boldly declare to America and to the world that the Jews are a distinct race, with a distinct history, presenting a distinct and irresistible appeal to the judgment and conscience and mercy of mankind. I would declare them to be a scattered race, with no willing and capable protectors against persecution and oppression. I would call the attention of the people of the earth to what they already know, that the Jews gave to Christianity its Savior, to mankind its noblest religion, and to civilization much that is grandest and most beautiful in literature, music, and art. These considerations I would make the basis of an exception to the general provisions of this bill—that all Jews, from whatever parts of the earth they came, who satisfied the requirements of the general immigration laws regarding tests of health, sanity, morals, and good citizenship, should be admitted. An exception of this kind would be in keeping with our national traditions of refuge and asylum for the downtrodden of the earth, and would be a fitting acknowledgment of our indebtedness to the authors and finishers of our religious faith, whose code of morals lies deep at the foundation of all our secular laws, State and national.

I wish to repeat and emphasize in this speech what I said in that one. I shall probably go a step further when the next immigration bill is offered in this House. I shall probably propose an amendment embodying the principles and providing for the privileges for the Jews that I merely suggested in my speech of April 20, 1921. If I accomplish nothing more, I shall at least test the sentiments and feelings of the Members of this body in relation to the Jews and Jewish immigration.

Is there doubt and has there been discussion, you may ask, concerning these sentiments and feelings? Yes, indeed; more than once in the deliberations of committees and in the debates on the floor of this House concerning Jews and Jewish immigration. The question arose at the hearings before the Foreign Affairs Committee on this resolution before us in a colloquy between Mr. SMITH of Michigan, a member of the committee, and Mr. Abraham Goldberg, of New York City, representing the Zionists of America. Mr. Goldberg seemed not willing to declare that our present immigration laws were aimed at the Jews, but merely contented himself with asserting that the Jews were of all races most severely affected by them. Mr. Goldberg, being a Jew, doubtless felt a certain delicacy and timidity in expressing his real sentiments on the subject. Being a gentile Congressman, I have no such feelings of delicacy and timidity, and I declare to you that it is my sincere conviction that a desire to exclude both Jews and Catholics from our shores has been one of the most potent influences in modern American immigration legislation.

I declared this conviction in a speech against the Burnett immigration bill that I delivered on the floor of this House on March 25, 1916. In that speech I elaborated arguments in favor of my contention and was supported in the debate by ex-Representative William S. Bennet, of New York, and by my distinguished colleague, Mr. GALLIVAN, of Massachusetts, who still is an honored Member of this body.

At the hearings of January 20, 1916, before the Immigration Committee, Miss Grace Abbott, of Chicago, a Protestant lady of fine character and extensive experience in immigrant affairs, who is at the present time the efficient head of the Women's Bureau, gave expression to the following deeply significant sentiment:

> I think many people oppose the recent immigration because it is Catholic and Jewish instead of Protestant, as the earlier was. I am neither Catholic nor Jewish.

This declaration was born of the experience and observations of many years of devoted service spent in helping immigrants, and Miss Abbott knew full well whereof she spoke.

But why devote so much time, you may ask, to discussing the immigration question in its relation to the pending resolution providing for a homeland in Palestine for the Jews? The reason is that if we are to shut the Jew from our gates by stringent immigration laws, we should at least be willing to do what we can to aid him in the establishment of a country of his own where he can live in peace and happiness. The plainest dictates of humanity suggest and demand it.

A year and a half ago I traveled extensively in Germany, Austria, Czechoslovakia, Poland, Russia, and Lithuania. I studied the Jewish question at first hand, especially in Poland. I was amazed and shocked at what I saw and heard. Persecution, poverty, misery, disease, death, and destruction confront the Jew everywhere in southeastern Europe. He is at times hunted like a wild beast, for no other reason than that he is a Jew, and there is no boundary of territory that he can cross for refuge and asylum. He is brutally and cruelly chased by one band of pursuers only to be even more brutally and cruelly thrown back by another. And supposedly free America, with continental expanse of territory, with boundless natural resources, with the Mississippi Valley that, if intensively cultivated, would feed the human race for a thousand years, with the Goddess of Liberty in the harbor of New York brandishing forever a torch of freedom and of welcome to the oppressed and distressed of all mankind, and with professions of faith in Jesus,

the Jew of Nazareth, forever upon our lips, this supposedly free America is willing to adopt and execute rigidly a 3 per cent immigration law that practically shuts these wretched beings from the hospitality of our shores and the shelter of our flag.

There are about 15,000,000 Jews in the world. There are about 3,000,000 Jews in the United States. There are about 12,000,000 Jews scattered over the earth outside the United States. Considering the appalling state of affairs in Europe and the prospects of an indefinite continuance, I declare to you in all sincerity, my colleagues, that if I had the power I would bind my country by definite obligations to aid substantially the Jews in establishing a permanent home in Palestine. I would then admit the remaining millions of Jews who could not find room in their ancient homelands to our shores to become citizens of this free Republic, to enjoy the benefits of its citizenship, and to render obedience to its institutions and its laws.

I would, of course, demand satisfactory answers to the following questions from each and all and every one of them: Are you sound and healthy in body, mind, and morals? Do you believe in our Constitution and our laws and will you loyally obey them? Do you love our flag, and will you patriotically follow and uphold and defend it at all times?

Upon receiving satisfactory answers to these questions I would say: "Children of Abraham, descendants of the descendants of the creators of monotheism, who consented that their country should be conquered, their nationality destroyed, and their race dispersed throughout the world in order that this best and noblest gift of God to man, monotheism, might not be sacrificed to pagan and barbarian superstition but might instead be transmitted as a heavenly heritage to all future generations of men, I welcome you to America and bid you be at home."

Mr. Speaker, the obstacles to this new plan of erecting an independent Jewish State in Palestine are many, but not insuperable. The British Government and her allies, under the Balfour declaration, propose to guarantee to the Jews the return of the territory of their ancient Jewish fatherland after the country has been sufficiently colonized by the Jews under the British mandate.

Palestine is about the size of the State of Vermont and has a present population of about 700,000 souls. There are about 15,000,000 Jews in the world. It is reasonably contended that one-half of all the Jews of the earth could live in Palestine under methods of modern intensive farming and under the electrification and irrigation of the country through plans of harnessing the water power of the Jordan and Yarmuk Rivers, plans that have been submitted by the great Jewish engineer, Pincus Ruttenberg.

Palestine is about the size of Belgium, which has a population of 7,600,000. If the plans of Ruttenberg for the redemption of the barren and waste places of the country around Jerusalem, through electrification and irrigation, by utilizing the waters of the Jordan and the Yarmuk are successful, and there is no earthly reason to believe that these plans will not succeed, then Palestine should be able to sustain a population as large as that of Belgium.

A successful culmination of the Zionist movement would probably realize, in time, an emigration of 7,000,000 Jews from other lands, as the innate love of the average Jew for the cradleland of his race, coupled with glorious and thrilling memories of long ago, and the hard lot of misery and grinding toil now endured by many of them in different parts of the world, would be a powerful incentive to join the new settlements in the East. The tide of emigration is already beginning to flow strongly that way, and many flourishing Jewish colonies already exist in Palestine.

There is no reason from a physical viewpoint why Jerusalem and the surrounding country should not become the seat of a prosperous and successful State. The popular notion that Palestine is altogether a barren country, not capable of yielding rich harvests, is a mistaken one. Its appearance is barren only during the dry season, when the grasses which cover the greater part of it are dried up and the herdsmen retire with their flocks of sheep and goats to the loftier mountains. The alluvial lowland to the south of Mount Carmel is as fruitful as ever, and it only needs an honest and vigorous administration, under the plans for electrification and irrigation devised by Ruttenberg, to create in Palestine a land of intensive farming as well as a center of industrial activity. There is no reason why Palestine should not be to the eastern Mediterranean what Belgium is to the North Sea, a perfect beehive of industrial creation and commercial output.

An enlightened political management would not only rekindle the olden Jewish love of agriculture, but would revive the ancient glories of Phœnician commerce through the ports of Acre and Jaffa, which would give an outlet to all the world.

All the spiritual and intellectual elements would certainly be present in the building and perpetuating of a new Jewish commonwealth in Palestine. The Bible and the Talmud would again be their religious guides and the charters of their freedom. A Maccabean soldiery would again defend their national frontiers. A Jerusalem parliament would be heard to echo the splendid eloquence of new Disraelis, Gambettas, and Castelars. Some new Josephus would record the growth of the expanding State, and the melodies of Mendelssohn and Meyerbeer would cheer and sanctify the domestic circles of happy Jewish homes. Such a commonwealth or republic is a consummation most devoutly to be wished if Jewish genius and civilization are to be lost, as is now feared, in some great maelstrom of war and in the readjustment of the boundaries of states and the realignment of races.

Why should not the nations of the world join in such an enterprise if the Jews desire it? Every kingdom of the earth has tried its hand at exterminating them and has failed. Why should they not now change the program for awhile and extend to the patriarch of the tribes, the old man of the centuries, a kindly and helping hand? England will turn Palestine over to the Jewish people at the proper time. Can we not afford—does not a solemn obligation rest upon us as a free and Christian people, to lend sympathy and support to the millions of struggling Jews who desire to link their lives and fortunes to the land of their fathers and with the early memories of their race?

But why should we give legislative sanction, even in the mild form of a mere resolution of sympathy and encouragement, to this movement, you may ask? What business is it of ours where they go and where they stay? Who are the Jews, anyway, that they should be claiming the special attention of the congresses and parliaments of the nations of the earth?

My reply is that the Jews are the most extraordinary people that ever inhabited this earth and that they have been throughout all history the chief benefactors of mankind. Their achievements and benefactions have in every age been out of all proportion to their numbers. They have never numbered and do not now number more than 1 per cent of the human race, and yet it has taken most of the time of the other 99 per cent to keep up with them and find out what they were doing. No other race has contained and exhibited such dynamic energy in small compass. Somebody has said that one Jew in town creates a sensation, two a riot, and three a revolution. A man like this not only deserves but always commands special attention and respect not only from individuals and groups but from congresses and parliaments as well. This fundamental notion of race superiority and race achievement is one of the great reasons for national legislative approval of this resolution.

Another cogent political reason is that an overwhelming majority of the approximately 3,000,000 Jews of America desire the passage of this resolution, and we should certainly pay some little respect to the desires of so important and respectable an element of our population and citizenship, especially when the action contemplated can do no possible harm to the balance of the country.

But how do you know, you may ask, that the majority of American Jews desire the passage of this resolution? I candidly admit that there has been no direct referendum on the subject among the Jews themselves, but I learn from the hearings before the Foreign Affairs Committee that there was an American Jewish Congress held not very long ago at Philadelphia at which delegates representing some 360,000 Jewish voters adopted a resolution by a practically unanimous vote indorsing the Zionist movement. In this connection I wish to quote a paragraph from the hearings containing the statement of Mr. Louis Lipsky, of New York City, who represented the Zionist Organization of America:

> The Jews of the United States held a congress two years ago, after the Balfour declaration of the British Government, prior to the peace conference. There were over 360,000 Jews who voted for the delegates who attended that congress. In addition to the 360,000 voters, who elected 300 delegates, there were also 100 delegates elected by the following organizations, practically every national Jewish organization: The American Jewish Committee, of which Mr. Louis Marshall is chairman; the Independent Order B'nai B'rith, of which Mr. Adolph Kraus, of Chicago, is chairman; the Order B'rith Abraham; the Association of Orthodox Rabbis; the Independent Western Star Order; the Independent Workmen's Circle of America; the Progressive Order of the West; the United Synagogues of America, composed of the conservative congregations in the United States; the United Hebrew Trades, which represents an association of the Jewish trades-unions in New York City; the faculty of the Rabbinical College of America, of which Dr. Revell is the president; the Union of Orthodox Jewish Congregations, which is an organization of orthodox Jewish congregations somewhat similar to the United Synagogues, except that it is more

orthodox. The United Synagogues of America represents those organizations that are affiliated with the Jewish Theological Seminary in New York, of which the late Doctor Schechter was president. * * *

At this congress the following resolutions were adopted practically unanimously. There was one gentleman who voted against them:

The American Jewish Congress, speaking for the Jews of America, expresses its appreciation of the historic and epoch-making declaration addressed by His Majesty's Government on November 2, 1917, to the Jewish people, through the Zionist organization, in which it approved of the establishment in Palestine of a national home for the Jewish people and pledged to use its best endeavors to facilitate the achievement of this object * * * it being clearly understood that nothing shall be done which may prejudice the civil and religious rights of non-Jewish communities in Palestine or the rights and political status enjoyed by Jews in any other country.

It seems to me that the indorsement of the Zionist movement by an American Jewish congress, composed of delegates who were elected by the votes of 360,000 American Jews, is very good proof that the Jews of America very generally favor the pending resolution.

My personal observations and investigations also convince me that a large majority of them favor it. I represent a district in New York City in which at least 40 per cent of the people are Jews. They represent in a high degree the wealth, culture, and refinement of American Jewry. I have talked with hundreds of them and have received letters from hundreds of others, and an overwhelming majority have expressed themselves in favor of the resolution before us. On this point the opinion of Dr. Stephen S. Wise is the valuable testimony of an expert witness. The following telegram, signed by him, was sent during the hearings on the measure:

Regret impossible to appear before Foreign Affairs Committee meeting Friday morning. Earnestly hope for favorable action by committee on your resolution which represents the sympathies of the American people and meets the hopes of vast majority of American Jews.

STEPHEN WISE.

I am proud to say that this brilliant Hebrew clergyman is one of my constituents and that I number him among my best personal friends.

I am well aware that no considerable number of American Jews will ever go to Palestine to live, even if a permanent homeland of their race is established there. But if they desire a refuge and an asylum in the land of their fathers for their suffering coreligionists scattered throughout the earth, it is our duty to pay some attention to their wishes in the matter of the passage of this resolution.

In the beginning of my speech I stated that our sense of justice and our sentiment of freedom should prompt us to pass this measure. I added that national gratitude should also prompt us, and with the subject of the gratitude of all the nations of the earth towards the Jews for immeasurable benefits received, I want now to deal briefly. I want to state why I believe that the nations of the earth are under a heavy debt of gratitude to the Jews and why they should all cooperate in the reestablishment and maintenance of a homeland in Palestine for the Jews, and in doing this I must of necessity attempt to define the just cause of gratitude and to describe the real attributes of true greatness.

I respectfully submit, my colleagues, that the true benefactor of mankind, the really great character of history, is not necessarily the king on the throne who, perchance, may have nothing upon a brainless head but a tinsel crown, nor the vulgar conqueror on the field of battle whose only title to greatness may be in the fact that millions of human beings have been slain through him. The true benefactor of mankind, the greatest character of all the race, is he who has contributed most substantially to the sum of human happiness and human good in the proclamations of the revelations of true religion, in the writing of good books, in the discovery of remedies for disease, in the founding of universities, libraries, hospitals, and asylums, and in those acts of personal service that alleviate human suffering, promote human joy, and elevate and ennoble human life.

The French people evidently acted according to the test of true greatness that I have just described when, a few years ago, at a popular election to determine which were the three greatest names in French history, they voted Pasteur first, Victor Hugo second, and Napoleon third. There are no gorgeous tombs, fit for dead deities, for Pasteur and Hugo, such as holds the ashes of the Corsican in the Invalides. No Arc de Triomphe is erected to their memory and to perpetuate their deeds. But the sane French judgment declared the physician and the writer greater than the warrior, and proclaimed the discoverer of the remedy for rabies and the author of Les Miserables greater than the victor of Austerlitz and Marengo.

Under this test of greatness the Jew is the greatest man of all this world, and to him should go out the deep gratitude and unstinted praise of all the nations, for he has been the unchallenged leader of the race in religion and a close and dangerous competitor in every form of intellectual triumph.

In the British House of Lords recently Lord Balfour, author of the Balfour Declaration, delivered a powerful and impassioned speech in favor of a homeland for the Jews in Palestine. In a cable from London to the New York Herald of Thursday, June 22, I find the following paragraph:

An interesting feature of Lord Balfour's speech was a long and eloquent passage dealing with the tribulations of the Jewish race, their valuable contributions to art, philosophy, science, and religion, and the suggestion that Christendom should take the chance of giving the Jews a home where, in peace and quietness, they might develop their culture and traditions.

The sentiments attributed to Lord Balfour by this cabled dispatch are, in my humble judgment, the most just and powerful plea that can be made for Jewish rights to a distinct nationality and a separate home, namely, that his sufferings and tribulations, which I have sought to describe in the course of my remarks, as well as his spiritual and intellectual triumphs, which I shall now attempt briefly to describe, entitle him to special consideration and kindly treatment at the hands of the Christian nations of the world.

JEWISH ACHIEVEMENTS AS A GROUND FOR GRATITUDE.

AS RELIGIONIST.

In the religious triumphs of history the Jew has been incomparable and supreme. In the beginning God appointed him his vicegerent on earth, clothed him with authority plenipotentiary in divine affairs, and revealed to him his oracles, with instructions to teach them to his own and to transmit them to all future generations of men.

The three great monotheistic faiths of mankind are Judaism, Christianity, and Mahometanism. The second is derived from the first and the third from the other two. All had their origin in Judean hills; all their birth and inspiration in the Old Testament of the Jews.

The mountains and valleys of Palestine are dotted with Jewish synagogues, Christian temples, and Mahometan mosques in which native worshippers and pilgrims from all the world kneel at the shrine of the Hebrew prophets.

On the top of Mount Sinai—

Says Disraeli in Tancred—

are two ruins, a Christian church and a Mahometan mosque. In this, the sublimest scene of Arabian glory, Israel and Ishmael alike raised their altars to the great God of Abraham.

Montesquieu likens the Jewish religion to the trunk of an old tree that has produced two branches which cover the earth. These branches are Christianity and Mahometanism. Again, he compares Judaism to a mother who has given birth to two daughters that have turned upon and covered the aged parent with wounds:

La religion juive est un vieux tronc qui a produit deux branches qui ont couvert toute la terre, je veux dire le Mahométisme et le Christianisme; ou plutot c'est une mère qui a engendré deux filles qui l'ont accablée de mille plaies. (Lettres Persanes, LX.)

It must be remembered that Mahometans do not reject Moses and the prophets; nor do they reject Jesus. Mahomet believed and taught that Jesus was inspired but not divine. Mahometans class Jesus among the great prophets of Jehovah, but deny that he was a man-God by immaculate conception. Mahometanism rests upon the double basis of Judaism and Christianity. Paganism enters as an element but can not be considered as a basic principle.

We follow—

Says the Koran—

the religion of Abraham the orthodox, who was no idolater. We believe in God and that which hath been sent down unto Abraham and Ismael and Isaac and Jacob and the tribes, and that which was delivered unto Moses and Jesus, and that which was delivered unto the prophets from the Lord. We make no distinction between any of them, and to God we are resigned. (Koran, chap. 2.)

Mahometans contend that the Pentateuch was the moral and legal code of men in the early ages of the world; that when Jesus Christ appeared the law of Moses was superseded by the Gospels; and that with the coming of Mahomet the Koran displaced them all and became the final guide of men. This book they declare to be the completion of the law, since no more divine revelations are to follow, and they worship Mahomet as the last and very greatest of the prophets that have revealed the will of God to man.

It may be added that there are, in round numbers, about 565,000,000 Christians, 240,000,000 Mahometans, and 15,000,000 Jews on the earth, a total of 820,000,000. These numbers are in the aggregate only about one-half the population of the globe, but they represent the progress, enlightenment, and civilization of mankind.

The Jew is thus the founder and master builder of the great spiritual temple of the human race, whose corner stone is

Hebrew prophecy and whose gorgeous domes are the claims of Jesus and Mahomet to the messiahship of God.

All mankind should be profoundly grateful to the Jew for the precious gift of monotheism, which is the basis of all these faiths, and every nation should help restore him to his ancient homeland, in which monotheism flourished in pristine glory and in mortal combat with polytheism and paganism in the early ages of the world. No praise too high can be said, no help too great can be rendered to the children of the race that emerged from the plains of Mesopotamia in the twilight of history and from their Lilliputian kingdom in Palestine sent forth a religion not only for the earth but for the universe.

All praise, all honor, and all gratitude to the Jew for the gift of the Bible, whose Mosaic code is the most potent juridical as well as spiritual agency in the universe and whose Gospels are the most perfect flowers of all the religious literature of the world. The Bible is everywhere to be found—in the jungles of Africa, while crossing burning deserts, and amidst Arctic snows.

No ship ever puts to sea without this sacred treasure. It is found in the cave of the hermit, in the hut of the peasant, in the palace of the king, and in the Vatican of the pope. Its divine precepts furnish elements of morals and manliness in formative life to jubilant youth; cast a radiant charm about the strength of lusty manhood; and when life's pilgrimage is ended, offer to the dying patriarch who clasps it to his bosom a sublime solace as he crosses the great divide and passes into the twilight's purple gloom. This noble book has furnished not only the most enduring laws and the sublimest religious truths, but inspiration as well to the grandest intellectual triumphs. It is literally woven into the literature of the world, and few books of modern times are worth reading that do not reflect the sentiments of its sacred pages. All honor to the Jew who wrote it and gave it to us!

All praise, all honor, and all gratitude to the Jew for the gift of the Talmud, defined by Emanuel Deutsch as "a Corpus Juris, an encyclopedia of law—civil and penal, ecclesiastical and international, human and divine."

To appreciate the message and mission of the Talmud its contents must be viewed and contemplated in the light of both literature and history. As a literary production it is a masterpiece—strange, weird, and unique—but a masterpiece nevertheless. It is a sort of spiritual and intellectual cosmos in which the brain growth and soul burst of a great race found expression during a thousand years. As an encyclopedia of faith and scholarship it reveals the noblest thoughts and highest aspirations of a divinely commissioned race. Whatever the master spirits of Judaism in Palestine and Babylon esteemed worthy of thought and devotion was devoted to its pages. It thus became a great twin messenger, with the Bible, of Hebrew civilization to all the races of mankind and to all the centuries yet to come. To Hebrews it is still the great storehouse of information touching the legal, political, and religious traditions of their fathers in many lands and ages. To the biblical critic of any faith it is an invaluable help to Bible exegesis. And to all the world who care for the sacred and the solemn it is a priceless literary treasure.

As an historical factor the Talmud has only remotely affected the great currents of gentile history. But to Judaism it has been the cementing bond in every time of persecution and threatened dissolution. It was carried from Babylon to Egypt, northern Africa, Spain, Italy, France, Germany, and Poland. And when threatened with national and race destruction the children of Abraham in every land bowed themselves above its sacred pages and caught therefrom inspiration to renewed life and higher effort.

The Hebrews of every age have held the Talmud in extravagant reverence as the greatest sacred heirloom of their race. Their supreme affection for it has placed it above even the Bible. It is an adage with them that "the Bible is salt, the Mischna pepper, the Gemara balmy spice," and Rabbi Solomon ben Joseph sings:

> The Kabbala and Talmud hoar
> Than all the Prophets prize I more;
> For water is all Bible lore,
> But Mischna is pure wine.

More than any other human agency has the Talmud been instrumental in creating that strangest of all political phenomena—a nation without a country, a race without a fatherland.

AS PHYSICIAN.

Jewish achievements in medicine have been unsurpassed by those of any other race. To carry healing, both spiritual and physical, to the nations seems to have been the peculiar mission of the Jew. To preserve the body on earth and to save the soul in heaven have been the chief objects of his care and solicitude in history.

In human history as a whole the Jew has had less formidable competition in medicine than in any other science. He was the physician par excellence of the Middle Ages. A superstitious reverence attached to his healing powers, so much so that when he became a convert to Christianity he was rejected as physician, because it was supposed that the change of religion had robbed him of the secrets of his art. Francis I, King of France, refused to employ a converted Jew as court physician for this reason. Thus closely were Jewish genius and the science of medicine identified in olden days.

The practice of medicine was an integral part of the religion of the ancient Hebrews, who regarded health and disease as emanating from the same divine source. "I kill, and I make alive; I wound, and I heal," suggested to the Hebrew mind the origin of every malady to which the flesh was heir. Medicine, then, was a sacred science; its practice was a divine calling, and the physician was the messenger of God. The strength of this sentiment may be imagined when it is remembered that the Bible identifies the blood with the soul. (Genesis ix, 4.) The Talmudists regard blood as the essential principle of life. (Hul. 125a.)

Time forbids an enumeration of all the kings, emperors, and popes who had Jewish physicians. Just a few may be mentioned by way of illustration. Maimonides was court physician to the Turkish Sultan Saladin, and, according to the Arabian historian Al-Kitti, he declined a similar position offered him by Richard Coeur-de-Lion, afterwards Richard I, King of England. Queen Elizabeth of England had as court physician Rodrigo Lopez, a Spanish Jew. Farragut, a Jew, was court physician to Charlemagne. Jacob Ben Jechiel Loans, a Jew, was physician to Emperor Frederick III, of Germany, and received from that monarch the order of knighthood. Elias Montalto, a Jew, was physician to Maria di Medici. King Charles IV, of Denmark, had as court physician Benjamin Musafia, a Jew.

A complete list of popes and potentates who employed physicians of Jewish blood would be too long to read. And let it be understood that popes and princes had no monopoly upon the medical skill of the Jews. Their beneficent deeds enrich the pages of all history. Maestre Bernal, ship physician, and Marco, ship surgeon to Columbus, were both Jews. Suffice it to say that in all ages and in all lands, from the hut of the peasant to the palace of the king and the Vatican of the pope, they have crept silently in to minister to the sufferings of humanity.

And it may be confidently asserted that the modern Jew as physician is not unworthy of his people's illustrious past. While the Jews can not justly claim monopoly in the triumphs of modern medicine, every race having its great ornaments and lights, yet it can not be truthfully denied that they are most worthy among the disciples of Aesculapius, of Hippocrates, and Galen.

It may be safely asserted that before the Great War the medical department of the University of Vienna was without a superior in the world. Students from every continent flocked in great numbers to this celebrated school of medicine. Suffice it to say, as a final tribute to the skill of the Jew as physician, that 12 of the professorships of this famous university were held by the Jews in 1900.

AS PHILANTHROPIST.

Closely identified with religion and medicine, in the matter of healing, mercy, and love, is philanthropy.

One of the most stupendous acts of charity recorded in history was that of a Jew, Baron Hirsch, who donated $100,000,000 to philanthropic purposes. This donation was made to help his suffering and struggling coreligionists throughout the world.

A single sentence is a key to the character of this magnanimous, generous-hearted man. A friend sent him a message of sympathy when he lost his only child in 1887. Hirsch sent this reply:

> My son I have lost, but not my heir; humanity is my heir.

Another distinguished Jewish philanthropist was Sir Moses Montefiore, who devoted his life and fortune to works of charity. The celebration of his one hundredth birthday was almost a national event in England. Telegrams of congratulation were received from Queen Victoria, Albert Edward, Prince of Wales, as well as from thousands of beneficiaries of his philanthropy throughout the world.

The charity of no other race is so well organized, so systematic, and so universal as that of the Jew. Like everything else Jewish, it has a scriptural basis. "Thou shalt open thine hand wide unto thy brethren and shall surely lend him suffi-

cient for his need in that which he wanteth" is the foundation of all Jewish philanthropy.

More than 200 years ago the burghers of New Amsterdam gave permission to a few Jews to settle among them "upon condition that they should always support their own poor." In the light of history, ancient and modern, this condition was superfluous and even amusing. In no age of the world have Jews permitted gentiles to take care of their poor. They have frequently contributed generously to gentile charity funds, but have generally refused to receive anything in return. Sir Moses Montefiore, at the age of 76, went to the office of the London Times after midnight to solicit relief for the Christians of Syria. He himself subscribed £200 and personally collected over £20,000. These things he did for the persecutors of his race.

In 1860 Adolphe Crémieux, the celebrated Jewish advocate of France, addressed an impassioned appeal to his coreligionists throughout Europe in behalf of the starving Christians of Lebanon. Was this appeal not genuinely of the spirit of Christ? Did not Crémieux ask his fellow Jews to "turn the other cheek" and to "do good for evil"?

Even the munificent gifts of Baron Hirsch were not confined to members of his own race. He is recorded as saying:

In relieving human suffering I never ask whether the cry of necessity comes from a being who belongs to my faith or not; but what is more natural than that I should find my highest purpose in bringing to the followers of Judaism who have been oppressed for a thousand years, who are starving in misery, the possibilities of a physical and moral regeneration?

AS PHILOSOPHER.

Philo, Maimonides, Spinoza, and Mendelssohn were great Jewish philosophers.

Philo was an Alexandrian philosopher and a contemporary of Jesus. His learning was prodigious. He was deeply versed in grammar, rhetoric, music, Greek literature, and all the physical and mathematical sciences of his age as well as in everything that was Hebrew in religion and philosophy.

Maimonides, "the Jewish Aristotle," possessed the finest intellect of all the learned men of the Middle Ages. His great endeavor seems to have been to reconcile divine with human wisdom as manifested by Aristotle.

Spinoza was a Dutch Jewish philosopher, a pupil of the Amsterdam Talmud Torah, a man whose utter intellectual fearlessness embroiled him constantly, in matters of religion and philosophy, with his coreligionists, causing the rabbis to try him and to place him first under the lesser and later under the great ban, and finally to drive him to a renunciation of Judaism.

In Professor Herz's studio at Berlin is a bust of Mendelssohn, upon which is the following inscription:

Moses Mendelssohn,
The greatest sage since Socrates,
His own Nation's glory
Any Nation's ornament,
The confidant
Of Lessing and of Truth,
He died
As he lived
Serene and wise.

AS HISTORIAN.

Josephus, Neander, Graetz, Palgrave, and Geiger were Jewish historians, who rank among the greatest in the world.

Josephus, after nearly 2,000 years, is the great authority on Jewish history of ancient times. His only rival for the first place among Jewish historians is Graetz, author of "The History of the Jews from the Earliest Times to the Present Day."

AS ASTRONOMER AND MATHEMATICIAN.

The greatest astronomer and mathematician of Jewish blood was Sir William Herschel. Other great mathematicians were Sylvester, sometime professor of mathematics at Johns Hopkins University; Jacobi, German Jewish mathematician, after whom certain intricate functions are termed "Jacobians"; Filipowski, compiler of antilogarithmetic tables; Gomperts, Terquem, and Kronecker.

The fame of Dr. Albert Einstein is not yet permanently established, but there are many competent judges in the world who believe that he will yet take his place in the history of the science of astronomy and mathematics at the side of Sir Isaac Newton.

AS ORATOR AND STATESMAN.

Disraeli, Gambetta, Castelar, Lasker, Benjamin, and Rathenau were Jews.

Benjamin Disraeli in England, Leon Gambetta in France, Emelio Castelar in Spain, Judah P. Benjamin in America, Edward Lasker and Walter Rathenau in Germany, were types of all that is superb in oratory and profound in statesmanship.

As British Prime Minister, Disraeli launched the world policy of Queen Victoria and made her Empress of India. The high-water mark of Jewish success in statesmanship was reached by this eminent Hebrew, and when he died the English laid him to rest in Westminster Abbey among their kings, statesmen, and heroes.

Gambetta, of Genoese-Jewish extraction, was the greatest orator of the French, with the possible exception of Mirabeau. He was a fierce and uncompromising republican, and his grandest oratorical efforts were panegyrics of republicanism.

Emelio Castelar, a Jew, was the most famous Spanish orator of any time. Instances are related where strangers traveled from distant points in Europe to Madrid to hear him speak an hour before the Cortes. When he addressed this body in later life the chamber was always crowded and cards of admission commanded an exorbitant price. His genius was so pronounced that all parties delighted to honor him. His oration on the candidacy of Amadeus for the kingship of Spain is the most gorgeous production in oratorical literature. It is a perfect "field of cloth of gold" in metaphor and imagery. He was chief magistrate and virtual dictator of the short-lived Spanish Republic from September, 1874, to January, 1875.

Judah P. Benjamin was the ablest and most illustrious Jew ever born in the Western Hemisphere. He was very great as orator, statesman, and lawyer. His political career was comprised in public service within the offices of United States Senator from Louisiana and of Attorney General, Secretary of War, and Secretary of State, successively, of the Confederate States of America.

Edward Lasker, once leader of the Liberal Party in the German Reichstag, was the only man whom Bismarck ever feared in parliamentary debate. He was an enthusiastic patriot and altogether above reproach. In general outline he closely resembled the late Carl Schurz in independent notions and lofty ideals.

Walter Rathenau, late Minister of Foreign Affairs of the German Republic, was a Jew. He was the mainstay of the cabinet of Chancellor Wirth, and the Germans were beginning to look to him as the Moses who would lead them out of the wilderness of economic disaster and death. His assassination a few days ago was an irreparable loss to Germany and a distinct menace to the peace of the world.

AS FINANCIER.

Jewish genius in finance has become proverbial and need not be discussed by me. Suffice it to say that the Rothschilds determined for decades in Europe questions of peace and war. Other great Jewish financiers in Europe are the Bleichröders of Germany. The Schiffs, Seligmans, and Guggenheims are well-known American financiers.

AS LABOR LEADER AND POLITICAL ECONOMIST.

The world has been so long accustomed to regard the Jew as a financier and to identify his genius and achievements with finance, that the statement may seem strange to some that several among the world's greatest labor leaders have been Jews. The average Jew can not decry either capital or labor without denouncing the occupations and assaulting the reputations of many of the most illustrious of his race. If capital has numbered among its greatest exponents the Rothschilds, Bleichröders, and Seligmans, labor has counted among its grandest champions other great Jewish names: Karl Marx, Ferdinand Lassalle, Victor Adler, and Samuel Gompers.

AS ACTOR AND ACTRESS.

Jewish genius has been incomparable on the stage. The greatest actress dead, with the possible exception of the English actress, Mrs. Siddons, was Rachel, a Jewess. The greatest living actress, indeed the greatest actress that ever lived, is Sarah Bernhardt, a Jewess. The greatest of modern actors was Adolph von Sonnenthal, a Jew, the dramatic idol of the Austrian capital during three decades. A few years ago the New York Herald printed an article on Sonnenthal. The following are two paragraphs from that article:

In 1881 was celebrated the twenty-fifth anniversary of his connection with the Hofburg Theater. The people went wild with enthusiasm. After the performance they took the horses from the carriage and drew him through the streets. Among the distinguished persons who witnessed the performance was the Emperor of Austria, the Crown Prince, and all the members of the court.

There is in Austria an imperial mandate forbidding audiences to call actors before the curtain, but on this night it was revoked by special permission and Sonnenthal was called out no less than 42 times.

AS MUSICIAN.

Mendelssohn, Meyerbeer, Offenbach, Goldmark, Joachim, Rubinstein, and Strauss were Jews. It may be contended, and with truth, that no one of these musicians possessed the musical genius of Wagner, Mozart, or Beethoven; but, nevertheless, each one of them was a master of his art and the history of music would not be complete without mention of the names of all of them.

AS POET.

The author of the Book of Job and the author of the Book of Psalms were doubtless Hebrews, and were the greatest of all Hebrew poets, for the poetry of Job and the poetry of the Psalms are incomparably the noblest of all poetry of all the literature of the earth.

The greatest of modern Jewish poets were Jehuda Halevi, of Spain, author of the "Elegy of Zion," and Heinrich Heine, of Germany, author of "The Lorelei."

AS PAINTER AND SCULPTOR.

Hebrew civilization has not been very greatly enriched by triumphs in art. In neither painting nor sculpture have the sons of Israel succeeded grandly. The annals of Hebrew great names reveal no Phidias, no Appelles, no Canova, no Raphael. In every sphere of intellectual and spiritual activity, excepting art, Hebrew genius has scored magnificent victories. And failure in art was not remotely due to barrenness of intellect or soul but to the heavenly decree, "Thou shalt not make unto thee any graven image, or any likeness of anything that is in the heaven above, or that is in the earth beneath, or that is in the water under the earth." During all the ages this divine command from Sinai paralyzed and destroyed Hebrew creative genius in works of art. More than once Josephus calls attention to the effect of this ordinance upon the national life of Israel.

It is worthy of note that the express command of the law forbidding images was not more potent in the destruction of plastic art than was the spirit of the Hebrew faith in its warfare upon idolatry among pagan nations. Graeco-Roman polytheism offered the highest incentive to the development of art. To bring the gods in ever more beautiful forms before the eye of the worshipper was the great aim of the Greek and Roman artists.

But diametrically opposed to the pagan conception of the forms and number of the heavenly powers was Hebrew monotheism that believed in but one God, who was purely spiritual, and therefore invisible, intangible, and unapproachable. Judaism delighted to lift its Deity above the sensual, material, and corporeal things of earth and to represent Him as a pure and sinless spirit. This conception of the Creator of the universe and this monotheistic faith, which was in direct antagonism to polytheistic belief, were equally destructive of plastic art with the express command of the law itself. And this is more certainly true since the highest inspiration to triumphs in art in every age have been the actions of the gods and goddesses themselves. The masterpiece of ancient art was the Olympian Zeus of Phidias. The masterpiece of modern art is the Sistine Madonna of Raphael. And when the Hebrews forbade the representation of their Deity in plastic form they shut out the highest inspiration to artistic triumph.

Again, the Hebrew sense of chastity was offended by the immorality of pagan myths as embodied in plastic form. The artistic beauty of certain Greek and Roman statues the Hebrews believed was better fitted to deprave than to purify the moral sentiments of mankind. They saw that the Rape of Ganymede, sanctifying pederasty in marble, was a masterpiece of Grecian sculpture. They felt that the painting of Aphrodite, ensnared and caught in a net with Ares, was not too well calculated to instill pure and virtuous thoughts in the minds of tender youth and of modest maidens who looked upon and contemplated it. They knew that every street corner of Athens and of Rome was marked by an image of some god whose mythic history was filled with inebriety and lust. The Hebrew conscience shrank with terror and with loathing from the serpent of immorality coiled beneath the marble flowers of Grecian and Roman art.

The blighting effect of the Sinaic condemnation of art fell upon architecture as well as upon painting and sculpture. The houses of ancient Palestine were wholly destitute of artistic beauty, and the palaces and the temples at Jerusalem were constructed after non-Jewish models. Roman architecture was employed in the building of the magnificent palace of Herod; and Phoenician workmen from Tyre and Sidon were imported to build the temples of Solomon and of Zerubbabel. (Ezra iii, 7.)

Let it be said, however, that modern Judaism seems to have broken completely away from the ancient prohibition concerning images, and modern Jewish art is beginning to develop into forms of great beauty and power. Solomon J. Solomon ranks among the greatest of English artists, and Joseph Israels has glorified the art of painting in his celebrated delineations of Dutch fisher life. It is probable that the greatest of all Jewish sculptors was Moses J. Ezekiel, born in Richmond, Va., whose works have been exhibited in the chief art centers of Europe, and whose statue of "Religious Liberty" adorns Fairmount Park, Philadelphia.

Mr. Speaker, I could spend the entire day telling the Members of this House about the triumphs of Jewish genius in religion, literature, science, and art if time permitted and occasion demanded, but I must stop. I could proceed to further describe his triumphs in fiction and romance and in the minor subjects of botany and biology and philology and chess playing, in all of which Jewish genius has shone brilliantly. But I repeat that I must stop.

The only justification for this lengthy discussion of Jewish achievement is that it serves to emphasize my hearty approval of the contention of Lord Balfour in his recent speech before the House of Lords that Jewish achievements, constituting civilization's most valuable contribution, entitle the Jew to the sympathy, encouragement, and aid of the civilized nations of the earth in the matter of helping to reestablish for him a homeland in Palestine.

Reduced to the plainest terms of colloquial formula, the Jew may say this to the Christian peoples of the earth: I have given you the sublimest religious truths in the laws of Moses, in the prophecies of Isaiah and Jeremiah, in the songs of David, and in the teachings of Jesus of Nazareth. In these laws and prophecies and songs and teachings I have pointed you the way to a blessed and an eternal life. I have given you much that is grand and beautiful in literature, music, and art. With my hands tied behind me and my heart burdened to the breaking point with a bitter load of hatred and persecution, I have yet managed from the cave of the prophets and from the manger of the Christ, from the filth of the Judengasse, and from the darkness of the hovels of the Ghetto to contribute more than my share to the great cause of liberty, humanity, and civilization among men. Now, will you not help me? Will you not aid me in the reestablishment of a homeland among the sacred places of my race, where I can escape persecution, where I can once again feel the pride and thrill of free and national life, and where the banner of the Jew can once again float proudly from the battlements of Jerusalem? If mankind is not ungrateful and if civilization is not craven, the answer to this question will be "yes" in language, and assistance in action translated immediately into deeds.

OBJECTIONS TO THE ZIONIST MOVEMENT.

But are there no objections to the Zionist movement and consequently to the pending resolution, you may ask? Certainly. There was never a noble enterprise or a great movement in the history of the world that somebody did not rise and object. Christianity itself was not founded without the crucifixion of its Author and without centuries of persecution of His followers. The American Republic was not established until after the English people had offered bitter and bloody objection during seven years and eight months of arduous toil and bitter struggle. Tariff bills are never passed in this House without serious objection from the Democrats, and rivers and harbors bills providing for the irrigation of southern rivers would go through if objections were not made by Republicans. We should not be bothered by objections, but we should hear them freely and answer them candidly and fairly.

It must be candidly admitted that a considerable number of very intelligent and patriotic Jews in America are opposed to the Zionist movement and object to the passage of this resolution. I believe that they are in a decided minority, but the very structure and genius of our Government, as well as its finest traditions, demand fair play for minorities and protection for their rights whenever possible, and we must hear and consider their plea in this case patiently and fully. To this end I have read the hearings on this resolution before the Foreign Affairs Committee carefully three times from beginning to end. I resolved in the beginning of the consideration of this subject not to act hastily, and I have arrived at my conclusions after prolonged and diligent research.

The time at my disposal does not permit me to consider other than the leading objections that have been made to the project of founding for the Jews a homeland in Palestine and to the passage of this resolution, and, in order to proceed clearly and systematically, I shall classify at once these objections.

The opponents of political Zionism, which is proposed by this resolution, as opposed to orthodox Zionism and to economic Zionism, about which there seems to be little dispute among the Jews, make the following main contentions:

1. That political Zionism—that is, a political State in Palestine for the Jewish people—is not desirable or permissible, since Judaism is a religion and not a nationality, and since the Jews are nationals of the country in which they are born and

in which they live and should be faithful to the land of their birth and of their domicile.

2. That political Zionism can not be realized in Palestine; that is, that a political State can not be established with the Jews in dominant control without violating the rights, under principles of self-determination, of the non-Jewish races of the country.

I believe that this is a full and fair statement of the two great objections of the opponents of the pending resolution, and I shall discuss them as briefly as possible in the order in which I have stated them.

Regarding the first objection, I wish to quote Rabbi Philipson, of Cincinnati, one of the opponents of this resolution. At the hearings before the Foreign Affairs Committee, Doctor Philipson said:

> There are those of us who feel that Jewish nationalism does not express the true interpretation of Judaism. We feel that Judaism is a religion and that we are nationals of the country in which we are born and in which we live.

In support of his views and contention, Doctor Philipson read the following resolution of the Union of American Hebrew Congregations at one of their meetings at Richmond, Va.:

> We are unalterably opposed to political Zionism. The Jews are not a nation but a religious community. Zion was a precious possession of the past, the early home of our faith, where our prophets uttered their world-subduing thoughts, and our psalmists sang their world-enchanting hymns. As such it is a holy memory, but it is not our hope of the future. America is our Zion. Here, in the home of religious liberty we have aided in founding this new Zion, the fruition of the beginning laid in the old. The mission of Judaism is spiritual, not political. Its aim is not to establish a State, but to spread the truths of religion and humanity throughout the world.

This is all splendid and inspiring sentiment, and when the Jews at Richmond proclaimed America their Zion we are compelled to applaud their patriotism. But I know that they will pardon me if I remind them, even with a slight touch of sarcasm and cynicism, that the Zionist movement is not intended primarily for American Jews, who are happy in the possession of American citizenship and in comparative freedom from religious persecution. It is intended primarily for the wretched Jews of Russia, Rumania, and Poland who are practically shut out from this American Zion by foolishly rigid immigration laws.

Doctor Philipson and the Jews at Richmond, in drawing too nice distinctions concerning the meaning and mission of Judaism, seem to have forgotten that there are certainly differences at times between a Jew as a man and a Jew as a religionist. A certain analyst is said to have discovered that Jews and Judaism are identical, and that if Jewish blood be examined under a microscope floating particles of the Bible and the Talmud may be found. This is all well as a matter of humor, but I insist that there is such a thing as a Jew who is a man, a human being, a citizen and a patriot, and this aside from any consideration of religion or religious belief. I further contend that this man is entitled to the rights of a freeman, which include benefits of independent nationality and citizenship, and protection furthermore against bodily oppression as well as religious persecution.

Believing this, I shall support this resolution and vote for it because it tends to establish and preserve these rights to the oppressed and persecuted Jews of southeastern Europe who will never be able to reach our shores because of the inhospitable barriers that have been erected against them.

Mr. Speaker, I respectfully submit that the attitude of Doctor Philipson and of the Jews of the Union of American Hebrew Congregations at Richmond and their attempt to define Jewish citizenship and nationality are nothing new in history. They are merely a revival of recurring inquiries and discussions of the subject that have taken place in every age of the world since the beginning of the Jewish dispersion. I ask the indulgence of the House while I discuss briefly this phase of the subject.

After the fall of Jerusalem (A. D. 70) the Jew was a wanderer for many centuries upon the earth without a home and country. Until the closing years of the eighteenth century the Christian governments of Europe denied him the simplest rights of a free man and a citizen. While not a slave in the sense of chattel property, the Jews were frequently regarded as an attachment of the soil, like the ancient Spartan helots, and were transferred from one sovereign to another. At other times, having been despoiled of their goods, they were expelled by wholesale and without ceremony from the countries which they had come to regard as their homes.

The expulsion of the Jews from Spain in 1492 by an edict of Ferdinand and Isabella was a most painful epoch in the history of the Hebrew race. The real reason of this wholesale persecution was the fact that the Jews refused to become Christians when commanded to do so by a fanatically pious Spanish sovereign. According to Isidore Loeb 165,000 Jews left their homes and wandered away into exile in foreign lands. History relates many pathetic incidents that marked the beginning of this dispersion. Great numbers of the Jewish community of Segovia passed the last three days of their stay in the city in the Jewish cemetery, fasting and wailing over being parted from their beloved dead. Jews were not permitted to inhabit Spain again until 1858, when a Republic was established, and a repeal of the ancient edict of expulsion was secured from General Prim through the influence of H. Guedella, of London. But even then they were not allowed rights of unrestricted citizenship.

The French Revolution brought liberty and equality to Jews as well as to gentiles in France, and gave rights of citizenship to all.

The Jews were not completely emancipated in England until 1858, when they were admitted to Parliament without being compelled to take the oath, "On the faith of a true Christian."

It must not be imagined, however, that the free and enlightened policies of France, England, and the United States have been elsewhere pursued. Very few substantial rights of citizenship were enjoyed prior to the Russian Revolution under Kerensky by either Russian or Rumanian Jews; and, it may be added, nearly 7,000,000 Jews, about one-half of the total Jewish population of the earth, lived at that time in Russia and Rumania.

The political status of the Jew 150 years ago was a puzzle to the brainiest statesmen of Europe. Although the year 1793 witnessed the revolutionary emancipation of the Jews in France, Napoleon did not afterwards regard them as citizens. He once said:

> The Jews are not in the same category with the Christians. We have to judge them by the political not the civil right, for they are not citizens.

And to gain desired information concerning them for the purpose of framing appropriate legislation for the Jews in the general reconstruction of the Empire after the French Revolution, he propounded the following 12 questions to the Sanhedrin of France:

1. Is it lawful for Jews to have more than one wife?
2. Is divorce allowed by the Jewish religion? Is divorce valid, although pronounced not by the courts of justice but by virtue of laws in contradiction to the French Code?
3. May a Jewess marry a Christian, or a Jew a Christian woman, or does Jewish law order that the Jews should intermarry among themselves?
4. In the eyes of the Jews are Frenchmen not of the Jewish religion considered as brethren or as strangers?
5. What conduct does Jewish law prescribe toward Frenchmen not of the Jewish religion?
6. Do the Jews born in France and treated by the law as French citizens acknowledge France as their country? Are they bound to defend it? Are they bound to obey the laws and follow the directions of the Civil Code?
7. Who elects the rabbis?
8. What kind of police jurisdiction do the rabbis exercise over the Jews? What judicial powers do they exercise over them?
9. Are the police jurisdiction of the rabbis and the forms of election regulated by Jewish law or are they only sanctioned by custom?
10. Are there professions from which the Jews are excluded by their law?
11. Does Jewish law forbid the Jews to take usury from their brethren?
12. Does it forbid or does it allow usury in dealing with strangers?

To these questions the French Sanhedrin made the following replies:

1. That, in conformity with the decree of R. Gershom, polygamy is forbidden to the Israelites.
2. That divorce by the Jewish law is valid only after previous decision by the civil authorities.
3. That the religious act of marriage must be preceded by a civil contract.
4. That every Israelite is religiously bound to consider his non-Jewish fellow citizens as brothers and to aid, protect, and love them as though they were coreligionists.
6. That the Israelite is required to consider the land of his birth or adoption as his fatherland, and shall love and defend it when called upon.
7. That Judaism does not forbid any kind of handicraft or occupation.
8. That it is commendable for Israelites to engage in agriculture, manual labor, and the arts, as their ancestors in Palestine were wont to do.
9. That, finally, Israelites are forbidden to exact usury from Jew or Christian.

These questions and answers formed the basis of all subsequent legislation by the French Government in regard to Jewish religious affairs and plans.

Ascher, the great Jewish teacher, framed this catechism for the Jewish youth of England:

> Has the Jew a fatherland besides Jerusalem?
> Yes, the country wherein he is bred and born, and in which he has the liberty to practice his religion, and where he is allowed to carry on traffic and trade and enjoy all the advantages and protection of

the law in common with the citizens of other creeds, this country the Israelite is bound to acknowledge as his fatherland, to the benefit of which he must do his best to contribute. The sovereign who rules over this land is (after God) his sovereign; its laws, so long as they are not contradictory to the divine law, are also the Israelite's laws, and the duties of his fellow citizens are also his duties.

This catechism and the answer of the French Sanhedrin defined clearly the Jewish notion of the citizenship and fatherland of the Jews under the dispersion.

But it must be conceded that in the case of this strange and extraordinary people there is a peculiar kind of fatherland known to no other race; a fatherland not based upon the soil of earth, nor bounded by streams or mountains, nor subject to the pains and penalties of physical decay and death; a fatherland whose kingdom is of the spirit and whose law is the word of God. Hear Heine describe this fatherland:

The Jews may console themselves for having lost Jerusalem and the temple, and the Ark of the Covenant, and the golden vessels and the precious things of Solomon. Such a loss is merely insignificant in comparison with the Bible, the imperishable treasure which they have rescued. If I do not err, it was Mahomet who named the Jews "the people of the Book," a name which has remained theirs to the present day on the earth and which is deeply characteristic. A book is their very fatherland, their treasure, their governor, their bliss, and their bane. They live within the peaceful boundaries of this book. Here they exercise their inalienable rights. Here they can neither be driven along nor despised. Here they are strong and worthy of admiration. Absorbed in the city of this book, they observed little of the changes which went on about them in the real world; nations arose and perished; States bloomed and disappeared; revolutions stormed forth out of the soil; but they laid bowed down over their book and observed nothing of the wild tumult of the times which passed over their heads.

Zebulon B. Vance, quoting Prof. Maury, compares the great human current of this strange Jewish fatherland to the Gulf Stream:

There is a river in the ocean; in the severest droughts it never fails and in the mightiest floods it never overflows. The Gulf of Mexico is its fountain, and its mouth is in the Arctic seas. It is the Gulf Stream. There is in the world no other such majestic flow of water. Its current is more rapid than the Mississippi or the Amazon and its volume more than a thousand times greater. Its waters as far out from the Gulf as the Carolina coasts are of an indigo blue; they are so distinctly marked that their lines of junction with the common sea water may be traced by the eye. Often one-half of a vessel may be perceived floating in the Gulf Stream water while the other half is in common water of the sea, so sharp is the line and such is the want of affinity between these waters, and such, too, the reluctance, so to speak, on the part of the Gulf Stream to mingle with the common water of the sea. (Prof. M. F. Maury.)

This curious phenomenon in the physical world has its counterpart in the moral. There is a lonely river in the midst of the ocean of mankind. The mightiest flood of human temptation has never caused it to overflow and the fiercest fires of human cruelty, though seven times heated in the furnace of religious bigotry, have never caused it to dry up, although its waves for 2,000 years have rolled crimson with the blood of its martyrs. Its fountain is in the gray dawn of the world's history and its mouth is somewhere in the shadows of eternity. It, too, refuses to mingle with the surrounding waves, and the line which divides its restless billows from the common waters of humanity is also plainly visible to the eye. It is the Jewish race. (Vance.)

This conception of a fatherland above the earth and having no physical boundaries may seem to many a far-fetched thought, a strained political metaphor, but the idea is not new nor is it confined to spiritual kingdoms. Waldstein says:

The abolition of slavery and the Renaissance are as much a fatherland as are England, Germany, France, or the United States.

Kosciusko was once asked where his country was. "Where freedom is not," was the reply of the valiant Pole; and whether in the wilderness of America or on the plains of Poland, Kosciusko felt at home and within the boundaries of his fatherland, provided his sword was unsheathed in the name of liberty.

Mr. Speaker, the historical considerations that I have just presented to the House merely show that the contentions of Doctor Philipson and his coreligionists at Richmond are nothing new, since the political status of the Jew for centuries past has been settled not only by the catechism of Ascher and the answers of the French Sanhedrin but also by the terms of the oaths taken by Jews under the naturalization laws of the different countries in which they have settled. The Ascher catechism says emphatically that "the country wherein he is bred and born" is the fatherland of the Jew. The French Sanhedrin emphatically answered the inquiry of Napoleon by saying "that the Israelite is required to consider the land of his birth or adoption as his fatherland."

All this is sensible and logical enough; indeed, it is the only rational solution of the problem of Jewish citizenship and nationality, while the Jews are scattered throughout the world and have no country of their own. No other solution or determination of the political status of the Jew could be made unless we admit the correctness of the principle that there can be a State within a State, imperium in imperio, or unless we make the Jew an outcast upon the earth, without home or country.

But, in the name of reason and common sense, what is there in all this that offers a serious objection to the Zionist movement or to the passage of this resolution? Is there anything fixed, eternal, unchangeable, and irrevocable in Jewish citizenship that holds the Jew forever chained to the country of his birth or adoption? Does not international law sanction change of citizenship from one country to another? Do not the immigration and naturalization laws of all nations permit expatriation and repatriation without the slightest trace of a stain of treason? Is anything more required by the laws of man, nature, or God of the Jewish citizen or of the citizen of any other race than loyalty to his country during the continuance of his citizenship?

Furthermore, is it not well to remember that the duties and obligations of the citizen toward the country and the country toward the citizen are mutual and reciprocal? Should the citizen be required to render obedience to the laws of the country, to pay taxes, to support the Government, and to defend the flag in times of war, unless the country is willing and able to protect the citizen in the enjoyment of his rights of life, liberty, and property, as well as the pursuit of happiness, at all times? If the country fails in its obligations, is not the citizen absolved from his duties?

American Jews are obedient to the laws of the country and have shown themselves true patriots in every period of our history, both in peace and war, and the Government of our country has protected them in the enjoyment of their legal and political rights. There would be no Zionist question if this state of things existed throughout the world. But what about the Jews of Russia, Rumania, and Poland? Will the opponents of this resolution seriously contend that they owe any particular love, loyalty, or allegiance to the governments of their countries?

Permit me at this point, Mr. Speaker, to consider the second of the main objections to political Zionism and to the passage of this resolution. It has been urged by the opponents of this measure that the principle of the right of self-determination would be violated by the establishment of a Jewish state in Palestine with the Jews in dominant control. It is pointed out by these opponents that the entire population of Palestine is about 700,000, and that of this number about 500,000 are Mahometan Arabs, about 110,000 are Christians of various sects and denominations, and that about 90,000 are Jews. It is urged that, upon the principle of the right of self-determination, these 500,000 Arabs should not be compelled to submit to the domination of a Jewish minority in the country.

Mr. Speaker, I believe firmly in the doctrine of self-government or self-determination as representing a sacred principle in government. Lincoln's "government of the people, by the people, and for the people" is not possible without strict observance and application of the rights of self-determination. But I must insist that it does not become the American Congress or the American Government to prate too loudly at this time about the sacred rights of the Arabs in Palestine, in the light of our treatment of the Filipinos during the last quarter of a century, and in view of the fact that every civilized nation of the earth, excepting the United States, has acknowledged the independence de jure of Esthonia and Latvia upon principles of self-determination.

Our American theories of government are always glittering successes, but our practices are ofttimes dismal failures. We boast of personal liberty in America and then tolerate the Volstead Act upon the statute books. I say to you that there will be no genuine personal liberty in America again until that act is repealed or radically modified. But I shall not stop to discuss or denounce prohibition, since the subject of debate is the Zionist movement.

I want to make at this time, Mr. Speaker and gentlemen of the House, my attitude and views upon the Arab question in Palestine very clear and emphatic. I am in favor of carrying out one of the three following policies, to be preferred in the order in which they are named:

(1) That the Arabs shall be permitted to remain in Palestine under Jewish government and domination, and with their civil and religious rights guaranteed to them through the British mandate and under terms of the Balfour declaration.

(2) That if they will not consent to Jewish government and domination, they shall be required to sell their lands at a just valuation and retire into the Arab territory which has been assigned to them by the League of Nations in the general reconstruction of the countries of the East.

(3) That if they will not consent to Jewish government and domination, under conditions of right and justice, or to sell their lands at a just valuation and to retire into their own countries, they shall be driven from Palestine by force.

Mr. Speaker, I wish to discuss briefly each of these alternatives in order. And first let me read the now celebrated Balfour declaration of date of November 2, 1917, during the progress of the Great War, and afterwards incorporated in the preamble

of the British mandate authorized by the League of Nations. The Balfour declaration was in the following language:

His Majesty's Government view with favor the establishment in Palestine of a national home for the Jewish people and will use their best endeavors to facilitate the achievement of this object, it being clearly understood that nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish communities in Palestine or the rights and political status enjoyed by the Jews in any other country.

If this is not a condensed and at the same time a complete bill of rights both for the Arabs of Palestine and for the Jews who intend to remain in their present homelands outside of Palestine, I have never read or seen one. It is conceded by the Arabs themselves that the present government of the country under the British mandate and through the Zionist organization as an administrative agency is infinitely better than the government of the Turks who were chased out of the country by Allenby, the British general. It is probably better than any that the Arabs could create and maintain for themselves.

I respectfully submit that the Arabs in Palestine should be and would be happy and contented under the present government of that country if it were not for Turkish and Arab agitators, who travel around over the land stirring up trouble by making false representations concerning the true character of the Zionist movement, and by preaching a kind of holy war against the immigrant Jews who arrive from day to day. The Arabs are well represented in the personnel of the present Palestine administration, which has recognized their language as one of the official languages of the country, and has given official standing to the Moslem religion.

There is no good reason why the Jews and Arabs should not live together in perfect peace and harmony in Palestine. They are all Semitic in blood and language, and all worship the same God and the same Hebrew prophets. Instead of being antagonistic there is every race and religious reason for peace and harmony.

In the second place, if the Arabs do not wish to remain in Palestine under Jewish government and domination there is plenty of room outside in purely Arab surroundings. The British Government and her allies made overtures and gave pledges to the Arab people to furnish them lands and protect their freedom in consideration of Arab alliance with the Allies during the World War. That pledge has been kept. The Hedjaz kingdom was established in ancient Arabia, and Hussein, Grand Sheriff of Mecca, was made king and freed from all Turkish influence. The son of King Hussein, Prince Feisal, is now the head of the kingdom of Mesopotamia, and Arab predominance in that country has been assured by the Allies to the Arab people.

Mesopotamia is alone capable of absorbing 30,000,000 people, according to a report submitted to the British Government by the Great English engineer, Sir William Wilcocks. Arab rights are also fully recognized and protected by the French mandate over Syria. There are also several flourishing Arabic cultural and political colonies in Egypt. In short, the Arab-speaking populations of Asia and Africa number about 38,000,000 of souls and occupy approximately 2,375,000 square miles, many times larger than the territory of Great Britain. In other words, under the reconstruction of the map of the East, the Arabs have been given practical control of Greater Arabia, Mesopotamia, Syria, and parts of Egypt, which gives them an average of 38 acres per person. If the Arabs are compelled to leave Palestine and turn it over entirely to the Jews, it is admitted that the Arab race would still be one of the wealthiest landowning races on the earth. Therefore, I contend that if they will not consent to live peaceably with the Jews, they should be made to sell their lands and retire to places reserved for them somewhere in Arabia, Syria, Mesopotamia, or Egypt, that suit them best, and where they can worship Allah, Mahomet, and the Koran to their heart's content. After all is said, the fact remains that the Arabs have more lands than they need, and the Jews have none. I am in favor of a readjustment under the Balfour declaration, without too great regard to nice distinctions in the matter of the question of self-determination. This thought brings me to my third proposal heretofore mentioned, that the Arabs should be driven out of Palestine by the British and Jews, or by somebody else, if they will not listen to the voice of reason and of justice.

I shall probably be told that, regardless of the question of land and property rights, the Arabs have an interest in the holy places around Jerusalem. Admitting that their claims in this regard are just, there should be no trouble along this line. There is no reason to believe that Jews and Christians would deny them access to the holy places in the pilgrimages that they might desire to make from their Arab countries. But if the rights of the Jews to their ancient homeland are to be made dependent, as a final question, upon Moslem interests in the holy places around Jerusalem, I am willing and prepared to repudiate these rights entirely and to shut the Arabs out altogether.

Mr. Speaker, I despise and hate race prejudice and religious bigotry worse than I do the devil and all his ways. But I must confess that feelings of intolerance arise in my mind and heart when I hear any attempted justification of Mahomet, his message, and his mission. My respect and homage go forth even reverently to all the great ethical and religious teachers of history, to those spiritual and intellectual leaders of the race who, at times in agony and in martyrdom, have delivered messages of regeneration to mankind.

I make my respectful salute to Confucius and Buddha, the ethical teachers, in whose writings are found many passages of sublimity and beauty. I pay my deep homage and reverence to the Hebrew prophets and teachers, to Moses, to Abraham, to Isaac and Jacob and the tribes, to the gentle Hillel, and to Akiba. My reverence and adoration go up to Jesus of Nazareth, the most precious gem of human life, "the noblest blossom of a noble tree, the crown of the cedar of Israel." But I draw the line on Mahomet, the military conqueror and robber, the forger of oracles, the polygamist.

I have read the Koran through twice from beginning to end. I have also read several standard lives of Mahomet, among them those of Washington Irving, Higgins, Sale, and Gibbon. Furthermore, I have made it a point to read translations from the books of his own Turkish and Arabian biographers. I feel justified, then, in saying that I am pretty well acquainted with Mahomet and his teachings, and I trust that you will not think that I am guilty of too great digression if I now pay my respects to both Mahomet and his followers.

The declaration may sound bold and even unjustifiable to some of you, but I am prepared to assert that Mahomet stole all that is worthy in his religion from the Jews and Christians, that the finer passages of the Koran are taken almost bodily from the Bible, and that the followers of Mahomet overran and captured Palestine by military force. If these things be true, it comes in bad grace from the Arabs of Palestine or from their friends and apologists to lay claim to either the territory or the sacred places around Jerusalem. I respectfully submit that even a thousand years of political or historical prescription give no valid title to lands or places originally acquired by fraud and force.

In closing, Mr. Speaker, I wish to say that we Christians should encourage the reestablishment of the Jews in Palestine for selfish and sentimental reasons as well as from motives of gratitude and a sentiment of justice. We should rush to the assistance of the Jews in the matter of the Zionist movement as Lord Byron went to Greece to fight for the independence of the Greeks. We should speak in Congress with the same feelings and the same inspiration that caused him to write "The Isles of Greece," feelings born of a love of freedom and of a passionate desire to preserve a civilization and a type.

No garden of flowers is perfect or complete without the presence of the rose and the orchid, of the violet and the lily, and, indeed, of every kind of flower of tenderness and beauty. Nor can the garden of life be perfect and complete without the presence and preservation of all the fine types of intellect and spirit that have come from the trials and sufferings, the struggles and sacrifices of the various peoples of our race. Civilization would certainly be made imperfect by the loss of any one of the great types, for its essential elements, after all, are but the component parts of a blending of the varying attributes and excellencies of all human life.

Rome gave laws, Greece gave letters, and Palestine gave religion to mankind. Thus runs the judgment of the world. We are interested in the preservation of all these colossal types, and especially those of the Hebrew and the Greek, and above all that of the Hebrew, for beyond the boundaries of kingdoms and above distinctions of creed or blood is a colossal universal spiritual type established by the Hebrew. This type reflects the sacred and spiritual in every human heart that looks above idols and beyond the stars; a type that ignores self and attributes every splendid, righteous act to the Author of all things; that spurns a self-development whose maker and molder is not God; that hears in rolling thunder the awful voice of Jehovah sending warnings to his children, and sees in lightning a manifestation of eternal wrath; a type that gave Pharisees to Judea, Stoics to Rome, and Puritans to England.

These latter characterizations suggest integral opposites somewhere—the needed complements of a perfect whole—and reflection at once begins to classify along lines of nature and of history, grouping Pharisees with Sadducees, Stoics with Epicureans, and Puritans with Cavaliers.

The essential complement of the Hebrew type was furnished by Greece, the first great rival of Judea in intellect and spirit. The civilizations of the earth circle around these names as smaller planets revolve around great central suns. The essential elements of opposing Hebrew and Hellenic growths are everywhere reflected in national and individual life.

In the organization of every man on earth two antagonistic forces are forever active—the heavenly and earthly, the spiritual and natural, the ascetic and voluptuous. If the spiritual predominates, the man is Hebrew in structure and temperament. If the sensuous and voluptuous are the controlling attributes, the man is Greek.

If in the solitude of deep forests he hears the rustle of the leaves as fleeing nymphs depart, and sees in every tree and rock and stream the reflected image of some deity of nature; if, while standing on the famous battle fields of earth, he hears again the tread and tramp of embattled millions, feels again the sublime thrill and fierce rapture of a bayonet charge, hears again the brazen lips of hostile cannon thunder alternate anthems to the god of battles; if "with color, form, and music he is touched to tears," and while standing in the Vatican or Louvre feels within himself the thrilling power that corresponds to the magic force that painted a Madonna or carved a marble god, then this man is a Greek of the age of Pericles, a figure from the antique world.

A full development of these attributes on a colossal scale and along collective lines stamps a nation's history with character and distinctive life reflecting in the whole the characteristic traits of all component parts. To verify this thought, cast a glance across the pages of Hellenic history.

An old blind bard sings; the Iliad is born, and under the spell of the Homeric muse all the grace and grandeur of Grecian life blossom into perfect beauty.

A million Persians advance upon a mountain pass, 300 Lacedæmonians defend, and the chivalry of the ages has a standard and a metaphor in the death-devoted sacrifice of Leonidas and his band.

Ctesiphon moves the Greek Assembly to vote Demosthenes a golden crown in consideration of public services, the motion is illegal, Ctesiphon is accused, and at the trial of the indictment the oratorical prodigies of antiquity appear as combatants. Æschines is exiled, Demosthenes is apotheosized, and mankind receives the priceless legacy of the incomparable oration, "On the Crown."

Zeuxis and Parrhasius, as a trial of skill, paint two pictures. That of Zeuxis represents a bunch of grapes and is so perfectly executed that the birds come and pick at it. Flushed with pride and confident of success Zeuxis calls upon his rival to draw aside the curtain which conceals his picture. But, lo! the curtain itself is the painting of Parrhasius, and Zeuxis is beaten, for he who has deceived the birds is himself deceived by his antagonist.

Phidias, Praxiteles, and other sculptors carve from cold and pulseless marble those forms of life and beauty that thrill the human soul with perfect joy, and the frieze of the Parthenon, the Apollo Belvedere, the Venus di Medici, the Venus de Milo become the perpetual heritage of a sensuous and beauty-loving world.

Marvelous and magnificent history this. And from alpha to omega how superbly Greek—every line and lineament stamped with Hellenic imprint. But how radically different all this from everything Judean. The accentuated antithesis of every chapter of Grecian history describes all the glories and splendors of Hebrew life.

The Greek relied upon himself and his javelin for safety and preservation in time of danger. The Hebrew placed his trust in God and believed that prayer would save him from all harm. In the temples of the Acropolis, in the pages of the Odyssey, in the victories of Marathon and Salamis, the Greek acknowledged the handiwork of man and dedicated monuments to those who had brought renown to Greece. The Hebrew ascribed to the omnipotence of Jehovah every grand and righteous act and covered with benedictions the prophet who had most completely revealed the will of Heaven. Every transcendent deed of righteousness was credited to the Lord of Hosts.

Yes, I repeat, that if all else be lost mankind must preserve at any hazard both the Hebrew and Grecian types of intellect and spirit, for they are fundamental in our natures and are deeply interwoven in the very warp and woof of all that is grandly spiritual and superbly intellectual in our history, literature, and civilization. The loss of the spiritual and intellectual products of Greece and Palestine to civilization would cause mankind to relapse with frightful speed into savage and barbaric night.

The Greeks have Greece. Let us give Palestine back to the Jews.

Then will the prophecies of the Hebrew seers be fulfilled; then will justice be done; then will the demands of liberty, humanity, and civilization be satisfied; then, and only then, will Byron's muse be answered:

OH! WEEP FOR THOSE.

Oh! weep for those that wept by Babel's stream,
Whose shrines are desolate, whose land a dream;
Weep for the harp of Judah's broken shell;
Mourn—where their God hath dwelt the godless dwell!

And where shall Israel lave her bleeding feet?
And when shall Zion's song again seem sweet?
And Judah's melody once more rejoice
The hearts that leap'd before its heavenly voice?

Tribes of the wandering foot and weary breast,
How shall ye flee away and be at rest?
The wild dove hath her nest, the fox his cave,
Mankind their country—Israel but the grave!

ON JORDAN'S BANKS.

On Jordan's banks the Arab's camels stray,
On Zion's hill the False One's votaries pray,
The Baal-adorer bows on Sinai's steep—
Yet there—even there—Oh God! Thy thunders sleep:

There—where Thy finger scorch'd the tablet stone!
There—where Thy shadow to Thy people shone!
Thy glory shrouded in its garb of fire:
Thyself—none living see and not expire!

Oh! in the lightning let Thy glance appear!
Sweep from the shiver'd hand the oppressor's spear:
How long by tyrants shall Thy land be trod?
How long Thy temples worshipless, O God?

—Lord Byron, Hebrew Melodies.

Mr. FESS. Mr. Speaker, the lessons taught us in the tender years of our childhood sink the deepest and abide with us the longest. Those of us who in those early days heard in the home, Sunday school, or church the recital of the famous Bible stories vividly remember the tragedy of the "chosen people" driven from their homeland, and the promise that in time these people would return to occupy the land of their ancestors. This prophetic decree was the more significant because of the persecution that pursued this people as they fled to the four corners of the earth. Through all the vicissitudes inherent to such treatment 14,000,000 Jews have in the main preserved their national traits.

When Palestine was entered by our allied armies the first thought of the modern world was the fulfilment of an ancient prophecy that Jerusalem, the cradle of religion, would some day be restored to the Jewish people. When Britain accepted the mandatory of the ancient Holy Land new impetus was given to the historic promise. It was quite natural that a tremendous sentiment would be aroused among the hundreds of thousands of this people, scattered to the four winds of earth, in favor of the establishment of a homeland where their ancient civilization was born and from whence their people had been either excluded or made servile subjects.

A response to this sentiment was made by the so-called Balfour declaration, expressing British favor of the plan of the Jews to reestablish a homeland in Palestine, which, as I understand, has met with the approval of our own country, especially the advances made in that direction by Britain, the mandatory of that country.

This resolution, as far as is our ability, expresses our sympathy for the success of the proposed homeland for the Jewish people. It seems to me a perfectly proper attitude for us to take, eminently sound in diplomatic relations, correct in principle, humanitarian in design, elevating in sentiment, and commendable from the viewpoint of policy and expediency. This resolution displays our opportunity to express our appreciation of the aspirations of a great people in history.

Mr. BURTON. Mr. Speaker, the proposed resolution is in the following language:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States of America favors the establishment in Palestine of a national home for the Jewish people, it being clearly understood that nothing shall be done which may prejudice the civil and religious rights of Christian and all other non-Jewish communities in Palestine, and that the holy places and religious buildings and sites in Palestine shall be adequately protected.

It is similar to the so-called Balfour declaration for the Government of Great Britain issued November 2, 1917, which is in the following language:

His Majesty's Government view with favor the establishment in Palestine of a national home for the Jewish people, and will use their best endeavors to facilitate the achievement of that object, it being clearly understood that nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish communities in Palestine, or the rights and political status enjoyed by Jews in any other country.

The pending resolution omits reference to the rights and political status enjoyed by Jews in other countries because that is not necessary in any declaration by the United States.

On the 25th of April, 1920, the supreme council of the allied powers at San Remo gave a mandate for Palestine to Great Britain. The British forces had wrested Palestine from the Turks in 1917. Under this mandate a high commissioner was appointed July 1, 1920. This high commissioner has appointed an advistory council composed of the heads of the administrative departments and 10 unofficial members representing the various communities. The Jewish population have chosen an elected assembly which selected a national committee to represent the Jewish population of Palestine in its dealings with the administration. Palestine has an area of 13,724 square miles and a population of about 675,000. The very large majority of the population are Moslems, numbering something over 500,000. In the last two years Jewish immigration into the country has been very considerable, amounting to 7,200 last year. The population of Jerusalem is about 60,000. The proportion of the total number of inhabitants in the Holy City to that of Palestine is about the same as that set forth in the first verse of the eleventh chapter of the book of Nehemiah. In the adjustment then made Jerusalem was to contain one-tenth of the population.

Several objections have been urged to the passage of this resolution. First, that it is not the function of Congress or of either House to pass resolutions of this nature relating to foreign affairs. In every case of recognition of a new government, or of a condition of belligerency, the question has been decided solely by the Executive. It would be instructive to give a list of all action by Congress in this regard. The question has been repeatedly before Congress. I will cite a few instances: Early in 1822 the House by an overwhelming majority passed a resolution promising support to the President in any action which he might take for recognition of the South American Republics. In the session of 1823–24 Mr. Webster introduced a resolution for the appointment of an agent or commissioner to Greece, which was then in rebellion against Turkey. This resolution was supported by most eloquent speeches by Mr. Webster and Henry Clay, but no final action was taken upon it. A familiar example of procedure in Congress has been the introduction of bills providing for diplomatic officials in a country where recognition was contemplated. In 1848–49 a representative was sent to Hungary with a view to expressing the sympathy of our Government at the time of the insurrection against Austria. In view of the failure of this insurrection the representative was recalled. There is another class of resolutions, merely expressing sympathy or good will.

In 1861, almost immediately after the convening of the special session of Congress at the beginning of the Civil War, Mr. Sumner introduced in the Senate a resolution expressing sympathy with the suffering people of Crete in their struggle against Turkey. This resolution passed the Senate in July, 1861, and was adopted in the House on the same day. In 1868 Mr. William Loughridge, of Iowa, introduced a similar resolution of sympathy for the Cretans, which was adopted. No action seems to have been taken in the Senate. In the Fifty-first Congress, first session, a resolution was introduced in the Senate by Mr. John Sherman congratulating the Republic of Brazil upon the recent adoption of a republican form of government. This resolution also passed the House upon the motion of Mr. R. R. Hitt, of Illinois. This resolution was transmitted by Secretary Blaine and evoked very cordial response from the Congress of Brazil.

In the Fifty-sixth Congress, at the first session in 1899 and 1900, resolutions of sympathy with the South African Republic, then in a contest for independence from Great Britain, were introduced by Senators Mason, Pettigrew, Allen, and Teller. These resolutions varied in form, all expressing sympathy, one expressing best wishes for the success of their determined fight for liberty, and two of them expressed the hope for mediation. These resolutions were referred to the Committee on Foreign Relations, and no report seems to have been made upon them, or at least nothing further was done. As regards this objection it should be said that action by Congress in matters involving foreign affairs should be very carefully guarded, except upon subjects within its undoubted jurisdiction. In the case of Cuba the final action expressing sympathy was accompanied by a declaration of war.

This present resolution, however, is restricted in its scope. It expresses the sympathy of the United States for the Jewish people in their desire for the establishment of a national home in Palestine, but provides that nothing shall be done which may prejudice the civil and religious rights of Christian and all other non-Jewish communities in Palestine, and that the holy places and religious buildings and sites in Palestine shall be adequately protected. No one here would tolerate any plan under which the feelings of Christians dwelling there or visiting the Holy Land should be disregarded.

Objection is made to the term "national" on the ground that it implies political control. This it not a fair inference from the resolution. It does, however, convey an assertion of sympathy for the political security of Jews who may be located in Palestine and for their protection against the aggression of any other people or nationality, a security which has been denied for centuries. The steps already taken for a separate national assembly indicate the probable developments there, namely, the selection of a legislative assembly by the Jews for the purpose of securing their rights under the government established there. It is to be noted that in past years and to an extent even now there have been separate communities in Jerusalem, the Mohammedans in one quarter, the Jews in another, Christians in another, and those of other nationalities or religions in still another. Very probably if the Jews should ever constitute a majority in Palestine their aspirations would be for political control.

This Congress can not deny an expression of sympathy for this race. Their longing for their old homeland is more pathetic and more appealing than that of any other race in the world. Their traditions, which are associated with Jerusalem, go back to the splendid days of David and Solomon, nearly 3,000 years ago. Since that time Palestine, which is a gateway for the trade and political movements of the near Orient, has been conquered by Assyria, Babylon, and for more than 200 years was under the Hellenic monarchies which ruled over Egypt and Syria; then the Romans under Pompey gained control in 63 B. C. The city and the temple were destroyed by Titus 70 A. D., and 70 years later a heathen temple was established by Hadrian, and pagan worship supplanted the Christian and Jewish religions. Under the reign of Constantine in the fourth century Christian worship was established and continued for nearly 300 years. Early in the seventh century the disciples of Mohamet conquered the country and their rule has continued until 1917, with the exception of the nearly 200 years when it was under Christian control after the capture of Jerusalem in the First Crusade by Godfrey of Bouillon in 1099. During all these centuries a considerable population of Jews has remained in Palestine, the remnant of a race scattered over the earth. It is impossible to exaggerate the yearning of many Jews for a location in that country which witnessed the beginning of their power and the growth of their religion. The poetic imagery in the One hundred and thirty-first Psalm—

> By the rivers of Babylon there we sat down,
> Yea, we wept when we remembered Zion—

has been accepted for ages as the most touching lamentation of a people in captivity.

The Jewish race ever since that time has been the victim of discrimination, persecuted in many countries, but always retaining its religion and distinctive traits, has looked to Palestine and Jerusalem with a never-dying aspiration for its homeland.

This resolution does not contemplate any substantial migration from the United States or England to Palestine. In the two great Anglo-Saxon countries, in the United States from the very foundation of the Government, with its principles of religious equality, and in Great Britain in more recent years, the Jews have enjoyed equal opportunity. Among the great progressive movements of the time has been that toward toleration, but in other countries they are persecuted as of old, and constant animosity and frequent pogroms threaten their security and very life. For many of these Palestine will no doubt be chosen as a home, and they will resort there with joy in the thought of returning to the ancient seat of the prosperity and prestige of their race.

It may be asserted that the problem of establishing a national home for them does not promise greater difficulties than in several countries of Europe where those of different races and religions inhabit the same areas and have learned to dwell together without friction.

A second objection is alleged that a very considerable proportion of the Jews themselves, including many of those most advanced in their views, are opposed to any action which shall look to the establishment of those of their race in a separate political organzation. It is alleged by them that their people owe allegiance to the countries in which they belong, although this allegiance is given with much misgiving in countries where they are unfairly treated. They insist that they are devotees of a religion and not seeking political power. The opinions of those who hold this view are entitled to great respect. It must be said of them, however, that they are for the most part tolerant to the feelings of others of their race, who are in a very large majority, and who join in the Zionist and similar movements.

A third objection is that the location of the Jews in Palestine, in view of the large preponderance of Moslem population, will arouse strife and military protection will have to be offered them. What has already been said as to the combination of various peoples and religions in Europe applies to this also. It is not to be presumed that there will be injustice to the Moslems, Arabs, or other peoples in Palestine. The lands which have been acquired from them, amounting to some 2,000 square miles in Palestine have been purchased at prices far in advance of those formerly current, and it must be said that the settlement of the Jews there has resulted in very marked improvements in the utilzation of the resources of that country. Improved methods of cultivation have been adopted and Palestine gives promise of a restoration to its old-time productiveness. It should be stated that the Senate has passed this resolution unanimously. President Wilson, in a letter dated August 31, 1918, wrote: "I welcome an opportunity to express the satisfaction I have felt in the progress of the Zionese movement in the United States, and in the allied countries, since the declaration of Mr. Balfour." President Harding more recently said: "It is impossible for one who has studied at all the services of the Hebrew people to avoid the faith that they will one day be restored to their historic national home."

It is to be hoped that one of the most beneficent results of the Great War will be the establishment in Palestine of a stable government, in which justice and equality shall be vouchsafed to all classes of its varied population, that the sacred shrines of all religions may be protected, and an opportunity granted to the Jews to return to this homeland with a revival of some of the ancient grandeur which through centuries has made this country most conspicuous in the world's history.

Mr. ANSORGE. Mr. Speaker, in these days of pogroms and of religious and racial intolerance and persecution in other parts of the world, it is, indeed, refreshing to support a resolution in the Congress of the United States which will breathe the breath of hope in the hearts of millions of persecuted and oppressed Jews in Poland, Galicia, Russia, Hungary, Rumania, and the Ukraine, and at the same time recognize and encourage the aspirations and historical claims of many Jewish people in their desire to establish a national home in Palestine.

I am the son of an immigrant who humbly walked through Castle Garden in 1857, and I am proud of my heritage. I would be untrue to my faith and convictions if I did not support this resolution.

I voted against the 3 per cent restricted immigration law which shut down the bars to the persecuted of other lands. Many of them are blood relatives of American citizens. It is meet and proper that the United States, which closed the doors of hope to the persecuted of other lands, should now lend its encouragement to the establishment of a haven in which these persecuted people may seek refuge.

The United States Senate has recently passed by unanimous vote the Lodge resolution favoring the establishment in Palestine of a national home for the Jewish people.

The resolution before the House recites that whereas the Jewish people have for many centuries believed in and yearned for the rebuilding of their ancient homeland, and owing to the outcome of the World War and their part therein are to be enabled to re-create a national home which will give to the house of Israel its long-denied opportunity to reestablish a fruitful Jewish life and culture in the ancient Jewish land, the Senate and House of Representatives of the United States in Congress assembled resolves that we favor the establishment in Palestine of the national home for the Jewish people.

Both the Lodge resolution and the resolution before the House specifically recite that nothing shall be done which may prejudice the civil and religious rights of non-Jewish communities in Palestine, and that the holy places and religious buildings and sites in Palestine shall be adequately protected.

It will be seen, therefore, that the Senate and House by expressing their approval of a national Jewish home in Palestine fully protect the civil rights and religious liberty of all other communities in Palestine. The resolutions commit us to no foreign obligations or entanglements, but express our moral interest and favorable attitude toward the establishment in Palestine of a national home for Jewish people along the lines laid down in the now famous Balfour declaration of November 2, 1917.

I had the honor of appearing before the Committe on Foreign Affairs in support of the resolution now before the House. I also had the pleasure of meeting Mr. Balfour, and of hearing him address the Zionist committee which called upon him in Washington. Although the Balfour declaration was proclaimed during the heat of the war, Mr. Balfour, in his address to the Zionists, voiced the same sentiment as is contained in the Balfour declaration. In other words in 1922 Mr. Balfour feels as he did in 1917.

The Balfour Declaration expressed the favorable view of the British Government of the establishment in Palestine of a national home for the Jewish people and stated that it would use its best endeavors to facilitate the achievement of that object, it being understood that nothing would be done to prejudice the civil and religious rights of existing non-Jewish communities in Palestine or the rights and political status enjoyed by Jews in any other country.

This declaration was presented by Mr. Balfour to the cabinet and approved by it before it was issued. It was subsequently approved by France, Italy, Japan, and other nations.

In my opinion, the recent action of the House of Lords was not intended as a repudiation of the Balfour declaration. It merely voiced opposition to the terms of the mandate. The mandate should be amended, if necessary, to protect Christians and other non-Jews in their civil and religious rights in Palestine. The mandate should carry out the thought of the Balfour declaration which expressly provides that nothing shall be done which may prejudice the rights of existing non-Jewish communities in Palestine. This reservation, and the reservation in the Lodge resolution, as well as the reservation in the resolution before the House, protects all religions, and the mandate should do likewise. Any objection to the terms of the mandate can not properly be directed against this resolution which follows the Balfour and Lodge resolutions and provides full protection to all religions as it properly should do.

Many Jews in America who are not actively affiliated with the Zionist movements are nevertheless in thorough sympathy and accord with the heart-beats and yearnings of the Zionists for a restoration of the homeland in Palestine. Palestine has been the object of the veneration of many pious and devoted Jews for over 4,000 years.

I have here a small booklet, Mr. Speaker, which is published by the Palestine Foundation Fund in New York. It is addressed to the workers of the Zionist fund, and I just want to read a very short paragraph from this booklet.

It says:

Forty centuries of history close with this question. Will you, Jews of America, redeem the Holy Land?

That promise that was made 4,000 years ago is to be fulfilled through you, or is to remain unfulfilled.

You are the guardians of Jewish history to-day. With you Jewish history ends, or through you it begins a new and glorious chapter.

Forty centuries of history are watching you to-day. The far-off generations look to you out of the twilight of the past. The warriors and prophets and teachers of ancient Judea are watching you. The martyrs of Spain and Poland and Russia, they who died that our people might live, are watching you. The young heroes who fell on a hundred fields in the Great War are watching you. The victims of a hundred pogroms, men and women and children, are watching you.

In the eyes of all of them there is the single question, "Will the land of our fathers be restored to our people, or have we lived and died in vain?"

Many prominent Americans, both Jews and gentiles, have expressed their interest and approval of the restoration of Palestine.

President Harding on June 1, 1921, said:

It is impossible for one who has studied at all the services of the Hebrew people to avoid the faith that they will one day be restored to their historic national home and there enter on a new and yet greater phase of their contribution to the advance of humanity.

President Harding on May 11, 1922, wrote to the Palestine Foundation Fund as follows:

I am very glad to express my approval and hearty sympathy for the effort of the Palestine Foundation fund in behalf of the restoration of Palestine as a homeland for the Jewish people. I have always viewed with an interest, which I think is quite as much practical as sentimental, the proposal for the rehabilitation of Palestine and the restoration of a real Jewish nationality, and I hope the efforts now being carried on in this and other countries in this behalf may meet the fullest measure of success.

More recently, on June 25, 1922, the President wrote to the Zionist Organization of America, at its twenty-fifth annual convention in Philadelphia:

A long-time interest, both sentimental and practical, in the Zionist movement causes me to wish that I might meet the members of the organization and express the esteem which I feel in behalf of the great movement.

Ex-President Woodrow Wilson, in a letter dated August 31, 1918, said:

I welcome an opportunity to express the satisfaction I have felt in the progress of the Zionese movement in the United States and in the allied countries since the declaration of Mr. Balfour, on behalf of the British Government, of Great Britain's approval of the establishment in Palestine of a national home for the Jewish people and his promise that the British Government would use its best endeavors to facilitate the achievement of that object, with the understanding that nothing would be done to prejudice the civil and religious rights of non-Jewish people in Palestine or the rights and political status enjoyed by Jews in other countries.

Hon. Louis Marshall, one of the most brilliant minds and one of the foremost Jews in America, in a letter accompanying his contribution to the Palestine Foundation Fund, writes:

I feel it to be the duty of every Jew to help in the rebuilding of Palestine in order that those who desire to take up their homes in the ancient dwelling place of Israel may have an opportunity to do so under the most favorable auspices.

There is no Jew, whoever he may be, who has the right to shirk the duty of assisting in giving due effect to the beneficent purposes which underlie the Balfour declaration.

Mr. Samuel Untermeyer, at the dinner given by the Palestine Foundation Fund to Senator Lodge at the Hotel Astor in New York City on June 13, 1922, said:

The most important and practical instrument for achieving these lofty ideals is the Palestine Foundation Fund, or Keren Hayesod. Here is an instrument which makes it possible for the Jews to pool the necessary resources for restoring the waste places of the Holy Land and repeopling it with prosperous Jewish communities.

The Keren Hayesod stands high above and beyond and far removed from the strifes and discords of party or politics. Its platform is big and broad; it is one on which Jews of all shades of opinion find a common meeting place.

Vice President CALVIN COOLIDGE, in a letter to the Philadelphia Campaign Palestine Foundation Fund Workers, says:

The proposed plan furnishes to the Jewish people an opportunity to devote their great qualities to the upbuilding and preservation of their own homeland and in their own sphere, and I feel sure that the people of the United States will not fail to give that earnest and substantial aid which will be necessary if it is to meet with a full measure of success.

Representative HAMILTON FISH, jr., of New York, a Member of the Committee on Foreign Affairs, reporting favorably on behalf of the committee the resolution before the House, with the recommendation that it pass, has made an able and learned report, which I desire to read:

The Committee on Foreign Affairs, to whom was referred House Joint Resolution No. 322, favoring the establishment in Palestine of a national home for the Jewish people, having considered the same, report favorably thereon, with the recommendation that the resolution do pass.

This report expresses our moral interest in and our favorable attitude toward the establishment in Palestine of a national home for the Jewish people. It commits us to no foreign obligation or entanglement. The protection of the holy places is carefully provided for, as well as the rights of Christian and all non-Jewish communities. There is a strong religious and humanitarian appeal in this recognition accorded to the Jewish people that goes beyond its purely material aspects and the discharge of such obligations assumed by the allied Governments as expressed in the Balfour declaration of November 2, 1917, which has been indorsed by France, Italy, Japan, and other nations.

The Jews of America are profoundly interested in establishing a national home in the ancient land of their race. Indeed, this is the ideal of the Jewish people everywhere, for, despite their dispersion, Palestine has been the object of their veneration since they were expelled by the Romans. For generations they have prayed for the return to Zion. During the past century this prayer has assumed practical form.

Palestine, the ancient homeland of the Jew, is to-day a comparatively sterile country, due to the wanton and deplorable policy of desolation systematically carried out by its rulers, the Turks, for many centuries. What was once the country of milk and honey has become, through misrule and oppression, a devasted and sparsely settled land.

Jewish colonization began in Palestine over 40 years ago. In 1897 Theodor Herzl, the founder of the modern Zionist movement, established an organization for the purpose of securing legal recognition of the Jewish right in Palestine and began the practical work of settling the land. A great deal of labor and effort has been put into Palestine by Jews. They have established 72 flourishing colonies on a soil which, before they reclaimed it, was merely sand, stone, and swamp. With the investment of Jewish capital and labor, part of this land has been transformed into beautiful gardens that evoke the admiration of visitors to the Holy Land. They have created and maintained a modern school system and laid the foundations of a national Jewish university in Jerusalem. They have introduced modern sanitation, opened hospitals and clinics, and founded many industries. Banks have been established to provide credit for the smaller trade and business men. They are now prepared to develop a plan harnessing the water power of the Jordan River, which will provide Palestine with ample electric light and power for a large industrial development.

In this work of regenerating a land that has become desolate and waste through governmental oppression the Jews of America have participated to a large and generous extent, maintaining the American Zionese Medical Unit and making large contributions to the purchase of land and for the creation of credit institutions.

We of America should be glad to give our moral support to a project which is based upon justice and humanity. To give this recognition to so laudable an endeavor of a people seeking to create a haven of refuge for the oppressed and homeless of their race is to act in consonance with the loftiest American ideals. The Jews have suffered greatly during the war. There are now countless thousands of innocent members of the Jewish race in Poland, Galicia, Russia, Hungary, Ukraine, and Rumania who have been utterly ruined and for whom there is no place in the lands where they had formerly lived. The World War has overwhelmed them. They are seeking a home where, with the generous help of their brethren of other lands who are in more comfortable circumstances, they may re-create their own forms of life and realize their ideals.

Leaders of the Jewish people here and abroad, who have studied Jewish conditions and needs and are thoroughly familiar with the problems of Jewish life, anticipate the eventual creation of an enlightened State which shall be a center of Jewish culture, a blessing to humanity and to the Jewish race in that ancient land which was given by Jehovah to Abraham, and which is consecrated in all Jewish hearts as the birthplace of their traditions and ideals. The realization of this hope should be given the moral encouragement of the American people speaking through their Representatives in Congress.

I hope the resolution before the House will pass unanimously. It will lend encouragement and hope to many afflicted and downtrodden people at a time when they are yearning for a home where persecutions and pogroms will be unknown.

Mr. HOGAN. Mr. Speaker, let us not be sparing to-day in our indorsement of a cause so thoroughly American, so near to the heart of liberty, so fruitful to national aspiration, so fraught with meaning to the welfare of the human race as the return of the Jew who desires to go to what he has always loved to term the "Glorious Land."

It should be as natural for the Congress of the United States to extend sympathy for the downtrodden and oppressed as for us to breathe the air. Our Government was founded upon the principle that governments derive their just powers from the consent of the governed; and surely the governed are entitled to the government of their home land. Our Declaration of Independence averred that all men should be assured equality of opportunity. In our early days as a people sparsely strewn along the Atlantic seaboard we fought British tyranny and with the assistance of France won the opportunity to prove what liberty and right could do under a flag which guaranteed them both. Because we were once small and inconsequential in a world of mighty empires and because we depended solely upon our God, our conscience, and our effort for the attainment of might, we have become the greatest servant of mankind. Three-quarters of a century ago we extended sympathy to Hungary when she fought the power of Austria. In 1898 we gave our sympathy to Cuba and helped her shatter the shackles of Spain. In 1917 we did not withhold our sympathy from the allied peoples who were menaced by the autocratic lords of Germany and Austria and, as a result, we freed the world. Two years ago we declared sympathy for Ireland and now, largely as the result of that expression of opinion by this Congress, she is emerging from darkness and chaos to order and opportunity and a greater measure of liberty than she has enjoyed for 800 years. We should not be less generous to the Jewish race.

Certainly if ever any people was downtrodden and oppressed and deserving of the hand of fellowship from us it is the Hebrew people. In spite of the fact that the Jew first gave to humanity the idea of the one infinite God and of His love and mercy to man; in spite of the fact that it is a Jewish commandment to love thy neighbor as thyself; in spite of the fact that it was one of the great Hebrew prophets who asked, "What doth the Lord require of thee but to do justice, to love kindness, and to walk humbly with thy God?" In spite of the fact that our Savior, who taught us so much of the brotherhood of the human spirit, was a Jew, his race has been the victim of persecution and injustice for more than 2,000 years. In all the bitterness with which the struggle of the Jew for independence was put down by the Romans, in the terrible hatred with which he was pursued in the darkest period of Spain, in the worst pogroms under the Romanoffs, he was never pursued more relentlessly than by the Slavs of present Europe. Out of the hatreds engendered in many countries he calls to a world which makes much pretense of enlightenment and civilization for a little spot in Palestine, the original home so dear to Catholic, Protestant, and Mahometan, where he may at last find rest from persecution, where he may tend his flocks as David did of old, and where he may gather his own unto himself and find full and unhampered expression.

Let us remember that we in this Congress are the representatives of the Nation which has guaranteed to each citizen the right to worship God in his own way, the right of conscience, the right of opinion. Under that guaranty Catholic and Protestant and Jew alike have thrived in America as nowhere else. The age of bigotry is passing. As men turn from persecuting their brothers of other faiths in the name of God, they learn to love both God and each other more. He is the best Catholic or Protestant or Jew who has most of the love and kindness and mercy of the Son of Man toward all. And it is a striking fact that the empires which have most oppressed the Jew have crumbled and fallen while this Nation, which has given him most of liberty and opportunity, has prospered more than any in history.

The Turk as an oppressor of the territory of Palestine has been destroyed. He, along with the Romanoff, Hohenzollern, and Hapsburg, has disappeared as a tyrant. Under the new order of things in Palestine and throughout the world the Jew should be given a chance to work out his problems in his own way. Together with the Irish he came to our shores to escape from oppression, and with no capital but his intelligence to seek opportunity in a free land. And like the Irish he has toiled and saved and prospered and brought credit to our institutions. A good Irishman or a good Jew can not make a bad American

citizen. Both having attained the blessings of liberty and equality of opportunity, both desire that the original homeland shall be free to the parent race. I am for both. I think every American should be for both, because both Irish and Jew seek merely the application of the most fundamental of American principles. And because the resolution expressing satisfaction at the re-creation of Palestine as the national home of the Jewish race is couched in the best American spirit, every Member of this Congress ought to vote for it.

The grant of opportunity to the Jew in his own homeland will be a benefit not only to him but to the world, because so long as the Jew remains a problem the peace and order of the world will be disturbed, to however slight or great an extent. No problem can be permanently settled until it is settled right. The Jewish problem can not be settled right until justice is done to the Jew. And justice can not be done the Jew until he has found all of the joy and happiness under liberty and opportunity in his own land and under his own institutions which we Americans have found in America under American institutions.

Mr. KELLY of Pennsylvania. Mr. Speaker, for 2,000 years the moans and groans of disinherited, dispossessed Jews have been heard at the wailing wall of Jerusalem. Seventy generations have wept over the destruction of the Holy City and prayed for its restoration. Seventy generations have passed while "the wild dove had her nest, the fox his cave, mankind their country, Israel but the grave."

In every land of the globe these people of the wandering foot have kept their windows open toward Jerusalem. They have remained faithful to the pledge of their great psalmist, "If I forget thee, O Jerusalem, let my right hand forget her cunning. If I do not remember thee, let my tongue cleave to the roof of my mouth."

In all the history of the world there is no instance of fidelity like that of the Jew for his promised land and for his own people. They have never forgotten, though memory for them was bittersweet, both a joy and a scourge.

It was 40 centuries ago that Jehovah promised Palestine to the children of Abraham. Through slavery in Egypt, through 40 years in the wilderness, they came at last into their possession, a land flowing with milk and honey.

Twelve tribes they were when they heard the divine command given to their leader, Joshua: "Arise now, go over this Jordan, thou and all this people, unto the land which I do give to them, even to the children of Israel."

There they built a powerful nation and established Jerusalem, the city set on a hill, whose heart was the Temple.

Through the centuries divisions came and great adversities fell upon them. Great nations menaced them on the north and south. Assyria and Egypt fought for mastery across their territory. Again and again revivals of the old-time spirit brought unity and peace followed war, prosperity succeeded suffering.

Then Israel seceded from Judah in final disunion and two nations took the place of one. Babylon swept down upon them and carried them into exile. Still they were not destroyed, but those who had wept by the streams of Babylon returned and built the nation anew.

At last mighty Rome swept down upon this harrassed people with her all-conquering legions. Alone of all the nations, Judah dared resist the mistress of the world at the height of her power. For four agonizing years they battled, making so heroic resistance that many Roman soldiers joined the defenders of Jerusalem to die with them a glorious death.

Crushed at last, they were forced to yield and their great temple was destroyed. Once again in 135 A. D. this David of a nation rose under Bar Kockbar and waged three years' war against the oppressor. But the sacrifice was in vain. Rome triumphed and exacted a fearful vengeance. The Jews were driven into exile, homeless and forlorn, and the Promised Land knew them no longer as a people.

Twenty centuries have passed since that dire dispersal. This people has been oppressed and persecuted with massacre and pogroms in many lands. The sons of Abraham have been victims of unexampled hatred and bigotry, but they have refused to die.

Cherishing the faith of their fathers, holding steadfast to the glowing promises of their prophets, priests, and patriots, they have maintained their racial solidarity and their identity as a people in the face of an opposing world.

"Where there is no vision the people perish." The children of Israel have lived because ever in their eyes gleamed the coming day when the God of their fathers should seek them out in the lands of their captivity "even as a shepherd seeketh out his sheep that are scattered in the cloudy and dark day." Had not their prophet Ezekiel told them of the time when "Zion should put on her strength and Jerusalem her beautiful garments to become again one nation upon the mountains of Israel"?

Such an unalterable desire woven into the very web and woof of individual and national life can not be merely a dream. Defying the changes of 2,000 years, overcoming oppression and brutal wrongs, it is one of the real things in the world. It had within itself the seeds of its accomplishment and awaited but the historical moment when conditions should be ripe for its fulfillment.

Mr. Speaker, that moment has arrived. Out of the World War has come the possibility of the fruition of this age-old longing of the Jews for their homeland.

General Allenby with an army in which were Jewish regiments entered Jerusalem. The Turk, who had held the holy places for centuries, was driven out. The triumphal act of this drama of the ages is possible in the here and now.

America is preeminently the Nation to take the initiative in urging the reestablishment of Zion. We can not be indifferent to anything which concerns the welfare of this ancient people to whom we owe a vast debt for laws and literature, ideals and aspirations.

The Book of Books, which has had so vital a place in the founding and development of America, came to the world through the Jews. From them also came the very foundation doctrine in our Declaration of Independence that "all men are created equal."

Our idea of justice, which Madison said "is the end of government and the aim of civil society," would be beyond human conception without the Bible. The first time it gleamed upon the mind of man was when the chosen people recognized the claim of brotherhood under one God, who was the protector of every son of Abraham.

The laws of Israel, which provided that the inheritance of every member of the nation was inviolable and could not be taken away from him nor even sold beyond the year of jubilee, was the declaration that justice was the covenant right of every Israelite. That was the end sought in the laws, that consideration must be given the unfortunate; that the gleanings of the field and vineyards must be left for the poor; that all debts must be released every seventh year; that oppression and injustice, thefts and false weights and measures were sins against the brotherhood. Through all the laws ran the idea that every member of the nation was equal to all others in dignity and rights and privileges and duties.

The next great step in the development of the idea of justice was when the Master Christian, Himself a son of Abraham, living and working in the land of Israel, broadened the scope of brotherhood until it included all nations and all peoples. His ideal is the brotherhood of all men under the fatherhood of one God. Only because of this sublime conception was the Declaration of Independence and the American Government possible.

Mr. Speaker, the American ideal of the home as the foundation of the Nation comes from the Jews. The first educational system for all the children was instituted in Palestine. Interwoven into our history, influencing the lives of every great American, has been the matchless social philosophy, the practical wisdom, the music, oratory, and poetry of the Jews. From them we learned the dignity of labor and the truth that righteous laws are the guardians of human liberty.

But aside from such a splendid heritage, which might equally be the possession of other nations, America owes special obligations to this ancient people. The voyages of Columbus were financed by Jews, and they helped to mold the destinies of this continent since its discovery. Haym Solomon negotiated the loans from France and Holland which Washington declared made possible the triumph of American arms at Yorktown. Col. David Franks was a member of Washington's staff.

Every war of America has seen devoted service by the Jews. Scoffed at as weaklings, they have never shrunk from facing the weapons of the enemies of this Nation. In the World War 235,000 Jews served under the Stars and Stripes. Of the 78 congressional medals, three were awarded to Jewish soldiers. The distinguished service medal was won by 150 American Jews. Ten thousand Jews were commissioned officers in the Army and 500 bore commissions in the Navy.

America has been well repaid for the treatment she has accorded the Jews, and it was here in this new land, for the first time since they ceased to have a state of their own, that they were accorded complete civil and political equality.

To-day there are 3,300,000 Jews in America out of 15,000,000 in all the world. There are more here than in any other land. They have served the Nation well in war and in peace, and they have a right to sympathetic cooperation in the realization of

their national aspirations. America should with generous enthusiasm help the fulfillment of so worthy a purpose.

Mr. Speaker, through all our history runs a thread of American sympathy for a restored Zion. President John Adams voiced it in a letter to Maj. Mordecai Noah, the first American Zionist. President Harrison in 1891 expressed it again upon receipt of a petition signed by many great Americans, asking consideration of the claims of the Jews to their ancient home in Palestine. President Wilson in 1918 joined in approving "the establishment of a national home for the Jewish people in Palestine." President Harding in 1921 gave the American expression when he said:

> It is impossible for one who has studied at all the services of the Jewish people to avoid the faith that they will one day be restored to their historic national home, and there enter upon a new and yet greater phase of their contribution to the advance of humanity.

To-day it is not alone from sentimental reasons, but from a very practical standpoint, that America is justified in lending her helping hand to this project.

The danger spot of the future is Asia. It is quite possible that there a new Asiatic Germany will develop with unlimited man power and resources to threaten again the safety of the world.

A nation which understands Asia and Europe, the East and the West, and can act as mediator between them, will be a blessing to the world. The Jewish State can act in that capacity as can no other nation in the world. The erection of such a Commonwealth will be a force for peace and order more powerful than any treaty between Occident and Orient. It will help to bring the time foretold by the Hebrew prophet, when men shall beat their swords into plowshares and their spears into pruning hooks and nations shall learn war no more.

Christendom should welcome the reestablishment of Zion as fervently as Jewry. Twenty million Sunday school students now study weekly the history of the House of Israel. Its reestablishment in our own day and generation will mean world instruction in the Old and New Testaments.

King Frederick William of Prussia once said to his chaplain: "Give the briefest possible proof of the truth of Christianity." "The Jews, Your Majesty," was the answer.

When the voice of weeping shall be no more heard in Jerusalem and the Jews shall build houses in their homeland and inhabit them, and shall plant vineyards and eat the fruit of them, the world shall have taken a long step forward, I do earnestly believe, toward the time when there shall be "peace on earth, good will to men."

Mr. Speaker, the Jew is God's miracle. He dates beyond the pyramids, but his hands guide enterprises for air navigation and radio communication in the twentieth century. He is a money master, but his gold has flowed into every stream meant to relieve want and wretchedness. He is a man without a country, but he has Zion enshrined in his heart. He is a pilgrim, but he has never lodged at Doubting Castle or supped with Giant Despair. He is of the earth, but his thoughts have been with the stars. He has borne the brunt of bigotry and the pain of persecution, but always on the "midnight sky has painted the glorious morrow." His golden age has always been onward, not behind, and across the centuries of his sorrow have shone the gleam and glow of a restored Jerusalem. He has been inspired and sustained by an unfaltering hope so great that his soul has grown to match it. His faith has been medicine for his misery; his love of the Holy City a charm for every woe. Chief figure in a national tragedy lasting 2,000 years, he sees to-day on the "mountains the feet of Him who bringeth good tidings, that publisheth salvation for the sons who come from afar and the daughters from the ends of the earth."

The Jew is at the border of the promised land once more. America, the great Republic of the West, must help him to establish in his ancient home the commonwealth which will bring East and West into understanding and fellowship, making possible the fruition of all those heart-warm hopes of men which were cradled in the land of Israel.

Mr. BOND. This resolution is of the greatest interest and importance to the Jews of the world. From the materialistic standpoint it means little to the Jews of America, but its religious and spiritual importance can hardly be exaggerated. Through all the ages the Jew has looked forward to the time when Palestine would again be the land of milk and honey and the homeland of the Jewish people. While probably few of the Jews of America will ever attempt to make a home in Palestine, the Jews of America are almost without exception interested in the reconstruction of Palestine because of its religious significance.

It is estimated that there are 3,000,000 Jews in America, of whom perhaps 2,000,000 are in New York State, about 1,500,000 being in the city of New York. The Jews in this country are proud of America and of American institutions. They do not feel they are oppressed here, but are fully appreciative of the liberty and the freedom of opportunity which the laws of this wonderful land afford. Were the Jews treated as well in other countries as in the United States, the desire for a home for the Jews in Palestine might not be so strong, but unfortunately in many countries the Jew continues to be oppressed, and his position is made so hard that it is almost impossible for him to remain in those countries. This makes thousands of Jews wanderers on the face of the earth. To these and the other Jews of the earth who have sympathy for them the idea of a home in Palestine means much.

Were the United States called upon to initiate such a movement there might be some force to an objection that it is an interference with the affairs of foreign nations, but the Balfour declaration, issued November 2, 1917, at the height of the war, firmly established this as a policy of the British Government. This has been still more firmly established by having been incorporated in the mandate under which Great Britain exercises authority over Palestine, and the mandate has been ratified by various other Governments.

The effect of the present resolution therefore is largely moral and constitutes merely an expression of good will and sympathy of America for the aims and aspirations of the Jews. The resolution before the House commits us to no foreign obligations and constitutes no entangling alliance. As it has the approval of Secretary Hughes, of the Department of State, and the President of the United States, we may feel assured no unfortunate diplomatic complications can or will occur. No harm can possibly come from the passing of this resolution. On the contrary, I believe it will result in much good. I therefore favor this resolution and shall gladly vote for it.

Mr. ROSSDALE. Mr. Speaker, the colonists who first settled upon the Western Hemisphere were God-fearing men and women who came to the New World to live their lives and worship God as they desired and believed. They were mostly Christians, and they believed in the Bible and in holy writ; their firm belief and faith in the Scriptures comforted and sustained them in their struggles with the savage and the wilderness and enabled them to conquer a continent and later to found the greatest Republic in the history of man.

It was this same belief in the will of the Almighty, this same firm faith in the Scriptures, that sustained the Jewish people through the centuries of oppression and persecution since their dispersal from the land of the Bible. They, too, believed; and through the long, weary centuries since the cruel might of their Roman conquerers drove them from their homeland "they kept the faith," and piously each day devout Jews have turned to the east and prayed for the day of restoration and return to the land of their fathers.

This Old Testament came to birth in the land of the Jews, and although there are some few unbelievers, the great majority of the American people, both Christians and Jews, believe in the Bible. I believe in it, and I am certain that almost all Members of Congress believe in it, and that God's promises in this Old Testament will be fulfilled. For in Deuteronomy, chapter 30, Moses said:

> If any of thine be driven out unto the outmost parts of heaven, from thence will the Lord thy God gather these, and from thence will He fetch thee. And the Lord thy God will bring thee into the land which thy fathers possessed, and thus shalt possess it; and He will do thee good and multiply thee above thy fathers.

And it is written in the Book of Amos, chapter 9:

> And I will bring again the captivity of my people of Israel, and they shall build the waste cities and inhabit them; and they shall plant vineyards, and drink the wine thereof; they shall also make gardens, and eat the fruit of them. "And I will plant them upon their land and they shall no more be pulled out of their land which I have given them," saith the Lord thy God.

It has been said that the age of miracles is gone by, and lo and behold, in the cradle of the world's civilization, in the sacred land of the Bible, a modern miracle is happening! The Jewish people after the lapse of centuries are resettling the land of their fathers. They are planting the waste lands, irrigating and aforesting the desert, draining the marshes and swamps, building houses and roads, and tilling the soil as their ancestors did.

From everywhere in the wide, wide world, where oppression and persecution have quickened the desire and intensified the yearning of the Jewish people for the reestablishment of their ancient homeland, there come volunteers to help in the rebuilding; from those parts of Europe where anti-Semitism has had free rein and where the ghastly specter of the pogrom ever threatens come a host of refugees, splendid young men and women, who eagerly volunteer as pioneers, among them numerous merchants, intellectuals from the professions, and students from the universities.

A great many of these refugees walked thousands of miles from the interior of eastern and central Europe to a seaport to embark for Palestine. They are settling upon the land among the hills and valleys and ancient places you and I read and learned about when as children we went to Sunday school. They toil there under the blinding Palestinian sun, chanting Hebrew songs as they perform the hardest kinds of manual labor, happy in their opportunity to rebuild the land of their fathers.

The entire world is watching this romance of the return of the Jews with a great deal of interest, and liberal minds throughout the world are giving aid and encouragement to the project.

The British Government on November 2, 1917, issued the following statement of policy, which is known as the Balfour declaration:

His Majesty's Government view with favor the establishment in Palestine of a national home for the Jewish people and will use their best endeavors to facilitate the achievement of this object, it being clearly understood that nothing shall be done which may prejudice the civil and religious rights and political status enjoyed by Jews in any other country.

The following declaration was made for the Italian Government by the Italian ambassador to Great Britain:

On the instructions of His Excellency Baron Sonnino, His Majesty's Minister for Foreign Affairs, I have the honor to inform you that His Majesty's Government is pleased to confirm the declaration already made through their representatives in Washington, The Hague, and Salonica, to the effect that they will use their best endeavors to facilitate the establishment in Palestine of a Jewish national center, it being understood that this shall not prejudice the legal or political status enjoyed by Jews in any other country.

The French Government made the following announcement:

M. Sokolow, representing the Zionist organizations, was received to-day by M. Stephen Pichon. M. Pichon was happy to reaffirm that the understanding is complete between the French and the British Governments concerning the question of the Jewish establishment in Palestine.

And the other allied powers, consisting of Japan, Greece, Holland, Serbia, China, and Siam, have likewise approved it.

In 1920 the Allied Supreme Council at San Remo confirmed the Balfour declaration and gave the mandate over Palestine to England, subject to ratification by the League of Nations.

President Woodrow Wilson wrote:

I welcome an opportunity to express the satisfaction I have felt in the progress of the Zionist movement in the United States and in the allied countries since the declaration by Mr. Balfour on behalf of the British Government of Great Britain's approval of the establishment in Palestine of a national home for the Jewish people and his promise that the British Government would use its best endeavors to facilitate the achievement of that object, with the understanding that nothing would be done to prejudice the civil and religious rights of non-Jewish people in Palestine or the rights and political status enjoyed by Jews in other countries.

President Warren G. Harding, expressing his friendly interest in and for the Zionist movement, said:

It is impossible for one who has studied at all the services of the Hebrew people to avoid the faith that they will one day be restored to their historic national home and there enter on a new and yet greater phase of their contribution to the advance of humanity.

And later wrote:

I am very glad to express my approval and hearty sympathy for the effort of the Palestine foundation fund in behalf of the restoration of Palestine as a homeland for the Jewish people. I have always viewed with an interest which, I think, is quite as much practical as sentimental the proposal for the rehabilitation of Palestine, and I hope the effort now being carried on in this and other countries in this behalf may meet with the fullest measure of success.

Before the present movement assumed concrete form, among the first to express approval of the return of the Jews to Palestine was John Adams, the second President of the United States, who wrote to Maj. Mordecai Manuel Noah, the first American Zionist, as follows:

I really wish the Jews again in Judea, an independent nation; for, as I believe, the most enlightened men of it have participated in the amelioration of the philosophy of the ages; once restored to an independent government, and no longer persecuted, they would soon wear away some of the asperities and peculiarities of their character. I wish your nation may be admitted to all the privileges of citizens in every part of the world. This country (America) has done much; I wish it may do more and annul every narrow idea in religion, government, and commerce.

In 1891 a memorandum was presented to President Harrison by a galaxy of financiers, clergymen, lawyers, and publicists. I have not the time to read all their names, but among them are Cardinal James Gibbons, J. Pierpont Morgan, John D. Rockefeller, Russell Sage, William E. Dodge, John A. Steward, J. Henry Harper, Charles Scribner, Bishop David H. Greer, Dr. William S. Rainsford, Dr. Robert Collier, Dr. Charles A. Parkhurst, Dr. Morgan Dix, Dr. Minot J. Savage, Henry N. Higginbotham, Dr. M. Wolsey Stryker, Judge C. C. Kohlsaat, Melville W. Fuller, Bishop Charles A. Cheney, Bishop S. M. Merrill, Melville E. Stone, Bishop Edward G. Andrew, Dr. Josiah Strong.

From all parts of the earth, wherever the magic story of Israel's return is become known, rulers and writers, preachers and publicists, all express approval. This resolution expressing America's approval of the acceptance of the mandate by Great Britain and the establishment of a Jewish homeland in Palestine was passed by the Senate of the United States unanimously, and I hope the House of Representatives will concur and express its satisfaction likewise.

It may appear strange to some to think of the destinies of nations and of peoples as foreordained, but that is my firm belief, for are we not witnessing the truth of the words of the prophets of the return of Israel, the assurance of whose restoration gleams through the whole vista of prophecy? We know a portion were restored from Babylon, but Isaiah says there shall be a second restoration from the four corners of the earth (Isaiah xi, 11, 12). "Both Israel and Judah shall be gathered and the sanctuary of the Lord shall be set in the midst of them forevermore" (Ezekial 37).

God moves in a mysterious way. After the roll of many centuries, "Israel is lifting up his hands to the Gentiles" (Isaiah, chapter xl, 22). And the mandate accepted by a gentile nation will "bring his sons and daughters from far that he may plant them again in their own land" (Ezekial xxxiv, 13). The gentile world to whom Israel is lifting his hands, respond and as Cyrus aided the Jews 24 centuries ago, so are the gentiles aiding them in establishing a homeland in Palestine and the words of the prophets are come true.

The establishment of a Jewish homeland in Palestine is not without great difficulties and as is to be expected, the project has some objectors. Lord Balfour recently characterized it as "a beneficient adventure in Government." It was a certainty that the establishment of a new form of government in the Near East would bring about many difficulties but none insurmountable where the aims and purposes of the Government are upon so high a plane as the mandate for Palestine.

It has been asserted that the Arab populations of Syria, Mesopotamia, and near-by countries objected to the colonizing of Palestine by the Jews. But Emir Feisal, son of King Hussein, of the Hedjaz, shows the attitude of authorized representatives of the Arab people. Emir Feisal declared:

We are working together for a reformed and revived Near East, and our two movements complete one another. The Jewish movement is national and not imperialist. Our movement is national and not imperialist. There is room in Syria for us both. Indeed, I think that neither can be a real success without the other.

People less informed and less responsible than our leaders and yours, ignoring the need of cooperation of the Arabs and the Zionists, have been trying to exploit the local differences that must necessarily arise in Palestine during the early stages of our movement. Some of them have, I am afraid, misrepresented your aims to the Arab peasantry and our aims to the Jewish peasantry, with the result that interested parties have been able to make capital out of what they call our differences.

I wish to give you my firm conviction that these differences are not on questions of principles but on matters of details, such as must inevitably occur in every contact with the neighboring peoples, and as are easily dissipated by mutual good will. Indeed, nearly all of them will disappear with fuller knowledge.

There have been and no doubt there will be some local differences between the Arabs and the Jews there. It could not be otherwise during a period of transformation as is now in Palestine.

The colonist Jew is bringing Western culture and civilization into the country and it is natural that the Moslem Arabs, steeped in ignorance and extreme poverty, would occasionally clash with the newcomers. This is especially true of the Bedouin Arabs, who have no civilization worth the mention. These Bedouins live in the open and have the same objection to the land being fenced by the Jewish farmers as the American Indians had in the early days of the white settlers; hence it is sometimes necessary for the Palestinian colonist Jew to labor in the fields with a hoe in one hand and a rifle in the other.

These differences will later disappear and as the Jew develops his own culture and builds up the country it is inevitable that he will raise and level up the standard of Arab life there more nearly to his own. The Arabs now occupy only a small portion of the arable land. The rest is uncultivated. The pioneer Jewish settlers purchase what is desolate and unused land and reclaim it by irrigation and scientific agricultural methods. In this manner it is proposed to settle several million Jews there without infringing upon the rights of the present inhabitants.

The real objections to the British mandate in Palestine and the establishment of a Jewish homeland there is being made by a very small number of Arab intellectuals. These are the land-owning Moslem sheiks and effendis. They are mostly Turks and near Turks who have ruled and enslaved the Arab peasantry and now dispute the right of the return of the Jews to what was formerly their own country.

Although at different periods various alien people succeeded them, the Jewish people never abandoned their claim and title to Judea. Other people, when conquered, have either been allowed to remain upon their land or, if dispersed, have been absorbed and lost in other nations. But the Jews, though driven from the land over 18 centuries ago, still maintain themselves as a distinct people with unabated vitality.

Prescription can not be founded upon dereliction in their case, for they have never abandoned the land. They made no treaty, they did not even surrender. They simply succumbed, after the most desperate conflict, to the overwhelming power of the Romans, under Titus, and were slaughtered or enslaved in A. D. 70. About 65 years later the next generation rallied to the land again, under the lead of Bar Cochba, and stoutly resisted the Romans until they were completely overthrown at the siege of Bither, with a slaughter second only to the destruction of Jerusalem.

Since then, having no sovereign nor political head through whom they could speak, they have disputed the possession of the land by continued protests through their literature and their private and public worship.

In all their writings and in every form of worship they have constantly and steadfastly maintained their hope and fervent wish for the restoration of their ancient homeland. The same sentiment is expressed in the feasts of Passover, Pentecost, New Year, Day of Atonement, and Tabernacles, and by Orthodox Jews in the regular Sabbath service and in the morning prayers for every day in the year.

At the "west wall" in Jerusalem they have for years, on Friday afternoons, made the most public protests by the use of the seventy-ninth Psalm and other Scriptures, until "the wailing place" has become known throughout the world.

It seems as if Divine Providence has directed that ancient Judea shall ever be such, for the Jews left so indelible an impress upon the land that whatever civilization is there remained Jewish; even the nomenclature is of the Bible.

It is not a very large country, but nevertheless it is capable of supporting seven or eight million people by intensive cultivation of the land. The population consists of about 600,000 Arabs, mostly Moslems, and about 80,000 Jews.

It has been in possession of the Turks ever since Saladin fought the Crusaders, and the blighting, destructive rule of the unspeakable Turk is seen in the general desolation, for what was once a land of milk and honey is now mostly sand, stone, swamp, and desert, except where the new Jewish colonists have restored it.

The restoration of Zion by the modern establishment of a Jewish homeland will in a measure solve the Jewish question in so far as it relates to the migratory streams of unfortunate Jewish refugees from eastern and central Europe, who have been displaced from their homes in and following the chaos of the late World War. A lessening of the Jewish populations in the lands that now oppress them will afford relief to these unhappy people, since it offers a place to which many will migrate. A famous prelate once said: "Every land has as many Jews as it deserves." Spain at the height and zenith of her power numbered a large Jewish population. After the Inquisition and expulsion of the Jews her decline was rapid; indeed, it is a truism, "No country ever prospered who oppressed them."

It has been said that there were objections to a Jewish Palestine by some of the Jewish people themselves. To be sure there are some Jews who are indifferent, but that is because they have largely drifted away from their own people or know little or nothing about the movement. These protesting Jewish anti-Zionists constitute barely one-half of 1 per cent of the race. The great majority of the Jewish people in the United States and elsewhere are enthusiastic supporters and advocates of Zionism. It has, unfortunately, been the history of the Jewish people that always there are those of their faith and race who in their zeal for an idea become the enemies of their own people. We had an example of this in the fight made against this resolution at the hearings before the Foreign Affairs Committee, when a "celebrated Jewish rabbi" from Cincinnati appeared before the committee in opposition, in his campaign against Zion, which opposition happily finds few supporters among either Jews or Christians.

No great movement of a people has ever been unanimous. America in the making, during the Revolutionary War, produced a Benedict Arnold, and it is therefore regrettable but not strange that the reestablishment of Zion would produce a Jewish Benedict Arnold, who would endeavor to injure, if not destroy, what many millions of the Jewish people throughout the world are praying and striving for.

This resolution will not determine the mandate itself, for that is already an accomplished fact. Great Britain has accepted the mandate given by the allied council at San Remo in 1920, and has administered the affairs of Palestine not only since then but from the time when General Allenby's victorious army entered Jerusalem. It remains but for the ratification of the League of Nations to complete the project. The resolution merely voices America's favorable opinion and will not involve the United States in any possible manner, and I hope the House will pass the resolution, as the Senate did, unanimously.

Mr. SIEGEL. Mr. Speaker, the American people are in favor of this resolution. Both Presidents Wilson and Harding have given their moral support to its contents. Secretary Hughes and a host of distinguished statesmen and eminent Americans have expressed themselves in its favor. It simply repeats that which is known to be the sentiments of every true lover of liberty. By its language it notifies the world that the people of this country favor the establishment in Palestine of a national home for those of the Jewish faith, without in any way prejudicing the civil and religious rights of those of other faiths. It further provides that the holy places, religious buildings, and sites therein shall at all times be adequately protected. Palestine never has been an ordinary country, as it has always been considered as their holy land by the Jews, Christians, and Mohammedans.

At the outset let me say that it is not the desire or wish of the people of the Jewish faith to see Palestine revive as a national homeland by the ousting of the present population. On the contrary, it is their hope and wish to help that population go forward to a higher and better civilization and culture. The achievement of a people depends on the amount of help which it is able to give to other peoples, and not by degrading or oppressing them.

The entire civilized world knows that Palestine has been the permanent residing place and domicile of the Jews for thousands of years. They have had no country which may be deemed their own in the sense that there should be a center from which place cultural expansion among the Jewish people might take place. It is admitted by everyone that wherever the Jews have been and had an equal chance, they have always made their way to the front rank. They have become leaders in the fields of all activities and genuine and true citizens of any country which has held out its hands to give them a place of refuge. They have been, it is true, a people in dispersion. Their conduct, however, in every country has been shown by their undiluted allegiance, devotion, and loyalty to the country and government which has sheltered them. They have always, however, retained their faith and won the respect and admiration of the people of the world on account of that faith. They are always proud of being of the Jewish faith, because it is one of the most ancient faiths known to mankind, and they have a right to look back to an ancestry of which they can be justly proud.

It has always been true that where discrimination against the Jews has ended, they have by their tenacity, industry, and energy always made for the prosperity of the particular place in which they have settled for permanent residence. History records that every nation which has persecuted them has fallen from a high station to be either eradicated from the face of the earth or to sink into practical insignificance.

When Columbus discovered America there were on board of his ship at least five Jews. God has always shaped human efforts for the good of the universe. God designed that in America there should grow up a giant of a Republic that should always stand for justice and fair dealing to all, and it was God's plan that the time should come when these United States should stand as a great champion of justice and right. America was discovered in the very year when Spain expelled the Jews. The people of the Jewish faith were destined to survive despite persecution and suffering such as no other people have known. For 2,000 years it has been their dream that some day they would be able to point to Palestine as the place where enlightened civilization would find its home and make known to the world that its progress can best be advanced in times of peace. Practically every other people on the face of the earth can now point to some place where its oppressed and persecuted may find a haven of refuge. At the present time I know of no other place for them than Palestine. America is slowly shutting its doors by restrictive immigration measures. I feel confident the day is coming when the pendulum will swing the other way, but in the meantime there must be some place where the Jew can go to find a home and build up the land. In Palestine the spiritual life of the Jew will grow by leaps and bounds. It is needless to say that very few, if any, will leave the United States or Great Britain to permanently reside in Palestine. Some will, of course, go temporarily for the purpose of assisting in building it up, par-

ticularly professional men, including engineers, doctors, dentists, agricultural and electrical experts. The highest aspirations of the Jewish people will be redeemed from the moment that they are in a position to call Palestine a national homeland. When the announcement finally comes, it will bring about a great revival of culture and language. Furthermore, the world will once more commence to turn to the ancient Mosaic law for a solution of many of the problems now confronting it.

Throughout the entire Old Testament and the Psalms is found constant reference to the statement that the stranger, widow and the orphan in the gates shall be protected. The religious rights, liberty, and freedom of all who are non-Jews in Palestine will always be fully recognized and protected. The Jew knows only too well how he has suffered on account of the failure of others to recognize those rights when he personally has been involved. He has struggled for centuries to bring about the liberation of his people and the establishment of their rights. The Jew typifies tolerance and breadth of spirit. As has been said by Lord Balfour, "under the British mandate no form of tyranny, racial or religious, will ever be permitted." This statement was really unnecessary, because everyone who knows the history of the Jewish people is acquainted with the fact that they have been and are unalterably opposed to tyranny of any kind. Once the mandate has been ratified, Palestine will have its resources fully developed so that it may become, as it was in the days gone by, a land of milk and honey. The Jews know that it is going to take the hardest kind of work to bring about the proper development of Palestine, but they are prepared by intensive cultivation and by the development of the hydrotechnical projects formulated by Rutenberg to undertake such work, even though the obstacles may seem to the world at large insurmountable.

It is interesting also to look at the census of the population taken January 1, 1922. According to the official returns, there were on that date in the district of Jerusalem 137,457 Moslems, 37,063 Christians, and 33.784 Jews; in the district of Jaffa, 119,407 Moslems, 585 Christians, and 311 Jews, and 12 persons belonging to other religions; in the district of Gaza, 67,548 Moslems, 585 Christians, and 311 Jews; in the district of Galilee, 61,826 Moslems, 13,130 Christians, 11,924 Jews, and 1,725 persons belonging to other religions; in the district of Phoenicia, 69,988 Moslems, 19,915 Christians, 9,738 Jews, and 5,318 persons belonging to other religions; in the district of Samaria, 103,529 Moslems, 1,901 Christians, no Jews, and 158 persons belonging to other religions; in the district of Beersheba, 26,516 Moslems, 205 Christians, and 38 Jews, making a grand total of 761,796 persons.

The population of this same area on March 31, 1919, was 647,850; the Moslem population has increased during the period from March 31, 1919, to January 1, 1922, by 70,271, the Christians by 25,549, and the Jews by 15,963. The population of the city of Jerusalem has increased during the same period from 60,000 to 64,000, that of Jaffa from 40,000 to 45,100, that of Haifa from 20,000 to 34,100, while the population of Nablus (Shechem) has decreased from 22,000 to 20,638, and that of Hebron from 18,000 to 16,332.

At the present time it is well known that only 20 per cent of the land is under cultivation. Experts admit that the almonds, wheat, grapes, and oranges grown in that country are amongst the finest to be had anywhere. The whole population of Palestine, as I have stated, is only 761,796. If we consider that it is equal in area to Belgium, which has a population of about 7,000,000, it can be seen at a glance how several millions more can finally settle there. One of the arguments brought forward against declaring Palestine a Jewish homeland is that the population consists mainly of Arabs. If the grounds of opposition to such declaration were to be upheld on that score, then how can there be any justification for what has been done in the United States, Australia, India, Philippine Islands, and parts of Africa. The Arabs of Asia and Africa number, in all, 38,000,000. They now possess a land at least twenty times as large as the whole of Great Britain. It is estimated to be 2,375,000 square miles. For each 40 acres there is just one Arab. One one-hundred-and-seventieth part of this large acreage is to be found in Palestine. If Palestine is to become a national homeland of the Jews, it still will leave the Arab race in practical ownership and control of one of the richest holdings amongst all the countries of the earth, with practically 40 acres for each Arab. The Arabs, therefore, will have more land than they ever can require or ever think of developing. I believe that this destroys all arguments which have been or can possibly be advanced against the creation of a national homeland for the Jews in Palestine. Some of the Members have made inquiry as to whether there has been previous action along similar lines taken by Congress. It is interesting to know that when Greece was making its great struggle for separation and liberty from Turkey, on January 24, 1824, Daniel Webster delivered one of his greatest speeches, and then favorable action was taken by Congress. On July 22, 1872, Hamilton Fish, grandfather of the author of the present resolution, sent a dispatch to our representative at Constantinople reading as follows:

DEPARTMENT OF STATE,
Washington, July 22, 1872.

SIR: It has been suggested to this department, and the suggestion is concurred in, that if the sympathy which we entertain for the inhumanly persecuted Hebrews in the principalities of Moldavia and Wallachia were made known to the Government to which you are accredited it might quicken and encourage the efforts of that Government to discharge its duty as a protecting power pursuant to the obligations of the treaty between certain European States. Although we are not a party, directly or indirectly, in the public affairs of that quarter, the grievance adverted to is so enormous as to impart to it as it were a cosmopolitan character in the redress of which all countries, Governments, and creeds are alike interested.

You will consequently communicate on this subject with the minister for foreign affairs of the Ottoman Empire in such a way as you may suppose might be most likely to compass the object in view.

I am, etc.,

HAMILTON FISH.

On August 11, 1902, John Hay, Secretary of State, one of America's greatest statesmen, sent a dispatch protesting discrimination against the Jews in Rumania which contained the following language:

Putting together the facts now painfully brought home to this Government during the past few years that many of the inhabitants of Rumania are being forced, by artificially adverse discriminations, to quit their native country; that the hospitable asylum offered by this country is almost the only refuge left to them; that they come hither unfitted, by the conditions of their exile, to take part in the new life of this land under circumstances either profitable to themselves or beneficial to the community; and that they are objects of charity from the outset and for a long time—the right of remonstrance against the acts of the Rumanian Government is clearly established in favor of this Government. Whether consciously and of purpose or not, these helpless people, burdened and spurned by their native land, are forced by the sovereign power of Rumania upon the charity of the United States. This Government can not be a tacit party to such an international wrong. It is constrained to protest against the treatment to which the Jews of Rumania are subjected not alone because it has unimpeachable ground to remonstrate against the resultant injury to itself but in the name of humanity. The United States may not authoritatively appeal to the stipulations of the treaty of Berlin, to which it was not and can not become a signatory, but it does earnestly appeal to the principles consigned therein, because they are the principles of international law and eternal justice, advocating the broad toleration which that solemn compact enjoins, and standing ready to lend its moral support to the fulfillment thereof by its consignatories, for the act of Rumania itself has effectively joined the United States to them as an interested party in this regard.

You will take an early occasion to read this instruction to the minister for foreign affairs and, should he request it, leave with him a copy.

We, therefore, see that there are precedents for the action which has already been taken in the Senate in this matter, and which the House is about to follow. The American people have always encouraged by their pen and voice struggling men and women seeking liberty and desirous of taking their well-earned places amongst the peoples of the world. They are happy to do all they can to perpetuate under proper care Jerusalem, the city of God and peace.

THIRD DEFICIENCY APPROPRIATION BILL—CONFERENCE REPORT.

Mr. MADDEN. Mr. Speaker, I ask unanimous consent to consider at this time the conference report upon the bill (H. R. 12090) making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1922, and prior fiscal years, supplemental appropriations for the fiscal year ending June 30, 1923, and for other purposes.

The SPEAKER. The gentleman from Illinois presents a conference report upon the third deficiency appropriation bill and asks unanimous consent for its present consideration. Is there objection?

There was no objection.

Mr. MADDEN. Mr. Speaker, I move the adoption of the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 16: Page 13, after line 1, insert:

"DEPARTMENT OF COMMERCE.

"BUREAU OF FOREIGN AND DOMESTIC COMMERCE.

"The Secretary of Commerce is authorized to use any balance remaining in the appropriation for 'Salaries, Bureau of Foreign and Domestic Commerce, 1922,' to pay salaries of any employees of the

Bureau of Foreign and Domestic Commerce for the month of June, 1922, until such time as anticipated reimbursements shall have been received from officers of the department overseas."

Mr. MADDEN. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

Mr. MADDEN. Mr. Speaker, at this time I yield to the gentleman from the Philippine Islands [Mr. DE VEYRA].

Mr. DE VEYRA. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein a statement of the general condition of the Philippine Islands, prepared by the Philippine Commission now in this country.

The SPEAKER. Is there objection?

There was no objection.

The extension of remarks referred to are here printed in full as follows:

Mr. DE VEYRA. Mr. Speaker, taking advantage of the permission given me by the House to extend my remarks in the CONGRESSIONAL RECORD, I consider it a great privilege to present before the House, and through the House to the American people, a statement of the actual conditions of the Philippines, prepared by the parliamentary mission now in the United States. Only a few days ago the parliamentary mission presented a memorial to the President and Congress of the United States renewing its petition for the recognition of the independence of the Philippines. There is only one condition required of the Filipinos by the Congress of the United States as a prerequisite to independence, and that is the establishment of a stable government in the Philippines.

There may be differences of opinion as to whether the time has already come, but there can be no difference of opinion as to one fundamental principle. It is the principle that the Filipino people have a right to state their views to the American people and Government. The President and Congress of the United States have been very courteous in receiving the statement of the Philippine mission, which was published in the CONGRESSIONAL RECORD, and the following statement of conditions is the basis upon which that memorial was written. The statement of conditions is a portrayal of actual Philippine conditions as the representatives of the Filipino people see them:

PHILIPPINE PARLIAMENTARY MISSION TO THE UNITED STATES, 1922.

Hon. Manuel L. Quezon, president of the senate, chairman on the part of the senate.
Hon. Sergio Osmeña, speaker house of representatives, chairman on the part of the house.
Hon. Pedro Guevara, senator, chairman pro tempore on the part of the senate.
Hon. José G. Generoso, representative, chairman pro tempore on the part of the house.
Hon. Antero Soriano, senator, member.
Hon. Santiago A. Fonacier, senator, member.
Hon. Ceferino de Leon, senator, member.
Hon. Teodoro Sandiko, senator, member.
Hon. Guillermo F. Pablo, representative, member.
Hon. Pedro Abad Santos, representative, member.
Hon. Celestino Gallares, representative, member.
Hon. Vicente Llanes, representative, member.
Hon. Juan Nolasco, representative, member.
Hon. Emilio P. Virata, representative, member.
Hon. Proceso Sebastian, representative, member.
Hon. Teodoro M. Kalaw, secretary of the interior, honorary member.
Mr. Jorge B. Vargas, director of lands, secretary.
Mr. Wenceslao Trinidad, collector of internal revenue, technical adviser.
Prof. Jorge Bocobo, dean College of Law, University of the Philippines, technical adviser.
Prof. Maximo M. Kalaw, dean College of Liberal Arts, University of the Philippines, technical adviser.
Dr. Antonio G. Sison, professor, College of Medicine and Surgery, University of the Philippines, technical adviser.
Mr. Arsenio N. Luz, ex-Philippine commercial agent, New York, technical adviser.
Dr. Justo Lukban, ex-mayor, city of Manila, technical adviser.
Mr. Benito Razon, merchant, assistant secretary.
Dr. Jose Albert, professor, College of Medicine and Surgery, University of the Philippines, physician.
Mr. Ricardo Summers, clerk of Manila court of first instance, secretary to President Quezon.
Mr. Francisco Zamora, private secretary to Speaker Osmeña.
Mr. Pablo de Guia, bank examiner, disbursing officer.
Mr. Carlos P. Romulo, assistant editor, The Philippines Herald, publicity agent.

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NOW IS THE TIME FILIPINOS APPEAL FOR FREEDOM—WHY REDEMPTION OF AMERICAN PLEDGE NOW ABSOLUTELY NECESSARY—SUMMARY OF PHILIPPINE PROBLEM.

(By Philippine Parliamentary Mission, together with a statement of actual conditions in the Philippines.)

GENERAL DATA AND PROGRESS OF THE PHILIPPINES (1914–1921).

Area: There are 7,083 islands, ranging in size from the islet inhabited only by tropical birds to Luzon, with its million of people. The total land area of the Philippine Archipelago is 114,400 square miles. This is in excess of the combined areas of the States of New York, New Jersey, Pennsylvania, and Delaware. It is 7,000 square miles less than the area of Great Britain. Luzon has 40,814 square miles; Mindanao has 36,906 square miles. Next in order are Samar, Negros, Palawan, Panay, Mindoro, Leyte, Cebu, Bohol, and Masbate.

Climate: The Philippine Islands have a mildly tropical climate. The nights are cool and sunstrokes are unknown. The temperature record for the past 30 years shows an average of 80 degrees. In April, May, and June, the hot months, the mean average is between 83 and 84 degrees. In November, December, January, and February, the cool months, the mean average is between 77 and 79 degrees. Baguio City, a summer resort, has a mean average maximum of 80 and a minimum of 53 degrees.

The recorded death rate per 1,000 whites in Manila for 1917 was 8.8 as compared with 16.5 for New York, 15 for San Francisco, 14 for Chicago, 18 for Glasgow, and 22 for Belfast.

Population: The total population of the Philippines, according to the census of 1918, is 10,314,310, of which 10,250,273 are Filipinos. Out of this 9,381,357 are Christians and 932,593 are non-Christians of all varieties—Mohammedans, 372,464; Buddhists, 740; Pagans, 402,790; and the rest belonging to other religions.

The following is the classification according to citizenship:

Filipino	10,250,273
Chinese	43,802
Japanese	7,806
American	5,774
Spanish	3,945
English	1,140
German	286
French	182
Swiss	125
Others	977
Total	10,314,310

Political subdivisions: The Philippine Islands are divided into 1,289 municipalities and municipal districts, which compose 48 Provinces, 11 special Provinces, and 2 chartered cities.

Literacy: Literacy in the Philippine Islands in 1918 was 49.2 per cent of population over 10 years of age; in Spain in 1910, 40.7 per cent; in Porto Rico in 1910, 35.5 per cent; in Siam in 1915, 11.7 per cent; and in British India in 1911, 5.9 per cent. Persons with academic degrees in the Philippine Islands, 9,428, or 2.9 per thousand. Male population of voting age, 2,061,753. Of this 53.3 per cent are qualified to vote according to the organic law.

GOVERNMENTAL REFORMS SINCE 1913.

(a) Abolishment of the appointive commissioners or upper house of the Philippine Legislature.
(b) Reorganization of the executive departments, providing for appearance of cabinet members in legislature, regrouping bureaus and offices along scientific lines, and unifying their responsibilities.
(c) Establishment of a budget system ahead of the United States.
(d) More autonomy granted provinces and municipalities.

PRESENT GOVERNMENT.

All expenses of the Philippine Government are borne by the Filipino people.

The passage of the Jones Act by Congress in August, 1916, gave the Filipinos a very large share in their own government. With the exception of the offices of Governor General, vice governor, and insular auditor, all of the important executive and administrative offices in the islands are in the hands of native Filipinos. All members of both branches of the legislature are Filipinos as well as provincial and municipal officials. There has been established in the Philippines a stable government of, by, and for the Filipinos, a condition precedent to the granting of their independence. The time for America to fulfill its pledge has already come, and that time is now.

Judiciary: The official records of the Supreme Court of the Philippines demonstrate that during the last two years preceding Filipino autonomy 25.1 per cent of the appealed decisions of the lower courts were reversed by the Supreme Court of the Philippines, while during the last two years of Filipino control of the government the reversals were only 20.8 per cent, or nearly one-fourth less erroneous decisions under Filipino self-government than before that time.

In 1913 there were 12,000 pending cases disposed of, while in 1921 the number rose to 16,000, or an increase of one-third. From 1907 to 1913, for a period of seven years before Filipino autonomy, the average number of decrees of titles to land issued by the Philippine courts was only 1,935, while from 1914 to 1920, seven years of Filipino self-government, the average yearly number was 12,396, or an increase of six times.

Education: Education in the Philippines under Spanish system began with the early Spanish settlers. The University of Santo Tomas, in Manila, having to-day an attendance of over 700 students, is a quarter of a century older than Harvard.

During the seven years preceding the appointment of a majority of Filipinos on the commission (1907–1913) ₱45,859,000 were spent for public education; in 1914–1920, ₱78,094,000 were spent. In 1913 there were only 2,934 public schools; in 1920 there were 5,944. In 1913 there were only 440,050 pupils; in 1921, there were nearly one million.

Social welfare: (a) The appropriation for medical aid to the poor in 1913 was ₱1,548,317; in 1921 the sum was ₱3,153,828.

(b) In 1913 there were no dispensaries where the poor could be given medical treatment; in 1921 there were over 800.

(c) In 1913 there were hardly 12 women's clubs; in 1921 there were 342.

Roads: In 1913 there were only 2,171.6 kilometers of first-class roads, 2,034.3 kilometers of second-class roads, and 3,118.3 of third-class roads, in operation; in 1921 there were 5,066.2 kilometers of first-class roads, 2,044.8 kilometers of second-class roads, and 3,036.6 of third-class roads. (1 kilometer equals five-eighths of a mile.)

Agriculture: The total number of farms is 1,925,276, and 96 per cent of them are owned by the Filipinos. Ninety-one per cent of the urban property (consisting of houses and lands) is owned by Filipinos.

The cultivated area in 1920 was 3,276,942 hectares, as compared with 2,361,483 in 1913, or 38.7 per cent increase.

Commerce: In 1913 the total foreign commerce was only ₱202,171,484; in 1920 the sum was ₱601,124,278. In 1913 the imports from the United States were about 50 per cent of the total imports of the Philippine Islands. Since that time gradual increase was recorded to the extent that in 1920 our imports from the United States represent 70 per cent of the total imports.

Real property: Since 1913 the number of parcels of taxable property in the regular Provinces has an increase of 1,700,000, or more than 100 per cent increase. The volume of real properties subject to taxation has also an increase of over ₱800,000,000, or about 280 per cent increase.

	1913	1920
Postal and telegraph service:		
Length of telegraph wire.....kilometers..	9,324.41	11,809.66
Number of telegraph offices	286	366
Number of wireless stations	7	16
Number of post offices	659	899
Progress of the Moro Provinces, public works:		
Length in kilometers of roads and trails	792	1,995.3
Number of school buildings existing	12	703
Number of hospitals	1	7
Number of docks existing	4	7
Length in kilometers of telephone lines existing	343	1,381.6
Number of irrigation systems		3
Number of hydroelectric plants		1
Number of waterworks	1	5

	1913	1921
Public instruction:		
Number of schools in operation	97	690
Number of teachers	217	1,452
Enrollment	9,437	61,187
Public health:		
Dispensaries in operation	50	103
Hospitals (public) existing	1	7
Public order:		
Constabulary companies existing	15	47
The withdrawal in the latter part of 1917 and early part of 1918 of all military garrisons and troops in Mindanao-Sulu except the one at Zamboanga placed the maintenance of public order entirely in the hands of local authorities and the constabulary.		
Agriculture:		
Number of hectares under cultivation	56,115	192,528.34
Number of immigrants		1,496
Number of colonists		6,152
Number of agricultural colonies	5	7
Government ranches		6
Commerce:		
Exports	₱6,458,586.70	₱8,682,252.43
Imports		₱5,090,199.27
Sawmills in operation (private)	13	17
Number of central trading systems		7

BRIEF HISTORICAL INTRODUCTION.

Pre-Spanish Philippines: It is difficult to know the actual conditions of the Philippines without some reference to her past. The pre-Spanish history of the Philippines is still shrouded in mystery. However, there are several outstanding facts which prove that while the islands might have been a part at some time or other of some Indian or Malayan empires their connections were slight. They retained a great deal of the qualities of independent communities. One American investigator, Prof. Austin Craig, of the University of the Philippines, claims that a veritable native imperial family reigned in the islands before their discovery by Magellan in 1521, and that the first Spanish colonizers simply destroyed all records of such Philippine dynasty so as to facilitate the conquest of the archipelago.

The Philippine Republic: Filipino dissatisfaction with Spanish misrule was shown by more than a hundred revolutions which, according to the same American professor, occurred in the Philippines during the Spanish régime. We may mention the most important of them, the revolt of 1896–1898. The last part of that revolution was held under the very eyes and with the help of American officials. It extended throughout the entire Philippines, having wrested from Spanish hands practically every foot of Philippine territory except Manila, which was in the hands of the Americans. It set up the first republic in the Far East based on a constitutional government. The Philippine republic has merited the commendation of such prominent Republicans as the late Senator Hoar and John Barrett, ex-director of the Pan-American Union.

The end of the republic was brought about by the Filipino-American war, which lasted for three years. It was, naturally, a one-sided struggle, but it was a struggle which showed the firmness and the desire of the Filipino people for an independent existence. They wanted an independent republic. Had the Filipino people received assurances that America would ultimately free them the war would have been avoided.

Independent aspirations: Defeated, the Filipino people laid down their arms determined that what they had failed to gain in war they would secure through the justice, magnanimity, and square-dealing of the American people. They then began their campaign for independence with peaceful means. They accepted American government, anxious to prove to the American people not only their political capacity but their untiring desire to be free. At first the independence movement was not an organized one, because in the early years of American occupation a law had been passed by the Philippine Commission which practically prohibited all agitation for independence. The only political party which could very well exist under these conditions was the federal party, which advocated statehood and permanent annexation to the United States. This party, however, soon saw the unpopularity of its stand, for it could not find supporters either in the Philippines or in the United States, and so as soon as conditions permitted the advocacy of separation it left out the statehood plan and advocated independence after a period of preparation. In the meanwhile a strong independence party had been formed called the Nacionalista Party, and at the first national election to the Philippine Assembly in 1907 this party won popular favor.

If there was any doubt as to the attitude of the Filipino people on independence, this was dispelled by the action of the Philippine Assembly, the first national representative body to be convoked following American occupation. At the end of the first session this representative body unanimously ratified the closing address of Speaker Osmeña on the question of independence. The speaker, in part, had said:

"Permit me, gentlemen of the chamber, to declare solemnly before God and before the world, upon my conscience as a deputy and representative of my compatriots, and under my responsibility as president of this chamber, that we believe the people desire independence, and that we believe ourselves capable of leading an orderly existence, efficient both in internal and external affairs, as a member of the free and civilized nations."

By virtue of the Philippine bill passed by Congress in 1902 the Philippine Assembly was allowed to send a representative to Washington to voice the aspirations of the Filipino people. In 1907 the Hon. Pablo Ocampo was sent to Washington as Resident Commissioner, who, in pursuance of the mandate of the assembly, advocated the independence of the Philippines. His successors, especially the Hon. Manuel L. Quezon, who was Resident Commissioner from 1909 to 1916, continued with vigor the campaign for independence in the United States.

Early American policy toward the Philippines: America, on the other hand, soon announced a policy of attraction. She adopted the policy of extending step by step the governmental powers to the Filipino people. President McKinley, the man most responsible for the acquisition of the Philippines, said in the very beginning of American occupation: "The Philippines are ours, not to exploit but to develop, to civilize, to educate, to train in the science of self-government."

In his instructions to the first Philippine Commission on the 20th of January, 1899, he expressed the hope that the commissioners would be received as bearers of "the richest blessings of a liberating rather than a conquering nation." Dr. Schurman, president of the first Philippine Commission, construed the American policy to mean "ever increasing liberty and self-government * * * and it is the nature of such continuously expanding liberty to issue in independence."

President Taft, while civil governor of the Philippine Islands, on the 17th of December, 1903, said: "From the beginning to the end of the state papers which were circulated in these islands as authoritative expressions of the Executive the motto that 'the Philippines are for the Filipino and that the Government of the United States is here for the purpose of preserving the Philippines for the Filipinos,' for their benefit, for their elevation, for their civilization, again and again appear * * *.

"Whether an autonomy or independence or quasi independence shall ultimately follow in these islands ought to depend solely on the question: Is it best for the Filipino people and their welfare?" When Mr. Taft was Secretary of War, in April, 1904, in the course of a speech upon the Philippines he said: "When they—the Filipinos—have learned the principles of successful popular self-government from a gradually enlarged experience therein we can discuss the question whether independence is what they desire and grant it or whether they prefer the retention of a closer association with the country which, by its guidance, has unselfishly led them on to better conditions."

In 1908, after the Philippine Assembly had been opened, President Roosevelt, in his message to Congress, said: "I trust that within a generation the time will arrive when the Filipinos can decide for themselves whether it is well for them to become independent or to continue under the protection of a strong and disinterested power, able to guarantee to the islands order at home and protection from foreign invasion."

President Wilson, in a message to the Filipino people delivered by Governor Harrison in Manila October 6, 1913, said: "We regard ourselves as trustees acting not for the advantage of the United States, but for the benefit of the people of the Philippine Islands. Every step we take will be taken with a view to the ultimate independence of the islands and as a preparation for that independence." And in his message to Congress on December 2, 1913, the President said: "By their counsel and experience rather than by our own we shall learn how best to serve them and how soon it will be possible and wise to withdraw our supervision."

The Jones law and its promise: In 1911 the Democratic Party, which had advocated independence, secured control of the American House of Representatives, and the following year the chairman of the Committee on Insular Affairs, Congressman William Atkinson Jones, reported a bill providing for a qualified independence within eight years and for complete independence in 1921. In 1914 a bill was passed by the House of Representatives providing for independence as soon as a stable government could be established in the islands. The bill, however, was crowded out of the calendar in the Senate and failed to be passed. The independence movement was constantly gaining ground, and two years afterwards, in February, 1916, when Congress again took up the Philippine question, the Senate passed the so-called Clarke amendment, which would grant the Philippines independence within four years, although the time might be extended upon the advice of the President to Congress. It was contended in the House of Representatives, however, that it would be unwise to set a definite date for independence, for nobody knew what the situation would be at the time. What the House did was simply to repass the Jones bill it had passed in 1914. The Senate receded from its position and passed the House bill, which thus became the formal pledge of the American people to the Filipino people.

The title of the Jones law is "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands." The declaration of purpose is contained in the following preamble:

"Whereas it was never the intention of the people of the United States in the incipiency of the War with Spain to make it a war of conquest or for territorial aggrandizement; and

"Whereas it is, as it has always been, the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein; and

"Whereas, for the speedy accomplishment of such purpose, it is desirable to place in the hands of the people of the Philippines as large a control of their domestic affairs as can be given them without in the meantime impairing the exercise of the rights of sovereignty by the people of the United States in order that by the use and exercise of popular franchise and governmental powers they may be the better prepared to fully assume the responsibilities and enjoy all the privileges of complete independence: Therefore * * * ."

The Jones law was received by the Filipino people as the real pledge of the American people, for the other statements of American Presidents were mere executive opinion not necessarily binding on the United States.

The Jones law has become a virtual constitutional compact between the American and Filipino peoples, by means of which the Filipinos have accepted a temporary government under American sovereignty, subject to the conditions: First, that it shall be autonomous, or chiefly in the hands of Filipinos; second, that American sovereignty shall not now be impaired; and, third, that it shall be only preparatory to a complete independence, such independence to be granted

"when a stable government can be established in the islands." It is, to quote the words of its author, the late Congressman Jones, "the everlasting covenant of a great and generous people, speaking through their accredited representatives, that they (the Filipinos) shall in due time enjoy the incomparable blessings of liberty and freedom."

Filipino cooperation during the war: After the passage of the Jones law the Filipino people began the establishment of the stable government demanded by Congress as prerequisite to the granting of independence. Shortly afterwards the United States entered the war and immediately all agitation for independence ceased. It was deemed that an independence campaign during the war might embarrass the United States.

The Filipinos responded to the confidence reposed in them by the Government of the United States by themselves offering the service of 25,000 men. The Filipino people contributed a submarine and a destroyer to the fleet of the United States, and 6,000 of their men served in the United States Navy as volunteers. Four thousand Filipinos in Hawaii, who could have claimed exemption from the draft under the citizenship clause of the draft law, insisted on being enrolled under the Stars and Stripes. With the limited resources of the Philippines, poor as the Filipino people are, compared with the United States, with the aid of American residents in the islands, they gave half a million dollars to Red Cross funds and subscribed nearly $20,000,000 for Liberty bonds. The Philippine allotment to the third Liberty loan was only $3,000,000, but $4,625,000 was subscribed. The allotment to the Fourth Liberty loan was $6,000,000, but $12,123,000 was subscribed. "No other American territory," said Governor General Harrison, "has been more loyal to the United States than the Philippines."

Upon the ending of hostilities in Europe the final adjustment of the Philippine independence question became the topic of political discussion in the Philippines. It was thought that the time had come, now that the United States had ended its war with Germany, to take up the Philippine question for its final and definite solution.

The declaration of purposes: On March 17, 1919, the Philippine Legislature passed the "declaration of purposes," which officially stated the attitude of the Filipino people on this vital problem. It was the authoritative voice of the Filipino people addressing the United States and the world.

What the Filipino people said in this "Declaration of Purposes" was, briefly, that the time had come for the final and definite adjustment of the independence question. They reiterated their firm belief in the good faith of the American people in extending the blessings of self-government and holding out generous promises of independence. They referred to the Jones law as a veritable pact or covenant entered into between the American and Filipino peoples whereby the United States promised to recognize the independence of the Philippines as soon as a stable government should be established in the Philippines. They then solemnly stated that they had already performed their part of the covenant with America, that there is now a stable government in the Philippines satisfying the conditions of stability required by the United States of other countries, and that therefore it was now for the American people to perform their part of the covenant.

"The Philippine question," the Declaration of Purposes read, "has reached such a stage that a full and final exchange of views between the United States of America and the Philippine Islands has become necessary. We need not repeat the declarations respecting the national aspirations of the Filipino people. Such declarations have been made from time to time in the most frank and solemn manner by the constitutional representatives of the Philippine Nation and are a matter of permanent record in public document covering more than a decade of persistent efforts, particularly during the last three years. America, on her part, has been sufficiently explicit in her purposes from the beginning of her occupation of the Philippines. * * *

"In applying the principles enunciated in documents and utterances on the Philippines to the conditions now existing in the islands, the Independence Commission will find the following facts:

"That there exist at present in the Philippine Islands the conditions of order and government which America has for nearly a century and a half required in all cases in which she has recognized the independence of a country or the establishment of a new government, not even excepting the case of General Huerta's government in Mexico, which she refused to recognize because it was stained with blood and founded on intrigue, violence, and crime.

"That there exist likewise in the Philippines all the conditions of stability and guaranties for law and order that Cuba had to establish to the satisfaction of America in order to obtain her independence, or to preserve it, during the military occupation of 1898–1903 and during the intervention of 1906–1909, respectively.

"That the 'preparation for independence' and the 'stable government' required by President Wilson and the Congress of the United States, respectively, contain no new requisite not included in any of the cases above cited.

"That these prerequisites for Philippine independence are the same as those virtually or expressly established by the Republican administrations that preceded President Wilson's administration.

"Therefore, so far as it is humanly possible to judge and say, we can see only one aim for the Independence Commission, independence; and we can give only one instruction, to get it. Thus America, in adding another glory to her banner by establishing the first really democratic republic in the east, will apply a second time, generously and freely, the same measure of humanity and justice that she applied in the case of Cuba."

The representative of the American Government in the Philippines, who supervised the establishment of the Government under the Jones law, Governor General Harrison, has concurred in the report of the Philippine Legislature as to a stable government. He reported to Congress through the joint committees which heard the Philippine mission that there was already in the Philippine Islands the stable government demanded by Congress, namely, "a Government elected by the suffrages of the people, which is supported by the people, which is capable of maintaining order and of fulfilling its international obligations."

President Wilson in his farewell message to Congress officially certified that the Filipino people have already performed the condition imposed upon them as a prerequisite to independence and recommended the immediate granting of independence.

The Republican Party and the Jones law: The coming of the Republican Party does not alter the constitutional position of the Filipino people. The Republican Party is just as much responsible for the present independence policy as the Democratic Party.

While the Jones law was passed during a Democratic administration, the fundamental policy it sets forth—the establishment of a stable government as a prerequisite to independence—is eminently a national policy. It was the condition imposed by American Presidents upon the struggling peoples of South America. It was the policy of Presidents Grant and McKinley. It was President Grant who as early as 1875 expressed the idea that as soon as the Cuban people had set up a stable government their independence would be recognized. This policy was supported by President McKinley. When he urged Congress to declare war on Spain to liberate Cuba he definitely stated that as soon as the Cuban people had established in the island "a stable government, capable of maintaining order and observing its international obligations, insuring peace and tranquillity and the security of the citizens as well as our own," Cuban independence would be recognized. The Cuban people were told by the Secretary of War, Mr. Root, through the military governor, Gen. Leonard Wood, to establish "a stable, orderly, and free government"; and as soon as this was done, as soon as the Cuban people had elected its officers and established a government capable of maintaining order and fulfilling international obligations, then it was declared that there was a stable government in Cuba and American sovereignty was withdrawn.

The Democrats simply adopted the Republican policy for the recognition of Cuban independence and applied it to the Philippines. The phrase "stable government" was first used in the Democratic platform in 1900 drafted by Mr. Bryan. That platform read, in part, as follows: "We favor an immediate declaration of the Nation's purpose to give the Filipinos, first, a stable government; second, independence; and, third, protection from outside interference." Mr. Bryan confessed that he just borrowed that policy from the Republican record in Cuba, and in accepting the nomination for the Presidency he declared that if elected he would recommend to Congress the establishment of "a stable form of government in the islands, just as we are now establishing a stable form of government in Cuba," and the granting of independence "to the Filipinos, as we have promised to give independence to the Cubans." That policy has been carried in practically every Democratic platform since 1900 until it was, with the help of the Republicans themselves, as we have seen, inserted in the Jones law in 1916.

The Filipino people, on the other hand, remain firm in their decisive attitude on the Philippine question. All political parties are committed to the immediate, complete, and absolute independence of the Philippines. The declaration of purposes has been ratified by every subsequent legislature, and hence it continues to be the great independence charter of the people. It is the guide of the present Philippine Parliamentary Mission.

The governmental steps taken: In obedience to the administrative policy extending governmental powers to the people, liberal steps were taken from time to time. At first municipal governments were established in the islands; then came provincial governments. The Filipinos were also given initial participation in the central government with the appointment of Filipino members in the commission and in the supreme court. In 1907 an elective assembly was convened to participate in lawmaking.

With the coming of the Democratic Party into power, this policy of extending self-government was more rapidly pursued. In October, 1913, President Wilson appointed a majority of Filipinos on the commission. With the control of the Filipinos in the two branches of the legislature, the upper house having both legislative and executive duties, a substantial amount of autonomy may be said to have been established in the Philippine Islands.

After three years of experiment with a Filipino-controlled legislature, another more decisive step was taken in the direction of self-government. This was the enactment of the Jones law, often called "the Philippine autonomy act," in 1916. The Jones law is the culmination of the different steps taken by the American Government from the time of President McKinley, when he enunciated the policy of teaching the Filipinos the science of self-government. It gave the Filipinos an elective senate, thus completing their control of legislation, subject to the Governor General's veto power. It also authorized the Philippine Legislature to reorganize all the executive departments, with the result that to-day all the political offices, with the exception of the Governor General and the Vice Governor, are in the hands of the Filipinos. But the Jones law, as we have seen, did not only extend in a very large measure the autonomy of the Filipinos, but also contains in its preamble the solemn promise of independence.

The following statement of conditions chiefly relates to the period covering the years 1914 to 1921, inclusive, in which the direction of governmental affairs was chiefly left to the Filipinos.

GOVERNMENTAL REFORMS.

A. THE ABOLISHMENT OF THE COMMISSION.

When the American Government decided for the first time to try the experiment of colonial government in the Philippine Islands, they had no light to guide them save the experience of those European nations which had colonies in far eastern Asia. Ignorant of the Philippine conditions, the American statesmen at first thought that the problem of governing the islands was similar to the task of the European powers in governing their neighbors—Java, the Malay States, and India. Their first idea was, therefore, to study the colonial systems of these countries. One of the first public documents printed by the American Congress in 1899, accompanying the treaty of Paris, was devoted to the study of the colonial systems of the Orient for their application in the Philippines. But upon a closer observation of Philippine conditions they found that the principles of European colonization would not work in the islands not only because American aims were more altruistic but because political conditions were entirely different. Roughly, colonial government in our neighboring countries is based on the existence of native rulers, rajahs or princes, whose authority has been for centuries recognized by the natives themselves. Apparently and ceremoniously the native princes still rule, but in reality it is their respective European "advisers" or "resident generals" who are the actual rulers. Instead of establishing a new form of government, abolishing the rajahs and native rulers, the Dutch and the English simply improved the native institutions, using these same rulers as instrumentalities through which to impose their own will.

Now these conditions do not exist, and have not existed in the Philippines for more than 200 years. The greatest political service of Spain to the Philippines was the abolishment of this native system of government and the extinction of royal or princely families. The establishment of Christianity in the islands sowed the first seeds of equality and democracy, and the centuries of Spanish domination completely effaced from the Christian population all blood and family distinction.

Upon the coming of the Americans the Philippines had at least a system of local government by suffrage, however defective and limited in practice it was. The work of propaganda for reforms in Spain had brought to the front national leaders, recognized by all the Christian Filipinos not for their princely blood, for they had none, but for their unquestioned ability. The leadership and martyrdom of our national hero, José Rizal, was a proof that the Filipinos could look at some one man as a national guide and inspiration. They had long discarded the tribal conception of social organization. The establishment

of a Philippine Republic and the subsequent war with the United States made it even more apparent that the people could establish a national government after the occidental type. It was for these reasons that the American statesmen who had been studying the governmental forms of Java and the Malay States desisted from their original idea of applying this type of government in the Philippines. There was a potential democracy in the islands.

Without belittling what America has done for the Philippines, there is no getting away from the fact that the progress toward democracy in the Philippines has been due mainly to the materials that America found there. This made America's task a great deal easier. That was why even the early military governors of the Philippines found no difficulty in continuing to a large extent the municipal government of the islands, giving it a larger autonomy. The first local elections in the Philippines took place under the supervision of military officers. After the extension of municipal autonomy came the establishment of provincial government under a board composed of an elective governor and two other provincial officials appointed by the Governor General. Following the popular demand, the provincial government was again changed, and complete provincial autonomy was given under a provincial board totally elected by the people. The Congress of the United States, in passing the organic act of 1902, decided to call a national assembly in 1907 to participate in the national lawmaking. Being the only representative governmental organ, this assembly became the exponent of the ideals and aspirations of the Filipino people. It typified all the ideals of the people, and every step toward a more liberal form of government was advocated and fought for by that body. It insisted that, being the popular body, it should initiate all appropriation bills. It also fought for the control of the Resident Commissioners in the United States. The law provided that the two representatives in Washington should be elected by the two houses, but inasmuch as the intention was to send representatives of the Filipino people and not of the administration and because the upper house was controlled by Americans the assembly argued that it should have the final say as to the choice of these men. There were continuous conflicts on other governmental matters between the lower houses and the appointive commission. Deadlocks were constant on the appropriation bills, the representatives of the people being solidly opposed to the financial policies of the American-controlled upper house. The provision in the law to the effect that in case of such deadlocks the total sum of the previous appropriation law would, upon the advice of the Governor General, be considered appropriated for the ensuing year, left the popular chamber with very little financial power. Add to this the fact that the upper house, or the Philippine Commission, had exclusive jurisdiction over the non-Christian parts of the archipelago, almost one-third of the total area of the islands, and we may know just how much power the assembly had. The government then established, the mixture of a representative institution and an irresponsible executive and administration, was hence very unsatisfactory. That type of government has failed wherever it has been established. It failed in the early English colonies, where, as in the Philippines, the lower house became the stronghold of the people and the governor and his council the representatives of the crown. It failed in Canada, where because of threatened separation from the mother country the system had to be completely abolished and a responsible government established, a government wherein not only the lower house is subject to the people's call but also one in which the chief executive merely acts as a passive and ceremonial figure, leaving all governmental affairs in the hands of a select body, the cabinet, responsible to the people or their representatives.

The defect of the system, noticeable even after a majority of Filipinos had been given control of the upper house, was one of the reasons which led the Congress of the United States in 1916 to enact the Jones law, abolishing the commission and establishing the senate in its stead, and giving the Philippine Legislature power to reorganize the executive departments.

B. THE REORGANIZATION OF THE EXECUTIVE DEPARTMENTS.

There were several reasons why the reorganization of the executive departments was imperative. In the first place, the Jones law authorizes such reorganization, and it was necessary to ratify in the statute books of the Philippines the new executive power granted to Filipinos to make the departmental secretaries responsible to the legislature. In the second place, it was urgent that there be a more logical and scientific regrouping of bureaus and offices. This need had long been felt even before the passage of the Jones law, and for that purpose the emergency board provided in the Philippines appropriation law of 1915 was authorized to act as an efficiency board "to investigate and analyze as minutely as possible the organization of the bureaus of the insular government for the purpose of determining the utility of each of them, the possibility of their improvement by eliminating all duplication of work * * * and in general indicating such changes in the direction and organization of the bureaus as will tend to simplify the system of work followed and result in economy and increased efficiency." In the third place, it was necessary to provide for a harmonious action and cooperation between the executive heads and the legislature. And, in the fourth place, it was felt that the new department heads should have more authority and power over the offices and bureaus under them.

These were on the whole the problems which were met by the reorganization act.

The reorganization act, as finally passed (Act No. 2666, as amended by Act No. 2803 and incorporated as Chapter V in the administrative code) provides several means whereby the responsibility of the executive heads to the legislature can be effected. The secretaries of departments, excepting the secretary of public instruction, are appointed at the beginning of each legislature and with the consent of the Phillipine Senate instead of for good behavior as before. This, by inference, means that the executive heads are to be appointed after each triennial election, and that they are to be chosen in obedience to the popular will as expressed in such election. Members of the legislature can become at the same time cabinet heads. It is true, however, that because of the provision of the Jones law prohibiting members of the legislature from occupying positions created by them, no cabinet post was open to a member of the legislature except the secretaryship of the interior, and this was later filled by a senator; but in the subsequent elections all the cabinet posts, if deemed necessary, could be filled by legislative members. Secretaries of departments may be called by either of the two houses of the legislature for the purpose of reporting on matters pertaining to their departments. The importance of this should not be overlooked. As expressed by Senator Palma, this provision "may not look like very much on paper, but in reality it signifies a great deal. The department heads will not only have to give the information required of them, but being often subjected to minute interrogation they will have to explain and defend their official acts. If the Houses can demand of them that they give an account of their official acts, they are responsible to the houses, though ultimately responsible to the Governor General." Again, only "a citizen of the Philippine Islands," 30 years of age, who has resided in the islands continuously during three years next preceding his appointment, can be appointed. This means that only Filipinos can become secretaries of departments, for an American citizen is not necessarily a Filipino citizen.

"The fundamental theory of this bill," as expressed by Speaker Osmeña, in explaining his vote on the reorganization law, "is that, inasmuch as the country must exercise all the powers conferred upon it by the Jones Act, without sterile vacillation or cowardly renunciation, the departmental direction of the administrative activities should, so far as possible, be in the hands of Filipinos. For this reason the chief executive has ceased to be a departmental head in the sense in which he used to be, and the secretary of public instruction, who is not responsible to the Philippine Legislature, will, under the new plan, have no executive functions but those assigned to him by the Congress of the United States. Neither the Governor General nor the secretary of public instruction will perform the duties of any departmental office belonging to other secretaries during the absence or temporary incapacity of the latter. This distribution of the executive power is in accordance with the legitimate desires of the people and involves a frank determination to assume the responsibilities of a real and ample autonomy.

"It will inaugurate a régime of publicity. The public problems will be treated, not in the dead form of written indorsements and in the privacy of the office but face to face in a direct and personal manner in the senate or in the house of representatives. There will finally come about between the legislature and the executive a reasonable intelligence, not hidden and clandestine but open, subject to the vigilant action of the people. The setting aside of unjustified antagonism as well as renunciation by a clear definition of each of the coordinate powers will correct certain defects which have hitherto seemed inevitable under the so-called presidential or congressional system."

Acts 222 and 1407 of the Philippine Commission, which were responsible for the organization of the executive departments up to 1916, left a great deal to be desired in the way of a logical and scientific arrangement of bureaus. The departments, as created by the first act, were denominated the department of the interior, department of commerce and police, department of finance and justice, and department of public instruction. "The mere mention of the names given to these departments," said Senator Palma, "shows that organization to be theoretically defective. No country in the civilized world has organized a department of commerce and police, because commerce and police involve completely contrary and antagonistic ideas. The commerce is essentially pacific, while the police is essentially warlike. Nor is it good logic to join finance and justice, because, as the chairman of the select committee which has had this bill under examination said very well yesterday, finance and justice do not imply homogeneous ideas nor do they include identical functions; on the contrary, our experience leads us to affirm that the jurist does not always have a thorough knowledge of finance, but that in the majority of cases lawyers are the poorest financiers of the world, at least so far as the management of their own interests is concerned.

"Act No. 1407 reorganized the departments and bureaus and offices of the government, abolishing certain bureaus and offices and creating others in their stead.

"This organization was not better than the previous one, because under it bureaus whose activities were very dissimilar were kept in the same department. In the department of the interior the bureau of health remained side by side with that of lands, and the bureau of agriculture with that of quarantine service. In the department of commerce and police the constabulary continued side by side with the bureau of public works, and the bureau of posts together with that of port works. The department of finance and justice still performed its legal functions at the same time as the work of collecting customs dues and internal-revenue taxes. The department of public instruction continued to solve educational problems and have charge at the same time of the bureaus of supply and printing, a rare combination, indeed."

In the reorganization of the departments the plan of the efficiency board was chiefly followed. Instead of the old four departments, there were to be six departments, to correspond to "the six principal purposes which a fairly well organized government has to accomplish," to wit:

(1) "The political direction of the various local administrative units, such as departments, provincial and municipal governments, and special governments" (the department of the interior);

(2) "The guardianship of the State over the mental development and physical welfare of the citizens" (the department of public instruction);

(3) "The collection of the public revenues and administration of the finances and business of the Government" (the department of finance);

(4) "The enforcement of the law and maintenance of order and safeguarding of the citizens and their rights" (the department of justice);

(5) "The guardianship in connection with the preservation of the natural resources and the development of its sources of wealth" (the department of agriculture and natural resources); and

(6) "The carrying out of such work and services as can not be performed by private citizens, conducive to the common welfare and public prosperity" (the department of commerce and communications).

We have stated that the fourth reason for the reorganization was to give greater control and power to the department heads. Heretofore each bureau was almost a department by itself. It used to send its estimates directly to the legislature, through the executive secretary, and the department head had almost nothing to do with it. It had great power of making regulations. The control of the department head was very slight. The reorganization act, therefore, as amended by act No. 2803 (section 79–c of the Administrative Code), provides that the department head shall have direct control, direction, and supervision over all bureaus and offices under his jurisdiction, and may, any provision of existing law to the contrary notwithstanding, repeal or modify the decisions of the chiefs of said bureaus or offices when advisable in the public interest.

Even in the matters of appointment and removal and the enactment of regulations the department head has been given control. He has the power "to promulgate all rules, regulations, orders, circulars, memorandums, and other instructions" for the "proper working and harmonious and efficient administration of each and all of the offices and dependencies of his department." Chiefs of bureaus can promulgate circulars of information or instructions only upon authorization by the department head. The department head also, upon the recommendation of the chief of the bureau or office, has the power to appoint all subordinate officers and employees whose appointment is not expressly vested by law in the Governor General. He may remove or punish them,

except as especially provided otherwise in accordance with the civil service law. The department head also may change the distribution of the employees or subordinates among the several bureaus and offices.

Under the former executive organization the Governor General was a department secretary himself and had under his control the executive bureau, besides the bureau of audits and the bureau of civil service. Under the new law the executive bureau was transferred to the department of the interior, with the provision that the foreign correspondence and the giving of passports would be retained in the Governor General's office.

All executive functions of the Philippine government, as provided by the Jones law, are subject to the supervision and control of the Governor General, and it was through liberal interpretation on the part of Governor Harrison that a great deal of the control and supervision of the departments was delegated to the other department heads. Section 74 of the administrative code as amended states, after a repetition of the governor's ultimate and supreme executive power, that "the departments are established for the proper distribution of the work of the executive, for the performance of the functions expressly assigned to them by law, and in order that each branch of the administration may have a chief responsible for its direction and policy. Each department secretary shall assume the burden and responsibility of all activities of the government under his control and supervision."

There is in each department an undersecretary to aid the secretary of the department in the performance of his duties. The undersecretary holds his office during good behavior, for unlike the secretaryship there is no provision for a periodic renewal. He performs the duties of the secretary in the latter's absence. Upon the inability of both the secretary and the undersecretary to act, the Governor General may temporarily designate a secretary or undersecretary of another department to perform the duties.

Besides the six regular departments of the government for administrative purposes, there are four other officials who have departmental authority over the offices under them. They are the Governor General, who has departmental authority over the bureau of audits, the bureau of civil service, and over all other offices and branches of the service not assigned by law to any department; the president of the senate and speaker of the house of representatives, who are department heads for the officers and employees of the senate and house, respectively; and the chief justice of the supreme court, who is the department head of employees in the supreme court.

The following are the bureaus and offices under their corresponding departments:

Office of the Governor General: Bureau of audits, bureau of civil service, Philippine National Guard.

Department of the Interior: Bureau of non-Christian tribes, Philippine General Hospital, board of pharmaceutical examiners and inspectors, boards of medical, dental, and optical examiners, board of examiners for nurses, executive bureau, Philippine Constabulary, commissioner of public welfare, cities of Manila and Baguio.

Department of public instruction: Bureau of education, Philippine health service, bureau of quarantine service.

Department of finance: Bureau of customs, bureau of internal revenue, bureau of treasury, mint of the Philippine Islands, bureau of printing.

Department of justice: Bureau of justice, courts of first instance and inferior courts, general land registration office, public utility commission, Philippines Library and Museum, bureau of prisons.

Department of agriculture and natural resources: Bureau of agriculture, agricultural colonies, bureau of forestry, bureau of lands, bureau of science, weather bureau.

Department of commerce and communications: Bureau of public works, bureau of posts, bureau of supply, bureau of commerce and industry, bureau of labor, bureau of coast and geodetic survey.

The heads of the six departments constitute the cabinet. Formerly, by an executive order of the Governor General, it acted as his advisory board. It met once a week for the discussion of departmental measures. With the creation, however, of the council of state the cabinet as a unit ceased to act as an advisory body of the Governor General.

C. THE COUNCIL OF STATE.

The intent and spirit of the Jones law is to grant the Filipino people the largest amount of self-government compatible with American sovereignty and to create a government in which the "counsel and experience" of the people will play the greater part. Now, what are the means or instrumentalities by means of which the Filipinos as a people can exercise that power of self-government and can give their "counsel" in the government of their country?

Heretofore, when there was only one governmental organ responsible to the Filipinos, the Philippine Assembly, everybody looked to this organization as the faithful exponent of the ideals and aspirations of the Filipino people. It represented the national "counsel" of the people. Its speaker was considered the most prominent Filipino official, for he exhibited the double representation of his district and of the entire assembly. The Filipino people looked to the speaker for the success or failure of any part they were taking in the government.

Under the Jones law two other factors or instrumentalities of government were given to the Filipinos: To the lower elective house was added an elective senate, and the Philippine Legislature was given the power to reorganize the executive departments, with the exception of the department of public instruction. This latter provision has been interpreted as meaning that henceforward all the heads of departments should be Filipinos with the exception of the secretary of public instruction. If the new autonomy meant anything, it was that these three organs of government—the lower house, the upper house, and the Filipino executive heads—should be responsible mainly to the Filipino people instead of to the President of the United States.

The fundamental defect of the Jones law is the absence of responsible and undivided leadership in these three organs of government and the lack of one single body which can properly represent and effectively carry out the "counsel" of the nation. Five years ago, upon the passage of the Jones law, attention was directed to that urgent need. The Filipino elements in the government composed of the secretaries of departments and the houses of the legislature must have a coordinate understanding, a common leadership.

When the time came for filling the executive posts, the necessity was felt for such a unified and collective leadership among the governmental organs granted the Filipinos. The experience of the two houses even before the reorganization of the executive departments clearly showed the lack of such leadership.

There was first an idea to place party leadership outside the legislative chambers. It was also felt that the important executive positions should now be filled by responsible leaders. A movement was therefore started to make the secretaryship of the interior the position of leadership of all the three organs of government granted to the Filipinos. In a caucus of the majority members of both houses, held on December 22, 1916, a resolution was passed urging Speaker Osmeña to leave the speakership and accept the secretaryship of the interior.

Speaker Osmeña, after mature deliberation, declined the secretaryship of the interior in a long memorandum submitted to the caucus of the majority members of the two houses on January 3, 1917. He said that he was "entirely in accord with the principle of a united and responsible leadership," but that under the then existing circumstances he feared that the leadership should not be in the executive department.

The problem of an open and responsible leadership thus remained unsolved. To solve it and to have a definite body which could advise him on matters of importance, with the acquiescence and support of Filipino elements in the government the Governor General decided to create a council of state. He first announced his desire in his message of October 16, 1918, when he said that he was "now ready to establish a council of state to include the authorized spokesmen of the two houses of the legislature in addition to the members of the cabinet to advise the Governor General on matters of public importance." An executive order was subsequently issued to that effect, and the members of the cabinet and the presiding officers of both houses were appointed members of the council of state "to aid and advise the Governor General on public matters."

In a sense, however, the council of state was not a new creation. Ever since the establishment of civil government here there has always been some sort of a council of state in the Philippines. It is not meant that there have been bodies in the past with the name of "council of state," but that the principle underlying the present council of state has always been followed by American governor generals.

Our governors have always endeavored, in their government of the Philippines, to secure the advice of the most representative Filipinos that they could get. That was the reason back of Governor Taft's preliminary steps when he called into power three prominent Filipinos, Doctor Tavera, Mr. Legarda, and Mr. Luzuriaga, the leaders of the only political party in existence—the Federal Party—and had them appointed to the commission. Governor Taft began the practice of consulting the Filipinos whom he thought represented the best opinion of the people of the Philippine Islands. This practice was inspired by President McKinley, who always told the American people that American sovereignty was acceptable to and in accordance with the wishes and aspirations of the great masses of the Filipino people. What the leaders of the Federal Party were at that time to the civil governor the present leaders of the Nacionalista Party, as represented in the council of state, are to the Governor General, with only two incidental differences. The leaders of the Federal Party were not elected by the people, directly or indirectly, and their power was also smaller. Because these Federal leaders were not elected by the people it was not certain that their advice and counsel was approved by the people. As it turned out, in the first national election of 1907 the Filipino people repudiated them and elected a majority of the opposing party to power; but save for these incidental differences the principle back of the practice of securing the counsel of prominent Filipinos in the government of the Philippines was one and the same. It is the same principle underlying the present council of state.

The one great need for the present council of state fully to exercise leadership is its formal and direct ratification by law. Its usefulness as a coordinating and advisory body is recognized by the present Governor General (Gen. Leonard Wood), who immediately upon his inauguration publicly stated that there would be no change in the council of state, and has since been meeting the council as frequently and regularly as his predecessor.

D. OUR BUDGET SYSTEM.

Nearly all struggles for constitutional government have centered on the control of the public purse. It was the greatest issue in the struggle between King John and the English barons. As a result of the struggle the Magna Charta provided that "no scutage (tenant's tax) or aid (contribution) shall be imposed except by the common council of the nation." In the American Revolution the battle cry was that taxation without representation is tyranny. That voice was reechoed in France when in 1789 the people's control over the revenue was declared to be one of the "prerogative laws of the State."

The Philippine bill of 1902 provided that all appropriations must be made by law. (Sec. 5, par. 15.) This apparently gave the Philippine Assembly, established in 1907, coequal power with the Philippine Commission on money matters. But such was not the fact. The other provision, that in case of a deadlock on an appropriation bill the entire sum appropriated the year before shall be considered as appropriated for the ensuing year (sec. 7, par. 3), gave the Governor General almost dictatorial power in fiscal matters. He could create offices in defiance of the opposition of the representatives of the people and could dispose in whatever way he wished of all the money of the government so long as the entire sum did not exceed the sum previously appropriated. Thus, while other popular legislative bodies had the distinction of commanding and controlling all money bills, serving thereby as a great check upon the executive, the Philippine Assembly was deprived of this function and was, as a result, a considerably weaker body than most legislative assemblies.

Under the circumstances the budget system could not have been established. There was no executive responsible, or who could be made responsible, to the Philippine branch of the legislature, and to whom the preparation of the budget could be intrusted. Nay, it was even more advantageous for the Filipino people to demand one principle of the congressional system—the initiation of all money bills in the lower house. This demand, after a long struggle with the commission, was gained, although with no great advantage, for there being constant deadlocks between the two houses on appropriation bills, the fiscal power remained practically in the hands of the Governor General.

That there was a lack of a systematized plan in our previous financial system can be easily seen in the number and nature of appropriation bills annually passed by the Philippine Commission and the Philippine Legislature. From April 3, 1915, to March 16, 1916, for instance, 37 acts were passed carrying a total appropriation of over 38,000,000 pesos. These acts showed a lack of systematized groupings of objects for the easy comprehension of the public or the legislature.

The procedure followed in the submission and preparation of estimates was similar to the American Federal practice. Thirty days be-

fore the opening of the regular session each bureau chief sent to the executive secretary a statement of the receipts and expenditures of his bureau or office during the year, and an estimate of the receipts and necessary expenditures thereof for the ensuing fiscal year. Like the Secretary of the Treasury of the United States, the executive secretary simply compiled these estimates and sent them to the legislature. He had no power of revision or coordination. There was no executive responsible for the fiscal plan of the government. Bills appropriating money were considered on their individual merits and not on a well-defined fiscal plan for the entire country.

Such, in brief, was the system of government finance in vogue prior to the enactment of the Jones law.

The coming of the Jones law did not immediately solve the problem. The law did not provide for a budgetary system, and there were some who doubted whether it could be made possible under its provisions.

Section 21 of the Jones law states that "the Governor General shall submit to the Philippine Legislature within 10 days of the opening of each regular session a budget of receipts and expenditures, which shall be the basis of the annual appropriation bill. This provision and the fact that the Governor General still retained, according to law, supreme executive power created in the minds of some the doubt as to whether the executive could be intrusted with the framing of the budget. The establishment, however, of a cabinet largely responsible to the legislature overcame the objection.

But there was another difficulty. Under section 21 of the Jones law, it is the Governor General who is to submit a "budget of receipts and expenditures." Should he and not the cabinet draft the budget? In the former case the legislature might not be willing to give up its prerogative of preparing financial measures. Again the Governor General came to the rescue and, following the generous spirit of the Jones law, delegated the formulation of the budget first to the cabinet and later to the council of state. The old practice of having bureau chiefs prepare and submit estimates was changed. Their estimates must now go to the department secretary and then to the department of finance for revision. The Governor General in a message sends the budget as prepared by the council of state to the legislature for approval, amendment, or rejection.

Before the preparation of the budget, a general line of policy is first agreed upon by the council of state. Once the general policy is decided, a circular is sent in July to all offices and bureaus requesting them to send in their estimates, which should include the probable receipts and the proposed expenditures for the coming year. These estimates are made under the supervision and control of the department heads, who have the power to cut down or add items. These different estimates are then submitted by the department heads to the secretary of finance, not later than August 20 of every year. The main work of the department of finance is to coordinate the different departmental estimates in accordance with the general plan agreed upon at the council meeting. It often happens that a certain item submitted by a departmental head is already duplicated by another item from a different department. Any conflict between a departmental head and the secretary of finance is submitted to the council of state for decision. The final budget is approved at the meeting of the council.

Once the budget is definitely approved by the council of state the Governor General submits it with a message to the legislature. The message is read by the secretary of finance in a joint session of the legislature.

The lower house, by agreement with the upper, is the first one to take up the budget. It sets a date for the appearance of the secretary of finance to explain the details of the budget and to answer all questions propounded by the members. This appearance usually lasts a number of days and full opportunity is given the members, especially those of the minority party, to discuss the several items of the bill. To explain further the details of the budget, the individual departmental secretaries may be called, although this is not often done, the secretary of finance generally assuming responsibility for the whole budget. It is the accepted rule in the discussion of the budget that the legislature may diminish the estimates but may not increase them.

Once the budget is approved in principle, it is sent to the committee on appropriations, with instructions to draft the appropriation bill in accordance with the budget. This committee again examines the different items of the budget and then frames and submits its appropriation bill. The committee generally follows the instructions of the house and suggests in its bill only those changes that are absolutely necessary. When the appropriation bill is approved by the house it is sent to the senate, where the secretary of finance again appears to explain the different items contained therein.

The financial plan of the council of state does not cover all the proposed financial activities of the government. It usually leaves a surplus for the legislature to appropriate the way it pleases. This takes the form of new ventures and activities. The totality of the English budgetary principle is not, therefore, as yet followed, whereby all requests for money must come from the executive. But a long and decisive step has already been taken toward financial reform.

The system also requires that all money received from whatever source must be paid into the treasury by the collecting officer, and no disbursement of public funds can be made without specific authority of the legislature. In carrying out this principle and for the purpose of recording accurately the actual cost of each unit of the government, a departure has been made from the established accounting methods. Intergovernmental payments for special services rendered must be entered in the accounts as receipts on the part of the receiving bureau and as expenses on the part of the bureau making the disbursements.

To make the budget system sufficiently elastic to meet changing conditions, an emergency board, of which the secretary of finance is the chairman, two members of the legislature, the insular auditor, and the attorney general as members, was created. In the general appropriation act this board is given a substantial amount with which to supply the additional funds that the various units of the government may need for purposes authorized by the appropriation. As an additional safeguard against possible abuse of power, the actions of the emergency board do not become operative until the approval of the Governor General, and of the presidents of both houses has been secured.

PUBLIC ORDER.

It was one of the conditions for the establishment of the Philippine Assembly in 1907 that there be complete peace and that the Governor General certify that fact to the President of the United States. Governor General Smith did certify the fact that there was complete peace that year, and thus facilitated the establishment of the Philippine Assembly. From that year peace has continued up to the present. It suffered no alteration either during the economic crisis or amidst the hardships of the World War. Every official report from 1907 to the present has testified to the peace and order that obtains and has always obtained in the Philippines. Thus the first requisite of a stable government has been accomplished.

Two institutions are charged with the keeping of public order and they are the municipal police and the insular police, or the constabulary. The municipal police are supported by municipal funds, but is subject to the supervision of the Philippine Constabulary in so far as its organization and discipline are concerned. The spirit of peace and order is so well cemented in the Philippines that there are municipalities which have no more than 3, 5, or 7 policemen each.

The Philippine Constabulary is the insular police which helps the municipal police in cases of necessity and when the municipal authorities so require. There are about 6,000 constabulary soldiers. The constabulary also helps the bureaus of the government in the furtherance of their work, such as in enforcing quarantine measures, controlling diseases, keeping prisoners, etc.

As to the efficiency and success of the constabulary, the report of the Wood-Forbes Mission is the best authority. It admits that it is "dependable and thoroughly efficient." It should, moreover, be noted that during the first years of its establishment the constabulary was the subject of criticism on the part of the public. It has to-day secured the support not only of the officials of the government, but also of the people. As in other branches of the government, Filipinization has been established and there is to-day fewer and fewer American officers as the following figures will show:

	Number of American officers.	Number of Filipino officers.	Total number of officers.	Number of enlisted men.
1901	180	3	183	5,000
1902	186	7	193	5,317
1903	334	11	345	6,000
1904	315	14	329	6,729
1905	304	15	319	6,852
1906	278	20	298	4,773
1907	260	57	317	4,778
1908	236	83	319	4,723
1909	258	59	317	4,267
1910	276	50	326	4,067
1911	247	75	322	4,159
1912	268	54	322	4,233
1913	268	58	326	4,621
1914	239	90	329	4,793
1915	210	131	341	5,002
1916	194	123	317	5,105
1917	106	250	356	5,505
1918	43	304	347	5,343
1919	25	323	348	5,597
1920	17	358	375	5,817
1921	14	362	376	5,968

It will be noted that the official personnel continued on the increase up to and including 1903 at which time it was reduced by 6. The greatest number of American officers, 334, was obtained in 1903. Since that year the Filipino officers have been gradually on the increase and the American officers on the decrease. At the close of the calendar year 1921, the American officers numbered 14 and the Filipino officers numbered 362.

THE CIVIL SERVICE.

From the beginning of American occupation it has been the policy to give all positions in the government to Filipinos whenever there are competent persons to fill them. This policy was laid down by President McKinley when he instructed the Second Philippine Commission—

"That in all cases the municipal officers, who administer the local affairs of the people, are to be selected by the people, and that wherever officers of more extended jurisdiction are to be selected in any way, natives of the islands are to be preferred, and if they can be found competent and willing to perform the duties, they are to receive the offices in preference to any others."

This instruction of President McKinley has been placed on the statute books of the Philippines and is still the law to-day. The appointing officers are enjoined to prefer, first, citizens of the Philippines, and second, honorably discharged soldiers, sailors, and marines of the United States.

While that was the law and has been the law since American occupation, there were times when the Filipino people thought that it was not being as efficiently carried out as the strict letter and spirit demanded. From 1907 and 1908 up to 1913, there was very little Filipinization in the Philippine Civil Service. In 1913 there were actually more Americans in the civil service than in 1907 and 1908. Many of these Americans filled mere clerical positions which could very well have been held by qualified Filipinos. From 1913, however, Filipinization grew with the arrival of Governor General Francis Burton Harrison. It has continued growing up to the present. The proportion of Filipinos to Americans during the period 1914–1921 is shown in the following list:

Year.	Number of—			Percentage.	
	Americans.	Filipinos.	Total.	Americans.	Filipinos.
1914	2,148	7,283	9,451	23	77
1915	1,935	7,881	9,816	20	80
1916	1,730	8,725	10,455	17	83
1917	1,310	9,859	11,169	12	88
1918	948	10,866	11,814	8	92
1919	769	12,047	12,897	6	94
1920	582	12,651	13,143	4	96
1921	614	13,240	13,854	4	96

President McKinley's policy has been followed to the letter with no detriment to public service, in fact with the same if not greater efficiency which kept pace with the growth of government activities and the general progress of the country. The discussion of the various government bureaus which follows will amply prove this statement.

ADMINISTRATION OF JUSTICE.

From 1914 to 1921 justice was impartially administered in the Philippines. The judiciary was free from political, family, or other improper influences. Delay in the final decision of cases was no worse than in the United States. The selection of judges and prosecuting attorneys was at least as carefully done as in the preceding years.

It is admitted on all hands that the Supreme Court of the Philippine Islands, whose members are appointed by the President of the United States, by and with the advice and consent of the Senate, a majority of them being Americans, is above all influence, enjoys the confidence of the people, and is composed of men learned in the law and of exceptional talents. The Wood-Forbes mission says of the supreme court:

"The supreme court has the respect and confidence of the Philippine people."

This being so, we believe that the best way to ascertain whether or not the courts of first instance during the new régime have rightly and impartially administered justice is to compare the percentage of appealed decisions affirmed and reversed by the supreme court in the two periods—before and after 1914. If a decision of a court of first instance is affirmed by the highest court in the islands, after a review of the case, such affirmance utterly destroys all claims of mistake, ignorance, partiality, political or family influence, or other improper motive. The data in the following table, compiled from records in the office of the clerk of the supreme court, are full of interest:

Decisions appealed from.

Period.	Total.	Affirmed.		Reversed.		Modified.	
		Number.	Per cent.	Number.	Per cent.	Number.	Per cent.
Aug. 31, 1911–Sept. 1, 1913	1,454	910	62.5	365	25.1	179	12.2
Mar. 3, 1919–Mar. 4, 1921.	1,782	1,194	67.0	372	20.8	216	12.1

To understand the above figures it should be noted: (1) That September 1, 1913, and March 4, 1921, are the dates when the resignation of Governors General W. Cameron Forbes and Francis Burton Harrison took effect, respectively; (2) that for the purpose of comparison only the Supreme Court decisions during the last two years of each administration can be given, because a period of one to four years elapses between the decision of the courts of first instance and that of the Supreme Court.

The figures in the above table show that there was a larger percentage of decisions affirmed and a smaller percentage of decisions reversed by the Supreme Court during the time when the Filipino people enjoyed substantial autonomy than before that period. Does not this fact indicate that the administration of justice was considerably improved when the Filipinos were in control?

With regard to the alleged delay in the administration of justice, the number of pending cases is not so large as is believed in some quarters. According to the 1921 report of the Attorney General there were 26,664 cases pending in the courts of first instance on December 31, 1921. Of these pending cases, 6,108 were probate and 2,707 land registration, which, as everyone knows, are necessarily cumbersome and complicated. Said report also states that in the Supreme Court there were pending decision 306 cases and 914 cases docketed, but not submitted for decision. Therefore, in both the first instance and supreme courts there were all in all only 27,884 cases. No figures are available as to the cases pending in the justice of the peace courts on December 31, 1921. However, the report of the secretary of justice for 1920 shows that 8,046 cases were pending in the justice of the peace courts on December 31, 1920.

The following show the number of cases disposed of by the courts of first instance each year from 1906 to 1921, inclusive:

Cases disposed of.

1906	7,410	1914	13,404
1907	6,834	1915	15,052
1908	7,777	1916	14,560
1909	10,447	1917	14,987
1910	9,745	1918	13,213
1911	12,630	1919	12,667
1912	12,928	1920	16,600
1913	14,797	1921	16,874
Total	82,568	Total	117,357

The above figures show that the number of cases disposed of by the courts of first instance for the eight years, 1906 to 1913, inclusive, was as large as 82,568. The total number of cases disposed of for the same length of time (1914–1921, inclusive) under the new régime was even greater, 117,357, or an increase of 34,789, or 42 per cent. The average number of cases disposed of each year during the first period was 10,321, while in the second period (1914–1921) the average was 14,669, or 42 per cent. This increase is the more striking when it is remembered that the abolition of the court of land registration took place during the second period and the adjudication of land titles under the Torrens system was transferred to the courts of first instance.

The law's delay is a traditional problem the world over. The above number of pending cases does not therefore constitute an evil peculiar to the Philippines nor is it due to Filipino fault. Even in the United States the people are confronted with the same problem. That keen observer, Viscount Bryce, speaking of the administration of justice in the United States, says in his recent work, "Modern Democracy" (Vol. II, p. 88):

"* * * Nevertheless even if things are less bad than the causes at work might have made them, clear it is that the incompetence of judges does in many States involve immense waste to litigants through appeals and other delays, and through the uncertainty into which the law is brought by decisions in inferior courts likely to be reversed on appeal.

"Though the administration of civil justice leaves much to be desired, that of criminal justice is far worse. There are few States, perhaps only two or three outside New England—New Jersey is one—where it is either prompt or efficient. All through the rest of the country, South and West, trials are of inordinate length, and when the verdict has been given, months or years may elapse before the sentence can be carried into effect. Many offenders escape whom everybody knows to be guilty, and the deterrent effect of punishment is correspondingly reduced."

In a speech at the annual banquet of the American Bar Association in the summer of 1921, at Cincinnati, Mr. C. A. Severance, president of the association, said:

"When the Chief Justice told us, as he did the other day, that the state of the courts was such that a bill proposing that we have 18 additional judges in the Federal courts had been prepared, and should be passed because of the necessity that exists, he told us nothing we did not already know. The congestion of the Federal courts has become such that it is almost a public scandal." (See journal of the American Bar Association, November, 1921, p. 612.)

The Hon. Henry D. Clayton, judge of Federal district court, Alabama, says:

"One of the contributing and patent causes of the law's delay which lies in the power of the legislative department to remedy is the fact that in many States and in some of the Federal districts there is not the sufficient judicial force to dispose of the present litigation and that which is constantly increasing as the country grows in population and develops in commerce and industry. Besides, the courts are constantly having to deal with much new legislation, amendatory and original; consequently there is from this source increased litigation, involving interpretation and application of statutes, resulting in the accumulation of cases. Because of all these facts and other similar things court dockets become congested and all cases can not be reached for trial until after undue delay in some of them." (See Journal of the American Bar Association, January, 1922, p. 45.)

The Hon. William H. Taft, Chief Justice of the United States, said in an address at the 1921 meeting of the American Bar Association at Cincinnati:

"The congestion which exists in many of the districts of the United States—and it has been growing because of the gradual enlargement of the jurisdiction of the courts under the enactment by Congress of laws which are the exercise of its heretofore dormant powers—has been greatly added to by the adoption of the eighteenth amendment and the passage of the Volstead law. Something must be done, therefore, to give to the Federal courts a judicial force that can grapple these arrears and end them.

"The Attorney General has been much impressed with the great increase in business in the courts, and has recommended to the President and to Congress the adoption of a law which, it seems to me, will much facilitate the dispatch of business in the courts of the United States." (See Journal of the American Bar Association, September, 1921.)

Mr. Edwin W. Sims, of the Chicago bar, says in an article in the Journal of the American Bar Association, November, 1921:

"On April 1, 1920, 135 persons previously indicted for murder were awaiting trial in Chicago. In 1,904 cases the accused were at liberty on bond. In the majority of cases so much time had elapsed since indictment that witnesses had disappeared, evidence had been lost, and successful prosecution made most difficult. * * *

"Chap was indicted for murder March 4, 1911, and released on $10,000 bonds.

"In compiling its report on continuances, the Chicago Crimes Commission ran across the case, and in December, 1919, eight and one-half years after the crime was committed, the defendant was placed on trial." (See Journal of the American Bar Association, November, 1921, pp. 598–599.)

The foregoing goes to show that in the United States no less than in the Philippines there is need of action to relieve the present congestion of cases. As for the Philippines, the legislature on February 14, 1921, created seven new positions of auxiliary judges of the courts of first instance.

In discussing the law's delay in the Philippines we should never overlook the fact that there are certain unavoidable causes which in large measure prevent the prompt administration of justice, which causes are not found in the United States. These are: (1) The interpretation of testimony from the vernacular to Spanish; (2) judges in the Philippines are judges not only of law but also of fact; (3) the law in the Philippines is in a formative condition; and (4) the remoteness of many municipalities from the provincial capitals, together with the difficulty of transportation.

As to the first factor, almost all witnesses testify in the Philippine dialects. The questions are in Spanish or English, so they are interpreted to the local dialect. The answers, which are in the local dialect, are then translated into Spanish for the purposes of record. The translation in both cases takes up at least as much time as the original questions and answers, and often much time is lost in the discussion of the proper interpretation.

With regard to the second cause of delay, there is no trial by jury in the Philippines. Hence, the judge decides not only the questions of law involved but also the issues of fact. It is thus that the task of one judge and a jury in America is performed by one man in the Philippines.

The third factor, that the law is in a formative condition, arises from the blending in the Philippines of the Spanish civil law and the Anglo-American common law. Our laws of procedure and evidence are derived from American sources, while our civil law, much of our commercial law, and most of our penal law are Spanish. This has created many difficulties in the application of the law in a given case, because (a) the underlying principles and the actual working of American procedure and evidence are new in the Philippines, and (b) frequently it is hard to determine how far the new legislation has affected the old law, for the new code of civil procedure in many respects touches upon substantive law, and, further, every lawyer knows that the questions of the right and the remedy are inseparably bound up together. Moreover, our constitutional law and administrative law, as well as our laws on marriage, corporations, negotiable instruments, insolvency, salvage, insurance, chattel mortgage, and many crimes are American in origin, and many Filipino judges and lawyers, who are generally Spanish speaking, meet with difficulties in studying and applying American authorities and cases.

The fourth cause of delay is the remoteness of many municipalities from provincial capitals, together with the difficulty of transportation. This makes it extremely hard for witnesses to appear before the courts, and many cases have to be continued when one or more witnesses can not go to the provincial capital.

The selection of judges has been at least as careful under the new régime as before. Most of the Filipino judges of first instance, appointed during the Philippine Commission régime before 1913, were members of or had sympathies for the Federal, later Progresista Party. In fact, some of them were appointed after their defeat as candidates of the Progresista or Governmental Party for the Philip-

pine Assembly. It is true also that a majority of the appointees to the first instance bench since 1913 belong to or had sympathies for the Nacionalista Party, but this is because the great bulk of the members of the bar were Nacionalistas, and there was a very limited number of attorneys to choose from who were of the Democrata Party.

It can not be said that the legal knowledge of the judges selected since 1913 is lower than that of those appointed before that year. As a matter of fact, before 1913 many judges of first instance were appointed who had neither training in the local law nor practiced law in the Philippines, whereas the appointees since 1913 had schooling and practice in Philippine laws.

As to the independence of the judiciary, it must be stated that formerly the Governor General had power under the law to remove any judge of the court of first instance at pleasure. This power was abolished under the new régime, so that to-day no judge of the court of first instance can be removed by the Governor General "unless sufficient cause shall exist, in the judgment of the supreme court," after such judge has been heard in his own defense. Needless to say, this new law has placed the judges beyond the influence of the chief executive.

There are no proofs that the present provincial fiscals, or prosecuting attorneys, are less efficient than those before 1913. On the contrary, the greater number of criminal cases filed and disposed of from 1914 to 1921 would seem to indicate that the service of the prosecuting attorneys has been improved. It is to be noted also that before 1913 several persons who had not taken or had failed in the Philippine bar examinations were appointed prosecuting attorneys—a practice which was discontinued during the time of more Filipino control of the government.

Act No. 2098 is alleged to have encouraged a sort of peonage in the Philippines. This law punishes the receiving of advance wages with intent to defraud by refusing to work. It also punishes employers who fraudulently refuse to pay wages.

This law, which has been passed to punish fraud and is never applied to a case of civil debt, has been held constitutional by the Supreme Court of the Philippine Islands. (Ramirez *v.* Orozco, 34 Philippine Reports, 412.) Lastly, this law was passed during the administration of Governor Forbes, who was then a member of the Philippine commission, the upper house of the Philippine Legislature at that time.

Inasmuch as most of the justices of the peace are not lawyers, there is much room for reform in the organization of the justices of the peace courts. However, the qualifications of Philippine justices of the peace compare favorably with those of other countries. The administrative code provides in section 207 that "no person shall be eligible to appointment as justice of the peace or auxiliary justice unless he shall be (1) at least 23 years of age; (2) a citizen of the Philippine Islands or of the United States; (3) of good moral character; and (4) admitted by the supreme court to practice law, or be a person who has at least finished the course of legal study in a recognized school, or shall have passed the civil-service examination for clerk of court, or an examination to be held in each Province before a board composed of the judge of the court of first instance, the provincial fiscal, and a practicing lawyer appointed by the judge, under rules and regulations to be prescribed by the attorney general, with the approval of the secretary of finance and justice." Furthermore, the poor ability of justices of the peace all over the world is proverbial. A plan is now being studied in the Philippines looking toward the consolidation of several towns into one district, to be under the jurisdiction of one justice of the peace, who shall be a lawyer.

LAND TITLES.

Homesteads: During the last eight years, from 1914 to 1921, the number of homestead applications received, as well as the number of applications acted upon (canceled, approved, approved canceled, and patented), has considerably increased, as compared with the figures for the eight years previous to 1914; that is to say, from 1906 to 1913. The following table will bear out the above statement:

Homestead applications.

Year.	Received.	Canceled.	Approved.	Approved canceled.	Patented.	Total acted upon.	Pending.	Total number.[1]	Average number.[2]
1906	1,543	131	332	4	.....	467	1,404	.....	.....
1907	2,643	172	889	6	.....	1,067	2,992	.....	.....
1908	2,023	307	1,495	23	.....	1,825	3,236	.....	.....
1909	1,463	610	858	2	.....	1,470	3,233	.....	.....
1910	2,210	679	1,129	5	1	1,814	3,640	.....	.....
1911	2,995	718	1,445	60	1	2,224	4,532	.....	.....
1912	3,703	1,450	1,941	74	27	3,492	4,921	.....	.....
1913	4,962	1,755	2,014	410	106	4,285	6,524	.....	.....
Total	21,445	.....	.....	.....	.....	.....	.....	16,644	2,080.5
1914	5,552	2,198	3,164	303	160	5,825	7,017	.....	.....
1915	7,466	2,188	3,434	454	515	6,591	9,315	.....	.....
1916	8,198	2,031	3,369	304	192	5,926	12,387	.....	.....
1917	8,922	2,206	4,998	449	322	7,975	14,554	.....	.....
1918	8,259	2,297	4,315	771	309	7,692	16,972	.....	.....
1919	7,026	2,772	3,765	871	326	7,734	18,332	.....	.....
1920	9,561	1,511	2,467	411	739	5,128	24,326	.....	.....
1921	6,672	905	1,510	479	835	3,729	29,032	.....	.....
Total	62,656	.....	.....	.....	.....	.....	.....	50,600	6,325

[1] Total number of applications acted upon for 8 years.
[2] Average number of applications acted upon each year for 8 years.

The foregoing table shows that the total number of homestead applications received for eight years, from 1906 to 1913, was 21,445, and that the number for the following eight years, from 1914 to 1921, the period of Filipino self-government, was 62,656, or an increase of 41,211, or 192 per cent for the second period.

It will also be seen from the above table that the total number of applications acted upon for eight years from 1906 to 1913 was 16,644, while the number for 1914 to 1921, eight years also, was 50,600, or an increase of 33,956 (about 200 per cent) for the second period, which was the time of Filipino autonomy. It will be seen likewise that the average number of applications acted upon each year for eight years from 1906 to 1913 was 2,080.5, while the number for 1914 to 1921, also eight years, was 6,325, or an increase of over 200 per cent for the second period. It is also to be noted that the number of applications patented in 1913 was 106, which was increased to 739, or six times, in 1920, and to 835, or seven times, in 1921.

SALES.

The following table shows the number of applications for sale of public land received, acted upon, and pending each year from 1906 to 1921, a period of 16 years:

Sales applications.

FIRST PERIOD, 1906–1913.

Year.	Received.	Approved.	Approved canceled.	Canceled.	Patented.	Total acted upon.	Pending.	(1)	(2)
1906	72	7	.....	14	.....	21	92	.....	.....
1907	76	16	1	49	.....	66	104	.....	.....
1908	41	20	.....	65	.....	85	60	.....	.....
1909	58	11	.....	17	.....	28	90	.....	.....
1910	63	21	.....	28	.....	49	104	.....	.....
1911	164	27	.....	48	2	77	193	.....	.....
1912	220	52	1	85	3	141	277	.....	.....
1913	353	46	8	207	4	265	385	.....	.....
Total	1,047	.....	.....	.....	.....	.....	.....	732	91.5

SECOND PERIOD, 1914–1921.

1914	337	79	1	184	4	268	460	.....	.....
1915	431	104	10	133	7	254	664	.....	.....
1916	354	115	10	156	1	282	757	.....	.....
1917	683	137	24	283	3	447	1,044	.....	.....
1918	716	185	17	387	14	603	1,205	.....	.....
1919	732	145	14	361	1	421	1,445	.....	.....
1920	1,025	43	10	128	5	186	2,309	.....	.....
1921	573	34	17	99	15	165	2,766	.....	.....
Total	4,851	.....	.....	.....	.....	.....	.....	2,626	328

[1] Total number of applications acted upon for 8 years.
[2] Average number of applications acted upon each year for 8 years.

From the above table we know that the total number of sale applications received during the eight years from 1906 to 1913 was 1,047, compared with 4,851 for the next eight years from 1914 to 1921. There is, therefore, an increase of 3,804, or 364 per cent, during second period.

We likewise see that from 1906 to 1913, eight years, the number of sale applications acted upon was only 732, while the number for 1914 to 1921, eight years also, was 2,626, which was an increase of 1,894, or 258 per cent, over the first period. The average number of sale applications acted upon each year was 91.5 for 1906–1913 and 328 for 1914–1921.

LEASES.

The following table gives the number of lease applications received, contracts executed, contracts executed void, and applications canceled from 1906 to 1921, 16 years:

Lease applications.

FIRST PERIOD, 1906–1913.

Year.	Application received.	Contract executed.	Contract executed void.	Application canceled.	Total applications acted upon.	Pending.	(1)	(2)
1906	7	.....	.....	.....	.....	10	.....	.....
1907	40	.....	.....	8	8	42	.....	.....
1908	45	5	.....	7	12	75	.....	.....
1909	46	5	.....	11	16	105	.....	.....
1910	66	2	.....	23	25	146	.....	.....
1911	73	4	.....	55	59	160	.....	.....
1912	120	2	.....	67	69	211	.....	.....
1913	96	6	.....	80	86	221	.....	.....
	493	.....	.....	.....	.....	.....	275	3.43

SECOND PERIOD, 1914–1921.

1914	98	8	.....	66	74	245	.....	.....
1915	78	11	1	52	64	261	.....	.....
1916	103	5	1	47	53	313	.....	.....
1917	166	39	2	136	177	306	.....	.....
1918	317	29	6	92	127	508	.....	.....
1919	237	9	3	119	131	620	.....	.....
1920	332	6	1	105	112	842	.....	.....
1921	137	7	.....	194	201	778	.....	.....
	1,468	.....	.....	.....	.....	.....	937	117

[1] Total number of applications acted upon for 8 years.
[2] Average number of applications acted upon each year for 8 years.

We learn from the foregoing table that the total number of lease applications received from 1906 to 1913, eight years, was 493, while from 1914 to 1921 the number was 1,468. There was, therefore, an increase of 975, or 197 per cent, for the second period. This table also shows that during the period of 1906 to 1913, eight years, the number of lease applications acted upon was only 275, while the number was 937 for 1914–1921, which means an increase of 662, or 240 per cent, for the second period. The average number of lease applications acted upon each year was 34.3 for 1906 to 1913, and 117 for 1914–1921.

FREE PATENTS.

The following table gives the number of free patent applications received and acted upon (canceled and patented) as well as the number of patents canceled from 1906 to 1921:

Free patent applications.

FIRST PERIOD, 1906–1913.

Year.	Received.	Canceled.	Patented.	Patents canceled.	Total acted upon.	Pending.	(1)	(2)
1906	3,320	360	.....	.....	360	3,289	.....	.....
1907	7,173	611	.....	.....	611	9,851	.....	.....
1908	2,577	544	.....	.....	544	11,884	.....	.....
1909	2,449	369	.....	.....	369	13,964	.....	.....
1910	.....	207	133	3	343	13,621	.....	.....
1911	8	478	191	4	673	12,956	.....	.....
1912	.....	529	358	2	889	12,067	.....	.....
1913	.....	307	465	5	777	11,290	.....	.....
	15,417	3,405	1,147	14	4,566	.....	4,566	571

SECOND PERIOD, 1914–1921.

1914	1,191	338	523	.....	861	11,620	.....	.....
1915	1,375	97	1,906	.....	2,003	10,992	.....	.....
1916	1,137	102	2,117	.....	2,219	9,910	.....	.....
1917	1,819	280	475	3	758	10,971	.....	.....
1918	1,203	518	258	.....	776	11,398	.....	.....
1919	562	355	306	.....	661	11,299	.....	.....
1920	670	98	1,071	.....	1,169	10,800	.....	.....
1921	767	68	887	.....	955	10,612	.....	.....
	8,724	1,856	7,543	.....	9,402	.....	9,402	1,175

[1] Total number of applications acted upon for 8 years.
[2] Average number of applications acted upon for 8 years.

The above table shows that the number of free patent applications received from 1906 to 1913 was 15,417, while from 1914 to 1921 the number was 8,724, or a decrease of 6,693, or 76 per cent for the second period. The number of applications canceled from 1906 to 1913 was 3,405, while the number for 1914–1921 was 1,856, or a decrease of 1,547, or 82 per cent for the second period. The number of applications patented for the first period (1906–1913) was only 1,147, compared with 7,543 for the second period, or an increase of almost six times for 1914–1921. The total number of applications acted upon for the period of 1906–1913 was 4,566, while from 1914–1921 the number was 9,402, or an increase of 4,836 or 105 per cent for the second period. The average number of free patent applications acted upon each year for the first period was 571, while in the second period the number was 1,175.

For the purpose of recapitulating the figures appearing in the foregoing tables, the following table is given, which shows the total number of applications received by the bureau of lands for homestead, sale, lease, and free patent of public land from 1906 to 1913, and from 1914 to 1921, and the number of applications acted upon during said periods:

General table.

(Homestead, sale, lease, and free patent.)

Nature.	Applications received.					
	1906 to 1913.	1914 to 1921.	Increase.	Increase per cent.	Yearly average. 1906 to 1913.	Yearly average. 1914 to 1921.
Homestead	21,445	62,656	41,211	192	2,681	7,832
Sale	1,047	4,851	3,804	364	131	606
Lease	493	1,468	975	197	62	184
Free patent	15,417	[1]8,724	[1]6,693	[1]76	1,927	1,091

Nature.	Applications acted upon.					
	1906 to 1913.	1914 to 1921.	Increase.	Increase per cent.	Yearly average. 1906 to 1913.	Yearly average. 1914 to 1921.
Homestead	16,644	50,600	33,956	200	2,080	6,325
Sale	732	2,626	1,894	258	91	328
Lease	275	937	662	240	34	117
Free patent	4,566	9,402	4,836	105	571	1,175

[1] Decrease.

SURVEYS.

Cadastral surveys: The cadastral surveys completed in the field by the bureau of lands have also increased during the period of Philippine autonomy, 1914–1916, as shown by the following table:

Number of parcels surveyed, 1910–1913.

1910	3,070
1911	5,687
1912	8,215
1913	17,118
Total for 1910–1913	34,090
Yearly average	8,522

1914–1921.

1914	48,380
1915	17,456
1916	12,983
1917	44,617
1918	52,341
1919	24,086
1920	64,154
1921	51,431
Total for 1914–1921	315,448
Yearly average	39,421
Total for 1918–1921	192,012
Yearly average	48,003

The above table on cadastral surveys shows that the average number of parcels surveyed each year in four years, from 1910 to 1913, was 8,522, while the average yearly number for eight years, from 1914 to 1921, was 39,421, or an increase of 245 per cent for the second period. Taking the average of the last four years of Filipino self-government—that is, 1918–1921—the yearly average of parcels surveyed was 48,003, as compared with 8,522 of the 1910–1913 period, or an increase of 463 per cent for the 1918–1921 period.

Isolated surveys: The isolated property surveys completed by the bureau of lands from 1908 to 1921 are shown in the following table:

Number of parcels surveyed.

1908–1913.

1908	6,208
1909	3,855
1910	7,487
1911	7,291
1912	8,835
1913	8,924
Total for 1908–1913	37,012
Yearly average	6,168

1914–1921.

1914	10,952
1915	8,604
1916	8,926
1917	7,492
1918	8,354
1919	9,366
1920	9,834
1921	14,926
Total for 1914–1921	78,454
Yearly average	9,807
Total for 1916–1921	58,898
Yearly average	9,813

It appears from the foregoing table on isolated surveys that the average number of parcels surveyed in six years, from 1908 to 1913, was 6,168 annually, and the average yearly number for eight years, from 1914 to 1921, was 9,807, or an increase of 42 per cent for the last eight years. Taking the average for the last six years, 1916 to 1921, the yearly average of parcels surveyed was 9,813, while, as already stated, the average for 1908–1913, was 6,168, or an increase of 42 per cent for 1916–1921, the last six years of Filipinization of the service.

The above figures further show the increased efficiency of the bureau of lands during the period of Filipinization of that bureau.

ADJUDICATION OF LAND TITLES.

Cases disposed of: The number of land-registration cases disposed of (title confirmed, title denied, and application dismissed) has increased from 1914 to 1920, seven years, compared with the seven years from 1907 to 1913, as shown by the following table:

Land-registration cases disposed of (Torrens system).

1907–1913.

Year.	Confirmed.	Denied.	Dismissed.	Total acted upon.	Total for 7 years.	Average yearly.	Observation.
1907	689	19	75	783	.....	.....	
1908	767	29	35	831	.....	.....	
1909	1,019	50	86	1,155	.....	.....	
1910	885	30	80	995	.....	.....	
1911	1,374	49	226	1,649	.....	.....	
1912	830	24	61	915	.....	.....	
1913	807	32	37	876	.....	.....	
	.....	.....	.....	.....	7,204	1,029	

1914–1920.

1914	366	14	19	399	.....	.....	
1914	747	26	19	792	.....	.....	New fiscal year.
1915	999	20	28	1,047	.....	.....	
1916	982	25	66	1,073	.....	.....	
1917	928	25	32	985	.....	.....	
1918	992	13	31	1,036	.....	.....	
1919	1,002	9	34	1,045	.....	.....	
1920	1,857	14	34	1,905	.....	.....	
	.....	.....	.....	.....	8,282	1,183	

It will be seen that the total number of cases disposed of for the first seven years from 1907 to 1913 was 7,204, while the total number of cases disposed of for the second seven years from 1914 to 1920 was 8,282, or an increase of 1,078, or 14 per cent for the second period. The average number of cases disposed of each year from 1907 to 1913 was 1,029, while from 1914 to 1920 the average yearly number was 1,183.

The court of land registration ceased to exist on July 1, 1914, and its work was transferred to the courts of first instance. The

total number of cases disposed of from 1915 to 1920, inclusive (six years), was 7,091, as compared with 6,421 for six years, also from 1908 to 1913, inclusive, or an increase of 670, or over 10 per cent for the 1915–1920 period.

Decrees of title issued: The following table shows the number of decrees of title issued from 1906 to 1920:

Decrees of title issued.

1907–1913.

Year.	Number of decrees.	Number of parcels.
1907	598	728
1908	729	1,057
1909	896	1,255
1910	707	1,178
1911	1,888	3,080
1912	1,434	2,575
1913	7,297	9,169
Total	13,549	19,042
Yearly average	1,935	2,720

1914–1920.

1914	3,956	5,873
1915	1,249	2,795
1916	5,786	7,094
1917	37,762	40,779
1918	10,198	11,503
1919	13,538	15,465
1920	14,288	16,093
Total	86,777	99,602
Yearly average	12,397	14,229

The total number of decrees of title issued for 1907 to 1913 (7 years), as shown above, was 13,549, while from 1914 to 1920 (also 7 years), the total number was 86,777, or an increase of 73,228, or 541 per cent for the latter period. The average number of decrees of title issued each year from 1907 to 1913 (7 years) was 1,935, while the average from 1914 to 1920 was 12,397.

As above stated, the Court of Land Registration was abolished on July 1, 1914. The total number of decrees of title issued from 1908 to 1913, inclusive (6 years), was 12,951, affecting 18,314 parcels, while the number of decrees of title issued during the years from 1915 to 1920, inclusive, was 82,821, affecting 93,729 parcels. In other words, for the second period, after the abolition of the Court of Land Registration there was an increase of 69,870 decrees, or 516 per cent increase, and 75,415 parcels, or 411 per cent increase.

EDUCATION.

LITERACY.

The literacy of the Filipino population over 10 years of age is 49.2 per cent, according to the Philippine census of 1918.

PROGRESS OF PUBLIC SCHOOLS.

Number of pupils: The enrollment of pupils in the public schools below the University of the Philippines from the school year 1908–9 to 1920–21 is as follows:

1908–1913.

Year	Enrollment.	Increase over previous year.		Average yearly increase in 5 years.	
		Number.	Per cent.	Number.	Per cent.
1908–9	570,502	83,826	17.		
1909–10	587,317	16,815	2.5		
1910–11	610,493	23,176	3.9		
1911–12	529,665	[1] 80,828	[1] 13.2		
1912–13	440,050	[1] 89,615	[1] 16.9	[1] 9,325	[1] 1.3

1914–1921.

1913–14	621,114	180,980	41		
1914–15	621,114				
1915–16	638,548	17,434	2.8		
1916–17	675,997	37,450	5.8		
1917–18	671,398	[1] 4,599	.67		
1918–19	681,588	10,190	1.5		
1919–20	791,628	110,036	16		
1920–21	943,422	151,796	19	61,174	8.3

[1] Decrease

In 1908–9 the enrollment was 570,502, which decreased to 440,050 in 1912–13 and increased to 943,422 in 1920–21, or more than twice as large as in 1912–13. The great increase in enrollment in the public schools during the last five school years of Filipino autonomy (1916–17 to 1920–21), as compared with the five school years from 1908–9 to 1912–13 is seen from the above table. The average yearly decrease from 1908–9 to 1912–13, the last five years before Filipino autonomy was 9,325, or 1.3 per cent turned into average annual increase during the last five years of Philippine self-government (1916–17 to 1920–21) of 61,174, or 8.3 per cent.

The average enrollment each year during the five-year period (1908–9 to 1912–13) was 547,611, while the number was 752,606 for the five years from 1916–17 to 1920–21, or an increase of 37 per cent during the latter period.

Number of schools: The following table shows the number of public schools from 1909 to 1920:

Number of schools.

1909–1913.

Year.	Primary.	Intermediate.	Secondary.	Total.	Increase over previous year.		Average yearly increase	
					Number.	Per cent.	Number.	Per cent.
1909	4,194	193	37	4,324	493	11		
1910	4,295	198	38	4,431	107	2		
1911	4,121	245	38	4,404	[1] 27	[1] .5	[1] 181	[1] 4.8
1912	3,364	283	38	3,685	[1] 719	[1] 16		
1913	2,595	296	43	2,934	[1] 751	[1] 21		

1914–1920.

1914	3,913	278	44	4,235	1,301	40		
1915	3,837	309	41	4,187	[1] 48	[1] 1		
1916	4,143	351	44	4,538	351	8		
1917	4,288	368	46	4,702	164	4	416	10.5
1918	4,276	423	48	4,747	45	1		
1919	4,412	501	50	4,963	116	2		
1920	5,280	614	50	5,944	981	20		

[1] Decrease.

The number of schools rose from 2,934 in 1913 to 5,944 in 1920, or an increase of 102 per cent.

The average annual decrease of schools from 1909 to 1913 (five years preceding Filipino autonomy) was 181, or 4.8 per cent, while the average yearly increase from 1914 to 1920 (no figures being available for 1921) was 416.

Number of teachers: The number of teachers has also increased—as shown in the following table:

1909–1913.

Year.	Number of Filipino teachers.	Number of American teachers.	Total.
1909	8,774	825	9,599
1910	9,007	732	9,732
1911	9,086	683	9,769
1912	8,360	664	9,024
1913	7,671	658	8,329

1914–1920.

1914	9,462	612	10,074
1915	9,845	538	10,383
1916	10,963	506	11,469
1917	12,303	477	12,780
1918	13,227	406	13,633
1919	14,433	374	14,807
1920	17,575	341	17,916

It will be seen from the above table that the number of Filipino teachers rose from 7,671 in 1913 to 17,575 in 1920, which means an increase of 9,904, or 129 per cent. The number of American teachers dropped from 658 in 1913 to 341 in 1920.

Amount of money spent for schools: There has likewise been a constant increase in the amount spent in education. The following table shows the amount spent from 1907 to 1920:

Expenditures for education (in thousands of pesos).

1907–1913.

Year.	Insular.	Provincial.	Municipal.	Voluntary contribution.	Total.	Increase over previous year.		Average yearly increase in 7 years.	
						Amount.	Per cent.	Amount.	Per cent.
1907	3,112	217	1,508	(1)	4,837	151	3		
1908	3,498	228	1,672	(1)	5,399	562	11		
1909	3,924	285	2,134	(1)	6,343	944	17		
1910	5,412	209	2,516	(1)	8,137	1,794	28		
1911	3,998	208	2,325	(1)	6,715	[2] 1,422	[2] 17		
1912	4,254	277	2,211	174	6,916	201	3		
1913	4,471	386	2,456	199	7,512	797	12	6,551	8

1914–1921.

1914	4,590	473	2,303	344	7,710	198	2.6		
1915	4,905	443	2,165	375	7,888	178	2		
1916	4,708	464	2,395	352	7,919	31	.4		
1917	5,177	431	3,615	479	9,702	1,783	23		
1918	6,068	716	4,099	617	11,500	1,798	18		
1919	10,188	468	3,716	683	14,955	3,455	31		
1920	12,802	450	4,368	800	18,420	31,165	23	11,155	14

[1] No data available [2] Decrease.

It will be seen that the total amount spent for public education for seven years from 1907 to 1913 was ₱45,860,000, while the amount spent for seven years from 1914 to 1920 was ₱78,094,000, which means an increase of ₱32,234,000, or 70 per cent, over the first period. The average amount spent each year during the first period (1907–1913) was ₱6,551,400, while the average amount spent each year for the second period (1914–1920 Filipino autonomy) was ₱11,155,000.

The cost per student based on total expenditures and the average daily attendance for all schools in 1908 was ₱18.26; in 1914, ₱16.52, and in 1920, ₱28.97. The per capita cost of education was ₱0.50 in 1903, ₱0.59 in 1907, ₱0.79 in 1914, and ₱1.81 in 1920.

In 1918, under Filipino self-government, the Philippine Legislature in act No. 2782 voted ₱30,705,824 for the extension of free elementary instruction to be spent in five years, this amount being the largest ever set aside. The director of education in his 1920 report has the following to say on this measure of the legislature:

"Of the ₱30,705,824 carried in act 2782 for the extension of elementary education, there was available for expenditure during 1919 the sum of ₱735,000; during 1920, the sum of ₱3,919,000; and there will be available for expenditure during 1921 the sum of ₱6,305,400, during 1922 the sum of ₱8,710,440, and during 1923 the sum of ₱11,035,984.

"The ₱3,919,000 which became available for expenditure during 1920 was distributed as aid to the Provinces and to the municipalities for the opening of new elementary schools, for the maintenance of elementary schools already established, and for the opening of new classes in elementary schools already established. Nearly 65 per cent of this sum was spent for the opening of new schools and for the opening of new classes in old schools.

"Through the extension program it has been planned to double the enrollment in the public elementary schools, to effect larger increases in the salaries of municipal teachers, and to abolish the collection of tuition fees in intermediate schools—all of this to be done during the five-year period from January 1, 1919, to December 31, 1923.

"The inauguration of the extension program has given such great impetus to the growth of the public schools and has given such great encouragement to the people who are most vitally interested in the growth of these schools that, in spite of the fact that only about 15 per cent of the total sum appropriated in act 2782 was available for expenditure during 1919 and 1920 (the first two years of the five-year period mentioned above), surprising results have been attained, among the most important of which are: The opening of 1,713 new primary schools; the opening of 226 new intermediate schools; the employment of 6,302 additional primary and intermediate teachers; the abolition of the collection of tuition fees in intermediate schools; an increase in the annual enrollment in the primary and intermediate grades of 261,768 pupils; a large increase in the number of primary and intermediate school buildings; an increase of 52 per cent in the average monthly salary paid municipal teachers."

Permanent school buildings: The number of permanent school buildings constructed up to 1913 was 624, which number rose to 1,046 in 1920. In other words, during the seven years (1914–1920 of the Filipino autonomy 67 per cent more permanent buildings were erected than during the 12 years from 1902 to 1913.

Salaries of Filipino teachers: The following table shows the gradual increase in the salaries of municipal and insular Filipino teachers from 1909 to 1920:

Salaries of Filipino teachers.

1909–1913.

Year.	Municipal teacher.	Insular teacher.
1909	₱17.83	₱43.97
1910	18.29	44.66
1911	18.55	45.15
1912	19.93	49.88
1913	21.25	50.31
Average yearly increase	.85	1.58

1914–1920.

1914	₱21.34	₱50.77
1915	22.05	56.32
1916	22.88	55.88
1917	23.98	56.58
1918	25.72	59.75
1919	30.65	65.83
1920	37.86	71.76
Average yearly increase	2.75	3.49

It will be seen that the average yearly increase in four years, from 1909 to 1913, was ₱0.85 for municipal teachers and ₱1.58 for insular teachers, while the average yearly increase in six years, from 1914 to 1920, was ₱2.75 for municipal teachers and ₱3.49 for insular teachers. It will be observed also that while the increase from 1909 to 1913 was ₱3.42 for municipal and ₱6.34 for insular teachers, the raise from 1916 to 1920 was ₱14.98 for municipal and ₱15.88 for insular teachers.

Attainments of Filipino teachers: During Filipino autonomy the attainments of Filipino teachers were considerably improved, as shown in the following table:

Percentages of intermediate graduates or better.

School year:	
1909–10	25.16
1912–13	50.22
1916–17	85.80
1919–20	95.87

The above data are taken from the thirteenth and twenty-first annual reports of the director of education, on pages 48 and 14, respectively. They show that the qualities of our public-school teachers were improved nearly 100 per cent during Filipino autonomy.

Efficiency of teaching: Centralization, with authority vested in technical men, is in large measure responsible for the efficiency of the public-school system in the Philippines. Leading educators in the United States praise the Philippine system and are suggesting its adoption in the United States.

Teachers are trained both before and during their service. Educational training is given by the College of Education of the University of the Philippines, the Philippine Normal School, the normal schools in Albay, Cebu, Ilocos Norte, Iloilo, and Pangasinan, and normal courses in five provincial high schools.

As to the training of teachers while in the service, Dr. Luther B. Bewley, director of education, says in his annual report for 1921:

"Since the demand for trained teachers in our schools is so much greater than the supply, there is only one thing for us to do, and that is to employ each year large numbers of teachers without professional training, with the idea of giving them the necessary training in the service. We have been confronted with this problem so long that we have been able, after years of effort, to develop facilities for the training of teachers in the service that will compare favorably with the same facilities of most other school systems of the world.

"Among the facilities or agencies that we now have for the training of teachers in the service are vacation assemblies, summer schools, normal institutes, model classes, supervision, reading courses, teachers' meetings, and teacher pensionadoships. The teachers' vacation assembly in Baguio and the teachers' vacation assembly in Manila are always looked upon by public-school teachers all over the islands as two of the foremost of the educational events of the year.

THE UNIVERSITY OF THE PHILIPPINES.

Attendance: The rapid growth of the University of the Philippines is shown by the following table on attendance:

Academic year attendance.

1911–12	1,400	1917–18	3,289
1912–13	1,398	1918–19	3,336
1913–14	1,502	1919–20	3,441
1914–15	2,075	1920–21	3,878
1915–16	2,398	1921–22	4,718
1916–17	2,975		

We believe there are few, if any, State universities in America that have grown so fast in such a short time as the University of the Philippines. In 10 years the attendance rose from 1,400 in 1911–12 to 4,718 in 1921–22, or an increase of 237 per cent.

Degrees granted: The following table shows the number of degrees granted by the University of the Philippines:

Degrees granted by the University of the Philippines.

Degree.	1911	1912	1913	1914	1915	1916	1917
B. A.	4	16	12	49	83	103	126
Ph. B.							
B. S. in Chem.							
B. S. in Com.							
B. S. in Govt.							
B. S. in Lib. Sc.							
B. S.				3		1	
M. A.			4		2		2
M. S.						2	1
Sc. D.		1					
H. S. T. C.					1	10	15
B. S. in Ed.						2	6
M. A. in Ed.							
B. Agr.	2	4	5	11	19	9	11
Master Farmer							1
B. S. in Agr.	1	1	1	2	5	1	7
M. S. in Agr.			1			1	1
C. E.					2	1	5
B. S. in Mech. Eng.							
M. S. in Mech. Eng.							
B. S. in C. E.						3	5
M. S. in C. E.							5
D. V. M.			5	2	4	5	
LL. B.			19	18	35	20	29
LL. M.							
LL. D.	1		1	1			1
M. D.	3	9	8	9	16	5	22
B. S. Jr.							
B. S. in Forestry							
Graduate in Pharmacy				8	4	19	12
Pharmaceutical Chemist							
B. S. in Pharmacy					6	4	4
Dental Surgery					2	5	2
Doctor of Tropical Medicine					2	5	2
Doctor of Public Health							1
Total	11	31	51	106	177	190	262

Degree.	1918	1919	1920	1921	1922	Total.
B. A.	208	162	226	3		892
Ph. B.			3	3	4	10
B. S. in Chem.	1	2		2	1	6
B. S. in Com.	3	9	6	15	28	61
B. S. in Govt.			1		1	2
B. S. in Lit. Sc.				3	1	4
B. S.		2		2	2	10
M. A.		1	3		2	14
M. S.	1	1	1	1	1	8
Sc. D.						1
H. S. T. C.	29	36	62	61	35	249
B. S. in Ed.	9	13	19	30	15	94
M. A. in Ed.	1					1
B. Agr.	16	30	32	31	45	215
Master Farmer						1
B. S. in Agr.	2	3	7	9	24	63
M. S. in Agr.	2		4	2	1	12
C. E.						8
B. S. in Mech. Eng.			1	5	7	13
M. S. in Mech. Eng.					1	1
B. S. in C. E.	3	5	4	15	15	50
M. S. in C. E.	1	2		1	2	11
D. V. M.	7	3	2	8	14	50
LL. B.	29	23	19	17	32	241

Degrees granted by the University of the Philippines—Continued.

Degree.	1918	1919	1920	1921	1922	Total.
LL. M	2	2				4
LL. D						4
M. D	23	24	28	25	25	197
B. S. Jr				8		8
B. S. in Forestry				2		2
Graduate in Pharmacy	22	13	8			86
Pharmaceutical Chemist				24	28	52
B. S. in Pharmacy	1	3	3		5	26
Dental Surgery	2	1				12
Doctor of Tropical Medicine	2	1				12
Doctor of Public Health						1
Total	263	336	435	262	293	2,417

The two preceding tables show that considering the limited resources at its disposal, the University of the Philippines is meeting the demands upon it as satisfactorily as could be reasonably expected.

Faculty: The following table shows the membership of the faculty of the University of the Philippines:

Rank.	Americans.	Filipinos.	Total.
Deans	5	4	9
Directors	2	3	5
Professors	35	18	53
Professorial lecturers	9	13	22
Associate professors	11	8	19
Assistant professors	11	42	53
Instructors	4	95	99
Lecturers	19	25	44
Total	96	208	304

The foregoing table shows that there are 141 per cent as many Americans as Filipinos holding the highest ranks (professor and associate professor). The president of the university is an American. The university has always done its utmost to secure the services of American professors of high standing in the United States, but due to insufficient funds the university could not in many cases compete with the American universities. However, the American professors now in the university are, on the whole, highly capable, and their study of the local field in their respective lines has rendered them particularly useful as teachers and researchers.

SANITATION.

Organization: From 1909 to 1913 there were more Americans in the higher grades of the service. Up to 1913 the chiefs of hospitals were all Americans, with the exception of that of Butuan. Of 17 medical inspectors but 2 were Filipinos, the rest Americans. There were 9 junior medical inspectors, all Filipinos, and 27 district health officers, 5 of whom were Americans.

Till 1914 there were 11 Provinces organized into sanitary divisions, with a total of 54 divisions, 6 Provinces into municipal health districts, and 21 Provinces into boards of health.

At present (1921) all the Provinces, including those of the Department of Mindanao and Sulu, are organized into sanitary divisions, totaling 307 in all and embracing 639 municipalities, of which 46 sanitary divisions correspond to Mindanao and Sulu. Chart No. 1.

Up to 1914 there were only 91 physicians employed as municipal health officers and 205 sanitary inspectors.

At the beginning of 1920 there were 333 physicians employed by the Philippine Health Service, of which 219 physicians were municipal health officers and 503 sanitary inspectors and nurses, excluding those employed by the Provinces and municipalities.

Between 1909 and 1914 no health officer had any other means of transportation for inspection trips than the ordinary transportation peculiar to each Province.

At present 10 Provinces have automobiles for the exclusive use of the district health officers and their employees. These automobiles are sometimes used for transporting sick people to hospitals and are ready at all times for emergency calls and immediate investigation of suspected cases of dangerous communicable diseases.

Till 1914 the only source of information of morbidity and mortality in the Provinces was the statistics kept in the quarterly reports.

At present a daily telephone report of the number of deaths occurring during the previous 24 hours is checked with the normal rate for each town, and any increase is immediately investigated in order that the proper sanitary measures may be taken without delay. This is one of the boons brought about by the implantation of the automatic health control.

Laboratories: Up to 1914 Bulacan was the only Province which had an established laboratory. In 1920 there were 21 provincial laboratories, excluding those in Mindanao and Sulu. These laboratories are under the control of the district health officers.

Medical relief: There is about one physician to each 10,000 inhabitants in the Philippines, and it would be absurd to expect that such a small number could attend to a greater number of births and deaths. It can not, however, be denied that this number has been increasing every year, with the graduates coming from our two colleges proportionately with the number of inhabitants. Thus, for instance, in the Provinces in the year 1910 the number of decedents with medical attendance was 3.88 per cent of the total number of deaths, 4.91 per cent in 1914, 6.77 per cent in 1917, 6.47 per cent in 1918, 6.56 per cent in 1919, and 7.78 per cent in 1920. The increase, although slight, was steady during the years just mentioned.

In the city of Manila, where the proportion of practicing physicians to the population is larger, the number of deaths with medical attendance was, therefore, larger, being over 50 per cent of the total number of deaths for the last five years. The same thing may be said with regard to the proportion of births attended by physicians. In this connection mention ought to be made of the fact that a large number of births and deaths are reported as having had no medical attendance, although they may have really had, for the simple reason that many physicians are not inclined to extend a death certificate, unless they have given assistance to the very end, although they may have attended the deceased at the beginning of his ailment. The same is true in the Provinces to a more or less extent.

As a further proof that medical assistance, compared with that of recent years, has increased we may cite the large number of hospitals and dispensaries established not only in the different Provinces, but also in villages and barrios, to which the sick go for treatment. In 1914 the number of our dispensaries was 60. These dispensaries were increased to 784 in 1919, and to this number 155 more have to be added as having been established in 1920. With reference to hospitals we only had in 1914 two insular and six provincial. In 1919 the number increased to 9 insular (the Philippine General Hospital and the Southern Islands Hospital excluded), 8 in the Department of Mindanao and Sulu and three provincial hospitals. So far, we have only dealt with hospitals and dispensaries. With reference to the total number of persons who have attended the dispensaries and hospitals in the Provinces, we may say that their number has increased in proportion to the number of dispensaries established. The total number of patients treated in the hospitals or rural dispensaries for the last five years aggregate 1,621,650, distributed as follows: 158,709 in 1917, 500,052 in 1918, 332,555 in 1919, 349,768 in 1920, and 280,576 in 1921, which, compared with the number of patients treated in the few dispensaries in 1914, which was only 11,596, show a notable progress in the matter of medical assistance bestowed upon the community in recent years. With these figures and this information, we do not pretend to show that a large proportion of the Filipino people are at present enjoying adequate medical service, but we do want to demonstrate that in recent years a greater attention has been bestowed upon these activities, filling up the want noted in past years, by increasing the number of hospitals and dispensaries commensurate to the means at command of the Philippine Health Service.

Up to 1914 there were 60 public free dispensaries, in which 11,596 patients were treated. In 1919 there were 784 dispensaries, in which 228,923 patients were treated. During 1920, 155 more dispensaries were established in the Provinces.

Up to 1914 there were two insular and six provincial hospitals.

In 1920 there were nine insular hospitals, excluding the Philippine General Hospital and the Southern Islands Hospital, which are at present administered under the secretaryship of the Department of the Interior, eight hospitals in the Department of Mindanao and Sulu, and three provincial hospitals.

Infant welfare: Only one organization existed prior to 1909.

In 1915 infant-welfare work was inaugurated as a means to forestall the high infant mortality, and since then there have been established 615 institutions, including women's clubs, puericulture centers, maternity homes, gotas de leche, dispensaries, and baby contests.

Disposal of excreta: As late as 1909 very few private houses outside of the city of Manila had water-closets. The system in general use was the so-called surface type. At the end of 1919 there were 140,565 Antipolo closets, both public and private, and 5,169 septic tanks. Of the Antipolo closets, 1,798 were available for public use.

Water supplies: Only 100 artesian wells and 1 gravity water system (Manila) furnished safe drinking water in 1909.

At the end of 1919, the city of Manila included, there were 2,547 artesian wells and 51 gravity systems furnishing safe, potable water to a population of about 2,600,000.

Legislation: The most salient feature of the laws enacted by the legislature relative to public health during the period 1913–1921 is their constructive character.

In response to the growing activities of the health service the appropriation has been augmented from year to year, as may be gleaned from the following figures. They represent the insular, provincial, and municipal appropriations available for the Philippine health service, including the different sums allotted to fit from time to time by the emergency board:

Philippine health service appropriations.

1909	₱1,524,530.36	1916	₱1,303,488.77
1910	1,851,324.18	1917	1,253,656.08
1911	1,994,730.33	1918	2,014,230.80
1912	1,892,353.78	1919	2,827,536.00
1913	2,224,103.75	1920	3,453,828.00
1914	1,456,358.90	1921	3,053,828.00
1915	1,466,460.87		

It should be noted, however, that prior to 1915 the Philippine General Hospital was under the administrative supervision of the director of health and its maintenance therefore included in the general appropriation of the bureau of health. Barring this item out, the appropriation for 1921 represents about three times that for 1913.

In 1915 the old bureau of health was reorganized, coming into existence as the Philippine health service.

The council of hygiene was created with the purpose of advising and assisting the director of health in the administration of the Philippine health service, and the procedure to secure funds for health purposes in the Provinces was provided for, thus placing it out of the whims of local politics.

Mortality and natality: The average death rate for the period of 1914–1919 was 28.62 per 1,000 population, while that of the previous six years (1908–1913) was 32.28, showing a decrease of over 4 per thousand, in spite of the epidemics of smallpox, influenza, and cholera during the former period.

In the Provinces the average mortality rate was 27 per 1,000 for the period of 1914–1919, and 26.19 for 1908–1913. There was an increase of less than one unit, due possibly to the occurrence of three extensive and serious epidemics that swept the islands during 1918 and 1919, viz, influenza, cholera, and smallpox, which diseases caused a combined mortality of about 107,787 during 1918 alone. Undoubtedly, a more complete death registration brought about by the improvement in the provincial health organization was partly to account for the frightful number of deaths.

The following comparative table represents the total number of deaths which occurred in the city of Manila and in the Provinces in accordance with the report submitted to the director of health. Comparing the total number of reported deaths during those last years, caused by said four diseases, it is evident that in all and in each of said diseases, mortality has notably diminished from 1918.

Comparative table of deaths caused by preventable diseases in Manila and Provinces (Philippine Islands).

Years.	Total number of deaths.			
	Typhoid.	Malaria.	Beriberi.	Tuberculosis.
1918	4,395	41,014	12,597	29,318
1919	3,810	37,956	12,387	29,653
1920	2,652	26,660	12,509	25,239

Infant mortality: In spite of repeated epidemics it is gratifying to say that the infant mortality has greatly decreased from 425.95 during the period of 1908–1913 to 329.48 for the period 1914–1919 in Manila, due chiefly to the efforts of the service with the cooperation of private institutions. In this connection it is worthy of note that the rate for 1920—213.02—was the lowest ever attained in Manila. The main factors that have influenced this remarkable decrease of infant mortality rate were the campaign against infantile beriberi, the enactment of a law for the preparation of tiqui-tiqui extract, the organization of public health nursing division, which has lately extended its activities to the Provinces, and the establishment of women's clubs, puericulture centers, maternity homes, etc. A further decrease in the future in the light of actual experience may confidently be expected.

In the Provinces the infant mortality rate has gone parallel with the curve of general mortality, for the reasons already given. The averages are 177.95 for the period of 1908–1913 and 186.28 for 1914–1918.

The natality in the Philippine Islands has run quite a puzzling curve, especially in Manila. Birth rates have been steadily decreasing, both in Manila and in the Provinces, during several years past. The average birth rate during the six-year period of 1914–1919 was 33.59 for Manila and 38.46 for the Provinces as against the average for the period 1908–1913 of 36.97 for Manila and 39.93 per 1,000 population for the Provinces.

We sincerely confess that no satisfactory reason could be given to explain this decrease in the natality in the Philippine Islands. In order to make a more thorough investigation as to the causes of this decrease a longer period of time would be necessary to have a comprehensive view of the matter. If we examine and compare the curves of rates for Manila and the Provinces, we have to admit the existence of a common factor that has influenced both. May it perhaps be explained by the effects of the World War?

Communicable diseases: In regard to communicable diseases, the service has not yet passed through the stage of epidemic eradication. Much work has already been done along this line from the American occupation to the present time, but it must be understood that in dealing with the control of communicable disease, many of which are endemic in the Philippine Islands, the time that has elapsed is so short as to expect to put them under complete control. Moreover, an important factor, which should not be lost sight of, in the control of these diseases is its constructive feature, and this, it should be said, has hardly been started, when waves of epidemic outbreaks again appear, keeping the activities of the service within the limit of more eradication and limiting its efforts to active epidemic campaign.

The eradication of epidemics is a problem depending upon many complex factors, which, although slowly, are nevertheless being steadily eliminated.

Plague has been completely eradicated. The last case of plague in human being was registered in 1914. The rat campaign is, however, being continued, and since 1915 not a single rat was found positive for plague bacilli

Smallpox and cholera had been under control for a good number of years, but due perhaps to the conditions brought about by the World War and influenced by the dreadful epidemics of influenza serious outbreaks of these diseases occurred during 1918 and 1919. Vaccinations against these diseases have since been performed in the whole Philippine Islands—3,523,749 vaccinations against smallpox and 200,619 vaccinations against cholera—with the gratifying result that but very few cases and deaths were registered in both Manila and the Provinces.

The typhoid fever problem has now entered the prosodemic stage—well determined contact infection—and the question of its complete eradication will largely depend upon the extension of hygienic education and the improvement in general sanitation. Typhoid vaccination has been pushed during the past year, making it compulsory for all contacts, food handlers, and food vendors. In connection with this campaign other measures, such as the finding of carriers, the improvement of water supply, the establishment of good sewage disposal have been given impetus. During 1920, 18,938 vaccinations against typhoid were performed.

Dysentery: Cases and deaths are decreasing in general, although there was a slight increase in Manila from 10 deaths to 11 per 10,000 population. Two types of dysentery are responsible for this number of cases and deaths, but the increase, according to a partial investigation, was due mostly to the bacillary type, the amebic being on the decrease, on account of the improvement achieved along sanitary lines in provincial towns.

Cases and deaths from diphtheria have been steadily decreasing. The campaign for searching for and isolating of carriers, started since 1914, has brought about this satisfactory result.

Leprosy is one of the diseases that has received more attention from the health authorities and the powers that be during recent years. Segregation has undoubtedly been instrumental in the relative decrease of the number of lepers found. The modern treatment of leprosy has been studied and tried with promising results, and on account of its importance will be discussed separately in this memorandum.

Influenza: The pendemic wave of influenza reached the islands at the end of the second quarter, 1918. This wave, however, lasted scarcely two months, to reappear and decimate the population during the last quarter of the year. This disease alone has doubled the general death rate for the year 1918 and contributed to a large extent to increasing the number of deaths from several diseases, especially respiratory.

Cases and deaths from tuberculosis have also gone up, especially after the influenza epidemic. But it is just to say that the service has not paid much attention to it, the campaign being largely in the hands of the Antituberculosis Society, an institution which is, in great part, supported by the government.

In general, the figures for these communicable diseases, with the exception of diphtheria, plague, and leprosy, have gone up. But this increase is merely apparent, as the same is mostly due to the improvement in reporting cases and deaths which resulted from the enforcement of regulations for compulsory notification.

Treatment of leprosy: A committee for the investigation and treatment of leprosy was created on May 3, 1920, consisting of the following members:

Two medical officers of this service, one of whom was appointed chairman.

One bacteriologist from the bureau of science.

One chemist from the bureau of science.

Three professors from the medical faculty of the University of the Philippines.

The preliminary report of this committee has been most encouraging. The legislature was requested to appropriate the sum of ₱600,000 in order to give adequate treatment for one year to 5,000 segregated lepers, but in view of the depleted state of the insular treasury it was reduced to ₱100,000.

It is interesting to cite at this juncture one of the conclusions of the committee on leprosy investigation in its preliminary report:

"In view of the * * * results obtained, it is certain that there are at hand new methods of treatment which in the short time that we have used them have caused remarkable alleviation of the symptoms of this disease, and which, if used systematically over longer periods, will probably produce permanent cures in a greater percentage of cases treated than any of the methods heretofore available.

LOCAL ADMINISTRATION.

There are five political units in the Philippines for the purpose of local administration, namely, Provinces (which are divided into regular and special), subprovinces, chartered cities, municipalities, and municipal districts. The regular Provinces are those governed by the general provincial law and are wholly self-supporting and enjoying complete representative government. The special Provinces are those organized by special acts and are neither wholly self-supporting nor enjoying entirely a representative government, their status being only temporary to become sooner or later regular Provinces. A subprovince is a political subdivision within a regular Province, directly administered by a subprovincial governor on account of its geographical situation. The chartered cities are those governed by special charters on account of their special conditions, like Manila and Baguio. The regular municipalities are those governed by the general municipal law; and the municipal districts are those political units which, for some reason or other can not maintain themselves as regular municipalities.

There are 37 regular Provinces and 2 special Provinces under the executive bureau, and 9 special Provinces under the bureau of non-Christian tribes, 2 subprovinces, 2 chartered cities, 889 municipalities, and about 400 municipal districts.

The regular Provinces were formerly governed by a provincial board composed of one elective governor and two appointive members, all of which are now elective. The special Provinces were formerly governed by a provincial board composed of one appointed provincial governor and two appointed members. Now, 7 out of 11 of our special Provinces elect their provincial governors and third members. The subprovinces are governed by the provincial board of the corresponding main Province; but, as stated above, are being administered through their own subprovincial governors. The government of the city of Manila is vested in a mayor appointed by the Governor General and a municipal board elected by the people of the city. The municipal board, which is the legislative body for the city, consists of 10 members, including the chairman. The government of the city of Baguio is vested in a mayor, a vice mayor, and three other members, two of them elected by the people. These five persons constitute the city council. There is also an advisory council composed of five Igorotes presided over by the mayor or other member of the city council, whose duty is to make suggestions and recommendations to the city council in matters of general interest. The Governor General appoints the mayor and vice mayor and one member of the city council, and all the members of the advisory council. The regular municipal government is vested in a president, a vice president, and a council, all elected by the people. The government of the municipal districts is also vested in a president, a vice president, and a council, all appointed by the provincial governor of the Province.

Practically all the officials and subordinate employees of these different kinds of our local governments, whether appointed or elected, are Filipinos, and practically all the responsible officials in our local governments are elected by the people. We can, therefore, safely say that the people or their authorized representatives govern our Provinces and municipalities.

Our provincial and municipal governments are acting under specific powers granted them by the legislature. They have also what we call a general welfare clause authority granted them by law, but they can only act under this authority with the supervision of the department of the interior.

The principal aim of the administration is to give our provincial and municipal governments as great a local autonomy as compatible with the existing laws. Formerly, Provinces, municipalities, and chartered cities were under the administrative supervision and control of the Governor General, but after the reorganization act all our local governments were transferred to the department of the interior, acting through the executive bureau or the bureau of non-Christian tribes, as the case may be. But neither the department of the interior nor the executive bureau intervenes by means of executive requirement, except in rare instances, as such policy has been found to work curtailment on the autonomy of our Provinces and municipalities. Accordingly, our Provinces and municipalities are not subject to intervention by the central government so long as they confine themselves within the Province of their legal powers. Acting within these powers, our Provinces and municipalities are self-governing communities, petty commonwealths. Neither the department of the interior nor the executive bureau intervenes on their own initiative in the acts, resolutions, etc., of the municipalities, and the executive bureau takes cognizance of questions involving such acts and resolutions only when appeal is taken pursuant to the provisions of the administrative code, in which case only the point of legality or illegality of an act or resolution concerned is decided. When a protest is filed by a person or persons affected, the bureau passes upon the protest and, if found to be well founded, makes the necessary and proper suggestion to the provincial board which invariably takes action accordingly. As a rule, the question of the convenience or wisdom of a measure is left primarily for the municipality to decide, and the central government does not

interfere unless there is a clear abuse of authority or wanton or capricious exercise thereof.

This is also true of administrative charges formulated against municipal officials. Although the executive bureau, with the approval of the secretary of the interior, is empowered to conduct special investigation of charges formulated against municipal officials, it has never made use of such power except in rare instances where the interest of justice and good government so require. The investigation and punishment of municipal officials are, thus, left entirely in the hands of their own immediate chiefs.

Comparing the number and result of administrative cases for 1909–1913 with those for 1914–1920, we give the following comparative tables:

1909–1913.

Officials.	Number of cases.	Number officials found guilty.
Provincial	5	5
Municipal	929	671
Total	934	676

1914–1920.

Provincial	2	1
Municipal	660	419
Total	662	420

The above table shows that from the year 1909 to 1913, inclusive, five years, there were accused 5 provincial officials and 929 municipal officials, of whom all of the former and 671 of the latter were found guilty. On the other hand, from the years 1914 to 1920, inclusive (seven years), there were accused only 2 provincial officials and 660 municipal officials, of whom only 1 of the former and 419 of the latter were found guilty. This result is most gratifying. It shows a constant improvement in our municipal administration, a better realization on the part of our municipal officials of the responsibilities contracted by them with their constituents—the people whose sovereign will has exalted them to position and power.

It is gratifying to note that this policy of granting greater autonomy to our local Provinces and municipalities is productive of good results. Our provincial and municipal officials now more than ever appear to understand the responsibilities they have assumed and their administration has been characterized as a rule by initiative, prompt action, and devoted interest in the welfare of the community. Rarely have they adopted ordinances and measures which could not stand the test of propriety. Some of their acts have been found beyond the sphere of their powers, defective in form, but these cases were few, and whenever found to occur investigation showed that the error has been committed with the wholesome intention of serving public interest, not for any selfish or personal end.

The chief sources of revenue of Provinces and municipalities are the cedula tax, the percentage of the internal-revenue taxes accruing to them, the land tax, the fees for cattle registration, and the municipal licenses and rents and profits derived from the municipal utilities, privileges, and properties. The policy with reference to taxation is to permit Provinces and municipalities to increase local taxes, especially those proceeds intended for education, sanitation, and permanent public improvements.

One of the most significant and substantial results obtained from the extension of popular control over our local governments and the Filipinization and local autonomy policies observed during the past years is the remarkable improvement of the finances of our Provinces and municipalities notwithstanding the difficulties encountered due to the economic crisis of recent years. Some facts about this improvement of our local finances should be known: During the period of 1914–1920 a general revision of assessment of real properties was conducted in all Provinces in accordance with the law, and the result of this work is shown in the comparative statement marked as "Appendix A." In referring to this statement, we find an increase of 1,703,449 in the number of lots of taxable real property on December 31, 1920, as compared with the number of taxable property on September 30, 1913. This increase is about 100 per cent. Likewise the value of real properties subject to taxation for the periods ending on the dates above mentioned has increased, the increase valuation being ₱822,985,360, or about 280 per cent. The increase, of course, means increased revenue from the real property tax source for our local governments.

The collection of local taxes by provincial treasurers and their deputies has also shown a remarkable degree of improvement since the time of our autonomous government. In the exercise of their supervisory function the department of the interior and the executive bureau have been suggesting ordinances imposing taxes. Local governments in almost all cases have accepted our suggestion and the result is quite remarkable.

Attached hereto are two statements marked as Appendixes B and C, showing in a comparative way the revenue of our municipalities and Provinces during the periods 1909–1913 and 1914–1920. A summary of these statements is also attached and marked as Appendix D. From this summary it will be seen that the percentage of increase of the revenues of our provincial and municipal governments during the period 1914–1920, as compared with their revenues for the period 1909–1913 was 1,090 per cent, the average percentage of yearly increase being 155.5 per cent. This increase is stated somewhat in detail in the summary statement, thus making further discussion of this topic unnecessary.

Some concrete figures about the market collections in our Provinces and municipalities should also be known. During the years 1909–1913 the market collections of the Provinces under the executive bureau were ₱3,964,810.81, or an average per annum of ₱792,962.17, while during the period of 1914–1920 our market collections in the Provinces and municipalities reached the total of ₱7,940,370.62, or an average per annum of ₱1,154,732.78.

Notwithstanding the fact that the revenue collections in our Provinces and municipalities have been greatly and remarkably increased every year, the amount of money collected has proved to be insufficient to cover the financing of the whole program of intellectual and moral development and to meet other growing needs of these communities. To remove this difficulty it has been found necessary to give our Provinces and municipalities greater autonomy in the imposition of local taxes. In fact, there is already a bill submitted to our legislature in this respect, and we hope that the same will become law in an immediate future.

The program of improvements most heartily accepted by our local officials is the establishment of more schools and school buildings, market buildings, roads and bridges, artesian wells, waterwork systems, electric-light plants, municipal presidencias, provincial capitols, etc. This program is so extensive and so intense is the people's desire for its execution, and at the same time the funds in the government's treasury so insufficient, that it has been found necessary in almost all the Provinces of the archipelago either to solicit voluntary contributions from the people in money and other effects or materials, or to ask for loans from the central government, payable by installments.

Another fact which is worthy of mention here is the dissemination of English as the only recognized language in all official correspondence in our Provinces and municipalities. From the very beginning of American government in the islands the policy has been to make the English language the common and official language in the Philippines.

Such desire found expression in an act passed by the Philippine Commission in 1904 making the English language the official language of all courts and their records, beginning 1906 (this period, however, was extended by later acts of legislature), and in the executive order of the Governor General of August 8, 1912, requiring all the officials and employees of the government, except the courts, to use whenever possible the English language in writing their correspondence, and the provincial boards and municipal councils in their minutes and in their correspondence. There is, however, a proviso in said executive order to the effect that where it is not practicable to carry this policy into effect the offices concerned should inform the executive bureau, whose chief is empowered to modify the rule in such case. It is, indeed, very gratifying to note that from 1914 to 1920 only 28 requests for exceptions from the provincial boards and 54 from the municipal councils were made to the executive bureau, with the request that they be permitted to continue the use of the Spanish language in their minutes and in their official correspondence. It is no exaggeration to say that now almost all provincial boards and municipal councils have adopted and are now using the English language with success.

LABOR.

The bureau of labor has been established for the promotion of better relations between capital and labor. It urges legislation for the improvement of the condition of the laborers. It compiles data on labor conditions and is empowered to inspect shops, factories, and other industrial and commercial establishments which employ labor.

Another important work of the bureau of labor is to settle differences between employers and labor unions. The bureau acts as an arbitrator in questions affecting them in order to avoid strikes or to settle strikes which have been called by laborers. Under its auspices committees on conciliation and arbitration are often appointed. The decision of the committee in order to be binding must be approved by at least two members of the representatives of each party. The committee can also appoint an arbiter, whose decision shall be compulsory on both sides.

The bureau of labor is empowered through its attorney to bring suits gratuitously for poor laborers when their attempts at peaceful and amicable settlements prove futile. It also maintains employment agencies where those who need work may apply, and superintends the interprovincial migration of laborers.

The activities of the bureau before and after 1914 are shown in the comparative figures contained in the following table:

Comparative statement of the important activities of the Bureau of Labor from the middle of the year 1909 (year of creation) up to 1981, inclusive.

STRIKES AND OTHER INDUSTRIAL DISPUTES.

(1909–1913.)

Year.	Strikes and other industrial disputes.		Adjustment.		Status.		Causes of conflicts.	
	Number.	Workers involved.	With advantage to worker.	Against worker.	Unionist.	Non-unionist.	Wages.	All other causes.
1909–1910	13	3,105	7	6	8	5	3	10
1911	5	222	5		3	2	5	
1912	20	4,488	16	4	15	5	14	6
1913	11	2,880	4	7	8	3	8	3
Total	49	10,695	32	17	34	15	30	19

Comparative statement of the important activities of the Bureau of Labor from the middle of the year 1909 (year of creation) up to 1921, inclusive—Continued.

STRIKES AND OTHER INDUSTRIAL DISPUTES.

(1914–1921.)

Year.	Strikes and other industrial disputes.		Adjustment.		Status.		Causes of conflicts.	
	Number.	Workers involved.	With advantage to worker.	Against worker.	Unionist.	Non-unionist.	Wages.	All other causes.
1914	10	1,017	4	6	6	4	6	4
1915	11	336	8	3	6	5	11	.....
1916	17	4,485	7	10	7	10	13	4
1917	50	5,842	40	10	47	3	37	13
1918	84	16,289	62	22	83	1	50	34
1919	67	4,150	43	24	54	13	50	17
1920	68	11,139	51	17	46	22	48	20
1921	35	19,782	13	22	26	9	22	13
Total	342	63,040	228	114	275	67	237	105

Conflicts between masters and servants, and employers and workpeople regarding the payment of wages, etc.

(1909–1913.)

Year.	Claims and complaints.	Number of claimants.	Causes.		Adjustment.			Amount.		
			Wages.	All other causes.	In favor of worker.	Against worker.	Cancelled or dismissed.	Collected.	Not collected.	Total involved.
1909–10	23	53	7	16	7	16	.....	₱159.55	₱405.89	₱565.44
1911	37	138	34	3	17	14	6	511.03	6,206.70	6,717.73
1912	199	890	182	17	118	40	41	2,009.23	2,792.14	4,801.37
1913	299	800	292	7	215	23	61	7,918.96	7,168.20	15,087.16
Total	558	1,881	515	43	357	93	108	10,598.77	16,572.93	27,171.70

(1914–1921.)

1914	753	1,264	725	28	374	42	337	6,931.09	8,817.93	15,749.02
1915	795	795	669	126	266	133	396	9,107.87	18,273.79	27,381.66
1916	527	940	458	69	273	[2]254	.....	6,662.44	24,517.22	31,179.66
1917	597	1,041	560	37	212	33	352	6,503.20	14,471.72	20,974.92
1918	327	337	276	51	95	52	180	2,494.58	25,981.28	28,475.86
1919	[3]392	455	330	56	178	[1]139	.....	6,282.63	12,048.08	18,330.71
1920	[2]478	619	326	66	247	[1]145	.....	23,626.04	12,048.85	35,674.89
1921	[3]605	775	500	105	344	[1]205	.....	24,277.66	22,079.87	46,357.53
Total	4,474	6,226	3,850	538	1,989	1,003	1,265	85,885.51	138,238.74	224,124.25

[1] Dismissed included.
[2] 75 and 86 claims were pending in 1919 and 1920, respectively, but were subsequently acted upon in the year following.
[3] 56 claims were pending at the close of 1921.

Labor accidents.

(1909–1913.)

Year.	Number of accidents.	Victims.				Indemnified.	Not indemnified.	Amount collected as indemnity.
		Degree of incapacitation.		Fatal.	Total.			
		Temporary.	Perpetual.					
1909–10	123	105	.....	18	123	13	110	$1,821.17
1911	168	149	2	59	210	82	128	3,383.08
1912	170	147	12	56	215	161	54	5,238.23
1913	178	133	12	45	190	116	74	5,538.23
Total	639	534	26	178	738	372	366	15,980.71

(1914–1921.)

1914	267	213	18	60	291	220	113	8,307.22
1915	323	283	12	56	351	209	100	9,817.92
1916	301	262	8	72	342	244	98	8,696.27
1917	349	279	30	58	367	285	82	6,713.41
1918	193	252	38	51	341	158	183	7,579.25
1919	393	385	.....	42	427	250	143	8,743.76
1920	460	387	55	109	551	282	269	11,516.99
1921	306	246	17	111	374	250	124	18,284.08
Total	2,592	2,307	178	559	3,044	1,890	1,112	79,658.90

[1] These figures refer to cases of accidents. The cases of 31 victims were still pending for solution at the close of 1921.

Number of home seekers and contracted laborers, including members of families, recruited by the bureau of labor since its creation up to December 31, 1921.

1909–1913.

Home seekers and contracted laborers, including members of families:	
1909–1910	126
1911	3,390
1912	2,244
1913	5,799
Total	11,559
1914–1921.	
1914	4,028
1915	1,085
1916	2,019
1917	4,442
1918	7,919
1919	3,011
1920 (this number includes home seekers indirectly recruited by the bureau of labor)	16,281
1921 (recruitment for home seekers was suspended by the middle of June, 1921, due to the retrenchment policy of the government)	3,168
Total	41,953

Registration and placements of workers.

1909–1913.

Year.	Registered.	Placed.	Percentage.
1909–1910	1,864	973	52.2
1911	2,204	1,334	60.5
1912	5,612	2,598	46.3
1913	5,631	2,501	44.4
Total	15,311	7,406	48.37
1914–1921.			
1914	4,473	3,145	70.3
1915	3,076	2,971	96.6
1916	5,304	4,103	77.4
1917	7,056	5,385	76.3
1918	5,992	5,736	95.7
1919	3,834	3,403	88.8
1920	4,497	3,416	75.9
1921	3,765	3,028	80.4
Total	37,997	31,187	82.7

NOTE.—The above figures comprise the number of persons of different trades registered and placed by the agencies of the bureau of labor, with the exception of contracted laborers and home seekers. A detailed statement of the same appears in another table.

Movement of Filipino laborers to and from the Territory of Hawaii.

EMIGRANTS TO HAWAII.

Year.	Total.	Men.	Women.	Minors.
1915	2,150	1,777	180	193
1916	2,214	1,877	157	180
1917	2,598	2,191	178	229
1918	2,761	2,030	284	447
1919	3,797	3,181	319	297
1920	3,454	3,042	225	187
1921	6,814	5,748	628	438
Total	23,788	19,846	1,971	1,971

EMIGRANTS RETURNING TO THE PHILIPPINES.

1915	347	260	40	47
1916	465	342	64	59
1917	733	568	72	93
1918	841	645	65	131
1919	948	677	104	167
1920	1,281	1,093	75	113
1921	2,705	1,953	249	503
Total	7,320	5,538	669	1,113

NOTE.—The data on emigrants corresponding to the period of time from 1909 to 1914 were not classified as to sex and class inasmuch as this activity came under the jurisdiction of the bureau of labor in 1915 by virtue of act 2486. The approximate number of emigrants to Hawaii was 19,039 in the above period of time. No data are available of the number of emigrants who have returned to the Philippines from 1909 to 1912. The number of emigrants who have returned to the islands from 1913 to 1914 is 159.

From the year 1914 to 1921 the bureau of labor has recruited and sent to different places of the archipelago 41,953 laborers and home seekers, and has given employment to 31,187 men and women of different trades. The effect of this campaign has been, of course, the dissemination in the mind of the laboring class of the necessity of moving from the congested places of the islands to thinly populated and uncultivated regions. This gives them an inducement to cultivate the soil and become small landowners.

In order to attain the best possible results in the campaign of the bureau relative to the intermigration of laborers, committees of propaganda have been organized in different points of these islands. These committees cooperate with recruiting agents in convincing the people of the benefits of intermigration, and encouraging them to stay in their own country rather than go abroad in the expectation of high wages.

Actually there are 1,868 committees of propaganda, with a membership of 11,612.

WOMEN'S ACTIVITIES.

A BIT OF HISTORY.

The first woman's organization of a nonsectarian character to gain considerable prestige and recognition in this country is the Woman's Club of Manila. It was organized in 1910 by prominent ladies of Manila at the initiative of Mrs. Carrie Chapman Catt. Since its organization this club has always been a cosmopolitan one, and its membership list has always contained the names of prominent ladies in the city—Americans, English, French, Filipino, and others.

Through its various committees the club succeeded in establishing four day nurseries in the city of Manila; in getting put up the flower market, formerly located at the foot of the Bridge of Spain, but now in the botanical gardens; in getting an industrial teacher for the insane women at San Lazaro, and a teacher for the women prisoners at Bilibid. The club also contributed much toward the success of the Liberty loan campaigns in the islands, and helped greatly in Red Cross work during the war.

ORGANIZATION OF BRANCH CLUBS.

During the most critical moment of the World War, the Woman's Club of Manila, through its civic committee, conducted an island-wide campaign in home gardening and poultry raising. This was in the year 1916 and it marked the beginning of the organization of branch woman's clubs in different parts of the islands. At that time one or two women's organizations were in existence in some of the more progressive Provinces, but the interest of the women was only local.

For the purpose of giving proper instructions to the women about organizing clubs several interested members of the Woman's Club of Manila went out to the Provinces to lead the organization. The names of Mesdames Wrentmore, Levant Brown, Westerhouse, Pond, Kalaw, Apacible, Calderon, Agcaoili, Morente, Vamenta, Delgado, and the Misses Barreto, Fernandez, Almeda, Lopez, and Wrentmore (now Mrs. Francis B. Harrison), will always be remembered in connection with the arduous trips made to the Provinces to get the provincial women interested and to appeal to their patriotism. At that time the sole aim was to help win the war by working in the Philippines for a more stable supply of food products for local consumption. Incidentally, work in connection with the Liberty loan campaigns and the Red Cross drive were carried on as a part of the task of the women.

The provincial women responded splendidly to the appeal made to them. It was surprising to note how quickly clubs sprung up in towns where women never ventured out to do anything of the kind before.

In less than six months many woman's clubs were organized. By the end of the year 1918, 190 clubs were in good working order, reporting splendid work in home gardening and poultry and hog raising, and working harmoniously with the government officials in civic matters of interest to the country in general and their town in particular.

THE CLUBS DECIDE TO FEDERATE.

Since 1918 the growth of the clubs in the Provinces has veen very steady and encouraging, until to-day there are 342 woman's clubs established from far-north Cagayan to southern Jolo. And the Filipino women by doing this have stepped out from their old shell of seclusion and taken up their responsibilities side by side with the men, and hand in hand with their sisters in the most progressive countries of the world.

In the year 1921, at the convention held in Manila, these clubs decided to federate, and we now have the National Federation of Woman's Clubs of the Philippines. The federation holds an annual convention at which delegates from the various woman's clubs in the islands come to attend. It is primarily a charitable organization, taking no part in religion or politics.

EXPANSION OF CLUB WORK.

Since the close of the war, the work of the clubs has extended to a wider field of action. Food production continues to be one of its activities, for with better and a more varied diet there will be stronger mothers and, consequently, stronger babies and children. The principal activity, which appeals to the club women generally, is the work in connection with the infant mortality campaign. With the conveniences of the law recently passed providing for insular aid to all charitable organizations desiring to carry on permanent work in child-welfare work, the interest of the women has become more keen. Women's clubs are trying their best to raise funds for their work. The most progressive ones have started to do work of their own accord, and already dispensaries and health centers have been established in the bigger towns.

Besides these two activities, the clubs take up the problem of civic betterment in their localities. Schools and playgrounds have been established through the initiative of some clubs; streets and parks have been widened and made more attractive; and markets and other public conveniences have always received attention from interested club women.

EDUCATIONAL WORK.

But the most salient result of club work in this country is the educational influence it is bearing upon the Filipino woman. It has broadened her views and scope of activity, and it has imbued her with a sense of civic consciousness which she can not overlook without feeling that she has shirked a duty and a responsibility. From the lectures given by prominent club members to their own people, especially to the women in the barrios, the weight of this influence can be clearly detected. Again, in the demonstrations held by the clubs on the first mother's day, celebrated in the islands last December, 1921, this influence was most marked.

This educational work is what many of the clubs are doing and what they will continue to do for some time to come, for its results can only be seen after a lapse of a few years. It is the ardent expectation of every club woman in the Philippines to work ultimately for a better standard of living, especially among the laboring class, in order to give their children a fair start in life by giving them a good home.

PRESENT AND FUTURE PROGRAM OF WORK.

The clubs will continue to carry on the work they have started as enumerated in the foregoing paragraphs.

The present program of work, as outlined and discussed at the last convention, is as follows:

1. Infant mortality work—in correlation with the plans of the public welfare commissioner.
2. Sanitation and town improvement.
3. Food production.

These three activities are to be taken up by the various clubs in accordance with the prevailing conditions in their localities. It must be borne in mind that the clubs are not limited to these three activities alone, nor are they excluded from taking active part in other activities. The program calls for all of these three activities, but if it is not possible, at least any two, especially child-welfare work. This particular line of work will be carried out with the advice and help of the public welfare commissioner. Clubs which can not carry on a permanent activity of any kind along this line, such as a dispensary or a puericulture center, always make it a point to dwell on the educational side of the question by giving lectures and holding baby contests. The results in some instances are as good as any actual work done along this line.

In order to push on the work more systematically, it is the plan to organize the different municipal clubs in a Province into a provincial club. This will create harmony of work and cooperation in that particular Province. Then the provincial clubs will be grouped into different districts, each district to be under the direct supervision of an experienced club woman, who will make it her duty to inspect and supervise the work of the clubs in that particular district.

THE FILIPINO WOMAN CLUB.

The Filipino club woman works in a rather handicapped way. She has had no training in social-service work, neither has she profited from the experience of others, for club work is new to her and there have been no real woman clubs ahead of her time. She gets her training from actual experience and she makes the most of it. Yet she carries on her work in an easy, dignified, voluntary way and gives the best that she can, as if she has profited from the example of others and from long experience.

SOURCE OF HELP.

One encouraging feature of club work in this country is that it is attracting the sympathy of the government, a case which is not true, in a financial sense, in other countries. The clubs here work in coordination with the different branches of the government which have something to do with their activities. Such are the bureau of agriculture in the food-production campaign and the bureau of health in sanitation and town improvement. These two government institutions help the clubs by giving advice and suggestions and instructing their field employees to help the clubs as much as possible.

The financial aid of the government to deserving clubs is given through the public welfare commissioner's office. The public welfare commissioner is taking an unselfish interest in those clubs doing creditable work and always extends insular aid to them upon proper application to carry on activities dealing with child-welfare work.

WHAT PETITIONING HAS DONE.

A group of clubs in one of the Provinces made a petition, indorsed by the federation, requesting the Governor General to set aside a day to be known as mother's day in the Philippines. This petition was favorably acted upon, and the Governor General has proclaimed the first Monday of December of every year as mother's day in the Philippines.

The clubs are also petitioning their legislators to pass a law providing for the establishment of a proper juvenile court in the city. This petition has been presented for the third time at the last session of the legislature and favorably recommended by the Governor General in his message, but no action was taken on it. The clubs will continue to petition for it until they get it established.

Another petition which has created quite a stir among our legislators is the one asking for the complete abolition of cockpits in the islands, cockfighting being known as the national sport of the Filipino people. In its place athletic games are recommended as a better sport. This petition was headed by several of the representatives and senators and a bill was presented in both houses of the legislature. Both bills were killed after a deliberate discussion in both houses.

CONCLUSION.

There are at present 342 women's clubs in the Philippines in good working order. Added to these are a number of junior clubs, which have for members girls ranging from 12 to 18 years of age. From 18 up the women are admitted as regular members of women's clubs.

There are approximately 12,000 women enrolled as members in the various women's clubs. A good majority of them (about two-thirds) understand and speak English, and they conduct their meetings and write their communications in English. The rest use Spanish or the native dialect at their meetings and write their communications in Spanish.

Club work in the Philippines is still in its early stage, but it is growing fast. With the impetus given the club women they have succeeded in accomplishing the little that they could do for the betterment of their country. Outside help is, in a general way, not lacking. The women's clubs expect to achieve their present plan of activities and, incidentally, strive to work along some other line of activities that may demand their attention from time to time. The federation will continue to organize more clubs and extend its work all over the islands. It will also continue to work for better laws for women and children, and especially for working women.

PUBLIC WELFARE WORK.

CHARITIES IN THE PAST.

The present state of charity work in the Philippines had its historical beginning during the early part of Spanish occupation, when the Catholic Church first distributed alms to the poor. The large endowments of this church, together with the revenue from its vast estates and the contributions of individuals, enabled it to carry on all the charitable work it undertook. The funds thus collected were used for various purposes—support of church activities and religious orders; alms for the poor; doweries for poor Spanish girls, Filipino and Mestizo women; contributions to hospital and prison funds.

The church is still promoting and supporting the good enterprises it started and is inspiring the establishment of similar work all over the islands.

CHARITIES DURING THE EARLY PERIOD OF THE AMERICAN RÉGIME.

With the advent of the American régime, and the consequent separation of the church from the state, many new welfare organizations were established. In various parts of the islands the Protestant missions founded hospitals, schools, and asylums, which have become great factors in promoting modern welfare work. Other private organizations, such as the Anti-Tuberculosis Society, "La Liga Nacional Filipina para la Proteccion de la Primera Infancia," the "Gota de Leche," and the Woman's Club of Manila were created to work side by side with the religious organizations in solving the many pressing social problems that have developed with progress and civilization.

In the early days of the American occupation the government had so much reconstruction work to do that it had no time to devote to the promotion and support of charitable work. Welfare organizations were established, only to fail because of lack of funds. The government gave a few deserving institutions financial assistance, but fixed no rules and regulations regarding the expenditures of money thus allotted.

Once a stable government was established the legislature turned its attention to the improvement of social conditions. The development of modern social work in the Philippines has been slow but nevertheless progressive.

The Jones law, which created the new organic act of the Philippine Islands, curtailed many of the activities of the sectarian welfare institutions which received financial support from the Government by providing in part as follows:

"No public money or property shall ever be appropriated, applied, donated, or used, directly or indirectly, for the use, benefit, or support of any sect, church, denomination, sectarian institution, or system of religion, or for the use, benefit, or support of any priest, preacher, minister, or other religious teacher or dignitary as such."

The immediate effect was the creation of many nonreligious welfare organizations, several of which are now functioning in Manila and in various parts of the islands.

THE PUBLIC WELFARE BOARD.

Recognizing the need of coordinated work among the private and public welfare agencies, the legislature on February 5, 1915, created the public welfare board. This board acted as the government agency for controlling the disbursement of public charity funds to semiprivate institutions like the Anti-Tuberculosis Society, "Gota de Leche," and the Woman's Club.

On February 23, 1916, an act was passed by the legislature appropriating ₱1,000,000 for the protection of early infancy and the establishment of branches of the "Gota de Leche." Local organizations were granted aid from this fund as much as what they raised. It may be stated that at this period the government had definitely decided to undertake the campaign against infant mortality.

In 1917 the government established an orphanage for destitute and dependent children from all over the islands. The activity of the institution was further regulated by the enactment of act 2815. The orphanage since its foundation has been managed according to the most modern methods and principles.

On February 18, 1918, the public welfare board membership was reduced to five and its administrative control was placed under the department of the interior. The administration of the million-peso funds for the protection of early infancy and the establishment of maternity and child-welfare centers were also placed under the control of the secretary of the interior on March 22, 1920. Later these activities were all grouped together by act 2988, enacted February 24, 1921, into one office—the office of the public welfare commissioner—which started operation on May 1, 1921.

THE FUNCTION OF THE OFFICE OF THE PUBLIC WELFARE COMMISSIONER.

The functions of this office are clearly defined by various acts of the Philippine Legislature, from which the following parts are quoted:

"* * * to study, coordinate, and regulate as far as possible and practicable the efforts of all government agencies and influences interested in public welfare or social service work, and of such private agencies or organizations as receive government support for similar ends, to secure as far as possible a wise expenditure of all government funds appropriated for charity and all public welfare purposes; to promote, inspect, and regulate the organization of private institutions for charitable purposes, and to investigate social conditions in the Philippine Islands with a view to relief or other remedy where necessary."

In another act it says:

"The secretary of the interior, through the office of the public welfare commissioner, shall have authority and it shall be his duty to investigate, promote, coordinate, inspect, and regulate all work related with maternity, hygiene, and child welfare in the Philippine Islands, any provisions of existing laws to the contrary notwithstanding. And said secretary, through the public welfare commissioner, may establish and maintain maternity hospitals, puericultural institutions, dispensaries, hospitals, and other establishments for the care of children and for the instruction of the personnel which shall have charge of this work."

The aims of the office can be summarized as follows:

To promote all work directed toward the early reduction of infant mortality in the Philippines by employing adequate means for this purpose and for carrying out other activities intended to bring about the general welfare of the community, especially that which concerns children.

PLAN FOR THE REDUCTION OF INFANT MORTALITY IN THE PHILIPPINES.

The office of the public welfare commissioner has laid out definite plans for the reduction of infant mortality in the islands.

1. It plans to train an efficient corps of maternity and child-welfare workers, who will be ready to respond to calls from all parts of the islands:

(a) By giving instructions in case work to its medical and social service members of its staff in community organization, coordination of social forces, organizations, and management of medical and child-welfare centers.

(b) By imparting the same knowledge to cooperating physicians, nurses, midwives, and other child-welfare workers outside of the office.

(c) By supervising and advising existing maternity and child-welfare agencies or institutions, in order to make their work come up to a certain standard.

2. It plans to coordinate all child-welfare activities, like those of the Philippine health service, of the Philippines chapter, American Red Cross, of the Federation of Woman's Clubs, of the Antituberculosis Society, of hospitals and dispensaries, of the Liga Nacional Filipina para la Proteccion de la Primera Infancia, and of the Gota de Leche.

3. It plans to call the attention of the public to the need of child-welfare work in the islands and educate them in the method of combating infant mortality.

(a) By distributing literature and by holding public conferences.

(b) By encouraging the establishment of maternity and child-welfare centers by offering financial and technical assistance to deserving institutions or agencies.

4. It plans to make surveys and do research work in the field of child welfare in order to bring to light new problems and to formulate effective methods of solving them.

Following this program during scarcely three months (July 25, 1921) of its existence the office of the commissioner of public welfare has undertaken the work of training physicians and nurses who are to carry out the work planned, and who will act as advisers and demonstrators of child-welfare activities.

AID GIVEN TO PRIVATE CHARITABLE AND WELFARE ORGANIZATIONS.

This office renders financial and technical assistance to private organizations. Financial aid is given upon condition that the institution renders a satisfactory evidence that the administration is efficiently run and that certain amount of their funds are derived from private sources. They are also required to submit regularly statement of account of their income and expenditures, and their institutions are subject to inspection by representatives of the office of the Commissioner of Public Welfare to observe whether their activities are effectively and economically performed.

PERIODICALS AND LIBRARIES.

In 1918 there were 114 newspapers and reviews, of which 45 were newspapers and 69 reviews, distributed thus:

In English	28
In Spanish	27
In native tongues	24
In other languages (2 Chinese and 1 Japanese)	3
Bilingual (English-Spanish)	14
Bilingual (English-Tagalog)	2
Trilingual (English-Spanish-Chinese)	1
Bilingual (Spanish and native tongue): 5 in Spanish and Visayan; 2 Spanish-Ilocano; 3 Spanish-Tagalog; 1 Spanish-Pangasinan; 1 Spanish-Bicol; 2 Spanish-Cagayan; 1 Spanish-Moro	15
Total	114

Twenty-two newspapers and reviews in English and 18 in Spanish were published in Manila; 9 of the former (3 in English and 6 in Spanish) were dailies. The total circulation of publications amounted to 276,560 copies, which represents a rate of 1 copy for 34 inhabitants.

The following table gives an idea of the results of the census of 1903 compared with that of 1918:

	1903	1918
English	12	28
Spanish	24	27
Dialect	4	24
Other languages	1	3
Bilingual (English-Spanish)	.....	14
Bilingual (English-native tongue)	.....	2
Trilingual (English-Spanish-Chinese)	.....	1
Bilingual (Spanish-native tongue)	.....	15
Total	41	114
Number of copies	68,235	276,560
Number of inhabitants per copy	150	34

The census of 1903 apportioned one copy of some periodical to each 150 inhabitants and the census of 1918 one copy to each 34 inhabitants. This result is based on the supposition that all readers buy the periodicals read by them, which is not true in the Philippines. In a house inhabited by one, two, or more families every one reads the periodical of only one subscriber. Moreover, residents of a street or a small village read, one after the other, the only periodical bought in the locality. There is no barber shop, office, or store where there can not be found at least one or more periodicals at the disposal of the customers. Each is informed of the daily topics by those who read them, and groups of neighbors comment and debate on these topics. If the newspaper or magazine is written in the vernacular, the free reading circle is still greater. The number of copies issued by a publication does not indicate the number of its readers. Although the rate is 34 inhabitants per copy, there is, as a matter of fact, no Filipino, whether or not able to read, who is not informed of current events by the press or has, perhaps, had the benefit of a debate on current topics.

PUBLIC LIBRARIES.

By public libraries are meant those of the insular, provincial, and municipal governments, to which the public has more or less access. The following comparative table shows their existence in the years 1903 and 1918 and a specification of the number of volumes in native tongues, English, Spanish, and other languages:

Year.	Number of libraries.	Number of volumes in native tongues.	Number of English volumes.	Number of Spanish volumes.	Number of volumes in other languages.	Total.
1903	12	513	1,067	2,421	18	4,019
1918	360	4,330	472,275	67,522	32,015	576,142

The difference in the number of libraries shown by the two censuses is striking. In 1903 there were only 12 libraries in the entire archipelago. In Manila there was one, but it being a circulating library it was not even enumerated, and it was only at the end of 1907, when the American circulating library and the old museum library were combined, that 829 volumes consisting of books, pamphlets, and periodicals could be gathered. Act No. 2572, which provided for the reorganization of the libraries in Manila belonging to the government, and created by other acts, among them Act No. 1935, made it possible for the Philippine Library and Museum to report on December 31, 1918, approximately 354,719 volumes in Manila and 3,586 in Iloilo. This library was so well frequented that notwithstanding the exodus of many readers, on account of the war, its book circulation during 1918, exclusive of that of the legislative reference division, amounted to 114,498 volumes. There is but one public library, strictly speaking, which is the Philippine Library and Museum, but owing to a certain administrative autonomy enjoyed by some branches of the insular government, the libraries of the supreme court, the bureau of justice, the city fiscal's office, and the bureau of science had to be enumerated separately. The following is a tabulation of the data pertaining to the same:

	Native tongues.	English.	Spanish.	Other languages.	Total.
Total	2,793	378,390	61,282	30,641	473,106
Philippine library and museum	2,771	293,251	54,626	4,071	354,719
Supreme court	.....	11,145	1,895	108	13,148
Attorney general's office	.....	4,726	991	.....	5,717
Office of the fiscal for the city of Manila	.....	2,074	310	13	2,397
Bureau of science	22	67,194	3,460	26,449	97,125

The number of English volumes surpasses all others; next come Spanish volumes, and then volumes written in other languages. The number of volumes written in the native tongues is not even one-half of the number of those written in other languages. This is not the case, however, with the newspapers, of which the greatest number is published in Spanish and in the native tongues. The libraries of the supreme court, the attorney general, and the city fiscal's office do not contain a single volume written in the vernacular, and have very few books in other languages. English books make up the bulk of these libraries, and Spanish books occupy the second place, owing to the fact that some Spanish laws are still in force in the islands. A similar proportion exists in the Philippine Library and Museum, because of the good Spanish historical works. In the library of the bureau of science the volumes written in other languages are nine times the number of those written in Spanish, since legal and historical Spanish books are of little use in that bureau. There the Spanish books in number occupy only the fourth place; the first, second, and third places are taken by English, German, and French books, respectively. Of the five libraries enumerated in Manila, the Philippine Library and Museum is the most popular. During the year 1918, 93,805 books were read, of which 39,114 were works of fiction and 54,691 miscellaneous books.

SEMIPUBLIC LIBRARIES.

Semipublic libraries are the libraries of the bureau of education scattered throughout the islands, those of other branches of the insular government not enumerated above, and those of religious corporations and civic associations. Unlike the public libraries, the semipublic libraries, notwithstanding the fact that the great majority of the books of the bureau of education are books in English, show a greater number of Spanish volumes. This is due to the fact that in Manila alone, out of a total of 325,347 volumes belonging to 65 semipublic libraries, 55,315 volumes belong to religious and similar corporations. Further details about semipublic libraries will be found in the following table:

Semipublic libraries.

(Religious corporations.)

	Number of libraries.	Philippine tongues.	English.	Spanish.	Other languages.	Total.
Total	11	1,141	5,331	55,315	27,993	89,780
Dominican fathers	4	152	2,209	21,991	11,990	36,342
Franciscan fathers	1	8	2	8,091	2,180	10,281
Recollect fathers	1	54	.....	2,216	2,640	4,910
Jesuit fathers	1	500	1,300	5,570	3,350	10,720
Augustinian fathers	1	267	708	7,227	6,524	14,726
Paulist fathers	1	50	250	3,000	584	3,884
Benedictine fathers	1	100	850	6,500	500	7,950
College of Trebles	1	10	12	720	225	967

The Provinces of Batangas, Bulacan, Cebu, Ilocos Sur, and Iloilo come after Manila in the number of Spanish books. English prevails, however, in 29 Provinces out of the 38 enumerated. The semipublic libraries, therefore, contain a greater number of books written in Spanish, but there is a wider distribution of English books.

ECONOMIC CONDITIONS.

The Philippine Islands are essentially an agricultural country. The basic element of our economics is, therefore, the natural resources of the islands. In this respect it is most important to the stability of our economic conditions that our agricultural land should be evenly divided among small landowners. Out of 2,000,000 farms in the Philippines 96 per cent are owned by the Filipinos. Eight million of them live on their farms with houses of their own, independent of any absentee landlord or foreign masters. Of the urban property 91 per cent, consisting of houses and lands, is owned by the Filipinos. Only 9 per cent is in the hands of foreigners.

Democracy thrives better where the citizens are owners of the lands and houses wherein they live and out of which they earn their living.

AGRICULTURE.

The approximate area of the Philippine Islands is 29,629,600 hectares, of which 4,563,723 are private land, 18,706,093 public forest, and 6,356,927 public lands available for home seekers. The area of private land under cultivation in 1920 was 3,276,942 hectares, as compared with 2,361,483 in 1913, or 38.7 per cent increase.

The value of the six leading products—rice, corn, sugar, hemp, coconut, and tobacco—during the last four years has been, in 1917, $122,000,000; 1918, $181,000,000; 1919, $229,300 000; and in 1920, $343,500,000.

While the Philippines will be for a long time an agricultural country, it is nevertheless true that modern industrialism and commerce are exercising a very strong influence and will eventually make of the Philippines an industrial and commercial as well as an agricultural country.

IMPORTS AND EXPORTS.

The chief imports of the Philippines are manufactured articles constituting 87 per cent, and exports are agricultural products, more or

less in raw form, constituting 67.5 per cent. The most important manufactured articles imported during the year 1921 were iron and steel goods valued at $22,055,000; cotton goods, $18,830,000; foodstuffs, including wheat flour, meat, and dairy products, etc., $21,750,000; automobiles and accessories, $4,830,000; mineral oils, $16,900,000. The importation of iron and steel and cotton goods has always been on the ascendant, invariably holding the premier position in the import trade. The two items alone constitute about 36 per cent of the total imports in 1921. With the exception of the year 1921, when the foreign trade of the Philippines was greatly affected by the wave of business depression the world over, the importation of other products has shown the same tendency. The most important exports were agricultural products, some of which were partly manufactured and others in raw form. Among these are sugar, valued at $25,000,000; manila hemp, $17,900,000; copra, $13,100,000; copra meal, $600,000; maguey, $670,000; and tobacco products, $8,230,000. Recently, however, because of the European war, the Philippines began to export manufactured articles such as coconut oil, which in 1921 was valued at $16,000,000, and embroideries, $5,300,000.

The values of imports, exports, and total trade of the Philippine Islands during the years 1917 to 1920, inclusive, were as follows:

	1917	1918	1919	1920
Exports	$95,604,306	$135,194,480	$113,117,800	$151,123,850
Imports	65,797,000	98,599,200	118,639,000	149,438,280
Balance	29,807,306	36,595,280	(5,521,200)	1,685,570

INDUSTRY.

The progress attained in the direction of introducing modern equipment and means for the carrying out of all lines of activities during the past few years, such as mechanical equipment for the newly established industries or factories and for agricultural development and transportation facilities, is unparalleled in the history of the country. The growth of the manufacturing establishments is attested by the increase in their number and the value of their products. As compared with 1903 the number of manufacturing establishments in 1918 increased 156 per cent and the value of products 754 per cent. The industries which received tremendous impulse during the period of our prosperity were coconut-oil factories, sugar, rice, and sawmills. Embroidery establishments, which practically did not exist previous to the European war, had a total output of $1,250,000 in 1918, the annual exports reaching as high as $7,810,000 in 1920. In addition to this there are to-day various industries which produce only sufficient quantities for local needs. There are also modern iron and steel foundry plants and boat-building establishments in existence, among which are the Atlantic, Gulf & Pacific Co., and the Earnshaws Slipways & Co.

FOREIGN SHIPPING.

The foreign trade of the Philippines since the beginning of American occupation has always been carried on vessels of foreign registry, British vessels securing the greatest portion up to 1917, and the United States vessels substituting British vessels after this year.

The total entrances from foreign ports in 1921 numbered 871 with a total tonnage of 2,646,455, as compared with 992 and 2,755,752, respectively, in 1920. The total clearances numbered 887 with a tonnage of 2,725,469, as compared with 995 and 2,771,214, respectively, during the preceding year. There are 20 vessels of Philippine registry, with a tonnage of 18,250, which plied between Philippine and foreign ports.

INTERISLAND SHIPPING.

There are at present 162 vessels, with a tonnage of 25,652, and 763 sailing vessels, with a tonnage of 26,657, engaged in the coastwise trade of the Philippines. There are, besides, 1,976 harbor crafts, with a tonnage of 40,220, in operation. For runs of average distance the vessels most generally used are those ranging from 200 to 500 tons net. The larger vessels are used on routes connecting Manila with the other large ports, while smaller vessels are used for shorter routes.

There are over 200 interisland ports in the Philippines, the most important of which are Aparri, San Fernando, Iba, Batangas, Calbayog, Catbalogan, Dumaguete, Gubat, Lucena, Sorsogon, Legaspi, Tacloban, Tagbilaran, etc., all of which are conveniently accessible from Manila.

The total entrances of the ports open to foreign shipping only numbered 16,734, with a tonnage of 2,541,288, as compared with 17,011 and 2,326,849, respectively, in 1920.

COMMERCIAL POSSIBILITIES.

With the increased agricultural production and the consequent increase in the wealth of the people it stands to reason that the commerce and industry of the country will witness a corresponding growth. The Philippines, because of the strategical location of its principal port in the trade routes of the Far East, can serve as a convenient distributing center of foreign merchandise in this section of the world.

In common with the other countries, the Philippines is passing through a financial and business depression which hitherto has been unknown in this country. Both the foreign and domestic trade suffered a tremendous slump, although it has not been as intense as that suffered by other countries. The Philippine foreign commerce decreased only 32 per cent, while that of the United States decreased about 48 per cent in 1921. Apparently, however, the peak of the depression has already been reached and passed over and the time is near when normal conditions shall again prevail. Now is, therefore, the most opportune time to lay plans for the revival and expansion of those activities, commercial and industrial, which have been greatly affected by the crisis, as well as for those undeveloped industries whose products are being extensively consumed in the country, but the raw material of which are produced in these islands and exported and manufactured abroad. The field, for example, in sugar refining is practically untouched. Fish, vegetable, and fruit canning are practically unknown; the production of these, not to speak of the greater production that would doubtless result through the development of the canning industry, would be sufficient to maintain in active operation several large canneries. The fishing industry, both pearl and food fishing, is still practically undeveloped, primitive methods being still generally used. There are several other activities which enterprising capital might profitably develop.

All in all, the opportunities, sounder business opportunities, are in prospect, and they are bound to draw enterprising capital to the islands. Large tracts of virgin lands are still untouched by the plow, wide stretches of grassy lands and hillsides are awaiting the tread of live stock and other animals, and in our mountains are treasured valuable minerals, such as gold, iron, silver, coal, and various precious stones, all awaiting the magic touch of enterprise and capital.

FINANCIAL STATUS OF THE GOVERNMENT.

Nothing has been so widely misunderstood as the supposed financial collapse of the Philippine government. The Philippine government to-day as a distinct institution is on as solid a financial basis as any government in the world. It is self-supporting, its taxation is adequate to its needs, the per capita tax of the people is low. In fact, the Wood-Forbes report states that "the Filipinos bear a smaller burden of taxation than the natives of Great Britain, United States, Japan, Argentina, and Brazil."

In spite of the economic crisis, in spite of the financial troubles common the world over, in spite of the reductions in revenues suffered during last year, the present year 1922 was presented with an aggregate surplus of approximately $7,000,000 in the central and provincial treasuries of the Philippine Islands. Both the central and local governments are on a good, sound financial basis. The following financial statement is self-explanatory:

Financial statement of the insular government.

	1918	1919	1920
Revenue from taxation	₱44,559,229.56	₱45,229,969.10	₱53,144,505.72
Incidental revenue	3,163,181.53	3,706,882.42	4,977,793.60
Earnings and other credits	20,888,353.84	30,417,127.55	40,822,639.41
Credit adjustments	79,340.20	332,944.13	459,972.80
Income	68,690,105.13	79,686,923.20	99,404,912.53
Surplus at the beginning of the year	24,404,683.03	85,598,744.53	28,543,078.35
Total budget credits	93,094,788.16	115,285,667.73	127,947,990.88
Expenditure during the year	57,496,043.63	86,742,589.38	84,010,278.54
Surplus at the end of the year	35,598,744.53	28,543,078.35	43,937,712.34

The auditor's accounts for 1921 are not yet closed.

Budget of the government of the Philippine Islands for the fiscal year 1923.

RECAPITULATION.

	1922 (estimated).	1921 (estimated).	1920 (actual).
Income	₱63,051,435.00	₱96,683,797.12	₱76,723,421.65
Revenue from taxation	42,867,320.00	47,235,557.12	53,144,505.72
Incidental revenue	2,120,000.00	2,316,620.00	4,977,793.60
Earnings and other credits	18,064,115.00	47,131,620.00	18,601,121.33
Current surplus at the beginning of the year	11,964,152.00	27,576,552.49	24,397,265.14
Total available for expenditures	75,015,587.00	124,260,349.61	101,120,686.79
Expenditures	72,538,593.00	97,557,329.75	73,544,134.30
Expense of revenue collection	1,564,726.00	1,708,824.18	1,623,709.82
Operating expense of commercial and industrial units	8,981,853.00	9,561,198.99	9,362,919.02
Public debt	5,189,878.00	3,713,774.47	2,510,007.47
General administration	4,995,090.00	5,089,962.89	4,952,990.59
Protective service	9,284,643.00	9,853,790.78	9,663,514.65
Social improvement	8,818,029.00	8,883,188.07	8,927,541.70
Economic development	8,740,857.00	9,936,029.50	9,483,122.35
Aid to local governments	17,883,667.00	13,169,246.00	13,446,137.63
Retirement gratuities, act 2589	500,000.00	600,000.00	632,598.53
Emergency service	2,000,000.00	446,512.37	443,435.48
Outlays and investments	4,579,850.00	34,603,802.00	11,849,057.06
Current surplus at the end of the year	2,476,994.00	26,703,019.86	27,576,552.49
Deduct		14,738,867.86	
Appropriation balances for public works		9,738,867.21	
Cadastral accounts receivable		5,000,000.65	
Current unappropriated surplus at the end of the year		11,964,152.00	

PHILIPPINE DEBT.

The public indebtedness of the Philippine government has been contracted in pursuance of special acts of the Philippine Commission or, since its creation, of the Philippine Legislature. Such legislation has been under the authority of acts of Congress, which from time to time fixed the limit indebtedness of the Philippine government or have authorized the contracting of indebtedness for specific purposes within amounts fixed.

By an act of Congress approved July 1, 1902, and act 1034 of the Philippine Commission, the Philippine government issued $7,000,000 of bonds to purchase the friar lands.

By an act of Congress approved February 6, 1905, and acts 1301, 1444, and 1915 of the Philippine Commission and Legislature, the Philippine government contracted between 1905 and 1909 an indebtedness of $5,000,000 for public works.

The total indebtedness of the Philippine government, therefore, on the passage of the organic act approved August 29, 1916, was $12,000,000, including the $7,000,000 indebtedness for the purchase of the friar lands.

By the organic act referred to the limit of the public debt of the Philippine government, exclusive of the friar-land bonds, was fixed at $15,000,000.

Thereafter, by act 2615, the Philippine government issued $4,000,000 of bonds for the purchase of the Manila Railroad Co., and by act 2908 issued in 1920 $6,000,000 of bonds for the improvement of the port of Manila. With the issuance of these $6,000,000 of bonds the limit of the public debt as fixed by the organic act was reached and there was outstanding, including the $7,000,000 of friar-land bonds, a total indebtedness of $22,000,000.

Congress, by the act of July 21, 1921, amended the organic act by increasing the limit of indebtedness to $30,000,000, exclusive of the friar-land bonds.

Under authority of an act of the Philippine Legislature there was thereafter issued $10,000,000 of irrigation bonds, and the Philippine Legislature has now authorized, by act 2999, the issuance of $5,000,000 to protect the financial interests of the government. So that the limit of indebtedness as fixed by the act of July 21, 1921, has now been reached, and the total bonded indebtedness of the Philippine government outstanding is $30,000,000, plus the $7,000,000 of friar-land bonds.

By an act of Congress approved May 31, 1922, the limit of indebtedness of the Philippine government has been fixed at 10 per cent of the aggregate tax valuation of its real property. On the basis of the last assessment, this would fix the limit of indebtedness of the central government at about $74,000,000.

The urgent necessity of increasing the limit at this time arises from the fact that the Philippine government is not in a position to maintain the parity of its currency with the gold standard fixed by law. The Philippine government had, on October 31, 1921, on deposit with the Philippine National Bank $26,251,607.75, which it is unable to withdraw from the bank or apply to the purposes for which that fund was acquired. How much of this will ultimately be recovered or the dates of recovery can not at this time be stated with certainty. The deposits with the bank on October 31, 1920, were $45,220,039.35. Of this amount $11,457,890 were invested in stock of the bank with a view of strengthening its position. This would mean that in one year the government had withdrawn from the bank $7,510,451.59. The conclusion should not, however, be drawn that a similar amount would be recovered in the next year, for the reason that in the past year a considerable amount in private deposits has been withdrawn from the bank, on the one hand, and, on the other hand, the bank increased in circulation by $6,700,000.

The situation, then, is that the Philippine government has on deposit with the Philippine National Bank $26,000,000. This includes a large part of the currency reserve fund which is used to maintain the parity of the Philippine currency with the gold standard. It includes a part of the proceeds of bond sales for public works and other funds of the Philippine government, including the funds for general purposes. If this money were at this time available the immediate necessity of contracting further indebtedness would not appear. This deposit, however, is not in any way available to the government. The amount which the government recovered in the past year it will probably not be able to recover in the present year.

The government, therefore, is confronted with the necessity of immediately reducing its expenses below its revenues, which it has attempted to do but which it was unable to do in the radical manner that would be necessary if, in addition to operating the government, the trust funds of the government were to be placed in a legal position from these savings. The government, therefore, finds itself in the necessity if it is to perform the duty of maintaining the parity of its currency with the standard fixed by law, and if it is to carry on the absolutely necessary public works, of increasing its indebtedness.

GOVERNMENT IN BUSINESS.

Economic progress in the Philippine Islands and the pressure of public opinion compelled the Philippine government to organize and engage in certain lines of business of national importance that private initiative and capital had failed to develop. There are now four government-owned enterprises in addition to those which have been always under government direction since the American administration in the Philippine Islands: The Philippine National Bank, the Manila Railroad, the National Coal Co., and the National Development Co.

PHILIPPINE NATIONAL BANK.

There were in 1915 five banking institutions handling the Philippine government's deposits at a low rate of interest. These banks made little or no investment in the islands. They dealt almost exclusively with export and import trade. American and Philippine business men in other lines and the farmers practically had no access to them. The Philippine National Bank, much to the displeasure of competitive institutions already in the field, was organized. From a modest beginning the bank grew rapidly during prosperous times. But the depression following the war caught the bank unprepared for such emergencies. Naturally the people of the Philippine Islands deeply regret that the institution could not escape the effects of world-wide financial disturbance.

There stands out in bold relief, however, the constructive service the bank has rendered the community, notably the financing of Liberty loans, the handling of the sale of alien property, the financial assistance extended in time of extreme needs to two banks doing business in the Philippine Islands, the financing of sugar centrals and farmers, and the extension of banking facilities to merchants and manufacturers. The Philippine people have always regarded the bank as a necessary means for the economic development of the islands, and therefore they desire to increase or at least maintain the institution to carry out the purposes for which it was originally organized. As to the present condition of the bank, the Wood-Forbes mission report says "* * * the affairs of the bank are in a fair way to be put on a sound footing."

MANILA RAILROAD.

Government ownership of railroads is a rule in all the neighboring countries of the Philippines with the exception of China, which is now trying to get back the concessions granted to foreign capital. However, the principal motive that impelled the Philippine government to buy the Manila Railroad from the English owners was that the company, in spite of the facilities extended by the government, could no longer operate profitably the line. This failure imposed a heavy burden on the taxpayers in the way of payment for interest on railroad bonds guaranteed by the government from the early days of American administration.

From 1914 to 1916 the aggregate net deficit of the company was about $600,000. Under government management the following results have been obtained: The gain in 1917 was $400,000; in 1918 $130,000; in 1919 $190,000; in 1920 $12,000, and in 1921 $148,000, and the government has not been called upon to pay the bond interest.

NATIONAL COAL CO.

During the war the coal shortage was one of the great problems the government had to solve. The Philippine Islands are rich in coal fields, but no private capital was invested in their exploitation. The Philippine Legislature therefore chartered the National Coal Co. and supplied it with a capital of $1,700,000. The company is now ready to furnish at least the coal needed by the government, which requires about 120,000 tons, heretofore imported from foreign countries.

NATIONAL DEVELOPMENT CO.

The company was organized for the purpose of financing isolated enterprises that the government may desire to establish for the general welfare of the country.

ELECTIONS.

The elections in the Philippines have always been an interesting and veritable school of political education. Although, strictly speaking, extensive suffrage was implanted in the Philippines only since American occupation, the Filipino people have shown during this short period constant and convincing proof of political capacity. The paramount issue in the election of 1907, which inaugurated the Philippine Assembly, was the ultimate status of the Philippines. The question to be decided was whether, upon the surrender of the Filipinos in arms and the establishment of peace under a more liberal and democratic rule, the Filipino people should still aspire and work for their independence. There were two tendencies at that time; one was the annexation to the United States, or at the most a remote independence, and the other was the immediate independence of the islands. The result of the elections proved that those who advocated immediate independence formed an immense majority of the people, although not yet the entire people. The same issue was presented to the people at all subsequent elections, and every time the advocates of immediate independence gained ground, until, finding that public opinion was against them, the members of the party which advocated annexation or remote independence had to dissolve their party and aligned themselves with those who advocated immediate independence. The old annexationists, or federalists, were highly educated men of the greatest prestige, but the people laid aside their personal qualities, for they knew that the elections were being held to decide issue and principles, not personalities.

Once the question of principles is settled the people have always shown practical sense in electing experienced or highly educated people to posts in the national legislature. When the first Philippine Assembly was convened in 1907, it was noticeable that the choice of the people fell upon those who had previously distinguished themselves as provincial governors and those who because of their academic training could best undertake the legislative work. This is the reason why among members of the lower house there has always been a large proportion of people with academic training or pursuing semipublic activities, such as practicing lawyers and newspaper men. When the elective senate was established six years ago, the people again manifested that sound practical sense by sending to the higher house in preference to others those who had acquired previous legislative experience in the Philippine Assembly. In this way the task of legislation has been given to men of ability and experience. Both in political campaigns and in the deliberation of the legislature popular public opinion always distinguished demagogic from statesmanly conduct. The people have always repudiated the destructive factors, with the result, noted by friends and foes alike, that our legislature has at all times exemplified a sound and judicious sense. As a former Governor General has said, in the Philippine Legislature "graft, jobbery, logrolling, cheap politics, selfish localism, cynical opportunism, and hypocrisy have been practically unknown." A spirit of tolerance has characterized election campaigns. Order has been kept in the heat of political struggles. While in other countries the army has often been resorted to for the maintenance of peace, in the Philippines the mere presence of local and insular police has always been sufficient to insure public tranquillity. After the last elections in 1919 Acting Governor General Yeater, who had personally followed the various movements of the campaign, gave out the following statement:

"By taking the election as a whole, I consider it entirely creditable to the Philippine people, and I believe that no shortcomings or improper conduct in receiving and delivering the votes will exceed those ordinarily committed in other free countries."

We do not, however, mean to insinuate that elections in the Philippines have been conducted as angels would conduct such elections. As in other parts, frauds and other electoral abuses have been committed, but the opposition party and the press got busy denouncing them and the government at once undertook an energetic campaign for clean elections, prosecuted the culprits, and later on revised the present electoral law.

Our electoral law was approved in 1907 by the former Philippine Commission, composed mostly of Americans. It was later thought that election frauds were committed partly because of the defects of the law, such as the relatively light penalty given to violators, and also because election officers could easily be converted into political instruments of the party in power. The revision of the electoral law has been made with the aid of the opposition, and is intended to remedy in so far as possible the deficiencies found in the law and in actual practice. The government is at present using all means necessary to secure clean elections and to enforce the provisions of the electoral law in a way agreeable to all political parties.

The total number of electors registered in the election of June 3, 1919, was 717,295 and the votes cast was 672,125, which is a very fine percentage even when compared to the interest in elections shown in other countries. In the elections of 1912, 248,154 voters registered, of which 235,789 voted. Of the number of voters registered in 1919 407,346 possessed educational qualifications, while only 81,916 were educationally qualified in 1912. It should be noted that the Philippine voters must have either property or educational qualifications, so that these figures show the progress of the people in political matters and in education in general during the last few years.

The minority party has always accepted the decision of the majority, unless it thinks that the election has been vitiated by some illegal act, in which case it takes the matter up with the courts for decision. We have never followed the practice of revolutionary countries where defeated minorities take the law into their own hands or use violence against the triumphant party, or utilize every other means to hinder the working of the government. The following figures speak for themselves:

	1907	1909	1912	1916	1919
Protests registered	178	142	451	520	467
Protests dismissed	89	51	210	341	195
Elections annulled	26	17	25	30	24

In interpreting the foregoing figures it should be noted that there are nearly 900 municipalities in the Philippines, and that every municipality elects at every general election a senator, a representative, a governor, two members of the provincial board, a municipal president, a municipal vice president, and from 7 to 18 councilors, depending upon the class of the municipality. Either one of those offices can be made the subject of an electoral protest. The number of protests registered, the number of protests dismissed, and, above all, the number of elections annulled will show beyond the peradventure of a doubt that the elections in the Philippines have been up to the present a regular and sane agency of representative democracy.

THE NON-CHRISTIAN PEOPLE.

The non-Christian inhabitants (Mohammedans and Pagans) of the Philippine Islands are distributed in the nine special organized Provinces under the jurisdiction of the so-called bureau of non-Christian tribes, namely, Agusan, Bukidnon, Cotabato, Davao, Lanao, Sulu, and Zamboanga, of the former department of Mindanao and Sulu, and the Mountain Province and Nueva Vizcaya of northern Luzon. The following table shows the area in square kilometers of each of the nine Provinces:

	Square kilometers.
Agusan	11,121
Bukidnon	10,026
Cotabato	24,916
Davao	19,389
Lanao	6,317
Mountain Province	13,971
Nueva Vizcaya	9,143
Sulu	2,802
Zamboanga	16,532

The following table shows the present approximate population of Christian and non-Christian peoples as estimated by the governors of the nine Provinces:

Province.	Christian.	Mohammedan.	Pagan.	Total.	Percentage of non-Christian.
Agusan	41,592	.....	7,446	49,038	15.19
Bukidnon	1,200	4,807	35,700	41,707	97.12
Cotabato	21,391	136,414	11,386	169,191	87.36
Davao	68,979	5,000	45,325	119,304	42.18

Although the non-Christian inhabitants of the Philippines are to be found not only in Mindanao and Sulu but also in northern Luzon, the Moros of Mindanao and Sulu form the great majority of them and present the greatest problem for the government. We shall therefore deal mostly with the non-Christian peoples of Mindanao and Sulu. The government of Mindanao and Sulu from 1903 to 1913 was under the control of the military authorities. In 1914 it was turned over to the civil authorities. During the military period the so-called Moro Province was organized, which comprised practically what is to-day known as Mindanao and Sulu. The most important work of the military period was the pacification of the Provinces and the recognition of American sovereignty. This was the first step before the development of agriculture, industry, commerce, education, and shipping could be begun. In 1911 a general disarmament was ordered among the Moros, and this order met some resistance in Sulu and Lanao. Hence punitive expeditions by military and constabulary authorities had to be undertaken and skirmishes and battles like those at Mount Dajo and Mount Bagsak were fought. The work of the military authorities to bring about peace can not be underestimated. They prepared the way for the work of reconstruction, which fell upon the civil authorities in 1914 up to the present time. It would be, however, misleading to say that the military authorities limited their work to the establishment of peace alone. In reality they initiated some of the great activities of government, which were later on continued in gigantic proportion, especially public works and public education. They established public dispensaries even in the most remote parts of the Province. They built roads to connect distant places.

The first task of the civil authorities in 1914 was to establish a departmental government, with almost a free hand in dealing with local affairs. It was subdivided into subprovinces for the purpose of local administration. Later on the department was abolished and the subprovinces were declared Provinces. They were placed, like the regular Provinces, under the direct supervision of the department of the interior through the bureau of non-Christian tribes. Up to very recently all the provincial governors were appointed by the Governor General, and, together with the secretary-treasurer and a third member elected by the councilors of the municipalities, they form the provincial council of each Province. All the appointed provincial governors except one are Filipinos. In the election just held four of the seven Provinces of Mindanao and Sulu elected their provincial governors. The representatives and senators representing the non-Christian parts of the Philippines are also Filipinos. Of these one senator and three representatives profess the Mohammedan religion.

The civil government thus established completed the work of bringing about peace which was initiated by the military authorities. In 1913 the Sultan of Sulu, who had theretofore enjoyed religious and civil prerogatives, renounced his prerogatives in favor of the government of the Philippine Islands. Peace and order have been firmly established. The campaign of education and assimilation was begun. Wherever the good offices of the civil government could not have the desired effect the firm hand of the law reached out to enforce order and capture recalcitrants. From January 1, 1914, to December 31, 1916, the civil government captured 1,024 firearms. The year 1916 may be considered as a historic one in the annals of Mindanao and Sulu, for it marks the complete elimination of all outlaws and the extension of government control to all Mohammedan territory. In 1917 practically every soldier of the Federal army, except a small detachment in Zamboanga, was taken away, and yet the local police was able to maintain order and peace. The progress brought about since the civil administration is indeed great. It would take a big volume to enumerate in detail. For this work the Christian Filipinos have given money and men so as to civilize their non-Christian brothers and bring them up to the level of their Christian brothers. Hundreds of thousands of money taken from the Christian pockets have been yearly sent to Mindanao and Sulu. On the other hand, the non-Christian people have shown their appreciation of the benefits that are being extended to them by their Christian brothers. At the present time the relations between Christian and non-Christian are most cordial. National sentiment in that part of the Philippines is almost as strong as in the Christian Provinces.

We shall cite a few figures showing the progress realized in the non-Christian part of Mindanao and Sulu since control was given to the Christian Filipinos. Under the designation of "Public instruction" the following table shows the number of schools in operation by year, number of teachers, and the enrollment from 1914 to 1921.

Year.	Number of schools in operation.	Number of teachers.	Enrollment.
1914	157	311	14,800
1915	180	373	16,019
1916	[1]	[1]	[1]
1917	292	613	25,167
1918	372	772	32,438
1919	468	1,049	41,179
1920	606	1,261	53,095
1921	690	1,452	61,187

[1] No data available.

The following comparative table shows the progress of the schools in Mindanao-Sulu covering the period from the year 1913 to 1921. Attention is invited to the fact that enrollment in 1913 almost entirely represented Christians, while the great increase noted in 1921 represents Mohammedan and pagan children:

Province.	Annual enrollment.		Number of schools.		Number of teachers.	
	March, 1913.	December, 1921.	March, 1913.	December, 1921.	March, 1913.	December, 1921.
Agusan	3,461	8,432	34	89	52	188
Bukidnon	1,488	7,162	23	82	31	151
Cotabato	425	9,667	5	5	11	250
Davao	2,079	7,820	20	130	31	194
Lanao	1,104	7,004	9	70	14	174
Sulu	1,044	9,342	10	69	14	198
Zamboanga	2,916	11,730	28	116	46	297
Total	12,617	61,187	129	690	199	1,452

An important phase of the work of public instruction in Mindanao-Sulu is the compulsory school attendance for boys and girls which has been initiated some time ago. For the first time the old Mohammedan headmen and panditas have openly pronounced themselves in opposition to the attendance of their children in government schools, considering this measure as a violation of the agreement into which the government has entered with them with respect to their religion, habits and customs. Through the tact of school authorities and cooperation of provincial and municipal and other interested authorities, those difficulties had been solved to the extent of bringing about entirely satisfactory results. The table given above speaks more eloquently than words can in this respect.

In agriculture special attention has been paid to the cultivation of food products. Agricultural colonies have been established in Cotabato so as to unite Christian and Mohammedan Filipinos and to increase the production of rice and other food products.

The following comparative table shows in a comprehensive form the typical activities of the colonies as to the production of food supply;

	1915	1917	1919	1920	1921
Total area under cultivation (Ha)	2,616	2,563	2,262.2	2,269.12	2,073.05
Palay planted (Ha)	1,616	1,037	509	533.83	531.35
Corn planted (Ha)	1,134	898	1,173.1	1,312.96	1,181.84
Coconuts planted	13,232	7,003	4,231	6,441	21,190
Palay harvested (Cavan)	20,715	11,439	2,626.28	1,035.5	3,787.20
Corn harvested (Cavan)	8,417	6,924	6,449.36	14,298.22	10,856.36
Peanuts planted (Ha)	30	15	11.3	31.35	14.90
Camotes planted (Ha)	57	22	42.16	48.33	17.22
Number of colonists including men, women, and children	5,044	5,402	5,632.00	5,632.00	6,012.00

It will be noted from the above that the number of hectares cultivated for the crops has decreased. This difference is due to the disappointment brought about by the failure to realize bigger harvests caused by floods and locusts. On the other hand, there is a notable increase in the output for rice and corn.

Another important result worthy of being stated is the success attained in the partial relief of densely populated Provinces like Cebu and Ilocos Provinces. The sparsely populated and potentially wealthy Province of Cotabato, where the colonists are located, the surplus population of those Provinces have found Cotabato to be an excellent place, where they may realize their ambitions for ownership of land and more ample rewards for their labor.

In the branch of permanent improvements and public works we can say that good roads and trails, potable water supplies, port improvements and landing facilities, construction of telephones, and construction of public buildings have received special attention. The following table shows the strides made in this regard, notwithstanding the inadequacy of local revenues and insufficient insular aid:

Year.	First class.	Second class.	Third class.	Trails.	Telephones.
	Kilometers.	*Kilometers.*	*Kilometers.*	*Kilometers.*	*Kilometers.*
1914	None.	90	199	2,400	[1]
1915	65.9	114.9	285.2	2,437	[1]
1916	94.9	87.2	340.3	2,515	567
1917	[1]	[1]	[1]	[1]	[1]
1918	118.8	184.5	2,327.7	1,898.3	[1]
1919	143.5	234.7	209.5	2,075.7	1,381.6
1920	143.5	190	220	2,000	1,381.6
1921	154	141.4	257.2	1,442.7	1,381.6

[1] No data available.

In the health service "there has been made the most gratifying advance by the establishment of new hospitals and field dispensary stations, the former under the immediate charge of qualified physicians and surgeons and the latter in charge of graduate nurses or practicantes. Government hospitals are now in operation at the provincial capitals of Agusan, Cotabate, Davao, Mountain Province, Lanao, Sulu, and Zamboanga. Dispensaries in public schools at points where no field dispensaries are located, the teachers are instructed in the use of and supplied with medicines, supplies, etc., which may safely be intrusted to them for use in relieving ailments, physical ills, and injuries, which, in the absence of skilled medical and surgical assistance, they should undertake to relieve. While Mohammedans and pagans were at first suspicious and unwilling to enter hospitals for medical or surgical treatment, this attitude has rapidly changed to one of popular acceptance and appreciation of hospital facilities, even to the surprising degree that women of good families now seek for admission. In this connection it may be stated that medical officers, trained nurses, and practicantes have gone to the most remote places and localities in the performance of their duties, and ordinarily without guards or companions. Dispensaries have been and are being established, conducted successfully by graduate nurses and practicantes at many points away from Army garrisons or constabulary stations. In no instance has the public health personnel been subjected to violence, or even threats, from the people among whom they work. Mohammedan and pagan communities have voluntarily contributed labor and materials of local production for the establishment of dispensary stations.

The importance and value of the work of the public health personnel during the past few years can not be exaggerated when viewed not only from the standpoint of medical and surgical relief but from all other significant points, and especially that of the establishment of amicable contact and control by the government over the Mohammedan and pagan communities.

To combat and so far as possible eradicate the prevalence of waterborne diseases, such as dysentery, typhoid, malaria, etc., special attention has been directed to the improvement of water supplies.

There were in 1914, 47 dispensaries in operation, 55 in 1915, 86 in 1916, 108 in 1917, 88 in 1918, and 103 in 1919, 1920, and 1921.

A BRIEF CRITICAL STUDY OF THE LAWS PASSED BY THE PHILIPPINE LEGISLATURE SINCE ITS ESTABLISHMENT IN 1907.

The Philippine Legislature began its life with the inauguration of the Philippine Assembly on October 16, 1907. Hitherto, all legislative powers in the Philippines were in the hands of the Philippine Commission, the members of which were appointed by the President of the United States with the consent of the American Senate. With the inauguration of the Philippine Assembly the Philippine Commission became the upper house and the Philippine Assembly the lower house of the Philippine Legislature. The legislature was given complete legislative powers over the parts of the Philippines inhabited by the Christian peoples. The other parts of the Philippines, or those inhabited by the Moros and other non-Christian peoples, remained under the exclusive legislative control of the Philippine Commission until 1916, when, with the passage of the Jones law, the Philippine Legislature secured control over all Philippine territories.

In the study of the laws passed by the Philippine Legislature the writer has, for convenience, divided the 14 years of legislative life into three periods. The first period extends from October 16, 1907, to October 16, 1913. During this time there were still a majority of Americans in the upper house, while the Philippine Assembly was entirely in the hands of the Filipinos. The second period extends from October 16, 1913, to October 16, 1916. During this time the Filipinos had already a majority in the upper house, or Philippine Commission; hence they had a decisive voice in legislation. The members of the Philippine Commission, however, continued to be appointed by the President of the United States and were not elected by the people. The third period comprises all the time since the enactment of the Jones law, from October 16, 1916, to October, 1921. Legislation at this period has been in the hands of an elected Philippine Legislature, composed of the senate and house of representatives.

For the purposes of classifying the laws the following topics have been used: (1) Public instruction; (2) development of agriculture and natural resources; (3) promotion of commerce and industry; (4) public health; (5) charity and public welfare; (6) finance (dealing with appropriations for the support of the government or matters connected with bonds); (7) administration (dealing with reforms and changes in the administration of the government); (8) private law (dealing generally with amendments to the civil code, penal code, etc.); (9) judicial reforms (including reforms of judicial proceedings); (10) labor; (11) franchises (charters given to private persons and corporations); (12) mercantile regulations (dealing with regulations of corporations, firms, etc.); (13) public works and improvements; (14) miscellaneous laws.

The following table shows the laws passed during the three periods of legislation, classified under the foregoing topics:

Table of laws passed by the Philippine Legislature since October 16, 1907, to March, 1921.

Period.	Public instruction.	Agriculture and natural resources.	Commerce and industry.	Public health.	Charity and public welfare.	Finance.	Administration.	Private law.	Judicial reforms.	Franchises.	Labor.	Mercantile regulations.	Public works.	Miscellaneous.	Total.
First period	61	38	13	20	13	58	175	13	26	18	5	14	21	49	524
Second period	22	36	16	18	4	45	116	6	18	21	5	8	22	24	363
Third period	14	27	12	17	6	46	78	6	13	41	.....	9	8	27	304
General total	97	101	41	55	23	149	371	25	57	80	10	31	51	100	1,191

FIRST PERIOD.

(October 16, 1907–October 16, 1913.)

Public instruction: The first period is notable for the support that the legislature has given to education. The first act passed by the Philippine Legislature is an educational measure of the highest import. It provided for an appropriation of ₱1,000,000 for the construction of schools in the barrios. It was during this period also that the University of the Philippines was founded (Act 1870). (Other educational measures were: Act No. 1813, authorizing the Governor General to convey, under certain conditions and restrictions, insular property to Provinces and municipalities of the Philippines to be used for public-school purposes; Act No. 1829, providing for popular civico-educational lectures in the municipalities, and principally in the barrios of the Philippines; Act No. 1849, providing for the establishment of a public library to be known as "The Philippine Public Library," making suitable appropriations therefor; Act No. 1857, authorizing the creation of special classes of superior instruction for municipal teachers and appropriating the sum of ₱50,000 for the purpose; Act No. 1858, amending section 40 of Act No. 82 and providing for special training for teaching; Act No. 1866, appropriating the sum of ₱75,000 for salaries of teachers in barrios schools when established under certain conditions; Act No. 1871, making available for expenditure during the fiscal year 1909 and thereafter the balance remaining from funds appropriated by Act No. 1632 for examinations for scholarships in the Philippine Medical School; Act No. 1907, providing for the appropriation of the sum of ₱2,000 out of the insular funds to assist the municipality of Imus, Province of Cavite, in the construction of a building for an intermediate school; Act No. 1914, amending Act No. 1801, entitled "An act providing for an appropriation of ₱1,000,000 for the construction of barrio schools," by reducing the required school attendance and providing that buildings shall be erected under rules and regulations prescribed by the secretary of public instruction; Act No. 1918, amending Act No. 74, by making women eligible as members of the local school board and providing that two positions at least shall be held by women; Act No. 1924, extending the benefits of Act No. 1857 to male and female teachers of municipalities and townships inhabited by Christian tribes in Mindoro and Palawan and in the subclasses for training in nursing in the Philippine Normal School, and appropriating the sum of ₱20,000 for such purpose; Act No. 1935, providing for the consolidation of all libraries belonging to any branch of the Philippine insular government for the creation of the Philippine Library, and for the maintenance and regulation of the same; Act No. 1938, authorizing the appointment of certain high-school students as government pupils while pursuing a course of training for teaching, and authorizing expenditures for such pupils from funds designated by section 26 of Act No. 1761, as amended.)

Development of agriculture and natural resources: Notable among the acts passed during this period for the development of agriculture and natural resources are: Act 1865, establishing an agricultural bank and appropriating the sum of ₱1,000,000 for its capital; act 1827, appropriating the sum of ₱100,000 to be expended in the discretion of the bureau of agriculture, under the supervision of the secretary of the interior for the purpose of combating and exterminating cattle diseases in the islands; act 2226, establishing agricultural stations; and act 2229 for the improvement of the cultivation of tobacco.

Promotion of commerce and industries: No great legislation has been enacted for commerce and industry. The last two periods paid greater attention to this subject. One interesting law that was passed was act 1838 granting a prize of ₱15,000 to the inventor of an incombustible roof to substitute nipa and creating a technical board to pass upon the conditions of the invention. Act 2216 created a commission to secure, organize, and make an exhibit of Philippine products, manufactures, arts, ethnology, and education at the Panama-Pacific International Exposition.

Public health: The problem of infant mortality has always puzzled the mind of our legislators, and so an act (2116) was passed creating a committee to investigate the causes of excessive infant mortality in the Philippine Islands and the measures to be adopted to decrease it.

Charity and public welfare: From the beginning the government has always been obliged to set aside yearly funds to succor sufferers from calamities like typhoon. Act 2199 was among the first of such laws passed by the Philippine Legislature.

Miscellaneous acts: Among the miscellaneous acts are those which tend to honor the memory of Filipino heroes and patriots. This tendency has become noticeable ever since the participation of the Fili-

pinos in the legislature. Thus, during this first period act 2262 was passed appropriating ₱50,000 for the José Rizal School Building in Calamba.

SECOND PERIOD.

(From October 16, 1913, to October 16, 1916.)

Help to non-Christian peoples: The second period comprises the time when the Filipinos controlled a majority of the Philippine Commission. Philippine autonomy properly began at this time. This period is noted for the tremendous help that the legislature gave to the non-Christian tribes. Act 2531 passed by the Philippine Legislature under date of October 26, 1915, gave great impetus to educational work in the non-Christian Provinces. This act appropriated the sum of ₱1,000,000 for expenses of the bureau of education necessary for the construction, establishment, organization, and operation of additional free insular primary schools in the territory inhabited by Mohammedans or other non-Christian Filipinos, and to make the necessary provisions for normal training of teachers for said primary schools. This fund was allotted in proportion to the school population and was used for the purchase of sites, construction of buildings, purchase of equipment, and for current expenses, such as salaries and supplies. Other laws passed for the promotion of the non-Christian peoples and the establishment of friendly relations between Christians and Mohammedans are acts 2396, 2406, 2413, 2417, 2522, 2539, 2545, 2658, 2662, and 2664.

Agriculture: This period has produced several notable laws designed to solve our perplexing agricultural problems. Foremost among these measures is act 2508, which created the rural credit associations in the municipalities for the purpose of financing individual agriculturists, especially the small farmers. Heretofore the farmers had all been at the mercy of the local usurers, as the city banks loaned money only to the big farmers.

The administration of rural credit associations, however, has not been an easy matter. So far many of the local associations have not been able to collect sufficient capital to start the work. They have to secure the assistance of the Philippine National Bank. In spite of this difficulty, the growth of rural credit associations in the Philippines has been tremendous. The first rural credit association was created on October 19, 1916. There were, in 1920, over 500 associations distributed throughout the Islands.

Other acts of interest to agriculture are act 2573 providing for the mutual insurance of work animals, act 2583 directing the provincial governments to establish and maintain agricultural nurseries, and act 2497 setting aside a fund to be devoted to the improvement of breeds of work animals.

Commerce and industry: This period has produced some important laws dealing with commerce and industry. One of them was the infant industry act (No. 2596) designed to promote and encourage the agricultural, commercial, and industrial interests of the Philippines. The Government would guarantee a certain amount of interest for a period of years to all infant industries satisfying the conditions of the act, act 2598 established a coconut product board to encourage improvement of coconut products.

During this period also was passed the law which provides for Government grading of fiber (act 2426), which has been the subject of so much comment recently. Another law of constructive tendencies is act 2429 which revised the insurance laws and local insurance business in the Philippines. Heretofore the insurance companies, mostly foreign owned, engaged in business under the laws of their mother country, to the detriment of the Filipino people.

Finance and taxation: The greatest achievement of this period in finance was the establishment of the Philippine National Bank (act 2612). Before its establishment, Filipino business men and manufacturers could not compete with their rivals for lack of credit. The big farmers of the Philippines were also in need of a bank where they could get money for the development of their big farms. The growth of the capital and resources of the National Bank from 1916 to the present shows the tremendous amount of business that the bank is doing.

In the field of progressive taxation the Philippines made an advance with the enactment of act 2601 to tax inheritances and legacies.

Public instruction: This period has not been as rich in legislation for public instruction as the first one. An act worthy of note, however, on this subject is act 2482 authorizing the provincial and municipal governments to set aside funds for pensionados to study in the University of the Philippines.

Labor: The Philippines have not very many labor problems at this time. The only big labor question that we have had was the exodus of laborers to Hawaii which often results in great hardships for laborers. Upon finding Hawaii unsatisfactory they would want to come back, but could not for lack of means. They also complained of bad treatment by recruiting agencies. To remedy this evil, act 2486 was passed requiring labor recruiting officers to deposit a certain sum of money before they can begin business and to provide adequately for the safe return of laborers to the Philippines at the expiration of their contract.

THIRD PERIOD.

(From October 16, 1916, to March, 1921.)

This period presents very many important laws worthy of thorough study. Unusual times called for unusual measures. America's entry in Europe, the economic consequences of the war, the unprecedented prosperity in 1917, 1918, and 1919 all contributed to the enactment of bold measures, social, economic, and political.

Public instruction: It had long been found by experts on education that our school facilities could not adequately meet the demand of all the children for education. It is true that the Philippine Legislature had been liberal in the appropriation acts and other special laws. We have noticed that the first law passed by the Philippine Legislature was an act appropriating ₱1,000,000 for the establishment of schools in the barrios. To further the cause of education the Philippine Legislature, by act 2782, appropriated ₱30,000,000 to defray the expenses of a five-year school program calculated to accommodate in the schools all Filipino children who may desire to attend them. This is a monumental act which elicited the praise of friends and foes alike of Philippine autonomy.

The charter of the University of the Philippines was amended, giving the alumni and faculty members representation in the board of regents (act 2759).

Agriculture and natural resources—The government development companies: The movement, began during the second period of our legislation, of allowing the government to venture in economic activities which for lack of private capital had hitherto remained dormant, was continued. The government was committed in favor of the policy of nationalizing and controlling industries when public welfare demanded such a step.

This is the main purpose in establishing the five development companies. The greatest development company established by the government is that created by act 2849, called the National Development Co., with an authorized capital of ₱50,000,000. It is empowered to engage in any commercial, industrial, or agricultural enterprise necessary to the economic development of the country and its public welfare. The stock of the company is controlled, as in other government companies, by a committee of three, composed of the Governor General, the president of the senate, and the speaker of the house of representatives. Other development companies which have been established by law, some of which have not yet begun to function, are the National Cement Co. (2855), the National Coal Co. (2705), the National Iron Co. (2862), and the National Petroleum Co. (2814).

At the time when increased food production was necessary act 2723 was passed. Under this act the secretary of agriculture and natural resources was to determine, after consulting the opinion of the municipal council concerned, what agricultural food products were most adaptable to each community; then all efforts to stimulate the production of that food product would be exerted. An appropriation of ₱500,000 was made for this purpose. The following year further appropriation for this purpose was made.

Another act that is worthy of mentioning, indicative of the trend of the government to help agriculture, is act 2696, which appropriated ₱35,000 for the purchase and installation of two machines which would develop the maguey industry.

Commerce and industry: This period saw the creation of a separate bureau for the development of commerce and industry by act 2728. This is the bureau of commerce and industry. This period also marked an attempt, though not a fruitful one, to establish a merchant marine. Act 2754 authorized the secretary of commerce and communications, with the concurrence of the Governor General, the president of senate, and the speaker of the house of representatives, to organize a merchant marine which will engage in the transportation of products from and into the Philippines. The government is actually engaged in trade in those portions of the country inhabited by non-Christian peoples. Act 2660 deals with the development of trading stations in the Department of Mindanao and Sulu to facilitate the intercourse and exchange of merchandise between the Moros and Christians.

Public health: Aside from the annual appropriation for public health, other measures have been passed for the improvement of sanitary conditions. Act 2695 provides for the isolation of prisoners infected with tuberculosis; act 2653 appropriated ₱39,000 for hospitals in the Department of Mindanao and Sulu to combat diseases; acts 2740 and 2744 appropriated money for the manufacture of "tiki-tiki" and for its gratuitous distribution among the indigent classes as a means of combating infantile beriberi.

Charity and public welfare: It has been found convenient for the government to supervise the work of charity and public welfare. The public welfare board was first created by act 2510 as amended by act 2745. Act 2988, however, abolished it, and established in its stead a commissioner of public welfare with much enlarged powers. An office is maintained in Manila for the conduct of business for the investigation of social conditions and for the dessemination of valuable sociological information. Social centers and other agencies are to be established and maintained throughout the islands. The money appropriated by the legislature for the protection of infants is distributed by this office.

Act 2761 appropriated ₱50,000 for medicine to be distributed free of charge at public dispensaries. Following the former practice, the legislature appropriated by act 2854, ₱300,000 for the relief of the poor sufferers from fires, typhoons, earthquakes, and other public calamities.

Finance: Act 2894 grants authority to Provinces, municipalities, and chartered cities to incur indebtedness and issue bonds for public improvements under certain conditions. The recent measures petitioning the increase of the bonded indebtedness of the Philippine government have already been answered by Congress by allowing such an increase. Act 2931 provides for the issuance of bonds by the government of the Philippines in such sum as Congress may authorize for the establishment of irrigation systems in the Philippine Islands.

Administration—the reorganization act: The most important administrative measure passed since 1907 was act 2666, which reorganized our executive departments. This is taken up fully in Chapter III.

Another administrative change worthy of mention was made by act 2878, which abolished the government of the Department of Mindanao and Sulu as a special political division. At present there are only two kinds of Provinces—regular Provinces and special Provinces. All the non-Christian Provinces are under the same category. This works for unification of administration. Formerly the Department of Mindanao and Sulu formed one separate, self-governing entity and the special Provinces of Luzon formed another type of administrative unit.

Private law: The first attempt at establishing divorce in the Philippines was made by act 2716. It provides, however, that before a divorce can be obtained one of the parties must have been found guilty of adultery by a competent tribunal.

Judicial reforms: The most noteworthy act under this heading is that which reorganized the courts of first instance and provides for an automatic exchange of places by lot between the judges of the courts of first instance belonging to the same rank. Every five years the judges are to be convened and those of the same class are to exchange places (act 2941). Another act postponed the exclusive use of English as the sole official language of the courts until 1930 (act 2830).

Labor: At this period the Philippines were beginning to have their labor troubles, and act 2865 authorized the Governor General to appoint a committee to investigate controversies between the owners and tenants of large estates.

Mercantile regulations: One law passed during this period which has been objected to by foreign communities like the Chinese is act 2972, which would prohibit the writing of account books in Chinese and which imposes penalty for its violation.

Public works: Public works are taken up in the annual appropriations for public works, but a law worthy of note is act 2940, providing for the issuing of bonds by the government of the Philippines in the amount of $10,000,000 for the purpose of providing funds for public works.

The militia: Act 2715, providing for the establishment of the Philippine militia, was passed in 1917. Its initial purpose was to help the United States during the Great War.

The militia is divided into two classes: First, the regularly enlisted militia, known as the national guard; and, second, the reserve militia,

composed of those who were not in active service. The Governor General is the commander in chief of all the militia. There is a militia commission established to advise him as to the permanent organization, equipment, and government of the national guard and the reserve militia. The militia commission is composed of the secretary of the interior, the president of both houses of the Philippine Legislature or their representatives, the secretary of finance, the secretary of justice, and two other members appointed by the Governor General.

Franchises: It will be worthy of note that franchises have multiplied during this period, a fact which shows great economic activity. During this time 41 franchises have been granted by the legislature. There were only 18 in the first period and 21 in the second period.

Memorials and recognitions of merit: It is proper to create a separate subheading for those acts of the Philippine Legislature which honored the memory of people who have rendered service to the Filipino people or gave recognition to those who are still living but who are illustrious by the magnitude of the work that they have done. Act No. 2795 appropriated ₱60,000 for the erection of a mausoleum to perpetuate the memory of the late Hon. William Atkinson Jones, the author of the Jones law. Act 2810 authorized the creation of a commission to take charge of the preliminary work for the celebration of the fourth centennial of the discovery of the Philippines by Magellan. Act 2918 authorized the payment of special remuneration to Frank W. Carpenter for his work in Mindanao and Sulu. Similarly, life pensions were given to Gen. Emilio Aguinaldo, former president of the Philippine Republic, and the late Cayetano Arellano, chief justice of the supreme court. (Acts 2922 and 2909, respectively.)

National ideals: Act 2928 is replete with memories of the past, for it revived the old flag of the Republic and made it an official flag of the government of the Philippines. Act 2933 provides for a standing appropriation of ₱1,000,000 every year for the commission of independence.

CONCLUSION.

It may have erred in attempting a great many things; it may be blamed for its experiments with government control and supervision, but when it comes down to the real issue as to whether it has served the country with the highest ideals of service and public welfare, our legislature can well bear the scrutiny of the most hostile critics. It has produced a record of which any legislative body of the world can be proud.

APPENDIX.

INSTRUCTIONS OF THE COMMISSION OF INDEPENDENCE TO THE PHILIPPINE PARLIAMENTARY MISSION.

Gentlemen, in compliance with a resolution of the Philippine Legislature, the commission of independence is sending you to the United States to continue the work already begun for independence and to obtain from the people and Government of the United States the immediate recognition of the absolute and complete independence of our country. A resolution to this effect has been approved by the commission of independence, and is attached hereto.

The mission shall bring before the President and Congress of the United States this just demand of the Filipino people. The sacred promise made by the American people to grant us our independence as soon as a stable government could be established in our country should be without delay complied with. The Filipino people have not only demonstrated their capacity to establish a stable government but, in fact, such a government has already been established and has been functioning for a long time. Knowing as we do America's love for liberty and justice, and her respect for her given word, we are confident that our voice will no longer be ignored.

It is not our purpose, neither is it the purpose of the Filipino people, to obtain independence by halves or independence which is not consecrated to the principle that the Filipino people shall be free to solve their domestic questions and determine their external relations.

The necessity of discussing what guaranties should be established to insure the stability of the existence of an independent Philippine government seems to have vanished as a result of changes in international relations and the salutary effects of the disarmament conference, especially the ratification of the so-called four-power treaty relative to the problems of the Pacific.

Neither is it any longer necessary to dwell upon the progress of our country under the administration of Filipinos in accordance with the government authorized by the Jones law, because this progress has been in a great measure recognized in the report of the special mission sent to these islands last March by President Harding. There are reasons, however, why we should question certain parts of the report of that special mission, especially those which refer to the stability of the present Philippine government. The second independence mission should be fully informed of the effects the extensive publicity given to that report has made upon American public opinion in general and upon their Government officials. It shall be the special care of the mission in the event that public opinion in America has been unfavorably impressed by the report to give out truthful and actual facts and describe the actual conditions in the islands as well as the satisfactory results obtained under the present government, together with the bright prospects which the future holds for the establishment of a government completely and absolutely independent.

This second mission may consider itself fully authorized to organize and reorganize itself in the form that it may deem convenient, and, taking into account unforeseen difficulties and unfavorable circumstances, it is also authorized to detail, if it so deems convenient after the immediate work of the mission is accomplished, a portion of the delegation to remain in America to organize new publicity agencies or to extend those already in existence.

The independence commission is aware of the enormous and various difficulties which will probably confront the work of the second mission to the United States. It is also aware of the complexity of the problem the mission has to solve and the circumstances it will have to contend with in order to obtain positive results. The commission hopes and is confident that the second mission will know how to meet whatever difficulties may arise and will be equal to the occasion, sparing no efforts or time to achieve success. But if after having exhausted all the means within its power and command it fails to attain the object for which it has been sent or if in the course of its negotiations new aspects or questions present themselves which the mission does not deem within its province to solve and decide, it shall make a report and recommendation to this commission in order that new or additional instructions may be sent.

The declaration of purposes and the instructions to the first Philippine mission of 1919 shall be taken as the principal guide for the work of the second mission. In complying, however, with those instructions as well as with the present the second mission shall consider itself authorized freely to act without embarrassment and in consonance with the spirit rather than the letter of said instructions and declaration of purposes, since the primordial object which actuates us in this great campaign is to secure the absolute, complete, and immediate independence of the Philippines.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Page 18, after line 12, insert:

"NAVAL ESTABLISHMENT.

"Scrapping of naval vessels: For necessary expenses in connection with the care and preservation of ships whose construction has been suspended pending the taking effect of the treaty limiting naval armament, and for expenses of handling, preserving, and inventorying material on hand or in course of fabrication for said vessels, including charges for freight, mileage, telegraph and telephone tolls, and clerical and technical services, and toward payment of bills of subcontractors for material already completed for the vessels, $5,000,000, to be available until expended."

Mr. MADDEN. Mr. Speaker, I move to recede and concur with an amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment No. 28: That the House recede from its disagreement to the amendment of the Senate No. 28, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Naval Establishment, scrapping of naval vessels: For necessary expenses in connection with the care and preservation of ships whose construction has been suspended pending the taking effect of the treaty limiting naval armament, and for expenses of handling, preserving, and inventorying material on hand or in course of fabrication for said vessels, and toward payment of bills of subcontractors for material already completed for the vessels, fiscal year 1923, $5,000,000."

The SPEAKER. The question is on the motion of the gentleman from Illinois to recede and concur in the Senate amendment with an amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment No. 31: Page 20, after line 7, insert:

"DEPARTMENT OF STATE.

"To the duly qualified guardian of Leonore M. Sorsby, minor daughter of William B. Sorsby, late envoy extraordinary and minister plenipotentiary of the United States to Bolivia, the sum of $4,200 as reimbursement for extraordinary expenses incurred for medical attendance, nurses, hospital treatment and transportation to the United States following a stroke of paralysis suffered by said William B. Sorsby at his post of duty, La Paz, Bolivia, from which he remained wholly disabled until his death."

Mr. MADDEN. Mr. Speaker, I move that the House further insist on its disagreement to the Senate amendment.

The motion was agreed to.

Mr. MADDEN. I yield to the gentleman from Tennessee [Mr. DAVIS].

Mr. DAVIS of Tennessee. Mr. Speaker, I ask unanimous consent to extend my remarks on the development of Muscle Shoals.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee? [After a pause.] The Chair hears none.

The extension of remarks referred to are here printed in full as follows:

Mr. DAVIS of Tennessee. Mr. Speaker and gentlemen of the House, there is certainly no measure pending in this Congress as to which there is more general interest and for proper disposition of which there is more widespread demand than the question of the development of Muscle Shoals. While the Congress has appropriated $7,500,000 for the resumption of work at Muscle Shoals, yet it is generally known that this did not constitute any solution of the problem; in fact, it was a mere subterfuge. No question is settled until it is settled right, and the people of this country will not be satisfied until this question is settled right. The demand by the people for action is inseparably connected with the acceptance of the Ford offer. The Members of the House will soon leave to spend the recess in their respective districts. The President has requested them in substance to convert their constituents to the ship-subsidy program. It is not necessary to convert them to the question of acceptance of the Ford offer for Muscle Shoals. I sincerely hope that the Members who are not already so disposed will receive sufficient inspiration from their constituents that when they return from their vacation they will be ready to promptly take up the question and pass a bill providing for the acceptance of the Ford offer.

The last Congress refused to appropriate $10,000,000 for the continuation of the construction of the Wilson Dam at Muscle Shoals. The chief argument then made by those opposing the appropriation was that the Government had wasted the immense amount of money spent on that investment and to make this appropriation would be sending good money after bad, as

the plant was worthless. When the present administration came into power the friends of Muscle Shoals began to importune Secretary of War Weeks to recommend that Congress make an appropriation to continue the work. He indicated that he would make such a recommendation if a responsible person or concern could be found who would be willing to lease and operate the property in the event it should be completed. Thereafter some of the advocates of the development of Muscle Shoals interested Henry Ford in the proposition, with the result that he submitted a definite bid therefor nearly a year ago.

A few weeks after Mr. Ford submitted his bid I was in Nashville, Tenn., and was interviewed by a representative of the Nashville Banner, my interview appearing in that paper under the headlines "DAVIS favors Ford's offer" on September 1, 1921. In that interview I stated in part:

All the friends of the Muscle Shoals project are very much in favor of an acceptance of Henry Ford's offer. His proposition is entirely fair and preserves the original purpose, insuring the development and operation of the plant for the production of nitrate for fertilizer in peace and of nitrate for explosives in case of future war. Henry Ford's genius, resourcefulness, and proven administrative ability would be invaluable assets. There is not the slightest probability of any other responsible bid being received that will approach the Ford offer. The Government could not operate the plant as successfully and cheaply as would Ford. And yet Secretary Weeks will not accept the Ford proposition if he can avoid it.

I then detailed the character and sources of opposition which would be encountered, mentioning the Fertilizer Trust and other powerful private interests, the sectional prejudice, the personal and political hostility to Mr. Ford, and explained that the present administration was apparently opposed to the completion or operation of the Muscle Shoals plant or the acceptance of Ford's offer.

Then I continued:

However, it is to be hoped that public sentiment will finally force Secretary Weeks to accept the Ford offer.

In addition to the valiant service being rendered by other friends of the Muscle Shoals project the national farm organizations, which are very strong in the West and Northwest, are hard at work in an effort to induce the acceptance of the Ford offer, and they will doubtless bring to bear a powerful influence.

The correctness of my diagnosis and prophecy has been fully demonstrated by subsequent events.

The Ford offer completely refutes the previous arguments of the enemies of Muscle Shoals that the completion and operation of the plant was not feasible and would simply involve a large additional waste of money, without any benefits in return. However, impelled by prejudice, the inspiration of competitive interests, or by other reasons, the opponents of Muscle Shoals have taken up position after position against the acceptance of the Ford offer, only to be driven from each untenable position.

Again, I was asked by a newspaper representative for a statement on the situation, which I gave for the press on December 5, 1921. In that statement I said in part:

The public sentiment in favor of an acceptance of Ford's offer is so strong that it can not be ignored, so that the Secretary of War will be compelled sooner or later to take some action thereon. However much I should like to be able to view it otherwise, yet I predict that he will "pass the buck" to Congress either with only a colorless recommendation or without any recommendation, but in either event accompanied by arguments against the acceptance of the Ford offer. I fear that the project will still be in the hands of its enemies, speaking from the standpoint of majorities. Even if the pressure of public sentiment, led by the national farm organizations, should result in sufficient support from the Northwest and the West to force the proposition through the present House, I very much fear public sentiment would not be sufficient to prevent it from being pigeonholed in the Senate.

Secretary Weeks did exactly what I predicted. On February 1, 1922, he referred the Muscle Shoals matter to Congress without any specific recommendation as to what action should be taken, except that he recommended that if the Ford offer should be accepted it should be amended in certain vital respects. Those recommendations have since furnished a basis for the chief opposition to the Ford offer, those opposed to the acceptance of the Ford offer eagerly seizing upon them as a pretext for their opposition.

The whole question was referred to the Military Affairs Committee of the House and the Committee on Agriculture of the Senate. The Military Affairs Committee conducted exhaustive hearings, and after many months of careful, patient study has filed three reports; the majority report recommends the acceptance of the Ford offer with a single reservation; one minority report, signed by eight members of the committee, recommends the acceptance of the Ford offer without any reservation; another minority report, signed by five members of the committee, expresses opposition to the acceptance of the Ford offer. The acting chairman of the committee, in accordance with the wishes of a majority of the committee, introduced a bill in accord with the majority report of the committee, and a rule was promptly asked for the consideration of such bill. However, those controlling the policies of the House have withheld their approval of a rule which would permit the consideration of this bill by the House, and it is quite evident that the House will soon adjourn for a six weeks' recess without taking any action on this very important matter.

When Henry Ford made a proposition involving not exceeding an 8 per cent profit in the operation of the plants for the production of fertilizer and the development of other industries, and in the event of war to produce nitrates for explosives for the Government without profit, it eliminated any bona fide bid from competitive interests because they were unwilling to take over and operate a project of this magnitude without an opportunity to profiteer upon the people in time of peace and upon their Government in time of war. Mr. Ford's offer was originally made nearly a year ago, since which offers have been made by the Alabama Power Co. and a few others, but no member of either committee or of either branch of Congress has claimed that any offer except Mr. Ford's was even worthy of serious consideration. As a matter of fact, Ford's offer has made possible the saving of the tremendously valuable Muscle Shoals plants. Credit is due him for making possible the completion of Muscle Shoals. If the value of the property had not been forcibly demonstrated by a substantial bid from such a responsible source, the entire project would have been junked by those now in authority, in accordance with their original purpose.

During his visit to Washington in connection with the matter Mr. Ford told some of us members of the Tennessee delegation that he had made what he considered a very fair offer, not with a view of making money, but with a view of rendering a public service, as he could easily find more remunerative fields than that involved in a maximum 8 per cent profit basis. The masses of the people have faith in the ability and patriotism of Henry Ford. They believe that his purpose is to render a great public service, and they fully believe that he could and would if his offer for Muscle Shoals should be accepted. Although Mr. Ford made a proposition which all unprejudiced men believe to be generously fair, and although it is considered that he has made the only proposition worthy of consideration, yet the powers that be insist that he has not made a liberal enough offer for the lease and operation of the plants, which the same parties at first contended were absolutely worthless.

It is of interest to friends of Muscle Shoals, and it should have some influence upon even its opponents, that to the financial, organizing, and administrative ability of Henry Ford is added the patriotic and friendly cooperation of Thomas A. Edison, with his chemical and inventive genius. After surveying the Muscle Shoals plants Mr. Edison stated:

Mr. Ford's proposition is essentially sound and financially just.

Those seeking to prevent acceptance of the Ford offer say that Henry Ford is a "dreamer," and so he is. The character of his "dreaming" was so aptly described in an editorial which appeared in the Nashville Tennessean of June 21, 1922, that I shall quote it, as follows:

He has dreamed big things in the past and they have come to pass, and there is no reason to doubt that his dreams for the future will come to pass if he is permitted to aid them with the common sense and the business acumen with which he is possessed.

Twenty years ago Henry Ford dreamed of a horseless carriage, and to-day his automobile is known from one end of the world to the other. This was a practical dream, yet there were those who laughed at him.

He dreamed of a great industrial city, and he has built one and more out of the profits of his first dream. He has given employment to thousands. He has spread prosperity and sunshine over a great part of our country, from which he has drawn the raw materials and the parts that go to make the finished product which bears his name.

He has dreamed of an easier life for the farmer and of greater returns for the labor that goes into the production of crops, and he has given the farmer a tractor to ease his toil and to increase his profits.

He dreamed of a railroad that could be operated without loss and at the same time give to the public cheap and efficient service, and he has brought that condition about.

He dreams now of a great water-power development on the Tennessee River which will put to use a war project that so-called captains of industry were about to abandon. One of the results of the realization of that dream will be added prosperity for the farmer. Another will be the improvement of a great river, so that cheap transportation may be had. Another will be the building of a great industrial center which will hum with activity and give employment to thousands and carry prosperity to them and their families. Another will be the maintenance of the great war project intact, so that in event we go to war again Uncle Sam will have ready at hand the tools that he will need so urgently.

This is Henry Ford's dream, and it is a dream that will come true if partisanship and the grip of the special interests can be smashed.

The farmers of the country are deeply concerned over this matter. They have a right to be. They are tired and sick of paying such exorbitant and unjust tribute to the Fertilizer Trust. They want Henry Ford to have this plant because they know that there is a vast difference between Muscle Shoals

developed and operated by Henry Ford and Muscle Shoals exploited by the Alabama Power Co., or any similar concern. The American Farm Bureau Federation, which made an exhaustive investigation of this subject, addressed letters to all Members of Congress June 22, 1922, urging the acceptance of the Ford offer, and concluding as follows:

We have stated before and we state again that, in view of the known facts, the reasonable expectation, if the Ford offer is accepted, is that fertilizers can be produced at Muscle Shoals and delivered to the farmer for about one-half what he would otherwise pay for them, and this can be done under the Ford plan by methods that are already in commercially successful operation in this country.

The farmers are naturally intolerant of this unseemly and inexcusable delay. This proposition has been before the public for nearly a year; it has been thoroughly investigated and considered by the Congress and the people. The farmers can not understand why their interests and the interests of the public generally should be longer ignored at the behest of certain private interests. Composing a large per cent of our citizenship, bearing a large part of our tax burdens, direct and indirect, and producing the food for the Nation, the farmers of this country are entitled to some consideration. Furthermore, as I have often stated, what is to the interest of the farmers is to the interest of the whole people. They are the great producers of the wealth of the Nation. When they are prosperous the Nation is prosperous, and vice versa. The more abundantly and economically the farmers can produce the more cheaply they can sell and the more cheaply the consumers can buy. Consequently every man, woman, and child in the Republic is vitally interested in the production of cheaper fertilizer. Has this ceased to be "a government of the people, by the people, and for the people"? Has it become a government of special privilege, by special privilege, and for special privilege?

I voice the sentiments of 100 per cent of the people of the district which I have the honor to represent, and I believe I represent the views of practically 100 per cent of the people of Tennessee, in urging upon Congress the immediate acceptance of Henry Ford's offer for Muscle Shoals. I sincerely hope that the present Congress, without further delay, will accept that offer. If it does not, I predict that the people will elect representatives to the next Congress who will accept the Ford offer, provided the offer is still open. However, it is the apparent purpose of those opposing this proposition to delay the matter until Mr. Ford withdraws his offer in disgust, and that is a danger incident to delay.

Mr. MADDEN. I yield one minute to the gentleman from Michigan.

Mr. CRAMTON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan? [After a pause.] The Chair hears none.

Mr. CRAMTON. Mr. Speaker, amendment No. 19, added to this deficiency bill by the Senate, among other new items for the General Land Office, Department of the Interior, provides:

Registers and receivers: For salaries and commissions of registers of district land offices and receivers of public moneys at district land offices, at not exceeding $3,000 per annum each, fiscal year 1923, $45,850; for clerk hire, rent, and other incidental expenses of the district land offices, including the expenses of depositing public money, fiscal year 1923, $40,000; in all, $85,850.

This item is the immediate sequel of the action of the House two days ago in passing Senate bill 3425, restoring certain unnecessary offices abolished very recently in the Interior Department appropriation bill.

There have been in the country the past year 94 district land offices, many of which served useful purposes in times past, but are no longer necessary. The appropriation bill provided for closing of 19 of these July 1, and consolidated the offices of register and receiver in 21 others. By reason of such action it was possible to cut the appropriations for the district land offices $128,000, and most of the 19 offices abolished were being maintained in violation of the law of 1840.

But such real practice of economy was too much for many who love to talk economy. The clans gathered and organized and combined assault was made so successfully that Senate bill 3425 was passed through the House Wednesday in form providing for restoration of 10 of these offices, namely: Bellefourche, in the State of South Dakota; Waterville, in the State of Washington; Dickinson, in the State of North Dakota; Del Norte and Sterling, in the State of Colorado; Clayton and Fort Sumner, in the State of New Mexico; Harrison and Camden, in the State of Arkansas; and Alliance, in the State of Nebraska.

During the debate on this bill in the House naturally the real facts of the case became much obscured by smoke screens of erroneous statements made in behalf of the bill, both as to the necessity for continuance of these offices and the cost thereof. Advocates of continuing numerous sinecures were equally careless of the real facts concerning either branch of the argument.

The amendment above quoted must come as a shock to any real believers in administrative economy who were led to support Senate bill 3425 through belief that the cost of continuing these offices would be less than claimed by myself and others.

The gentleman from South Dakota [Mr. WILLIAMSON] has been most active in seeking the return of Bellefourche and two other offices in his State. Attacking the claim of those in charge of the Interior Department bill that a saving of $128,000 had been accomplished by the closing of offices and consolidation of officers in the public land service in that bill said (RECORD, p. 9622):

It has been said that the saving will be $128,000 a year if the offices in this bill are discontinued. As a matter of fact, the saving would not be over $35,000 or $40,000. The statement shows that the total operating expenses are only $80,407.76; then, how can there be a saving of $128,000?

The gentleman was sure the saving from closing 19 offices and consolidating offices in 21 more would be "not over $35,000 or $40,000." But the event proves how little he understood the facts, for the land office speedily called for $85,850 to reopen only 10 of the 19 offices closed.

Later the gentleman from Wyoming [Mr. MONDELL], the distinguished leader of the Republican majority and generally desirous of being known as a real believer in economy, came to bat with his expert testimony as a real son of the Golden West. Said he:

Let us see what the situation is in regard to the land offices. How much do we save by abolishing a land office? Well, we save the rent, which may be from $50 to $100 a month—I think never more than $100 in these country towns—let us put it at $100. That is $1,200. Then you save the light and fuel. It may be that in those items you save $300 more. That makes $1,500, and that is all we save to a certainty when we abolish a land office. You may save something more, but there is no certainty that we save another penny.

Closing one land office would save $1,500, closing 10 would save $15,000, and "you may save something more, but there is no certainty that we save another penny."

Closing 10 offices would save only $15,000, said our great floor leader, but opening the same 10 costs $85,850 next day, says the Commissioner of the General Land Office, Hon. William Spry, former Governor of Utah.

So economists who followed the western clans, listening to WILLIAMSON and MONDELL, must now awake to the facts.

Amendment 19 of the Senate was prepared by the General Land Office and was the estimate of that service of the amount necessary to continue the 10 district land offices, $85,850. The conferees cut the amount for clerks $10,000, but the item remains at $75,850 to continue 10 land offices whose total receipts will not next year greatly exceed that amount and several of which would have been closed years ago if the Interior Department had not ignored the plain law of 1840.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House of Representatives to the bill (S. 831) to amend the proviso in paragraph 10 of section 9 of the Federal reserve act amended by the act of June 21, 1917, amending the Federal reserve act.

EXTENSION OF REMARKS.

Mr. BENHAM. Mr. Speaker, I ask unanimous consent to extend my remarks by quoting a letter on the duties of women's statesmanship.

The SPEAKER. The gentleman from Indiana asks unanimous consent to extend his remarks by quoting a letter on the duties of women's statesmanship. Is there objection?

Mr. WALSH. Whose letter is it, may I ask the gentleman? Who wrote the letter?

Mr. BENHAM. A lady whose name I do not remember, from my State.

Mr. MADDEN. I think we should get on with this conference report, and I object.

THIRD DEFICIENCY APPROPRIATION BILL—CONFERENCE REPORT.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 38, page 24, after line 6, insert:
"Immigration Service Hospital, Ellis Island, N. Y.: The appropriation 'Pay of personnel and maintenance of hospitals, 1922,' carried under the Public Health Service in the Treasury Department appropriation act for the fiscal year 1923, is also made available to enable the Public Health Service to operate the hospital of the Immigration Service at Ellis Island, N. Y., on the basis of the same items of expense shared by each service during the fiscal year 1922. The

Immigration Service shall reimburse the Public Health Service on the basis of per capita rates fixed by the Secretary of the Treasury and the sums received by the Public Health Service from this source shall be covered into the Treasury as miscellaneous receipts."

Mr. MADDEN. Mr. Speaker, I move to recede and concur with an amendment.

The Clerk read as follows:

Mr. MADDEN moves to recede from the House disagreement to amendment No. 38 and concur in the same with an amendment as follows: Preceding the matter inserted by said amendment insert the following center heading: "Public Service."

The question was taken, and the motion to recede and concur with an amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment No. 39, page 25, insert:

"FEDERAL FARM LOAN BUREAU.

"Salaries and expenses, Federal Farm Loan Board (reimbursable): For salaries of four reviewing appraisers at not to exceed $5,000 each per annum, and the traveling expenses of such reviewing appraisers, fiscal year 1923, in all, $35,000: *Provided*, That on the 1st day of January, 1923, and the 30th day of June, 1923, the Federal Farm Loan Board shall assess the salaries and expenses of the positions hereby provided for, and paid during the preceding half year, against the several Federal land banks and joint stock land banks in proportion to the gross assets of such banks at such times, and the funds collected by such assessments shall be covered into the Treasury as miscellaneous receipts."

Mr. MADDEN. I yield a minute to the gentleman from South Dakota [Mr. WILLIAMSON].

Mr. WILLIAMSON. Mr. Speaker, I desire to say in answer to the gentleman from Michigan [Mr. CRAMTON] that no one claimed upon the floor of the House that we would save money by continuing these land offices. What we did state was that the Government realized over $70,000 net revenue from these offices after paying all expenses.

During the debate upon the land office bill it was repeatedly asserted that the saving which would be realized in the event that the bill was defeated would be $128,000, in defiance of the fact that for the fiscal year of 1921, upon which the figures were based, the total cost of maintaining the 10 offices which the bill sought to restore was only $80,407.76. The income for the same period was $151,618.39, leaving a net gain to the Government of $71,210.63.

Every dollar of the money appropriated for the continuation of these offices will be rebated to the Government from the fees collected by these same offices during the next fiscal year. Not only that but they will return a handsome surplus over and above all expenses.

Even if abolished the work which will now be attended to in these offices would have to be done in some other office and the expense of doing it could not be avoided. It is absurd to claim that the total expense of maintenance would be saved. What little might be saved by the Government in their abolition would be paid many times over by the pioneer settlers in the added expense they would be called upon to bear by having to transact their business at points often hundreds of miles farther from their land. No country could ever be developed but for the pioneers, and the Government should not remove from them the conveniences these land offices afford, especially in view of the fact that they pay more in fees than the total cost of maintenance.

If the gentleman from Michigan [Mr. CRAMTON] would devote his time to seeking practical means of cutting down the overhead where it is not needed and eliminating useless employees here in Washington and elsewhere, he would be performing a real service for his country. In place of this he has been devoting his undoubted talents in an attempt to cut expense where to save a few thousands of dollars is to impose many thousands upon the backs of those whose burdens are already in many cases beyond their capacity to bear. As long as the settlers who are benefited by a land office pay all the expenses of maintenance and more, they should have the office. There is no more sense or justice in depriving these people of their land offices than there is in depriving them of their post offices and rural mail facilities.

I desire permission to revise and extend my remarks.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. GARNER. Will the gentleman from Illinois yield?

Mr. MADDEN. I move to recede and concur.

Mr. GARNER. I would like to ask the gentleman from Illinois to explain this.

Mr. MADDEN. I will be glad to explain it. A great many additional land banks have been organized and joint-stock banks and the Land Bank Board has for a long time insisted that they needed more careful supervision than they have been able to give, and they have on more than one occasion recommended additional examiners and appraisers, and they some time since requested legislation which would enable them to make assessments upon banks throughout the country for all expenses of the Land Bank Board here. It was thought by everybody, I think, interested in the land banks that this would not be a good time to impose any additional burden upon them by permitting the Land Bank Board here to make assessments on the land banks for the expenses of the board. This does not go to the extent that the original proposal went. Now they come and ask for a few additional appraisers because of the great need for more stringent supervision than they have been able to give to the workings of the banks and the increasing number of associations and land banks, and they have the authority to make the examinations, of course, but they have not had the adequate force, and they also have the authority under the law to levy the costs of those examinations against the banks that are examined, but this amendment simply provides under the act which reads as follows:

Land bank appraisers shall receive such compensation as the Federal Farm Loan Board shall fix and shall be paid by the Federal land banks and joint stock land banks, which they serve in such proportion and in such manner as the Federal Farm Loan Board shall order.

Now, what the Farm Loan Board wants is authority to appoint a few additional appraisers.

Mr. BEGG. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. BEGG. Are you talking about examiners of the banks or appraisers of the land? They are decidedly different propositions.

Mr. MADDEN. Both examiners and appraisers. These particular people are appraisers. However, they are short of both.

Mr. BEGG. That is a decidedly different proposition.

Mr. MADDEN. I say they are short of both.

Mr. BEGG. Which is it that the amendment provides for—appraisers or inspectors?

Mr. MADDEN. Appraisers.

Mr. KINCHELOE. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. KINCHELOE. This amendment means that these four reviewing appraisers are going to go over the work of the regular appraiser and scrutinize that and see if he has done his duty or not?

Mr. MADDEN. Yes; and to see whether the security taken is adequate.

Mr. KINCHELOE. Why not work with these four reviewers, instead of with the original appraiser?

Mr. MADDEN. We can not do that.

Mr. KINCHELOE. This provides for only four.

Mr. MADDEN. I want to say that I have never yet, in all my experience in the House, come in contact with a board that understands its work as well as does this Farm Loan Board. I think they are really worth while. They have done a wonderful work. They are watchful not only of the interests of the farmers but also of the interests of the Government.

Mr. KINCHELOE. This is enough to do the work of seeing whether those loans are good?

Mr. MADDEN. Yes.

Mr. ASWELL. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. ASWELL. The criticism that has been made is that the overhead expenses were too heavy. Is that it?

Mr. MADDEN. The overhead expenses of the organizations have nothing to do with the Farm Loan Board.

Mr. ASWELL. That is the contention that is made?

Mr. MADDEN. I think the overhead expenses of the Farm Loan Board are the lowest that we have.

Mr. GARNER. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. GARNER. I do not have any doubt but that the statement of the gentleman which he has just made is correct, but this Farm Loan Board will drift into the position that other boards and commissions have gotten into. In that Farm Loan Board you are losing the older men and bringing in new men, and the overhead charges are paid by the farmer.

Mr. MADDEN. Those are paid by the Government of the United States, except these particular positions.

Mr. GARNER. This is to be reimbursed by the farmers, is it not?

Mr. MADDEN. No. The Farm Loan Board expenses are paid out of the Treasury of the United States, and paid by you and by me and by everybody else in the United States except the farmer, save as the farmer is a part of the whole people.

Mr. GARNER. How many more of these farm agents or examiners will you need next year and the next year after that?

Mr. MADDEN. It depends entirely on the expansion of the service. If this service expands you will need more. If it contracts you will need less.

Mr. Speaker, I ask for a vote.

The SPEAKER. The question is on agreeing to the motion to recede and concur.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

Senate amendment No. 42: Page 26, after line 17, insert: "The Secretary of the Treasury and the General Accounting Office are hereby authorized and directed to credit in the accounts of the Treasurer of the United States certain items of unavailable funds in the sum of $15,956, now carried in the accounts of the office of the Assistant Treasurer of the United States at Boston, Mass., and in the general accounts of the Treasurer of the United States as unavailable funds and representing a shortage found upon the discontinuance on October 25, 1920, of the subtreasury at Boston, Mass., in the amount of money belonging to the United States while in the custody of said assistant treasurer, the loss of said money having occurred through no fault or negligence on the part of said assistant treasurer, as set forth in Senate Document No. 400, Sixty-sixth Congress, third session, and for this purpose the sum of $15,956 is hereby appropriated."

Mr. GARNER. Mr. Speaker, will the gentleman yield?

Mr. CROWTHER rose.

Mr. MADDEN. I am going to move to disagree to that.

Mr. GARNER. I know.

Mr. MADDEN. I will yield first to the gentleman from New York [Mr. CROWTHER].

Mr. CROWTHER. Mr. Speaker, I realize that in the closing hours there will be no disposition to listen to many speeches. I ask unanimous consent that I may extend my remarks in the RECORD on the Fordney-McCumber tariff bill.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks on the tariff bill. Is there objection?

There was no objection.

The extension of remarks referred to are here printed in full as follows:

Mr. CROWTHER. Mr. Speaker, the tariff is a national issue as well as a local issue for the reason that national prosperity is absolutely dependent upon local prosperity. Every city and town fights for its industries, for the wage-earning citizens are the backbone of an industrial community.

You can not have industries unless you have a market for their output, and you can not have a market if you permit it to be flooded with products made in other countries on a cheaper wage scale.

But the tariff is closer to each of us than a local issue—it is an individual issue. With every wage earner it is a question whether he wants his earnings placed on a level with the earnings for the same labor abroad. With the capitalist it is a question whether he wants his investment destroyed by unequal competition in our markets with the foreign producer. With the American farmer it is a question whether he wants to harvest crops and raise cattle whose selling price is fixed by the farmers of Canada or of other countries.

Regardless of politics and the vicious attacks of the importers the above is a fair and honest statement of just what tariff means to an American wage earner.

If you want fair wages and a fair opportunity to sell in the American market, then you must favor protection and must insist upon a tariff that will make up the difference between your costs and the foreign costs.

If you are not interested in wages and are willing to sell your products below cost, whether from farm or factory, then only free trade or an ineffective tariff "for revenue only" is what you want.

DEMOCRATS BLAME FARMERS FOR TARIFF BILL.

After offering every possible excuse for delaying the tariff bill the Democrats have finally decided that they will place the blame upon the farmers of this country by a declaration that the proposed duties on agricultural commodities will cause a tremendous advance in the cost of living.

When the emergency bill was under consideration the Democrats cried out that we were not helping the farmer, and that the duties imposed in that measure would not add one cent to the value of the farmers' crops.

Now they reverse their position and declare that the present bill, carrying exactly the same average in duties, will so increase the value of the farmers' products that the cost of living will be materially advanced.

The truth of the matter is that the emergency tariff was of material benefit to the farmers by improving their market for wheat, corn, dairy products, and hogs, and was instrumental in stabilizing the wool market and raised the price of cattle, which helped the stockmen of the West.

During the entire period since this act became law there has been no advance in the cost of living; in fact, there has been a slight reduction.

FARMERS TO HAVE ADEQUATE PROTECTION.

The Fordney-McCumber bill is the first tariff measure containing adequate rates for the protection of agricultural commodities.

The American farmer has been plodding along trying to compete with every country in the world with practically no protection whatever on his own products, taking what he could get at a market price that was set by Canada or Denmark or London, and having to purchase machinery and implements that had the benefit of a reasonable rate in the tariff bill.

It is high time that such benefit as accrues from a protective tariff should be extended to him, and this is the manifest purpose of the pending bill.

The American farmer has just passed through two years of experience which proves conclusively that he can not prosper when American workingmen are idle. Internationalists and free traders attempt to persuade the farmer that his prosperity is dependent on foreign markets. This viewpoint is ridiculous in view of the fact that the American farmer sold more of his crops abroad in 1921 than in any previous year in the history of the United States, and yet the prices he received for his crops in 1921 were the lowest in the history of American agriculture. This effectually disposes of the claim that foreign markets made the American farmer prosperous.

The real reason for the low prices of farm products in 1921 is that during that year there were more American workmen walking the streets without money to buy food products than ever before in the history of this country.

The American consumer, whose buying power is measured by the contents of his pay envelope, is not benefited by any policy which reduces the contents or stops it altogether. If he is destroyed as a producer, he is also destroyed as a consumer.

The American farmer is not benefited by any policy which destroys the pay envelope of American men and women who depend on industrial activity for their living.

SOUND REPUBLICAN DOCTRINE.

The sole issue involved in the present tariff controversy is whether or not this Nation is going to adopt an economic policy that will build up American industries which give employment to millions of men and women, who in turn buy the products of American farms, sustain public utilities, build up and develop American communities, or is this Nation to adopt an economic policy which benefits only a few thousand importing interests which are willing to betray and ruin American industry, American labor, and American agriculture, because by so doing they reap for themselves enormous profits?

America is the richest sales market in the world. It is the one place upon which the eyes and hopes of every manufacturer, foreign or domestic, are centered. Here the competition is sharpest and even a small advantage is eagerly sought. The importer wants a low tariff so that he can sell for less than the domestic manufacturers' cost levels; the domestic manufacturer wants a tariff high enough to permit him to pay American wages and at the same time be at no disadvantage in the American market.

The question then is whether it is better to have American manufacturers paying American wages to produce American goods for sale in the American market, or to permit foreign manufacturers paying foreign wages to produce foreign goods for sale in the American market.

The Fordney-McCumber bill now under debate in the Senate is so written that the products of American labor shall have at least an equal opportunity with foreign products in the American market; where there is doubt the decision is in favor of the American wage earner.

Let me call your attention to the fact that we have reenacted a restrictive immigration law to keep out the cheap labor of Europe and Asia, and many of the people who clamored loudest for that law seem to be quite willing to allow the goods they produce to flood our country and be sold in our stores while American workmen walk the streets.

The inconsistency of this attitude is clearly apparent, and all thoughtful Americans will agree that if we are to keep out the cheap labor we need a restrictive importation law to keep out the product of the cheap labor.

TARIFFS IN OTHER COUNTRIES.

Great Britain, her dominions and colonies, lead the world in raising tariffs since the war. Preaching lower tariffs to America, the British Empire has erected a protective tariff wall throughout her world-wide possessions, and even in mandated

territories, which protect her home markets and industries and discriminate against American products.

While she has been doing this she has also been flooding the United States with propaganda against the American Congress writing a protective tariff law for American industries.

Switzerland, Czechoslovakia, Yugoslavia, Austria, Italy, Belgium, Ecuador, Poland, Finland, Mexico, Peru, Denmark, Spain, Bulgaria, Sweden, and Hungary have all enacted tariffs with rates ranging from five to two hundred times those of pre-war times.

Those heedless and uninformed Americans who have been giving aid and comfort to the importers and international bankers by howling that this was no time to write a tariff bill had better sit up and take notice.

CALAMITY HOWLERS AND POOR PROPHETS.

Free-trade Democrats in the Senate are assailing the pending tariff bill with prophecies that it will add to the cost of living. That is an old, old story with free traders.

For nearly a century they have been reiterating that statement, saying it over and over again, until it has worn so deep a groove in the Democratic platform that no Democrat can see over the sides of it.

All they have said in debate on the present bill was uttered in precisely the same language by their Democratic predecessors of years ago. The record shows that they have denounced every protective-tariff law before its enactment.

Never do these same Democrats justify their argument by taking the figures of a protective-tariff period to prove that protection has ever added a penny to the cost of living. They do not do it because the results do not prove their case.

Democrats always talk fiercely regarding the disastrous results of a tariff bill that protects home industries, but you can never get a word out of them as to the beneficial influence such measures have had on the prosperity of America.

The reason is because of the wide discrepancy between prophecy and results. Every Democratic free-trade law ever enacted has soon or later forced industrial depression and panic. Every protective-tariff law has encouraged industrial expansion and has created prosperity.

AMERICAN VALUATION.

Only by applying the principle of American valuation at the customhouse can Uncle Sam be assured of an honest return in the matter of collecting duties on foreign products. For many years we have realized that the foreign valuation was wrong in principle and un-American in practice, for to ascertain whether the value reported by the importer is a correct and fair value the appraiser must depend on foreign information, and that can only be procured voluntarily. Our Government can only compel information within our own borders.

Foreign-valuation duties are levied upon the usual wholesale foreign market value. The only sources, therefore, of knowledge are foreign sources, over which our Government has no jurisdiction. Under regulations the foreign invoice is considered to be confidential and comes under the observation of the appraising officer only. If an interested American should have personal knowledge of foreign values, he has no way of knowing whether competing foreign goods are paying duty upon their true value, and if inquiry is made the officer claims the price must be kept secret and not divulged under any circumstances.

When our officials attempt to secure facts in foreign countries they are often misled and more often denied the information, and in some cases are threatened with arrest unless they discontinue the investigations and leave town. The result is that our officials are insulted and disgraced and are unable to secure the information that is necessary in order that the Government shall not be defrauded of its just rights in duty payments.

If the law can be based on American valuation, the Government can secure true values and have the full assistance and cooperation of American manufacturers who come in daily contact with competitive trade prices, and who will gladly render such assistance and any information they possess.

To allow the importer to pay duties on foreign valuation, which is frequently a fraudulent value on the invoice, is just as ridiculous a proposition as for a city to establish a tax rate and allow the individual to say what the value of his property is and ignore the board of assessors.

A few moments careful consideration of the above facts will serve to apprise you of the reasons why the internationalists and the importers are so strongly for the foreign valuation as against the sane and practical method of American valuation.

NO FOREIGN TARIFF MEDDLING.

Republicans are determined to pass the Fordney-McCumber bill because they believe it is essential to the prosperity of the United States. Under the Dingley tariff law this country prospered as no other country ever prospered, and the Dingley bill was the highest tariff law ever enacted in the United States.

During the campaign of 1920 the importance of a high tariff was emphasized, and the House of Representatives responded promptly to the demand and passed the pending bill on July 21, 1921. Every conceivable method of delaying the bill has been resorted to by the free traders, internationalists, importers, and the propagandists of foreign countries since it went from the House to the Senate, but we can rest assured that the Senate Republicans will not permit the importers, or the agents of either England, France, Spain, or any other country, to dictate the rates in an American protective-tariff measure.

DEMOCRATIC FILIBUSTERING.

The filibustering on the part of Democratic Senators is particularly obnoxious at this time when the entire country is awaiting a return to normalcy through the enactment of wise tariff legislation. The Democrats are evidently not concerned about the cost to the country of protracted legislative uncertainty. Since Republicans are in power these Democrats believe they can fasten responsibility upon them for inaction and thus make Democratic votes on election day.

It is all buncombe to say, in defense, that Democrats have been seeking to perfect the tariff bill by amendments. They have made no such effort. Many Democratic Senators have voted for the highest rates in the bill when industries in their own States have been concerned. Not one serious effort has been definitely made by them to amend the bill.

ONLY PURPOSE IS TO DELAY.

They have denounced it as iniquitous; they have characterized it as a new burden on the American consumer; they have indulged in all manner of generalization against it; but the record does not reveal a single constructive suggestion from Democratic Senators designed to "perfect" the bill.

Their purpose is to delay, not to perfect; to postpone enactment so long that voters will be confused on election day as to the real effect of the bill. They hope they can filibuster until September.

They will not get very far by the pursuit of such tactics, for the men and women of America are possessed of well-balanced minds, keen intuition, and sound common sense, and the seductive voice of the Democratic siren will not cause real Republicans to waver in their faith.

WILL REQUIRE YEARS TO REPAIR DAMAGE TO NATION.

The Republican Party, in its national platform of 1920, did not promise the people a quick return to normal conditions as the result of Republican return to power. There was a too serious realization of the magnitude of the problems to be solved to permit the making of such a pledge.

Never in all history did a political party come to such a heritage of difficulty as that which confronted the Harding administration upon its inauguration.

The interest alone upon the vast national debt, in part a monument to Democratic extravagance and inefficiency, was of itself equal to the entire national expenditures under the last year of Republican national control under Taft. Other fixed charges growing out of the war were as much more. With extravagance running riot, incapacity enthroned in the civil service of the Nation, and with the whole governmental establishment permeated with the spirit of reckless waste, the job of cleaning up the Augean stable was one demanding the strength and persistence of a Hercules.

OPPOSITION PARTY HINDERS EFFORTS FOR RECONSTRUCTION.

While the Republican Party has been steadily engaged in the work of clearing up the débris of this Democratic wreck the politicians of the opposition have stood along the side lines jeering the workers and wherever possible have resisted the progress of the work the party in power was trying to accomplish. Despite these obstacles remarkable progress has been made in the tremendous task of reconstruction.

Congress and the Executive have done their full part. No one will claim that the work has been completed. No reasonable person will expect or demand that it should be completed in so short a time. It will take a quarter of a century to repair some of the damage done to the Nation during the past few years. The critics who believe that the Nation can be made as good as new in a few months are unreasonable in their demands.

PRESIDENT AND CONGRESS WORKING TOGETHER.

Definite and constructive steps are being taken in an orderly manner by President Harding and the Republican majority in Congress toward working out a comprehensive national program that will put an end to the ruinous waste, extravagance, and inefficiency in the conduct of public affairs that characterized the Wilson administration and restore conditions of justice, equal opportunity, and prosperity to the American people.

Mr. GARNER. Now will the gentleman yield?

Mr. MADDEN. Yes.

Mr. GARNER. The gentleman from Illinois a moment ago, in a reply to a statement I made that the farmers would pay the expenses of this $35,000 for four additional appraisers, said the Government would pay it. The gentleman from Tennessee [Mr. BYRNS] and the gentleman from South Carolina [Mr. BYRNES] and the gentleman from Georgia tell me that the farmers do pay this, and this is four additional jobs that you are creating at $5,000 a year for which the farmers will have to pay.

Mr. MADDEN. The gentleman misunderstood me.

Mr. GARNER. The gentleman from Illinois said that these expenses were to be paid by the Government.

Mr. MADDEN. If the gentleman understood me I did not understand him. What I did say was this, that this $35,000 would be paid by assessments against the banks, but that the cost of operating the Federal Farm Loan Board, the payment of the salaries of the Farm Loan Board members and of their forces, is to be met out of the Treasury of the United States.

Mr. GARNER. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. GARNER. Then these four jobs, created in this amendment at $5,000 a year, with $15,000 traveling expenses, are paid for by the farmer?

Mr. MADDEN. Not at all.

Mr. GARNER. Who are they paid by?

Mr. MADDEN. By the banks, out of their profits.

Mr. GARNER. Who pays the expenses of the banks?

Mr. MADDEN. This is paid out of the profits of the banks.

Mr. GARNER. The farmer gets the benefit. But I merely wanted the RECORD to show that on the eve of adjournment you are creating four jobs at $5,000 a year each, with $15,000 expenses, which the farmer has to pay.

Mr. MADDEN. I think this is the best job we have done during the session. [Applause.]

Mr. GARNER. That may be, but the farmer pays for the job.

Mr. MONDELL. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. Yes; I yield to the gentleman from Wyoming.

Mr. MONDELL. I am a little bit surprised at the statement of the gentleman from Texas [Mr. GARNER]. Getting on toward dog days, I suppose gentlemen are expected to indulge in demagogy of one sort or another. The farmer who receives the benefit of farm loans pays a certain amount of interest.

Mr. GARNER. Will the gentleman yield?

Mr. MONDELL. And the interest that has been fixed, in view of the large amount of business done, the large volume of business, leaves something of a profit to the farm loan banks, and out of that profit to the farm loan banks it is proposed to pay a few employees whose business it will be to expedite the allowance of loans.

Mr. GARNER. Mr. Speaker, will the gentleman yield?

Mr. MONDELL. I will if I have the time.

Mr. GARNER. As I understand the gentleman's idea of demagogy, it is that every time a Democrat calls a Republican to account it is demagogy. [Laughter.]

Mr. MADDEN. The gentleman could not base that idea on my statement.

Mr. GARNER. I did not question the gentleman's statement, but I believe the gentleman did not know.

Mr. MONDELL. What "the gentleman from Wyoming" meant and said was that it is demagogy to say that the farmer pays for something that he does not pay for.

Mr. WINGO. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. Yes; I yield.

Mr. WINGO. I know the gentleman from Wyoming does not want to leave a misleading statement in the RECORD. I know he does not know any better, but I am sure the chairman of the committee does.

The SPEAKER. The time of the gentleman has expired. [Laughter.]

Mr. WINGO. Will the gentleman give me five minutes, then?

Mr. MADDEN. I yield to the gentleman one minute.

Mr. WINGO. Make it two.

Mr. MADDEN. I yield to the gentleman two minutes.

Mr. WINGO. I am not going to enter into this controversy, except to call the attention of the gentleman from Wyoming to a provision of law of which he is apparently ignorant; that is, if we are to credit him with sincerity in his last statement. Out of the profits of the bank the stockholders are paid dividends, and the only stockholders of the bank are the farmers who borrow, because a farmer in order to secure a loan must subscribe to a specified amount of stock of the bank. Then the bank declares dividends to the farmer out of the profits, and that reduces his annual payments and interest, and anything that absorbs the profits of the bank comes out of the amount that is paid to the farmer.

Mr. MONDELL. And the gentleman from Arkansas also wants to delay these loans to the farmer.

Mr. WINGO. Oh, no; I do not want to delay them.

Mr. MADDEN. I move to further insist on the disagreement of the House to the Senate amendment.

The SPEAKER. The gentleman from Illinois moves that the House further insist on its disagreement to this amendment.

The question being taken, the motion was agreed to.

ANNUAL FINANCIAL STATEMENT.

Mr. MADDEN. Mr. Speaker, it is usual at the end of a session of Congress for the chairman of the Committee on Appropriations and the ranking minority member of the committee to make a financial statement. It will take about two weeks to get this statement ready in order to have it in complete form. I ask unanimous consent that the gentleman from Tennessee [Mr. BYRNS] and myself may be permitted to make this statement and print it in the RECORD on the 12th of July after the House recesses.

The SPEAKER pro tempore (Mr. WALSH). The gentleman from Illinois asks unanimous consent that the gentleman from Tennessee and himself may extend their remarks in the RECORD by printing a financial statement on the 12th of July. Is there objection?

There was no objection.

The statement referred to is here printed in full as follows:

Mr. MADDEN. The Republican Party came into power in the Congress on March 4, 1919, as a result of the elections of the fall of 1918. The new Congress was summoned into extra session by President Wilson on May 19, 1919. President Harding took office on March 4, 1921, as a result of the elections of the fall of 1920. The financial record made by the Republican Congress from May, 1919, to March, 1921, and by the Republican administration in full control since March, 1921, is not surpassed by any period in the history of the country. The desire of the American people for a reduction in public expenditures and a return to a normal state of affairs in Government and business, as expressed in the elections of 1918 and 1920, has been met with by a record that is responsive and gratifying.

REDUCTIONS IN ESTIMATES AND APPROPRIATIONS, FISCAL YEARS 1920, 1921, AND 1922.

Upon assembling in extra session in May, 1919, the new Republican Congress was confronted with the task of passing before the commencement of the new fiscal year on July 1, 1919, eight of the largest of the supply bills which the Democratic Congress had failed to enact into law before it went out of power. Those bills at the time of their failure were all pending in the Senate. The amounts carried in them at the time of their failure aggregated $3,767,975,974.73. The total of the same eight bills after their reenactment was $2,828,283,432.76. The first legislative action of the new Congress resulted in the passage of these bills before the fiscal year began and in the decrease of the appropriations proposed by the Democratic Congress for the fiscal year 1920 by $939,692,541.97.

The estimates for the fiscal years ending June 30, 1921, and 1922, respectively, and deficiency estimates for prior years, were prepared by the Wilson administration and submitted to the Republican Congress. The reductions made by the Congress in those estimates aggregate slightly more than $2,950,000,000.

The total reductions which the Republican Congress effected in the amounts proposed to it by the Democratic administration for the fiscal years 1920, 1921, and 1922, reach $3,890,000,000, a sum which exceeds by nearly $150,000,000 the total of the appropriations just made for the fiscal year ending June 30, 1923.

In addition to the reductions effected in the estimates of the Democratic administration and the bills of the Democratic Congress, the Republican Congress, in connection with the preparation of the appropriation bills for the fiscal years 1920, 1921, and 1922 also brought about the repeal of appropriations totaling $1,140,000,000.

The reductions made by the Republican Congress in the appropriations for the fiscal years 1920, 1921, and 1922 are reflected in the following table:

Appropriations, fiscal year 1920	$6,454,596,649.56
Appropriations, fiscal year 1921	4,780,829,510.35
Appropriations, fiscal year 1922	4,066,316,366.74

These reductions are important to keep in mind because of the direct bearing and influence they have had on the reductions in expenditures for these fiscal years, which will be referred to later.

EXECUTIVE PROCEDURE UNDER THE BUDGET.

The veto by President Wilson of the Budget bill, sent to him by the Republican Sixty-sixth Congress, postponed until after the advent of the present administration the enactment of that important legislation. The new law was signed by President Harding on June 10, 1921. Its operation has covered the period of one full year of expenditure, that of the fiscal year which closed on June 30, 1922, and the preparation of the Budget for the fiscal year 1923, which has just begun.

The accomplishments under the new system have exceeded the expectations of its most ardent advocates and have converted many who were inclined to be skeptical.

Four outstanding principles of the system justify its establishment, namely: (1) The placing upon the President of the responsibility for the submission of coordinated expenditure and revenue proposals to Congress; (2) the business control required to be exercised by him over expenditures after the appropriations have been made, and the coordination of administrative procedure; (3) the centralization of the jurisdiction over the making of appropriations in a single committee in each the Senate and House of Representatives; and (4) the establishment of a centralized and independent audit of expenditures.

To President Harding and his first Director of the Budget, General Dawes, are due great credit for the successful inauguration of the executive phase of the system. Governments, like individuals, have habits, and the habits of incoordinate and uneconomical expenditure of public funds of long standing have been hard to break. The interest taken by the President in reforming administrative methods and producing economies in the everyday functioning of the Government are deserving of the highest commendation. The operations of the fiscal year just closed speak more fully than words of praise of the success of the President in holding down expenditures. In August, 1921, shortly after the beginning of the fiscal year 1922, the spending departments of the Government estimated that the withdrawal of funds from the Treasury during that fiscal year would aggregate $4,554,000,000. The fiscal year closed on June 30 last. The total actual expenditures chargeable against ordinary receipts amounted to $3,795,302,499.84, or nearly $759,000,000 less than the amount it was estimated would be expended when the year commenced.

The interest taken by the President in public expenditures has been an inspiration to administrative officials. He has called meetings of the business organization of the Government, consisting of all executive officers, and has inspired them with his enthusiasm of purpose to bring the cost of the Government back to normal and to place its methods upon a thoroughgoing business basis.

The first complete report furnished by the Director of the Bureau of the Budget to the President was made to him on May 8, 1922. Ordinarily such a report would not have been made until the close of the fiscal year on June 30. It was called forth at this early date in order to comply with the terms of a resolution introduced in the House (H. Res. 285, 67th Cong.) which requested the President to submit to Congress detailed information concerning the economies declared to have been effected through the operation of the Bureau of the Budget. The President, without being formally requested by the House so to do by the passage of the resolution, directed General Dawes to comply as fully as possible with its terms. The letter of the President to the Budget Director outlines so clearly the character of the report to be made that I shall quote it here:

MARCH 6, 1922.

Gen. CHARLES G. DAWES,
Director Bureau of the Budget, Washington, D. C.

MY DEAR GENERAL DAWES: I am in receipt of yours of this morning in reply to my note inclosing to you the inquiry of Chairman MADDEN of the House Committee on Appropriations. In view of what you have said concerning the request for a report upon savings in governmental expenditures, this letter is to authorize you to make the requested report to the Appropriations Committee. I trust that you, in your compliance with the request for detailed information, as outlined in the proposed House Resolution 285, will convey such a statement of facts bearing thereon as may insure a consideration of the entire situation, thus obviating possible misconceptions which might arise from any partial or incomplete statement.

In view of the importance of having both Congress and the public understand clearly the operations of the Budget Bureau, I desire you to give, wherever details are possible, not only a statement of such helpful savings as have been estimated, but, in addition thereto, the estimate of the bureau of the indirect savings which have been made possible by the inauguration of the new method of conducting routine business of Government. You should enumerate the probable lessening of the amount in actual cash expenditures for the fiscal year ending June 30, 1922, as compared with the cash expenditures of the year ending June 30, 1921.

You should detail such transactions as have been consummated under Executive and departmental initiative, under the Budget system, which have made unnecessary many requests for additional funds for expenditures during the current fiscal year, and have resulted in savings measurable in cash, based upon consideration of the transactions themselves.

You should give an estimate of the indirect savings, which are made apparent by the consideration of numerous transactions, which, though in the aggregate are large, are difficult to estimate in cash. These indirect savings, which I have in mind, will include, for example—

(a) The savings incident to a corrected system of purchasing which has been established in the Government, by which competition by the departments and the overlapping and acquiring of unnecessary surplus is avoided.

(b) A better disposition under a unified system, of surplus supplies held by the Government.

(c) More economical interdepartmental use generally of governmental facilities and supplies arising from the inauguration of a system of coordination created by Executive order.

I will be glad if you will make this information available to the House of Congress at the earliest convenient day. You will take such time, however, as is necessary to acquire definite information and make the fullest possible report.

Ordinarily we might well await the completion of the current fiscal year, of which less than four months remain, to acquire definite results of the operation of the first and most difficult year of the Budget system. There is such unusual interest, however, in the reduced cost of Government that I am content to make this further imposition on your time in order to give to Congress and to the public the fullest possible revelation of reduced expenditures, because of my belief in its helpful effects upon a nation eager to reach its normal stride again.

Very truly yours,

WARREN G. HARDING.

The report was forwarded on May 8, 1922, and is entitled "Report of the Director of the Bureau of the Budget on the subject of economies and savings in governmental business." It is a unique document in the archives of the Nation. A superabundance of reports have been made in the past detailing the expenditure of public money, suggesting the expenditure of public money, or suggesting methods of conserving public money, but never before has a report so replete with detail of executive economies been furnished.

It amply sets forth the accomplishments of the executive branch of the Government under the leadership of a President who has taken the initiative for economy and better business methods and has won the enthusiastic cooperation of his administrative officials. Time will not permit here a detailed reiteration of the economies and savings enumerated therein. They aggregate in excess of $250,000,000.

The complete report of the Director of the Bureau of the Budget for the first year of operation was issued on July 1, 1922. I commend the reading of it to all interested in the improvement of Government methods and the conservation of public funds. It contains a splendid statement of the corrective methods applied in reforming the procedure in transacting the ordinary routine of governmental business.

Those who are inclined to be critical of the Budget system must bear in mind that a procedure that has been growing by unsystematic accretion for 145 years is not easily changed. Such a transition must of necessity be evolutionary and not revolutionary. A splendid start has been made. Patience, study, and experience are required to develop the perfection all hope it may attain. The system must be fostered and encouraged. It must be perfected by the criticisms of students from within and without public life. The first year of its operation is a brilliant testimonial of its efficacy and augurs well for the future.

The President's selection of General Lord as Director of the Bureau of the Budget to succeed General Dawes is admirable. General Lord's experience as clerk of the Ways and Means Committee of the House and as Chief of Finance of the War Department particularly fits him for the position.

CONGRESSIONAL PROCEDURE UNDER THE BUDGET.

The reformation in congressional procedure to accord with the establishment of the Executive Budget Bureau has produced results equally satisfactory.

A single Committee on Appropriations has been established in the House of Representatives to handle all appropriating measures in lieu of the eight separate committees heretofore exercising that power. In the Senate a similar change has been made and all appropriating measures are considered there by a single committee instead of by a number of separate committees. The cooperation of the Senate under the new plan at this session has been of great assistance in bringing down the total of appropriations.

The appropriation bills have been reorganized and reformed. The old bills, 12 in number, have either been abolished or revamped. They were illogical, unscientific, and confusing. The appropriations for a single department were often found in many different bills. The War Department formed the best illustration of this diffusion of appropriations among bills, its funds being found in no less than five different measures. The new bills, 11 in number, are arranged according to departments and other units of organization. All of the appropriations for a given department are to be found in one bill or segregated as a part of a bill. For example, all of the appropriations for

the War Department, formerly in five bills, are now carried in one bill segregated to show the amounts for the military activities and nonmilitary activities controlled by that department. Many of the forms of the old bills had been in use for appropriating purposes for nearly 100 years. Their passing destroys many a landmark in legislative history.

The new arrangement is concise, frank, and businesslike. It deserves and has received the commendation of all who have examined in detail the reformation that has been wrought.

For the convenience of those who desire further to examine and compare the old and new bills, I shall insert at this point a table giving a list of the former bills and the new bills with notes explaining how the reconstruction has been made:

FORMER BILLS.	NEW BILLS.
1. Agricultural.	1. Agricultural Department.
2. Army.	2. Commerce and Labor Departments.
3. Diplomatic and consular.	3. District of Columbia.
4. District of Columbia.	4. Executive Office and independent offices, commissions, etc.
5. Fortification.	5. Interior Department.
6. Indian.	6. Legislative branch.
7. Legislative, executive, and judicial.	7. Navy Department.
8. Navy.	8. Post Office Department.
9. Pension.	9. State and Justice Departments.
10. Post Office.	10. Treasury Department.
11. River and harbor.	11. War Department.
12. Sundry civil.	12. Deficiency.
13. Deficiency.	

The new bills are composed of items for each department or establishment heretofore distributed in several bills, as follows:

1. Agricultural: Items for that department formerly in the Agricultural and sundry civil bills.

2. Commerce and Labor: Items for those departments formerly in the sundry civil and legislative, executive, and judicial bills.

3. District of Columbia: Items formerly carried in the District of Columbia bill and all other items in the sundry civil and legislative, executive, and judicial bills chargeable in part against the revenues of the District of Columbia.

4. Executive Office and independent offices: Items formerly carried for these purposes in the sundry civil and legislative, executive, and judicial bills.

5. Interior Department: Items for this department formerly carried in the sundry civil, legislative, executive, and judicial, and pension bills.

6. Legislative branch: Items for the Senate, House, joint congressional committees and commissions, Capitol police, legislative drafting service, Architect of the Capitol, Library of Congress, Botanic Garden, and Government Printing Office (exclusive of printing and binding for the executive departments), formerly in sundry civil and legislative, executive, and judicial bills.

7. Navy: Items for the Navy formerly carried in the Navy bill and for the Navy Department proper, formerly in the legislative, executive, and judicial bill.

8. Post Office: Items formerly carried in the Post Office bill and for the Post Office Department proper, formerly in the legislative, executive, and judicial and sundry civil bills.

9. State and Justice: Items for those departments and the courts formerly carried in the sundry civil, legislative, executive, and judicial, and diplomatic and consular bills.

10. Treasury: Items for the Treasury Department formerly in the sundry civil and legislative, executive, and judicial bills.

11. War: Items for the War Department formerly in the Army, fortification, legislative, executive, and judicial, river and harbor, and sundry civil bills. The bill is divided into two titles, namely, one title for the military activities and expenses directly related thereto and the other for the nonmilitary activities.

The submission of estimates of appropriations in the Budget, according to the new arrangement and the reorganization of the appropriating power in Congress, in addition to the reduction effected thereby in appropriations, has accomplished two desirable results: The House of Representatives at this session considered and passed all of the 11 regular annual appropriation bills by the 19th of April, 1922. This is the best record that has been made in the past 16 years at a long session of Congress and is five weeks earlier than the average record of a long session for the past 20 years. All of the bills were finally enacted and approved by the beginning of the fiscal year. This is a most creditable showing when we consider the reorganizations and readjustments incident to placing in operation a new financial system.

The change in the rules of the Senate and House to give effect to the Budget system has minimized an evil long extant in connection with the passage of appropriation bills. I refer to the practice of including in such bills of substantive legislation that had little or no connection with the direct purpose of the bill. The appropriation bills at this session are particularly free from so-called legislative "riders" that have no connection with the reduction of appropriations or the abolition of offices. It has been possible to consider the appropriations from the standpoint of the financial problems involved in them without having their passage delayed and confused by the consideration of legislative proposals that should be dealt with as separate measures. The Committee on Appropriations in its work of preparing appropriations has endeavored conscientiously to adhere to the policy of refusing to consider extraneous legislation and to avoid trenching upon the jurisdiction of the committees of the House whose duty it is to frame legislation.

In following this policy the committee has made it a point to cooperate with the legislative committees when confronted with legislative proposals inserted by the Senate and desires to acknowledge the fine spirit displayed by those committees in working out several unavoidable legislative matters. Too great stress can not be laid upon the importance of keeping the appropriation bills and the Budget estimates free from legislative encumbrances that have no place there.

The work of reorganizing the Committee on Appropriations of the House to conform to the new arrangement has been a difficult but a pleasant task. The results which the committee has attained could only be reached by the utmost loyalty and industry on the part of its entire membership and the splendid manner in which the House has received the reports which the committee has presented. The duties of the chairman are difficult. It is not pleasant to deny and oppose. Everyone generally wants Government appropriations reduced, yet in the specific the reduction is wanted on the project in which some one else is interested. Stiff resistance has been necessary to accomplish the results I have set forth in this statement. Those results have been reached by the intelligent and industrious efforts of the entire membership of the committee with the approval of the House, and I wish publicly to extend my gratitude for that cooperation and assistance.

REDUCTION OF APPROPRIATIONS.

The appropriations for the fiscal year 1923, made at the session just closed, aggregate $3,747,035,382.64. Compared to appropriations for the immediately preceding fiscal years they display a great decrease. They are less than the appropriations for the fiscal year 1921 by the sum of $1,033,794,127.71, and are less than the appropriations for the fiscal year 1922 ($4,066,316,366.74) by $319,280,984.10. I shall append to my statement a comparative table showing by departments and establishments the appropriations for the fiscal years 1922 and 1923. (See Table I.)

The largest of the reductions for 1923 under 1922 has been effected in the Military (Army) and Naval Establishments.

The appropriations for the Military Establishment, exclusive of permanents, for the fiscal year 1922 aggregate $350,707,538.35. The comparable appropriations for the fiscal year 1923 are $256,411,169.67—a reduction of $94,296,368.68. The appropriations for 1923 provide for a strength of 12,000 officers and 125,000 enlisted men. The following comparative figures on the basis of military appropriations and officer and enlisted personnel, beginning with the fiscal year 1920, when a Republican Congress started making the appropriations, shows gratifying reductions:

Military appropriations.	Amount.	Number of officers.	Number of men.
Fiscal year 1920	$794,621,564	25,914	268,222
Fiscal year 1921	421,530,690	14,091	210,442
Fiscal year 1922	350,707,538	14,000	150,009
Fiscal year 1923	256,411,169	12,000	125,009

The reductions in naval appropriations are even more gratifying than those in the Military Establishment. The total naval appropriations, exclusive of permanents, for 1922 are $413,180,960.87. Those for 1923 are $294,336,577, a reduction of $118,844,383.87. This result is directly due to the conclusions reached by the Conference on the Limitation of Armament. The initiative of President Harding in calling the conference and the success of its deliberations under the presiding direction of Secretary Hughes have made possible great economies in naval budgets of the world, and in future years will relieve humanity from the burden of providing billions of dollars of taxation to defray the cost of naval armaments.

The following table shows the naval appropriations and personnel for the fiscal years 1920 to 1923, inclusive:

Naval appropriations:	Enlisted personnel.
Fiscal year 1920, $623,673,230	193,000
Fiscal year 1921, $497,900,053	120,000
Fiscal year 1922, $413,180,960	106,000
Fiscal year 1923, $294,336,577	86,000

The combined military and naval appropriations for 1922 are $763,888,499.22. The combined amounts for the two services for 1923 are $550,747,746.67. The combined reduction for 1923 under 1922 is $213,140,752.55.

The appropriations for the Shipping Board for the fiscal year 1923 aggregate $100,459,000. The appropriations for the fiscal year 1922 are $73,959,000. While the amount for 1923 shows an apparent increase of $26,500,000, it must be recalled that included in the 1923 appropriations is the sum of $50,000,000 for the payment of back claims for construction and requisition of vessels incurred during and immediately following the war

period. These are inherited obligations and must be paid. With this sum eliminated, the Shipping Board appropriations show a reduction of $23,500,000.

Special appropriations have been made for a number of extraordinary purposes for the next fiscal year. The sum of $1,240,000 is carried to enable the Children's Bureau to administer the act providing for the welfare and hygiene of maternity and infancy. An appropriation of $500,000 has been specially granted to the Department of Justice to enable the Attorney General to institute a vigorous prosecution of the perpetrators of war frauds against the Government. An appropriation of $12,000,000, and authority to obligate to the extent of $5,000,000 additional, has been allowed to the Veterans' Bureau to secure more adequate hospital facilities for veterans of the World War suffering from tuberculosis and nervous diseases. The sum of $50,000,000 has been authorized for the construction of roads for the year 1923, with special direction to the Secretary of Agriculture to apportion that amount among the States and to approve projects under his apportionment. A further authorization of $71,500,000 has been made for the year 1924 and $81,500,000 for the year 1925. Additional funds have been granted to the Department of Commerce to permit of the extension of the splendid work being done by the Bureau of Foreign and Domestic Commerce in assisting American industries to find and develop foreign markets for our products.

For the information of those who may desire to visualize by large groups the principal objects of appropriation for the fiscal years 1922 and 1923 in comparative array, I shall insert the following table:

General classification of appropriations for 1922 and 1923, arranged to show the principal large objects of appropriation.

	1922	1923
Interest on the public debt	$975,000,000.00	$975,000,000.00
Sinking fund and other funds for reduction in the principal of the public debt	387,942,200.00	369,338,800.00
Veterans' Bureau, compensation, hospitalization, and vocational training	408,166,732.00	418,083,843.45
Pensions, all wars prior to the World War	265,000,000.00	252,000,000.00
Post Office Department	579,976,851.00	565,064,786.50
Military activities of the War Department (Army)	[1] 352,879,838.35	[1] 257,676,169.67
Navy	[1] 426,378,656.87	[1] 297,770,249.00
Shipping Board	73,959,000.00	100,459,000.00
Increased compensation ($240 per annum)	35,000,000.00	38,735,173.00
Roads	70,000,000.00	10,000,000.00
All other purposes, including the Congress, the Judiciary, the executive departments, independent bureaus, and the District of Columbia	492,013,088.52	462,927,361.02
	4,066,316,366.74	3,747,035,382.64

[1] Include amounts under permanent and indefinite appropriations.

The Congress, expressing its will through the Committees on Appropriations of the Senate and House, has made a vigorous and successful effort to stamp out the practice of supplying deficiency appropriations not warranted by law. The stringent provisions of the antideficiency act of 1906 must be lived up to. No greater menace to a careful balancing of the budget exists than the belief on the part of administrative officers that they may use their funds ad libitum and expect Congress to ratify their willful disregard of the law by supplying additional moneys.

The criticism has been made that the appropriations made in deficiency acts during the past year are abnormally large and are due to reductions made in the estimates in previous years. An analysis of the deficiency appropriations shows that the allegation is unfounded and reveals the fact that what may properly be termed deficiencies on a percentage basis are normal compared to those carried in years prior to the war. The total of appropriations carried in deficiency acts for the fiscal year 1922 and prior years amounts to $332,760,884.55. The following table gives a detailed classification of these amounts by purposes of appropriations:

Total for 1922 and prior years		$332,760,884.55
Less Postal Service payable from postal revenues		8,003,431.14
		324,757,453.41
Veterans' Bureau, medical and hospital service and vocational training	158,993,112.00	
Shipping Board, losses in operations	48,500,000.00	
Refunding internal revenue taxes erroneously collected (income and profits taxes)	78,647,500.00	
Amounts to carry out new laws or treaties effective after the regular annual appropriations had been made	11,980,532.11	
Judgments, court awards, and claims allowed by the General Accounting Office	13,498,323.81	
All other amounts, the bulk of which may properly be termed "deficiencies"	13,137,985.49	
Total	324,757,453.41	

BUDGET ESTIMATES REDUCED.

The total of the Budget estimates submitted by the President in December, 1921, for the fiscal year 1923 amount to $3,809,224,159.53. The supplemental Budget estimates for that fiscal year submitted by him from time to time during the session aggregated $110,334,269.97. The aggregate of the estimates for the year 1923 considered by the Congress amounted to $3,919,558,429.50. Against this sum the Congress has appropriated $3,747,035,382.64. The net reduction in the Budget estimates for 1923 is $172,523,046.86. I shall incorporate as a part of my remarks a comparison of Budget estimates with the appropriations for the fiscal year 1923. (See Table II.)

The largest single reduction in these estimates is the cut of $136,044,818.13 in the Naval Establishment. It should be stated, however, that the naval figures were prepared and submitted to Congress prior to the conclusions reached by the Conference on the Limitation of Armament.

The reduction in the estimates for military activities of the War Department amounts to $54,365,449.02. This difference is accountable almost wholly by the difference in the size of the Army requested by the Executive and the size which Congress has provided. The Budget estimates called for 13,000 officers and 150,000 men, and the appropriations provide for 12,000 officers and 125,000 men.

Two large items have been added in the appropriations by Congress which are not supported by Budget estimates. The amount for river and harbor maintenance was increased above the Budget estimate by $15,180,401, and an appropriation of $7,500,000 was made for continuing work already begun by the Government at Muscle Shoals, Ala. The amount for the additional compensation—$240 per annum—while showing as an increase in the Budget estimates is only technically such. It has since its inception in 1918 been initiated by the Congress, and the executive departments have not included it in their budgets.

The supplemental and deficiency Budget estimates submitted to Congress from July 20, 1921, to June 30, 1922, for the fiscal year 1922 and prior years amount to $472,410,129.96. The amount of the supplemental and deficiency appropriations for the fiscal year 1922 and prior fiscal years carried in the four deficiency acts under which these estimates were considered amount to $332,760,884.55. The reduction made by the Congress in these estimates is $139,649,245.41. (See Table III.)

The total of reductions in the 1923 Budget estimates of $172,523,046.86 added to the foregoing reduction of $139,649,245.41 makes a combined reduction of $312,172,292.27, or a decrease of approximately 7 per cent in the total amount requested.

The reductions effected by Congress in the Budget estimates can not in anywise be construed as a reflection upon the Budget system. When we consider the tremendous decreases made by Congress in the estimates of appropriations submitted by the prior Democratic administration there is ample cause for congratulation upon the narrowed margin at this session between executive proposal and congressional grant. We must remember, too, that the Budget estimates just passed upon by Congress were prepared in the first few months after the creation of the Budget Bureau.

It must be kept in mind in connection with the consideration by Congress of the Budget estimates and the supplemental and deficiency Budget estimates that it has been the policy of the Committee on Appropriations to regard them as a maximum proposal, the total of which should not be exceeded. This policy the committee has adhered to. The responsibility for the appropriation of public money under the Constitution rests with the Congress. It can not surrender that duty and maintain its representative capacity and the accompanying duty of answering to its constituencies.

REDUCTIONS IN ACTUAL EXPENDITURES AND PUBLIC DEBT.

The reductions in actual expenditures of the Government are the best evidence of the return to a normal state of Government finances. The expenditures for the fiscal year 1919, which was the fiscal year in which the armistice was signed, covering the ordinary expenses of the Government and excluding public-debt retirements, were $18,514,879,955.03. The expenditures for the fiscal years 1920, 1921, and 1922 (exclusive of public-debt expenditures chargeable to ordinary receipts), on a comparable basis, are as follows:

Fiscal year 1920	$6,403,343,841.21
Fiscal year 1921	5,115,927,689.30
Fiscal year 1922	3,372,607,899.84

These figures show a reduction for 1922 under 1920 of $3,030,735,941.37. They show a reduction for 1922 under 1921 of $1,743,319,789.46.

The fiscal year just closed, which is the first full fiscal year of Government business under the operation of the Budget system and the first full fiscal year since President Harding has been in office, has been most successful. The ordinary

receipts for the year amounted to $4,109,104,150.94. The total expenditures, including public-debt items, chargeable against ordinary receipts were $3,795,302,499.84.

The surplus for the year is $313,801,651.10 against an estimated deficit last December for the same period of $24,468,703. The total gross debt of the Government on June 30, 1921, the beginning of the fiscal year just closed, was $23,977,450,552.54. The total gross debt on June 30, 1922, one year later, was $22,963,381,708.31. The reduction in the debt during the year amounts to $1,014,068,844.23.

The total gross debt of the United States on May 31, 1919, was $25,916,874,096.83. The total gross debt on June 30, 1922, as heretofore stated, was $22,963,381,708.31. The reduction during this period amounts to $2,953,492,388.52.

REDUCTIONS IN TAXES.

The reductions in appropriations and consequent reductions in expenditures during the past few years have made possible a most gratifying reduction in taxes. The amount of the reduction for the calendar year 1921 is approximately $80,000,000, and the relief to taxpayers for the calendar year 1922 is estimated to be not less than $850,000,000.

REDUCTION IN NUMBER OF GOVERNMENT EMPLOYEES.

The total number of Government employees in the classified civil service, both in and outside of the District of Columbia, aggregated 691,116 on July 31, 1920, the beginning of the first fiscal year for which the Republican Congress made appropriations. That number was reduced to 597,482 on July 31, 1921, and further reduced to 568,390 on December 31, 1921, which is the latest date for which figures are available. The total decrease from July 31, 1920, to December 31, 1921, is 122,726.

CENTRALIZED AUDIT OF EXPENDITURES.

The Budget act approved June 10, 1921, provided for the abolition of the six separate auditing bureaus in the Treasury Department and created in their place the General Accounting Office, a separate and independent unit of Government organization to centralize all auditing work and to prescribe forms for the keeping of Government accounts. To secure independence of action the Comptroller General is appointed for a term of 15 years, is ineligible for reappointment, and may be removed at any time by joint resolution of Congress after notice and hearing, when in the judgment of Congress he has become permanently incapacitated, or has been inefficient, or guilty of neglect of duty, or of malfeasance in office, or of any felony or conduct involving moral turpitude, and for no other cause or in no other manner, except by impeachment.

Commencing on July 1, 1922, the accounts of all departments and establishments of the Government will be kept in accordance with a new classification of objects of expenditure, as prescribed by the General Accounting Office, for the purpose of obtaining uniformity in administrative appropriation and fund accounting and in the analysis of governmental expenditures for the information of the President, the Congress, and such agencies of the Government as are required to deal with expenditures.

PRELIMINARY ESTIMATES OF EXPENDITURES FOR 1923.

The preliminary estimates of expenditures for the fiscal year 1923 as submitted by the spending departments aggregate $3,771,000,000, while the preliminary estimates of receipts total $3,073,000,000, an indicated deficit of $697,000,000. This figure would be more impressive if the record of the fiscal year 1922 were not so freshly in mind. The preliminary estimates of expenditure for that year aggregated $759,000,000 more than the amounts that had actually been expended when the year closed. I feel certain that the President, supported by the administrative officers, will be able materially to reduce this anticipated deficit. It must be remembered in this connection that the fiscal year just closed showed a surplus of over $300,000,000. It should also be remembered in connection with the estimated expenditures for next year that there is included $330,000,000 for reduction in the principal of the public debt to be paid from ordinary receipts and $284,000,000 on account of past railroad debts, which should be deducted in arriving at any estimated figure of deficit attributable to the ordinary running expenses of the Government. These two figures alone are nearly equivalent to the estimated deficit. The meeting of all administrative officials of the Government at the call of the President on July 11 last to consider the financial problems of the fiscal year 1923 will have a most beneficial result, and when the year shall have ended its record will be as gratifying as that of 1922.

NORMAL BASIS REACHED.

The expressed policy of the Republican Party with respect to Government finances has been a return to normal conditions. Captious comparisons of the appropriations for the fiscal year 1923 with appropriations for years just prior to the war are frequently attempted in depreciation of the splendid record made by the Republican Party in lowering the expenses of government. When these charges are brought forward it should be remembered that the bulk of the 1923 appropriations consists of items not in existence in the years immediately preceding the war or so largely increased because of the war as to be incomparable with pre-war years. A complete comparison of the present post-war year with any pre-war year is manifestly unfair unless all of the changed economic and political factors are adapted to each period. Nowhere in the United States or abroad are living costs or other economic conditions what they were prior to the war. They never will be in the near future. It is unreasonable to insist that the Government expenses can be brought down precisely to the figures of a period in the past.

The real test has been met for comparative purposes if present appropriations are as low as can be consistently made, considering the changed economic and political situation of the country as compared with its situation in the pre-war year. This has been done most satisfactorily. Any comparison of 1923 with a pre-war year must take into consideration these facts arising from war conditions: The interest on the public debt has increased from $23,000,000 annually to $975,000,000; the sinking fund and other public-debt retirement funds have increased from $60,000,000 to $369,000,000; appropriations for pensions have increased from $158,000,000 to $252,000,000; appropriations for the Veterans' Bureau to provide compensation, vocational training, and medical and hospital relief to veterans of the World War amount to $418,000,000, against nothing before the war; the appropriation of $100,000,000 for the Shipping Board is directly due to the war and the chaotic situation in shipping affairs taken over by the present administration on March 4, 1921; the appropriations for the Postal Service have necessarily increased from $324,000,000 to $565,000,000; the entire Internal Revenue Service prior to the war cost about $4,000,000, as against $60,000,000 for the next year, including prohibition enforcement.

The Army, while reduced to a pre-war basis of personnel, requires increased appropriations on account of increased pay, transportation, and costs of food and other supplies as compared with the pre-war period. The Navy appropriations are somewhat larger than the pre-war figures, due to the enlarged size of the fleet and consequent increase in the personnel.

The Republican Party has made good in its policy of retrenchment and financial reform. It has established an effective Budget system. It promised a reduction in the cost of government and a reduction in taxation. Both have been effected. The public debt has also been reduced. While other nations are struggling with overwhelming public debts that in some cases are as great or greater than their national wealth and are crying for relief from the taxes caused by deficits in their budgets, the United States has reduced taxation, achieved a surplus in the fiscal year just closed, and is effecting a gradual reduction in the public debt out of current receipts. Such a record is deserving of and will receive the approbation of the American people.

TABLE I.—Comparison of Appropriations, Fiscal Years 1922 and 1923.

[Amounts carried for each of these fiscal years in the regular annual appropriation acts, deficiency appropriation acts, special acts, and amounts estimated under permanent and indefinite appropriations.]

Department or establishment.	Appropriations, fiscal year 1922.	Appropriations, fiscal year 1923.	Decrease (—) or increase (+) 1923 compared with 1922.
Legislative (Congress):			
Regular annual	$18,247,247.06	$12,788,324.95	[1] —$5,458,922.11
Permanent and indefinite	800.00	800.00	
Total	18,248,047.06	12,789,124.95	—5,458,922.11

[1] This decrease is due largely to the transfer of appropriations for printing and binding to the various departmental bills for 1923. Departmental appropriations for printing and binding for the fiscal year 1922 are carried under "Legislative."

TABLE I.—*Comparison of Appropriations, Fiscal Years 1922 and 1923*—Continued.

Department or establishment.	Appropriations, fiscal year 1922.	Appropriations, fiscal year 1923.	Decrease (−) or increase (+) 1923 compared with 1922.
Executive office and independent offices:			
Regular annual—			
Shipping Board	$73,959,000.00	[1] $100,459,000.00	+$26,500,000.00
Veterans' Bureau [2]	408,166,732.00	418,063,843.45	+9,897,111.45
Executive and other independent offices	16,721,325.00	[3] 18,115,928.00	+1,394,603.00
Total	498,847,057.00	536,638,771.45	+37,791,714.45
Permanent and indefinite	5,523,000.00	6,017,000.00	+494,000.00
Total	504,370,057.00	542,655,771.45	+38,285,714.45
State Department:			
Regular annual	[4] 16,741,346.09	10,443,488.16	−6,297,857.93
Permanent and indefinite	106,000.00	106,000.00	
Total	16,847,346.09	10,549,488.16	−6,297,857.93
Treasury Department:			
Regular annual	145,352,179.65	118,835,308.81	−26,516,870.84
Permanent and indefinite	1,394,609,200.00	1,375,396,910.63	−19,212,289.37
Total	1,539,961,379.65	1,494,232,219.44	−45,729,160.21
War Department:			
Military activities—			
Regular annual	350,707,538.35	256,411,169.67	−94,296,368.68
Permanent and indefinite	2,172,300.00	1,265,000.00	−907,300.00
Total, military activities	352,879,838.35	257,676,169.67	−95,203,668.68
Nonmilitary activities—			
Regular annual	42,638,010.66	[4] 68,753,323.00	+26,115,312.34
Permanent and indefinite	8,324,600.00	6,521,300.00	−1,803,300.00
Total nonmilitary activities	50,962,610.66	75,274,623.00	+24,312,012.34
Total, War Department:			
Regular annual	393,345,549.01	325,164,492.67	−68,181,056.34
Permanent and indefinite	10,496,900.00	7,786,300.00	−2,710,600.00
	403,842,449.01	332,950,792.67	−70,891,656.34
Navy Department:			
Regular annual	413,180,960.87	294,336,577.00	−118,844,383.87
Permanent and indefinite	13,197,696.00	3,433,672.00	−9,764,024.00
Total	426,378,656.87	297,770,249.00	−128,608,407.87
Interior Department:			
Regular annual—			
Pensions	265,000,000.00	252,000,000.00	−13,000,000.00
Interior Department proper	49,559,305.13	45,565,108.67	−3,994,195.46
Total	314,559,305.13	297,565,108.67	−16,994,196.46
Permanent and indefinite	30,573,500.00	27,562,900.00	−3,010,600.00
Total	345,132,805.13	325,128,008.67	−20,004,796.46
Post Office Department (payable from postal revenues), regular annual (only)	579,976,851.00	565,064,786.50	−14,912,064.50
Agricultural Department:			
Regular annual	[6] 39,527,434.00	36,929,173.00	−2,598,261.00
Roads, construction of	[7] 80,000,000.00	[7] 10,000,000.00	−70,000,000.00
Permanent and indefinite	11,750,000.00	12,250,000.00	+500,000.00
Total	131,277,434.00	59,179,173.00	−72,098,261.00
Commerce, Department of:			
Regular annual	17,394,859.00	18,743,245.00	+1,348,386.00
Permanent and indefinite	3,000.00	3,000.00	
Total	17,397,859.00	18,746,245.00	+1,348,386.00
Labor, Department of, regular annual (only)	5,798,196.50	[8] 6,916,920.00	+1,118,723.50
Department of Justice, and the judiciary:			
Regular annual	16,938,667.67	17,851,221.00	+912,553.33
Permanent and indefinite	[9] 175,500.00		−175,500.00
Total	17,114,167.67	17,851,221.00	+737,053.33
District of Columbia:			
Regular annual	23,463,675.72	22,841,609.80	−622,065.92
Permanent and indefinite	1,380,600.00	1,624,600.00	+244,000.00
Total	24,844,275.72	24,466,209.80	−378,065.92

[1] $50,000,000 of this sum is for the payment of construction and other claims.
[2] The appropriations for the Veterans' Bureau include for hospital construction $18,600,000 for 1922 and $12,000,000 for 1923.
[3] This sum includes $1,500,000 for the purchase of land in the District of Columbia on which are situated temporary Government office buildings.
[4] This sum includes $5,000,000 for treaty payment to Colombia and $1,000,000 for Government building and exhibits at the exposition at Rio de Janeiro.
[6] This sum includes an increase of $27,815,661 for rivers and harbors over amount appropriated for 1922 and $7,500,000 for Muscle Shoals development for which no appropriation was made for 1922.
[5] This sum includes $2,000,000 and $1,500,000, respectively, for seed-grain loans to farmers of the drought stricken areas of the Northwest for the crops of 1921 and 1922.
[7] These amounts were appropriated in the Federal highway act of Nov. 9, 1921. For 1923 the Secretary of Agriculture is authorized to apportion the sum of $50,000,000 among the several States and to approve projects under such apportionments. The Post Office appropriation act which authorized the foregoing $50,000,000 also authorized the sum of $71,500,000 for the fiscal year 1924 and $81,500,000 for the fiscal year 1925.
[8] This sum includes $1,240,000 to carry out the provisions of the act relating to the welfare and hygiene of maternity and infancy.
[9] Appropriations for this purpose are changed from a permanent basis for 1922 to an annual basis for 1923 and are included in the regular annual act

TABLE I.—*Comparison of Appropriations, Fiscal Years 1922 and 1923*— Continued.

Department or establishment.	Appropriations, fiscal year 1922.	Appropriations, fiscal year 1923.	Decrease (—) or increase (+) 1923 compared with 1922.
Increased compensation ($240 per annum)	$35,000,000.00	$38,735,173.00	[1] +$3,735,173.00
Miscellaneous (unclassified)	126,842.04		—126,842.04
Grand total:			
Regular annual	2,563,373,328.70	2,274,119,027.01	—289,254,301.69
Permanent and indefinite	1,467,816,196.00	1,434,181,182.63	—33,635,013.37
Increased compensation	35,000,000.00	38,735,173.00	+3,735,173.00
Miscellaneous (unclassified)	126,842.04		—126,842.04
Grand total	**4,066,316,366.74**	**3,747,035,382.64**	**—319,280,984.10**
Less Post Office (payable from postal revenues)	579,976,851.00	565,064,786.50	—14,912,064.50
Total, exclusive of Post Office	3,486,339,515.74	3,181,970,596.14	—304,368,919.60

[1] The appropriation for 1922 for additional compensation was an indefinite amount and was estimated in the Budget at $35,000,000. Recent figures of expenditures show the actual cost for 1922 will be approximately $41,800,000. The specific appropriation of $38,735,173 for 1923 is therefore $3,064,827 under the estimated expenditures for 1922.

TABLE II.—Comparison of Estimates and Appropriations, Fiscal Year 1923.

Amounts carried for fiscal year 1923 in regular annual appropriation acts, deficiency appropriation acts, special acts, and amounts estimated under permanent and indefinite appropriations.]

Department or establishment.	Budget estimates submitted Dec. 5, 1921.	Supplemental Budget estimates submitted Dec. 5, 1921, to June 30, 1922.	Total Budget estimates fiscal year 1923.	Appropriations, 1923, regular annual and permanent and indefinite.	Increase (+) or decrease (—) appropriations compared with estimates.
Legislative (Congress):					
Regular annual	$17,232,655.95	$5,000.00	[1] $17,237,655.95	$12,788,324.95	[1] —$4,449,331.00
Permanent and indefinite	800.00		800.00	800.00	
Total	17,233,455.95	5,000.00	17,238,455.95	12,789,124.95	—4,449,331.00
Executive office and independent offices:					
Regular annual—					
Shipping Board	50,501,500.00	50,000,000.00	100,501,500.00	100,459,000.00	—42,500.00
Veterans' Bureau	385,921,702.00	37,117,142.95	423,038,844.95	418,063,843.45	—4,975,001.50
Executive and other independent offices	17,077,481.00	663,670.00	17,741,151.00	[2] 18,115,928.00	+374,777.00
Total	453,500,683.00	87,780,812.95	541,281,495.95	536,638,771.45	—4,642,724.50
Permanent and indefinite	6,017,000.00		6,017,000.00	6,017,000.00	
Total	459,517,683.00	87,780,812.95	547,298,495.95	542,655,771.45	—4,642,724.50
State Department:					
Regular annual	10,474,901.16	321,072.00	10,795,973.16	10,443,488.16	—352,485.00
Permanent and indefinite	105,000.00		105,000.00	105,000.00	
Total	10,580,901.16	321,072.00	10,901,973.16	10,549,488.16	—352,485.00
Treasury Department:					
Regular annual	130,607,787.19	1,298,570.00	131,906,357.19	118,835,308.81	—13,071,048.38
Permanent and indefinite	1,375,396,910.63		1,375,396,910.63	1,375,396,910.63	
Total	1,506,004,697.82	1,298,570.00	1,507,303,267.82	1,494,232,219.44	—13,071,048.38
War Department:					
Military activities—					
Regular annual	309,373,709.47	1,402,909.22	310,776,618.69	256,411,169.67	—54,365,449.02
Permanent and indefinite	1,265,000.00		1,265,000.00	1,265,000.00	
Total, military activities	310,638,709.47	1,402,909.22	312,041,618.69	257,676,169.67	—54,365,449.02
Nonmilitary activities—					
Regular annual	46,512,408.00	1,816,000.00	48,328,408.00	68,753,323.00	[3] +20,424,915.00
Permanent and indefinite	6,521,300.00		6,521,300.00	6,521,300.00	
Total, nonmilitary activities	53,033,708.00	1,816,000.00	54,849,708.00	75,274,623.00	+20,424,915.00
Total, War Department—					
Regular annual	355,886,117.47	3,218,909.22	359,105,026.69	325,164,492.67	—33,940,534.02
Permanent and indefinite	7,786,300.00		7,786,300.00	7,786,300.00	
Total	363,672,417.47	3,218,909.22	366,891,326.69	332,950,792.67	—33,940,534.02
Navy Department:					
Regular annual	[4] 422,518,695.13	7,862,700.00	430,381,395.13	294,336,577.00	—136,044,818.13
Permanent and indefinite	3,433,672.00		3,433,672.00	3,433,672.00	
Total	425,952,367.13	7,862,700.00	433,815,067.13	297,770,249.00	—136,044,818.13
Interior Department—					
Regular annual—					
Pensions	252,000,000.00		252,000,000.00	252,000,000.00	
Interior Department proper	46,218,432.00	668,049.30	46,886,481.30	45,565,108.67	—1,321,372.63
Permanent and indefinite	27,562,900.00		27,562,900.00	27,562,900.00	
Total	325,781,332.00	668,049.30	326,449,381.30	325,128,008.67	—1,321,372.63
Post Office Department (payable from postal revenues), regular annual (only)	579,650,066.00	4,274,347.00	583,924,413.00	565,064,786.50	—18,859,626.50
Agricultural Department:					
Regular annual	34,610,668.00	1,153,200.00	35,763,868.00	36,929,173.00	[5] +1,165,305.00
Roads, construction of				10,000,000.00	[6] +10,000,000.00
Permanent and indefinite	12,250,000.00		12,250,000.00	12,250,000.00	
Total	46,860,668.00	1,153,200.00	48,013,868.00	59,179,173.00	+11,165,305.00

[1] Estimates for the legislative include printing and binding allotments for the various departments as submitted under the Government Printing Office. In preparing appropriation bills these sums were distributed to the various departmental bills. This reduction, therefore, is due in the main to this transfer.

[2] This sum includes $1,500,000 for the purchase of land for temporary office buildings and was not estimated in the Budget.

[3] This net increase is due to the appropriation of $15,180,401 for rivers and harbors in excess of the estimates submitted by the Budget, and the appropriation of $7,500,000 for Muscle Shoals development not included in the Budget.

[4] The Navy estimates were prepared and submitted to Congress prior to the conclusion of the Conference on Limitation of Armament.

[5] This net increase is due to the appropriation of $360,000 for congressional seed distribution and $100,000 for eradication of citrus canker not included in the Budget. The sum of $800,000 for printing and binding was estimated under legislative. (See note 3.)

[6] This sum was appropriated for forest roads and trails in the Federal highway act of November 9, 1921, and was not estimated in the Budget.

TABLE II.—Comparison of Estimates and Appropriations, Fiscal Year 1923—Continued.

Department or establishment.	Budget estimates submitted Dec. 5, 1921	Supplemental Budget estimates submitted Dec. 5, 1921, to June 30, 1922.	Total Budget estimates fiscal year 1923	Appropriations, 1923, regular annual and permanent and indefinite.	Increase (+) or decrease (−) appropriations compared with estimates
Commerce, Department of:					
Regular annual	$20,672,328.25	$673,169.50	$21,345,495.75	$18,743,245.00	−$2,602,250.75
Permanent and indefinite	3,000.00	.....	3,000.00	3,000.00	.....
Total	20,675,328.25	673,169.50	21,348,495.75	18,746,245.00	−2,602,250.75
Labor, Department of, regular annual (only)	6,564,632.00	1,240,000.00	7,804,632.00	6,916,920.00	−887,712.00
Department of Justice and Judiciary, regular annual (only)	18,219,146.00	539,000.00	18,758,146.00	17,851,221.00	−906,925.00
District of Columbia:					
Regular annual	26,886,866.75	1,299,440.00	28,186,306.75	22,841,609.80	−5,344,696.95
Permanent and indefinite	1,624,600.00	.....	1,624,600.00	1,624,600.00	.....
Total	28,511,466.75	1,299,440.00	29,810,906.75	24,466,209.80	−5,344,696.95
Increased compensation ($240 per annum)	.....	.....	.....	38,735,173.00	[5] +38,735,173.00
Grand total:					
Regular annual	2,375,042,976.90	110,334,269.97	2,485,377,246.87	2,274,119,027.01	−211,258,219.86
Permanent and indefinite	1,434,181,182.63	.....	1,434,181,182.63	1,434,181,182.63	.....
Increased compensation	.....	.....	.....	38,735,173.00	+38,735,173.00
Grand total	**3,809,224,159.53**	**110,334,269.97**	**3,919,558,429.50**	**3,747,035,382.64**	**−172,523,046.86**
Less Post Office (payable from postal revenues)	579,650,066.00	4,274,347.00	583,924,413.00	565,064,786.50	−18,859,626.50
Total, exclusive of Post Office	3,229,574,093.53	106,059,922.97	3,335,634,016.50	3,181,970,596.14	−153,663,420.36

[5] This sum was not estimated in the Budget.

TABLE III.—Comparison of Budget estimates and appropriations, supplemental and deficiency, fiscal year 1922 and prior fiscal years.

(Amounts considered and appropriated in deficiency appropriation acts approved Aug. 24, 1921, Dec. 15, 1921, Mar. 20, 1922, and July 1, 1922.)

Supplemental and deficiency Budget estimates submitted to Congress from July 20, 1921, to June 30, 1922, for the fiscal year 1922 and prior fiscal years	$472,410,129.96
Supplemental and deficiency appropriations for the fiscal year 1922 and prior fiscal years carried in the deficiency acts enumerated above	332,760,884.55
Reduction in estimates for the fiscal year 1922 and prior fiscal years	139,649,245.41

TABLE IV.—Recapitulation of comparisons of Budget estimates and appropriations.

Net reduction in Budget estimates for the fiscal year 1923 as per Table II	172,523,046.86
Reduction in Budget estimates for the fiscal year 1922 and prior fiscal years as per Table III	139,649,245.41
Total net reduction	312,172,292.27

The statement referred to is here printed in full as follows:

Mr. BYRNS of Tennessee. Mr. Speaker, the question uppermost in the mind of the average tax-paying citizen of to-day is what is it costing to run the Government and has the heavy burden of expenditures for the routine operations of the Government, which was necessarily imposed during and immediately following the war, been reduced to that extent which he had the right to expect for the fiscal year 1923—the fourth since the war came to a close. The passage of the regular annual appropriation bills for the fiscal year 1923 makes it possible to arrive at a more definite conclusion, although it should be emphasized here that the sums carried in these bills by no means represent the entire amount which will be appropriated for 1923. There will undoubtedly be deficiency appropriations during the year as has been the case in all previous years, despite the assertion made at the beginning of each year that none were contemplated. Then, too, Congress will levy additional charges on the Treasury during the year in the creation of new activities or the enlargement of those already in existence, unless this Congress adopts a radically different policy from that which it has followed since it first came into existence on March 4, 1921.

The total appropriations for 1923 up to this time, including regular, permanent, indefinite, and miscellaneous, are $3,747,035,382.64. The total appropriations for 1922, including regular, permanent, indefinite, miscellaneous, and deficiencies, were $4,066,316,366.74. However, nearly $1,500,000,000 of each of these two sums represents permanent and indefinite appropriations, which includes interest on the public debt, and so forth, and which Congress is not called upon to appropriate each fiscal year. In order, therefore, to get a picture as to just what sums Congress has appropriated, only the regular annual, miscellaneous, and deficiency appropriations should be considered.

The only true test by which it can be determined whether Congress has reduced appropriations and been really economical is by a comparison of its appropriations with those made in previous years for similar purposes. This test should be applied to the appropriations made by this Congress for the fiscal year 1923 and as carried in the regular annual supply bills with the appropriations made by the Congress in the regular annual supply bills for 1922. It would be manifestly unfair to compare the approriations which have been made at the beginning of July for the fiscal year 1923 with the apropriations which were made for 1922 at the beginning of that fiscal year and including all of the appropriations by way of deficiencies and special acts made during the entire year, for it is certain that there will be deficiencies and special acts passed during the present fiscal year 1923, which has just begun, and which will increase the 1923 appropriation. Measured by this test it will be found that there has been appropriated for the fiscal year 1923, $95,872,535.37 more than was appropriated for the fiscal year 1922 at the same period of the two fiscal years. The following table illustrates this fact very clearly, but in this connection it should be explained that since 1922 the titles of the appropriation bills have been changed and appropriations are now made under the heads of departments and Government establishments, but the results are the same:

1922—Regular annual supply bills.

Sundry civil	$384,196,480.41
Post Office	574,057,552.00
Agriculture	36,404,259.00
Army	328,013,529.80
Fortifications	8,038,017.00
Navy	410,673,289.23
Diplomatic and Consular	9,326,550.79
District of Columbia	19,412,412.99
Indian	9,761,554.67
Legislative, executive, and judicial	110,348,018.75
Pension	265,500,000.00
Rivers and harbors	15,250,000.00
Increased compensation	35,000,000.00
Grand total	2,206,981,664.64

1923—Regular annual supply bills.

Executive and independent offices	$536,638,771.45
Post Office	565,064,786.50
Agriculture	36,929,173.00
War Department	325,164,492.67
Navy	294,336,577.00
State Department	10,443,488.16
District of Columbia	22,841,609.80
Interior Department	297,565,108.67
Legislative (Congress)	12,788,324.95
Treasury Department	118,835,308.81
Commerce Department	18,743,245.00
Labor Department	6,916,920.00
Department of Justice	17,851,221.00
Increased compensation	38,735,173.00
Grand total	2,302,854,200.01

It should be stated that the Navy bill for 1923 carries, in addition to the direct appropriation, the authority to use unexpended balances amounting to $54,000,000 and that at least $60,000,000 must be appropriated under an act already passed for scrapping some of the ships of the Navy. This will make a total of $408,336,577 for the Navy for the year 1923. In addition to this, the other bills for 1923 carry appropriations for unexpended balances amounting to $28,677,550.24, which does not appear in the figures given in the table.

The administration's own figures as to expenditures for 1922 and 1923 show that it is expected to expend only $24,302,499.84 less in 1923 than was expended in 1922. The expenditures for 1922 amounted to $3,795,302,499.84, while the estimated expenditures for 1923 are $3,771,000,000. This is a startling admission, in view of the oft-repeated claims made by General Dawes, the head of the Budget Bureau, and widely heralded to the country, that he has put into effect business methods which would bring about reductions and economy. It conclusively shows that his repeated boasts of savings of hundreds of millions of dollars were mere paper savings, unsupported by fact and that the "Budget savings" propaganda with which he flooded the country was purely visionary and ethereal.

The figures given as to appropriations and the admission of the administration as to its expenditures for 1923 show a lamentable failure on the part of the Republican Congress and the administration to reduce and retrench the expenditures of the Government. The promises of yesterday were completely forgotten in the performances of to-day. This is further emphasized by the fact that the country is one year further removed from the war and the costs of supplies are less, and there should have been a very much larger reduction in ordinary course. At this rate how long will it take the Government to get back to anything like pre-war expenditures?

It will be informative to compare the regular annual deficiency and miscellaneous appropriations made for the entire year of 1922 with the regular annual appropriations for 1923 and the additional deficiency and miscellaneous appropriations which with reasonable certainty will be made during 1923. It furnishes further and positive proof that there has been no reduction in expenditures. The total appropriations for 1923 up to this time, the very beginning of the fiscal year amounts to $2,302,854,200.01. The total of these appropriations for the entire year of 1922, excluding permanent annuals and including deficiencies of over $200,000,000 granted during the year, and also the various additional appropriations made by Congress during the year, amounts to $2,598,500,170.72. The figures in detail are as follows:

Amounts carried for fiscal years 1922 and 1923 in the regular annual appropriation acts, deficiency appropriation acts, and special acts.

Department or establishment.	Appropriations for year 1922, including deficiencies and special acts.	Appropriation for year 1923, future deficiency and special acts to be added.
Legislative (Congress)	$18,247,247.06	$12,788,324.95
Executive Office and independent offices	498,847,057.00	536,638,771.45
State Department	16,741,346.09	10,443,488.16
Treasury Department	145,352,179.65	118,835,308.81
War Department:		
Military activities	350,707,538.35	256,411,169.67
Nonmilitary activities	42,638,010.66	68,753,323.00
Navy Department	413,180,960.87	294,336,577.00
Interior Department	314,559,305.13	297,565,108.67
Post Office Department	579,976,851.00	565,064,786.50
Agricultural Department	39,527,434.00	36,929,173.00
Commerce Department	17,394,839.20	18,743,245.00
Labor Department	5,798,196.50	6,916,920.00
Department of Justice	16,938,667.67	17,851,221.00
District of Columbia	23,463,675.72	22,841,609.80
Increased compensation or civilian bonus	35,000,000.00	38,735,173.00
Miscellaneous (unclassified)	126,842.04	
Roads	80,000,000.00	10,000,000.00
Grand total	2,598,500,170.74	2,312,854,200.01

On the face of these figures there would appear to be a reduction in these particular appropriations of $285,645,970.71, and if we exclude the reduction in the road's funds the cut becomes only $215,645,970.71. But it must be borne in mind that the year 1922 has closed, and the figures given represent the total appropriations made for that year, including deficiencies and any and all special acts of Congress, whereas the fiscal year of 1923 has just begun. The figures given for 1922 include over $200,000,000 by way of deficiencies for that year, and it is only fair to figure on a similar amount being hereafter appropriated for 1923. There has been a law passed directing the scrapping of some of the ships of the Navy and an appropriation must be made this year for that purpose. The minimum amount which has been estimated is $60,000,000, but the chairman of the naval subcommittee on appropriations, who is one of the very best informed among the Members of Congress on naval matters, has stated that it will probably cost from $70,000,000 to $75,000,000. In order to be entirely conservative the minimum figures will be used. It appears practically certain that the ship subsidy bill will be passed either during this session or at the December session of Congress, and Mr. Lasker and its warmest advocates admit that at the lowest estimate $15,000,000 will be paid in voyage subsidies during the first year of its operation and $30,000,000 annually thereafter; and in addition there will be enormous tax exemptions to shippers and shipowners and various other aids which will constitute a charge on the Treasury. Although it has been conclusively demonstrated by actual citation of figures in the minority report filed that it will cost $75,000,000 or more annually, nevertheless I will waive the plain fact and use the figures given by Mr. Lasker for the first year's voyage subsidies alone. The House has passed the soldiers' bonus bill, and there seems to be no question but that the Senate will pass it at this session. It is admitted by everyone that the law will require an appropriation of at least $77,000,000 during the first year of its operation. The House has authorized a loan to Liberia of $5,000,000, which will undoubtedly be concurred in by the Senate. A most conservative estimate of the amount which will be needed for highways this year, in addition to what is now on hand, is $10,000,000. Several times that sum will probably be needed, for $80,000,000 was appropriated in 1922. These sums aggregate $367,000,000, which with reasonable certainty can be figured as additional appropriations which will be needed for 1923, and which, when added to the regular annual appropriations for 1923, make the sum of $2,679,854,200.01, or $81,354,029.29 more than the total appropriations for 1922, exclusive of the permanent and indefinite appropriations for each year, which amounts to nearly $1,500,000,000, and if we exclude from comparison the roads' appropriations this excess becomes $141,354,029.29.

And let me again say this does not take into account the possible passage this year of many bills now pending and which are being strongly pressed, some of them having a favorable report from the committees having jurisdiction, such as the $350,000,000 for western drainage projects, $14,000,000 for the purchase of the Cape Cod Canal, and so forth. It should also be noted that the appropriation acts for 1923 carry authorizations for the use of unexpended balances amounting to $74,677,550.24, which do not appear in the figures above set forth. It should also be stated that the figures given for 1922 include $5,000,000 for the Colombian treaty, $1,000,000 for the Brazil Exposition, and $3,500,000 for seed purchases in certain of the Northwest States. Then, too, the figures for 1923 carry $500,000 which was appropriated during the last year for the prosecution of war profiteers and which was also made available for use in the year 1923. These sums total $10,000,000, which should be taken into consideration in favor of the 1922 appropriations in any comparison that may be made between the appropriations made for that year and the year 1923.

It should also be noted that in the table above set forth the principal reductions are $68,000,000 in the War Department, $128,000,000 in the Navy Department, $70,000,000 for the improvement of highways, and $13,000,000 for the payment of Civil War pensions, which was brought about by the reduction of the number of pensioners on account of death. This makes a reduction in the appropriation for these four activities of $279,000,000, which in itself practically wipes out the difference in the appropriations as given and for which, I submit, Congress can claim no credit for economy. If the reduction in amount for the construction of good roads should serve to impede or delay the improvement of our highways, such action will be subject to criticism. The figures given as to the naval appropriations are misleading, in that the naval bill carries an authorization for the use of unexpended balances amounting to $54,000,000, which makes the total sum actually provided $348,000,000 in round numbers. Adding the $60,000,000 for scrapping the Navy, it will appear that $408,000,000 is being provided for the Navy this year.

The same is true as to the Army bill, for it appropriates the total amount of this bill for military activities $259,000,000, in round numbers. Thus, it will appear that after the disarmament conference, which was expected to reduce Army and Navy expenses, this Congress is providing $411,000,000 for the Navy for 1923, when before the war and in 1914 there was appropriated $141,450,643; in 1915, $146,493,177; in 1916, $149,763,000; and in 1917, when the big war naval program was under way, $315,888,060. This Congress is providing $259,000,000 for purely military activities of the War Department for 1923, when before

the war and in 1914 there was appropriated $100,584,130.38; in 1915, $107,644,812.04; in 1916, $109,089,226.14; and in 1917, during a part of which the country was actually engaged in the war, the appropriation was $294,569,123.67.

PRESENT APPROPRIATIONS COMPARED WITH 1916.

It is manifestly inaccurate and preposterous to claim economy and savings because present expenditures are less than they were during the years following the close of the war. The wake of war left hang-overs and large expenditures for which it was necessary to make provision, and when these were disposed of further appropriations were no longer necessary, and neither Congress nor the administration can take credit for these reductions. A Democratic Congress in the third session of the Sixty-fifth Congress, by an act passed February 25, 1919, repealed appropriations amounting to $7,191,196,991.68 and authorizations amounting to $8,221,429,294.70, or a total of $15,412,226,286.38, from the naval and military grants made during the war. This action of a Democratic Congress made it possible for reductions in expenditures to be made by taking away the large surplus sums to the credit of the War and Navy Departments and preventing further operations under the authorizations. It is as consistent for a Democratic administration and Congress to claim credit for the saving of this immense sum of $15,000,000,000 as it is for a Republican administration and Congress to claim credit for reductions growing out of the cessation of war activities.

It has become a habit of the Republican leaders to compare the expenditures of 1922 with those made in 1921, which were something like $1,600,000,000 more than in 1922. The excess of unexpended balances to the extent of $1,700,000, which makes expenditures in 1921 over those in 1922 were, in the War Department, $712,594,513.32; in the Navy Department, $192,041,835.58; in the Shipping Board, $56,795,268.26; in the Railroad Administration, $786,711,669.98; in the Grain Corporation, $83,353,411.42; in the Sugar Equalization Board, $13,605,520. This totals $1,845,102,218.56. It is clearly manifest that these excess expenditures were on account of the war, and that no administration or Congress is entitled to credit because they were not continued in 1922. It actually shows that there was expended for other activities in 1922 more than was expended in 1921.

If there exists an honest purpose to make comparisons of appropriations, the proper basis is to compare the appropriations for 1923 with the appropriations for 1916, which was the last full fiscal year before the war and which were made by a Democratic Congress and under a Democratic administration. The appropriations for the fiscal year 1923, up to this time, amount to $3,747,435,382.64. The appropriations for the entire fiscal year 1916 amounted to $1,115,004,194.55, or $2,632,031,188.09 less than for 1923. It is proper, of course, to deduct the interest on the war debt, which amounts to nearly $1,000,000,000, but this still leaves a difference of more than $1,600,000,000. Conceding the necessity of providing for certain activities growing out of the war and the growth of Government activities in ordinary course it is obviously patent that this Congress and the administration have not made that progress toward pre-war expenditures which the people were promised and had the right to expect.

1922 SURPLUS AND 1923 DEFICIT.

The Republican Party has not kept the Government on a "pay-as-you-go" basis. It is true that a paper surplus was shown June 30, the close of the fiscal year 1922, but Secretary of the Treasury Mellon in his letter of April 14, 1922, made it very clear that this surplus would only be made possible by the transfer of over $200,000,000 in governmental obligations from 1922 to 1923 which, while enabling the administration to avoid a deficit on June 30, 1922, increased the overwhelming deficit which faces the Treasury on June 30, 1923. In December, 1921, the President in a message to Congress announced that there would be a deficit of over $24,000,000 on June 30, 1922, and one of more than $167,000,000 on June 30, 1923. At that time certain railroad expenditures by the Government were estimated among the expenditures for 1922, and none for such purpose for 1923. But in April, 1922, it appeared that the December, 1921, estimate of a 1922 deficit would be increased from $24,000,000 to over $200,000,000. To have Congress come into session in December and work for economy for seven months, to have the Director of the Budget saving $100,000,000 on paper every few months, and then have the deficit for the first year of the Harding administration increased by such a stupendous sum could never be satisfactorily explained in the coming congressional elections. It was then that a change was made.

On April 14, 1922, the Secretary of the Treasury revised his estimates of receipts and expenditures for the fiscal years 1922 and 1923. The railroad expenditures for 1922 were eliminated and $200,000,000 was transferred over to the column of expenditures for 1923. More than $87,000,000 has been covered into the Treasury as miscellaneous receipts derived from sales of surplus war material during 1922. The statement of the Treasury shows a surplus of $313,000,000 which is attributed to increase in custom receipts, miscellaneous receipts, including Panama Canal tolls, and to the fact that expenditures for 1922 were "almost $200,000,000 less than the estimate given last December." It has already been shown how this "reduction" of expenditures was brought about.

Meanwhile, by reason of this transfer the December, 1921, estimated deficit for 1923 of $167,000,000 had climbed to $484,000,000 in April, 1922, which included $125,000,000 of interest on war-savings certificates. I predicted at that time that it would be not less than $758,000,000 based on estimated receipts and expenditures which seemed certain. Since then the Treasury has again revised its figures and it is now stated that the 1923 deficit will be $697,200,000, the estimated receipts for 1923 being $3,073,800,000 and the expenditures $3,771,000,000. It should be noted that in arriving at the estimate of expenditures no account was taken of the amount which will be required by the passage of the soldiers' bonus or the possibility of the passage of special acts requiring additional expenditures by the Government. When these are considered it may be reasonably expected that the deficit for 1923 will reach $900,000,000, and possibly more, unless the receipts shall be greater than now anticipated, or Congress shows greater economy and there is a more rigid reduction of expenditures by the administrative departments.

REDUCTION OF PUBLIC DEBT.

It is announced that the public debt was reduced in 1922 in the sum of $1,014,000,000. It is stated that this reduction was accomplished through retirements on account of the sinking fund and other public debt expenditures chargeable to ordinary receipts, through the use of surplus current funds in the Treasury and the application of the surplus of $313,000,000 above mentioned. The peak of the public debt was reached in August, 1919, when it was $26,596,701,648.01. Between that date and June 30, 1920, it was reduced under a Democratic administration in the sum of $2,297,380,180.94. During the fiscal year 1921, which was partly under a Democratic administration and partly under a Republican administration, the debt was reduced in the sum of $321,870,914.53. Including the reduction during the fiscal year 1922 the public debt has been reduced in the sum of $3,633,319,939.70 and now amounts to $22,963,381,708.31.

BUDGET ESTIMATES.

The estimates for the regular annual appropriations for 1923 submitted by the President amounted to $2,485,377,246.87. Congress appropriated $2,312,854,200.01, but there was included in this sum $73,275,574 which was not included in the Budget estimates. It will thus be seen that Congress reduced the Budget estimates for 1923 in the sum of $245,798,620.86. The supplemental and deficiency estimates submitted to Congress during the fiscal year 1922 amounted to $472,410,129.96. Congress appropriated $332,760,884.55, making a net reduction of $139,649,245.41. Thus it appears that the estimates for regular and deficiency appropriations submitted by the President with the aid of the Budget Bureau during the first year of its existence has been reduced by Congress in the sum of $385,447,866.86, or 13 per cent of the amount asked, excluding the permanent appropriations not subject to reduction. In other words, if Congress had accepted the estimates as submitted by the President and the Director of the Budget, there would have been appropriated over one-third of a billion dollars more than was actually appropriated. Comment is unnecessary. The Budget law is a good law, but its administration since its enactment has not justified the fulsome claims for savings and economy with which the public has been so frequently regaled through the public press. These figures show that if permitted the Budget Bureau, acting under the personal supervision of the President, would have proved a most expensive proposition to the taxpayers.

The Budget law, which was passed June 10, 1921, established a general accounting office, with the Comptroller General as its head, at a salary of $10,000, and an assistant at a salary of $7,500. The office has a large clerical force, requiring an appropriation of nearly $2,500,000 annually. In addition to auditing Government expenditures, the Comptroller General was charged under the law with submitting to Congress reports upon the administrative examinations of accounts and claims in the various departments and the departmental inspection of the offices and accounts of fiscal officers. He was also required to specially report to Congress every expenditure or contract made in violation of law. Congress has

been in session practically the entire time since the creation of this office, but no report of any kind has been made as required by law. It may be said that the only times the Comptroller General has appeared before Congress or its committees was when he sought increased appropriations for his office.

REORGANIZATION OF THE DEPARTMENTS.

The Republican Congress on December 17, 1920, created a Joint Committee on Reorganization composed of Members of the Senate and House. It was made the duty of this committee to make a survey of all the departments and establishments of the Government and report as to what unnecessary bureaus could be abolished and what bureaus could be consolidated. Shortly after President Harding came into office Congress did the unprecedented thing of authorizing the President to appoint a civilian at an annual salary of $7,500 to be the chairman of the congressional committee. He promptly filled the place.

It was proclaimed that this committee would save millions of dollars to the Government in the abolishment and consolidation of Government bureaus, and these statements were widely published over the country for many months. The committee has been in existence for over 18 months and the salary of the chairman and other expenses have been regularly paid. Only a few weeks ago the distinguished gentleman from Virginia [Mr. MOORE], a member of the committee, vigorously complained and criticized its inaction, and stated that the chairman had not called the committee together since his appointment. Certain it is that the committee has made no report and not one single bureau has been abolished or consolidated.

CIVIL-SERVICE EMPLOYEES.

It is estimated that there were 550,000 civil-service employees of the Government June 30, 1922, of whom 72,253 were in Washington, as compared with 439,798 in 1916, of whom only 39,259 were in Washington. On November 11, 1918, when the war closed, the total was 917,760. Under the last administration this total was reduced to 691,116 on July 31, 1920, and to 640,175 on December 31, 1920, and to 597,482 on July 31, 1921. Under the present administration the total was reduced to 568,390 on December 31, 1921, but there has been a reduction of only about 18,000 during the past six months, and the number in Washington is nearly double what it was in 1916. It may well be asked why it is necessary four years after the war to retain in Government employ 111,000 more civil-service employees than were employed in 1916. Congress has during the past fiscal year added additional employees to the Government pay rolls in providing 201 additional clerks in the Pension Office, 250 in the general accounting office, 600 additional positions in the office of the Internal Revenue Commissioner, and 828 employees under the Prohibition Commissioner, and a number of employees under other special acts, thus adding several millions of dollars to the annual pay roll of the Government.

LOAN OF TENTS, ETC., TO AMERICAN LEGION.

Mr. DUPRÉ. Mr. Speaker, I ask unanimous consent for the present consideration of H. J. Res. 353, authorizing the Secretary of War to loan certain tents, cots, chairs, and so forth, to the executive committee of the Louisiana Department of the American Legion for use at the national convention of the American Legion, to be held at New Orleans, La., in October, 1922.

The SPEAKER. The gentleman from Louisiana asks unanimous consent for the present consideration of a joint resolution the title of which the Clerk will report.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There was no objection.

The SPEAKER. The Clerk will report the joint resolution.

The joint resolution was read as follows:

Resolved, etc., That the Secretary of War be, and is hereby, authorized to loan, at his discretion, to the executive committee of the Louisiana Department of the American Legion, for use in connection with the national convention of the American Legion, to be held in New Orleans, La., October 16 to 20, 1922, such tents, with necessary poles, ridges, and pins, cots, chairs, or camp stools, etc., as may be required at said convention: *Provided*, That no expense shall be caused the United States Government by the delivery and return of said property, the same to be delivered to said committee designated at such time prior to the holding of said convention as may be agreed upon by the Secretary of War and T. Semmes Walmsley, chairman of said executive committee: *And provided further*, That the Secretary of War shall, before delivering suca property, take from said T. Semmes Walmsley a good and sufficient bond for the safe return of said property in good order and condition, and the whole without expense to the United States.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

On motion of Mr. DUPRÉ a motion to reconsider the vote by which the joint resolution was passed was laid on the table.

BRIDGE ACROSS MISSOURI RIVER, SALINE COUNTY, MO.

Mr. FAUST. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 12121) granting the consent of Congress to the county court of Saline County, in the State of Missouri, to construct a bridge across the Missouri River.

The SPEAKER. The gentleman from Missouri asks unanimous consent for the present consideration of a bill which the Clerk will report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GARNER. Mr. Speaker, has this bill been reported by the committee?

Mr. FAUST. It has.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The bill was read, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the county court of Saline County, in the State of Missouri, to construct, maintain, and operate a bridge and approaches thereto across the Missouri River at a point suitable to the interests of navigation, at or near the city of Miami, in the county of Saline and State of Missouri, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

On motion of Mr. FAUST, a motion to reconsider the vote by which the bill was passed was laid on the table.

BRIDGE ACROSS MISSOURI RIVER, LAFAYETTE COUNTY, MO.

Mr. FAUST. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 12120) granting the consent of Congress to the county court of Lafayette County, in the State of Missouri, to construct a bridge across the Missouri River.

The SPEAKER. The gentleman from Missouri asks unanimous consent for the present consideration of a bill, which the Clerk will report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The bill was read, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the County Court of Lafayette County, in the State of Missouri, to construct, maintain, and operate a bridge and approaches thereto across the Missouri River at a point suitable to the interests of navigation, at or near the town of Waverly, in the county of Lafayette and State of Missouri, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was accordingly read the third time, and passed.

On motion of Mr. FAUST, a motion to reconsider the vote by which the bill was passed was laid on the table.

THE SCRAPPING BILL.

Mr. BUTLER. Mr. Speaker, I ask unanimous consent of the House to take from the Speaker's table the bill (H. R. 11214), known as the scrapping bill, and agree to the Senate amendment.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to take from the Speaker's table and consider the amendment to the bill, of which the Clerk will read the title.

The Clerk read as follows: H. R. 11214, to authorize the President to scrap certain vessels in conformity with the provisions of the treaty for the limitation of naval armament, and for other purposes.

The Clerk read the Senate amendment.

Mr. BUTLER. Mr. Speaker, with the exception of section 4, this amendment does no more than to change the phraseology

of the bill that passed the House on the 17th day of May. Section 4 provides for the increase of two battleships and six scout cruisers. The appropriation for the completion of those ships has already been made by the House and included in the last naval appropriation bill. The unexpended balances are authorized to be used for this purpose, and all the money that is necessary has been appropriated. It became necessary for congressional action in order that the limit of cost might be raised. When the scrapping bill was here we struck out the provision in order that it might wait until Congress had a chance to pass on the question. The Appropriation Committee examined the subject with great care and included a sufficient fund to complete the battleships and the six scout cruisers.

Mr. WALSH. Will the gentleman yield?

Mr. BUTLER. Yes.

Mr. WALSH. What was the occasion of increasing the limit of cost?

Mr. BUTLER. The ships were authorized to be completed in 1917, and it is the increase in wages and the cost of material that increases the cost of the ships.

Mr. WALSH. Were not these two authorized in the 1916 program?

Mr. BUTLER. Yes. Mr. Speaker, I made a mistake in answering the gentleman from Massachusetts. They were provided for in 1916. The additional cost is made necessary by the increased cost in wages and material.

Mr. KINCHELOE. Will the gentleman yield?

Mr. BUTLER. Yes.

Mr. KINCHELOE. In view of the fact that no other nation that had representatives in the disarmament conference has ratified the treaty, and nobody knows when they will, I was wondering whether the President will begin to scrap these vessels before they have ratified the treaty.

Mr. BUTLER. I understand—I have no authority beyond what I have heard incidentally—that we will not scrap anything until the treaty is ratified.

Mr. KINCHELOE. That is what I wanted to know.

Mr. MONDELL. Japan has ratified the treaty.

Mr. BUTLER. I understand Japan has ratified the treaty.

Mr. KINCHELOE. I do not think that the President would undertake to scrap the vessels before the treaty had been ratified; but this gives him the power to do it.

Mr. BUTLER. Yes; but I do not believe he would do it.

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. BUTLER. Yes.

Mr. CONNALLY of Texas. Does the gentleman state that Japan has ratified the disarmament treaty?

Mr. BUTLER. Japan, I understand, ratified the treaty. I heard yesterday that the Diet, or whatever the name of the parliamentary body is, had agreed to it and sent it to the proper authority for approval.

Mr. WINGO. Did the gentleman get that from Japan or from the gentleman from Massachusetts [Mr. ROGERS]? [Laughter.]

Mr. BUTLER. I got it from the daily newspapers.

Mr. CONNALLY of Texas. Will the gentleman state whether there has been any official notification of this action by the Government of Japan?

Mr. BUTLER. I do not know; I am not told those things. I would tell the gentleman in a minute if I knew it. I do not believe the President would proceed to scrap these vessels without having official information that the treaty had been ratified. Mr. Speaker, I move to agree to the Senate amendment.

The SPEAKER. The question is on agreeing to the Senate amendment.

The question was taken, and the Senate amendment was agreed to.

The title was amended.

On motion of Mr. BUTLER, a motion to reconsider the vote whereby the Senate amendment was agreed to was laid on the table.

BRIDGE ACROSS RED RIVER AT GRAND ECORE, LA.

Mr. ASWELL. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 12092) granting the consent of Congress to the Louisiana Development Co. to construct a bridge across the Red River at or near Grand Ecore, La.

The SPEAKER. The gentleman from Louisiana asks unanimous consent for the present consideration of the bill H. R. 12092. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the Louisiana Development Co., and its successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across Red River at a point suitable to the interests of navigation at or near Grand Ecore, in the parish of Natchitoches, State of Louisiana, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. ASWELL, a motion to reconsider the vote whereby the bill was passed was laid on the table.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed without amendment the following resolution:

House Concurrent Resolution 36.

Resolved by the House of Representatives (the Senate concurring), That there shall be printed as a House document 1,500 copies of the Journal of the Fifty-sixth National Encampment of the Grand Army of the Republic for the year 1922, not to exceed $1,700 in cost, with illustrations, 1,000 copies of which shall be for the use of the House and 500 copies for the use of the Senate.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12090) making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1922, and prior fiscal years, supplemental appropriations for the fiscal year ending June 30, 1923, and for other purposes, and had agreed to the amendments of the House of Representatives to the amendments of the Senate numbered 28 and 38 to said bill and had receded from its amendments numbered 31 and 42 to said bill.

The message also announced that the Senate had passed without amendments bills of the following titles:

H. R. 12121. An act granting the consent of Congress to the county court of Saline County, in the State of Missouri, to construct a bridge across the Missouri River;

H. R. 12092. An act granting the consent of Congress to the Louisiana Development Co. to construct a bridge across the Red River at or near Grand Ecore, La.;

H. R. 12120. An act granting the consent of Congress to the county court of Lafayette County, in the State of Missouri, to construct a bridge across the Missouri River;

H. R. 8767. An act for the relief of F. E. Taylor and B. C. Boom.

The message also announced that the Senate had passed with amendments the bill (H. R. 11298) amending existing law which authorizes the construction of a public building at Paris, Tex., so as to authorize and empower the Secretary of the Treasury to acquire a new site for same by exchanging therefor land and property now owned by the United States Government in said city, and to authorize the erection on said new site, when acquired, of a public building suitable for post-office purposes, and for other purposes, in which the concurrence of the House of Representatives was requested.

THE TARIFF.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. FORDNEY] be allowed to address the House for 20 minutes. [Applause.]

The SPEAKER. Is there objection?

Mr. GARNER. Mr. Speaker, reserving the right to object, I do not know what subject the gentleman may desire to discuss, but I desire to have 20 minutes also reserved for this side, in which we may discuss general matters, which the gentleman from Tennessee [Mr. BYRNS] may distribute as he desires.

Mr. MONDELL. That is entirely satisfactory. May I suggest that it will be some little time before we can adjourn, as we must wait until the Senate returns the deficiency appropriation bill. I therefore think there is no reason why he should not talk for 40 minutes, if the gentleman desires.

The SPEAKER. It is quite essential that a quorum should remain.

Mr. MONDELL. Certainly.

The SPEAKER. Is there objection?

There was no objection.

Mr. FORDNEY. Mr. Speaker, my object in addressing the House to-day is to present to the House several articles of importation which I have with me and to give to the House figures showing the import value set out in the invoice and all other costs of landing the goods in this country, the amount of duty added, and then to show the spread or margin between the landed cost of those goods in this country and the prices at which they are sold at retail. In addition thereto I shall give the names of the firms from which those goods have been pur-

chased. I do this because at this time this subject is most interesting not only to Members of the House but to the people of the country. Gentlemen will remember that when the tariff bill passed the House a long time ago, in July of last year, it carried a provision which is a very radical change from existing law, in that it imposed the duty to be collected by our Government on the wholesale selling value of the goods in this country instead of on the invoiced value in the country of exportation. A propaganda is now being extensively carried on—by importers chiefly—misrepresenting in the grossest manner the effect of the rates set out in the new tariff bill if enacted into law. I have here in my possession a letter just received from our very dear friend, Congressman TILSON, of Connecticut, who is now in Europe. He purchased and sent to me a number of articles, which I have here—a dozen razors, about a dozen pocketknives, and a dozen pairs of scissors.

Mr. KELLER. In what part of Europe is he?

Mr. FORDNEY. These goods were purchased by Mr. TILSON in Germany. The letter is dated Coblenz, Germany, May 22. He gives the exact price that he paid retail for the goods in Germany. His letter is as follows:

INTERALLIED RHINELAND HIGH COMMISSION,
Coblenz, May 22, 1922.

Hon. JOSEPH W. FORDNEY,
Chairman Ways and Means Committee,
House of Representatives, Washington, D. C.

MY DEAR MR. CHAIRMAN: I have purchased at retail prices in first-class stores an assortment of pocket knives, razors, and scissors, and am inclosing herewith a memorandum showing the price of each. You will find the articles tagged and numbered, with numbers corresponding to those on the memorandum. There are numerous cheaper articles than those I have purchased, but such stuff is well-nigh worthless and probably does not come into competition with American articles.

I visited the Pittsburgh region of Germany, which is around Dusseldorf, Essen, Solingen, etc. I made a careful inquiry as to the wages paid skilled mechanics in the metal trades. Solingen is a typical manufacturing city, devoted largely to manufactures of metal. I found that the wages paid highly skilled mechanics range from 950 to 1,000 marks per week. On the last day I was in Solingen our dollar was worth just 300 marks. I found that mechanics in the metal and other trades receive 17 or 18 marks per hour.

If Mr. Charles F. Rockwell is in Washington, please call his attention to the samples I have sent you, and when you are through with them either send the samples to my office or hold them until I return to Washington.

With best wishes, I am,
Very sincerely yours,
JOHN Q. TILSON.

I shall not attempt to open up all of them, but I show here a pair of scissors. My secretary a few days ago in this city purchased a pair of scissors that are of a size between the two pairs I have in my hand. She paid $2.50 for them. They were made in Germany, where the scissors I received from Mr. TILSON were made. Mr. TILSON paid for the smaller pair of scissors at retail in Germany 17 cents, and for the larger pair 20 cents. The scissors which my secretary purchased are not comparable to either pair, but they are in size between the two that I exhibit from Mr. TILSON, and, as before stated, last week she paid for them in this city $2.50.

Mr. RAKER. Were they made by the same firm?

Mr. FORDNEY. I think they were made by the same firm.

Mr. MONTAGUE. Mr. Speaker, will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. MONTAGUE. Is it the gentleman's contention, therefore, that to increase the duty on the scissors will decrease their price in the American market?

Mr. FORDNEY. I do not quite understand.

Mr. MONTAGUE. Is it the gentleman's contention or view that by increasing the duty on scissors that go into the American market you will lessen the price of scissors?

Mr. FORDNEY. My contention and my whole argument today is this: That to impose the duty upon the American instead of the foreign valuation will produce more just revenue to this Government than under the old system.

Mr. MONTAGUE. Then the gentleman's argument relates entirely to the system of valuation.

Mr. FORDNEY. Yes. I am speaking entirely in relation to the advantage of the American valuation plan as provided by the House in the new tariff bill and which the Senate has seen fit to reject for the time being. I have here a large number of razors, a dozen.

Mr. WINGO. Mr. Speaker, before the gentleman leaves the subject of scissors, will he yield to me?

Mr. FORDNEY. Yes; though I shall have to have a little more time if I am to answer all of the questions.

Mr. WINGO. It is a fact, is it not, that the American manufacturers of scissors are successfully competing in the foreign market? The American manufacturers are selling scissors in China in competition with manufacturers of other countries, are they not?

Mr. FORDNEY. No; I do not think anything of the kind has ever been done, now or at any other time. I know it is said that we are selling goods cheaper abroad than in this country, but I deny that statement. There is no principal country in the world that does not have an antidumping clause which prevents importers from selling goods cheaper in foreign countries than at home.

Mr. POU. I would like to ask the gentleman a question before he gets away from that point. Will the gentleman be kind enough to state what the duty would be on the scissors, for instance, providing American valuation was adopted as against the foreign valuation?

Mr. FORDNEY. If the duty were added, my friend, it would be exactly the amount of duty and nothing else, but in ninety-nine cases out of one hundred time has proved that is not the case.

Mr. POU. The gentleman has not answered——

Mr. FORDNEY. I will give one illustration that will answer the gentleman. In 1892, when the Dingley tariff law was passed, a high rate of duty was placed upon tin, and your party went about this country selling tin at a fabulous price, claiming the duty was the cause of it when, as a fact, that very law brought about the production of tin in this country and at a lower price than tin was ever bought by the American people under any circumstances. I decline to yield just now; I will after while.

Mr. POU. But the gentleman misconstrues my question entirely. The only thing I want to do, and I was seeking information, I was not intending to embarrass the gentleman——

Mr. FORDNEY. I thank the gentleman.

Mr. POU. I wanted to know if the gentleman can state what the duty would be under the terms of foreign valuation and what the duty would be under American valuation?

Mr. FORDNEY. No; I do not have the table here, but that cuts little or no figure, for this reason: That goods imported into this country are undervalued, and I say to you we want to stop that undervaluation by the adoption of the American valuation for the collection of the duty. [Applause.] It is not the purpose of the committee to raise the amount of duty to be collected by adopting the American valuation plan, but to prevent undervaluation. These razors sent to me by Mr. TILSON range all the way from 14 to 35 cents each. They are high-grade razors. So much for the razors.

Mr. KELLEY of Michigan. What would they be worth in the United States?

Mr. FORDNEY. From 75 cents to $4, depending upon the seller's estimate of the ability to pay. I went down town to purchase a Panama hat, an imported article. The merchant asked me $15 for it, but he finally came down to $10, and I purchased the hat. When I came up here, I found a colleague of mine had purchased one like it for $7.50 from the very same merchant.

Mr. BEGG. Who was the merchant; why does not the gentleman tell that?

Mr. FORDNEY. Now, gentlemen, here is a magnifying glass, an imported article made in Germany. The foreign cost, 76 cents; the charges for landing it in this country were 26 cents. Rate of duty, 30 per cent ad valorem, 22 cents; landed cost in the United States, $1.24. Then, here is a receipt from Shonenig & Co., New York, who sold it at retail for $12. The margin between the foreign cost and the selling price is 1,480 per cent, and the margin between the landed cost in this country, all charges added, and the selling price is 869 per cent.

Here is another article, a dental mirror. Foreign value, 4.62 cents; charges for landing, 0.46 cent. The duty, 30 per cent, or 1.38 cents. Landed cost in the United States, duty paid, and all other costs, 6.46 cents. Retailed at 35 cents. The spread between the foreign cost and the selling price is 660 per cent and as between the landed cost in this country and the selling price 442 per cent.

Here is a table clock, made in Germany. Foreign cost, 33 cents; landed charges, 1.4 cents; duty, 30 per cent, or 9.9 cents; landed cost in the United States, 44.3 cents; retail price, $1.98. The spread between the foreign cost and the selling price is 500 per cent and between the landed cost here, duty paid, and the selling price, 347 per cent, purchased at the Pennsylvania Drug Co., in New York.

Here is a padlock. If I could put one on some fellows at a certain point of their anatomy I would stop a lot of this hot air. [Laughter.] This was made in Germany. Foreign cost, 19.6 cents; charges for landing, 2.3 cents; duty rate, 20 per cent, or 3.9 cents; landed costs in the United States, 25.8 cents; and the selling value in this country, $1. The margin between the foreign cost and the selling price here, 410 per cent, and as between the landed cost and selling price, 288 per cent. Purchased of Louis Rice, hardware and cutlery, 272 Bowery, New York City.

Here is an egg cutter, made in Germany. Foreign cost, 6.4 cents. The landing charges, 0.64 cent; duty, 20 per cent, or 1.28 cents; landed cost in the United States, 8.52 cents; and the retail price, 49 cents. The margin between the foreign value and the selling price is 665 per cent and between the landed cost and selling price here 486 per cent. Purchased of the Metropolitan Hardware Co., of New York, with sales slip attached.

I have here a razor hone, made in Yugoslavia. Foreign cost, 18.7 cents; charges for landing, 2.1 cents; rate of duty, free; landed costs, 20.8 cents; and selling price, $1. The spread between the foreign cost and the selling price is 435 per cent and between the landed cost and selling price here 380 per cent. Purchased of Sperry & Alexander Co., 72 Chamber Street, New York.

Mr. OLIVER. Will the gentleman yield for a question?

Mr. FORDNEY. Yes, sir; briefly, if you please.

Mr. OLIVER. Once before I recall the gentleman from Michigan submitted to the House some very interesting and rather startling figures showing the wide spread between the purchase price in foreign countries and the selling price here. The figures of the gentleman were sharply challenged by the gentleman from Illinois [Mr. MANN].

Mr. FORDNEY. And later on I answered Mr. MANN's statements.

Mr. OLIVER. And the report of the challenge——

Mr. FORDNEY. Wait a minute, please. I answered the gentleman from Illinois later on and placed in the RECORD conclusive evidence of the correctness of my former statement and pointed out that my beloved friend MANN had been misled by the statement of the fellow who furnished him the information, and I furnished the proof of the correctness of my first statement, and that proof was inserted by me in the RECORD.

Mr. OLIVER. The gentleman from Illinois never accepted, so far as the RECORD shows, the correctness of the gentleman's last statement.

Mr. FORDNEY. He never denied it. Silence is consent. I take that for granted. Knowing that one is right, the gentleman from Illinois will always accept the truth when it is furnished to him in evidence.

Mr. MANN. Mr. Speaker, will the gentleman yield?

Mr. FORDNEY. Certainly.

Mr. MANN. This is the first time I have heard the gentleman attempt to answer the statements which were accurate and made by me. [Laughter.]

Mr. FORDNEY. I never stated at any time that you had misstated the facts. I stated that you had been imposed upon by the men who furnished you the information. You are my friend, my beloved friend. I have had no quarrel with you at all. I quarrel only with the men who furnished you with the misinformation.

Mr. MANN. I want to state that my statement was accurate.

Mr. FORDNEY. You say your statement was correct. I say the information furnished you by John G. Shedd was not correct, and I have furnished to the House positive proof to that effect. I wish to go on, if the gentleman will permit.

I have a pair of kid gloves here, made in Germany. The foreign price was 38.9 cents; charges for landing, 2.1 cents; duty, 16.6 cents. Landed cost in the United States, 57.6 cents. Retailed at $2. The spread between the foreign cost and the selling value in this country, or the selling price, was 414 per cent, and the spread between the landed cost in the United States and the selling value here was 244 per cent. Purchased from the Reid Corset Shop, 1077 Broadway, Brooklyn, N. Y.

The SPEAKER pro tempore (Mr. DOWELL). The time of the gentleman from Michigan has expired.

Mr. COOPER of Wisconsin. Mr. Speaker, will the gentleman yield for a question?

Mr. FORDNEY. Mr. Speaker, I ask unanimous consent to proceed for 20 minutes. I do not believe that I can finish with the questions asked otherwise. I ask unanimous consent for 20 minutes additional time.

The SPEAKER pro tempore. The gentleman from Michigan asks unanimous consent to proceed for 20 minutes. Is there objection?

There was no objection.

The SPEAKER pro tempore. Does the gentleman yield to the gentleman from Wisconsin?

Mr. FORDNEY. I yield.

Mr. COOPER of Wisconsin. I understand the gentleman from Michigan was giving what is called "the landed cost" in the United States?

Mr. FORDNEY. Yes. That is the foreign cost, with packing charges, discount, allowances, and insurance, whatever the charges may be to land the goods in this country, duty paid.

Mr. COOPER of Wisconsin. That is what the importer will pay?

Mr. FORDNEY. Yes.

Mr. COOPER of Wisconsin. Then the retail cost is what it will sell for here at retail?

Mr. FORDNEY. I am giving costs in the country of origin and the landed value here, with duty added, and then the selling value, and showing the spread between the two.

Here is an article of great importance. Here is a woolen blanket, sold as an all-wool blanket, made in Czechoslovakia. The foreign or invoice value is $19.40. The landing charges were 97 cents. The duty was 25 per cent ad valorem and 45 cents per pound, or $6.65. The landed cost in the United States, duty and all other charges paid, was $27.02. It retailed—and I have the receipt for that price here—at $65. That is a spread between the foreign cost and the selling price here of 235 per cent. The spread between the landed value, duty and all other charges paid, and the selling value in this country is 140 per cent. Purchased of James McCutcheon & Co., of New York.

Here is an article that I do not know just how to describe [holding up a lady's nightgown], but I will do the best I can and leave it to you to judge what it is. It may be a gown, or it may not be. I suppose you gentlemen would like it better if there were something in it. I heard the story of one gentleman who returned to his hotel the other day and found a gown like this in a closet in his room, which had been placed there during his absence. [Laughter.] He called to the porter and said, "Porter, take this away; fill it and bring it back." [Laughter.] That article was made in Belgium, and the foreign or invoice value was $13.34; landing charges, 35 cents; duty, 60 per cent, or $8; landed cost in the United States, duty and all other charges paid, $21.69. The price at which it was sold to us—and here is the bill—is $60. It is well worth the money, boys, if filled. [Laughter.]

Mr. McLAUGHLIN of Michigan. Mr. Speaker, will the gentleman yield.

Mr. FORDNEY. Just a minute. The margin between the foreign cost, the export cost, and the retail price was 349 per cent, and the spread between the landed cost in this country and the price at which it was sold was 176 per cent.

Now I yield to the gentleman from Michigan.

Mr. McLAUGHLIN of Michigan. You speak of the selling price in Belgium. Was that the retail price?

Mr. FORDNEY. That is the invoice value—supposed to be the wholesale value. I imagine that the invoice always aims to show the wholesale selling price.

Here is a toy called the "little basket worker," a sewing set made in Germany. Foreign value, 3.3 cents; landed charges, 2.9 cents, amounting to nearly as much as the price paid for it in Germany. The duty was 35 per cent, or 1.1 cents. The landed cost in the United States was 7.3 cents, and it retailed for 50 cents. The spread between the foreign value and the selling price in this country was 1,415 per cent, and between the landed cost, all charges paid, duty included, and the selling price 585 per cent. Purchased from Gimbel Bros., of New York. They do not do business with a gimlet; they bore with a big auger.

Mr. KELLEY of Michigan. Mr. Speaker, will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. KELLEY of Michigan. What would be a fair profit, considering the wholesale and retail prices of such articles as you are considering?

Mr. FORDNEY. I believe generally 10 per cent to 15 or 20 per cent is a fabulous profit on such goods. From the difference between the landed value and the price at which the goods are sold, however, must be deducted the cost of selling. I am talking about profits. That is the real question, if I understood the gentleman. In many cases the cost of selling—the overhead charge—is as much as 30 or 35 per cent of the amount received for the article. I am speaking of the profits.

Mr. KELLEY of Michigan. I judge from the gentleman's argument that he is seeking to convey the fact that these prices are exorbitant. I wondered what would be a fair margin or spread, as the gentleman speaks of it, between the wholesale price and the retail price.

Mr. FORDNEY. I am informed that 2 per cent on the goods sold in the wholesale grocery business is a fair margin of profit. Two per cent on goods turned over many times during the year of course means a good profit at the end of the year on money invested. Now, I have here a violin. This will interest the gentleman from Ohio particularly. This violin was made in Czechoslovakia, and the foreign cost or invoice value was $1.15; the charges for landing, 17 cents; the duty, 35 per cent,

or 40 cents; landed cost in the United States, $1.72. Retail selling price, $6. The margin between the foreign cost and the price at which it was sold was 421 per cent, and between the landed cost, all charges paid, and the selling value, 250 per cent. This violin was purchased from Oscar Schmidt (Inc.), musical instruments, 87 Ferry Street, Jersey City, N. J.

Mr. STEPHENS. Did the gentleman get the bow with it?

Mr. FORDNEY. No. I am informed by a gentleman to-day that in Columbus, Ohio, there was a factory which made in one year during the war 60,000 violins which were sold by them at $3 each. That is, the cost of production was $3. That factory is out of business now, so I am informed, and the music stores in Columbus, Ohio, are filled with German-made violins because of the cheaper price of the foreign-made article.

Mr. BEGG. Will the gentleman yield for one question?

Mr. FORDNEY. Yes.

Mr. BEGG. The gentleman is not stating the jobbers' handling cost on that violin and the other articles. Of course, there must be a jobbers' expense and a jobbers' profit.

Mr. FORDNEY. I am unable to give that.

Mr. BEGG. That comes out of this exorbitant profit.

Mr. FORDNEY. I am informed that most of these articles were sold at retail by the importer.

Mr. TINCHER. He is a jobber, then.

Mr. FORDNEY. Yes; here is a cotton scrub cloth made in Germany, costing 4¼ cents, landing cost seventy-two one-thousandths of a cent, duty 25 per cent, or 1.19 cents. The scrub cloth was sold for 26 cents. The spread between the foreign value and the selling price here is 447 per cent and between the landed cost, everything paid, and the selling price, 290 per cent. I have the sales slip here attached. This was purchased from R. H. Macy & Co., of New York.

Mr. CROWTHER. Will the gentleman yield for a statement there?

Mr. FORDNEY. Yes.

Mr. CROWTHER. I want to say that before the depreciation of foreign money, which in a sense accounts for some of these low prices, the Japanese sent into this country better made violins at a less price than those made in Germany and Italy, but the Japanese have been put out of business and we are getting German and Italian made violins instead of Japanese instruments.

Mr. FORDNEY. Here are some hemstitched linen towels; foreign value per dozen $3.52, charges for landing 12 cents, rate of duty 35 per cent, or $1.23, landed cost in the United States $4.87 a dozen. These towels retailed at $24 a dozen.

Mr. SEARS. Will my colleague yield?

Mr. FORDNEY. I am going to ask gentlemen to bear with me for a few minutes without interrupting me. The firm from which this towel was purchased at that price, James McCutcheon & Co., Thirty-fourth Street and Fifth Avenue, New York City, sent out a letter which they had printed as an advertisement in the newspapers, which letter I want to read to you:

NEW YORK.

To the public:

The Senate committee has reported to the Senate the new tariff bill. This bill would raise the duties on linens from 30 and 40 per cent to 50 and 60 per cent, or, in other words, would almost double them. This will, of course, mean that the prices of these goods will have to be advanced.

By way of illustration, a towel 18 by 32 inches, which now sells at $6 per dozen, would have to sell at $7.25 or $7.50 a dozen under the new tariff. Handkerchiefs which to-day are selling around $3.85 a dozen would have to sell for about $4.50 a dozen.

If this change was going to protect the American workingman and American manufacturer, we would have nothing to say. But it does not, for the simple reason that, except for the lower-end huck towels and crashes there is practically no linen manufactured in the United States. More than 98 per cent of the linen you use comes from abroad.

We have been making strenuous efforts in the last year and a half to reduce the prices of all of our goods, and are most distressed at the thought of having to advance them at a time like this. If you agree with us that such a change in the tariff on linens is unwise and that prices should not be forced up, won't you write to your Senators and Representatives in Congress and protest against this uncalled for advance in rates?

Yours very truly, JAMES MCCUTCHEON & CO.

Listen to this letter and think of the crocodile tears! They have a spread of about 400 per cent, and on some things much more, and yet they must raise their price under this "nefarious" tariff law! Custom officials advise me that the increase of duty, on the type of towel referred to in the advertisements, will amount to 69 cents. Whereas they say in the advertisement they will raise the retail price $1.50 or 81 cents more than the duty.

Here is a shotgun of high-grade workmanship.

Mr. TIMBERLAKE. Is it loaded?

Mr. FORDNEY. No. If it was, I would point it in the right direction. It is on the same pattern as the new rifle used by the United States Army. The foreign invoice value is 90 cents, and landed here the price is $1.80. Will a duty calculated on the foreign value protect the manufacturer in this country? Why, gentlemen, you could not get an American laboring man, skilled mechanic, to make the stock for 90 cents.

This gun sold for $15. The spread between the foreign cost and the sales price was 1,566 per cent and between the landed cost and the sales price 733 per cent.

Here is a necklace the foreign invoice value of which is $12.25. The landing cost in the United States, $18.26. Retail price, $150. The difference between the foreign price and the selling price is 1,118 per cent. No doubt this necklace was greatly undervalued. There is 755 per cent between the landing value and the selling price.

Here are some more linen goods. I am sorry that I do not have time to go through them all.

But here is a matter that interests me; here is a rule made in Saginaw, Mich., my home town. I have been through the factory. They employ in normal times 2,800 people. They are now running with 400 people. Before the war they built a factory in Germany and made the rule in Germany, but when the war came Germany took the factory away from them. The Germans are now making this rule in that American-built factory in Germany. Here is the rule made in my home town. Here is the similar rule made in Germany, which was invoiced for $1.08 per dozen. It costs $2.10 a dozen to make them at Saginaw, Mich. Do you want American labor to be turned out? If so, permit these goods to come in on the present rate of duty, or any rate of duty on the foreign value. Our factories will remain closed and our men will look somewhere else for employment.

I have about 300 of these items that I would like to exhibit. I have arranged so that any man who wishes a number of these samples to take into the campaign and show exactly what these people are doing, these people who are carrying on the propaganda against the American valuation, and by calling on Senator GOODING in the Senate he will furnish them. There is not an argument on earth that will go as far as showing the people by demonstration exactly what these things are to our working people that are imported into the country from the outside world. [Applause.]

With the advent of every tariff debate many prophets crop up and breathe forth predictions that woe and despair will come to our people as a result of a protective tariff law.

To compare the flow of oratory of to-day coming from our Democratic friends in the Senate and House with that of the past, on the Dingley and the Payne tariff bills, is most amusing.

It is a fact indisputable that this country industrially was more prosperous under the Dingley and Payne tariff laws than during the other period of equal length in our history, and these laws remained on our statute books longer than did any other tariff law in our history.

Under the two laws named, new industries were developed and old ones took on new life. Farm mortgages were reduced and paid off as never before, and the Nation reached the maximum of its prosperity.

The inflated prosperity that existed during the late war was not natural nor was it good for the country.

During the discussion of the great tariff bills referred to the Democratic prophets, then as now, prophesied dire disaster to the Republican Party. They misrepresented the merits of the bills then, as they are misrepresenting this bill, to the people.

Let me quote some of the predictions made by the Democrats during the first session of the Fifty-fifth Congress. I quote from the CONGRESSIONAL RECORD, page 1420. Senator Vest, disclaiming to be a prophet, however, made the following remarks:

I plead, of course, to deaf ears so far as this Chamber is concerned, and I have not the gift of special prophecy; but I tell my friends on the other side continue this thing and you will repeat history as it occurred after the act of 1890. There is an instinct of fair play and right in the American people which will not tolerate this sort of illogical, indefensible, and outrageous taxation. If any Senator can tell me why, with the existing conditions, this duty upon tin plate should be increased I shall be more astonished than I have ever been, even in my political career.

On page 1971 Senator Caffery, of Louisiana, also expressed his awful fears:

Sir, the Republican Party went to defeat under the high tariff of 1890. That was but a skirmish compared to the battle that is to be in 1900. Then will come the Waterloo of Republicanism. The Napoleon of the tariff can then meditate on the ingratitude of the Republic and the blindness of them who fail to see the blessings of paying somebody else a part of their money to make them rich.

Sir, the industries that have flourished in the United States are those grounded on natural advantages. Our wheat and cotton and corn never needed and can not prosper under a tariff. It is so of the leading manufacturing industries—iron, cotton, wool, and wood.

Also, Senator Allen, on page 1980:

Mr. President, I want to see the bill pass. I want to see it pass as speedily as possible. In my judgment it will be the gigantic failure of the age. It will fall short of producing revenue. Although its purpose is as I said, I want to see the great body of honest American citizens who believe there is something in the tariff issue to learn by bitter experience, if they can not learn otherwise, that the tariff is a delusion and a snare. * * *

I do not know what course I shall pursue then, but I believe, and I believe the American people are becoming daily convinced, that the bill will be a failure the moment it is adopted.

How far afield the Senator was is now known to all, for no greater prosperity ever existed than that we enjoyed under the Dingley tariff law.

On page 2376, Senator Bate, of Tennessee, foresaw the life-blood of labor being sucked out by the enactment of such a law:

It will be an indirect and constant drain upon the great body of consumers. * * * It would increase poverty where it now exists and multiply wealth where it now abounds. It will suck the life-blood of labor and make of it a pale and sickly dependent. It will encourage capital to combine and build up those modern curses, trusts and monopolies. It will multiply tramps and millionaires.

Senator Chilton, on page 2811, feared for the reaction upon the Republican Party forcing the "fraud schedule" upon the agriculturists of the country:

We now come to Schedule G, entitled "Agricultural products and provisions." This should more properly be styled the "fraud schedule," because, while designed on its face to benefit the farmer, it really does him no good whatever and in some paragraphs actually adds to his burdens.

* * * Teach the farmer the truth; teach him to bare his arm against protection at every point; teach the farmer that he can never gain a fair share in this protection robbery; teach him to fight it to-day, to-morrow, and next year; teach him to make war against the first schedule, the second schedule, the fourteenth schedule—all the schedules; teach him to muster with that party which will move manfully toward ultimate free trade in this country; and when you do that we can write another such platform as the Democratic Party wrote in 1856 and we can win another such victory as was won under Buchanan as our candidate for President. That is what we want in this country.

And, on page 2817, realized that the bill could not be what it ought to be because there had been no conference with the Democratic members of the Finance Committee, and therefore disaster would follow:

Congressman Dockery, of Missouri, on page 2734, having possibly had conference in the school of the prophets with Senator Caffery, shared with him in the sincere belief that the Republican Party was not only facing its Waterloo, but a Sedan and Pultowa:

"McKinleyism" and "Dingleyism" are both extreme illustrations of the vicious policy of paternalism. The McKinley Act in the campaigns following its enactment led the Republican Party to disaster. The Dingley Act, in the campaigns to come, will prove still more disastrous to that party.

It was Waterloo for the Republican Party in 1890 and 1892. It will be Waterloo, Sedan, and Pultowa, all in one, in 1897 and 1898.

These prophets were not only concerned and saw disaster following in the train of the passage of this nefarious bill, but some of them saw and gave voice to what they saw, namely, absolute disaster to our export trade.

On page 2015 Senator Morgan has great fear that we were making war upon the commerce of the world:

We are making war upon the commerce of the world for the purpose of dividing out amongst politicians and political retinues in the United States those benefits which come from political action in a recent presidential election. We are fastening down upon the commerce of the world burdens which it can not stand, which will necessarily cripple our commercial relations with foreign nations, and there is not a nation in the world to-day, from Mexico to Turkey, which does not understand that the tariff bill which we are now enacting is a war upon the commerce of the world.

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* * * Let it come, but when we are destroying our own people and their happiness and prosperity by the exaggeration and outrages of the tariff, do not let us aim our shafts at a country like Japan, which has done so much to try to assist in her civilization and her rise and progress amongst the nations of the earth.

On page 1601 Senator Mills, of Texas, evidently a believer in the hereafter, gave warning, as follows:

Do you think there is no hereafter, gentlemen? Wait until the swallows homeward fly. There is a tribunal whose doors are always open, and we will invite you to meet us there. If the people of the United States indorse your doctrine and the policy that you write on the statute books to-day, they are not fit for self-government. Nor will they do it, either. They will bring you to an account, and the places that know some of you to-day will know you no more hereafter forever.

Senator Jones, of Arkansas, on page 1915, had also grave fears that the party would not fulfill its promise of prosperity:

You can not make the people rich by taxing them, and you can not make them prosperous by making them pay higher prices for what they have to buy without giving them increased facilities for doing so.

Let them try this bill, if the friends of the measure of high protection are sufficiently strong in this body to put it upon the statute books, but when it has become the law of the land the promised prosperity fails to come, as I am sure it will fail to come, then the question will be asked at once of these gentlemen, "You promised us prosperity by the passage of the tariff bill, and what do you propose to do now? How do you propose to give us prosperity now?" The people will be doubtful in their belief of what is promised them because of the failure at this time.

Senator Bate, on page 2373, feared greatly that the tariff would paralyze the industries of other nations:

At the same time we are considering here in Congress the most effectual tariff system that shall paralyze the industries of other nations, deny them access to our markets, and shut off 75,000,000 of consumers from the production of other nations.

Senator Clay, on page 1529, doubting as some do at the present time that the tariff was an issue in the late campaign, said:

Pass this bill and place it upon our statute books and its advocates and those who reap its benefits will come back with renewed energy and demand more protection. This bill will not give relief to the people. I deny that it was the real issue of the last campaign.

These views of a protective tariff are the most extraordinary anti-American expressions one could invent. The real purpose of a protective tariff is to encourage production at home and to preserve our own markets for our own products.

Congressman Hunter, of Illinois, on page 93 foresaw in detail every possible ill that might be enumerated on the passage of this measure:

It lays the burdens of taxation more heavily upon the farmer and the laborer now than ever before.

It limits the exchange of the farmer's surplus product and reduces the price.

It has no reference to raising the necessary revenue to support the Government.

It enhances the value of the protected article to the home consumer and limits the field of labor.

It compels every laboring man in the country to give more of his earnings for the protected goods and leaves labor on the free list.

It violates every principle of honesty and integrity.

Its life is drawn from the polluted blood of avarice.

It is robbery under the forms of law.

It closes the doors of the factories and turns men, women, and children into the street to starve and to die in order to influence and secure legislative favors.

On the contrary, gentlemen, the farmer was benefited in two ways by the passage of the Dingley and the Payne tariff laws. These bills resulted in the lowering of the prices paid by the farmer for manufactured articles, affecting by keen competition at home, resulting in increased production and by increased employment for our own people, giving them increased purchasing power. As 92 per cent of all our agricultural and manufactured products are consumed in the United States, increased demand and increased consumption followed, and all our people were consequently benefited.

The facts are that high tariff laws came, and remained on the statute books for 16 years, during which time our people, both rich and poor, enjoyed great prosperity. These tariff laws did not, as Mr. Hunter said they would, "leave labor on the free list." The sole purpose of a protective tariff is to enable the employer to pay the American scale of wages and to compete in our own country with like products made abroad by cheap labor.

German laborers, skilled mechanics, to-day receive 45 cents per day and give 11 or 12 hours for a day's work, while the same class of work in the United States brings from $3 to $4 per day for 8 hours' work. Give the American employer of labor a wage scale of 45 cents per day and he can compete with the world and ask no protection. Who is there among us that will advocate the German wage scale for the American laboring people. Shame on the man who would even suggest it. [Applause.]

Mr. GARNER. Mr. Speaker, I ask unanimous consent to proceed for 25 minutes, and 5 minutes of that I want to yield to the gentleman from Alabama [Mr. OLIVER].

The SPEAKER. The gentleman from Tennessee has 20 minutes.

Mr. GARNER. I ask unanimous consent that the gentleman from Alabama have five minutes.

The SPEAKER. The gentleman asks unanimous consent that the gentleman from Alabama [Mr. OLIVER] have five minutes. Is there objection?

There was no objection.

Mr. BYRNS of Tennessee. I yield 20 minutes to the gentleman from Texas [Mr. GARNER].

[Mr. GARNER addressed the House. See Appendix.]

Mr. OLIVER. Mr. Speaker, the Members of the House on both sides of the aisle have a deep affection for the gentleman from Michigan, "Uncle JOE" FORDNEY. Yet we recognize that he is so obsessed with the idea of a high protective tariff that he not infrequently accepts and treats as true much inaccurate and unreliable information. As a result many of his statements and conclusions, when checked, are found to be erroneous, because they are based on wrong information. This was clearly demonstrated some months ago in a speech made by the gentleman from Illinois [Mr. MANN], who is always very careful to see that any information which he submits to the House is

accurate. It is not often that the gentleman from Illinois [Mr. MANN] makes a tariff speech, but in the speech referred to, which will be found on page 1423 of the RECORD, he submitted direct, first-hand information to show that statements previously made by the gentleman from Michigan [Mr. FORDNEY], and strange to say similar in kind to the statements which the gentleman from Michigan has to-day made, were wholly inaccurate, unreliable, and misleading. I beg to quote a few excerpts from Mr. MANN's speech, showing the inaccuracy of previous statements made by the gentleman from Michigan [Mr. FORDNEY] and which are very apropos to the statements which he makes to-day. On January 19, in discussing the inaccuracy of statements made by the gentleman from Michigan [Mr. FORDNEY], Mr. MANN said:

It was unfortunate, however, that the facts as given by the gentleman from Michigan do not comport with the actual facts.

* * * * * * * *

The only difficulty about it (referring to Mr. FORDNEY's statement) is that it has nothing to do with the facts in the case.

* * * * * * * *

I have always found, myself, that it was a very wise thing in making a statement of facts to be sure of the facts, and when I predicate an opinion upon facts I like to know the facts.

I happened to be present when the gentleman from Michigan [Mr. FORDNEY] made his first statement, and was much surprised at the character of some of the information he submitted. Later, I was present when the gentleman from Illinois [Mr. MANN], challenging the correctness of the statements by the gentleman from Michigan [Mr. FORDNEY], submitted in support of his challenge affidavits and statements from men whose veracity he vouched for and who had personal knowledge of the facts. In other words, the gentleman from Illinois [Mr. MANN], in support of his statement and conclusions, submitted direct, primary evidence, while, on the other hand, the evidence submitted by the gentleman from Michigan [Mr. FORDNEY] was in the main, if not wholly, hearsay. [Applause.]

Members of the House who heard the speech of the gentleman from Illinois [Mr. MANN] were forced to conclude that the gentleman from Michigan [Mr. FORDNEY] had, by reason of erroneous information, been honestly led into making many inaccurate statements to the House.

It is unfortunate for the gentleman from Michigan [Mr. FORDNEY] that the House now remembers how inaccurate some of his former statements were, as shown by the gentleman from Illinois [Mr. MANN], and it is but natural that to-day the House should have serious misgivings as to the correctness of the statements just made by the gentleman from Michigan [Mr. FORDNEY], especially since his statements to-day are again largely based on hearsay information.

I was greatly surprised to hear the gentleman from Michigan urge Members on the majority side of the aisle to accept as true the hearsay information which he submits, and to go to the country with it as the basis of an appeal to the people for their support of a high protective tariff.

Mr. FORDNEY. Will the gentleman yield?

Mr. OLIVER. Not just now. When the gentleman from Michigan was urging the majority Members to thus make use of the statements and conclusions which he announced, he must have forgotten that information of a like kind, submitted by him a few months ago, was challenged, and successfully so, by no less a distinguished Republican than the gentleman from Illinois [Mr. MANN].

As further proof that my friend, the gentleman from Michigan [Mr. FORDNEY], not infrequently falls into error I need only remind the Members of the House what they witnessed a few minutes ago when the attention of the gentleman from Michigan [Mr. FORDNEY] was called to the correcting facts submitted by the gentleman from Illinois [Mr. MANN]. It seemed that the gentleman from Michigan [Mr. FORDNEY] honestly thought, and so stated to the House, that the gentleman from Illinois [Mr. MANN], after making the speech to which I have referred, later admitted that the statements and facts submitted by the gentleman from Michigan [Mr. FORDNEY] were correct.

Mr. FORDNEY. Will the gentleman yield?

Mr. OLIVER. In a few moments. It so happened that when the gentleman from Michigan [Mr. FORDNEY] made this surprising announcement to the House the gentleman from Illinois [Mr. MANN] very promptly rose to his feet and informed the gentleman from Michigan [Mr. FORDNEY], in a forceful yet courteous way, that he was wrong in the assurance thus volunteered to the House, and that the figures and statements which he, Mr. MANN, submitted in his speech of January 19 last were not only accurate and correct but that no one, so far as he knew, had ever answered his speech on that subject.

In order that there can be no mistake as to what the position of the gentleman from Illinois [Mr. MANN] now is, I wish to remind the House of what occurred just a few minutes ago, as shown by the stenographer's notes:

Mr. OLIVER. Will the gentleman yield for a question?

Mr. FORDNEY. Yes, sir; briefly, if you please.

Mr. OLIVER. Once before I recall the gentleman from Michigan submitted to the House some very interesting and rather startling figures showing the wide spread between the purchase price in foreign countries and the selling price here. The figures of the gentleman were sharply challenged by the gentleman from Illinois [Mr. MANN].

Mr. FORDNEY. And later on I answered Mr. MANN's statements.

Mr. OLIVER. And the report of the challenge——

Mr. FORDNEY. Wait a minute, please. I answered the gentleman from Illinois later on and placed in the RECORD conclusive evidence of the correctness of my former statement and pointed out that my beloved friend MANN had been misled by the statement of the fellow who furnished him the information, and I furnished the proof of the correctness of my first statement, and that proof was inserted by me in the RECORD.

Mr. OLIVER. The gentleman from Illinois never accepted, so far as the RECORD shows, the correctness of the gentleman's last statement.

Mr. FORDNEY. He never denied it. Silence is consent, I take that for granted. Knowing that one is right, the gentleman from Illinois will always accept the truth when it is furnished to him in evidence.

Mr. MANN. Mr. Speaker, will the gentleman yield?

Mr. FORDNEY. Certainly.

Mr. MANN. This is the first time I have heard the gentleman attempt to answer the statements which were accurate and made by me. [Laughter.]

Mr. FORDNEY. I never stated at any time that you had misstated the facts. I stated that you had been imposed upon by the men who furnished you the information. You are my friend, my beloved friend. I have had no quarrel with you at all. I quarrel only with the men who furnished you with the misinformation.

Mr. MANN. I want to state that my statement was accurate.

Let me again repeat that the difference between the gentleman from Michigan [Mr. FORDNEY] and the gentleman from Illinois [Mr. MANN] is accounted for in a perfectly natural way, namely, the evidence submitted by the gentleman from Illinois [Mr. MANN] is legal evidence, such as courts accept, while the information submitted to the House by the gentleman from Michigan [Mr. FORDNEY], on the former occasion, as well as to-day, is hearsay and would not be accepted as evidence by any court.

The SPEAKER. The time of the gentleman has expired.

Mr. McDUFFIE. I ask unanimous consent that the gentleman from Alabama have five minutes more.

The SPEAKER. The gentleman from Alabama asks unanimous consent that his colleague [Mr. OLIVER] have five minutes more. Is there objection?

There was no objection.

Mr. FORDNEY. I do not think the gentleman wishes to misquote me. I would not misquote him.

Mr. OLIVER. No, indeed.

Mr. FORDNEY. The gentleman says the information that I have is hearsay and wholly incorrect. The evidence I furnished was copies of the invoices of the imports and the sales slips for the purchases of the articles purchased that had been imported, and the invoice was conclusive evidence. Why does the gentleman say it was hearsay?

Mr. OLIVER. Sufficient answer to say that the gentleman from Illinois [Mr. MANN] alone furnished the original, first-hand information on the subject then under discussion. One need only read the speech of the gentleman from Illinois [Mr. MANN] to be convinced.

Mr. FORDNEY. Statements, not affidavits.

Mr. OLIVER. The statements submitted by the gentleman from Illinois [Mr. MANN] to contradict the statements made by the gentleman from Michigan [Mr. FORDNEY] were by parties who had personal knowledge of the matters referred to, and the business standing and veracity of the parties making the statements was fully vouched for by Mr. MANN. Read again your speech, then read the speech of Mr. MANN, and you can but reach the conclusion that much of the information on which you base your statement was pure hearsay and clearly shown to be unreliable by Mr. MANN.

Now, you are making again to-day statements and conclusions based not on what you know but on information supplied by some one else, and doubtless the party supplying you with the information took it from some one else. Confessedly, you know nothing either of the purchase or sale prices of the articles just exhibited, but information on this subject seems to have been sent you by the gentleman from Connecticut [Mr. TILSON]. If he was here, doubtless he would say that he did not make the purchases or witness the sales. Certainly he could not ask this intelligent body of men to believe that the gun which you have just exhibited to the House cost only 90 cents in Germany. The profert of the gun furnishes ample avidence for an intelligent person to deny the correctness of the information you submit. Some one has simply again imposed on the credulity of the gentleman from Michigan [Mr. FORDNEY].

Mr. FORDNEY. Will the gentleman yield?

Mr. OLIVER. Yes.

Mr. FORDNEY. I read a letter from Mr. TILSON in which he said he purchased these articles in Germany. You discredit my statement. I would not do that to you. I am too kind, too generous, too honest to undertake to do it.

Mr. OLIVER. I am sorry that the gentleman understood that I would discredit any positive statement he might make on his own personal information.

Mr. FORDNEY. I read Mr. TILSON's letter.

Mr. OLIVER. Well, Mr. TILSON will doubtless come back before this Congress adjourns, and, mark my prediction, he will never corroborate what the gentleman from Michigan [Mr. FORDNEY] understands to be the purchase price in Germany of the gun he exhibited to the House, namely, 90 cents.

This but emphasizes what I said of the gentleman from Michigan at the outset, that he is so obsessed with the idea of writing a high protective tariff for all articles that the House must be slow to accept the correctness of his statements and conclusions when based on information supplied him by others.

The Senate has found that they can not accept the recommendations of the gentleman from Michigan, and as a result more than 2,000 amendments to the tariff bill as reported by the gentleman from Michigan [Mr. FORDNEY] will be offered by the Senate committee, a majority of whom are Republicans. The gentleman from Michigan [Mr. FORDNEY] is also reminded that the Republican press have condemned the bill that he sponsored and passed through the House under a rule forbidding amendments except when offered by the majority members of the Ways and Means Committee and providing only limited debate.

I do not charge that the gentleman from Michigan [Mr. FORDNEY] would deliberately mislead the House, but he is such an enthusiast for a high protective tariff that we find him oftentimes in error, due, I think, to his too ready acceptance, without careful investigation, of information sent to him. [Applause.]

Mr. FORDNEY. I want to say that I did not say Mr. TILSON bought this gun or had anything to do with it.

The SPEAKER. The time of the gentleman from Alabama has expired.

AMENDING PROVISO IN PARAGRAPH 10, SECTION 9, OF THE FEDERAL RESERVE ACT—CONFERENCE REPORT.

Mr. McFADDEN. Mr. Speaker, I call up the conference report on the bill (S. 831) to amend the proviso in paragraph 10 of section 9 of the Federal reserve act, amended by the act of June 21, 1917, amending the Federal reserve act.

The Clerk read the conference report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 831) to amend the proviso in paragraph 10 of section 9 of the Federal reserve act, amended by the act of June 21, 1917, amending the Federal reserve act, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment numbered 4.

That the Senate recede from its disagreement to the amendments of the House numbered 1, 2, and 3, and agree to the same.

LOUIS T. McFADDEN,
PORTER H. DALE,
Managers on the part of the House.
GEORGE P. McLEAN,
WALTER E. EDGE,
CARTER GLASS,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 831) to amend the proviso in paragraph 10 of section 9 of the Federal reserve act amended by the act of June 21, 1917, amending the Federal reserve act, submit the following written statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate agrees to the first three amendments of the House.

The House recedes from its amendment No. 4, which added to the bill, on page 2, line 4, after "association," the words "but the discount of bills of exchange drawn against actually existing values and the discount of commercial or business paper actually owned by the person negotiating the same shall not be considered as borrowed money within the meaning of this section."

The language used in this amendment is a repetition of the existing language in the act, and if so repeated might be construed as a limitation upon rights of State banks and trust companies under this authorization, the purpose of this amendment being to place State banks and trust companies who become members of the Federal reserve system in the same position as are the national banks as regards the rediscounting provisions of the Federal reserve act.

LOUIS T. McFADDEN,
PORTER H. DALE,
Managers on the part of the House.

Mr. McFADDEN. Mr. Speaker, the language which the conferees permitted to be stricken out is a part of the existing law, and we were convinced that it was unnecessary, and if it remained in it might prove a limitation rather than give it the necessary relief that we were trying to give. The purpose of the bill is to place the State banks and trust companies, members of the Federal reserve system, in the same position that the Federal banks are in in the matter of rediscount.

Mr. WINGO. Will the gentleman yield?

Mr. McFADDEN. Yes.

Mr. WINGO. I understand section 4 is the one, and it is the view of the House conferees and the attorney for the Federal Reserve Board that the language which constitutes the last line of the Senate bill is sufficient, and the attorney for the Federal Reserve Board is fearful that if we adopt the language of the House, bills of exchange drawn in good faith against the actual existing value and discounted paper actually owned by the person negotiating the same would by the rule of construction exclude the third provision now in the law in reference to national member banks.

That is the provision which would take out of the category of borrowed money paper which is made up of notes secured by shipping documents and warehouse receipts, and so forth.

Mr. McFADDEN. The gentleman is correct.

Mr. WINGO. In other words, it is the contention of the House conferees that it is better to take the language saying they would be on the same footing, and that they would be as if they were national banks, than to undertake to set up the first, second, and third exceptions now in the 10 per cent limitation statute.

Mr. McFADDEN. Yes; because it might prove a limitation. There are several amendments to the act that cover that situation. We want to give a blanket authority which places beyond all question these banks and trust companies that are members of the system in exactly the same position that member national banks are.

Mr. WINGO. So that the record may be clear upon the matter, the House conferees intend, and it is the intention of the Congress and the Federal Reserve Board holds that if this conference report is adopted State bank members will have the same privilege with reference to the discount of notes secured by shipping documents, warehouse receipts, and such other documents that member national banks now have.

Mr. McFADDEN. Yes. The same position as national banks are in.

Mr. Speaker, I move the adoption of the conference report.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

On motion of Mr. McFADDEN, a motion to reconsider the vote by which the conference report was agreed to was laid on the table.

ACHIEVEMENTS OF THE CONGRESS.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. MONDELL. Mr. Speaker, I have been greatly interested in the tariff discussion that has been going on, and am inclined to make a few observations on the subject. There may be some difference of opinion as to what goods manufactured in Germany or elsewhere in Europe are costing at this time, but there can be no difference of opinion as to the fact that Germany is sending us a vast quantity and an infinitely varied line of manufactured materials and articles at prices far, far below what they can be made for in America, paying prevailing American wages. All there is to the question is simply whether or no we propose to close the mills and factories of America and supply the American market with German goods. I do not think we do. The gentleman from Texas says that we should not pass a tariff bill at this time because it is difficult to deter-

mine with exactness the difference in cost of production at home and abroad. It is difficult at any time to determine with exactness the difference in production costs. It is particularly difficult to do it at this time, but in view of the admitted wide difference in cost, it is more important now than ever before in American history that we draft a tariff bill meeting those costs so nearly as we may be able to determine them at this time. That is what we propose to do. The gentleman from Texas thinks he sees in the offing a movement for free trade in America. This very day Democratic candidates, men standing approved in the party, are voting for every schedule and every amendment of schedule offered on the Republican side. This very day there is greater support of the protective principle among men calling themselves Democrats than at any time in the history of the Republic.

The gentleman from Texas is sadly out of tune with the times and sadly mistaken as to the drift and trend of sentiment at the present time. [Applause on the Republican side.]

The great majority of the American people, including many of those who call themselves Democrats, have reached the conclusion that there must be substantial protective tariff schedules in the country or American wages must be reduced and American living standards lowered. Let me say to my Texas friend that the trend is not toward free trade. It is stronger than ever in American history in favor of saving the American market for the American worker. [Applause on the Republican side.]

What I really rose to say, Mr. Speaker, was that no Congress ever sat under this Dome that was more faithful, diligent, painstaking, earnest, more intelligent or sounder in its judgments and decisions than the present Congress. Never in the same length of time has so much important legislation been considered in committee and in the halls of the two branches of the National Legislature. Never in the history of this House has there been so close a study and painstaking an application to the work of the people in the matter of legislation and appropriations. Never has a Congress maintained a finer record for economy for expenditures than has this Congress, and gentlemen may go home to their constituents assured that their record and the record of the Congress of which they are Members will be approved by the overwhelming majority of the American people. [Applause on the Republican side.]

Mr. GARNER. Mr. Speaker, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. GARNER. Would the gentleman mind putting in his statement the number of roll calls we have had on account of no quorum, although the Republicans are in a very great majority? If the gentleman has not the figures, I can give them to him.

Mr. MONDELL. I am perfectly willing to do that, and along with that I should like to include a statement of what occurred at the time when an honored leader on the Democratic side found himself compelled to amend the rules so that the Members of Congress should not be paid except when they were in attendance on the House.

Mr. GARNER. That might be necessary.

Mr. MONDELL. It was with an overwhelming Democratic majority it became necessary at a time when there were great problems before the country needing solution, so the gentleman told us, for the Democratic side to fine their Members for nonattendance, to dock their pay to keep them here. We have never thought of doing that, or found it necessary. On this side we have gentlemen of independent thought, and sometimes not entirely pleased with the way things go, they temporarily insist upon exercising their right to demand the presence of a quorum.

It interferes with and delays business a little, but after all we move along, and as the condition of affairs at this hour evidences eventually all that ought to be done, and all we have hoped to accomplish is accomplished. We have been delayed a bit at times, but we have completed our work. [Applause.]

Mr. Speaker, the House of Representatives, after having been in practically continuous session for seven months, is about to take a short recess while the Senate further debates the tariff bill. As a matter of fact, except for a recess of the House of a little more than a month last August and September and an interval of a week between the special and regular sessions in November, the Congress has been in session continuously since the 11th of April, 1921, a period of approximately 15 months.

This, as a record of continuous session, has few parallels in American legislative history. It is true that there is no especial virtue in long and continual sessions, except as they are productive of beneficial results. These sessions have met the test of beneficial service and afford a striking illustration of the multiplicity and the difficulty of the problems with which Congress has had to deal and of the determination of the Congress to spare neither time nor effort in the solution of these problems.

At a time like this it is proper and seemly that we shall review the work of the Congress and call attention to the problems that have been met and solved, to those that are on the way to solution, and to the volume and character of the work that has been performed. Before I proceed, however, to the commendatory review I propose to make of the work of the Congress I am constrained to refer to the fact that, as usual, the Congress has been criticized and assailed by a considerable number of people and from wide and curiously diversified standpoints of view and opinion.

CRITICISM OF THE CONGRESS.

This is, of course, not unusual or, in fact, to be wondered at. Congress lays the taxes; Congress enacts the laws; and as no one enjoys paying taxes, and as there always is a minority hostile to, or critical of, practically every law that is enacted, the combined complaints and criticisms, notwithstanding the fact that they represent infinitely diverse and conflicting viewpoints, taken together form so considerable a chorus that, judged by its volume, no Congress ever has been popular and in all probability none ever will be.

If there were an exception, it would be likely to be found in the case of a war Congress responding to the national patriotic impulse favorable to the marshaling of the Nation and its resources in the national defense; but recent history reminds us that even such a Congress has no assurance of popularity.

Criticism and the badgering of the Congress is and has long been a popular pastime. Those who have a grouch and for one reason or another are not disposed to take it out on individuals, turn with relief and satisfaction to the opportunity afforded of slamming the Congress by and large and as a whole. This does not preclude those indulging in such pastime from apologizing, if the occasion requires, to one or the other of the two bodies of Congress, or to any individual Member of either who may take exceptions to the criticism.

CONGRESS AN ALLURING FIELD FOR THE CRITICS.

The Congress collectively affords the most alluring of all fields for criticism to those who may have been denied by the popular will a place within one of the other of its two Houses; to those who, disappointed because the Congress has declined to accept their views or accede to their demands, find it much easier to damn the Congress than to defend their own position; to those who, quite regardless of the facts, criticize the Congress for purely partisan reasons; to those who, immured in editorial sanctums, out of an entire lack of national viewpoint and complete isolation from the pulse of national sentiment, consciously or unconsciously reflect the selfish and provincial sentiment which filters through the editorial keyhole.

Fortunately, after all, the country will judge the Congress by what it does rather than by what is said about it, and in that reflection the Members of this House can return to their constituencies with a record of wise and helpful legislation which should and will win their approval.

The Congress that most fearlessly performs its duty is most likely to arouse selfish criticism. It is a regrettable fact in human affairs that the best legislation frequently arouses the most selfish and partisan opposition; every curtailment of appropriations creates dissatisfaction; every refusal to be swayed by selfish pressure increases the number of those who criticize. A legislative body that proceeds in the even tenor of its way, carrying out what its majority believes to be a wise and useful program of legislation, endeavoring to hold the public expenditures within the public income, declining to be led into nonessential expenditure when the condition of the Public Treasury does not warrant, and at the same time meeting courageously every real and essential obligation, is certain to incite criticism in divers and sundry interested quarters. Such a legislative body will, however, receive the support of that great body of the people who have no selfish interests to serve.

TO STAND ON THE RECORD.

I realize that our mere assertion of merit would have little more weight and influence with the American people than has much of the criticism to which I have referred. But we shall not depend upon assertions; we shall be glad to stand on the record, which proves conclusively that the Congress has been diligent, that it has to its credit much wise and constructive legislation, a remarkable history of economy and, in the case of the House of Representatives, a record of careful, painstaking consideration of the greatest volume of legislative proposals ever passed upon by an American legislative body in the same period of time.

It goes without saying that this volume of important business, this fine record of economy, could not have been the result

of any mere haphazard, undirected effort, no matter how earnest or unselfish. The work of this House has been carried on in cooperation with President Harding, along the lines of a program based upon the pledges and promises of our party in national platform; in pursuance of an unalterable determination to promote economy and reduce expenditure; with a view of curing the unfortunate conditions which developed in the aftermath of war and of solving the problems and meeting the obligations the war placed upon us; of seeing to it that they who were injured in the national service should receive the most liberal support the Nation was capable of rendering; that those who returned sound and well should secure the preferences and the aid to which their services and sacrifices entitled them; that in legislation and appropriations we should move steadily toward a return to the normal conditions of peace, progress, and prosperity.

Before I go to the detail of the work of the Congress, may I read a paragraph of a speech which I delivered in the House on November 23 last, at the close of the special session of the Congress? It is as follows:

Judged either by the volume of the business transacted or the highly important character of the questions and problems considered and passed upon, this six months' session, so far at least as the House of Representatives is concerned, may be properly classed as one of the most diligent and important sessions in the history of the American Congress. [Applause.] In no Congress in our history has better progress been made in the consideration of the important questions of taxation and revenue. In no Congress has the House of Representatives in the same period of time considered and passed so much legislation of commanding importance. [Applause.]

What I then said with regard to the work of the first session can be truthfully said of the entire work of the Congress, particularly of the House of Representatives, up to this time.

To the record then made has been added the splendid record of economy in appropriations under the first estimates under the Budget, and the additional helpful legislation which has been enacted into law, or which has been considered by the House during the period in which the Senate was ratifying the treaties negotiated at the Conference on Limitation of Armament, and has been considering the tariff bill.

VOLUME OF BUSINESS.

This Congress has, up to this time, placed upon the statute books 398 separate laws, of which 311 are public and 87 are private, including claims. This is at the rate of 1¼ laws per legislative day for the entire session. In addition, the House of Representatives has considered and passed 276 bills, of which 128 are public bills and 148 are private, including claims. In addition to these, 17 Senate bills have passed the House but have not reached the state of final agreement between the two Houses. This makes an average of 2¼ bills considered by the House of Representatives each legislative day of the Congress.

As I have frequently remarked in discussing the work of the House, the worthiness or capacity of a legislative body can by no means be wholly judged from the volume of its labors, but when conditions are such as to necessitate legislation along many lines to cure existing conditions, the volume of a legislative body's enactments, considered in connection with the quality of its work, forms the basis on which intelligent judgments may be formed, and a most superficial examination of the character of the legislation which the House has considered and enacted affords convincing proof of the fact that this Congress, and this House particularly, has not only been extraordinarily diligent but it has been sound, intelligent, and enlightened in its judgment.

WORK OF THE SPECIAL SESSION.

The President convened the Congress in extraordinary session primarily for the purpose of revising the tariff and tax laws and inaugurating a budget system. This work was undertaken promptly and vigorously.

THE TAX REVISION—LIFTING THE BURDENS.

The tax revision could not, in the nature of things, have satisfied everybody, nor was it possible, under the conditions of the Public Treasury, and in view of the obligations and increased demands growing out of or resulting from the war, to reduce the tax burden to the extent that the Congress would have been glad to have reduced it. It must, however, be admitted by all that so far as the revision went it proceeded along sound and sane lines. There was an actual lifting rather than a shifting of the tax burden. There was not only an honest but a successful attempt to relieve fairly and equitably, so far as was possible under the circumstances, the tax burdens of all classes of the people. It reduced the burden for the calendar year 1921 in the sum of approximately $80,000,000 and, according to the latest estimates of the Treasury, relieves the tax burden for the present calendar year not less than $850,000,000.

BURDEN LIFTED EQUITABLY.

The Federal taxgatherer no longer collects taxes on ice-cream cones, soda water, pills and lotions, or parcel post, nor exacts tribute on transportation or on the purchase of wearing apparel. The man of moderate means, and particularly such a man with a family, has had his income-tax burdens appreciably lightened. Those classes of taxation which were most successfully passed on to the consuming public, or which most hampered and retarded business transactions and discouraged or prevented the growth and development of productive enterprise, like the excess-profits tax and the higher brackets of the surtax, no longer exercise their deterrent effects upon business and development. In the nature of things this was not a finality in tax revision, for, as we get away from the war burdens and escape the inevitable expenditures of the war's aftermath, we shall be able to still further lighten the burden of direct Federal levies and relieve the people and the industry of the country from the handicap that heavy taxation inevitably entails.

THE FORDNEY TARIFF.

The House passed the Fordney tariff bill, providing a general revision of tariff schedules, on July 21, 1921, more than 11 months ago. We entertain the hope that this measure, now before the Senate, will have been finally passed upon by that body and ready for consideration by a committee of conference by the close of the period of our recess. The progress of the tariff bill thus far serves to strengthen the opinion we formed at the time of the wise and beneficial character of this legislation as it passed the House. In view of the tremendous importance to the American people of the settlement of the question of tariff duties, we have every confidence of a speedy adjustment of the differences between the two Houses when the measure shall come to be considered in conference.

THE BUDGET.

The hopes entertained by those who for many years labored for a budget system, of those on both sides of this Chamber who efficiently served in the enactment of budget legislation, has been abundantly justified by our experience under the Budget thus far. Not only has the Budget Bureau, under the efficient management of its first director, in harmony with the views of the Chief Executive, asserted a most helpful and beneficial influence over the estimates presented to the Congress, but the director, with the constant and unfailing support of the President, has exerted a mighty influence for economy over the departments and bureaus and independent establisnments of the Government, resulting in the saving of many millions of dollars out of appropriations made before the Budget was established. The Congress, and particularly the House of Representatives, which, after all, is the final arbiter, trimmed the appropriations below even the reduced estimates of the Budget. To a considerable extent this was made possible by the cooperation of the executive departments and by reason of the reductions in the Naval Establishment made possible by the Conference on the Limitation of Armament.

APPROPRIATIONS FOR THE FISCAL YEAR 1923.

The most important work of the present session has been that of making up, considering, and passing the annual appropriation bills for the fiscal year beginning July 1 next. This work was undertaken and carried on for the first time under the Budget system and in connection with the consideration of estimates presented by the Director of the Budget. The annual appropriation bills were also for the first time considered and passed under a new arrangement of the supply bills in harmony with the Budget and the perfected organization of the enlarged Committee on Appropriations. The chairman of the Committee on Appropriations, the gentleman from Illinois [Mr. MADDEN], will, as soon as the checking up of the business of the fiscal year will permit, place in the RECORD a detailed statement of estimates and appropriations, of income and expenditures, and in view of that complete and accurate statement so soon to be made I shall content myself with a few figures illustrating the splendid work that has been accomplished, the remarkable progress that has been made in bringing the affairs of the country to a business basis, in improving the conditions of the National Treasury, and in scaling down public expenditures.

REDUCTION IN GOVERNMENT EXPENDITURES.

Owing to the fact that the last session of the Democratic Sixty-fifth Congress failed in the passage of eight of the great appropriation bills, it became necessary for President Wilson to call the Republican Sixty-sixth Congress in extraordinary session on May 19, 1919. That Congress effected a saving to the American people in the sum of $940,000,000 by reducing the appropriation bills which had been left over from the former

Congress by that amount below the sum they carried when last considered by the former Congress. The good work of economy then taken up has been continued steadily ever since.

The last fiscal year for which the regular annual appropriations were all made by a Democratic Congress and spent by a Democratic administration was the fiscal year ending June 30, 1919. The total expenditures of the Government for that year were $18,514,879,955.

The first fiscal year in which the Republican Congress had control of the appropriations—though not of the expenditures—the fiscal year ending June 30, 1920, the Federal expenditures were $6,403,343,841. For the fiscal year ending June 30, 1921, the Republican Congress made the appropriations, but for eight months of the year the Democratic administration controlled the outlay, and the total expenditures for that year were $5,115,927,689.

The first fiscal year in which the Republican Congress and a Republican administration has had charge of both appropriations and expenditures is the fiscal year just closing, and the Treasury officials estimate the expenditures of the year, chargeable against ordinary receipts, at $3,800,000,000. The estimated receipts for the fiscal year are $4,100,000,000, leaving a surplus of approximately $300,000,000 of ordinary receipts over ordinary expenditures. We have, therefore, in the first year of the Republican administration balanced the Budget with a surplus of $300,000,000.

DEBT REDUCTION.

Not only have we brought about these steady reductions of expenditure and in this first year of President Harding's administration created a surplus of $300,000,000, but we have also reduced the public debt by approximately a billion dollars; $425,000,000 of this reduction has been accomplished by the retirement of obligations through the sinking fund and other debt expenditures chargeable to ordinary receipts. Approximately $300,000,000 of surplus current funds have been used in debt retirement.

It is true that a part of the reduction of the national debt has been accomplished through a reduction in the balance of the general fund, but, on the other hand, a very considerable portion of current funds have been used in loans by the War Finance Corporation, and advances to meet war obligations such as those of the Shipping Board, the Railroad Administration, and other Government agencies.

Critics of the good work of the Congress and of the administration will endeavor to minimize the extent of the reductions and economies that have been accomplished, but the fact remains that at the end of the first year of the Harding administration the interest-bearing public debt will be approximately a billion dollars less than at the beginning, and notwithstanding this great reduction the Treasury will show a balance of approximately $300,000,000 of receipts above expenditures.

APPROPRIATIONS.

As I have heretofore stated, the chairman of the Committee on Appropriations will, as soon as it is possible to do so after the close of the fiscal year, present a detailed statement of appropriations for the coming fiscal year together with a comparison of appropriations for the prior years. The statement that will thus be presented will show that the appropriations for the coming fiscal year have been very substantially reduced below the appropriations for the present fiscal year, including the deficiencies made necessary to take care of certain war-inherited burdens, such as those of the Shipping Board, and the increased expenditure of the Veterans' Bureau. In the matter of appropriations for the public defense a most gratifying reduction has been made in a sum of approximately $215,000,000; a reduction of $125,000,000 for the Navy and a reduction of $90,000,000 for the Army. These gratifying savings are made possible by the economies practiced by the administration and by the splendid work performed by the President's Conference on the Limitation of Armament.

LEGISLATION OF THE CONGRESS.

I have referred to the tax revision, the general tariff bill, and the act for the establishment of the Budget, and I shall only take the time of the House further to refer briefly to a few of the more important measures considered by the House which have been enacted into law. They are as follows:

THE PEACE RESOLUTION.

The peace resolution declared the end of a state of war, the existence of which was proclaimed by the war declaration. It placed us in a position of official peace with Germany and Austria, and paved the way for the negotiations since entered into for the reestablishment of normal peace relations with our late enemies.

EMERGENCY TARIFF.

The act for an emergency tariff on agricultural products, which was promptly passed and has been extended until such time as the permanent tariff shall take effect, checked the threatened flooding of our markets at a time when the reaction from war prices had brought many of the agricultural products of the country to a price far below the cost of production.

The legislation has had a continuous steadying effect, helpful to the producer and beneficial in its effect upon the general business of the country. Since the enactment of this legislation there has been a widely helpful upward trend in the prices, not only of the agricultural products directly affected by the legislation but of a variety of other farm products as well, affording the producer a fair return for his effort and outlay without appreciably affecting the prices paid by the consumer.

It may be truthfully said that this act, together with the loans made to agriculturists and stock raisers under the amended War Finance Corporation act, have been the salvation of the great basic industries of agriculture and the benefits rendered them have been reflected in improved business conditions generally.

VETERANS' BUREAU ACT.

The act establishing a Veterans' Bureau and consolidating all of the agencies charged with care and responsibility on behalf of the ex-service men, was the fulfillment of a national obligation to provide an organization which, so far as it was possible to do so, should cure the delays which had been complained of in meeting our obligations to our national defenders. The bureau is now functioning with increasing efficiency and notwithstanding the enormous burden placed upon it, looking after the welfare of the more than 300,000 men who are under its care or have applied for its benefits, is continually reducing the cases and the causes of complaint among those whom it serves. The bureau will this calendar year pay to the veterans of the World War and expend for their benefit the stupendous sum of approximately $425,000,000.

HOSPITALS, VETERANS' BUREAU.

Continuing its policy of making every needed provision for the care and comfort of the sick and disabled veterans of the World War, Congress passed the act of April 20, 1922, which authorized appropriations in the sum of $17,000,000 in aiding the Director of the Veterans' Bureau to provide for the construction of additional facilities and to furnish medical, surgical, and hospital services and supplies for persons who served in the World War, Spanish-American War, the Philippine insurrection, and the Boxer rebellion. These funds are in addition to the $18,000,000 provided for similar purposes near the close of the Sixty-sixth Congress, and it is believed that with the sums now made available abundant hospital facilities will be provided for all of the veterans who may seek them.

THE FOREIGN DEBT REFUNDING ACT.

This Congress has had no more important question before it than that of providing for a commission to treat with our foreign debtors and to arrange with them as to the terms of payment of the principal and interest of the foreign debt, amounting to more than $11,000,000,000, which they owe us. Had the former administration proceeded in full conformity with the law, these obligations would have all been funded and time and terms of payment agreed upon, and nothing further would have been necessary. While the Secretaries of the Treasury of the Wilson administration may not have acted contrary to law, they certainly did not carry out the directions and provisions of the law in full, and, on the contrary, did enter into an agreement with our foreign debtors whereby all interest payments were delayed for a period of three years, and the only obligations taken were mere I O U's, with no definite stipulation as to conditions of payment.

In this state of affairs it became necessary to legislate a grant of authority for the handling of this tremendously important matter, involving not only the vast sum of more than $11,000,000,000 but affecting our relations with Armenia, Austria, Belgium, Cuba, Czechoslovakia, Esthonia, Finland, France, Great Britain, Greece, Hungary, Italy, Latvia, Liberia, Lithuania, Poland, Rumania, Russia, and Serbia, all of whom owe us sums ranging from a few thousand dollars to hundreds of millions of dollars.

The legislation creates a commission of five members, with the Secretary of the Treasury as chairman, the others to be appointed by the President, who, subject to the approval of the President, are authorized to refund or convert and extend the time of payment of the principal or interest, or both, of the obligations of foreign Governments owing to the United States.

This is one of the most important pieces of legislation which has been passed by the House.

APPROPRIATION FOR THE INVESTIGATION AND PROSECUTION OF WAR FRAUDS.

The enormous operations of the Government during the war afforded abundant opportunity for fraud, and investigations made by the War Investigating Committees of the Sixty-sixth Congress made it very evident that many had taken advantage of the opportunities to defraud the Government, and that there had been much carelessness in the settlement of war claims. The investigation of these matters by the War Department and the Department of Justice, the auditing of accounts, and the examination of records has proven a slow and tedious proceeding, particularly in view of the fact that records were in many cases poorly kept and in some cases had been removed. While very excellent progress has been made it became evident that increased appropriations were necessary if this work were to be carried on thoroughly and with promptness and dispatch. The Congress therefore provided an additional appropriation of $500,000 to be expended in the discretion of the Attorney General for the investigation and prosecution of war frauds.

FEDERAL HIGHWAY ACTS.

The Federal highway act, which became a law November 9 as an amendment to the Federal aid act, carried out the President's recommendations with regard to needed and essential changes in the Federal road aid act, particularly with a view to centralizing authority in the States and insuring the upkeep of Federal aid roads. The act made an appropriation of $75.000,000 for Federal aid in road building for the fiscal year ending June 30, 1922, and of $5,000,000 for forest roads and trails for the same fiscal year, and $10,000,000 for the same purposes for the fiscal year ending June 30, 1923. This was a measure of the highest importance. It provided much needed amendments to the Federal road aid act, insured the continuance of Federal aid and participation in road building throughout the country.

On the 1st of May, 1922, the House passed a bill further amending the Federal highway act and authorizing highway appropriations in the sum of $65,000,000 for the fiscal year ending June 30, 1923; $75,000.000 for the fiscal year ending June 30, 1924; also authorizing appropriations for forest roads and trails in the sum of $6,500.000 for the fiscal year 1924. The Senate did not, however, consider this bill, but placed provisions for highway appropriations on the Post Office appropriation bill. For these provisions the House substituted its bill of May 1, and in conference appropriations for highways were authorized in the sum of $50,000,000 for the fiscal year ending June 30, 1923; $65,000,000 for 1924; and $75,000,000 for 1925; $6,500,000 was also authorized for forest roads and trails for each of the fiscal years 1924 and 1925. The Federal highway act was amended in several important particulars in the interest of economy and proper maintenance, and cooperation by the Federal Government was limited to $16,250 per mile, exclusive of bridges, for the year 1923 and $15,000 per mile thereafter.

THE STOCKMEN AND FARMERS WAR FINANCE ACT.

The act amending the legislation creating the War Finance Corporation to provide relief for producers of and dealers in agricultural products has had a highly beneficial effect upon the industries which it directly aids and upon the entire country. It may be said without exaggeration that this legislation has been the salvation of the live-stock industry of the West. It has preserved from bankruptcy industries essential to the prosperity of the entire Nation. Under this act more than $309,000,000 has been loaned to the farmers, the stock growers, and the agricultural producers of the Nation on a sound business basis, as evidenced by the fact that more than $45,000,000 of the original loans have been repaid and that the corporation presents every evidence of soundness in its operation. The recent extension of this act for one year assures the country of its benefits until permanent provision can be made for farm and live-stock credits.

MATERNITY AND INFANCY ACT.

The Republican platform declared "the supreme duty of the Nation is the conservation of human resources through an enlightened measure of social and industrial justice." The President, having in mind this party declaration of national duty, in his message to Congress at the beginning of the session, said:

I assume that the maternity bill, already strongly approved, will be enacted promptly, thus adding to our manifestation of human interest.

There was considerable difference of opinion with regard to this measure in the Congress and in the country, both as to the policy it invoked and with regard to its provisions. The newly enfranchised women voters, so far as their views were expressed, were almost unanimously favorable to the measure. It appealed to the conscience and sympathy of all as a measure asserting national leadership for the purpose of stimulating the States and communities in the tremendously important work of the protection of maternity and infancy. The act provides for cooperation between the National Government and the several States and authorizes an appropriation of approximately $1,500,000 for the current fiscal year, which may be increased in the sum of $1,000,000 a year for five years.

The measure as reported by the committee and passed by the House differed quite materially from the bill as it passed the Senate, and the bill as thus amended was promptly adopted by the Senate. The enactment of this measure is not only creditable to the Congress as "adding to our manifestation of human interest," as stated by the President in his message, but as a prompt fulfillment of our platform pledges. Both parties in the last campaign made promises to the new voters, the better half of mankind newly invited into participation in government. Those promises have been kept, at least partially, and so far as they were definitely made in platforms and in presidential statements by the passage of this act under which we encourage the States and cooperate with them in the highly important, splendid, and humanitarian work of the protection of maternity and infancy.

IMMIGRATION RESTRICTION ACT.

The immigration restriction act provides in a practical and workable way for the staying of the great volume of the tide of immigration threatened as an aftereffect of the war. While America regrets even partially to close her gates against those who in good faith and with good intentions seek our shores, this measure was necessary as a means of preventing a flood tide of immigration, not all of a desirable character, and beyond our capacity to speedily assimilate.

The gates of free America have always swung open for the oppressed of all lands, for those seeking to better their conditions, and we desire to keep them open, provided, however, that we shall not allow this flood to come more rapidly than we can assimilate the newcomers to the ideas and ideals of true Americanism, the principles of liberty under laws. For the time being we have restricted the coming immigrants, welcoming as many as we believe to be safe for America, and we stand ready again to widen the door of opportunity when we may be able thoroughly to Americanize a larger number of well-intentioned people who may seek a home among us.

RECOGNITION OF AGRICULTURE IN FEDERAL RESERVE ACT.

The Federal reserve act provides that the President, in making appointment of members of the Federal Reserve Board, shall have due regard to a fair representation of the financial, industrial, and commercial interests of the country. Inasmuch as agriculture is the basic industry of the country, failure to recognize this as one of the industries entitled to representation on the board seemed an extraordinary oversight. The act approved June 3, 1922, remedies this situation by providing that in the appointment of members of the Federal Reserve Board the "President shall have due regard to a fair representation of the financial, agricultural, industrial, and commercial" interests of the country. The act also increases the appointive membership of the board to six, and otherwise amends the Federal reserve act.

THE PACKERS ACT.

The so-called packers act, to regulate interstate and foreign commerce in live stock and dairy products, poultry, and eggs, is a wise, sound, and sensible measure. The enactment of this legislation was a distinct triumph, one of the most notable achievements of the Congress, for it gave the country the benefit of sound legislation affecting the meat-packing and allied and associated industries and activities after previous Congresses had struggled in vain with these questions, largely because of the radical, experimental character of the legislation that had been urged. Nothwithstanding the fact that the legislation as enacted was severely criticized by those who had been vainly seeking radical legislation, it has worked so well and been so highly beneficial that it has compelled the indorsement of those who were at one time its severest critics.

ANTIGAMBLING IN GRAIN FUTURES ACT.

The bill for regulating transactions in grain for future delivery, which became a law August 21, 1921, was held unconstitutional by the Supreme Court of the United States on the 15th of May, 1922, as to section 4, the court holding against the provision for the regulation of exchanges by taxation. On June 1 of this year a bill was introduced with a view of meeting the objections of the Supreme Court and yet so regulating the transactions of grain exchanges as to eliminate purely speculative and gambling operations. This bill was taken up by the House and passed on June 26. The legislation as to

some of its features, at least, has been vigorously opposed, but it is believed that its enactment, while making possible all legitimate transactions, will prevent those gambling operations which frequently disastrously affect the prices of grain and foodstuffs.

ASSOCIATION OF PRODUCERS OF AGRICULTURAL PRODUCTS.

This measure is intended to authorize producers of agricultural products to form associations for the purpose of collectively preparing and marketing their products. Associations for this purpose have become very common in many of the States, but the States can not confer any right upon their organizations to engage in interstate or foreign commerce. While this measure confers on farmers certain privileges it can not properly be said to be class legislation. Business corporations have under existing legislation all the powers and privileges conferred on farm organizations by this legislation. The organizations authorized are under the supervision of the Secretary of Agriculture, and it is believed that through the operations of organizations of this kind it may be possible to eliminate unnecessary middlemen, to improve conditions of marketing, and, while assuring the producer a reasonable price, protect the consumer against the high prices which he has frequently paid for products for which the producer received little.

IRRIGATION DISTRICTS; FARM LOANS ON RECLAMATION PROJECTS.

We have long needed a Federal law providing for the organization of irrigation districts on projects under the national reclamation law in order to make it possible for the Federal authorities to deal with the settlers and water users collectively instead of individually. This is now made possible by the act of May 15, 1922. This act also provides for the conditions under which farm loans can be made on lands on reclamation projects, thus meeting a long-felt want on the part of settlers on such projects.

THE ANTINARCOTICS ACT.

It has become increasingly evident that drastic legislation is essential to the control of the growing evil of the use of narcotics. The act providing for a Federal Narcotic Control Board, making it unlawful to import narcotics, except such as are necessary for medicinal and other legitimate purposes, fixing heavy penalties for violation of the provisions of the act, will, it is believed, have a helpful and beneficial effect in reducing the importation and use of narcotics.

THE NAVAL SCRAPPING ACT.

The entire world has sung the praises of the great accomplishment of the Conference on the Limitation of Armaments in putting an end to the mad rush of competitive naval expansion and construction. Its effect is reflected in the reduction of the personnel of our Navy and a decrease of one hundred and twenty-five millions in naval appropriations. The so-called naval scrapping bill gave legislative effect to the provisions of the treaty on the limitation of naval armament. It authorized the President to take the steps necessary to make the terms of the treaty effective by scrapping a portion of the ships now under construction, which are not to be completed, and authorized the conversion of two of them into great airplane carriers.

READJUSTMENT OF PAY; ARMY, NAVY, ETC.

Temporary increases in pay which had been granted to certain men of the Army, Navy, and Marine Corps expired July 1, 1922. It therefore became necessary to make some provision to meet this situation, and the act of June 10, 1922, readjusted the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service. These readjustments were in accordance with the report made by a joint commission of the two Houses, the Members of which gave careful and painstaking consideration to the involved and confusing provisions of law relative to the pay of these establishments and recommended a measure, which is believed to be fair and equitable and which reduces somewhat the aggregate pay of the services.

EMPLOYEES IN PATENT OFFICE; INCREASED PAY.

The act of February 18, 1922, provided needed and essential amendments to the patent laws. It provided for a reclassification and granted a substantial increase in the pay of the employees of the office. This legislation was urged with very great vigor by the patent attorneys of the country and others familiar with the situation, and has cured a condition with regard to which there was much complaint.

MONTHLY PAYMENTS OF PENSIONS.

Civil War pensioners have for some time petitioned the Congress that their pensions be paid monthly instead of quarterly and Congress has responded by making provisions to that effect. This increase in the frequency of payment is very much appreciated, particularly by those pensioners who have little or no means other than their pension. The change has resulted in a considerably increased cost, but this is justified in view of the benefits conferred on the pensioners.

AID FOR STARVING RUSSIA.

The country responded enthusiastically to the action of the Congress in making an appropriation of $20,000,000 out of the funds of the United States Grain Corporation to purchase corn, seed grain, and preserved milk for the relief of the starving people of Russia. In the administration of this law the Secretary of Commerce secured the cooperation of the authorities in Russia by a very substantial, supplemental contribution and in the furnishing of transportation, so that the American relief was even vastly more effective and helpful than it otherwise would have been. This contribution undoubtedly saved the lives of great numbers of people, stayed the spread of pestilence, and aided in the restoration of vast areas, particularly in the Volga Valley.

Congress by the act of January 20, 1922, also authorized the President to transfer medical and hospital supplies from the War Department for the relief of the distressed people of Russia.

THE ANTIBEER ACT.

The so-called Volstead antibeer bill became necessary as a result of an eleventh-hour decision by Attorney General Palmer the day before the close of the Wilson administration. While there has been much sharp difference of opinion with regard to the provisions of the measure, it is believed that the bill is a fair compromise, maintaining the national faith in the enforcement of the prohibition act, while guarding against the possibilities of abuses of power and authority.

FUNDS FOR FARM LOAN BOARD.

The bill making provision for an additional Treasury deposit of $25,000,000 for the Farm Loan Board makes available for that important farm loan agency a total working capital of $50,000,000, and places the Farm Loan Board and banks for the first time since their organization in position to function continuously in the making of loans to the farmers of the Nation.

FACILITATING EXPORTS.

The amendment to the Edge bill, providing for the promotion of export trade by facilitating the organization of corporations, was intended to and has very greatly aided, assisted, and facilitated the organization and the operation of those useful agencies.

TELEPHONE ACT.

The bill providing for a much-needed consolidation of independent telephone companies rendered possible the reorganization whereby the losses through unwise duplication have been eliminated or greatly reduced, under which more satisfactory systems and more favorable rates should be secured.

CABLE ACT.

The bill under which the President is authorized to provide for the orderly and controlled landing of submarine cables remedied a situation which had greatly embarrassed the former administration and established a policy under which proper national control of these important agencies of communication is established.

COLORADO RIVER BILL.

The bill providing for an agreement among the Western States for the disposition and apportionment of the waters of the Colorado River is an important measure, marking a new and beneficial policy in the settlement of the vexed questions arising out of the use of the waters of interstate streams for the purpose of irrigation. The famous Kansas-Colorado case is the most important of the suits that have been before the courts testing the question of the relative rights of the various States in the arid region where irrigation is practiced to the waters of an interstate stream. It is much better, where it is possible, to have an adjustment and settlement of these questions in advance of the appropriation and use of the waters than to wait until rival claims have been established, and then settle the vexed questions, frequently at great loss to those who have expended money in irrigation enterprises.

AMENDMENT OF WAR MINERALS RELIEF ACT.

The act for the relief of those who had responded to the call of the Government departments for the production of war minerals and who were subject to losses by the sudden termination of the war was so narrowly construed by the commission authorized to adjudicate claims under it that it became necessary to broaden somewhat the provisions of the act, or, rather, to enact in more definite language what was the intention of Congress in the first instance. The passage of this act will relieve many worthy claimants of small means who responded patriotically to

the request of the Government for the production of war minerals.

APPROPRIATIONS TO MEET CROP FAILURES IN THE NORTHWEST.

The act of March 20, 1922, made an appropriation of $1,500,000 for the purpose of purchasing seed grain to be supplied to the farmers in certain areas of the Northwest where there had been successive crop failures and where the new settlers were likely to be compelled to leave their homes unless given some aid. There was a limit of $300 on the loan that might be made to any one farmer under this act. This appropriation has unquestionably been of very great benefit and will undoubtedly prevent what would have been a quite general temporary abandonment of considerable regions in the Northwest.

AUSTRIAN RELIEF.

By the act of April 6, 1922, the Secretary of the Treasury is authorized to extend for a period not to exceed 25 years the time of payment of the principal and interest of the debt incurred by Austria for the purchase of flour from the United States Grain Corporation.

HOMESTEAD RIGHTS FOR EX-SERVICE MEN.

The act of April 7, 1922, provided that veterans of the World War who, because of physical disabilities due to service, were unable to return to their homesteads might make final proof without further residence or improvements and receive a patent for their land.

Public Resolution 36 grants preferred rights of homestead entry for 90 days to ex-service men in case of the opening of lands, which can only be defeated by valid prior settlement rights, and the act of April 6, 1922, provides that the time during which an honorably discharged soldier of the World War shall be receiving treatment for injuries received or disabilities incurred in the line of duty shall be deducted from the time of residence required on a homestead.

ECONOMY IN PUBLIC PRINTING.

Public Resolution No. 57, which became a law on May 11, 1922, ended waste in Federal printing, and fixed the status of desirable Government publications, saving millions of dollars annually.

ADDITIONAL DISTRICT JUDGES IN CERTAIN DISTRICTS.

The very great and increasing business of the Federal courts, due to the growth in the country and its business and to new legislation, particularly the national prohibition act, necessitates a large increase in the number of Federal district judges. After a long and careful study of the situation in both the House and Senate and earnest consideration in conference, the conferees agreed on a provision for 24 judges assigned to the districts where they seem to be most needed.

ACT PROVIDING FOR INTERCHANGEABLE MILEAGE BOOKS.

There has long been a demand for interchangeable mileage books, and an act making provision for such a book passed the Senate in January. The act as amended in the House provides for interchangeable mileage or scrip coupon tickets good for passenger carriage upon the passenger trains on roads subject to the interstate commerce act. This measure has passed both Houses and now goes to conference.

BILLS WHICH HAVE PASSED THE HOUSE.

In addition to the bills which have become laws the House has enacted 276 bills, of which 128 were public and 148 were private. It would be impossible in the course of a speech of any reasonable length to even give the titles of all of these measures. Many of them are measures of primary importance and their preparation and consideration involved an earnest and faithful effort on the part of the House and its committees. I shall refer only to a few of them by title:

The tariff bill.

Adjusted compensation for soldiers, sailors, and marines of the World War. The bonus.

Bill providing for the reclassification of civil-service employees.

The antilynching bill.

The railroad refunding bill.

A bill providing for independent naturalization for married women.

The river and harbor authorization bill.

The blue-sky securities bill.

Bill to prevent corrupt trade practices.

Bill for the revision and codification of the Federal statutes.

The omnibus Panama Canal Zone bill.

Bill prohibiting interstate trade in filled milk.

Bill providing for standard measures for fruits and vegetables.

Bill to prevent the manufacture of adulterated and misbranded food and drugs.

Bill for the promotion of trade with China.

The Fairfield bill amending the civil service retirement act.

Bill allowing soldiers' widows credit for their husbands' service on homestead entries.

Bill for the incorporation of the Grand Army of the Republic.

THE UNFINISHED WORK OF THE CONGRESS.

It may be said of a Congress, as of a housewife, that its work is never done. If Congress were to remain in session continuously its calendars would never be cleared and there would be no end to the proposals of legislation presented to it. This Congress, notwithstanding the importance and magnitude of the work it has performed, has its unfinished problems of importance. First among these is, of course, the tariff, upon which the Senate is now busily engaged, and the soldiers' bonus, which is to have the right of way in the Senate when the tariff shall have been disposed of. In addition to these are the many measures, some of which I have briefly referred to, which have been considered in the House and will be before the Senate when it shall have completed consideration of the major measures to which I have just referred.

THE SHIPPING BILL.

The most important measure which has been considered by a House committee, and which now awaits action by the House, is the shipping bill. In the early history of the Republic we were the possessors of as fine a merchant fleet as sailed the seas, and our brigs and clipper ships carried our flag to the ends of the earth. At one time and another legislation to aid in the reestablishment of a first-class American merchant marine has occupied the attention of the Congress, but always the question was, "What shall we do to build and equip a merchant fleet?" The question now before us is an entirely different one. It is, "What shall we do with the fleet we have already builded at a cost of three and a half billions of the people's money?" Shall that vast expenditure be a total loss, or shall we out of it, and through it, reestablish American shipping on a generous scale and restore our merchant flag to its rightful place in the shipping business of the seven seas. A measure aimed to accomplish this highly useful and patriotic purpose has been reported, and in the no distant future it will be our duty, as representatives of the American people, to give earnest and unbiased consideration to the solution of the problems which our war-built ships and our national need for shipping present to us.

THE FINANCING OF AGRICULTURE.

This Congress has done much for agriculture. It has, in fact, a remarkable record in the aid of this basic industry, but one thing remains to be done; agriculture needs credit facilities which are not fully supplied by present commercial institutions. The War Finance Corporation has temporarily afforded most helpful aid and assistance to certain branches and pursuits of agriculture, but it has not covered the entire field, and it is necessarily a temporary expedient. The Joint Committee on Agricultural Inquiry, the officers of the War Finance Corporation, and many others, have been giving these matters careful consideration; bills have been introduced, and it is hoped that in the no distant future an agreement may be reached and action taken on these important questions.

A CONGRESS AND ADMINISTRATION OF ACCOMPLISHMENT.

With the falling of the gavel on the adjournment of the House, pending the passage of the tariff bill by the Senate, the Members will have for the first time in nearly a year an opportunity to visit their constituencies. Fortunately they can make report of a record of legislation and administration in every way creditable.

The interest-bearing national debt has been reduced by a billion dollars. Through economy in appropriation and expenditure we have balanced the national Budget and present a surplus of receipts over expenditures of approximately $300,000,000. In appropriations for the coming fiscal year we have adhered to and improved upon our record of economy and have made a saving over the current year of approximately $215,000,000 in appropriations for the war establishments.

We have reduced the annual burden of taxation in the sum of nearly a billion of dollars and the burden has been lifted fairly and equitably.

We have well under way and nearing completion a general revision of the tariff schedules for the protection of American labor and industry, and in the meantime we have provided by an emergency measure for the protection of the staples of agriculture.

We have legislated wisely and judiciously along many lines and the beneficial results of the work of the Congress and of the administration are being felt in the revival of industry, the

wiping out of unemployment, and in a gradual but steadily progressive return to normal conditions.

The record is one of which we may well be proud, and which will, I am confident, meet with the approval of our constituencies.

POST-OFFICE BUILDING, PARIS, TEX.

Mr. LANHAM. Mr. Speaker, I ask to take from the Speaker's table the bill H. R. 11298 and concur in the Senate amendment.

The SPEAKER. The Clerk will report the bill by title.

The Clerk read as follows:

H. R. 11298. An act amending the existing law which authorizes the construction of a public building at Paris, Tex., so as to authorize and empower the Secretary of the Treasury to acquire a new site for same by exchanging therefor land and property now owned by the United States Government in said city, and to authorize the erection on said new site, when acquired, of a public building suitable for post-office purposes, and for other purposes.

The Senate amendment was read.

The SPEAKER. The question is on agreeing to the Senate amendment.

The Senate amendment was agreed to.

ENROLLED BILLS SIGNED.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 9527. An act to amend section 5136, Revised Statutes of the United States, relating to corporate powers of associations, so as to provide succession thereof for a period of 99 years, or until dissolved, and to apply said section as so amended to all national banking associations;

H. R. 11228. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1923, and for other purposes;

H. R. 11244. An act authorizing the construction of a bridge across White River, in the State of Arkansas;

H. R. 12120. An act granting the consent of Congress to the county court of Lafayette County, in the State of Missouri, to construct a bridge across the Missouri River;

H. R. 12092. An act granting the consent of Congress to the Louisiana Development Co. to construct a bridge across the Red River at or near Grand Ecore, La.;

H. R. 12121. An act granting the consent of Congress to the county court of Saline County, in the State of Missouri, to construct a bridge across the Missouri River;

H. R. 12090. An act making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1922, and prior fiscal years, supplemental appropriations for the fiscal year ending June 30, 1923, and for other purposes;

H. R. 11588. An act to amend an act entitled "An act to authorize the Secretary of the Treasury to provide hospital and sanatorium facilities for discharged sick and disabled soldiers, sailors, and marines";

H. R. 11214. An act authorizing the President to scrap certain vessels in conformity with the provisions of the treaty limiting naval armament, and for other purposes;

H. R. 11298. An act amending existing law which authorizes the construction of a public building at Paris, Tex., so as to authorize and empower the Secretary of the Treasury to acquire a new site for same by exchanging therefor land and property now owned by the United States Government in said city, and to authorize the erection on said new site, when acquired, of a public building suitable for post-office purposes, and for other purposes;

H. J. Res. 353. Joint resolution authorizing the Secretary of War to loan certain tents, cots, chairs, etc., to the executive committee of the Louisiana Department of the American Legion for use at the national convention of the American Legion to be held at New Orleans, La., in October, 1922; and

H. R. 8767. An act for the relief of F. E. Taylor and B. C. Broom.

The SPEAKER announced his signature to enrolled bills of the following titles:

S. 1033. An act regulating the issuance of checks, drafts, and orders for the payment of money within the District of Columbia;

S. 3425. An act to continue certain land offices, and for other purposes;

S. 3396. An act creating the positions of Second Assistant Secretary and private secretary in the Department of Labor; and

S. 831. An act to amend the proviso in paragraph 10 of section 9 of the Federal reserve act amended by the act of June 21, 1917, amending the Federal reserve act.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that on June 28 they had presented to the President of the United States for his approval the following bills and joint resolutions;

H. J. Res. 297. Joint resolution requesting the President of the United States to call a conference of maritime nations with a view to the adoption of effective means for the prevention of pollution of navigable waters by oil-burning and oil-carrying steamers by the dumping into such waters of oil waste, fuel oil, oil sludge, oil slop, tar residue, and water ballast;

H. R. 10101. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1923, and for other purposes;

H. R. 6110. An act amending section 97 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911;

H. R. 11362. An act declaring Tchula Lake, Holmes County, Miss., to be a nonnavigable stream;

H. R. 11128. An act to authorize the construction of a bridge over the Rio Grande between the cities of Del Rio, Tex., and Las Vacas, Mexico;

H. R. 11634. An act granting the consent of Congress to the county of Norman and the town and village of Halstad, in said county, in the State of Minnesota, and in the county of Traill and the town of Herberg, in said county, in the State of North Dakota, to construct a bridge across the Red River of the North on the boundary line between said States;

H. R. 10770. An act to legalize a bridge across the south arm of Pokegama Lake in Itasca County, State of Minnesota;

H. R. 10871. An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1923, and for other purposes;

H. J. Res. 337. Joint resolution granting consent of Congress and authority to the Port of New York Authority to execute the comprehensive plans approved by the States of New York and New Jersey by chapter 43, Laws of New York, 1922, and chapter 9, Laws of New Jersey, 1922;

H. R. 11450. An act to provide for the printing and distribution of the Supreme Court Reports, and amending sections 225, 226, 227, and 228 of the Judicial Code;

H. R. 12073. An act to provide additional compensation for certain civilian employees of the Governments of the United States and the District of Columbia during the fiscal year ending June 30, 1923;

H. R. 11393. An act to abolish the office of Superintendent of the Library Building and Grounds and to transfer the duties thereof to the Architect of the Capitol and the Librarian of Congress;

H. J. Res. 344. Joint resolution to authorize the Secretary of the Treasury to detail four persons paid from the appropriation for the collection of customs;

H. R. 11228. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1923, and for other purposes; and

H. R. 9527. An act to amend section 5136, Revised Statutes of the United States, relating to corporate powers of associations, so as to provide succession thereof for a period of 99 years, or until dissolved, and to apply said section as so amended to all national banking associations.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had passed without amendment joint resolution of the following title:

H. J. Res. 353. Joint resolution authorizing the Secretary of War to loan certain tents, cots, chairs, etc., to the executive committee of the Louisiana Department of the American Legion for use at the national convention of the American Legion, to be held at New Orleans, La., in October, 1922.

The message also announced that the Senate had passed with amendments bill of the following title, in which the concurrence of the House of Representatives was requested:

H. R. 2694. An act for the relief of Seth J. Harris, Jimmie Lou Martin, Mary Holloman, and William Henry Coleman.

The message also announced that the Senate had passed bills and joint resolution of the following titles, in which the concurrence of the House of Representatives was requested:

S. 3157. An act for the relief of John G. Sessions;

S. 910. An act for the relief of Frank Grygla; and

S. J. Res. 208. Joint resolution authorizing the Federal reserve banks of St. Louis and Salt Lake City to enter into contracts for the erection of buildings for head office and branches.

CORRECTION.

Mr. GERNERD. Mr. Speaker, on roll call No. 45 it appears that I was not present and did not vote. I recall distinctly I was present and voted "aye" on the motion to go into the Committee of the Whole House on the state of the Union to consider the antilynching bill.

The SPEAKER. Without objection the correction will be made.

There was no objection.

EXTENSION OF REMARKS.

Mr. GARNER. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. BYRNS] may have leave for 10 legislative days to extend his remarks in the RECORD.

The SPEAKER. Is there objection?

Mr. WALSH. Is this in addition?

Mr. GARNER. For the purpose of replying to the gentleman from Wyoming.

The SPEAKER. The Chair hears no objection.

The extension of remarks referred to are here printed in full as follows:

Mr. BYRNS of Tennessee. Mr. Speaker, on Friday, June 30, 1922, the majority leader, Mr. MONDELL, by leave of the House, printed in the RECORD a carefully prepared address in which he attempted to give a résumé of the work done by this Congress, and sought to show that the legislation enacted and the economies alleged to have been effected have been of real value to the country. It is not my purpose to reply in detail and at equal length to this very long and labored address, but, through the courtesy of the House in granting similar leave to me, I wish to present certain facts and observations which, to my mind, very clearly and positively refute many of the conclusions of the majority leader.

The gentleman from Wyoming [Mr. MONDELL] very highly eulogizes the present Congress and, incidentally, himself as the majority leader, for the legislation enacted and the wisdom and sound judgment shown. But in this he finds himself in a very sharp difference with an even more prominent member of his own party, Hon. John W. Weeks, only a short time ago a prominent candidate for the presidential nomination before a Republican convention and Secretary of War under the present Republican administration. Mr. Weeks is quoted as having declared in a sudden burst of candor, in a speech delivered only a few days ago, that this Congress, which is overwhelmingly Republican in both of its branches, had reached the lowest ebb in the entire history of the country. Mr. Weeks has had long service in both the House and Senate and is familiar with the records of past Congresses, both Republican and Democratic. As Secretary of War he has come in intimate contact, personally and officially, with the majority membership of the present Congress, individually and collectively, and testimony coming from such a high Republican source will undoubtedly be accepted in preference to the biased opinion of the gentleman from Wyoming, whose candidacy for the United States Senate rests upon the record made by this Congress under his leadership.

Feeling very keenly the force of the general criticism which has been leveled against the present Congress, the majority leader very harshly criticizes those who have seen fit to condemn the present Congress for its shortcomings and failure to give evidence of statesmanship and keep faith with the people. He denounces them, and particularly the editors of newspapers who no not accept his viewpoint, as ignorant, selfish, disappointed, partisan, and provincial. It is unfortunate that these "provincial" editors did not have the advantages of the environments of the State of Wyoming. But surely they can take comfort in the fact that in such criticisms they have been no more harsh than was the distinguished Secretary of War, who holds such high place in the present administration, and whose loyalty to the Republican Party not even the gentleman from Wyoming will deny. The difference is that the Secretary of War frankly and bluntly told the truth, while the gentleman from Wyoming was speaking with the United States Senatorship uppermost in his mind.

VOLUME OF LEGISLATION.

The majority leader takes great credit in the claim that this Congress has passed 398 separate laws, public and private, and the House in addition has passed 276 bills, public and private, which he boasts is at the rate of two and one-third per day, which in itself shows what little real consideration was given them, and the iniquity of passing measures through the House under a special rule cutting off discussion and denying a free opportunity to offer amendments and which has been indulged in by the present House to a greater extent than ever before. By such an argument he shows a very poor conception of the real duty of a legislative body. It is not the number of laws enacted and bills passed but the character of the laws and the public benefits accruing which measures the real worth and capacity of a legislative body. The truth is we have too many laws. There is entirely too much governmental interference by legislation.

Those who read the statement of the majority leader as to the laws enacted by this Congress will be impressed with the fact that very few are of major importance and how little some of them are calculated to bring relief from the conditions under which our country is now suffering on account of the war and its aftermath. There is not a single one among those enumerated which will convince the country that the Congress has grasped the serious problems which the plague of war and European chaos has brought to us, or that any real statesmanship has been shown in the effort to solve them.

TAX REVISION.

He claims chief credit for tax revision, but at the same time attempts to excuse the failure to reduce taxes in the manner which was promised and expected. That law relieves the very rich individuals of some $90,000,000 of taxes collected annually in past years, and the larger corporations of some $450,000,000 collected during the same years, but it affords no relief by way of reduction to the business man or the individual of average wealth, whose taxes, direct and indirect, have only been reduced in proportion as their earning power has been reduced under Republican rule, save the slight raise in exemption which is provided for the married man whose income is between $2,000 and $5,000 per annum, and which in no event will exceed $20. The law was declared by Senator Penrose to be "a temporary makeshift," and Senator SMOOT stated that "the American people from one end of the country to the other are not satisfied with the law." A conclusion which few will dispute and which will become all the more apparent when its provisions are fully understood by the taxpayers.

THE BUDGET LAW AND ITS ADMINISTRATION.

The gentleman from Wyoming refers to the budget law and praises its administration, although he very properly does not claim its passage to have been a party achievement. It was repeatedly urged by a Democratic administration, was framed by a select committee, composed of both Democrats and Republicans, and was unanimously passed by Congress. It is a good law but poorly administered. The first year of its operation has not met the expectations and hopes of those who favored it. It was passed to effect economy and it was expected that it would result in a close paring of the estimates by the administration before they were submitted to Congress. Notwithstanding this and the widely heralded claims of the director the estimates submitted for 1923 were several hundred millions more than was actually appropriated. In other words, if the President had had his way there would have been added to the burdens of the taxpayers several hundred millions more than was appropriated. It should also be said that these estimates exceed the appropriations for 1922, the preceding year, by many millions of dollars notwithstanding the reduction in the cost of supplies, the further cessation of war activities, and the dismissal of war employees. The cold facts do not commend the first year's administration of the budget law. Congress is entitled to credit for any economy that may have been effected, not the President and his Bureau of the Budget. The trouble is that Congress did not go far enough and make the reductions which should have been made at this period after the war.

REDUCTION IN APPROPRIATIONS.

The majority leader is equally unfair and lacking in frankness in his statements as to the reduction of appropriations and expenditures by this Congress and administration and as to the surplus which he says was in the Treasury at the close of the fiscal year just ended. Secretary of the Treasury Mellon in his letter of April 14, 1922, states that this surplus was made possible only by the transfer of governmental obligations amounting to $200,000,000 from the last fiscal year to the present fiscal year, and which will increase the contemplated deficit of June 30, 1923, to that extent—but that will be after the congressional elections. The gentleman refers to the fact that eight appropriation bills failed of passage in the last session of the Sixty-fifth Congress, ending March 4, 1919, and which was Democratic. Why did he not state that these bills which passed the House early in the session failed of final enactment solely on account of a filibuster by certain Republican Senators in the Senate? He says that when these bills were finally passed by a Republican Congress in the following month of May that they carried $940,000,000 less than was proposed by the former House. Why was he not fair enough to call attention to the fact that the same Republican Congress made deficiency appropriations of over $482,000,000, which re-

duced the figures given by him to that extent? And why was he not also fair enough to say that difference was made possible by the fact that, during the interim, Democratic Secretaries of War and Navy had demobilized the Army and Navy, which came over from the war, to an extent that would have made possible even greater reductions? The sundry civil bill, which carried appropriations for ordinary routine operations of the Government, as it was passed by a Republican Congress actually exceeded by something like sixty millions the amount proposed by a Democratic House a few months previous.

In view of his statements as to the economy of this Congress, he possibly does not know that its appropriations in the regular annual supply bills for 1923 actually exceed by many millions of dollars the appropriations made in similar bills for 1922, and yet we are one year further removed from the war and ought to be getting back somewhat to a pre-war basis. And this, too, despite the fact that we were told that the recent disarmament conference would serve to greatly reduce our expenditures for the Army and Navy. I will at another time set forth the figures which will verify the truth of this statement.

DEBT REDUCTION.

He refers to the reduction of the public debt by approximately a billion dollars. He states that $425,000,000 of the reduction was made possible by operation of the sinking fund and other debt expenditures chargeable to ordinary receipts. But he would have the public believe that the remainder was made possible by economies and sound business judgment of this administration. Surely he knows that it was made possible through a reduction in the balance of the general fund and by the use of receipts from the sales of the immense surplus of supplies after the war.

FAILURE TO PROSECUTE WAR PROFITEERS.

One of the most disappointing and unpardonable failures of the present administration is its culpable neglect to promptly and vigorously prosecute the war profiteers. For 14 months the Attorney General took no steps to bring these profiteers to the bar of justice, and there seemed to be a purpose to let the statute of limitations run and permit at least many of them to escape criminal and civil liability. So evident did this become that two patriotic Republican Congressmen, Messrs. WOODRUFF and JOHNSON, felt it to be their duty to bring this neglect of the Attorney General and the Department of Justice to the attention of Congress and the country.

They gave instances of persons of powerful political influence who, according to reports on file in the department, had defrauded the Government of millions of dollars during the war and who were being permitted to go unwhipped of justice, and introduced a resolution calling for an investigation by Congress, and one of them threatened to bring impeachment proceedings against the Attorney General if steps were not immediately taken. It was only after this resolution and threat that the Attorney General made a show of activity and requested Congress to appropriate $500,000 to carry on these investigations and prosecutions, notwithstanding the fact that he had theretofore submitted two requests to Congress for additional appropriations, but had not asked for a single dollar for this particular purpose. The money asked for was promptly and unanimously granted. The gentleman from Wyoming takes credit for this action, but I submit that the administration, lashed by two members of its own party, who were actuated by a high sense of public duty, can claim little credit therefor. It is a severe reflection on the administration and the Republican Party that the majority leaders suppressed this resolution in the Committee on Rules and refused to permit a public inquiry as to the causes which influenced this inaction on the part of the Department of Justice.

AGRICULTURAL LEGISLATION.

The majority leader assumes credit for certain legislation passed for the benefit of the farming interests. It is significant that he does not mention the failure of this Congress to even consider the many recommendations made by the Special Committee on Agricultural Inquiry as long ago as last October, chief among which was the establishment of a permanent credit system for the farmers, such as is given the commercial interests through the Federal reserve banks.

The cooperative marketing act and the antigambling grain act, which was declared unconstitutional by the United States Supreme Court and has recently been repassed by the House, were supported by Democrats as were all measures which promised relief to the farmers.

I submit that little credit can be claimed by the Republican majority for the amendment to the Federal reserve act which, as first proposed, was intended to compel the President to appoint a farmer to membership on the Federal Reserve Board. The Republican majority voted down this provision and merely provided that the President, in the making of such appointments, should give "due regard to a fair representation of the financial, agricultural, industrial, and commercial interests" of the country, a discretion which, I submit, was already vested in the President, for he had authority to appoint anyone he might think fitted for such a position. It was said that this action was taken at the instance of the President. Whatever the inspiration it was nothing less than a straddle and can not be classed as either a complete or an ungrudging concession to the farming interests. The same is true of the packers' act, for this bill, which as originally introduced was vigorously opposed by the packers, was so emasculated before its final passage that it was openly stated that in its amended form it was not objectionable to the packing interests, and a Republican Senator charged in the United States Senate that the conference report was actually written by an attorney of the packers.

The gentleman from Wyoming comments on the loans made for the benefit of the farmers and stockmen through the extension of the war finance act and also to the act amendatory of the Federal highway act. Both of these acts were first proposed and enacted by a Democratic Congress and approved by a Democratic President. The same is true of the war risk act and the vocational training act for disabled soldiers, the activities of which have been consolidated by this Congress.

EMERGENCY TARIFF.

It was claimed that the emergency tariff act would bolster up the prices of farm products which had steadily declined after the induction of the Republican administration into office. The aggregate value of agricultural products in 1919 was $23,783,000,000; in 1920, $18,263,000,000; and in 1921, $12,366,000,000, or only 52 per cent of the value in 1919. The value of farm-animal products in 1920 was $7,354,000,000, but they dropped to $5,339,000,000 in 1921. Grain exports fell off 50 per cent during the 10 months ending with April, 1922, as compared with the corresponding period of the preceding year. This law, passed ostensibly to bolster up farm prices, was really intended to delude the farmer and commit him to the Republican protective-tariff policy. We have a large surplus of farm products for export to foreign countries, and the export price of this surplus fixes the domestic price. It can not be fixed by tariff tinkering with importations. The law did not even check falling prices. It was passed in May, 1921. Prior to its passage wheat was selling in Chicago for $1.67 a bushel. In June after the passage of the law it dropped to $1.47 a bushel, as against $2.89 in June, 1920, and in December, 1921, seven months after the passage of the law, it dropped to $1.18 a bushel, as against $2.02 in December, 1920, and notwithstanding this law provided a tariff duty of 35 cents a bushel. Corn carried a duty of 15 cents a bushel; but in June, 1921, after the passage of the law, it was selling for 63 cents a bushel, as against $1.89 in June, 1920, and it steadily dropped in price in Chicago until it was 47 cents in December, 1921, as against 74 cents in December, 1920. Similar statistics could be supplied with reference to other farm products upon which a tariff duty was imposed in the emergency tariff bill. The folly of such a duty is obvious. The enactment of this law was nothing less than a sham and an effort to impose upon the credulity of the farmer. There has been a recent rise in the prices of wheat and corn from the low level reached since December, but the farmer gets little if any benefit from these temporary and artificial fluctuations. In connection with this rise it is a significant fact that the stock of wheat on the farms March 1, 1922, was 131,136,000 bushels, of which probably 60,000,000 or more bushels must be held for planting. This is all the farmers had on hand from the previous year's crop of 794,893,000 bushels, and shows that the farmer got very little out of this rise in the price of wheat. The profits went to the grain gamblers.

THE PENDING TARIFF BILL.

The majority leader takes great credit for the passage of the tariff bill through the House. It was passed in the House under a rule, adopted under the party lash, which restricted debate and prevented the offering and consideration of any amendments by the House Members, with the exception of the Republican members of the Ways and Means Committee. Its rates, in many instances amounting to an embargo on importations, as approved by the House Members and adopted in the manner stated, were so obnoxious that the majority members of the Senate committee refused to accept it and have proposed a bill under an entirely different plan. It may be remarked here, parenthetically, that it is proposed by this bill to destroy our foreign trade and then to pass a measure granting a large subsidy to the shipping interests, on the plea that it is necessary in order to build up a merchant marine to take care of our shipping trade.

Claiming, as they do, that this tariff legislation is essential for the revival of business and prosperity, it has been pending in a Congress both Houses of which have had unprecedented Republican majorities for 18 months. The Republican members of the House Ways and Means Committee began hearings on this bill in January, 1921. No one can now say when it will become effective. There could be no stronger illustration of inefficiency and absolute lack of legislative ability. It is an outstanding example in recent years of the failure of the party in control of the Government to function.

The Republican Party has had entire control of legislation since the World War came to an end, and the record of this and the preceding Republican Congress is not one that will commend itself to the people or such as to justify its hopes for a continuance of power. The kindest thing that can be said is that the leaders of the party were incapable of solving the serious problems which confronted them. While business was good and the farmers were getting good prices for their products and labor had steady and remunerative employment at the close of the war, and sometime thereafter, it was quite clear to every thinking person that in order for these conditions to continue there was need for reconstructive legislation which would serve to stabilize conditions and credits, both at home and abroad, in order that our surplus products might find an outlet to foreign markets. A Republican Congress and administration has failed to meet the situation. As a result of this inaction and the destruction of our foreign markets, instead of the prosperity of Democratic days the country was confronted at the very beginning of Mr. Harding's term with a depression which steadily increased during the succeeding months. We lost our place as the moral leader of the nations in the world. There were business failures in every section of the country. Labor was thrown out of employment and farm products sold below the cost of production. The solemn promises of a retrenchment of expenditures and a reduction of taxes are unfulfilled. The record of the party is a sad disappointment to those who in the election of November, 1920, rested their hopes of the adjustment of fiscal affairs, international commerce, industrial peace, and general business and agricultural prosperity on the promises of the Republican leaders.

RECESS.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that the House stand in recess until 9 o'clock. Mr. Speaker, I make that request because of the fact that we are not likely to have the enrolled bill here ready for the Speaker to sign until about that hour.

Mr. BYRNS of Tennessee. Reserving the right to object, will the gentleman withhold that until I can ask unanimous consent for the gentleman from Georgia [Mr. UPSHAW] to have 10 minutes in which to address the House? Mr. Speaker, I make that request, that the gentleman from Georgia [Mr. UPSHAW] may have 10 minutes in which to address the House.

The SPEAKER. Is there objection?

Mr. WALSH. I object.

The SPEAKER. Objection is heard.

Mr. MONDELL. Mr. Speaker, I renew my request.

Mr. ASWELL. Mr. Speaker, reserving the right to object, may I ask the gentleman from Wyoming whether it is not practical for the Republican side to reach an agreement now to fix a day when we return to take up and dispose of the Muscle Shoals question?

Mr. MONDELL. I think it would be a little difficult, right off.

Mr. ASWELL. Could it not be done by unanimous consent?

Mr. MONDELL. I am afraid not.

Mr. ASWELL. Further reserving the right to object, it will only take a day or two to act upon that question. It is a very urgent matter, more important to the farmers of this country than all the legislation the gentleman has been talking about for the last 10 minutes.

Mr. MONDELL. That is a matter of opinion.

Mr. ASWELL. It occurs to me, Mr. Speaker, further reserving the right to object, that it would be better before we run away that we might consider this imperative measure that so affects the agricultural interests of this country, vastly more than any measure you have passed, more important to the agricultural section of this country than all you have done during this session for the farmers, and it seems to me that the question of the disposition of Muscle Shoals ought to be considered now and an agreement reached, so that we might consider it on a certain day when we return.

RECESS.

The SPEAKER. The gentleman from Wyoming asks unanimous consent that the House stand in recess until 9 o'clock. Is there objection? [After a pause.] The Chair hears none.

Accordingly (at 5 o'clock and 44 minutes p. m.) the House stood in recess until 9 o'clock p. m.

AFTER THE RECESS.

The recess having expired, the House was called to order by the Speaker.

ADJOURNMENT OF THE HOUSE.

Mr. SNELL. Mr. Speaker, I submit a privileged report from the Committee on Rules.

The SPEAKER. The gentleman from New York submits a privileged report from the Committee on Rules, which the Clerk will report.

The Clerk read as follows:

House Resolution 397 (Rept. No. 1177).

Resolved, That when the House adjourns to-day it adjourn to meet on Tuesday, August 15, 1922, at 12 o'clock meridian.

Mr. SNELL. Mr. Speaker, I believe this resolution fully explains itself. I believe it is in accordance with the desires of the majority of the Members of the House.

We all know that the House can adjourn for a limited period at this time, while the body at the other end of the Capitol is considering legislation that has already been passed by the House without in any way interfering with public business. Therefore this resolution has been presented at this time.

Has the gentleman from North Carolina [Mr. POU] come in yet?

Mr. GARNER. He is not in at the moment.

Mr. WINGO. While you are waiting for him you might give me some time.

Mr. SNELL. We are not going to take up time on our side. I can give the gentleman five minutes.

Mr. WINGO. Make it 10.

Mr. SNELL. I will yield to the gentleman five minutes.

The SPEAKER. The gentleman from Arkansas is recognized for five minutes.

Mr. WINGO. Mr. Speaker, the gentleman from New York [Mr. SNELL] says that he is not going to take up any time on the Republican side in behalf of the rule which he has reported, and I commend him for his wisdom, for if anyone on the Republican side sought to justify this rule it would be the old stereotyped excuse that the Republicans are now giving for every act of incompetency and inefficiency, and that is to cite either the act or view of some Democrat. The gentleman has brought in a rule to adjourn this part of the Republican Congress until August 15. I did not catch the exact reason he gave for the rule, though I think he said something about letting the Senate catch up. Of course, that is no real reason, but it is better than none at all. I doubt if he knows of any real reason for this action based upon the public good, for there is no reason other than one of political expediency from the standpoint of the Republican Party.

It is true there are some gentlemen, both Republicans and Democrats, who are anxious for the recess, because they have opposition and wish to go home, and I do not blame them; but the House does not have to adjourn for that purpose, because there are plenty of gentlemen who have no opposition or whose primaries have already been held who could stay here and attend to the public business that is pressing, and those who have to go home on account of campaigns could easily arrange pairs.

The exhibition of the gentleman from Michigan [Mr. FORDNEY] this afternoon disclosed one of the reasons why the Republican leaders are so anxious to adjourn this House for a few weeks. They want the Republican membership to get away, cool off, and get the cobwebs out of their brains. The speech and exhibition of the gentleman from Michigan demonstrated that even he, one of the old leaders, was confused and needs a vacation. I say he was confused because he has been known for years as the leader of the "protective bloc" in the House and yet surely no friend of protection would accuse the gentleman from Michigan with having made a protective tariff speech this afternoon. [Laughter.] If he did it was the strangest protective-tariff speech ever made. As I listened to the gentleman from Michigan I recalled the fact that one of the many rainbow promises that the Republican Party made to the voters in the last campaign was that they would absolutely stop profiteering. Yet this great leader of the Republican Party stood up in the House this afternoon and advertised and proved to the world that under this Republican administration, with an Attorney General who had boasted that he was going to stop profiteering, American business men who imported the articles that the gentleman displayed, were profiteering upon

their American customers to the extent in some instances of 1,480 per cent. What the gentleman's speech proved, if it proved anything, is not that we need a tariff protection to American manufacturers against foreign manufacturers but that under this Republican administration we need protection from exorbitant American profiteers, and, of course, the American people can not expect that with the present Department of Justice. [Applause on the Democratic side.]

I am opposed to this recess because I think that with the present condition of affairs in this country the House should be in session. In addition to that, I think there are many questions to which this House could devote itself in the next six weeks. Another reason why the Republicans want to adjourn this House is that leaders have absolutely lost control of the Republican side, and the gentleman from Wyoming [Mr. MONDELL], the Republican leader, is in doubt now whether he will be able to adjourn this House to-night. Candor compels me to admit that the gentleman from Wyoming deserves considerable sympathy on account of the difficult situation in which he finds himself. If this House should adjourn to-night, I will sincerely congratulate him on his escape, even for a few weeks, from the unpleasant task of leading the Republican majority in this House, the most unruly bunch of "wild asses" that ever "came out of the green corn." [Laughter.] The confusion and lack of cohesion on the Republican side is so great that the gentleman from Wyoming does not know whether he will be able to adjourn the House or not, and he hardly knows how to adjourn it. The peculiar predicament of the gentleman from Wyoming reminds me of a story that I frequently tell of a negro preacher in my district. There was a little bullet-headed negro down there with a head about as big as my fist that "got religion" at one of the annual "camp meetings," and in the fervor of the new convert's zeal he conceived the idea that the Lord of Hosts had called him to preach the Gospel to the dying members of his dusky race. He attended a theological school of some kind somewhere, so he claimed, and in due season returned to the old home town duly ordained and commissioned as a minister of the gospel. It so happened that the next day after he had returned there was a death in the colored quarters, and on account of the absence of the regular pastor this newly made preacher was called upon to officiate at the funeral and administer the last rites of his church over the body of his departed brother.

In that same town was an old nigger woman known as Aunt Mat, a dusky, kinky-headed damsel, black as midnight and weighing 300 pounds "dressed" [laughter]; but, strange to say, this old nigger woman had a perfect contempt for nigger preachers in general and this newly made nigger preacher in particular. When Aunt Mat heard about the funeral and was told that the new preacher was going to officiate, she asked the "missus" to let her go, and permission was freely granted. Aunt Mat took a seat in the rear pew of the church, folded her tired hands on her expansive bosom, and behaved with that decorum that the solemn occasion demanded, until at the conclusion of the service she observed that the young nigger preacher was confused and embarrassed, as he had forgotten whether it was proper to close a funeral with the benediction or the doxology, and in his confusion he was holding a whispered consultation with the assembled deacons. Finally it dawned on Aunt Mat what the trouble was, and she forgot the solemnity of the occasion, she forgot the lifeless form of her friend lying on the funeral bier in front of the pulpit, she forgot she was in the house of the Lord, and, her innate sense of humor getting the better of her, she leaned back, broke into laughter, and cried out, "Ha, ha, ha, look at that fool nigger; he don't know how to dismiss a co'pse." [Laughter.]

And that, Mr. Speaker, is the situation of my friend MONDELL, the gentleman from Wyoming, the leader of the Republican majority in this House. He realizes the incompetency, the inefficiency, and the complete failure of this Republican Congress, in spite of the fulsome eulogy that he delivered on it in parting to-day. He knows that it is dead, but, like the little nigger, he does not know how to dismiss the corpse. [Renewed laughter and applause.]

Mr. SNELL. Mr. Speaker, it was expected that some gentleman upon the other side of the aisle would express the opinion of the minority for the purposes of printing in the RECORD, and for home consumption, regarding the adjournment resolution. Now, we have had that expression and everyone seems to be satisfied with it. Therefore I move the previous question on the resolution.

The SPEAKER. The gentleman moves the previous question on the adoption of the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The question being taken, the Speaker announced that the ayes appeared to have it.

Mr. GARNER. Mr. Speaker, let us have a division.

The House divided; and there were—ayes 118, noes 37.

Mr. GARNER. Mr. Speaker, I make the point of no quorum present, so that we may have a roll call.

The SPEAKER. The gentleman makes the point of no quorum present. The Chair will count. [After counting.] One hundred and seventy-one members present, not a quorum. The Doorkeeper will close the doors; the Sergeant at Arms will bring in absent members. As many as are in favor of the adoption of the resolution will, as their names are called, vote "yea," those opposed "nay," and the Clerk will call the roll.

The question was taken; and there were—yeas 171, nays 43, answered "present" 2, not voting 215, as follows:

YEAS—171.

Ackerman	Fenn	Kraus	Ramseyer
Andrews, Nebr.	Fess	Larsen, Ga.	Ransley
Ansorge	Fitzgerald	Lea, Calif.	Reed, W. Va.
Anthony	Focht	Lee, N. Y.	Rhodes
Appleby	Fordney	Lehlbach	Ricketts
Atkeson	Foster	Lineberger	Riddick
Bacharach	Free	Little	Rodenberg
Barbour	French	London	Rogers
Begg	Fuller	McArthur	Rose
Benham	Gahn	McCormick	Rosenbloom
Bird	Gensman	McFadden	Rossdale
Pond	Gernerd	McKenzie	Scott, Tenn.
Burke	Gorman	McLaughlin, Mich.	Shaw
Burton	Graham, Ill.	McPherson	Siegel
Cable	Green, Iowa	MacGregor	Sinnott
Carew	Griest	Madden	Slemp
Chandler, N. Y.	Griffin	Magee	Smith, Idaho
Chindblom	Hadley	Mann	Snell
Clague	Hardy, Colo.	Mapes	Speaks
Clarke, N. Y.	Harrison	Mead	Sproul
Clouse	Haugen	Michener	Stephens
Cole, Iowa	Hawes	Millspaugh	Strong, Kans.
Cole, Ohio	Hays	Mondell	Swing
Collins	Henry	Montague	Temple
Connally, Tex.	Hickey	Moore, Ill.	Thompson
Cooper, Wis.	Hill	Moore, Ohio	Timberlake
Crago	Himes	Moores, Ind.	Tincher
Crowther	Hoch	Morgan	Towner
Cullen	Hogan	Moft	Vaile
Curry	Hull	Mudd	Vestal
Dale	Johnson, Wash.	Murphy	Voigt
Dallinger	Keller	Newton, Minn.	Volstead
Darrow	Kelley, Mich.	Newton, Mo.	Walsh
Denison	Kelly, Pa.	O'Brien	Watson
Doughton	Kendall	Ogden	Wheeler
Dowell	Ketcham	Olpp	Williams, Ill.
Dunbar	King	Parker, N. J.	Williamson
Echols	Kirkpatrick	Parker, N. Y.	Woodyard
Edmonds	Kissel	Patterson, N. J.	Wurzbach
Elliott	Kline, N. Y.	Porter	Wyant
Fairfield	Kline, Pa.	Pringey	Zihlman
Faust	Knutson	Purnell	The Speaker
Favrot	Kopp	Radcliffe	

NAYS—43.

Almon	Collier	Lankford	Steagall
Aswell	Davis, Tenn.	Lowrey	Tillman
Barkley	Garner	McDuffie	Tucker
Bell	Hammer	Oldfield	Upshaw
Bland, Va.	Hayden	Oliver	Vinson
Bowling	Huddleston	Raker	Weaver
Brand	Hudspeth	Rankin	Williams, Tex.
Briggs	Jeffers, Ala.	Sanders, Tex.	Wingo
Bulwinkle	Jones, Tex.	Sandlin	Woodruff
Byrnes, S. C.	Kincheloe	Scars	Wright
Byrns, Tenn.	Lanham	Smithwick	

ANSWERED "PRESENT"—2.

Cramton Box

NOT VOTING—215.

Anderson	Carter	Fairchild	Husted
Andrew, Mass.	Chalmers	Fields	Hutchinson
Arentz	Chandler, Okla.	Fish	Ireland
Bankhead	Christopherson	Fisher	Jacoway
Beck	Clark, Fla.	Frear	James
Beedy	Classon	Freeman	Jefferis, Nebr.
Bixler	Cockran	Frothingham	Johnson, Ky.
Black	Codd	Fulmer	Johnson, Miss.
Blakeney	Colton	Funk	Johnson, S. Dak.
Bland, Ind.	Connell	Gallivan	Jones, Pa.
Blanton	Connolly, Pa.	Garrett, Tenn.	Kahn
Boies	Cooper, Ohio	Garrett, Tex.	Kearns
Bowers	Copley	Gilbert	Kennedy
Brennan	Coughlin	Glynn	Kiess
Britten	Crisp	Goldsborough	Kindred
Brooks, Ill.	Davis, Minn.	Goodykoontz	Kinkaid
Brooks, Pa.	Deal	Gould	Kitchin
Brown, Tenn.	Dempsey	Graham, Pa.	Kleczka
Browne, Wis.	Dickinson	Greene, Mass.	Knight
Buchanan	Dominick	Greene, Vt.	Kreider
Burdick	Drane	Hardy, Tex.	Kunz
Burroughs	Drewry	Hawley	Lampert
Burtness	Driver	Herrick	Langley
Butler	Dunn	Hersey	Larson, Minn.
Campbell, Kans.	Dupré	Hicks	Lawrence
Campbell, Pa.	Dyer	Hooker	Layton
Cannon	Ellis	Hukriede	Lazaro
Cantrill	Evans	Humphrey	Leatherwood

Lee, Ga.	O'Connor	Sabath	Taylor, N. J.
Linthicum	Osborne	Sanders, Ind.	Taylor, Tenn.
Logan	Overstreet	Sanders, N. Y.	Ten Eyck
Longworth	Padgett	Schall	Thomas
Luce	Paige	Scott, Mich.	Tilson
Luhring	Park, Ga.	Shelton	Tinkham
Lyon	Parks, Ark.	Shreve	Treadway
McClintic	Patterson, Mo.	Sinclair	Tyson
McLaughlin, Nebr.	Perkins	Sisson	Underhill
McLaughlin, Pa.	Perlman	Smith, Mich.	Vare
McSwain	Petersen	Snyder	Volk
Maloney	Pou	Stafford.	Walters
Mansfield	Quin	Stedman	Ward, N. Y.
Martin	Rainey, Ala.	Steenerson	Ward, N. C.
Merritt	Rainey, Ill.	Stevenson	Wason
Michaelson	Rayburn	Stiness	Webster
Miller	Reber	Stoll	White, Kans.
Mills	Reece	Strong, Pa.	White, Me.
Montoya	Reed, N. Y.	Sullivan	Wilson
Moore, Va.	Riordan	Summers, Wash.	Winslow
Morin	Roach	Sumners, Tex.	Wise
Nelson, A. P.	Robertson	Swank	Wood, Ind.
Nelson, J. M.	Robsion	Sweet	Woods, Va.
Nelson, Me.	Rouse	Tague	Yates
Nolan	Rucker	Taylor, Ark.	Young
Norton	Ryan	Taylor, Colo.	

So the resolution was agreed to.

The following additional pairs were announced:

Mr. Cramton (for) with Mr. Carter (against).

Mr. Yates (for) with Mr. Moore of Virginia (against).

Mr. Reed of New York (for) with Mr. Drewry (against).

Mr. Hicks (for) with Mr. Bankhead (against).

Additional pairs:

Mr. Anderson with Mr. Dominick.

Mr. Coughlin with Mr. Garrett of Texas.

Mr. Beedy with Mr. Kindred.

Mr. Dunn with Mr. Thomas.

Mr. Greene of Iowa with Mr. Quinn.

Mr. Dempsey with Mr. Hardy of Texas.

Mr. Arentz with Mr. Buchanan.

Mr. Graham of Pennsylvania with Mr. Park of Georgia.

Mr. Bland of Indiana with Mr. Stoll.

Mr. Morin with Mr. Riordan.

Mr. Chandler of Oklahoma with Mr. Dupré.

Mr. Brown of Tennessee with Mr. Pou.

Mr. Chalmers with Mr. Tague.

Mr. Shelton with Mr. Taylor of Colorado.

Mr. Petersen with Mr. Johnson of Mississippi.

Mr. Young with Mr. Jacoway.

Mr. Kinkaid with Mr. Kunz.

Mr. Campbell of Kansas with Mr. Gallivan.

Mr. Classon with Mr. Sullivan.

Mr. Ryan with Mr. Fisher.

Mr. Roach with Mr. Stevenson.

Mr. Snyder with Mr. Black.

Mr. Bixler with Mr. Campbell of Pennsylvania.

Mr. Andrew of Massachusetts with Mr. Rainey of Illinois.

Mr. Smith of Michigan with Mr. Sabath.

Mr. CRAMTON. Mr. Speaker, I voted "aye," but I have a general pair with the gentleman from Oklahoma, Mr. CARTER, and I wish to withdraw that vote and answer "present."

The result of the vote was announced as above recorded.

Mr. GARNER. Mr. Speaker, I desire to call up the bill H. R. 2694.

Mr. WILLIAMS of Illinois. I object.

Mr. KNUTSON. So do I. [Laughter.]

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that Members may have five calendar days in which to insert their own remarks in the RECORD.

The SPEAKER. The gentleman from Wyoming asks unanimous consent that Members may have five calendar days in which to insert their own remarks in the RECORD. Is there objection?

Mr. MONTAGUE. On any subject? I object.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that all Members have five calendar days in which to insert their own remarks on questions of legislation.

The SPEAKER. The gentleman from Wyoming asks unanimous consent that all Members shall have five calendar days in which to insert their own remarks on questions of legislation. Is there objection?

Mr. MONTAGUE. I object.

Mr. MONDELL. Will not the gentleman withhold his objection?

Mr. MONTAGUE. The gentleman from Wyoming knows that I have never before objected in the 10 years that I have been here.

Mr. MONDELL. I realize that, but gentlemen on both sides have asked that this request be made, and it is the usual request at the time of adjournment.

Mr. MONTAGUE. I regret very much that I can not modify my objection.

ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, the gentlemen having voted with their fingers crossed against adjournment, hoping that we would adjourn, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 48 minutes p. m.), the House, in accordance with the resolution just agreed to and the concurrent resolution passed yesterday, adjourned until Tuesday, August 15, 1922, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. HAYDEN: Committee on Irrigation of Arid Lands. S. 2983. An act to authorize the Secretary of the Interior to grant extensions of time under permits for the development of underground waters within the State of Nevada, and for other purposes; without amendment (Rept. No. 1171). Referred to the Committee of the Whole House on the state of the Union.

Mr. SMITH of Idaho: Committee on Irrigation of Arid Lands. H. J. Res. 354. A joint resolution authorizing the Secretary of the Interior to make a reinvestigation of the tri-county project in Nebraska, comprising the counties of Gosper, Phelps, and Kearney, and for other purposes; with amendments (Rept. No. 1173). Referred to the Committee of the Whole House on the state of the Union.

Mr. HAUGEN: Joint Congressional Committee on Short Time Rural Credits. H. Report 1174. A report on short-time rural credits. Ordered to be printed; adverse (Rept. No. —). Laid on the table.

Mr. FOCHT: Committee on the District of Columbia. H. R. 11116. A bill to amend an act entitled "An act to incorporate the Masonic Mutual Relief Association of the District of Columbia," approved March 3, 1869, as amended; without amendment (Rept. No. 1175). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. WHEELER: Committee on the District of Columbia. S. 3083. An act authorizing the construction of elevated railroad sidings adjacent to steam railroad tracks in the District of Columbia; with amendments (Rept. No. 1176). Referred to the Committee of the Whole House.

Mr. LARSEN of Georgia: Committee on the Public Lands. H. R. 624. A bill for the relief of Albert H. White, Mary E. Fowler, Lorena B. Winkler, E. E. White, and C. A. White; with an amendment (Rept. No. 1170). Referred to the Committee of the Whole House.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. SINNOTT: A bill (H. R. 12233) to authorize the Secretary of the Interior to grant permits or leases to certain persons and corporations for lands and oil and gas deposits south of the medial line of the main channel of Red River, Okla.; to the Committee on the Public Lands.

By Mr. DENISON: A bill (H. R. 12234) to amend an act entitled "An act to revise and equalize rates of pension to certain soldiers, sailors, and marines of the Civil War and the war with Mexico, to certain widows, including widows of the War of 1812, former widows, dependent parents, and children of such soldiers, sailors, and marines, and to certain Army nurses, and granting pensions and increase of pensions in certain cases," approved May 1, 1920; to the Committee on Invalid Pensions.

By Mr. MILLS: A bill (H. R. 12235) to regulate the duration of the validity of passports and to regulate passport and visé fees; to the Committee on Foreign Affairs.

By Mr. McFADDEN: A bill (H. R. 12236) to amend section 5147 of the Revised Statutes; to the Committee on the Judiciary.

By Mr. JOHNSON of Washington: A bill (H. R. 12237) to limit immigration of aliens into the United States; to the Committee on Immigration and Naturalization.

By Mr. PRINGEY: A bill (H. R. 12238) for the purchase of a site and the erection of a public building at Coalgate, Okla.; to the Committee on Public Buildings and Grounds.

By Mr. SUTHERLAND: A bill (H. R. 12239) authorizing the Treasurer of the United States to turn into the treasury of the Territory of Alaska all moneys received from the sale of fur-seal and other furs from the Pribilof Islands; to the Committee on Ways and Means.

By Mr. McFADDEN: A bill (H. R. 12240) to amend section 9 of the Federal reserve act; to the Committee on Banking and Currency.

By Mr. FOCHT: A bill (H. R. 12241) validating the acts of notaries public not domiciled within the District of Columbia and qualifying business residents of said District for appointment as notaries public; to the Committee on the District of Columbia.

By Mr. MOORE of Ohio: Joint resolution (H. J. Res. 367) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. FOSTER: Joint resolution (H. J. Res. 368) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. DEAL: Joint resolution (H. J. Res. 369) authorizing the Secretary of War to lease the United States military reservation at Willoughby Spit, in the county of Norfolk, State of Virginia; to the Committee on Military Affairs.

By Mr. THOMPSON: Joint resolution (H. J. Res. 370) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. CONNALLY of Texas: Concurrent resolution (H. Con. Res. 63) for the appointment of a joint committee of three Members of the House and three Members of the Senate to investigate the alleged kidnapings and captures of American citizens and property in the Republic of Mexico by bandits, and for other purposes; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of Nebraska: A bill (H. R. 12242) granting a pension to Katherine Thompson; to the Committee on Invalid Pensions.

By Mr. CHINDBLOM: A bill (H. R. 12243) authorizing the President to reappoint and honorably discharge George Mitchell, first lieutenant of Engineers, United States Army, as of October 18, 1918; to the Committee on Military Affairs.

By Mr. DARROW: A bill (H. R. 12244) granting a pension to John D. Frick; to the Committee on Pensions.

By Mr. DOWELL: A bill (H. R. 12245) granting an increase of pension to Dora Coffman; to the Committee on Invalid Pensions.

By Mr. FITZGERALD: A bill (H. R. 12246) granting a pension to Herman Wagner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12247) granting an increase of pension to Mary E. Tritten; to the Committee on Pensions.

By Mr. GORMAN: A bill (H. R. 12248) for the relief of Earl D. Barkly; to the Committee on Claims.

By Mr. GRAHAM of Pennsylvania: A bill (H. R. 12249) granting a pension to Robert M. Daniels; to the Committee on Pensions.

By Mr. HAYDEN: A bill (H. R. 12250) for the relief of John M. Hines; to the Committee on Claims.

By Mr. KING: A bill (H. R. 12251) granting a pension to John Wait; to the Committee on Invalid Pensions.

By Mr. KLINE of Pennsylvania: A bill (H. R. 12252) granting a pension to George D. Bucher; to the Committee on Invalid Pensions.

By Mr. MEAD: A bill (H. R. 12253) for the relief of John Wesley Jones; to the Committee on Naval Affairs.

Also, a bill (H. R. 12254) for the relief of Charles Schreiber; to the Committee on Naval Affairs.

By Mr. MUDD: A bill (H. R. 12255) authorizing the payment of an amount equal to six months' pay to Mrs. Thomas E. Bowen; to the Committee on Naval Affairs.

Also, a bill (H. R. 12256) granting a pension to Mary M. Kelly; to the Committee on Invalid Pensions.

By Mr. MURPHY: A bill (H. R. 12257) granting an increase of pension to Daniel Clark; to the Committee on Invalid Pensions.

By Mr. OSBORNE: A bill (H. R. 12258) granting a pension to Mina Riley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12259) granting a pension to Nathan A. Gates; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12260) granting a pension to Florence C. Clark; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12261) granting a pension to Rose Givens; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12262) granting a pension to Libbie M. Ryan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12263) granting a pension to Michael J. Haggerty; to the Committee on Pensions.

Also, a bill (H. R. 12264) granting a pension to Julia F. Hackney; to the Committee on Pensions.

Also, a bill (H. R. 12265) granting an increase of pension to Paul Hendricksen; to the Committee on Pensions.

Also, a bill (H. R. 12266) granting an increase of pension to Clarence J. Johnson; to the Committee on Pensions.

Also, a bill (H. R. 12267) granting a pension to Philip L. Schwager; to the Committee on Pensions.

Also, a bill (H. R. 12268) for the relief of George W. Akins; to the Committee on Military Affairs.

Also, a bill (H. R. 12269) for the relief of Jeremiah F. Mahoney; to the Committee on Military Affairs.

By Mr. RICKETTS: A bill (H. R. 12270) granting a pension to Mary A. McConnell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12271) granting a pension to Harriet A. Roby; to the Committee on Invalid Pensions.

By Mr. STRONG of Kansas: A bill (H. R. 12272) for the relief of Henry P. Biehl; to the Committee on Naval Affairs.

By Mr. WOODYARD: A bill (H. R. 12273) granting a pension to Emma Taylor; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6130. By Mr. BARBOUR: Petition of Coalinga (Calif.) Chamber of Commerce in opposition to the dissolution of the Southern Pacific and Central Pacific Railroads; to the Committee on Interstate and Foreign Commerce.

6131. By Mr. BIRD: Petition of sundry citizens of Kansas protesting against House bill 9753; to the Committee on the District of Columbia.

6132. By Mr. CONNOLLY of Pennsylvania: Resolution from the Quaker City Fraternal Aid Society, of Philadelphia, Pa., favoring the prompt enactment of an adequate tariff law based on American valuation; to the Committee on Ways and Means.

6133. By Mr. CURRY: Resolution of the Sacramento Clearing House Association, of Sacramento, Calif., against the dissolution of the Central Pacific and Southern Pacific Railroads; to the Committee on Interstate and Foreign Commerce.

6134. Also, petition of board of directors of the Sacramento Valley Development Association indorsing present national reclamation act; to the Committee on Irrigation and Reclamation of Arid Lands.

6135. By Mr. DYER: Petition of Byrnes Belting Co., St. Louis, Mo., relative to passage of Senate Joint Resolution 48 and House Joint Resolution 135; to the Committee on Military Affairs.

6136. Also, petition of Webster Grove Memorial Post, American Legion, No. 472, urging passage of Bursum bill (S. 1565); to the Committee on Military Affairs.

6137. By Mr. GRAHAM of Pennsylvania: Papers to accompany House bill 12249 granting a pension to Robert M. Daniels; to the Committee on Pensions.

6138. By Mr. LEA of California: Petition of 458 residents of Santa Rosa, Calif., protesting against the enactment of pending compulsory Sunday observance bills; to the Committee on the District of Columbia.

6139. By Mr. KISSEL: Petition of the Plate Glass Insurance Exchange of New York, relative to the Fitzgerald bill (H. R. 10034); to the Committee on the District of Columbia.

6140. Also, petition of San Francisco Chamber of Commerce, San Francisco, Calif., relative to the Central Pacific-Southern Pacific dismemberment; to the Committee on Interstate and Foreign Commerce.

6141. Also, petition of Warrior River Development Committee, Birmingham, Ala., relative to the pending tariff bill; to the Committee on Ways and Means.

6142. Also, petition of the National Society of the Sons of the American Revolution, Buffalo, N. Y., asking Congress to support the national defense act of 1920; to the Committee on Appropriations.

SENATE.

SATURDAY, *July 1, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. McCUMBER. Mr. President, I desire to have the Senate consider paragraph 730, page 105, wheat and wheat products.

Mr. UNDERWOOD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names.

Ashurst	Heflin	Nelson	Spencer
Bursum	Johnson	New	Stanley
Cameron	Jones, N. Mex.	Norbeck	Sterling
Capper	Jones, Wash.	Norris	Sutherland
Caraway	Kendrick	Overman	Townsend
Culberson	Keyes	Pepper	Trammell
Curtis	Ladd	Phipps	Underwood
Ernst	La Follette	Poindexter	Wadsworth
Fernald	Lodge	Pomerene	Walsh, Mass.
France	McCormick	Rawson	Warren
Gooding	McCumber	Sheppard	Watson, Ind.
Hale	McKinley	Shields	Willis
Harris	McLean	Simmons	
Harrison	McNary	Smoot	

The PRESIDING OFFICER. Fifty-four Senators have answered to their names. A quorum is present.

PROHIBITION OF LIQUOR ON AMERICAN SHIPS—PETITION.

Mr. WILLIS presented a resolution unanimously adopted by the Universalists of Ohio, in convention assembled at Madison, Ohio, favoring the enactment of legislation prohibiting the sale of intoxicating liquors on ships flying the American flag, which was referred to the Committee on Commerce.

SARAH E. MORSE.

Mr. FRANCE. Mr. President, from the Committee to Audit and Control the Contingent Expenses of the Senate I report a resolution (S. Res. 315) to pay the widow of Grant M. Morse, a former employee of the Secretary of the Senate, six months' pay. I ask unanimous consent for the present consideration of the resolution.

There being no objection, the resolution (S. Res. 315) was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate be, and he is hereby, authorized and directed to pay, out of the miscellaneous items of the contingent fund of the Senate, to Sarah E. Morse, widow of Grant M. Morse, late a clerk in the office of the Secretary of the Senate, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered as including funeral expenses and all other allowances.

ENROLLED BILLS PRESENTED.

Mr. SUTHERLAND, from the Committee on Enrolled Bills, reported that they presented to the President of the United States the following enrolled bills:

On June 30, 1922:

S. 1033. An act regulating the issuance of checks, drafts, and orders for the payment of money within the District of Columbia;

S. 3396. An act creating the positions of Second Assistant Secretary and private secretary in the Department of Labor; and

S. 3425. An act to continue certain land offices, and for other purposes.

On July 1, 1922:

S. 831. An act to amend the proviso in paragraph 10 of section 9 of the Federal reserve act amended by the act of June 21, 1917, amending the Federal reserve act.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BURSUM:

A bill (S. 3778) granting an increase of pension to James McNulty; and

A bill (S. 3779) granting an increase of pension to Cecilia H. Chambers; to the Committee on Pensions.

By Mr. LODGE:

A bill (S. 3780) authorizing a credit in certain accounts of the Treasurer of the United States (with accompanying papers); to the Committee on Claims.

By Mr. WILLIS:

A bill (S. 3781) making it unlawful to forge or counterfeit permits or other papers used in connection with the enforcement of the national prohibition act, and providing penalties for the violation thereof; to the Committee on the Judiciary.

By Mr. KING:

A bill (S. 3782) relative to the power of the Alien Property Custodian in connection with trust property, etc.; to the Committee on the Judiciary.

HOUSE JOINT RESOLUTION REFERRED.

The joint resolution (H. J. Res. 322) favoring the establishment in Palestine of a national home for the Jewish people was read twice by its title and referred to the Committee on Foreign Relations.

AMENDMENT TO HOUSE RIVER AND HARBOR BILL.

Mr. SHORTRIDGE submitted an amendment providing for contemplated improvement work at San Francisco, Calif., intended to be proposed by him to House bill 10766, the river and harbor authorization bill, which was referred to the Committee on Commerce and ordered to be printed.

PAY OF SENATE PAGES.

Mr. WARREN submitted the following resolution (S. Res. 313), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay from the miscellaneous items of the contingent fund of the Senate the 16 pages borne on the session rolls of the Senate from July 1, 1922, to and including the last day of the month in which the second session of the Sixty-seventh Congress is adjourned sine die, at the rate of $2.50 per day each.

ADDITIONAL SENATE PAGES.

Mr. CURTIS submitted the following resolution (S. Res. 314), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That Senate Resolution No. 175, agreed to November 16, 1921, authorizing and directing the Sergeant at Arms of the Senate to employ five additional pages for the Senate Chamber at $3 per day each from the 1st day of December, 1921, to the end of the second session of the Sixty-seventh Congress, to be paid from the miscellaneous items of the contingent fund of the Senate be, and the same is hereby, amended to continue their employment to and including the last day of the month in which the second session of the Sixty-seventh Congress is adjourned sine die at the rate of $2.50 per day each.

INVESTIGATION RELATIVE TO TARIFF RATES.

Mr. KING. I submit a resolution (S. Res. 316) and ask that it may be printed and lie on the table.

The resolution (S. Res. 316) was ordered to be printed and to lie on the table, as follows:

Whereas corporations interested in the schedules of rates of duty imposed by the pending tariff bill have failed and refused to give to the committees of Congress which have held hearings upon the same bill any particular or dependable data or information disclosing the cost of production of the commodities which they manufacture or the prices obtained in the domestic market upon the sale of such commodities, or the profits realized in the production of such commodities, or the ratio of profits to capital invested, or the ratio of profits to costs, or the ratio of labor costs to the value of the product, or the difference in labor cost per unit for the production of such commodities at home and abroad, by reason of which the Senate is without sufficient information to determine as to what are proper protective duties, if protective duties are to be laid, to be imposed upon the the various commodities specified in the pending tariff bill: Now therefore be it

Resolved, That a select committee of five Senators be appointed by the President of the Senate, which committee is authorized and directed to investigate the matters and things in the premises set forth and report their findings to the Senate. The committee is authorized to send for persons and papers, administer oaths, and to employ such clerical and professional assistance as may be necessary, payment to be made therefor out of the contingent fund of the Senate upon the certificate of the chairman of the committee.

THE TEXTILE ALLIANCE AND ROLAND W. BOYDEN.

Mr. KING. I submit a resolution (S. Res. 317) and ask that it may be printed and lie on the table.

The resolution (S. Res. 317) was ordered to be printed and to lie on the table, as follows:

Whereas the Textile Alliance (Inc.), a membership corporation organized in the State of New York, has carried on a propaganda to mislead Congress into the belief that the Government of the United States has valuable interests and rights in and to the dyestuffs and drugs which are currently received by the Reparation Commission from Germany on account of reparations due the allied European powers; and

Whereas the Government of the United States has no interest in said reparation dyestuffs and drugs, and no rights with respect to the proceeds of the sale of such dyestuffs and drugs, and has no credits against Germany for reparations or otherwise for the satisfaction of which said dyestuffs or drugs or any part thereof may be applied and has no interest in the purchase of such dyes and drugs for sale in the American market; and

Whereas said Textile Alliance (Inc.) is a mere membership corporation, having no shares or capital stock, and is not legally authorized to engage in business of any kind, or to employ capital for profit or otherwise, and is exempt from the obligations to pay the taxes and charges imposed by law upon business and mercantile corporations; and

Whereas said Textile Alliance (Inc.), in violation of its charter and acting outside of its legal powers, has carried on a traffic in that part of the reparation dyes which the Reparation Commission has been willing to sell for export to the United States, by which ultra vires traffic said Textile Alliance (Inc.), although incorporated as a nonprofit corporation, has realized up to January 1, 1922, profits in

excess of $1,500,000, which profits are believed at this time to amount to nearly $2,000,000; and

Whereas said Textile Alliance (Inc.) has, without authority, assumed the status of an official agency of the United States Government to deal in said reparation dyes for sale in the American market; and

Whereas the State Department on or about December 14, 1921, definitely advised the Reparation Commission that the Textile Alliance (Inc.) had no official status, agency, or relation with or for the Government of the United States with respect to reparation dyes or drugs or otherwise, and that the Government of the United States had no interest in the importation into the United States of reparation dyes or drugs, and that such reparation dyes and drugs, as were for sale by the Reparation Commission, might be procured for the American market through regular commercial channels and that the Government of the United States was not concerned with the purchase or marketing of said dyes or drugs; and

Whereas the Textile Alliance (Inc.) has delegated all power with respect to the traffic in dyes and drugs to a so-called advisory committee which is controlled by the corporations engaged in the manufacture of dyes in the United States which are merely using the name of the Alliance to carry on said ultra vires traffic in dyes and drugs, and to exercise monopolistic control of the importation of dyes and drugs into the United States; and

Whereas said Textile Alliance (Inc.) continues to pretend to be an official and exclusive agency of the United States Government for the purchase and importation of reparation dyes; and

Whereas it is reported that Mr. Roland W. Boyden, the so-called unofficial representative of the United States accredited to the Reparation Commission, is cooperating with representatives of the Textile Alliance (Inc.) to continue the assumption that the Textile Alliance (Inc.) has the exclusive right to purchase reparation dyes and drugs for importation into the United States: Now therefore be it

Resolved, That it is the sense of the Senate that the State Department should forthwith annul and cancel any authority on the part of any so-called unofficial representative of the United States or other persons to deal with the Reparation Commission respecting the purchase and importation of reparation dyes into the United States, and further that the State Department should advise the Reparation Commission that the Government of the United States has no concern with the purchase of reparation dyes and drugs for importation into the United States, and specifically that neither the Textile Alliance (Inc.) nor Mr. Roland W. Boyden has any authority to negotiate with the Reparation Commission on behalf of the Government of the United States, concerning the purchase and importation of reparation dyes for sale in the United States.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The PRESIDING OFFICER. The Senator from North Dakota asks the Senate to consider paragraph 730. The Secretary will report the first amendment of the committee in that paragraph.

The READING CLERK. In paragraph 730, page 105, line 5, the committee proposes to strike out "25" and insert "30," so as to read:

Wheat, 30 cents per bushel of 60 pounds.

Mr. WALSH of Massachusetts. Mr. President, the Senate committee amendment increases the rate on wheat from 25 cents per bushel of 60 pounds, as provided in the House bill, to 30 cents per bushel; and on wheat flour, semolina, crushed or cracked wheat and similar wheat products not specially provided for, from 50 cents per hundred pounds, as provided in the House bill, to 78 cents per hundred pounds. The emergency tariff law fixed the rate at 35 cents per bushel of 60 pounds.

Under the Underwood law, as is well known, wheat was free unless coming from a country imposing a duty on wheat, in which case it was 10 cents per bushel. Wheat flour was free, unless coming from a country imposing a duty on wheat or wheat products, in which case it was 45 cents per barrel of 196 pounds. Other wheat products were free except when coming from a country imposing a duty on wheat or wheat products, in which case they were dutiable at 10 per cent ad valorem.

Under the Payne-Aldrich law wheat was dutiable at 25 cents per bushel. So it is to be observed that the duty upon wheat levied in the Senate committee amendment is higher than that named in the Payne-Aldrich Act. The rate of 78 cents per 100 pounds proposed on flour and other products is equivalent to about 18 per cent ad valorem. As there are 196 pounds of flour in a barrel, this duty of 78 cents per 100 pounds, if effective in increasing prices, means an advance over prices under the Underwood law of about $1.53 per barrel of flour.

Mr. President, at the present time the importing countries of the world depend upon the United States and Canada for fully 80 per cent of their imports of wheat and flour. It is apparent, therefore, that so long as the international price level dominates the American market a tariff can be of little practical significance. In point of fact, a tariff upon wheat has only very uncertain advantages and many clear disadvantages. This aspect of the situation has been set forth by the United States Tariff Commission in one of its publications, in which it enumerates the things that can be said to the advantage of the tariff upon wheat and the things which can be said to its disadvantage. I refer to the document known as "Supplemental Information Concerning the Wheat and Flour Trade," particularly the discussion of the subject on pages 7 and 8.

West of the Rockies the wheat trade is quite distinct from that flowing eastward. The western wheat goes to Seattle and Portland either for export or to meet the deficiency of California. To this wheat, therefore, the tariff is of no significance because the Canadian wheat does not enter into these markets and it is entirely on an export basis. The tariff has been supposed to affect primarily the hard and spring wheat producing regions of the Northwest, the Dakotas and Minnesota, which produce the type of wheat that Canada exports almost entirely—the hard spring wheat. But a large and increasing proportion of the crop of those States consists of durum wheat. This wheat is used chiefly in the manufacture of macaroni, spaghetti, and similar edible pastes. Canada produces little or no durum wheat. Over half of this supply, upon an average, is exported, chiefly to the Mediterranean countries, so of the production of the Dakotas and Minnesota a very large part therefore may be exempted, so far as Canadian competition is concerned.

Yesterday, in discussing the duty upon macaroni, I pointed out the fact that macaroni is made from durum wheat, which is bought in America, crosses the Atlantic, is made into macaroni in Italy, brought back across the Atlantic, and sold on the Atlantic seaboard, yet an attempt was made by raising the duty upon macaroni to shut out the importation into this country of macaroni made from American wheat. Of what advantage can it be to the American farmer to eliminate the importation into this country of a food product which is made from American wheat? Of course the shutting out of foreign macaroni from the American market means so much less American wheat purchased by the Italian makers of macaroni.

East of the Mississippi the crop consists almost entirely of soft wheats, and this type constitutes a very considerable part of the crop of the States south of this hard spring wheat section. To a considerable extent the price level of soft wheat is independent of that for hard wheat. Soft wheats are used chiefly in the manufacture of biscuits, cakes, and similar pastries. It is true, to a limited extent, soft wheat so competes with the hard wheats, but it is fair to say that in a general way the markets are independent, so the greater part of the producing area may be in a sense exempted from the operation of the tariff.

What effect, therefore, has the tariff upon the hard spring wheat producing sections? That is the question involved in a discussion of tariff duties upon wheat. It is in these sections that the milling industry has made most rapid progress. In the face of their increasing capacity the acreage in spring wheats has remained stationary. They have outgrown their domestic sources of supply of hard spring wheat. Their alternative, therefore, is either to take more of the southern hard winter wheats or to bring in Canadian wheat. In view of the fact that the southern wheat is upon an exporting basis indirectly, therefore, it influences the hard spring wheats, and they can not with profit go against the natural flow of wheat southward and eastward by bringing such wheat to the northern mills.

The situation is more clearly outlined by an examination of the trade during the crop year 1920. The American crop amounted to approximately 790,000,000 bushels and there was a carry-over from the preceding crop of approximately 151,000,000 bushels. Deducting a domestic consumption for food and seed of 630,000,000 bushels and an average carry-over of approximately 80,000,000 bushels (for it is not possible to scrape the bins before the arrival of the new crop), there remained an exportable surplus of 230,000,000 bushels. But during the nine months ending March 31, 1921, there had already been shipped out 277,000,000 bushels, and exports were still continuing. Imports of Canadian wheat and flour amounted to 49,000,000 bushels. It is clear, therefore, that Canadian wheat had been absorbed in the American markets. It had been reexported, chiefly in the form of flour, or it had released for export equivalent quantities of wheat from other sections. In addition a considerable quantity of wheat had been moved from Canada in bond through our ports. By reason of her transportation situation much of the Canadian flour must move through American ports. This is an asset which should not be cast aside.

After the wheat crop is harvested Canada has only about 70 days to export through Canadian ports before the close of navigation. The facilities at Halifax and St. John are totally inadequate for winter movements; the hazards of shipping on account of perils due to ice and the higher marine rates discourage shipments from those ports. Her alternative, therefore, is either to ship this wheat immediately or store it, incur storage and interest charges, and face the possibilities of the international price situation incident to later competition from

the crops of Argentina and Australia, which are harvested in December and January, and the crop of British India, which is harvested in March and April.

Wheat is the chief asset of the Canadian farmer, and the mere carrying of this tremendous crop involves tremendous outlay. By shipping it to American ports, to the great primary markets of the South, this wheat is more easily absorbed. If the Canadian wheat were permitted to fall on the world's markets in November and October in volume exceeding the storage and absorbing capacities of Europe, it would depress price levels, which in turn react on American prices. If they were permitted entry into the southern markets, they would serve as a buffer and maintain our own prices upon more even scale. That this situation is generally recognized is indicated by the Russian Government's action in 1913, when she took measures to keep the Russian crop off the market until the Canadian flow had passed.

It might be well to note that the flour-milling industry is the third largest industry in the United States. Canadian wheat and flour has been rapidly displacing American wheat and flour in England, the great importing market of the world. While American millers have had access to high-grade Canadian hard spring wheat, they have met this competition and have been shipping to England in large quantities American flour, milled in America.

The imposition of a tariff, which all agree is going to shut out Canadian wheat, will gradually diminish the exportation of flour to England.

It follows that if the export market for flour declines the demand for our farmers' wheat on the part of American millers must of necessity decline, and harmfully affect the price the producer is able to obtain.

Canada has shipped as much as $425,000,000 worth of wheat to foreign markets. The fact that the Canadian dollar is at a discount of approximately 15 per cent has tended to limit American shipments to Canada, at the same time as it has stimulated shipments from competing European sections, where Canadian money is at a premium. If the wheat were permitted to flow through our markets our opportunities for shipping other products would be greatly increased. Our exports to Canada are far in excess of imports, and this is true even of foodstuffs. We import raw materials from Canada and ship to her prepared foodstuffs. Such a trade should not be discouraged, and the placing of such a high rate of duty upon wheat means its discouragement, if not its destruction; it means the restriction of shipments of prepared foodstuffs, as well as manufactured articles, to Canada.

In view of these facts, how can the proponents of this measure successfully contend that the tariff rate upon wheat named in this bill will result in giving the producer in America a higher price for his wheat than he is now obtaining? Of course, there is no other claim made by the advocates of this bill. The duty on wheat proposed in this bill must do either one of two things—it must reduce the price of wheat or it must result in giving the producer an advance in price over what he is now receiving; and if it is the latter, it means that every consumer in America must pay that advanced price.

Mr. President, a duty upon wheat at the rate proposed will, in my opinion, result, first, in lessening the export of all manufactured and food products to Canada; second, in the reduction in the volume of railroad transportation business from Canada to American ports, and a consequent reduction in the ocean traffic from American ports, at the very time when we are seeking to build up the merchant marine; third, the loss of mill feed, a valuable by-product of flour which is greatly in demand by producers of milk and dairy products; fourth, a loss to our distributing, elevating, and storage interests which would handle this great flood of Canadian wheat; and, fifth, an indirect loss to the American farmer through the effect of the Canadian flood upon international price levels, which would in turn react upon our domestic prices.

Mr. President, I wish simply to add, as I have previously said, that the only purpose of levying tariff duties is in the expectation that at some time they will result in increased prices. There can be no other reason for the levying of a duty unless it be to deceive the farmer. Protective tariff duties are levied to increase prices to the consumers and thereby increase the income or profits of the producers or retailers.

Now, let us see what the effect of this duty of 30 cents per bushel of 60 pounds of wheat will amount to in increasing the price of bread to the American consumer. One expert has stated that, if this duty shall become effective in increasing prices, it means an increase of one-half cent in the cost of every loaf of bread purchased by the American consumers. Of course, his contention is based on the belief that the bread makers will use this tariff duty as an excuse to make a substantial increase in the price of bread. My figures do not reach that extreme. Let us see, however, if we can get some information as to just what the bread eaters of America will have to pay if a duty of 30 cents per bushel upon wheat is effective in increasing prices.

It is estimated that a family of six consume weekly 17½ pounds of flour, or 14 loaves of bread. The duty of 30 cents per bushel, if effective, will increase the price to an equivalent of seven-tenths of 1 cent per pound of flour. This means that the increased cost to a family of six for their bread will be $6.37 per year. The total tax, based upon a per capita increase of $1—the figures given were based upon the requirements of a family of six, which would make the per capita tax $1—means that $110,000,000 per year will be levied upon the American consumers in an increased price for the cost of the bread which they consume.

Mr. President, I have said more than I intended to say upon this subject. I think there is absolutely no justification for levying this high duty. Wheat ought to be upon the free list. If anything produced in America belongs there, wheat does. Even the House of Representatives did not believe that the high rate named in the emergency law was justified, and they reduced that rate from 35 cents to 25 cents per bushel; but the Senate Finance Committee, under the same influences and pressure that we have seen exercised in regard to the fixing of rates on practically all the items in this schedule, could not accept the reduction made by the House committee, and has raised the rate to 30 cents per bushel.

The Senator from North Dakota can not tell me this is not going to be effective, because there is no reason for his increasing the House rate except the belief that 25 cents is not enough. If it is not effective, 25 cents is too much, and 20 cents is too much, and 15 cents is too much. You and your committee can justify this increase only upon the theory that the rate of 25 cents per bushel fixed by the House committee and by the House of Representatives was not sufficient; that it did not give enough protection to the farmer; that he would not get enough increase in the price which he charged for his wheat; and you have increased it 5 cents per bushel either because you believed it ought to be effective and because you believed that 30 cents is fair, or to deceive and mislead the farmers.

Wheat represents flour, and flour is the product from which bread is made; and it is a very, very serious matter to levy such a high rate as 30 cents per bushel upon a product so essential to the very existence of life for very many of our people. This is a rate that will come home to make trouble for those who vote to place it in this bill. This is a rate which, if effective, takes money out of the pockets of every American family or bread out of the mouths of our poor. In conclusion I ask the Senator from North Dakota to explain, if he can, why 30 cents per bushel is going to be more of a benefit to the farmer than 25 cents per bushel, unless he believes and knows and expects that this duty will be effective.

Mr. McCUMBER. Mr. President, for 23 years and over I have been fighting the battle for the interest of the farmers of my State. I think my efforts in holding up tariff rates have not only been worth millions but have been worth hundreds of millions of dollars, in the years of my service, to the people of my State. I shall close my labors still fighting their battles and still attempting to secure for them all that I can possibly secure by a tariff bill in adding to the value of their products; and when I leave the Senate I hope to leave it with a good protection upon the wheat of the North Dakota farmer.

A great deal has been said, Mr. President, as to whether a tariff really benefits the wheat raiser in my State, and we have heard the terms "gold brick" and "deception," and so forth, shouted across the aisle at us for a great many years; but, notwithstanding that, Mr. President, we have been reaping great benefits by reason of the protection upon our spring wheat. I claim no particular advantage by reason of the tariff for the wheat of the west coast, or the softer wheat in the Southern and Middle States, only as the buoyancy of the price of the spring wheat tends to steady and uphold by reflection the value of the wheat in the interior sections.

The Senator from Massachusetts, I am certain, does not understand this wheat situation as well as we whose life interest centers upon that one single product. We study it from a world level, from a level of prices in the United States, and we measure carefully from year to year just exactly what influence the tariff has upon the crops which we market, and this is one of the results that I can give in a single sentence.

Under ordinary conditions our tariff rate has given a benefit to the farmer of a little less than one-half of the tariff. In other words, during all the period in which we had a rate of 25 cents per bushel our benefits were about 10 to 12 cents per

bushel. When our crops were short, those benefits measured clear up to the full amount of the tariff; but when we were exporting flour that was made from that hard spring wheat, and our surplus was sufficient to have its effect upon our prices, we did not get the full benefit. The miller would say to the Canadian, "The tariff is 25 cents a bushel. I will go 50–50 on the losses. I will pay 12½ cents a bushel, and you take a loss of 12½ cents a bushel." A great many millions of bushels have come into the United States on that sort of a division of profit. The miller paid half and the Canadian lost half; but whenever our crop got short and we had the tariff, then the miller began reaching out to get his benefit; and if he could not afford to hold his market in Europe at the higher price which was effectuated by the tariff upon the Canadian supply from which he was compelled to draw, he then went into Iowa, Kansas, and Missouri and brought that wheat up to Minneapolis and mixed it to the extent of one-third. He could just about hold up the grade of his flour without losing his European market, but he could not mix any further than that; and therefore we got the benefit of the higher prices just to the extent that the miller could possibly afford to pay the higher price for our wheat and sell his product in competition in Europe.

Mr. President, we hear a great deal about Liverpool fixing the price of the American wheat crop. Who does fix the price of the American wheat crop? The American consumer. It is worse than mere nonsense for anyone to claim that the field of consumption which takes nine-tenths of our product does not fix the price, but that a little field of consumption which takes one-tenth of our product does fix the price.

I had occasion, when we were discussing the reciprocity proposition, to present some tabulations to show whether or not Liverpool established the price of the American wheat, and especially the hard variety of spring wheat. I ascertained just what the cost of shipping our wheat from Duluth to Liverpool was in the year 1910, and what the cost of shipping the same kind of wheat from Fort William, on the opposite side of the lake, was. Of course, the rates were about the same, and they averaged 16 cents a bushel, including insurance.

The purchaser and seller of wheat for exporation is not going to do business just for the pleasure. He must have something out of it, and ordinarily that would be about 3 cents a bushel. Thus, you would get a difference of about 19 cents a bushel between the price at Duluth and the price at Liverpool, including the freight.

Let us look at one table which I put into the RECORD at that time. I took the price of No. 1 northern from January to December, 1908, by months, and the price of the same article in Liverpool during the same months. The average in that year in Minneapolis was $1.11 on the high market, and I am taking the high in both instances. The average in Liverpool was $1.25. That would be 14 cents, whereas the difference to measure the freight and profit would have been about 19 cents. So you see even in those days, when we had a good, big crop, our prices were above the world's level, the world's level being practically the Canadian price plus the freight to Liverpool and profit.

In 1909, from January to December, the average Minneapolis price was $1.20.

The average Liverpool price was $1.29, a difference of only 9 cents, when the real difference, if we got no benefit from the tariff, would be about 19 cents. Therefore in that year we got an advantage of about 10 cents a bushel, taking the year around.

Coming now to the year of the short crop in the northern wheat, I will take the range of cash prices per bushel of No. 1 northern in 1910, from January to December, inclusive. The average price in Minneapolis was $1.14 per bushel. The average price in Liverpool was $1.14.

So for a whole year our price was exactly the same as the Liverpool price, whereas the transportation and profits would have made 19 cents difference. Therefore in that year we got at least 19 cents per bushel benefit. As a matter of fact, we got more than that, as I can show later on. I put those three tables into the RECORD simply to show that the Liverpool price does not fix the value of our northern spring wheat.

Then I went further. I will not now give the figures as to Winnipeg, but I am going to take the different prices paid for wheat on the north side of the Canadian line and the prices which are paid on the south side of that line for the same grain, when they are close together, and there is not one penny difference in the freight. I took the trouble at that time to get the range of prices by months in every one of these towns. Anyone who knows anything about the railroads of my State knows that the Great Northern and the "Soo," which are transcontinental lines, every 20, 30, 40, or 50 miles run a branch line clear up to the Canadian border, and in many instances far into Canada. They are the feeders, and I have taken the towns on those feeders so as to have exactly the same freight rates to Minneapolis or Chicago or Duluth.

I am going to take one little town in North Dakota. We have a town by the name of Portal. The main street is the line that divides Manitoba, or Canada, from the United States. On the north side of the street the British flag floats over the customhouse. On the south side of the street the American flag floats over our little customhouse. The freight to those two points is exactly the same.

On December 31, 1910, the prices were, South Portal, 92 cents a bushel; North Portal, 75 cents a bushel; difference, 15 cents. One is just across the line from the other. I ask leave to insert this entire table in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Comparative prices of wheat and barley in United States and Canada.

Dates	Kind of grain.	Name of town in United States.	Price per bushel.	Name of town in Canada.	Price per bushel.	Difference in price.	Distance apart.	Tariff per bushel.
Dec. 31, 1910	Wheat	Kermit	$0.90	Estevan	$0.76	$0.14	15 miles apart	$0.25
Jan. 10, 1911	do	Pembina	.97	Emerson	.82	.15	4 miles apart	.25
Do	do	Neche	.96	Gretna	.81	.15	2 miles apart	.25
Dec. 31, 1910	do	Portal	.90	North Portal	.75	.15	Just across the line	.25
Jan. 11, 1911	do	Walhalla	.96	Haskett	.83	.13	6 miles apart	.25
Dec. 31, 1910	do	St. John	.91	Boissevan	.81	.10	15 miles apart	.25
Do	do	Hannah	.90	Snowflake	.77	.13	4 miles apart	.25
Do	do	Neche	.91	Gretna	.81	.10	2 miles apart	.25
Do	do	Sarles	.89	Clearwater	.75	.14	Just across the line	.25
Jan. 10, 1911	do	Westhope	1.00	Colter	.85	.15	15 miles apart	.25
Do	do	do	1.00	Lyleton	.84	.16	20 miles apart	.25
Do	do	do	1.00	Malita	.86	.14	30 miles apart	.25
Do	do	St. John	.95	Boissevan	.86	.10	15 miles apart	.25
Do	do	Hansboro	.90	Cartwright	.77	.13	8 miles apart	.25
Dec. 31, 1910	do	Antler	.91	Lyleton	.78	.13	5 miles apart	.25
Jan. 10, 1911	do	Portal	.92	Boscurvis	.75	.17	15 miles apart	.25
Do	Barley	Pembina	.67	Emerson	.42	.25	4 miles apart	.30
Do	do	Neche	.66	Gretna	.38	.28	2 miles apart	.30
Do	do	St. John	.66					

Mr. McCUMBER. On December 31, 1910, No. 1 northern, Kermit, in the United States, 90 cents; Estevan, in Manitoba, 76 cents. Difference, 14 cents. They are 15 miles apart, but the freight is the same.

January 10, 1911. I happen to take the dates on which I got the telegrams from those stations. Pembina, 97 cents. Emerson, which is 4 miles north, 82 cents, a difference of 15 cents. I include in these Neche, Walhalla, St. John, Hannah, Sarles, Westhope, Hamsboro, Antler, and Pembina.

I have repeated some of these, but I have them on different dates, and the difference ranges all the way from 13 cents, the lowest, up to 28 cents a bushel, the highest, where the freight was exactly the same.

That was during the period in which we had a tariff of 25 cents a bushel, and our real benefits would amount to about an average of 15 cents a bushel.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Nebraska?

Mr. McCUMBER. I yield.

Mr. NORRIS. I have sought to interrupt the Senator at this point because two years ago I made an investigation of those

towns, and I wanted to add to what the Senator has said about Portal. I happened to remember that. I made an investigation about it, and I found that what the Senator has said about Portal is all true. The international boundary is the main street. Of course, there is a South Portal and a North Portal, because they are organized under different governments, but in reality the boundary line between Canada and the United States is the main street of Portal.

There are two elevators there, one on each side of the street, both owned by the same man. There is only one railroad there. In that case, and some of the other cases the Senator has given, branch lines reach the towns, but in the case of Portal it is on the main line of the "Soo" road. That road has a mileage of something over 7,000 miles in the United States and a very large mileage in Canada. Everybody ships over the "Soo" road, so the same man buying wheat in the same town, as the Senator has well said, pays two prices for it, a difference of 15 cents a bushel between one side of the street and the other side of the street. The two elevators are in sight of each other. You can stand at one and throw a stone and hit the other. The same man, same wheat, same freight, goes to market in the same train, with one car loaded on one side of the street and the other car loaded on the other side of the street, both in the same train, shipped from the same man to the same place, and one brings 15 cents a bushel more than the other.

Mr. McCUMBER. I have a great many other reports on the same subject. I will take Portal again. This time it was January 10, 1911. The same kind of grain sold in South Portal for 92 cents and in North Portal for 75 cents, if I read it rightly, making 1 cent more than on the previous day. It simply goes to show that my statements at all of these times have been correct, that there is such a demand for our northern wheat that if we are a little bit short in our crop, as the miller has to use it, he will pay a better price for it.

I again took the trouble a few days ago to write and to wire to all of these towns along these lines to see what the effect of the emergency tariff is. Again I call attention to the fact that we had a short crop last year, in our spring wheat in the Dakotas and Minnesota, and there is the same inclination to more or less divide the duty between the man selling in Manitoba and the purchaser in the United States, except that we get very much more than we did in 1910 as the difference.

I have given eight towns on the American side and eight towns upon the Canadian side, on the same line, and where there is no competition in reality at all, and have gotten the prices at those places. I will take, for instance, Hannah, N. Dak. The price per bushel was $1.02 on December 12, 1921. At Snowflake, Manitoba, which is just across the line, the price was 81 cents. That is 21 cents. In the same place on the 13th the difference was 19 cents; and, running down to December 17, the difference was 21 cents. During February the price was less, ranging only to a difference of 17 cents.

Now, I will take Neche. They have benefited there all the way from 9 to 12 cents. In 1922 it ranged from 20 to 23 cents a bushel better upon the American side. In Portal the range was from 17 to 20 cents a bushel in 1921 during the month of December and from 18 to 22 cents during the other month.

Mr. President, I ask permission to insert this table in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table referred to is as follows:

Comparative prices of wheat in United States and Canada.

Date.	Name of town in United States.	Price per bushel.	Name of town in Canada.	Price per bushel.	Difference.
1921.					
Dec. 12	Walhalla, N. Dak.[1]	$1.03	Hasket, Manitoba[1]	$0.85	$0.18
Dec. 13	do	1.01	do	.83	.18
Dec. 14	do	1.01	do	.84	.17
Dec. 15	do	1.03	do	.86	.17
Dec. 16	do	1.04	do	.87	.17
Dec. 17	do	1.05	do	.89	.16
1922.					
Feb. 20	do	1.40	do	1.23	.17
Feb. 21	do	1.39	do	1.21	.18
Feb. 22	do	1.39	do	1.19	.20
Feb. 23	do	1.38	do	1.21	.17
Feb. 24	do	1.37	do	1.20	.17
Feb. 25	do	1.38	do	1.22	.16
1921.					
Dec. 12	Sarles, N. Dak	1.02	Crystal City	.84	.18
Dec. 13	do	1.00	do	.82	.18
Dec. 14	do	1.00	do	.83	.17
Dec. 15	do	1.02	do	.84	.18
Dec. 16	do	1.03	do	.87	.16
Dec. 17	do	1.04	do	.90	.14

[1] 6 miles apart.

Comparative prices of wheat in United States and Canada—Continued.

Date.	Name of town in United States.	Price per bushel.	Name of town in Canada.	Price per bushel.	Difference.
1922.					
Feb. 20	Sarles, N. Dak	$1.39	Crystal City	$1.22	$0.17
Feb. 21	do	1.38	do	1.20	.18
Feb. 22	do	1.37	do	1.18	.19
Feb. 23	do	1.37	do	1.20	.17
Feb. 24	do	1.36	do	1.21	.15
Feb. 25	do	1.37	do	1.21	.16
1921.					
Dec. 12	Antler, N. Dak.[3]	1.00	Lyleton, Manitoba[3]	.81	.19
Dec. 13	do	.98	do	.79	.19
Dec. 17	do	1.04	do	.85	.19
1922.					
Feb. 20	do	1.37	do	1.21	.16
Feb. 21	do	1.36	do	1.19	.17
Feb. 25	do	1.35	do	1.20	.15
1921.					
Dec. 12	Souris, N. Dak	1.03	Waskada, Manitoba	.82	.21
Dec. 17	do	1.01	do	.86	.15
1922.					
Feb. 20	do	1.33	do	1.20	.13
Feb. 25	do	1.34	do	1.19	.15
1921.					
Dec. 12	Hannah, N. Dak.[3]	1.02	Snowflake, Manitoba[3]	.81	.21
Dec. 13	do	1.00	do	.81	.19
Dec. 14	do	1.00	do	.85	.15
Dec. 15	do	1.02	do	.85	.17
Dec. 16	do	1.03	do	.85	.18
Dec. 17	do	1.04	do	.83	.21
1922.					
Feb. 20	Hannah, N. Dak	1.39	Snowflake, Manitoba	1.22	.17
Feb. 21	do	1.38	do	1.22	.16
Feb. 22	do	1.37	do	1.21	.16
Feb. 23	do	1.37	do	1.20	.17
Feb. 24	do	1.36	do	1.19	.17
Feb. 25	do	1.37	do	1.20	.17
1921.					
Dec. 12	Neche, N. Dak.[4]	1.03	Gretna, Manitoba[4]	.94	.09
Dec. 13	do	1.01	do	.95	.06
Dec. 14	do	1.03	do	.95	.08
Dec. 15	do	1.04	do	.95	.09
Dec. 16	do	1.04	do	.95	.09
Dec. 17	do	1.07	do	.95	.12
1922.					
Feb. 20	Neche, N. Dak	1.40	Gretna, Manitoba	1.20	.20
Feb. 21	do	1.39	do	1.20	.19
Feb. 22	do	1.39	do	1.20	.19
Feb. 23	do	1.39	do	1.16	.23
Feb. 24	do	1.38	do	1.18	.20
Feb. 25	do	1.37	do	1.18	.19
1921.					
Dec. 12	Portal, N. Dak.[5]	.98	North Portal[5]	.79	.19
Dec. 13	do	.97	do	.77	.20
Dec. 14	do	.96	do	.78	.18
Dec. 15	do	.98	do	.80	.18
Dec. 16	do	.99	do	.82	.17
Dec. 17	do	1.03	do	.83	.20
1922.					
Feb. 20	Portal, N. Dak	1.36	North Portal	1.17	.19
Feb. 21	do	1.35	do	1.15	.20
Feb. 22	do	1.35	do	1.13	.22
Feb. 23	do	1.34	do	1.15	.19
Feb. 24	do	1.34	do	1.16	.18
Feb. 25	do	1.34	do	1.16	.18

[3] 5 miles apart. [4] 2 miles apart.
[5] 4 miles apart. [6] Just across the line.

Mr. CARAWAY. Mr. President, before the Senator leaves that particular point, may I ask him a question?

Mr. McCUMBER. Yes.

Mr. CARAWAY. I am rather interested in the statement that the seller and the purchaser of wheat across the Canadian line split the tariff duty, as I understood the Senator to say. For instance, does the Senator mean that the man in Canada will take 12½ cents less than the market price of the wheat in order to pay half of the tariff duty into the United States?

Mr. McCUMBER. Oh, no.

Mr. CARAWAY. What does the Senator mean, then?

Mr. McCUMBER. Possibly the Senator means the same as I do. What I mean to say is that instead of deducting the full 25 cents in the Canadian price for the tariff the miller will only deduct 12½ cents where he can not get all the grain he wants in the United States.

Mr. CARAWAY. In other words, he will pay 12½ cents more than the market price in Canada for the wheat?

Mr. McCUMBER. No; it would not be more than the market price if we had the tariff. Of course, that makes the market price, and therefore I can not say it is 12½ cents more than the market price because that is the market price.

Mr. President, I am not going to take up any more time to attempt to explain to Senators the fact that while wheat is wheat, all kinds of wheat are not all kinds of wheat; but we have a great many different varieties, each having its own peculiar use, each raised in a particular section of the country, each making its own kind of flour, and each having acquired a particular market in Europe and elsewhere for that particular kind of flour.

It does not make any difference to us how much wheat is raised west of the Rocky Mountains. It is not going to come east; it is going to be consumed west of the Rocky Mountains. The freight would be too much to ship it eastward, therefore it may be exported, and it would not affect us. It does not affect us very much what surplus is raised and shipped by way of New Orleans. That does not come north, and it does not interfere with the field of consumption of the No. 1 spring wheat; and by the field of consumption I mean the millers. The millers do not want it, and if they did want it, they could not afford to pay the freight to bring it clear up there and mix it. Therefore they must depend upon the quantity of hard spring wheat that is raised in the Dakotas, Minnesota, and eastern Montana.

But finally, with all the caution in the world, the Tariff Commission, in response to a resolution which, I think, was introduced by one of the Senators on the other side of the Chamber—I have forgotten now which one—to ascertain the effect of the emergency tariff upon the articles included within its provisions, have made a report that virtually substantiates every word that I have uttered, although they are cautious not to give it as a conclusion. I am going to read what they say:

Wheat and wheat flour. Summary and conclusion.

This is the very latest.

The United States produces from 600,000,000 to 800,000,000 bushels of wheat annually, exports from 150,000,000 to 300,000,000 bushels and imports 1,000,000 to 50,000,000 bushels.

It is only under free trade that we ever get 50,000,000 bushels. It runs from 1,000,000 to 3,000,000 bushels under protection, and without the protection ran up last year to about 50,000,000 bushels.

The quantity imported, however, should not be compared with either the total production or total exports of all wheat, because practically all imports are of Canadian hard spring wheat, which comes into direct competition with the same variety produced in the upper Mississippi Valley. The production of this American variety, exclusive of Durum, was about 100,000,000 bushels in 1921.

That was a short crop.

Normal imports from Canada are less than 5,000,000 bushels, but in the past two or three years more than the usual proportion of their exportable surplus came to the United States. Before the war England took about 85 per cent of all Canadian exports and the United States about 5 per cent. For the year ending in March, 1921, however, England took 27 per cent and the United States 30 per cent of the Canadian exportable surplus. After the passage of the emergency act, about 11 per cent of Canada's export for the fiscal year ending March 31, 1922, came to the United States and 67 per cent went to England.

The effect of these changes in the Canadian and American wheat trade are limited largely to hard spring wheat in the two countries. The trade in the great bulk of the domestic wheat does not seem to have been appreciably affected by the duty. Soft wheats were not affected because of a difference in the demand and because of a domestic exportable surplus. Pacific coast wheats were not within the sphere of influence of the Canadian imports for geographical reasons, and the trade in hard winter wheat was not much affected because the United States is regularly on an export basis for this class. Almost the full effect of the duty, therefore, was concentrated upon northern spring varieties produced in the upper Mississippi and Missouri Valleys.

Now, I want Senators to listen especially to this paragraph——

Mr. SIMMONS. Mr. President, may I ask the Senator a question just at that point?

Mr. McCUMBER. I yield.

Mr. SIMMONS. What is the domestic production of the hard winter wheat or hard spring wheat to which the Senator refers?

Mr. McCUMBER. In an ordinary year it would be between 150,000,000 and 225,000,000 bushels. Last year there was a short crop, and it is given here that our crop was only about 100,000,000 bushels, according to the report of the Tariff Commission. I imagine they are a little higher than the facts show.

Mr. SIMMONS. Am I to understand the Senator to interpret what the Tariff Commission says as meaning that the duty imposed upon wheat was effective chiefly or wholly as to the 100,000,000 bushels of hard wheat?

Mr. McCUMBER. I would say, chiefly, yes; but when the Senator says wholly, I say no, because we can not raise the price of one product without reflecting or buoying up a product which can be used interchangeably to a certain extent, just the same as when there is a short crop of corn and corn becomes more expensive, oats also rush in and get a better price and, although they are different articles, both are used for the same final purpose of feed, and the price of one always reacts more or less upon the price of the other. So the price of one kind of wheat reacts or is reflected to some extent in the price of the other, depending upon a great many different circumstances. I do not think either of them would affect the price of wheat raised out in California, for instance.

Mr. SIMMONS. Let me ask the Senator another question, and I am asking because the Senator has very accurate information and I rely upon the fairness of his statements with reference to these matters of which he has personal knowledge. The hard wheat about which the Senator now speaks is used chiefly in the manufacture of flour, is it not?

Mr. McCUMBER. Yes; the flour manufactured by the Washburn-Crosby mills and those who manufacture the hard-wheat variety of flour that is quite popular in the European markets where they want the best flour, and yet it does not compete very much with the soft-wheat flours of Europe.

Mr. SIMMONS. Do we make enough of that hard wheat in this country to blend with the softer varieties in the manufacture of flour?

Mr. McCUMBER. We can not blend them with the very soft varieties. We can blend them to some extent with varieties which are raised a little farther south and which are some of the varieties of the spring wheat, but we can not, as I understand, even blend the northern spring wheat with the southern winter hard wheat, as they make entirely different kinds of flour and seek different markets. While I do not say that one is superior to the other, the commission report that for bread, for instance, the northern spring wheat is superior; for pastry, etc., the hard winter wheat, they say, is superior.

Mr. SIMMONS. What I am trying to ascertain from the Senator is whether we produce in this country as much of the hard wheat as the market requires.

Mr. McCUMBER. Yes.

Mr. SIMMONS. We do not of necessity have to buy hard wheat from Canada or elsewhere?

Mr. McCUMBER. That depends. The miller, of course, would rather use the hard wheat without any admixture.

If he can get it from Canada without paying too big a duty he is going to do it. He has to supply not only the United States but, even though he may lose in some years, he makes every effort to keep up his foreign market and has done so in all the years past.

Mr. SIMMONS. In order to do that does he have to go outside of the United States to buy?

Mr. McCUMBER. He would have to go out of the United States when we have a short crop, or else he would have to go farther south and buy the little softer variety and mix it as much as he could. That would increase the demand for the wheat which he takes in the place of the No. 1 northern hard, and, of course, would increase the price to the extent that the increased demand was apparent.

Mr. SIMMONS. So that when we make a full crop we produce a sufficient quantity of hard wheat to supply the domestic demand and also to supply the demand of our foreign trade in flour?

Mr. McCUMBER. If we have a big crop, we do not need to import any; in other words, a large, full crop would supply the capacity of the American mills which make the flour.

Mr. SIMMONS. The American flour in the foreign market stands very high, I believe. Is not that very largely because we do use a considerable percentage of hard wheat in its manufacture? Does not that improve the grade and quality of the flour?

Mr. McCUMBER. Yes. There is no flour in Europe which will compare with the flour which is made from the Canadian and the American hard spring wheat; but remember that Canada has an enormous surplus to export, while, under normal conditions, we do not export one bushel of our hard wheat, except in the shape of flour.

Mr. SIMMONS. But in order that we may maintain the standard of our exportable flour, it is very important that we have a sufficient supply of hard wheat; and, if we do not produce it, it is important that we go out and get it where we can find it, is it not?

Mr. McCUMBER. Yes; but I think the mills in the United States can probably grind wheat into flour as cheaply as, if not more cheaply than, it can be done in any other place upon the face of the earth. With equal opportunity in the world they can still, when it becomes necessary, pay our tariff and yet export the flour. That is what they have done during all these years.

Now, Mr. President, I especially wish to read an extract from the report of the Tariff Commission. In all these many years I have never been able to convince the senior Senator from Ohio [Mr. POMERENE] that there was anything at all in the

proposition that so long as we were exporting wheat we could get any benefit from a tariff on that commodity. I want to convince him now not by my argument but by the argument of the Tariff Commission.

Mr. POMERENE. Mr. President, anything the Senator from North Dakota may say will have very great weight with me. I remember when the discussion was proceeding in the Senate involving the proposed reciprocity legislation, the Senator from North Dakota made a speech which was very persuasive to himself, to the effect that the tariff was going greatly to benefit the American farmer; but two or three days after the Senator from North Dakota made that speech the very able and distinguished Senator from Michigan [Mr. TOWNSEND] also made a very convincing speech showing conclusively that in about 20 or 21 markets, one half of which were north of the Canadian line and the other half south of the Canadian line, the prices north of the Canadian line in about half of those markets were higher than they were in the markets south of the Canadian line. That was the situation. So unless my good friend from North Dakota has something further to urge on that subject, I am afraid that I can not agree with him. I shall, however, be glad to listen to him and hear what he may have to say.

Mr. McCUMBER. I hope the Senator will concentrate his mind upon wheat, because that is what we are now discussing. I do not know what the price of eggs is on one side of the line or on the other side of the line between Michigan and Canada.

Mr. POMERENE. The market price of wheat is exactly what I was referring to.

Mr. McCUMBER. I do not know what may have been the result as to any of the soft wheat that is raised in eastern Canada; that is an entirely different proposition; but I am speaking now merely of the hard varieties of wheat. The Tariff Commission, while avoiding a conclusion, says this:

> Under conditions of free trade between the United States and Canada, Winnipeg prices of No. 1 Manitoba wheat normally exceeded the Minnesota prices of No. 1 northern spring by 5 or 6 cents per bushel.

In other words, with absolute free trade, comparing No. 1 northern Minneapolis wheat with No. 1 northern Manitoba wheat, the Manitoba wheat sells for 5 or 6 cents per bushel more than does the American wheat.

Mr. UNDERWOOD. May I ask the Senator a question?

Mr. McCUMBER. Does the Senator want to know why that is so?

Mr. UNDERWOOD. I desire to ask a question merely to make the proper comparison. In its report on the emergency tariff bill in reference to wheat I understand that the same commission from which the Senator from North Dakota now quotes stated that Canadian wheat was a better wheat than the American wheat.

Mr. McCUMBER. That is what I was going to say.

Mr. UNDERWOOD. And that therefore there was about that difference in the value of the wheat in the two markets; they stood about on an equal basis.

Mr. McCUMBER. In other words, 5 or 6 cents a bushel must be added to the price of the American wheat in order to get the same quality of wheat. That grows out of this fact: No. 1 Manitoba must weigh 60 pounds to the measured bushed, while No. 1 northern Minneapolis must weigh but 58 pounds to the measured bushel.

So it will be seen there is a difference in value there. Then No. 1 Manitoba must have a greater percentage of hard wheat kernels than is required under the Minnesota law; but making the allowance, as the commission does, of 5 or 6 cents a bushel, we get at about the relative value for milling purposes.

Mr. UNDERWOOD. Mr. President, then on the basis of the Senator's statement, the prices are about equalized in the two markets.

Mr. McCUMBER. Yes; under normal conditions of free trade Winnipeg and Minneapolis prices would naturally be about the same.

Mr. UNDERWOOD. The two classes of wheat are about the same in value in the market.

Mr. McCUMBER. Yes; unless there are deficits and surpluses that affect the market to some extent.

Mr. UNDERWOOD. As the Senator has put in the tariff bill a provision authorizing and directing the President to try to equalize values in the different competitive markets, I do not see how he can complain when a free-trade condition equalizes the values in the two markets.

Mr. McCUMBER. I am not seeking to equalize values at all of different grains which have different values. Let me finish reading what I started to read, and then I will comment on it.

Mr. POMERENE. Mr. President, before the Senator does that I should like to have his explanation of the further fact which I am about to bring to his attention. I have observed that in the city of Canton, for instance, where I live, which is 23 miles south of Akron, for years, following one another—I have not looked up the quotations recently—the quotations for wheat are different from those in various other markets of the State, there being a variance of from 5 to 6 cents a bushel on the same day.

Mr. McCUMBER. Oh, yes.

Mr. POMERENE. The same situation difference is apparent between the Canton and Dayton or the Canton and Toledo quotations.

Mr. McCUMBER. Certainly.

Mr. POMERENE. So it would seem that there may be local or other conditions which affect the value, tariff or no tariff, because there is certainly no tariff between those various places in Ohio.

Mr. McCUMBER. That is true. The tariff will affect the general range of prices, but there will be variations of a penny or two here or there whether we have a tariff or do not have a tariff.

Mr. SIMMONS. Mr. President——

Mr. McCUMBER. I will yield to the Senator from North Carolina, and then I should like to complete the reading.

Mr. SIMMONS. As I understand, the Senator now admits that the Manitoba and the Minneapolis prices under free-trade conditions have to allow for the better quality of the Manitoba wheat?

Mr. McCUMBER. Certainly.

Mr. SIMMONS. The values, however, are the same in both countries?

Mr. McCUMBER. Yes; under normal conditions and under free trade when countries are quite heavy exporters.

Mr. SIMMONS. I ask the Senator, if that be true, if the values are the same in both markets, allowing for the difference in quality, what is there to justify a protective tariff? If there is no difference in the price of the two articles produced in the two countries right in juxtaposition, is there anything from the standpoint of protection to justify imposing a duty? I understand the Senator is arguing that the result of the emergency tariff act has been to increase the price of the American article, but I do not understand that these tariff duties are levied for the purpose of increasing prices, but they are levied for the purpose of equalizing competitive conditions, under the theory of the pending bill, or of equalizing the difference between the cost of production here and abroad under the old theory of protection. It seems to me the Senator has argued himself into the position that this duty is justified only upon the ground that we want to add the amount of the duty to the value of certain types of wheat.

Mr. McCUMBER. Mr. President, if I were to pass upon the question of cost of production in Canada and the United States, taking into consideration the capital employed, and so forth, I would say that the cost would be considerably more in the United States. Labor is about the same and other things are about the same; perhaps a little less in the eastern portion of Canada and about the same in the western portion. In other words, while the Canadian labor is about 25 per cent cheaper, as I understand, in Quebec and Ontario, in Manitoba and Saskatchewan it will run about the same as the American labor.

Why do I want to raise the American price? Simply because the wheat-raising industry in the Northwest, where we must depend almost entirely upon raising cereals, and principally wheat, is languishing. We want better prices; we do not want to fall down to the world's level if we can help it, and our tariff prevents us falling down to the world's level of prices.

If we both export to Europe under equal conditions, of course the prices for the same kind of wheat will necessarily be the same; but if our production is, as it ordinarily is, just a little on the deficit side on spring wheat, you have to bid up and pay a better price for it to bring it all into the market or you have to go into Canada. With Canada exporting perhaps five-sevenths of her wheat, and we not exporting more than one-seventh of ours, you can easily see that if our market price by reason of the deficit was a little better than the world's level the Canadian granary would be immediately tapped, and it would flow out and bring down our price to the world level.

This, however, is what I wanted the Senator from Ohio to read: Remember, now, that the Tariff Commission is made up of both Democrats and Republicans, and they have a rule that they will not express themselves politically one way or the other, but they will give us facts; and those facts which they have given us, I think, will justify my claims in full.

Mr. SIMMONS. Mr. President, if the Senator from North Dakota will pardon me for just a moment, I think the Senator will remember that when we were discussing this subject of

wheat before in connection with the emergency tariff, we then had a report from the Tariff Commission upon the subject of wheat. That report I regarded as very good literature from my point of view with reference to this question. I read extensively from it, and so did other Senators on this side of the Chamber; but the Tariff Commission's report at that time was denounced in this body as a free-trade document. At that time, I suppose, the majority of the commission were Democrats. Their report was denounced as a free-trade document, and it was discredited, so far as the other side of the Chamber was concerned. Now, the political situation has changed. The majority of the commission are not Democrats. They are not what the Senator from North Dakota would call free traders or low-tariff men. They are protectionists, and they have sent us another report upon wheat which I think very materially differs from the first report upon wheat; and if the charges of the other side against the first report as a free-trade document were justified at all, I think the charge against this document from this side as rather a protective document would be equally justified.

I do not mean to say, however, that either charge is justified. I mean to say that, in my judgment, both are more or less colored by the political alignments of the majority of the commission—not intentionally, not corruptly, but naturally—just as our differing views here are not colored intentionally or corruptly, but are affected naturally by our convictions upon these fundamental questions.

I have read the last report of the commission. I think, while they do not expressly declare that the emergency tariff has accomplished the results that the Senator is contending it has accomplished, by innuendo they may say something that squints at that. It is a cautiously worded document. I should like it better, if the Senator will pardon me—and I am not making any attack upon the commission—if the Tariff Commission would furnish us facts and let us make our own arguments and our own deductions from those facts.

Mr. McCUMBER. Mr. President, that is what the Tariff Commission has done.

Mr. SIMMONS. They did not do it in this report, and they did not do it in the other report.

Mr. McCUMBER. The commission has given the table of prices, it has made the allowances, and it has done the best it could to escape a conclusion, so as not to be charged with being protective in its ideas.

Mr. SIMMONS. Mr. President——

Mr. McCUMBER. Now, let me say just a word to the Senator. The Tariff Commission's previous report, to which the Senator has referred, was based upon a mere forecast by that commission. Now they are making a report upon the figures. The Senator, like myself, has often gotten a forecast of an election, and it did not entirely agree with the hindcast of the election returns. The forecast of the Tariff Commission here does not quite agree with the final figures which they have tabulated, and it is upon these figures that they now base their conclusion.

Mr. SIMMONS. No; the Senator misunderstood me. I was not referring to the report that was before us when we passed the emergency tariff law about a year ago. I was not referring to the figures in the summary that we have before us now nor to the document which was sent to us by the Tariff Commission subsequently, probably, to the publication of the summary. I was referring to the survey that was completed and furnished us in 1921, when we were considering the emergency tariff. It was as complete as the report that the Senator has in his hands now. It was a complete survey. That is the document which was characterized on the other side of the Chamber as being a free-trade document. Now, the Senator is saying that the Tariff Commission is a nonpartisan, impartial board, and that we can therefore take without any grain of salt whatever anything that it says about a matter of this sort.

Mr. McCUMBER. No; the Senator is mistaken. I made no such statement.

Mr. SIMMONS. I have just reminded the Senator that when we had the commission's report, which seemed to be so favorable to our view when we were considering the emergency tariff, it was denounced on the other side of the Chamber as a free-trade document—not by the Senator from North Dakota; I do not say that.

Mr. McCUMBER. If, without any figures to support their contention, the Tariff Commission should report that the emergency tariff had no influence one way or the other, I would not believe them. If they give me the figures, I will take their computation as being correct, because I do not think they would attempt to mislead; and the figures which they give me in regard to prices correspond with what my own investigation has shown.

I want to read this paragraph in full before I am interrupted again. The Tariff Commission say:

> Under conditions of free trade between the United States and Canada, Winnipeg prices of No. 1 Manitoba wheat normally exceeded the Minnesota prices of No. 1 northern spring by 5 or 6 cents per bushel.

That is right, and I have given you the reason.

> After the passage of the emergency act, however, Minnesota prices gradually came to exceed Winnipeg prices by 25 to 27 cents per bushel. Therefore, after allowance is made for the higher quality of the Canadian wheat it appears that the differential between the prices in the two markets is now almost equal to the duty.

That is the truth. Now, suppose we were upon a free-trade basis. Canada ships to Great Britain, to Liverpool, and we ship to Liverpool. Does anyone for a moment claim that we would not both be upon the world level of prices? Canada ships to Liverpool, and she sells for the Liverpool price. She can not get into the United States, and we sell for 25 to 27 cents per bushel above her, all due to the tariff. We all understand that Winnipeg prices mean quotations of wheat deliverable at Fort William or Port Arthur, and that our prices are Minneapolis and Duluth prices, which are always practically the same.

Now, Mr. President, I want to say just one word upon the flour question.

I made a computation some years ago of what 10 cents a bushel meant in the way of increase in the price of a loaf of bread. An increase of 10 cents a bushel—and that was about what we were getting as a benefit from the tariff at the time I made the computation—meant one thirty-second of 1 cent on a loaf of bread; and I simply stated that that one thirty-second of 1 cent was such a mere bagatelle that it was not taken into consideration at all; that it is absorbed many times over between the farmer and the baker or the wholesale or retail store that sells your bread. Therefore I think it will make no difference in the world. But assume that it would make a difference: The whole difference to the consumer in a year, if he had to pay every cent of it, would be $1.56. If he had to pay half of it, it would be 78 cents a year. Now, he can stand that. That little 10 or 15 cents a bushel, however, may measure the difference between success and failure for the farmer; between profit and loss. That little 78 cents additional for a full year would make a difference of only the price of half a dozen cigars.

Mr. WALSH of Massachusetts. Mr. President, the Senator from North Dakota quoted from the Tariff Commission report on the operation of rates in the emergency tariff act. He omitted to read two very important paragraphs on page 15 under the title of "Wheat flour":

> Another question of some importance is whether or not the prices of flour increased after the imposition of the emergency duty of 20 per cent. Some data upon this subject is shown in Table 13, in which there is a comparison of flour prices and spring wheat prices in Minneapolis since September, 1920, to date.
>
> There seems to be no indication from this table that the duty had any effect on flour prices. The general movement was downward in harmony with the prices of wheat.

The Tariff Commission state, in effect, that the emergency tariff law, which was passed to stop the downward movement in prices of wheat and flour, did not prevent the prices of wheat and flour continuing to decline during the months following the passage of that law.

Mr. McCUMBER. Mr. President, the Senator has not read the entire report upon wheat and flour, or he would not make that statement. What the commission said there is true—that is, that the price of flour went downward just in proportion as the price of wheat went downward—but the price of wheat in the United States was checked in its downward course enormously as compared with the downward trend of world prices. So what they state is absolutely correct, that American flour would yield to the price of American wheat; but in another place they call attention to the fact that while it still went down during those years, the world's level of prices ran so far away from us downward that it finally measured a difference of 25 to 27 cents a bushel less than the American price.

Mr. WALSH of Massachusetts. Mr. President, the Senator would have us accept the language used by the Tariff Commission only when it is helpful to the argument he is seeking to maintain.

Mr. McCUMBER. I am accepting both statements.

Mr. WALSH of Massachusetts. I would like to have him explain to me what these words mean, if they do not mean that the emergency tariff law had no effect upon the prices. They state:

> There seems to be no indication from this table that the duty had any effect on flour prices.

The duty did not have any effect on flour prices, according to the statement of the Tariff Commission. Of course, the Senator is correct in his statement that there was a decline in world prices of all these products, but the fact remains that an attempt was made by this Republican Congress to keep prices up, to prevent the decline of prices, and the figures show and the statistics prove that there was a constant and steady decline in the prices of wheat, of flour, and of other agricultural products during the months following the enactment of this law. The Senator says, "Oh, well, it is not as much as it would have been if we had not passed this law."

Mr. McCUMBER. Mr. President, I am going to be perfectly fair with the Senator, and I want him to be fair with the arguments made on this side. If he will turn back to the arguments on the emergency tariff, he will find that I never claimed that prices were not going lower than the same level. All I ever claimed was that the prices would be stayed to a certain extent in their downward course; in other words, that the downward tendency would be checked to some extent, and that proved true. The downward tendency was greatly checked, and while the world's price went down enormously, the American price did not go down in accordance with it.

Let me have the Senator's attention to the other statement. The Senator asked me how I understood the last paragraph on page 15, where the Tariff Commission say:

> There seems to be no indication from this table that the duty had any effect upon flour prices.

If the commission had stopped right there, I might have been puzzled a little to know what they meant; but you do not always express an idea in a single sentence, and it took two sentences for the commission to express just what it intended, and you must read them as one thought. It reads:

> There seems to be no indication from this table that the duty had any effect on flour prices. The general movement was downward, in harmony with the prices of wheat.

It does not mean to say that the flour in the United States went down to the same extent that flour in Canada went down. I do not know whether it did or not. I know that wheat went down in Canada from a time at which it was practically the same as ours until it was 25 to 27 cents a bushel lower, and with a difference in value of about 33 cents per bushel less than the American. They may have held up their price of flour, and it may not have gone down to the same extent to which wheat depreciated. But that certainly is the meaning of it.

Mr. WALSH of Massachusetts. Mr. President, the Senator can put his own construction upon the sentences to which I called his attention, but they seem to me to mean that following the passage of the emergency tariff law the prices of flour went down and the prices of wheat went down, and that it is the opinion of the Tariff Commission that the duty named in the emergency law had no effect upon flour prices. That is the construction I put upon the language.

The Senator is going to have some trouble proving to the American farmer that though prices declined sharply after the passage of the emergency law they did not decline as much as they would have if Congress had not passed that law. He is going to have some trouble proving that, because no man living can determine how much the decline would have been if that law had never passed, and no one can determine but what the decline might have been exactly what it was without that law.

Mr. McCUMBER. Like every other State we have two kinds of farmers in ours. We have the farmer who studies the whole grain question. Every morning he reads in his paper what the Liverpool price is, what the Minneapolis price is, what the Chicago price is, what the Winnipeg price is, and he is able to determine whether or not he gets benefit from the protective duty. That farmer is always a protectionist.

There is another class of farmer, the one who just raises wheat and takes his chance, and does not think much upon the subject at all. I may not be able to convince him; I do not try. In one section of our State he is always convinced when he sells his wheat in Portal and gets 18 cents a bushel more than a fellow in North Portal gets for the same kind of wheat. That convinces him that something is responsible for it anyway, and I do not need to make any argument to him whatever. He is already convinced. The other fellow is convinced through looking over the reports and ascertaining what effect the tariff has.

Mr. NORRIS. Mr. President, some time ago I prepared an article for a Philadelphia publication on the subject of the tariff as it applies to the farmer and to farm products. I ask unanimous consent to print that article as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE NECESSARY TARIFF PROTECTION FOR THE FARMER.

[By GEORGE W. NORRIS, United States Senator from Nebraska.]

Tariff protection is a selfish policy of government. It goes on the theory that our standard of living is higher than that in countries with which we must compete with our products, and it boldly assumes that we must maintain that difference in the standard of living by a protective tariff.

Free trade, on the other hand, equalizes living conditions of the countries between which it operates. Where free trade exists the only difference in living conditions will be the cost of transportation from one place to another. If the Congress of the United States were legislating for the entire world, then it ought to provide for absolute free trade. This principle is well illustrated by the provision in the United States Constitution which provides that no State shall levy a tariff upon the products of another State. This means that there must be free trade between all the States of the Union, and living conditions, therefore, made as nearly equal in all parts of the country as possible.

It is because we have a higher standard of living than most other countries and because I believe we ought to maintain that standard that we are justified in levying a tariff upon the products of other countries where the standard of living and the cost of production are lower than ours.

But protection in order to be just and fair ought to protect all classes of people. The farmer ought not be compelled to sell his product in a free-trade market while he is compelled to buy what he consumes and uses in a protected market. Those who oppose a tariff for protection always contend that the farmer gets no benefit from the tariff; that since we produce a surplus of farm products we must necessarily sell that surplus in the world market, and therefore it is the world market that fixes the price of the entire product.

To show the effect of a protective tariff on farm products, I desire to take wheat as an illustration. Wheat is almost universally consumed by all the people, and almost universally produced by all the farmers, and the illustration as applied to wheat can be utilized in the same way with almost any other product of the farm.

Is it true, as is claimed by the enemies of a protective tariff, that the farmer gets no benefit of a tariff on wheat? Is it true that Liverpool is the world market for wheat and that the price at Liverpool fixes the price of wheat everywhere in the world, the difference being only the cost of transportation from the place of production to Liverpool?

I want to lay down two propositions, both of which will be admitted by all students of the subject: First, if we consume none of the wheat which we produce but export all of it, then a tariff on the importation of wheat would be of no benefit whatever to the farmer; second if we export no wheat but consume all that we produce, and the balance of the world has a surplus of wheat, then the farmer would get the full benefit of whatever tariff was levied on wheat. In other words, if there were a tariff of 25 cents per bushel, the price that he would get would be 25 cents greater for his wheat than though no tariff was levied. I do not believe these propositions will be denied by any student of the subject. They represent the two extremes of this question. As you bring these two extremes together the benefit of the tariff will be felt to a greater degree as they approach the same point, so that when we reach a point where we consume all that we produce we will get the full benefit of whatever tariff is imposed. If our surplus of wheat is small the benefit will be much greater than though it were large, because we are approaching the point of total consumption where we would get the full benefit of the tariff. It follows that the same tariff will bring a greater benefit one year than another, depending upon the size of the surplus which we produce and must export.

If the opponents of this proposition are correct, then the price of wheat in the so-called world market at Liverpool will be the same as the price in any other market, plus the cost of transportation from that market to Liverpool. There can be no escape from this conclusion.

Let us see now how this theory works out with the actual facts as they have existed in the past. I will take the year 1911 to illustrate the point. During that year we had a protective tariff on wheat of 25 cents per bushel, and we exported something over 32,000,000 bushels of wheat out of a total production of something over 621,000,000 bushels. I learn from the Bureau of Statistics that in the year 1911 it cost 20½ cents to transport a bushel of wheat from Minneapolis to Liverpool. This freight charge is divided up as follows:

	Cents.
Minneapolis to Duluth	5.0
Duluth to Buffalo, by lake	2.0
Buffalo to New York, by canal	5.0
New York to Liverpool, by steamship	4.0
Elevator charges	2.0
Trimming (leveling) cargo, lake and ocean	.5
Marine insurance, lake and ocean	1.0
Other transport costs	1.0
Total	20.5

If the tariff does not benefit the farmer, then the price of wheat in Minneapolis ought to be 20½ cents less than the price in Liverpool. The facts, however, show that at no time during this year did the price in Liverpool vary as much as that amount over the price in Minneapolis. For instance, the average price in Minneapolis during the month of January, 1911, was $1.066, while the average price for the same month in Liverpool was $1.113, showing that the Minneapolis price was between 4 and 5 cents within the so-called world price at Liverpool. The average price of wheat during the month of May in Minneapolis was $1.003, while the average price during that month in Liverpool was $1.092, showing that the Minneapolis price was within less than 9 cents of the Liverpool price. I was not able to get statistics for the entire year of the Liverpool price, but the bureau did supply me with the Liverpool price for seven months of that year, and supplied me with the average price for the entire year at Minneapolis. Taking this data and figuring it out, I find that the average price for the entire year in Liverpool was only 10 cents above the average price in Minneapolis. The year 1911 was one not interfered with by any abnormal conditions. I realize that local conditions arise that sometimes affect the market of all kinds of products, and I would not ex-

pect the theory to be demonstrated by one instance, but when I find every illustration that I am able to get from the statistics bears out the theory, it seems to me it is practically a demonstration that the tariff was beneficial to the American farmer. In other words, the American farmer received on an average during the year 1911, 10 cents a bushel in excess of the so-called world market price.

But these statistics do not tell the entire story. The grade of wheat that I have given in Minneapolis is No. 1 northern Minneapolis, while the Liverpool grade is No. 1 Manitoba, which is a little better wheat than the wheat priced at Minneapolis. It is conceded by experts that there is really about 2 cents difference in quality between these two grades. Therefore, to be exactly accurate, we ought to add 2 cents in each instance to the Minneapolis market price, or deduct that amount from the Liverpool price. That would equalize the grades and would show that for the year 1911 the difference in the price of wheat in Minneapolis and Liverpool, of the same grade, was only 8 cents, while the freight charge in delivering the wheat from Minneapolis to Liverpool was 20¼ cents. This demonstrates that for the year 1911 the American farmer was in reality getting about 12¼ cents tariff benefit on every bushel of wheat that he produced.

Let me give another illustration of the actual existence of the benefit which the wheat farmer received from the tariff. Along our northern boundary is Canada, a great wheat-producing country. If the tariff benefits the American farmer, then the American who raises wheat south of the Canadian line ought to get a better price for his product than his Canadian neighbor on the other side of the line. I have not been able to find an instance where he has not done this. On the other hand, if the opponents of this theory are correct, then the American farmer adjoining the Canadian line ought to receive the same price for his wheat that the Canadian farmer does whose farm adjoins him on the north. Let us now consider the market price of wheat while this tariff was in existence, as it affected the American farmer and the Canadian farmer who lived in the vicinity of the international line. Pembina is an American town, while Emerson is a Canadian town. They are 4 miles apart. On January 10, 1911, the price of wheat in Pembina, on the American side of the line, was 97 cents, while on the same day in Emerson, 4 miles north, the price was 82 cents, showing a difference in favor of the American farmer of 15 cents. Neche is an American town just south of the line, while Gretna is a Canadian town just 2 miles north. On January 10, 1911, the price of wheat in Neche was 96 cents and in Gretna 81 cents, showing a difference in favor of the American wheat of 15 cents. On January 11, 1911, at Walhalla, in the United States, the price of wheat was 96 cents, while on the same day at Haskett, in Canada, 6 miles away, the price of wheat was 83 cents. On December 31, 1910, at Hannah, on the American side, wheat was worth 90 cents, while at Snowflake, on the Canadian side, 4 miles north, wheat was worth 77 cents. At Sarles wheat was worth 89 cents, while at Clearwater, in Canada, just across the line, wheat was worth 75 cents, showing a difference of 14 cents in favor of the protected wheat. On January 10, 1911, the price at Hansboro was 90 cents, while at Cartwright, over the line in Canada, 8 miles distant, the price of wheat was 77 cents. This difference in price in favor of the protected wheat is very well shown by the market in Portal. Portal is a country village on the Soo Railroad. It is on the Canadian line. Part of the town is in Canada and part of it in the United States. There are, of course, two separate municipalities, because one is a Canadian town and one is an American town, but there is nothing dividing the town except a street. They have only one railroad. There are two elevators, one on the American side of the line and one on the Canadian side of the line. On December 31, 1910, the price of wheat on the American side of the street was 90 cents. On the Canadian side it was 15 cents less. On January 10, 1911, the price of wheat on the American side was 92 cents and on the Canadian side 79 cents. On April 6, 1911, the price of wheat on the American side was 91 cents and on the Canadian side 85 cents.

I realize that the price of wheat varies a cent or two sometimes in the same town, because of some local conditions, but here was a condition that, while the difference was not always the same, there always was a difference when we had a tariff on wheat, and always in favor of the American product. In this instance the wheat was all produced in the same locality. The quality, it can be safely assumed, was exactly the same. Two carloads of wheat would perhaps go out of the town of Portal on the same train, one loaded on one side of the line and the other on the other side. The wheat was perhaps raised on adjoining farms, only one was in Canada and the other was in the United States, with nothing between them but an imaginary line—the same kind of wheat, on the same train, from the same town, to the same destination; but the farmer on the Canadian side was getting 75 cents a bushel while the farmer on the American side was getting 90 cents a bushel. The only condition that was not absolutely and completely the same on both sides of the line was the fact that a tariff of 25 cents a bushel prohibited the Canadian farmer from bringing his wheat into the American market. If the difference in price was not made by the tariff, can anyone point out why there should have been any difference at all; and will anyone contend that if the tariff had been automatically removed the price would not have been the same on both sides of the line?

Several years ago we had a great contest over the question of reciprocity with Canada. It was defeated in Canada, much to the surprise of nearly everybody, and, in my judgment, came about because of a remark made in the debate by the leader of the administration forces in the House of Representatives, which was to the effect that reciprocity was desirable because it would ultimately bring about the annexation of Canada. This remark spread over Canada like wildfire and the loyal Canadians resented it and defeated the reciprocity agreement. Whatever other benfits and responsibilities were contained in this agreement it was conceded by all that if reciprocity prevailed we would have practically free trade in wheat and other products. The American farmer was opposed to reciprocity because he wanted a protective tariff on farm products, especially on wheat, and it was conceded that reciprocity would bring about equalization in market conditions, because it meant free trade in wheat. In other words, reciprociy, or free trade, meant depression in the price of American wheat, while the defeat of that document meant that the price of American wheat would remain higher than Canadian wheat. It is a remarkable coincidence demonstrating the protective tariff theory on wheat, that the day after the defeat of reciprocity in Canada the price of wheat in Minneapolis went up 8 cents. I know it can be said that some other condition might have brought this about. I admit that other conditions sometimes do bring about violent fluctuations in the market, but there was nothing at the time mentioned that was abnormal. Everybody conceded that this jump of 8 cents per bushel was brought about by the defeat of reciprocity and the knowledge that the protective tariff remained intact.

If the theory of those who oppose a tariff on wheat be true, that because we always have a surplus of wheat, which we export, and that the so-called world price at Liverpool fixes the market of all our wheat, why has that argument never been applied to manufactured articles? Everybody knows that all kinds of articles, manufactured in America at times when we have a protective tariff, are exported to all the markets of the world in voluminous quantities. It is useless to take up your valuable space to give instances of this kind. It is common knowledge, and yet no one has ever claimed, so far as I know, that as applied to manufactured articles the tariff does no good because the manufacturer of the articles exports a portion of his production. If a protective tariff is good for articles that are manufactured, part of which are exported, why is it not good for the farmer who produces wheat? And if the protective tariff helps to build up and make prosperous our various manufacturing industries, why will it not for the same reason help to bring prosperity and happiness to the farmer? What reason can be given for any governmental assistance to the manufacturer that will not likewise apply to the tiller of the soil?

I do not believe it can be successfully contradicted that the tariff on wheat will have an equalizing effect. It will not permit the spasmodic unloading upon our markets of the surplus produced by other countries on account of temporary or unnatural conditions. It will have a tendency to stabilize the market, and thus prevent speculation. I know there are other causes, causes that ought to be remedied, that make speculation in wheat and other food products possible. I do not advocate a tariff as a remedy that will cure all the evils of the situation. We ought to make it impossible by law to gamble in all kinds of food products. We ought to make it possible for the farmer himself to finance his crop between the days of production and the time when the product will be consumed. A tariff is not the only thing that the farmer needs, but free trade in wheat enables speculators to do some things they would otherwise be unable to do. We have had a recent illustration of that practice. During the last few months there have been from forty to sixty million bushels of wheat imported from Canada. It came with a rush. It came in such immense quantities that it brought down the American market, and the American farmer who had wheat found himself in many instances almost bankrupt, unable to sell his product at anywhere near the cost of production. I have never believed that this sudden importation in such immense quantities of Canadian wheat was accidental or natural. For every bushel of Canadian wheat that came into our market, some American farmer had to send his wheat out of the country in order to sell it, and way below what he ought in all honesty to have received.

It meant the loss of many millions of dollars to the American farmer. If such a thing had happened in the manufactured articles, we would have heard the cry from one end of the country to the other demanding a tariff that would prohibit the recurrence of any such conditions. Why should we neglect the farmer as compared with other lines of business? Why compel him to compete in the markets of the world with what he has to sell while he must buy everything that he uses and everything that he consumes in a market that is protected?

While I do not believe we ought to engage in class legislation, yet if there is any class of people that should be encouraged and assisted it is the men who toil in the fields and produce the food which we eat. The manufacturer can turn his product two or three times a year. If for any reason the market is interfered with, he can at once curtail production. The farmer is not able to do this. It takes him a whole year to produce his wheat, and after he has planted it he can not curtail the production, even though he sees in advance that he is not going to have a fair market when he is ready to sell. He can not analyze the conditions on the farm that go to make up the production of a bushel of wheat as we can the making of a coat or a pair of shoes. The raising of wheat depends upon the sun, upon the rain, and upon other conditions that man can not control; and the producer is not only ignorant of what kind of market conditions are going to exist when his product is ready for the market, but he must contend with all the elements of nature during the entire year that he is making his product, and if often happens that at the close of his labors he finds that he has toiled in vain. And after all, if we are honest, we must admit that our happiness and the cost of our living depend, in the end, upon the success of the man who toils. If those engaged in agriculture are not prosperous there can be no real genuine prosperity anywhere.

One of the sad lessons we are taught by the census is that in many localities there has been a decrease in farm population, but there is always an increase in the city population. We ought to legislate, if we can, so as to have the tide go the other way and give to farming any legislative assistance that is possible. Every nation that has neglected agriculture has sooner or later come to ruin and decay. If we make it unprofitable to the farmer—if we make his life burdensome and unhappy on the farm—we are only accelerating the movement that will drive from the farm to the already overcrowded cities much of the farming population, thus making many consumers who ought to be, and who under proper circumstances would be, producers.

We must remember, too, that the strongest element of our Government is on the farm. It is in the overcrowded cities where poverty prevails, where crime spreads, where misery lives, where disease is located, where anarchy is born; but in the country, in the agricultural communities, and in the small villages we find a stronger and a more patriotic citizenship, and in case of danger and in need it is to the farm that the Government must go for the strong arm of protection and defense. We can not do anything that is fair and honest, and that will add to the comfort and happiness of the agricultural class, that we should not do. The recent World War has demonstrated that after all, for any undertaking of a business nature or of national scope, we are dependent upon the farm for success. When the farmer ceases to produce the world will not get enough to eat. He can not be expected to produce except under such conditions that will bring him profit and happiness. So, after all, we are all tied up in the welfare of the farmer. He is the foundation of all true prosperity, and legislators, both State and National, ought to take heed that the farmer, although unorganized and widely scattered, must be treated with honesty and with fairness in order to promote the welfare and the happiness of humanity.

Mr. WALSH of Massachusetts. Mr. President, before closing the discussion on this subject I ask that the table on page 7 of the report of the Tariff Commission on the operation of the emergency tariff act be inserted in the RECORD at this point.

This table shows the production, the exports, and the imports of wheat since 1910 up to April of the present year.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I.—*Wheat [1] production, imports, and exports.*

Period.	Production.[2]	Domestic exports, including flour, year ending June 30.	Imports, including flour, year ending June 30.	Imports, including flour from Canada, year ending June 30.	Percentage of crop exported.	Ratio of imports to production.
	Bushels.	*Bushels.*	*Bushels.*	*Bushels.*	*Per cent.*	*Per cent.*
1910-11	635,121,000	69,311,760	1,146,558	1,139,151	10.9	0.02
1911-12	621,338,000	79,689,404	3,413,626	3,385,337	12.8	.5
1912-13	730,267,000	142,879,396	1,282,039	1,242,960	19.6	.2
1913-14	763,380,000	145,590,349	2,383,537	2,291,750	19.1	.3
1914-15	891,017,000	332,464,975	715,369	652,086	37.3	.08
1915-16	1,025,801,000	243,117,026	7,187,650	7,156,179	23.7	.7
1916-17	636,318,000	203,573,928	24,924,985	24,500,210	32.0	3.9
1917-18	636,655,000	132,578,633	31,215,213	26,738,392	20.8	4.9
1918-19	921,438,000	287,401,579	11,288,591	4,871,826	31.2	1.2
1919-20	967,979,000	219,861,398	5,495,516	4,637,571	22.7	.5
1920-21	833,027,000	365,960,599	57,324,288	56,919,337	43.9	6.8
10 months ending April, 1922		246,703,496	[3]13,847,740			

[1] Flour is included in the wheat statistics at the rate of 4½ bushels per barrel of flour.
[2] Production figures are for crop years.
[3] Practically all from Canada. Exact imports of flour from Canada are not reported.

Mr. SIMMONS. Mr. President, I disclaim any intention of discussing this subject at any length. The Senator from Alabama [Mr. UNDERWOOD], who is thoroughly familiar with it, desires to discuss it in full, and I do not want to travel over the same road he probably will cover. Besides, when the emergency tariff was before the Senate I discussed it fully, and I do not think the situation, from a tariff standpoint, has materially changed since that time. But there are some observations upon the subject that I wish to make.

In the first place, the Senator from North Dakota is chairman of the Finance Committee. The majority members of that committee have brought out the pending bill and presented it to the country as embodying and reflecting the Republican attitude upon the tariff. It purports to impose taxes for revenue and for protection against foreign competition. The bill is all embracing. Practically nothing has escaped its clutches. Such a bill, with such consequences and import to the whole people of this country, if justified at all, must be justified upon some known and specified theory or principle of tariff taxation.

If I understood the Senator from North Dakota aright a few minutes ago, he has admitted that the duties imposed upon wheat in this bill will be confined in their effective operation, if not wholly, substantially to wheat of a certain type, namely, certain hard type of wheats produced in a limited area in the United States. He has also admitted that before the passage of the emergency tariff act, when there was no duty upon wheat, the kind or type of wheat to which he says the duties imposed in this bill will be effective sold in the respective markets of the two countries at practically the same price.

Now, if that be true it is reasonable to assume that the costs of production in the two countries were practically the same. Certainly if there was any difference in the cost of production in Canada, if any, and this country in that class of wheat it was a difference from which the American producer did not suffer, as the selling price in our markets of the foreign and domestic product was the same.

If, therefore, the article upon which the duty operates, according to the admission of the Senator from North Dakota, under free-trade conditions was selling in the two countries at identically the same price, when of the same quality, I ask upon what theory or principle of tariff taxation are the majority membership of the Senate justified in imposing this tax upon the people of the country? Not on the ground of difference in the cost of production in the two countries. Not on account of a difference in the selling prices of the two countries. Therefore there is no tariff basis for the imposition of this tax upon the consumers of flour made in whole or in part from these types of wheat.

Now, the question arises, why under these circumstances is the duty to be imposed? The Senator said the effect of the tax on wheat in the emergency tariff act had been to increase the price of wheat. I will not now discuss that question, but I submit, upon the argument and the admissions the Senator has just made, that this tax is not justified upon any theory of tariff taxation that has ever been advanced. It is a proposition to tax the whole people of the country, not to protect against foreign competition, but to increase the price of a product raised by a small fraction of the people.

That is not tariff taxation. That is subsidy, pure, simple, and unadulterated. That is taxing the American people not for the common welfare, but to the enhancement of the profits of a limited class at the expense of the whole mass of the people.

Again, Mr. President, the discussion brings out the fact that the duty which we are levying now is admittedly for the benefit of only a few producers of wheat in the country. The Senator from North Dakota said it would not benefit the wheat producers east of the Mississippi River and, I believe, on the Pacific coast. There is a large amount of wheat produced east of the Mississippi River or the Pacific coast, and I do not understand why in imposing a tariff duty upon wheat we should so impose it that it will benefit only a part of the wheat growers and not all of the wheat growers, if that could be done.

It may be that could not be done. But if that be true, then the great mass of the wheat farmers of the country who use flour will have to pay a higher price for their flour if the imposition of this duty increases the price as the Senator claims it will without getting any benefit whatsoever of the tariff upon the wheat which they grow.

I have not calculated it, but I think the Senator from Mississippi has, and I think his statement to me a few moments ago was that less than one-tenth of the wheat growers of the country, according to the argument and admission of the Senator in charge of the bill, would get any benefit whatsoever from this proposed duty on wheat. The other nine-tenths would get no benefit from it, and yet the Republican Party in the coming campaign will tell the wheat growers of the country that the duty was levied upon wheat for their benefit and to increase the price of their product, notwithstanding the fact that it was levied with the foreknowledge that it will only benefit the wheat producers in three or four States of the Union. I am glad indeed that we have had this discussion this morning. I am happy to have the wheat growers of the country understand that this much vaunted duty upon wheat is admitted upon the floor of the Senate of the United States, where the duty proposed first saw the light, that it will only affect the price of wheat grown in a very limited section of the country.

Now, Mr. President, there is just one other thing about the matter to which I wish to call attention, because I think it is very important. It is admitted that the importations of wheat into this country during the last two years have not been very great. In the first nine months of 1921 we imported 18,000,000 bushels, valued at $30,000,000. It all, or practically all, came from Canada. During the first nine months of 1921 we exported in value $380,000,000 and in bushels 240,000,000. That means we exported about 300,000,000 bushels during the year 1921 as against a total production of 795,000,000 bushels. In other words, we exported more than one-third of all the wheat we grew in this country last year.

The Senator from North Dakota argues very strenuously that the price of wheat in this country is not regulated by the world price. I will not discuss that question, because I think the Senator from Alabama [Mr. UNDERWOOD], who will follow me, will go into that; but I think it would be easy to show that the domestic price follows the world price where the exportable surplus is as large as in the case of wheat. There may be some little difference now and then, but not a very material difference. Certainly if the price of any domestic product that we export in large quantities would be fixed or controlled by the world price, wheat is one of those products; indeed I know of no other product except cotton, of which we produce a larger exportable surplus. Nobody has ever disputed the proposition that the price of American short-staple cotton is absolutely regulated by the world price at which we sell our exportable surplus. I have not understood that there was any serious denial on the part of the people who are familiar with trade conditions in wheat, that substantially the price of wheat was regulated in this market by the foreign price.

I read in the RECORD an article a few days ago from the head of the farmers' union of this country, Mr. Barrett, who is a great authority upon agricultural questions, in which he made, as I remember it, the emphatic and unequivocal statement that the prices of these products like wheat and cotton, of which we export such large quantities, were fixed and determined by the world price.

Mr. HARRISON. Mr. President——

Mr. SIMMONS. I yield to the Senator from Mississippi.

Mr. HARRISON. If the Senator from North Carolina will permit me, I desire to say that I have always understood that to be the view of Republican leaders.

Mr. SIMMONS. So have I.

Mr. HARRISON. I note that on June 22, 1909, the distinguished Senator from North Dakota [Mr. MCCUMBER] now in charge of the pending bill, speaking of this question, employed this language:

The wheat acreage to-day is producing a surplus of wheat which must be thrown into the world's market, thereby keeping down the price of the home product, tariff or no tariff.

And, if the Senator from North Carolina will permit me, I should like to insert at this time the views of one of the colleagues of the Senator from North Dakota, the senior Senator from Minnesota [Mr. NELSON], who is thoroughly informed on this question, as much wheat is raised in his State. Speaking on the 10th of May, 1909, the Senator from Minnesota said:

I do not recall the millions of bushels produced in the State of Minnesota, but I desire to tell the Senator that the tariff on wheat which is on the statute books has not done us a particle of good. It would be like a tariff on cotton, because up to this time we have been exporting from 150,000,000 to 250,000,000 bushels of wheat a year. The price of our wheat is fixed by the Liverpool price—the export price—and no duty up to this time has helped us.

If the Senator from North Carolina will permit me further, I should like also to insert just one other utterance of a very distinguished Republican leader, in whose State much wheat is raised, the senior Senator from Iowa [Mr. CUMMINS]. In speaking on the 22d of June, 1909, the senior Senator from Iowa employed the language I shall now quote in referring to the subject. In answer to a question as to whether he believed that the duty on wheat affected the price of wheat, the senior Senator from Iowa said:

I do not. * * * I want Senators to remember that I come from a State which probably puts more in value into the channels of trade every year than any State in the Union in agricultural products. We will this year supply the people of the United States and the people of the world with a product that will surpass the value of $700,000,000, and it is idle for even an enthusiast to assert that the price of these products is directly affected by the protective tariff.

Mr. SIMMONS. Mr. President, I read here from the Tariff Commission's report, which has just been sent in, the prices of No. 1 dark northern wheat at Minneapolis. In April, 1922, that price is given as being $1.64. The price of wheat in Liverpool is given in April, 1922, as being $1.65, the same. Those prices have gone down since the date (April) fixed in the document sent us by the Tariff Commission. No. 1 dark northern hard wheat was quoted in April—the date is not given, but in the month of April—at $1.64 per bushel. I have here the crop and market report of the United States Agricultural Department of the daily average of cash sales at certain markets for the week ending Friday, June 16, 1922, which shows that on that date Minneapolis dark northern spring No. 1 sold for $1.49 a bushel, a very material drop since April. The tariff duty now imposed does not seem to be able to hold up the price very well, if that is the prop that is supposed to keep it up.

However, Mr. President, I did not rise to discuss that phase of the subject. I want to discuss the export-trade phase of the subject. With limited imports of less than $40,000,000 for 1921, we exported during that year nearly $500,000,000 worth of wheat. Practically every dollar of that went to Europe. A little of it may have gone to Canada, but I doubt it. It went to Europe. Europe is the export market of practically all the surplus wheat of the world to-day. There is where we sell our surplus. When we put a duty on wheat to keep out the Canadian wheat, to keep out the wheat from Argentina and from South America generally, assuming that those countries export wheat to this country, we simply drive that wheat to Europe; we force the Canadians to go to Europe for their market instead of coming to us. We force Canada to send the $40,000,000 of wheat, which we ordinarily would buy of her, to Europe; to be sold there in competition with the wheat we send to the same market. So, in the last analysis, Mr. President, we have either got to compete in this country with the Canadian exportations in the sale of the two-thirds part of our wheat which is consumed in this country, or we have got to compete with that same wheat in Europe, in the sale of that third of our wheat which we do not consume, but which we export. I can not for the life of me see much difference. If there is any difference it is in favor of competition here instead of competition in Europe. Two-thirds of our wheat is sold here. If the Canadian wheat comes in it will be in competition with that two-thirds. One-third of our wheat is sold in Europe, and if we force the Canadian surplus to go to Europe, then that one-third of our wheat comes in competition with the Canadian wheat there. What is the difference, Mr. President? I am unable to see any difference.

Mr. UNDERWOOD. Mr. President, I desire to address myself to the pending question, not so much with the idea of presenting anything new to the Senate in connection with the proposed rate of duty on which we are about to vote, as to place in the RECORD what I think is a clear demonstration of how the pending tariff bill has been written. I do not, of course, expect that my remarks will influence the Senate, because since the Senate has taken up this bill for consideration most of those who favor the bill honor it by their absence, and of course I can not convince my own colleagues on this side of a proposition to which they already agree, and that is that this bill is indefensible in its main characteristics. I think, however, possibly that I may say a few words that may be read by those who desire to know how this bill is written and what is the animus behind the writing of the bill. For that reason I shall delay the Senate for a few moments this afternoon.

The senior Senator from North Dakota [Mr. MCCUMBER] has served in this body nearly a quarter of a century. He is about to leave us; but he leaves behind him an undoubted record of high character, sincerity of purpose, and an earnest endeavor to carry out and maintain the views in which he believes. He has always evidenced to his colleagues an undoubted fairness in the presentation of his viewpoint. Of course I believe that his viewpoint on this bill is entirely wrong, but I grant him full confidence in believing in his sincerity of purpose, and that he has treated other interests that must be taken care of in this bill as fairly as he has treated his own interests; that he has treated the constituencies coming from other States on the same terms that he has treated the constituency in his own State.

Viewed from that standpoint, we may be able to determine how this iniquitous bill has been written—because it is iniquitous, Mr. President. It is iniquitous in the fact that the power of the law is being used to make one man rich at the expense of another, to drag out of the pockets of the poor in driblets their hard-earned wages and give them in bulk to special interests.

The Senator in charge of the bill has repeatedly said, "What difference does this tax make to the American people? It is not more than the price of their soda water," and again, "not more than the price of their cigars," or "their admission to movie shows." That is all very well, Mr. President, on that particular item; and each of these remarks has been made in reference to another and another and a different item. Mr. President, if the Congress would grant to me the right to tax every man, woman, and child in America the price of one drink at a soda-water fountain, 5 cents, out of the over 100,000,000 people that reside in the United States, they would convert into my pockets for that year, taxing each man, woman, and child in America 5 cents, an ultimate tax of $5,000,000; and when the Senator defends this bill by saying: "On this item and that item the tax resting on the American people is infinitesimal; we are going to give it to these special interests, because it only amounts to a soda-water drink or the price of a movie to each of the American people, and therefore it is infinitesimal," it is not infinitesimal when you put it in the aggregate and by law convert it into the bank account of some man or some special interest in the United States.

That is why this bill is indefensible; that is why this bill is infamous—because it is exercising the power of the Government to take from the whole mass of the American people their hard-earned pennies and dimes and dollars to reward special interests in the United States, and this item shows it.

When the matter is discussed generally before the American people, the advocates of this measure or similar measures say that they levy the tax to protect American labor from the pauper labor of Europe, to protect American industry from disastrous competition, to protect the American farmer in a market in which he is in danger. That is all talk. Those are sounding phrases. When you come down to the fact, in a majority of items in this bill it is not protection to protect American labor. It is not protection to protect the American business man or business industry against destructive competition. It is not to protect the American farmer from danger to his own market. It is a tax levied for the purpose of putting up the price that the consumer must pay in order that certain special interests may make more money out of the American people.

What are the facts in reference to this case? The Senator from North Dakota said this morning that taking into consideration the difference in the value of wheat, the hard wheat of Canada and the hard wheat of the Dakotas and Minnesota, and the difference in the number of pounds in the bushel measure, under free-trade conditions, they stood on a parity in value in their relative markets. Therefore, if this class of wheat sells for comparatively the same price in Winnipeg, in Canada, that it does in the markets of North Dakota and Minnesota, there is no danger of the American farmer being destroyed by undue competition, because through a period of years the price reflects costs, the price reflects value, the price reflects the opportunity to dispose of the farmer's products, and the admission has been made on the floor by the Senator in charge of the bill that no actual difference exists, and yet he proposes to put a tax of 30 cents a bushel on this commodity.

In order that the RECORD may show it—Senators, if they were in the Chamber, would know it—but as I am speaking to the RECORD, with practically no other audience except a half-dozen Senators who are kind enough to give me their attention, I will read the history of the tax on wheat.

Under the act of 1909, known as the Payne-Aldrich bill, a tax of 25 cents a bushel was placed on the importation of wheat. Under the act of 1913, known as the Underwood-Simmons bill, wheat was placed on the free list. Then something over a year ago, after the Republican Party came into control of the machinery of the Government, they passed an act known as the emergency tariff act, placing a tax of 35 cents a bushel on wheat. That was understood to be a temporary piece of legislation. Now the permanent legislation comes along, and the Senator from North Dakota proposes to-day to place on wheat a permanent tax of 30 cents a bushel.

In opening his speech on this question this morning the Senator from North Dakota stated to the Senate that he had been fighting the battle for the interests of the farmers of his State for the last 24 years, and that although the value of that service might not be regarded highly by all he felt that in regard to this item it had been worth hundreds of millions of dollars. It is quite evident from that remark that the Senator proposes to put this tax on the American people—a tax of 30 cents a bushel on wheat—for the benefit of the farmers of his State and adjoining States.

He went on to say that, although some people questioned whether the tax was reflected in the selling price of wheat, he believed that the farmers of his State reaped great benefits from the tax levied on wheat.

This comes from a man who is perfectly sincere and honest in the position he takes. He is fair and just from his viewpoint with those with whom he deals, and he has stated to the Senate that this item of a tax on wheat is one of the great achievements of his political life for the constituency which he represents. He has admitted that under free-trade conditions the price of this class of hard wheat was practically the same north of the Canadian line and south of the Canadian line year in and year out, and then he has said to the Senate that he not only thinks the legislation he has advocated along this line has been worth hundreds of millions of dollars to his wheat-raising constituency, but he further went on to say that the farmers of his State had reaped great benefits from this class of legislation.

What does that mean to the country at large if the Senator from North Dakota is correct about it? I will not discuss now the question as to how far the tax he levies on wheat is effective and is reflected into the pockets of the consuming masses of the American people, but we do know that on many other items in this bill the tax is effective and does go down and grapple the hard-earned dollars of the American people and filches them from their pockets for the benefit of the few.

Therefore, assuming that this great item in the bill, which the chairman of the committee, the Senator from North Dakota, believes in and has always defended, is the basis on which he has granted to others protection in the bill, it demonstrates that this bill is not written to protect American labor against the pauper labor of Europe, it is not written to equalize differences in cost of production at home and abroad, but it is written for the purpose of raising commodity prices in the United States for the benefit of special interests, and I care not whether those special interests are the producers of wheat or the owners of the steel plants of America; in the end it is the special interests which are being given an opportunity to raise commodity prices in order to take the dollars away from the masses of the American people for the benefit of the few.

It is clearly demonstrable that there is no occasion for this tax to protect labor; there is no occasion for this tax to protect those engaged in this great agricultural business against undue competition, because all you have to do is to look at the undisputed facts and the reports, and it stands beyond controversy.

Recently the Tariff Commission, which, if not a nonpartisan commission, can at least be said to be a bipartisan commission, have made a report on the operation of the rates of the emergency tariff act, and on page 7, in regard to wheat, this paragraph appears in their report:

> From this table it will be seen that this country produces from 600,000,000 to 800,000,000 bushels of wheat, exports 150,000,000 to 300,000,000 bushels, and imports from 1,000,000 to 50,000,000 bushels. Exports run 20 to 30 per cent of production and imports are from 1 to 5 per cent of production.

I said awhile ago that this tax was not being levied on the American people to protect American labor; that it was not being levied on the American people to protect the American farmer from undue competition, but that it was levied to increase commodity prices, and, in fact, I do not think the Senator from North Dakota would deny that the sole purpose of levying this tax is to raise the price of wheat, if it is possible to do so. Therefore I will read the sentence again, because where we are exporting large quantities of wheat, from one-fifth to nearly one-third of the American production a year, it is evident that we are willing to sell our surplus products in the foreign markets at the foreign prices.

Mr. BORAH. Mr. President, does the Senator believe that the effect of this tariff will be to raise the price of wheat?

Mr. UNDERWOOD. I think that where you export a large amount of any commodity to a foreign market, and the surplus is large, the price of the surplus fixes the price of the commodity, and that the price of wheat is fixed in the Liverpool market, as the price of cotton is fixed in the Liverpool and London markets. But I am not arguing the question, if the Senator will pardon me, from the standpoint of what is actually happening. I am trying to take what the Senator from North Dakota has said in reference to the levying of this particular tax, which is the one tax he is particularly interested in, as the basis on which he has written this bill. I am assuming for the time being, merely for the sake of the argument, that he is correct in his assumption, although, of course, I know and I think any other man who understands the effect of the export surplus on commodity prices knows that where a large amount of your production at home must be sold in foreign markets, the price of the foreign market ultimately fixes the price at home.

But I am not taking it from that standpoint. I am not making this argument at this time to try to show that the Senator from North Dakota is wrong, although I think he is wrong. But I know his sincerity of purpose. I know he believes he is right, and I know that while he has done this for himself and for his own constituency, he has done it for the other fellow, and that is why this bill is so indefensible, why it is a robber tariff, and not framed for the purpose of protecting labor or protecting against undue competition.

I said I would read that sentence again, and it is as follows:

> Exports run 20 to 30 per cent of production and imports from 1 to 5 per cent of production. The season of 1920–21 was exceptional in that we exported 365,000,000 bushels, or 44 per cent of the crop, and imported nearly 60,000,000 bushels, or the equivalent of about 7½ per cent of production. The two war years 1916–1918 were also abnormal. The 10 months ending with April, 1922, show a great decline from the previous highly exceptional year in imports under the emergency tariff, but imports remained much higher than they were before the war.

I assume that that statement is correct. The chairman, in charge of the bill, this morning referred to this report and accepted its terms; yet this very report says that in the year of greatest exportation we found the year of greatest importation in the history of the country. In other words, when we greatly exported our own wheat abroad, we had of necessity to greatly increase our own imports to keep the American people from starving for lack of wheat.

Just suppose that the Senator's tax is effective and reflective of what he says he intends to do, to raise the price of wheat in the American market, this report says that the production of wheat amounted to from 600,000,000 to 800,000,000 bushels. We will assume the minimum of 600,000,000 bushels. It says that the exports run from 150,000,000 to 300,000,000 bushels. As we are taking the lowest in the first case, we will take the lowest of exports and, deducting 150,000,000 from 600,000,000, we have 450,000,000 bushels supposed to be consumed by the American people. Now, if the tax does raise the price that amount, raising the price to the American people and therefore taxing them to that extent of $135,000,000 a year, yet taking the imports on the same basis the Government would only receive $5,400,000. In order that the Government may receive $5,400,000 into the Treasury, the accomplishment of the bill would be to raise the price to the American people to the extent of $135,000,000 on the wheat of the country.

Of course, I do not contend that the tax of 30 cents a bushel would be reflected in that way into the homes of America, but from the best information I can gather, and the best statistics I have been able to follow, my viewpoint as to what the tax will accomplish in the way of putting a burden on the American people conforms to the statement of the distinguished junior Senator from Massachusetts [Mr. WALSH] made this morning, that it will amount to somewhere between $90,000,000 and $100,000,000—not in the way of a tax on wheat, because the consumer rarely buys wheat itself; he buys the wheat when it is manufactured into flour; but when we raise the price of the wheat to the miller the miller adds it to his cost and hands it down, multiplied sometimes more than once, to the ultimate consumer, the American people.

Mr. President, some time ago when a bonus bill was proposed in the Congress and the President insisted that a sales tax be levied on the American people to pay that soldiers' bonus, the Republican Party, and the Senator from North Dakota [Mr.

McCUMBER], who is the leader of his party on issues of taxation, declined to levy a sales tax to pay the soldiers' bonus. Although a portion of it would have fallen on the poor, a large portion of it would have fallen on the rich, who buy jewels and fancy clothes. But when we come to bread, it falls on all alike, rich and poor. Bread is the staff of life. The great wheat crop is not fed to cows or hogs. Wheat is a food raised primarily to feed the human race. It is the principal material from which the bread of the peoples of the world is made, and a tax levied on wheat is a tax levied on bread. It may to a small extent fall on the table of the rich, but it is collected at the mouths of the poor. And yet this great party that could not respond to its President's call to levy a sales tax to pay a soldiers' bonus is, under the guise of protection, willing to tax the mouths of the poor through the increased price which the Senator from North Dakota indicates will follow this legislation to the extent of $100,000,000 that special interests may receive their reward.

Mr. President, selfishness is the same the world over. The men who raise wheat are not as a rule multimillionaires, although a few of them may be. They are honest, hard-working, successful farmers, prosperous as a rule, but that does not make them any less a special interest than the multimillionaires of America who may be engaged in the production of iron or steel or copper or some other great natural product. When a combined effort is made by one class or one set of men to change the natural flow of prices, to change the conditions of supply and demand, for the sole purpose of putting dollars in their own pockets, they become special interests, no matter from which State they come or whence they hale on the map geographically.

Of course, the old-time theory was that we levied a tax at the customhouse for the Government of the United States; that if any incidental benefit arose from it it was purely the good fortune of the man who received the benefit; that primarily the tax was levied for the Government. That was true in the early days, but since the idea of a protective tariff has become indoctrinated in the minds of certain men who do not want to make their fortunes alone by their brains and their labor, but by the granting of special privileges from the Government the tax has been levied to make fortunes for individuals and not for supplying revenue to the Federal Government. It is self-evident that what I said is true if anyone will take the trouble to study for a moment or two the report of the Tariff Commission on the emergency tariff law. On page 7 of that report we find a table numbered 1, entitled "Wheat production, imports, and exports." I shall not read the table, but I ask permission to include it in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1.—*Wheat*[1] *production, imports, and exports.*

Period.	Production.[2]	Domestic exports, including flour, year ending June 30.	Imports, including flour, year ending June 30.	Imports, including flour from Canada, year ending June 30.	Percentage of crop exported.	Ratio of imports to production.
	Bushels.	*Bushels.*	*Bushels.*	*Bushels.*	*Per cent.*	*Per cent.*
1910-11	635,121,000	69,311,760	1,146,558	1,139,151	10.9	0.02
1911-12	621,338,000	79,689,404	3,413,626	3,385,337	12.8	.5
1912-13	730,267,000	142,879,596	1,282,039	1,242,960	19.6	.2
1913-14	763,380,000	145,590,349	2,383,537	2,291,750	19.1	.3
1914-15	891,017,000	332,464,975	715,369	652,088	37.3	.08
1915-16	1,025,801,000	243,117,026	7,187,650	7,156,179	23.7	.7
1916-17	636,318,000	203,573,928	24,924,985	24,500,210	32.0	3.9
1917-18	636,655,000	132,578,633	31,215,213	26,738,392	20.8	4.9
1918-19	921,438,000	287,401,579	11,288,591	4,871,826	31.2	1.2
1919-20	967,979,000	219,861,398	5,495,516	4,637,571	22.7	.5
1920-21	833,027,000	365,960,599	57,324,288	56,919,337	43.9	6.8
10 months ending April, 1922	.....	246,703,496	[3]13,847,740	.....	.....	.....

[1] Flour is included in the wheat statistics at the rate of 4½ bushels per barrel of flour.
[2] Production figures are for crop years.
[3] Practically all from Canada. Exact imports of flour from Canada are not reported

Mr. UNDERWOOD. First, let me say, so the RECORD may show it, that in 1910 and 1911 the Payne-Aldrich tariff law was in effect levying a tax of 25 cents a bushel. In October, 1913, the Democratic tariff act of 1913 went into effect and remained in effect, so far as this product was concerned, until the tax on wheat was changed by the Republican Party by taking it off the free list and putting the present tax on wheat a year ago through the medium of the emergency tariff act. Therefore, we here can consider the ratio of imports to production under free trade conditions and tax conditions where the tax was 25 cents per bushel. The figures do not run far enough to show the facts since the emergency tariff law went into effect.

I have said many times, but let me say it again for the sake of the RECORD, the Government of the United States can collect no taxes until the commodity to be taxed passes through the doors of the customhouse, in other words, enters this country from abroad, and it would be naturally supposed, I think, by the mass of the American people that the men who wanted tariff protection would not be hogs about the matter, would not want to gobble the whole thing up for their own selfishness, but would be willing to have a reasonable amount of imports come through the customhouse in order that the Government might get some revenue whilst they were getting the great bulk of the increased prices behind the protective tariff wall. But that does not seem to be so in the case of this interest. This special interest seems to want the whole thing.

In 1910 and 1911 the imports of wheat coming into this country were only two-tenths of 1 per cent of the American crop, leaving to the American producer the undisputed control of 99.8 per cent of the American consuming market. In 1911–12 the imports, still under a Republican tax of 25 cents a bushel, amounted to one-half of 1 per cent, as compared to the American production. In the fall of the next year of 1912–13 the law was changed, and instead of a tax of 25 cents a bushel wheat was placed on the free list. In that year the imports amounted to two-tenths of 1 per cent. The next year, 1914–15, under free trade conditions, the imports only amounted to three-tenths of 1 per cent, leaving the American producer 99.7 per cent of the American consuming market. Of course, it is readily to be seen that the amount of revenue derived by the Government was infinitesimal under the tax law of the Republican Party.

In 1914–15 the imports increased to eight-tenths of 1 per cent. In the next year—we had then reached war conditions when wheat was growing scarce—the imports amounted to seven-tenths of 1 per cent. In the year 1916–17 the imports increased to 3.9 per cent, or nearly 4 per cent. Of course, that left 96 per cent of the home market for the domestic producer. The following year, 1917–18, the imports increased to 4.9 per cent, or nearly 5 per cent of the American production. Of course, that left 95 per cent of the American market for the home producer. In the following year, 1918–19, imports amounted to 1.2 per cent. The next year they fell off to one-half of 1 per cent, and finally in 1921—which, as I indicated awhile ago, was an abnormal year in imports and exports—the imports amounted to 6.8 per cent, because we had exported such large quantities from America that we had to bring from Canada enough wheat into the country to feed the American people. So that in the year of greatest imports of which we have any record of, as shown by the Tariff Commission, the imports were less than 7 per cent, and in the average year, even under free-trade conditions, the imports amount to less than 1 per cent.

I challenge Senators who stand here and say that they are entitled to have levied a tax in order to raise the price for the producers of wheat in merely two or three States—for the chairman of the committee admitted this morning that this duty does not apply to soft wheat which is raised in most of the States, but applies only to hard spring wheat which is raised in his own State and in several adjoining States—if I, coming from an iron and steel section, should propose to levy such a tax on the chains and the plows and the axes which the American farmer uses as to exclude all competition, except something less than 1 per cent coming from abroad, and to exclude it so that the Federal Government would secure no revenue, the only object being to raise the price to the farmer when he went to buy his chain or his plow or his ax—I challenge these Senators to say that they are in favor of levying a tax on that basis. No; they are not. They did on some of the iron and steel items impose such a tax, but they have been trying to get away from it ever since it has been shown it was that kind of a tax.

I should be ashamed to look in the face an honest constituent whom I represented and tell him that I attempted to levy a tax at the customhouse that excluded competition from abroad in order that certain of my constituents might grow rich at the expense of the American people; and I believe my sentiment in that regard reflects the true sentiment of the great mass of the American people.

However, Mr. President, what is it to tax chains and plows for the benefit of a few in comparison with taxing for the benefit of a few the bread that goes into the mouths of the poor? Yet that is the basis on which this tariff bill is written.

Mr. President, this bill has already been repudiated by the Republican press of America, who are too honest to accept it; and I believe that when the mass of the American people understand the iniquitous terms and conditions of the bill they will follow the press of America and will themsleves repudiate it.

Mr. McCUMBER. Mr. President, I desire to put one other table into the RECORD concerning the prices of wheat in Win-

nipeg and Minneapolis wheat. Of course, I am never able to understand the arguments of the opposition, who, looking at two markets which are situated exactly the same in respect to freight rates to Liverpool, find on the American side that the price is from 27 to 30 cents a bushel more than upon the Canadian side, and still they say that the tariff has not anything on earth to do with the price. I suppose that if I were to insist that 4 and 3 when added together make 7, my good friends upon the other side would declare that, as the statement came from a protectionist it could not possibly be true, and they would try to argue themselves into the belief that 4 and 3 when added together do not make 7 because the protectionist says they do.

Mr. President, the table to which I have referred comes from the Tariff Commission. It gives the prices of Minneapolis No. 1 dark northern and Winnipeg No. 1 northern Manitoba on each one of the selling days from November 1 to November 30, 1920, and the quotations for the corresponding days in 1921.

In 1920 we were under free-trade conditions and both countries were selling to Liverpool on equal terms. Without giving the several figures for November, 1920, I simply call attention to the fact that the price of Minneapolis No. 1 dark northern averaged for the entire month $1.77 a bushel and that Winnipeg No. 1 northern Manitoba averaged for the same month in 1920 $1.83 a bushel. The Winnipeg standard is about 6 cents a bushel more than the American standard. Add that 6 cents a bushel to the American price of $1.77 and we have $1.83, which is exactly the same as the Winnipeg price. Those figures show the price level upon a free-trade basis. No one can deny and no amount of argument can change those figures. They show that under free-trade conditions the world's level of prices applies.

Now I turn to 1921, when we had a protective duty on wheat of 35 cents a bushel, and I will take the same months and exactly the same days. Without stopping to read all the quotations, I will say that the Minneapolis price averaged $1.30 a bushel, while the Winnipeg price averaged $1.01 a bushel, making a difference of 29 cents a bushel in favor of the American producers of a bushel of wheat worth 6 cents less for grinding and milling purposes than the Canadian wheat. Adding again that 6 cents to the 29 cents, we have a difference of just 35 cents a bushel.

It will be seen that in 1920, on the world's level of prices, we averaged exactly the same, while in 1921 Canadian wheat remained upon the world's level of prices and sold for $1.01, whereas American wheat was on a level above the world's level of prices and sold for $1.30, which, making allowance for the difference of 6 cents, would be equivalent to $1.36 for the same standard of grain.

I ask unanimous consent that the table may be inserted in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Prices of wheat in Minneapolis and Winnipeg.

Period.	Minneapolis, No. 1 dark northern.	Winnipeg, No. 1 northern Manitoba, current exchange.	Period.	Minneapolis, No. 1 dark northern.	Winnipeg, No. 1 northern Manitoba, current exchange.
1920.			1921.		
Nov. 1	$2.16	$2.09	Nov. 1	$1.28	$0.98
Nov. 2		2.08	Nov. 2	1.28	.96
Nov. 3	2.11	2.05	Nov. 3	1.23	.94
Nov. 4	2.04	2.02	Nov. 4	1.25	.96
Nov. 5	2.00	2.01	Nov. 5	1.24	.97
Nov. 6	1.93	1.94	Nov. 7	1.25	
Nov. 8	1.86	1.88	Nov. 8	1.27	1.01
Nov. 9	1.78	1.80	Nov. 9	1.29	1.02
Nov. 10	1.84	1.90	Nov. 10	1.29	1.01
Nov. 11	1.80	1.88	Nov. 11		
Nov. 12	1.74	1.88	Nov. 12	1.32	1.03
Nov. 13	1.78	1.85	Nov. 14	1.30	1.01
Nov. 15	1.83	1.86	Nov. 15	1.27	.97
Nov. 16	1.86	1.89	Nov. 16	1.29	1.00
Nov. 17	1.81	1.88	Nov. 17	1.27	.99
Nov. 18	1.78	1.84	Nov. 18	1.31	1.02
Nov. 19	1.70	1.83	Nov. 19	1.30	1.01
Nov. 20	1.62	1.76	Nov. 21	1.31	1.03
Nov. 22	1.57	1.73	Nov. 22	1.32	1.04
Nov. 23	1.66	1.72	Nov. 23	1.35	1.05
Nov. 24	1.58	1.56	Nov. 25	1.35	1.06
Nov. 25		1.60	Nov. 26	1.36	1.05
Nov. 26	1.51	1.57	Nov. 28	1.41	1.08
Nov. 28	1.53	1.61	Nov. 29	1.36	1.05
Nov. 29	1.55	1.68	Nov. 30	1.38	1.06
Nov. 30	1.53	1.57			
			Average	1.30	1.01
Average	1.77	1.83			

Underwood Act, free; emergency tariff act, 35 cents per bushel.
Source: United States Tariff Commission.
NOTE.—On April 26 No. 1 northern was quoted at $1.65 in Minneapolis and $1.45 in Winnipeg, cash price. (Northwestern Miller, May 3, 1922.)

Mr. McCUMBER. Mr. President, we are, it seems to me, foolishly spending time in attempting to deny those figures. Admit them, just as you will admit that 4 and 3 make 7. They are true. You can not meet them in any way. We are getting better prices. You can not fool the man up in South Portal, who is getting 18 to 20 cents more than the fellow in North Portal is getting for a bushel of wheat by saying that he has gotten no benefit. Anyway, you hear a great deal of complaint on the part of the gentleman who lives on the northern side that he does not get as good a price as he could get if he were just over the other side of an imaginary line. The only question that is left is to what extent does that affect the price of a barrel of flour?

Mr. President, if it is more beneficial to the producer of flour to bring in the product in the shape of a barrel of flour than it would be to bring it in in the shape of 4½ bushels of wheat, he will bring it in as a barrel of flour. So we may take for all purposes just what the duty is on a barrel of flour, and that duty is 78 cents a hundredweight. There are only 196 pounds in a barrel of flour, and, allowing the weight of the barrel, we will call it, for easy computation, 200 pounds. Then, on the 200 pounds, at 78 cents for 100 pounds, the charge to the American consumer would be $1.56 if he had to pay the full price of the tariff, which he does not have to pay, in the enhanced price of the loaf of bread; but, even admitting that he had to pay every penny of it, he would pay but $1.56 upon a barrel of flour, and as he consumes one barrel a year he would pay $1.56 for that one year's supply.

That is not going to affect anyone. It is not going to change the price of a loaf of bread one penny. As I showed you, upon a 10-cent raise it would be only one thirty-second of 1 cent for a loaf of bread. It will not be taken into consideration. It will not add materially to the cost of a loaf of bread, and, even if it should, the amount is infinitesimal compared with the great benefits that would be derived by the population of five great States of the Union.

APPENDIX.

Range of cash prices, per bushel, of No. 1 northern.

Month.	Minneapolis.	Liverpool.
1908.		
January	$1.05–$1.14	$1.27–$1.32
February	1.01– 1.10	1.19– 1.26
March	1.03– 1.11	1.18– 1.29
April	.98– 1.08	1.21– 1.26
May	1.06– 1.11	1.25– 1.28
June	1.05– 1.10	1.19– 1.22
July	1.07– 1.21	1.19– 1.21
August	.99– 1.25	1.26
September	1.00– 1.05	1.25– 1.27
October	1.02– 1.05	1.18– 1.22
November	1.04– 1.08	1.18– 1.20
December	1.05– 1.12	1.17– 1.20
Average	1.11	1.25
1909.		
January	1.07– 1.11	1.19– 1.20
February	1.10– 1.16	1.22– 1.27
March	1.12– 1.17	1.27– 1.31
April	1.18– 1.29	1.32– 1.41
May	1.27– 1.35	1.38– 1.41
June	1.28– 1.38	1.38– 1.39
July	1.23– 1.35	
August	.97– 1.44	1.32– 1.32
September	.97– 1.01	1.30– 1.32
October	.99– 1.06	1.16– 1.19
November	1.01– 1.07	1.17– 1.20
December	1.05– 1.15	1.19– 1.21
Average	1.20	1.29
1910.		
January	1.10– 1.16	1.22– 1.24
February	1.10– 1.16	1.20– 1.23
March	1.12– 1.16	1.19– 1.22
April	1.06– 1.16	1.18– 1.23
May	1.03– 1.14	1.00– 1.14
June	1.02– 1.17	1.02– 1.10
July	1.13– 1.29	1.10– 1.27
August	1.09– 1.23	1.21– 1.25
September	1.09– 1.15	1.19– 1.24
October	1.02– 1.12	1.14– 1.19
November	.99– 1.07	1.07– 1.11
December	1.00– 1.06	1.07– 1.09
Average	1.14	1.14

These figures are taken from statistics compiled by the Bureau of Statistics of the Department of Agriculture.
All fractions are omitted.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). The question is on agreeing to the amendment of the committee.

Mr. McCUMBER. I ask unanimous consent at this time that when the Senate closes its session for the calendar day, it recess until Monday at 11 o'clock.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Dakota? The Chair hears none, and it is so ordered.

Mr. HITCHCOCK. Mr. President, when the emergency tariff bill was before the Senate, imposing a tariff on wheat among other agricultural products, I denounced it at the time as a gold brick offered to the agriculturists of the West. If I thought that a tariff imposed upon farm products could alleviate the serious conditions in the West, I might be very seriously tempted to support it; but I am convinced now, as I have been convinced for a good many years, and as the farmers of the West have come to be convinced, that to impose a so-called protective tariff upon articles which farmers produce, which are sold in the markets of the world in competition with all countries, is a farce.

To impose a tariff on articles manufactured in this country that might be imported into this country serves to erect a sort of wall around this country and enable manufacturers in this country to demand larger prices; but when we know that this country produces two or three hundred million bushels of wheat more than the American people can consume, and that our farmers are compelled to sell that surplus wheat abroad every year, it is perfect folly to talk to those farmers to the effect that their prices in this country can be raised by keeping out imports of wheat. They know by experience that the price of their wheat in this country is fixed by the world price; and at the time the emergency tariff bill was proposed, with its tariff of 25 per cent on wheat, I said that it was offered for the purpose of deluding the agriculturists of the country into the belief that they got some benefit out of a protective tariff.

Mr. McCUMBER. Mr. President, may I ask the Senator a question?

Mr. HITCHCOCK. Certainly.

Mr. McCUMBER. Is the price of the Canadian crop also fixed by the world price?

Mr. HITCHCOCK. I know what the Senator is driving at.

Mr. McCUMBER. It is a fair question.

Mr. HITCHCOCK. It is; and I think it is quite likely that the tariff which the Senator succeeded in putting upon wheat, by keeping out of this country some thirty or forty million bushels of wheat from Canada, has benefited a small area of the country represented by the Senator, because it has to some extent barred from the Minneapolis market a limited amount of hard wheat which has been used in mixture with other wheat in the mills of Minneapolis.

Mr. McCUMBER. Then the Senator admits that if Canada is upon a world basis—in other words, upon a Liverpool basis—and Minnesota and North and South Dakota and eastern Montana grain put into practically corresponding markets is 20 or 30 cents a bushel better, at least that section of the country has been benefited?

Mr. HITCHCOCK. I believe I shall withdraw that admission. No; I think that section of the country has not been benefited.

Mr. McCUMBER. Well, at least it got that much more.

Mr. HITCHCOCK. I think the Senator's bill, by excluding a few million bushels of wheat from Canada to be ground in the Minneapolis mills, resulted in compelling the Canadians to ship that wheat to Europe and compelled them, therefore, to take a lower price than they might have obtained by sending it to Minneapolis. I withdraw, however, the statement that injuring those wheat raisers in Canada benefited the wheat raisers even in the Senator's own State, who are taxed on almost everything they are compelled to buy, and then, in consolation, an ineffective tariff is levied upon the wheat they are compelled to sell.

Mr. President, what is the fact? I said that this tariff would not stop the downward tendency of wheat at that time. I said here upon the floor of the Senate that it was a gold brick, and that experience in time would show that that tariff of 25 cents a bushel levied in May of last year would not affect the price of wheat in the United States. What has been the course of events since that time?

In May, 1921, before that tariff was imposed, wheat was upon the free list, and had been upon the free list since 1913. That tariff was imposed in May, and at that time wheat was selling in the Chicago market at $1.61 a bushel. What is wheat selling for in the Chicago market now? It is the Chicago market which is the significant wheat market for the United States. Wheat is selling in the Chicago market now at something like $1.15 a bushel as against $1.61 a bushel more than a year ago, at the time the Senator imposed his emergency tariff. That is pretty good evidence that the 25 per cent tariff imposed at that time was of no benefit at all to the farmers of the United States.

Another thing: The imposition of that tariff against Canadian wheat did shut out a little Canadian wheat, and it resulted in an enormous damage to our business with Canada. As the Senator from Massachusetts [Mr. WALSH] has said in a previous address, our action in barring certain imports from Canada has not only led Canada to send her exports elsewhere but it has led Canada to make her purchases elsewhere, and the result of that antagonistic tariff has been to reduce our sales to Canada something like $400,000,000 a year, as I recall the figures.

How about our wheat exports? That is the thing in which the American people are interested. What has this Congress done to promote those exports? We produce in this country two or three hundred million bushels of wheat more than the American people consume. The American wheat growers depend to large extent upon the favorable sale of that wheat abroad. What has been done to promote the sale of that wheat abroad? What act of Congress has stimulated the sale? Instead of that, Congress has devoted its time for a year or more to putting up barriers not only to prevent imports from coming in here but to prevent exports from leaving this country.

For the 10 months immediately preceding the time when Congress passed the emergency tariff act and placed a duty of 25 per cent on wheat, what were our exports of wheat? What were our exports of wheat for the 10 months immediately preceding the imposition of that tariff? They were 242,000,000 bushels for that 10 months. What did the American farmers receive for the 242,000,000 bushels exported during those 10 months prior to the emergency tariff? They received $608,000,000. What has been the record since that time, when Congress has been busy attempting to interfere with our international commerce? How have the exports of our surplus wheat to foreign countries been carried on?

During the 10 months immediately succeeding the imposition of the tariff, the 10 months ending with April of this year, we have sold abroad only 185,000,000 bushels of wheat, and we have received for that wheat $248,000,000, or only a little over a third of what we received during the 10 months preceding the imposition of the tariff on wheat. That represents a loss of something like $400,000,000 in the wheat sales of this country to other countries. I will not say that it is wholly due to this emergency tariff, but it is due in part to the fact that the responsible party here in Congress, instead of stimulating sales abroad, has been engaged in trying to impede them and destroy them. It has been trying to erect a barrier against trade with other countries. The diversion by Canada of $400,000,000 of purchases from us to other countries is partly the result of our refusal to buy of Canada. Canada, next to Germany, is our best customer. We sell to Canada normally much more than twice as much as Canada sells to us; and we slapped Canada in the face, and, for the purpose of keeping out thirty or forty million bushels of wheat for the supposed benefit of a few farmers in North Dakota along the Canadian border, we sacrificed $400,000,000 of Canadian trade, and we have reduced our exports of wheat to an amount that figures into the hundreds of millions of dollars.

I say this at this time merely to verify what I said when this emergency tariff was imposed more than a year ago—that the experience of the emergency tariff would show that it was ineffective, that the price of wheat in this country would be governed by world conditions, and that by imposing a tariff against the importation of a few million bushels up along the Minnesota line we would injure our business with Canada, but we would not promote our business with the rest of the world, and we would not raise the price of wheat in the American market.

These figures I have given are verified by other figures I have. I have here the report made by the Department of Commerce showing the export prices at which we have been selling our wheat during the last year, and they are quite illuminating. The year 1921 was supposed to have been a year in which the wheat interests of the United States were so greatly benefited by the 25 per cent tariff on wheat.

I have in my hand the monthly average export prices of the principal domestic articles of this country, wheat among others. That tariff duty was imposed in May, 1921. I will start with March, 1921. In March, 1921, the export price of wheat was $1.92. In April it was $1.67. In May, when this emergency tariff duty was put upon wheat, it was $1.60. The next month, June, it was $1.58. In July it was $1.50, in August it was $1.40, in September it was $1.34, in October it was $1.30, in November it was $1.18, and in December it was $1.21.

I would like to ask the Senator from North Dakota whether that shows that there was any benefit to the exporters of wheat

from this country when, after the emergency-tariff duty of 25 per cent was imposed upon wheat, the gold brick offered to the American wheat growers, the price fell from $1.60 to $1.21?

The figures speak for themselves. They show conclusively that the American farmer has to sell his wheat upon the world market, and to say to him, "We give you a tariff on wheat to compensate you for the tariff you have to pay on your wire fence, on your nails, on your shoes, on your clothes, on your hats, on all the things you use upon the farm"; to say to him, "We give you this tariff on wheat to compensate you for the tariff you have to pay on those articles," is to offer him a gold brick, and the western wheat raiser knows it.

Mr. WALSH of Massachusetts. Mr. President, I do not care to prolong the discussion of this subject. The matter has been very fully, clearly, and ably argued by the Senator from Nebraska [Mr. HITCHCOCK] and the Senator from Alabama [Mr. UNDERWOOD].

However, I desire to call attention to an article in the American Farm Bureau Weekly News Letter, in the issue of June 22, 1922, entitled, "The Farm and the Tariff. Article No. 1. Wheat."

After discussing at some length the effect this duty might have in increasing the price of wheat to the growers of a certain kind of wheat, the article continues as follows:

Again leaving aside all reference to winter wheat, we note that there are about 255,000 farms in the four great spring-wheat States reported as growing wheat. As there are about 2,000,000 wheat farms in the United States, these northwestern growers constitute about 15 per cent of the total farms growing wheat, and less than 4 per cent of all farms.

That is, this article states that only 4 per cent of the farmers will be benefited, if anybody is benefited, and that the number of wheat-growing farmers who will receive any benefit, if anybody receives any benefit, is only 15 per cent of the wheat-growing farmers. The article continues:

AN OFFSETTING FACTOR.

Offsetting these gains to certain groups of wheat farmers is the increased cost of flour and mill feeds to the total farming population. If the price of wheat is increased, that of flour and feed will naturally rise, and the millers demand a compensatory duty to protect themselves against competition from Canada.

The very matter to which the Senator from Nebraska referred.

A tariff on wheat, which is Canada's chief export commodity, tends to induce higher tariffs on American manufactured goods entering Canada. American industrial prosperity depends largely on the export trade, and a blow at industrial prosperity means a poorer domestic market for farm products. It means lower purchasing power for industrial populations.

It seems to me that is a very strong argument.

I now want to call attention to what perhaps the Senator from North Dakota has already admitted, that if the duty upon flour is effective the increased cost of flour would be about $1.50 per barrel.

I now ask for the yeas and nays upon this amendment.

The PRESIDING OFFICER (Mr. SPENCER in the chair). The question is on the amendment of the committee in paragraph 730, page 105, line 5, to strike out "25" and insert "30," so as to read: "Wheat, 30 cents per bushel of 60 pounds"; and on this amendment the Senator from Massachusetts demands the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. JONES of Washington (when his name was called). I understand the senior Senator from Virginia [Mr. SWANSON] is necessarily absent. I have a pair with that Senator. I find, however, that I can transfer that pair to the junior Senator from Vermont [Mr. PAGE]. I do so, and vote "yea."

Mr. McCUMBER (when his name was called). I transfer my general pair with the junior Senator from Utah [Mr. KING] to the junior Senator from Maryland [Mr. WELLER] and vote "yea."

Mr. NEW (when his name was called). I transfer my general pair with the junior Senator from Tennessee [Mr. McKELLAR] to the junior Senator from Nevada [Mr. ODDIE] and vote "yea."

Mr. PHIPPS (when his name was called). I transfer my pair with the junior Senator from South Carolina [Mr. DIAL] to my colleague [Mr. NICHOLSON] and vote "yea."

Mr. TRAMMELL (when his name was called). I transfer my pair with the senior Senator from Rhode Island [Mr. COLT] to the senior Senator from Missouri [Mr. REED] and vote "nay."

Mr. WATSON of Indiana (when his name was called). I transfer my general pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the junior Senator from Oregon [Mr. STANFIELD] and vote "yea."

The roll call was concluded.

Mr. SUTHERLAND (after having voted in the affirmative). I transfer my general pair with the senior Senator from Arkansas [Mr. ROBINSON] to the senior Senator from Connecticut [Mr. BRANDEGEE] and allow my vote to stand.

Mr. STERLING. I transfer my pair with the senior Senator from South Carolina [Mr. SMITH] to the junior Senator from Pennsylvania [Mr. PEPPER] and vote "yea."

Mr. ERNST. I transfer my general pair with the senior Senator from Kentucky [Mr. STANLEY] to the junior Senator from Delaware [Mr. DU PONT] and vote "yea."

Mr. HALE. I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the senior Senator from Pennsylvania [Mr. CROW] and vote "yea."

Mr. HARRIS. I transfer my pair with the junior Senator from New York [Mr. CALDER] to the junior Senator from Rhode Island [Mr. GERRY] and vote "nay."

Mr. UNDERWOOD. The junior Senator from Mississippi [Mr. HARRISON] is unavoidably detained from the Chamber. He is paired with the junior Senator from West Virginia [Mr. ELKINS]. The Senator from Mississippi desired me to announce that if he were present he would vote "nay."

Mr. HARRIS. I wish to announce that my colleague [Mr. WATSON of Georgia] is absent owing to illness.

Mr. SIMMONS (after having voted in the negative). May I inquire if the junior Senator from Minnesota [Mr. KELLOGG] has voted?

The PRESIDING OFFICER. The junior Senator from Minnesota has not voted.

Mr. SIMMONS. I transfer my general pair with that Senator to the senior Senator from Texas [Mr. CULBERSON] and allow my vote to stand.

Mr. CURTIS. I wish to announce that the junior Senator from Colorado [Mr. NICHOLSON] is necessarily absent. If present, he would vote "yea." He stands paired on this vote with the junior Senator from South Carolina [Mr. DIAL].

I also wish to announce that the Senator from Nevada [Mr. ODDIE] is necessarily absent. If present, he would vote "yea." He stands paired on this vote with the junior Senator from Tennessee [Mr. McKELLAR].

I also wish to announce the following pairs:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The junior Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The senior Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH].

The result was announced—yeas 38, nays 12, as follows:

YEAS—38.

Borah	Johnson	McKinley	Spencer
Bursum	Jones, N. Mex.	McLean	Sterling
Cameron	Jones, Wash.	McNary	Sutherland
Capper	Kendrick	New	Townsend
Curtis	Keyes	Norbeck	Wadsworth
Ernst	Ladd	Norris	Warren
Fernald	La Follette	Phipps	Watson, Ind.
France	Lenroot	Poindexter	Willis
Gooding	Lodge	Shortridge	
Hale	McCumber	Smoot	

NAYS—12.

Ashurst	Heflin	Pomerene	Trammell
Caraway	Hitchcock	Sheppard	Underwood
Harris	Overman	Simmons	Walsh, Mass.

NOT VOTING—46.

Ball	Elkins	Myers	Robinson
Brandegee	Fletcher	Nelson	Shields
Broussard	Frelinghuysen	Newberry	Smith
Calder	Gerry	Nicholson	Stanfield
Colt	Glass	Oddie	Stanley
Crow	Harreld	Owen	Swanson
Culberson	Harrison	Page	Walsh, Mont.
Cummins	Kellogg	Pepper	Watson, Ga.
Dial	King	Pittman	Weller
Dillingham	McCormick	Ransdell	Williams
du Pont	McKellar	Rawson	
Edge	Moses	Reed	

So the committee amendment was agreed to.

The PRESIDING OFFICER. The next amendment will be stated.

The READING CLERK. The next amendment of the committee is in paragraph 730, page 105, line 7, to strike out "50" and insert "78," so as to read:

Wheat flour, semolina, crushed or cracked wheat, and similar wheat products not specially provided for, 78 cents per 100 pounds.

Mr. WALSH of Massachusetts. Mr. President, I shall not ask for a record vote on that item, as the result would undoubtedly be the same as on the last vote.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. McCUMBER. I ask that we now take up paragraph 735, apples.

The PRESIDING OFFICER. The amendment in that paragraph will be stated.

The READING CLERK. On page 106, line 14, before the word "cents," the committee proposes to strike out "25" and insert "30," so as to read:

PAR. 735. Apples, green or ripe, 30 cents per bushel of 50 pounds; dried, desiccated, or evaporated, 2 cents per pound; otherwise prepared or preserved, and not specially provided for, 2½ cents per pound.

Mr. WALSH of Massachusetts. Mr. President, the Senate committee amendment increases the duty fixed by the House upon apples from 25 cents per bushel of 50 pounds to 30 cents per bushel of 50 pounds. Under the Underwood law the duty was 10 cents per bushel. Under the Payne-Aldrich law the duty was 25 cents per bushel. The duty proposed by the Senate Finance Committee is an increase over the Underwood law of 200 per cent and over the Payne-Aldrich law of 20 per cent. The rate named in the emergency tariff law was 30 cents per bushel.

The production of apples in 1920 was over 400,000,000 bushels, a commercial crop of about 100,000,000 bushels. The imports in 1920 amounted to only 748,576 bushels, and the average imports for the years 1916 to 1919 were only about 32,000 bushels. The exports in 1920 amounted to over 3,000,000 bushels, and for the first half of the year 1921 they amounted to over 3,700,000 bushels. Under the Underwood law, with the low rate compared with the rate recommended by the committee more apples were exported in the first six months of 1921 than were exported during the entire year 1920.

Our imports of apples for consumption have never reached more than $1,000,000 worth, while our exports have been in the vicinity of $10,000,000. Our exports have invariably amounted to about ten times as much as our imports.

Both the United States and Canada, which is our only competitor, export heavily of apples. The balance of advantage appears to be in favor of the United States because of the earlier season and more favorable conditions of production. This increase to 30 cents per bushel, if the tariff duty becomes effective and is reflected in the increased price to the consumers, will amount to $120,000,000.

Mr. President, I now call attention to the effect of the duty fixed in the emergency tariff law upon apples. There were more apples imported into this country during the six months following the passage of the emergency tariff law, very many more, than during the corresponding six months of the year 1920. Just note how impressive the figures are:

September, 1920, 39,057 bushels imported; September, 1921, 229,572 bushels imported.

October, 1920, 12,363 bushels imported; October, 1921, 771,000 bushels imported.

November, 1920, 14,424 bushels imported; November, 1921, 341,184 bushels imported.

December, 1920, 3,582 bushels imported; December, 1921, 49,125 bushels imported.

The reason for these large imports during the last six months of the year 1921 is that the apple crop of that year was short, proving that if our producers do not give to the American people the amount of product necessary for their consumption our people are obliged to go into the foreign markets to buy what they need. Thus with a short apple crop our consumers were obliged to import apples from Canada.

It seems to me that the right or the opportunity to import, under reasonable tariff duties, products which are so necessary for our people as apples, ought not to be restricted by very high and excessive duties, especially in years when we have a short crop, because then the tendency is for the price to advance and to reach a high peak. If we can turn to the foreign markets for products we need, and by the payment of a reasonable rate of duty get the necessary imports, we will be able to keep down the unusual and excessive prices which come with short crops.

Mr. President, the facts in the case do not justify the imposition of the very high rates which are provided in this paragraph. This is another effort to discourage our business and trade relations with Canada. I can not see any benefit whatever to be derived by the American farmer from the imposition of this very high duty, a duty which even the House was unwilling to levy.

The PRESIDING OFFICER. The question is on the amendment of the committee.

The amendment was agreed to.

Mr. McCUMBER. Mr. President, on page 106, after line 17, I move to insert the additional paragraph which I send to the desk.

The PRESIDING OFFICER. The amendment proposed by the Senator from North Dakota will be stated.

The ASSISTANT SECRETARY. After line 17, on page 106, it is proposed to insert the following as an additional paragraph:

PAR. 735a. Apricots, green, ripe, dried, or in brine, one-half of 1 cent per pound; otherwise prepared or preserved, 40 per cent ad valorem.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from North Dakota on behalf of the Committee on Finance.

The amendment was agreed to.

Mr. McCUMBER. In connection with the amendment just agreed to relative to apricots I ask to insert in the RECORD the table which I send to the Secretary's desk.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Production of Apricots, 1919.

Canned: 3,939,768 cases (48 No. 1 cans) $25,167,772.
Dried: 24,192,628 pounds, $6,034,697.
Domestic cost, 12 cents per pound; one-half cent rate equals 4 per cent ad valorem.

Exports of dried apricots.

	Pounds.		Pounds.
1910–11	19,300,000	1916–17	9,800,000
1911–12	13,400,000	1917–18	5,200,000
1912–13	35,000,000	1918–19	20,900,000
1913–14	17,400,000	1919–20	26,700,000
1914–15	23,700,000	1920–21	8,300,000
1915–16	23,900,000		

The PRESIDING OFFICER. The Secretary will state the next amendment of the committee.

The next amendment was, on page 106, line 22, before the words "per pound," to strike out "1 cent" and to insert "1½ cents," and in line 24, before the words "per cent," to strike out "20" and to insert "35," so as to make the paragraph read:

PAR. 737. Berries, edible, in their natural condition or in brine, 1½ cents per pound; dried, desiccated, or evaporated, 2½ cents per pound; otherwise prepared or preserved, and not specially provided for, 35 per cent ad valorem.

Mr. WALSH of Massachusetts. Mr. President, the rate reported in the committee amendment is an increase over the rate on berries provided in all previous laws. The Underwood law and the Payne-Aldrich law both provided a rate of 1 cent. There was no duty imposed on berries in the emergency tariff law. The Senate committee amendment seeks to raise the rate even over the high rate in the House bill. There is no question whatever of protection.

In 1919 our production of berries aggregated about 284,000,000 quarts. Of this amount about 174,000,000 quarts were strawberries, 40,000,000 quarts were blackberries, 50,000,000 quarts were raspberries, 12,000,000 quarts were loganberries, and 5,000,000 quarts were gooseberries.

Our imports have been very insignificant. They have averaged only about 2,000,000 quarts a year, valued roughly at about $200,000. In 1920 we imported only 2,327,000 quarts, valued at about $337,000.

Our exports have almost invariably been four times the value of our imports. The value of our exports for the last year was $953,000—nearly a million dollars.

This trade is highly sectional and local because of the limited keeping quality of the fruit. The prices of fruits and berries vary according to the volume of production and the demand in different localities. There can be no question whatever of protection, and there can be no benefit to the berry producer from the levying of a protective duty.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the next committee amendment.

The next amendment was, on page 107, line 1, after the word "natural," to strike out "state" and to insert "state, sulphured"; in line 2, before the word "cents," to strike out "1½" and to insert "2," so as to read:

PAR. 738. Cherries, in their natural state, sulphured, or in brine, 2 cents per pound.

Mr. WALSH of Massachusetts. Mr. President, in 1919 we produced 3,945,000 bushels of cherries, valued at $14,000,000. The imports of cherries are chiefly from Canada and are comparatively insignificant. The rate of duty proposed is higher than ever before imposed upon cherries. It is higher than the rate fixed by the Underwood law or even the Payne-Aldrich law. The same state of facts prevails here as in the case of berries and apples. There is in my opinion absolutely no ques-

tion of tariff involved in this item, and the levying of a duty can be of no benefit to the producer, but may be a benefit to the retailer or wholesaler who will take advantage when he can of increased tariff duties to secure increased prices from the consumer. That is one of the serious consequences of these tariff duties. It will encourage the tendency to increase prices on any pretext. My attention has been called to an article in one of the New York newspapers to-day to the effect that after our action in increasing the duty upon cream and milk yesterday the price of milk increased 1 cent per quart in the city of New York.

The duties levied in this bill will be used as an excuse by the middleman to increase his prices, but rarely, if ever, especially in such items as apples, berries, and cherries, will the duty be reflected in any increased price to the producer or farmer.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 107, in line 3, after the word "manner," to strike out "20" and to insert "40," so as to read:

Maraschino cherries and cherries prepared or preserved in any manner, 40 per cent ad valorem.

Mr. McCUMBER. Mr. President, I desire to modify the committee amendment by striking out "40," in line 3, and inserting in lieu thereof "45."

Mr. WALSH of Massachusetts. Mr. President, I do not see any reason for increasing the duty upon that type of cherries, in view of the strict enforcement of the prohibition laws of the land. I will not take up the time of the Senate, however, to argue very strenuously against the proposal, as the importations are very limited, and the duty will probably not be reflected in increased prices. Many of the following paragraphs are basket clauses and not important, and I shall not delay the Senate by discussing them. They are all amendments to increase the duties on foodstuffs—and if effective in increasing prices, will contribute to the increased cost of living.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as modified by the committee.

The amendment as modified was agreed to.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 107, line 8, before the word "or," to insert "dried," so as to read:

PAR. 740. Citrons and citron peel, crude, dried, or in brine, 2 cents per pound; candied or otherwise prepared or preserved, 4 cents per pound.

The amendment was agreed to.

Mr. McCUMBER. On behalf of the committee, on page 107, line 10, I move to strike out the numeral "4" and insert in lieu thereof the numeral "5."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Dakota on behalf of the committee.

The amendment was agreed to.

The next amendment was, on page 107, in line 11, before the word "or," to insert "dried"; in the same line, after the word "brine," to insert "2 cents per pound," so as to read:

Orange and lemon peel, crude, dried, or in brine, 2 cents per pound.

The amendment was agreed to.

The next amendment was, on page 107, in line 12, before the word "cents," to strike out the figure "2" and to insert "4," so as to read:

Candied, or otherwise prepared or preserved, 4 cents per pound.

Mr. McCUMBER. In behalf of the committee, in line 12, I desire to modify the amendment by striking out "4" and in lieu thereof inserting "5."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee as modified.

The amendment as modified was agreed to.

Mr. McCUMBER. I desire on behalf of the committee to move to strike out the words "or dried," in line 13, on page 107, and insert in lieu thereof a comma and the words "dried, or in brine."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Dakota on behalf of the committee.

The amendment was agreed to.

The next amendment was, on page 107, line 14, before the words "per cent," to strike out "20" and to insert "35," and in line 15, after the word "valorem," to strike out "; dates, 1 cent per pound," so as to make the paragraph read:

PAR. 741. Figs, fresh or dried, 2 cents per pound; prepared or preserved in any manner, 35 per cent ad valorem.

Mr. McCUMBER. On behalf of the committee I desire, in line 14, to move to substitute "40" for "35."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee as modified.

The amendment as modified was agreed to.

Mr. WALSH of Massachusetts. Mr. President, I suggest that the items named in paragraphs 741, 741a, 742, 743, 754, 755, and 758 go over and be taken up on Monday.

Mr. JOHNSON. Will the Senator please state those paragraphs again?

Mr. WALSH of Massachusetts. Yes. I had in mind taking up all the citrus fruits together, and the nuts that are produced in California—741, 741a, 742, 743——

Mr. McCUMBER. Does the Senator want 741 to go over?

Mr. WALSH of Massachusetts. Yes, sir.

Mr. McCUMBER. I will say that that has already been agreed to, unless the Senator desires a reconsideration.

Mr. WALSH of Massachusetts. I should like to have it reconsidered. I should like to make a very brief statement about it, because all of these fruits have a common basic condition that ought to be considered, I think, in passing upon these amendments.

Mr. McCUMBER. The Senator desires paragraphs 741 and 741a both to go over?

Mr. WALSH of Massachusetts. Yes; also paragraphs 742, 743, 754, and 758.

The PRESIDING OFFICER. The Senator from Massachusetts asks unanimous consent that the vote of the Senate on the items in paragraph 741 be reconsidered, and that paragraphs 741, 741a, 742, 743, 754, and 758 go over until Monday. Is there objection?

Mr. McCUMBER. There is no objection to that.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WALSH of Massachusetts. I think a good deal of time can be saved by adopting that course, because they can all be discussed at one time by the various Senators who desire to discuss them.

Mr. JOHNSON. Mr. President, I have no desire to object to the request of the Senator. There are, however, two distinct matters and two distinct lines of discussion in respect to the items covered by the Senator's request. The almonds and the walnuts are entirely different from the fruits. That, I take it, the Senator understands. May I call to the attention of the Senator from Massachusetts the amendment which is pending here in relation to paragraph 742 that is presented by the Senator from Ohio [Mr. WILLIS] and myself?

Mr. WALSH of Massachusetts. I did not understand what the Senator said about the pending amendment.

Mr. JOHNSON. I was calling to the Senator's attention an amendment to paragraph 742 that had been presented by the Senator from Ohio [Mr. WILLIS] and myself. It increases slightly some of the duties in that paragraph; and doubtless the Senator, after reading the amendment, will consent to those increases.

Mr. WALSH of Massachusetts. I have no objection to action being taken on paragraphs 744, 745, 746, and 747.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The ASSISTANT SECRETARY. Paragraph 745. Peaches and pears, green or ripe——

Mr. McCUMBER. On page 108, line 4, on behalf of the committee, I move to strike out the words "or ripe," and to insert in lieu thereof a comma and the words "ripe, or in brine."

The amendment was agreed to.

The next amendment was, on page 108, line 5, after the word "evaporated," to strike out "1 cent" and to insert "2 cents," and in line 7, before the words "per cent," to strike out "20" and to insert "35," so as to make the paragraph read:

PAR. 745. Peaches and pears, green, ripe, or in brine, one-half of 1 cent per pound; dried, desiccated, or evaporated, 2 cents per pound; otherwise prepared or preserved, and not specially provided for, 35 per cent ad valorem.

Mr. McCUMBER. I ask to substitute "40" for "35" on line 7.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee as modified.

The amendment as modified was agreed to.

The next amendment was, on page 108, line 8, after the word "pineapples," to insert "22½ cents per crate of 1.96 cubic feet; in bulk,"; in line 10, before the word "prepared," to strike out "pineapples," and in line 11, before the word "cents," to strike out "3¾" and to insert "2," so as to make the paragraph read:

PAR. 746. Pineapples, 22½ cents per crate of 1.96 cubic feet; in bulk, three-fourths of 1 cent each; prepared or preserved in any manner, 2 cents per pound.

Mr. McCUMBER. On page 108, lines 10 and 11, I desire to modify the committee amendment by striking out "pineapples, prepared or preserved in any manner, 3½," and inserting in lieu thereof the following:

Candied, crystallized, or glazed, 40 per cent ad valorem; otherwise prepared or preserved, not specially provided for, 2 cents per pound.

The amendment as modified was agreed to.

The ASSISTANT SECRETARY. Paragraph 747——

Mr. McCUMBER. On page 108, line 12, I move to strike out the words "or ripe" and to insert in lieu thereof a comma and the words "ripe, or in brine."

The amendment was agreed to.

The next amendment was, on page 108, line 15, before the words "per cent," to strike out "20" and to insert "35," so as to make the paragraph read:

PAR. 747. Plums, prunes, and prunelles, green, ripe, or in brine, one-half of 1 cent per pound; dried, one-half of 1 cent per pound; otherwise prepared or preserved, and not specially provided for, 35 per cent ad valorem.

Mr. McCUMBER. I ask to substitute "40" for "35" in line 15.

Mr. WALSH of Massachusetts. Mr. President, I note that all of the amendments proposed by the Senator from North Dakota are increases in rates.

Mr. McCUMBER. Yes; they are all increases, practically.

Mr. WALSH of Massachusetts. I did not think that the products coming in under these paragraphs were of very much importance, but evidently the Senator thinks them of sufficient importance to increase the rate in every instance.

Mr. McCUMBER. Yes; we have generally on the reconsideration been inclined to lower the rates, but upon these fruits our inclination has been to raise them somewhat.

Mr. WALSH of Massachusetts. The imports of plums, for instance, have only amounted to $4,000 a year, and so with all of the products named in these last paragraphs. It seemed to me it was unnecessary to take the time of the Senate to discuss them.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee as modified.

The amendment as modified was agreed to.

The next amendment was, on page 108, line 16, after the words "Par. 748," to strike out "Pickled fruits and nuts, and sauces of all kinds, not specially provided for; comfits, sweetmeats, and all," and to insert "All"; in line 18, before the word "fruit," to insert "and," and in the same line, after the word "butters," to strike out "and similar products, 28," and to insert "30", so as to make the paragraph read:

PAR. 748. All jellies, jams, marmalades, and fruit butters, 30 per cent ad valorem.

Mr. McCUMBER. I ask to insert "40" instead of "30" in line 19.

Mr. WALSH of Massachusetts. Mr. President, may I ask the Senator what is the reason for these large increases? Here is an amendment where the Senator proposes to increase the rate from 30 to 40 per cent ad valorem.

Mr. McCUMBER. Yes; Mr. President, it is to take care of the extra duties upon the raw material, upon the sugar and upon the waste; and as carefully as we could estimate the differential added to the necessary amount for adequate protection, we gave all of these a 40 per cent ad valorem rate.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as modified.

The amendment as modified was agreed to.

The next amendment was, on page 108, at the beginning of line 21, before the word "dried," to insert "pickled"; and in line 23, after the word "fruits," to strike out "20" and to insert "prepared or preserved, 35," so as to read:

PAR. 749. Fruits in their natural state, or in brine, pickled, dried, desiccated, evaporated, or otherwise prepared or preserved, and not specially provided for, and mixtures of two or more fruits, prepared or preserved, 35 per cent ad valorem.

Mr. McCUMBER. I ask to insert "40" in lieu of "35."

Mr. WALSH of Massachusetts. I suppose that increase is for the same reason, because of the heavy duties levied here on sugar and other products used in making these preserved fruits?

Mr. McCUMBER. Mr. President, of course sugar is not used in those fruits that are dried or in brine or pickled or dried or desiccated or evaporated, but the duties on all are placed at exactly the same rate, 40 per cent.

Mr. WALSH of Massachusetts. The amendment in the bill is 35 per cent, and now the Senator moves to increase it to 40 per cent?

Mr. McCUMBER. Yes.

Mr. WALSH of Massachusetts. What is the reason for the increase? It says "prepared or preserved fruits." Are not preserved fruits made by the use of sugar?

Mr. McCUMBER. Yes; certainly preserved fruits are.

Mr. WALSH of Massachusetts. The amendment on line 23 says "prepared or preserved." I understood the Senator to say there was no question of sugar in this item.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee as modified.

The amendment as modified was agreed to.

The next amendment was, on page 108, line 24, after the word "all," to insert "specific," so as to make the proviso read:

Provided, That all specific provisions of this title for fruits and berries, prepared or preserved, shall include fruits and berries preserved or packed in sugar, or having sugar added thereto, or preserved or packed in molasses, spirits, or their own juices.

The amendment was agreed to.

The next amendment was, on page 109, line 4, after the word "kinds," to strike out "and similar products," so as to read:

PAR. 750. Berries and fruits of all kinds, prepared or preserved in any manner, containing 5 per cent or more of alcohol, shall pay in addition to the rates provided in this title $5 per proof gallon on the alcohol contained therein.

The amendment was agreed to.

The next amendment was, on page 109, line 13, after the word "Tulip," to strike out "narcissus, and hyacinth bulbs" and to insert "lily, and narcissus bulbs"; in line 14, after the word "pips," to strike out "$4" and to insert "$2"; in line 15, after the word "thousand," to strike out "lily of the valley clumps, $10 per thousand," and to insert "hyacinth bulbs, $4 per thousand"; in line 17, before the word "all," to strike out "lily bulbs, $4 per thousand"; in line 18, after the word "stocks," to insert "clumps"; in line 19, before the words "per centum," to strike out "20" and to insert "30"; and in line 20, before the words "per centum," to strike out "25" and to insert "40," so as to make the paragraph read:

PAR. 751. Tulip, lily, and narcissus bulbs, and lily of the valley pips, $2 per thousand; hyacinth bulbs, $4 per thousand; crocus bulbs, $1 per thousand; all other bulbs and roots, rootstocks, clumps, corms, tubers, and herbaceous perennials, imported for horticultural purposes, 30 per cent ad valorem; cut flowers, fresh or preserved, 40 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 109, line 23, after the word "other," to strike out "roses" and to insert "rose stock, all the foregoing not more than 3 years old"; in line 24, after the word "thousand," to strike out "plants" and to insert "rose plants, budded, grafted, or grown on their own roots, 4 cents each"; on page 110, line 1, after the word "grafted," to insert "or budded"; and in line 3, after the word "vines," to strike out "including greenhouse plants, 20," and to insert "and all nursery or greenhouse stock, not specially provided for, 30," so as to make the paragraph read:

PAR. 752. Seedlings and cuttings of Manetti, multiflora, brier, rugosa, and other rose stock, all the foregoing not more than 3 years old, $2 per thousand; rose plants, budded, grafted, or grown on their own roots, 4 cents each; cuttings, seedlings, and grafted or budded plants of other deciduous or evergreen ornamental trees, shrubs, or vines, and all nursery or greenhouse stock not specially provided for, 30 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 110, line 6, after the word "of," to strike out "plants for"; in line 7, before the word "other," to strike out "or" and to insert "and"; in line 8, after the word "thousand," to strike out "plants"; in line 10, after the word "fruit," to strike out "vines" and insert "vines, plants"; and in the same line, before the words "per centum," to strike out "20" and insert "30," so as to make the paragraph read:

PAR. 753. Seedlings, layers, and cuttings of apple, cherry, pear, plum, quince, and other fruit stocks, $2 per thousand; grafted or budded fruit trees, cuttings and seedlings of grapes, currants, gooseberries, or other fruit vines, plants, or bushes, 30 per cent ad valorem.

The amendment was agreed to.

The ASSISTANT SECRETARY. Paragraph 754 goes over.

The next amendment was, on page 110, after line 15, to strike out "chestnuts, including marrons, in their natural state, dried, or baked, one-half of 1 cent per pound; prepared or preserved, and not specially provided for, 15 cents per pound," so as to make the paragraph read:

PAR. 755. Cream or Brazil nuts, 1 cent per pound; filberts, not shelled, 2½ cents per pound; shelled, 5 cents per pound; pignolia nuts, 1 cent per pound; pistache nuts, 1 cent per pound.

The amendment was agreed to.

Mr. McCUMBER. In paragraph 756, page 110, line 20, I move to strike out the words "coconuts, one-half of 1 cent each; coconut," and to insert in lieu thereof "Coconut."

Mr. WALSH of Massachusetts. That amendment will have the effect of putting coconuts on the free list?

Mr. McCUMBER. The purpose is to place the coconuts themselves upon the free list, and this paragraph will take care of coconut meat, shredded and desiccated, or similarly prepared, at 4 cents per pound.

Mr. WALSH of Massachusetts. I do not see either one of the Senators from Florida, and as that is the only State in which coconuts grow, I suppose they do not object.

The amendment was agreed to.

The next amendment was, on page 110, line 21, before the word "cents," to strike out "4½" and to insert "4," so as to make the paragraph read:

PAR. 756. Coconut meat, shredded and desiccated, or similarly prepared, 4 cents per pound.

Mr. McCUMBER. On line 21 I move to strike out "4" and insert "2½."

Mr. WALSH of Massachusetts. That is a commendable change in the rate.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 110, line 23, after the word "shelled," to strike out "3 cents" and insert "three-fourths of 1 cent," and in line 24, before the word "cents," to strike out the figure "4" and insert "1½," so as to make the paragraph read:

PAR. 757. Peanuts, not shelled, three-fourths of 1 cent per pound; shelled, 1½ cents per pound.

Mr. WALSH of Massachusetts. That should go over.

The PRESIDING OFFICER. Without objection, paragraph 757 will go over. Paragraph 758 has been passed over.

The next amendment was in paragraph 759, page 111, line 5, after the word "per," to strike out "pound" and to insert "pound; pickled, or otherwise prepared or preserved, and not specially provided for, 35 per cent ad valorem", so as to read:

Edible nuts, shelled or unshelled, not specially provided for, 1 cent per pound; pickled, or otherwise prepared or preserved, and not specially provided for, 35 per cent ad valorem.

Mr. SHORTRIDGE. That should go over, should it not?

The PRESIDING OFFICER. The Senator from California asks unanimous consent that paragraph 759 go over. Is there objection?

Mr. WALSH of Massachusetts. That is satisfactory.

The PRESIDING OFFICER. The Chair hears no objection, and the paragraph will be passed over.

The next amendment was, on page 111, line 11, before the word "cents," to strike out "25" and to insert "40"; and in line 14, after the word "per," to strike out "pound" and to insert "pound; soya beans, four-tenths of 1 cent per pound; cotton seed, one-third of 1 cent per pound", so as to read:

PAR. 760. Oil-bearing seeds and materials: Castor beans, one-half of 1 cent per pound; flaxseed, 40 cents per bushel of 56 pounds; poppy seed, 32 cents per 100 pounds; sunflower seed, 2 cents per pound; apricot and peach kernels, 3 cents per pound; soya beans, four-tenths of 1 cent per pound; cotton seed, one-third of 1 cent per pound.

Mr. WALSH of Massachusetts. I ask that that go over.

Mr. McCUMBER. I understand the Senator from New Jersey [Mr. FRELINGHUYSEN] desires to have it go over until he returns.

Mr. WALSH of Massachusetts. I think that paragraph is to be discussed with some paragraphs in the chemical schedule which were passed over.

The PRESIDING OFFICER. Without objection, paragraph 760 will go over.

The next amendment of the committee was, in paragraph 761, page 111, line 18, to strike out "2" and insert "4"; in line 19, to strike out "3" and insert "4"; in line 20, to strike out "3" and insert "4"; in line 22, to strike out "one-half of"; in line 25, to strike out "pound" and insert "pound: *Provided*, That no allowance shall be made for dirt or other impurities in seed provided for in this paragraph," so as to read:

PAR. 761. Grass seeds: Alfalfa, 4 cents per pound; alsike clover, 4 cents per pound; crimson clover, 1 cent per pound; red clover, 4 cents per pound; white clover, 3 cents per pound; clover, not specially provided for, 2 cents per pound; millet, 1 cent per pound; timothy, 2 cents per pound; hairy vetch, 2 cents per pound; spring vetch, 1 cent per pound; all other grass seeds not specially provided for, 2 cents per pound: *Provided*, That no allowance shall be made for dirt or other impurities in seed provided for in this paragraph.

Mr. WALSH of Massachusetts. May I ask the Senator from North Dakota why the increases in this paragraph over the House rates have been made as to grass seed? The increase over the House rate in the case of alfalfa is 100 per cent.

Mr. McCUMBER. The only reason I can give for it is that the committee believe that there should be a higher degree of protection given upon these seeds, which are the products of our farms.

Mr. WALSH of Massachusetts. Were these increases made at the suggestion of the agricultural tariff bloc?

Mr. McCUMBER. The Senator is a good guesser.

Mr. WALSH of Massachusetts. I should think they would result in placing an increased burden, if effective, upon most of the farmers, because I had assumed that a very small proportion of farmers raise seeds for commercial purposes.

Mr. McCUMBER. I suppose it is assumed that if a farmer does not raise his seed it is because it pays him to get it somewhere else, and the conclusion was that the farmers ought to get enough for it so that they could all raise their own seeds.

Mr. WALSH of Massachusetts. You are trying to make the farmer who has to get it somewhere else pay a little more for it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SMOOT. At the request of the senior Senator from Michigan [Mr. TOWNSEND] I ask that paragraph 762 be passed over.

The PRESIDING OFFICER. Is there objection to passing over paragraph 762? The Chair hears none, and it is so ordered.

The next amendment was, on page 112, line 18, after the word "Beans," to insert "not specially provided for"; in line 19, after the word "dried," to strike out "1¾" and to insert "2"; and in line 20, after the word "manner," to strike out "2" and to insert "2½," so as to make the paragraph read:

PAR. 763. Beans, not specially provided for, green or unripe, one-half of 1 cent per pound; dried, 2 cents per pound; in brine, prepared or preserved in any manner, 2½ cents per pound.

Mr. WALSH of Massachusetts. I ask that that may go over.

The PRESIDING OFFICER. The Senator from Massachusetts asks that paragraph 763 may go over. Is there objection? The Chair hears none, and the paragraph will be passed over.

The next amendment was, on page 112, line 24, after the words "Par. 765," to strike out "Chickpeas or garbanzos, 1 cent per pound; cowpeas, one-half of 1 cent per pound; lentils, 2 cents," and to insert "Lentils, one-half of 1 cent," and on page 113, line 1, before the word "one-half," to strike out "lupins" and to insert "lupines," so as to make the paragraph read:

PAR. 765. Lentils, one-half of 1 cent per pound; lupines, one-half of 1 cent per pound.

The amendment was agreed to.

Mr. WALSH of Massachusetts. I ask that paragraph 766 be passed over for the present.

The PRESIDING OFFICER. Without objection, the paragraph will be passed over.

The next amendment was, on page 113, line 7, after the word "dried," to strike out "75 cents per 100 pounds" and to insert "1 cent per pound"; in line 8, after the word "split," to strike out "1 cent" and to insert "1½ cents," so as to make the paragraph read:

PAR. 767. Peas, green or dried, 1 cent per pound; peas, split, 1½ cents per pound; peas, prepared or preserved in any manner, 2 cents per pound.

Mr. WALSH of Massachusetts. The first part of that paragraph seems to be a very sweeping change. Will the Senator from North Dakota explain why the committee recommends the increase to a cent a pound from three-quarters of a cent per pound?

Mr. McCUMBER. There was great pressure brought to bear upon the committe by what is known as the agricultural bloc to increase the duty upon peas, green or dried, from three-fourths of a cent per pound to 1 cent per pound, and the committee, after hearing those Senators, concluded that their plea was well founded, and consented to raise the duty one-quarter of a cent per pound.

Mr. WALSH of Massachusetts. I suppose the same explanation accounts for the changes in the following paragraphs on onions, potatoes, tomatoes, and so forth.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, on page 113, line 11, after the word "onions," to strike out "75 cents per 100 pounds" and to insert "1 cent per pound," so as to make the paragraph read:

PAR. 768. Onions, 1 cent per pound; garlic, 2 cents per pound.

The amendment was agreed to.

The next amendment was, on page 113, line 13, before the word "cents," to strike out the figures "42" and to insert "58"; at the beginning of line 15, before the word "cents," where it occurs the first time, to strike out "3½" and to insert "2¾," and in the same line before the word "cents," where it occurs the second time, to strike out "1½" and to insert "3," so as to make the paragraph read:

PAR. 769. White or Irish potatoes, 58 cents per 100 pounds; dried, dehydrated, or desiccated potatoes, 2¾ cents per pound; potato flour, 3 cents per pound.

The amendment was agreed to.

The next amendment was, on page 113, line 17, before the words "per cent," to strike out the figures "28" and to insert "45," and in line 18, after the word "manner," to strike out "10" and insert "15," so as to make the paragraph read:

PAR. 770. Tomatoes in their natural state, 1 cent per pound; tomato paste, 45 per cent ad valorem; all other, prepared or preserved in any manner, 15 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 113, line 22, to increase the rate of duty on vegetables in their natural state, not specially provided for, from 20 to 30 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 114, line 4, after the word "for," to insert "sauces of all kinds, not specially provided for"; and in line 10, before the words "per cent," to strike out the figures "25" and to insert "35," so as to make the paragraph read:

PAR. 773. Vegetables, if cut, sliced, or otherwise reduced in size, or if parched or roasted, or if pickled, or packed in salt, brine, oil, or prepared or preserved in any other way and not specially provided for; sauces of all kinds, not specially provided for; soya beans, prepared or preserved in any manner; bean stick, miso, bean cake, and similar products, not specially provided for; soups, pastes, balls, puddings, hash, and all similar forms, composed of vegetables, or of vegetables and meat or fish, or both, not specially provided for, 35 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 14, to strike out in paragraph 774, line 11, the following words: "PAR. 774. Broom corn, $2 per ton."

Mr. CURTIS. I ask that that amendment may go over. The Senator from Oklahoma [Mr. HARRELD] and myself desire to be heard before the committee on it Monday morning.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Is there objection to the request of the Senator from Kansas? The Chair hears none, and it is so ordered.

Mr. POINDEXTER. Mr. President, I move that the vote by which the amendment, on line 8, page 113, changing 1 cent a pound to 1½ cents a pound on split peas was agreed to be reconsidered, and then I shall ask that the paragraph may go over. I would like to have an opportunity to present the matter to the committee in view of the fact that I have certain representations that the differential there of a quarter of a cent a pound is not sufficient to cover the difference in the cost of manufacture of split peas from peas. As a consequence of the proposed rate it is feared that the business of splitting peas will be driven into foreign countries. I would like to have an opportunity to present the objections to the committee.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Washington that the amendment, on line 8, page 113, striking out "1 cent" and inserting in lieu thereof "1½ cents," be reconsidered?

Mr. WALSH of Massachusetts. I was going to suggest to the Senator from Washington that all the amendments in that paragraph ought to be reconsidered, because they all relate to each other.

Mr. POINDEXTER. I have no objection at all. That particular item was the only one I was concerned in.

Mr. WALSH of Massachusetts. If that is changed, the others ought to be changed.

Mr. McCUMBER. Let the whole paragraph go over.

The PRESIDING OFFICER. Is there objection to the suggestion of the Senator from Massachusetts that the vote by which all the amendments in that paragraph were agreed to be reconsidered? The Chair hears none, and it is so ordered.

Mr. POINDEXTER. Now I ask that the paragraph go over.

The PRESIDING OFFICER. Without objection, the paragraph will be passed over. Paragraph 774 will also go over.

The next amendment was, on page 114, line 17, after the word "prepared," to strike out "17½ per cent ad valorem, but not less than 2 cents per pound," and to insert "valued at 20 cents per pound or less, 1 cent per pound; valued at more than 20 cents per pound, 2 cents per pound"; and in line 20, after the word "butter," to strike out "3½ cents per pound" and to insert "30 per cent ad valorem," so as to make the paragraph read:

PAR. 776. Chocolate and cocoa, sweetened or unsweetened, powdered, or otherwise prepared, valued at 20 cents per pound or less, 1 cent per pound; valued at more than 20 cents per pound, 2 cents per pound; cacao butter, 30 per cent ad valorem.

Mr. WALSH of Massachusetts. I ask that that may go over.

Mr. STERLING. I ask unanimous consent that paragraph 776 may go over.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The next amendment was, in paragraph 777, page 114, line 23, to increase the rate of duty on ginger root, candied, or otherwise prepared or preserved, from "15" to "20" per cent ad valorem.

Mr. KING. I move to strike out "20" and insert "10."

The amendment to the amendment was rejected.

The amendment was agreed to.

The next amendment was, in paragraph 778, page 114, line 24, after the word "hay," to strike out "$4" and insert "$3," and in the same line, after the word "straw," to strike out "$1" and insert "$1.50," so as to make the paragraph read:

PAR. 778. Hay, $3 per ton; straw, $1.50 per ton.

Mr. WALSH of Massachusetts. I ask that that paragraph may go over.

The PRESIDING OFFICER. Is there objection?

Mr. McCUMBER. I have no objection to that course.

The PRESIDING OFFICER. The paragraph will be passed over.

Mr. POMERENE. Mr. President, a few moments ago a request was made that the paragraph relative to the duty on nuts should go over until Monday. It did not occur to me at the moment that I shall be obliged to be away on Monday and can not, therefore, be present. I would like to have that paragraph go over until the day after the Fourth.

The PRESIDING OFFICER. The Senator from Ohio asks unanimous consent that the paragraph relating to nuts shall go over until Wednesday instead of Monday.

Mr. LODGE. The fish schedule went over until Wednesday.

Mr. JOHNSON. No; it went over until Monday.

Mr. WALSH of Massachusetts. A similar request has been made of me by Senators who desire to discuss the nut item and who can not be here on Monday. I think it is a very good suggestion that the Senator from Ohio has made.

Mr. POMERENE. I make the suggestion in no captious way at all. I have had a number of telegrams and communications from confectioners and others in Ohio who apparently are very much interested in the subject, and I feel that I would be a little derelict in my duty if I did not present their views.

The PRESIDING OFFICER. The Chair understands that the Senator from Ohio would like to have the item go over until Wednesday.

Mr. WILLIS. What is the request of my colleague?

Mr. POMERENE. My request is that the paragraph relating to the duty on nuts should go over until the 5th.

Mr. LENROOT. What was the request? We could not hear it.

The PRESIDING OFFICER. The Senator from Ohio requests that the paragraph relating to the duty on nuts shall go over until Wednesday.

Mr. WILLIS. Unfortunately for me, I shall be away on Wednesday, and I should like to be present when the paragraph is considered.

Mr. POMERENE. I am willing, so far as I am concerned, to accommodate my wish to that of my colleague.

Mr. JOHNSON. Mr. President, I, of course, want to accommodate the Senators from Ohio in whatever request they make, as I would accommodate any other Senator. I have been waiting all day in the hope that we would get up these particular items to-day and be able to dispose of them. I am ready to go on now and dispose of the proposition, so far as I am concerned. It was only at the request of the junior Senator from Massachusetts that the matter was put over until Monday.

Mr. WALSH of Massachusetts. I am ready to go on also, but it is a matter that will provoke a good deal of debate, and there may be some Senators who are not here who want to participate in the debate. That was the reason for my request. I am prepared to go on and discuss every item in the schedule. I have some information on every item. I am trying to eliminate to-day all that seems to be inconsequential, and all the basket clauses, and those which could be said to be unimportant, and have those which are of importance considered on Monday and Wednesday. In my opinion the debate on this schedule ought to end after two more days.

Mr. McCUMBER. As all the Sentors who are interested in the schedue are here now, and some will be gone Monday and others Wednesday, it seems to me that a better plan would be to go ahead and dispose of it to-day if we can.

Mr. WALSH of Massachusetts. I just said that there are some Senators who are not here who asked me to have the matter go over. One of the reasons why I have permitted a great many of the paragraphs to pass without debate is because the chairman of the committee and others were kind enough to let those items go over. I could have consumed on any one paragraph half an hour or an hour, but I chose to eliminate to-day a part of those paragraphs which are not of importance. I want to save time. I have been trying to hurry the progress of the bill, and particularly this schedule.

Mr. SIMMONS. Mr. President, may I make a suggestion to the Senator from Massachusetts?

Mr. WALSH of Massachusetts. Certainly.

Mr. SIMMONS. Why not adopt the suggestion of the Senators on the other side and let those who are ready to discuss this paragraph go on with the discussion, with the understanding that there will be no vote this afternoon, so as to give those on this side of the Chamber not now present, who may desire to speak, an opportunity to be heard?

Mr. WALSH of Massachusetts. I will say to the Senator that I have an implied understanding that we would recess at 4 o'clock, so I have allowed a lot of these paragraphs which are not consequential to pass without debate. I have had it in mind that as soon as we got through with these paragraphs that were not of importance the Senator from North Dakota would probably move a recess and we could all get away early on this hot day. I think we have covered in the last hour, through my indulgence, more amendments than have been covered before in a week's time.

Mr. McCUMBER. I appreciate that. I hope we can take up the nut item on Monday.

Mr. WATSON of Indiana. Mr. President——

Mr. McCUMBER. I yield to the Senator from Indiana.

Mr. WATSON of Indiana. I ask unanimous consent to temporarily lay aside the tariff bill for the purpose of asking to have handed down the message from the House relating to the interchangeable mileage ticket bill, with a view of moving to concur in the House amendment.

The PRESIDING OFFICER. The Senator from Indiana asks unanimous consent to temporarily lay aside the unfinished business. Without objection, it is so ordered.

ADDRESS BY THE PRESIDENT.

Mr. CAMERON. Mr. President, I ask unanimous consent to have printed in the RECORD, in 8-point type, the President's address to the representatives of the coal operators and miners at the White House to-day.

There being no objection, the address was ordered to be printed in the RECORD in 8-point type, as follows:

ADDRESS OF THE PRESIDENT TO REPRESENTATIVES OF THE COAL OPERATORS AND MINERS, JULY 1, 1922.

Gentlemen of the coal industry, I asked you to meet me here this morning, with the thought that in bringing you together I might be serving both the mine workers and mine operators of the United States, and at the same time serve the great American public, to which both you and I are obligated. I hold no specific authority under which to admonish you, but I do have the right to invite your immediate attention to a situation which deeply concerns the country, the solution of which you collectively owe to the American people.

You who are here to-day represent a large sponsorship for America's supply of fuel. In that sponsorship you have an indissoluble relationship to the commonweal of America. Coal is indispensable to our life as a people, and since this country has afforded you the opportunity of development on your part, both as workers and operators, you have created in turn an obligation to serve. Conflicting views as to your policies and your obligations to one another in no wise modify your obligations to that public which made possible your industrial existence.

Because of expiring agreements relating to wage scales and working conditions a large percentage of the mining activities of the country have been suspended three months to a day. It is not for me to touch upon the merits of your opposing positions. I have not called you as a partisan of the mine worker or the employer. I do not mean even to discuss a single phase of controverted questions. The main point is to bring you together, and in that contact of men to men, mindful of the necessity of righteousness in any useful and abiding relationship, to have you frankly and fairly consider your problems in their relation to the welfare of our common country.

It is pretty generally recognized that there are fundamental difficulties in present-day coal production, the solution of which is not to be found in an hour or a day of most friendly and earnest conference. The excess development of a producing capacity, in both tonnage available and miners to work it, has presented one situation demanding solution, or there will be inevitable loss of property interests and a train of unprofitable employment. The war upheaval and all attending inflations and excess productions have left an inevitable and unavoidable liquidation. The intermittence in employment has made it impossible for mine workers, who are only employed partial time, to pursue their trade at wage rates adjusted to other employments. No industry is soundly based, no American activity can be held secure, where employment is compensated on a base of half-time of two-thirds of the normal, natural work period of an American wage earner.

There has been instability of production, attended by a failure of delivery capacity, which had reflex in speculative prices and panicky conditions, which encouraged profiteering and menaced our industries and hampered our varied public services.

Labor has the right, capital has the right, and, above all else, the American public has the right to be freed from these recurring anxieties, no matter what the causes are. That freedom must be established.

The Government has no desire to intrude itself into the field of your activities. It does feel an obligation to see that the common American interest shall not be menaced by a protracted lack of fuel. It prefers that the two great and associated interests—mine workers and employers—should settle this matter in a frank recognition of the mutuality of your interests. If you can not do that, then the larger public interest must be asserted in the name of the people, where the common good is the first and highest concern.

I have said that the fundamental problems probably can not be solved in a hurried conference. But this conference might well devise the agency for effecting a solution. This is the purpose of calling you together, the beginning of solution. Meanwhile operations ought to be resumed. With diminishing fuel supplies, with menacing shortages as we turn to winter's approach, with unemployment visiting its hardship upon idle mine workers, and with vast ownership without return on investment, it would seem to be the simplest common sense to find acceptable ground on which to resume activities, with commitment to accept the righteous adjustments which may well be expedited in common consent.

This is no time for the militant note of the radical, who would prefer to destroy our social system; no time for the extremist, who thinks the period opportune to break down organized labor. The Government has no ear for either of them, but would gladly lend its cooperation in curbing the extremes of both. More, the Government gladly tenders you its good offices in striving for righteous solution. It has no desire to participate in a merely temporary makeshift. For the good of all the people the Government craves a way to permanent stability, tranquillity, and ample periods of employment at just wages, righteous freedom for workers and righteous freedom for management, and a secure freedom from recurring menaces of suspended activities. It is not a question as to what influences dominate, who wins, who yields most in settlement. There is an indisputable justice in all relationships about which public opinion never fails to be right, and I invite you to prescribe that relationship for your mutual good and the country's common good.

You are admonished to arrive at such understanding with measurable promptness, among yourselves. If the adjustment can not be reached by you alone, Government aid will be available at your joint call. We wish you who best know the way to solution to reach it among yourselves, in a manner to command the sanction of American public opinion. Failing in that, the servants of the American people will be called to the task in the name of American safety, and for the greatest good of all the people.

Suitable accommodations for your conference await your arrival. By agreement I am able to announce a temporary organization with A. M. Ogle to preside and William Green to be your secretary. I have asked Secretaries Fall, Hoover, and Davis to be your escorts, and to be of every assistance possible, as official hosts to such a company.

Let me remind you that toleration, fairness, the spirit of give and take, and finally a sense of the larger obligations to the public are essential to successful conference.

And I commend to you executive sessions, and assume full responsibility for such a recommendation, even as I assume the safeguarding of the public interest in asking you to come together. Differences are more often magnified than composed in their parading, and the call of the hour is adjusted differences, with due concern for the public welfare.

I thank you all alike for your response to my invitation, and I express the hope that in the realization of your responsibilities, and in an appraisal of your obligations, in the face-to-face, man-to-man, and citizen-to-citizen contact you will find a way to a just concord which the American public may gladly acclaim.

INTERCHANGEABLE MILEAGE TICKETS.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 848) to amend section 22 of the act entitled "An act to regulate commerce," approved February 4, 1887, as amended, which were, on page 1, line 3, to strike out all after "22" down to and including "1887" in line 4, and insert "of the interstate commerce act"; on page 1, line 4, to strike out "hereby"; on page 1, line 7, to strike out "as follows, to wit" and insert "to read as follows"; on page 1, line 11, to strike out "joint"; on page 1, line 11, after "mileage," to insert "or scrip coupon"; on page 1, line 11, to strike out "a"; on page 1, line 12, to strike out "rate per mile" and insert "rates"; on page 1, line 12, to strike out "interstate"; on page 1, line 13, to strike out "any and all other" and insert "all"; on page 1, line 14, after "act," to insert "The commission may in its discretion exempt from the provisions of this amendatory act either in whole or in part any carrier where the particular circumstances shown to the commission shall justify such exemption to be made"; on page 1, line 15, to strike out all after "issued" down to and including "miles" in line 1, page 2, and to insert "in such denominations as the commission may prescribe"; on page 2, line 15, after "for" to insert "sale or"; and to amend the title so as to read "An act to amend section 22 of the interstate commerce act, as amended."

Mr. WALSH of Massachusetts. May I ask the Senator from North Dakota if he intends to proceed any further to-day with the tariff bill?

Mr. McCUMBER. I think not. I think if we get through with the matter which the Senator from Indiana has in hand it will be time to have a short executive session, and then we shall recess until Monday.

Mr. WATSON of Indiana. I move that the Senate concur in the House amendments.

Mr. UNDERWOOD. I ask the Senator to explain what the amendments do. I tried to follow the reading of the amendments at the desk, but could not do so.

Mr. WATSON of Indiana. Has the Senator a copy of the bill?

Mr. UNDERWOOD. Yes; I have one; but I could not follow fast enough the reading at the desk to understand the amendments.

Mr. WATSON of Indiana. If the Senator will follow me, I will go very slowly in order that he may understand them.

The first amendment is, on page 1, line 3, to strike out all after "22" down to and including "1887," in line 4, and to insert "of the interstate commerce act."

The next amendment is, on page 1, line 4, to strike out "hereby," so it will read "is amended" instead of "is hereby amended."

The next amendment is, on page 1, line 7, to strike out "as follows, to wit," and to insert "to read as follows." Does the Senator follow me?

Mr. UNDERWOOD. Yes.

Mr. WATSON of Indiana. Page 1, line 11, strike out "joint," so it will read "interchangeable mileage ticket" instead of "joint interchangeable mileage ticket."

Mr. UNDERWOOD. Let me ask the Senator about that. Does that affect the situation at all?

Mr. WATSON of Indiana. I understand it does not. That was the contention on the House side, that it did not change the situation.

The next amendment is, on page 1, line 11, after "mileage," to insert "or strip coupons," so the railroads can issue either mileage or strip coupons.

Mr. UNDERWOOD. That is, coupon books which they can tear out?

Mr. WATSON of Indiana. Yes. Page 1, line 11, strike out the letter "a."

Page 1, line 12, strike out "rate per mile" and insert "rates."

Page 1, line 12, strike out "interstate."

Page 1, line 13, strike out "any and all other" and insert "all."

Page 1, line 14, after the word "act"—I call the Senator's attention to this——

Mr. UNDERWOOD. This is on page 1?

Mr. WATSON of Indiana. Page 1, line 14, after the word "act," insert:

The commission may in its discretion exempt from the provisions of this amendatory act either in whole or in part any carrier where the particular circumstances shown to the commission shall justify such exemption to be made.

Mr. UNDERWOOD. I will ask the Senator what that means? What is the purpose of that provision?

Mr. WATSON of Indiana. My understanding is that it simply lodges a larger discretion in the hands of the Interstate Commerce Commission. If a western railroad in Arizona or New Mexico, for instance, can not possibly get living rates out of any particular revenue that might be given elsewhere, then the commission shall take that into consideration in fixing the rates.

Mr. UNDERWOOD. As I understand it, the bill as it now reads does not prescribe a particular rate?

Mr. WATSON of Indiana. It does not.

Mr. UNDERWOOD. Except just and fair rates?

Mr. WATSON of Indiana. That is true.

Mr. UNDERWOOD. If that is true, why should a railroad company be exempt from complying with the terms of the act if the commission is to fix just and reasonable rates?

Mr. WATSON of Indiana. I do not know, I will say to the Senator. I can not understand why that amendment was inserted. I do not think it makes any difference one way or the other, because if we lodge this discretionary power in the hands of the commission, I imagine the commission will have the right to exempt any particular road anyway.

Mr. UNDERWOOD. I think without that language the commission would have the power, of course, to adopt what the commission determined was a just and reasonable rate, but it would have to issue mileage tickets to all railroads. Of course, I am rather inclined to think that with this provision in it would give the commission power, if it saw fit to do so, to destroy the force of the act.

Mr. WATSON of Indiana. Would not that all depend on the rate which the commission might fix? Suppose the commission fixed the rate of 2½ or 3 cents a mile and it was found by some of the western roads that they could not live on the revenue derived from that rate. Then if this is to become the law at all, should not those roads be exempt and should not the commission have the right to exempt such roads?

Mr. UNDERWOOD. I have doubts about that, not that I intend to stop the legislation. I think the railroad rates are too high for men who have to make a business of traveling.

Mr. WATSON of Indiana. I agree with the Senator about that.

Mr. UNDERWOOD. I think there should be some opportunity given to the commission to issue railroad tickets for men who are continually engaged in the business of traveling, under which they can move more reasonably. I would not take the responsibility of holding up or stopping the legislation because of the amendment. I regret that it is put in here, because I think it might give power to destroy the whole purpose of the act.

Mr. WATSON of Indiana. I will say to the Senator that I read the debate in the House on the question, and there was not very much light thrown on this amendment. When I came to study it myself with great care I was not just certain about what the effect might be. It would give very great discretionary power, of course, to the commission; but, after all, we are giving the commission that power anyway, and it is a grave question with me, if there are certain railroads so situated that they could not make living revenues out of the general rates prescribed, whether the commission ought not to have the right to exempt such roads from any universal operation of the rule.

Mr. UNDERWOOD. I can not say that I agree that the amendment is a wise one, but still I am not going to object to the bill on that account.

Mr. WATSON of Indiana. The next amendment, I will say to the Senator from Alabama, is, on page 1, line 15, to strike out all after the word "issued," down to and including the word "miles," in line 1, page 2, and to insert "in such denominations as the commission may prescribe." I would not have said "denominations" if I had been writing it, but I think the meaning is clear, it meaning such number of miles.

Mr. UNDERWOOD. In other words, as we get the legislation as it comes back from the House, we have withdrawn the mandatory provisions that were in the Senate bill, requiring all railroads to observe it, and we are giving discretion to the commission, and we have also given discretion to the commission to determine the size of the mileage books, and they can require a man, if he buys any mileage at all, to buy 10,000 miles?

Mr. WATSON of Indiana. Yes.

Mr. UNDERWOOD. It may work out all right, and I have confidence in the Interstate Commerce Commission, but it is certainly very radically changing the purpose of the bill as it passed the Senate, which was mandatory as to the two important matters I have indicated. Now it is left entirely with

the commission, which may absolutely negative the former action of the Senate.

Mr. POMERENE. Mr. President——

Mr. WATSON of Indiana. Will the Senator kindly wait until I finish stating the amendments of the other House to the bill?

Mr. POMERENE. Yes.

Mr. WATSON of Indiana. On page 2, line 15, after the word "for," it is proposed to insert the words "sale or."

Then it is proposed to amend the title so as to read, "An act to amend section 22 of the interstate commerce act, as amended." That is all there is to it.

Mr. POMERENE. Mr. President, under ordinary circumstances I should have insisted that this bill be referred to the Committee on Interstate Commerce. I think that would be in conformity with the rules of the Senate, and I think it would be in conformity with what would be the better practice. I am not, however, going to insist on that course being now pursued.

This proposed legislation when it was first presented to the Interstate Commerce Commission provided that the Interstate Commerce Commission should require railroads to issue mileage books at a uniform rate, as I now recall, of 2½ cents per mile. If I am wrong about the rate, some member of the Committee on Interstate Commerce will correct me.

Mr. WATSON of Indiana. The proposed rate was 2½ cents a mile, as stated by the Senator.

Mr. POMERENE. That meant, if the bill had become a law in that shape, that the Interstate Commerce Commission should require the railroads to issue mileage books at 2½ cents per mile, notwithstanding the fact that, for instance, in some of the intermountain regions the rate is usually 4 or 5 cents per mile. Anyone who is familiar with the construction and operation of the railroads in those sections knows that it would be physically impossible for the roads to maintain themselves at such a rate as 2½ cents per mile. That was one of the serious objections to the legislation.

Another objection to the bill as it then was was this: It would have required the railroads to accept these coupons or tickets not only in interstate passenger traffic but in intrastate passenger traffic as well, and, as it was then drawn, on all roads. After a very careful examination of the subject and very serious discussion, particularly by the lawyers of the committee, we felt that the legislation should be limited to interstate passenger traffic, the words "interstate traffic" to be defined as the courts have heretofore defined them.

Of course, all recognize that under the decisions of the courts there may be and is such a relation between intrastate traffic and interstate traffic that they are interdependent upon each other when it comes to the determination of what shall be proper rates and rates which are not confiscatory. For that reason we inserted the word "interstate" before the words "passenger carriage," so as to make the legislation apply to interstate traffic. It developed at that time—at least, according to the estimate of one gentleman who was here advocating this measure—that about 60 per cent of the passenger traffic was intrastate and about 40 per cent was interstate. The Senate of the United States passed this bill limiting its provisions to interstate traffic because those who were familiar with the subject felt that the Senate ought to pass a bill which was constitutional in the judgment of the Senate. The bill as it was messaged to the House of Representatives read:

> A just and reasonable rate per mile good for interstate passenger carriage upon the passenger trains—

And so forth. The House of Representatives struck out the word "interstate."

What construction would ordinarily be given by anyone who was investigating the history of this legislation to that action on the part of the House? The very fact that the House struck out the word "interstate" would indicate that that body did not want to limit the use of these mileage tickets to interstate traffic, but desired to have those books usable on both kinds of traffic, intrastate as well as interstate. If those who appeared before the members of the committee and discussed this question are right in their belief that 60 per cent of the passenger traffic is intrastate, it is going to raise a question of very great importance both to the railroads and to the passengers. It may be that if I go from Columbus, Ohio, to Dayton, Ohio, some will say that that is interstate travel. I do not believe it is; I think it is intrastate travel. It may be that if some one wanted to go from Milwaukee, Wis., to Madison, Wis., that in some quarters it would be regarded as interstate travel; I do not so regard it.

Mr. POINDEXTER. Mr. President——

Mr. POMERENE. Just a moment. I believe it to be intrastate travel. The effect, in my judgment, of this bill is going to be that the traveling public will be led to believe that mileage books made interchangeable shall apply to intrastate traffic as well as interstate traffic. I do not believe that can be done.

It may be that the Interstate Commerce Commission will accept this bill and issue an order making it applicable to intrastate business as well as to interstate business; it may be that the railroads will accept such an order; but I do not believe they will, or at least some of them will not.

That is the situation, and it seems to me that it would have been in the interest of certainty if the House had concurred in the Senate bill as it was passed. I believe that there is a certain amount of convenience to be attached to the use of interchangeable mileage books, and I should like to see the traveling public have the benefit of them; but I do not want to be put in the position where it may be said of the Congress, "They gave us something here; we had reason to believe that it was a constitutional law; we had reason to believe that interchangeable mileage books would be accepted in intrastate travel; and we find now that we have been deceived." My judgment is that striking out the word "interstate" renders the bill unconstitutional; and while I am not going to object to its consideration and its passage, if other Senators want to take the responsibility, as I see the legal question involved, I can not, under my oath as I conceive it to be, vote for this bill. Accordingly I am going to vote against it.

Mr. KING. May I inquire of the Senator, if he entertains the view that the bill is unconstitutional—and there seems to be much to support the conclusions of the able Senator—does he not think that the wiser course would be to refer the bill to the committee? There are able Senators upon that committee. The Senator from Iowa [Mr. CUMMINS] is a man of large experience and is a great lawyer; the Senator from Wisconsin [Mr. LA FOLLETTE], who, I understand, is also a member of that committee, has splendid ability and high attainments and is also a good lawyer; the Senator from Ohio [Mr. POMERENE] measures up to all of those standards to which I have just adverted, and all of the members of the committee, including the Senator from Indiana [Mr. WATSON], I am sure, in view of the question which has been raised as to the constitutionality of the bill, would prefer to have it considered by the committee.

Mr. POMERENE. Mr. President, if the Senator will permit me, I have not talked with the Senator from Wisconsin on this subject, but I have talked with several of the other members of the committee, and I have heard one member of the committee say that he doubted very seriously whether the bill was constitutional, and two others express their doubt, and all of them were good lawyers.

Mr. KING. Mr. President, we sometimes condemn the Supreme Court when they say that a law is unconstitutional. If we have any doubts on that score, it seems to me it is better to try to resolve them if we can here before, to use the language of the street, we "pass the buck" to the Supreme Court. It was said by Jefferson, and that view was announced by Hamilton, indirectly, and also by many of the great men in the beginning of our Government, that when we had doubt as to the constitutionality of an act we ought not to pass it. Certainly, if we have doubt we ought to hesitate, we ought to discuss the question involved, in order if possible that the doubt may be dissipated and we may reach a satisfactory conclusion as to what course we should pursue.

Mr. WATSON of Indiana. Mr. President, I should like to make the suggestion to my friend from Ohio that this is an act to amend the interstate commerce act, and that with the word "interstate" stricken out the language is—

> Good for passenger carriage upon the passenger trains of all carriers by rail subject to this act.

What act? The interstate commerce act. What carriers by rail are subject to the interstate commerce act? Necessarily, interstate carriers; and I am asking the Senator whether this language does not obviate the necessity of any change?

Mr. POMERENE. Mr. President, I want to say, with all due respect, that I recognize the ability of my good friend from Indiana to make the worse appear the better reason sometimes, and I am afraid he is doing that now. I understand, of course, that it applies to roads that are subject to this act; but roads that are subject to this act also are subject to intrastate supervision, and roads that are doing interstate business also do intrastate business.

Mr. WATSON of Indiana. Is wholly intrastate business subject to the interstate commerce act?

Mr. POMERENE. The Senator is asking a question that it might take all the afternoon here to discuss in full.

Mr. WATSON of Indiana. No; I do not think so.

Mr. POMERENE. If it is purely intrastate business and it is done by interstate agency, under normal conditions it is not subject to the control of the Interstate Commerce Commission, but if such a course is taken that intrastate agencies may reduce the rates to such a point as to jeopardize the interstate agency, then the Supreme Court would step in and hold that the Interstate Commerce Commission had a sort of veto power over the making of confiscatory rates; but this makes it absolutely mandatory upon the railroads, if the Interstate Commerce Commission issues the order, to accept this interstate mileage book in intrastate business. That is my position.

Mr. KING. Mr. President, do I understand the Senator from Indiana to contend, and is it the view of the majority of the committee, that the striking out of the word "interstate" is not intended to give to the Interstate Commerce Commission the power to go into the States and control intrastate business?

Mr. WATSON of Indiana. I can not answer that question, because the committee did not take up these amendments. When the original bill was presented to the committee, the Senator from Ohio and the Senator from Alabama and the Senator from Wisconsin and the Senator from Michigan were there—we were all present when the matter was discussed—and the bill as thus presented was a matter that, I must say, at that time I thought was of doubtful constitutionality, and I think the other members of the committee held the same opinion; but the Supreme Court has come very close to the line, as we all know, in recent decisions as to intrastate commerce. I am not going into that question, because it is not essential to the discussion of the matter in hand, but I think what I said awhile ago to the Senator from Ohio has real merit. This is an act to amend the interstate commerce act. The interstate commerce act refers to interstate commerce, and it squarely provides here—

Good for passenger carriage upon the passenger trains of all carriers by rail subject to this act.

If intrastate railroads doing a wholly intrastate business are not subject to this act, then they can not be included by the commission in making rates.

Mr. NELSON. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Minnesota?

Mr. WATSON of Indiana. Yes.

Mr. NELSON. It seems to me that merely striking out the word "interstate" does not change the law. It leaves the commission with the power which it has generally, and that power is to fix interstate rates, primarily.

Mr. WATSON of Indiana. Precisely.

Mr. NELSON. And the mere fact that you strike out the word does not in itself give them power over intrastate rates.

Mr. WATSON of Indiana. That is precisely my view.

Mr. NELSON. The mere fact that you strike out that word does not in itself give them power over State rates. It leaves them with the power which they possess under the general Esch-Cummins law.

Mr. KING. Mr. President, may I ask the Senator from Indiana a question?

Mr. WATSON of Indiana. Certainly.

Mr. KING. The Senator is supporting this bill and the committee and the others who are supporting it are doing so upon the theory that it relates to interstate commerce and not intrastate commerce?

Mr. WATSON of Indiana. That is my theory; yes.

Mr. KING. And there is no intention to invade the rights of the States or State commissions to deal with matters that are intrastate in character?

Mr. WATSON of Indiana. No; that is my theory. I have talked with the Senator from Iowa [Mr. CUMMINS] about this bill. We all know that he is a very able lawyer on all questions pertaining to railroad legislation, and he said to me: "Well, you can go on and bring it up." He said, "I am not quite clear about the constitutionality of it; but, after all, the language may be such that it does not confer upon the commission power to do anything other than it already has the power to do so far as its relation to interstate commerce is concerned." The same thing is true of the Senator from Minnesota [Mr. KELLOGG], whom we all know to be a very profound lawyer on these constitutional questions.

Mr. POMERENE. Mr. President, let me see if I understand the Senator correctly. He has just indicated, in answer to the Senator from Minnesota, that it was his judgment that this related purely to interstate business.

Mr. WATSON of Indiana. That is my understanding.

Mr. POMERENE. Suppose, then, that I had one of these mileage books, and I presented it at Indianapolis to go from Indianapolis to Kokomo, Ind., on purely intrastate business. Does the Senator from Indiana think that the railroad would be required to accept that interchangeable mileage ticket?

Mr. WATSON of Indiana. I will say to the Senator that I am not going to answer that question.

Mr. POMERENE. I think the Senator has answered it satisfactorily.

Mr. WATSON of Indiana. I have raised that question myself in the discussion of this problem and it has been gone over and over. I will say to the Senator that two or three years ago I would have answered it emphatically; but the recent decisions of the Supreme Court have edged up so closely to the line that I declare to the Senator that I do not know just where I am—or "where I am at," to use the modern phraseology—on the proposition.

Mr. LENROOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Wisconsin?

Mr. WATSON of Indiana. Yes.

Mr. LENROOT. I should like to ask the Senator from Ohio whether, in his opinion, the power to fix the rate is found in this bill, or whether that power must be found elsewhere, in the interstate commerce act?

Mr. POMERENE. Oh, I think the power of fixing the rate is found elsewhere than in this bill.

Mr. LENROOT. The power to fix rates found elsewhere clearly is limited to interstate commerce, is it not?

Mr. POMERENE. I think that is true. I will qualify that, however, by saying under the limitations which have been laid down in the several decisions of our Supreme Court.

Mr. LENROOT. Yes; certainly. So that even if this bill were passed there could be no question raised as to the power of the Interstate Commerce Commission to fix the rate in these mileage books for intrastate business.

Mr. POMERENE. If the Senator followed my argument he will recall that I said nothing about the fixing of rates. I spoke simply of the issuance of the interchangeable mileage books and the order of the Interstate Commerce Commission under this bill compelling the railroads to accept these coupons in intrastate business.

Mr. LENROOT. If the Senator's argument goes to the extent of raising the question of the power of compelling the acceptance of these coupons he necessarily must include the fixing of the rate, an intrastate rate, by the Interstate Commerce Commission.

Mr. POMERENE. Indirectly that is included.

Mr. LENROOT. Certainly; but is not the real question this: Must it not be conceded that the Interstate Commerce Commission could not fix the rate in coupons for intrastate business, but that under the language of the bill they might issue an order requiring the issuance of mileage books that would cover intrastate business at just and reasonable rates, but without the power of the Interstate Commerce Commission to fix those rates as applying to intrastate business?

Mr. POMERENE. Then there comes in the question of compelling the railroads to accept these coupons in purely intrastate business. That is one of the questions. The two necessarily dovetail together.

Mr. LENROOT. I can not agree with the Senator from Ohio. If it is conceded that the power to fix the rate for the mileage books is found elsewhere than in this bill, and it is conceded that that power is limited to interstate rates, it seems very clear to me that under any order that might be issued it would not be compulsory to accept those coupons in intrastate business, although the question might arise as to whether the Interstate Commerce Commission might not issue an order requiring them to issue these mileage books at just and reasonable rates covering all business.

Mr. POMERENE. The Senator will notice that the language of this bill, in addition to the authority conferred under the general commerce act, provides that these interchangeable mileage tickets shall be issued at just and reasonable rates per mile, and that is practically the language——

Mr. LENROOT. Yes; but if this legislation were standing alone the Senator would not contend that that language gave the commission the power to fix the rate.

Mr. POMERENE. I am not clear about that, and it is not necessary to determine it.

Mr. LODGE. Mr. President, they have defined the power of fixing the rate elsewhere, not in this bill. Is not that true?

Mr. POMERENE. I can simply make the same answer to the Senator from Massachusetts that I made to the Senator from Wisconsin: The power is found in the commerce act itself.

Mr. LODGE. Yes; precisely.

Mr. POMERENE. But this bill, while it is amendatory of the other act, reads:

That the commission is directed to require * * * the issuance of interchangeable mileage or scrip coupon tickets at just and reasonable rates, good for passenger carriage—

Mr. LODGE. Yes; but if they are unable to fix an intrastate rate it seems to me it would be safe to say that this bill would give them no power to go beyond the original act, and that any rate they fix—because in compelling the issuance of these tickets they fix a rate—must be within the limits of the original law. It seems so to me. Of course, taking out that word leaves it with a doubt, but it seems to me that the doubt could be resolved in one way only by the Interstate Commerce Commission.

Mr. POMERENE. Mr. President, I do not think anything can be gained by considering these two acts as if they were separate acts. They are part of one and the same act——

Mr. LODGE. Yes.

Mr. POMERENE. And we must construe them in the light of that fact.

Mr. LODGE. I think it is very desirable that the bill be passed.

Mr. KING. Mr. President, in view of the concessions which have been made, particularly in reply to the questions of the Senator from Wisconsin and the Senator from Massachusetts, I am inclined to think this bill is constitutional if it can be tied to the interstate commerce act.

Mr. WATSON of Indiana. What else are you going to tie it to? It is amendatory of that act.

Mr. KING. Exactly. It is amendatory of it, and it is tied to that act; and if it confers no greater authority than that which is derived from the interstate commerce act, then it seems to me that it is constitutional.

The PRESIDING OFFICER. The question is on the motion of the Senator from Indiana that the Senate concur in the House amendments.

The motion was agreed to.

GAME REFUGE IN MICHIGAN.

Mr. TOWNSEND. Mr. President, I ask unanimous consent for the immediate consideration of House bill 6817, Order of Business No. 652. I will state that this is a bill which has passed the House. It provides for the granting in trust to the State of Michigan of about 100 acres in the northern part of the State for a game refuge. It has all reservations necessary to protect the metals underneath and whatever other protection the Government needs.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 6817) to authorize the Secretary of the Interior to issue patent to the State of Michigan, in trust, of a certain described tract of land to be used as a game refuge, which was read, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to issue patent to the State of Michigan, in trust, for the following tract of land to be used as a game refuge, to wit: Lots 1 and 2, section 23, township 39 north, of range 6 west, containing 99.86 acres; also fractional section 24, township 39 north, of range 6 west, containing 15.91 acres, such lands being located in the county of Emmet, State of Michigan: *Provided*, That there shall be reserved to the United States all oil, coal, or other mineral deposits found in the land, and the right to prospect for, mine, and remove the same: *Provided further*, That this grant shall be subject to all prior valid existing rights under the land laws of the United States, and that if the grantee shall fail to use the land as a game refuge or shall devote the same to other uses the title thereto shall revert to the United States.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

ALFRED P. RECK.

Mr. WILLIS. Mr. President, I ask unanimous consent for the present consideration of House bill 858 for the relief of Alfred P. Reck, which has been reported favorably from the Committee on Claims.

The substance of it is this: A soldier, Reck by name, did not at a given date receive the promotion which was finally given him in the Army, because at the time he was wounded and in a German prison. The bill is favorably reported on by the committee and by the War Department, and I ask for its present consideration.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Claims with amendments, on page 1, line 7, to strike out "$672.41" and insert "$529.34"; in line 8, to strike out "July 15, 1918," and insert "August 26, 1918"; in line 10, to strike out "a commission" and insert "an appointment"; and in line 11, to strike out "issued" and insert "to date from," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he hereby is, authorized and directed to pay to Alfred P. Reck, of Piqua, Ohio, formerly second lieutenant of Infantry, out of any moneys in the Treasury of the United States not otherwise appropriated, the sum of $529.34, being the loss of pay incurred by him between August 26, 1918, and January 17, 1919, by reason of his inability, prior to January 18, 1919, to accept an appointment as second lieutenant of Infantry to date from June 1, 1918, because of being wounded and taken prisoner by the Germans on July 15, 1918.

Mr. KING. May I inquire of the Senator whether he would have received the promotion had he not been in prison?

Mr. WILLIS. Undoubtedly; that is the whole point of the legislation. If the boy had not been wounded and in prison so that he could not get his commission, he would have received it at the time, which will be taken care of by this legislation. I think it is absolutely fair, and, if the Senator will permit, I should like to have printed in the RECORD a letter from the Secretary of War to the chairman of the Committee on Claims. It is a very meritorious case, I assure the Senator.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Ohio?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WAR DEPARTMENT,
Washington, February 13, 1922.

The CHAIRMAN COMMITTEE ON CLAIMS,
United States Senate.

SIR: I desire to acknowledge the receipt of your letter of January 25, 1922, inclosing a copy of S. 1712, a bill introduced in the Senate for the relief of Alfred P. Reck, and requesting that your committee be furnished all papers, or copies of same, in the files of the War Department, together with an opinion as to the merits of the proposed legislation.

I note that the bill provides that Alfred P. Reck, of Piqua, Ohio, formerly second lieutenant of Infantry, be paid out of any moneys in the Treasury of the United States, not otherwise appropriated, the sum of $672.41, being the loss in pay incurred by him between July 15, 1918, and January 17, 1919, by reason of his inability, prior to January 18, 1919, to accept a commission as second lieutenant of Infantry issued June 1, 1918, because of being wounded and later prisoner by the Germans on July 15, 1918.

The War Department records indicate that Lieutenant Reck served as private (first class), Company A, First Field Signal Battalion, Pennsylvania National Guard, from June 22, 1916; mustered into the Federal service as private (first class), Company A, One hundred and third Field Signal Battalion, July 15, 1917; appointed sergeant, Company M, One hundred and ninth Infantry, April 19, 1918; appointed second lieutenant of Infantry, to date from June 1, 1918, by orders issued General Headquarters, American Expeditionary Force, France, August 26, 1918, which appointment was accepted January 18, 1919. The records further indicate that Lieutenant Reck attended the Third Officers' Training Camp, Camp Hancock, Ga., from January 5, 1918, to April 17, 1918, on completion of which he went overseas as sergeant, Company M, One hundred and ninth Infantry, sailing from the United States for France May 3, 1918. He was reported missing in action July 15, 1918, while participating in the Champagne-Marne defensive, France, and subsequently was released from the German prison camp at Giessen, Germany. He returned to the United States from duty overseas April 24, 1919, and was honorably discharged the service April 26, 1919, at Camp Dix, N. J., while serving as second lieutenant, One hundred and ninth Infantry.

There are numerous instances of an appointee to a commissioned grade not receiving notice of his appointment for a considerable period subsequent to the date of the issuance of orders in his case. This was especially true during active operations in France. Infrequent mail service, movement of organizations, transfer of individuals from one unit to another and to the United States, issuance of orders referring to individuals by incorrect or misspelled names, or by incorrect titles, were some of the contributing causes which delayed the delivery and receipt of orders and communications. It is true that Lieutenant Reck may be considered as among the number adversely affected as it is assumed that he would have accepted the appointment as second lieutenant of Infantry on or about August 26, 1918, had he not been captured by the enemy. As indicated above, he did not actually accept the office until January 18, 1919.

Before expressing an opinion on the merits of the bill, I would suggest the following substitutions and additions in the wording thereof:

Line 7, strike out "$672.41" and substitute therefor "$529.34."

Line 8, strike out "July 15, 1918," and substitute therefor "August 26, 1918."

Line 10, strike out "a commission" and substitute therefor "an appointment," and strike out the word "issued" and substitute therefor the words "to date from."

The suggestion with reference to the substitution of "August 26, 1918," for "July 15, 1918," line 8 of the bill, is based on the fact that orders appointing Reck a second lieutenant of Infantry were not issued until August 26, 1918. It would therefore have been impossible under any circumstances for him to have accepted the office to become effective prior to that date. It appears plain that the substitution suggested in line 7 of the bill must logically follow if the substitution in line 8 is admitted as correct. The difference in pay, including increase in pay for foreign service, between a second lieutenant of Infantry and a sergeant of Infantry from August 26, 1918, to January 17, 1919, is $529.34. It seems, therefore, that this amount should be substituted for the amount set forth in the bill. The substitutions and additions suggested in line 10 of the bill are made necessary to conform with the actual circumstances in connection with Reck's appointment as a second lieutenant of Infantry. If the wording of the bill were amended to include the substitutions and additions above set forth, it would read as follows:

A bill for the relief of Alfred P. Reck.

"*Be it enacted, etc.*, That the Secretary of the Treasury be, and he hereby is, authorized and directed to pay to Alfred P. Reck, of Piqua, Ohio, formerly second lieutenant of Infantry, out of any moneys in the Treasury of the United States not otherwise appropriated, the sum of $529.34, being the loss of pay incurred by him between August 26, 1918, and January 17, 1919, by reason of his inability, prior to January 18, 1919, to accept an appointment as second lieutenant of Infantry to date from June 1, 1918, because of being wounded and taken prisoner by the Germans on July 15, 1918."

I find no authority of law under which Lieutenant Reck is legally entitled to the pay of second lieutenant prior to his acceptance of that

office. However, I consider the circumstances attending his case as exceptional in that he was appointed to a commissioned grade August 26, 1918, and was prevented from accepting the office until January 18, 1919, due to the fact that he was held as a prisoner of war for a considerable period of time. Such cases could be but few in number. In my opinion, he is entitled, in equity, to the promotion as of August 26, 1918. The War Department, therefore, offers no objection to the passage of the proposed legislation, subject to its wording being amended to conform to the substitutions and additions above suggested.

If desired, I will take pleasure in furnishing your committee with any further available information in connection with the proposed legislation. No papers or copies of same on file in the War Department with reference to Lieutenant Reck are inclosed, inasmuch as I have included in this communication all data on file in this office that appears to have a direct bearing on the measure.

Respectfully,

JOHN W. WEEKS,
Secretary of War.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

THE MUSCLE SHOALS PROJECT.

Mr. NORRIS. Mr. President, this is the 1st of July. It is the day when, had it not been for the postponement of the appropriation which was made by the Senate for the continuation of the work at Muscle Shoals, a thousand or more men who are now idle would have been put to work down in Alabama. I want to say just a word to the people of Alabama.

I hope they will remember that those who were giving close attention in the Senate to the Muscle Shoals proposition, and that the Senate, when it passed the appropriation of $7,500,000, would have started that great work to-day, but that because of the great propaganda which influenced the honest and conscientious representative from the great State of Alabama, and some from the great State of Michigan, where an interested millionaire lives, those men are not working to-day. The Tennessee River is low. The water of the stream is down so that they could do very effective and economical work.

The effect of the great propaganda that even carried the Senate off its feet was to postpone that great work for a year, and I want the farmers of Alabama, bowed down to the earth with the burdens of the Fertilizer Trust, to know that through the efforts of their Representatives in Congress that great Fertilizer Trust has been given another year of life to continue to hammer them down to the earth with toil and labor.

Mr. TOWNSEND. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Michigan?

Mr. NORRIS. I yield.

Mr. TOWNSEND. I do not think I quite understand the suggestion of the Senator. I do not know that he had any reference to me, but he spoke of the propaganda which induced the Senate to vote to postpone the work. I voted for the original proposition, and I voted for the Senator's amendment, when he proposed it, to carry out the original intention of the Senate.

Mr. NORRIS. I certainly had no reference to the Senator who is now interrogating me. I knew how the Senator had voted. I knew that the Senator had the courage of his convictions, and voted to begin that work to-day, instead of postponing it. The Senator must have misunderstood me, or I made a statement I did not intend to make.

The Senate passed an amendment which would have put a thousand men to work this morning at Muscle Shoals. They are idle because, in the interest of Mr. Ford—although he may not be a party to it at all; I do not know and do not state that—that appropriation was postponed until the river will be high, when they can not do economical work. As we here all know, while the postponement was only to October, in effect it means a year more of domination of the "Fertilizer Trust" over the downtrodden farmers of America, and I only wanted the people of Alabama, and of all the Southern States which joined in that great fight which postponed this work, to know who did it.

Oh, I wish they would look at the roll call when it came back to the Senate. I do not question the motive of any man, either in this body or in the other, because they were carried off their feet, they lost their judgment; but I wish the people of Alabama, the people of Mississippi, the people of Georgia, and of all the South and all the East would look over the roll call when we came to vote on it and see what that roll call means.

I have it in my hand, Mr. President, and while I am not an expert on the financial standing of the various Members of this body, as nearly as I am able to determine I find that the action of the House was confirmed here by a combination of men who were afraid it might be lost if we did not confirm it, and by men who did not want anything done, and while it was being done ostensibly from the beginning in the interest of a great millionaire, when it came to the Senate those who were frightened for fear they might lose it were assisted by every millionaire in the Senate, who voted at all, to give this great Fertilizer Trust another year of life.

I hope, therefore, that the people of Alabama in particular, and of the balance of the country in general, will look over that roll call and see how it is that millionaires come to each other's relief, sometimes in the name of the farmer, sometimes in the name of the downtrodden laborer.

Remember the laborers are idle in the South to-day because of that combination, and that great work is postponed for a year, which means a couple of more millions of dollars for the taxpayers of America to take upon their shoulders, no matter who gets it, to carry on that great work.

EXECUTIVE SESSION.

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session, the doors were reopened, and (at 5 o'clock p. m.) the Senate, under the order previously made, took a recess until Monday, July 3, 1922, at 11 o'clock a. m.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 1 (legislative day of April 20), 1922.

REGISTERS OF THE LAND OFFICE.

PUBLIC LANDS SERVICE.

John W. Scott to be register of the land office at El Centro, Calif.

Walter E. Bennett to be register of the land office at Great Falls, Mont.

John Widlon to be register of the land office at Pierre, S. Dak.

POSTMASTERS.

HAWAII.

Lee Loon, Pahala.

ILLINOIS.

John E. Hughes, Toledo.

LOUISIANA.

Thomas W. Shields, Bernice.
Alice H. Galbraith, De Quincy.
Harry J. Norris, Oak Ridge.
Samuel M. McCarty, Selma.

MINNESOTA.

Elvia R. Sester, Richville.

MISSISSIPPI.

Aaron B. Johnston, Enid.

SOUTH DAKOTA.

Joshua Trumm, Hayti.
Emma G. Esteinsen, Lake Norden.

TEXAS.

Milton S. Fenner, Karnes City.

VIRGINIA.

Randall M. McGhee, Seven Mile Ford.

WASHINGTON.

Guy N. Lafromboise, Enumclaw.

SENATE.

MONDAY, *July 3, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

RECESS OVER THE FOURTH OF JULY.

Mr. McCUMBER. Mr. President, I ask unanimous consent that when the Senate closes its session on this calendar day it take a recess until Wednesday at 11 o'clock a. m.

The VICE PRESIDENT. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the Speaker of the House had signed the following enrolled bill and joint resolution, and they were thereupon signed by the Vice President:

H. R. 8767. An act for the relief of F. E. Taylor and B. C. Broom; and

H. J. Res. 353. Joint resolution authorizing the Secretary of War to loan certain tents, cots, chairs, etc., to the executive committee of the Louisiana Department of the American Legion for use at the national convention of the American Legion, to be held at New Orleans, La., in October, 1922.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HALE:

A bill (S. 3783) for the relief of Gustavus Cooley; to the Committee on Military Affairs.

By Mr. FERNALD:

A bill (S. 3784) granting an increase of pension to Aurelia H. Gibson; to the Committee on Pensions.

By Mr. SUTHERLAND:

A bill (S. 3785) to increase the pensions of veterans of the Civil War; to the Committee on Pensions.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. KELLOGG. I submit four amendments intended to be proposed by me to the pending bill, which I ask may be printed and lie on the table.

The VICE PRESIDENT. The amendments will be printed and lie on the table.

Mr. McCUMBER. I ask the Senate to return to paragraph 741, page 107, figs. On Saturday I offered an amendment to the paragraph which was afterwards withdrawn. I now renew the amendment.

The VICE PRESIDENT. The amendment will be stated.

The ASSISTANT SECRETARY. In paragraph 741, page 107, line 13, strike out the words "or dried" and insert a comma and the words "dried, or in brine," so as to read:

Figs, fresh, dried, or in brine, 2 cents per pound.

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. HARRISON. Mr. President, I had understood that the items of almonds and walnuts were coming up this morning. I dislike to make the point of no quorum or delay matters a little, but there are Senators interested in this paragraph who are not present.

Mr. McCUMBER. I think the Senator from California [Mr. JOHNSON] desires to speak on the subject.

Mr. HARRISON. I do not want to make the point of no quorum if we can go on with something else.

Mr. McCUMBER. I do not understand that the Senator has any objection to the amendment just proposed. His objection, I think, is simply to the rate. Would the Senator have any objection to agreeing to the pending amendment?

Mr. HARRISON. No; I have no objection to that.

The VICE PRESIDENT. The question is on agreeing to the amendment submitted by the Senator from North Dakota [Mr. McCUMBER].

The amendment was agreed to.

The VICE PRESIDENT. The first amendment of the committee, as modified, to the paragraph will be stated.

The READING CLERK. In paragraph 741, page 107, line 14, the committee proposes to strike out "20" and insert "40," so as to read:

Prepared or preserved in any manner, 40 per cent ad valorem.

Mr. HARRISON. Mr. President, I suggest the absence of a quorum.

Mr. McCUMBER. I hope the Senator will not do that. We will pass over the paragraph if the Senator will consent to that course.

Mr. HARRISON. Very well; I withdraw the suggestion of the absence of a quorum.

Mr. McCUMBER. We will take up paragraph 754, almonds, if the Senator from California [Mr. JOHNSON] is ready to discuss the subject at this time.

Mr. JOHNSON. I am ready.

Mr. McCUMBER. Very well.

Mr. JOHNSON. Mr. President, on Saturday last, at the suggestion of the Senator from Massachusetts [Mr. WALSH], the rates of duty on almonds and walnuts were passed over until to-day. I am prepared to proceed with the discussion of those rates, because of their inherent justice and because the circumstances of the two industries imperatively demand that those rates be accorded.

The rates which are accorded by the Senate committee upon almonds are 5 and 15; that is, 5 cents a pound upon unshelled almonds and 15 cents a pound upon shelled almonds; and the rates accorded upon walnuts at 4 and 12, 4 cents upon the unshelled walnuts and 12 cents upon the shelled walnuts.

I may state in the beginning, and the statement can not be successfully challenged, that the ratio of three to one is a ratio which has been determined, first, by actual experiments upon the ground; secondly, by the actual experiments and the final determination of the Agricultural Department; and thirdly, by the determination of the Tariff Commission. I think without going further into detail than the mere suggestion of those decisions we may take for granted that the ratio of shelled to unshelled is as three to one, and this proportion in the rates of duty have been fixed by the bill.

Now, Mr. President, the two products in question constitute a very important part of the industries of the State from which I come. Both of them, indeed, have become of such great importance in the last few years as to demand at the first opportunity that is thus presented in a tariff bill they be given that measure of protection for which we now contend. We ask for protection commensurate with the difference in the cost of production abroad and the cost of production at home. These two items present perhaps in more sharply defined and emphatic fashion than many other items not only the necessity for a tariff in the United States but present, too, one of those instances where necessity is combined, indeed, with what ought to be the desire of our people, for if it be possible, without doing injustice to any, to have such industries come from the soil as almonds and as walnuts, if it be possible to care for the thousands who are engaged in the industries which come from the soil, there should be no hesitancy, it seems to us, in giving that meed of protection which might enable those industries to thrive or at least enable them measurably to meet the competition of foreign lands.

In the one instance, in the case of almonds, we come directly in contact with the older countries, Spain and Italy chiefly, and in the other instance, walnuts, we come directly in contact not only with the Mediterranean countries, but with China, too. It would be futile for anybody who had any idea of protection at all to suggest, for instance, that that which we raise in this country, and particularly in the western part of the country, could meet in competition the cost of production either of the Mediterranean or the Orient. Because of the difference in the cost in the two cases we ask a measure of protection for our almonds and walnuts.

Now, Mr. President, the production of almonds in this country this year will approximate 28 per cent of the average imports for the last two years. The acreage already planted, when in full bearing, will produce sufficient almonds to equal the average imports for the last two years. I want to impress upon my brethren here, if I can, that we have in bearing now almond trees in our State in sufficient number, taken with those which will come into bearing within the next few years, substantially to care for the consumption of almonds in the United States.

Let me say that the objection to the proposed duty upon almonds and walnuts comes in the main from the confectioners. I am a little impatient, Mr. President, with the opposition which has been manifested by some of the candy manufacturers of the country to a duty so necessary as that which is imposed by the bill upon the almonds and the walnuts which come in competition with those produced in California. I am impatient with the opposition of those confectioners because what we ask in the bill as a tariff upon almonds equals an ad valorem equivalent of about 33⅓ per cent, whereas the confectioners, while opposing this duty upon that product, immediately turn to the Finance Committee and ask for an ad valorem duty of 50 per cent upon the products which come in competition with them, and they were given by the Finance Committee, and the Senate I think has passed upon it favorably, a 40 per cent ad valorem duty. The very people who are insisting that we should not have a protective duty upon almonds and upon walnuts are the people who came to the Finance Committee and to the Congress of the United States demanding a 50 per cent duty upon that which competes with their product. They do not come, it seems to me, Mr. President, therefore, in such fashion as to commend them to our favor.

Again, if Senators who have received telegraphic advices in opposition to the duties we are asking in the bill will observe the signers in each instance, they will learn that the signers of those telegraphic protests are candy manufacturers. I have before me a statement made by one of the principal candy manufacturers in the country that last year their profits upon their manufactured article were 300 per cent. In the article which they manufacture out of the nuts of the State of California there is not 1 per cent of the cost of production in the value of the almonds or the walnuts thus used. One of their principal manufacturers, I repeat, in New York in an article

in the New York Times published only six months ago stated that his profits and the profits of the candy manufacturers of the country had been 300 per cent and those people, with a profit of 300 per cent in their business, with a duty of 40 per cent ad valorem accorded them, with a duty of 50 per cent ad valorem which they asked from the Congress have, and I use the word advisedly, the effrontery to wire the various Members of the Senate of the United States asking that our protective-tariff duty, representing a duty far less than theirs, computed upon the difference in cost of production abroad and at home, shall not be given to us. So much, sir, for the opposition.

When trees are in bearing in California that are now planted we will have 56,000,000 pounds of almonds there produced. The production in the last two years has been, of course, less than that, but with the planting that has been made in California, with the acreage now covered, within five years we will come very close to providing all of the almonds that may be required in this market.

The difference between the confectioners and ourselves upon the duty comes really upon shelled almonds. The unshelled almonds are produced in quantity, and for these we have some market.

We shall soon be far beyond the market for the unshelled almonds; we must enter the field of the shelled almonds in order to maintain the industry at home; and it is because the product is so chiefly obtained by the confectioners and manufacturers from foreign countries that they do not wish us to enter the shelled-almond field. It is for that reason they altered the proportion of three to one, which has been fixed by every official action which has been taken either by the Tariff Commission or the Department of Agriculture. The difference in the cost of production of unshelled almonds between here and abroad is 7½ cents a pound. That is demonstrated in the brief presented. As indicating the acreage that is planted to almonds I desire to state that in 1920 there were 39,988 acres bearing, 29,539 nonbearing, being a total of 69,527 acres. In 1921 the plantings were 9,003 acres, and the total acreage in 1921 therefore equaled 78,530 acres. The 1922 crop is estimated at 9,000 tons, or 18,000,000 pounds.

I have, Mr. President, various tables indicating the cost abroad and the cost at home of almond production. I do not wish to weary the Senate with these figures, and I therefore ask unanimous consent that they may be printed in the RECORD at the conclusion of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. JOHNSON. There is, however, one phase of the matter to which I should like to direct attention. This industry has been in a perilous condition in the last few years. The fact of the matter is—and the testimony and figures bear me out in the statement—that we have been unable to sell during the last few years for the actual cost of production. We have accepted our loss. In some instances, as the testimony demonstrates, those who have almond groves have endeavored to graft other plantings upon the trees, and in some instances to devote the land to other purposes; but this is well-nigh impossible, because it takes an almond grove substantially seven years to begin bearing the ripened fruit that may be commercially used, and it will be obvious to Senators that one who has devoted two, three, four, five, six, and seven years to a particular pursuit of this character can with difficulty turn to any other. Therefore after his five, six, or seven years of labor in his almond orchard, during two or three years of which he has been compelled to sell his product for less than the actual cost of its production, the almond grower comes here asking, in accordance with the protective system and the Republican idea, that he be given that aid which will enable him to continue in his enterprise and enable him to meet competition from abroad.

In 1913 the cost of producing almonds in California per pound was 10.9 cents; in 1919 it was 17.65 cents; in 1920 it was 19.45 cents; in 1921 it was 15.2 cents. In 1919 the return to the grower was 19.3 cents; in 1920 the return to the grower was 13.5 cents—6 cents less than his actual cost of production. In 1921 the return to the grower was 13.3 cents—2 cents less than the actual cost of production. Upon a showing such as this, sir, upon the demonstrated fact of the difference in the cost of production of this crop abroad and at home, upon the necessity of the case, we rest the presentation of the almond grower in the hope that, without substantial opposition, this tariff will be accorded to him and that the rates fixed upon almonds and walnuts will be agreed to.

Fifty million dollars are invested in the enterprise of almond growing in California, while $125,000,000 are invested in walnut growing there. Thousands upon thousands of men are employed in the orchards and the groves there. Those groves and orchards constitute probably the most beautiful part of the beautiful territory of that State. Almond growers in the past have been in dire distress; to-day they face ruin, and the only opposition that is presented to an adequate tariff such as has been given by the Finance Committee is presented by those who, out of their own mouths, have said they made 300 per cent profit a year ago, and who, with 300 per cent profit in their pockets, demanded of the Finance Committee and of Congress a 50 per cent ad valorem duty on their own product.

APPENDIX.

EXHIBIT A.

Comparative cost of producing almonds.

NOTE.—For safety all foreign costs figured at 25 per cent of California costs, though actual costs in Europe much less.

	1915	1920
Including interest:	*Pound.*	*Pound.*
California	$0.109	$0.195
Europe	.027	.049
Difference	.082	.146
Not including interest:		
California	.066	.143
Europe	.016	.036
Difference	.050	.107

The above figures are based upon the data immediately following.

Average cost of production per acre of all bearing orchards in California.

	1915	1920
Maintenance:		
Pruning	$3.00	$6.50
Plowing	2.75	6.00
Harrowing	.75	1.65
Cultivation and weed cutting	3.00	6.50
Spraying	3.00	7.00
Irrigation	2.00	4.40
Handling:		
Harvesting, hulling, etc	20.00	44.00
Warehousing (including bleaching) at ½ cent per pound	1.75	3.80
Miscellaneous expense for maintenance and handling	2.00	4.40
Overhead charges (not including interest):		
Taxes and insurance	4.00	8.00
Depreciation on working equipment only	4.00	8.00
Cost per acre	46.25	100.25
Cost per pound	.066	.143
Interest at 6 per cent on valuation of $500 and $800 per acre, respectively	30.00	36.00
Total cost per pound	.109	.195

Depreciation on buildings and trees and other unfigured costs are too variable to estimate, but they must come from the profits.

Valuation of land is based upon the conservative value of bare land plus the actual cost of bringing same to bearing age. The interest charge covers the entire cost of bringing the orchard to production as well as the value of the land itself, which latter charge constitutes only one-half of the full interest charge. Even if interest on the land should not be allowed in the calculations, certainly interest should be allowed on the cost of the developmental work necessary to make a producing orchard.

Wages of male farm labor in California.

[From Monthly Crop Reporter, U. S. Bureau of Crop Estimates.]

	1915	1919	1920	Increase over 1915.	
				1919	1920
Per month:				*Per cent.*	*Per cent.*
With board	$35.00	$66.30	$79.00	88.7	125.7
Without board	51.00	91.20	107.00	78.8	109.8
Per day at harvest:					
With board	1.95	3.84	4.50	94.9	128.4
Without board	2.47	4.69	5.40	90.0	118.6
Per day other than harvest:					
With board	1.55	2.99	3.60	92.9	132.3
Without board	2.02	3.90	4.60	93.0	127.7
Average				89.7	123.7

Spanish cost of production.

ITEMS IN COST OF PRODUCTION, SUMMARY, 1918.

Location and item.	Cost in pesetas.	Cost in dollars.
TARRAGONA.		
Land (average)	[1]500	[2]39.05
Nursery trees (2-year-old grafts) each	0.75- 0.25	0.145- 0.2412
Harvest labor:		
Men day	3.5 - 4.0	.675- .772
Women do	2.0 - 2.5	.386- .4825
Not harvest labor:		
Men do	3.0	.579
Women do	2.0	.386

[1] Per hectare. [2] Per acre.

Spanish cost of production—Continued.

ITEMS IN COST OF PRODUCTION, SUMMARY, 1918—continued.

Location and item.	Cost in pesetas.	Cost in dollars.
ALL SPAIN.		
Unskilled labor:		
In villages.....day..	1.50	0.2895
In large cities.....do....	3.00	.579
ALMERIA-BALEARICS.		
Men.....day..	2.0 - 3.0	0.386- .579
Women.....do....	1.0 - 1.5	.193- .2895

Conversion into dollars made at par value of peseta, 19.3 cents.

(Data from Thomas W. Murton, former American vice consul, Grenoble, France.)

Spanish labor cost is from 15 per cent to 20 per cent of California costs in 1915.

Spanish labor cost is from 10 per cent to 15 per cent of California costs in 1920.

(This is based on comparable items.)

SPAIN.[1]

Rates per day in Vigo at end of the year 1919.[1]

Farm laborers:	
Minimum	$0.39
Maximum	.58

Wages of farm labor in the United States and other countries, 1920.[1]

United States	per month	$64.95
Germany	do	6.25
Italy	do	9.73
France	per day	1.19
Spain	do	.58
United States (at harvest)	do	4.36

Wages in Spain, 13.30 per cent of wages in the United States.

Italian cost of production.[2]

Wages for farm labor per month with board (1920):	
United States	$46.89
Italy	9.73

Cost in Italy, 20.75 per cent of cost in United States.

ITALY.[c]

Rates per day (eight hours) for farm labor, March, 1921.

Occupation.	Lire.	United States currency.
Plowing	[b]30	$1.17
Harrowing	15-20	.58- .78
Cleaning of seed and sowing	6- 8	.23- .31
Reaping	9-10	.35- .39
Threshing	23-25	.89- .97
Stripping	8- 9	.31- .35
Moving	20	.78
Gathering (men)	16	.62
Gathering (women)	14	.52
Binding and pressing	25-30	.97- 1.17
By machinery	[c]3- 6	.12- .23

Working time and overtime fluctuate according to seasons.

[a] From "Wages in the United States and Foreign Countries," page 36. (Committee on Ways and Means.)

[b] Oxen furnished by laborer; hay by landowner.

[c] Per quintal.

Rates per day of eight hours in the lemon industry, March, 1921.

In lemon groves:	
Superintendent	$0.97–$1.17
Men	.42– .54
Women and boys	.31– .35
In packing houses:	
Superintendent	.74
Men	.70
Women and boys	.23

Further data secured from the Bureau of Labor Statistics of the United States Department of Labor further illustratees the differences in labor costs between Europe and the United States. The following table indicates wages in the Province of Vicenza, in northern Italy.

Hourly wage rates of casual day laborers in the Province of Vicenza, Italy, agricultural year 1920–21.

[One lira at par equals 19.3 cents.]

Month.	Men over 18 to 60 years of age.	Boys over 16 to 18 years of age.	Boys 14 to 16 years of age.	Girls 16 to 18 years of age.	Women over 18 years of age.	Daily hours of labor.
	Lire.	*Lire.*	*Lire.*	*Lire.*	*Lire.*	
January	1.30	0.97	0.65	0.65	0.78	6
February	1.30	.97	.65	.65	.78	7
March	1.50	1.12	.75	.75	.90	8
April	1.50	1.12	.75	.75	.90	8
May	1.70	1.27	.85	.85	1.02	8
June	1.70	1.27	.85	.85	1.02	8
July	1.70	1.27	.85	.85	1.02	8
August	1.70	1.27	.85	.85	1.02	8
September	1.50	1.12	.75	.75	.90	8
October	1.50	1.12	.75	.75	.90	8
November	1.30	.97	.65	.65	.78	7
December	1.30	.97	.65	.65	.78	6

[1] From "Wages in the United States and Foreign Countries" (Tariff Information, 1921), pages 34 and 37.

[2] From official publication of Committee on Ways and Means, House of Representatives, entitled "Wages in the United States and Foreign Countries," page 6.

The following table gives the amounts converted into dollars per day of the hours indicated in the table above:

Daily wage rates of casual day laborers in the Province of Vicenza, Italy, agricultural year 1920–21.

Month.	Men over 18 to 60 years of age.	Boys over 16 to 18 years of age.	Boys 14 to 16 years of age.	Girls 16 to 18 years of age.	Women over 18 years of age.	Daily hours of labor.
January	$0.327	$0.245	$0.164	$0.164	$0.197	6
February	.382	.285	.191	.191	.229	7
March	.504	.376	.252	.252	.302	8
April	.504	.376	.252	.252	.302	8
May	.571	.427	.286	.286	.343	8
June	.571	.427	.286	.286	.343	8
July	.571	.427	.286	.286	.343	8
August	.571	.427	.286	.286	.343	8
September	.504	.376	.252	.252	.302	8
October	.504	.376	.252	.252	.302	8
November	.382	.285	.191	.191	.229	7
December	.327	.245	.164	.164	.197	6

Costs in southern Italy, where almonds are produced, are even less than in northern Italy, in which latter portion the Province of Vicenza is located. Labor is better organized in the north and consequently better cared for and better paid. The figurees given are without board or furnishings of any kind.

Conversion to dollars is on the basis of 1 lire equals 4.2 cents. As a matter of fact, the actual exchange rate then was approximately 4 cents.

EXHIBIT AA.

THE ALMOND INDUSTRY IN THE MALAGA CONSULAR DISTRICT.

[No. 33697.]

AMERICAN CONSULATE,
Malaga, Spain, July 11, 1921.

The production of almonds in the Malaga consular district must be considered under two separate heads:

1. The production and cost of the shelled almonds to the grower.
2. The handling and added cost of these almonds after being cleaned, polished, assorted, and packed by the almond exporter ready for shipment.

THE PRODUCTION AND COST OF THE SHELLED ALMONDS TO THE GROWER.

1. The arroba is the usual standard unit of measure in the almond trade of the interior. One arroba equals 11½ kilos or approximately 25¾ pounds.

The entire crop of almonds in this district, both "Jordan" and "Valencia," are all shelled by hand right on the farm where they are grown. They are cracked by hand, the only implement used for this task is a flat stone held between the knees of the sheller, who is seated, and a small bar of iron or smaller stone used as a hammer.

There are practically no paper-shelled almonds produced in this region. The almond trees are found both along the coast and in the interior. The tree blossoms in January and February and the nuts are ripe by July. They are then knocked off of the tree with sticks or poles and left on the ground in order to dry the husk and kernel preparatory to shelling.

Only shelled almonds are known and traded on the local market.

There are no agricultural statistics obtainable here with reference to this crop, which, as a rule, is not a staple one. Formerly every farmer had a few almond trees, from 25 to 300, which were grown on hillsides where the soil could produce little else. During the past seven or eight years the farmers have begun to pay more attention to this crop, and having observed that they obtained considerably higher prices for the larger size almonds, are now usually more careful to prune their trees, whitewash the trunks, turn up the earth around the roots, and in some instances even irrigate the soil, where possible.

The almonds from these trees are usually gathered by the farmer or his family in the off hours of the day during the months of July and August and shelled by the women and children of the family. Where labor is employed to gather the almonds, it is usual for a squad composed of one man and three women working together to gather about 20 arrobas or 230 kilos (506 pounds) of almonds in the shell per day. The women who usually do the shelling shell from 40 to 50 kilos of almonds, which produce about 10 to 15 kilos of kernels.

One hundred kilos of almonds in the shell produce approximately 25 kilos of kernels.

The wages paid to adult male laborers in this district are as follows: "Expert peon," men who have some practical knowledge of agriculture and can be used as foremen, from 5 to 6 pesetas ($0.63 to $0.75) per day with quarters, but no meals. Ordinary labor, pesetas 3.50 to 4 ($0.44 to $0.50) per day, without meals, or 2 pesetas ($0.25) per day and found.

Women, 2.50 pesetas ($0.32) per day, without meals; children (supposed to be over 14 years of age), 1 to 1.50 ($0.13 to $0.19) per day. The women are sometimes paid by piecework for shelling, the rate is 4 pesetas ($0.50) per 100 kilos (220 pounds) of almonds in the shell.

The legal number of hours constituting a day's work is eight, but the laborers here are very deliberate and excluding the time for meals, cigarettes, and frequent rests, they usually work about five hours a day.

The almond shells are sold at from 4 to 5 pesetas ($0.50 to $0.63) per 100 kilos (220 pounds) to village bakers to be used as fuel. The wages paid agricultural labor is practically the same during the harvest as at other seasons. During the harvest the agricultural laborer obtains more money because the women and children of his family are employed.

According to various producers one almond tree yields on an average of from 5 to 8 kilos (11 to 17.6 pounds) of almonds in the shell depending upon the age of the tree and its size. These trees are usually planted from 140 to 220 per hectare (a hectare is 2.471 acres) (56.7 to 89.1 trees per acre). These trees must be pruned and whitewashed each year and the earth around is spaded. It is estimated that one expert "peon" with a helper can prune and clean from 20 to 30 trees per day. The value of the land has been variously estimated by private individuals from 300 to 500 pesetas per hectare ($15.32 to $25.55 per acre) for the bare land, and from 1,500 to 3,000 pesetas per hectare ($76.64 to $153.40 per acre) with from 150 to 200 almond trees (60.7 to 81 trees per acre).

The Spanish land bureau makes a lower estimate—250 pesetas per hectare ($12.77 per acre) for bare land and 1,000 ($51.08 per acre) for land with 140 bearing trees (56.7 trees per acre).

Of the estimated 250,000 arrobas of shelled almonds brought each year from the interior to Malaga, about 85,000 are "Jordans" and the remainder "Valencias." This represents a total crop of 11,500 metric tons of almonds in the shell.

Due to the methods of cultivation and harvesting of this crop it is almost impossible to fix the cost of production; however, it has been variously estimated, taking in consideration all overhead charges, taxes, interest on investment, exhaustion of soil, labor, etc., that each arroba (11½ kilos) of shelled almonds costs the producer from 15 to 20 pesetas ($0.0748 to $0.0997 per pound).

The kernels are sold by the producer in bulk unassorted as to size.

The prices obtained for shelled almonds by the producers were as follows:

"Jordans," 1919 crop, from 50 to 60 pesetas per arroba ($0.25 to $0.30 per pound).

"Jordans," 1920 crop, from 65 to 70 pesetas per arroba ($0.32 to $0.35 per pound).

"Valencias," 1919 crop, from 30 to 40 pesetas per arroba ($0.15 to $0.20 per pound).

"Valencias," 1920 crop, from 35 to 45 pesetas per arroba ($0.175 to $0.225 per pound).

It is impossible to give a correct estimate of the cost of living in Spain; this is especially true in regard to the small agricultural proprietor and farm laborer. The former has made a great deal of money during the last years of the World War and the 18-month period succeeding the armistice, due to the urgent demand for all his products at top prices. But the farm laborer's earnings in Spain did not increase in proportion to the ever-increasing cost of articles of prime necessity. Both classes always have been accustomed to a very low standard of living, scant and simple food, few clothes, and poor and unsanitary living quarters. The small proprietor has, as a rule, improved his farm somewhat with his own earnings and has possibly laid aside a few pesetas to weather the succeeding reaction, but the farm laborer finds himself poorer and more discontented than ever and endeavors to emigrate to America.

The average earnings of a farmer laborer, aided by his wife and children, are from 1,000 to 1,500 pesetas ($126.30 to $189.30 annually).

THE HANDLING AND ADDED COST OF ALMONDS AFTER BEING CLEANED, POLISHED, ASSORTED, AND PACKED BY THE EXPORTER READY FOR SHIPMENT.

2. The exporters of Malaga who handle the almond crop consist of one principal firm, which handles from 60 to 70 per cent of the crop, and an association of merchants, formed to control prices, handles from 15 to 25 per cent, and the remainder is exported on a smaller scale by the various exporters of Spanish products.

The price at which the almonds are purchased from the growers is practically fixed by the exporters, but as in the latter years the crop has only been about equal to the demand the producers have been receiving very fair prices and the exporters, having the advantage of the premium on exchange on the moneys of the two countries taking the greater portion of the crop, have also been very well satisfied with their earnings.

The largest of the almond exporting firms in Malaga employs from 400 to 600 women during the almond season, which lasts from August 15 to November 15; this number is exclusive of the number of employees packing raisins during practically the same epoch.

The women work by the day of eight hours and are paid as follows:

Skilled assorters, 3 pesetas ($0.38).

Novices, 1.50 to 2 pesetas ($0.19 to $0.25).

An experienced assorter can usually assort 30 kilos of almond kernals per day.

The "Jordan" almonds are assorted exclusively by hand, as their elongated form renders it impossible to make even the primary operation of segregation according to size by mechanical means.

The "Valencias" are first passed through several perforated hoppers, each with different-sized perforations, which allow the various sizes of almonds to fall into its proper receptacle.

The almonds are then poured and spread on a wide movable belt or table slowly moving between two rows of expert women assorters, who quickly and accurately make a second and more perfect assortment of the kernels, picking out the various larger sizes and dropping them in receptacles placed by their side.

The almonds are now properly assorted as to size and quality; they are then poured into revolving hollow drums to be cleaned and polished by rotary centrifugal force. Once cleaned and polished, they are packed in wooden boxes lined with oiled paper, each box containing 28 pounds of shelled almonds, and once the box is strapped and stenciled it is ready for shipment.

The exporters estimate the actual labor, the cartage, and the cost of packing material at from pesetas 3.05 to 5 per box of 28 pounds of shelled almonds ($0.0137 to $0.0225 per pound). The overhead expenses are variously estimated by several exporters at pesetas 0.50 to 0.60 per box ($0.00225 to $0.00270 per pound), and by others at 2½ per cent on sales price of almonds.

From one of the exporters the following tabulation of assortment of almonds according to size and grades was obtained:

"Jordans."	Per cent.
7 Crowns (largest size)	3
6 Crowns (next largest)	8
5 Crowns (medium large)	15
4 Crowns (medium)	25
3 Crowns (medium small)	12
Gemellos (doubles)	9
Broken	3
Refuse	5
2 Crowns (medium small)	20
"Valencias."	
6 Crowns (largest size)	5
5 Crowns (next largest)	10
4 Crowns (medium large)	15
3 Crowns (medium)	25
2 Crowns (small)	25
Gemellos (doubles)	10
Broken	5
Refuse	5

The almonds sold by the producers are, of course, unassorted and are sold by weight only, and it is the exporter who assorts, cleans, and packs them.

ALMOND INDUSTRY.

(No. 33926.)

(Answer to special instruction of May 24, 1921.)

(Latest data concerning production conditions.)

[From Consul John R. Putnam.]

VALENCIA, SPAIN, *July 6, 1921.*

Mr. Henry W. Carey, American consular agent at Alicante, has submitted the following report concerning production conditions in the almond industry, covering such information as he has been able to obtain. Mr. Carey is an important shipper of almonds.

An almond tree costs from the day it is planted until the day it produces, about five years, approximately 20 pesetas.

Wages paid per day of eight hours are: Male, 5 pesetas; female, 2.50 pesetas; and children, 2.50 pesetas.

Wages paid for different kinds of agricultural labor vary considerably, but what is generally paid in the Alicante district is: Male, 9 pesetas; female, 4.50 pesetas; and children, 4.50 pesetas.

Cost of living can be given at about 3 pesetas per day per person.

The value of bare land can be calculated at about 800 to 1,000 pesetas per hectaria (2.471 acres), and when planted to almonds at about 2,000 pesetas.

The prevailing method of shelling almonds is by hand, costing about 14 centimes per kilogram—100 kilograms in shell give about 23 kilograms of kernels.

The principal varieties of almonds grown in the district are "Planeta," "Comuna," "Pestana," and "Marcona," the first two being grown in larger quantities.

Mr. WALSH of Massachusetts. Mr. President, it is somewhat embarrassing to differ with my good friend the Senator from California on this question; yet there are few duties levied in this bill which have provoked more opposition. The committee amendment makes a large and unwarranted increase in the duties on almonds and must be vigorously opposed by those who regard the public in distinction from the special interests to be entitled to consideration.

Let us first compare the rates upon shelled and unshelled almonds—and I will confine my remarks for the present to almonds—as fixed in paragraph 754 with the rates levied under previous laws. The Underwood law provided a duty of 3 cents a pound on almonds not shelled. The Senate committee amendment increases that rate by 66⅔ per cent, making the duty 5 cents per pound. The Payne-Aldrich Act provided a duty of 4 cents per pound on almonds not shelled. The Senate committee therefore proposes to increase the duty on unshelled almonds over the Payne-Aldrich law by 25 per cent.

The most important bracket in this paragraph, however, is that which fixes the duty upon shelled almonds. The increase over the House rate is 3 cents per pound, the House duty being 12 cents per pound, and the Senate Finance Committee favoring an increase in that duty to 15 cents per pound. The Underwood law imposed a duty of only 4 cents per pound on shelled almonds. Therefore, the Senate committee amendment represents an increase of 275 per cent in the duty on shelled almonds over that of the existing law. The Payne-Aldrich law imposed a duty of 6 cents per pound on shelled almonds. The Senate Finance Committee amendment, therefore, represents an increase of 150 per cent over the rate provided in the Payne-Aldrich Act.

Let us turn to the question of production and see to what extent the almond industry in California is taking care of the requirements of the American consumers.

The production in the United States, as has been said, is limited to California. In 1920–21 the California production was approximately 6,000 tons. The total acreage of almond trees in the United States is slightly over 50,000, 32,000 of which are bearing and 18,000 nonbearing. The nonshelled almond production in 1920 was about 12,000,000 pounds. Practically all of the domestic almonds are marketed in the shell. The shelled almonds produced in 1920 were about one-half of 1 per cent of the crop, or about 18,000 pounds, which will not take care of one large confectioner for two days.

Mr. President, having these preliminary facts before us, let us analyze the proposition presented. The total production of all almonds in this country takes care of only 15 per cent of our consumption, so that it is absolutely necessary to import 85 per cent of the almond consumption.

The total domestic production of shelled almonds put upon the American market is one-half of 1 per cent of the consumption. The California almond is sold in the shell. The demand of the confectioners and bakers of this country is for shelled almonds, so that the importation of shelled almonds represents a very large volume of business. We must import shelled almonds—there is no alternative.

Mr. President, reference has been made by the able senior Senator from California to the fact that the opposition to these high rates comes from the candy manufacturers. He is quite correct in that assertion. They are voicing a very loud protest against the rates proposed, but their protest is also, in this instance, the protest of the American consumer. The Senator

cites the fact that the duties fixed in this bill represent an ad valorem rate of about 33 per cent upon almonds, while the candy manufacturers asked for a 50 per cent ad valorem duty, but received in this bill only 40 per cent ad valorem duty. His figures do not agree with mine. The table which I have before me, prepared by the Tariff Commission, shows that on the basis of our 1921 imports the duty levied in this bill on shelled almonds amounts to 48 per cent ad valorem. The proposed duty on almonds, not shelled, is equivalent to 38 per cent ad valorem.

Mr. President, the candy industry uses 77 products in making candy, every one of which is taxed in this bill; and here, upon the admission of the Senator from California, upon the undisputed record in the case of only one item, almonds, the ad valorem duty is 48 per cent, and the protection given the candy industry in this bill is 40 per cent. Each one of the 77 products going into the making of candy bear an increased duty in the pending bill over previous laws, and almonds bear an increased duty of 275 per cent over present law.

WHY THE COST OF PRODUCTION IS SO HIGH—THE CANDY INDUSTRY—PYRAMIDING RATES.

As an illustration of how the industries of this country are to be penalized, if not destroyed, by the high tariff duties levied in this bill on raw materials that are used in making finished products, the candy industry may be cited. The extent to which high duties are levied on products that are used in this industry the following table demonstrates.

The capital investment of the candy industry is $350,000,000, and the industry employs 200,000 people. It is the twenty-eighth largest industry in the country.

There are 77 raw materials used in this industry upon which a tariff duty is levied. The following table sets forth a few of the principal products used, the Senate bill duties, the increase rate over the present law, and the per cent of increase:

Commodity.	Senate rate.	Increase over the present law.	Per cent of increase.
Tartaric acid	6 cents per pound.	2½ cents per pound.	71⅓
Flavoring extracts and natural or synthetic fruit flavors, fruit esters, oils, and essences, not containing alcohol.	25 per cent ad valorem.	5 per cent ad valorem.	25
Lemon oil	30 per cent ad valorem.	20 per cent ad valorem.	200
Orange oil	do	do	200
Peppermint oil	25 per cent ad valorem.	7 per cent ad valorem.	26
Vanillin	45 per cent ad valorem.	29 per cent ad valorem.	181
Egg albumen, frozen or otherwise prepared.	6 cents per pound.	4 cents per pound.	200
Dried egg albumen	18 cents per pound.	15 cents per pound.	500
Honey	3 cents per pound (35 cents per gallon).	25 cents per gallon.	250
Almonds, not shelled	5 cents per pound.	2 cents per pound.	66⅔
Almonds, shelled	15 cents per pound.	11 cents per pound.	275
Coconut meat, shredded and desiccated or similarly prepared.	4 cents per pound.	2 cents per pound.	200
Walnuts, not shelled	do	do	200
Walnuts, shelled	12 cents per pound.	8 cents per pound.	200

To what an amazing extent the duty on shelled almonds and walnuts—not to mention the 75 other taxed materials—will burden the candy industry may be appreciated from some authentic information furnished by large consumers. Six manufacturers of candy in Boston report that the increased duty on shelled almonds and walnuts will increase their cost for those nuts $186,500 annually, an average of $31,000 each; and three of the largest manufacturers in New York and Philadelphia report that the increased duty on almonds alone will cost them $535,000, an average of $178,000 annually.

Candy manufacturers are compelled to buy imported shelled almonds because the California production of both shelled and unshelled is only 15 per cent of the consumption. Heretofore the suggestion of protective tariff duties on what we do not produce in large quantities and must import in order to take care of our consumption has been ridiculed by even the most rabid advocates of the protective system.

What effect these high duties will have on this and other industries that must import raw materials which can not possibly be supplied in America in order to manufacture finished products can be estimated somewhat by the further fact that the duty on these two relatively small but most necessary products used by the confectionery and baking industries will tax the candy manufacturers and bakers of the country about $3,160,000 more per annum.

Who dares to estimate the extent to which the increased tariff duties on the 75 other products used by candy manufacturers will add to the cost of production that the consumers must eventually pay? Is it any wonder that cost of production and cost of living are so excessively high in America? Yet the panacea proposed in the Fordney-McCumber bill is to increase costs of production to the manufacturers and to the ultimate consumers through high tariff duties.

Mr. President, what is true of candy is true of the clothes we wear; is true of every single product of American industry; and one of the fatal defects of this bill, pointed out again and again during the discussion, is that the rates on the so-called raw materials are so high that the industries of this country are going to find the prices of the finished products increased to such heights that there will be a decreased demand, resulting in a curtailment of production, because the American people can not pay the increased cost, and in addition the foreign markets will be closed to their high-priced products.

No industry illustrates this situation better than the candy industry, and we could apply the same story to every other industry. Why are not the industries of this country that turn out upon the market the finished products here complaining like the candy people are complaining? Because their opposition is stifled by compensatory duties. That is the reason; but the candy manufacturers are complaining loudly because they have not been given a compensatory duty. On the two articles which I have named—walnuts and almonds—it appears that the ad valorem duty is higher than the ad valorem duty given the finished product of candy in this bill. Nearly every manufacturer in this country producing finished products, in my opinion, would be willing to have his protective tariff duty scrapped if these duties upon materials that go into the finished product were removed. We know it to be the fact in the case of the candy industry. We know it to be the fact in the case of the boot and shoe industry. We know it to be the fact in the case of certain lines of the woolen industry, and we know it to be the fact in the case of certain lines of the cotton-manufacturing industry.

Mr. SMOOT. Mr. President, does the Senator say that the woolen manufacturers of the United States are willing, if they have free wool, to have free wool cloths?

Mr. WALSH of Massachusetts. It is my opinion that if we had free wool many of the woolen manufacturers of this country would not ask for a protective-tariff duty.

Mr. SMOOT. The Senator is greatly mistaken. Not only will I say that he is greatly mistaken, but I know that they could not compete with foreign manufacturers of woolens.

Mr. WALSH of Massachusetts. I quite agree with the Senator in regard to certain kinds of woolen cloths. The Senator will agree with me, however, that if there were free wool they would be content with a very heavy reduction in the duty levied in this bill; will he not?

Mr. SMOOT. They would be content with a very great reduction in the protective rate.

Mr. WALSH of Massachusetts. How much is the compensatory rate on woolen goods in this bill?

Mr. SMOOT. The highest compensatory rate is 49 cents per pound.

Mr. WALSH of Massachusetts. How much of that is protective and how much is compensatory duty?

Mr. SMOOT. It is all compensatory, based on 33 cents per pound on scoured wool. The protective rate is 55 per cent ad valorem.

Mr. WALSH of Massachusetts. Will the Senator average that?

Mr. SMOOT. That would be a very hard thing for me to do.

Mr. WALSH of Massachusetts. Is one-half of it compensatory and one-half protective?

Mr. SMOOT. Oh, no; I do not think it is.

Mr. WALSH of Massachusetts. Is more than one-half compensatory?

Mr. SMOOT. No; there is not half of it compensatory in the case of the 33 cents a pound.

Mr. WALSH of Massachusetts. I am surprised that a Senator who is so experienced in the preparation of tariff rates and has had such an extended experience in the preparation of tariff bills can not tell me now how much of that 55 per cent is compensatory and how much is protective.

Mr. SMOOT. The whole of the 55 per cent, as I said, is protective. Absolutely all of it is protective.

Mr. WALSH of Massachusetts. Then, how much is compensatory.

Mr. SMOOT. Thirty-three cents a pound, providing it is all wool; but I will say to the Senator that in some cases there is a compensatory duty of 30 cents a pound, because of the fact that not all wool is used in the cloth. If it were all wool, then it

would be 33 cents a pound; and if the Senator desires, when we reach the schedule, I can tell the Senator just what proportion of wool is used in the threads and why the compensatory rates are different.

Mr. WALSH of Massachusetts. There is a protective duty levied upon woolen goods in this bill, is there not?

Mr. SMOOT. The highest rate of 55 per cent is a protective duty.

Mr. WALSH of Massachusetts. Very well. Is some of that duty a compensatory duty, and is some of it a protective duty?

Mr. SMOOT. No; the 55 per cent, the highest rate—of course there are other rates that are only 30 per cent—is a protective duty.

Mr. WALSH of Massachusetts. So the Senator can not name any kind of woolen cloth and tell me what the protective duty is and what the compensatory duty is?

Mr. SMOOT. Yes, Mr. President.

Mr. WALSH of Massachusetts. Will the Senator give me that, please?

Mr. SMOOT. Why, certainly. We will take the finest cloth that is woven, a finished fabric: The compensatory duty is 49 cents a pound, with a 55 per cent protective duty.

Mr. WALSH of Massachusetts. That 49 cents a pound compensatory duty could be removed if wool were free; could it not?

Mr. SMOOT. It could.

Mr. WALSH of Massachusetts. That is the only point I am trying to make.

Mr. HITCHCOCK. Mr. President, it is true, is it not, that these compensatory duties are largely responsible for the fact that Senators come in here and proclaim that it is impossible for the people of the United States to produce anything in competition with the world, from woolen goods down to honey?

Mr. WALSH of Massachusetts. That is the argument that is made here—that we have deteriorated to such an extent, that we have lost our genius to such a degree, that we can not compete with the world in anything without protection.

Mr. SMOOT. Mr. President, I want to say to the Senator from Massachusetts that that may apply all right as far as the manufacturer of the East is concerned. He still wants his protection. The West is perfectly willing to give it to him; but he can not have free trade in the raw materials that are produced in different parts of this country and have protection on the manufactured article.

What is raw material? Is it the nuts of California? They are the finished product of the farmer in California; and, of course, the candy manufacturer would like to have free nuts, but he wants protection upon his candy.

I want to say to the Senator that I believe in a protective policy. I do not believe in an embargo, but I do believe that it is absolutely necessary to give protection to the man who produces the raw material if he comes in direct competition with men in foreign countries raising the same product. If that is not carried out, the protective system might just as well be abolished and America become a free-trade country.

The Senator mentioned wool. We have a propaganda from one end of this country to the other calling attention to the fact that the duties imposed under this bill will increase the present price of a suit of clothes $4.75. Mr. President, is it true? There is not a word of truth in it. It is propaganda from beginning to end. Why is 107,000,000 pounds of wool now lying in bond in the different ports of entry in the United States waiting for this bill to pass? I will tell the Senator why it is. The rate of duty of the existing tariff law is 15 cents a pound. On washed wool it is 30 cents a pound, and on scoured wool it is 45 cents a pound. Under this bill it is 33 cents a pound on the scoured content. It is less than the rate is to-day on the general run of fine clothing wools. Wools that shrink 65 per cent are not going to be brought into this country at the rates in the emergency tariff bill. The rates proposed in the pending bill are lower than those, and the wool is being piled up in bond in warehouses in the United States waiting for this bill to pass; and still the clothing manufacturers of this country are telling the American people that as soon as this bill passes a suit of clothes is going to cost $4.75 more than at present, when the fact is that fine clothing wools under this bill will enter the United States at a less rate than they are entering under the emergency tariff bill to-day, and they are selling their clothes to-day under the emergency tariff rates on wool.

Mr. President, I want to say to the manufacturers of this country, and I may as well say it now, that there has to be a fair rate of protection all along the line.

Mr. WALSH of Massachusetts. And, of course, that means increased prices to the consumer?

Mr. SMOOT. It means increased prices sometimes, and sometimes it does not. But I am not going to take the time of the Senate to go into that detail.

Mr. WALSH of Massachusetts. Does the Senator contend that increased rates all along the line do not mean increased prices of the finished products?

Mr. SMOOT. Sometimes, and sometimes not. That would be a big subject for me to interrupt the Senator with at this time.

The clothing manufacturer of this country, I do not care who he may be—I mean the man who makes the woolen cloth into clothing, which clothing is sold in suits—had better confine himself to the truth rather than the propaganda that is going on from one end of this country to the other. When the wool schedule is taken up for consideration I hope the Senator from Massachusetts will be in the Chamber. I want to take the very first paragraph of that schedule, and I will tell the Senate just why the rates are imposed, and I think I can demonstrate beyond the question of a doubt that every rate imposed under that schdule is justifiable, when we start with a basis of 33 cents for scoured wool.

Mr. WALSH of Massachusetts. I am sure the Senator will ably present his side of the argument upon wool when that schedule is reached, but I think we had better not take up the time of the Senate this morning in prolonging the discussion upon rates which are not under consideration.

Mr. BURSUM. I understood that the Senator from Massachusetts opened the question.

Mr. SMOOT. I would not have interrupted the Senator, but I knew the Senator did not want the statement to go abroad that if we would give the woolen manufacturers free wool they would not ask for a duty on cloths. The Senator knows that under the Underwood law they had free wool, but the woolen manufacturer was not here asking for free cloth, and I want to say frankly to the Senator that if they had free wool they could not live under free cloth; they would have to have a protective duty.

I am perfectly willing to say that, and I know it is true, because I have been a wool manufacturer for years and years. I say that if the manufacturer were given free wool he could not maintain his business in the United States if cloth were free.

Mr. WALSH of Massachusetts. Mr. President, now I want the attention of the Senator while I discuss some very important figures relating to the almond industry.

Mr. GOODING. Mr. President——

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Idaho?

Mr. WALSH of Massachusetts. I yield.

Mr. GOODING. I would like to ask the Senator from Massachusetts what manufacturers of Massachusetts he speaks for as being willing to have the manufactured articles on the free list if the raw material, as he calls it, is placed on the free list? Are they the owners of woolen mills or silk mills or the cotton manufacturers, or does the Senator speak for all of them?

Mr. WALSH of Massachusetts. I am not able to speak for all of them. I did state I could speak for the candy manufacturers, whose product I am now discussing. I could speak also for the boot and shoe manufacturers, and I thought I could speak for many of the cotton and woolen manufacturers.

Mr. SMOOT. I think the Senator is perhaps right with regard to the boot and shoe manufacturers of the country, and I think he is also right with regard to the candy manufacturers, because of the fact that candy has to be sold when it is fresh, and it can not be imported into this country in great quantities. I refer to fancy candies. But, as far as the woolen manufacturers are concerned, he would hear the biggest howl from New England that was ever heard in this country if we undertook to put the manufactured cloth on the free list, and I want to say to the Senator that I would be one entering a protest against it.

Mr. WALSH of Massachusetts. Of course, the Senator believes in protective duties, and he is for every single protective tariff duty levied in this bill and will continue to be.

Mr. SMOOT. No; there are some that I will not vote for.

Mr. WALSH of Massachusetts. Perhaps the Senator has refrained from voting for some, but he has not voted against any. I have not heard the Senator vote once with the minority. Am I correct in that assertion?

Mr. SMOOT. I am not quite sure whether I have been here all the time or not.

Mr. WALSH of Massachusetts. I appreciate that the Senator may not believe in all the duties levied.

Mr. SMOOT. But I want to have it distinctly understood that I am not ashamed of protection in any way, shape, or form. I believe in it with all my soul.

Mr. WALSH of Massachusetts. I understand the Senator's position.

Mr SMOOT. I know what would happen to the United States if it were not for protective duties.

Mr. HITCHCOCK. Mr. President, before the Senator from Massachusetts continues, if he will submit to another suggestion, it has occurred to me that while this discussion has been going on as to the relative amount of protection and benefit which these beneficiaries of the tariff are given, whether they produce raw material or finished products, instead of having the tariff settled here in the Senate, would it not be a good plan to call the representatives of all the beneficiaries here in Washington and let them parcel out among themselves in some way that would be mutually satisfactory the amount of taxes which should be levied for their benefit, so that they might be the judges of what each class is entitled to? Why should we undertake to apportion out what they should have at the public expense? Let them decide it for themselves.

Mr. SIMMONS. Does not the Senator understand that this bill is largely framed on that theory?

Mr. WALSH of Massachusetts. I was about to say that.

Mr. HITCHCOCK. The committee received the representatives of the benefited ones day after day, week after week, and month after month, sometimes in secret, sometimes in public, and permitted them largely to indicate what degree of benefit they ought to have at the expense of the general purchasing public.

Mr. SMOOT. Does the Senator mean that no man whose industry is affected by the tariff should ever be allowed to come before a committee? I do not believe the statement made by the Senator does him justice. I have always considered him to be a fair man, but that statement does not do the Senator justice. I know that when the Underwood tariff bill was under consideration they were before the committee. If the Senator knew what had been asked of this committee by way of rates, and not granted, he would never have made such a statement as that.

Mr. HITCHCOCK. What I am suggesting goes still further. Why have a committee to preside as umpire over the discussions of these various beneficiaries? Why not in a convention of the representatives of these various beneficiaries, some producing raw material and others producing manufactured articles, let the beneficiaries decide among themselves, by vote, as to how much protection each should have at the expense of the public? Why have a committee at all?

Mr. SMOOT. That statement is not made seriously.

Mr. McCUMBER. Mr. President, with the permission of the Senator from Massachusetts, I ask that we now consider paragraph 754, almonds, shelled and unshelled. I call attention to that because we have not returned to it as yet, but were discussing another matter, and I suggest it so that the remarks of the Senator from California and the Senator from Massachusetts may be directed to the immediate matter under consideration. I hope we may stick to almonds and nuts of different kinds for a little while.

Mr. WALSH of Massachusetts. I think the suggestion a very good one. I came into the Senate Chamber when the Senator from California was discussing paragraph 754, and therefore I assumed it was under discussion, and followed with the argument I am making. I think it might be well to have unanimous consent that it be assumed that this paragraph was under discussion when the Senator commenced his speech.

Mr. JOHNSON. The Senator stated that at the time.

Mr. WALSH of Massachusetts. Now let me once more call the attention of the Senate to some very impressive figures about almonds. Our production for the year 1921 was estimated at 12,000,000 pounds. Our imports were 70,000,000 pounds in terms of almonds not shelled. Of that 70,000,000 pounds only 5,000,000 were actually not shelled, and the 65,000,000 pounds represent the importations of 21,500,000 shelled, there being 3 pounds of not shelled to 1 pound of shelled. Am I correct?

Mr. JOHNSON. The figures of the imports are not entirely in accord, if the Senator will permit me, with the figures before me, but of that I will speak later. As to the proportion the Senator is correct. Our imports in the main are of the shelled almonds, and so in making his computation, while it is fictitious in one aspect, nevertheless he multiplies the imports of the shelled almonds by three to reach the desired amount.

Mr. WALSH of Massachusetts. The information I have is that our production meets only 15 per cent of our entire demand and only one-half of 1 per cent of our demand for shelled almonds.

Mr. SHORTRIDGE. Mr. President, assuming that to be so, let me ask the Senator if he does not think it is desirable to increase the American production, or does he hold to the theory that we should continue to import?

Mr. WALSH of Massachusetts. Mr. President, I had in mind discussing that aspect of the question later, after I put before the Senate the statistics. I expect to show that the industry has progressed under very much lower rates.

Mr. SHORTRIDGE. Grant that——

Mr. WALSH of Massachusetts. There has been an increase of 200 per cent in the growth and development of the walnut industry during the years when the rate was less than one-third of the rate named in this bill, namely, 4 cents per pound on shelled.

Mr. SHORTRIDGE. That is not an answer to my immediate, direct question, which the Senator says he will answer later on.

Mr. WALSH of Massachusetts. It is my opinion, in view of the character of this bill, in view of the fact that protection for almost everybody is aimed at, that the almond growers and the walnut growers of California should receive some protection, but not nearly the amount of protection given in this bill. That is my opinion.

These figures show that the amount of shelled almonds put upon the market by the California producers do not take care of the demand of one single large confectioner in this country. I have the figures to show that. Not one of the large candy makers of this country can buy in this country a sufficient amount of shelled almonds to make his product. Not only that, but to-day the candy manufacturers of this country can not buy any domestic almonds in this country. Here are the facts to show that.

Here are some telegrams sent by candy manufacturers to almond producers, asking the price of almonds and seeking to purchase almonds. The first telegram is dated May 17. It is signed by Habicht & Co., addressed to Herman C. Fisher, of San Francisco. The telegram reads:

MAY 17, 1922.

HERMAN C. FISHER,
325 Sacramento Street, San Francisco, Calif.:

Can you obtain for us for tariff purposes about pound sample each California almonds in shell, nonpareil, California, paper shell, princess, kings, soft shell, ne plus ultra, I X L, reams, drake, jordan, peerless, Harriot, lewelling, languedoc, Texas, prolific av domestic?

HABICHT & Co.

That was replied to as follows:

SAN FRANCISCO, CALIF., *May 19.*

HABICHT & Co.,
Hudson and Laight Streets, New York, N. Y.:

Almonds seem to be cleaned up. We are through selling, ourselves, and can only send Texas and I X L's. Can you not locate them in New York?

HERMAN C. FISHER.

I have another telegram, dated May 20, 1922, from the same producer:

SAN FRANCISCO, CALIF., *May 20, 1922.*

HABICHT & Co., *New York.*

GENTLEMEN: Your wire for the almonds in the shell received and I wired you back yesterday that there were nothing but Texas and I X L's to be had. It seems that the almonds are pretty well cleaned up. We, ourselves, are through selling and we never keep any samples of nuts in the shell, as we buy each year according to what the grower has.

I imagine that you can get these samples easier in New York than you can at this end. You, of course, had a great many varieties mentioned in that letter, which would be impossible to give you, as there are only a few bags grown, and, at that, only in isolated spots.

I regret very much I could not help you out.

Yours truly,

(Signed) HERMAN C. FISHER.

Here is another letter dated June 15, 1922, from Louis B. Parsons, an official of the Seeman Bros. (Inc.), proprietors of the White Rose fruit products, reading as follows:

(Seeman Bros. (Inc.), proprietors of White Rose food products, tea, coffee, cocoa, canned goods, condiments, and cereals, Hudson and North Moore Streets, New York.)

JUNE 15, 1922.

Mr. W. H. MOENCH,
Care Habicht & Co., Hudson and Laight Streets, New York City.

MY DEAR MR. MOENCH: As both the California Almond and Walnut Associations are entirely sold out of the 1921 crop, there will probably be no quotations made until they are ready to name new prices.

I will keep your request before me, however, and as soon as anything develops will be glad to advise you.

Very sincerely,

LOUIS B. PARSONS.

I have a circular issued on May 8 by the California Walnut Growers' Association. The circular contains the following information:

Every bag of old crop stock has been sold, and consequently the new crop will go to an absolutely bare market—a market eager for fresh stocks, which, of course, will mean much activity and immediate turnovers for those jobbers who have their walnut business well in hand.

The telegrams and the circular show what I do not think can be successfully disputed, that there are no walnuts and no almonds upon the market to-day except those which are imported from foreign countries.

Mr. McCUMBER. Mr. President——

Mr. WALSH of Massachusetts. The Tariff Commission raised also the question about the competitive character of California almonds with the imported almonds.

I yield to the Senator from North Dakota.

Mr. McCUMBER. The Senator, however, does not claim that there are not American-grown almonds in the United States?

Mr. WALSH of Massachusetts. My claim is, with the information which I have before me, that the confectioners of America can not, if they so chose, buy any American-produced almonds to-day at any price. That is my statement—that the crop has been sold out.

Mr. McCUMBER. My understanding is that nearly two years' crops in the United States are still held, and held because they have not been able to sell them at the cost of production. Undoubtedly when they could command a price that would pay them to let them go, they would soon supply the market.

Mr. WALSH of Massachusetts. Mr. President, evidently the Senator's information and mine differ in that regard, and I therefore shall have to resort to a large number of letters and telegrams to confirm what I have tried to prove from the growers' circular and from the two brief telegrams which I read, addressed by a San Francisco firm to a New York confectioner. I will ask to have read the two letters which I send to the desk, which set forth better than I can state them the views of the confectioners of the country in regard to the tariff upon almonds and the limited available domestic supply.

The VICE PRESIDENT. Without objection, the Secretary will read as requested.

The Assistant Secretary read as follows:

BOSTON, U. S. A., *June 23, 1922.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: We acknowledge receipt of the following wire from you:

"Will you please wire me the increased cost to you for shelled almonds and shelled walnuts if tariff rates are increased as proposed?"

And have this day wired you as follows:

"Should the tariff rates be increased as proposed it would make a difference to us of over $5,000 a year. There are others in the industry in Boston who use many times what we do."

Since writing you on May 10 we have been looking into this almond and walnut situation further, and find that California actually produces between 1 per cent and 2 per cent of the total world production of almonds and the United States consumes 12 per cent of the world's total production.

If California should increase her production of almonds within the next 10 years as fast as she has done in the last 10 years, she will then have been able to produce only one-fifth of the amount of almonds which have been consumed in this country within the last year.

Furthermore, we learn that the soil of California is not suitable for the culture of almonds. The almonds which we get from California are fibrous and lack flavor. The walnuts are very large and very black.

We use only French or Spanish nuts, they being the most desirable for the class of goods we make, although there are quantities of Manchurian and Hungarian walnuts shipped into this country. While not as desirable as the French and Spanish nuts, they are far more preferable than the nuts which come from California.

The total California production of almonds is not sufficient to supply even the requirements of three large manufacturers in our industry, to say nothing of the needs of the entire industry.

While the proposed duty on almonds is 15 cents (an increase of 11 cents over the present duty), almonds are sold by the importers on such a close margin that it isn't to be expected that they could make a further payment of 11 cents per pound without getting enough out of their almonds to carry the increased cost; and 10 per cent is as small a margin as they would work on.

Therefore you can easily see where it would increase our cost on almonds from 12 cents to 13 cents.

On an 8-cent increase on the cost of walnuts, they would naturally have to charge from 9 cents to 10 cents more per pound than the present price.

From what we learn of the nut situation, we could not look to the shipper for much help. The prices have been gradually working down.

Thanking you for the interest you have taken in this matter, and assuring you that we shall be pleased to further assist you in any way possible, we remain

Yours respectfully,

LOVELL & COVEL CO.
N. EDWIN COVEL.

Mr. SHORTRIDGE. Mr. President, may I ask to have reread that paragraph in the letter in which it is stated that the soil of California is such that we can not produce almonds there? The writer of the letter does not know what he is talking about. That statement is not worth a snap of the finger.

Mr. WALSH of Massachusetts. Oh, Mr. President, the Senator should not get excited.

Mr. SHORTRIDGE. I am not excited.

Mr. WALSH of Massachusetts. I will say to the Senator that I have innumerable letters from candy manufacturers stating that only certain kinds of almonds are produced in California; that there are certain types of almonds which are used in the manufacture of candy which are not and can not be produced in California and that must be imported.

Mr. SHORTRIDGE. That is what the importer says.

Mr. WALSH of Massachusetts. That is what the candy manufacturer says.

Mr. SHORTRIDGE. Yes; that is what the candy manufacturer says.

Mr. WALSH of Massachusetts. They say to me also, I must say in fairness to them, that they would prefer to buy their almonds in this country. They say that there should be some tariff duty upon almonds, but that the proposed rate is excessive and is outrageous. I must say that their position has not been one of condemnation of the almond industry of California. It simply is that the rate here proposed is exorbitant and too high; and, further, that California can not produce what they want, and they want the right to go to the markets of the world and get what they need at seasonable prices after paying a reasonable and fair but not a prohibitive duty to the Government.

Mr. SHORTRIDGE. They want to make 300 per cent and have the farmers of California make nothing. That is what they want.

Mr. WALSH of Massachusetts. I am sorry the Senator has such an unfortunate, unfavorable opinion of all the candy manufacturers, who represent a very great industry. The twenty-eighth largest industry in the country is the candy industry, employing 400,000 people, and it is a serious question to levy so many duties and such high duties that must greatly increase the cost of their output. It means reducing the number of employees and increasing the cost to the consumer.

Mr. President, may we have read now the other letter which I sent to the desk?

The VICE PRESIDENT. The letter will be read as requested.

The Assistant Secretary read as follows:

BOSTON, *July 22, 1921.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: We are inclosing a copy of a letter from the California Almond Growers' Association to one of our association members, and a copy of the reply.

It is interesting to note that on the evidence of the association itself it does no business at the present time in shelled almonds. Confectioners, who are heavy buyers and importers of shelled almonds, greatly prefer the imported almond on account of its flavor, texture, and tender eating qualities.

Very many shelled almonds are roasted in the course of manufacture, and the California almond, unfortunately, seems to roast with a very hard fiber, so that the effect is almost like eating a piece of wood. The fact remains that practically all the almonds used in the confectionery trade, which is a very large business, as you know, in New England, is imported almonds.

We hope that the proposed duty of 12 cents on shelled almonds will not stand, and for the same general reasons of 7½ cents on shelled walnuts, because both of these duties distinctly penalize manufacturing industries here, and to no purpose, because the California almonds are impossible.

Trusting that you may be able to see your way clear to do everything possible to put almonds at least at the figure in the original presentation of the bill, we are,

Very truly yours,

NEW ENGLAND MFG. CONFECTIONERS' ASSN.,
CHARLES L. BIRD, *Secretary.*

Mr. WALSH of Massachusetts. I ask that the Secretary may also read the letter from the California Almond Growers' Association annexed to that letter, and the reply thereto from the Walter M. Lowney Co.

The VICE PRESIDENT. The Secretary will read as requested.

The Assistant Secretary read as follows:

CALIFORNIA ALMOND GROWERS' EXCHANGE,
San Francisco, Calif., July 6, 1921.

GENTLEMEN: As a fellow member of the Association of National Advertisers, I know you are interested in the preservation of a great American industry.

The American almond industry, which happens to be centered in California, is very seriously threatened by the lack of tariff protection. Briefly, the total investment in almond production represented by the members of this cooperative association is well over $50,000,000. Unless we can get a tariff on shelled almonds that will permit the California grower to compete with the cheaply produced imported product we can see ruin ahead. California does not at the present time enjoy any part of the national distribution of shelled almonds. We are in a position to supply a very large portion of the demand for shelled almonds, and in the course of the next three years, when the present nonbearing acreage is producing, we can supply practically all of the demand for shelled almonds in this country. Seventy-five or eighty per cent of the money spent for almonds is spent for shelled almonds, which are used in the making of confections, pastries, etc.

Almonds in Europe shell out about 25 per cent kernels; in this country about one-third kernels.

The California almond growers, represented through this exchange, petitioned Congress for a tariff of 5 cents per pound on almonds not shelled and 15 cents per pound on shelled almonds. The Ways and Means Committee recommended a tariff of 4 cents per pound on almonds not shelled and 8 cents per pound on shelled almonds. Unless the tariff on shelled almonds, representing the great big demand of this country, is in proportion to the tariff on almonds in the shell, or, in other words, at least three times as great as on almonds in the shell, California can not hope to compete with Europe.

In the interests of the American almond industry we appeal to you for your earnest help in bringing before the public, and particularly Congress, the matter of protection on almonds, and particularly shelled almonds. We might as well keep in America for the benefit of Americans the $10,000,000 or more that is sent annually to the shores of the Mediterranean from America for shelled almonds.

We need your help and we need it now. The matter is before Congress to-day. Will you assist us in our fight by addressing your Senators and Representatives and giving it as wide publicity as possible? We would appreciate copies of your letters and telegrams.

Yours very truly,

T. C. TUCKER, *Manager.*

—

JULY 12, 1921.

CALIFORNIA ALMOND GROWERS' EXCHANGE,
311 California Street, San Francisco, Calif.

(Attention of Mr. T. C. Tucker, Manager.)

GENTLEMEN: To be perfectly frank, your letter of the 6th does not strike a very responsive chord. The experience of the confectionery trade with California shelled almonds is, we believe, not favorable enough to induce them to make any strenuous efforts in their behalf, and we are quite sure that other manufacturers are of the same opinion.

If California shelled almonds were able to take their place in real competition with the foreign almonds this question of protection would not be as seriously pushed and your sales efforts would have been productive of a larger distribution of shelled almonds in the confectionery trade. Whether the factors of flavor and texture can be brought up in California almonds to the standard of foreign almonds so that they can be generally used by the manufacturing trades is a question that is undoubtedly interesting you. From our own standpoint the California almond is a negligible quantity until it can really compete in these two essentials with the foreign almond.

On this basis, as you may see, we are not particularly interested in furthering your ideas for duty. In fact, we are quite on the other side of the question.

Very truly yours,

THE WALTER M. LOWNEY CO.,
WALTER H. BELCHER,
Vice President and General Manager.

Mr. WALSH of Massachusetts. I ask that the other letters of a similar character may be printed as part of my remarks without reading.

The VICE PRESIDENT. Without objection, it is so ordered.

The letters referred to are as follows:

BOSTON, MASS, *May 12, 1922.*

Hon. DAVID I. WALSH,
Washington, D. C.

HONORABLE DEAR SIR: We are members of the National Confectioners' Association, who have submitted to the Senate Finance Committee a brief on the proposed revenue law, H. R. 7456.

We are willing to recognize the necessity of a duty for protection and also for revenue, but we believe that the proposed new duties, particularly on sugar, gelatin, lemon and orange oil, shelled peanuts, shelled almonds, and shelled walnuts are far in excess of what is warranted for either of the above purposes.

You have undoubtedly received a number of letters on this same subject, so that we will not encroach on your time any further than to request that if you can conscientiously do so that you oppose the excessive tax levied against the items which we list.

Yours very truly,

JOS. MIDDLEBY, Jr. (INC.).

—

BOSTON, MASS., *May 11, 1922.*

Hon. DAVID I. WALSH,
Senate Building, Washington, D. C.

DEAR SIR: We are taking the liberty of addressing you on various items bearing upon our industry and in the tariff bill now under discussion. We will touch upon these as briefly as possible, and ask that you be good enough to give every consideration you can to our point of view.

SHELLED ALMONDS.

Present law, 4 cents; proposed duty, 15 cents per pound. Shelled nuts are a large factor in the confectionery industry, particularly in the high-grade chocolate packages made in Boston. California shelled almonds are hardly known in the industry and can not be used by manufacturers in our line in place of foreign almonds. The California product is woody and coarse fibered and has not the fine texture and flavor of the foreign nut. The California nut could not and would not be used at half the price. At the present time we firmly believe there is no shelled-almond industry in California to be protected, and the presence of the proposed duty of 15 cents per pound for shelled almonds is largely due to California propaganda and to the desire and hope of a business on this item being established at some time. If the duty goes on, naturally the price of almonds and chocolate-almond products goes up. The consumer finally is the one who is affected, and to no good end. We are of the opinion that a shelled-almond duty of 6 cents per pound is sufficient for all proper requirements as to protection and revenue.

SHELLED WALNUTS.

The same general idea applies as on shelled almonds. We are of the opinion that a 6 cents per pound duty on shelled walnuts is sufficient for proper purposes. Certainly the proposed duty of 12 cents per pound is all out of reason, and, as in the case of the almonds, such a duty means no large additional business for California. It simply means a higher price of almonds and walnuts.

OTHER ITEMS.

Other items are increased in the following percentages:

	Per cent increase.
Gelatin	300
Lemon and orange oil	200
Albumen	200
Peanuts	400

All these are of large interest and in large use in this industry and, it seems to us, are being too heavily burdened.

It was our desire, however, to call your attention particularly to shelled almonds and shelled walnuts as being items that are being penalized out of all proportion.

We shall appreciate very much any effort you may make for these items in behalf of the confectionery industry of Boston and Massachusetts.

Very truly yours,

THE WALTER M. LOWNEY CO.,
WALTER H. BELCHER,
Vice President and General Manager.

—

BOSTON, *May 9, 1922.*

Hon. DAVID I. WALSH,
Senate, Washington, D. C.

DEAR SIR: While we appreciate the fact that much larger revenues may be obtained by a readjustment of our tariff rates, we want to file a very vigorous protest with you against the abnormal increases proposed in the tariff bill now under the consideration of the Senate, especially on

Shelled almonds.
Shelled walnuts.
Shelled peanuts.
Gelatin.
Lemon and orange oils.
Sugar.

All of these are items which enter very largely into the manufacture of candy. After giving considerable time and thought to the matter, we can see no justification whatever for an increase of 1 to 400 per cent in these articles.

Any such rates imposed would very seriously cripple an industry which is to-day staggering under burdens enough of its own that will take months if not years to adjust.

While we have no suggestions to make as to just what increases are permissible, we are very emphatic in our belief that the proposed increases would do our industry inestimable damage, and we hope we can rely upon you to insist on very definite modifications.

Very truly yours,

SAMOSET CHOCOLATES CO.,
ALFRED T. HASKELL,
President.

—

BOSTON 14, MASS., U. S. A., *May 8, 1922.*

Hon. DAVID I. WALSH,
Senate Office Building, Washington, D. C.

SIR: In answer to your letter of April 29 concerning tariff rates on shelled walnuts, almonds, egg albumen, and cocoa butter, wish to give you the following facts:

Imported shelled walnuts are used by manufacturing confectioners and bakers. California walnuts are marketed mostly in the shell and are used principally for table purposes. They are not satisfactory for confectioner's use on account of their large size, color (which is dark), and after being shelled out for some time they become dry and brittle. The manufacturing confectioner prefers the imported walnut on account of it being small in size, light in color, and on account of being more oily will keep in an edible condition much longer. One other thing that might be said concerning the California walnuts in the shell is that they are to-day commanding a very high price and the industry has grown wonderfully during the last 10 years, thus showing that imported walnuts have not prevented the growth of the industry to any extent. If tariff rates are made prohibitive on walnuts no one will be benefited. The confectioner will use less—that is all—for he can not substitute the California for that which he is now using.

In regard to almonds, the California almond is also unsuitable for confectionery purpose, it being sold principally in the shell where it retains what flavor it has until it is shelled out. When shelled out for any length of time, it is hard, woody, tasteless, and entirely unsuited for use in confectionery, as in the case of walnuts. If the tariff is made prohibitively high the only thing that would be accomplished is a reduction in the quantity of almonds used, and there will be no benefit derived by anyone.

Concerning egg albumen, it seems too bad that it should have to carry any such rate as proposed, for the quantity of egg imported compared to the amount consumed is, we understand, only about one-fourth of 1 per cent of domestic egg production. Therefore, it would seem unnecessary to burden the user of egg albumen with any such duty. It is much more adaptable for the confectioner's use than fresh egg, and would continue to be used no matter what duty was put on it, for it serves a purpose in a way in which fresh egg does not, namely, being easy to handle and less subject to deterioration.

Concerning cocoa butter, the proposed tariff—30 per cent ad valorem—would mean that on imported butter costing 25 cents to lay down in this country we would have to pay 7½ cents a pound, which is 4½ cents more than the present duty. This is 250 per cent increase, and we can not, for our part, see any occasion for burdening the confectioner, who uses most of the cocoa butter in the manufacture of his goods, with such a heavy tax. Every pound of chocolate coating used by the manufacturer of confectionery contains cocoa butter. It being a high-priced product, a 30 per cent tariff rate would constitute a very heavy burden on all confectioners.

One other subject that we did not take up with you in our previous letter is sugar. We notice that it has been proposed by Senator BROUSSARD to increase the rate, and if his amendment should be approved by the Senate and become a law, there will be a duty of 2 cents a pound on 96° raw sugar from Cuba (against 0.016 per pound at present) and 2½ cents per pound on 96° raw sugar from other foreign countries (against present rate of 2 cents). This is equivalent to an increase of about 100 per cent over the tariff rate of October 3, 1913. We consider it highly unnecessary for any such increase in rate to be made. We hope that you will oppose and do everything you can to minimize these increases. We do not consider the industries concerned require the amount of protection asked for by these proposed rates.

Trusting to hear from you, we are,

Yours respectfully,

W. F. SCHRAFFT & SONS CORPORATION,
By E. H. SAVAGE.

—

BOSTON, U. S. A., *April 27, 1922.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: With reference to permanent tariff bill, agricultural section, would say that if this bill becomes law the duty on almonds and walnuts will be increased as follows:

	Cents.
Almonds (unshelled)	2
Almonds (shelled)	11
Walnuts (unshelled)	2
Walnuts (shelled)	8

And we can not see how it is going to work anything but a hardship upon the confectionery industry.

The confectionery industry in Boston is one of the largest industries in New England, and it has certainly had its share of suffering, not wholly due to sugar.

The confectioners are obliged to contract for the greater part of their merchandise long before it is used.

Our Christmas lines for one year are usually purchased the year before, and it can easily be seen that with the falling off of business we have been obliged to take large inventory losses on merchandise.

As far as we can ascertain, there are no confectioners here who are using California almonds. They have no flavor and are very fibrous and are not suitable for the class of goods which we are making here.

During the war, when walnuts were scarce, we used some California walnuts. They came in very much discolored, due to the thin shells on them. In fact, most of them showed up very black. While they are white when they are cut open, they are very far from being attractive, and are not desirable for confectioners.

Were it not possible to get French nuts, we believe there are many confectioners who would not use these nuts at all, unless it were for inside work.

The price of walnuts and almonds is now so high that we are not using anywhere near the quantity we would use if prices were nearer normal. The normal price on walnuts is 30 cents; the price to-day is about 60 cents.

In our small business here we thought nothing of buying 100 cases of walnuts when the price was around 30 cents; to-day we buy them in 5 and 10 case lots.

If this bill passes, it will work a great hardship on all the confectioners, and will be the means of taking away some of the attractiveness from our package goods, which make up a large part of our business.

We are willing to do anything we can to help, and of course understand it is necessary for the Government to obtain revenue through such sources, but if our business is injured we can not make money to pay taxes. In other words, "if they kill the hen, they lose the eggs."

If we should write you every time we were asked to do so, you would receive about three letters a week from us. This, however, is a very urgent case, and any attention you can give the matter will be a help to us all—not only to the industry but also to the Government.

This proposed duty on shelled nuts would be very nearly prohibitive.

We wish to take this opportunity to thank you for the attention you have given the various matters about which we have written you in the past and assure you that any efforts you may make to help us in this instance will be appreciated by all in our industry.

Yours very truly,

LOVELL & COVEL CO.
N. EDWIN COVEL.

—

BOSTON, MASS., *April 26, 1922.*

Hon. DAVID I. WALSH,
Senate Office Building, Washington, D. C.

SIR: We wish to call your attention to the Fordney tariff bill and to some of the proposed rates contained therein on products that we use in the manufacture of our goods. There are four products listed of which we use very large quantities, and the rates as proposed are, in our opinion, excessive and arbitrary. These articles are as follows:

Commodity.	Present duty.	Proposed duty.
Walnuts	$0.04	$0.12
Almonds	.04	.15
Egg albumen	.03	.18
Cocoa butter	.03	[1].30

[1] Per cent.

Referring to these products in order, we shall take up the question of walnuts. We use imported French walnuts in large quantities, and on the amount we use per year the increase in duty will amount to $17,000 to $18,000. Aside from this fact, California walnuts which are being protected are unsatisfactory for our use, and if we are to continue the use of walnuts we shall have to buy goods imported from France in order to obtain a quality of nut that is satisfactory. The California walnut is dark in color and entirely unfit for the average confectioner's use. Also the supply is entirely inadequate to the demand, for according to the best information we can get there are nearly 300,000 cases of 55 pounds each imported into this country yearly. This figure includes all grades of foreign walnuts.

In regard to almonds, the proposed increase in duty means an added cost to us, on the quantity we use, of about $30,000 yearly; and, aside from this fact, California almonds which are being protected are unsatisfactory for our use, and we can not use them in the manufacture of our goods, for they would be unsalable. The California almond is a hard, woody nut meat, whereas the Spanish and Italian almonds are crisp and of fine flavor and wholly suitable for our use.

As regards egg albumen, we have used fine-quality Chinese hen egg albumen for a great many years, and it would cause us considerable inconvenience to have to use anything else in place of it. Of course, we could continue to use it even though the duty is increased to 18 cents a pound, but it would impose an additional burden on us of $3,000 a year, and as a protective measure no one would be benefited.

Now, in regard to cocoa butter, we are very large users of this commodity, and the proposed increase from 3 cents a pound to 30 per cent ad valorem would be of profit to a few manufacturers only, and they the producers of cocoa butter. The increase to 30 per cent means that we would have to pay on any butter imported from 7½ cents to 9 cents per pound duty, perhaps more, and this increase is decidedly unfair to the consumer of cocoa butter. It would only mean that the manufacturers of cocoa butter in this country will get from 4½ cents to 6 cents a pound more for their product, and that would be at the expense of the confectionery manufacturers, and in our case would cost us from $40,000 to $60,000 a year.

You can see from the above figures that the proposed rates will impose a burden on us of well over $100,000 a year if put into effect, and will be a greatly added burden, in that we are now and have been for some time past endeavoring to put our goods into the consumer's hands at the lowest possible retail prices, and, if anything, contributes to higher selling prices to-day; it is to our disadvantage and not conducive to better business.

We hope that you will investigate most thoroughly the above and see if in your opinion we are not justified in making a strenuous objection to these rates being put into effect. We are perfectly willing to stand for a reasonable increase in tariff rates on the different commodities mentioned, for we appreciate the necessity for additional revenue for the Government; but these rates are not being produced for revenue purposes only, but are being put on to protect commodities which are not justified in being protected, for, as stated above, in the case of almonds and walnuts the protected almond and walnut can not be used by those who now use imported nuts.

Respectfully yours,

W. F. SCHRAFFT & SONS CORPORATION,
By E. H. SAVAGE.

—

BOSTON, MASS., *January 31, 1922.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: With reference to tariff bill (H. R. 7456), paragraphs 754, 755, 758.

I have specialized in these commodities for about 25 years, becoming conversant with them in their country of origin, with all the phases of their distribution to our confectionery and bakery trade, and, consequently, with these two industries as well. It is in this capacity that I beg to call your attention to the following:

Our manufacturing confectioners have been hit beyond words, and are in dire need of assistance instead of further burdens. Shelled almonds and walnuts are very important items for them. It is an indisputable fact that they have never used California almonds, no matter how low their price, for the reason that these almonds are tasteless, hard, and therefore unsuitable. No increase of entrance duty will induce our manufacturers to use the California article.

The same is practically true of California shelled walnuts. While their flavor is good their shape is altogether unsuitable. Besides, not 2 per cent of the shelled walnuts used by confectioners and bakers come from California. All are imported. California can not supply these goods.

Shelled filberts are of less importance to the above-named industries, but to tax them further would fringe on the absurd for the man who, in this part of the country at least, has seen a California filbert remains to be found. It is an unheard of commodity.

California has not been and is not in a position to supply these articles, but can only supply substitutes wholly unsuitable and which will never prove otherwise.

Since additional revenue must be obtained from all possible sources, it would seem unreasonable to expect that these three articles be exempted. Should this duty be raised to 6 cents a pound (it is now 4 cents) that increase of 50 per cent could not be called other than most substantial. On the other hand, an increase such as is unreasonably striven for by the western interests, while benefiting them, would result in an unjust burden which our manufacturers are in no position to bear. It is, besides, common knowledge that nuts have become an important article of diet and the consuming public should not be overlooked.

Yours very truly,

L. H. DAVID.

—

BOSTON, MASS., U. S. A., *January 19, 1922.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: Referring to tariff bill H. R. 7456, paragraphs 754, 755, 758, may we respectfully register our protest against the proposed increased rates of import duties on shelled almonds, shelled walnuts, and shelled filberts contained in the tariff bill now under the consideration of Congress? These food products constitute a very important part of the raw material used by the confectioners and bakers of Massachusetts, and should extremely increased rates of duty be placed upon them it would impose very heavy burdens upon this industry and also upon the general public who consume their products.

Appreciating the need of Congress to obtain revenues, we would suggest that an advance over the present rate of 25 per cent would not be objectionable. We most empatically, however, object to the rates of duties advocated by the California almond and walnut growers, which are entirely unwarranted and exorbitant. A very small percentage of the shelled nuts used in the United States are raised in this country and there is no possibility whatever of California ever producing the qualities desired at reasonable prices. The California growers by united effort and cooperative marketing have succeeded during the past few years, when foreign competition was reduced to a minimum, in advancing prices steadily far above normal, and on the basis of prices received during the war for their crops the price of farm land has risen in numerous cases to over a thousand dollars an acre. It now appears evident that they wish to capitalize these inflated values and demand protection for their industries sufficient to absorb the increased overhead caused thereby. Certainly the farmers in California can not argue that the same misfortunes have overtaken them that have come upon the farmers who have been engaged in the production of the great staple food products of our country. A mere glance at present prices of California products will show how little they have suffered in comparison with other industries the country over. It would seem, therefore, that their requests for increased tariff duties at the present time are entirely unreasonable and unwarranted.

Yours very truly,

BARKER, HARRIS & KEHRHAHN.

—

TARIFF BILL (H. R. 7456), PARAGRAPHS 754, 755, AND 758.

THE NUT HOUSE,
Lynn, Mass., January 14, 1922.

Hon. DAVID I. WALSH,
Member of the Senate, Washington, D. C.

SIR: The undersigned respectfully protest against the proposed very largely increased rates of import duties on shelled almonds, shelled walnuts, and shelled filberts, contained in the tariff bill now under the consideration of Congress.

These food products constitute a very important part of the raw material used by us in the manufacture of our products, and should extremely increased rates of duty be placed upon them it would impose very heavy burdens upon our industry, and also upon the general public, who are the consumers of our products. We appreciate the need of Congress to obtain revenues, and would therefore willingly acquiesce in an advance over the present rates of 50 per cent, which would make the same synonymous to those which were contained in

the Payne-Aldrich Act, but we most emphatically object to the rates of duties advocated by the California almond and walnut growers, which we consider unwarranted and exorbitant.

We beg you, therefore, to give this protest your earnest attention and consideration.

Respectfully, CHARLES A. LITTLEFIELD, *President.*

Nature of business: Salted nuts of quality.

—

AMESBURY, MASS., *January 9, 1922.*

Hon. DAVID I. WALSH,
Washington, D. C.

DEAR SIR: We do not know what you Senators are trying to do with industry, but apparently you are doing about all you can to hurt us. My attention has been called to the proposed tariff on shelled almonds, shelled walnuts, shelled filberts, and also shelled peanuts. The rates which you propose are ridiculous and we hope that you will make a special effort to have these reduced.

This country raises just about 50 per cent of the requirements on extra large shelled peanuts, and it has been necessary for our western competitors to import large quantities of Chinese nuts so that we people here in the East can use the Virginia variety. If we are forced to pay exorbitant prices to the cleaners in the South it will seriously interfere with our business, and we are, therefore, looking to you for relief.

Signed protest is inclosed.

Yours very truly,

F. M. HOYT & Co.,
F. M. HOYT.

—

BOSTON, U. S. A., *January 5, 1922.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: We are writing to protest against increased duties on shelled almonds, walnuts, and filberts.

We are particularly interested in these goods, as we use a great many of them in the manufacture of candies.

If this proposed bill becomes a law at this particular time, it will not be to the interest of business—especially the candy business.

We have tried at different times to use California walnuts and almonds. The almonds have no flavor whatever. While they look somewhat better than those we are using, the flavor is not there.

What this proposed bill would mean for us—and others in the candy business—would be the cutting down of the amount we would use. This applies to walnuts as well as to almonds.

The shelled walnuts that come from California are not to be compared with the walnuts which we get, which are mostly French walnuts. In fact, those are the walnuts used by most of the confectioners.

We can not see wherein the Government is going to make any material gain in the increase of the duty. Furthermore, we can not see how it is going to benefit the growers of those nuts in this country, as most of the confectioners will use the other nuts. Possibly a very few of them, making a cheap line of goods, will use some of the walnuts grown in this country.

If you will take the trouble to look into this matter, we are confident that you will see a distinct difference in the goods.

We can not see where any gain is going to be made in the increase of the duty, as they will probably use only about half the amount they are now using, and consequently the total amount of revenue derived from this source will be no more than it would be if the duty remained the same as it now is.

The price on walnuts is very high at the present time. In fact, it is about the limit in price, and the price has, no doubt, curtailed the consumption. We used to buy Chabert walnuts for 30 cents; the price to-day is in the neighborhood of 65 to 70 cents.

Regarding shelled filberts, we can not recall ever having bought filberts grown in this country.

Yours very truly,

LOVELL & COVEL Co.,
V. EDWIN COVEL.

—

BOSTON, MASS., *January 5, 1922.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: We are advised that serious consideration is being given to a material advance in the rate of duty on shelled nut meats, such, for instance, as shelled almonds, shelled walnuts, and shelled filberts, this under the tariff bill under consideration at the present time.

Recognizing the necessity for obtaining revenue, we believe it may be in order and equitable if the present rate on the three nut meats above mentioned, the present rate of which we believe is 4 cents a pound, should be slightly increased; but, in our judgment, the proposed duty on all three is far higher than it should be.

You are undoubtedly familiar with the fact that filberts are not grown in this country, and that the supply of walnuts and almonds grown is so small as to be of very little value to the consumers of these commodities. In fact, the California shelled almonds and shelled walnuts can not be used for a material part of the requirements for which shelled almonds and shelled walnuts are imported. We believe, therefore, that these items should be determined entirely on the basis of revenue requirements and that the interest of the consuming public should be paramount in the consideration.

It seems to us that 1 cent a pound increased duty should be sufficient; that would be an increase of 25 per cent, which, in our judgment, should be enough.

We respectfully submit this item for your consideration, sincerely trusting that you will use your influence to the interest of the general consuming public rather than at the suggestions of any small section or small group of interested parties.

Yours truly,

JOS. MIDDLEBY, Jr. (INC.),
GEO. T. BUTTERWORTH, *Secretary.*

—

TARIFF BILL (H. R. 7456), PARAGRAPHS 754, 755, 758.

BOSTON, MASS., *January 5, 1922.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

SIR: The undersigned respectfully protest against the proposed very largely increased rates of import duties on shelled almonds, shelled walnuts, and shelled filberts contained in the tariff bill now under the consideration of Congress.

These food products constitute a very important part of the raw material used by us in the manufacture of our products, and should extremely increased rates of duty be placed upon them it would impose very heavy burdens upon our industry and also upon the general public, who are the consumers of our products. We appreciate the need of Congress to obtain revenue, and would, therefore, willingly acquiesce in an advance over the present rates of 50 per cent, which would make the same synonymous to those which were contained in the Payne-Aldrich Act, but we most emphatically object to the rates of duties advocated by the California almond and walnut growers, which we consider unwarranted and exorbitant.

We beg you, therefore, to give this protest your earnest attention and consideration.

Respectfully,

MASSACHUSETTS CHOCOLATE CO. (INC.),
Per E. A. LINDERHOLM, *General Manager.*

—

TARIFF BILL (H. R. 7456), PARAGRAPHS 754, 755, 758.

BOSTON, MASS., U. S. A., *January 4, 1922.*

Hon. DAVID I. WALSH,
Senate Office Building, Washington, D. C.

SIR: The undersigned respectfully protest against the proposed very largely increased rates of import duties on shelled almonds, shelled walnuts, and shelled filberts contained in the tariff bill now under the consideration of Congress.

These food products constitute a very important part of the raw material used by us in the manufacture of our products, and should extremely increased rates of duty be placed upon them it would impose very heavy burdens upon our industry and also upon the general public, who are the consumers of our products. We appreciate the need of Congress to obtain revenue, and would, therefore, willingly acquiesce in an advance over the present rates of 50 per cent, which would make the same synonymous to those which were contained in the Payne-Aldrich Act, but we most emphatically object to the rates of duties advocated by the California almond and walnut growers, which we consider unwarranted and exorbitant.

We beg you, therefore, to give this protest your earnest attention and consideration.

Respectfully,

W. F. SCHRAFFT & SONS CORPORATION,
By E. H. SAVAGE.

—

BOSTON, MASS., *August 29, 1921.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: As representing the Commonwealth of Massachusetts, I know that you are interested in preserving our rights as business men and also the rights of the consumers.

In the tentative tariff bill which is now before you a greatly increased tariff has been placed upon almonds, walnuts, and filberts, both shelled and unshelled. In the case of shelled almonds the Ways and Means Committee reported the rate as 8 cents, same being an increase of 100 per cent over the Underwood tariff and of 50 per cent over the Payne-Aldrich tariff. The California contingency, it appears, were not satisfied with this and were successful in having the tariff rate increased to 12 cents upon the floor of the House, being an increase of 200 per cent over the Underwood tariff and 100 per cent over the Payne-Aldrich tariff.

It is reported that the California almond interests secured a special hearing, through Senator JOHNSON, on August 10 before the Senate Finance Committee with a view of getting the tariff on shelled almonds increased to 15 cents per pound.

We do not believe that the interests of your constituents lie in a monopoly of these nuts for California, as these food products constitute an important part of the raw material used in the manufacture of nut bread, cakes, pastry, candy, etc. It would amount to an added tax on the rations of the middle-class consumers to the benefit of nut raisers in California, which, we believe, need no protection beyond that contained in the Underwood bill, and surely no more than contained in the Payne-Aldrich bill. In other words, we believe that an increase of 50 per cent over the present tariff of 4 cents on shelled almonds, making the tariff 6 cents per pound, the same as contained in the Payne-Aldrich bill, should be sufficient to satisfy the avarice of California. We would therefore ask that the rate be not increased above that figure.

We would respectfully ask you to use your influence to see that the rights of the consumers, who secure their supplies through importers in the principal markets of the country, are not forgotten in this scramble of California for monopoly.

Very truly yours,

McLELLAN & BRIGHAM CO.,
H. M. RICH, *Vice President.*

Mr. SHORTRIDGE. Mr. President——

Mr. WALSH of Massachusetts. Mr. President, if the Senator from California will permit me to reply to his previous question, I wish to call attention to what the Confectionery Market says about the California industry. I think it is a very fair statement from their standpoint of what ought to be done for the California walnut and almond growers. That publication states:

The California Senators are urging a tariff of 12 cents per pound on shelled walnuts. The old tariff was 4 cents a pound and the rate suggested in the new tariff bill last July was only 5 cents.

The old tariff on shelled almonds was 4 cents a pound, the suggested new rate last July was 8 cents a pound, and the Almond Growers' Exchange is asking for a duty of 15 cents a pound.

The value of the domestic walnut crop (97 per cent being produced in California) increased between 1909 and 1919 from two and a quarter million dollars to over fourteen millions. It did not need a high protective tariff to bring about this phenomenal result. During the first half of this period the rate of duty was 5 cents; the last half, 4 cents.

The labor cost of production of California walnuts is approximately 65 per cent of the total. Nobody wants workers in California to have to compete with European labor nor to live under European conditions. A glance at the development of the California industry noted above would seem to indicate that it is not necessary they should. The development was due to progress in cultural and marketing practices. The United States Tariff Commission referring to the walnut crop says:

"It is also to be noted that the great bulk of the crop is marketed by a growers' association which annually establishes opening prices, * * * but it is apparent that the control it exercises over the great bulk of the domestic crop enables it to profit in prices from a tariff more readily than is the case of an industry where competition among individual producers is general."

Now, what is the story on almonds? Seventy-five per cent of the California crop is controlled by an almond growers' association and is therefore in the same position as the walnut growers to benefit in prices from import duties. During the period from 1909 to 1919 the duty on shelled almonds was, in the first half, 6 cents; the last half, 4 cents; and California is now asking for a duty of 15 cents a pound. In 1909 the value of the California crop was $700,000; in 1919, $3,900,000. All this without a high protective tariff. It would appear that for the past 10 years the nut-growing industry of California has prospered under a revenue tariff rather than a protective tariff.

It is quite to the interest of candy manufacturers that all the people in this country be at work earning money with which to buy candy. On this theory they should not object to a duty on any of their commodities which may be necessary to protect a substantial number of workers in our own country against those of Spain, Italy, and France, but the California almond meats are not in real competition with foreign almonds for use in manufacturing confectionery. In flavor and texture the advantage of the foreign nut is so marked that the domestic product is little used in the industry.

For these reasons the manufacturers think that until California can produce almond meats of texture and taste equal to the Mediterranean products in their availability for confectionery purposes the domestic growers are not justified in asking a prohibitive tariff on a noncompetitive commodity. The same argument applies to walnuts, and with nearly the same force.

There is a statement of the Tariff Commission that this industry is controlled by the growers' association, who fix the price and who are therefore more likely to profit by the high protective tariff than otherwise. The selling market is controlled by what constitutes a price-controlled trust.

Mr. SHORTRIDGE. Mr. President, the Senator's information is not infallible. The statement which the Senator has read is not correct. The industry is not a monopoly nor a trust, nor does the association fix the prices.

Mr. WALSH of Massachusetts. Mr. President, we are dealing with a tariff duty that will be effective and that will result in increased prices. Nobody can dispute that; nobody can dispute that when only 15 per cent of our consumption is produced in this country, the duty levied in this bill will be effective—will be added to the price of the imported product and the domestic product. Whatever we may say about the effect of other duties which are levied in the agricultural schedule, one thing is certain, that here is to be levied a very heavy and real burden upon the users of these products. Notwithstanding the fact that the candy industry may be a very profitable one and may have made excess profits, it is very certain that they are going to pass this burden on to the American people who buy their sweets and candies.

Let me present to Senators some figures to show just what this burden will be; how much more the American people will have to pay for walnuts and almonds. I was surprised at the importance of walnuts and almonds in the manufacturing of candy and cake and other sweets. They are almost as essential as sugar. The leading candy manufacturer of Philadelphia and two of the leading candy manufacturers of New York City, three of them altogether, state that they will have to pay annually for the one item of almonds alone $500,000 more by reason of this proposed increased of 250 per cent in the tariff duty.

I asked six of the leading candy manufacturers of Massachusetts to give me some information in reference to this subject. I might say in this connection that the candy industry is a very important one in Massachusetts, particularly in Boston and Cambridge. We talk a great deal about the woolen industry of New England and the boot and shoe industry, but one of our leading industries is the candy industry. Candy is made there in very large quantities and shipped all over the world. Six of the largest candy manufacturers state that the increased cost of shelled walnuts and almonds to them will be $186,500 annually, involving an increased cost of about $31,000 each.

I ask unanimous consent to insert in the RECORD at this point a number of telegrams, more than the six to which I have referred, from Cambridge and Boston, Mass., bearing on this question.

There being no objection, the telegrams were ordered printed in the RECORD, as follows:

BOSTON, MASS., *June 23, 1922.*

Senator DAVID I. WALSH,
Washington, D. C.:

Based on our present consumption of almonds and walnuts, the additional cost to us per year would be between $25,000 and $30,000 if the new tariff rates should go into effect.

F. H. ROBERTS CO.

—

BOSTON, MASS., *June 23, 1922.*

Senator DAVID I. WALSH,
Washington, D. C.:

Supplementing earlier telegram to-day, total average yearly increased cost almonds by reason of duty alone about $14,000 and walnuts about $7,500. Figures based on 10-year average.

THE WALTER M. LOWNEY CO.

BOSTON, MASS., *June 23, 1922.*

Senator DAVID I. WALSH,
Washington, D. C.:

Increased cost shelled almonds, on account of proposed advance in duty, 11 cents per pound. Walnuts increased 8 cents per pound. To these figures should be added regular proportion of profit expected by importing house or jobber.

THE WALTER M. LOWNEY CO.

—

BOSTON, MASS., *June 23, 1922.*

Hon. DAVID I. WALSH,
The Senate, Washington, D. C.:

Proposed duty on almonds would make cost of our chocolate almond bars so prohibitive they would be entirely eliminated from the market, as competitive selling items loss of business would be enormous. Chocolate and candy industry can not pay additional duty and remain in business. Consuming public will not stand for higher prices. Difference in price would mean a loss of more than $50,000 to us. We use only small quantity of walnuts. Thanks for your telegram.

THE TOURAINE CO.

—

BOSTON, MASS., *June 23, 1922.*

Hon. DAVID I. WALSH,
Washington, D. C.:

Proposed tariff would in normal years increase our costs $28,000 for shelled almonds; $4,000 for shelled walnuts.

NEW ENGLAND CONFECTIONERY CO.

—

BOSTON, MASS., *June 24, 1922.*

Hon. DAVID I. WALSH,
Senate Office Building, Washington, D. C.:

Answering your yesterday's telegram, we estimate increased cost to us on shelled almonds and shelled walnuts at twelve to fifteen thousand dollars per year if tariff rates are increased as proposed, this provided volume of consumption continues as before. The serious situation, however, to our minds is a grave fear that proposed increases will make consumption in many directions prohibitive; therefore no good would be accomplished, but probably a decrease in revenue, and California interests would have been given no benefit. In our opinion, California almonds and walnuts are not suitable for and could not be used for our purposes. We think 50 per cent increase of present duties should be sufficient for revenue and all necessary protection.

JOS. MIDDLEBY, Jr. (INC.).

—

BOSTON, MASS., *June 23, 1922.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.:

Should the tariff rates be increased as proposed, it would make a difference to us of over $5,000 a year. There are others in the industry in Boston who use many times what we do.

LOVELL & COVEL CO.

—

CAMBRIDGE, MASS., *June 26, 1922.*

Senator DAVID I. WALSH,
Washington, D. C.:

Increased cost to us on account of increased duties on almonds and walnuts approximately $1,500.

GEO. CLOSE CO.

—

BOSTON, MASS., *June 23, 1922.*

Hon. DAVID I. WALSH,
Washington, D. C.:

Figured on to-day's prices, proposed tariff would increase our cost 30 per cent on almonds, 18 per cent on walnuts.

SAMOSET CHOCOLATES CO.

—

BOSTON, MASS., *June 23, 1922.*

Hon. DAVID I. WALSH,
Washington, D. C.:

Writing you to-day concerning effect on confectionery industry of proposed tariff on nuts.

NEW ENGLAND MANUFACTURING CONFECTIONERS' ASSOCIATION.

Mr. WALSH of Massachusetts. Mr. President, the Tariff Commission, in report upon this industry, makes mention of the claim made by the confectioners that the California almond is not suited for their uses. The California walnut and the California almond find their way into the household of the American people in the shell, and are used upon the table, but in the making of candy the imported shelled almond is used almost entirely by the candy manufacturers of the country.

I also have information to the effect that the imported almond costs them more than the domestic almond; that there is no competition between the California shelled almond and the imported article, because, first, there is a difference in the texture in the taste, and quality; second, that there is a difference in the price, the imported being more expensive than the domestic product; and, thirdly, the quantity of the domestic product is not available, even if the California product were satisfactory.

Mr. President, I have said all that I care to say upon this subject. I am going to move two amendments. I wish to say to the Senator from California that I am not arguing now for no duty at all upon almonds or walnuts, I am not arguing for a very low duty, I am arguing against this excessively high duty, I am arguing against this excessive burden that will be reflected in increased prices, I am arguing against the tremendous increase in rates over the present law and over the House bill.

I move, on page 110, line 12, to strike out the numeral "5" and in lieu thereof to insert the numeral "4." Then, when we come to the next bracket in the paragraph, I shall move that the numerals "15," in line 13, page 110, be stricken out

and in place thereof the numeral "6" be inserted. Both of the rates in my amendments are in excess of the rates under the present law. One of them is the same rate as named in the House bill, while the other is a reduction of the rates named in the House bill.

The VICE PRESIDENT. Does the Senator wish to move an amendment or does he wish to achieve the same result by disagreeing to the amendment proposed by the Senate committee?

Mr. WALSH of Massachusetts. I wish to move an amendmement in the case of shelled almonds. I am aware of the fact that the House rate on nonshelled almonds is 4 cents, and that by rejecting the Senate committee amendment the House rate is automatically fixed in the bill; but that will not be true about the amendment to shelled almonds.

Mr. SIMMONS. Mr. President, I have quite a large number of telegrams from all parts of the country, from the candy manufacturers, protesting the rate on almonds. I am going to ask to put them in the RECORD without reading, except that I wish to read two of them that seem to me typical.

The one that I first read is from Chicago, directed to myself and dated June 30, 1922. It says:

CHICAGO, ILL., *June 30, 1922.*

Hon. FURNIFOLD MCL. SIMMONS,
Senate Office Building, Washington, D. C.:

Candy industry, representing 250,000 voters, $450,000,000 output, respectfully protests against proposed import duty on shelled almonds and walnuts. No State except California suitable for raising these nuts. Shelled California nuts unfit for manufacturing purposes. All sold in shell. Bring higher prices than imported and demand exceeds supply. Proposed increase, 275 per cent, would prohibit importation, greatly reducing revenue. Suggest 6-cent duty for both shelled almonds and walnuts.

THE CRACKER JACK CO.

Another from Chicago, dated June 30, and addressed to myself, reads as follows:

CHICAGO, ILL., *June 30, 1922.*

Hon. FURNIFOLD MCL. SIMMONS,
Care Senate Finance Committee,
Senate Office Building, Washington, D. C.

As users of large quantities shelled almonds and walnuts we emphatically enter vigorous protest against proposed import duties on these commodities. Crop of domestic grown nuts so insignificant to consumption in this country. Furthermore inferior in quality for manufacturing purposes. This proposed tariff, in our opinion, is very unjust to users. We feel 6 cents per pound duty on shelled almonds and walnuts is not only fair, will bring 50 per cent increased duty, but is highest that manufacturers can stand without resorting to discontinuing using almonds and walnuts, thereby lessening revenue to Government because of impracticability of domestic-grown nuts.

BUNTE BROS.

As I stated, these telegrams come from all parts of the country. The two I read come from Chicago. The next is from Knoxville, Tenn.; the next from St. Paul, Minn.; several from Chicago; the next from Brooklyn, N. Y.; the next from Cleveland, Ohio; the next from Fort Wayne, Ind.; others from Salt Lake City, Utah, and so son. I ask that these telegrams be printed in the RECORD without reading.

The VICE PRESIDENT. Without objection, it is so ordered.

The telegrams are as follows:

KNOXVILLE, TENN., *June 30, 1922.*

Hon. FURNIFOLD MCL. SIMMONS,
Care Senate Office Building, Washington, D. C.:

Import duties on almonds and walnuts will work hardship on candy manufacturers who are already paying excise taxes. The price of these items are already so high it makes reselling prices of items manufactured from these products almost prohibitive to the average consumer. Your influence against this bill will be appreciated.

B. L. JOHNSON & CO.

—

ST. PAUL, MINN., *June 30, 1922.*

FURNIFOLD MCL. SIMMONS,
Senate Office Building, Washington, D. C.:

We protest vigorously against proposed import tax on almonds and walnuts. California almonds and walnuts are not satisfactory for manufacturing confectionery, and it is imperative that we are able to import shelled almonds and shelled walnuts for use in our industry. We shall appreciate your support.

A. M. RAMER CO.

—

CHICAGO, ILL., *June 30, 1922.*

Hon. FURNIFOLD MCL. SIMMONS,
Care Senate Office Building, Washington, D. C.:

We earnestly and solemnly protest against the proposed increase of tariff on shelled almonds and walnuts. We are not opposed to a reasonable increase on the tariff. We believe a tariff of 6 cents per pound on shelled almonds and walnuts would be a reasonable increase and serve all requirements as to protection and revenue. We trust our protest will have your favorable consideration.

PAUL F. BEICH CO.

—

CHICAGO, ILL., *June 30, 1922.*

Hon. FURNIFOLD MCL. SIMMONS,
Senate Office Building, Washington, D. C.:

We believe amendment to H. R. 7456 proposed by Senator JOHNSON, of California, is unfair to an industry already overburdened with taxes. Domestic production of almonds being only small proportion of domestic consumption, we urgently request you to work for duties proposed by National Confectioners' Association, namely, almonds not shelled, 4 cents; shelled, 6 cents per pound.

WILLIAMSON CANDY CO.,
1038 North Ashland Avenue, Chicago, Ill.

—

BROOKLYN, N. Y., *June 30, 1922.*

F. MCL. SIMMONS,
Senate Office Building, Washington, D. C.:

We respectfully and emphatically protest against the proposed high tariff on almonds and walnuts as unreasonable, unjustifiable, oppressive, and destructive to the candy industry of this country. A high tariff on any article of food which our country is compelled to import because of insufficiency of production, as is proven by the statistics of the United States Tariff Commission and substantiated by the California Almond Growers' Exchange, seems absurd on the face of it. This one reason, it seems to us, should suffice to condemn the measure.

ELBEE CHOCOLATE CO. (INC.),
Brooklyn, N. Y.

—

FT. WAYNE, IND., *June 30, 1922.*

Senator FURNIFOLD MCL. SIMMONS,
Senate Office Building, Washington, D. C.:

Proposed import duties on almonds and walnuts are unjust and will benefit the small class to the detriment of the public at large. Desire to urge that you strenuously oppose same.

HEIT MILLER LAU CO.

—

CLEVELAND, OHIO, *June 30, 1922.*

Senator FURNIFOLD MCL. SIMMONS,
Senate Office Building, Washington, D. C.:

As manufacturers of cocoa and chocolate and almond bars we urge you to use your utmost influence to prevent proposed increase duty on shelled almonds. Proposed increase likely to stifle, perhaps destroy, almond bar business through substitution inferior nuts. See letter for more explicit information.

THE FORBES CHOCOLATE CO.

—

SALT LAKE CITY, UTAH, *June 30, 1922.*

Senator F. M. SIMMONS,
Senate Office Building, Washington, D. C.:

We protest against proposed import duties on almonds and walnuts. California can not produce anywhere near quantity nor quality required for manufacturing purposes and never will for many years. Why burden a greater industry when least able to bear it by increasing import duties on almonds and walnuts. It is unfair to the manufacturers and consumers and unjustifiable and unreasonable.

J. G. MCDONALD.

—

GRAND RAPIDS, MICH., *June 29, 1922.*

Hon. F. MCL. SIMMONS,
Senate Office Building, Washington, D. C.:

There is absolutely no justification for proposed duties on almonds and walnuts. If enacted, they will work irreparable injury to our industry. It is a matter of life or death. We suggest 4 cents per pound on almonds in the shell, 6 cents on shelled almonds; 3 cents on walnuts not shelled and 6 cents walnuts shelled as sufficient for all purposes; and we ask your earnest cooperation in this vital matter affecting our own and allied industries, representing a capital investment of at least $1,000,000,000.

PUTNAM FACTORY.

—

SPRINGFIELD, MASS., *June 29, 1922.*

Hon. FURNIFOLD MCL. SIMMONS,
Washington, D. C.:

We vigorously oppose proposed increase in import duties on shelled almonds and shelled walnuts as unjust to the confectionery manufacturing industry. California produces only small percentage of this country's requirements of these nuts. Moreover, California almonds and walnuts are not satisfactory for use in confectionery. Proposed duties penalize our industry and consuming public.

KIBBE BROS.

—

NEWARK, N. J., *June 29, 1922.*

FURNIFOLD MCL. SIMMONS,
Senate Office Building, Washington, D. C.:

We protest vigorously against proposed duty on almonds and walnuts. Your duty demands you look into serious effect on candy industry of this exorbitant advance. We regard it outrageous, its increase in Government revenue questionable, and will make luxuries of familiar food products. We wonder if Senators realize unhappy frame of mind developing among substantial business men because of killing burdens unrelieved and threatening legislative proposals.

SANDALL CANDY CO.

—

NEW YORK, *June 29, 1922.*

Hon. FURNIFOLD MCL. SIMMONS,
United States Senate, Washington:

Proposed duty on almonds would seriously injure chocolate industry, already double taxed. Urge no action this item.

Respectfully,

W. B. NESBITT,
Vice President Ideal Cocoa & Chocolate Co.,
New York and Lititz, Pa.

—

ERIE, PA., *June 30, 1922.*

Senator FURNIFOLD MCL. SIMMONS,
United States Senate, Washington:

The proposed tariff on almonds and walnuts we believe is uncalled for. If enacted as proposed will affect our business very materially and do us great harm. We want to be patriotic, but do not like to lose a great part of our business.

F. D. SCHULTZ CO.

JOHNSTOWN, PA., *June 29, 1922.*

Senator FURNIFOLD MCL. SIMMONS,
United States Senate, Washington:

Please protest vigorously against proposed import duties on almonds and walnuts.

KEYSTONE CANDY CO.

—

OTTUMWA, IOWA, *June 29, 1922.*

Senator FURNIFOLD MCL. SIMMONS,
Washington, D. C.:

The manufacturers have never considered there was enough shelled almonds and walnuts produced in this country to go more than one-fifth around, consequently a duty like proposed would work a hardship on every individual as well as manufacturers. We want to give consumers goods at nominal prices and keep wheels moving. Your keenest consideration is asked.

WALTER T. HALL CO.

—

NEW YORK, N. Y., *June 29, 1922.*

Senator F. MCL. SIMMONS,
Senate, Washington, D. C.:

We herewith protest against the increased duties on almonds and walnuts now proposed.

HUYLERS.

—

ROCHESTER, N. Y., *June 29, 1922.*

Senator F. M. SIMMONS,
Washington, D. C.:

Proposed import duties on almonds and walnuts are out of all reason. Almonds and walnuts grown in the United States can not begin to meet the demand for consumption in this country. Almonds and walnuts grown in the United States are not suitable for use by manufacturing confectioners. We vigorously protest against the proposed duty on almonds and walnuts.

THE ROCHESTER CANDY CO.

—

SPOKANE, WASH., *June 29, 1922.*

Hon. F. M. SIMMONS,
Washington, D. C.:

We hereby vigorously protest against proposed import duties on almonds of 15 cents a pound and shelled walnuts 12 cents a pound, as these duties, if enacted, will cripple the candy industry. We believe a rate of 6 cents per pound on shelled almonds and shelled walnuts adequate and fair if the industry is to survive and these commodities are to be used.

TRU BLUE BISCUIT CO.,
F. E. KRAUSE, *President.*

—

CORNING, N. Y., *June 29, 1922.*

Senator F. M. SIMMONS,
Senate Office Building, Washington, D. C.:

We request that you give careful consideration to the import duties proposed in the pending tariff bill on almonds and walnuts and to the brief submitted by the National Confectioners' Association on the subject. We are convinced that duties proposed would inflict a grave and unnecessary hardship on the manufacturing confectioners of this country, and would result in a prohibitive cost of confections in which these items are used, and it is a proven fact that this country can not produce either the quality or quantity of almonds and walnuts demanded by the confectioners' industry. We strongly urge that you vote against tariffs on shelled almonds and shelled walnuts exceeding 6 cents per pound.

W. E. GORTON, Jr.,
President Gorton Chocolate Co.

—

ST. LOUIS, MO., *June 29, 1922.*

Hon. FURNIFOLD MCL. SIMMONS,
Senate Office Building, Washington, D. C.:

Please note our opposition to proposed increase in tariff duties on shelled almonds and walnuts. Candy manufacturers are large users, and proposed increases would make the use of these items practically prohibitive.

A. J. WALTER FACTORY.

—

JAMESTOWN, N. Y., *June 29, 1922.*

Hon. FURNIFOLD MCL. SIMMONS,
Senate Office Building, Washington, D. C.:

Proposed import duties on almonds and walnuts would work hardship for not only all manufacturing confectioners but millions of consumers to whom they cater. These duties are prohibitive, because consumers simply could not and would not pay what manufacturer would be forced to charge. Protected growers can not meet demands.

CHAUTAUQUA CONFECTIONERY CO. (INC.).

—

PUEBLO, COLO., *June 23, 1922.*

Senator FURNIFOLD MCL. SIMMONS,
Care Senate Office Building, Washington, D. C.:

We enter protest against proposed import duties on shelled almonds and walnuts and recommend for substitution a rate of 6 cents per pound.

THE ROOD CANDY CO.

—

BUFFALO, N. Y., *June 29, 1922.*

Senator F. M. SIMMONS,
Washington, D. C.:

We enter protest against proposed enormous increase in duties on shelled almonds and shelled walnuts. Neither are in need of protection, and they supply but a fraction of shelled nuts used. An average increase as placed on all imports is all the Government should consider.

HOEFLERS CENTENNIAL CHOCOLATE (INC.).

—

READING, PA., *June 29, 1922.*

Senator F. M. SIMMONS,
Washington, D. C.:

We vigorously protest against enormous increase on import duties shelled almonds and walnuts. Increase on former is 275 per cent; latter, 200 per cent. California production insufficient and quality very unsatisfactory. We approve reasonable increase for revenue, but proposed increase will ruin this branch of our industry.

WM. H. LUDEN (INC.),

CLEVELAND, OHIO, *June 29, 1922.*

Senator SIMMONS,
Washington, D. C.:

We protest against any tariff higher than 6 cents a pound on shelled walnuts and almonds. A higher tariff would prohibit their use.

THE R. F. MACKENZIE CO.

—

NEW YORK, *June 29, 1922.*

Hon. FURNIFOLD MCL. SIMMONS,
Senate Office Building, Washington, D. C.:

As candy manufacturers we respectfully urge reduction of proposed duty on almonds and walnuts. These form large component part of class of candies having high nutritive value. As only one-sixth of nuts consumed in United States are produced here, proposed tariff will make this form of food prohibitively high-priced luxury.

NESTLES FOOD CO.

—

SEATTLE WASH., *June 29, 1922.*

Senator F. M. SIMMONS,
Washington, D. C.:

Doubling present duties on shelled almonds and shelled walnuts would be reasonable and give local producers ample protection. To increase these duties 275 and 200 per cent, respectively, would put these two food items in a class where they could not be used by the manufacturing confectioner as they are used to-day. Therefore we protest to you vigorously against the suggested duty of 15 cents per pound on shelled almonds and 12 cents per pound on shelled walnuts and ask you to see that present duties are not increased to exceed 100 per cent.

IMPERIAL CANDY CO.

—

BOSTON, MASS., *June 29, 1922.*

Hon. FURNIFOLD M. SIMMONS,
Senate Office Building, Washington, D. C.:

As confectionery manufacturers for 75 years we wish to protest proposed increase import duties of 275 per cent on shelled almonds and 200 per cent on shelled walnuts. Why should Representatives vote for such an increase when the California Almond Growers' Exchange can not even deliver goods? We are speaking now of shelled almonds and walnuts and not nuts in the shell. Why should we manufacturers be forced to pay such an increase when the total amount of almonds shelled in California yearly would not supply two of our manufacturers in this country for one and one-half days? Please bear in mind that there is $350,000,000 invested capital in the candy industry, which is the twenty-eighth largest industry in the United States.

NEW ENGLAND CONFECTIONERY CO.

—

COUNCIL BLUFFS, IOWA, *June 29, 1922.*

Hon. FURNIFOLD MCL. SIMMONS,
Senate Office Building, Washington, D. C.:

We protest against the proposed rates of 15 cents per pound on shelled almonds and walnuts in the pending tariff bill, and request you to support the 6-cents-per-pound rate on each as recommended by the National Confectioners' Association. The proposed schedule would make the use of imported almonds almost prohibitive in our business, while domestic almonds are not suitable for our requirements, and are not produced in sufficient quantities to supply normal demand, if they were suitable. Your careful consideration will be appreciated.

JOHN C. WOODWARD & CO.

—

CANAJOHARIE, N. Y., *June 29, 1922.*

Hon. FURNIFOLD MCL. SIMMONS,
United States Senate, Washington, D. C.:

Believe proposed duties on shelled almonds and walnuts will make cost of finished products to consumer unreasonably high, which will be reflected in curtailed use and restricted demand for domestic and imported nuts. We believe duties of 6 cents per pound on shelled almonds and 6 cents on shelled walnuts ample to protect domestic interests and not too great to interfere with liberal use.

BEECHNUT PACKING CO.

—

BOSTON, MASS., *June 29, 1922.*

Hon. FURNIFOLD MCL. SIMMONS,
Senate Building, Washington, D. C.:

We desire to protest vigorously against the proposed import duties on almonds and walnuts. Impossible to use domestic almonds and walnuts in candy; public do not want them. Manufacturing confectioners use a large part of the total importation of both. An excessive duty, as proposed, would seriously hinder our efforts to get our products to a price basis satisfactory to the consuming public. This industry stands fifth in the country and furnishes employment to a great many thousand people.

DAGGET CHOCOLATE CO.

—

OMAHA, NEBR., *June 29–30, 1922.*

Senator FURNIFOLD MCL. SIMMONS,
Care Senate Office Building, Washington, D. C.:

We vigorously protest against duty on shelled almonds 16 cents per pound; also shelled walnuts of 12 cents per pound. If contemplated duty is passed will make the use of both items prohibitory. Present growth of both items in the United States only very small percentage of actual consumption.

GORDON RAINALTER CO.

—

HUTCHINSON, KANS., *June 29, 1922.*

Hon. FURNIFOLD MCL. SIMMONS,
Senate Office Building, Washington, D. C.:

We protest vigorously against proposed import duties on shelled almonds and walnuts. Why penalize the majority for the benefit of the minority?

THE RICHARDS-SCHEBLE CANDY CO.

—

NEW ORLEANS, LA., *June 29, 1922.*

Hon. FURNIFOLD MCL. SIMMONS,
Senate Office Building, Washington, D. C.:

We oppose the pending increase tariff on shelled nuts. Nut growers should have protection, but not an increase of 400 per cent, which is unreasonable and unnecessary. Domestic almonds unsatisfactory for

use in confectionery; therefore do not think the increased duty will help domestic growers. Candy manufacturers need help rather than more burdens if they are to stay in business.

ELMER CANDY CO. (INC.).

—

ST. LOUIS, MO., *June 29, 1922.*

Hon. FURNIFOLD MCL. SIMMONS,
Washington, D. C.:

The proposed import duty rates on shelled almonds and shelled walnuts in our opinion are unreasonably and exorbitantly high and we feel there is absolutey no justifiable reason for these contemplated rates, especially at a time when everyone is clamoring for reductions in prices. The candy industry is now more than sharing its burden of taxes compared with other industries, and we urge you to use your influence to have these duties reduced substantially.

O. H. PECKHAM FACTORY, NATIONAL CANDY CO. (INC.).

—

SALT LAKE CITY, UTAH., *June 29, 1922.*

Senator FURNIFOLD MCL. SIMMONS,
Senate Office Building, Washington, D. C.:

We desire protest against proposed import duties on shelled almonds and shelled walnuts, believing they are neither warranted nor justified. California produces but very small percentage of shelled walnuts and shelled almonds consumed, their production being so small compared to consumption that they are in position to supply but about 10 per cent of demand. Why penalize our industry, which is largest consumer of shelled nuts, by imposing duties which are unreasonable, exorbitant, and unwarranted? Hope you will favor decided reduction in proposed duties.

SWEET CANDY CO.

—

NEW YORK, N. Y., *June 29, 1922.*

Senator FURNIFOLD MCL. SIMMONS,
Senate Office Building, Washington, D. C.:

Proposed import duties on almonds and walnuts is unreasonable and not fair to manufacturers in the 47 States outside of California, that can only produce 10 per cent of consumption. Chocolate-almond-bar industry will be ruined, necessitating manufacturers to dismantle expensive equipment and discharge thousands of employees. Maximum rate 6 cents is all our industry can stand and exist in the face of foreign competition.

RUNKEL BROS. (INC.) COCOA & CHOCOLATE MANUFACTURERS' ASSOCIATION OF THE UNITED STATES,
LOUIS RUNKEL, *President.*

—

NEW ORLEANS, LA., *June 29, 1922.*

Hon. FURNIFOLD MCL. SIMMONS,
Senate Office Building, Washington, D. C.:

We would urge your active support in opposition to proposed duty on almonds and walnuts in tariff bill H. R. 7456, paragraphs 754 and 758. Imported almonds and walnuts not in competition with those grown in United States. Our business requires imported varieties. High rates proposed would mean higher prices to consumers with no benefit to growers of domestic nuts. Would like to have you support duty of 4 cents per pound on almonds not shelled and 6 cents shelled. Walnuts, not shelled, 3 cents per pound; shelled, 6 cents. These rates wholly adequate to protect domestic growers.

FUERST & KRAEMER (LTD.).

—

MILWAUKEE, WIS., *June 29, 1922.*

Hon. F. M. SIMMONS,
Senate Office Building, Washington, D. C.:

There is a proposed duty of 15 cents a pound on shelled almonds. This is an increase of 275 per cent. We are large users of almonds, and this exorbitant tax if passed will be very destructive to our business. California does not produce almonds of the proper quality or in sufficient quantities to justify an increase in duty. The chocolate and confectionery industry can not stand a tax of more than 6 cents a pound. This is worthy of investigation.

ELINES (INC.).

—

MINNEAPOLIS, MINN., *June 29, 1922.*

Hon. FURNIFOLD SIMMONS,
Senate Office Building, Washington, D. C.:

Referring tariff bill H. R. 7456, paragraphs 754, 755, and 758, we protest against increased rate import duties on shelled almonds, walnuts, and filberts. These constitute important part material used by confectioners. Increased duty will impose unreasonable burden on industry. Rate suggested by California growers unwarranted and unreasonable. We beg you to give this protest attention and consideration.

J. N. COLLINS CO.

—

ATLANTA, GA., *June 29, 1922.*

Hon. F. MCL. SIMMONS,
Senate Office Building, Washington, D. C.:

Trust you will vigorously oppose increased duty on almonds and walnuts. This only benefits few California growers. Places burden entire Nation. California almonds very poor and rarely used by quality manufacturers. Almonds and walnuts grown in America form meager portion Nation's requirement. This provision tariff bill unfair; should be opposed.

NORRIS (INC.).

—

NEW YORK, N. Y., *June 29, 1922.*

Hon. FURNIFOLD MCL. SIMMONS,
Senate Office Building, Washington, D. C.:

Proposed import duty on shelled almonds and shelled walnuts is preposterous and unwarranted. Would be grossly unjust and most harmful to nation-wide industries and to the public. California produces about 10 per cent of the almonds consumed in this country. Why should the consumers of the other 47 States pay such an excessive premium for this small output of California. A duty not exceeding 6 cents per pound on shelled almonds and shelled walnuts would be fair, and we earnestly appeal for your support toward that end.

HENRY HEIDE (INC.)

BROOKLYN, N. Y., *June 29, 1922.*

Senator FURNIFOLD MCL. SIMMONS,
Senate Office Building, Washington, D. C.:

We protest against the import duty proposed by the Senate on the importation of shelled walnuts and shelled almonds, and we ask you to kindly accept our proposal for the pending tariff bill—shelled walnuts 6 cents per pound and shelled almonds 6 cents per pound. This is 50 per cent in advance of the present rate of duty, which we think is more than ample, and a high tariff will certainly not benefit the industry.

J. J. BALLWEG,
President Novia Candy Co. (Inc.), Brooklyn, N. Y.

—

CAMBRIDGE, MASS., *June 29, 1922.*

Senator F. MCL. SIMMONS,
Senate Office Building, Washington, D. C.:

We protest against proposed duty on shelled almonds and walnuts, as it means additional burden placed upon us when we are least able to bear it, and does not protect American industries it intended to aid.

RUSSELL & CO.,
253 Norfolk Street.

—

ROXBURY, MASS., *June 29, 1922.*

Hon. F. MCL. SIMMONS,
United States Senate, Washington, D. C.:

Respectfully protest extreme duties on confectioners' raw material, especially almonds and walnuts, as serving no good end. Protection of American grower not at issue, as domestic nuts are unfit for many purposes. Proved by present use of imported nuts at higher cost. Considerations of revenue point same way. Nuts cost already so high that we manufacture nut candies chiefly to round out our line. Alone they show little or no profit and higher costs would be prohibitive.

CHARTER CHOCOLATE CO.

—

MINNEAPOLIS, MINN., *June 29, 1922.*

Hon. FURNIFOLD MCL. SIMMONS,
Care Senate Office Building, Washington, D. C.:

We wish to protest vigorously against proposed import duties on almonds and walnuts. California almonds do not come into competition with imported shelled almonds. California can not supply demand on almonds and walnuts for next 15 years. There is no justification for the proposed duties. Use your influence.

THE PARIS FACTORY NATIONAL CANDY CO.

—

INDIANAPOLIS, IND., *June 30, 1922.*

Hon. FURNIFOLD MCL. SIMMONS,
Senate Office Building, Washington, D. C.:

We are taking this method of expressing our disapproval of the proposed import duties on almonds and walnuts. California growers do not need the protection since they deal only in almonds in the shell, while confectioners use only shelled almonds. Shelled almonds and walnuts deteriorate rapidly.

BETSY ROSS CANDY SHOPS.

—

TOLEDO, OHIO, *June 29, 1922.*

Senator FURNIFOLD M. SIMMONS,
Senate Office Building, Washington, D. C.:

We wish to protest vigorously against the proposed increased import duties on almonds and walnuts. We see no justification for these excessive and outrageous increases.

THE SMITH KIRK CANDY CO.

—

OGDEN, UTAH, *June 29, 1922.*

Senator FURNIFOLD MCL. SIMMONS,
Care Senate Office Building, Washington, D. C.:

We protest vigorously against any increase in the import duties on raw materials used in the manufacture of candy, and especially protest against any increase on almonds, walnuts, and dried egg albumen. We beg to refer you to our Senators SMOOT and KING, to whom we have written.

THE SHUPE WILLIAMS CANDY CO.

—

BOSTON, MASS., *June 29, 1922.*

Senator FURNIFOLD MCL. SIMMONS,
Senate Office Building, Washington, D. C.:

Rates on sugar, almonds, walnuts, egg albumen, cocoa butter, honey, and gelatin as proposed are unnecessarily high and we urge you to use your best endeavors to prevent their being put into effect. Would impose on us additional burden of $150,000 yearly.

W. F. SCHARFFT & SONS CORPORATION.

—

CEDAR RAPIDS, IOWA, *June 29, 1922.*

Hon. FURNIFOLD MCL. SIMMONS,
Care Senate Office Building, Washington, D. C.:

We vigorously protest against the excessive proposed import duty on almonds and walnuts. Consider 50 per cent advance duty sufficient for protection and revenue.

CEDAR RAPIDS CANDY CO.

—

MUSKEGON, MICH., *June 29, 1922.*

Hon. FURNIFOLD MCL. SIMMONS,
Senate Office Building, Washington, D. C.:

Proposed import duties on almonds and walnuts is too high. American industry developed to limit can not produce percentage of national consumption to warrant proposed rate, against which we protest strongly. Please use your influence to have it reduced.

A. R. WALKER CANDY CORPORATION.

—

PHILADELPHIA, PA., *June 29, 1922.*

Hon. FURNIFOLD M. SIMMONS,
Washington, D. C.:

We wish to protest vigorously against the proposed duties on shelled almonds and walnuts. California almonds and walnuts can not be used in manufacture of high-grade confectionery. Their quality is inferior to imported products. Time and again we have attempted to

use domestic goods, believing in supporting home industries. Efforts have been unsuccessful. We believe in a protective tariff, providing raw materials and manufactured goods are equal in quality to competing foreign products. We hope this matter will receive your best consideration before adopting the high and unreasonable tariff proposed on almonds and walnuts.

STEPHEN F. WHITMAN & SON (INC.).

Mr. JOHNSON. Mr. President, the distinguished Senator from Massachusetts [Mr. WALSH], who has just spoken upon this subject, is generally quite eloquent and fairly logical; but in what he has presented in this regard I feel that we may question something of that faculty of reasoning which we have attributed to him in the past, or we may feel that he is wholly lacking in enthusiasm for the cause that in this instance he presents.

The remarks of the Senator from Massachusetts aptly illustrate the difference between the two sides of this Chamber upon the tariff question. The Senator from Massachusetts says, "Oh, yes; you are entitled to protective duties for almonds and for walnuts in California, but what I question is the amount of the duties that are fixed by this bill."

Mr. President, if you follow to its conclusion what thus he has said you reach without doubt the theory that is presented by the Republican side of this Chamber—the theory finally of protection to American products and protection to American industries. Once he concedes that protection ought to be accorded, then the mode of protection and the amount we ought to be able scientifically to arrive at.

So we may start with our Democratic brethren in this question with a common premise: Protection should be given to these products of the soil of the West; protection should be accorded to that which we manufacture in this country; protection should be, indeed, the very fundamental fiscal, economic policy of this land. The only problem presented by him is as to the amount.

Pardon me, may I say to the Senator from Wisconsin [Mr. LENROOT] that I agreed to yield to him the other day if he desired to speak. Does the Senator wish me to do so at this time?

Mr. LENROOT. No. I thank the Senator from California, but I was detained this morning, and I am compelled to leave at 1 o'clock, so I shall have to forego discussion to-day. I may say that I hope this matter may be put over until Wednesday, but I do not insist upon it.

Mr. JOHNSON. As I was saying, Mr. President, the only question between the Senator from Massachusetts and his colleagues on the other side on the general principle of protection is as to the measurement of that protection—how much should be accorded. So far as the Senator from Massachusetts is concerned we are not left in doubt as to the measure of protection, for in his very eloquent speech, recently delivered upon the tariff bill, he made the measure of protection the difference between the cost of production abroad and the cost of production at home. When we considered this particular item of almonds and the item of walnuts by exactly his mode, we reach rates that are in excess of those that are provided in this tariff bill. Naught has he said, Mr. President, of the cost of production abroad; nothing has he, indeed, explained about the cost of production at home. I adverted to both in originally presenting this question; and the difference between cost of production abroad and cost of production at home is greater than the duty that is asked under this bill in either instance, of almonds or walnuts. None can deny this statement. I challenge contradiction of it. Upon the Senator's own argument, therefore, we ought not to be in disagreement at all; and if he followed his usual logical processes he would be standing here side by side with me in asking that these rates of duty that are fixed in this bill should be granted as to almonds and to walnuts, both.

Three objections he makes to this rate. First, he says it will increase in price the product of the candy manufacturer, and very frankly he stands here as the champion of the confectioners, and, as champion of the confectioners, opposing a just duty upon almonds and walnuts which are used in the confectionery business. What increase in price, I ask him, will there be in a product 1 per cent only of which consists of almonds or walnuts, and on which the confectioner makes a profit of 300 per cent? There is a problem that our friend from Massachusetts might readily solve: A business, 300 per cent profit in it, and only 1 per cent of almonds and walnuts used. How great will the increase in price be because of the use of protected almonds and walnuts with this 300 per cent profitable business? In the article manufactured, remember 1 per cent of nuts is used; a profit is made out of the article mostly 9 per cent of which contains other ingredients of 300 per cent. I leave to him and to the Senate the determination of what contribution to the increase in the price will be made by the duties of 5 and 15 on almonds and 4 and 12 on walnuts.

Next, Mr. President, the Senator questions whether or not we can produce in the State of California the quantity necessary to take care of a reasonable proportion of the market in this country. Let me repeat the figures that I have given concerning the trees that are in bearing and those that are nonbearing, and in giving these I state the estimates of the United States Department of Agriculture and the California State Department of Agriculture in cooperation.

In 1920 the acreage of bearing trees was 39,988; of nonbearing trees, 29,539. The total acreage in that year was 69,527 acres. In these official statistics many trees are counted as bearing trees which produce but few nuts and are commercially rated as nonbearing. In 1921, 9,003 additional acres were planted. The total acreage in 1921, therefore, was 78,530; 78,530 acres when in full bearing, with 700 pounds to the acre, will produce 54,971,000 pounds of almonds, an amount equal to the total imports of both unshelled and shelled almonds figured on the unshelled basis for the fiscal year ending June 30, 1921.

As to the production of 700 pounds per acre, I quote merely the figures of investigation of the University of California, as shown by its Bulletin 297. So much for quantity. It is obvious that when the trees that are now in the ground come into bearing we will provide from the State of California enough almonds for the entire American market.

But even if that were not so we would have the right to come asking protection here for prospective results which might be attained, and I call attention to the fact that the representative of the confectioners, when appearing before the Finance Committee, placed his request for a high duty upon his product, upon his candy, on the speculation of what he might have to meet in the years to come. That will be found at page 3229 of the committee print of the tariff hearings.

I place our request for a duty upon no such ground; but if it were placed upon that ground I am sure it would meet the ready approval of the Senator from Massachusetts, for that is the ground upon which in the main the confectioners for whom he speaks ask their duty of the Finance Committee. So much for quantity. Fully and clearly and conclusively is that answered.

Now as to quality. I might give you an ocular demonstration—rather I would say a gustatory demonstration—of the products of the almonds of our State manufactured in the ordinary confections. I wish that during the afternoon when my friend from Massachusetts is regaling himself with some of the very dry subjects concerning the tariff—this subject upon which we are now speaking being a most interesting one, of course—he would take some of these candied almonds in all of the various states in which they are sold and refresh himself while tickling his palate, and I am sure that his attitude toward California almonds would be softened, and I am sure he would feel under those circumstances that the question of quality did not enter into this matter at all.

Mr. WALSH of Massachusetts. Mr. President, I will say for the information of the Senator that I spent about half an hour of one afternoon recently studying samples of almonds produced by confectioners who were trying to demonstrate to me the difference between the California-produced almond and the imported almond. I must say that I was unable to come to any conclusion, not being a candy manufacturer. They all looked alike to me.

Mr. JOHNSON. Mr. President, I am glad to hear the statement that they all looked alike, but there is nothing like an ocular demonstration. It is in the lap of the Senator from Massachusetts now.

After all, Mr. President, the difficulty is not one of quality. The question is not one of quantity. The question is one of profit to the confectioners; nothing more than that. It is not that they can not use California almonds in their confectionery. We have demonstrated that they can. It is not that they can not use the almonds that are put up in packages like those upon my desk. We have demonstrated that they can be thus used. The difficulty is that these gentlemen making 300 per cent profit in their business as confectioners want to buy from Europe, from the Mediterranean, from China, where they can buy a little more cheaply than they can buy in America. By a tariff duty we can enable our people to go forward with their industry and supply all of the wants of the people of this country.

It is absurd to talk of increase in their prices. Quantity, we demonstrate by the Agricultural Department, will be here very soon. The quality is before you, and the arguments which are made as to these various items are without any foundation at all.

I desire, as part of what I say, to put into the RECORD the National Confectioners' Association resolutions in order that I may be entirely fair to them, and the reply of the California Almond Growers to those resolutions.

I desire, too, to insert the analysis of foreign and domestic almonds made by Professor Jaffa, of the University of California, demonstrating by scientific analysis the utter lack of foundation of the charge that the quality of these almonds precludes their manufacture into confectionery.

Just one word more. Do you know what our shelled almond comes in contact with and what it is that makes our difficulties? Abroad, Mr. President, the women and children shell the almonds after working hours, in the primitive form, with just two rocks. We in California can not meet the kind of labor that does that. I have before me a photograph of the building which almond growers in cooperation built in the city of Sacramento, at a cost of more than $300,000, to shell almonds by machinery. Even shelling almonds there with machinery, with men and women working under American conditions, we can not meet the cost of the women and the children who work at night breaking almonds in Spain and in Italy in primitive fashion, between rocks, and to-day that factory in the city of Sacramento is not turning a wheel because we can not meet what little cost there is abroad in that behalf.

It is because of these conditions, because we can not meet them, because you can not take American men and American women in the West and have them live as those in the Mediterranean and those in the Orient live, it is because of those facts, that we are compelled to ask the rate that is fixed in this bill, the lowest rate, indeed, under which it is possible for our people to live.

Mr. President, I renew my request that the information to which I have referred be inserted in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

TARIFF ON ALMONDS AND WALNUTS.

NATIONAL CONFECTIONERS' ASSOCIATION OF THE UNITED STATES,
OFFICE OF SECRETARY-TREASURER,
Chicago, June 2, 1922.

Hon. HIRAM W. JOHNSON,
United States Senator, Senate Office Building, Washington, D. C.

DEAR SENATOR: Relative to the proposed import duties on almonds and walnuts as provided in the pending tariff bill:

This matter was carefully and thoroughly discussed at a meeting of our executive committee which was held in the Hotel Drake, Chicago, on May 23, the day prior to the first session of our thirty-ninth annual convention.

As a result of the discussion the executive committee unanimously adopted the following resolution, which was referred to the committee on resolutions, and by that committee approved and brought before the convention for action, and unanimously adopted by the convention:

"Whereas California produces only between 1 and 2 per cent of the total world production of almonds, and the United States consumes 12 per cent of the world's total production; and

"Whereas the total California production is not sufficient to even supply the requirements of three large manufacturers in the confectionery industry, to say nothing of the needs of the entire industry; and

"Whereas the proposed excessively high import duties on almonds and walnuts, both shelled and unshelled, will practically necessitate their elimination in the manufacturing of confectionery; and

"Whereas the California almonds and walnuts are unsatisfactory for manufacturing purposes on account of their fibrous nature and lack of flavor as compared with foreign nuts; and

"Whereas the National Confectioners' Association, representing the confectionery industry of the United States with an approximate capital investment of $350,000,000 and over 250,000 employees, in convention assembled at the Drake Hotel, Chicago, on May 24, 25, 26, 1922, does hereby register a vigorous protest against the proposed import duties on almonds and walnuts, which are as follows:

	Cents per pound.
Almonds, not shelled	5
Shelled almonds	15
Walnuts, not shelled	4
Shelled walnuts	12

"These duties if enacted into law would work a great hardship on our industry; Therefore be it

"*Resolved*, That it is the unanimous decision of this convention that the following rates be recommended for substitution in place of the rates proposed in the pending tariff bill:

	Cents per pound.
Almonds, not shelled	4
Shelled almonds	6
Walnuts, not shelled	3
Shelled walnuts	6

"These proposed rates are just and fair, and would meet all requirements, both as to protection and revenue."

This resolution is therefore respectfully submitted for your attention, and I trust that the rates which we recommend as referred to therein, will receive your favorable consideration.

Sincerely yours,

WALTER C. HUGHES, *Secretary.*

THE CALIFORNIA ALMOND GROWERS' ANSWER.

The resolution adopted by the National Confectioners' Association of the United States has been presented with not a single word or figure of supporting evidence.

Throughout the entire consideration of the merits of a tariff on almonds, shelled and unshelled, those opposed to the rates requested by the California almond growers have followed the same tactics. At no time, to our knowledge, have they ever presented any data to prove their contentions.

On the other hand, the California growers have presented an abundance of official data proving, beyond the shadow of a doubt, the merits of their case as well as their conservatism.

We, therefore, respectfully present for your consideration the following answers to the resolution of the confectioners, as far as they relate to almonds, together with the data supporting those answers.

CALIFORNIA ALMOND GROWERS' EXCHANGE.

Whereas, first, the American production and consumption of the total world's supply of almonds has nothing whatever to do with import duties on almonds, in our estimation. The question revolves solely around imports, production, and consumption in the United States. Those produced and consumed abroad are entirely without the sphere of consideration, except in so far as volume of foreign production may indicate the possibility of serious competition in American markets with the domestic product.

Whereas, second, when the confectioners make a statement that California can not product sufficient almonds to supply the requirements of three large manufacturers in the confectioners' industry it would seem only reasonable that they give actual figures as to what some of their manufacturers use each year. By "use" I do not mean their total purchases, some of which may be redistributed to other manufacturers, but those which they use for manufacturing purposes themselves. The fact remains that the average ratio of production to imports for the fiscal year 1920 and 1921 was 20 per cent. In other words, California produced one-sixth of the entire American consumption. Those are the latest figures available at the present time. (See Exhibit A.)

Owing to increased bearing acreage the California almond crop for the year 1922 is conservatively estimated at 9,000 tons, or sufficient to make the ratio of production to imports equal 28.1 per cent, based on the average imports for the years 1920 and 1921. (See Exhibit A.)

When the present existing acreage is in full bearing, about 1927, the average annual production will amount to 54,931,000 pounds, which is equal to 85.7 per cent of the average imports for 1920 and 1921. (See Exhibit A.)

It is hardly fair to make such an unsubstantiated claim as to the smallness of the California production, when the figures given above prove the bigness of the California acreage.

Whereas, third, in view of the fact that the duty on shelled almonds is only equal to approximately a 30 per cent ad valorem rate based on American valuation, and since almonds constitute but a small proportion of confections which contain them, it is impossible to believe that the rates recommended by the Senate Committee on Finance can possibly necessitate their elimination in the manufacture of confectionery. If the contention of the confectioners is true, they should be able to support it with facts and figures, which they have not done. As a matter of interest, the National Confectioners' Association, through their secretary, Walter C. Hughes, asked the Senate Finance Committee for a rate of 50 per cent ad valorem, American valuation, on candy, at the same time admitting that the only competition they feared was prospective, not actual. The rates we ask are less than 34 per cent, foreign valuation.

It is claimed by the confectioners that the annual sales by wholesale confectioners is $700,000,000 worth of candy. We believe the annual sales of candy greatly exceed this figure, in view of the fact that many small manufacturers are retailers as well. On this basis, were it assumed that the entire imports of all almonds into this country from abroad were converted into candies—and it is known that they are not—the entire value of these almonds could represent but 1 per cent of the value of annual sales by wholesale confectioners. (The average value of all imports, shelled and unshelled.)

As quoted in our brief, as submitted to the Senate Committee on Finance (p. 20 of the printed brief), Mr. Miller, of the Miller Candy Co., of New York, published a statement in the New York Times for August 1, 1921, saying it was undeniable that 300 per cent profits have been general in the candy business. It would appear from this that manufacturers would hardly find it necessary to eliminate almonds from their confections.

In this connection we have made every effort possible to secure information as to the proportion of almonds in confections containing these nuts, but have thus far failed to secure it, as the confectioners will not give us information which would be damaging to them. It is certain, however, that it is a relatively small percentage.

Whereas, fourth, the statement that domestic almonds "are unsatisfactory for manufacturing purposes on account of their fibrous nature and lack of flavor as compared with foreign nuts" is entirely without foundation. Official analyses by Prof. M. E. Jaffa, of the California Agricultural Experiment Station (see Exhibit B), indicate that the fiber in California almonds is not one particle more than in the foreign samples. As for flavor, that is a pure assertion on their part which, we believe, can not be borne out, and will not be by impartial judges.

As a matter of fact the confectioners have continuously contended, prior to the present tariff discussion, that the reason California almonds could not be used was on account of price, and not quality. In fact, the assertion of a leading manufacturer in this country to the manager of the California Almond Growers' Exchange was that quality had little or nothing to do with almonds for confectionery purposes, as the confection surrounding the almonds disguised the flavor so as to prevent any distinction in quality.

The same claim as to quality was made against California's unshelled almonds 10 years ago, when the growers first began active competition with the foreign commodity. To-day the trade generally considers quality of California unshelled almonds fully equal to that of the foreign.

The exchange can produce almost any number of letters from the trade throughout the United States, testifying as to the quality of the California shelled product, but stating that sales were impossible solely on account of price.

Whereas, fifth, assuming that at the very most almonds constitute less than 1 per cent of the total value of confections, and prorating that proportion of value of the $350,000,000, which they claim is the approximate capital investment of these confectioners, would mean a total investment attributable to the almond part of their confectionery business of less than $3,500,000, whereas, on the very lowest estimate ever made, the investment in almond orchards alone, not including buildings or other portions of the farms containing these almond orchards, amounts to at least $25,000,000. Some estimates place it at $50,000,000. Furthermore, the complete elimination of almonds from the candy business will not destroy the value of the investment

in the candy business, as each manufacturer will go on making candy just the same. With the almond orchards it will be just exactly the opposite; if the growers can not produce at a profit they must dig their orchards up and let the land revert to pasture or for the production of low-priced crops of grain, as was done before lands were converted into orchards, with a consequent total loss of investment in the orchards themselves.

In view of the statement of the confectioners that the proposed duties on almonds, "if enacted into law would work a great hardship on our industry," it is only fair that they present some specific data to prove their contention. The almond growers have proved, beyond a doubt, their need of the rates asked.

Resolved, In paragraph beginning "Resolved," the statement is made that the rates they propose of 4 cents for almonds not shelled and 6 cents for almonds shelled "are just and fair," and would meet all requirements, both as to "protection and revenue." Never once, to my knowledge, have the confectioners, or any of those opposing the rates we ask, ever submitted any figures on relative costs of production to show that we do not need all the rates for which we have asked. In fact they have never submitted a figure on production costs or competitive costs of any kind.

We can not understand why the confectioners, who never have, and never will, use one single pound of unshelled almonds, have manifested such an interest in recommending a rate on almonds not shelled. That rate will not effect their business one iota. Their attitude is, therefore, incomprehensible.

EXHIBIT A.

Almond acreage and production data.

Estimates by United States Department of Agriculture and California State Department of Agriculture, cooperating.

1920 ACREAGE.

Acres bearing	39,988
Acres nonbearing	29,539
Total acres	69,527

(NOTE.—Commercial nonbearing acreage is much greater and bearing acreage much less because, for statistical purposes, census takers count trees that have borne even a few nuts as bearing trees.)

1921 PLANTINGS.

Acres	9,003
Total acreage	78,530

Seventy-eight thousand five hundred and thirty acres, when in full bearing, at 700 pounds per acre, will produce 54,931,000 pounds, an amount equal to the total imports of both unshelled and shelled almonds, figured on the unshelled basis, for the fiscal year ending June 30, 1921.

Average production estimated at 700 pounds per acre by the University of California. (See Bulletin 297, University of California, College of Agriculture, revised edition, p. 52.)

TABLE 1.—*Summary table—almonds, unshelled and shelled.*

Fiscal year.	Domestic production.	Imports for consumption.		Total imports for consumption (unshelled basis).	Ratio of production to imports.
		Unshelled.	Shelled.		
	Pounds.	*Pounds.*	*Pounds.*	*Pounds.*	*Per cent.*
1918–19	10,200,000	6,380,434	23,281,581	76,225,177	13.3
1919–20	15,699,748	6,137,450	24,071,055	78,350,615	20
1920–21	11,000,000	7,097,508	15,949,673	54,946,527	20

Extract from Tariff Information Survey G-34, 1921, page 11.

EXHIBIT B.

Chemical analyses of foreign and domestic almonds.

(By M. E. Jaffa, professor of nutrition, University of California.)

Laboratory number.	Name.	Water.	Ash.	Protein.	Fat.	Fiber.	Nitro free extract.
[1]2347	Sicily	5.57	3.34	21.18	54.47	2.77	12.67
[1]2348	3 Crown bull valencias	3.72	3.08	20.92	52.23	2.71	17.34
[1]2349	Medium jordan	3.58	3.18	22.40	53.05	2.71	15.08
[1]2350	Large alicante	3.82	3.00	21.88	54.53	2.33	14.44
[1]2351	Medium avola	3.42	2.93	30.57	59.42	1.95	11.71
2352	Nonpariel	4.20	3.36	23.54	54.14	2.02	12.74
2353	California paper shell	6.55	3.48	24.07	52.30	2.57	11.03
2354	Princess	6.52	3.38	22.84	54.59	2.22	10.45
2355	Kings soft shell	9.79	3.01	22.37	55.81	2.51	6.51
2356	Ne plus ultra	4.17	3.03	22.75	55.92	2.40	11.73
2357	I X L	4.65	3.06	21.88	53.64	2.39	14.38
2358	Reams	5.50	3.52	20.22	56.62	2.63	11.51
2359	Drake	8.37	3.38	26.25	53.78	2.39	5.83
2360	Jordan	3.49	3.17	26.78	49.34	2.57	14.73
2361	Peerless	6.63	3.37	25.47	52.32	2.30	9.91
2362	Harriot	3.73	3.33	22.23	54.98	2.22	13.51
2363	Lewelling	7.50	3.35	24.33	51.92	2.28	10.62
2364	Languedoc	4.68	3.74	25.75	48.90	2.34	14.59
2365	Texas prolific	4.51	3.14	24.24	54.25	2.20	11.66
	Average domestic	5.74	3.31	23.72	53.49	2.56	11.38
	Average foreign	4.02	3.11	23.39	54.74	2.49	14.25

[1] Inclusive—foreign. Only shelled nuts received.

2352–2365 (inclusive) domestic, submitted by Division of Pomology.

The data presented is interesting in showing that there is no material difference nutritionally between the domestic almond and the imported article.

The water percentage of the imported article is lower than that yielded by the home product, but it may be that the former was somewhat dried out before we received the samples, inasmuch as said samples consisted only of the kernel, while the domestic product was furnished in the shell, and therefore any loss by evaporation of moisture in the kernel was prevented.

There is practically no difference between the average percentage of ash in the foreign and domestic. The difference between the two averages is two-tenths of 1 per cent. The maximum registered for the foreign is 3.34, while the maximum registered for the California is 3.74; the minimum percentage for the foreign is 3, for the domestic 3.01 per cent.

The protein content differs more than any other, and the difference is decidedly in favor of the California article in that the average protein for the foreign is 21.39 per cent, with a maximum of 22.40 per cent and a minimum of 20.57 per cent. The corresponding figures for the home product are: Average, 23.7 per cent; maximum, 26.78 per cent; minimum, 20.22 per cent. It will be noticed that the average for the California rates more than 2 per cent higher than for the foreign.

The average per cent of crude fiber is practically the same for both kinds.

The nitrogen free extract is represented by a higher percentage in the case of the foreign nut than in the domestic. As the amount of starch in the almond is small and the availability of other nitrogen free extract compounds is not as great as is the starch the lower percentage noted for the domestic article is really an advantage.

The caloric value is almost identical, being 2860 for the foreign almonds as against 2800 for the domestic.

It must also be remembered that we are averaging the analyses of five varieties of foreign almonds, while we are averaging 14 varieties of California almonds.

It is true that there is a slight difference in the average fat content in favor of the foreign nut, but an examination of the individual varieties or kinds shows that the general run of both domestic and foreign are about the same. In fact, the two domestic varieties that are below the general run are the two varieties that were originally brought here from Spain and France, viz: Jordan and Languedoc. If those out of line with the general average are thrown out, the average fat content is in favor of the domestic almonds.

EXHIBIT C.

Actual and possible revenue to Government from almond imports.

FOR 1914–1920, INCLUSIVE, AS A WHOLE.

37,195,697 pounds, at 3 cents	$1,115,870.91
125,924,918 pounds, at 4 cents	5,036,996.72
Total actual revenue	6,152,867.63
37,195,697 pounds, at 5 cents	1,859,784.85
125,924,918 pounds, at 15 cents	18,888,737.70
Total possible revenue	20,748,522.55

FOR AN AVERAGE YEAR (1914–1920).

5,312,671 pounds, at 3 cents	$159,380.13
17,989,274 pounds, at 4 cents	719,570.96
Total actual revenue	878,951.09
5,312671 pounds, at 5 cents	265,633.55
17,989,274 pounds, at 15 cents	2,698,391.10
Total possible revenue	2,964,024.65
Revenue actually lost 1914–1920, inclusive	14,595,654.92
Revenue actually lost for average year	2,085,073.56

Cost of producing almonds in California.

	1913	1919	1920	1921
Cents per pound	10.9	17.65	19.45	15.02.
Per cent of 1913	100 per cent.	195 per cent.	223 per cent.	150 per cent.
Wages, United States, per cent of 1913.	100 per cent.	189 per cent.	213 per cent.	135 per cent.
Things farmers buy, per cent of 1913.	100 per cent.		280 per cent.	259 per cent.
Returns to growers		19.3 cents	13.5 cents	13.3 cents.

California almond acreage.

(Official estimates California Cooperative Crop Reporting Service, United States Department of Agriculture, State Department of Agriculture, E. E. Kaufman, agricultural statistician. See his letter dated June 3, 1922.)

1920 ACREAGE.

Acres bearing	39,988
Acres nonbearing	29,539
Total acres	69,527

1921 PLANTINGS.

Acres	9,003

1921 ACREAGE.

Acres	78,530

On the above basis 1922 estimated acreage at least 80,000 acres.

Note: Bearing acreage above includes trees which have borne any nuts whatever, even though only a handful.

1922 crop (estimated) 9,000 tons, or 18,000,000 pounds.

Imports of almonds.
[Data from United States Department of Commerce.]
(Calendar years.)

	Unshelled.	Shelled.	Total (unshelled basis).
Total actual imports:	*Pounds.*	*Pounds.*	*Pounds.*
1919	7,482,538	28,007,908	91,506,262
1920	6,703,181	18,150,588	61,154,945
1921	4,402,271	20,873,872	67,023,887
Imports for consumption:			
1919	6,316,059	26,517,377	85,868,190
1920	6,460,732	18,709,626	62,769,610
1921	5,068,215	21,572,634	69,786,117

	Pounds.
Average actual imports, 1920 and 1921	64,089,416
Average imports for consumption, 1920 and 1921	66,277,863
Average imports for consumption for fiscal years ending June 30, 1920 and 1921	66,648,566

Ratio of estimated 1922 production to average imports for 1920 and 1921=28.1 per cent.

Mr. SIMMONS. Mr. President, I would like to ask the Senator from California a question. Did I understand the Senator to say that the almonds are shelled in California by machinery?

Mr. JOHNSON. They can be. The factory is there. We are not shelling them at present, because we can not compete with Europe.

Mr. SIMMONS. Can the Senator give us any information as to the number of people employed in these factories and the output per day?

Mr. JOHNSON. No; I can not give those figures. There is no output at present. I can give the figures as to the number employed in the almond industry generally, but I can not give the number employed in the factory to which I referred, because the factory is shut down.

Mr. SIMMONS. Does the Senator think that where the almonds are shelled largely by machinery the labor cost of shelling a bushel of almonds is greater than the labor cost of shelling a bushel by hand?

Mr. JOHNSON. Across the water?

Mr. SIMMONS. Yes.

Mr. JOHNSON. Certainly; there is no question about it at all.

Mr. SIMMONS. The Senator thinks that the cost of shelling almonds by machinery is greater than where they are shelled by the hand method?

Mr. JOHNSON. When you come in contact with the Mediterranean countries and with China, yes; there is no doubt about it.

Mr. SIMMONS. Is it not likely that one man using a machine shelling almonds could shell more than ten times as much as a man using his hands?

Mr. JOHNSON. His wages would be more than ten times as much.

Mr. SIMMONS. I am multiplying it. If they can devise a machine that will shell almonds with facility, I think very likely that machine might shell, with one man operating it, not ten times but twenty times as much as could be shelled by hand.

Mr. JOHNSON. That is possible; but they get practically nothing abroad for the shelling by hand.

Mr. SIMMONS. Therefore if American labor got ten times or twenty times what the foreign labor got, the cost would be practically the same.

Mr. McCUMBER. Mr. President, I want to say just one word on the general aspect of this case. The real conflict is between the producers of almonds and nuts in the United States and the bakers and makers of confectionery in the United States.

The bakers and confectionery makers have the labor, they have the machinery, they have the capital, and they can supply the entire market at good round profits. We have given them protection wherever necessary. On many kinds of confectionery there is very little need of any protection, for the reason that it has to be made fresh and consumed in a very short time, and those conditions themselves are a sufficient protection. As to some of the glazed fruits and confectionery, where they can be kept very much longer, we have given them a protection which will take care of that business.

So we have on the one side the baker and the confectioner, and we say to them, "You are entitled to the American market for your products."

On the other side we have the American producers of walnuts and almonds, and what is their condition, for they have practically the most of their two-year crop of almonds on hand? Why? Because they can not sell them for a price at which they can break even; they must sell at a loss. They are therefore holding their crops.

Sixty-five per cent is in old orchards, or orchards which are now bearing. There are about 35 per cent of new trees, which will mature all the way from one to seven years from now, seven years being the period to bring the nut tree into reasonable bearing conditions.

With their acreage and their trees, when they are all bearing, they can supply the American market, just the same as the baker and the confectioner can supply the American market. We have taken care of the latter. I do not know whether they made 300 per cent or not. In his discussion the Senator from California said he had their admissions that they had made 300 per cent. I have no doubt but that they made that, at least in 1920, when they could sell their product for almost anything they asked for it. But in 1920 and 1921 the producers of almonds did not make a cent. Now, we say to these confectioners and bakers, "Are you not willing to let the producers make enough to pay their expenses?" What is their answer? In these petitions they say, "No; we want to make the whole thing ourselves and we do not care for the producer."

If that is the attitude of the confectioner and of the baker, let us look at it from a national standpoint. Is it to the interest of the American people that we should encourage the producers of almonds, those who have bought their lands and waited seven long years before they could have one single nut for sale, and give them an opportunity to sell their product in the American market? I say that should be done even though every penny of their profit or cost was added to the cost of the candies, the confectionery, and the bakery prices.

The Senator from California has said—and I think he has accurate information—that only about 1 per cent of the product of the confectioner and baker is in the nuts which are used. If that be true, and I have no reason to doubt it in the world—in fact, it rather supports my own judgment without any further evidence from what I know about the business in general—then the little added duty upon one one-hundredth in weight in their product can well be absorbed by their business without adding one penny of expense to the consumer.

I think we have made out a clear case that the product should be protected, to the end that not only the baker and the manufacturer of confectionery may continue to do business in the United States but also that the men who have paid millions of dollars for their lands, and who can not change them from one product into another in a year or 5 years or 10 years, may likewise have the American market with a reasonable price upon their production.

Mr. SHORTRIDGE. Mr. President, I do not desire to prolong the discussion, but I ask to have inserted in the RECORD a letter addressed to me by Prof. R. H. Taylor, of the California Almond Growers' Exchange, a letter immediately directed to the subject matter under discussion.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CALIFORNIA ALMOND GROWERS' EXCHANGE,
Washington, D. C., June 13, 1922.

Hon. S. M. SHORTRIDGE,
United States Senate, Washington, D. C.

DEAR SENATOR SHORTRIDGE: Democrats and others are continually arguing that no protection should be afforded an industry where imports are relatively low as compared to American production, because, as they say, it does not need it. Then they also argue that an industry should not be protected if imports are relatively high, because the domestic industry is not large enough to supply the demand.

In other words, the only ones entitled to protection are the few industries so situated that competition from abroad and domestic production are nearly equal and in which the domestic production either is or may very quickly be made sufficient to supply the entire consumption.

This is possible with relatively few American industries. It is also true that no one industry or group of industries goes to make up the prosperity of our country. American industry is made up of thousands upon thousands of industries each one in itself relatively small. This is indicated by the fact that in the tariff bill, as I understand it, over 4,000 distinctly different commodities are listed. Some individual rates in the bill cover several different commodities. In other words, they act as a "basket clause."

Nuts and all fruits, as a matter of fact, which grow on trees, require several years' care before they finally come into full production. They can not be dug up and replaced with other products every year that conditions are not fully favorable. For the successful continuance of such industries a reasonably uniform policy must be pursued in their encouragement, and they must be given time to show what they can do. In the aggregate fruit and nut crops together constitute the largest single group of plant products produced in America. To destroy these industries because they will take a little longer than some other kinds of commodities to bring to the point where they can supply the entire country would be nothing short of a crime.

California almonds are meeting very severe competition with those from southern Europe, the American production constituting at the present time approximately one-eighth of the total American consumption. There is sufficient nonbearing acreage at the present time in California to increase domestic production so that within three

or four years California can supply almost one-half of the total American consumption. In addition there is far more than enough available land not now being used for anything but pasture or for grain farming to permit of the development of additional acreage to more than supply the entire American consumption.

It is useless to say how soon this would actually be planted if an adequate tariff were granted. All we ask, however, is an opportunity to show whether California can and will care for a considerable portion of the domestic consumption and whether it will or will not prove of actual value to the country as a whole.

I am taking this opportunity, as I will continue to do unless you suggest otherwise, to put these arguments as they come to me down on paper, so that you may have them for reference should you wish them. I know you are thoroughly familiar with these arguments yourself, but realizing that you have many other things to keep track of besides our almond schedule, I am taking this method of putting them where you can use them to glance over by way of suggestion at any time you should care to do so.

Very sincerely yours,

R. H. TAYLOR.

Mr. KING. Mr. President, there are a number of Senators absent from the Chamber, and one or two absent from the city, who are very much interested in the subject now before us. I ask the distinguished chairman of the committee, out of deference to them, if he will postpone a vote upon this item until they return to the city—that is, day after to-morrow? I have no objection to the discussion proceeding as long as Senators desire to address themselves to the subject, but I should be very glad if the Senator would postpone the vote until two of the Senators, at least, whom I have in mind, are present. Otherwise I would have to call for a quorum, and, in my judgment, we could not get a quorum to-day.

Mr. JOHNSON. Mr. President, last Saturday we agreed to take up this subject to-day. We have come here for the purpose of considering it. I am sorry, indeed, if I have anything to say in respect to the matter, that I can not consent to its postponement. I prefer infinitely that it shall be disposed of to-day. I feel, of course, that it is an important matter, but I beg the Senator from Utah not to ask for delay, because we thrashed it out on Saturday last and agreed to go ahead to-day and get through with the subject.

Mr. KING. Mr. President, it is a very unpleasant thing not to assent to a request made with such sincerity and earnestness and graciousness, but I feel constrained to ask the Senator to let the vote go over until day after to-morrow. I am told by the minority leader upon this side on the bill that there are two Senators who desire to discuss the item, and they are not here.

Let me say to the Senator if a vote should be taken, and we could get a quorum, it would not advance the matter, because I should be compelled to move to reconsider and open up the entire subject again when we convene day after to-morrow. I know the Senator from California, so kind and so gracious, will assent to this expressed wish of mine, not in my own behalf, because I am ready to vote against the amendment now, and shall vote against it if forced to a vote, but I am making it in behalf of absent Senators.

Mr. JOHNSON. On Wednesday I happen to know there will be other Senators absent, and they will probably want to have the matter continued until their return. The fact that the Senator is going to call for a quorum and will move reconsideration for the particular determination of the question leads me to think we might as well have a quorum call and the question of reconsideration presented and put it over in any fashion the majority may desire.

Mr. KING. I regret the Senator takes that view, because the statements which I made were not of a bellicose nature at all, but merely by way of appealing to the Senator in behalf of absent Senators who desire to speak upon the subject. There was no agreement that it was to be disposed of to-day. The Senator from Massachusetts, indeed, asked that it might go over until after the Fourth for a vote, because he admonished us then there are absent Senators who could not be here to-day.

Mr. JOHNSON. And there will be absent Senators Wednesday. We discussed the matter with the Senator from Massachusetts [Mr. WALSH] on Saturday last and our understanding was—perhaps the Senator from Utah was not consulted; I do not know that he was——

Mr. KING. I did not need to be consulted.

Mr. JOHNSON. At any rate the understanding was that we should take the matter up and dispose of it to-day. If I am in error in that, I should like to be corrected. Was not that the understanding?

Mr. KING. I was here, but I did not deduce from anything which was said that there was any understanding that there should be a vote to-day.

Mr. McCUMBER. The understanding was that we were to put it over until to-day, and of course naturally the assumption was that it would not take all day for the consideration of one item.

Mr. KING. The Senator will recall that when the matter was up for consideration, then, the junior Senator from Massachusetts [Mr. WALSH] asked that the vote might go over until after the Fourth because of the absence of certain Senators. I aver again that I have no interest in the matter. I am ready to vote now against the amendment because I deem it to be unwise, impolitic, and unjust to the American people. I am only asking that other Senators may have an opportunity to be heard.

Mr. JOHNSON. Pardon me for a moment. I said I would be very glad to be guided by what might be the desire of my associates. The chairman of the Finance Committee has just suggested to me that it perhaps ought to go over until Wednesday, and if that be his view, I shall make no objection.

Mr. KING. I express my appreciation.

Mr. JOHNSON. Can we not conclude our discussion now and vote upon it on Wednesday?

Mr. KING. Absolutely. I would be glad to have the discussion concluded so far as those present are concerned. I do not want, by the request made by the Senator and my assent to it, to mean that I assent to the thought that no one shall speak on the matter upon Wednesday.

Mr. LODGE. Of course not.

Mr. KING. I have no objection to the debate proceeding; indeed, I suggest that the debate go on and that all speak now who desire.

Mr. LODGE. Mr. President, I only desire to say that there was not a unanimous-consent agreement but an understanding reached to take up and dispose of the fish paragraphs on Wednesday. Now, if we go on putting off and putting off because some Senator is absent—and there are always some Senators absent—we get nowhere. It rather upsets the whole movement of legislation if we are to put over everything that comes along until everybody who thinks he may want to speak on it is present.

Mr. KING. I want to say that it is an accomplished fact that we have agreed now. Let me say to the Senator that the two Senators who are absent to-day are always here.

Mr. LODGE. I beg the Senator's pardon; there has been no agreement on anything.

Mr. KING. The Senator from California just stated that he assented to it going over until Wednesday.

Mr. LODGE. He can not give assent for the Senate any more than the Senator from Utah can.

Mr. KING. I understand. The Senator from Massachusetts is the leader on his side of the Chamber, and he can object if he wants to.

Mr. LODGE. I am not objecting. I only wanted to have the matter accurately stated.

Mr. KING. The Senator does not accurately state it.

Mr. McCUMBER. Mr. President, it would seem to me that if we pass this item over until Wednesday—and I am governed more in consenting to that because this is the day before the Fourth, a holiday, and many Senators do go away, and possibly can be excused for it—we ought not to try to discuss it to-day and then discuss the same question over again when we bring it up on Wednesday. It seems to me if we are to pass it over, we had better pass over the discussion of it as well, so that it may be disposed of on Wednesday. I hope we can dispose of it and the fish paragraphs as well upon Wednesday.

The PRESIDING OFFICER (Mr. PEPPER in the chair). Is there objection to the paragraph going over until Wednesday?

Mr. WALSH of Massachusetts. Mr. President, as the discussion is to be postponed until Wednesday, I think it only fair to the Senator from California to call his attention to a statement issued by the National Confectioners' Association quoting a statement made by Mr. Herman C. Fisher, of Sacramento Street, San Francisco, one of the largest, if not the largest, shellers of almonds and other kinds of nuts on the Pacific coast. The statement is as follows:

Confirming our verbal conversation at Coronado, would state I do not believe that a tariff on shelled almonds would increase the price of almonds to the grower.

I quote further:

I am also sending you my regular wholesale price list, gotten out a few days ago, and by comparison you will notice that our prices are considerably lower than the imported almonds, and yet we can not sell California shelled almonds in the eastern market, so I doubt whether an increase in the duty on shelled almonds will make a corresponding increase (in our prices) on our shelled nuts. The price of our shelled nuts is based entirely upon the cost of almonds in the shell, plus the shelling cost, and the net results irrespective of any imported quotation.

I would like very much to see the grower get a good price for his almonds, but I do not think he will get it by putting an additional duty on shelled almonds.

That is from the largest grower of almonds in the whole State of California:

I do not think he will get it by putting an additional duty on shelled almonds.

Mr. JOHNSON. Mr. President, will the Senator give the name of the gentleman whom he is quoting?

Mr. WALSH of Massachusetts. I am reading from a letter sent to the chairman of the Finance Committee by the National Confectioners' Association, dated February 9, 1922, in which the statements of Mr. Fisher, which I have just quoted, were made. The statement was made by Mr. Herman C. Fisher, 325 Sacramento Street, San Francisco, Calif. He is mentioned as "one of the largest, if not the largest, shellers of almonds and other kinds of nuts on the Pacific coast."

Mr. JOHNSON. Is it the statement of Mr. Fisher that the Senator has quoted as to the price and the like?

Mr. WALSH of Massachusetts. Yes.

Mr. JOHNSON. The reason why I asked is that I know Mr. Fisher. He is a very estimable gentleman, but he is in the candy business.

Mr. WALSH of Massachusetts. That may account for his frankness in this instance. I also call attention to the statement made by one Mr. Tucker. Mr. Tucker is manager of the California Almond Growers' Exchange, and the statement is taken from his testimony before the Committee on Ways and Means, part 3, page 1971, of the committee hearings.

Mr. HAWLEY, who was examining the witness, asked this question:

Out of 2,000 pounds of almonds in the shell you will get about 650 pounds of shelled almonds?

Mr. Tucker answered:

On the average; yes, sir.

Mr. HAWLEY then asked Mr. Tucker this question:

And how much does it cost to shell a ton of almonds?

Mr. Tucker answered:

As we have been prevented from shelling and our shelling has been only in an experimental way, I am not in a position to give you a definite figure.

Mr. KING. How have they been "prevented from shelling"?

Mr. WALSH of Massachusetts. They do not do any shelling; they sell their output in the shell. They do not have to shell the almonds. There is plenty of demand, and the prices of the imported almonds are higher than the domestic price. If the confectioners could get a sufficient supply of the domestic almonds and they were satisfactory for their wants, of course they would go into the cheapest market and get the cheapest priced goods.

I ask that this statement, which is addressed to the chairman of the Senate Committee on Finance by Walter C. Hughes, secretary of the National Confectioners' Association, may be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The statement referred to is as follows:

NATIONAL CONFECTIONERS' ASSOCIATION
OF THE UNITED STATES,
OFFICE OF THE SECRETARY-TREASURER,
Chicago, February 9, 1922.

Hon. PORTER J. MCCUMBER,
Chairman Senate Finance Committee,
Senate Office Building, Washington, D. C.

DEAR SIR: I recently returned from a trip to California, and while in that State made a somewhat thorough investigation relative to the almond-growing industry.

I have several friends who are engaged in that industry and with whom I could talk with the utmost frankness, and from whom I obtained, as I know, accurate, truthful information as to the conditions confronting the industry at the present time.

My principal purpose in making this investigation of the industry was for the purpose of obtaining information that would be pertinent to the question of the proposed import duties on almonds and to obtain first-hand information directly from those who are identified with the industry.

You will have in mind the request made by the almond industry in the oral arguments that have been presented by the representatives of the California Almond Growers' Exchange and the briefs that have been filed with you and the other members of the Senate Finance Committee by the exchange asking that the import duties on almonds shall be—

Almonds in the shell, 5 cents per pound.
Shelled almonds, 15 cents per pound.

The reason given by the representatives of the exchange as to why the import duties on shelled almonds should be three times the import duty on almonds in the shell, as stated in their oral arguments and brief filed by the exchange, was that California almonds shell out "about 1 pound of kernels out of 3 pounds of almonds in the shell." I am quoting from the testimony of Mr. T. C. Tucker, manager California Almond Growers' Exchange, as printed in the hearings on general tariff revision before the Committee on Ways and Means, part 3, page 1971.

That Mr. Tucker's statement was evidently a guess is evidenced by the fact that on page 1974, in answer to the following question by Mr. Hawley:

"Mr. HAWLEY. Out of 2,000 pounds of almonds in the shell you will get about 650 pounds of shelled almonds?"

Mr. Tucker answered:

"On the average; yes, sir."

Mr. Hawley then asked Mr. Tucker this question:

"And how much does it cost to shell a ton of almonds?"

Mr. Tucker answered:

"As we have been prevented from shelling and our shelling has been only in an experimental way, I am not in a position to give you a definite figure."

Relative to this statement of Mr. Tucker's as to the percentage of shelled almonds obtained I made a very careful investigation and had the privilege of looking over detailed, accurate statistical records that have been kept by one of the largest shelling plants on the Pacific coast for the years 1920 and 1921.

I will not burden you with detailed information as to the results shown on various kinds of almonds, but I will be glad to give this information if you want it. Briefly, the lowest percentage for the year 1920 on any kind of almonds, which were the Texas almonds, was 42 per cent, and the highest percentage, which was on Nonpariel and Ne Plus almonds, was 61 per cent, the average for the entire year being a little over 54 per cent.

For the year 1921 the lowest percentage, which was on Drake almonds, was 41 per cent, and the highest percentage, which was on Nonpareil almonds, was 61 per cent, the average for the entire year being a little over 50 per cent.

These figures indisputably disprove the statement made by Mr. Tucker that California almonds shell 3 to 1, which would be 33⅓ per cent, for, as stated above, for the two years 1920 and 1921 the average is over 50 per cent.

While in Sacramento I had the privilege of being shown through the shelling plant of the Almond Growers' Exchange. The plant has not been operated for some time. With the exception of the samples that were on display in the office, there was not a pound of shelled almonds in the plant. It has thus far been operated, as I was informed, solely on what is commonly called "sticktights" and "rain-stained" almonds.

While in California I talked with Mr. Herman C. Fisher, 325–327 Sacramento Street, San Francisco, Calif., one of the largest, if not the largest, shellers of almonds and other kinds of nuts on the Pacific coast, and since my return to Chicago have received a letter from him confirming the talk that I had with him while in California, and from which I am at liberty to quote the following paragraphs:

"Confirming our verbal conversation at Coronado would state: I do not believe that a tariff on shelled almonds would increase the price of almonds to the grower.

"I am also sending you my regular wholesale price list, gotten out a few days ago, and by comparison you will notice that our prices are considerably lower than the imported almonds, and yet we can not sell California shelled almonds in the eastern market, so I doubt whether an increase in the duty on shelled almonds will make a corresponding increase (in our prices) on our shelled nuts. The price of our shelled almonds is based entirely upon the cost of almonds in the shell, plus the shelling cost and the net results (the percentage of shelled almonds obtained) irrespective of any imported quotation.

"I would like very much to see the grower get a good price for his almonds, but I do not think he will get it by putting an additional duty on shelled almonds."

I understand that the Senate Finance Committee has not decided what import duties shall be imposed on almonds, and I am therefore taking the liberty of bringing these facts to your attention, hoping that they may be of some value to you in arriving at a decision on this very important question.

For the reasons set forth in our brief which has been filed with you and the other members of the Senate Finance Committee, and the additional reasons set forth herein, we are absolutely opposed to the proposed import duties on almonds and request that the duties shall be as follows:

Almonds, not shelled, 4 cents per pound.
Almonds, shelled, 6 cents per pound.

The above rates represent an advance of approximately 50 per cent over the present import duties and, in my candid opinion, are entirely sufficient to meet the requirements both as to protection and revenue.

Trusting our request will receive your favorable consideration, I am,

Sincerely yours,

WALTER C. HUGHES, *Secretary.*

Mr. McNARY obtained the floor.

Mr. SIMMONS. Does that statement give the difference between the price of the California almonds and the imported almonds?

Mr. WALSH of Massachusetts. No; but it states that the almond growers ask for a duty on almonds in the shell of 5 cents a pound and on shelled almonds of 15 cents per pound.

Mr. SIMMONS. I notice that, according to the Government abstract, beginning in 1908 the unit value of the imported almonds, unshelled, ranged from 8 cents a pound to 11 cents a pound; and on shelled almonds the imported price ranged from 19 cents to 25 cents a pound; so that if the figures given in that statement are correct, the foreign almond has sold in the markets in this country since 1908 very much above the American price.

Mr. WALSH of Massachusetts. I have some later figures here relative to the foreign prices.

Mr. SIMMONS. That is what I am talking about. I am giving those prices to the Senator now, and I am saying that, according to the abstract, the unit value of unshelled almonds from 1908 to 1919 has fluctuated from 8 cents a pound to 11 cents a pound.

Mr. WALSH of Massachusetts. The shelled almonds would be worth three times as much.

Mr. SIMMONS. And the price of the shelled has fluctuated in that period from 19 cents to 25 cents.

The figures that the Senator gives would indicate that the American almond does not sell for those prices; that the imported product sells very much higher in this country than does the American almond. Is that correct?

Mr. WALSH of Massachusetts. That is my information. I have some information supporting that contention, some bills

of lading, which show that the prices of shelled Italian almonds at the present time is 44 cents, and the price of another kind of almond, giant almond, so called, is 60 cents per pound.

Mr. SIMMONS. If the Senator will pardon me, I thought that the theory of protection was to protect the American producer when the foreign article was underselling his product.

Mr. WALSH of Massachusetts. Of course, that is the only claim made by those honestly seeking to levy protective tariff duties, but that policy has been abandoned in this bill.

Mr. SIMMONS. But here it appears that the foreign article, if these figures are correct—I do not know whether they are correct or not; I have not verified them; I am simply taking them from the printed volume furnished by a Government department——

Mr. JOHNSON. Mr. President, I am very much interested in this subject, and I would be very glad if I could hear the dialogue which is now proceeding on the other side of the Chamber.

The PRESIDING OFFICER. The Chair understood that the Senator from Massachusetts had concluded his remarks, and recognized the Senator from Oregon [Mr. MCNARY].

Mr. WALSH of Massachusetts. I was asked a question by the Senator from North Carolina [Mr. SIMMONS], and made response to his question, confirming his contention that the imported almond sells for a higher price than does the domestic shelled almond, showing the fact to be that domestic shelled almonds can not be obtained, and that if they could be obtained the domestic price would be under the imported price.

Mr. JOHNSON. Mr. President, let me correct that statement. I happen to have before me Saturday's quotation in reference to the prices of this article. I do not think the Senator from Massachusetts is correct. However, I presume that at another time we shall have to go into this subject.

Mr. MCNARY. Mr. President, at this time I feel that I should obtrude myself upon the Senate not for the purpose of discussing the merits of the amendment, which I heartily indorse, and upon which I shall have something to say later, but as to the present situation, which I wish to develop, if I can.

The request has been made by some Senator—perhaps the Senator from Utah—that this matter go over until Wednesday. I wish to oppose that request, and if it comes upon a request for unanimous consent I shall oppose it. I wish every Senator who so desires to have an opportunity to speak and to vote on this item; but on Saturday it was understood and agreed that we should vote to-day on this question. Some of us may not be here on Wednesday. I am deeply interested, as are the people of my State and the people of the whole Pacific coast, in fair protection to the walnut and almond industries.

Mr. SIMMONS. Mr. President——

Mr. MCNARY. Just one moment and I shall yield to the Senator.

Senators who were expected to speak upon this subject—and it is an important one—and to vote upon it, were notified to be here to-day. I think it is but fair to go ahead and that it would be quite unfair to postpone the subject to another day, when some of the friends of the amendment might not be here. Therefore, Mr. President, if the matter comes up in the shape of a request for unanimous consent, I repeat, I shall be opposed to the subject going over.

The Senator from Wisconsin [Mr. LENROOT] was told it would go over until Monday, and he was here, and frankly stated he did not care to discuss the matter. His secretary also says that the Senator from Wisconsin does not care to discuss it. He can be paired, and perhaps he is already paired with some other Senator. Therefore I ask that we go forward in an orderly way with the discussion and vote upon this question to-day.

The PRESIDING OFFICER. The Chair understands that the question before the Senate is the amendment proposed by the committee. The Senator from Utah [Mr. KING] made a suggestion of postponement, but no request for unanimous consent.

Mr. SIMMONS. Mr. President, I desire to say a few words. I am anxious that this day shall be given to the consideration of the tariff bill. Upon this particular question we feel compelled to ask for the yeas and nays, and I am satisfied that if we ask for the yeas and nays we will have very great difficulty in securing a quorum, and that, in all probability, will end the day's work. For that reason I hope that this item may go over.

In addition to that, the Senator from Wisconsin [Mr. LENROOT] has stated to me that he desired very much to be heard upon this question before the vote was taken; that he had an engagement to deliver a patriotic address at some place to-morrow; that he had to leave immediately, and that he would not be able to discuss the question to-day; but that he felt it was a matter of such great concern and importance to his constituents and to the country at large that he earnestly hoped the matter might go over until Wednesday. Furthermore, I know that the Senator from Ohio [Mr. POMERENE], in whose State there are factories using this product in large quantities, desires to be heard. He, like the Senator from Wisconsin, is necessarily absent to-day, and will not be able to return until Wednesday.

We have heretofore been very indulgent where Senators were concerned in the matter of making adjustments and concessions to meet their convenience, and I do not see any particular reason why the policy which we have been pursuing, which is the policy which has generally been pursued in connection with tariff bills, should now suddenly be discontinued in the case of almonds. I should regret if the necessity of calling for a yea-and-nay vote upon this question now should have the effect of blocking any further consideration of the tariff bill during this day, because I had hoped that we might progress.

Mr. MCCUMBER. Mr. President, if the Senator will yield to me for a suggestion, while I think that we can secure a quorum——

Mr. SIMMONS. I hope so, but I have doubt as to that.

Mr. MCCUMBER. Nevertheless, I am going to ask my good friend from Oregon if he will not consent to allow the paragraph to go over until Wednesday. I think in the end that we probably would not lose anything, and I want especially, to-day being the eve of a holiday, to extend every possible accommodation and courtesy that I can with the hope that I will secure some return in another way.

The PRESIDING OFFICER. Is there objection to the request that the paragraph be passed over?

Mr. MCNARY. Mr. President, I should be very glad to accommodate the able Senator who has the bill in charge and, reflecting upon what has been said by the Senator from North Dakota, if this were the first time a postponement had been asked I would readily yield to the request, but this is the second time, and the request is made because of the absence of one Senator who, this morning, expressed himself to the effect that he did not want to speak when the Senator from California [Mr. JOHNSON] offered to yield to him. If the paragraph goes over until Wednesday, to my certain knowledge some of the advocates of the protective rate upon almonds and walnuts will not be here. This is the day set for the consideration of the paragraph; notice to that effect was given to Senators and they are here prepared to go forward. Postponement and procrastination from day to day constitute one of the reasons why we are not going forward with this measure.

I hesitate to oppose the chairman of the committee, who has always been so fair and kindly in matters of this kind, but he has not shown any valid reason why the request should be granted and I do not know of any reason except the suggestion that one Senator is away. I do not think that is a substantial reason. If a number of Senators who wanted to speak upon the subject were absent, I would yield to that form of argument; but if the paragraph is to go over on a mere request we might as well adjourn at this hour. At some inconvenience to some of us we were told to come back here to-day in order to legislate, and we are here for the purpose of taking up the walnut and almond paragraph. Now, if it is going to be said, because some Senator is away, perhaps preparing to make a 4th of July speech, that we should stop further proceedings on the paragraph, then let us take a recess until Wednesday or Thursday when we can all get back. For that reason, Mr. President, I can not yield to the request made by the chairman of the committee. I want to go forward to-day or recess.

The PRESIDING OFFICER. The question is on the amendment proposed by the committee.

Mr. WALSH of Massachusetts. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. SIMMONS. Mr. President, I think there is some confusion about what we are voting upon, and I ask that the question may be stated.

The PRESIDING OFFICER. The Chair understands that the vote is now being taken upon the amendment proposed by the committee, on page 110, line 12, to change the numeral "4" to "5."

Mr. WALSH of Massachusetts. No, Mr. President; may I inform the Chair that I offered an amendment to the committee amendment, and that, of course, is the question before the Senate, which I ask to have the Secretary state.

Mr. MCCUMBER. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state the point of order.

Mr. MCCUMBER. I think a good many of us do not understand on what we are voting. I understood the Chair to announce that the vote was on the committee amendment. If

that is an error, if it is on the amendment suggested by the Senator from Massachusetts, that is another proposition.

The PRESIDING OFFICER. The Chair understands that the question before the Senate arises upon the motion of the committee to amend, in line 12, page 110, by substituting the numeral "5" for "4," so as to read:

Almonds, not shelled, 5 cents per pound.

The Senator from Massachusetts made a motion which was tantamount to a restoration of the House rate, or a disagreement to the recommendation of the committee. The Chair understands that the question is in the affirmative form, and is upon the amendment proposed by the committee.

Mr. WALSH of Massachusetts. I accept the ruling of the Chair. It meets the issue that I was raising.

The PRESIDING OFFICER. The Secretary will proceed with the roll call.

The calling of the roll was resumed.

Mr. TRAMMEL (when Mr. FLETCHER'S name was called). I desire to announce the unavoidable absence of my colleague [Mr. FLETCHER] on account of illness.

Mr. HARRISON (when his name was called). I transfer my general pair with the junior Senator from West Virginia [Mr. ELKINS] to the senior Senator from Missouri [Mr. REED], and will vote. I vote "nay."

Mr. NEW (when his name was called). I transfer my pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from Nevada [Mr. ODDIE], and will vote. I vote "yea."

Mr. OWEN (when his name was called). I transfer my pair with the Senator from New Jersey [Mr. EDGE] to the Senator from Rhode Island [Mr. GERRY], and will vote. I vote "nay."

Mr. PHIPPS (when his name was called). I have a pair with the junior Senator from South Carolina [Mr. DIAL], which I transfer to my colleague [Mr. NICHOLSON], and will vote. I vote "yea."

Mr. STERLING (when his name was called). I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Maryland [Mr. FRANCE], and will vote. I vote "yea."

Mr. TRAMMELL (when his name was called). I transfer my pair with the senior Senator from Rhode Island [Mr. COLT] to the senior Senator from Montana [Mr. MYERS], and will vote. I vote "nay."

Mr. WATSON of Indiana (when his name was called). I transfer my general pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the junior Senator from Oregon [Mr. STANFIELD], and will vote. I vote "yea."

Mr. WILLIS (when his name was called). I am paired for the day with my colleague, the senior Senator from Ohio [Mr. POMERENE]. I transfer that pair to the junior Senator from Maryland [Mr. WELLER], and will vote. I vote "yea."

The roll call having been concluded,

Mr. FERNALD. I have a pair with the Senator from New Mexico [Mr. JONES]. I transfer that pair to the junior Senator from Michigan [Mr. NEWBERRY] and will vote. I vote "yea."

Mr. WARREN (after having voted in the affirmative). I transfer my general pair with the Senator from North Carolina [Mr. OVERMAN] to the junior Senator from Missouri [Mr. SPENCER] and will allow my vote to stand.

Mr. KING. I vote "yea." I wish to state that on Wednesday I shall have a motion to submit with respect to this item.

Mr. SUTHERLAND (after having voted in the affirmative). I transfer my pair with the senior Senator from Arkansas [Mr. ROBINSON] to the junior Senator from Vermont [Mr. PAGE] and will allow my vote to stand.

Mr. MCKINLEY (after having voted in the affirmative). I transfer my general pair with the junior Senator from Arkansas [Mr. CARAWAY] to the junior Senator from Oklahoma [Mr. HARRELD] and will let my vote stand.

Mr. JOHNSON. I desire to state that upon this particular question the Senator from Wisconsin [Mr. LENROOT] is paired with the Senator from New York [Mr. WADSWORTH]. If present the Senator from Wisconsin would vote in the negative and the Senator from New York in the affirmative.

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New York [Mr. CALDER] with the Senator from Georgia [Mr. HARRIS]; and

The Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH].

I also desire to announce that if the Senator from Nevada [Mr. ODDIE] and the Senator from Colorado [Mr. NICHOLSON] were present they would vote "yea" on this question. They are unavoidably absent.

The result was announced—yeas 37, nays 13, as follows:

YEAS—37.

Ashurst	Johnson	McKinley	Shortridge
Borah	Jones, Wash.	McLean	Smoot
Bursum	Kellogg	McNary	Sterling
Capper	Kendrick	Nelson	Sutherland
Curtis	Keyes	New	Warren
du Pont	King	Norbeck	Watson, Ind.
Ernst	Ladd	Pepper	Willis
Fernald	Lodge	Phipps	
Gooding	McCormick	Poindexter	
Hale	McCumber	Rawson	

NAYS—13.

Harrison	Owen	Stanley	Walsh, Mass.
Heflin	Sheppard	Swanson	
Hitchcock	Shields	Trammell	
La Follette	Simmons	Underwood	

NOT VOTING—46.

Ball	Edge	Moses	Robinson
Brandegee	Elkins	Myers	Smith
Broussard	Fletcher	Newberry	Spencer
Calder	France	Nicholson	Stanfield
Cameron	Frelinghuysen	Norris	Townsend
Caraway	Gerry	Oddie	Wadsworth
Colt	Glass	Overman	Walsh, Mont.
Crow	Harreld	Page	Watson, Ga.
Culberson	Harris	Pittman	Weller
Cummins	Jones, N. Mex.	Pomerene	Williams
Dial	Lenroot	Ransdell	
Dillingham	McKellar	Reed	

So the amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The READING CLERK. The next amendment is, on page 110, line 13, where the committee proposes to strike out "12" and insert "15," so as to read:

Shelled, 15 cents per pound.

The junior Senator from Massachusetts [Mr. WALSH] moves to strike out "12" and insert "6."

Mr. WALSH of Massachusetts. Mr. President, this is by long odds the most important bracket in this paragraph. The committee rate increases the duty 11 cents per pound over existing law. The amendment which I offer increases the duty 2 cents per pound over existing law.

The subject has been fully discussed. I want to call attention again to the fact that no shelled almonds are available in America to-day; that this is a duty which will be effective and will result in an increased price of millions of dollars to the American consumers. I can not see any justification whatever for the very high increased rate named in this amendment, 275 per cent increase over existing law.

I ask for the yeas and nays upon my amendment to the amendment of the committee.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. FERNALD (when his name was called). Making the same announcement as before regarding my pair and its transfer, I vote "nay."

Mr. HARRISON (when his name was called). Making the same announcement as before relative to my pair, I vote "yea."

Mr. NEW (when his name was called). Repeating the announcement made on the previous vote, I vote "nay."

Mr. OWEN (when his name was called). I transfer my pair with the Senator from New Jersey [Mr. EDGE] to the Senator from Rhode Island [Mr. GERRY] and will vote. I vote "yea."

Mr. PHIPPS (when his name was called). Making the same announcement as before, I vote "nay."

Mr. WARREN (when his name was called). Making the same announcement as before as to my pair and its transfer, I vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as on the last roll call, I vote "nay."

Mr. WILLIS (when his name was called). Making the same announcement as to my pair with my colleague [Mr. POMERENE], I transfer that pair to the junior Senator from Maryland [Mr. WELLER] and vote. I vote "nay."

The roll call having been concluded,

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from New York [Mr. CALDER] with the Senator from Georgia [Mr. HARRIS];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS]; and

The Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH].

Mr. STERLING. Making the same announcement as to my pair and its transfer as on the last vote, I vote "nay."

Mr. SUTHERLAND. Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. McKINLEY. Making the same announcement as before, I vote "nay."

Mr. CURTIS. I desire to announce that the Senator from Nevada [Mr. ODDIE] and the Senator from Colorado [Mr. NICHOLSON] are unavoidably absent. If present they would vote "nay."

The roll call resulted—yeas 12, nays 31, as follows:

YEAS—12.

Harrison	La Follette	Sheppard	Swanson
Heflin	Owen	Shields	Underwood
King	Pepper	Simmons	Walsh, Mass.

NAYS—31.

Bursum	Jones, Wash.	McKinley	Shortridge
Curtis	Kellogg	McLean	Smoot
du Pont	Kendrick	McNary	Sterling
Ernst	Keyes	Nelson	Sutherland
Fernald	Ladd	New	Warren
Gooding	Lodge	Norbeck	Watson, Ind.
Hale	McCormick	Phipps	Willis
Johnson	McCumber	Rawson	

NOT VOTING—53.

Ashurst	Dillingham	Moses	Smith
Ball	Edge	Myers	Spencer
Borah	Elkins	Newberry	Stanfield
Brandegee	Fletcher	Nicholson	Stanley
Broussard	France	Norris	Townsend
Calder	Frelinghuysen	Oddie	Trammell
Cameron	Gerry	Overman	Wadsworth
Capper	Glass	Page	Walsh, Mont.
Caraway	Harreld	Pittman	Watson, Ga.
Colt	Harris	Poindexter	Weller
Crow	Hitchcock	Pomerene	Williams
Culberson	Jones, N. Mex.	Ransdell	
Cummins	Lenroot	Reed	
Dial	McKellar	Robinson	

The PRESIDING OFFICER. On the amendment of the Senator from Massachusetts [Mr. WALSH] to the amendment of the committee the yeas are 12 and the nays are 31. A quorum not having voted, the Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Capper	Jones, Wash.	McLean	Shortridge
Curtis	Kellogg	McNary	Simmons
du Pont	Kendrick	Nelson	Smoot
Ernst	Keyes	New	Sterling
Fernald	Ladd	Pepper	Sutherland
Gooding	La Follette	Phipps	Underwood
Hale	Lodge	Pittman	Walsh, Mass.
Heflin	McCormick	Rawson	Warren
Hitchcock	McCumber	Robinson	Watson, Ind.
Johnson	McKinley	Sheppard	Willis

The PRESIDING OFFICER (Mr. LADD in the chair). Forty Senators have answered to their names. There is not a quorum present. The Secretary will call the names of the absent Senators.

The reading clerk called the names of the absent Senators, and Mr. BURSUM, Mr. CULBERSON, Mr. NORBECK, and Mr. POINDEXTER answered to their names when called.

The PRESIDING OFFICER. Forty-four Senators have answered to their names; a quorum is not present. What is the pleasure of the Senate?

RECESS.

Mr. SMOOT. I move, in accordance with the unanimous-consent agreement, that the Senate take a recess, the recess being until Wednesday, July 5, at 11 o'clock.

The motion was agreed to; and at 2 o'clock p. m. the Senate, under the order previously made, took a recess until Wednesday, July 5, 1922, at 11 o'clock a. m.

SENATE.

WEDNESDAY, *July 5, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, the pending question being on the amendment of Mr. WALSH, of Massachusetts, to the amendment of the Committee on Finance.

The amendment was, in paragraph 754, page 110, line 13, before the word "cents," to strike out "12" and insert "15," so as to make the paragraph read:

Almonds, not shelled, 5 cents per pound; shelled, 15 cents per pound.

The amendment to the amendment was to strike out "15" and insert "6."

The VICE PRESIDENT. The Secretary will call the roll to ascertain if a quorum is present.

The reading clerk called the roll and the following Senators answered to their names:

Ashurst	Hale	McCumber	Robinson
Borah	Harreld	McKinley	Sheppard
Brandegee	Harris	McLean	Shortridge
Bursum	Harrison	McNary	Simmons
Calder	Heflin	Nelson	Smoot
Cameron	Johnson	New	Spencer
Capper	Jones, Wash.	Nicholson	Sterling
Caraway	Kellogg	Norbeck	Sutherland
Culberson	Kendrick	Norris	Trammell
Curtis	Keyes	Oddie	Underwood
Dial	King	Phipps	Walsh, Mass.
du Pont	Ladd	Pittman	Walsh, Mont.
Ernst	La Follette	Poindexter	Warren
Fernald	Lenroot	Pomerene	Watson, Ind.
Gooding	Lodge	Rawson	

Mr. CURTIS. I wish to announce that the Senator from Rhode Island [Mr. COLT] is absent on account of a death in his family.

I also wish to announce that the junior Senator from Ohio [Mr. WILLIS] is unavoidably absent.

Mr. TRAMMELL. I desire to announce that my colleague [Mr. FLETCHER] is absent on account of illness.

Mr. HARRIS. My colleague [Mr. WATSON of Georgia] is detained on account of illness.

The VICE PRESIDENT. Fifty-nine Senators have answered to their names. A quorum is present. The question is on the amendment of the Senator from Massachusetts [Mr. WALSH] to the amendment of the committee on page 110, line 13, almonds, shelled, where he moves to strike out "15" and insert "6," on which the roll call was proceeding when the Senate took a recess. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. HARRISON (when his name was called). I transfer my general pair with the junior Senator from West Virginia [Mr. ELKINS] to the senior Senator from Missouri [Mr. REED] and vote "yea."

Mr. NEW (when his name was called). I transfer my pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from Vermont [Mr. PAGE] and vote "nay."

Mr. STERLING (when his name was called). I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from New York [Mr. WADSWORTH] and vote "nay."

Mr. TRAMMELL (when his name was called). I transfer my pair with the senior Senator from Rhode Island [Mr. COLT] to the junior Senator from Rhode Island [Mr. GERRY] and vote "yea."

Mr. WALSH of Montana (when his name was called). I transfer my pair with the Senator from New Jersey [Mr. FRELINGHUYSEN) to the Senator from Georgia [Mr. WATSON] and vote "yea."

Mr. WARREN (when his name was called). I transfer my general pair to the junior Senator from North Carolina [Mr. OVERMAN] to the senior Senator from Maryland [Mr. FRANCE] and vote "nay."

Mr. WATSON of Indiana (when his name was called). I transfer my pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the junior Senator from Oregon [Mr. STANFIELD] and vote "nay."

The roll call was concluded.

Mr. FERNALD (after having voted in the negative). I transfer my pair with the senior Senator from New Mexico [Mr. JONES] to the senior Senator from Michigan [Mr. TOWNSEND] and allow my vote to stand.

Mr. POMERENE. I am paired for the day with my colleague the junior Senator from Ohio [Mr. WILLIS], but I find I can transfer that pair, which I do, to the senior Senator from Nebraska [Mr. HITCHCOCK]. I vote "yea."

Mr. HALE (after having voted in the negative). Has the senior Senator from Tennessee [Mr. SHIELDS] voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. HALE. I transfer my pair with that Senator to the senior Senator from Pennsylvania [Mr. CROW] and let my vote stand.

Mr. ERNST (after having voted in the negative). I transfer my general pair with the senior Senator from Kentucky [Mr. STANLEY] to the junior Senator from Maryland [Mr. WELLER] and allow my vote to stand.

Mr. TRAMMELL. I wish to announce that my colleague [Mr. FLETCHER] is absent on account of illness. He has a general pair with the Senator from Delaware [Mr. BALL].

Mr. CURTIS. I wish to announce the following pairs:

The senior Senator from Vermont [Mr. DILLINGHAM] with the junior Senator from Virginia [Mr. GLASS]; and

The junior Senator from New Jersey [Mr. EDGE] with the senior Senator from Oklahoma [Mr. OWEN].

The result was announced—yeas 17, nays 41, as follows:

YEAS—17.

Caraway	Heflin	Sheppard	Walsh, Mass.
Culberson	King	Simmons	Walsh, Mont.
Dial	La Follette	Swanson	
Harris	Pomerene	Trammell	
Harrison	Robinson	Underwood	

NAYS—41.

Ashurst	Hale	McKinley	Rawson
Borah	Harreld	McLean	Shortridge
Brandegee	Johnson	McNary	Smoot
Bursum	Jones, Wash	Nelson	Spencer
Cameron	Kellogg	New	Sterling
Capper	Kendrick	Nicholson	Sutherland
Curtis	Keyes	Norbeck	Warren
du Pont	Ladd	Norris	Watson, Ind.
Ernst	Lenroot	Oddie	
Fernald	Lodge	Phipps	
Gooding	McCumber	Poindexter	

NOT VOTING—38.

Ball	France	Newberry	Stanfield
Broussard	Frelinghuysen	Overman	Stanley
Calder	Gerry	Owen	Townsend
Colt	Glass	Page	Wadsworth
Crow	Hitchcock	Pepper	Watson, Ga.
Cummins	Jones, N. Mex.	Pittman	Weller
Dillingham	McCormick	Ransdell	Williams
Edge	McKellar	Reed	Willis
Elkins	Moses	Shields	
Fletcher	Myers	Smith	

So the amendment of Mr. WALSH of Massachusetts to the amendment of the committee was rejected.

PETITIONS.

Mr. KEYES presented a resolution of the New Hampshire State Association of Letter Carriers, favoring the enactment of legislation enabling the Post Office Department to furnish protective insurance to letter carriers driving United States trucks from payment of damages caused by accident while assigned to such duty, which was referred to the Committee on Post Offices and Post Roads.

Mr. ROBINSON presented a telegram in the nature of a petition from the California Almond Growers' Exchange, of San Francisco, Calif., favoring an adequate tariff duty on almonds, which was referred to the Committee on Finance.

Mr. SPENCER presented a petition of the Committee of Fifty and other welfare workers of St. Louis, Mo., praying for the passage of the so-called Hoch bill (H. R. 10291) to add confiscation to other penalties in case of interstate transportation of prize-fight films, which was referred to the Committee on Interstate Commerce.

MESCALERO APACHE INDIANS.

Mr. SPENCER, from the Committee on Indian Affairs, to which was referred the bill (S. 3519) defining the rights of the Mescalero Apache Indians in the Mescalero Indian Reservation, providing for an allotment of certain lands therein in severalty to the Mescalero Apache Indians, and creating and defining the All-Year National Park, reported it with amendments and submitted a report (No. 805) thereon.

UNITED STATES SHIPPING BOARD.

Mr. BORAH. I ask permission to introduce a bill, and desire that it may be printed and lie on the table for further call.

The VICE PRESIDENT. Without objection, it is so ordered.

The bill (S. 3786) to amend section 3 of the shipping act, 1916, was read twice by its title and ordered to lie on the table.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. FRANCE:

A bill (S. 3787) to authorize the President, if he shall deem it consistent with the public welfare and the terms of the treaty obligations of the United States, to donate to Poland six of such ships of our Navy as under the terms of the treaties with Great Britain, France, and Japan will no longer be needed by the United States and are listed to be disposed of; to the Committee on Naval Affairs.

By Mr. NEW:

A bill (S. 3788) granting a pension to Julia A. Manzer (with accompanying papers); to the Committee on Pensions.

AMENDMENT TO TARIFF BILL.

Mr. POINDEXTER submitted an amendment intended to be proposed by him to House bill 7456, the tariff bill, which was ordered to lie on the table and to be printed.

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that the President had approved and signed the following acts:

On June 30, 1922:

S. 3396. An act creating the positions of Second Assistant Secretary and private secretary in the Department of Labor; and

S. 3425. An act to continue certain land offices, and for other purposes.

On July 1, 1922:

S. 831. An act to amend the proviso in paragraph 10 of section 9 of the Federal reserve act amended by the act of June 21, 1917, amending the Federal reserve act;

S. 1033. An act regulating the issuance of checks, drafts, and orders for the payment of money within the District of Columbia; and

S. 3458. An act to authorize the Niagara River Bridge Co. to reconstruct its present bridge across the Niagara River between the State of New York and the Dominion of Canada, or to remove its present bridge and construct, maintain, and operate a new bridge across the said river.

CONSTRUCTION WORK—MUSCLE SHOALS DAM—CORRECTION.

Mr. NORRIS. Mr. President, I have here a letter addressed to me by Brig. Gen. H. Taylor, Acting Chief of Engineers of the War Department, in which he calls to my attention an error that I committed in making a statement in the Senate in regard to the official duty of Colonel Cooper, the engineer at Muscle Shoals. I have not examined my remarks since they have been printed, and I assume that General Taylor has correctly stated the facts.

It seems that I said that Colonel Cooper was in charge of the construction work. As I presume the Senate knows, my remarks on that occasion were entirely extemporaneous; I spoke entirely from memory; although, as a matter of fact, I knew at the time that Colonel Cooper was not in charge of the construction work, but that he was a consulting engineer, and that his duties related to the preparation of the plans and the necessary inspection to see that the plans were carried out. So if I made the statement, as I presume I did, which is mentioned by General Taylor, I was in error. I think, however, the matter may be best cleared up and corrected by having the letter of General Taylor read. So I send it to the desk and ask that the Secretary may read it.

The VICE PRESIDENT. Without objection, the Secretary will read as requested.

The reading clerk read as follows:

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, June 22, 1922.

Hon. GEORGE W. NORRIS,
United States Senate.

DEAR SENATOR NORRIS: I notice in the CONGRESSIONAL RECORD of June 17, page 8904, a statement by you that Mr. Cooper is now at the head of the construction of the Muscle Shoals Dam.

I wish to correct the impression which you have that Mr. Cooper is at the head of the construction of the dam and to advise you that the construction of the dam and power house and all structures connected therewith are now, as they have been since the beginning of the work, under the Chief of Engineers. Mr. Cooper is employed as consulting engineer. His duties relate solely to the preparation of plans for the work and such inspection of the construction work as is necessary to assure him that the plans are being carried out in accordance with his intent and in giving advice to the Chief of Engineers.

Mr. Cooper has nothing whatever to do with the construction work. This work is carried out by an officer of the Corps of Engineers, who is in full local charge under the Chief of Engineers. This officer takes all the necessary steps to carry on the construction work, including purchasing of material, hiring of men, and all other work incident to the construction.

Your misapprehension as to Mr. Cooper's connection with this work is quite easily understood, as Mr. Cooper has been given credit for being in charge of the construction of the dam in a number of accounts of the work, and on account of his prominence in hydraulic engineering work in the country the mistake is not at all unnatural.

Very truly yours,

H. TAYLOR,
Brigadier General, Corps of Engineers,
Acting Chief of Engineers.

ARTICLE BY SENATOR BORAH.

Mr. HARRISON. Mr. President, there appeared in the New York Times of Sunday last a very interesting article entitled "Growing menace to integrity of States," written by the senior Senator from Idaho [Mr. BORAH]. I ask unanimous consent that the article may be incorporated in the RECORD in 8-point type.

There being no objection, the article was ordered to be printed in the RECORD in 8-point type, as follows:

GROWING MENACE TO INTEGRITY OF STATES—"A GOVERNMENT FROM WASHINGTON BY COMMISSION REDUCED TO ITS LAST ANALYSIS IS NO DIFFERENT FROM A GOVERNMENT BY SATRAPIES FROM ROME"—THE DIVIDING LINE.

(By WILLIAM E. BORAH, Senator from Idaho.)

The Government of Athens was a pure democracy. Its story is brief but marvelously brilliant. Day after day and year after year the people assembled, discussed and passed upon every question of foreign or domestic concern, of peace or war. They

gave instructions to their ambassadors and determined who should be received as such at Athens. They listened to contests by poets and dramatists, adjudged the prizes, heard the discussions of philosophers, listened to the appeals of orators, passed upon the proposed policies of statesmen, received the reports of generals fresh from the field, and determined who should longer command the armies. The citizens were trained and equipped in this democracy for the exercise of judgment and power as no people ever were in the same space of time. The decades which cover the period are the richest of all history in sculptors, poets, painters, philosophers, orators, statesmen, and generals.

That assembled multitude recognized no sovereign, owned no superior or supreme authority, delegated no power—it was the sovereign as it was there assembled—from its decree there was no appeal. But no one could be a citizen of Athens or participate in any way in the deliberations of the assembly who lived at such a distance as to be unable to regularly attend the meetings called within the walls of the city. Hence there was room for growth neither in territory nor political power. They understood well the lesson of local self-government, but the great central and controlling principle of civilization—that is, concentrated and harmonious action among separate States or communities on a large scale without destroying or forfeiting local self-government—was to them unknown. The representative principle, that system by which independent cities or States retaining full and complete control over domestic affairs, with a central and supreme authority for all matters of common interest, was yet undiscovered. So amid petty rivalries and constant jealousies, amid strife and conflict and perpetual war, this resplendent political system perished. There was a fatal defect—a defect which another people was to discover and remedy.

PRINCIPLE OF LOCAL SELF-GOVERNMENT.

Reflecting upon the rise of this remarkable civilization, its startling splendor, its exceptional wealth of mind and genius, one can not but conclude that after all there must have been involved, exerted, and exercised here a principle of government of incalculable worth. The principle which draws the citizen close to his Government, makes him know that he is part of it and responsible for its actions, arouses his pride, stimulates public spirit, and keeps pure and active the well springs of patriotism, was worked out to perfection at Athens. The preservation of that principle is indispensable to the permanent growth of every form of free government, and when this principle of local self-government shall have been combined and coordinated with a supreme and common political power, dealing with common interests, then the great secret of Federal Government thus revealed will constitute one of the greatest blessings known to men.

There was a time when to be known as a citizen of Rome was both a passport and a shield throughout the world. Conquest followed conquest. Towns and territories were added until universal power was located on the Seven Hills. At first the provincial towns and cities were governed by their local magistrates and governors, but year by year the central power of Rome, stealthily encroaching, absorbed all local rule. The people became divorced from and strangers to their Government, found fault and nursed their discontent. Before they knew it they were governed by prefects and responsible to the Emperor alone. Local magistrates and rulers retained their titles and nominally ruled, but they were in fact the satellites of the Imperial City and journeyed day by day to the capital to learn of the supreme ruler's pleasure. They found neither inspiration nor instruction among the masses, but hastened away to the capital to learn of their duties and their responsibility.

By the fifth century all local and political power had passed away. Here, too, the great principle of representative government was yet unlearned. The importance of keeping alive local self-government, of urging upon independent localities the control of their own affairs and of transmitting their judgment and needs to a central Government by selected agents was never realized. Local government was shorn of its power, stunted and starved, until at last under the domineering spirit of Dionysus it utterly perished. Everybody went to Rome. Thousands and thousands gathered in its assemblies until it became a mob incapable of deliberation. The people were charged with ignorance, carelessness, and improvidence while everyone looked up to the magistrates and rulers and officeholders as men who could bring prosperity and happiness by legislation. Instead of expecting to find virtue and progress and prosperity among the people worked out through the thrift, industry, and energy of the people, they supposed that in some way these things abided in statutes and imperial decrees. They thought that by legislation all things could be cured and that the Government must take care of them all. At last this civilization came in conflict with that of the Teutons from the north, a people having among them the germs of local self-government in their tribal rule—a people independent, self-reliant, possessed of courage and initiative. When the conflict came the false and venal splendor of Rome also perished.

A THRILLING STORY.

It was among another people that the true principle of government was to be worked out. Time or space will not permit us to trace in detail the development of local self-government and the gradual growth of the representative principle in English history—how, prior to the Norman conquest, the Anglo-Saxon people met by thousands in the "great council of the realm," and there made their own laws; how, after a time, the several townships sent their most "discreet" men to represent them in the county assembly, the beginning of the House of Commons; how, through centuries, the common people struggled and sacrificed and fought to get back their local rights, filched and stolen from time to time by ambitious rulers—and in so doing fought the real battles of English civilization; how, at last, all was made reasonably secure by the Magna Charta and the "great Bill of Rights" of 1689. It is a thrilling story, full of the tragedy of personal sacrifice, rich in the romance of freedom. In all the realm of literature, peopled with those creations of genius whose words and deeds of incomparable wit and wisdom forever engage the minds of men, you will not find anything surpassing the story of the slow, patient, invincible growth of English law, the self-sacrificing and unconquerable fight for representative government. Like the chant of some great poem the story runs on through the years and through the centuries, telling of the patience, the endurance, the courage, the suffering, the sacrifice of men.

These rich inheritances our fathers brought to a new continent. If it could be well ascertained where the first New England town meeting was held, there the American people might well place a granite shaft of imposing splendor, for no single instance in our history is of more importance, none in these days better worth remembering and commemorating. It was a genuine, unmixed democracy. Once each year every man residing in the limits of the township came, gave full expression to his views, and had his vote counted. All affairs of government were here discussed and passed upon, policies were outlined, accepted or rejected—publicity in all public affairs was a reality and not a pretense. They chose their selectmen, town officers, and finally came to vote for their State and Federal officers—and were not haunted or harassed by the doubts and fears of the modern statesman whose erudition leads him to question the judgment and stability of the masses.

The principle of the New England town meeting has seamed our whole civilization with strength and durability. It is the foundation framework of our system of government. Without its active presence, its living pervading force, there could be no such thing as a truly republican government or Federal system. Local self-government in all the term implies, active, vigorous, vigilant, jealously guarding and governing all matters of local or domestic concern, drawing the citizen for a season away from private affairs and enlisting his energies in public matters, identifying him with the actual needs and doings of the State and Government, are indispensable to a healthy, durable Federal system. Our fathers understood this well, and were wise and cautious in jealously guarding it when they came to frame the Federal system. If they were wise to preserve it, their children will be wise to continue to preserve it. It is a remarkably short period from the time when a people cease to be active in the affairs of government until they are incapable of discharging the duties imposed by government, and no people incapable of self-government ever long bred a class of statesmen who were capable of governing for them. For it is nature's everlasting anathema on oligarchies that recruits from the walks of the humble and lowly must be had, or else follows a universal bankruptcy of intellect and character, a people enervated in body and mind, and from whose venal fingers soon fall the reins of government.

LOST BEST EFFORT OF CENTURIES.

When the fathers met in 1787 to formulate the great charter and give us a more perfect Union, one of the most delicate and yet one of the most essential and profound questions with which they had to deal was the adjustment and distribution of powers between the State and the National Government—the preserving in its full integrity the principle of local self-government and at the same time granting sufficient power to the Federal Government to insure efficiency and strength in all matters which affect us as one entire people. They were to combine with marvelous mechanism the principle of local rule and of a representative agency to carry the expression of that local power

into national affairs. Let us not forget that this great charter was neither an accident nor an inspiration—it was the last, best effort of centuries of eternal striving upon the part of the human family—the experiences of mankind hammered and fashioned into form by the greatest architects ever assembled at one time. The men who there fashioned, adjusted, and built were not theorists. They were stern, earnest, practical men, profound students of history and of government. They stood every hour of their lives upon the solid earth, felt and were moved and controlled by things practical, and dealt with all matters in that concrete way which marks the highest quality of statesmanship.

Nowhere in their work was greater wisdom disclosed, a more searching and judicious knowledge of the great truths of history revealed than in this matter of reserving and granting powers between the local or State and the General Government. With the utmost care and caution there was reserved for the States the control of all matters of domestic concern, of local interests, while there was granted to the General Government those great and general powers which encompass the welfare of all. We must not assume, we must not permit ourselves to believe that the reservation is of less moment or less beneficial to the American people than the grant. I am well aware that the phrase "State rights" has been discredited in our history. It is associated with unhappy days.

But the misuse or abuse of the term should not blind us to the great and inviolate political truth that upon the integrity of the States after all rests the integrity and permanency of the Union; that upon the principle of local self-government rests the perpetuity of republican institutions. In this way, and in this way alone, the people may retain those rights and keep alive that public spirit which furnishes the brain power and the moral force to run the entire machinery of government—keep alive and strong and healthy the principle of the New England town meeting, expanded and fashioned on a larger scale—a principle born of a complete faith in the integrity and judgment and self-governing capacity of the masses. God pity this Government in the hour in which we shall look to Washington for that economy in public expenditures, that comprehension of the common needs, that devotion to the general interests, the power and the willingness to correct abuses and distribute justice, all so essential to a democratic form of government, rather than to enlightened public opinion gathered up and crystallized into law through those agencies of govermnent which reach back and down to the great body of the people—the sole sovereignty of the Republic.

WARNINGS OF GREAT LEADERS.

It does not seem amiss here to recall the words of some of our most profound jurists, our most exalted patriots, upon this subject. Chief Justice Marshall, in one of his great opinions, said: "No political dreamer was ever wild enough to think of breaking down the lines which separate the States and of compounding the American people into one common mass." I do not know whether the great jurist would be safe in saying at this time that no political dreamer was ever wild enough to think of breaking down the lines of the States—certainly their tendency is that way.

Mr. Lincoln said: "To maintain inviolate the rights of the States to order and control under the Constitution their own affairs by their own judgment exclusively is essential for the preservation of that balance of power on which our institutions rest."

Justice Miller, one of our greatest jurists, gave expression to the following view: "While the pendulum of public opinion has swung with force away from the extreme point of the State rights doctrine, there may be danger of its reaching an extreme point on the other side. In my opinion, the just and equal observance of the rights of the States and of the General Government as defined by the Constitution is as necessary to the permanent prosperity of our country and to its existence for another century as it has been for the one whose close we are now celebrating." That magnificent defender of the Constitution, our great Justice Harlan, one of the greatest men who has ever graced that great court, said: "A national government for national affairs and State government for State affairs is the foundation rock upon which our institutions rest, and any serious departure from that principle would bring disaster upon the American system of free government."

The makers of the Constitution did not grant to the General Government any powers which it is dangerous to exercise to the fullest constitutional limit. Moreover, I have a profound admiration for the men who would exercise those powers fully and completely in the interest of the Nation. But while extending and developing and building at the top, I would keep sound and safe and sure the foundation upon which the whole structure rests. For what shall it profit to enact laws, create commissions, and unfold the ambitious schemes of men who dream of international prestige and power unless we know what the electorate yonder in the field, factory, and mine is doing or is willing to do; unless we know the measure of its ability, the worth of its patriotism. Responsibility alone gives strength and initiative to citizenship, contact with Government fosters public spirit and local rule is the great university in which is reared and trained and equipped the kind of statesmen who take care that no harm comes to the Republic.

A Government from Washington by commission, reduced to its last analysis, is no different from a Government by satrapies from Rome. And simply because the people of the States do not see fit at any particular time to exercise the powers reserved for them, that is in itself no justification for the General Government to exercise those powers. Such a doctrine is rank heresy. The wisdom of the people may be as fully manifested in the failure to exercise the powers of the State in a particular way or at a particular time as in the exercise of that power. Action is not always statesmanship. Legislation is not always an evidence of sound judgment. The belief so prevalent that every evil of the body politic can be eradicated by an act of Congress, every virtue restored or augmented by the creation of a commission, is the refined and codified creed of official egotism.

THE DIVIDING LINE.

Our richly rewarded experience of a hundred years and more, a greater distribution of justice and happiness among the people and a greater capacity of self-rule than are elsewhere to be found, will convince our people that we can afford to travel on in the same old way, holding fast and fighting true to that line of demarcation so wisely marked out by the greatest group of statesmen time ever assembled on one occasion. If there is anything now well settled, worked out through centuries of test and trial, it is that each member of the Federal Government must have complete and independent control of all matters domestic and internal and which relate alone to the individual members. That in turn all must be united and subject to a common power which is to deal with all matters affecting the members as a whole. It is a further teaching of experience and of history coming down to us through the shattered arches and broken columns of the splendid civilizations which have passed that, without the spirit, the life, the interest, the training, the responsibility, born alone of local self-rule, free government is an impossibility—simply the dream of an enthusiast.

I do not mean to say that industrial development may not affect the question of distribution of political power. Our industrial growth and our economic development, changes wrought in our social life, may necessarily require a redistribution of power between the State and the National Government. That which was wholly local a hundred years ago may have become national. That which was within the competency of a State may now require national administration. Nevertheless, that which is essentially local should be governed by the State. Under no circumstances should the National Government undertake to deal with those things which are essentially local. While I am by no means an advocate of no change in Government—for a government without the power of change is without the means of preservation—yet I do believe in keeping inviolate the principle of local government for local affairs and National Government for national affairs. And as we move on, assuming new duties and confronting new problems, we will bear in mind the words of wisdom given to us by the Father of our Country in his ripened years: "If in the opinion of the people the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by amendment in the way in which the Constitution designates. But let there be no change by usurpation, for though this in one instance may be the instrument for good it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil any partial or transient benefit which the use can at any time yield."

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the committee amendment, which will be stated.

The READING CLERK. In paragraph 754, page 110, line 13, before the word cents, it is proposed to strike out "12" and insert "15," so as to make the paragraph read:

PAR. 754. Almonds, not shelled, 5 cents per pound; shelled, 15 cents per pound.

Mr. LENROOT. Mr. President, I am opposed to the pending committee amendment because I do not believe that it can be

justified from any standpoint. I voted against the amendment of the Senator from Massachusetts [Mr. WALSH] which proposed to restore the old Payne-Aldrich rate of 6 cents a pound on shelled almonds because I believe the almond growers in California are entitled to a higher rate than was imposed by the Payne-Aldrich law; but, Mr. President, I submit that the distinguished senior Senator from California [Mr. JOHNSON] and his colleague, the junior Senator from California [Mr. SHORTRIDGE], have not made out a case for the increase of duty which is now proposed by the committee—which is an increase of 275 per cent over the existing rate and an increase of 150 per cent over the Payne-Aldrich rate. I submit they have not made out their case upon their own showing, because in the speech of the senior Senator from California upon Monday he demonstrated that under the existing rate of the Underwood law the acreage planted in almonds in 1921, at the very lowest ebb of the industry, so far as the market was concerned, had increased almost 12½ per cent.

Mr. President, in the face of the growth of this industry during the existence of the present Underwood law, an increase of 275 per cent in the tariff duty can not, I submit, be justified by anybody. As is true in the case of so many of the articles covered by the pending bill, the proponents of the increased duty prove too much. In the brief of the Almond Growers' Association of California they undertake to set out the difference in the cost of production between the imported almond and the domestic almond grown in California, and, including interest upon the investment, they attempt to show that the foreign cost is just under 5 cents a pound, while the cost of production of the almond in California for 1920, the year for which the comparison was made, was just under 20 cents a pound, or a difference in cost of production of 15 cents a pound upon the unshelled almond. That, Mr. President, applied to the shelled almond, the item now before the Senate, according to their figures, must be multiplied by 3, and, therefore, the difference in the cost of production, based upon their own figures, between the imported shelled almond and the shelled almond produced in California would be 45 cents a pound.

If that be true, will 15 cents a pound protect the almond growers of California? If those figures are correct, will the proposed increase of duty give the market to the almond growers of California? If that be true, Mr. President, then I want to ask this question: If there is a commodity produced in the United States that permanently and through all the years will cost three times as much to produce as that article can be imported for, can such a rate be justified by any protectionist?

If we are to have any market, Mr. President, for our own surplus products we must permit some imports to come in. We can not raise a tariff wall that will keep out all imports if we desire any foreign trade, if we desire any market for our surplus crop of wheat and corn and other cereals and products of the soil. So that, from that standpoint, if these figures are correct, I submit that a protective rate equaling the difference in cost of production of the two articles can not be justified.

But what are the facts as to the present condition of the industry under the present law, the rate of duty of which is asked to be increased by 275 per cent? I read from the survey prepared by the Tariff Commission as follows:

> The number of bearing and nonbearing trees, therefore, affords the best indication of the expansion of the industry. Prior to 1912 the number of bearing trees remained fairly constant, old orchards being discontinued as rapidly as new plantings replaced them. In the last nine years, however, the acreage has been rapidly increased. The first of these recent plantings have only begun to bear in the last few years. The census of 1909 reported 1,166,730 bearing trees, compared with 2,408,040 in 1919. In the number of trees not of bearing age there has been an increase of 400 per cent during this 10-year period—from 365,961 in 1909 to 1,407,901 in 1919.

Thus, Mr. President, there has been an increase of 400 per cent under a tariff rate from 1909 to 1914 of 6 cents a pound and since 1914 of 4 cents a pound.

Mr. President, could any protectionist ask for a better showing of growth under any tariff rate than has been exhibited by this industry under the Payne-Aldrich law and the present Underwood law? Furthermore, unlike most agricultural products, if the tariff wall in this instance be put up to the height now proposed competition within the country will not bring the price down; the cost of production will not be lowered, for the brief of the Almond Growers' Association of California shows that the difference in the cost of production which they set out is not due to war conditions, is not a temporary situation, but is a permanent one, and that the difference will rather increase than decrease because of the increased value from year to year of the land upon which the almonds are grown.

I said that this competition that we normally have between producers of agricultural products will not apply if this tariff rate be placed so high, because the Tariff Commission also reports that the Almond Growers' Association of California today market 75 per cent of the almonds grown in the United States. They set the minimum price each year, and, therefore, it is sure to follow that the Almond Growers' Association of California, like the Raisin Growers' Association of California, if they have the market to themselves, will be able to increase their own prices to the level of the tariff rate that is imposed by Congress.

Mr. President, I am heartily in sympathy with these cooperative organizations throughout the country. The Raisin Growers' Association of California, the Almond Growers' Association of California, the Walnut Growers' Association of California, and other associations there have done wonderfully well for the growers of California, but if we are to raise this duty to the extent that is proposed by this amendment the Almond Growers' Association of California will be able to add the difference between 4 cents and 15 cents—or, in other words, 11 cents a pound—to the price that they receive for their product in California.

It is no doubt true that the almond growers of California have suffered during 1921, just the same as every other farmer in America has suffered, and it would not be surprising if the almond growers and the walnut growers of California had suffered in a greater degree than other farmers, because to a certain extent nuts for the table are a luxury; and yet they ought not to be considered such a luxury that they can not be occasionally found upon the poor man's table, and that is exactly what will happen if this rate be imposed.

California has a practical monopoly of almonds in the shell, because a better table nut is produced in that State than any nut that is imported; and when prosperity revives, the consumption will increase as it did increase, by leaps and bounds, during the war prosperity, and the almond growers again will have a market at a reasonable price for their products; but if this 11 cents a pound increase shall be voted into this bill, it will enter into the price of every 5-cent cake of almond bar—nutritious, cheap—but they will not be again sold for 5 cents if this duty be voted into the bill.

I submit that if we give the almond growers of California an increase of 100 per cent over the duty given by the Payne-Aldrich law, as the House bill does, they have no right to ask for any more and we have no right to give them anything more.

Now, Mr. President, just a word generally.

I have not made up my mind as to whether, when we come to a final vote upon this bill, I shall vote for it or not. I want to do so if I can. I want to resolve all doubts in favor of the bill; but if such rates as this are to be voted into this bill to any considerable extent, I want to say very frankly that I shall not support the bill when it comes to final passage. I want to stand for a reasonable protective rate. I want to stand for protection—I do stand for protection—to American industries; but, Mr. President, I have no sympathy with this system which seems to prevail here, that if the interests of a Senator in his State demand exorbitant duties, that Senator can go and ask and receive, and then, because of the interrelationship of the duties throughout this bill, that Senator will vote with the committee for every increase that may be proposed.

Mr. President, I do not propose to do that. I would not ask for a duty upon any product of my State that I could not show was fully justified, and I would not ask for a 150 per cent increase in duty upon any commodity produced within my State where the production of that commodity had doubled under the present Underwood law.

Mr. President, I hope that I shall be able to support this bill when it does come to a final vote. The vote upon this amendment, of course, will not be the deciding factor, but it will be one of them; and if many such are voted into the bill, I repeat that—giving credit to every other Senator for the same high purpose and motives in voting for the bill that I believe actuate me—I shall reserve the right to vote against it unless some of these duties be brought down somewhere within reason.

Mr. POMERENE. Mr. President, I want to say just a word on this subject.

In examining the RECORD for Monday, I find that a number of communications protesting against these high duties on almonds and other nuts were introduced into the RECORD. I have before me a letter containing a copy of the preamble and resolutions adopted by the National Confectioners' Association under date of June 2, 1922; and I am going to ask, without reading, the privilege of introducing the preamble and resolutions into the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. POMERENE subsequently said:

Mr. President, a moment ago I asked the privilege of introducing in the RECORD certain preambles and resolutions of the National Confectioners' Association. At that moment I was

not aware that the same had been introduced in the RECORD on July 3. I therefore withdraw the request for the reintroduction of those preambles and resolutions.

Mr. President, apparently these people believe that there ought to be some protective duty so far as almonds and nuts are concerned, but they protest against the enormous increase. They say—and I think this is correct—that the import duties on almonds and nuts which are being insisted upon are as follows:

Almonds, not shelled, 5 cents a pound.
Shelled almonds, 15 cents a pound.
Walnuts, not shelled, 4 cents a pound.
Shelled walnuts, 12 cents a pound.

They suggest unanimously that the following rates be recommended for substitution in place of the rates proposed in the pending tariff bill:

Almonds, not shelled, 4 cents a pound.
Shelled almonds, 6 cents a pound.
Walnuts, not shelled, 3 cents a pound.
Shelled walnuts, 6 cents a pound.

And they say that in their judgment these rates would be just and fair and would meet all requirements, both as protection and as revenue.

Mr. President, I have here a number of other telegrams and letters coming from confectioners in Ohio, everyone of them protesting against these exorbitant rates. I should like to know upon what theory all of these confectioners can be burdened in their business for the sake of some of these almond and nut growers in southern California and elsewhere. I am not finding fault because a certain amount of protection is asked; but when the Senator from Wisconsin [Mr. LENROOT] has demonstrated, as he has, that this industry has advanced in the far west under the present protective duties, why should they be increased now? It may be said that I perhaps take one view of this tariff question and some of my friends on the other side take another view. We do differ in part. I am not a free-trader and I am not a rank protectionist. I do not believe in duties which are going to operate practically as an embargo.

Mr. President, in order that I may not be misunderstood as to this situation, I am going to read a part of a letter which comes to me from B. H. Kroger, of the Kroger Grocery & Baking Co., of Cincinnati. He is not a Democrat. He is a Republican, and at different times he has been invited to help finance Republican campaigns; and he was here, so I see by the newspapers, at one of the recent conferences which was held in Washington to raise funds to pay off the debt of the Republican committee incurred during the last campaign.

I am going to omit one or two paragraphs of this letter which refer to the activities of the distinguished senior Senator from California with respect to the duties on nuts. There is nothing in it to which he could take exception at all; it simply states the fact as I understand it; but the writer says with regard to these nuts:

The average quality of foreign nuts will satisfy the medium class of consumers, who should not be penalized by increase of duties because they simply can not afford to pay the prohibitive prices asked for nuts, as you can see by the following range of prices:

	1912 opening.	1921
California walnuts, soft shell.....per pound..	$0.14	$0.24½

Our objection is only in the interest of the consumer, and in the furtherance, quote you the following comparison of prices, which we believe you are interested in for the same cause:

	1912 opening.	1921 opening.	To-day's price.
Peaches, choice.....per pound..	$0.5½	$0.11	$0.17
Apricots, extra choice.....do....	.9	.19	.30
Prunes, bulk—average basis.....do....	.4½	.08½	.10½
Raisins, fancy, 16-ounce, seeded.....do....	.6	.14½	.15½

This letter is dated April 29, 1922.

I want Senators to note the following paragraphs, which demonstrate in part what is being done by some of these associations:

The Raisin Association alone is responsible for holding up the present price of raisins, in spite of the heaviest stocks on hand at this season in many years, and never before in history has such a condition existed, without causing lowering of prices, but not this year. The association is holding up the price and the public is paying the penalty in spite of the tremendous crop that the Almighty has given to supply the American housewife at reasonable cost.

Nuts are distributed by the California Nut Growers' Association on an allotment basis, meaning, each city gets its proportion. This leaves within the hands of such distributors the allotment according to their judgment, which favoritism means excess, and if not in good grace with the broker, a small proportion, or none at all. At Columbus, Ohio, last year we secured no walnuts from the association for the above reason.

It may be said that this firm has had some unpleasant experiences, and possibly it has. I know Mr. Kroger personally, and I know that a fairer-minded man exists nowhere, either in California, Ohio, or elsewhere. He is a big man, conducting an enormous business, trying to do it upon margins which will be just to himself and just to the consumers. There is no man in Ohio who stands better than he, and there is no Republican who stands better than he. That is a Republican view, and I am in sympathy with his moderate expression upon this subject.

I have here some other telegrams, one from a very large confectioner at Mansfield, Ohio, Voegele & Dinning Co.; another from the Puritan Chocolate Co., of Cincinnati, Ohio; and another from the Dolly Varden Chocolate Co., of Cincinnati, Ohio, which I ask the privilege of introducing in the RECORD without reading.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

MANSFIELD, OHIO, *June 29, 1922.*

Senator ATLEE POMERENE,
United States Senate, Washington, D. C.:

We protest vigorously proposed import duty on almonds and walnut meats; being a food product, if passed will mean unjust prices to the consumer and injury to our business.

VOEGELE & DINNING CO.

—

MANSFIELD, OHIO, *June 29, 1922.*

Senator ATLEE POMERENE,
Care of Senate Office Building, Washington, D. C.

MY DEAR SENATOR: To-day we sent you the following telegram, which we now confirm:

"We protest vigorously proposed import duty on almond and walnut meats; being a food product, if passed will mean unjust price to the consumer and injury to our business."

Anything that you can do toward helping our industry out on this proposition will be duly appreciated.

I wish to thank you very much in advance for courtesies extended.

Respectfully yours,

THE VOEGELE & DINNING CO.,
C. H. VOEGELE, *President.*

—

CINCINNATI, OHIO, *June 29, 1922.*

Senator ATLEE POMERENE,
Senate Office Building, Washington, D. C.:

We respectfully protest against import duties on almonds and walnuts. This tax would impose an unjustified penalty on American business interests. It would mean an increase of 300 per cent over present duty without benefit to any American growers.

THE PURITAN CHOCOLATE CO.

—

CINCINNATI, OHIO, *June 29, 1922.*

Hon. ATLEE POMERENE,
United States Senate Office Building, Washington, D. C.:

We vigorously protest proposed import duties on almonds and walnuts. Domestic nuts can not be used by many confectioners. Growers domestic nuts unable to take care of demand for many years to come. Entire almond crop of California will not supply three large manufacturers of candy. Imported nuts essential.

DOLLY VARDEN CHOCOLATE CO.

Mr. POMERENE. There are many other communications here, some from outside the State, bearing upon the same subject. I do think these increases are very unfair.

Mr. McCUMBER. Mr. President, between 1909 and 1914, when the Payne-Aldrich law was in effect, the acreage of almonds, I think, was about doubled. That acreage was increased under an expectation that probably the same protection would be continued.

The Senator from Wisconsin [Mr. LENROOT] seems to think that because the trees which were planted from 1910 to 1914, which kept on growing notwithstanding the Underwood-Simmons tariff law, and which kept on producing almonds notwithstanding that law, were afforded adequate protection by that law. The law did not blight the trees. It did not stop the increase in the number of bushels and pounds of almonds. That is why the production increased; it was not by reason of their having sufficient protection under the Underwood-Simmons law.

Mr. LENROOT. Mr. President, is the Senator aware that on Monday the Senator from California [Mr. JOHNSON] stated that in 1921 the acreage planted increased 9,003 acres? That surely was under the Underwood law. That surely was under a depressed market. It is not the increased bearing of old trees, but the Senator from California stated that there were 9,003 additional acres planted in 1921 out of a total of only 78,000 acres altogether.

Mr. McCUMBER. Mr. President, there may be some acreage adapted to the raising of this kind of nuts and fruits which is not adapted, possibly, to anything else. The Senator must remember, however, that in 1920 the prices generally prevailing over the country were higher than any we have had in any season of any year. Let him also remember that in 1914 the labor

cost of production was not to exceed one-half what it was during 1920 and 1921. Therefore there must have been a very considerable increase in the cost of production.

I understand that most of the crop which is raised in any year is marketed the same year. The product ripening in August, September, or early October is generally disposed of before the 1st of January. If the producers could have raised the crop of 1920 at a good profit, why is it that they still have a great portion of the 1920 crop on hand? They say that it is because they could not sell the product for the cost of production.

So, as I stated the other day, we have the confectioners and the bakers on the one side making a very good profit, and it is admitted on the other side, and there is no denial of it, that for the last two years, even with the enhanced price of 1920, the producers made no profit. The whole question resolves itself into this: Are the bakers and the confectioners, who are still making very nice profits, willing to live and let live? Are they willing to allow the producers to continue to live? That is about all I can see in the proposition.

I have telegrams here from both sides of this question. I ask the Secretary to read one from Portland, Oreg., against the tariff duties we have reported.

The PRESIDING OFFICER (Mr. GOODING in the chair). The Secretary will read the telegram.

The Assistant Secretary read as follows:

PORTLAND, OREG., *July 3, 1922.*

PORTER J. MCCUMBER,
Senate Office Building, Washington, D. C.:

Proposed import duties on almonds and walnuts are unreasonable and unjustifiable and would impose onerous burden on our industry. Hope you will oppose these schedules.

PACIFIC COAST BISCUIT CO.

Mr. MCCUMBER. Mr. President, here is another telegram, from the California Almond Growers' Exchange, which I ask to have read.

The Assistant Secretary read as follows:

SAN FRANCISCO, CALIF., *July 3, 1922.*

PORTER J. MCCUMBER,
Senate Office Building, Washington, D. C.:

Understand confectioners and others opposed to tariff on almonds claim quality will not permit use of American almonds in confections and other purposes, and that America can not supply any large part of domestic demand. The quality of American almonds, produced by diligent tilling of soil, care of trees, and scientific selection of varieties, equals and excels that of Europe, where almonds are produced mainly without care and under most primitive conditions possible. We know our quality is splendid, and we know it to the extent of nearly $50,000,000. As for ability to supply American demand, our best reference is the United States Department of Agriculture, whose conservative statistics show at least 70,000 acres planted, which, under minimum production, can supply present consumption of the United States. Our desire is a tariff to save our industry from ruin, as we can not compete with the pauper labor of Europe. We fear confectioners are unduly concerned over our plans to engage in manufacturing of almond products to permit distribution through economical channels of trade to consumers. As 3,000 growers, most of us with lifelong savings invested in this American almond industry, we appeal to you now in a just cause to save us by keeping the American market for American producers without cost to the consumers, with revenue to the Government, and at a loss of profit to the speculators and importers only.

CALIFORNIA ALMOND GROWERS' EXCHANGE.

Mr. JOHNSON. Mr. President, I desire to occupy just a moment or two in responding to the distinguished Senator from Wisconsin. I am not concerned with the motives which actuate the Senator from Wisconsin in reference to his activities concerning this bill, nor am I concerned with whether he votes for it or whether he votes against it. I take it that he will reach his decision concerning the bill in exactly the same fashion that every other Senator will reach his decision and that he will render that decision according to his judgment and as he believes he ought to act under his conscience and under his oath as a Senator.

There is no need for asseverations concerning his virtue or that of any of us respecting this measure—none at all. I shall vote as I please regarding it—favorably, of course, because I believe it is a measure which meets the requirements of the United States of America to-day. I shall vote for this duty, not because it concerns a locality which I love and in which I am interested, but I shall vote for it because it is a just duty, and as between the objurgations of the confectioners on the one hand, with the 300 per cent profit which they make in their business, and the prayers of the farmers and the almond growers on the other, selling their product at a loss, I am very glad, either as a Californian, as a representative of those who grow almonds, as a United States Senator, or a Republican in this body, to cast my vote with the almond growers, now selling at a loss, rather than to respond to any opposing class who are making inordinate profits. So much for that, Mr. President.

Oh, Mr. President, the Senator from Wisconsin cries, "These terrible duties!" Two hundred and seventy-five per cent is the increase, he says, in this duty. The statement conveys an erroneous impression. What is it in ad valorem equivalent? I have seen the Senator from Wisconsin sit here day after day and vote for ad valorem duties greater than the ad valorem duty that is fixed upon this product of the soil, for men who have their all at stake, who have their whole lifetime imperiled, and who are asking only an ad valorem duty which, under the highest computation of their opponents, equals 48 per cent and under the computation which they themselves make equals 32 per cent.

Why, Mr. President, talk to me of an extravagant duty when in the bill constantly and continuously the ad valorem duties are far in excess of this. It is absurd, sir, to pretend that on this item, this item which means so much to those who are engaged in the almond culture of California, we are doing something extraordinary and that we should stop and hesitate and pretend it is far in excess of other items or other duties which are imposed by the measure. The ad valorem duty, the real test after all, is not as great as many, many duties imposed by the bill and for which the Senator has voted.

Of course the confectioners will give us a ratio of 4 to 6 or 5 to 8. Of course the confectioners are not opposed to a rate really of 5 cents on shelled almonds. What they do not want and what this fight is for is to prevent the real ratio between the unshelled and the shelled almonds, so that they will be able to purchase cheaply the shelled almonds of Europe. What they wish is to buy cheaply the shelled product. They do not care anything about the unshelled product.

They know that we can not, without a duty that is proportionate as between shelled and unshelled almonds, meet the labor situation abroad. They know that it is impossible, with women in California receiving a minimum wage of $16 a week under the law, for the almond growers to meet those who shell almonds abroad and who receive practically no stipend for the work they perform. They know that we can not, in shelling almonds, meet that which has to be met if we come into the market with the shelled product of this country, because of conditions obtaining abroad. They are willing that we should have the ratio suggested by them, of course—rates by which what they use, the shelled product, they may import from Europe and buy at ruinous and impossible prices, so far as American production is concerned. We heard the Senator from Massachusetts [Mr. WALSH] say the other day that the importers are willing that we should have a shelled rate if they can only keep down the ratio so it will not be 3 to 1 as determined by the Department of Agriculture and as the Tariff Commission say the ratio exists.

It is true there have been great plantings of almond orchards in the State of California during the last few years. It is true that they were planted in great measure under the Underwood bill. But it is equally true that during the time the Underwood bill has been in force, for a great period of that time there have been conditions existing that rendered that planting not at all a matter of surprise or incredible under the circumstances, but the result of the sequence of events then transpiring—the World War, the lack of transportation, the disorganization of business conditions generally. It was believed that the land there was adapted to the purpose of almond planting. Now the conditions are entirely changed.

I have before me on my desk now a letter from Texas, for instance, saying that they can not use our almonds, although they are superior in quality, because they can ship from the Mediterranean into Texas ports more cheaply than we can transport them by railroad from California into the same Texas ports.

The condition now obtaining abroad, not with reference to unshelled products but with the shelled products, shelled after nightfall by women and children without compensation practically at all for their labor, is a condition that we must meet by a protective tariff, a protective tariff that gives an ad valorem such as the proposed duty gives to us, a protective tariff simply that will possibly enable us to live, not to gouge or to reap an undue profit, not to obtain a 300 per cent profit, like the confectioners, who oppose the rate, are reaping and have been reaping, but to enable our people simply to live. That is all we are asking. That is all the proposed tariff duty does.

Mr. LENROOT. Mr. President, I expressly stated, in giving my own position upon the pending matter, that I do not question the motive of any other Senator in voting for this high rate. I simply undertook to say, as I have the right to say, that while I feel an obligation to go with my party upon a party measure to a certain extent, there is a point beyond which that obligation does not extend. If rates like this are to be written in the bill in any great number, sir, I shall be

relieved of any obligation to support it. That was merely a statement of fact, a statement that I have a right to make, a statement that I shall take the liberty to repeat from time to time if occasion shall arise.

Now, Mr. President, with reference to the situation of the almond growers in California, the Senator from California does not deny, the Senator can not deny, that the increased planting has been under the Underwood law. The Senator can not deny that the almond growers of California never had a market for and never sold a single pound of shelled almonds; they never had the market which they are now demanding be given to them by this rate. The almond growers of California will still have their market for unshelled almonds, and when prosperity returns they will have their market; but when the planters of California planted these additional acres, sir, they had no right to assume that Congress would at any time give them a higher rate than was imposed by the Payne-Aldrich law.

When I say, Mr. President, that I am willing to give them a rate 100 per cent higher than the Payne-Aldrich law provides, but object to 150 per cent, as the Senator insists upon, is there anything unreasonable in that position? Am I less of a protectionist because of the position that I take? The industry has grown by leaps and bounds, and yet asks for an increase of 275 per cent over the existing law and 150 per cent over the Payne-Aldrich law. Mr. President, I repeat that this is one of the instances which to my mind the Republican Party can not justify if it shall be written into the law.

The Senator's plea of the profits of the candy manufacturers being 300 per cent I deny. He has no proof of it. It is not true, although he thinks it is; but he has some old figures of a time when they were making, no doubt, exorbitant profits during the war, as nearly everybody else was making exorbitant profits if they had the opportunity to do it. I do not doubt that the almond growers of California in 1919 and 1920 would have taken 25 or 30 cents a pound for their product if they could have secured it. But the candy manufacturers to-day are not making 300 per cent profit. If the Senator would make a little inquiry, he would find that the candy manufacturers have deflated as well as others, although they are not making the losses, I freely admit, that the farmers generally in America have been sustaining during the past two years. But, Mr. President, that is no reason for imposing such a duty as is now imposed to allow the almond growers of California to get into a market which they have never had, which they never expected to have, at the expense of the American people, at too great an expense to the American people.

Mr. JOHNSON. Mr. President, will the Senator yield?

Mr. LENROOT. I yield.

Mr. JOHNSON. The Senator has challenged what I said about the profits of the candy makers. What are their profits, may I ask the Senator?

Mr. LENROOT. At the time we had the internal-revenue law before us, when we had up the question of an excise duty upon candy, I took occasion to inquire into the profits of the candy makers. That was last year, 1921, and their profits then were not over 10 per cent.

Mr. JOHNSON. I have the statement which has been printed and which has been quoted here from one of the biggest candy men in the country to the effect that their profits were 300 per cent. That statement was made about six months ago, or at least during the last year.

Mr. LENROOT. Three hundred per cent in 1921?

Mr. JOHNSON. I do not remember the exact period. I will ascertain just the time when he said those profits were being made.

Mr. LENROOT. I happen to have some very prominent and reputable candy manufacturers in my State.

Mr. WALSH of Massachusetts. Mr. President——

Mr. LENROOT. I yield to the Senator from Massachusetts.

Mr. WALSH of Massachusetts. If the candy manufacturers are making 300 per cent profit, how can any Senator on the other side of the Chamber justify an increase of tariff duty from 30 per cent to 40 per cent upon candy?

Mr. LENROOT. I will ask the Senator from California to answer that question. I can not undertake to do it myself.

Mr. WALSH of Massachusetts. You ought to be cutting down tariff rates instead of increasing them on candy.

Mr. JOHNSON. I have before me the article to which I referred, an article from the New York Times of Monday, August 1, 1921, quoting Mr. Miller, of the Miller Candy Co., in which he said that the confectionery stores generally had been making a profit of 300 per cent on their goods, which are classed as luxuries. He believed that he could cut his price in two, and he was going to do it, because they had been making 300 per cent profit.

Mr. LENROOT. Undoubtedly that refers back to a time when they were doing it, but the Senator must know——

Mr. JOHNSON. That was August 1, 1921.

Mr. LENROOT. The Senator must know that in 1921 the prices of candy were very greatly reduced.

Mr. JOHNSON. I confess to the Senator I am not an expert as to prices of candy, and I am unable to say whether they were greatly reduced or greatly enhanced.

Mr. LENROOT. Does the Senator believe the candy manufacturers to-day are making a profit of 300 per cent?

Mr. JOHNSON. I have not the slightest conception what they are making.

Mr. LENROOT. But the Senator has stated that.

Mr. JOHNSON. I gave the Senator my authority for the statement.

Mr. LENROOT. Does the Senator think it is true?

Mr. JOHNSON. I think the statement was true that I have quoted, and that they are making exorbitant profits to-day without any doubt.

Mr. LENROOT. Then may I ask the Senator if he is going to vote for a duty upon candy?

Mr. JOHNSON. I think we have already voted a duty on candy.

Mr. LENROOT. Did the Senator vote for the duty on candy?

Mr. JOHNSON. I think I did, and I think the Senator from Wisconsin did also.

Mr. LENROOT. Oh, I did, because I do not agree with the Senator from California that there is any such profit being made; but if I had believed that there was a 300 per cent profit made upon candy, I assure the Senator from California that I would not have voted for a 40 per cent duty on candy.

Mr. JOHNSON. Let us go back and reconsider the vote whereby the duty on candy was imposed. I should be delighted to do so, in view of the fight of the candy makers on the tariff on almonds.

Mr. LENROOT. The Senator from Califorina will have the opportunity, if he desires, to make the motion to reconsider the vote by which the duty was imposed.

Mr. JOHNSON. Will the Senator from Wisconsin join me in it?

Mr. LENROOT. No; because I do not believe the statement the Senator from California has made; that is why I will not do so.

Mr. JOHNSON. The Senator means he does not believe the facts set forth in the statement?

Mr. LENROOT. I do not, of course, mean to question the Senator's own integrity.

Mr. JOHNSON. I realize that, but I do not want the RECORD to indicate anything to the contrary.

Mr. LENROOT. That is understood. The Senator makes his statement on what he considers good authority, of course.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from North Carolina?

Mr. LENROOT. I yield.

Mr. SIMMONS. In view of the facts which have been developed here, especially those which have been stated by the senior Senator from California [Mr. JOHNSON], I hope that he will move to reconsider the vote by which we imposed the duty on candy.

Mr. JOHNSON. Is the Senator from North Carolina addressing a query to me? I did not follow him if he was doing so.

Mr. SIMMONS. I am not addressing a query to the Senator. I am simply making a suggestion. The suggestion is that, in view of the statement made by the Senator from California as to the enormous profits which are being made by the candy manufacturers, I hope the Senator from California might see fit to move to reconsider the vote by which we gave the candy manufacturers the high protective rate on their product.

Mr. WALSH of Massachusetts. If the Senator from Wisconsin will yield to me for a moment, I desire to quote to him the prices of almonds and walnuts.

The PRESIDING OFFICER (Mr. LADD in the chair). Does the Senator from Wisconsin yield to the Senator from Massachusetts?

Mr. LENROOT. I yield.

Mr. WALSH of Massachusetts. I hold in my hand a letter from the Lovell & Covel Co., confectioners in the city of Boston, which refers to the high price of almonds and walnuts. The letter is dated April 27, 1922, and it is addressed to myself and, in part, reads as follows:

> The price of walnuts and almonds is now so high that we are not using anywhere near the quantity we would use if prices were nearer normal. The normal price on walnuts is 30 cents; the price to-day is about 60 cents.

In our small business here we thought nothing of buying 100 cases of walnuts when the price was around 30 cents; to-day we buy them in 5 and 10 case lots.

Mr. LENROOT. May I ask the Senator what is the date of the letter which he has read?

Mr. WALSH of Massachusetts. The letter is dated April 27, 1922, and is addressed to myself by this very reputable candy firm in the city of Boston.

I might add for the Senator's benefit that when we come to discuss walnuts I expect to show that the production of California walnuts was sold within one month after harvest.

Mr. LENROOT. Mr. President, if this were a case where the imports were crowding out the market of our domestic producer, if it were a case where the industry was decaying, I would be satisfied, of course, to vote for any duty that was necessary; but the imports have decreased, and the acreage has increased, under the existing rates; and at this time, when there is no obligation of any kind upon the part of Congress to the almond growers of California to impose a very high rate of duty in order to give them a market which they never have had and never had any reason to expect to have, I say that this committee amendment is not justified. I want also to repeat that if the amendment is voted down, the almond growers of California will still have an increase of 100 per cent over the rate imposed by the Payne-Aldrich law.

Mr. SHORTRIDGE. Mr. President, because of the great principle which is involved, and a great industry which is imperilled, I crave the indulgence of the Senate to add a few words to the discussion which has already engaged our attention for many hours. I venture to repeat, in effect, the statement made by a great man, one, however, under whose banner I never walked, but whose reputation grows with the years. We are dealing here and now "with a condition and not a theory." If this great and growing industry is to survive, the protective duties which we ask must be granted.

It would be piling Ossa on Pelion, it would be to indulge in cumulative evidence, to proceed further to establish the facts which we are here to consider in applying a principle. Over and against the views of the distinguished Senator from Wisconsin, over and against the views of the equally distinguished Senator from Massachusetts, I place the knowledge of the people of my State, the men, the women, the practical growers; I place the opinions of chambers of commerce, of all kinds of farm organizations, of many individuals, of those who know the facts and bear witness to them in numerous, almost innumerable, telegrams, letters, and formal resolutions setting forth the true condition.

I make this statement not in a spirit of dogmatic assertion, but I make it to the Senate and to the country that under the present rates the growing and the marketing of almonds, shelled and unshelled, will perish, and that the rate which we ask and which the Senate committee has accorded and reported in this bill are not theoretically but absolutely necessary; and not to the end that the growers of almonds shall reap an exorbitant profit, not to the end that they shall extort from the consumers; not at all; but to the legitimate and just end that they may reap a fair and a reasonable profit on the capital invested and on the labor expended in this industry.

My distinguished colleague and I come here from California. We speak for that State and for certain other Western States whose climate and soil are adapted to the cultivation of the almond, and we tell Senators from New England and we remind the Senator from Wisconsin [Mr. LENROOT] of facts existing, of conditions prevailing, and we bring here evidence of those facts and those conditions.

What an ungracious task has been set before the junior Senator from Massachusetts [Mr. WALSH]. Upon what does the prosperity of New England rest? Upon her soil? Hardly. Upon her climate? Scarcely. It rests, in large measure, upon the intelligence of her people; but, in the final analysis, the prosperity of New England rests upon the great American protective tariff doctrine, and I and we of the West stand up for New England. Why? Because we love her? Yes. Yes, we remember New England. We know what she has contributed to this Republic. We do not forget Concord or Lexington or Bunker Hill or Fanueil Hall. We do not forget her great men who have contributed so much to the grandeur and the glory of this Republic. To every industry of New England which has asked for protection we give it gladly because she needs it and because we wish to give it to her for her sake and for our own. The prosperity of New England adds to the prosperity of California.

Mr. WALSH of Massachusetts. Mr. President, does the Senator believe in giving protection to everybody who asks for it?

Mr. SHORTRIDGE. Certainly not; but we could sweep away the prosperity of New England in a season; we could impoverish the cities of New England until grass would grow on the pavements of Boston. The protective tariff doctrine has made New England what she is—a pride and a glory to the Nation as a nation. Never will there be a time so long as I am here, never will there be a time so long as a thoroughbred Californian is here, when a friendly voice will not be raised in behalf of protection to every legitimate industry in Massachusetts which can show it is entitled to it.

Answering further the question of the Senator, of course we would not grant protection to everybody who asks it, but when it is shown to be needed in order to sustain a given industry whereby American men and women may be employed and whereby the American standard of life and living may be maintained, we will give protection to Massachusetts, and, if Wisconsin needs it, to Wisconsin, too. If I dwell upon this theme unduly, if I trespass on the indulgence of the Senate, it is because I feel very deeply on this question as applied immediately to this item and as applied to each and every one of the items set out in this voluminous tariff bill.

In one sense General Hancock was right; in a qualified sense he uttered a truth. The tariff question is local in the sense that it immediately affects a given State or a given industry; but in the larger sense, in the statesmanlike sense, one great industry of Ohio is a national industry. Here let me turn aside for a moment to observe a truth which is so often overlooked and so often forgotten—that no State, no nation, can be permanently great or prosperous when its prosperity or greatness rests upon one industry exclusively. Changing trade currents, the lightnings from heaven, a summer's drought may wipe out its prosperity in a moment or in a season. Wherefore the legislator whose vision takes in America seeks to multiply and to diversify industries, to the end that our people may find profitable and steady employment, so that in the exchange of the products of labor there may be a general prosperity smiling upon the whole Republic. According to my doctrine and, though not claiming to be its oracle, the doctrine of the Republican Party—with which, however, I am very familiar—an industry in Florida would rouse my interest as keenly as an industry in California. An industry in Utah will challenge my championship; an industry in Arizona will have my unqualified support. And why? First, because they are American States and fellow countrymen. If I put it upon the broad ground of patriotic devotion to each and every foot of soil in America and every man and woman in America, it would be sufficient unto me; but if I wanted to indulge in a justifiable motive of selfishness, I would support a great industry in Ohio or Massachusetts or Arizona or Utah or any other of the 48 States of this Union, because I know it is economically true that if New England, for example, prospers the West will prosper, and, conversely, if the West prospers New England will share in that prosperity.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield, please?

Mr. SHORTRIDGE. Certainly.

Mr. WALSH of Massachusetts. I think I understand the Senator's position on protection. I think the Senator believes in high tariff duties and has voted for every motion made to increase the duties named in this bill. Am I correct?

Mr. SHORTRIDGE. I have voted for adequate protective tariff duties whether they be high or low. Those are purely relative terms. They mean nothing.

Mr. WALSH of Massachusetts. The Senator from Louisiana is in favor of increasing the duty upon sugar. He is also in favor of increasing the duty upon rice.

Mr. SHORTRIDGE. So am I.

Mr. WALSH of Massachusetts. And the Senator from California is in favor of both those increases.

Mr. SHORTRIDGE. Yes.

Mr. WALSH of Massachusetts. Does the Senator believe that any duty proposed by any Senator from a State where there is an industry seeking protection should receive his vote?

Mr. SHORTRIDGE. Why, if I may directly reply, I have said that the mere asking is not sufficient, but if you ask me for a rate and follow the request by facts, figures, and conditions which show that the rate you ask is necessary to sustain and encourage that industry I respond gladly, "I am with you and will vote for a rate which is adequate for those purposes."

Mr. WALSH of Massachusetts. The Senator will not get many suggestions from this side of the Chamber in favor of increasing these rates.

Mr. SHORTRIDGE. No; but the American people know what has happened when Democratic suicidal, theoretic, tariff bills have become law. You have forgotten the Wilson tariff bill, have you not? There was another Wilson, and the Wilson tariff bill bankrupted this country.

Mr. POMERENE. Mr. President, if the distinguished Senator from California thinks that this tariff bill is meeting the approval of Ohio Republicans, I suggest that he go to Ohio and confer with Ohio Republicans. He will find that he is very, very sadly mistaken.

The Senator is so very specific when he tells us that he favors "adequate protection." That is a most interesting expression and it covers a multitude of sins. It is just about as explanatory as was the position of the southern Congressman who, when his opponent asked him where he stood on the tariff question, said: "When I get to Washington, and I find that the tariff is too high, I will lower it; and when I find that it is too low, I will higher it."

Mr. SHORTRIDGE. I had the honor of going over to the imperial State of Ohio, the mother of Presidents, and I had the great pleasure, as it was a privilege, of addressing a magnificent audience in the city of Dayton, the home of one who thought he was running for President. He is still standing in his tracks, and with the same League of Nations flag fluttering above him.

Mr. POMERENE. Mr. President, any Ohio audience is a magnificent audience.

Mr. SHORTRIDGE. I admit that. I admit it cheerfully. I was going to say that Ohio has been in the habit of giving birth to Presidents and great Senators, and I can not look into the future, but I am very sure—as sure as I know that the sun will gild this Dome to-morrow morning—that Ohio will have a son in the presidential chair for a good many years to come.

Mr. KING. The Senator from Ohio [Mr. POMERENE] is in good health.

Mr. SHORTRIDGE. And I think I know who that son will be. He will be the broad-minded, luminous-minded, great-hearted, thoroughbred Republican American—Warren G. Harding.

Mr. WALSH of Massachusetts. Great applause.

Mr. SHORTRIDGE. Well, they applauded that until the roof almost came off when I uttered those sentiments in Dayton, Ohio.

Mr. WALSH of Massachusetts. That is what I thought.

Mr. SHORTRIDGE. I wait for applause from the other side, which will come later on, I have no doubt.

Mr. ASHURST. Mr. President, will the Senator yield to me?

Mr. SHORTRIDGE. Certainly.

Mr. ASHURST. The modesty of my friend, the senior Senator from Ohio [Mr. POMERENE], precludes him from replying. I am sure that all on this side join with the Senator in the idea that the next President will be from Ohio. We are not sure, however, that the distinguished Senator from California has not confused the names.

Mr. SHORTRIDGE. I wish the senior Senator from Ohio good health, happiness, and individual prosperity.

Mr. WALSH of Massachusetts. Not even reelection to the Senate?

Mr. SHORTRIDGE. Politically, I walk under the banner of another party. I could say more, but, as Hamlet says:

The rest is silence.

If I may return from this digression to repeat, perhaps, a thought, we are dealing with a condition, and as to the condition we bring here to the Senate what might be regarded in a court as conclusive evidence, and the legal mind would say we have introduced cumulative evidence. If the Presiding Officer here were judge of a high court, and we were here introducing evidence, the court, sua sponte, would check us and say, "You need not introduce further evidence. It would be but cumulative, and unnecessarily consume the time of the court." So the facts being as they are, as so clearly made manifest by my colleague [Mr. JOHNSON], and as the written testimony here further establishes, I come to this proposition, and rap at the very bosom of Democratic Senators, and I propound this question, Is it desirable, is it to be desired, that this industry should languish and perish? Is it desirable, is it to be desired by anybody—confectioner, baker, individual consumer—that this great American industry of almond growing should languish and perish?

That brings me, of course, to the next question: What is the rate which is sufficient or necessary—to indulge in synonyms—to give adequate protection to this industry?

You can very easily destroy this industry, even as many other American industries can be destroyed; but is there a Senator, no matter under which banner he walks, who wishes to destroy any legitimate American industry? Is it wise to do so? Is it just to do so?

I have said, and I beg to repeat—for others may be concerned with what occurs to-day—that the prosperity of California will overflow and be shared in by other sections of the country, and immediately by those States which are here, through their spokesmen, opposing the rates which we ask. Under present conditions this industry is not prosperous. To repeat that statement again and again would add nothing to the argument.

I can only express my surprise that the usually well-informed Senator from Wisconsin [Mr. LENROOT] should reach the conclusions he has announced here in respect to conditions prevailing in California, and perhaps I ought to express my regret that he foreshadows an abandonment of the Republican reservation. It is to be hoped, of course, that we will survive his departure; but I venture here and now to predict that he will not carry out his prophecy of abandoning this tariff bill or leave the old, familiar reservation. Certainly he ought not to because of this item—and I am for the moment confining my thoughts to this item.

I said a moment ago, Mr. President, that in one sense the tariff question involved local issues. That must be understood, of course. A given industry may be limited to a given State. The soil, the climate, of Louisiana or Mississippi may bring about certain industries, and in the sense that the industry is limited in its territorial extent it is local. But the very fact that it is local entitles it to the protecting principles for which we stand. I have very little intellectual respect for a man, wheresoever he may be, who limits his vision to the horizon that surrounds him. I know there are those who, standing in a village, think that village is the center of the universe because the horizon does seem to settle down in a circle round about. I have very little intellectual respect for the man who holds an idea so close to his eye as to shut out all other ideas or principles, even as the miser who holds a small penny so close to his eye as to shut out all the glories of God's universe.

What I would call upon the Senate and the American people to do is this, to regard this Republic as one great, united family, every member of which is entitled to the love and the assistance of all the others; and as for myself, I have mapped out this course, that I will stand for any legitimate industry which gives work and wages to the American.

In this industry we can not compete with the foreigner, and the facts are before us. The cost of production at home and the cost of production abroad—both those items—have been spread upon the record. The quantity we are producing has been set forth. The increasing acreage, in amount, has been stated, and the reason therefor. As to the quality of the article raised, the record abundantly proves that the quality is equal if not in certain brands superior to the foreign.

As to the ratio which obtains between the unshelled and the shelled almond, there remains no further doubt as to that. That ratio is as 1 to 3. I repeat, and would emphasize, that the evidence upon all these points is conclusive.

In looking over the RECORD of Monday, I find that the distinguished, the learned, and the consistent Senator from North Carolina [Mr. SIMMONS] spread upon the RECORD approaching a hundred letters or telegrams addressed to him by those who oppose the rates which we ask. The adjectives I use in referring to the Senator from North Carolina properly and justly describe his long and distinguished career. For him I have the very highest regard. He holds to a theory, and he hews to the line. He is not, as there are some abroad in the land, a political maverick or a political paranoiac. He is an upstanding Democratic statesman, and maintains with great ability the position he takes.

To offset, however, in point of written evidence the evidence which he introduced in this discussion, and which appears of record, I beg to offer letters addressed to me, and doubtless to my colleague, from chambers of commerce of the State of California and from men who have to do with the business affairs of that State. I will not trouble the Senate to read them, but ask permission that they may appear in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

CHAMBERS OF COMMERCE.

BAKERSFIELD, CALIF., *August 1, 1921.*

Hon. SAMUEL SHORTRIDGE,
Washington, D. C.

MY DEAR SENATOR: I desire to call your attention to the appeal made by the almond growers of our State in order to save the 100,000 acres of almond orchards, representing an investment of $65,000,000. It is not necessary for me to tell you how vital this matter is to one of our greatest California industries.

Believing, as you do, that one of the great policies of the Republican Party is the protection of American industries, therefore I would say if there was ever a time when an industry in our great State needed protection, which industry is now completely at the mercy of the peasant growers of southern Europe, with their cheap labor and wretched living, it is now.

The fate of this industry is now in the hands of the Senate, and we of California look earnestly to you to assist us in every way possible

to save to us this great industry. This industry will be worth $15,000,000 annually within the next three years if the proper tariff is placed on it.

Recognizing your power in the Senate and thanking you for the many courtesies we have received at your hands, I am,

Sincerely yours,

KERN COUNTY CHAMBER OF COMMERCE,
C. F. JOHNSON, *Secretary.*

—

CHAMBER OF COMMERCE AND
CIVIC ASSOCIATION OF PASADENA, CALIF.,
August 11, 1921.

Hon. SAMUEL M. SHORTRIDGE,
Washington, D. C.

DEAR SIR: This organization is strongly in favor of the application of the California Almonds Growers' Exchange for a 5-cent and 15-cent tariff on unshelled and shelled almonds, respectively, and will greatly appreciate your support thereof.

Yours very truly,

WM. DUNKERLEY, *Secretary.*

—

ROSEVILLE, CALIF., *August 3, 1921.*

Senator S. M. SHORTRIDGE,
Washington, D. C.:

This organization stands squarely behind you in your able fight for a 5 and 15 cent tariff on almonds and feels sure you are doing all that can be done to get it.

BOARD OF DIRECTORS,
Placer County Chamber of Commerce.

—

SANTA ROSA, CALIF., *July 31, 1921.*

Senator SAMUEL SHORTRIDGE,
United States Senate, Washington, D. C.:

Your vigorous effort required to save California almond industry by insisting on 5 and 15 cent tariff protection on unshelled and shelled almonds, respectively. We have wired Chairman Penrose and urge you use personal influence with committee.

SANTA ROSA CHAMBER OF COMMERCE,
H. P. HILLIARD, *President.*
JAMES G. STAFFORD, *Secretary.*

—

JULY 30, 1921.

HON. SAMUEL M. SHORTRIDGE,
United States Senate, Washington, D. C.

MY DEAR SENATOR: Failure of the Ways and Means Committee of the House of Representatives to recommend tariff duty of 5 cents and 15 cents on unshelled and shelled almonds, respectively, means that 4,000 almond growers of the State of California face the prospect of financial ruin and loss to their 100,000 acres of orchards, and decades of work, representing an investment of $65,000,000 in almond orchards in California.

The schedule of 4 and 12 cents reported upon by the House Ways and Means Committee, while recognizing the contention of the almond growers of California that tariff protection for shelled almonds should be at least three times as great as for unshelled, due to the natural shelling ratio, is utterly inadequate to meet the cheap labor and low production cost of the peasant growers of southern Europe with their pauper labor and wretched living standards.

This tariff protection is utterly inadequate to give our California almond growers the share of our American markets for shelled almonds that our investment, our labor, and our years of effort entitle us to. While the confession of a three to one shelling ratio is a recognition of the principle, the rates of 4 cents and 12 cents proposed in the House Ways and Means schedule are utterly inadequate.

We are respectfully requesting that the schedule be revised in the Senate to meet the actual living conditions and producing costs in America of this essential food product, $15,000,000 of which is produced annually in California.

You are respectfully requested to insist on a revision of this House Ways and Means Committee schedule and the adoption of a schedule of 5 cents and 15 cents on unshelled and shelled almonds, respectively, thus saving to the United States an industry that has been made possible only through years of labor, sacrifice, and effort on the part of American growers in this State.

Yours very truly,

SANTA ROSA CHAMBER OF COMMERCE,
By H. P. HILLIARD, *President.*

Attest: JAMES G. STAFFORD, *Secretary.*

—

SANTA ROSA, CALIF., *July 30, 1921.*

Senator BOIES PENROSE,
Chairman Senate Finance Committee,
Washington, D. C.:

California's $65,000,000 almond industry in which 4,000 growers, 100,000 acres, and decades of arduous work are involved faces absolute ruin, and an annual income of $15,000,000 to California will be cut off unless almonds are given a tariff protection of 5 and 15 cents on unshelled and shelled, respectively. Our growers are Americans, with American living standards, employing American help at American wages, and can not compete with peasant growers and pauper labor of southern Europe unless granted adequate tariff protection.

SANTA ROSA CHAMBER OF COMMERCE.

—

COLUSA, CALIF., *July 30, 1921.*

Senator SAMUEL SHORTRIDGE,
Washington, D. C.:

This chamber at a special meeting to-day passed a set of strong resolutions demanding and imploring a tariff of 5 and 15 cents. A copy of this second set of resolutions along with a telegram has this day been sent to Senator Boies Penrose as chairman of the Finance Committee. This chamber has gone on record as sincerely appreciating your efforts in our behalf and again implore you to employ your strongest arguments to secure the necessary tariff rate before the Finance Committee.

COLUSA COUNTY CHAMBER OF COMMERCE,
Per W. O. HYRUP, *Secretary-Manager.*

CHICO, CALIF., *July 28, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
United States Senate, Washington, D. C.:

Appreciate your continued support of almond tariff fight for rate of 5 cents and 15 cents. Have wired Penrose urging Senate committee give matter consideration.

CHICO CHAMBER OF COMMERCE.

—

REDLANDS, CALIF., *July 27, 1921.*

SAMUEL SHORTRIDGE, *Senator,*
Washington, D. C.:

To protect and save almond industry California must have ratio 3 to 1 and tariff rate no less than 5 cents on unshelled almonds and 15 cents on the shelled. We urge you stand out for above in Senate hearing, as it is vital to every almond district of State.

REDLANDS CHAMBER OF COMMERCE.

—

WILLOWS CHAMBER OF COMMERCE,
Willows, Calif., July 26, 1921.

Mr. SAMUEL M. SHORTRIDGE,
United States Senator, Washington, D. C.

MY DEAR SENATOR: In this part of California we are very much interested in the tariff on unshelled and shelled almonds. Our people are very much worked up over this matter, and we want you to give your attention to the bill that has passed the House and is now before the Senate, and ask you to give it grave consideration on behalf of the 4,000 almond growers of the State.

It is the consensus of opinion of all the almond growers that nothing but 5 and 15 cents will pay the almond growers and their orchards, and we therefore urge upon you to stand for this, if you can see your way clear to.

We are not asking any United States Senator to violate his conscience in any way, but we are perfectly sure that once giving this matter the consideration it deserves that you will be with us to the very best of your ability.

Yours sincerely, F. W. LEAVITT, *Secretary.*

—

SACRAMENTO CHAMBER OF COMMERCE,
July 21, 1921.

Hon. SAMUEL M. SHORTRIDGE,
United States Senator, Washington, D. C.

MY DEAR MR. SHORTRIDGE: Your fine action as set forth in your telegram of July 20 with reference to the bean situation is sincerely appreciated.

We hope that you will keep the fine work going, and particularly on the floor of the Senate, exerting every possible effort within your power to the end that the 15 cents per pound tariff on almonds will be put into effect, for this is vital to the industry, as I am sure you are well aware.

Very truly yours,

A. S. DUDLEY, *Secretary-Manager.*

—

SAN BENITO COUNTY CHAMBER OF COMMERCE,
Hollister, Calif., July 14, 1921.

Hon. SAMUEL SHORTRIDGE,
United States Senator, Washington, D. C.

DEAR MR. SHORTRIDGE: There is now I believe before the House of Representatives the question of a tariff of 5 cents per pound on almonds not shelled, and 15 cents per pound on shelled almonds. San Benito County and its adjoining counties are vitally interested in this tariff, and our organization feels that the almond industry in our country should be protected, and to the end that a tariff should be imposed on foreign shipments.

Therefore it is the desire of this organization that you give same your consideration with the aim of protecting the industry in California.

Very truly yours,

W. M. JONES,
Secretary San Benito County Chamber of Commerce.

—

CHAMBER OF COMMERCE,
Live Oak, Calif., July 14, 1921.

Hon. SAMUEL SHORTRIDGE,
Washington, D. C.

DEAR SENATOR: I have been requested by the above organization to write you in regard to the proposed duty on almonds and respectfully urge you to use your best efforts to obtain the following:

	Cents per pound.
On shelled almonds	15
On unshelled almonds	5

As you know this district is a considerable producer in this line, and at the present time needs assistance in the above manner if we are to continue.

Thanking you for whatever you may be able to accomplish, I am,

Yours very truly,

T. C. SMITH.

—

ESPARTO, CALIF., *July 14, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.:

Tariff 5 and 15 will save our almond industry. Your earnest support will be appreciated.

WESTERN YOLO CHAMBER OF COMMERCE,
FRED B. WYATT, *President.*

—

FRESNO, CALIF., *July 14, 1921.*

Senator SHORTRIDGE,
Washington, D. C.:

The present tariff on almonds has been recommended by the Ways and Means Committee; entirely inadequate to afford any protection. The tariff of 4 cents on almonds not shelled and 8 cents on shelled almonds is disproportionate. The tariff should be three times as great for shelled almonds. The almond industry is to-day faced with immediate extinction unless relief is given in the tariff measure. This is an industry that affects the entire State. Can we count on your support?

FRESNO COUNTY CHAMBER OF COMMERCE.

ANTIOCH, CALIF., *July 14, 1921.*

SAMUEL M. SHORTRIDGE,
Senate, Washington, D. C.:

The Antioch Chamber of Commerce earnestly request that you work for a tariff of 5 cents per pound on almonds in the shell and 15 cents per pound on shelled almonds. The tariff of 4 cents and 8 cents, as recommended by the Ways and Means Committee, would be ruinous to the almond industry of California.

Yours for prosperity,

ANTIOCH CHAMBER OF COMMERCE.
R. V. DAVIS, *President.*

—

WINTERS, CALIF., *July 12, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.:

The almond growers of Yolo County, representing approximately one-sixth of the State production, make urgent appeal for tariff on almonds 5 cents in shell, 15 cents shelled. Tariff bill, as recommended by committee, 4 and 8 cents, insufficient, and ratio is not correctly computed, since the shelling is three to one. California almonds are being carried one season to another on account of importations from Europe, which we can not compete with. Tonnage increasing yearly. Must have some relief or one of California's big industries will be ruined, affecting 5,000 growers and $50,000,000 orchard property. We ask that you make every endeavor to get action on tariff asked by the California Almond Growers' Exchange of 5 cents for the unshelled and 15 cents for the shelled almonds.

WINTERS CHAMBER OF COMMERCE.

—

RIVERSIDE, CALIF., *July 11, 1921.*

Senator SAMUEL M. SHORTRIDGE,
Washington, D. C.:

California almond industry has 100,000 acres and fifty millions invested. We favor at least 5 cents per pound tariff on unshelled and 15 cents on shelled almonds imported. Respectfully urge your favorable support for this great industry.

RIVERSIDE CHAMBER OF COMMERCE,
IRWIN HAYDEN, *Secretary.*

—

COLUSA, CALIF., *July 10, 1921.*

Senator SAMUEL M. SHORTRIDGE,
Washington, D. C.:

Colusa County being vitally interested in the almond industry, with an investment representing $4,000,000, the county chamber of commerce has passed strong resolutions requesting Congress to give us a necessary tariff protection, said tariff to be placed at a ratio of three times as much on shelled as on unshelled almonds. Unless an adequate tariff such as this is placed on imported almonds, both shelled and unshelled, the entire almond industry in the State of California faces ruin and destruction. We therefore implore you to use your best endeavor to secure a tariff of 5 cents on unshelled and 15 cents on shelled almonds per pound. Copy of resolutions above referred to is being mailed to you to-day.

W. O. HYRUP,
Secretary-Manager Colusa County Chamber of Commerce.

—

REDLANDS, CALIF., *July 9, 1921.*

Senator SHORTRIDGE,
Washington, D. C.:

Urge protection almond industry with tariff suggested by growers' organization.

CHAMBER OF COMMERCE.

—

STOCKTON, CALIF., *July 9, 1921.*

Hon. SAMUEL SHORTRIDGE,
United States Senate, Washington, D. C.:

This organization, speaking in the name of the people of San Joaquin County, earnestly urges that you support the effort of the California almond growers to secure needful protection in the pending tariff bill. The tariff on shelled almonds should be at least three times as great as almonds in the shell. Please give this request your usual attentive consideration.

STOCKTON CHAMBER OF COMMERCE,
A. C. OULLAHAN, *Managing Secretary.*

—

PASO ROBLES, CALIF., *July 9, 1921.*

Senator SAMUEL SHORTRIDGE,
Washington, D. C.:

Producers of almonds in California can not, under existing labor and transportation conditions, compete with foreign labor and low water rates. The existence of the industry demands a tariff fair to producer and consumer. Rate should be on a basis of 3 pounds of unshelled to 1 pound of shelled almonds. Your influence is necessary at this time to save the most important industry in this section.

SAN MIGUEL DISTRICT CHAMBER OF COMMERCE.

—

CHICO, CALIF., *July 8, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Senate, Washington, D. C.:

On behalf of almond growers of Butte County, one of two most important almond-producing counties of California, Chico Chamber of Commerce appeals to you to support and make every effort to secure tariff on almonds of 5 cents per pound unshelled and 15 cents per pound shelled almonds. This is vital if growing almond business of California is to be protected from European competition.

CHICO CHAMBER OF COMMERCE,
C. M. COFFING, *President.*

—

OAKDALE, CALIF., *July 8, 1921.*

Hon. SAMUEL SHORTRIDGE,
United States Senate, Washington, D. C.:

Oakdale is vitally interested in the almond industry and desires that you make every possible effort to have tariff on almonds 5 cents for unshelled and 15 for shelled. Thousands of acres planted to almonds around Oakdale will be rendered unprofitable unless proper duties are imposed on imports.

OAKDALE CHAMBER OF COMMERCE,

ATASCADERO, CALIF., *July 8, 1921.*

Senator S. M. SHORTRIDGE,
Washington, D. C.:

The Atascadero Chamber of Commerce urgently begs that you will support the tariff on almonds, which is now being brought up for your deliberation. It is the opinion of this chamber that the almond growers of this country should be protected in every way possible, and this measure is vital to the rapidly developing industry.

ATASCADERO CHAMBER OF COMMERCE,
J. T. EDWARDS, *Managing Director.*

—

PASO ROBLES, CALIF., *July 8, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
United States Senator, Washington, D. C.:

Twelve million dollars' worth of almond orchards in Paso Robles district will be unable to survive proposed tariff of 4 and 8 cents. Absolutely necessary that proportion shelled and unshelled almonds be 3 to 1, and should be 5 and 15 cents if almond industry is to be continued in California. We beg you to use your influence to establish a tariff which will protect and not disable one of California's important industries.

PASO ROBLES CHAMBER OF COMMERCE,
JOSEPH W. TANNER, *Secretary.*

—

HAMILTON CITY CHAMBER OF COMMERCE,
Hamilton City, Calif., July 7, 1921.

Hon. HIRAM W. JOHNSON, *United States Senator,*
Hon. SAMUEL M. SHORTRIDGE, *United States Senator,*
Hon. CLARENCE F. LEA, *Congressman,*
Washington, D. C.

GENTLEMEN: The Ways and Means Committee have recommended to Congress a tariff on almonds, not shelled, of 4 cents, and on shelled almonds 8 cents per pound.

Since European almonds shell out 4 to 1 and California almonds 3 to 1, we are entitled to a tariff on shelled almonds at least three times as great as almonds in the shell.

Unless we get a readjustment of tariff on shelled almonds of at least 3 to 1 it will mean the disintegration of the almond industry of California. Our only future market is for shelled almonds, which represents 80 per cent of the demand of the United States. This is a serious situation confronting the industry. Only with proper protection on shelled almonds can we bring to California the millions that are going to the shores of the Mediterranean.

A Congressman recently told a group of farmers that when agricultural interests talk loud enough they can get anything within the power of our Government. "If you will let us know what you want, the rest is easy," said the Congressman.

Speaking for myself, I have 100 acres in almonds. This 100 acres has cost me $500 per acre, or a total of $50,000, to put my orchard where it is to-day—seven years old—and all in bearing. If we do not get the proper protection under the tariff, you can easily see what it means to me, and not only myself but to hundreds of others in the almond-growing industry in the State of California.

As one of the many growers in this State I pray that you may do all in your power to give us protection under the tariff as above outlined. I am, gentlemen,

Yours very respectfully, H. L. WEST.

—

SACRAMENTO, CALIF., *July 7, 1921.*

Hon. SAMUEL SHORTRIDGE,
United States Senator, Washington, D. C.:

Almond industry threatened unless 15 cents per pound tariff on shelled almonds requested by California almond growers be granted. California almond investment exceeds $50,000,000. Ten million dollars coming to California annually for shelled almonds will be practically lost if suggested legislation fails. Please support legislation.

SACRAMENTO CHAMBER OF COMMERCE.

—

OTHER ORGANIZATIONS—CLEARING HOUSES—NEWSPAPERS.

CALIFORNIA ALMOND GROWERS' EXCHANGE,
San Francisco, Calif., May 29, 1922.

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: We appreciate your telegram of May 26. Indeed we know that our cause has had your earnest attention and still continues to hold it at the present time.

We are asking Professor Taylor to furnish you with any data that he may have to dispute the groundless charge that California almonds are not equal in quality and fitness to foreign almonds. This is one of those sweeping generalities which are not supported by the facts.

Professor Jaffa has analyzed the various varieties of both California and foreign almonds, and his investigations prove conclusively that there is no truth in the charge made by the confectioners that the California almonds are not equal to the Mediterranean almonds for confectioners' use.

We feel that the Senate will not be willing to disturb the recommendations of the Finance Committee, as the question is a technical one, and the Senate will agree that the Finance Committee's recommendations, based as they are on the facts of the case, should be followed. I know that you will do everything possible to support our schedule if it is attacked on the floor of the Senate.

With kindest personal regards,

Very truly yours, T. C. TUCKER, *Manager.*

—

CALIFORNIA ALMOND GROWERS' EXCHANGE,
San Francisco, Calif., January 31, 1922.

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

DEAR SIR: We attach hereto for your information copy of a letter sent by William M. Regan, president of Regan Bros., wholesale bakers, of Minneapolis, Minn., to the New York Dried Fruit Association.

The letter needs no comment other than that it is one of many similar refusals by reputable American bakers and confectioners to lend themselves to a cut-and-dried, printed-circular propaganda campaign to defeat the honest pleas of our farmers for that modicum of protection which our almond growers, for instance, are asking in a 5 and 15 cent schedule of import duties on the peasant-raised almonds of southern Europe.

Very truly yours,

T. B. WATERS,
Assistant to Manager.

REGAN BROS. CO.,
Minneapolis, Minn., January 10, 1922.

DRIED FRUIT ASSOCIATION,
New York Tariff Committee,
No. 6 Harrison Street, New York, N. Y.

GENTLEMEN: We have received, through Messrs. Birdsong Bros., a copy of your circular letter of January 3, 1922, and printed protest against the proposed increased import duties on shelled almonds, shelled walnuts, and shelled filberts in tariff bill (H. R. 7456), paragraphs 754, 755, 758.

The writer does not agree with your arguments at all. Personally, I am heartily in favor of higher rates of duty on the articles mentioned. I believe absolutely in the principle of protection of American industries, and believe that ultimately all the people of the United States will be very much benefited by a high protective tariff.

If Congress imposes a duty on the articles named above, it will have a tendency to justify the people in the States that can grow American almonds, walnuts, and filberts to invest in lands and build up the orchards and enable us to produce in our own country goods that we use here.

Almonds, walnuts, filberts, etc., are just the kind of articles that should carry a high tariff. They are luxuries, and the people who care to buy them can afford to pay the price.

I also believe firmly in a high tariff on eggs imported into this country. If there should be a fair profit, even if just a little bit higher than just a living profit, for the American farmer on his eggs, it will have a natural tendency to induce more people to go into the poultry business, and in time we will produce enough eggs and poultry in this country to supply our own wants; and we will keep our money here, instead of sending it to China and other foreign countries.

Last year, when the markets in the Eastern and Central States were flooded with lemons imported from southern Europe, millions of dozens of lemons rotted on the ground and on the trees in California because our own growers could not afford to pick, pack, and pay high freight rates on them. If we had had a high enough tariff on lemons, the foreign growers who wanted the American market would have had to pay the United States Government a reasonable amount of money for the privilege of doing business here, or our local markets would have been supplied with our home-grown fruit.

Yours truly,

(Signed) WM. M. REGAN.

FIRE ASSOCIATION OF PHILADELPHIA,
San Francisco, Calif., August 12, 1921.

Hon. SAMUEL M. SHORTRIDGE,
United States Senator, Washington, D. C.

DEAR SIR: We desire to express to you our thanks and appreciation for the manner in which you have assisted the almond growers of our State in the tariff on almonds. This, as you no doubt know, is one of the very best industries in our State, and a high tariff is of vital importance to the continuance of this class of agriculture.

Trusting the tariff will be increased so that our growers will have no further apprehension along these lines, with best wishes to you, beg to remain,

Yours very truly,

F. M. AVERY, *Manager.*

LOS ANGELES, CALIF., *August 8, 1921.*

Senator S. M. SHORTRIDGE,
Washington, D. C.:

Tariff of 5 cents pound on unshelled almonds and 15 cents on shelled is essential to save California growers. Our members of Merced County planting about 2,200 acres to almonds, which represents their life savings. We appeal for your influence to pass above tariff.

FIGMOND GROWERS' ASSOCIATION,
F. M. ERWIN, *Secretary.*

STOCKTON, CALIF., *August 5, 1921.*

Senator SAMUEL SHORTRIDGE,
Senate Office Building, Washington, D. C.:

San Joaquin County Almond Growers' Association, consisting of 615 growers, are striving for 5 and 15 cents tariff to protect and keep alive their industry and seek your cooperation.

C. L. NEUMILLER.

DAVIS, CALIF., *August 5, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
United States Senate, Washington, D. C.:

Almond growers looking to you to keep them from financial ruin. One-tenth of 1919 crop and almost half of 1920 crop still unsold. Scarcely received enough pay for gathering. Banks no longer willing to loan on almonds or almond land. Only relief 5 and 15 cent tariff.

DAVIS ALMOND GROWERS ASSOCIATION,
L. C. SCHMEISER, *Secretary.*

VALLEJO, CALIF., *August 5, 1921.*

Senator SAMUEL M. SHORTRIDGE,
Washington, D. C.:

The passing of the Fordney bill in its present state would be fatal to one of the largest industries of California. Unless the tariff on almonds is raised to a ratio of 5 to 15, ruin is threatened for California almond growers, who have an investment in the State aggregating $50,000,000. Urge your utmost efforts in behalf of the welfare of California.

ROBERT W. WALKER,
Vallejo Evening Times.

ROSEVILLE, CALIF., *August 3, 1921.*

Senator S. M. SHORTRIDGE,
Washington, D. C.:

The following almond growers of Placer County ask that you do all in your power to secure a 5 and 15 cent tariff on almonds.

ARTHUR BOOTH.	MART. SCHELLHOUS.
EARL MURRAY.	E. FARNHAM.
HARVEY GOULD.	JOHN HERRING.
RIOLO BROS.	FRANK CROWDER.
SMITH BROS.	E. C. BEDELL.
CARRIE SCHELLHOUS.	J. W. PRUETT.
ED SCHELLHOUS.	JOE THORELL.
JOHN SCHELLHOUS.	

ROSEVILLE, CALIF., *August 4, 1921.*

SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.:

The Antelope Almond Growers' Association appreciate your efforts in trying to increase the tariff and wish to further impress upon you that 4 12 means ruination of the industry, while 5 15 an even competition with importations.

G. P. DEKAY,
J. F. GLADNEY,
R. D. GOULD,
A. T. MCBRIDE,
A. VAN MAREN,
Directors.

SACRAMENTO, CALIF., *August 2, 1921.*

Hon. S. M. SHORTRIDGE,
Capitol Building, Washington, D. C.:

We desire to advise you that it is of vital interest to the California almond industry that they have adequate tariff protection. We would ask your utmost support in behalf of a tariff of at least 5 cents on unshelled almonds and 15 cents on shelled almonds. The situation is critical and unless this industry is properly protected the growers will be unable to continue under present conditions.

SACRAMENTO CLEARING HOUSE,
Representing entire banking interest of Sacramento.

CONCORD, CALIF., *July 31, 1921.*

Senator SAMUEL M. SHORTRIDGE,
Washington, D. C.:

These resolutions unanimously passed to-day:

Whereas the almond industry of this country is in danger of being destroyed for want of an adequate tariff on foreign almonds, especially on shelled almonds, the ratio of which is 1 pound shelled to 3 unshelled: Therefore be it

Resolved, That we request the Senate of the United States to impose a tariff of 15 cents on shelled and 5 cents per pound on unshelled almonds.

CONCORD ALMOND GROWERS' ASSOCIATION,
A. C. GEHRINGER, *President.*
PERCY DOUGLAS, *Secretary.*

SEBASTOPOL, CALIF., *July 31, 1921.*

Hon. SAMUEL M. SHORTRIDGE.
United States Senate, Washington, D. C.:

After thorough investigation we are convinced that a duty of 5 cents on almonds in the shell and 15 cents on shelled almonds is necessary to save our growers from serious loss. We therefore earnestly urge you to use your influence to amend tariff bill as passed by House.

SEBASTOPOL APPLE GROWERS' UNION.

BANNING, CALIF., *July 31, 1921.*

Hon. SAM. SHORTRIDGE.
Senate Office Building, Washington, D. C.:

Ninety-four almond growers of Banning, representing very important orchard industry here, urge tariff not less than 5 cents on unshelled and 15 cents on shelled, this rate being lowest possible consistent with conditions of almond industry, due to foreign competition. Passage of 4 cents and 12 cents tariff would be equivalent to surgeon cutting out part only of cancer leaving portion of malignant growth to kill patient. Ratio must be 1 to 3 to offer protection most urgently needed by California growers, whose industry under present rates literally faces ruin.

BANNING ALMOND GROWERS' ASSOCIATION.

LOS ANGELES, CALIF.,
July 29, 1921.

Hon. SAMUEL SHORTRIDGE,
United States Senator from California, Washington, D. C.

HONORABLE SIR: It is the plain duty of Congress to see to it that our industries, operated along good business lines, are protected against importations from foreign countries, and particularly is this applicable where products of the soil are involved. The prosperity, welfare, and happiness of our people are entitled to and must be shown such consideration. We Americans are too intelligent and too progressive to ever submit to the peasantry conditions existing in many European countries, where the standard of living, through the imposition of starvation wages, is the very lowest.

California is the center of the almond industry, and the well-being of thousands of our people, and as well the interests of our State, are seriously menaced in consequence of the failure of Congress up to this time to provide an adequate protective tariff. The total investment in the almond industry of California is substantially more than $50,000,000, and unless a duty is levied on importations to enable the growers of almonds to market their crops at a fair margin of profit over cost of production and harvesting, the ruin of this important industry is a certainty.

The House of Representatives has voted a tariff of 4 cents per pound on almonds not shelled and 12 cents per pound on shelled almonds. It has been conservatively estimated by men who have made a close study of the situation in all its phases that the minimum protection required by American growers is 5 cents per pound on almonds in the shell and 15 cents per pound on shelled almonds. Unless this protection is afforded we are assured by almond growers of California that they will be forced to discontinue producing, as the European competition under present conditions can not be successfully overcome. This would result in throwing thousands of people out of employment, in depreciating land values, and inevitably numerous bankruptcies.

We feel confident you appreciate the importance, for the preservation of the almond industry of California, of a protective tariff on this commodity which will really mean adequate protection, and through the medium of which this industry may be enabled to expand and prosper. This would very naturally result in utilization of land now lying idle or of little value, and of increasing the population and prosperity of our great State. May we not hope for your active and vigorous support for a tariff of 5 cents per pound on almonds in the shell and 15 cents per pound on shelled almonds?

Yours very truly,

CALIFORNIA VEGETABLE UNION,
A. J. HOGAN, *Traffic Manager.*

ARBUCKLE, CALIF., *July 29, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.:

Have wired all members of Senate Finance Committee copy of resolutions passed to-day regarding almond tariff, thinking it would assist you in your fight in our behalf.

ARBUCKLE COLLEGE CITY ALMOND GROWERS' ASSOCIATION,
By D. S. NELSON, *Secretary-Manager.*

—

LINDEN, *July 27, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Washington, D. C.

DEAR SIR: I am going to ask you to help us all you can in regards tariff on almonds, as the almond growers surely need the help. Five cents on almonds in the shell and 15 cents per pound on shelled almonds—any lower tariff would be ruinous to all almond growers in California and would be a calamity for California.

We have not made anything on almonds on the last two crops, but have lost money; so will soon be broke without we get some relief.

There are 4,000 to 6,000 almond growers in California, and something should be done for them.

Mr. T. C. Tucker, of the California Almond Growers' Exchange, will give all the data and explain the situation thoroughly which almond growers are in.

Hope you will help him in every way and do all you can for him.

Now, hoping you will fight with all your might for a tariff of 5 cents on almonds in the shell and 15 cents per pound on shelled almonds—which the almond growers surely do need, I am,

Yours truly,

T. D. BRYAN,
Vice President San Joaquin County Almond Growers' Association, Linden, Calif.

—

SAN JOSE, CALIF., *July 26, 1921.*

Senator SAMUEL SHORTRIDGE,
Senate Offices, Washington, D. C.:

Almond tariff positively necessary to life of industry in California. Urge your strong support.

CALIFORNIA PRUNE & APRICOT GROWERS (INC.),
H. C. DUNLAP.

—

SANTA BARBARA, CALIF., *July 26, 1921.*

Hon. S. M. SHORTRIDGE,
United States Senate, Washington, D. C.:

We earnestly solicit your support toward increasing duty to 5 cents on unshelled and 15 cents on shelled almonds. It is our belief that this tariff is absolutely necessary if the almond growers of our State are to continue in business.

GOLETA LIMA BEAN GROWERS' ASSOCIATION,
E. W. STOW, *President.*

—

FRESNO, CALIF., *July 25, 1921.*

Hon. S. M. SHORTRIDGE,
Washington, D. C.:

You are undoubtedly aware of the fight being waged by the Almond Growers' Association of California to secure 5 cents per pound tariff on almonds shelled and 15 cents per pound on almonds unshelled. We beg from you to do your utmost to assist Tucker, manager almond growers, win his fight. Know him personally, and by assisting them in their fight you are surely assisting one of the foremost industries of California. Thank you.

CALIFORNIA GROWERS & SHIPPERS (INC.).

—

SAN DIEGO, CALIF., *July 25, 1921.*

Senator SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.:

Your State almond industry must be saved by tariff. At least 5 cents on unshelled and 15 cents on shelled. Will you save it?

MILK PRODUCERS' ASSOCIATION OF SAN DIEGO COUNTY.

—

SACRAMENTO, CALIF., *July 25, 1921.*

Senator SAM SHORTRIDGE,
United States Senate, Washington, D. C.:

Almond growers need tariff based on natural shelling ratio. Almond growers must be protected if their industry is to continue.

NORTHERN CALIFORNIA MILK PRODUCERS' ASSOCIATION.

—

FRESNO, CALIF., *July 24, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
United States Senate, Washington, D. C.:

Understand tariff bill will be taken up by Senate Finance Committee Tuesday. Please give careful consideration to California almond growers' request, as they have approximately $50,000,000 invested, and unless adequate protection is afforded this great industry will suffer serious loss, as they can not compete with cheap labor from southern Europe. Kindly use your best efforts to provide the protection requested by them.

CALIFORNIA PEACH AND FIG GROWERS.

—

NEWCASTLE, CALIF., *July 23, 1921.*

Hon. SAMUEL SHORTRIDGE,
United States Senator, Washington, D. C.

DEAR SENATOR SHORTRIDGE: The almond industry in America, which is chiefly centered in California, is very severely threatened by the lack of a protective tariff.

Foreign cheap labor has undermined this industry in California, and the growers are not able to compete.

We would ask you to do everything in your power to get a tariff of 5 cents per pound on almonds, not shelled, and 15 cents per pound on shelled almonds. These figures will give the California growers a chance to develop this industry.

Thanking you for anything that you can do to help the almond industry,

Yours very truly,

PLACER COUNTY FRUIT GROWERS.
By H. M. ELLIS.

THE RIVERSIDE ENTERPRISE,
Riverside, Calif., July 21, 1921.

United States Senator SAMUEL M. SHORTRIDGE,
Washington, D. C.

MY DEAR SENATOR SHORTRIDGE: We are all greatly pleased with your success in securing the return of the Indian office to Riverside and other developments.

I also desire to express my personal appreciation of the manner in which you have fought for proper tariff for California products. There is still a feeling on the part of the California growers that 5 cents for unshelled and 15 cents for shelled almonds is essential to protect the California growers from cheap importations. I am sure that you have done, and always are doing, all in your power in this regard.

Thanking you again for the prompt responses you have always made to any request or suggestion from our community, I am,

Very truly yours, J. R. GABBERT.

—

YUBA CITY, CALIF., *July, 1921.*

Senator SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

HONORABLE SIR: We, the undersigned officers of the Sutter Peach Growers, and representing the cling-peach industry of California, do hereby respectfully ask that you aid in every way the California Almond Growers' Exchange in their fight for an amendment to the tariff-rate recommendations of the Ways and Means Committee, as we believe that they are entitled to a 5-cent and 15-cent tariff rate. This judgment we base upon extensive research of past and present cost of production.

Believing in the protection of our California industries and the help of our legislators, we submit this entreaty.

Sutter Peach Growers; Edward S. Moulton, president; J. L. Ames, secretary; J. W. Eager, director; J. G. Kussenberger, director; S. W. Walton, director; Geo. T. Boyd, director; G. C. Galbraith, director; M. D. McLeod, manager.

—

LOS ANGELES COUNTY FARM BUREAU,
Los Angeles, Calif., July 15, 1921.

Hon. SAMUEL M. SHORTRIDGE,
Washington, D. C.

DEAR SIR: The Los Angeles County Farm Bureau, an organization of some 2,000 farmers in Los Angeles County, is desirous of calling your attention to the urgent necessity for adequate tariff protection to the California almond industry. From the published reports concerning the permanent tariff bill, it is apparent that this important industry, which represents a long-time investment of some $50,000,000, is not being provided with adequate tariff protection.

Your attention is called to the fact that the main competition which the California almond industry suffers from is that occurring in southern Europe, where costs of production are much lower than those in California, largely due to the lower standard of living.

No doubt you are familiar with the brief prepared by the California Almond Growers' Exchange for presentation to the Tariff Commission. It is apparent to those familiar with the California almond industry that a tariff protection of approximately 15 cents per pound is absolutely necessary if the industry is not to suffer seriously. It is also apparent that the ratio of protection accorded the shelled product and the unshelled product should be at least three to one. Average market prices for shelled almonds over a long period of years are fully three times those quoted for unshelled almonds. This, together with the fact that on an average 100 pounds of unshelled almonds will yield about 30 pounds of the shelled article will make it apparent that the ratio must be not less than three to one.

You are therefore urged to do all that you can to see that this important industry receives the full measure of tariff protection which it must have if it is to endure.

Very sincerely yours, J. B. VAILE,
Chairman Legislative Committee,
Los Angeles County Farm Bureau.

—

MARYSVILLE, CALIF., *July 14, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
United States Senate, Washington, D. C.:

An extremely serious situation confronts all who have developed one of California's natural characteristics to produce almonds with practically entire demand for meats. We are denied this market, due to lack of protection, in spite of the fact we have at Sacramento the largest, most modern almond-shelling plant in world. Please help us secure 15-cent protection.

C. L. MOSELEY,
President Buttes Almond Orchards (Inc.).

—

BAKERSFIELD, CALIF., *July 13, 1921.*

Senator SAMUEL M. SHORTRIDGE,
Washington, D. C.:

We favor and urge your support on tariff as proposed by California Almond Growers' Exchange, thereby protecting our almond industry.

BAKERSFIELD CLEARING HOUSE ASSOCIATION.

—

MODESTO, CALIF., *July 12, 1921.*

Senator SAMUEL M. SHORTRIDGE,
Washington, D. C.:

The California almond industry is threatened with destruction unless tariff on shelled almonds is placed at 15 cents pound. Fifty million dollars invested here in the industry. Congress seriously considering adjournment and we insist on remaining in session until agricultural bills are passed.

STANISLAUS COUNTY FARM BUREAU
(Fifteen hundred farmers).

—

ANTIOCH, CALIF., *July 12, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

DEAR SIR: We earnestly urge your best endeavor to change almond tariff to 5 cents in the shell and 15 cents on shelled almonds, as 4 cents in shell and 8 cents shelled is ruinous to almond industry of California.

Respectfully,

ARTHUR W. BIGELO,
Vice President Eastern Contra Costa County
Almond Growers' Association, Oakley, Calif.

CHICO, CALIF.

SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.:

Proposed duty on almonds especially shelled insufficient to protect domestic industry, as almonds shell about three or four to one; the protection on unshelled almonds is therefore twice that of shelled. The duty on shelled almonds should be three times the duty on unshelled. We wish 5 and 15. Situation threatens industry.

CHICO ALMOND GROWERS' ASSOCIATION
(Two hundred growers).
B. F. HUDSPETH, *Secretary.*

—

ROSEVILLE, CALIF., *July 11, 1921.*

SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.:

We as officials of Antelope Almond Growers' Association, representing growers of Sacramento and Placer Counties, ask you use your utmost efforts to have the tariff on almonds increased and the ratio of shelled and unshelled made 3 to 1; otherwise part of the crop will not be harvested.

G. P. DEKAY,
J. F. GLADNEY,
R. D. GOULD,
A. T. MCBRIDE,
A. VANMAREN,
Directors.

—

STOCKTON, CALIF., *July 11.*

Senator S. M. SHORTRIDGE,
Washington, D. C.:

San Joaquin County farm bureau urges passage of tariff measure. Recommends increasing almond tariff to 5 cents in shell and 15 cents shelled.

GILBERT KEITLE, *Secretary.*

—

LAKEPORT, CALIF., *July 11, 1921.*

Senator SAMUEL SHORTRIDGE,
Senate Office Building, Washington, D. C.:

We ask tariff 5 cents unshelled, 15 cents shelled, almonds.

LAKE COUNTY ALMOND GROWERS' ASSOCIATION.

—

SAN FRANCISCO, CALIF., *July 9, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.:

California Development Board and California Industries Association merged and representing transportation agricultural business and manufacturing interests entire State insist upon amendment of House tariff bill to provide adequate tariff duties on almonds on 3 to 1 ratio between shelled and unshelled. This is absolutely vital to State as whole and to 4,000 working almond farmers, some of whose crops for 1919 and 1920 have not been sold, because American shelled almond market controlled by southern European growers. Three to one ratio vital also to entire State, because it means diversion of $15,000,000 annually from European growers and foreign bankers to California.

CALIFORNIA DEVELOPMENT BOARD,
CALIFORNIA INDUSTRIES ASSOCIATION,
N. H. SLOAN, *Manager.*

—

PASO ROBLES, CALIF., *July 9, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
United States Senate, Washington, D. C.:

The directors of Paso Robles Almond Growers' Association, representing 20,000 acres almond orchards, appeal to you for tariff 5 cents on unshelled and 15 cents on shelled almonds. This ratio of 3 to 1 is fair and necessary to success of almond industry.

C. BUTTERWORTH,
FRED IVERSON,
JOHN H. VANWORMER,
Directors.

—

ORLAND, CALIF., *July 9, 1921.*

SAMUEL M. SHORTRIDGE.
Senate Office Building, Washington, D. C.:

Inasmuch as this association still has a portion of its 1919 and 1920 crop of almonds unsold and, further, that to date we have received for our 1920 crop of almonds but 7 cents for Drakes and 10 cents for IXL almonds, and these are the leading varieties produced, and we know that these conditions are caused by too low a tariff on foreign almonds: Be it

Resolved, That this association petition Congress for a tariff of not less than 5 cents on almonds in the shell and 15 cents for shelled almonds. After a thorough investigation we find that it costs us from 10 to 12 cents per pound to produce almonds. We therefore petition you to give us a tariff that will enable us to get a living return for our labor. Unless we get adequate protection on California-grown almonds thousands of farmers will be ruined.

ORLAND ALMOND GROWERS' ASSOCIATION,
GEORGE W. STURM, *Secretary.*

—

BANNING, CALIF., *July 8, 1921.*

SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.:

Understand an 8-cent tariff has been set on shelled almonds. Altogether too low. We growers will be forced out of business unless tariff is raised. Favor tariff of 15 cents advocated by California Almond Growers' Exchange.

GILMAN HOME CO.,
C. MABEL GILMAN,
Secretary.

—

ESCALON, CALIF., *July 8, 1921.*

SAMUEL SHORTRIDGE,
Washington, D. C.:

California wants you to vote at least 5 cents on almonds not shelled and 15 cents on shelled.

P. D. FITZPATRICK,
Almond Grower and Locomotive Engineer on Santa Fe.

JULY 8, 1921.

CALIFORNIA ALMOND GROWERS' EXCHANGE,
San Francisco, Calif.:

Thanks for telegram. Will put forth every effort to secure adequate tariff on almonds.

SAMUEL M. SHORTRIDGE.

—

NEW YORK UNDERWRITERS' AGENCY,
Los Angeles, July 7, 1921.

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

HONORABLE SIR: Many (writer included) in California are interested in the growing and marketing of almonds, but we can not bring this business to a successful issue unless a sufficiently high tariff is placed on almonds imported from foreign countries.

Knowing that you have the interest of California at heart, we feel sure that you will use your best endeavor to have foreign almonds placed behind a tariff wall so high that it will insure your State of California growers a fair price for their product.

Very sincerely yours,
A. C. ANDERSON.

—

WOODLAND, CALIF., *July 5, 1921.*

Senator SAMUEL M. SHORTRIDGE,
Washington, D. C.:

Almond growers of Yolo County, where nearly one-sixth of all almonds grown in United States are produced, urge California delegation to exert every possible effort for increased tariff protection. Growers insist industry representing millions of dollars invested interests would be ruined under present tariff schedule. Advise us as to what we might do to assist in any and every way. The situation is indeed critical for the industry.

FRED SHAFFER,
Secretary Yolo County Board of Trade.

—

SAN FRANCISCO, CALIF., *June 29, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.:

Understand committee recommends 4 cents in shell and 8 cents shelled. We are bitterly disappointed in recommendation, especially on our showing that European almonds shell four to one. We feel we are entitled to at least three to one, and we know that our request for 5 cents per pound on unshelled and 15 cents per pound on shelled is exceedingly reasonable and merited by all facts. We know you will help us fight.

CALIFORNIA ALMOND GROWERS' EXCHANGE.

Mr. SHORTRIDGE. I wish also to call the attention of the Senate to certain letters and telegrams addressed to me by distinguished men in California, men of affairs, not directly in all cases engaged in this industry but men who are familiar with the conditions and the facts, for it is upon the conditions and the facts we are here to-day standing. I will consume the time of the Senate to read a telegram addressed to me by the mayor of San Francisco, as follows:

SAN FRANCISCO, CALIF., *July 27, 1921.*

Senator SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.:

A leading California industry is languishing and is threatened with extinction. The almond industry, representing an investment of $65,000,000, is being forced to the wall. Rehabilitation of the industry of prime importance not alone to our State but to our Nation. Imported products of pauper labor are absorbing our markets, bankrupting our industry, and rendering us dependent. Forty thousand people rely, in whole or in part, for livelihood on California almond culture.

Substantial import duties, tending to equalize relative costs of production, can alone check this destructive avalanche. I fully indorse minimum effective tariff, as asked by our growers, and urge strenuous employment of all reasonable means to secure tariff of 5 cents per pound on all almonds imported in shell and 15 cents on shelled goods.

JAMES ROLPH, Jr.,
Mayor of San Francisco.

I have here a telegram addressed to me setting forth in substance the facts as stated by Mayor Rolph, which telegram I would beg Senators to note is signed by the California Almond Growers' Exchange, the California Lima Bean Growers' Association, the California Peach and Fig Growers, the California Cattlemens' Association, the California Fruit Growers' Exchange, the Poultry Producers of Central California, Sebastopol Apple Growers' Union, California Associated Raisin Co., Associated Dairymen of California, Cooperative Seed Growers' Association, Central California Berry Growers' Association, California Prune and Apricot Growers, and many, many other legitimate farm associations and producers in California. I ask that this be inserted in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

SAN FRANCISCO, CALIF., *July 7, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Washington, D. C.:

At a meeting of the principal producing interests of California, representing 60,000 growers, held in the office of the California State market director to-day a resolution was unanimously passed that the proposed tariff legislation contained in House tariff bill would not give the justifiable protection vitally needed. We view with the greatest concern the reported tariff schedules announced when we had been positively assured of schedules that would protect our basic agricultural industries which the reported rates fail to do. You are earnestly requested to secure the enactment of a tariff at least equal to the vari-

ous schedules asked for in the briefs and hearings before the Ways and Means Committee based on the details. Data already on file.

California Almond Growers' Exchange; California Lima Bean Growers' Association; California Peach and Fig Growers; California Cattlemen's Association; California Fruit Growers' Exchange; Poultry Producers of Central California; Sebastopol Apple Growers' Union; California Associated Raisin Co.; Associated Dairymen of California; Cooperative Seed Growers' Association; Central California Berry Growers' Association; California Prune and Apricot Growers; California Fruit Distributors; California Growers' Association; Pacific Rice Growers' Association; Poultry Producers of Southern California; Fruit Growers of California; Mutual Orange Distributors; Associated Olive Growers of California; California Fruit Exchange; California Pear Growers' Association; Nurserymen's Bud Selection Association; California Walnut Growers' Association; Poultry Producers of San Diego, Calif.; Bean Growers' Association of California; Wool Growers' Association; Alfalfa Growers of California (Inc.); Sweet Potato Growers' Association.

Mr. SHORTRIDGE. My immediate purpose is to show to the Senate that all these organizations realize the situation in respect to the almond industry. I here submit to the Senate a telegram from the Long Beach Chamber of Commerce, a city in Los Angeles County, Calif., and ask that it be spread upon the RECORD without taking the time of the Senate to read it.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

LONG BEACH, CALIF., *July 7, 1921.*

Senator SAMUEL SHORTRIDGE,
Washington, D. C.:

We believe tariff legislation should fully protect all American industries. California is developing large almond industry. Without tariff protection, our growers and investors will be ruined. Fifteen cents per pound shelled 5 unshelled none too much. We ureg your active support. Matter urgent.

LONG BEACH CHAMBER OF COMMERCE,
L. W. BALLARD, *Secretary.*

Mr. SHORTRIDGE. I also offer a telegram from the president of the Merchants National Bank, of San Francisco, in which he, Mr. Summers, states the conditions prevailing in California.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

SAN FRANCISCO, CALIF., *July 7, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.:

This bank, which has financed the almond growers in the past year to a large extent views with grave alarm the proposed tariff on almonds. Growers have quantities, and we hold as security 1919 and 1920 almonds not sold. Growers could not sell sucessfully entire 1919 crop under most prosperous marketing conditions. California growers have been unable to have any part of the shelled-almond demand of this country, which represents 80 per cent of the almonds consumed. Unless tariff on shelled almonds is at least three times as great as on almonds in the shell, can not see possibility of American growers undertaking development of shelled-almond market. Respectfully request in the interests of almond growers a tariff of not less than 5 cents per pound on almonds in the shell and 15 cents per pound on shelled almonds.

W. T. SUMMERS,
President Merchants National Bank,
San Francisco, Calif.

Mr. SHORTRIDGE. I hold in my hand a telegram from Mr. William H. Crocker, president of the Crocker National Bank, of San Francisco, which sets forth the facts and conditions. I also have here a telegram addressed to me by Mr. Fred J. Hart, the managing editor of the Farm Bureau Federation Monthly, a publication which is concerned immediately with practically one-half of the counties of my State, not the southern counties, but practically all the northern counties, in which the almond industry is situated.

I have here also a very considerable number of what I choose to call thoughtful, earnest letters and telegrams setting forth facts and conditions, and taking note of the revolving clock I ask that they may appear in the RECORD.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

SAN FRANCISCO, CALIF., *July 7, 1921.*

SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.:

Am convinced committee has erred in recommending 4-cent tariff on unshelled almonds and 8 cents on shelled. Ratio should be three to one, which is natural shelling ratio of almonds. If allowed to stand, proposed schedules will work serious harm to California financial interests, not to mention virtual destruction of industry. Three hundred thousand dollar shelling plant in Sacramento now closed. Won't you stretch point and revise almond schedules on three to one basis at this late hour? One hundred thousand acres of California soil, on which are planted 7,000,000 trees, are at stake. California growers simply can not touch American market, for shell almonds representing 80 per cent of demand now in hands of European growers with 8-cent schedule.

WILLIAM H. CROCKER,
President Crocker National Bank, San Francisco.

SAN FRANCISCO, CALIF., *July 8, 1921.*

SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.:

Have investigated necessity almond growers secure tariff on basis 5 cents not shelled and 15 cents shelled. Shelled almonds must be at least three times as great as almonds in the shell. Failure to secure above tariff spells ruin to almond industry. Orchards, unlike field crops, can not quit business without tremendous loss. Important, therefore, tariff give proper protection now.

FRED J. HART,
Managing Editor of Farm Bureau Federation Monthly of Humboldt, Glenn, Tehama, Placer, Solano, Merced, Madera, Tulare, Alameda, Santa Cruz, San Benito, Monterey, Ventura, Sutter, Orange Counties.

—

DURHAM, CALIF., *July 9, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

DEAR SENATOR: At a meeting of the directors of the Durham Almond Growers' Association, representing an investment of $2,000,000 in this immediate vicinity, a resolution was passed demanding a tariff on almonds in the shell of 5 cents per pound, and not less than three times this amount on shelled almonds.

We have never been able to compete with Europe on the shelled product.

The tariff recommendations of the tariff committee now before the House means ruin to our industry.

Respectfully yours,

G. W. JONES,
Secretary Durham Almond Growers' Association.

—

ARBUCKLE, CALIF., *July 9, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

DEAR SIR: We are herewith inclosing a copy of a set of resolutions which this association has just adopted, and sincerely hope that it may assist you in your fight for us to gain proper protection for our industry.

Very respectfully yours,
ARBUCKLE-COLLEGE CITY ALMOND GROWERS' ASSOCIATION,
By D. S. NELSON,
Secretary-Manager.

Whereas the increase in production of almonds in the State of California has been about 500 per cent during the past eight years; and

Whereas the State is now able to supply all the almonds consumed in the United States; and

Whereas about 80 per cent of the almonds consumed in the United States are shelled almonds; and

Whereas it requires 3 pounds of unshelled almonds to make 1 pound of meats; and

Whereas the investment in this district now represents over $3,000,000 and comprises over 10,000 acres of orchards; and

Whereas this industry is threatened with complete destruction unless an adequate tariff is placed on imported almonds, both shelled and unshelled; and

Whereas California has never been able to share in any of the shelled-almond business on account of inadequate tariff on imported almond meats: Therefore be it

Resolved, That this association, the Arbuckle-College City Almond Growers' Association, go on record as demanding that the Congress give us necessary protection by proper tariff, and, further, that said tariff be placed at the ratio of three times as much on shelled almonds as on unshelled, and, further, that we respectfully ask the Congress to make this tariff 5 cents per pound on almonds in the shell and 15 cents per pound on shelled almonds.

Respectfully submitted.

ARBUCKLE-COLLEGE CITY ALMOND GROWERS' ASSOCIATION,
By D. S. NELSON,
Secretary-Manager.

—

BANNING, CALIF., *July 10, 1921.*

Senator SAM. SHORTRIDGE,
Senate Office Building, Washington, D. C.:

Whereas almond growers of California can not compete successfully against enormous production in Europe without an adequate tariff; and

Whereas if adequate tariff readjustment is not granted by Congress so that American growers can have a fair chance to compete with Europeans much of the hundred thousand acres of almond orchards in the State will be rendered worthless and an investment of over $50,000,000 ruined; and

Whereas the Ways and Means Committee has recommended to Congress the establishment of tariff rates at 4 cents per pound on unshelled and only 8 cents per pound on shelled almonds in spite of the fact that searching investigation has proved a fair tariff would be 5 cents per pound unshelled and 15 cents per pound shelled almonds as recommended by the California Almond Growers' Exchange: Now, therefore, be it

Resolved, That the Banning Almond Growers' Association, representing 94 growers, or 98 per cent of local almond growers, with a total of about 900 acres, making up one of the chief industries of Banning, respectfully urge the passage of an adequate tariff bill fixing the rate on unshelled almonds at not less than 5 cents and on shelled almonds not less than 15 cents per pound: And be it further

Resolved, That a copy of these resolutions be sent to the Senators and to the Congressman representing this district with the urgent request that they leave nothing undone to bring about the desired result, namely the saving of one of the principal industries of Banning and one of the important investments of California ranchers.

BANNING ALMOND GROWERS' ASSOCIATION.

—

SUTTER, CALIF., *July 9, 1921.*

SAMUEL M. SHORTRIDGE,
Senator, Senate Office Building, Washington, D. C.:

Whereas the almond growers of California have almond orchards planted on valuable land and are compelled to wait six or seven years for such almond orchards to come into commercial bearing; and

Whereas the acreage planted to almonds in California when in full bearing is sufficient to supply the markets of the United States; and

Whereas a greater part of these nuts is consumed in the shelled state and the relative quantity of shelled to unshelled is one to three; and

Whereas the Ways and Means Committee of Congress has recommended a tariff of 4 cents per pound on unshelled and 8 cents a pound on shelled almonds; and

Whereas shelled almonds are imported in great quantities because of the relatively low tariff on the shelled nuts thus injuring our present trade and destroying a business that has cost so much in time and money to over 4,000 American citizens and their dependents: Therefore be it

Resolved, That the South Butte Almond Growers' Association beg, pray, entreat, and demand of Congress for its continued existence a tariff in keeping with its need—that of at least 5 cents per pound on unshelled and 15 cents per pound on shelled nuts.

W. K. NORRIS,
R. F. HAVENS,
M. G. DEWITT,
F. E. FORDERHASE,
E. S. NORTON,
Directors of South Butte Almond Growers' Association.

—

ARBUCKLE, CALIF., *July 11, 1921.*

Senator SAMUEL M. SHORTRIDGE,
Washington, D. C.

DEAR SIR AND FRIEND: The almond industry of California needs your earnest and speedy help at this time.

We must have tariff enough on our almonds or make a sacrifice again that means a ruinous loss, from which we can not recover.

Work for a tariff of 5 cents on unshelled almonds and at least 15 cents per pound on shelled almonds.

I feel that you will realize this danger at this time and give us your earnest help.

Respectfully,

H. L. NICKELS.

—

ORLAND, CALIF., *July 12, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

MY DEAR SIR: Your telegram regarding the duty on almonds received and wish at this time to thank you for your message and endeavor to try and get us the protection that we need for the good of the almond industry of this State. As a matter of fact, I wish to state briefly the condition of the almond industry as it appears to this association. We still have a portion of our 1919 crop of almonds unsold. And we still have about 30 per cent of our 1920 crop unsold and have to date received but 7 cents for our drakes and 10 cents for the IXL almonds.

We believe that the above conditions are the outcome of too low a duty on foreign almonds. The reason that I mention drakes and IXL almonds is that they are the leading variety planted, at least in this locality. The last two years have been especially hard on the almond grower of this State. Further, that if it was not for the war making it amost impossible to find bottoms to ship foreign almonds we would have been in the same fix all through the war.

The reason that I am writing you a personal letter is that I fear some of the eastern Senators do not understand the almond situation as you do, and it might be well to explain to the Ways and Means Committee that we can not in this State stick a tree in the ground and have nature come along and irrigate the same for us. But we must irrigate the orchard two and three times each season, and then we have to cultivate after each irrigation. Then, too, we have to spray one to two times for the red spider each summer. Then there is the frost and other pests that we have to fight, and the almond grower has his troubles also.

The money that is sent out of the country each year amounts to an enormous sum, and this money should remain here to build up home industries. We do not feel that a tariff of 5 cents on almonds in the shell and 15 cents for shelled almonds is unreasonable, as the American grower can not begin to live on the same level that those people live in along the shores of the Mediterranean Sea and should receive a protection that they can get a fair return for their investment and labor.

As you know there are thousands of acres of almonds in this State, a good deal of which has not come into bearing and it has cost us considerable to bring the same to this stage. We further believe that whether an acre is bought outright or the land is bought level and planted to almonds it will cost that much per acre before it is brought to the stage of full bearing.

We do not wish to be unreasonable but after full discussion of the question we think that our request is but reasonable and will just give us a fair living out of the almonds, and every one should at least feel that they can expect to make a living out of an investment providing there is no bad luck like frost or some other thing that could happen to an orchard any one year. If we get fair price we tide over a bad year.

Further, if the rancher got a fair price for his almonds he could afford to put all of his time in on an orchard and keep the same in good state of cultivation, but as it is now some of the growers are discouraged and have not plowed the same as they should and there are weeds in many orchards, and they say they can not afford to spend the money keeping it clean as the revenue will not permit spending too much time or money in the orchard.

These thousands and thousands of dollars that are sent abroad every year should remain right at home and build homes for Americans and also help this country as a whole. It should help build the little red schoolhouses in this State and make this country a better place to live in.

It costs us from 10 to 12 cents per pound to grow almonds, and I assure you that there has not been much money in the almond game for the grower. Therefore we appreciate what you have done for us and hope that you can make the Ways and Means Committee see it in the light that we do; that is, that it is better to give the American grower a chance to make a fair living out of this industry. If we do not get a fair protection this industry will be forced to the wall.

Thanking you for any favor that you do us, we are,

Yours very truly,

ORLAND ALMOND GROWERS' ASSOCIATION,
GEO. W. STURM, *Secretary.*

—

ORLAND, CALIF., *July 9, 1921.*

SAMUEL M. SHORTRIDGE,
Washington, D. C.

DEAR SIR: Would you please do your utmost and fight for a tariff of 5 cents on unshelled almonds and 15 cents on shelled product?

It is absolutely necessary to have this tariff or else the American farmers and growers will have to stoop and kneel to the foreigners forever. The foreigner can produce these nuts and send them across the ocean for less than we can even grow them.

Last year we had to accept 10 and 7 cents a pound for our nuts and it should have been three times as much.

As we Americans come first in the minds and hearts of our Congress we will expect desperate fighting on your part.

Hoping you will meet with success, I remain,

Your friend,

CHARLES A. TEMPLETON.

—

SAN FRANCISCO, *July 9, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Washington, D. C.

MY DEAR SENATOR: May I not at this time take the liberty of specially directing your attention, as our Senator, to the paramount question, the tariff, in which the farmers and almond growers of California are so vitally interested at the present time, and upon this question to call your special attention to the amount of tariff that should be placed upon the importation of almonds grown in European countries sufficient in amount to protect adequately this great industry built up here in California by the farmers and almond growers in California? The facts upon which we almond growers base our contention for an increase of tariff duties on almonds grown in foreign countries are these:

It requires seven years after the almond orchard has been planted before it comes into bearing in sufficient quantities in production of nuts to commence to pay anything on the capital invested. During all of these seven years the cost of plowing, disking, harrowing, cultivating, pruning, spraying, and taxes on the land so planted requires an enormous expenditure of money before any returns are received from the almond orchard. This expenditure continues every year thereafter, and the almond crop in California is very uncertain, and many years almost a total failure of a crop. The now present excessive freight rates to be paid in shipping the almonds to market more than double what it used to be. We pay here in California $3.50 per day to men working in the orchards, including their board, eight hours per day, which is equivalent to $5 per day, and 2½ cents per pound for hulling the almonds. Then they are placed on trays and dried, and when ready for market the shrinkage brings the actual cost of hulling the almonds to 4 and 5 cents per pound. Two and one-half cents per pound for commission to sell the almonds. In addition to this, the cost of sulphuring and bleaching the almonds, warehouse charges, hauling to market, sacks to hold the nuts, the heavy freight charges, brings the actual cost of production of each pound of almonds produced here in California, by the time it reaches the market, at from 14 to 16 cents per pound. I find this to be true from actual experience as an almond grower in the Sacramento Valley. This comes very close to the estimated cost made by our Government, which is 16 cents per pound, and these statistics so made are very near correct. We are compelled to pay high wages and to give the laboring classes good accommodations, and by so doing they are thereby enabled to live as human beings should live in this great American Republic. When the almonds are thus harvested they are then delivered to the California Almond Growers' Exchange, a corporation, as selling agent.

Bearing these facts in mind, if you will please be so kind as to do so, we will endeavor to point out to you as our Senator and representative from the State of California why there should be a revision of the present tariff on almonds.

And upon that question we present the following facts to you for your kind consideration on behalf of the American almond grower:

The European countries last year shipped right into the heart of the American markets for almonds 45,000,000 pounds of almonds, grown and produced with cheap labor and with the benefit of cheap water transportation. These almonds came in direct competition with the almonds produced and grown in the State of California, with high cost of labor and freight rates nearly three times as great, with the result that the almond growers here in California and elsewhere in the United States could not compete with prices for which these millions of pounds of foreign almonds were sold here in American markets. The American markets offer a lucrative field for the foreign-grown almonds, produced upon cheap land with cheap labor and cheap water transportation. The result of this large shipment of foreign-grown almonds here into the American markets at such cheap prices, with cheap production and cheap freight rates, completely shuts out the American almond growers, operating under high cost of labor, high freight rates, high rates of interest on the capital invested, high rates of taxes paid to our State and Government to support and maintain this great American Republic, resulted in the fact that a part of the 1919 crop of almonds and a large part of the 1920 crop of almonds remain unsold by reason of this gigantic competition. The merchants and consumers buy these almonds from foreign countries for less money than we California almond growers can lay them down in the American markets. The answer to this question is not hard to find. We pay high wages, high taxes, and high freight rates and high operating expenses, and, not least of all, high rates of interest for money to operate the almond industry in California.

The farmers have labored hard to develop this great industry here in the great State of California. The State and counties have levied a large and heavy assessment on the real property used for growing almonds. Last year the taxes on my farm in the Sacramento Valley—that is, upon the land in almonds alone—was increased an additional $100.

The price of almonds has depreciated nearly 50 per cent; I mean the selling price of almonds. We find that the future market for about 80 per cent of the almonds to be sold will be shelled almonds as against about 20 per cent of almonds to be sold in the shell. It takes 3 pounds of almonds in the shell to produce 1 pound of shelled almonds, a ratio of 3 to 1. The almond growers of California have erected at Sacramento a shelling plant, at a cost of about $300,000, for the purpose of producing shelled almonds to meet the market demands. We ask you to bear these facts in mind, and we hope that you will be able to reach the conclusion that the present tariff on almonds, either shelled or unshelled, is wholly inadequate to protect the American almond growers against this cheap foreign competition. That the almond growers, to have simply a fair and just protection under the tariff, should have a tariff of 5 cents on each pound of almonds in the shell and 15 cents a pound on the shelled almonds. Please remember, it takes 3 to 1. If such a tariff is given to the American almond grower, then the competition would be fair and equitable; it would in no instance of the almond industry be prohibitive.

If the present tariff as now proposed should be fixed on the almond industry, then the California almond growers must of necessity dig up their almond orchards and try something else on the land. They can not pay such enormous taxes on the almond lands to the Government, county, and State; high wages, high freight rates; and excessive operating expenses necessitated in growing and producing almonds.

It is, I take it, a case where sufficient tariff protection must be given to the almond growers here in America, and if not given them, then this great industry, built up and developed here in America by the farmers, will be absolutely destroyed. It means the destruction of an industry in which millions of dollars are invested, and which investment furnishes employment to thousands of people. You know work for the American people means happiness; lack of employment and idleness means but one thing—discontentment.

If this great industry is destroyed then this State, county, and the United States Government must lose thousands of dollars in taxes, as the almond lands are taxed far and beyond the land used for grain cultivation.

I feel and know that you now stand for the protection of American interests in America, and I have noted with great pleasure that you have adhered to that strictly during your short time in the Senate and feel that you stand for America and for protection to American interests as a true, loyal American.

We almond growers appeal to you now for your kind assistance as our representative in the United States Senate (our Senator) in conjunction with your colleague, Hon. HIRAM W. JOHNSON, to all that you can conscientiously and justly do for us in securing sufficient protection for this great industry here in the State of California, and thereby save the almond-growing industry from absolute destruction to the great loss and detriment of the farmers in the State of California. Your best efforts along this line are needed now in order to make the slogan "back to the land" a reality and not a farce.

I trust that I have not intruded too much on your valuable time in this matter, and if I have I beg your kind indulgence, as the matter is a serious question to me and all other almond growers in California.

Yours most sincerely,

W. C. CAVITT.

—

SACRAMENTO VALLEY DEVELOPMENT ASSOCIATION,
Sacramento, Calif., July 12, 1921.

Hon. SAMUEL M. SHORTRIDGE,
United States Senate, Washington, D. C.

DEAR SIR: Herewith I hand you copy of a resolution by this association which is self-explanatory. We are very much interested in this almond matter, this valley being a large producer of almonds, with extensive areas planted and yet to come into bearing. We have a very vital concern in the matter and will greatly appreciate any efforts you may make to secure adequate tariff protection for the California almond growers.

Yours very truly,

W. A. BEARD,
Vice President and General Manager.

—

Whereas the almond industry of the State of California is seriously threatened by cheap almonds imported from Europe; and

Whereas this State has a great acreage devoted to almonds, much of which is recent planting and not yet come into full bearing, and there is certain to be a rapid increase in production of this crop in this State within the next few years; and

Whereas, on account of the high cost of labor and other commodities entering into the production and preparation for market of the almond crop, and because of the high standard of living prevailing in California and other States of this Union, California almonds can not compete in the markets with almonds imported from Spain and other European countries unless there be applied to such imported almonds rates of tariff sufficiently large to represent the difference in production costs; and

Whereas the State of California has extensive areas suited to the production of the almond and is capable of furnishing all the almonds required or to be required in the United States: Now, therefore, be it

Resolved by the Sacramento Valley Development Association, That we respectfully request and urge that the Congress of the United States afford protection to this important California industry by placing a duty on imported almonds of not less than 15 cents per pound for shelled and 5 cents per pound for unshelled; and be it further

Resolved, That copies of this resolution be forwarded to California Senators and Representatives in Congress.

—

CHICO, CALIF., *July 12, 1921.*

The Hon. SAMUEL SHORTRIDGE,
Senator, Washington, D. C.:

From 20 years' experience handling almonds for growers this locality can truthfully say the life of this industry depends on protection. A ratio of three to one of shelled almonds as against unshelled is fair, and a minimum tariff of 5 cents per pound should be given the unshelled. I personally know of sales of shelled almonds in San Francisco last season that were made by foreign markets that were 25 per cent below cost of production even if based on present cost of labor. It has taken many years of care to bring these orchards to production, and the investment now depends upon prompt and fair action. Trust that we will have your help in holding this industry in America.

S. A. REYNOLDS,
Mayor, City of Chico.

—

CHICO, CALIF., *July 12, 1921.*

Senator SAMUEL M. SHORTRIDGE,
Washington City, D. C.

DEAR SIR: As one of your constituents I want to appeal to Congress through you on behalf of the thousands of almond growers of California, who, like myself, are threatened with financial ruin if the tariff as reported by the Ways and Means Committee to Congress goes through. I have 60 acres of almonds just coming into bearing this year. I have spent five years of labor and all my money developing this orchard, and now to be knocked in the head and told by Congress that my line of farming is not worth the consideration of Congress to the extent of giving us a tariff of 5 cents on unshelled and 15 on shelled almonds, which would only give us an even break with our foreign competitors, is not encouraging to the farmer. The Government from the President down has been long on promises of relief to the farmers, and now at the first showdown we, the almond growers, get a direct knockout blow, which will give us the relief of the dead. I trust you will do your utmost to see that this crime against the almond growers is not committed.

Yours truly,

E. E. FIX,
Route 1, Box 22a, Chico, Calif.

CALIFORNIA ALMOND GROWERS' EXCHANGE,
San Francisco, Calif., July 13, 1921.

In the city of Sacramento stands an establishment unlike anything in the world. The citizens of Sacramento may well be proud of it. We know you will if you see it.

It is California Almond Growers' Exchange shelling and manufacturing plant at the corner of Eighteenth and C Streets. We want you to visit it, and therefore extend to you this invitation to call at the plant any day this week between 9 and 5 o'clock or on Sunday afternoon.

This plant was built by 4,000 California almond growers after original plans of machinery and equipment. We mean what we say literally—there is nothing else like it in the world.

The 4,000 almond growers of this association built this great manufacturing plant expecting that Congress would readjust the tariff on almonds so that when their acreage was bearing they could have a part of the American demand for almonds. As it is now, the foreigners of Europe have monopolized the entire market for shelled almonds in America and they are to-day supplying shelled almonds produced by pauper labor and under living conditions which we hope we shall never be forced to experience.

This great plant in the city of Sacramento will remain idle and can not turn a wheel unless the almond growers are placed in a position where they can compete with the cheaply produced and inferior almond of Europe, by means of a protective tariff. The almond growers' fight for protection is vital to Sacramento and to you.

See for yourself the plans that have been made for shelling almonds and for the manufacture of products from shelled almonds. If a protective tariff is granted, the growers will install additional machinery, and Sacramento will become the world's most famous almond center.

Visit us and see what we have in your city. Then you will fight with us for American markets for American farmers.

Yours very truly,

T. C. TUCKER, *Manager.*

—

CHICO, CALIF., *July 13, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.:

Go ahead, Sam, do your best. I have 150 acres of 8-year old almonds, and if you don't get a decent tariff on them, out they come; hundreds of others in the same boat.

Yours truly,

H. C. COMPTON.

—

CHICAGO, ILL., *July 12, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.:

I earnestly ask your unending support of a tariff of 5 cents on unshelled and particularly 15 cents on shelled almonds as the means of keeping the American almond grower alive, instead of foreign cheap labor. On adequate protection for the shelled product rests the life of the industry.

M. S. SCOVILL.

—

AUBURN, CALIF., *July 10, 1921.*

Senator SAMUEL SHORTRIDGE,
Washington, D. C.

DEAR SIR: As an almond grower among hundreds of similarly minded almond growers of California, I wish to say that present Congress must enact 15-cent tariff on shelled and 5-cent tariff on unshelled almonds or the industry is practically doomed in this State.

Personally, I am about ready to pull up my trees unless something of real value is done soon. I have stood a loss each year since my trees came into bearing.

Very truly yours,

E. W. LOCHER.

—

BUTTEVIEW FARM,
Yuba City, Calif., July 10, 1921.

Hon. SAMUEL M. SHORTRIDGE,
Washington, D. C.

DEAR SIR: What did Spain ever do for the United States of America? What did Spain do for the Allies? What did Spain do for the *Maine*? Why feed Spanish almonds to the American people? Why not give California almond growers a chance to live right? We pay living wages and do not work 14 to 16 hours a day in the fields. Give us a 15-cent tariff on shelled almonds and we will live and let live. Refuse and we can not exist.

The consumer pays the same for California almonds as those grown elsewhere. The middleman pockets the difference.

Yours truly, for right and justice to all,

CHAS. L. WILBUR,
Member Farm Bureau and Deputy Sheriff, Sutter County.

—

THE CITIZENS NATIONAL BANK OF LOS ANGELES,
Los Angeles, Calif., July 11, 1921.

Hon. SAMUEL M. SHORTRIDGE,
United States Senate, Washington, D. C.

SIR: We desire to urge your consideration of proper tariff upon almonds, both shelled and not shelled. It is our understanding that the shelled almond business requires more protection on account of foreign competition, and also due to the fact that 80 per cent of the almonds consumed are shelled almonds.

Please give the industry every consideration possible, and oblige,

Very truly yours,

A. J. WATERS, *President.*

—

LOS ANGELES, *July 11, 1921.*

Hon. SAMUEL SHORTRIDGE,
United States Senator, Washington, D. C.

DEAR SENATOR: Am writing you regarding the almond industry, which is very seriously threatened by lack of tariff protection. Unless the almond industry receives proper consideration this American industry will be ruined.

The Ways and Means Committee recommended a tariff of 4 cents per pound on almonds not shelled and 8 cents per pound on shelled almonds. The California almond growers have petitioned Congress for a tariff of 5 cents per pound on unshelled and 15 cents per pound

on shelled almonds. This differential between shelled and unshelled is in proportion with the tariff on almonds in the shell, as it takes about 3 pounds of unshelled to make 1 pound shelled almonds, and unless protection is granted California can not compete with Europe.

The interests of the American almond industry appeal to you for your earnest help.

With assurance of our very high regard, we are,

Yours truly,

SIMON LEVI CO.,
J. B. JACOBS, *President.*

SIMON, MINERAL COUNTY, NEV.,
July 11, 1921.

Hon. SAMUEL M. SHORTRIDGE.

DEAR SIR: For the past 15 years I have been living close and putting all my savings in an almond orchard situated in Citrus Heights addition, near Fairoaks, Calif. I have an orchard of 30 acres almond trees coming 6 years old.

I still owe $4,000 on my property. Mr. J. J. Stenuff cares for my orchard, and I pay him $44 a month. My sixty-fourth birthday is near at hand, and my wife is 10 years younger.

I do hope you will do all you can to get us a tariff of 5 cents on unshelled almonds and 15 cents on shelled almonds, so we will be able to soon get to California to live. I have all my money at stake, and unless we have a protective tariff California almond industry will suffer.

Very truly yours,

C. H. LASKAMP.

COLUSA COUNTY CHAMBER OF COMMERCE,
Colusa, Calif., July 14, 1921.

Hon. SAMUEL M. SHORTRIDGE,
Washington, D. C.

HONORABLE SIR: Your telegram in reference to the tariff on imported almonds received.

I want you to accept the sincere thanks not only of this county chamber but of the entire populace of the county for your prompt reply and your untiring efforts in our behalf.

The almond industry, especially in and around the Arbuckle district, is one of our important industries and with proper tariff protection will grow to an immense magnitude.

The benefit the consumer derives from foreign competition of this kind is only very short lived, for the reason that as soon as our own industry has been effectually throttled by the underselling of our product by the foreign product, just that soon will the price of the foreign product advance, and the consumer will be compelled to pay in most cases a higher price than our product could have been sold for had our industry been allowed to exist. In addition to this, the thousands of American citizens that were employed in this industry have had their means of livelihood taken away from them in favor of the foreigner, with whose standard of living our American citizens can not and should not be asked to compete.

Thanking you again in behalf of all good American citizens, I am,

Respectfully yours,

W. O. HYRUP.

N. B.—Inclosed please find copy of resolution as mentioned in the telegram.

Whereas the almond industry represents an investment of $4,000,000 in the county of Colusa, and covering approximately 11,000 acres, and $50,000,000, covering approximately 100,000 acres in the entire State; and

Whereas the industry is increasing, and will continue to increase if given the proper tariff protection; and

Whereas the entire consumption of almonds in the United States of America can now be supplied by the State of California; and

Whereas about 80 per cent of the almonds consumed in the United States of America are shelled almonds; and

Whereas it requires 3 pounds of unshelled almonds to make 1 pound of shelled almonds; and

Whereas California has not been able in the past to share in any of the shelled-almond business on account of the inadequate tariff on imported shelled almonds; and

Whereas the entire almond industry in the State of California, representing an investment of $50,000,000, is threatened with ruin and destruction unless an adequate tariff is placed on imported almonds, both shelled and unshelled; and

Whereas the destruction of this industry will cause a tremendous loss and work great hardship on the great number of people now employed in the cultivation, harvesting, handling, and packing of this product: Therefore be it

Resolved, That this Colusa County Chamber of Commerce go on record as demanding and praying that the present Congress of the United States of America enact proper tariff laws governing almonds, both shelled and unshelled, thereby giving this industry the necessary protection so vital to its existence, and, furthermore, that the tariff so placed be 5 cents on unshelled almonds and 15 cents on shelled almonds per pound.

COLUSA COUNTY CHAMBER OF COMMERCE,
Per W. O. HYRUP, *Secretary-Manager.*

COLUSA, CALIF., *July 9, 1921.*

LODI, CALIF., *August 3, 1921.*

Senator SAMUEL M. SHORTRIDGE,
Senate Chamber, Washington, D. C.:

As president San Joaquin County Almond Growers' Association, representing over 600 of 4,000 California almond growers, I express the pleasure and renewed courage we have, knowing you have stripped for a fight to a finish in our behalf for 5 and 15 cent tariff on almonds. As an ex-service man, who when over 50 years old left wife to care for orchard, joined our Navy as lieutenant engineer, and helped preserve those very peasants whose cheap labor in producing almonds now threatens our very existence as almond growers, I appeal to you in interest of ex-service men, California almond growers, to preserve their right as Americans to earn living in accordance with American conditions. Tariff of 5 cents on unshelled, 15 cents on shelled almonds is the lowest on which we can stay on our orchards. We know you as a fighter in a just cause. This gives us great encouragement in our fight against speculators and middlemen who are trying to swamp California orchards.

Lieut. A. R. STEPHEN.

ANTELOPE, CALIF., *August 3, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Senator from California, Washington, D. C., U. S. A.

DEAR SIR: In regard to the almond situation I would like to present my own case:

After teaching school for 20 years, I managed to save enough money to buy 10 acres of land in Antelope, a favored almond spot about 14 miles north of Sacramento.

Friends of mine, with whom I had boarded while teaching in the country, planted my trees for me and cared for them till I married. I was fortunate enough to have honest friends, good soil, and good trees, which have made me a fine orchard, of which I am, as you can understand, very proud. It almost took my life's blood to save the money to get it. A one-time pupil of mine asked me how I ever did it, and I told her the exact truth when I answered: "By giving up nearly everything in the world that I ever wanted."

Now, that those trees could repay me in part for my sacrifice, I feel sure that if our own lawmakers, elected by us, the people, could understand the situation they would give us the 5-cent tariff on unshelled and the 15-cent tariff on shelled nuts, which will keep my orchard from becoming worthless. I am only one of many. People who have small places are struggling hard to live. Why, if you kill the industry, think of the despair and discouragement!

My husband's family are also interested in almonds; in fact, it is the only crop we have. What are we going to do this year? In one week the harvest begins. My husband, who is 60 years old, will work with the men, and I shall do the cooking. All we can hope to do under present conditions is to pole only the trees that are loaded with nuts and let the others go; and if we can come out even, after paying taxes, plowing, and cultivation, pruning, and the men's food bill and wages, we shall be doing well. The wages will count up too high to pole any but the fullest trees. Is not that an awful predicament? How about it for an encouragement to the young to go back to the soil? Hoping and believing we shall get justice,

Sincerely,

ELIZABETH WINN GLADNEY.

Mr. SHORTRIDGE. My friends on the other side will now realize why I suggested that this testimony was cumulative, but I justify myself in offering it because I want the decision to rest upon facts established. The distinguished Senator from Massachusetts concedes protection. Our difference would seem to be as to rates; wherefore, as I ventured to say the other day, I hoped to convince him that conditions were as we claimed, and that the rates we ask are the necessary rates. It is for that purpose that I am attempting here to establish without controversy the facts involved.

I have here quite a number of communications from other organizations in California—clearing houses, boards of trade, associations of farmers, and so forth. I wish to call particular attention to an editorial which appeared in the San Francisco Chronicle, a great newspaper, a great protective-tariff newspaper, owned and published by Hon. M. H. de Young. Mr. John P. Young, author of works on political economy, was managing editor of that great paper for many years, and I think it is largely due to the advocacy of protection by the San Francisco Chronicle that California is a thorough protective-tariff State. I ask that this editorial be incorporated in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE DUTY ON ALMONDS—5 CENTS A POUND AND 15 CENTS ON SHELLED IS ACTUALLY NEEDED.

In the tariff bill as passed by the House of Representatives the duty on almonds stands at 4 cents a pound on the natural nuts and 12 cents a pound on the shelled product. It requires 3 pounds of the natural nut to get 1 pound of shelled almonds.

The shelled product is the main product. There is a rather lively sale of the unshelled almonds at the holiday season, but 90 per cent of the crop is shelled and sold to the confectionery and other trades using them.

The principal trade being in shelled almonds, that is the principal duty to be considered, and 12 cents a pound is not a sufficient duty.

At the present time there are very large stocks of imported shelled almonds, which have been rushed in under the advantage of the present exchange rates and which are offered at rates which are ruinous to California growers, who have an actual investment of between $60,000,000 and $70,000,000 in orchards and plants for carrying on this industry. The almond growers have a strong association, excellently managed, which never speculates with its members' crops. It always sets reasonable prices acceptable to the trade and moves its crop promptly.

But as conditions are now it can not compete with the combination of importers who bring over the cheap products bought with money of trifling value at home, which they sell at gold value in this country and get rich.

Our almond growers need and must have a duty of 5 cents on unshelled almonds and 15 cents on the shelled product.

Mr SHORTIDGE. I have here an editorial which appeared in another great California newspaper, the San Francisco Examiner. It is entitled "Almond men need tariff" and sets forth the conditions prevailing in California. I also have an editorial from the San Francisco Call and Post, a very extensively circulated evening newspaper, the editorial being upon the same subject and corroborating and fortifying what I have ventured to state and what all these various telegrams have made known to us. I ask that they may be printed in the RECORD without reading.

The PRESIDING OFFICER. Without objection it is so ordered.

The editorials referred to are as follows:

[From the San Francisco Examiner].

ALMOND MEN NEED TARIFF.

California almond growers are in danger, their orchards menaced by a sinister and greedy force that would destroy a State industry with an investment of $50,000,000. A blight, as destructive to the welfare of the 100,000 acres of almond groves as would be an insect pest, is facing the California almond men in Washington.

The situation is this:

The Fordney tariff bill, now before the United States Senate, sets an impost of 4 cents a pound on unshelled almonds and of 12 cents a pound on shelled almonds.

Under California farming conditions such a tariff does not protect the almond crop of this State against foreign-grown almonds, which come chiefly from Spain into the eastern market. A tariff of 5 cents a pound on unshelled and 15 cents a pound on shelled almonds is essential to save the California growers. Anything less—that is, the proposed Fordney tariff of 4 and 12 cents—is below the margin of protection for these orchardists.

The California Senators, JOHNSON and SHORTRIDGE, are prepared to put up their strongest fight to give the California growers the protection which is essential. Combating them is the rich lobby of eastern speculators and their allied interests who are determined the California growers shall be helpless before the importations from abroad. A great fund is said to have been raised by these speculators to defeat California's growers.

The proposed and essential duty of 5 and 15 cents a pound on almonds does not mean that California almond growers will be able to monopolize the American market. Experience can dispute that claim. But it means that California growers, after having paid the high farm wages current in this State and the freight rates from California to the eastern markets, will be able to put their product on the eastern markets on a parity with the imported nut.

The tariffs of 5 and 15 cents a pound simply represent the difference in the standard of living between California and south European farming communities.

California interests, California citizens, must support Senator JOHNSON and Senator SHORTRIDGE in the fight they are making to save the California almond orchards.

The speculators' lobby may be large and resourceful and rich, but it can not have the power behind it that California can wield if it is united.

California industries, particularly the farming groups, know they must stand together against any invasion of their property. They must unite behind the almond growers in this fight to save the orchards.

The California Senators must be able to show this is not a fight of one group of orchardists, but a State movement to protect a developing industry, to maintain American living conditions in the orchards, and to give these California growers a chance to improve their product, to the end of making the almond cheaper and more common for the American consumer.

The tariff will not raise the price of almonds in America. It will take the market out of the hands of speculators who consider only manipulation that will bring them the most profit.

—

[From the San Francisco Call and Post.]

SAVE THE ALMOND INDUSTRY.

The House of Representatives seemed to think that when the California almond growers requested a tariff of 5 cents a pound on unshelled almonds and 15 cents a pound on the shelled they didn't mean what they said. They acted as if they thought California was haggling for a profit—asking for a high tariff in the expectation of receiving a slightly lower one.

But that isn't the case. The California almond industry depends absolutely for its existence on the tariff that the growers request. They asked for a 5–15 tariff because they had to have it to save them from the cheap-labor, cheap-transportation competition of European almond growers. And without that tariff they will lose the battle and California will lose an industry in which $65,000,000 is invested.

The old tariff on almonds was 4 cents on the unshelled and 8 cents on the shelled. The House of Representatives amended the bill to raise the tariff on the shelled from 8 to 12 cents, but left the tariff on the unshelled unchanged. It paid no attention to California's pleading for tariffs of 5 and 15 cents.

But California must have this protective tariff. Three thousand tons of almonds from the 1919 and 1920 crops are still unsold, and one of the heaviest crops in history is now ripening. If there is no protection from the annual flood of European almonds and if the Senate does not amend the bill properly, 100,000 California acres will be ironically unproductive.

Mr. T. C. Tucker, representative of the California almond growers, wires from Washington that a tremendous combination of important speculators and allied interests are lobbying against California's interests in behalf of European growers. If they succeed a California industry goes into bankruptcy. California must have that tariff.

Mr. SHORTRIDGE. I have certain individual letters, some brief, some a little elaborate, but all coming from men or women actively engaged in this languishing and threatened industry. They are respectful in tone, they are earnest, and many of them are tearful. I ask that they may appear in the RECORD also.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letters referred to are as follows:

BANNING, CALIF., *August 4, 1921.*

Senator SAMUEL M. SHORTRIDGE,
Washington, D. C.

DEAR SENATOR: We have elected you to the Senate to secure for us a tariff which would be a protective tariff in every sense and form. Please do not disappoint us. Do not allow anything less than 5 and 15 cents on almonds to pass. We should have 7 and 21 cents to stop the stump puller, which has already started in Banning almonds, and to make almonds pay somewhere near what other fruits are paying in this locality. Very few, if any, people have their harvesting expenses paid out of last year's crop. Please do not stand for the importers in New York State to ruin the resources of California. I remain,

Yours truly, L. W. WILLMAN.

SACRAMENTO, CALIF., *August 2, 1921.*

Senator SAMUEL M. SHORTRIDGE,
Washington, D. C.

MY DEAR SENATOR: The members of the Senate Finance Committee hold the salvation of the almond growers of America in their hands, and as one of the 4,000 growers of California I want to appeal to you to assist in securing adequate tariff protection.

I urge that you use every effort in your power to the end that a 5-cent-a-pound tariff be placed on unshelled almonds and 15 cents a pound on shelled almonds. This represents the minimum under which the almond growers can compete with the growers of the Mediterranean States. The unbalanced competition which exists to-day has made it impossible for the entire amount of the 1920 crop to be marketed, while there is also some of the 1919 product remaining unsold in the California warehouses. The situation is critical, and unless the growers receive immediate protection to the end that they may be able to market the crop which is now in the warehouses the $50,000,000 investment in orchards in California will have to be abandoned.

Again I appeal to you to use your utmost efforts to have the 5 and 15 cent rate made a part of the tariff measure which is now before the committee.

Yours very truly, JOHN DONAHUE.

—

FAIR OAKS, CALIF., *August 1, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Capitol Building, Washington, D. C.

MY DEAR SENATOR: As one of the 4,000 almond growers of California, I feel that the members of the Senate Finance Committee hold the last hope for saving the California almond industry by adequate tariff protection.

Knowing that every Californian will appreciate it, I am asking you to use your utmost influence to get at least a 5-cent tariff on unshelled almonds and a 15-cent tariff on shelled almonds, which represents the minimum under which we can operate and live. We could not sell all of our crop of 1919 and have yet unsold approximately 10 per cent, and of the crop of 1920 we have on hand nearly 40 per cent, having received only 10 cents per pound for 30 per cent of the 1920 crop and 7 cents per pound on the balance, which does not pay for harvesting to-day, to say nothing of other costs of production.

I am, like yourself, all for America, and ask nothing beyond a fair return for my efforts. It is my opinion that the California almond grower can not continue under present conditions.

Respectfully yours,

HARRY DEWEY.

—

MINNEAPOLIS, MINN., *August 2, 1921.*

United States Senator SAMUEL M. SHORTRIDGE,
Washington, D. C.:

We have almond orchard of 208 acres in Merced County, Calif., and unless a tariff of 5 cents per pound on unshelled and 15 cents on shelled it will be impossible to compete with imported product with labor at 50 cents per day. We can't more than break even with cost of land, plus high-priced labor for intensive cultivation, spraying, pruning, irrigation, gathering, marketing, and taxes are not figuring. Interest on the investment and the upkeep alone amounts to $5,500 per year. Have to operate two tractors, which requires efficient mechanics. Can't continue this outlay, and must ask you to conscientiously recommend this protection. Thank you.

J. & W. C. SHULL.

—

GRIDLEY, CALIF., *August 1, 1921.*

Senator SAMUEL SHORTRIDGE,
Senate Office Building, Washington, D. C.:

You are doing a noble work for us almond growers, and I am sure you will continue to let me impress on you that we must have 5 and 15 cent tariff to continue, as we only received 10 cents for our almonds last year. Your effort before the Finance Committee will be appreciated.

W. E. SIMPSON.

—

SAN FRANCISCO, CALIF., *July 30, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.:

Have been selling California almonds in the shell in the San Francisco market for the past 12 years. Have been urging growers to shell almonds, since demand is mostly for shelled almonds. Growers gave me opportunity this year to sell few shelled almonds, and I found that the price on imported article was depressed to such an extent that shelled almonds would have to be sold here approximately at value of certain grades of almonds in the shell, and that California growers could not shell in face of this competition. Shelled almonds were brought into San Francisco this year and sold at extremely low prices. Understand that many of inferior imported shelled almonds were mixed with the higher grades of California, and this mixture sold to trade. I am absolutely convinced as a broker in almonds that the future of industry in America depends wholly upon proper protective tariff.

WM. G. GOLDBERG.

—

SAN FRANCISCO, CALIF., *July 27, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.:

California almond industry earnestly appeals to you for much-needed assistance. House tariff ratio 3 to 1. Recommended base of 4 cents too low; 5–15 minimum duty that should be considered. Underwood tariff putting us down and out, and is a losing game for our Government. Present contest actually between importers of pauper-labor products and California producers.

GEO. W. PIERCE, *311 California Street.*

—

LOS ANGELES, CALIF., *July 26, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Washington, D. C.:

In the interest of the American almond industry we seriously urge you to use all your influence to get a tariff rate which will fully protect this industry. It is of vital importance that we get a 5-cent duty on almonds in the shell and 15 cents on shelled almonds.

RIVERS BROS. CO. (INC.).

SAN FRANCISCO, CALIF., *July 25, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Washington, D. C.:

In view of the fact that despite the return of last year's almond crop failing to realize cost of harvest, there still remains unsold some 3,000 tons of 1919 and 1920 almond crops. It seems imperative, in order to save this important industry of California, that the 5 and 15 cents a pound duties on unshelled and shelled almonds should prevail. You will render California an invaluable service if you can secure these protective tariffs through and with the aid of the Senate committee. I bespeak for such efforts your usual earnest activity and your influential aid in this grave situation, affecting as it does the welfare of the State and the economic life of thousands of its farm producers.

HARRIS WEINSTOCK.

—

NEWCASTLE, CALIF., *July 25, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
United States Senator, Washington, D. C.

DEAR SIR: I am addressing you on behalf of the almond industry in California. The past three years, the average annual production of almonds in California totaled a valuation of approximately $3,500,000 to $4,000,000. On account of the heavy importation of the foreign shelled almond in the past year the present values of the California product have been depreciated approximately 40 to 50 per cent.

With 3,000 tons of last year's crop unsold in the warehouses, the probability is that this year's increased tonnage of the California product will be marketed at a total income of less than one-half of the past three years' income from this product—a basis of valuation that not alone seriously jeopardize the producer but eventually means bankruptcy.

The almond-growing industry in California is in its infancy. The number of trees planted the past five years is three times the number of almond trees that five years ago were in orchard. In one district alone, in San Luis Obispo County, there were more nonbearing almond trees planted within the last four years than the entire bearing acreage of the State preceding that period.

In the almond-growing districts of such counties as San Luis Obispo, Monterey, some of the southern counties, both the west and east side bench lands of the Sacramento, and San Joaquin Valleys there are many tens of thousands of acres of land adapted to the production of almonds that can not be equally profitably employed in the production of any other crop.

This industry having averaged an income to the State, in its infancy, of approximately $4,000,000 annually, which, with the trees now planted, will within the next five years be increased threefold, with unlimited potential possibilities for future development, to a degree that will enable California to supply the entire United States with this splendid nut food—this industry is now being seriously injured by the importation of foreign shelled almonds, grown under present European conditions and standards of life, and, under the proposed 4-cent rate for unshelled almonds and 12-cent rate for shelled almonds, will not be adequately protected.

This industry in the present situation is seriously jeopardized; yet, under a protective tariff of 15 cents for shelled and 5 cents for unshelled almonds, sufficient to offset the difference between European standards of life and labor and American, with this adequate protection, this industry can be made to grow and prosper to a degree that will not alone be an asset to the State but to the Nation.

The demand for a tariff of 15 cents on the shelled and 5 cents on the unshelled nut on the part of the almond industry is conservative and absolutely necessary to its continued life and growth, and to that extent, as a fruit grower, fruit shipper, and nurseryman, and one largely interested in the horticultural interests of the State, I bespeak your hearty support of this contention of the industry.

Very truly yours,

J. E. BERGTHOLDT.

—

CHICAGO, *July 24, 1921.*

Hon. SAMUEL SHORTRIDGE,
United States Senator, Washington, D. C.

MY DEAR SENATOR: I am endeavoring through this communication to approach you on the subject of the duty on imported almonds, particularly the shelled ones.

You may remember me and you may not. I performed on the ball fields of California for a great many years in the late eighties and early nineties and I make my home during the winter in Oakland. Many a day in the days gone by I have parked with your brother at the lunch table and listened to his vocabulary, which you no doubt know was quite extensive.

For the past three years I have been coming East earning my living here, and the money that I have been able to get ahead I have been putting into 240 acres of almond land. Now, when that land is about to give me its first production, which will be very slight, it is no more than natural for me to look for protection from you and other representatives of California in our Halls at Washington.

From the information that I picked up last winter during my stay in Oakland and what I have learned during the summer out here it seems as if it is absolutely imperative that we should be protected with a 15-cent duty on shelled almonds coming from the cheap labor centers of Europe. Most likely you have been approached by men a great deal higher advanced in financial technic of what is necessary for the protection of the California almond growers, but I thought that it would not be of any harm for me to add my mite to the others, who, like myself, are interested in the development of California.

Thanking you very kindly for any attention that you might show this communication, and maybe some day I might run across you on the shores of the golden State, I beg to remain, as ever,

Sincerely yours,

W. L. O'NEILL.

—

MERCHANTS' NATIONAL BANK OF SAN FRANCISCO,
San Francisco, July 22, 1921.

Hon. SAMUEL M. SHORTRIDGE,
Senator from California, Washington, D. C.

MY DEAR SENATOR: I have pleasure in acknowledging your letter of the 14th instant, and note with satisfaction that you will offer and support an amendment to the tariff bill giving 5 and 15 cents, respectively, on unshelled and shelled almonds.

This is most encouraging news and will be thoroughly appreciated by the large army of almond growers in this State. Our delegation in Congress from this State has cooperated most heartily in this matter, and we feel a full sense of gratitude to them.

Faithfully yours,

W. T. SUMMERS, *President.*

—

LOS ANGELES, CALIF., *July 21, 1921.*

Senator SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.:

My life's savings invested in almond orchard. Last year and part of previous crops still unsold. Imperative we have tariff of 5 cents on unshelled and 15 on shelled almonds to save us from utter ruin. Lowest possible rate under which we can exist. Use every effort to have the above tariff passed; also do all you can for walnut growers.

J. E. PETZ.

—

LOS ANGELES, CALIF., *July 21, 1921.*

Hon. SAMUEL SHORTRIDGE,
United States Senate, Washington, D. C.:

Almond industry of California seriously threatened unless relief is forthcoming. Strongly urge your good offices in supporting the almond men in the increased tariff asked.

TOM A. NERNEY,
San Francisco.

—

LOS ANGELES, CALIF., *July 20, 1921.*

To the honorable the SENATOR FROM CALIFORNIA,
Washington, D. C.

SIR: As an owner of an almond orchard in the State of California I would respectfully request that you use your utmost influence in behalf of the almond industry of the State toward the passage of a bill which will give the protection requested by the California almond growers and necessary to save the said industry; namely, a tariff of 15 cents a pound on shelled and 5 cents per pound on unshelled nuts.

Although not financially interested, I would also urge proper protection for the walnut industry.

Thanking you for your efforts,

Yours respectfully,

C. P. OPPERMAN,
Post Office Box No. 978.

—

LOS ANGELES, CALIF., *July 20, 1921.*

Mr. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

DEAR SIR: Being interested in almond growing in California, would like to see you give the bill for 5 and 15 cents tariff on almonds due consideration.

Yours truly,

MATT POLL,
415 South Gates Street, Los Angeles, Calif.

—

SACRAMENTO, CALIF., *July 20, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
United States Senator, Washington, D. C.

DEAR SENATOR: The people of this district are very vitally interested in a tariff of at least 5 cents on unshelled almonds and at least 15 cents on shelled almonds, and would greatly appreciate every effort you can make to secure a tariff to this effect.

Very truly yours,

ROBERT A. WARING.

—

THE CARMICHAEL CO.,
Sacramento, Calif., July 18, 1921.

The Hon. SAMUEL M. SHORTRIDGE,
United States Senator, Washington, D. C.

HONORABLE SIR: I am the owner of 100 acres of almonds, and it is important first to myself and secondly to the other hundreds of almond owners in California, practically the only place in the United States that almonds can be successfully grown, to have a tariff of at least 5 cents on unshelled almonds and 15 cents on shelled almonds.

Without this we can not compete with our eastern competitors; and I earnestly ask, not alone for myself but the other farmers in our State, that you give this matter your attention to see that we have the protection we are entitled to.

Thanking you, I am

Respectfully yours,

R. J. MORRISSEY.

—

SACRAMENTO, CALIF., *July 14, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
United States Senate, Washington, D. C.

DEAR SENATOR: In the behalf of an industry in which our State, as you well know, is greatly interested, we respectfully ask that you use your best efforts toward having the tariff on almonds increased to 5 and 15 cents per pound, respectively.

The differential between the shelled and unshelled nut as fixed by the Ways and Means Committee is not great enough, figuring on the result after the nut is taken from the shell. A ratio of at least 3 to 1 should be the basis to work upon in naming the duty.

Your cooperation will be very much appreciated and remembered by,

Yours respectfully,

ENNIS-BROWN CO.

—

SAN FRANCISCO, *July 14, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Washington, D. C.

HONORABLE SIR: We would like to call your attention to the fact that California needs protection in the almond industry. There is probably over $50,000,000 invested in this industry, and it is quite necessary at this time to have a protective tariff on almonds.

It is recommended that a tariff of 5 cents per pound on not shelled almonds and 15 cents per pound on shelled almonds be put into effect. We believe it is justifiable to increase the tariff three times as much on shelled almonds, as they are being largely imported.

We sincerely trust that you will give this matter your due consideration, and we assure you that your efforts will certainly be appreciated.

Yours very truly,

JACOBS, MALCOLM & BURTT,
A. P. JACOBS.

BUFFALO, N. Y., *July 14, 1921.*

Hon. SAMUEL M. SHORTRIDGE.

DEAR SIR: I take this liberty of writing to you in regard to that section of the Fordney tariff bill pertaining to the almond industry of this country. I therefore ask that you do all within your power to have a fair and just tariff placed upon shelled and unshelled almonds, so that the grower may receive a just and fair return upon their investment and labor, so that the American grower can live and raise their families as true and loyal Americans should live and be educated.

I earnestly believe that in order to save the almond industry of California that there should be a tariff of 5 cents a pound on unshelled and 15 cents a pound on shelled almonds, which would not in any way place an additional cost per pound to the consumer.

Hoping that you will do all within your power to have this just and reasonable tariff placed upon imported almonds, and thanking you for the same,

I remain, yours,

R. J. MILLS,
315 Riley Street, Buffalo, N. Y.

WINTERS, CALIF., *July 13, 1921.*

SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.:

Ask your best consideration increase tariff shelled almonds. Growers desperate.

E. C. SNAVELY.

SAN FRANCISCO, CALIF., *July 13, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.:

Have been selling California almonds in the shell in the San Francisco market for the past 12 years. Have been urging growers to shell almonds, since demand is mostly for shelled almonds. Growers gave me opportunity this year to sell few shelled almonds, and I found that the price on imported article was depressed to such an extent that shelled almonds would have to be sold here approximately at value of certain grades of almonds in the shell, and that California growers could not shell in face of this competition. Shelled almonds from Europe were brought into San Francisco this year and sold at extremely low prices. Understand that many of inferior imported shelled almonds were mixed with the higher grades of California and this mixture sold to trade. I am absolutely convinced as a broker in almonds that the future of industry in America depends wholly upon proper protective tariff.

WM. G. GOLDBERG.

MARSHUTZ OPTICAL CO.,
Los Angeles, July 12, 1921.

Hon. SAMUEL M. SHORTRIDGE,
United States Senator, Senate Office Building,
Washington, D. C.

HONORABLE SIR: I am interested in the almond industry of California. I have about $25,000 invested in an orchard near Paso Robles. Owing to the strong European competition, particularly on shelled almonds, the growers have made a failure of that industry so far, because the cost of the production is greater than the earnings of the almonds at the price at which both unshelled and shelled almonds had to be sold to compete with the imported article.

To save the almond industry in this State, in which $50,000,000 have been invested, it is absolutely necessary that the new tariff will provide 5 cents a pound on imported not shelled almonds and 15 cents per pound on imported shelled almonds. European almonds shell at the ratio of four to one, and California almonds at the ratio of three to one, which means, of course, that it will take three pounds of California almonds in the shell to produce one pound of unshelled almonds. Therefore I strongly believe that almond growers are justified and entitled to a tariff protection on shelled almonds at least three times as great as the almonds which are not shelled. Inasmuch as the shelled almonds represent 80 per cent of the consumption of the almonds in the United States, the California almond industry would disintegrate if Congress would not protect us at the ratio of three to one, as above outlined for shelled almonds, making the basic rate of 5 cents per pound on almonds not shelled and 15 cents per pound on shelled almonds.

I believe it has been the policy of the United States Government to protect the farmers and ranchers to the fullest extent against foreign competition, and while an increase in tariff increases the cost of our products to the people, is that increase on the other hand not returned to the people by the higher wages which we are paying in California for farm labor and all other work required in connection with the tilling of the soil?

I hope that you will see fit to use your great and good influence in behalf of this important industry and demand a tariff of 5 cents per pound on almonds not shelled and 15 cents per pound on almonds shelled.

I am a resident of California for 40 years, and of Los Angeles 34 years. I would appreciate and thank you for a reply to this letter in which you would tell me your position in this matter.

Yours respectfully,

S. G. MARSHUTZ.

LIVE OAK, CALIF., *July 12, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Washington, D. C.

DEAR MR. SHORTRIDGE: As an almond grower of California I wish to call your attention to the extreme need of your help to save the almond industry of this State.

Some 5,000 families depend on this alone for a living, and have millions of dollars invested. We only ask for a fair return, and can get this only from a tariff of at least 5 cents per pound on not shelled and 15 cents on shelled.

We have faith in our representatives in Congress, and am sure that they will realize that this industry should be saved.

Thanking you for past favors.

W. E. MCMURTRY.

BANNING, CALIF., *July 12, 1921.*

Hon. SAMUEL M. SHORTRIDGE.

DEAR SIR: Please use your influence to secure for us a tariff of 5 cents on the pound for almonds in the shell and 15 cents on the pound for shelled almonds. We do not ask freedom from competition, but competition on a fair basis with European almonds. We can not duplicate European labor conditions, and the industry will die unless protected.

Yours truly,

CARRIE W. EGAN.

LOWER LAKE, CALIF., *July 12, 1921.*

Senator SAM SHORTRIDGE,
Washington, D. C.

HONORABLE SENATOR: Considering it to be your duty to protect the almond industry of California, I kindly beg of you to help the almond growers of this State in getting the tariff of at least 5 cents on unshelled and a 15-cent tariff on shelled almonds.

This is an urgent request of an almond grower.

Respectfully your grateful

L. E. BETZ,
Orchardist, Lower Lake, Calif., Box 134.

SAN FRANCISCO, CALIF., *July 12, 1921.*

SAM SHORTRIDGE, Senator,
Senate Office Building, Washington, D. C.:

To prevent the uprooting of our trees and to save the industry from complete ruin it will be necessary to have a tariff of 5 cents a pound on almonds in the shell and 15 cents on shelled almonds. Our demands are just. From grower and constituent.

F. M. METZGAR.

ANTIOCH, CALIF., *July 12, 1921.*

SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.:

Whereas under present conditions high cost of labor, heavy transportation charges, and low tariff prevailing on almonds California almond growers will be forced to dig up their almond orchards, being unable to compete with foreign-grown almonds grown under cheap labor and un-American conditions. This would mean a loss of millions of dollars to the almond growers of California; therefore the directors of the Eastern Contra Costa Almond Growers' Association ask that you work for the passage of a tariff on almonds of 5 cents in the shell and 15 cents on shelled almonds, therefore saving for us our homes and business.

MRS. NELLIE PARCHINI.
MRS. J. B. BLISS.
S. B. L. NORCROSS.
B. B. HORR.
A. W. BIELOW.
W. J. O'HARA.
JOHN TREMBATH, *Secretary.*

PASADENA, CALIF., *July 12, 1921.*

SAMUEL M. SHORTRIDGE.
Senate Office Building, Washington, D. C.:

California wants and should have at least 5-cent tariff on unshelled almonds and 15 cents tariff on the shelled product. We own 40 acres of bearing almonds at Paso Robles. Do all possible to accomplish same.

Yours truly,

L. S. AND R. H. FEY.

DURHAM, CALIF., *July 12, 1921.*

Senator SAMUEL M. SHORTRIDGE,
Washington, D. C.

DEAR SIR: I write to ask you to urge that the tariff on almonds be increased to at least 5 cents per pound on almonds in the shell and 15 cents per pound on shelled almonds.

The future of our almond industry in California depends upon such aid, and I thank you for your efforts to assist us.

Very truly yours,

ANNETTA WELDIN.

DURHAM, CALIF., *July 11, 1921.*

Senator S. M. SHORTRIDGE.

DEAR SIR: I own a 140-acre almond orchard at Durham, Calif. It has cost 12 years' time and expense to bring it to full bearing, and is practically valueless without a protective tariff.

In particular, we require a duty of 15 cents on shelled almonds.

It would be quite unnecessary to repeat all the arguments, as you must be familiar with them. I will merely make an earnest appeal for myself and neighbors.

Very respectfully,

C. M. WINGATE.

MARYSVILLE, CALIF., *July 12, 1921.*

Hon. SAMUEL SHORTRIDGE,
Washington, D. C.:

Properly safeguarded we can supply United States with almonds, thereby keeping American dollars in America. Difference in standards of living compared to foreigners cost us more to produce and to harvest almonds. We need a higher protective tariff.

LLOYD C. HOENIG,
Sutter, Calif.

SACRAMENTO, CALIF., *July 12, 1921.*

Senator SAM. M. SHORTRIDGE,
Washington, D. C.:

As an almond grower in Orland, Calif., I am looking to you for protection against European almonds that are being shipped into United States by a just tariff of 5 cents on unshelled and 15 cents on shelled almonds per pound.

A. I. ELLIS.
534 Battery Street, San Francisco, Calif.

LODI, CALIF., *July 12, 1921.*

SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.:

If the recommendation of Ways and Means Committee of 4 cents tariff on unshelled almonds and 8 cents on shelled almonds should be passed, our almond industry in California will be ruined. We must have tariff of 5 cents on unshelled and 15 cents on shelled almonds to enable us to compete against European imports. All California growers are looking to you to save our industry from ruination.

LEWIS WALKER.

1221 MARENGO AVENUE, SOUTH PASADENA.

Senator SAMUEL SHORTRIDGE,
Washington, D. C.

HONORABLE SIR: California depends on you to support a tariff of 5 cents on unshelled almonds and 15 cents tariff on the shelled product.

This is very important, as to many of us it means our all—our means of support. We have not yet sold all of our last year's crop for lack of a tariff that will enable us to compete with the Spanish product.

Kindly give this your most serious consideration and give your best endeavor to save the almond product to this State and the means of livelihood to hundreds of orchardists who have this as the only means of support.

My almond orchard is in Chico, Butte County.

Very truly yours,
J. H. SWANN.

—

CHICO, CALIF., *July 11, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

DEAR SIR: We beg Congress to not place less than 5 cents on almonds not shelled and 15 cents on almonds shelled. Unless there is a readjustment immediately we growers will not make expenses this season. A tariff on almonds in no way affects the living standards of the poor. For future prosperity do what you can in justice for the producer.

Yours truly,
H. C. COMPTON.

—

WINTERS, CALIF., *July 11, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.:

Please use utmost influence to increase tariff on shelled almonds. Growers desperate.

GEORGE H. CALDWELL.

—

GILROY, CALIF., *July 11, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.:

Unless we get a readjustment of tariff on shelled almonds of at least 3 to 1 of unshelled it will mean the deterioration of the almond industry of California. Our only future market is for shelled almonds. This situation is serious. I am an almond grower of California and appeal to you to lend your aid to adjust this tariff.

W. L. COTTMIRE.

—

ROSEVILLE, CALIF., *July 11, 1921.*

Senator SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

DEAR SIR: This note is sent you hoping that it will help California get at least a 5-cent tariff on the unshelled almonds and a 15-cent tariff on the shelled almonds.

Thanking you and hoping you will use your efforts to help the almond growers, I remain,

Yours truly,
J. V. MACIEL,
Almond Grower.

—

VALLEY HOME, *July 11, 1921.*

Hon. SAMUEL SHORTRIDGE.

DEAR SIR: As an almond grower of California it is my duty to ask of you and your colleagues to get a tariff of 5 cents per pound on unshelled almonds and 15 cents on shelled almonds. If we do not get this tariff, the almond industry in this country is doomed.

We appreciate what you have done for the farmers in the past, and trust to you to use your influence now on a higher almond tariff. Thanking you,

Yours very truly,
HERBERT KLEENE,
Valley Home, Calif.

—

SPENCERVILLE, CALIF., *July 11, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Washington, D. C.

DEAR SIR: I earnestly request that you do your utmost to have the tariff placed on unshelled at least at 5 cents per pound and on shelled almonds at 15 cents per pound.

To pay the prices asked for manufactured articles, especially farming implements, the farmer must be as fully protected as the manufacturer.

Myself and family can not compete with the pauper labor of Europe and live like an American.

The farmer has always stood by the Government and should be treated fairly.

Again asking you to do your utmost,

I am, very truly, yours,
J. H. EICKHOFF.

—

LE GRAND, CALIF., *July 11, 1921.*

Hon. SENATOR SAMUEL M. SHORTRIDGE.

DEAR SIR: Would greatly appreciate your help toward the levying of a tariff on shelled of 15 cents and unshelled 5 cents in order that we growers make a success of the almond industry.

Thanking you for the best help you can give.

Truly yours,
J. SOUTHWARD.

—

GEORGE H. HOYT CO.,
Berkeley, Calif., July 11, 1921.

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

DEAR SIR: I am an almond grower and a member of the California Almond Growers' Exchange. I have made considerable study of the almond situation and am absolutely convinced that the position taken by our exchange is sound. The full tariff on the shelled almonds is vital for the life of this industry, as only a small percentage of almonds can be sold in the shell. Your efforts in behalf of the almond growers of California will be greatly appreciated by the undersigned.

Very truly yours,
GEORGE H. HOYT.

SAN FRANCISCO, *July 11, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

FRIEND SAM: Of course, I appreciate you know all about conditions, but write you nevertheless.

Want higher tariff on shelled and unshelled almonds. Can not pay American wages and compete with Europe. Have not cultivated my 5-acre Guinda, Yolo County, place this year. Cost of production too great.

Respectfully,
J. W. HUDSON,
159 Sutter Street.

—

TEMPLETON, CALIF., *July 11, 1921.*

Mr. SAMUEL M. SHORTRIDGE,
Washington, D. C.:

I am appealing to you to save the almond industry of California and our homes. In order to do so we must have a duty on foreign almonds of at least 5 cents a pound on almonds in the shell and 15 cents a pound on meats. We hope you will see that it is right and just that we should have it, and that you will help us in this matter. Thanking you, I remain,

Respectfully yours,
C. J. LAMB,
An Almond Grower.

—

CORNING, CALIF., *July 11, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Washington, D. C.

DEAR SIR: I am an almond grower at this place, and if we do not get a tariff on unshelled almonds of 5 cents and 15 cents on shelled almonds it looks to me that the almond industry is doomed; and you know very well yourself what that means to us growers in California.

Sincerely,
H. E. HORTING.

—

GRIDLEY, CALIF., *July 11, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Washington, D. C.

DEAR SIR: May I as an almond grower ask you as a Senator from this State to use your best endeavor to secure a tariff of 5 cents on unshelled and 15 cents on shelled almonds. I am sure this is not asking anything unreasonable. And I am sure you are quite well informed on the situation as it now exists as to the almond industry in California.

Thanking you in advance, I remain,

Yours truly,
W. E. SIMPSON.

—

TEMPLETON, SAN LUIS OBISPO COUNTY, CALIF., *July 10, 1921.*

Senators H. W. JOHNSON and S. M. SHORTRIDGE.

DEAR SIRS: California wants at least a 5-cent tariff on unshelled almonds and a 15-cent tariff on the shelled product.

Yours faithfully,
B. W. CORDEAL.

—

BANNING, CALIF., *July 10, 1921.*

Senator SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.:

Please use all your influence to secure 5-cent tariff on unshelled and 15 cents on shelled almonds. Tariff recommended by Ways and Means Committee of 8 cents on shelled almonds is pitifully inadequate and spells bankruptcy for every almond grower of California. Must have 15 cents tariff on shelled almonds to compete with Italy and Spain.

JOHN GREPPLIER.

—

SAN JOSE, CALIF., *July 10, 1921.*

SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

DEAR SIR: We the undersigned citizens and almond growers of California respectfully request that you use your influence toward the passage of the tariff on almonds as set forth by the California Almond Growers' Exchange, to wit, 5 cents per pound on unshelled and 15 cents per pound on shelled almonds.

Yours respectfully,
B. S. KEATON,
T. C. KEATON,
C. L. KEATON,
H. V. KEATON,
R. T. KEATON,
E. M. KEATON.

—

MARYSVILLE, CALIF., *July 10, 1921.*

Hon. SAMUEL SHORTRIDGE,
Washington, D. C.:

Owing to high prices of almond land, time required to raise orchards to commercial age, and high cost of harvesting and uncertainty of crop, excessive freight rate, large tonnage of unsold crop, financial distress of almond growers, we need tariff on almonds 5 cents on unshelled, 15 cents shelled nuts per pound.

S. W. MUDGETT.

—

GLENDALE, CALIF., *July 10, 1921.*

Hon. SAMUEL SHORTRIDGE,
Senate Office Building, Washington, D. C.:

California almond growers must have a tariff of 5 and 15 cents or stand another loss of thousands of dollars on crops and much more on acreage. We look to the California delegation to go to the bat for us.

RALPH W. BROWN.

—

MANTECA, CALIF., *July 10, 1921.*

Senator SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

DEAR SIR: We beg respectfully to call your attention to the fact that as growers of almonds in California we need and earnestly desire a tariff that will save our industry from ruin by competition of the imports from the Mediterranean countries.

A tariff of 5 cents on unshelled almonds and 15 cents on shelled almonds is the least that would be considered at all adequate.

Very truly,
A. E. LACY,
R. F. D. Box 200.

ORLAND, CALIF., *July 10, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

DEAR SIR: As an almond grower I appeal to you to use your best efforts toward securing an adequate tariff on almonds and save the industry in California. The tariff as recommended by the Ways and Means Committee will not do this, and anything less than the tariff as sought by the California Almond Growers' Exchange will not let us operate at a profit.

Very truly yours,

C. E. CHRISTLEY.

LODI, CALIF., *July 9, 1921.*

Senator SAMUEL SHORTRIDGE.

DEAR SIR: We are asking you to help to protect the almond industry of our State. We want your aid in placing a tariff of 5 cents on almonds not shelled and 15 cents on shelled almonds.

Yours respectfully,

J. H. TECKLENBURG,
H. TECKLENBURG, Sr.,
Almond Growers.

MARYSVILLE, CALIF., *July 9, 1921.*

Senator SAMUEL SHORTRIDGE,
Washington, D. C.:

California wants at least a 5-cent tariff on unshelled almonds and a 15-cent tariff on the shelled product.

This means a great deal to the almond growers of California, if they stay in the business.

Yours truly,

GEO. M. GRAVES,
Owner Almond Orchard.

CORNING, *July 9, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

DEAR SIR: As we are trying to get part of our living raising almonds here in California, we request that the tariff on unshelled almonds be 5 cents per pound and 15 cents per pound on shelled almonds or meats. As the freight and taxes are so high, we don't like to work for nothing and board ourselves for the benefit of foreigners and middlemen. Hope you can get the tariff for us and help the growers of California.

Yours respectfully,

W. W. HANCHETT,
Member Tehama County Almond Growers.

CORNING, CALIF., *July 9, 1921*

SAMUEL M. SHORTRIDGE,
Washington, D. C.

DEAR SIR: I understand that the Ways and Means Committee have recommended to Congress a tariff on almonds not shelled of 4 cents, and on shelled almonds 8 cents per pound. We almond growers feel that this tariff would not give us sufficient protection. It ought to be at least 5 cents on almonds not shelled and 15 cents on shelled almonds per pound. We are asking this that we may be able to compete with the almond growers of foreign countries where labor may be secured much cheaper than here. Please do what you can for the almond growers of your State.

Yours truly,

WALTER G. MAYNARD.

SAN FRANCISCO, CALIF., *July 9, 1921.*

Hon. SAMUEL M. SHORTRIDGE.

DEAR SIR: Please help us. We must have a tariff on shelled almonds of 15 cents per pound—proposed 8 cents won't help.

European almonds shell out four to one; ours, three to one. We can't market our last year's crop and our almonds are better than the imported ones. I can't stand another year's loss and my savings of five years is gone unless you help by this tariff on shelled almonds of 15 cents pound.

Your friend always,

MRS. MARY M. JASON,
2806 Jackson Street.

Eighty per cent of the demand of the United States is for shelled almonds.

SAN FRANCISCO, CALIF., *July 9, 1921.*

Hon. SAMUEL M. SHORTRIDGE.

DEAR SIR: Please help us get a tariff of 15 cents on shelled almonds. Recommended 8 cents is far too low, as European almonds shell out four to one and ours three to one. Must have three times as great as on almonds in the shell, for shelled almonds represent 80 per cent of the demand of the United States.

This big California industry will be lost unless we get 15 cents on shelled almonds; your State that you have worked for heart and soul. We can depend on you to help us, I know.

Very truly yours,

THOM. DOWD,
33 Java Street.

NELSON REALTY CO.,
Arbuckle, Calif., July 9, 1921.

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

DEAR SIR: Eleven years ago it dawned on the people in this locality that they had an ideal condition for producing almonds. At that time about 150 acres were under production. Since then the planting of almonds has increased until we now have over 10,000 acres planted and under cultivation, with our territory about one-half covered.

About two years ago the almond growers began to realize that although they could produce almonds it was another thing to market them. This fact has been most forcibly brought home to them by there still remaining unsold a portion of their 1919 and 1920 crops, all the while a large amount of almonds are still pouring in from the southern European countries.

California looked upon the almond, 10 to 15 years ago, as a side issue with farmers, but in recent years districts which are favored with frost protection, which the almond as an early bloomer requires, have capitalized their asset by specializing on almonds until to-day the State of California, with a normal crop, will produce enough almonds to take care of the entire consumption of the United States.

This of course means that the industry has developed into one of immense magnitude. And now we are threatened with complete destruction unless, through your good offices and that of California's other honorable Members in the Congress, you can save us.

We feel that we should have a tariff of 5 cents on unshelled and 15 cents on shelled almonds. Our State Almond Growers' Exchange office has gone into this matter very thoroughly and has supplied you with all the data; therefore it is unnecessary to reiterate it here. But we do wish to impress upon you that these are serious times for us, and the destruction we see ahead of us causes us to burden you with our problems.

If you can succeed in securing us proper tariff protection, and we know you will if it is possible to do so, you will have earned your reward, and you will be blessed by 5,000 most serious and earnest almond producers of this State.

Very truly yours,

D. S. NELSON.

W. T. MCFIE SUPPLY CO.,
Arbuckle, Calif., July 9, 1921.

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

DEAR SIR: Your cooperation is requested in adjusting the present tariff on almonds, viz:

Five cents on almonds in the shell.

Fifteen cents on almond meats.

As one of the 5,000 almond growers in the State of California I must draw your attention to the hazardous condition which we find our industry in, as we are unable to participate in the almond-meat business due to vast importations of the south European almonds produced under cheap labor conditions.

California almonds shell out 3 to 1. Therefore the above ratio is necessary to secure at least a portion of the almond-meat business.

Thanking you in anticipation of your hearty support in our behalf, I am,

Very respectfully yours,

L. M. BLOOM.

ARBUCKLE, CALIF., *July 9, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

DEAR SIR: As one of the 5,000 almond growers of the State of California I respectfully request your cooperation and support in the matter of adjusting present tariff on almonds, viz:

Five cents on unshelled almonds.

Fifteen cents on almond meats.

The above ratio of 3 to 1 is necessary on account of California almonds shelling out 3 pounds of almonds in the shell to 1 pound of meats.

Statistics show that the almond growers of California are now producing enough almonds under normal crop conditions to supply the needs of the entire United States, and since the bulk of consumption consists of almond meats, and the same are now being imported into the United States from the southern European countries at such low prices that the California producers are unable to shell out their almonds to compete with these foreign meats, in consequence of which they still have a portion of their 1919 and 1920 crops on hand unsold, your hearty support in our behalf will help save an industry that represents many millions of dollars invested, not to mention the great amount of study, labor, and risk involved in bringing an almond orchard up to bearing age.

Thanking you in anticipation, I am,

Yours very respectfully,

J. M. DRACK.

PASO ROBLES, CALIF., *July 9, 1921.*

Senator SAMUEL M. SHORTRIDGE,
Washington, D. C.

DEAR SIR: In the proposed new tariff the committee has recommended to Congress a rate of 4 cents per pound on unshelled almonds and 8 cents on shelled. This is too low in the first case and no protection in the second, as it would amount to only 2⅔ cents on almonds. We should have 5 cents and 15 cents, respectively.

It takes 3 pounds of California almonds to shell out 1 pound, and 80 per cent of the consumption of almonds in the United States is of those shelled, so at the proposed 8 cents it would in reality be only 2⅔ cents per pound, which, when you consider our higher labor charge, our more sanitary handling, and higher shipping charge, it amounts to so little that we can not live under this low rate.

The rate should be 5 and 15, respectively, but I urge you to do your best to get it, but, if impossible, stick until the last ditch for 12 cents, or at the consistent rate of 3 to 1.

Yours truly,

W. J. STONE.

OAKLEY, CALIF., *July 9, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

DEAR SIR: As an almond grower of California I most emphatically urge that you give your support to the increase of the tariff on almonds to at least 5 cents on the unshelled and 15 cents on the shelled product, for without such a tariff our orchards, which we have spent years in developing, are practically doomed in competition with the European almonds. I do not think that any right-minded American citizen, if he knew the facts, would desire that our splendid almond industry, with its superior product, should be allowed to wither in favor of the almond industry of Europe, with its cheap labor and inferior grade.

California almonds shell out at the ratio of 3 to 1, hence the common sense of a 3 to 1 tariff as compared with the shelled and unshelled product, and also the extreme necessity of such a tariff, for our future market lies mostly in the sale of shelled nuts. Hoping for your support of this matter, I am,

Very truly yours,

J. A. HOBBS.

OAKLEY, *July 9, 1921.*

Senator SAM. SHORTRIDGE,
Washington, D. C.

DEAR SIR: Please do all in your power to get a readjustment of tariff on almonds. At least 5 cents on almonds not shelled and shelled almonds 15 cents.

If tariff can not be secured, the California almond industry is doomed, as we can not compete with foreign trade under present conditions. I remain,

Yours respectfully, L. H. ELLIOTT,
Almond grower, Oakley, Contra Costa County, Calif.

—

GOODWIN & GOODWIN,
Ripon, Calif., July 9, 1921.

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

DEAR SIR: I have been informed that the Ways and Means Committee of the House has recommended a tariff on almonds not shelled at 4 cents per pound and on shelled almonds 8 cents per pound. Our exchange has asked for a tariff of 5 cents on the former and 15 cents on the latter. As I am a practical grower, I know that the amount recommended by the committee is not enough, and the amount requested by our exchange is none too much. We all know the expense which almond growers and other farmers in this State are under for labor and supplies, and that our industry, which is a big one in this State, can not survive without adequate protection.

Shelled almonds should have a tariff of at least three times as much per pound as unshelled ones, for the simple reason that almonds shell out in the ratio of at least three to one. The ratio recommended by the committee is only two to one, and the shelled almond market is by far the more important of the two.

I know that you have the prosperity of the California farmer at heart and ask you to do what you can to save the almond growers from that complete ruin which the low tariff recommended would permit.

Yours very truly, B. A. GOODWIN.

—

ORLAND, CALIF., *July 9, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Washington, D. C.

DEAR SIR: The House Ways and Means Committee have recommended a tariff of only 8 cents per pound on shelled almonds. This is only about half what we need to compete with European almonds. As an almond grower I hope you will do all you can to give us adequate protection.

I am also in favor of the adjusted compensation bill for ex-service men and hope you will boost it along.

Yours respectfully,

RALPH W. TROWBRIDGE.

—

OAKLAND, CALIF., *July 9, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

DEAR SIR: The tariff of 4 cents on almonds, not shelled, and 8 cents on shelled almonds is out of proportion and will not protect our shelled-almond industry. The almond-shelling plants in California will not open this season to compete with foreign-shelled almonds, and will be the cause of keeping hundreds of employees in that line of business out of work. They have petitioned you for a tariff of 5 cents on almonds not shelled and 15 cents on shelled almonds, which is in proportion and is as small a duty as will protect the industry.

In the interest of California we wish you would do your utmost to have the tariff placed on the above basis.

Yours very truly,

DIABLO STOCK FARM,
G. W. EMMONS, *President.*

—

WINTERS, CALIF., *July 9, 1921.*

Senator SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

DEAR SIR: As an almond grower, will say it is absolutely necessary that we have a tariff of 5 cents on almonds in shell and 15 cents shelled to be able to meet running expenses of my almond orchard.

Sincerely yours,

W. H. UNDERWOOD.

—

OAKDALE, CALIF., *July 9, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

DEAR SIR: Please give California at least a 5-cent tariff on unshelled almonds and a 15-cent tariff on the shelled almonds. If we don't get this much, the almond industry will fail.

Truly yours,

M. E. RINEHART.

—

BOX 33, CORNING, CALIF., *June 9, 1921.*

SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

SIR: I recently purchased land in Corning, Calif., and put part of acreage in almond orchard, hoping that in a few years I would be able to make a comfortable living from the produce, but find that the almond grower is out of business unless he is protected by a strong tariff.

I am writing to you, hoping that you will use your influence to protect the orchardist in general (as a rule they are past middle age and do not want to become a burden to any State or person).

I am, dear sir,

Yours respectfully, L. HACKER,

—

1660 LYON STREET,
San Francisco, July 9, 1921.

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

MY DEAR MR. SHORTRIDGE: It has been called to my attention that the committee reporting the tariff bill has recommended, no doubt by oversight, a duty on almonds which would be absolutely ruinous to the almond industry of this State.

You are no doubt aware that the almond industry of this State has been laboriously built up in spite of drought, unseasonable frosts, grasshoppers, and other obstacles.

I know that you will make a great effort to protect this industry with a tariff commensurate with the needs of the almond growers.

We ask a tariff of 5 cents on unshelled and 15 cents on shelled almonds.

As you know, the almond growers of this State are well organized and will watch with vital interest your fight in Congress for the tariff we ask.

I am an owner of a small almond orchard in the Pennington district of Sutter County. I derive the major part of my livelihood from this source. The officials of the Almond Growers' Exchange have thoroughly convinced me that I shall be deprived of all income from this orchard should you fail in your efforts on our behalf.

Very truly yours,

Mrs. S. A. BEEBEE,
Member California Almond Growers' Exchange.

—

1907 LEAVENWORTH STREET,
San Francisco, July 9, 1921.

Hon. SAMUEL M. SHORTRIDGE,
Senate of the United States, Washington, D. C.

MY DEAR SIR: As an almond grower of Fair Oaks, Sacramento County, I wish to indorse Mr. T. C. Tucker, manager of the California Almond Growers' Exchange, in his effort to secure a tariff on imported almonds of 5 cents on the unshelled and 15 cents on the shelled almonds.

Most respectfully, (Mrs. J. W.) ANNIE G. HOBSON.

—

DELANO, CALIF., *July 9, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.:

A tariff of 5 cents on unshelled almonds and 15 cents on shelled product is absolutely necessary to save almond industry. This the almond growers must have.

JOHN E. LATHROP.

—

ASSEMBLY CALIFORNIA LEGISLATURE,
FORTY-FOURTH SESSION, 1921,
Stockton, Calif., July 9, 1921.

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

DEAR SIR: I know that you are deluged with letters and petitions, but please permit one who has been through a similar mill recently to suggest a way whereby you will earn a great deal of popularity and do a great deal of good to the California farmers who are growing almonds.

I am informed that the committee of the House has recommended a 4-cent tariff on unshelled and 8 cents on shelled almonds. I have talked with certain practical almond growers of this vicinity, well known to me personally, and they assure me that the almond industry, on account of European competition and high expenses, is in a rocky condition even now, and that unless they get at least 15 cents per pound tariff on shelled almonds their crop won't bring them expenses. They also need 5 cents per pound on unshelled almonds, for which there is less market.

If you could possibly get an amendment on the floor to this effect, or secure a committee amendment, this agricultural community would certainly appreciate it. There is no question but what the farmers not only desire the change, but are earnestly insistent that it is absolutely necessary to preserve their industry. Please do what you can for them.

Yours very truly,

OSCAR C. PARKINSON.

—

STOCKTON, CALIF., *July 9, 1921.*

Hon. SAMUEL M. SHORTRIDGE,

DEAR SIR: It is essential to the welfare of the almond growers to have a higher rate of duty on almonds than that proposed in the committee bill recently presented to the House. Please do all you can to have this increased, particularly on shelled almonds.

Very truly yours,

LEROY M. PHARIS,
R. D. 3, Box 155, Stockton, Calif.

—

SACRAMENTO, CALIF., *July 9, 1921.*

SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

DEAR SENATOR: Understanding the legislature has allowed a very small tariff on almonds, I want to plead with you to help us get more. I am a nurse and a widow, and for the past number of years have been putting every dollar of my earnings I could spare in our almond ranch of 10 acres, which is just beginning to bear, and of which I had hopes of realizing a little income from now on; but am afraid I will lose all if you do not help us. I say us, for I know of others in the same shape as myself who will lose all if we do not get help on this question.

Hoping you will know how to help us, I am,

Yours respectfully,

KATE T. HENRY.

—

LOS ANGELES, CALIF., *July 9, 1921.*

Senator SAMUEL M. SHORTRIDGE,
Washington, D. C.

DEAR SIR: As an almond grower of California, and one who is deeply interested in the prosperity of our State, I beg of you to use all influence possible in bringing about a tariff of at least 5 per cent on unshelled almonds and a 15 per cent tariff on the shelled product.

Unless we get a readjustment of tariff on shelled almonds of at least three to one it will mean the disintegration of the almond industry of California.

We entreat you to give this matter your serious consideration.

Very truly yours,

HORACE B. PECK.

—

SAN FRANCISCO, CALIF., *July 9, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.:

Urge your utmost assistance readjustment of tariff on shelled almonds. At least three to one, or 5 cents in shell, 15 cents shelled. As grower, I know almond industry of California will fail unless you help this cause. Unable to make living on my almond holdings under present tariff. Forced to work in the city and let place go.

C. G. CHIPCHASE,
Burlingame, Calif.

WOODLAND, CALIF., *July 9, 1921.*

Mr. SAMUEL M. SHORTRIDGE,
United States Senator of California, Washington, D. C.

MY DEAR SENATOR: In the interest of the California almond industry I protest against the tariff recommended by the Ways and Means Committee.

California requires at least a 5-cent tariff on unshelled almonds and a 15-cent tariff on the shelled product.

Hoping for a readjustment in this matter.

Yours truly,

JOHN C. KAUPKE.

—

LODI, CALIF., *July 9, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Washington, D. C.

DEAR SIR: As the tariff bill is before Congress at present I, as one of the growers of almonds, would like to impress upon you the absolute necessity of a tariff of 5 cents on unshelled and 15 cents on shelled almonds if we, as growers of almonds, are to remain in existence. Hoping you will help us win our fight, I am,

Respectfully yours,

BOYD JACOBS,
P. O. Box 47, Acampo, Calif.

—

HELP THE CALIFORNIA ALMOND GROWERS TO PROTECT INDUSTRY.

Millions of American dollars go annually to France, Spain, and Italy because Americans like almonds.

Fifty millions of American dollars are invested in California in almond orchards and almond-shelling machinery.

The California millions are unproductive as an investment because the Federal Government fails in giving adequate protection to this California and American industry.

The dollars that go to Mediterranean Europe should rightly come to California. They would if proper tariff protection were given the industry.

The almond growers are asking California's delegation in the Congress to insist upon reasonably high duties on imported almonds.

Every Californian interested in the welfare of this State should do his part, by telegram or letter, to bring home to our congressional delegation the importance of such action.

We must protect what is our own.

—

SAN FRANCISCO, CALIF., *July 9, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Senator from California, Washington, D. C.

DEAR SIR: I am an almond grower of this State, and I am writing you in the hope that you will do all in your power to have a tariff placed on almonds, otherwise the industry will be absolutely ruined, and quick action should be taken if anything is to be accomplished for the growers.

Thanking you in advance for your earnest attention, beg to remain,

Very truly yours,

E. N. CORNEAU.

—

BANNING, CALIF., *July 9, 1921.*

Senator SAM SHORTRIDGE,
Senate Office Building, Washington, D. C.:

Am looking to you for help on tariff adjustment on almonds. We must have at least 5 cents a pound on unshelled and 15 cents on shelled almonds. This is very urgent.

R. H. COOMBS.

—

STOCKTON, CALIF., *July 9, 1921.*

SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.:

I grow almonds, but can not continue in business with tariff lower than 15 cents per pound on shelled and 5 cents on unshelled almonds. I ask you to help California growers get adequate tariff protection.

B. A. GOODWIN.

—

SAN FRANCISCO, CALIF., *July 9.*

Senator SAMUEL SHORTRIDGE,
United States Senate, Washington, D. C.:

Authorities agree 5 cents correct tariff unshelled almonds. Shelled almonds one-third weight of unshelled. Fifteen cents on shelled necessary to protect growers. Eighty per cent demand American market is for shelled. Market for shelled now in hands Europeans. In three years California product 70,000,000 pounds. At present 9 per cent 1919 and 15 per cent 1920 crops unsold, because European almonds. California almond growing perishes if 3 to 1 tariff ratio on unshelled and shelled not provided. Your immediate assistance asked.

WESTERN CANNER AND PACKER.

—

BERKELEY, CALIF., *July 8, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

DEAR SIR: Save the almond growers of California by working for 5-cent tariff on unshelled and 15-cent tariff on shelled almonds.

We can not compete with European labor with tariff as recommended by Ways and Means Committee.

Save an important California industry.

Yours truly,

HORACE N. HENDERSON.

—

ESPARTO, CALIF., *July 8, 1921.*

Senator SAMUEL M. SHORTRIDGE:

We as one of the 4,000 almond growers in this State ask and plead of you to use your influence in getting a fair and just tariff on our product. The 4 cents on almonds in the shell and 8 cents on shelled almonds, as recommended by the Ways and Means Committee, is entirely too low if we are to exist as almond growers, as we can not compete with cheap foreign almonds. With the millions we have invested in almonds we feel we are entitled to fair chance with foreign almonds, and that we can only have by getting at least a 5-cents-a-pound on almonds in the shell and a 15-cent tariff in the shelled almonds.

Hoping you will give this a serious thought and a hard fight, we remain,

Yours royally,

LINDBERG BROS.
EDGAR LINDBERG,
M. A. LINDBERG.

BRENTWOOD, CALIF., *July 8, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

DEAR SIR: If the almond industry in California is longer to exist, a tariff of at least 15 cents a pound on shelled almonds will be necessary to equalize cost of production and delivery to our markets in competition with Mediterranean growers.

Preservation being the first law of nature, is the American Government to allow the industry to pass to Europeans and lose hundreds of thousands of dollars and ruin farmers already suffering serious losses?

Yours respectfully,

ALEX MURDOCK.

—

FRESNO, CALIF., *July 8, 1921.*

SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.:

Published reports of tariff of 4 cents on almonds and 8 cents on shelled almonds is ruinous to the California almond industry. Can you or would you use your best influence to give the California almond growers a 5-cent tariff on almonds and a 15-cent tariff on shelled almonds? Labor conditions make this a minimum upon which we can compete with the Mediterranean countries.

H. S. DUFF.

—

PASO ROBLES, CALIF., *July 8, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Washington, D. C.

DEAR SIR: I notice that it has been recommended that the tariff on almonds be 4 cents on unshelled and 8 cents on shelled. As California almonds shell out 3 to 1, it seems no more than fair that the tariff should be three times as great on the shelled as on the unshelled, and this is the branch of the trade that we must look to largely for our future trade. The California growers feel that they can not compete with European conditions on less than a 5-cent and 15-cent tariff, and ask that you kindly use your influence to this end, for if we can not get adequate protection it will mean ruin to a very large number of growers who have invested everything in this industry. Thanking you in advance for your efforts, I remain,

Yours respectfully,

J. W. HINMAN.

—

PASO ROBLES HOT SPRINGS,
Paso Robles, Calif., July 8, 1921.

Hon. SAMUEL M. SHORTRIDGE,
Washington, D. C.

DEAR SIR: I desire to put in my plea for your best endeavors toward procuring a protective tariff on shelled and unshelled almonds which will protect us almond growers of California, whose sales for last year's crop will not pay the cost of raising and harvesting.

I have all the savings of a lifetime invested in 33 acres of 7 and 8 year old almond trees and carrying a mortgage of $7,500 at 7 per cent as well. For a man 68 years old, it is pretty tough to not even get the cost of labor back from a crop.

The United States markets were flooded last fall with shiploads of European raised almonds which were sold below the cost of nuts out here, as the growers across the water do not count the labor of their women and children as any additional expense, while out here we can not get competent labor for less than $3.50 to $4 or $5 per day.

In future California growers must rely on shelled almonds very largely, which should have a tariff of at least 3 to 1 over unshelled nuts—say 5 cents on unshelled and 15 cents on shelled nuts would give us the needed protection. Will you do your best for us? I heard you speak at a big meeting in Los Angeles last year during the campaign and feel sure you are for the good working people of your home State, so go to it strong, please.

Yours with respect,

CHAS. C. WILMOT,
P. O. Box 785.

—

PASO ROBLES, CALIF., *July 8, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Washington, D. C.

Hon. SHORTRIDGE: We are heartily in favor of at least a tariff of 5 cents on unshelled almonds and a 15 cent tariff on the shelled product.

Respectfully,

A. P. BORKEY,
Almond Grower.

—

ELDRIDGE, CALIF., *July 8, 1921.*

SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.:

We, the undersigned California almond growers, respectfully urge that you do all in your power to have the duty on unshelled almonds fixed at 5 cents and all shelled almonds at 15 cents per pound. The salvation of the almond industry depends on this measure.

W. T. SUTTENFIELD,
C. S. BALDWIN,
C. F. GOSSIN,
M. SOLEY.

—

ORLAND, CALIF., *July 8, 1921.*

SAMUEL M. SHORTRIDGE,
Senator, Washington, D. C.:

Adequate protection for California almond industry demands 15 per cent tariff; lower tariff will not give adequate protection against foreign importations.

H. M. KINGWELL,
Horticultural Commissioner, Glenn County.

—

SACRAMENTO, CALIF., *July 8, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

DEAR SIR: As an almond grower in California and a member of the Almond Growers' Exchange, I solicit your favorable action on the demand of the exchange for a tariff of 5 cents on almonds not shelled and 15 cents on shelled almonds. The reason for this demand by almond growers has been fully represented by the exchange, and I will not attempt to repeat.

California is the greatest almond-growing section in the United States. Millions are invested in the industry. We want only a reason-

able return for our product. Unless we are protected against cheap foreign labor we can not get it, and we must either uproot our almond trees or be reduced to the level and plane of our foreign competitor. God forbid! Many almond growers are already considering the advisability of planting other fruits than almonds. Help your own people. I know you will.

Yours truly,

O. G. HOPKINS,
Second District.

—

OAKLEY, CALIF., *July 8, 1921.*

SAM. M. SHORTRIDGE,
Senator from California, Washington, D. C.

DEAR SIR: Will you kindly give your support to a new tariff on almonds—5 cents for unshelled and 15 cents for shelled?

We have a 14-acre ranch of almonds and we are dependent on the same for a living. Should the present tariff remain we will have to turn to something else to make a living.

Hoping you will interest yourself in this matter, I am,

Yours truly,

PAUL STEINER.

—

SACRAMENTO, CALIF., *July 8, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
United States Senator from California,
Senate Office Building, Washington, D. C.

DEAR SIR: The almond industry of California, representing an investment of over $50,000,000, is at stake on the issue of the tariff legislation now before Congress, and to save the growers their means of a livelihood we must get a readjustment of tariff on shelled almonds of at least three to one. Our only future market is for shelled almonds, which represents 80 per cent of the demand of the United States. Only with proper protection on shelled almonds can the California growers market their product without a loss.

European almonds shell out four to one, and California almonds three to one. We are entitled therefore to a tariff on shelled almonds three times as great as on almonds in the shell, and we want a 5-cent tariff on unshelled almonds and a 15-cent tariff on the shelled product.

Please use your influence to obtain this adjustment in the present bill before Congress and save one of California's principal industries.

Yours very truly,

A. B. USHER,
1321 Twenty-third Street, Sacramento, Calif.

Orchard located in Arbuckle District.

—

DUNNIGAN, CALIF., *July 8, 1921.*

SAMUEL M. SHORTRIDGE,
Washington, D. C.

DEAR SIR: As an almond grower I am taking the liberty of writing you regarding tariff on almonds.

What the growers want is a tariff of 5 cents on unshelled almonds and 15 cents on shelled almonds. Any effort you may make to obtain this tariff will be appreciated by every almond grower.

Yours sincerely,

A. E. AMADEN.

—

CHICO, CALIF., *July 8, 1921.*

Senator SAMUEL M. SHORTRIDGE,
Washington, D. C.

HONORABLE SIR: I beg that you will use all your influence to obtain a raise in the tariff rate on almonds recommended by the Ways and Means Committee.

Anything less than 5 cents per pound on unshelled or 15 cents on shelled would be ruinous to our orchards here. Please do everything possible to get this rate for us.

Very truly yours,

HARRIET LOSEE.

—

PALO ALTO, CALIF., *July 8, 1921.*

Senator S. M. SHORTRIDGE,
Washington, D. C.:

Being interested in almond raising in this State, I think it is necessary that the tariff on almonds should be 5 cents on unshelled and 15 cents on shelled ones.

MRS. L. H. HAY,
744 Waverly Street.

—

MODESTO, CALIF., *July 8, 1921.*

Senator S. M. SHORTRIDGE.

MY DEAR SIR: As an almond grower I am very much interested in the tariff that we are very anxious should be put through. We can't possibly make ends meet if we don't get at least a 5-cent tariff on unshelled and a 15-cent tariff on shelled almonds. Will you kindly do all you can do for us, and we will surely appreciate it?

Yours very respectfuly,

C. W. MCEWEN,
Route A, Box 145.

—

CHICO, CALIF., *July 8, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Washington, D. C.

DEAR SIR: In the interests of almond growers of California, of which I am one, I would impress on your mind that we need better protection against foreign importations of almonds than we have at present, at least a tariff of 5 cents on unshelled almonds and a 15-cent tariff on the shelled product.

Respectfully,

D. K. CORNELL.

—

SAN FRANCISCO, CALIF., *July 7, 1921.*

Hon. SAMUEL SHORTRIDGE,
United States Senate, Washington, D. C.:

As a grower we insist on a minimum rate of 15 cents on shelled almonds. Industry facing ruin if not properly protected. United action of all California Representatives essential.

A. ANDRE,
T. BERTINSEN,
L. SEGELHORST,
230 California Street.

SAN JOSE, CALIF., *July 8, 1921.*

Hon. SAMUEL SHORTRIDGE,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR SHORTRIDGE: As an almond grower of California, I would call to your attention the tariff bill which the Ways and Means Committee has recommended to Congress. The bill is now on the floor of the House of Representatives. This bill provides a tariff of 4 cents on unshelled almonds and 8 cents on shelled almonds per pound.

It is indeed of vital importance to every almond grower of the State that a tariff be passed with at least 5 cents on unshelled nuts and 15 cents on the shelled. The California Almond Growers' Exchange petitioned for this rate.

It is inevitable that unless the American almond grower be protected with a higher tariff than is recommended by the Ways and Means Committee that his industry will absolutely fail. He can not compete with the Mediterranean, who can, with the tariff rates recommended by the Ways and Means Committee, harvest his crop, pay this low tariff, and make a gain. The American can not even harvest his crop at the prices thus made possible.

So you see, Senator SHORTRIDGE, it is imperative that the higher tariff as recommended by the growers themselves be passed.

I can assure you that any service you can render or any of your influence used to help the passage of this bill with a higher tariff will be greatly appreciated by each and every almond grower in the State of California.

Sincerely,

THOS. E. RAYNER,
Route C, Box 167, Monterey Road, San Jose, Calif.

—

SOLEDAD, CALIF., *July 8, 1921.*

SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

DEAR SIR: As a California almond grower, I appeal to you to do all in your power to further the petition of the California Almond Growers' Exchange for a tariff of 5 cents on almonds not shelled and on shelled almonds 15 cents.

Without such protection from the European market, this great California industry will be practically ruined.

Yours very truly,

F. V. GILCHRIST.

—

MARTINEZ, CALIF., *July 8, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
United States Senate, Washington, D. C.

MY DEAR SIR: As an owner of 30 acres of almonds, I herewith appeal to you to use your power and influence to secure a 5-cent duty on unshelled almonds and a 15-cent duty (per pound) on shelled almonds entering this country.

Without this protection the investment of thousands of California almond growers is ruined. We raised our crop last season at a loss and the situation now appears desperate.

May we not have protection commensurate with the standards of American living and costs of production?

Very truly yours,

MAURICE H. ROWELL.

—

YUBA CITY, CALIF., *July 8, 1921.*

SAMUEL M. SHORTRIDGE,
Washington, D. C.

DEAR SIR: Since European almonds shell out four to one and California almonds three to one, our members are entitled to a tariff on shelled almonds at least three times as great as on almonds in the shell. Unless we get a readjustment of tariff on shelled almonds of at least three to one, it will mean the disintegration of the almond industry of California. Our only future market is for shelled almonds, which represents 80 per cent of the demand of the United States. This is a serious situation confronting the industry. Only by proper protection on shelled almonds can we bring to California the millions that are going to the shores of the Mediterranean. Now, we Californians want at least a 5-cent tariff on unshelled almonds and a 15-cent tariff on the shelled product.

Yours respectfully,

E. G. VAN ARSDALE.

—

JULY 8, 1921.

Hon. SAMUEL M. SHORTRIDGE.

DEAR SIR: In regard to the tariff on almonds, I would ask you to work for 5 cents on unshelled and 15 cents on shelled almonds.

Thanking you for what you can do for us, I remain,

Your friend,

J. C. OSBORN, *Corning, Calif.*

—

SAN FRANCISCO, *July 9, 1921.*

Hon. SAM SHORTRIDGE,
Washington, D. C.

DEAR SIR: I take the liberty of writing to you in regard to a higher tariff on almonds. I am the owner of a 16-acre orchard near Esparto, Yolo County. Only a part of last year's crop sold, on account of cheap foreign almonds. I think a tariff of 5 cents on unshelled almonds and 15 cents on the shelled is necessary to save our orchards.

Thanking you for any interest taken in this matter, I remain,

Respectfully yours,

F. M. CORNELL, *1720 Larkin.*

—

SAN FRANCISCO, CALIF., *July 8, 1921.*

Senator SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

HONORABLE SIR: To assist in indicating to you the sentiment of the almond growers of California, the undersigned grower begs to add his indorsement to the petition presented by the growers to the Ways and Means Committee through the medium of the California Almond Growers' Exchange for a tariff of 5 cents on unshelled and 15 cents on shelled product.

Convinced that a lower tariff than that represented by the figures mentioned will result in the ultimate disintegration of this important California industry, we feel that we may justly solicit your hearty co-

operation and enthusiastic support to the end that the necessary protection may be obtained.

Your assistance will be appreciated.

Very respectfully,

LINTON HART,
252 Central Avenue, San Francisco, Calif.

—

LOS ANGELES, CALIF., *July 8, 1921.*

Mr. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

TO THE HONORABLE MR. SHORTRIDGE: The writer is engaged in growing almonds in the Atascadero district, San Luis Obispo County, Calif.

We have now nearly 400 acres in various stages of growth and development. The oldest are 6 years of age, just coming into commercial bearing. The returns last year on our almonds were barely enough to cover harvesting and marketing expenses, leaving the grower absolutely nothing for his labor and expenses. On the Mediterranean shores they pay 15 to 20 cents per day for labor, while we are paying $4 to $5 per day and other expenses in proportion.

If we are to continue in the almond industry in the United States, we should have at least a duty of 5 cents per pound on unshelled almonds and 15 cents per pound on shelled almonds.

Respectfully submitted.

WILLIAM BRIER,
711 Pacific Finance Building.

—

SAN FRANCISCO, CALIF., *July 8, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

DEAR SIR: As a grower of almonds, I would respectfully ask that you do all in your power to secure an amendment to the proposed tariff on almonds, especially on shelled almonds.

As it takes 3 pounds of almonds in the shell in this country to make 1 pound of almond meats, I respectfully submit to you that the tariff on shelled almonds should be at least three times as great as on almonds in the shell, and unless we get adequate tariff, especially on shelled almonds, it will mean that we are prevented from participating in the benefits of the shelled almond market, which represents 80 per cent of the consumption of almonds in the United States.

Unless we do secure an adequate tariff from the Congress our industry, representing an investment of approximately $50,000,000, is facing ruin, and I therefore respectfully ask you as a Californian to do everything in your power to secure a tariff on shelled almonds at least three times as great as on almonds in the shell in the protection of this California industry. Anything you may be able to do to assist the almond growers of California will be thoroughly appreciated not only by myself but by the 4,000 almond growers of the State of California.

Yours very truly,

C. LARSEN,
751 Tenth Avenue, San Francisco.

—

SACRAMENTO, CALIF., *July 8, 1921.*

Senator SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

DEAR SIR: I want to ask that you use your strongest efforts in the matter of the present tariff bill now pending before your House to secure proper and adequate protection for California almonds.

The California almond industry represents a livelihood to several thousand families and several thousand other people dependent upon its continuation.

It represents an investment of approximately $50,000,000, and this industry is seriously jeopardized under the present competition with European almonds.

The California Almond Growers' Exchange, which represents the great majority of the California almond growers and which has been one of the pioneers in cooperative marketing of farm crops, has recommended a tariff of 5 cents a pound on unshelled almonds and 15 cents a pound on shelled almonds.

We are vitally interested in this tariff, as we individually represent the owners and growers of over 2,000 acres of almond orchards, and we trust that you will do everything in your power to secure the tariff represented by the exchange, to wit: Five cents per pound on almonds not shelled and 15 cents per pound on shelled almonds.

We feel that this tariff is necessary and absolutely essential for the continuation and protection of the $50,000,000 almond industry in California.

As a Californian we feel that you have the best interest of this State at heart, and we shall appreciate whatever you can do in securing and fighting for the tariff protection requested.

Thanking you in advance,

Yours truly,

GEO. X. FLEMING.

—

RANCHO DE EL CAPITAN,
RIO LINDA, SACRAMENTO COUNTY, CALIF., *July 8, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
United States Senator, Washington, D. C.

DEAR SIR: As the almond growers of California will surely be up against it with a tariff less than 5 cents on unshelled almonds and 15 cents on shelled almonds we would surely appreciate it if you would do all within your power to fight for the above tariff. If the 4 and 8 cent tariff goes through, I know that the California almond grower may as well grub out all of his trees and let the land lay idle, for he will be as far ahead as trying to grow almonds with an inadequate tariff.

Knowing that your past record has always been for the best interests of California I feel assured that you will do all within your power and see that the almond growers get a fair deal.

Thanking you, I remain,

Very truly yours,

CAPT. H. A. LEWALD,
Box 1203, Motor Route A.

—

SAN FRANCISCO, CALIF., *July 8, 1921.*

Senator SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

DEAR SENATOR: I am the owner of 62 acres of producing California almond orchard land, which under normal conditions should have a valuation of $21,500. Last year the crop income from this property was insufficient to pay for the care, much less give any return on the investment. This property was planted under conditions and has since received the care such that I should expect now a reasonable interest on my investment. These are not normal times, and unless protection is afforded against the importation of almonds produced with underpaid labor under conditions with which we here are unable to compete I shall be obliged to uproot my almond trees and turn my attention to the production of other crops.

My position is the same as that of all the other almond growers of California, and I trust that we shall receive from you every assistance possible in securing protection for this California industry. The tax on shelled almonds should be at least three times that on unshelled almonds, and the rates proposed by the California Almond Growers' Exchange—i. e., at least 5 cents for the one and 15 cents for the other—are absolutely necessary to save the industry. We shall watch with interest and concern your activities in our behalf.

Very truly yours,

EVERETT N. BRYAN.

—

OAKDALE, CALIF., *July 8, 1921.*

SAMUEL M. SHORTRIDGE,
Washington, D. C.

DEAR SENATOR: I understand the Ways and Means Committee has recommended to Congress a tariff of 4 cents on unshelled almonds and 8 cents on shelled. This is entirely inadequate. We can not meet foreign competition unless we get 15 cents on shelled and 5 cents on nuts in the shell.

We will be driven out of business unless you can assist us in getting this protection to our industry in this State.

Yours truly,

WALTER J. STOLP.

—

TURLOCK, CALIF., *July 8, 1921.*

Senator SAMUEL M. SHORTRIDGE,
Washington, D. C.

DEAR SIR: The Ways and Means Committee have recommended a tariff of 4 cents per pound on almonds in the shell and 8 cents per pound on shelled almonds. The almond growers of California, through the California Almond Growers' Exchange, have asked for a tariff of 5 cents unshelled and 15 cents shelled. This is not an unreasonable request, and much thought and time was consumed in arriving at these figures, and I believe that 5 cents and 15 cents is the minimum tariff required to protect the almond industry from the lower freight rates and the peasant competition of the south of Europe countries.

Kindly use your utmost endeavors to help secure the requested tariff.

Very truly yours,

R. K. SMITH.

—

SAN FRANCISCO, CALIF., *July 8, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

DEAR SIR: I will not take up your valuable time with a long-winded letter, but will ask you to do all you can for us almond growers out here in the golden West.

We are not asking for a very lot, but just a living chance with our products.

We feel that we should have at least a tariff of 5 cents on unshelled almonds and 15 cents on shelled.

Many of us have our savings tied up in almond orchards that are bearing or just beginning to bear, and we trust you will do all in your power to help us out.

Thanking you for all you can do for us in this matter, and all of us trust you can do a great deal,

I remain,

Yours very truly,

A. VAN HOYT,
2321 California Street.

We represent an investment of $50,000,000 in almond orchards and almond-shelling machinery.

—

ANTELOPE, CALIF., *July 7, 1921.*

Senator S. M. SHORTRIDGE,
Washington, D. C.

DEAR SENATOR: Kindly help us almond growers out and keep us from ruin by advocating tariff of 6 cents on unshelled and 15 cents on shelled nuts.

We are still holding part of 1919 and 1920 crop with 1921 crop on trees. You will appreciate our situation.

Protect us from cheap Spanish labor and oblige,

Sincerely, a grower,

I. E. EMERSON.

—

SACRAMENTO, CALIF., *July 7, 1921.*

Hon. SAMUEL M. SHORTRIDGE.

DEAR SIR: I appeal to you to please help to give the almond growers of California better protection against foreign nuts imported. I bought 20 acres three years ago. They are just coming into bearing and hoped they would later help make a living, but under present proposed tariff my place will be a practical loss to me, as well as thousands who have invested their savings will lose also.

Respectfully,

Dr. C. E. FENNER.

—

LOS GATOS, SANTA CLARA COUNTY, CALIF., *July 7, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Washington, D. C.

DEAR SIR: I am very much concerned about the almond industry of California. Our growers can not compete with the Mediterranean shores unless at least a 5-cent tariff on the unshelled product and a 15-cent tariff on the shelled product is secured. I hope we may have your active cooperation and assistance now for the good of our growers.

Very truly,

Dr. A. J. GERLACH,
Glenridge Heights, R. 1, Box 57.

—

VACAVILLE, CALIF., *July 7, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR SHORTRIDGE: I planted an almond orchard 26 years ago. It has proved a bad investment, because of the great expense of harvesting the nuts which have to be sold in competition with Europe's cheap almonds. The only reason why I have not dug up my trees is because I have believed my Government would give the

almond industry in the United States an adequate protective tariff. We need a tariff on shelled nuts three times as great as on almonds in the shell.

Yours very truly,

HESTER X. HARBISON.

—

HAMILTON CITY, CALIF., *July 7, 1921.*

Mr. SAMUEL SHORTRIDGE.

DEAR SIR: Being an extensive almond grower, am asking you to give us a tariff of 5 cents on unshelled almonds and 15 cents on shelled almonds, as we can not compete with the foreign trade at the present rates.

Every cent I have in the world is invested in this orchard and on account of not realizing much of anything on the crops the last two years, am not able to keep up any part of my expenses, let alone pay off a mortgage and support an invalid son and an orphan child, which I have adopted. Under the circumstances, I am sure you do not want myself and hundreds of others to lose their homes to allow foreigners to prosper on our territory.

Thank you.

MRS. ADA WEST.

—

OAKLEY, CALIF., *July 7, 1921.*

Hon. Senator SAMUEL M. SHORTRIDGE.

DEAR SIR: I am very much interested in this tariff business. Please see to it that a 5-cent tariff is put on all unshelled almonds and 15-cent tariff on all shelled. If you don't it is going to work such a hardship on us.

Please give this your immediate attention and oblige.

M. E. CADWELL.

—

ARBUCKLE, CALIF., *July 7, 1921.*

Hon. SAMUEL SHORTRIDGE,
Washington, D. C.

DEAR SIR: As an almond grower of this State I am writing to ask that you favor at least a 5-cent tariff on unshelled almonds and at least a 15-cent tariff on the shelled product.

This is very vital to the industry in this State, as we will be unable to compete with the European market if a less duty is imposed.

Trusting that you will give this matter your favorable attention, I am,

Very truly yours,

C. F. HAMMER.

—

SACRAMENTO, CALIF., *July 7, 1921.*

To the Hon. SAMUEL M. SHORTRIDGE,
Senator, Washington, D. C.:

As a citizen of the United States and a resident of California, I humbly request you use your best efforts to obtain a tariff for the almond industry of California of at least 5 cents on unshelled almonds and 15 cents on shelled almonds.

I am only one of hundreds of wage earners in California who for the past several years have invested practically all our savings in a small piece of land, and planting same to almonds, with the expectation of deriving a reasonable income from same. And now, when our orchards are just on the verge of repaying us, we can not compete with the cheap European product, and unless we can secure the above tariff our years of hard work and saving have gone for naught. I am,

Respectfully yours,

OSCAR N. NELSON,
2110 L Street, Sacramento, Calif.

—

OAKLEY, CALIF., *July 7, 1921.*

SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.

DEAR SIR: As an almond grower I request your office to kindly use your utmost efforts in behalf of the almond growers of California in securing a 5 cents per pound protective tariff on almonds in the shell and a 15 cents per pound tariff on almonds that are shelled. I have a 25-acre farm of almonds, and as I derive a living for myself and family through the marketing of this product, I sincerely hope you will be able to help in getting this tariff through, as the almond growers of California have suffered badly in the last two years in not being able to market their almonds.

Respectfully,

F. P. MILET,
Oakley, Calif., R. F. D. Box 54.

—

CHICO, CALIF., *July 6, 1921.*

Hon. SAMUEL SHORTRIDGE,
Washington, D. C.

DEAR SIR: As an almond grower of California I am appealing to you that you and the others representing California in Washington do your utmost to preserve the almond industry to our great State.

Sincerely,

ELMO ARCHER.

—

WINTERS, CALIF., *July 5, 1921.*

Hon. SAMUEL M. SHORTRIDGE,
United States Senate, Washington, D. C.

DEAR SIR: I don't know whether a Senator can help along any House actions or not, but if you can would like to have you work for a 5-cent unshelled and 15-cent shelled tariff on almonds.

Some of us here, and I suppose it is the same in other parts of the State, are having all we can do to hang on and save our places. With $30,000 invested, I am continually running behind in spite of every economy I can use. When it comes to Senate know you will do your part.

Yours truly,

R. M. ROBERTS,
R. F. D. No. 1, Box A 55.

—

CHICO, CALIF., *July 1, 1921.*

Hon. SAMUEL SHORTRIDGE,
United States Senator from California, Washington, D. C.

MY DEAR SENATOR: When you spoke here in Chico I had the pleasure of introducing you to your audience and in so doing laid particular emphasis on the fact that through the election of a Republican Senator we of this district would be more apt to be protected in our almond industry by having a tariff placed on the imported almond. This was the argument made throughout this district, but on reading the dispatches this morning I discover that the proposed tariff on almonds is limited to 4 cents a pound.

Such a figure is absolutely valueless, and almonds might just as well be put on the free list. I am an almond grower myself, and while I am not looking for any extortionate profit, I do believe that we are entitled to a reasonable return upon our investment.

In order to keep the industry alive in California we must have a tariff of 5 cents on unshelled almonds and 15 cents on shelled almonds.

Recently the growers, through their association, erected a factory in Sacramento for the purpose of shelling almonds. At present most of the shelled product comes from Spain, where the work is done by hand under conditions which I am given to understand are far from sanitary. We growers handling a food product decided to put up a clean product for consumption, but it is a foregone conclusion that if the present tariff rate goes through we might as well close our factory and stop further developments on work in connection with the almond in California.

I write this special letter to you, as this was a special argument raised by us in this last campaign against Phelan. The campaign promises of the Republican Party were for a higher tariff, but it appears to me that California products always seem to get it in the neck when it comes down to a matter of tariff.

If the Republican Party can not protect California products through a tariff, then that party might just as well expect to see California go Democratic again. There is a wave of feeling throughout this section of the country and through all the almond-growing districts against the proposed tariff. The growers have labored for years bringing the industry to a paying basis in developing their orchards and finding out what particular species thrive best in California. This can only be done after many years of patience, labor, and expenditure of money.

Now that the almond orchards are coming into bearing we are confronted with a situation which makes our work and expenditure absolutely futile.

In my campaign for the Republican Party I have been repeatedly opposed by nominal Republicans who make the declaration that the Republican high tariff policy is no good to California, because the Republican Party never applies it here. This proposed tariff gives truth to the claim, and frankly, I must say, it takes the heart out of us who are trying to keep the party alive in the State.

Please do not run away with the idea that this is a matter of a few growers protesting. The industry is a well established one and its loss will mean much to the wealth of the State of California.

I am writing to you with the request that you do your very best in protecting your constituents in this regard.

Very truly yours,

HARRY DAVIDS.

Mr. SHORTRIDGE. Mr. President, I must beg the pardon of the Senate for having consumed so much of its time.

Mr. SIMMONS. Mr. President, I hope the Senator will pardon me, but I would like to ask one or two questions about the California almond business.

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from North Carolina?

Mr. SHORTRIDGE. I yield.

Mr. SIMMONS. I would like to have the Senator inform us, because I think it is an important point in connection with the question, what per cent of the almond crop marketed in the United States is shelled and what per cent is unshelled.

Mr. SHORTRIDGE. I think that has been stated.

Mr. SIMMONS. I do not think it has been stated. If it has been stated by anyone I have not heard it.

Mr. SHORTRIDGE. I think it is in the RECORD. I do not recall accurately, but I know that up to a comparatively recent day there has been a very small output of shelled almonds from California.

Mr. SIMMONS. I think the Senator is correct about that.

Mr. SHORTRIDGE. Yes. I was going to add that it is perfectly well known that the imported shelled almonds are shelled in the most primitive way.

Mr. SIMMONS. They are shelled by hand.

Mr. SHORTRIDGE. Yes; they are shelled by hand and by those who work for just enough to enable them to breathe and exist.

In other words, I do not call it pauper labor, I call it poorly paid, unhappy labor; but be that as it may, the methods are primitive. In California we can no more engage in that method than the Senator could in his own great and good State. Wherefore we have built in Sacramento an expensive—I think fully $300,000 it has cost—factory for the shelling of almonds. It can be done. Given, as we claim, the protection we ask, we can shell almonds and enter very greatly into the market of shelled almonds. Hitherto our output of shelled almonds has been limited. The great amount has been imported. We can shell almonds. We can enter into the market and we can give work and employment, and to that extent we will, of course, increase vastly our output not only of shelled almonds, but it will develop further the industry itself. I do not know that I have sufficiently answered the Senator.

Mr. SIMMONS. The fact is that up to this time, by reason of the fact that they have not been able to shell almonds by machinery, they have not put the shelled almonds upon the market to any considerable extent.

Mr. SHORTRIDGE. That, I think, may be admitted.

Mr. SIMMONS. The Senator said they are providing a great plant for the purpose of shelling almonds by machinery. If that plant is successful—and I suppose that matter has been

investigated, and it has been conclusively determined that it will be a successful operating plant——

Mr. SHORTRIDGE. Mechanically, yes.

Mr. SIMMONS. When that happens, when California finds herself in the position where she can shell almonds by machinery probably the labor cost of shelling almonds in this country would be less than the labor cost of shelling them by hand anywhere else in the world, would it not?

Mr. SHORTRIDGE. I think not. Shelling by machinery here presumably would be much cheaper than shelling by hand here. However, that is but one element of the cost.

Mr. SIMMONS. Is there anything that can be done now, and is being done now successfully with machinery which can be done anywhere else as cheaply by hand labor? For instance, is there anywhere in the world that a shoe can be made by hand labor as cheaply as it can be made in this country by machinery? Is there anywhere in the world that a pair of stockings can be knit by hand as cheaply as by machinery in this country? Would the Senator contend that if we could provide suitable and efficient machinery for shelling almonds we could not, with that machinery, shell them at a less labor cost than they could be shelled for anywhere else in the world or even here by hand?

Mr. SHORTRIDGE. May I answer in a word, having regard to the cost abroad and those engaged in the shelling of almonds abroad, that I can not imagine there could be any process, even by machinery, having regard to the cost of machinery and maintenance and labor employed, which would be as low or as little as is paid abroad.

Mr. SIMMONS. But those people have to live. They can not do it for nothing. It may take 100 people, shelling by hand, to shell as many almonds as one man could shell with a machine in a day. Those 100 people may be paid a very small wage each, but all the 100, if they live at all, would have to receive enough to equal the wages of the one man who operated the machine.

If the Senator will pardon me, in some sections of Europe, I think, even to this day they cut their wheat and their rye and their oats with the old hand scythe. In this country we cut those products by machinery. Would the Senator contend for a moment that the labor of Europe or anywhere in the world was so low as compared with American labor that they could cut wheat at a less labor cost with the old hand scythe than we could cut it here with our highly improved machinery?

Mr. SHORTRIDGE. I suppose the Senator is entirely familiar with conditions prevailing in practically all of the European States or the Asiatic countries, as well as conditions prevailing in our own country. In a little, limited area of wheat growing in a little, secluded valley in the Balkans it may be that a poorly fed and clothed Rumanian might cut the grain at a given 5 cents a day. It might be that upon a great wheat field in Montana they could cut the grain at a given price. But when we compare the style of living, the clothes, the food, the carpets on the floor, the pictures on the walls, the music, the schoolhouse, the church, the newspaper—when we compare American conditions with conditions prevailing abroad, I am sure the Senator does not wish to reduce us to the conditions prevailing there.

Mr. SIMMONS. No; I am simply trying to show to the Senator and to the country that where almonds are shelled by hand in one country and shelled by highly efficient machinery in another country the wage paid the laborer for the shelling by hand is not comparable to the wage paid the laborer for the shelling by machinery, and that the wage paid in the two cases is no index whatever of the ultimate cost of production. In other words, in cases of that sort we can not take the wage paid for the purpose of making a comparison of the cost of production, because we may have 100 hands engaged in shelling almonds for a whole day, but they would not shell as many almonds in a whole day as the one man operating a machine would shell in the same length of time. We can not compare, therefore, the wage paid to each one of those 100 men shelling by hand with the wage paid the one man shelling by machinery. I think that is about the way the Senator has reached his conclusion that the shelled almonds must have a duty about 300 per cent higher than the duty on unshelled almonds, because he has estimated that there will be an immense difference in the cost of shelling almonds in the foreign country and the cost of shelling almonds in this country when he begins to shell almonds in this country, which he has not begun to do yet.

Mr. SHORTRIDGE. Oh, yes; we have. It is conceded on all hands that the ratio abroad is as 4 to 1, but it is now proved that in America the ratio is as 3 to 1. The difference between shelled and unshelled was stated in the figures brought out. That is admitted on all hands. With respect to the other House, that was the mistake which the House made in taking the ratio as 1 to 4. The Senate committee puts it as 1 to 3.

Mr. SIMMONS. But let us keep to the concrete proposition. Does the Senator contend that the labor cost of shelling almonds by machinery will be as great as the labor cost of shelling them by hand?

Mr. SHORTRIDGE. There are various elements to be taken into account—the capital invested, the amount of output, the number of employees, and so forth—and it is very difficult to compare the cost abroad with a given cost in California. There are many elements that enter into it, but it seems to me—not only seems, but I am very sure—that the calculations of those familiar with the whole subject are correct, namely, that if it be necessary, as claimed, to have a 5-cent duty on the unshelled almond as it is picked from the tree and cured or made ready for market, there is a necessity for three times that rate for the shelled almond.

Mr. SIMMONS. Is that because of the higher cost of shelling here as against the cost abroad?

Mr. SHORTRIDGE. It is one of the elements that enters into it, naturally.

Mr. SIMMONS. And the Senator thinks after they get their machinery at work out in California the difference in the labor cost will be so great as to justify this high differential?

Mr. SHORTRIDGE. Unquestionably. I do so contend.

Mr. SIMMONS. The Senator does admit, however, that up to this time there has been a very limited quantity of shelled almonds placed upon the American market?

Mr. SHORTRIDGE. Yes; though, of course, "limited" is a relative term.

Mr. SIMMONS. I want to ask the Senator now if at this time there are any domestic shelled almonds held for the market in this country?

Mr. SHORTRIDGE. I think there are.

Mr. SIMMONS. I find in one of the telegrams which I put into the RECORD the other day, to which the Senator from California has referred, a statement to the effect that the association in California which controls the sale of almonds have no goods for delivery. The telegram asks the question:

> Why should Representatives vote for such an increase when the California Almond Growers' Exchange can not even deliver goods?

Mr. SHORTRIDGE. The almonds may now be in the hands of brokers or local houses here in the East.

Mr. SIMMONS. Then I find a statement made in another one of these telegrams to the effect that a very small proportion of shelled almonds which are produced in this country are used by the manufacturers of candies, and for the reason that they are not so desirable, that the public does not like the almonds which grow in California, that the imported almond is much preferable. I find this in a statement from the New England Confectionery Co.:

> We are speaking now of shelled almonds and walnuts, and not nuts in the shell. Why should we manufacturers be forced to pay such an increase when the total amount of almonds shelled in California yearly would not supply two of our manufacturers in this country for one and one-half days?

Mr. SHORTRIDGE. Just a word.

Mr. SIMMONS. The statement which I have just read is from the New England Confectionery Co., and is to the effect that the total amount of California shelled almonds at the present time would not supply two of the great candy manufacturing concerns in this country for two days.

Mr. SHORTRIDGE. I may in a word reply to the last thought suggested by the Senator from North Carolina. There are always two arguments advanced in opposition to the almond industry—first, that we can not produce almonds in quantity; second, that we can not produce in quality. Our position is that, given adequate protection, we can produce in quantity sufficient and, beyond all controversy, that we can produce in quality. If there were an embargo to-day, established by law or created by war, we should find the New England candy men crying out for almonds from California, and there would be no objection whatever to them on the score of quality.

Mr. SIMMONS. I do not desire to discuss that question with the Senator from California, because I know nothing about it. I simply know what the manufacturers of confections have stated in their telegrams. If we should impose this duty of 15 cents a pound on shelled almonds which are imported into this country, we should have this situation—and I want to hold the Senator to it and to get his answer to it—with no shelled almonds of American production on the market and none for delivery, all the shelled almonds would have to come from abroad and would have to pay the 15 cents duty until the almond growers in California were prepared to supply shelled almonds.

Mr. SHORTRIDGE. We shall get them in California very speedily.

Mr. SIMMONS. If they get them at all they will probably get them rather slowly; they have not the mills yet erected to shell the almonds.

Mr. SHORTRIDGE. Oh, yes; there is a magnificent mill there for that purpose.

Mr. SIMMONS. Is the mill in operation?

Mr. SHORTRIDGE. There is not a wheel turning. Why? Because there is no market.

Mr. SIMMONS. There is no market and there are no almonds.

Mr. SHORTRIDGE. We shall have the almonds there to turn the wheels.

Mr. SIMMONS. And yet the Senators from California are asking Congress immediately to impose a duty of 15 cents upon every pound of almonds which is used in this country, when in California they have no almonds ready to be marketed to be protected against the foreign imports.

The Senator from California says that they will have some in the future, but we have got to take that for granted. Would it not be time enough for the Senator to come and ask that this 15 cents duty be imposed upon the almonds after the California producers have some shelled almonds to sell or at least until after they have a reasonable quantity of shelled almonds to put upon the American market?

Mr. SHORTRIDGE. Mr. President, to make an end of my remarks, I answer the Senator from North Carolina by saying that if we should wait until those who believe, as the distinguished Senator from North Carolina believes, we never should have any shelled almonds; we should cease to have any unshelled almonds. Almond growing is in a sense what might be called a new industry with great possibilities. We seek to keep what we have and to increase it. The theories of the Senator from North Carolina and myself differ radically. I hold to the notion expressed here again and again that in California we can produce almonds in quantities which are ample and in quality unexcelled.

Mr. SIMMONS. But the Senator——

Mr. SHORTRIDGE. Just let me finish the thought. As to the theory, whether it be that of Cobden or Hamilton, Washington or Calhoun, we may differ, but we are not discussing that question now. We simply come here and say that under present conditions we can not compete with the cheaply produced unshelled or shelled almonds of Europe, and it is for us legislators to determine whether we shall maintain an American industry which will serve to bring about competition with the imported article, and at the same time add to the prosperity of State and Nation, or whether we shall abandon an American industry and again become dependent upon the foreign industry, which will speedily become a monopoly over which we shall have no control. Let us as to this and all our industries stand up for America.

Mr. SIMMONS. Mr. President, I think the almond industry in the Senator's State has been prospering pretty well up to this time. I do not think any money has been lost in California in the almond business. The lands cultivated in almonds are, as I understand, valued at about $500 an acre. There is no evidence that the almond industry up to this time has not been prosperous, at least as well as any other industry, certainly any other agricultural industry. The almond growers have been selling in considerable quantities shelled almonds, but have been finding a ready market for their unshelled almonds. I have heard no complaint on that ground. They do not seem to have a large quantity of either shelled or unshelled almonds on hand. The truth is there is not and never has been any considerable demand in the markets of this country for the California shelled almonds, partly for the reason that the California shelled almonds do not seem to keep so well as the shelled almonds grown abroad, partly for the reason that it is said to contain more pulp and therefore not so desirable for the purpose of making confections as is the foreign almond. There has been no market for the domestic shelled almond, and, because there has been no market for them, they have not been shelled.

Senators need not tell me that in America, with all of our initiative and with all of our energy, if the almond growers of California could have found a market for their shelled almonds they would not have long ago provided ample up-to-date machinery and put it in operation for the purpose of shelling their almonds. In this situation, if we should adopt the Senate committee amendment and impose the duty proposed, it would be the first time in my knowledge of tariff making that we imposed a high duty such as this—for this is a very high duty, being 275 per cent higher than the rate in the present law and 150 per cent higher than the Payne-Aldrich rate—for the purpose of protecting an American product, when it was disclosed in the argument there was not any of the product sought to be protected on sale in the American market. We are asked to provide this rate of duty simply upon the theory that if we will impose it possibly in the future they will be produced.

Mr. President, if we impose this duty under such circumstances we can not do it for the purpose of protection, because there is nothing to protect. Almonds have been raised in California, I presume, for 25 or 30 years, and yet the industry has no shelled almonds on the market to-day, according to the telegram from which I have quoted, and there is no American product to be protected. Therefore, Mr. President, if we impose it, for the present, at any rate, it will be a pure revenue duty and not a protective duty, and I think not only for the present but for a long time in the future. Even if the almond growers of California are successful in their shelling processes and in the expansion of their business, it will be a long time before they will be able to supply even a small part of the demand of the country for the unshelled almonds.

Mr. SHORTRIDGE. Mr. President, if the Senator will allow me, it is not necessary for our argument or for our position for me to add that, speaking for myself, I hold to the theory that if it is possible to develop an American industry in the State of the Senator from North Carolina or in the State of my friend from Mississipi, if it is possible to develop an industry whereby the people of the several States may have profitable employment I would impose a tariff duty on the imported product. Why? In order that an industry might be developed so that we would not become dependent upon the foreigner. In the end the prices would be no greater. I challenge the learning of my friend from North Carolina to point out in this country where, after we have developed an American industry, the cost of the product is more than when we were formerly dependent upon the imported article.

Mr. SIMMONS. Mr. President, I am not going to enter upon a discussion of the rudimentary principles of the tariff as understood and enunciated by the other side. I am discussing this case upon the facts, and I am attempting to show that, according to the facts, even from the standpoint of the Republican theory, there is no present ground for a duty, especially a duty of the proportions proposed. In the telegrams of which the Senator has spoken and in connection with which he has taken occasion to say some very delightful things about me for which I wish to thank him, the statement is made that the 15-cent duty upon shelled almonds will be practically prohibitory; that the consuming public will not stand the prices that the confectioners will have to charge for this class of sweets if they shall have to pay the proposed high rates of duty for the foreign product, there being no domestic product which they can buy, and therefore they are compelled to buy the foreign product.

Under the theory which the Senator has just invoked I do not recall any instance where any industry has come and asked us to give it in the very beginning, in the very initiation, a prohibitive duty to protect an industry that does not exist in the United States; and practically the industry of shelled almonds does not exist in the United States. Although you have been in the almond business for 25 or 30 years, multiplying each year your acreage, the shelled-almond industry does not exist. You have no goods to-day which you could deliver to these candy producers if they demanded them of you, so that they must necessarily pay these high rates of duty while you are developing your industry—an industry that practically does not now exist—and you can not give us any reasonable information as to how long it is going to take you to supply a reasonable percentage of the demand of the American consumers of shelled almonds. You do not know yourselves. It depends upon the growth of your trees; it depends upon the success of your newly installed shelling machines; it depends upon a great many contingencies, all in the future.

Mr. SHORTRIDGE. Mr. President, may I ask the Senator a question?

Mr. SIMMONS. Therefore—if the Senator will pardon me one minute—I say that if this duty be imposed at this time it can not be for the purpose of protection, because there is nothing to protect. It must be for the purpose of revenue; and does the Senator want to impose for revenue purposes a duty that the consumers of the product say will be prohibitive?

Mr. SHORTRIDGE. In the first place, it would be justified as a revenue measure.

Mr. SIMMONS. If it is prohibitive?

Mr. SHORTRIDGE. In the second place, it would not be prohibitive; and in the third place, according to the Senator's argument, this industry never would grow, never would develop, and we would forever be dependent upon the foreigner.

Mr. SIMMONS. I did not say that. What I have said is that when an industry in contemplation, in anticipation, comes

and asks for protection before it becomes a reality, before it is brought into being, it at least ought not to ask for a prohibitive duty. It ought to be satisfied with a very moderate duty until it does get into existence. That is the point I am making. The point I am making is that you have no unshelled-almond industry, and you are asking us to give you a duty to foster an industry that if it exists at all is in swaddling clothes, and you want a prohibitive duty to begin with. Out of those many telegrams that you speak about, presented by me, I think nearly a fourth of them say that the duty will be absolutely prohibitive.

Mr. SHORTRIDGE. The trees are in existence, the factory is in existence, the men and women are in existence, the soil is in existence, the sunlight of heaven is in existence, and the moon showers down her silver; so that this industry is in existence—in esse and not in futuro.

Mr. SIMMONS. The industry exists, but the marketable usufruct of the industry is wanting. There is no usufruct on the market or in existence to supply in whole or part the daily demand.

The PRESIDING OFFICER. The question is on the amendment of the committee.

Mr. WALSH of Massachusetts. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. FERNALD (when his name was called). I transfer my pair with the Senator from New Mexico [Mr. JONES] to the Senator from Michigan [Mr. TOWNSEND] and will vote. I vote "yea."

Mr. SWANSON (when Mr. GLASS's name was called). I desire to announce that my colleague [Mr. GLASS] is detained from the Senate on account of sickness. I will let this announcement stand for the day.

Mr. HARRISON (when his name was called). Making the same announcement as before, I vote "nay."

Mr. NEW (when his name was called). Making the same announcement of the transfer of my pair as on a previous roll call, I vote "yea."

Mr. POMERENE (when his name was called). Again announcing my pair for the day with my colleague [Mr. WILLIS] I find that I can transfer that pair to the senior Senator from Nebraska [Mr. HITCHCOCK], which I do, and will vote. I vote "nay."

Mr. STERLING (when his name was called). Making the same announcement as on the last vote as to my pair and its transfer, I vote "yea."

Mr. UNDERWOOD (when his name was called). I transfer my pair with the Senator from Massachusetts [Mr. LODGE] to the Senator from Rhode Island [Mr. GERRY], and will vote. I vote "nay."

Mr. WARREN (when his name was called). I transfer my general pair with the junior Senator from North Carolina [Mr. OVERMAN] to the junior Senator from Michigan [Mr. NEWBERRY], and will let that transfer stand for the day. I vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "yea."

The roll call was concluded.

Mr. BALL. Transferring my pair with the Senator from Florida [Mr. FLETCHER] to the Senator from Iowa [Mr. CUMMINS], I vote "yea."

Mr. TRAMMELL. I transfer my pair with the senior Senator from Rhode Island [Mr. COLT] to the senior Senator from Montana [Mr. MYERS] and will vote. I vote "nay."

Mr. CURTIS. I desire to announce that the Senator from New York [Mr. CALDER] is detained on official business.

I have been requested to announce the following pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from Kentucky [Mr. ERNST] with the Senator from Kentucky [Mr. STANLEY].

The result was announced—yeas 39, nays 17, as follows:

YEAS—39.

Ashurst	Frelinghuysen	McCormick	Poindexter
Ball	Gooding	McCumber	Rawson
Borah	Hale	McKinley	Shortridge
Broussard	Harreld	McLean	Smoot
Bursum	Johnson	McNary	Spencer
Cameron	Jones, Wash.	New	Sterling
Capper	Kellogg	Nicholson	Sutherland
Curtis	Kendrick	Norbeck	Warren
Fernald	Keyes	Oddie	Watson, Ind.
France	Ladd	Phipps	

NAYS—17.

Caraway	King	Shields	Walsh, Mass.
Dial	La Follette	Simmons	Walsh, Mont.
Harris	Lenroot	Swanson	
Harrison	Pomerene	Trammell	
Reflin	Sheppard	Underwood	

NOT VOTING—40.

Brandegee	Ernst	Nelson	Robinson
Calder	Fletcher	Newberry	Smith
Colt	Gerry	Norris	Stanfield
Crow	Glass	Overman	Stanley
Culberson	Hitchcock	Owen	Townsend
Cummins	Jones, N. Mex.	Page	Wadsworth
Dillingham	Lodge	Pepper	Watson, Ga.
du Pont	McKellar	Pittman	Weller
Edge	Moses	Ransdell	Williams
Elkins	Myers	Reed	Willis

So the amendment of the committee was agreed to.

Mr. SMOOT. I ask that paragraph 758 be now taken up for consideration.

The PRESIDING OFFICER. The amendment of the committee will be stated.

The READING CLERK. On page 111, paragraph 758, on line 1, it is proposed to strike out "2½" and insert "4," so as to read:

Walnuts of all kinds, not shelled, 4 cents per pound.

The PRESIDING OFFICER. The question is on the committee amendment.

Mr. JOHNSON. Mr. President, I should prefer, of course, that we might have immediately a vote upon these amendments; but the Senator from Massachusetts [Mr. WALSH] tells me that he desires to present certain facts, and he has suggested that I present the reasons which actuate us in asking these rates. I am very glad, indeed, therefore, to provide him and the other Members of the Senate with a demonstration of the necessity for the rates upon walnuts which have been given in the bill by the Finance Committee.

Walnuts are somewhat unlike almonds. While, of course, it is important that upon both the shelled and the unshelled almonds a tariff should be levied, and while, of course, it is important that upon both shelled and unshelled walnuts a tariff shall be levied, the importance in the two instances perhaps is in inverse order. The essential rate in the almond tariff was the rate upon the shelled almonds, the very important rate upon the unshelled. The essential rate concerning walnuts is upon the unshelled, the very important upon the shelled.

The walnut tariff and the history of the walnut industry illustrate the wisdom and the beneficence of the protective tariff policy. Walnuts are not only a luxury, if you choose to call them such, but walnuts are a food product, and a food product of the very highest value. I think the analyses of walnuts demonstrate that there are more vitamines in the walnut than in almost any other food product. So when we are dealing with the walnut we are dealing not only in what may have been termed, in dealing with the almond, a luxury, but we are dealing with something that we ought to be able to produce in quantity and that we ought to foster and encourage in production because of its very high food value.

The rates which have been accorded to walnuts in the past are as follows: Under the Payne-Aldrich law, 3 cents upon the unshelled walnuts and 5 cents upon the shelled. In the Underwood bill it was 2 cents and 4 cents. In the bill which passed the House it was 2½ cents and 7½ cents; and in the amendment now before the Senate the rates are fixed at 4 cents and 12 cents.

Ninety per cent of the domestic output of walnuts are unshelled. The domestic production now is about 56,000,000 pounds, and that constitutes 70 per cent of the American consumption of unshelled walnuts. The present investment in the walnut industry is greater than $110,000,000. The wholesale value annually at the point of production is over $12,000,000.

There are to-day 89,000 acres of walnuts on the Pacific coast; 64,000 of these are bearing, 25,000 are nonbearing. There is, I may add in passing, enough acreage in the State of California to supply all the world, and the production is increasing on the Pacific coast now at the rate of 100 per cent in every four years.

The walnut is one of the slow bearing of our fruit trees. It does not reach its maturity with the rapidity with which other trees do, and consequently the investment in a walnut grove is greater than in other trees and a longer time elapses before there can be any return upon it.

The walnut grower must spend the best portion of his life in bringing his grove into a profitable bearing state. The tree grows to a very large size, and indeed, from my point of view, it is one of the most beautiful of all the trees we have. To my mind there is no picture quite so charming as is presented by the walnut groves in southern California and in parts of Oregon, groves where the trees are planted symmetrically and where they have grown to full age, with an appearance somewhat like the umbrella tree, but really more beautiful. The spread of a full-bearing tree is fully 50 feet, and there are only 12 to 17 trees planted to the acre.

The walnut, of course, differs very much from annual crops, where the grower can rotate his crop from year to year and abandon his business without loss of any capital investment.

The walnut grower can do nothing of the sort. He of necessity makes a heavy capital investment in the first place, then a heavier capital investment in constantly caring for his grove during the period between planting and profitable bearing. He can not rotate his crop and can only abandon his business at absolute ruin to himself.

As I stated a moment ago, the output of American walnuts for the past 12 years has been doubling on an average every four years, and there is every indication that this ratio of increased production will continue for the next 10 or 12 years. The rapid increase proves that the point of market saturation will be reached within a very brief period, probably the next year or two. The American-grown product will not only be available in sufficient quantities to supply the entire normal consumption of the United States but there will be a large surplus, which will make for competition in the markets so keen as to force prices down to lower levels, regardless even of foreign competition.

Mr. President, these trees are bearing in about 10 years. They reach full bearing in 15 to 25 years. It will be obvious, therefore, that while under the provisions of the Payne-Aldrich law planting began in the State of California and that planting has continued under the provisions of that law, it is only now that the trees bear sufficiently to make the product really an article of commerce.

Exclusive of interest on investment, it costs in this country 15 cents a pound to raise walnuts. The labor cost is 65 per cent of that, or about 10 cents. The labor cost in America in raising walnuts is 10 cents a pound. We come in contact with and we have to meet in competition France and Italy, and in the last two years, perhaps greater than either, or more dangerous and perilous than either, China and the Orient. While our labor cost is 10 cents a pound, the labor cost in France is 2½ cents a pound, the labor cost in Italy is 1 cent a pound, and, from the best available data, the labor cost in China is one-half of 1 cent a pound.

It will be observed, therefore, that the difference in labor costs between America and foreign countries is 7 to 9 cents a pound. The duty that is asked upon the unshelled walnut is less than one-half the difference in the labor cost here and abroad. I want to impress that upon my brethren, because if a tariff should be determined in the fashion the Senator from Massachusetts has stated it ought to be fixed, then there could be no complaint upon his part, or on the part of any of his Democratic colleagues, against the duty that is asked upon this particular product.

In transportation, again we are at a disadvantage. Since 1913 freight has increased 1 cent a pound upon our products. One cent a pound added to what the Payne-Aldrich law gave us, 3 cents a pound, would make the duty now 4 cents a pound, and without considering the additional labor cost, without considering all of the changed conditions which have come in the metamorphosis of the world from the war, thinking only of the increase of 1 cent a pound which has occurred in transportation alone, by the bill under which the orchards were planted, in the main, in California, we would, were it to be enacted again to-day, be given as the very minimum of protection 4 cents per pound, which is all that is here sought.

The foreign freight rate is 80 cents per hundred pounds. The American rate is $2.40 per hundred pounds. The foreign rate to New York, Boston, Philadelphia, and New Orleans is only 40 cents per hundred pounds from the countries of Europe with which we have to compete with our California raised walnuts. That rate of transportation is only one-sixth of the rate of transportation we are compelled to pay upon our transcontinental roads.

First, therefore, they may raise their walnuts for from 7 to 9 cents a pound more cheaply than we because of labor conditions abroad and at home. Next, they may ship them to the greatest markets there are in this country for one-sixth the sum it costs us to transport our walnuts upon our railroads; and when these things are shown, and they can not be gainsaid, we believe we present a case not only justified and demonstrated but a case which requires and demands imperatively the protection we ask.

It needs no statement of mine to make perfectly apparent that conditions were vastly different when the original rates were fixed under former tariff bills, and those changed conditions, if we acted upon the same theory as was acted upon when former bills were enacted, would give us higher rates than those contained in this bill.

Do you realize, sir, that in 1864 there was a 3-cent duty—a 3-cent duty that was reestablished in 1883, and that that 3-cent duty continued until the Underwood law was passed? So what we are seeking to-day is really nothing new, and is not at all out of proportion; indeed, is less, considering changed conditions, than would have been accorded under the older bills and under the system which was in vogue in the past.

The United States is the largest consuming market of walnuts in the world. Here we consume 80,000,000 pounds annually, and because the United States is the largest consuming market for walnuts we have become the dumping ground of walnuts raised in every country in Europe where there is culture at all, and in the last two years we have become the dumping ground of the Orient, and from China and Manchuria we are being flooded at present with walnuts.

That the walnuts produced in this country are infinitely superior to those produced abroad, I do not think admits of question at all. They are produced in different fashion. We maintain our regular groves in the manner in which I have detailed. They must be irrigated a number of times yearly. The nuts are graded with extraordinary care after they are picked from the trees, and every sanitary condition prevails in the culture of this product in the West, while there is no such care in the production of the walnuts which come from abroad.

The walnut industry found it essential, like most industries of this sort, to market by cooperation, and formed its nonprofit cooperating society in order that it might obtain the very best prices that could be obtained for those who produce the walnut in the first instance.

The Walnut Growers' Association presents indeed as fine a business acumen as any association in the country. It sells at the lowest possible price that it can and it endeavors to bring, of course, some return to its members. There is the slightest spread in this business between the consumer and the producer that there is in any business with which I am familiar. It speaks volumes for the mode of doing business with the walnut growers and the Walnut Growers' Association that they have maintained this slight spread between the producer on the soil and the ultimate consumer throughout the land.

The sales policy of the domestic walnut growers is built up entirely on the theory that quality pays. It has long been recognized by the American walnut producers that domestic consumption can only be increased by furnishing the American consumer with an article that is as near perfect as American ingenuity and skill can make it. For this reason nothing but the very best selected stock is packed under first grades. Domestic shippers are given positive guaranties to the trade that their deliveries will crack 90 per cent perfect. The average of all American-grown shipments for the past several years have cracked 95 per cent perfect.

American producers, in order to avert financial disaster, have made almost superhuman efforts along merchandising lines. For many years prior to the enactment of the Payne-Aldrich bill the American walnut growers were operating at an actual and considerable net loss. During this period many full bearing groves were uprooted and other crops substituted. It was found that the producer was only receiving about one-third of the price charged the consumer for his product. Finally a cooperative, noncapital, nonprofit sales organization was developed, which now markets over 75 per cent of the walnut production of America. Through the efforts of this organization all speculation in the product handled has been eliminated. The number of dealers through whose hands the product formerly passed has been cut in two. The product has been so thoroughly standardized and merchandising methods so highly perfected that the ratio between consumers' cost and producers' selling price has finally been reversed. So to-day the consumer receives an almost perfect product at but 35 per cent advance over what the producer receives, or conversely the producer receives 65 per cent of the consumers' price. The 35 per cent spread between the consumers and producers' price includes all freight charges and both wholesalers and retailers' profits. We believe this margin between producers and consumers' price to be less than that on any other nonperishable product of the soil. This is but one example of the many economies which market conditions have forced upon American producers and no further perceptible savings either along producing or marketing lines can be expected.

The 4 cents per pound duty would make it unprofitable for foreign importers to ship to this country the poorest grades and qualities of walnuts. Therefore the quality of importations would be improved, which, in the long run, would prove of benefit to both the American and foreign producer as well as a source of great satisfaction to the American consumer.

The duty proposed by us would add to the revenue of the United States Treasury approximately $1,750,000 annually above that yielded by the present rate.

In America the producing of walnuts is a highly specialized business. It is in no way a roadside crop or by-product of the soil as in foreign countries. Over 85 per cent of the American

walnut growers depend exclusively on the production of walnuts for their livelihood and produce no other crop. The cultural methods are as highly developed as those of any fruit-producing industry. To obtain the best results it is necessary for the growers to fertilize annually, irrigate at least three times a year, and cultivate the ground from five to six times each season. It is only the richest land that will satisfactorily produce walnuts. Added to this, peculiarly adapted climatic conditions must prevail. Interior sections are usually too hot in summer and many other localities are too susceptible to frost in the early spring or late fall. Consequently the available area for producing walnuts is somewhat limited, for out of nearly 100,000,000 acres in California only about 300,000 acres are suitable for walnut growing. The land suitable for the production of this crop is also suitable for producing beans, many kinds of vegetables, and in some cases citrus and deciduous fruits. Consequently, in order that the industry may survive and prosper, the profits per acre must be kept in harmony with the average income that can be derived from the land used for producing any of the other crops referred to. There are at least 200,000 acres of land in California alone still producing only annual crops which are very properly suited for the production of walnuts. With fair protection it is only reasonable to suppose that enough of this acreage will shortly be planted to keep the American production well ahead of the domestic consumption.

In all European countries walnut culture is principally a by-product. Walnut trees are set out in a rather haphazard manner in pastures, as roadside borders, and on otherwise rather worthless hill slopes. Irrigation is unheard of. Little or no cultivation is practiced and about the only cost is the harvesting cost. The report of Mr. Thomas W. Murton, for many years American vice consul at Grenoble, France, the center of the French walnut production, and who is perhaps the best posted authority on European walnut culture, shows the mode of cultivation abroad, and this report I desire to have printed in the RECORD as an appendix to my remarks.

The PRESIDING OFFICER. Without objection, permission is granted.

(See Appendix A.)

Mr. JOHNSON. Mr. President, I ask leave to annex as a part of my remarks various exhibits, as follows:

Exhibit A: Amount invested in the walnut industry in California alone.

Exhibit B: Number of acres, bearing and nonbearing, devoted exclusively to walnut culture in California and Oregon.

Exhibit C: Out-of-pocket cost of producing walnuts in the United States compared with European costs, also labor costs in the United States compared with that in Europe, particularly Italy and France, and cost of farm labor in China.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Appendix B.)

Mr. JOHNSON. Now, Mr. President, considering the extraordinary investment in walnut groves, considering how the walnut tree represents a generation, really two generations, before it can become profitable to the owner, considering the fact that there has been a rate of duty of 3 cents in the past, considering also the changed conditions, and that it would not be inappropriate to make the rate 6 or 8 cents now, while but 4 cents is asked in this instance, it would seem that without further argument even Senators on the other side of the Chamber ought to agree that this duty be given to us.

APPENDIX A.

STATEMENT ON THE COST OF PRODUCTION OF THE WALNUT IN FRANCE BY THOMAS W. MURTON, GRENOBLE, FRANCE, DECEMBER 30, 1920.

The walnut is a tree that in France grows freely all over the country, mostly in its natural state, and without any particular care or attention. Only in one or two places is it really cultivated, which consists mainly in grafting, namely, in the department of Dordogne, which produces a fairly good quality known as Cornes, and in the department of Isere, where along both sides of the river of that name, known as the valley of the Greswandan, the fine so-called English walnuts, otherwise Mayettes, are grown.

Formerly farmers and peasants attached but little importance to the walnut, which was planted principally for its wood. It is only in recent years that it has become interesting for its fruit by reason of the high value it has attained. Thus scientifically planned and laid out orchards like those of California are practically unknown here. There are plantations, of course, and plenty of them; but mostly all with a double purpose; that is to say, the production of other field crops at the same time, walnut crops being generally considered as a side issue.

Under these conditions it is difficult to estimate the cost of production of walnuts alone, for in nine cases out of ten the trees benefit from the care given to other crops growing around them and which otherwise they would not get. When trees stand on ground unutilizable for other crops, they generally perish from sheer negligence because the earth around the roots is rarely, if ever, loosened and no manure used. And as for pruning, this is a luxury rarely resorted to as being too costly or from want of time, so the trees carry deadwood from year to year until it finally drops or is blown off by a stiff wind.

Of all the proprietors of medium sized plantations that I have consulted as to their annual expense of maintaining them not one in his reply has stated the honest truth. All have exaggerated the cost, either because they are afraid of compromising themselves or of giving away something—what they do not know.

Of all the figures submitted by the different parties those of M. A. Buisson, of Sorges, Dordogne, appear to me to be the most sincere, as he frankly states that he cultivates other crops at the same time. For 120 trees he gives a rendering of 3 tons and a cost of maintenance of 2,400 francs ($138, or 2½ cents per pound). Admitting that he sold his nuts at 240 francs ($13.80) the hundred kilos (220 pounds, or 6½ cents per pound), which is the lowest price quoted, the cost of production would be about 33 per cent of the value. But as two crops were tended at the same time, I consider the figure 33 should be cut in half. In my opinion the maintaining of an orchard dedicated solely to the production of walnuts and receiving every care and attention should not exceed 40 per cent of their value. I regret exceedingly that I am not able to give you more precise information, but with the best wish such is not possible, seeing that conditions of production in France differ so greatly with those in vogue in the United States.

It is convenient to call to mind here that in France the land is cut up mostly into small parcels, and many are the families that contrive to live comfortably and save money on the production of a few acres. Most peasant farmers possess a few walnut trees scattered over their property, which receive no special attention and profit only from the care given to other crops, and as this class forms the vast majority of agriculturists, it will be readily understood how difficult it is to establish even an approximate idea of the cost of production of walnuts. As a matter of fact it is exceedingly small, and by many is considered negligible.

Not a quarter of the persons to whom I addressed a questionnaire have responded to it. I inclose herewith what answers are at hand, untranslated, as the time is too short to undertake this work.

COST OF PRODUCTION OF WALNUT MEATS.

The obtaining of data on this subject has been a much more simple operation than is the case with walnuts in the shell. Crackers pretend that there is practically no saving by the employment of a machine, although the cost is only 2 francs per 100 kilos as against 12 and 15 francs by hand, because the shell being only broken the meat has to be picked out and separated the same as by hand. In general, the cost of cracking and putting up 100 kilos of walnuts ready for shipment, without taking into account the cost of the merchandise, averages about 45 francs. This figure may vary a little, accordingly as the nuts cracked are large or small. This sum, decomposed, would be about as follows, according to M. Eugene Ferrieux, of Romans, Drome, who has favored me with a very complete summary of the situation. I transmit his letter, which, however, I have not had time to translate.

	Per 100 kilos (220 lbs.) rendering 55 pounds good meats.	Equivalent in United States exchange.	Cost per pound United States exchange.
	Francs.		
Transportation of merchandise from seller's to buyer's premises and brokerage	10.00	$0.58	$0.01
Cracking by hand	12.00	.67	.012
Sorting	6.60	.40	.008
Case and packing	5.00	.29	.005
Manipulation, etc.	10.00	.58	.01
	43.60	2.52	.....
Contingencies	1.40	.08	.....
	45.00	2.60	.035

This is certainly not an extravagant price and must compare very unfavorably with that paid for the same work in the United States. It would seem then only just and equitable that an increased tariff should compensate for such difference.

THOS. W. MURTON.

The following is a copy of a questionnaire sent by Mr. Murton to a number of the principal growers of walnuts in the various producing districts of France:

"To complete a study on 'The Walnut and its Propagation,' which I am in the act of preparing in a spirit of propaganda, I desire to know approximately what is the cost of production per annum and per hundred kilos.

"As I believe you will not find any objection to favor me with this information, I should be greatly obliged if you would kindly fill out and return to me as soon as possible the inclosed questionnaire.

"With my anticipated thanks, I am,

"Yours truly,

"T. W. MURTON."

QUESTIONNAIRE.

1. How many producing walnut trees do you possess?
2. What is about the quantity of nuts they render annually?
3. What are your expenses for maintaining these trees, viz:
For labor?
For fertilizer?
For gathering, sorting, washing, sulphuring, etc.?

The following replies are typical in averages of all received:

From M. Minet, N. Quentin, December 22, 1920:

"Owns 150 trees, thickly planted. Average production, 1,500 to 2,000 kilos (4,000 pounds); manual labor, 400 francs; fertilizing, 500 francs; gathering, etc., 300 francs; total, 1,200 francs. (Equivalent, United States exchange, $68.40; 4,000 pounds at cost of production of $68.40; average cost of production per pound, 1.71 cents.)"

From Joseph Marchand, Polinas, France, December 26, 1920:

"Owns 500 walnut trees. Average production, 3,000 kilos (6,600 pounds). Cost: Manual labor, 3,500 francs; fertilizer, 1,200 francs; gathering, etc., 2,000 francs; total, 6,700 francs. (Equivalent, United States exchange, $381.90; 6,600 pounds at cost of production of $381.90; average cost of production per pound, 5.8 cents.)"

From L. Maire, Dordogne, France, December 23, 1920:

"Answers: The only expense is in connection with picking them."

From A. Buisson, Sorges, France, December 22, 1920:

"Owns 120 trees. Produces 3 tons (6,000 pounds). Cost of labor, 1,200 francs; fertilizer, 600 francs; gathering, etc., 500 francs; total

cost, 2,300 francs. (Equivalent, United States exchange, $131.10; 6,000 pounds at a cost of production of $131.10; average cost of production per pound, 2.2 cents.)"

From Marc Bussiere, Brantome, Dordogne, France, December 22, 1920:

"I have not forgotten your pleasant visit, and I shall be delighted to be useful to you in giving you what information I can on the cultivation of our walnut trees.

"In Perigard generally and at Brantome the walnut is raised along borders or in the middle of fields where chance has planted it or it is planted in rows, where it receives no particular care and benefits only from the labor and fertilization given to the grain. They are not always even grafted, but they are trimmed, so that the animals when plowing can pass under them.

"The trees are also allowed to grow in amongst the vines. They are planted as a border in lines. Certainly the tree grows to a great size, and is bad for the vine, but it develops very well amongst the vine.

"Under these conditions the trees are of no expense whatever. The nuts are merely gathered when they fall, and their fall is hastened by beating the trees with poles.

"This rudimentary cultivation is not worthy of praise, and the trees do not yield all that they might, but it costs nothing and reduces expenses to a minimum.

"In our district there are to-day trees which have been carefully grafted with good species, but they receive hardly any other care than that given the crops in the middle of which they grow. That is the farmer's usual method of cultivation.

"I have trees of every age, but most of them are young, all the old trees having been renewed or needing renewal.

"This year my walnut trees on the hill and on the plateau were the only ones that had a normal quantity. The greater part of the fruit buds in the lower sections were frost bitten, which hurt all the trees this year.

"I hope that this information will be of some utility to you.

"Believe me, etc."

Of a total of 18 answers received to the questionnaire the average cost of all those growers who replied giving costs was a total of production cost of 3.67 cents per pound.

THE FRENCH WALNUT-MEAT INDUSTRY.

A similar questionnaire to that sent the walnut growers was sent by Mr. Murton to all the principal walnut-cracking plants in France.

A total of seven replies were received, that of M. Ferrieux being the most complete. However, the French cost, exclusive of the price of the unshelled walnuts purchased taken from the seven replies, shows a cost of cracking, packing cases, sorting, manipulating, commission, etc., to be 2.84 cents per pound when translated to United States weights and exchange.

(NOTE.—The original letters of reply and original translations are on file with the United States Tariff Commission, Washington, D. C.)

APPENDIX B.

EXHIBIT A.

Amount invested in the walnut industry in California alone.

Average value of bearing walnut acreage ----------per acre----	$1,477.05	
(Determined by taking an average of the appraised valuation per acre, exclusive of buildings, but including irrigating system, compiled from answers to questionnaires received from 231 walnut growers of 15 various walnut-producing districts, owning 5,030 acres.)		
Total value of 60,800 acres bearing walnuts----------		$89,804,640.00
Average value of nonbearing walnut acreage ----------per acre--	$826.65	
(Determined by taking an average of the appraised valuation per acre, exclusive of buildings, but including irrigating system, compiled from answers to questionnaires received from 15 walnut growers of 10 various walnut-producing districts.)		
Total value of 23,900 acres nonbearing walnuts------		19,756,935.00
Total investment in land----------		109,561,575.00

There are in California 42 walnut packing houses where walnuts delivered by the grower are culled, graded, cleaned, and packed.

Answers to questionnaires received from 21 of these packing houses show a total investment of $511,217.49, or an average per house of $24,343.69.

Total value of 42 packing houses----------	$1,022,434.98
Total investment in walnut land----------	109,561,575.00
Total investment in walnut industry----------	110,584,009.98

The assessed valuation of bare land in Ventura, Los Angeles, and Orange Counties—the three largest walnut producing sections of California—in the districts where walnuts are grown and where land is under irrigation, ranges from $350 to $440 per acre, depending upon quality, location, etc. This assessed valuation is generally considered to be one-third the actual cash value.

(Copy of questionnaires, from which this information was obtained, on file with and approved by the United States Tariff Commission.)

EXHIBIT B.

Number of acres, bearing and nonbearing, devoted exclusively to walnut culture in California and Oregon.

CALIFORNIA.

Figures as shown by monthly bulletin of State commissioner of horticulture, April, 1919, except where marked.[1] (See footnote.)

County.	Acres bearing.	Acres nonbearing.	Total acreage.
Alameda	112	220	332
Butte	53	.....	53
Contra Costa	180	496	676
Los Angeles[1]	19,845	4,332	24,177

Number of acres, bearing and nonbearing, devoted exclusively to walnut culture in California and Oregon—Continued.

County.	Acres bearing.	Acres nonbearing.	Total acreage.
Orange	13,753	3,090	16,843
Riverside[1]	505	1,884	2,389
San Benito	73	.....	73
San Bernardino[1]	671	403	1,074
San Diego	483	46	529
San Joaquin[1]	700	1,125	1,825
San Luis Obispo	520	180	700
Santa Barbara[1]	4,500	150	4,650
Santa Clara	880	922	1,802
Sonoma	250	105	355
Stanislaus	135	.....	135
Tulare	161	550	711
Ventura[1]	11,531	3,243	14,774
Yolo	46	.....	46
Yuba	50	.....	50
	54,448	16,746	71,194

[1] Figures taken from individual report from county horticultural commissioner, July, 1919.

The statement above gives the latest official figures available, but as these are some two years old now they do not include the last two seasons' plantings, estimated at 13,500 acres. Therefore the present walnut acreage in California may be said to be 60,800 acres bearing, 23,900 acres nonbearing, 84,700 acres total.

OREGON.

Figures as shown by statement compiled by Oregon State tax commission for the year 1920: 2,675 acres bearing, 1,614 acres nonbearing, 4,289 acres total.

EXHIBIT C.

Out-of-pocket cost of producing walnuts in United States compared with European cost, also labor cost in United States compared with that in Europe.

PRODUCTION COST IN THE UNITED STATES.

The out-of-pocket cost of production of merchantable walnuts compiled from answers to questionnaires from 231 walnut growers of 15 various walnut-producing districts covering 5,030 acres of bearing walnuts, with a production of 4,020,224 pounds in 1920, or an average of 799 pounds per acre, is as follows:

	Pounds.
Cultural cost, per acre, $79.27----------	$0.0992
(Exclusive of harvesting, but including cost of water for irrigation; 10 per cent depreciation on pumping plant, pipe lines, live stock; 20 per cent depreciation on tools, implements, tractors, etc.; 1 per cent depreciation on value of above, all taxes, insurance, labor, fertilizer, and a reasonable charge for owner's labor and supervision.)	
Harvesting cost----------	0.0256
(Includes yard work, picking, and drying.)	
Packing cost; per ton, $27.54----------	.0137
(The cost of packing includes insurance, taxes, labor, bleaching materials, bags, twine, repairs and replacements, 5 per cent depreciation on buildings, 20 per cent depreciation on machinery, and other costs, such as stationery, power, etc., and is compiled from answers to questionnaires received from 18 packing plants located in the 15 districts above referred to.)	
Marketing cost----------	.0112
(This is the average selling expense of California Walnut Growers' Association, including advertising, commission to brokers, 1 per cent trade discount, maintenance of field department, inspection department, rent, salaries, overhead, etc.)	
Total American cost of production----------	0.1497

Cost of farm labor in walnut industry in Italy compared with the United States.[1]

[Per 8-hour day in the lemon industry.]

	Lira per day.	Converted into United States exchange.	Figures originally submitted by Walnut Protective League in brief to Ways and Means Committee.
Male laborers----------	11½	$0.48	.....
As American male farm labor is costing $4.61[2] per day, the labor cost in Italy is 10.4 per cent of the American cost.			
American labor cost to produce a pound of walnuts----------	.....	.0973	$0.0973
Italian labor cost to produce a pound of walnuts, 10.4 per cent of 9.73 cents----------	.....	.0101	.0108
Saving in labor cost between Italy and America----------	.....	.0872	.0865

[1] See pp. 34 and 36, Ways and Means Committee bulletin "Wages in the United States and Foreign Countries."

[2] P. 36—Either same rate as "male workers in lemon industry" or average of other comparable workers in agriculture specified in table.

Cost of farm labor in walnut industry in France compared with United States.[1]

[Compiled from bulletin published by Ways and Means Committee entitled "Wages in the United States and Foreign Countries."]

	Francs per day.	Converted into United States exchange.	Figures originally submitted by Walnut Protective League in brief to Ways and Means Committee.
Male farm laborers	17	$1.19	
As American male farm labor is costing $4.61 [2] per day, the labor cost in France is 25½ per cent of the American cost.			
American labor cost to produce a pound of walnuts		.0973	$0.0973
French labor cost to produce a pound of walnuts, 25½ per cent of 9.73 cents		.0250	.0243
Saving in labor cost between France and America		.0723	.0730

[1] See p. 35, Ways and Means Committee bulletin "Wages in the United States and Foreign Countries."

[2] P. 34, "Average Wages of American Farm Labor, Far West, by the Day, Without Board."

COST OF FARM LABOR IN CHINA.

The United States Department of Commerce, Bureau of Foreign and Domestic Commerce, Far East Division, labor and wages, in digest of material in files as of January 1, 1921, are authority for the fact that in the Tientsin Province, where most of the oriental walnuts are produced and packed, the April, 1920, average wage of coolie labor was from 28 cents to 40 cents per day, Mexican money, and they state that agricultural laborers were available at $20 per year, Mexican money, and board.

We have used the higher rate of 30 cents per day, Mexican money, or 22 cents per day, American money, in making our calculations.

	Mexican cents per day.	Converted into United States exchange.
Male farm laborers	30	$0.22
Male coolie laborers	28	.21

As American male farm labor is costing $4 per day, the labor cost in China is 5½ per cent of the American cost.

	Cents.
American labor cost to produce a pound of walnut---per pound--	9.73
Chinese labor cost to produce a pound of walnuts, 5½ per cent of 9.73 cents---per pound--	0.53
Savings in labor cost between China and America---do----	9.20

Mr. WALSH of Massachusetts. Mr. President, the facts in connection with the tariff rate upon walnuts are very similar to those with reference to almonds. I do not know of any better argument to make in answer to the one the Senator from California has just made than to quote one statement made by him. "This industry," he said, "has doubled every four years." That means that during the eight years of the protective duty levied under the Underwood law the industry has grown over 400 per cent. How can he justify such a tremendous increase in duty over the Payne-Aldrich law as is provided by the committee amendment, in view of the record of growth of this industry?

The walnut industry is a very prosperous one. I am not going to ask the Senate to accept my personal information about it. I am going to give the Senate the information about the industry which the Walnut Growers' Association itself furnishes to the public. I am going to read from an article written for the Western Canner and Packer, by Mr. Carlyle Thorpe, general manager of the California Walnut Growers' Association. The article was published in the Western Canner and Packer for February, 1922:

The opening prices, 22½ cents per pound for No. 1's, 17 cents per pound for No. 2's, and 28 cents per pound for fancy budded, were so well received by the trade that the California Walnut Growers' Association was completely swamped with orders by the end of the first week in October.

Referring to the trade of the previous year, the year 1921, the prices were so satisfactory that the Walnut Growers' Association "was completely swamped with orders by the end of the first week of October."

Early demands for walnuts at opening prices brought in orders for about four times as many walnuts as could be supplied. The association sold about 90 per cent of its unshelled walnuts at the opening prices in taking care of the requirements of old customers.

The market continued to show strength and advanced to a point 4 cents above the opening figures, by which time the California crop was entirely exhausted, not a single bag of walnuts remaining in the warehouses at the end of November.

This is the industry for which we are asked to increase the protective tariff duty 200 per cent, and not a bag of walnuts in late November was available. What industry in the country can show such a record? Yet protection, high protection, is demanded.

In recent months the association has found it necessary to decline orders for hundreds of tons of unshelled walnuts, and has only been able to offer the trade its shelled walnuts, which are vacuum packed in tins and glass jars.

The shelled-walnut business promises to become the big end of the California walnut industry. During the past season the association has handled four times as many meats as it shelled and packed during any former season.

In standardizing the 1921 pack it screened out and eliminated by hand sorting 10,000,000 pounds of undersized, shriveled, and lightweight walnuts from a 40,000,000-pound harvest, putting these offsizes through the cracking machines and reducing them to hand-selected, bright, and toothsome walnut meats, ready for the can opener and the dinner table.

The associated growers have hit a popular note with the housewife in offering her walnut meats. When she wants to finish a cake in a hurry or top a salad for dinner or luncheon she hasn't time to stop and crack and pick out nut meats, but she does have time to open a jar of selected meats.

In the same article, referring again to the prosperous character and nature of the walnut business, I call attention to the following:

The year's outstanding accomplishments, which include quick sale of the crop, reduction of railroad freight rates, erection of a magnificent association building, and a successful campaign for protective tariff, are all convincing evidence of the benefits derived from cooperation.

By presenting a solid front when matters of great importance present themselves, the California walnut industry has succeeded in protecting its own interests, and in so doing it has protected to a considerable degree the interests of the wholesaler, the jobber, the retailer, and the ultimate consumer.

So prosperous is the industry that the entire production was sold in a few weeks. So prosperous is the industry that the price of land suitable for the cultivation of walnut trees is said to be $1,200 per acre. Does this show need of such prohibitive rates?

Mr. McNARY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Oregon?

Mr. WALSH of Massachusetts. I am glad to yield to the Senator.

Mr. McNARY. The Senator is attempting to make much of the statement that the California Walnut Growers' Association disposed of the entire crop. From that does he deduce that the producer made a large profit?

Mr. WALSH of Massachusetts. Yes. It is my opinion that an association such as the Walnut Growers' Association would not at the outset fix a price that did not give the grower a profit; and the very fact that in a very few weeks the whole output was sold is evidence to me of a very successful season.

Mr. McNARY. The Senator is usually accurate, but he is terribly mistaken in this instance. At the very time the crop was sold the average gross return to the growers in California was $16 an acre.

Mr. WALSH of Massachusetts. Then I am to understand from the Senator that the growers' association opened up this season by offering walnuts at a price which brought no profit to the grower. Is that the fact?

Mr. McNARY. They are not offering in a monopolized market. They do not fix the price at any figure that may suit them. There are very many elements that control the price the consumer pays the grower for his product. This is merely a cooperative selling agency, that gets the best price possible. I want to say to the Senator, because it is related to the subject under discussion, that the cost to the producer is 14 cents a pound and the walnuts are sold for 16 cents a pound. I want further to say that that is a margin of 2 cents a pound, and the average production per acre in all the Pacific Coast States, in the matured orchards over 12 years old, is 800 pounds to the acre. So that it may be said that the net sum of money which the growers received for their crop was $16 an acre. I shall have something more to say in reference to that matter in a few moments, but I simply wanted to get the state of mind of the Senator at this time.

Mr. WALSH of Massachusetts. I will read to the Senator from the Tariff Commission report and give him the information that it contains about the activities of the growers' association. I can not conceive—it seems incredible—that a growers' association would give the public information which is contained in what I have just read—that they have had a successful season; that as soon as the prices were named they had a tremendous demand; that the prices shortly jumped 4 cents per pound; that the whole crop was sold out in a few weeks—and then presented evidence that it was all done at a loss. I repeat, it is incredible. What must we think of an association

that handles the product of the growers in the fashion and manner described by the Senator from Oregon and then boasts about what a successful season they had, the rapidity with which orders came in to the growers' association, and what a short period of time elapsed before the whole output was purchased?

Mr. McNARY. Mr. President——

Mr. WALSH of Massachusetts. Let me read what the Tariff Commission says:

The growers organized in 1912 as the California Walnut Growers' Association. Its prime object is to market the product advantageously for the growers and to standardize and stabilize the industry. The association, which includes between 75 and 85 per cent of the growers, annually establishes opening prices for different grades. The actual prices realized may be higher or lower, according to the demand. To improve and make uniform the product, the association early adopted a trade-mark and brand name, and first-quality nuts are now sold under the Diamond Brand trade-mark. This brand is applied to the three top grades, which constitute 60 per cent of the crop. No. 2 nuts, which constitute 30 per cent, are sold as "California walnuts." The remaining 10 per cent, consisting of culls, is sold as walnut meats. Nearly the whole of the crop is marketed in the shell, except the so-called culls, which consist of walnuts that are partially filled, blighted, or have a poor appearance.

Further on in the same report, speaking of the crop of 1919 and confirming what I quoted from the article which I have just read, the Tariff Commission says:

The average return for the 1919 crop was 24 cents per pound, and for 1918 slightly less. The best grades of French and Italian nuts sold during 1920 at 18 and 19½ cents. But a large part of the imports auctioned off at around 8 cents per pound. (Table 8.) Commercial advices indicate that virtually all of the domestic walnut crop of 1920 has been sold.

This report was published in the early part of 1921.

It is noteworthy that the growers were able successfully to dispose of their crop at prices far higher than were received for the foreign product and in the midst of the prevailing business depression. They were able to do this by a prompt price reduction of around 28 per cent. Such wide differences in price seem to indicate that the tariff problem is not a vital one, and that the higher domestic costs are to a very large degree offset by the higher prices received for the better California product.

Mr. President, there is further evidence from the Tariff Commission itself that the crop was disposed of and that very shortly after the harvest season there were no walnuts upon the markets which were available for the American demand.

I now quote from a publication which is known as the Confectionery Market, as follows:

The value of the domestic walnut crop (97 per cent being produced in California) increased between 1909 and 1919 from two and a quarter million dollars to over fourteen millions—

And that during the time when there was a very much lower duty imposed than is contemplated in this amendment—

It did not need a high protective tariff to bring about this phenomenal result. During the first half of this period the rate of duty was 5 cents; the last half, 4 cents.

The labor cost of production of California walnuts is approximately 65 per cent of the total. Nobody wants workers in California to have to compete with European labor nor to live under European conditions. A glance at the development of the California industry noted above would seem to indicate that it is not necessary they should. The development was due to progress in cultural and marketing practices. The United States Tariff Commission, referring to the walnut crop, says:

"It is also to be noted that the great bulk of the crop is marketed by a growers' association, which annually establishes opening prices, * * * but it is apparent that the control it exercises over the great bulk of the domestic crop enables it to profit in prices from a tariff more readily than is the case of an industry where competition among individual producers is general."

In a letter from one of the leading candy manufacturers of Boston I note the following comment in reference to California walnuts:

During the war when walnuts were scarce, we used some California walnuts. They came in very much discolored, due to the thin shells on them. In fact, most of them showed up very black. While they are white when they are cut open, they are very far from being attractive and are not desirable for confectioners.

Were it not possible to get French nuts, we believe there are many confectioners who would not use these nuts at all, unless it were for inside work.

The price of walnuts and almonds is now so high that we are not using anywhere near the quantity we would use if prices were nearer normal. The normal price on walnuts is 30 cents; the price to-day is about 60 cents.

Many similar letters have come to me—some of them are printed in the RECORD of July 3. I can not believe the candy manufacturers would intentionally and willfully assert that the California walnut was not suitable for their purposes unless their experience justified it.

Let me read further from this letter of April 27, 1922:

In our small business here we thought nothing of buying 100 cases of walnuts when the price was around 30 cents; to-day we buy them in 5 and 10 case lots.

If this bill passes, it will work a great hardship on all the confectioners, and will be the means of taking away some of the attractiveness from our package goods, which make up a large part of our business.

We are willing to do anything we can to help, and of course understand it is necessary for the Government to obtain revenue through such sources, but if our business is injured we can not make money to pay taxes. In other words, "If they kill the hen, they lose the eggs."

If we should write you every time we were asked to do so, you would receive about three letters a week from us.

Mr. President, the question is very simple. The walnut industry is a very prosperous one. It has grown rapidly by leaps and bounds, but it does not and can not produce a sufficient quantity of walnuts to meet the American demand. The domestic production is about 50 per cent of the consumption and the imports are 50 per cent, chiefly shelled walnuts. The confectioners say the foreign shelled walnut is superior to the domestic shelled walnut; that its color is better for their purposes, and that its flavor is better, but they frankly admit that the California unshelled walnut is one of the best in the world and does not compete with the foreign unshelled walnut; that it is superior and commands a better price in the market. However, when shelled and exposed to the air it discolors, so the confectioners say, and is not suitable for their purposes. In any event, the California walnut growers have not shelled their walnuts, because the demand for their unshelled walnuts is more than their supply.

Mr. President, it does not seem to me that these high rates can be justified or can be successfully defended in view of the disclosures in this case, and the evidence, which is overwhelming, to the effect that walnut growing has been a prosperous and successful industry and has grown tremendously under a very much lower tariff duty than that proposed by the amendment, which amounts to an increase of 200 per cent over the rates of the existing law. If the rate reported by the committee is sound, if it is defensible, then every agricultural industry which can show the prosperity that the walnut industry shows and which can show a production equal to one-half of the consumption ought to have similar high protective tariff rates imposed. Of course, the proposed duty can not be defended and the amendment ought not to prevail.

I desire to say in conclusion that we are establishing some very bad precedents in this bill. It is easy enough to levy duties now, but when the time comes to revise this tariff bill, as it will have to be revised in the future by either the Democratic or the Republican Party, precedents like this will be at hand which will make much trouble for future revisionists. I tell the Senate that it is a very serious matter to levy high duties upon these products without having sufficient evidence to warrant this action and facts to justify an increase of this proportion.

I ask unanimous consent to have printed in the RECORD a memorandum prepared by me showing the rates of duty under previous laws, the extent of production, and cost to the consumers if the increased duty shall be imposed.

There being no objection, the memorandum was ordered printed in the RECORD, as follows:

DIFFERENCES BETWEEN SENATE BILL AND PREVIOUS LAWS.

In the Underwood Act walnuts unshelled were dutiable at 2 cents and shelled at 4 cents per pound.

In the Payne-Aldrich Act walnuts unshelled were dutiable at 3 cents and shelled at 5 cents per pound.

The pending bill is an increase over the rate in the Underwood Act of 100 per cent on unshelled and 200 per cent on shelled walnuts, and an increase over the rate in the Payne-Aldrich Act of 33⅓ per cent on unshelled and 140 per cent on shelled walnuts.

PRODUCTION, IMPORTS, AND EXPORTS.

The United States produces about 59,000,000 pounds of walnuts per year. Imports of unshelled walnuts range about 16,000,000 pounds, and imports of shelled walnuts range about 12,000,000 pounds (54,000,000 pounds in terms of unshelled walnuts); a total consumption of 129,000,000 pounds.

The domestic product is marketed as unshelled walnuts, and adding to 59,000,000 pounds of the domestic product 16,000,000 pounds of unshelled walnuts imported we have a total of 75,000,000 pounds of unshelled walnuts consumed yearly. With a tax of 4 cents per pound, the total tax would be $3,000,000.

Practically the total consumption of shelled walnuts are imported—12,000,000 pounds at a tariff rate of 12 cents will impose a total tax of $1,440,000 on the consumers.

The tax on the shelled and unshelled products will amount to $4,440,000—4 cents per capita—$160,000 for the 4,000,000 people of Massachusetts.

Mr. McNARY. Mr. President, I want to speak briefly in reply to the able Senator from Massachusetts [Mr. WALSH].

I find myself in total disagreement with the Senator from Massachusetts. That is regrettable, but nevertheless it is a fact. I think the Senator approaches this argument from the standpoint of a confectioner. In no place do his argument or his facts furnished or his statistics supplied show any profits being made by the producers of walnuts. That is an important element, and must be considered in making up our decision in this matter. I am speaking now more or less as one who is familiar with this industry.

There is no horticultural industry that pays so little profit upon the investment or for the labor employed as the culture

of walnuts. There is no one on the Pacific coast who has made a considerable sum of money in the development of the walnut industry. I know this from having studied the industry. I went through the groves of California some years ago and carefully surveyed the industry.

It takes 15 years for a tree to produce a profitable crop. There is twelve or fourteen hundred dollars invested in each acre by the time the trees arrive at a proper bearing period. Only a few trees can be put out to an acre. If they are 60 feet apart, you have only 12 trees to an acre working for you. You must cultivate the tree, you must fertilize it, you must prune and spray it year after year, without getting a single cent of return upon your investment; and when the tree is 15 years old, and producing fruit profitably, it takes 10 or 15 years from that time on to catch up with your investment.

Mr. President, I do not know a single rate in this whole bill that has more merit than this one protecting walnuts. The expected competition from Manchuria is so serious that the Department of Agriculture within the year will send an expert to study the subject in Manchuria. The annual agricultural appropriation bill which we voted for in the Senate a few months ago—and I have no doubt that the Senator from Massachusetts voted for it—carried an appropriation to send a nut expert to Manchuria to determine whether it would be profitable to go ahead and plant walnuts in this country in competition with Manchuria. If the great Department of Agriculture and both branches of the Congress know the great menace in the future from that country, and Congress voted for it, then it must exist, and is not an idle dream.

Mr. President, the growers of the Pacific coast can not possibly compete with the growers of walnuts in Manchuria, in China. There are no cultural methods adopted there. They are grown haphazardly on the roadside or as a by-product where wheat, vegetables, or rice are raised. The labor costs pactically nothing, and it costs a whole lot less to bring a pound of walnuts into New York from China than it does to bring it from the Pacfic States to New York.

Again, Mr. President, one of the great injuries that is being done is not only the fierce and ruinous competition, but the foreign nuts are inferior. They are small and rancid, the pellicle is dark, and people buy them and find they are not tasty, and they get out of the habit of buying walnuts and go to buying other nuts; and that in itself is ruinous competition.

In the State of Oregon about 5,000 acres have been planted to walnuts in the last 10 years. Very few of the orchards are old enough to bear profitably. If this tariff is left at the present rate, with the increased planting in Manchuria, and also in Europe, and the low labor cost, the nut producers will be compelled to take up their trees and plant other crops, after wasting perhaps $1,000 an acre and waiting 8 or 10 or 12 years. This duty is an absolute necessity. We do not produce all of the walnuts that we need, and this duty will protect these growers from having foreigners put inferior nuts on the market in competition with them at a price at which they can not live.

I would not want to vote to see harm come to an industry so large as this in California, where there is $100,000,000 invested, and $8,000,000 or $10,000,000 in Oregon, and about half as much in the State of Washington. It is an industry which ought to be protected, and which employs hundreds, and I might say thousands, of men and women. A walnut orchard is a grove that is beautiful, as the Senator from California so aptly described. It is a healthful industry. It bears through a time of the year when the other crops have been harvested. People who have been working in the wheat fields or the corn fields or the hay fields can go to the walnut groves, because that crop comes along and is harvested along in October. It extends the time of employment to those people who are living on the farms and the industry must be protected in order to endure; and I certainly hope that the Senators present will not vote to accept the theory of the Senator from Massachusetts.

There has been no profit made, Mr. President. The Senator argues, and ably argues, that because this association has sold its entire crop there was a profit. I want to say to the Senator from Massachusetts, from the actual figures that I have here, and from what I know personally, that the average production of an acre of trees after 12 years is about 800 pounds to the acre. If I may use the figures the Senator quoted, the highest he quoted, as I recall, was 24 cents a pound, and the lowest 18 cents. It is indisputably true that it costs 14 cents a pound in America to produce walnuts.

Mr. WALSH of Massachusetts. Mr. President, if the Senator will yield a moment, this statement says that the opening prices were 22½ cents per pound for No. 1, 17 cents per pound for No. 2, and 28 cents per pound for fancy budded.

Mr. McNARY. That is true; but it must be remembered that you are not taking into consideration orchard run. That is the average price for all of them. You may have a budded nut, a first-class nut that is fancy, put up in a nice way and sold, that brings 24 cents, but your culls and your orchard runs and your seconds will perhaps only bring 12 cents; so, in discussing this matter, you must keep in mind what we call orchard runs, or the general average price.

Mr. WALSH of Massachusetts. Mr. President, will the Senator answer this question? Will he state whether this statement in this article that I have read is a fact or not?

Mr. McNARY. I do not recall the statement. I shall be glad if the Senator will let me know what it is.

Mr. WALSH of Massachusetts (reading)—

> Early demands for walnuts at opening prices brought in orders for about four times as many walnuts as could be supplied. The association sold about 90 per cent of its unshelled walnuts at the opening prices in taking care of the requirements of old customers.

Mr. McNARY. Will the Senator state what the price was?

Mr. WALSH of Massachusetts. The article does not state the price, but I want to know if it is true that the harvest of walnuts was sold out almost upon the opening of prices.

Mr. McNARY. I have no doubt of it.

Mr. WALSH of Massachusetts. Does the Senator seriously argue to us that these prices were fixed at a sum which caused a loss to the growers?

Mr. McNARY. I have said to the Senator—perhaps he does not appreciate it because he comes from a part of the country where the manufacturers do fix their prices—that they do not fix the prices of agricultural products. The law of supply and demand to a large extent controls. The association markets the nuts, and they do try to get the best price obtainable; and if the buyers in the East or the commission men or brokers say, "We will give you 22 cents," they report it back to the growers, who come in and tell them whether or not they will sell. They do not fix prices. If they were going to fix prices, they would perhaps put them at a dollar a pound, but they are controlled all the time by and amenable to the consumption power of the country and the law of supply and demand.

Mr. WALSH of Massachusetts. May I read another line from this same article?

Mr. McNARY. I shall be very glad to have the Senator do so.

Mr. WALSH of Massachusetts (reading):

> In recent months the association has found it necessary to decline orders for hundreds of tons of unshelled walnuts.

And yet we are told that that walnut supply was sold at a loss.

Mr. McNARY. Mr. President, the Senator is arguing from a simple statement that means nothing. I want him to tell me what they sold for.

Mr. WALSH of Massachusetts. I have quoted the prices.

Mr. McNARY. What are the prices?

Mr. WALSH of Massachusetts. This article is written by the general manager of the California Walnut Growers' Association. It is written to let the public know how successful, how prosperous, the business is, what a great demand there was for walnuts, how quickly the output was sold, and what good prices they received. He says:

> The opening prices—22½ cents per pound for No. 1, 17 cents per pound for No. 2, and 28 cents per pound for fancy budded—were so well received by the trade that the California Walnut Growers' Association was completely swamped with orders by the end of the first week in October.

What does that mean except that the business was prosperous, that there was more of a demand than they could supply, and that the prices they fixed at the outset were so satisfactory that the harvest was cleaned right out?

Mr. McNARY. Mr. President, that is no argument at all. It is a mere baseless assumption. I take the Senator's own figures. On the highest grade of nuts there was a gross profit of 12 cents a pound; on the low grade there was a gross profit of 3 cents a pound, so we will say the average was a gross profit of 10 cents a pound. With 800 pounds to an acre, and a profit of 10 cents, you make $80 gross per acre. Does the Senator say that is profiteering, when you have $1,400 invested in an acre?

Mr. WALSH of Massachusetts. I make no such claim; but the Senator has to take either one of two positions: Either that the prices were fair and that the output was sold immediately at those prices, or that at the very outset the growers' association fixed a price that meant a loss.

Mr. McNARY. Mr. President, that is not unusual. Very many times the Prune Growers' Association or the Almond

Growers' Association, or like organizations, fail to obtain a profitable price. They do not go out and fix a price. If they should do that, they would be prosecuted. They are amenable to the general economic laws of the country. They get the best price they can. In 1920—I have the figures here—the crop was sold, orchard run, which, I explained, was the general average, at 16.97 cents a pound. That left a gross profit of 2 cents per pound, which would give the grower a gross profit of $16 an acre, with perhaps $1,500 an acre investment.

You can not live on that. You can not pay your taxes on that. You can not pay your insurance on your buildings or the interest on the money which you borrowed at the bank. It can not be done. A grower ought to have at least 10 to 15 cents a pound gross profit in order to make any sort of return upon his investment; and there are no figures the Senator from Massachusetts has given that dispute the fact that I am relating now, that they do not produce at a great profit, and that it is one of the poorest paying crops in all the horticultural activities of the country.

Mr. McCUMBER. Mr. President, an assertion that rates have been raised 100 per cent or 200 per cent or 300 per cent may be somewhat startling to the uninitiated, but it ought not to affect those who are capable of understanding just what it means. If we give a duty of a quarter of a cent per pound on any commodity under the present law and we increase that to 1 cent per pound, we have increased the rate 300 per cent, and yet the 1 cent per pound may mean very little. So a specific duty ordinarily does not mean much to those who are not at all times thoroughly acquainted with prices. What the public wants to know is to what extent, by percentage, it raises the price of a given commodity, and that becomes important in the discussion of this matter. Therefore I want to put into the RECORD a few figures that will bear upon that particular point.

The production of walnuts in 1921 was about 36,000,000 pounds. In 1921 we had a short crop, because in 1919 our production, in round numbers, was 59,000,000 pounds; so it must be that an average crop will give us something over 50,000,000 pounds.

Now, let us take the imports for the purpose of determining what the ad valorem rate is.

In 1921 we imported 31,821,639 pounds of walnuts not shelled. The value per pound of the imports was 13 cents. Therefore with the Senate rate the equivalent ad valorem duty is 31 per cent; certainly not a high rate of duty. In the same year we imported 13,264,089 pounds of shelled walnuts at an importing value of 38 cents a pound. With the Senate rate of duty the ad valorem upon the shelled walnuts is 32 per cent, also a very moderate tariff.

In 1921 we had 63,474 acres of land in trees bearing walnuts. We had also young trees covering an acreage of 25,513—trees which had not yet reached the bearing stage. Therefore, in 1921, we had 88,980 trees, which will soon become bearing, and with that number of trees bearing in an ordinarily good year we could produce nearly all the walnuts which would be required for the consumptive demand in the United States. I say nearly; I do not think it would be quite sufficient.

This is an important industry, and if America can produce the walnuts necessary to supply the demand, I certainly am in favor not of our supplying one-third or one-fourth, but I think we ought to supply at least nine-tenths of the demand, and the other tenth will be enough to take care of the prices.

So I think that with 31 and 32 per cent ad valorem we can justify these rates. Certainly we can justify them when we compare them with the rates which are given upon other commodities.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. WALSH of Massachusetts. I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. HARRISON (when his name was called). Making the same announcement as before, I vote "nay."

Mr. NEW (when his name was called). Again transferring my pair with the junior Senator from Tennessee [Mr. McKELLAR] to the junior Senator from Vermont [Mr. PAGE], I vote "yea."

Mr. POMERENE (when his name was called). Again announcing my pair for the day with my colleague [Mr. WILLIS], I beg to transfer that pair to the senior Senator from Nebraska [Mr. HITCHCOCK], and vote "nay."

Mr. STERLING (when his name was called). Making the same announcement as to my pair and its transfer as on the last vote, I vote "yea."

Mr. TRAMMELL (when his name was called). I transfer my pair with the senior Senator from Rhode Island [Mr. COLT] to the senior Senator from Montana [Mr. MYERS] and vote "nay."

Mr. WARREN (when his name was called). Again announcing my pair and its transfer, which I ask to stand for the day, I vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "yea."

The roll call was concluded.

Mr. SWANSON. I desire to announce that my colleague [Mr. GLASS] is detained from the Senate on account of illness. He is paired with the Senator from Vermont [Mr. DILLINGHAM]. I ask that this announcement may stand for the day.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER]; and

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN].

Mr. FERNALD (after having voted in the affirmative). I transfer my pair with the Senator from New Mexico [Mr. JONES] to the Senator from Michigan [Mr. TOWNSEND] and allow my vote to stand.

Mr. ERNST. Making the same announcement as before, I vote "yea."

The result was announced—yeas 38, nays 21, as follows:

YEAS—38.

Ashurst	Fernald	Lodge	Rawson
Borah	France	McCumber	Shortridge
Broussard	Frelinghuysen	McKinley	Smoot
Bursum	Gooding	McLean	Spencer
Calder	Hale	McNary	Sterling
Cameron	Johnson	New	Sutherland
Capper	Jones, Wash.	Nicholson	Warren
Curtis	Kellogg	Oddie	Watson, Ind.
du Pont	Kendrick	Phipps	
Ernst	Ladd	Poindexter	

NAYS—21.

Caraway	King	Robinson	Underwood
Culberson	La Follette	Sheppard	Walsh, Mass.
Dial	Lenroot	Shields	Walsh, Mont.
Harris	Nelson	Simmons	
Harrison	Pittman	Swanson	
Heflin	Pomerene	Trammell	

NOT VOTING—37.

Ball	Glass	Norbeck	Stanley
Brandegee	Harreld	Norris	Townsend
Colt	Hitchcock	Overman	Wadsworth
Crow	Jones, N. Mex.	Owen	Watson, Ga.
Cummins	Keyes	Page	Weller
Dillingham	McCormick	Pepper	Williams
Edge	McKellar	Ransdell	Willis
Elkins	Moses	Reed	
Fletcher	Myers	Smith	
Gerry	Newberry	Stanfield	

So the committee amendment was agreed to.

Mr. McCUMBER. Mr. President, I ask unanimous consent that when the Senate closes its session on this calendar day it recess until to-morrow at 11 o'clock.

Mr. HARRISON. Reserving the right to object, is there any intention of offering a cloture rule and taking a vote on it to-morrow?

Mr. McCUMBER. We could not vote on it to-morrow.

Mr. HARRISON. If it is offered to-day it will go over until day after to-morrow?

Mr. McCUMBER. Yes; it could not be voted on before day after to-morrow.

The VICE PRESIDENT. Is there objection to the request of the Senator from North Dakota? The Chair hears none, and it is so ordered.

The next amendment of the committee was, in paragraph 758, on page 111, line 2, to strike out "7½" and insert "12," so as to read:

Shelled, 12 cents per pound.

Mr. ASHURST. Mr. President, I do not want to interrupt the consideration of this amendment, but I ask the Senator from North Dakota, in charge of the bill, as to tomatoes, to be found provided for on page 113, in line 16, where a rate of 1 cent per pound is imposed on tomatoes in their natural state. If I am correct in my opinion, that would not be subject to amendment until we dispose of the committee amendments.

Mr. McCUMBER. The amendments in that paragraph have been agreed to.

Mr. ASHURST. There is no amendment as to tomatoes in their natural state?

Mr. McCUMBER. No; there has been no amendment to the rate on tomatoes in their natural state.

Mr. ASHURST. And it would not be in order for me at this time to offer an amendment?

Mr. McCUMBER. The Senator is correct.

Mr. ASHURST. As to line 17——

Mr. McCUMBER. That amendment has been agreed to.

Mr. ASHURST. I see that the rate on tomato paste has been increased from 28 to 45 per cent ad valorem. That was done on Saturday. I am not especially interested in that, but I want to be sure that I am not waiving any of the rights I might possess with reference to the amendment of the rate on tomatoes in their natural state.

Mr. McCUMBER. That can come up after we have disposed of the committee amendment.

Mr. WALSH of Massachusetts. Mr. President, returning to the amendment about to be voted on, all that has been said about shelled almonds can be applied to shelled walnuts. There is practically no production at all in this country of shelled walnuts. The unshelled walnut is the domestic product. The "Confectionery Market" says:

> Nearly the whole of the domestic crop is marketed in the shell. There are probably several candy factories any one of which could use all the shelled walnuts produced in California and sold out of shell.

California produces about 1 per cent of the various shelled nuts consumed in the United States. The size of the kernel and the count per weight are both in favor of the imported walnuts.

The same objection is made to walnuts that is made to almonds by the confectioners, namely, that the California product is not suitable for their uses. So we have a situation where it is absolutely necessary to import shelled walnuts, and the duty will be effective in raising the price of shelled walnuts. The amendment increases the rate of duty over the Underwood law and over the Payne-Aldrich law. The rate on shelled walnuts in the Underwood law was 4 cents per pound. The rate in the Payne-Aldrich law was 5 cents. The rate suggested by the House was 7½ cents. The rate suggested by the Senate committee amendment is 12 cents per pound. It can not be justified. It is notice to the consumers of America that the price of shelled walnuts is immediately to be raised 8 cents per pound. There is no justification whatever for it. If there were a shelled walnut industry in this country or an industry engaged in selling shelled walnuts, something could be said for a small protective duty, but there can not be anything said, in my opinion, in view of the fact for such a high duty upon shelled walnuts.

Mr. President, on the committee amendment I ask for the yeas and nays.

The yeas and nays were ordered and the Assistant Secretary proceeded to call the roll.

Mr. HARRISON (when his name was called). Making the same announcement as before, I vote "nay."

Mr. NEW (when his name was called). Repeating the announcement made upon the previous vote, I vote "yea." I ask that this announcement of my pair and transfer may stand for the day.

Mr. POMERENE (when his name was called). Announcing my pair as heretofore with my colleague [Mr. WILLIS], I transfer that pair to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "nay."

Mr. TRAMMELL (when his name was called). I transfer my general pair with the senior Senator from Rhode Island [Mr. COLT] to the senior Senator from Montana [Mr. MYERS] and vote "nay."

Mr. WARREN (when his name was called). Making the same announcement as before, I vote "yea."

The roll call was concluded.

Mr. BALL. Making the same announcement as before as to my pair and transfer, I vote "yea."

Mr. ERNST. Making the same announcement as before, I vote "yea."

Mr. STERLING. Making the same announcement as on the last roll call, I vote "yea."

The result was announced—yeas 36, nays 18, as follows:

YEAS—36.

Ashurst	France	Ladd	Oddie
Ball	Frelinghuysen	Lodge	Phipps
Broussard	Gooding	McCumber	Poindexter
Bursum	Hale	McKinley	Shortridge
Cameron	Johnson	McLean	Smoot
Capper	Jones, Wash.	McNary	Spencer
Curtis	Kellogg	Nelson	Sterling
du Pont	Kendrick	New	Sutherland
Ernst	Keyes	Nicholson	Warren

NAYS—18.

Dial	La Follette	Sheppard	Underwood
Harris	Lenroot	Shields	Walsh, Mass.
Harrison	Pittman	Simmons	Walsh, Mont.
Heflin	Pomerene	Swanson	
King	Robinson	Trammell	

NOT VOTING—42.

Borah	Colt	Dillingham	Fletcher
Brandegee	Crow	Edge	Gerry
Calder	Culberson	Elkins	Glass
Caraway	Cummins	Fernald	Harreld
Hitchcock	Norbeck	Rawson	Watson, Ga.
Jones, N. Mex.	Norris	Reed	Watson, Ind.
McCormick	Overman	Smith	Weller
McKellar	Owen	Stanfield	Williams
Moses	Page	Stanley	Willis
Myers	Pepper	Townsend	
Newberry	Ransdell	Wadsworth	

So the committee amendment was agreed to.

Mr. FRELINGHUYSEN. Mr. President, I send to the desk a circular which is universally being sent to all the dye manufacturers and dye users in New Jersey by the German importers. I ask that it be read for the information of the Senate.

The VICE PRESIDENT. Without objection, the communication will be read.

The Assistant Secretary read as follows:

NEW YORK, *July 1, 1922.*

DEAR SIRS: We beg to offer you our services for the importation of coal-tar dyes, including indanthrene and other vat dyes, manufactured by the Badische Anilin & Soda Fabrik and by other makers. We have the assurance of the manufacturers that they will give prompt attention to our orders. The prices will be as low as can be made, and, we have every reason to believe, will be found satisfactory by you.

It is to be hoped that the embargo and license provisions which were eliminated from the tariff bill by the House of Representatives will not be put back. It is also to be hoped that these same provisions now in force under the terms of the emergency tariff bill will be repealed. The removal of these restrictions on importations of coal-tar dyes would enable us to carry in stock all the dyes needed and to fill your orders promptly at current prices. It would permit us to bring in samples of new products as soon as they are put on the market, as well as to provide quantities sufficient for your practical trials. Thus you would be in a position to adopt improvements as quickly as the foreign dye consumer.

Soliciting your favors, we remain,

Yours truly,

KUTTROFF, PICKHARDT & CO. (INC.).

The VICE PRESIDENT. The Secretary will state the next amendment.

The ASSISTANT SECRETARY. In paragraph 759, page 111, line 5, the committee proposes to strike out the word "pound" and insert the same word, with a semicolon and the following words thereafter: "pickled, or otherwise prepared or preserved, and not specially provided for, 35 per cent ad valorem," so as to make the paragraph read:

> PAR. 759. Edible nuts, shelled or unshelled, not specially provided for, 1 cent per pound; pickled, or otherwise prepared or preserved, and not specially provided for, 35 per cent ad valorem: *Provided*, That no allowance shall be made for dirt or other impurities in nuts of any kind, shelled or unshelled.

Mr. McCUMBER. Just for the record, I desire to state that during the calendar year 1921 the imports of these nuts under the basket clause were 3,880,676 pounds, valued at $805,303, or 21 cents a pound. On the basis of 21 cents per pound, the 1 cent per pound rate is equal to about 5 per cent ad valorem. Upon the pickled or otherwise prepared and preserved nuts, it will be noted that we have given a rate of 35 per cent ad valorem.

The VICE PRESIDENT. The question is on the committee amendment.

The amendment was agreed to.

Mr. McCUMBER. I ask now that we return to page 107, paragraph 741, figs. The committee authorizes me to make the following modification: On page 107, line 14, strike out "35" and insert in lieu thereof "40," so as to read:

> PAR. 741. Figs, fresh or dried, 2 cents per pound; prepared or preserved in any manner, 40 per cent ad valorem.

The VICE PRESIDENT. The question is on the committee amendment as modified.

Mr. WALSH of Massachusetts. Mr. President, the same situation exists in regard to this amendment as with reference to the amendments which we have just considered. Figs are a California product. There is not sufficient production for our consumption. The committee have seen fit to impose excessively high rates of duty upon all of the citrus fruits and nuts produced in southern California.

The Senate committee amendment on figs as modified increases the duty from 20 per cent ad valorem, as proposed by the House, to 40 per cent ad valorem.

Under the Underwood law prepared figs were dutiable at 20 per cent ad valorem, and under the Payne-Aldrich law at 1 cent per pound plus 35 per cent ad valorem. Fresh figs or dried figs were dutiable at 2 cents per pound under the Underwood law and 2½ cents in the act of 1909, while 2 cents is the rate proposed in the pending bill. The domestic production for the year 1919 was 21,801,000 pounds, valued at $2,180,000. The imports for 1920 were about 20,000,000 pounds, valued at about $5,000,000. The imports, therefore, were about one-half of our consumption.

It is to be noted that we imported about one-half of our consumption and that the imports were valued at $5,000,000; that the domestic production was valued at only $2,000,000, showing

that the imported fig sells at a much higher price than does the domestic fig; in fact, there is no very serious competition between the foreign fig and the domestic fig. The foreign fig is so superior that it does not compete with the fig which is produced in southern California and in some of the Gulf States.

Mr. President, I do not care to consume any more of the time of the Senate in discussing this item. It involves the same principles that were discussed when we considered the duties upon almonds and walnuts. Our people demand the importation of figs. That this duty will be effective there can be no question, and consequently our people will have to pay an increased price for this product equivalent to the rate of duty provided in the bill. The California industry does not need this protection. It is excessive, unwarranted, and indefensible. It is a very great injustice to the consumers of America to impose this very heavy burden upon them.

I ask, Mr. President, to attach to my remarks a statement and table showing a comparison of rates of duty, the percentage of production to consumption, the increased burden which will result to the consumer on all the citrus fruits and nuts produced in California.

There being no objection, the matter was ordered printed in the RECORD, as follows:

HEAVY TAXES LEVIED ON CONSUMERS FOR CITRUS FRUITS AND NUTS.

Table showing increased duties on citrus fruits and other products raised or produced chiefly, and in some instances exclusively, but which constitute only a small percentage of our consumption, in southern California:

Article.	House bill	Senate bill.	Per cent of increase Senate bill over House.	Senate bill over act of 1913 (per cent).
Almonds, unshelled	4 cents per pound.	5 cents per pound.	25	66⅔
Almonds, shelled	12 cents per pound.	15 cents per pound.	25	275
Walnuts, unshelled	2½ cents per pound.	4 cents per pound.	60	100
Walnuts, shelled	7½ cents per pound.	12 cents per pound.	60	200
Raisins	2 cents per pound.	2½ cents per pound.	25	25
Figs, prepared or preserved.	20 per cent ad valorem.	35 per cent ad valorem.	75	75
Dates, prepared or preserved.	....do....	....do....	75	75
Beans, dried	1¾ cents per pound.	2 cents per pound.	14⅔	380
Beans in brine, prepared or preserved.	2 cents per pound.	2½ cents per pound.	12½	125
Lemons	....do....	2 cents per pound.	.....	300
Olives	20 cents per gallon.	20 cents per gallon.	.....	33⅓
Average per cent increase.	.....	.....	41	150

To what extent this industry in southern California is subsidized at the expense of the American people can best be appreciated by comparing the percentage of production in California with our total consumption.

California produces only 15 per cent of our consumption of almonds; 3 per cent of our consumption of olives; one-half of 1 per cent of our consumption of dates; 50 per cent of our consumption of figs; 46 per cent of our consumption of walnuts; and 77 per cent of our consumption of lemons.

As we must import in large quantities most of these products in order to supply the demand of our people, how can we justify an average increase in tariff duties on these products of 150 per cent over existing law?

The pending bill will continue the increased tariff duty of 2 cents per pound named in the emergency law of 1921 on lemons amounting to $1.12½ per box, or 4½ cents per dozen, an increased duty of 300 per cent over the rate in the Underwood tariff law, the tax under that law amounting to 1½ cents per dozen.

The Underwood rate was the law from 1913 to 1921, and during that period the production of lemons in California increased 200 per cent. If this industry could prosper under a tariff protection of one-half cent per pound, equivalent to 1½ cents per dozen, how can an increase of 300 per cent in the duty be justified except as a governmental subsidy to the lemon industry of California controlled by relatively few growers' organizations. The tax in this bill will increase the cost of lemons $1.12½ per box over the cost of lemons under the Underwood tariff law, making the total increased price which the public will have to pay about $9,300,000 if these duties become effective.

Practically all of the walnuts and almonds produced in California are sold unshelled. The imports of walnuts and almonds are almost entirely shelled and are used in very large quantities by confectioners and bakers.

The high duty upon shelled walnuts the confectionery trade estimates will increase the price of the 12,000,000 pounds imported annually to the amount of $960,000, all of which increased price will, of course, be passed on to the consumers.

The high duty upon shelled almonds will increase the price of the 20,000,000 pounds imported annually for the use of the confectioners and bakers to the amount of $2,200,000, which will also be passed on to the consumers. As 85 per cent of the consumption of almonds must be imported, how can an increased cost through increased tariff duties, amounting to $2,200,000, be justified?

Mr. McCUMBER. Mr. President, the California production of figs for the year 1919, which is the last year of which I have a record, amounted to 26,460 pounds, while the importations in 1921 were 38,794,431 pounds. At 2 cents a pound, the proposed duty would be equivalent to an ad valorem rate of 22 per cent. So we have a 22 per cent duty upon fresh figs, and upon preserved and other figs a duty of 40 per cent under the bill as reported.

The VICE PRESIDENT. The question is on the committee amendment.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 107, paragraph 741, line 15, after the words "ad valorem," to strike out:

Dates, 1 cent per pound.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 107, after line 15, to insert:

PAR. 741a. Dates, fresh or dried, 1 cent per pound; prepared or preserved in any manner, 35 per cent ad valorem.

Mr. McCUMBER. On behalf of the Committee on Finance, I ask to modify the amendment which has just been stated, in line 17, before the words "per centum," by striking out the numerals "35" and inserting in lieu thereof the numerals "40."

Mr. WALSH of Massachusetts. Mr. President, this is another amendment which can not be successfully defended. The rate proposed by the committee is unwarranted and most excessive. The California production of dates amounts practically to 145,000 pounds, valued at only $29,000. The imports in 1920 amounted to 36,000,000 pounds, valued at $2,224,000. The California production is less than 1 per cent of the consumption.

This is not an infant industry. Dates are not produced in any large quantities in this country; they are imported. Here again the exceedingly high rate proposed of 40 per cent ad valorem means that for preserved dates costing 10 cents a pound the American people will have to pay instantly, to-morrow—if this bill should become a law to-morrow—about 15 cents a pound; if dates were selling for 20 cents a pound, this amendment means that the people would be charged about 30 cents a pound for dates; if dates are selling for 30 cents a pound, this amendment means that the people will be charged almost 50 cents a pound. There ought to be some limit upon these rates.

Evidently what the Senator from Wisconsin [Mr. LENROOT] said this morning is becoming more and more apparent, that any Senator on either side of the Chamber who promises to vote for this bill may get whatever he wants in the way of duties upon the products in which he is interested. It is a give-and-take proposition. This is a duty of 40 per cent ad valorem on something that the American people must buy abroad; a food supply for which they have to go into a foreign market to secure what they want.

I am surprised that the Committee on Finance would, day after day, in the face of the opposition throughout the country to the pending bill, come here proposing to increase these rates. I do not know where the pressure is coming from or what the influence is, but the fact is that there has not been, to my recollection, a single amendment offered by the Committee on Finance to the agricultural schedule proposing to reduce a rate; there has not been a single amendment of the committee rejected; and I honestly believe that if the Senator from North Dakota had proposed to make this rate 200 per cent ad valorem he would get a majority in this Chamber in favor of it and that it would be adopted. The committee may come in with any rates they see fit and get favorable action.

There is no longer independent judgment here. We might just as well end the discussion. When the chemical schedule was under discussion and the metal schedule was being considered the committee came to the conclusion, after hearing the opposition, that many of the rates proposed were too high,

and in a few instances they reported amendments reducing the rates on metals, but on food every single amendment proposed here has been designed to increase the rates. I venture to say that the Senator from North Dakota, representing the Finance Committee, has proposed at least 25 amendments to the agricultural schedule in this bill increasing the rates since this schedule has been under consideration, and that those amendments have all been adopted. What is the justification for these increases? There is a day of reckoning coming.

Mr. McCUMBER. Mr. President——

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from North Dakota?

Mr. WALSH of Massachusetts. I yield.

Mr. McCUMBER. Does the Senator want to have the duty on fresh or dried dates reduced to the Underwood rate?

Mr. WALSH of Massachusetts. I would reduce this rate to 20 per cent ad valorem.

Mr. McCUMBER. But I ask the Senator in regard to dates, fresh or dried. Most of the dates come in either fresh or dried, although some come in in candied or glacéd form. Now, does the Senator desire the Underwood rate to govern in this instance?

Mr. WALSH of Massachusetts. I think the Underwood rate on fresh dates was about the same as the rate provided in this bill, and, perhaps even a little bit more. But that rate was for revenue purposes.

Mr. McCUMBER. The Senator thinks the Underwood rate is too high, does he?

Mr. WALSH of Massachusetts. I am discussing the only amendment before the Senate, and that is the amendment in relation to prepared or preserved dates and not fresh or dried dates, which I do not desire to discuss now, because there is no commitee amendment pending to that bracket.

Mr. McCUMBER. The whole paragraph 741a is an amendment, and therefore the Senator can discuss the entire paragraph.

Mr. WALSH of Massachusetts. I ask the Senator's pardon. The entire paragraph 741a is in the nature of an amendment, but the rate has not been changed in the Senate committee amendment so far as fresh or dried dates are concerned. The only change in the rate originally proposed in the bill is from 35 per cent ad valorem to 40 per cent ad valorem.

I am informed that the acreage in both figs and dates is relatively insignificant. In broad terms, the proposed duty will mean virtually nothing to the industry except in the case of a few scattered producers.

To show the inconsistency of the position of the committee in levying any duty at all upon dates, fresh or dried, prepared or preserved, the committee placed upon the free list bananas, which are imported in large quantities and are very insignificantly produced in this country; but on dates, which are also imported in very large quantities and practically are not produced at all in the United States, the committee imposed a duty of 1 cent per pound upon fresh or dried and 40 per cent ad valorem upon prepared or preserved.

Mr. President, I have nothing further to say upon this amendment.

The VICE PRESIDENT. The question is upon the committee amendment as modified.

Mr. McCUMBER. Mr. President, the imports of dates, fresh or dried, in the year 1921 were 45,827,320 pounds. The import price was about 5 cents per pound, and therefore a duty of 1 cent per pound is equivalent to 20 per cent ad valorem. I am rather surprised that my good friend from Massachusetts can find such serious objection to this rate, when it is exactly the same as that fixed in the Democratic tariff law of 1913. We have not raised the rate a penny; and yet the importation of dates continues and we are still importing many times the quantity raised in the United States. I have not noticed that the duty on dates has enormously added to the cost of living in the United States.

When we come to glacéd or candied fruits, which are luxuries, and in which there is a great deal of waste and an enormous expense, with our high standard of wages it was necessary to increase the protective principle, or, if we say that it is not for protection, then we are entitled to have the benefit of the duties; but inasmuch as these glacéd fruits are produced in this country to a considerable extent by the higher cost of labor we of necessity are required to give a higher protective duty than under the Payne-Aldrich law.

The quantity produced in California does not amount to a great deal. In 1919 California produced 144,992 pounds; Arizona, 42,812 pounds. The total produced in those two States was 187,804 pounds. The imports of this 45,000,000 pounds, the Senator must remember, were not imports which will now take a duty of 40 per cent ad valorem. They are imports which will take a duty of 1 cent per pound, or 20 per cent ad valorem on the present basis of importing values.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee as modified.

The amendment as modified was agreed to.

The VICE PRESIDENT. The next amendment of the committee will be stated.

The ASSISTANT SECRETARY. In paragraph 742, page 107, line 20, it is proposed to strike out "2" and insert "2½," so as to read:

Grapes in barrels or other packages, 25 cents per cubic foot of the capacity of the packages; raisins, 2½ cents per pound.

Mr. WALSH of Massachusetts. Mr. President, this item illustrates once more the want of an underlying principle in the fixing of rates in this bill.

Raisins are exported in large volume. Dates are imported in large volume. Walnuts are imported in large volume. Almonds are imported in large volume; but whether the volume of imports be large or small, whether the industry be on an export basis or not, under this bill all have been given increased protective duties.

In 1919 the production of raisins amounted to 336,000,000 pounds, valued at $50,000,000. The imports amounted to only 14,000,000 pounds, valued at $2,653,000, about 4 per cent of our production. The exports were six times as large as our imports, amounting to 86,000,000 pounds, valued at $12,000,000.

Here, then, is an industry where our production is beyond the requirements of the consumers of our country—an industry that is so profitable that we are exporting six times as much as we import of raisins. Clearly these facts do not justify the imposition of an increased tariff duty. There is nothing to protect when there are no importations.

Attention ought to be called to the fact that this is an industry that the Federal Trade Commission recently cited and called attention to the trade and price practices of the Raisin Growers' Association as not being entirely legal. The result of the action of the Federal Trade Commission against the Raisin Growers' Association was a modification of their marketing practices in trying to fix prices.

This industry can not claim that it is going to be injured by foreign exploitation. It is a very prosperous industry. Its prosperity has increased since the coming of prohibition. There is a greater demand for raisins in America to-day than ever before. The prohibition amendment has done more for this industry than tariff duties will ever do.

Mr. McCUMBER. How does the Senator explain that?

Mr. WALSH of Massachusetts. I did not think the Senator was so innocent.

Mr. President, how can we explain to the American people the need of a protective-tariff duty upon an industry that is not meeting with any competition from foreign sources? How can we justify a protective-tariff duty on an industry that is so prosperous that it can successfully compete with the world and export in large volume its products to all parts of the world?

Protection usually implies the necessity of preventing something of an injurious nature being inflicted upon an industry. Protection usually suggests that an industry needs to be safeguarded against foreign importations that may undersell the domestic product in the home markets. This claim can not be made of raisins. The facts do not warrant the levying of any duty whatever upon raisins, except for revenue purposes; and this amendment, as I said at the outset, is further evidence that no principle of tariff protection heretofore approved and supported by the majority party has been invoked in the preparation of the rates and schedules in this bill.

Mr. McCUMBER. Mr. President, in 1921 we imported $1,136,947 worth of grapes in barrels and other packages. That gives us $300,000 duty for revenue purposes, and we shall need that many times over. The raisins also give us a fair return in duties.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The ASSISTANT SECRETARY. On page 107, line 21, it is proposed to strike out the words "dried currants and."

The amendment was agreed to.

The ASSISTANT SECRETARY. On line 22 it is proposed to strike out the word "pound" and to insert the same word with a semicolon and the words "currants, Zante or other, 2 cents per pound," so as to read:

Other dried grapes, 2½ cents per pound; currants, Zante or other, 2 cents per pound.

The amendment was agreed to.

The ASSISTANT SECRETARY. In paragraph 743, page 107, lines 24 and 25, it is proposed to strike out "oranges, and grapefruit,

1 cent per pound," and to insert "and oranges, 1 cent per pound; grapefruit, one-half of 1 cent per pound."

So as to make the paragraph read:

PAR. 743. Lemons, 2 cents per pound; limes and oranges, 1 cent per pound; grapefruit, one-half of 1 cent per pound.

Mr. McCUMBER. Mr. President, on behalf of the committee, I offer the following amendment: On page 107, line 25, before the word "and," insert the words "in their natural state or in brine."

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The question is on the amendment of the committee as amended.

Mr. WALSH of Massachusetts. Mr. President, the item of lemons in this paragraph is not now under consideration, there being no amendment offered to that part of the paragraph by the Senate Finance Committee; so I shall not take up the time of the Senate in discussing the high rate upon lemons named in this paragraph. The committee does, however, propose an amendment on oranges and on grapefruit, and I should like to have inserted in the RECORD some information which I have in regard to these products.

First of all, let me call attention to the fact that the House rate of 1 cent per pound is higher than the rate in the Underwood law, which was one-half cent per pound, and the rate named by the Senate committee restores the Payne-Aldrich duties.

The California orange crop is around 20,000,000 boxes, and that of Florida about 8,000,000 boxes. The imports are negligible, rarely exceeding $100,000 worth, while our exports have been around three to seven million dollars worth. This industry, therefore, has reached a stage where it can maintain itself against foreign competition without the aid of a tariff, and this has been achieved not by the tariff but by production through the development and improvement of orange-grove cultivation.

The exports of oranges are relatively small, since it requires nearly a generation to create a citrus industry. Oranges come chiefly from Spain and the Mediterranean countries, but this supply is dwarfed by the demand for the domestic product. Here we have an illustration of why a tariff is continued upon an established industry in spite of the fact that it no longer requires such support. It affects relatively insignificant quantities of oranges from the West Indies, and assists the growers' association in maintaining their prices through the feeding out of the orange supply to the different markets. The increased uses of oranges, such as for drinks and as a table fruit, have tremendously expanded the demand.

As to grapefruit, Florida produces the great bulk of the domestic grapefruit, production in 1919 being 3,000,000 boxes, valued at $6,000,000. Porto Rico produced in 1919, 345,340 boxes. California produced 465,000 boxes. The imports have been relatively small, amounting to about half a million dollars.

Mr. President, with these facts before us, I want to call attention to the fact that the orange industry does not need any protective tariff duty. One cent per pound will not bring any revenue, because there are no imports; and the only purpose is that it will give the growers' association a chance to increase the price. Oranges are produced in sufficient amount to take care of the domestic demand, and there is not any justification, in my opinion, for this duty. Oranges, like raisins, are produced in such quantities that they can not possibly be considered infant industries.

I have nothing further to add, Mr. President.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee as modified.

The amendment as modified was agreed to.

Mr. McCUMBER. That completes paragraph 743?

The VICE PRESIDENT. It does.

Mr. McCUMBER. I ask, then, that we take up paragraph 718, providing for duties on fish.

The next amendment of the committee was, in paragraph 718, page 102, line 18, to strike out the word "all" and insert the words "fish, fresh, frozen, or packed in ice; halibut, salmon, and swordfish, 2 cents per pound."

Mr. WALSH of Massachusetts. The Senator from Washington [Mr. JONES] is interested in these paragraphs. He ought to be sent for, or a quorum call had.

Mr. LODGE. Mr. President, I move to amend the amendment by adding, after the word "salmon," in line 19, the word "mackerel" and a comma.

The amendment to the amendment was agreed to.

Mr. WALSH of Massachusetts. Mr. President, fish is a product that differs from all others in the very nature of the industry, and therefore it must be considered upon somewhat different principles. First, I want to call attention to a striking inconsistency in this paragraph. Halibut is the fish most extensively found in the eastern markets. Salmon and swordfish are found more extensively in the Pacific coast markets.

The imports of salmon and of swordfish are insignificant, so that the salmon and swordfish market, largely on the Pacific coast, has practically no competition, while halibut, a fish caught in the Atlantic Ocean waters, and marketed in the Atlantic coast markets, meets with very serious competition from Canadian fish importations, yet the committee amendment, drawn so unscientifically, only gives the same protection to the halibut fisherman of the East that it gives to the salmon fisherman of the West, although the halibut fisherman must compete with an importation from foreign markets of 17 per cent of the amount of our consumption.

I think this is a very grave and serious injustice to the halibut fisherman, and that the rate upon halibut ought to be more than the rate upon salmon and swordfish, in view of the statistics upon the imports and the production and consumption of these various kinds of fish, or the rates on salmon and swordfish reduced.

I do not know that there is anything more I care to say, but I ask that some letters which I have received and information which I have summarized about the imports and domestic production of these fish be incorporated with my remarks.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

DIFFERENCE BETWEEN THE SENATE COMMITTEE AMENDMENT AND PREVIOUS LAWS.

Under the Underwood Act fresh fish, frozen or packed in ice, were free. Under the Payne-Aldrich Act fresh fish were dutiable at three-fourths cent per pound, with a special provision of one-fourth cent per pound for fresh herring, eels, smelts, and fresh-water fish, and a special provision of 1 cent per pound for fresh mackerel, halibut, and salmon.

PRODUCTION, IMPORTS, AND EXPORTS.

The present annual catch of fresh fish amounts to about 2,500,000,000 pounds. Our imports average about 100,000,000 pounds, of which fresh-water fish constitutes about 4 per cent. Exports are relatively small; ordinarily they amount to around 10,000,000 pounds.

Imports are almost exclusively from Canada and are received at North Atlantic ports. The great bulk of salt-water fish consists of halibut, cod, haddock, hake, pollock, herring, smelts, salmon, and mackerel.

Of the total catch of fresh fish 35,000,000 pounds are halibut and 613,910,000 pounds are salmon. I have not been able to obtain any accurate figures as to swordfish. The figures on halibut and salmon, however, are sufficient to indicate that a large percentage of the total catch is of these varieties, and that therefore the proposed increase from 1 cent to 2 cents per pound on halibut, salmon, and swordfish will be applicable to at least 30 per cent of our domestic catch.

About 17,000,000 pounds of halibut and about 6,000,000 pounds of salmon are imported per year. Imports of halibut amount to about 17 per cent of our total consumption; imports of salmon amount to less than 1 per cent of our consumption.

It is clear from these figures that halibut fish should bear a higher duty than salmon.

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GLOUCESTER FISH EXCHANGE,
Gloucester, Mass., June 5, 1922.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

MY DEAR SIR: At a meeting of the Gloucester Fish Exchange, held this morning, I was instructed to communicate with you and to ask your kindly influence in having the provision in the proposed tariff relating to fresh mackerel raised from 1 cent to 2 cents per pound.

The suggestion offered is that the word "mackerel" be inserted in Senate Document No. 187, Schedule 7, agricultural products and provisions, paragraph 718, page 42, so as to read:

"Par. 718. Fish, fresh, frozen, or packed in ice: Halibut, mackerel, salmon, and swordfish, 2 cents per pound," etc.

Briefly, and as a reason for making the foregoing request, it might be added that the American fresh-mackerel market is flooded with fish imported from Nova Scotia, with the result that the product is selling at figures unprofitable to the American industry.

During the past two weeks, as an illustration, thousands of barrels of fresh mackerel have been shipped in from Nova Scotia and dumped on the New England market, with the result that the American fisherman finds his usual and regular market destroyed and unprofitable.

Trusting that the suggestion herein contained will meet with your approbation and thanking you in advance for a kindly consideration of the matter at your convenience.

I am, sir, with great respect, sincerely yours,

WILMOT A. REED, *Secretary.*

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CHAMBER OF COMMERCE,
Gloucester, Mass., June 6, 1922.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

HONORABLE SIR: The board of directors of the chamber of commerce has asked me to bring the following matter to your attention, with the request that, in so far as may be possible, you lend your influence in support of the proposed change.

The matter relates to the proposed tariff, and especially to that portion which concerns fresh mackerel. It is found in Senate Document No. 187, schedule 7, "Agricultural products and provisions," paragraph 718, page 42, and reads as follows:

"Fish, fresh, frozen, or packed in ice, n. s. p. f., halibut, salmon, and swordfish, 2 cents per pound; all other fish, n. s. p. f., 1 cent per pound," etc.

The board of directors is convinced from the facts presented to it by its committee and its affiliated organizations that the tariff on fresh mackerel as herein provided for would result in great injury to the

extensive mackerel fisheries existing in Gloucester and elsewhere in New England. It is apparent that at present Canadian fresh mackerel are being imported via Boston at a cost far below the cost of production to our own fishermen. The board of directors therefore begs to suggest that this particular paragraph be so amended as to include along with the three other fresh fish mentioned mackerel. The paragraph would then read as follows:

"PAR. 718. Fish, fresh, frozen, or packed in ice, n. s. p. f., halibut, mackerel, salmon, swordfish, 2 cents per pound; all other fish, n. s. p. f., 1 cent per pound," etc.

We trust that this suggestion will meet with your approval and that there is still time and opportunity in which to make the desired change. We fully appreciate all your past efforts in our favor and know that you have our interests at heart, for all of which we are truly thankful.

Sincerely yours,

HERMAN F. LION, *Manager*.

Mr. JONES of Washington. Mr. President, I was called out for a moment. What is the pending amendment?

The VICE PRESIDENT. The amendment relative to fish.

Mr. JONES of Washington. The first amendment?

The VICE PRESIDENT. The first amendment.

Mr. JONES of Washington. I desire to offer an amendment to the committee amendment.

The VICE PRESIDENT. The Secretary will report the amendment.

The ASSISTANT SECRETARY. On page 102, line 19, the Senator from Washington moves to amend by inserting after the word "pound" the following proviso:

Provided, That from and after 90 days after the enactment of this act no fresh or frozen halibut, salmon, or swordfish from the North Pacific Ocean or its tributary waters shall be admitted into the United States through any foreign country, except when the same shall be in bond from an American port.

Mr. JONES of Washington. Mr. President, this amendment to the amendment does not affect the duty on fish as proposed by the committee. I will say frankly that it is intended to meet rather a local situation which has been brought about by special orders in council and regulations by the Canadian Government.

I do not know whether the committee will oppose the amendment or not. I will take just a few moments to explain the situation, and I hope there will be no opposition to it. I can not see how there can be, from the American standpoint.

This amendment was put in the tariff bill of 1913 in the Senate. It was very carefully considered by the committee and there was a very extended debate on the floor of the Senate. Senator Chamberlain, of Oregon, on the Democratic side, made a very strong speech in behalf of it. As I said, it was put in the bill in the Senate; but it went out in conference.

The situation which we seek to meet by this amendment is about this: The halibut fishing grounds are 600 or 700 miles north of Seattle, extending a distance of about 1,500 miles. They are fished very largely by American fishermen and American vessels; at least, that used to be the case.

In 1915 the Grand Trunk Railway was completed to Prince Rupert, which is about thirty-odd miles from the Alaskan coast, It is the terminus of this railroad. Immediately upon the completion of the railroad, or when it was near completion, the Canadians, with characteristic energy and characteristic devotion to the interests of Canadians, took steps to concentrate business at Prince Rupert and provide freight for the Grand Trunk Railway.

One of the inviting fields in this direction was the fishing industry, and especially the halibut fishing industry. If this product could be diverted over the Grand Trunk Railway it would furnish a very large freight tonnage coming to eastern cities and eastern markets.

Canada has a very effective legislative system, one that can be used very promptly, and it was put into operation at once. Certain regulations were made and certain orders in council were passed, with the avowed purpose of concentrating the fishing fleet and the fishing industry at Prince Rupert.

I made an address myself in connection with the tariff bill of 1913 and quoted from some of these orders in council, and I desire to quote from those orders now, because they are just as pertinent at this time as they were in 1913. I desire to quote from a statement I made, because it summarizes the action of the Canadian Government. It is as follows:

In December, 1914, the Canadian Government passed an order in council permitting the Minister of Customs to make such regulations and conditions as he found necessary to induce foreign corporations and American vessels to bring their business to Canadian ports.

That was the distinct purpose of these regulations and orders in council. I read further:

This order in council provided that during the year 1915 foreigners and foreign corporations bringing fresh fish in vessels registered in the United States could land such fish at any Canadian port without the payment of duty and transship the same in bond to any port in the United States. This order in council also provided that foreigners and foreign corporations bringing fish into Canada would be permitted to purchase supplies at any port in British Columbia; all of these things to be done, however, under such regulations and conditions as the Minister of Customs should determine.

After making inducements which would lead the fishing fleet to go into Canadian ports for the purpose of acquiring provisions and for the purpose of disposing of their fish, and so on, one of the provisions was that these fish should be shipped out of Canada only by railroad. In other words, it was the avowed purpose of these orders in council to have the fish shipped over the Canadian railroad. That was the only railroad there, and the only way to get those fish out was to ship them over the Canadian railroad. It was also provided, I think in the 1914 order in council, that the fish could be brought into Canada and transshipped in bond. That precluded many of the smaller catches from being disposed of.

In order to encourage the fisherman to come into Prince Rupert a subsequent order in council was made, modifying the original order in council, and permitting these fish brought by American ships and American seamen into Canada to be sold to Canadians for the purpose of shipment in bond into Canada. It was provided also by these orders in council that fish brought by Americans into those ports could not be sold for consumption in Canada at all.

One of the principal objections made by some of the fishermen and seamen out in that country seems to be based upon the idea that if an amendment like this should be adopted, the price would be lowered. As a matter of fact, in my judgment, they would get a much better price in American ports and American territory than under the present conditions. They seem to have overlooked the fact that under the Canadian orders in council they can not sell their fish to Canadians for consumption in Canada; in other words, the market is very decidedly limited.

Briefly, that is the situation we strive to meet by this amendment. The Canadian Government has used its legislative power to concentrate the fishing industry at Prince Rupert. We think this industry should have an opportunity, at least, and an encouragement, to concentrate at American ports.

I believe the effect of the amendment I have offered will be to induce American fishermen to bring their fish to Ketchikan, Alaska. Some think this is aimed to promote the welfare of the city of Seattle. That is not the purpose. Ketchikan is about 600 miles north of Seattle, less than a hundred miles from Prince Rupert, and the only disadvantage to which it is put, aside from these orders in council, is the fact that it has not railroad connection with the land. In other words, Prince Rupert, as I said, is the terminus of this railroad.

I have here a petition in the form of a guaranty from business men and business interests at Ketchikan, in which they guarantee that a ferry service would be maintained between Ketchikan and Prince Rupert if legislation of this character should be enacted so that the Canadian railway may not lose the business. One objection heretofore urged has been that this was intended to confine the shipment of the fish to American railroads. I believe that a great deal of it will come over the American railroads. I believe a great deal of the fish will come to Seattle with legislation of this character, but it may not do so. Even though a great deal of it may come to Seattle, a great part of it will still go to Prince Rupert under this legislation and go over the Canadian railroad, but the business involved in the handling of the fish, in taking care of it and storing it and preparing it, and all that sort of thing, will be done in American territory by American capital and American interests. That is done pretty largely, I think, in Ketchikan and elsewhere; in other words, this will result in encouraging American industry and employment and capital, and so forth, in Alaska. That is another consideration that commends it to me.

The guaranty that I have is dated Ketchikan, May 8, and reads as follows:

We are informed that your objection to the legislation now pending before Congress, relative to the Alaska fresh-fish business, is due to the lack of facilities and transportation between Alaska and the rail terminal at Prince Rupert, British Columbia.

In order, therefore, that this objection may be overcome and Alaska receive its full share of the benefits accruing from the fisheries operations along the North Pacific coast and to conserve this industry to the American instead of Canadian people, we, the undersigned, whom you know to be financially responsible, agree to provide upon the passage of the suggested legislation satisfactory transportation facilities for all shipments of fresh and frozen fish between Ketchikan, Alaska, and the western terminal of the Grand Trunk Pacific Railroad, at a rate which shall not exceed the present cost of delivery, and we offer for your consideration the hereto-attached statement of the facilities now available at Ketchikan for the economical and expeditious handling of the product of these fisheries as compared with those at Prince Rupert, British Columbia.

This is signed by some 30 or 40 leading business men, including bankers, merchants, and so on, of Ketchikan. Then they point out the facilities for handling the fish at Ketchikan. I desire to say that because of the tendency of this legislation and the proposals which they knew were going to be urged from time to time and in the belief that Congress would respond

to this desire and this need of encouraging American industry the people in Ketchikan have gone on to provide the facilities that may be necessary to handle the fish. They have, according to their statement—and I have no reason to doubt it—much more extensive facilities than have been created even at Prince Rupert.

Mr. KELLOGG. Mr. President, will the Senator yield?

Mr. JONES of Washington. I yield.

Mr. KELLOGG. I was not in the Chamber when the Senator commenced his remarks, and I would like to ask a question. Is it proposed to prohibit the importation of fish into the United States except through an American port of entry?

Mr. JONES of Washington. They can not come into the United States except through an American port of entry. The amendment provides that they can not come through a foreign country, except in bond from an American port.

Mr. KELLOGG. The Senator means that they could not come on any of the Canadian railroads into the United States?

Mr. JONES of Washington. They could not come in on any Canadian railroad, unless shipped from an American port in bond. In other words, they could come from Ketchikan in bond over the Grand Trunk Railway.

Mr. KELLOGG. But they could not come from any Canadian port into the United States?

Mr. JONES of Washington. No.

Mr. KELLOGG. In bond?

Mr. JONES of Washington. This prohibits their coming from any Canadian port in bond.

Mr. KELLOGG. The Senator is aware, I suppose, of the great amount of Canadian products to be exported which come through the United States. Is not this rather radical discrimination against Canadian interests when we take a large amount of their products, even for export, through United States ports?

Mr. JONES of Washington. This deals only with particular products—with halibut and salmon and swordfish.

Mr. KELLOGG. But products from Canadian farms—wheat, flour, live stock, and meats—are shipped through the United States and through the United States ports to foreign countries.

Mr. JONES of Washington. I do not try to deal with those.

Mr. KELLOGG. I know the Senator does not, but it seems to me that they could with equal justice prohibit any of their exports coming through the United States.

Mr. JONES of Washington. Does the Senator think they will do it?

Mr. KELLOGG. I do not know whether they will or not.

Mr. JONES of Washington. Did the Senator hear what I stated with reference to what they have done to us to center this trade at Prince Rupert? What I propose to do is to meet the very discrimination they have made against us. That is all in the world it is. They provide that our people can not bring fish to Canada and sell them there for Canadian consumption.

Mr. KELLOGG. Do they place an absolute embargo on American fish in Canada? Is that what the Senator means?

Mr. JONES of Washington. No; they encourage it to come in there to be shipped over the Grand Trunk Railroad, but they say that it can not be sold for local consumption.

Mr. KELLOGG. Then it is an embargo against the local consumption of American fish?

Mr. JONES of Washington. Yes. They have done that by their orders in council. They have used their legislative power, as I said awhile ago, to build up Prince Rupert.

Mr. KELLOGG. Do we sell much American fish in Canada locally?

Mr. JONES of Washington. They prohibit it.

Mr. KELLOGG. Would we sell much if they did not prohibit it?

Mr. JONES of Washington. I expect we would.

Mr. KELLOGG. Does the Senator know whether we would or not?

Mr. JONES of Washington. I can not tell what we would do absolutely. I think that we probably would, because our fishing fleets gather in most of the halibut and the salmon, especially the halibut from the halibut bank. They are American fishermen and American ships, and they take them to Prince Rupert, and have been doing it. I have not any doubt that if they could be sold locally many of them would be sold there, but they especially prohibit that by their order in council. I have here a copy of that order. Here is what they say. This is an amendment of the order in council of 1914:

> Said order in council of December 10, 1914, is hereby amended to provide: During the present calendar year (1915) foreigners or foreign corporations—

This is aimed directly at the United States, and I want the Senator from Minnesota to notice it—

> During the present calendar year (1915) foreigners or foreign corporations bringing fresh fish in vessels registered in the United States of America to any port in British Columbia shall be permitted to land such fresh fish at such port without payment of duties and transship the same in bond to any port in the United States, or to sell such fish in bond to such local dealer or dealers as may be properly and duly licensed therefor, under the regulations and conditions thereinafter mentioned, which dealer or dealers shall export the same in compliance with the bonding requirement (without the right, however, in either instance, to sell in Canada for consumption therein, or otherwise except in bond, any of such fresh fish so landed); and such foreigners and foreign corporations bringing fresh fish in vessels registered in the United States of America to any port in British Columbia shall be permitted to purchase supplies and ship crews for such vessels at any port in said Province of British Columbia, the whole under such regulations and conditions as the minister of customs may determine.

As I called attention a while ago, by this order in council the fish brought in there could not be sent out of Canada except by railroad. In other words, if an American fishing vessel went into Prince Rupert with fish and landed them there and could not dispose of them or could not sell all of them, they could not take them by boat to Seattle; they could only get them out of there by railroad. What Canada may do by way of retaliation I do not know. We are trying to meet retaliation that Canada has already practiced against us. In dealing with many of these questions where we are trying to meet discrimination, an act aimed directly at us and against us, I can not understand why we should be urged not to do something for fear that we may offend or for fear they may retaliate against us. We did not begin this. They commenced it. They began it upon the completion of the Grand Trunk Railway for the specific and avowed purpose of building up the business of Prince Rupert, and for the further purpose, as stated in one of these orders in council, of securing the transfer of registry of American ships to Canadian registry. Here is what they said in one of the whereases to this order in council of 1915—I shall not take the time to read it all:

> And whereas the minister of the naval service is informed that, in view of the fact that Prince Rupert is several hundred miles nearer the fishing grounds than is Seattle, and as the Grand Trunk Pacific Railway is now operating, so that fish can as readily be shipped to the eastern United States markets from Prince Rupert as from Seattle, if such boats and smaller vessels were permitted to go to Prince Rupert and sell their catches to some person or corporation which would in turn ship them in bond to the United States, and if such vessels or boats were then permitted to purchase supplies for their fishing operations, a considerable number of them would transfer their base of operations from Seattle to Prince Rupert, and would probably later transfer their vessels or boats to the Canadian registry and permanently operate from Prince Rupert.

That is another method that our friends across the line take to build up their merchant marine. I commend it upon their part. If I were a Canadian, I would be very proud of the action which they took in order to promote and build up their interests, especially their shipping interests. I would like to see us do the same thing to look after our shipping interests.

Mr. LODGE. Mr. President——

Mr. JONES of Washington. I yield to the Senator from Massachusetts.

Mr. LODGE. I only interrupt the Senator because I really desire information, and I want to understand the situation fully. As I understand it, the fish comes in at Ketchikan, which is an American port. It is shipped from there to Prince Rupert.

Mr. JONES of Washington. Not now. By reason of the encouragement and the special inducements offered the fishing vessels do not go to Ketchikan, but to Prince Rupert.

Mr. LODGE. They go direct to Prince Rupert?

Mr. JONES of Washington. They go direct to Prince Rupert.

Mr. LODGE. American vessels?

Mr. JONES of Washington. American vessels, and they turn their fish over to some dealer, who will ship them in bond into the United States; in other words, they have the business transaction there.

Mr. LODGE. They are relieved from the Canadian duty?

Mr. JONES of Washington. That is true.

Mr. LODGE. The reason why I ask is that I have received a telegram from the New England Fish Co., referring to another communication, which I have not been able to find, asking me to oppose the amendment placing an embargo on fish other than packed in American ports. Then I also have a letter from the Fishing Vessel Owners' Association of Seattle, and they speak in it of a pamphlet which they prepared for the Senate Finance Committee, which I have not received. They say:

> If you can see your way clear to oppose this amendment when it is proposed, you will materially assist in the preservation of a great American industry in which our members, who own over 100 sea halibut schooners, have invested their all and on which their living depends.

That is from Seattle; it is not from New England.

Mr. NELSON. Will the Senators yield to me?

Mr. JONES of Washington. I yield to the Senator.

Mr. LODGE. I was merely asking a question for information.

Mr. NELSON. What the Senator from Washington contends for may be of some benefit to American shipowners, but it will

be very disastrous to the Alaskan fishermen. They contend, and I have numerous letters from them to that effect, that they are cut off and are unable to sell their fish for the prices for which they could otherwise sell them. The amendment proposed, if adopted, would be a curse to the Alaskan fishermen.

Mr. JONES of Washington. I desire to say that the mere statement of the Senator from Minnesota does not make it a fact. I should like to have some one point out how it would be a curse to the Alaskan fishermen. It does not take away in any degree their market; it really expands their market. The Alaskan fishermen now take their fish into Prince Rupert, but they can not sell them there for local consumption. The only way they can sell them in Prince Rupert is in such a manner that they may be shipped in bond to ports into the United States to be sold.

Mr. NELSON. At present all of the fish which are caught there have to go through Seattle to be shipped to the eastern market.

Mr. JONES of Washington. Oh, no.

Mr. NELSON. Oh, yes.

Mr. JONES of Washington. Oh, no.

Mr. NELSON. The Alaskan fishemen can not now sell their fish at Prince Rupert; if they wish to ship any fish eastward anywhere in the United States they have all got to go through the port of Seattle and nowhere else. The Alaskan fishermen bitterly complain of that; I have had them come to see me about it here within the last three months.

Mr. JONES of Washington. Of course, the only way that fish from Alaska may be shipped to the eastern market, unless they go around by vessel, is over American railroads or over Canadian railroads; and the American railroads, of course, connect at Seattle. That is all true; but the amendment which I have proposed does not prohibit the Alaskan fishermen from shipping their fish to the eastern markets over Canadian railroads; it does not deprive them of that market at all.

Mr. NELSON. I will call the attention of the Senator from Washington to the fact that the Legislature of Alaska was so interested in this question that it directed the attorney general of Alaska to bring suit in the Supreme Court of the United States in order to get rid of this hamstringing legislation that is ruining the Alaskan fishermen. The case was argued here in the Supreme Court—and I saw the attorney general of Alaska at that time—but the Supreme Court held that inasmuch as the law complained of related to a Territory, Congress had the power to enact it. If Alaska had been a State, that legislation never could have been enacted.

Mr. JONES of Washington. Mr. President, the legislation to which the Senator from Minnesota has referred does not relate to fisheries at all. That was a provision of the merchant marine act with reference to the coastwise laws of the country and to shipping, and has no bearing whatever upon this proposition. Why the Senator from Minnesota should bring that law in, I do not understand.

The Senator from Minnesota states that the Legislature of Alaska and the attorney general of Alaska are objecting to this proposal. I have here a resolution which was passed by the Alaska Territorial Fish Commission with reference to this very matter. The Senator from Minnesota thinks, and I think, that we should pay some attention to the local sentiment and the views of the people of Alaska.

Mr. NELSON. Mr. President, will the Senator from Washington yield to me?

Mr. JONES of Washington. I yield to the Senator from Minnesota.

Mr. NELSON. Mr. President, ever since I visited Alaska in 1903, with a committee of the Senate, I have been a warm friend of Alaska. A geat deal of the legislation which has been obtained in behalf of Alaska in the past I formulated and secured its passage here. Alaska has had such very hard times that the Territory now has not as large a white population as it had 10 years ago. If it is desired to build up Alaska, its industries should be encouraged, and one of its leading industries is that of fishing, which should not be frozen out in the interest of Seattle.

Mr. JONES of Washington. Mr. President, I do not think the Senator from Minnesota means what he says or he does not appreciate what he is saying. I am not trying to freeze out the fishing industry in Alaska in the interest of Seattle. As a matter of fact, as I stated a while ago, this amendment is in the interest of Alaska; it is in the interest of Ketchikan, Alaska. There is where, if this amendment is adopted, the fishing business will be concentrated.

I appreciate what the Senator from Minnesota has said regarding his friendship for Alaska and as to what he has done for Alaska. Too much can not be said as to his interest in Alaska and his friendship for that Territory; and I am sorry to see that because of a few people who, in my judgment, have been very largely inspired by Canadian influences, the Senator will unwittingly join in defeating a proposition that is for the benefit of Alaska, and is especially for the benefit of one of the principal towns in Alaska.

I know that some of the fishermen oppose this proposition; but I want to say to the Senator that I am very reliably informed that a prominent Canadian attended the meetings of some of the fishermen on Puget Sound and used his influence there in opposition to this proposed legislation. Canadians know how to look after their own interests, and they do it; they know how to use their business connections in this country to look after their interests, and they use them.

Mr. NELSON. There is this difference, I wish to say to the Senator, namely, that when these poor fishermen take their fish to Prince Rupert they get a better price in cash than they do at Seattle.

Mr. JONES of Washington. I do not want them to have to come to Seattle.

Mr. NELSON. And they make more money; it is more profitable to them. If the fishermen are compelled to go to Seattle, as under existing arrangements and under the proposed arrangement, they will be the losers.

Mr. JONES of Washington. Why does the Senator say that this proposed amendment is in the interest of Seattle? I wish he would tell us.

Mr. NELSON. Because it will compel them to take all their fish and ship them eastward through the port of Seattle.

Mr. JONES of Washington. How will the amendment compel them to ship their fish through Seattle?

Mr. NELSON. That is provided under the law already existing, and the Senator's proposal is supplementary to that law.

Mr. JONES of Washington. No; the Senator is mistaken.

Mr. NELSON. No.

Mr. JONES of Washington. The Senator is not usually mistaken, but sometimes, like the rest of us, he does make a mistake, and he is mistaken in this instance. There is not any law which requires them to ship their fish through Seattle; they are not doing it now; they are selling their fish at Prince Rupert, and this amendment will not take away their markets, but will expressly permit them to send their fish in bond from Ketchikan over the Canadian railroads to the eastern markets.

So, Mr. President, this amendment does not take away from the American fishermen any market that he has, but, as a matter of fact, it expands his market.

I am just as much interested in the Alaskan fishermen as is the Senator from Minnesota; I am just as much interested in the fishermen of Puget Sound as is the Senator from Minnesota, although I may not have done as much as has the Senator from Minnesota; I am just as much interested in the welfare of Alaska as is the Senator from Minnesota, and, with all due respect to him, I believe I know about as much about it as does the Senator from Minnesota, and if I thought that this amendment would be an injury to Alaska I would not propose it, but, instead of thinking that it is a benefit to Seattle, I believe it is of special benefit to Ketchikan.

Now, here is a resolution passed by the Alaskan Territorial Fish Commission at the session held in Juneau January 14, 1921:

Whereas it is the sense of the commission that the fresh-fish industry of the Territory is one of its greatest and most important resources; that said industry should be encouraged as a means of developing and building up the said Territory; and that if proper protection is given this industry to prevent the fish caught in the waters of and adjacent thereto from being packed and prepared in foreign countries for shipment to the markets of the United States, a permanent fishing population will settle in Alaska, improve its lands, and aid in the settlement and development of the Territory: Therefore be it

Resolved, That all fresh or frozen halibut or salmon, or the products thereof, arriving at an American port from or through any foreign country, which have been packed or prepared for shipment in other than American territory, shall be subject to a duty of 3 cents per pound, and all other deep-sea fish or the products thereof arriving at an American port from or through any foreign country, which have been packed or prepared for shipment in other than American territory, shall be subject to a duty of 1 cent per pound; and

Resolved, That no fresh or frozen fish taken from the North Pacific Ocean or tributary waters shall be admitted into the United States through any foreign country except when the same shall be in bond from an American port; and

That is the amendment which I have proposed.

Further resolved, That a copy of these resolutions be transmitted to the Secretary of Commerce through the Governor of Alaska as chairman of this committee.

I have before me another resolution which was adopted setting out the reasons for all the position taken, but I will not take the time to read it now.

The Governor of Alaska came down here, and I understand, though I was not present, that he appeared before the com-

mittee and urged this same proposition. I know that he is for it; he is looking after the interests of Alaska; he is devoted to her interests; he wants done that which will benefit Alaska.

Mr. President, I know there are some who oppose this amendment. Some of our fish vessel owners' associations have sent telegrams and resolutions opposing it, but let me call attention to the fact that when the Simmons-Underwood tariff law was pending in this body the same organizations urged the same amendment. I have copies of their letters and telegrams here urging the adoption of the amendment. I am told—and the information comes from reliable authority—that some of the representatives of Canadian interests and Canadian companies have appeared in the meetings of the vessel owners' associations at Seattle opposing this amendment, and they sent me resolutions or telegrams protesting against its adoption.

I have here a copy of a letter signed by O. O. Hvatum, dated Ketchikan, May 22. It is addressed to "Fellow members of Fishing Vessel Owners' Association," the writer of the letter being a member of the association. He says:

GENTLEMEN: I have had considerable discussion with Mr. Strong about the proposed legislation which will move the market and port of discharge for our fish from Prince Rupert, British Columbia, to Alaska—

Not as the Senator from Minnesota says to Seattle, but to Alaska, and I believe if the business men stand back of their agreement, namely, to put a ferry on the run between Ketchikan and the Grand Trunk Railway, to be run on train schedule, regardless if there is a load or not, that our main objection is removed.

I do not know whether the Senator was present when I read from the guaranty signed by nearly all the business men of Ketchikan—not signed by any business men of Seattle, but by nearly all the business men of Ketchikan—banks and business houses, merchants, and so forth, saying that they will guarantee the establishment of a ferry service, not from Seattle but from Ketchikan to Prince Rupert. They certainly know, or at least they ought to know, what is of interest to them and what will benefit them. The writer of the letter goes on to say:

I do not know if you are aware of the fact that at the present time American fish is barred from Canadian markets when discharged at their ports by American fishing vessels. However, such is the case. Consequently Canadian boats often receive—

I hope the Senator will note this—

Consequently Canadian boats often receive from 1 to 3 cents a pound more for their fish than we do, which I consider unfair to American boats. I was under the impression that American fish could be used in Canada by paying the duty. Had conditions been generally known, I believe the most of us would have taken a different view and action at our meetings held in Seattle last winter.

It is impossible for us to meet together at this time of year, and I would suggest that each of you give the legislation which has been proposed by the citizens of Ketchikan careful consideration. I believe it should have our support.

Respectfully, O. O. HVATUM.

Mr. President, I do not feel like taking more of the time of the Senate in the discussion of this matter. The sole purpose of this amendment is to encourage American interests, American industry, American capital, and it is in the interest of the American fisherman, the American fleet.

Mr. NELSON. Mr. President, will the Senator allow me to interrupt him?

Mr. JONES of Washington. Certainly.

Mr. NELSON. Take the Ketchikan case: Most of the fisheries in Alaska are immediately west of Prince Rupert, the terminus of the Canadian railroad. What the Senator asks and what the Ketchikan people ask is that instead of bringing that fish to Prince Rupert, which is close by, it shall be brought 100 or 200 miles farther south to a little mining town, Ketchikan, and there shipped back to Prince Rupert. That is what they are after.

Mr. JONES of Washington. Mr. President, the Senator was professing his love and his interest and friendship for Alaska a few moments ago.

Mr. NELSON. My interest is in the poor fishermen of Alaska. Theirs is the most permanent industry. The gold mining, the placer mining, is only transient. The timber supply of Alaska is limited. It is the fishing industry of Alaska that is the most permanent industry there, and I am in favor of the poor fishermen who catch the fish.

Mr. JONES of Washington. The Senator overlooks the fact that Ketchikan is many miles nearer to the fishing grounds than Prince Rupert, and that the fishing boats must largely go by Ketchikan to get to Prince Rupert with their cargoes. That would be another saving to the fishermen and to the fishing vessels.

Mr. KING. Mr. President——

Mr. JONES of Washington. I yield to the Senator.

Mr. KING. For information, may I ask a few questions of the Senator? This is rather terra incognito to me, although it is in the water.

As I understand, the fishermen have no general restrictions imposed upon them, and may invade the waters of the Pacific coast and fish as and when and where they please.

Mr. JONES of Washington. These fisheries, of course, are outside the 3-mile limit.

Mr. KING. Yes. The only competition they have is among themselves. The product of their catch they bring either to Canadian ports or to American ports. I am speaking now of Canadian fishermen and American fishermen, too, and I am confining these interrogatories to the Pacific coast. Why should a tariff be levied at all, unless it is for revenue, when the people need fish, when meat prices are high, when fish is so important an article in the diet and in the food supply of the people? The ocean is free. They do not have to plant, they do not have to sow, they do not have to reap. They go there and catch the fish. They bring them into our markets. If we put on a tariff, obviously it is to enable them to get just that much more per pound for their fish than otherwise they might get.

Mr. JONES of Washington. My amendment does not deal with the matter of the tariff, and I am not discussing that phase of it as yet. I am in favor of a tariff myself. As a matter of fact, the rate proposed by the committee is not as high as a good many would like to see. Our people on Puget Sound meet the Japanese fishermen, and their markets have been very seriously invaded under the free-fish legislation that we now have on the statute books. Our people believe that if this is continued our fishermen are going to be driven out of business by the Japanese fishermen.

Mr. LODGE. Mr. President, will the Senator yield to me just on that point?

Mr. JONES of Washington. Yes.

Mr. LODGE. Japan gives a very heavy subsidy to her fishermen, and it is impossible for our people to contend at all with them for our markets unless we have a duty. They ask a higher duty than is in this bill, and I have no doubt they are justified in asking it; but we are presented in these fisheries with a contest with subsidies everywhere. Other powers have more intelligence about their fisheries than we have shown of late. We used to be very intelligent about it at the beginning of the Government. The Japanese competition I happen to know about, and I know—if the Senator will pardon me for interrupting him——

Mr. JONES of Washington. Yes; I am glad to have the Senator do so.

Mr. LODGE. I know that they subsidize all their fisheries, and they have an advantage which no unsubsidized fishery can possibly meet.

Mr. KING. Mr. President, may I inquire of the Senator, if that statement is true—and, of course, I accept it——

Mr. LODGE. Oh, there is no doubt about it. It is all in testimony here.

Mr. KING. May I inquire if it is not based upon the fact that the Japanese live almost entirely upon fish and rice, and therefore it is important that they shall have fish brought to their shores, and in order to get quantities adequate for the wants of their people they are compelled to subsidize their fishermen, as the Senator says?

Mr. LODGE. All nations do it. The Japanese are not the only ones. Canada subsidizes very extensively. Great Britain used to subsidize, and I think is returning to it; but almost all the countries that have any fisheries, like Holland and the others, give subsidies. I have it all here. I did not want to take the time of the Senate to go over them all, but Japan substantially subsidizes all branches of the fishing industry and has done so for several years past.

Canada for years has offered bounties to resident Canadian fishermen employed in deep-sea fishing, and has also subsidized cold-storage plants at fishing ports up to 30 per cent of their cost, and has given substantial transportation aid in absorbing up to two-thirds of transportation charges on certain products shipped from the Pacific coast to interior points in order that the production of these goods may be encouraged and the product made available in the interior areas not otherwise served with ocean fish.

That is, they pay two-thirds of the charges of the railroads. We give them nothing.

The United Kingdom, in recognizing the importance and need of fostering and promoting this industry, has now established a department of marine and fisheries. Very recently a similar department has been established in Canada.

The Senator will find, if he will look into it, that those bounties are given by practically all nations that have fisheries.

Mr. JONES of Washington. Mr. President, just a word and then I will conclude.

I hope the Senator from Minnesota will not allow himself to be controlled in opposition to this measure by some opposition coming from fishermen. As I say, I know some of them oppose it, but they do not all oppose it. I have received letters and petitions from fishermen out there favoring this legislation, and since the situation has been explained to them more fully they are in favor of it. As I say, I do not claim that they are all for it, but the Senator from Minnesota might do a very great injustice to many other fishermen by taking the statements of a few fishermen who may, of course, voice their opposition, and it may be very sincere opposition. I do not question that.

Mr. NELSON. Mr. President, if the Senator will allow me——

Mr. JONES of Washington. I yield to the Senator.

Mr. NELSON. I got the most of my information from the attorney general of Alaska, who was here during the winter. He came down to argue that case. Under existing law they have to ship all the fish caught in Alaska to Seattle. This amendment modifies it and would put Ketchikan in place of Seattle. The fishermen were so insistent upon it that they succeeded in getting a resolution passed through the Legislature of Alaska instructing the attorney general to bring this suit in the Supreme Court; and, as I understood from the attorney general, but for this legislation the fishermen could bring their fish into Prince Rupert and get a far better price for them than they could at Seattle. Under existing law they can not ship any of the fish eastward, no matter where they are caught in Alaska, without sending them to Seattle, and Seattle in that way had a complete monopoly of the business. That was my understanding. That was why the legislature instructed the attorney general to bring the suit.

I have sent my clerk down to get the opinion of the Supreme Court in the case. The discrimination was of such a character that if it had been a discrimination between two States it could not for a moment have been tolerated. If Alaska had been a State instead of a Territory, it would not have been tolerated, but the Supreme Court held—and the case was ably argued on both sides—that inasmuch as Alaska was a Territory, Congress had a right to pass any kind of legislation that it saw fit to pass.

I have no interest in the railroads. I do not care a bit about the Canadian railroads. My heart goes out for those poor men who are on the water catching the fish. Those men ought to get the best possible return for their work, and they can only get it by leaving them free to take their fish to any of these places—Prince Rupert, Victoria, Seattle, or Ketchikan.

I know what Ketchikan is. It may be a little more of a town now than it was when I was there. It is at the end of a very narrow channel that leads up to Skagway on the inner passage. When I was there it was a little bit of a mining town, and the mining industry was at work there. A gentleman sent me a paper, and I think I referred it to the Finance Committee, in favor of this amendment that the Senator from Washington advocates. He had a brother who lived at Ketchikan, and Ketchikan was aching to get the monopoly of this fish trade.

Mr. JONES of Washington. Mr. President, the Senator is a good lawyer. The Senator understands the coastwise laws of this country, and he knows that there is nothing in our law that prevents an American ship catching fish out in the ocean from going to any foreign port to which it desires to go. He knows that the trade between one American port and another American port is confined to coastwise American ships. That is true, and that was the question that was involved in the suit to which the Senator refers.

The attorney general of Alaska contended that Congress had no right to confine the trade between areas in the United States and points in Alaska to American ships, but, Mr. President, that does not require the American fishermen to bring their fish to Seattle. It does require trade between Ketchikan and Seattle to be by an American ship, that is all. These fishermen and these vessel owners got the very idea that the Senator from Minnesota urges here now, that if this legislation were passed, under the decision of the Supreme Court their vessels could not go from Ketchikan to Prince Rupert.

Mr. President, that is foreign trade, and there is no question whatever about the right of any American ship to go from one American port to a foreign port; so that the Senator from Minnesota is basing his opposition to this legislation upon an entire misapprehension of the facts and of the law as it is sought to be applied.

Mr. President, I was going to read the statement of the facilities at Ketchikan. I shall not take the time to read it. I will ask, however, that the letter which I have here from the president of the Commercial Club of Ketchikan, together with the petition and the statement regarding these facilities, may be printed in the RECORD. I do this to save time. I have also a memorandum prepared by a very reliable man, one whom I can vouch for, with reference to the conditions, which sets this matter out very concisely and very fully, which I ask to have printed in the RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

KETCHIKAN COMMERCIAL CLUB,
Ketchikan, Alaska, May 16, 1922.

Hon. WESLEY L. JONES,
United States Senate, Washington, D. C.

DEAR SENATOR JONES: About a week ago the Commercial Club of Ketchikan mailed you some data in support of the halibut legislation which we furnished the Hon. DAN A. SUTHERLAND.

Since that data was compiled, the writer has been able to make a thorough check on the equipment of the Canadian Fish & Cold Storage Co. at Prince Rupert, and find that in addition to the 150 tons of refrigerating capacity, they have also an absorption plant of an additional 75 tons. Our statement, therefore, should read 225 tons for the Canadian Fish & Cold Storage Co. as against 410 tons of refrigerating capacity contained in the two plants at Ketchikan.

We trust the above will arrive in time so that we will not be charged with any misrepresentation of the facts.

Yours very truly,

J. C. BARBER,
President Ketchikan Commercial Club.

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KETCHIKAN, ALASKA, *May 8, 1922.*

Hon. DAN A. SUTHERLAND,
Delegate to Congress from Alaska,
Washington, D. C.

DEAR SIR: We are informed that your objection to the legislation now pending before Congress relative to the Alaska fresh-fish business is due to the lack of facilities and transportation between Alaska and the rail terminal at Prince Rupert, British Columbia.

In order, therefore, that this objection may be overcome and Alaska receive its full share of the benefits accruing from the fisheries operations along the north Pacific coast and to conserve this industry to the American instead of Canadian people, we, the undersigned, whom you know to be financially responsible, agree to provide, upon the passage of the suggested legislation, satisfactory transportation facilities for all shipments of fresh and frozen fish between Ketchikan, Alaska, and the western terminal of the Grand Trunk Pacific Railroad at a rate which shall not exceed the present cost of delivery, and we offer for your consideration the hereto attached statement of the facilities now available at Ketchikan for the economical and expeditious handling of the product of these fisheries as compared with those at Prince Rupert, British Columbia.

H. C. Strong, president Northland Dock Co.; W. A. Bryant, manager J. R. Heckman & Co.; Alfred Howe, manager Tongass Trading Co.; I. Y. Pruell, jeweler; M. J. Heneghan, merchant; P. J. Gilmore, merchant; Thomas Torry, mayor; Jno. R. Beegle, insurance; Forest J. Hunt, merchant; L. H. Kubler, merchant; F. E. Ryus, manager Ryus Drug Co.; Frank Mullally, American Meat Co.; G. E. Lingerfelt, manager Ketchikan Iron Works; A. C. Kreedlee, contractor; W. F. Schlothan, Beegle Packing Co.; W. A. Williams, Northern Machine Works; T. A. Thatcher, hardware; W. H. Patching, grocery; W. K. Spaulding, coal and explosives; J. H. Mustard, physician; H. R. Thompson, merchant; Chas. H. Cosgrove, lawyer; Dean C. Cannon, merchant; H. M. Sawyer, logging business; Albert Reinert, dry goods; Jas. Neunan, sign writer; Edward Morrissey, editor Chronicle; C. H. Field, clothier; F. H. Bold, electric laundry; E. A. Howard, furrier; John Kall, real estate owner; W. E. Peterson, dentist; R. V. Ellis, physician; N. R. Walker, druggist; A. R. Larson, cashier Miners & Merchants' Bank.

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STATEMENT OF FACT SUBMITTED TO DAN A. SUTHERLAND, DELEGATE FROM ALASKA.

For the purpose of giving you positive assurance that there is now at Ketchikan, Alaska, adequate facilities for icing, freezing, and packing for shipment the entire amount of halibut, salmon, and sable fish that is now being handled at both the Canadian port of Prince Rupert and the American port of Ketchikan, Alaska, we beg to give you the following figures, showing the capacity of the refrigerating plants at Prince Rupert and at Ketchikan; and wish to state that at Ketchikan during the past year an amount running into hundreds of thousands of dollars has been expended to provide facilities for handling fish taken from the Alaska banks for consumption in the United States, which we believe would, through a protective tariff measure, be handled at American instead of Canadian ports, where this Alaska resource is now centered.

At Prince Rupert, which is now the headquarters of the big fleet fishing on the Alaska banks, there is located but one cold storage, or fish-freezing plant, and this has been subsidized and fostered for the past eight years by the Canadian Government for the purpose of assisting the development at her port of this fishing industry, the products of which are consumed in the United States. The capacity of ice-making and cold-storage plants is estimated by the compressor capacity installed; and the measurement of that of the Canadian Fish & Cold Storage Co. is 150 tons per day. The Canadian Government has provided its wharf with suitable sheds in which fish may be packed in ice for immediate shipment, the ice being supplied by the above cold storage plant.

The above are the entire facilities now in existence at Prince Rupert through which they handled during the past year 25,000,000 pounds of halibut, nearly all of which were caught off the shore of Alaska and consumed in the United States; but the Canadian port has reaped the benefits of the industry, while stagnation has ruled in Alaska. At Ketchikan two substantial cold-storage and fish-packing plants have been constructed with American capital—one of them built entirely by

Ketchikan citizens with no Government aid, as compared with subsidies, amounting to $300,000, which have been given by the Canadian Government to foster this industry at Prince Rupert.

The compressor capacity of the New England Fish Co. at Ketchikan has been increased this year to 240 tons, and that of the Ketchikan Cold Storage Co. to 170 tons, making a total compressor capacity at Ketchikan of 410 tons, as compared with 150 tons at Prince Rupert. In addition, at Ketchikan we have in existence 1,200 feet of wharf frontage set aside exclusively for handling this class of fish business, and our existing facilities are sufficient to handle four times the volume of business we have had to handle or that we can expect to have without the enactment of a congressional measure which will in effect bring to Alaskan ports the permanent fishing industry which we have permitted Canada to take from us.

KETCHIKAN COMMERCIAL CLUB,
By M. J. HENEYHAN,
Vice President.
By GEO. W. WOODRUFF, *Secretary.*

WASHINGTON, D. C., *January 9, 1922.*

SUGGESTED AMENDMENT TO TARIFF BILL.

Fish, iced, frozen, boxed, or otherwise prepared for shipment in a fresh or frozen state other than at a port of the United States, and all other fish entering the United States in fresh or frozen state, shall be subject to the following rates of duty: Halibut and salmon 3 cents per pound, all other fish 2 cents per pound.

REMARKS.

Enactment of this amendment would protect to Alaskan cities and towns the fisheries of Alaska and prevent improper diversion of such fisheries to the Canadian ports of British Columbia. No action by the Congress could more concretely benefit Alaska or accomplish more by way of increasing the population and wealth than to insure by this action the development of its natural resources in the fisheries from Alaskan bases. The sea fisheries of the north Pacific Ocean exist principally on banks upon the continental shelf lying off the coasts of Alaska. They are very properly American fisheries, and at least, so far as the product is intended for American markets, we should require that they be conducted from American ports and by American fishermen and gear.

Unfair differential market advantages were created for Canadian ports on the Pacific, particularly the port of Prince Rupert, by the interpretation of a Canadian order in council issued in January, 1916. The so-called Alaskan fishermen are mainly of foreign birth or nationality and all are not, therefore, wholly irretrievably attached to American ideals. The relative advantages afforded fishermen under the Canadian flag led many of these fishermen to adopt Prince Rupert as their home. Many fishing vessels owned by such of these fishermen as held American citizenship papers have been transferred to Canadian registry. The Canadian order in council referred to predicted that as a result of such order the American fishing fleet engaged in the deep-sea fisheries of the North Pacific would be transferred to the Canadian bag. The transfer of the fleet would undoubtedly have been accomplished ere this had it not been for efforts heretofore made to procure legislation which would establish the fisheries in Alaska, and the fear on the part of the fishermen that the Congress by legislative enactment might interfere with the permanence of Prince Rupert as the base port of fisheries for United States markets.

Fishermen, vessel owners, and Alaskan citizens who are attached to American ideals have opposed the Canadian efforts to absorb the sea fisheries of Alaska and have repeatedly urged upon Congress the necessity of protecting American fishermen operating from American ports against their Canadian competition either by requiring the payment of duties such as are suggested in the amendment proposed or by other form of legislation, which would offset the unfair Canadian port advantage. Paradoxical as it may appear, it is nevertheless true that if the fisheries of Alaska were protected in the manner suggested herein, the cost of the product of the fisheries to the American consumer could be materially reduced and the earnings of the fishermen themselves materially increased. This would be accomplished by elimination of the unfair profits taken by the operators within Canada at such times as they are successful in obtaining control of the market supply and is briefly covered in the following paragraphs and tabulation.

Official reports of the Canadian fisheries by the Canadian Government for the years 1916 to 1920, inclusive, demonstrate as regards halibut that if the landing values be compared with the market values, which is the Canadian export value, the profit taken averages 68 per cent over prices paid the fishermen at the Canadian ports. The following table shows quantities, the landing value or price to the fishermen, the average per pound payment, the market or export value within Canada, the average per pound value, together with the annual percentages by which such export value exceeds the price to the fishermen. The table follows:

Year.	Quantity.	Canadian landing value.	Annual average per pound to fishermen.	Canadian market value for export.	Price per pound for export.	Percentage of profit taken in Canada.
	Pounds.					*Per cent.*
1916	25,328,912	$1,195,552	$0.0472	$2,261,776	$0.0857	86
1917	15,996,176	1,085,608	.0673	2,263,573	.1415	109
1918	23,199,568	2,865,151	.1234	5,490,226	.2367	92
1919	27,266,288	3,057,632	.1121	5,119,842	.1877	67
1920	29,425,312	3,553,969	.1205	4,535,188	.1541	28
Total	121,216,246	11,758,912	[1].0970	19,670,605	[1].1623	[1]68

[1] Average.

It will be noted that during the years 1917 and 1918, when our bona fide American fishermen of military age were serving their country in the war, and the fisheries were principally in the hands of aliens, Canada was exacting from the American people a profit of 109 per cent and 92 per cent, respectively, before the halibut could reach the American wholesale market. The foregoing table does not include the profit upon halibut added within the United States by the distributors of the Canadian-landed fish, which corresponded to the profit taken by the American dealers upon fish purchased by them at American ports in Alaska or on Puget Sound.

This increased cost to the American consumer is the direct result of price fixing beyond the reach of United States laws. When operators at the Canadian ports are able to procure control of the major portion of the supply of halibut, the public demand for this particularly desirable product is such that fish dealers within the United States who desire a fair share in the marketing of the halibut without pressure readily conform to what they understand to be the desires of the factors within Canada controlling the supply regarding maintaining market prices. When the control of the major production is obtained by United States dealers through the fact that the major portion of the catch is marketed at the American ports upon the Pacific, the market becomes more competitive. This is evidenced by the percentages shown for the year 1920, in which year the major portion of the catch of the north Pacific was landed at the American ports of Alaska and the State of Washington, and the profit obtainable within Canada on that portion of the catch delivered at Prince Rupert or Vancouver was reduced from 67 per cent the year before to 28 per cent. What is here stated with regard to halibut applies in measure to fresh or frozen salmon.

It may be added that the Prince Rupert market discriminates against boxed fish, such as are taken by the smaller vessels operating in Alaska and shipped boxed in ice, in favor of vessel fish, paying from 2 to 3 cents per pound more for vessel fish than the boxed fish. This fact was brought out by Mr. Thompson, of Ketchikan, a fish shipper, and is of record within the Shipping Board rate hearings for 1918. Such differential in price is presumably for the purpose of discriminating against fishermen who choose to use American ports instead of the Canadian ports for the delivery of their catches.

Adopted, the amendment proposed would establish the American fisheries in American ports where benefits therefrom would accrue to citizens of the United States. Such result would be beneficial alike to the fishermen, the fish buyers, and the consuming public of this country. Under such provision of law deep-sea fish would be landed in the ports of Alaska nearest the banks from which they were taken, and the buying of such fish for American markets would be subject to open competition by firms of any nationality at such ports. The free movement of fish landed at American ports either over the railroads of Canada or those of the United States would not be interfered with and competition for the movement of the product would very likely establish lower transportation cost than with the market established at Prince Rupert, where there is absolutely no competition, and shipments must move over on Canadian rail line.

The fisheries once established in United States ports, the business methods of all parties to the marketing of fish would be controlled by United States laws. This would insure equitable consideration to both buyer and seller and would prevent combinations in restraint of trade wholly adverse to the American fisheries and the American consumer, such as are now possible and probable, and have been charged even by Canadian officials to exist at the port of Prince Rupert, British Columbia, where the fish buying for American markets is now largely centered, and is beyond the authority of American regulatory laws.

Under such enactment as mentioned fishermen would find markets for their fish without the necessity of themselves transporting it by uneconomical conveyance distances of 700 to 1,200 miles. The competitive buying would of necessity be established in American ports to enable the purchaser to escape the payment of duty. The fishermen would thus be enabled to spend the major portion of their time fishing instead of in transportation of fish as at present, and would be able to make more money, notwithstanding the fish could reach the consumer at considerably lower price than now.

History reveals that the fisheries are the natural cradle for both merchant marine and navy. Anyone familiar with our own history must be aware of the important part played by the sturdy Americans then engaged in our sea fisheries, and the value of their services in determining the successful outcome of the war for independence. This lesson should never be forgotten and should of itself be sufficient incentive for the adoption of the amendment suggested.

Merchant marines and navies of other nations are noted for an esprit de corps which does not exist in the merchant marine of the United States. This is largely due to the fact that other nations engaged in maritime enterprises are able to recruit their seamen from fisheries conducted by their own nationals, whereas the United States has heretofore permitted its fisheries to be conducted by aliens who give this country but half-hearted allegiance and not infrequently do not understand our language.

The nation which neglects the protection of its fisheries and fails to take the proper steps to encourage its own citizens rather than those of other nations to engage therein is at disadvantage in the expansion of both merchant marine and naval protection. It is thus robbed of the natural advantages of the sea fisheries as the medium for training its citizens to a seafaring life.

Mr. JONES of Washington. Just one word to summarize. As I said a while ago, this provision was put in the Simmons tariff bill here in the Senate in the interest of American fishermen and American capital and the development of Alaska. It went out in conference. One of the ablest, as well as one of the most patriotic Senators on the Democratic side, Senator Chamberlain, urged this provision most strongly, and I have here a letter from him denying an application of an American shipowner to transfer his ships to Canadian registry on account of the situation up there, just exactly what these orders were intended to do. He took the patriotic stand that we ought to encourage our own merchant marine.

So the purpose is to encourage the development of the fishing industry in an American port, and to meet the discrimination and the legislative action of Canada, which had the specific purpose and object of building up Prince Rupert at the expense of America, and to induce the transfer of registry of American ships to Canadian registry. They look after their interests; I hope we will look after ours.

Mr. KING. Mr. President, it would seem to me—and I ask for information—if we impose a tariff upon fish brought to our ports the very object the Senator has just indicated would be accomplished. As I understood him, the British were attempting

to divert the trade from our ports to their ports. They wanted to have the fish caught in the ocean brought to Canadian ports rather than to American ports. It would appear to me that if we desired to have the fish brought to American ports we would effectuate that object much sooner and to a greater extent if we permitted the fish to come in free of duty, but if we impose a high tariff then it would seem to me that the fish would be taken to the ports of other countries.

Mr. JONES of Washington. The Senator is mistaken about that. If we were to impose a tariff upon fish brought into this country prepared, or boxed, or iced in a foreign port, then we might accomplish what this amendment is intended to accomplish, but I do not think anything like so effectively. In fact, that is one of the methods proposed by many of the people out there who are interested in this matter. They ask that a tariff duty of 3 cents a pound be placed upon fish brought into this country iced, packed, or prepared in a foreign port. I think this is the more effective way of dealing with the proposition.

On page 13180 and following pages of the CONGRESSIONAL RECORD, volume 53, part 13, Sixty-fourth Congress, first session, will be found the orders in council to which I have referred.

Mr. McCUMBER. Mr. President, this matter was before the committee. The Senators from Washington were given a hearing, and the conclusion of the committee was that we ought not to use the tariff-making power of the United States for the sole purpose of forcing trade from one foreign port into another particular port. I think there is something a little surprising in the argument that Canadians are trying to get the American trade, and that they are trying to get it by discriminating against us. That is a new method of inviting our trade. I never heard such a proposition made before in any argument.

Let us get at the simple truth of the matter. American vessels and Canadian vessels can go out into the Pacific and catch the fish. They will take those fish to the market that will give them the best price, will they not? If Ketchikan will pay as good a price and is as convenient to the American fisherman, he will take his fish there, will he not? If he is nearer to Prince Rupert or Prince Rupert will give him a better price, he will take them there.

We are asked to interfere with that law of supply and demand. We are asked to interfere with the convenience of fishing fleets. We are asked to tell them that they must go to a port that is often not convenient to them for the purpose of selling their fish, and which may not be able to give them the supplies they want to purchase.

It may be true that Prince Rupert is doing a great many things to induce the catchers of fish to bring their product to Prince Rupert. Of course, they have a right to do that. But the main thing that will induce the fisherman to sell in Prince Rupert is that he gets a better price for his fish there.

There is perhaps another inducement, namely, the ability to get supplies there. He can perhaps get supplies at Prince Rupert that he can not get at the other place, and it may be convenient for him in selling his fish and in purchasing his supplies. There is no law of Canada that will compel an American fisherman to sell his product to a Canadian company or in a Canadian port, but if the American fisherman does so, he does so because he can get a better price or has some other advantage.

That is practically all there is to this proposition. In the matter of discrimination, stop and look at it from another aspect of the case. I claim that this kind of law would be directly opposed to our treaties, outside of the merits of it. What does it provide, in simple terms? It says to the Canadian who deals in fish, "If you buy fish from the Pacific Ocean and land them at your port, you shall not sell them in the United States and you shall not transfer them through the United States."

Think of such a provision in a tariff law! We would say to him, "If you buy them from Americans, you can send them to an American port." Suppose the Prince Rupert merchant desires to sell his goods in Minneapolis or St. Paul, he can not ship them over a Canadian road at all. He can not sell them in St. Paul unless he will send them back to Ketchikan, unload them from an American ship, and give Ketchikan the business.

If that is not violative of treaty obligations, then I do not know the meaning of treaties. Suppose we would say to Great Britain, "You may want to sell a certain line of goods at Savannah, but you can not ship them directly to Savannah or Charleston; you must land them in Boston first." That is practically what this provides.

I do not think a tariff bill ought to be used for the purpose of helping out some companies wanting to buy fish over in Ketchikan but can not compete with the buyers of fish at Prince Rupert. If they will pay the price to the fishermen, they will get the trade, and if they will not pay the price, they ought not to have the trade, and we should not compel the fishermen to sell their product in an American port as against a foreign port where they can get a better price for their product.

That is the way it strikes me. I do not know just what companies there are in Ketchikan to buy the American product. I do not think there would be much competition, and I think the moment we passed a law of this kind we would destroy all competition for the American fishermen and they would have to sell to a single company or to certain people in Ketchikan. I do not believe that is right.

The basis of the claim for this amendment is the assertion that some one discriminates against us; but the people who are making the petition are not complaining at all of discrimination, because they know that whatever the discrimination is, they are getting a better price in Prince Rupert.

Suppose Canada, as an independent country, passes any kind of a law relative to goods coming into Canada. Is that our business? We object to any country on the face of the earth interfering with our domestic affairs. How can we deny to Canada rights we claim for ourselves?

Mr. LODGE. Mr. President, we certainly can not deny Canada, nor can Canada deny us. I do not agree with the Senator about the matter of treaties. This does not say one port; it says to any American port and it applies to all the world. It is no violation of the favored-nation clause. I am not arguing whether it should be done; I am not clear about that.

Mr. McCUMBER. But it says to the people of the country, "If you buy fish from the Pacific Ocean"—not from the Atlantic but from the Pacific—"you can not ship them into the United States." That is really what it says. They are making no such claim as that. The Governor of Alaska and the Alaskan people want to build up their own towns. There is no doubt the real estate people have a great scheme to make a great metropolitan city out of Ketchikan, and the way to start it is to pass a law providing that fish caught in the Pacific Ocean by Americans and by Canadians who want to have them come finally into the United States shall be sent through this Mecca in Alaska.

Let us see what they say. I will take the letter which the Senator from Washington introduced. It is a letter dated January 3, 1922, addressed to Hon. W. L. JONES, signed by H. C. Strong. There is not a word of complaint in the letter about the Canadian treatment, but it says:

> The sole object of this tariff measure is to make the Alaska fisheries a resource of American ports, instead of permitting them to be exploited by Canadian interests and a fleet sailing from Canadian ports, the product of which is entirely consumed in the United States. The duty suggested will not affect the price of fish to either producer or consumer; it simply moves the market place of the fishing fleet from Canadian to American soil, making it an American asset which will be highly beneficial to the future growth and prosperity of Alaska.

That is why they want this, to build up the town in Alaska, and to force the products of the whole northern part of the ocean to come through that city.

Again, I will take the petition from which the Senator from Washington read and which sounds exactly the same:

> MEMORANDUM SUPPORTING TARIFF ON FRESH AND FROZEN FISH.
>
> The offshore fisheries of Alaska—that is, fish taken from the Pacific Ocean or its tributary waters—

I had thought it was only the North Pacific, but they want to take the whole Pacific Ocean and direct its products into an Alaskan town—

> is a national resource——

Mr. KELLOGG. The amendment applies only to the North Pacific.

Mr. McCUMBER. It does—

> is a national resource which should be the means of supporting large, permanent, and prosperous communities in Alaska.
>
> However, to make this a reality, constructive and protective legislation is imperative. Something must be done which will create in Alaska a market for these products, a market which will bring the producer and the representatives of eastern distributors in the United States together at ports in Alaska.
>
> To-day the economical market for the Alaskan fisheries is in a foreign port at the terminus of a Canadian railway—

Stop and think of it; they admit that the economical market for them is in another country. An economical market means that it is to their economical advantage to sell in that particular market—

> and here these fisheries, together with the buyers for the consumers of the United States, are building a big industry. The deep-sea fisheries of Alaska and American markets are jointly supporting a larger population and a greater volume of business at Prince Rupert and Vancouver, British Columbia, than they are doing for all the coast of Alaska.
>
> Legislation alone—

Now, stop and think of this—

Legislation alone will move this market and its benefits from Canadian to American ports in Alaska. Transportation problems in Alaska will solve themselves when this volume of business originates in Alaska instead of at Canadian ports, therefore Congress is petitioned to enact the following tariff measure.

Then follows the wording of the amendment.

So, Mr. President, it seems to me after all that we are attempting by this amendment to use the power to fix duties to break our treaties with foreign countries with reference to shipments from those countries, so as to compel an enormous trade to go through some other port to which it will not be advantageous for that trade to go.

I agree with the Senator from Minnesota [Mr. NELSON]. I think the real question is, Which will best benefit the fishermen? You have no right, in my opinion, to use this means for the purpose of building up one town or denying the right of a foreign country to import products which it buys upon the same conditions that we allow other countries.

Mr. President, at this time, if the Senate will allow me, I wish to file and have read a petition, that it may be acted upon day after to-morrow.

The PRESIDING OFFICER (Mr. LADD in the chair). It will be read.

The reading clerk read as follows:

We, the undersigned Members of the United States Senate, move to close the debate on the bill (H. R. 7456)—Calendar No. 591—an act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, in accordance with the provisions of Rule XXII of the standing rules of the Senate:

W. B. McKinley.
W. P. Dillingham.
Truman H. Newberry.
E. F. Ladd.
Albert B. Cummins.
Chas. A. Rawson.
J. W. Harreld.
Bert M. Fernald.
F. R. Gooding.
Geo. P. McLean.
L. Heisler Ball.
Ralph H. Cameron.
Coleman du Pont.
Knute Nelson.
J. S. Frelinghuysen.
Walter E. Edge.
Joseph I. France.
Selden P. Spencer.
Frederick Hale.
I. L. Lenroot.
James E. Watson.
W. L. Jones.
H. C. Lodge.
Charles Curtis.
P. J. McCumber.
Reed Smoot.
Henry W. Keyes.
Thomas Sterling.
Chas. L. McNary.
Miles Poindexter.
Samuel D. Nicholson.
Lawrence C. Phipps.
Samuel M. Shortridge.
Tasker L. Oddie.
Chas. E. Townsend.
Medill McCormick.
H. O. Bursum.
William M. Calder.
Frank B. Willis.
Arthur Capper.
F. E. Warren.
Frank B. Kellogg.
Peter Norbeck.
J. W. Wadsworth, jr.
Robert N. Stanfield.
LeBaron B. Colt.
G. W. Pepper.
Howard Sutherland.
Richard P. Ernst.
Davis Elkins.
Harry S. New.
C. S. Page.

Mr. UNDERWOOD. Mr. President, I believe under the rule no action can be taken upon the proposed petition until an intervening day has elapsed, and that it will come up for consideration at 12 o'clock noon on Friday. Is that correct?

Mr. McCUMBER. Yes; one hour after the Senate meets on Friday.

Mr. UNDERWOOD. I shall not take up the time of the Senate to discuss the proposal now. I hope to-morrow to have an opportunity to say something in reference to it, not that I am opposed to a reasonable limitation of debate. I myself once proposed a cloture rule in the Senate. I believe in a reasonable limitation of debate, but I am equally opposed to an unreasonable limitation of debate.

With over 1,000 amendments proposed to the bill by the majority, without the opportunity of the minority to have proposed an amendment yet, because the minority were courteous enough to agree to the request coming from the chairman of the committee that his own amendments should be first considered, I must say that this is not the time, it seems to me, when in fairness the majority should propose to cut off debate, knowing that by doing so they would entirely cut off all opportunity under the consideration of the bill for any proposal to come from those opposed to the measure.

But more than that; under the terms of the rule the discussion of amendments is limited to 10 minutes. Of course, there are many of the thousands of amendments that could be disposed of in five minutes, but there are other amendments that could not be disposed of in an hour's time—I mean intelligently disposed of. One could not in an hour's time present the salient features to be considered.

I think if the Senate is ever going to come to the adoption of a cloture rule on appropriation bills and revenue bills, it should have a proper rule, one that is automatic enough to meet the situation, and not a mere gag rule, as the present rule of the Senate provides. I say it is a gag rule. On some bills it would not be a gag rule. On some propositions, where there is only one salient feature involved, an hour's general debate might enable each Senator fairly to present his views and 10 minutes on minor amendments would be probably sufficient. But when every item in the bill is a matter in which some business interest in America is concerned, where almost every item in the bill is a matter in which the consumers of America are interested, it seems to me clear that such a rule as the Senate provides for cloture is a rule that ought not properly to apply to this class of legislation.

Mr. HARRISON. Mr. President——

Mr. UNDERWOOD. I yield to the Senator from Mississippi.

Mr. HARRISON. The Senator said one hour of general debate and 10 minutes on each amendment. If the motion to apply the cloture rule should prevail there would not be 10 minutes on each amendment. There would be one hour altogether, and that would include argument on amendments, on the bill, and everything else; in other words, each Senator would be limited to one hour.

Mr. UNDERWOOD. I had not read the rule for some time, and I thank the Senator for his correction. I thought the rule provided for 10 minutes on amendments. I am glad I was corrected, because that makes it more impossible. The idea of discussing a thousand amendments or more than a thousand amendments in 60 minutes, less than a sixteenth of a minute to an amendment! Senators on the other side of the Chamber had better suggest that we have no further debate at all, because that is practically what this means.

In all my legislative experience I have never known a majority to propose to a minority that the majority amendments should be considered first, and, when the courtesy was granted to them, and before the minority had an opportunity even to propose their own amendments, come in with a proposition that the minority should have no opportunity to debate their own proposals.

Mr. ASHURST. Mr. President, in view of the motion which has been filed, I direct respectfully attention to part of the language that is used in the rule, which reads:

Except by unanimous consent, no amendment shall be in order after the vote to bring the debate to a close unless the same has been presented and read prior to that time.

Senators will take notice that if they intend to propose amendments they ought to propose them and have them read before 12 o'clock on next Friday.

Without discussing the motion or its merits, if it have any——

Mr. SIMMONS. Mr. President——

Mr. ASHURST. I yield to the Senator from North Carolina.

Mr. SIMMONS. Would the members of the committee themselves be permitted to propose any amendments unless they proposed them before we voted on the cloture proposition?

Mr. ASHURST. No Senator can propose an amendment unless it is proposed between now and 1 o'clock Friday, if we shall meet at 12 o'clock noon, or between now and 12 o'clock Friday, if we shall meet at 11 o'clock.

I believe out of fairness the Senate ought to agree now that if an amendment is presented to the Senate and ordered printed in the RECORD before next Friday noon, we may dispense with the reading of the same. I have a number of amendments of my own which will require attention, and I do not want to be foreclosed by any contingency. So I ask unanimous consent that the rule be abrogated, so far as it requires that amendments shall be presented and read.

Mr. ROBINSON. Mr. President, I object.

Mr. ASHURST. Then I beg all Senators to understand that their amendments should be presented and read. Personally, I am opposed to the motion to close the debate, and shall vote against it.

I know of Senators who are absent by reason of illness and because of intimate personal affairs who, if this request is not granted, would be denied the right to offer amendments to the bill.

Mr. ROBINSON. Mr. President, every Senator knows that the motion just submitted can not prevail. Every Senator who has attended to-day's session knows that the entire debate has proceeded from the other side of the Chamber. We have considered two amendments, one proposing an increase in the duty on certain nuts and another proposing to levy higher rates on importations of fish under certain conditions. If the proponents of the cloture rule believed that it would be adopted they would not dare submit it. I raise directly the issue of good faith in the presentation of the motion at this time. It is not fair to the Senate; it is not fair to this side of the Chamber; it is not fair to the people of this country, with the most important provisions of the bill unconsidered and undisposed of,

to attempt to shut off debate and to deny Senators the opportunity of presenting amendments.

We have heard during the last 30 days threats of cloture, and now we are confronted with the direct issue of an attempt by the proponents of this bill, who have brought into the Senate 2,082 amendments, to shut off debate before more than one-third of the committee amendments have been considered. Not only is it proposed, as pointed out by the Senator from Arizona [Mr. ASHURST], to shut off debate on pending amendments, but the effect of the adoption of this motion would be to deny to Senators the privilege of offering amendments. Everybody must realize that that would be the effect of the proposal.

The proceedings of to-day disclose that the purpose of this proposed cloture is to stop complaints on the other side of the Chamber, amounting almost to insurrection against this bill. We have heard the debate between the Senator from California [Mr. JOHNSON] and the Senator from Wisconsin [Mr. LENROOT], the latter openly expressing the intention, if the present method of dealing with the bill is pursued, to vote against the bill when it shall have been perfected. We have noted the controversy between the Senator from Minnesota [Mr. NELSON] and the Senator from Washington [Mr. JONES] respecting a duty on fish. This bill in the form presented by the Finance Committee is beaten; it is beaten in the Senate by open, courageous, manly debate. During 20 years of service in the Congress of the United States I have never known a debate confined more closely to the issues presented than during the consideration of this bill; and I have never known a debate more effective than has been the debate on this tariff bill. Now, with the tide of sentiment running high against it, with courageous Republicans rising in their seats and threatening to vote against the bill, with the committee amendments scarcely one-third disposed of, it is proposed to bar all amendments other than those proposed by the committee, for no amendment not presented previous to the vote on the motion to close debate can be voted on if the motion prevails. Until the committee amendments have been disposed of other amendments can not be considered, and indeed can not be intelligently presented to schedules which have not been passed upon.

Mr. POMERENE. Mr. President, will the Senator from Arkansas permit a suggestion?

Mr. ROBINSON. I yield to the Senator from Ohio.

Mr. POMERENE. As a result of this debate, the Republican members of the Committee on Finance themselves have come in and changed the rates proposed on many of the articles covered by the bill.

Mr. ROBINSON. The committee have withdrawn amendment after amendment. There has been retreat after retreat; the committee have advanced and retreated over the same ground.

Mr. POMERENE. And, Mr. President, if the Senator from Arkansas will permit me further to interrupt him, when the distinguished Senator from Indiana [Mr. WATSON] was discussing this question about two weeks ago he made the statement that the members of the committee had presented some 80 or more amendments of their own to the bill as it was originally reported to the Senate.

Mr. ROBINSON. That is also true.

Mr. WALSH of Massachusetts. Mr. President, will the Senator from Arkansas yield for a moment?

Mr. ROBINSON. I yield to the Senator from Massachusetts.

Mr. WALSH of Massachusetts. I think since the agricultural schedule has been under consideration at least 25 amendments have been offered by the Finance Committee on the floor increasing the rates. I suppose, however, we ought to remain silent and make no protest.

Mr. ROBINSON. The same thing has occurred with reference to every schedule of the bill that has been considered. The debate has disclosed the obnoxious character of the proposed legislation, and, as a result, the committee itself has repeatedly receded from the position which it at first took. Is there a Senator present who does not know that on the other side of the Chamber there is a growing feeling of disgust which threatens to result, if the attacks are continued, in the defeat of the bill?

I said some weeks ago that there was no great desire manifested to facilitate the prompt disposal of this bill even by those who are sponsors for it. I repeat that declaration. During the last 30 days two-thirds of the time consumed in the debate has been used by those who occupy seats on the other side of the Chamber. Nowhere, neither in the Senate nor in the country, is there a sentiment which justifies this bill as a whole. It is beaten in the public conscience. The committee has recognized that fact time and time again by withdrawing amendments first submitted and presenting others in lieu of them. Now, with the knowledge of the fact that this motion can not be adopted, for the simple reason that there are not enough votes in favor of it to adopt it, the proposal for cloture is presented as pure buncombe, and some who are favoring it would be glad to see the bill abandoned.

Everywhere in the primary contests where the pending bill has been made an issue its proponents have met with disaster. The press of the country is against it almost unanimously; students of political economy find no justification for it; and in the issues that have arisen the decision has, in some instances at least, reflected the opposition which the country feels to the bill. The action of the Senate to-day in consuming seven hours in the discussion of two relatively unimportant amendments, the discussion coming almost entirely from the other side of the Chamber, reveals the dissatisfaction and the growing differences concerning its provisions arising on the other side of the Chamber.

No one is going to be deceived by this proceeding; no Senator thinks that the motion will be adopted; and some Senators who signed the petition probably would not have done so if there had existed the slightest ground for the belief that the cloture rule would be agreed to.

There is not any desire here—and there is no conduct on this side of the Chamber which justifies the imputation that such a desire exists—unduly to prolong this debate. Any person of ordinary intelligence would have known, when 2,082 amendments were brought in by the committee, that those amendments could not, under the ordinary procedure of a legislative body, be disposed of within a short time; and the time consumed upon the various amendments has been greater from the other side of the Chamber than from this side of the Chamber. Senators in the majority will not fool anybody who is not desirous of being deceived by any such "bluff" as this.

For my part—and I think I am authorized to speak for many of my colleagues—we want the public to understand what it is you are proposing to do in the passage of this bill. Why do you object to the country having information concerning it? The only inference that can be drawn is that you fear that the result of future proceedings will further discredit this measure and its important proposals as not justified by economic and industrial conditions.

Mr. LODGE. Mr. President, the Senator from Arkansas [Mr. ROBINSON] charges us with bad faith—which is a serious charge to make—in offering this motion under the cloture rule.

The request for action under the rule is made in absolute good faith. If any Senator on the other side doubts that it is made in good faith, he has a very simple method of testing it, and that is to vote it through and see whether or not we shall take a vote under it. If Senators think the tariff is beaten, why do they not bring it to a vote? They know that it is not beaten.

The Senator guarded very carefully what he said. He said that the tariff "as reported by the Senate committee" was defeated already. I suppose he used that expression because the committee have made certain changes in what they originally reported.

First and last, since I have been in Congress I have been through some eight tariff discussions, and I have never failed to see in the Senate a great number of amendments offered by the committee in charge, and some of them changed by the committee in the course of the debate. A tariff can not be made in any other way.

I was a member of the Finance Committee when the tariff of 1913 was before us. Of course, I attended none of the meetings in which the bill was made up. They were held exclusively by the members of the majority party, with which I found no sort of fault. I think it is perfectly proper that they should do it. What shifts or changes they then made I do not know; but, as I recall, they brought out some six or seven hundred amendments, and they were discussed here, but at no such length as has been shown in this debate.

Mr. President, the Senator speaks of time being consumed on this side, and a great deal has been consumed on this side; but, if that be true, then it is ourselves that we are cutting off by this proposition, and we are entirely ready to do it. We believe that the country demands prompt action on this bill, and this rule will at least prevent any deception, and will allow the country to know who is refusing to take action. We have had no offer, no suggestion of any agreement. We have had days and days here when no one spoke on this side, of elaborate discussion of perfectly trivial amendments, of matters of no consequence.

I have had some experience in watching delay by debate—not a technical filibuster, but the wasting of time—and I have never seen it practiced on so extensive a scale as by the mi-

nority on this bill. They never have been ready to make any concession of time. They never have been ready to make any arrangement to bring the bill to an end or reach a vote, no matter how reasonable or how extensive the time allowed. They have simply gone on wasting the time of the Senate and of the country in debate, which ought to be cut off, or at least ought to be limited.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Ohio?

Mr. LODGE. I do.

Mr. POMERENE. The Senator from Massachusetts has just suggested that no proposition had been made from this side to limit debate. Has any been made on the other side until this day?

Mr. LODGE. We are perfectly ready to do it and to make arrangements, and suggestions have been made—not openly, but they have been made—more than once; not on the floor, publicly, but they have been made.

Mr. POMERENE. Not until this day have I heard a statement of that kind made.

Mr. LODGE. Not publicly; no.

Mr. POMERENE. I remember very distinctly that this debate had not progressed to exceed three weeks until charges were made on the other side of the Chamber that we on this side of the Chamber were filibustering; and I think those who made the charges were very unfair toward those on this side of the Chamber.

Mr. LODGE. It depends altogether on what you call filibustering. Of course, technical filibustering is taking advantage of every parliamentary point, and insisting on roll calls and quorums, and raising points of order, and an infinite number of things; but as a mere delay, if you choose to call it filibustering, it was developed in the first week that this bill was up by the perfectly reckless way in which time was wasted on wholly insignificant things, particularly in the chemical schedule, and it has been carried on more or less ever since.

I am ready to cut off the debate for both sides if necessary. We offer this rule in perfect good faith. If any one doubts it, let him vote to put it through, and we on this side will all live up to it, and live up to it without complaint, and suppress our own amendments; for there are individual amendments probably on this side as well as on the other; but at least it will have this effect: It will show the country which party is responsible for the delay, which party refuses to stop the debate, which party is unwilling to make any reasonable arrangement to bring it to an end, which party thinks there is political advantage in dragging out this debate all summer and leaving business in a condition of suspense. The worst tariff ever made was better than suspense, and anything is better for the business of the country to-day than to have this long, protracted, weary discussion, no matter who is engaged in it.

I hope that the rule will pass and that an overwhelming majority of the Senators on this side will vote for the rule. If we can not get it, it will be because the other side manage to control a third or more, without which the rule can not be adopted, but we present the rule. We invite its adoption. If it is not adopted, we shall then have no choice except to continue as we have before, and unless we lay aside the tariff altogether and start to bring about a majority cloture we shall be obliged to go on and return to night sessions.

I hope we shall press this rule and offer it again later and demonstrate even more fully to the country where the delay lies and who is causing the delay and why business is held in suspense for purely political purposes, and for no other reason.

Mr. UNDERWOOD. Mr. President, I only want to say a word in reply to what the leader of the majority party has just said in reference to responsibility concerning this bill. I realize, of course, that it is natural that a party in power should want to pass legislation that it proposes. It is perfectly natural for it to assume that the delays in the opposition are unwarranted.

This issue has always been a political issue in this country. The two great parties are divided between a protective tariff and a low so-called revenue tariff. Their viewpoints in regard to the matter are entirely different. It was impossible for the Senators on this side of the aisle to go to the majority of the Finance Committee of the Senate and expect favorable consideration of amendments that represented their viewpoint. On the other hand, the Members on the other side of the Chamber had the opportunity to present their amendments to their own committee. They had an opportunity for friendly and full consideration, and their amendments have been considered and have been passed upon. The only opportunity that we have to make our proposals to the country is on the open floor of the Senate.

As to the delays in this bill, debate may at times have run unduly long on certain items, on this side and on the other side. No Senator in the Chamber can deny the fact that at times the debate has become extended on the other side of the Chamber on various items. The debate has been legitimate, as a whole. It has been to the point, to the bill before the Senate, as a rule. Of course, at times, there has been extraneous debate, but nothing more on this side than on the other side as to matters that were not pertinent to the bill.

The Senator from Massachusetts, the leader of his party, criticizes this side of the Chamber, however, because we have not proposed a cloture, because we have not made a proposal for an early vote on this bill.

Mr. LODGE rose.

Mr. UNDERWOOD. Does the Senator want to interrupt me?

Mr. LODGE. I only wanted to say that I did not blame the minority for not proposing a cloture. I said they had made no proposition of an arrangement to bring debate to an end, which is a different thing from a cloture.

Mr. UNDERWOOD. That is what I desired to reply to. The Senator criticizes this side of the Chamber because we have not been willing to make an arrangement to bring this debate to an end. As a practical proposition it has been impossible for us to do so. This bill has 4,000 items in it vitally affecting the industry and the lives and the health and the happiness of the American people. They are vital issues, most of them.

Mr. KELLOGG. Mr. President, will the Senator yield?

Mr. UNDERWOOD. I yield.

Mr. KELLOGG. Did not the Underwood bill do the same thing? It involved as many items as this bill, did it not?

Mr. UNDERWOOD. Yes; it did.

Mr. KELLOGG. It was disposed of in seven weeks, was it not?

Mr. UNDERWOOD. I do not remember how many weeks it was debated in the Senate. I was in the House then, and I know that we sent the bill to the Senate by the 1st of May, and it went to conference in September. I do not know; I did not keep up with the debate in the Senate.

Mr. KELLOGG. The bill was in the Senate seven weeks and three or four days.

Mr. ROBINSON. Will the Senator from Alabama yield?

Mr. UNDERWOOD. I yield.

Mr. ROBINSON. Does the Senator from Minnesota recall the number of amendments reported to the Underwood-Simmons bill by the Finance Committee?

Mr. KELLOGG. I was not here.

Mr. ROBINSON. I think the Senator from Massachusetts stated that there were 600.

Mr. WATSON of Indiana. My recollection is that there were 640.

Mr. ROBINSON. Much less than one-third of the number of amendments which the Finance Committee reported to this bill.

Mr. KELLOGG. But the Senate has already used over 10 weeks, which is the longest time that has ever been used in the Senate to pass a tariff bill.

Mr. POMERENE. Mr. President, it may also be added that the Senate Finance Committee never before took so long a time to prepare and present a tariff bill to the Senate.

Mr. UNDERWOOD. Undoubtedly.

Mr. WATSON of Indiana. But the Senator must know that practically all the amendments were changes from the American valuation to foreign valuation.

Mr. UNDERWOOD. I am not arguing the question from the standpoint of why the committee made the changes. Of course, they had a reason for making the changes, but the changes were made and the bill is here. The bill does not carry on its face any indication that the changes were made because of a change of valuation, although that may have been the reason which actuated the committee. But the Senate is compelled to vote on a lower or a higher rate, and the bill is before the Senate regardless of the reasons of the committee in reporting it.

The VICE PRESIDENT. The Chair will ask the Senator to suspend while the Chair states the motion, which it must do under the rule. The Chair is in receipt of the following motion:

We, the undersigned Members of the United States Senate, move to close debate on the bill H. R. 7456, Calendar No. 591, an act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate.

That is signed by the Senators whose names have been stated.

Mr. UNDERWOOD. It is the same paper which the Secretary read, is it not?

The VICE PRESIDENT. It is.

Mr. WATSON of Indiana. The Chair was simply formally stating the motion. It is the same paper.

Mr. UNDERWOOD. I understand.

Mr. WATSON of Indiana. Will the Senator permit me to ask him a question?

Mr. UNDERWOOD. Certainly.

Mr. WATSON of Indiana. It must be apparent to the Senator, who is a man of long experience in legislative bodies, that if this debate runs on as it has been going on, with the wool schedule and the cotton schedule and the silk schedule, with potash, and sugar, and gloves, and so forth, and so forth, which have yet to be considered, it will go on until the 1st of October. Does the Senator think that the majority party, with 24 majority, should sit by and permit this sort of thing to go on until the 1st of October, with what we think is undue delay in the passage of the bill and which this party promised to pass?

Mr. UNDERWOOD. I do not expect the majority party to do unreasonable things. I think it is very natural that you should want to pass this bill without debate if you can, but you can not expect the Senate to agree to an unusual limitation of debate.

Mr. WATSON of Indiana. Let me ask the Senator another question, kindly. We have made this proposition, and I must take issue with my delightful friend from Arkansas [Mr. ROBINSON], because we have made it in good faith. Fifty-two Senators have signed it. That is more than a majority, more than enough to pass the bill. There will be no trouble about passing the bill. What counterproposition does the Senator make? Unless the consideration of this bill is to run on endlessly, what counterproposition does the Senator make to our proposition?

Mr. UNDERWOOD. I was just about to try to reply to the statement of the leader of the majority party, and I have gotten far away from my reply, because I have been interrupted. That is what I was coming to—not to make a proposition, but to state why it has been impossible to make a proposition.

In passing I want to respond now to the suggestion made by the Senator from Minnesota [Mr. KELLOGG] that the act of 1913, with 600 amendments, had only 7 weeks of debate and that this bill has now had 10 weeks of debate. But this bill has three and a half times as many amendments to be considered as the act of 1913. If you multiply 7 by 3½ you will have nearly 24 weeks instead of 10 weeks in which to consider it. So if you view it from the standpoint of the actual issue presented to the Senate, there has not been nearly as much time taken up in the consideration of this bill as was taken up in the consideration of the act of 1913.

The Senator from Massachusetts complains that we have made no suggestion in reference to closing debate. How can we make a suggestion? How can we say when we will close debate, the way the bill has been presented to the Senate? If we make an agreement, it must be a reasonable agreement, an intelligent agreement, and when I say "intelligent" I mean it must be an agreement that does not propose to abandon the issues, but an agreement under which we can fairly consider and discuss the issues before the Senate.

We are not responsible because you brought in a bill with over 2,000 amendments. We are not responsible because in the consideration of that bill from time to time you have changed your mind, and changed your amendments on the floor. I am not criticizing you for doing it. If you found out that you had made a mistake, it was only the part of wisdom to make the change. But until you have determined what your issue is in the Senate, how in the world can the minority determine what we propose to offer you by way of amendment?

We foreclosed the proposition of doing that item by item at the request of your chairman. We might have done that as each paragraph came up, but the chairman desired to have all the committee amendments considered first. He asked unanimous consent that the bill might be considered in that way, and we consented. It took unanimous consent, and we granted the courtesy, and allowed him to have the bill considered in that manner.

We do not know what your final disposition of this bill is to be. There may be amendments proposed now which are satisfactory to us, but before you dispose of it they may be very unsatisfactory to us. With this vast number of amendments, how are you going to determine what limitation of debate can be made which will reasonably allow a fair discussion of the issues presented to the country and to the Senate? You can not do it. It is a practical impossibility.

I want to say, so far as I am concerned, that I have endeavored not to occupy any more time on the floor of the Senate in discussing the bill than was necessary to present my viewpoint in part, and the entire time I have taken in the discussion of the bill in the 10 weeks it has been before the Senate I do not think amounts to more than two or three hours. I have repeatedly said to the Senate, and I said to the members of my own party, that although I believe the bill should be fairly considered, I am not in favor of any policy that attempted delay for delay's sake; and I am not and I have not been from the beginning.

I think the larger portion of the time that has been taken has been taken in legitimate debate.

One man can present his viewpoint clearly in 10 minutes. It will take another man an hour to do the same thing. That is the personal equation. It is due to the difference in the way men speak. How could I say to-day, when I do not know what the issues are to be on hundreds of items, how long we should determine to debate them? What kind of a proposal should we make? An hour on each side? You would say that is too long. Do you propose 10 minutes on each item? If you gave 10 minutes to every Senator on each item, or even on your own amendments, instead of passing the bill in October, as my friend suggests, you would not pass it before March. Yet you know as well as I that there are hundreds of items in the pending bill which could not be intelligently discussed in 10 minutes. Nay, more, there are many of these items which could not be fairly presented to the country in an hour.

The real difficulty about the situation is that you delayed reporting this bill to the Senate until you rode into a most ill-advised time to present it—an election year. I do not say that critically. It applies as much to one party as to another. To pass a tariff bill in the face of an election is the most ill-advised thing that a party can do, and I know you realize that. Probably conditions have driven you to do it.

Now we are in the midst of debate. There is not a man on the other side of the Chamber, I know, who will say that he thinks this bill can be fairly considered under the proposal you have made—that there shall be a limitation of one hour's debate to each Senator, and no amendments allowed after 12 o'clock on Friday next.

No matter how much of a mistake the committee should find it had made in the framing of the bill, if you adopted this ironclad rule for the consideration of the bill you would have to destroy American industry. If you find that you have made a mistake in the bill—and you have made many, and you have admitted it by changing it—you will then have your hands bound, and if it happens to be that in that particular instance you have agreed with the House, and they have made the mistake also, you will have to go to the country with destruction in the wake of the bill, you knowing it, because you have gagged the Senate.

You gentlemen on the other side of the Chamber know that this bill can not be considered intelligently under any such rule, no matter what conditions confront you. You know that you can not go to the American people and say you have given intelligent consideration to this measure under this rule.

Unless you can do that you had better not enact the legislation. The country is not going to be destroyed if you fail to enact the legislation, but if you attempt to enact it under a system by which you gag debate in the Senate and gag amendments, which is even more important than debate, you will simply scatter the dragons' teeth to the winds, not knowing what you may sow by your reckless conduct.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. UNDERWOOD. Certainly.

Mr. LENROOT. I would like to ask the Senator when, in his judgment, the bill will pass the Senate if there be no limitation on debate?

Mr. UNDERWOOD. I will say to the Senator candidly that I do not know, but I should be very much delighted if we could come to a final vote on the measure by August. I do not want to stay here. I am not in favor of the bill—I hope it can be defeated—but I realize under our system of parliamentary government that the majority party have a right to enact their laws and submit them to the country. I am perfectly willing. I rejoice in the opportunity to go to the country on the issue. I am not afraid to face it. But I can not tell how long Senators will take to discuss items in the bill on the other side of the Chamber or on my side of the Chamber any more than the Senator can tell. I can only say that I have earnestly hoped that there might be no undue delay in the matter, and I know that I have not indulged in any undue delay.

Mr. WALSH of Massachusetts. Mr. President——

Mr. UNDERWOOD. I yield to the Senator from Massachusetts.

Mr. WALSH of Massachusetts. How can there be any time fixed to vote on this bill when the committee have not completed their work yet? The committee are meeting every morning and changing amendments and changing this bill. How can we fix a time until the committee finally finish their work on the bill?

Mr. UNDERWOOD. The Senator is clearly correct. The chairman of the committee has repeatedly stated to us on the floor that from day to day the committee are meeting and proposing new amendments and changing the proposals in the bill, and yet it is proposed by this rule to say to your own committee at 12 o'clock noon on Friday next they shall labor no more and shall not give the bill further consideration, because any proposals of theirs can not thereafter be considered.

Mr. LENROOT. Mr. President, may I ask the Senator another question?

Mr. UNDERWOOD. Certainly.

Mr. LENROOT. The Senator states that he hopes the bill can be passed by August. If that be true, it will only be because debate is limited by action of the Senate or by the voluntary action of Senators. Does the Senator believe that Senators upon his side of the aisle are now willing to curtail debate voluntarily?

Mr. UNDERWOOD. I can not speak for anyone but myself, and I do say that I hope debate on items which are not of great importance can be curtailed to an extent so that we can get through by that time. I think it is necessary for us to reach a conclusion, and yet, with the great schedules of wool and cotton and sundries, which carry taxation into every home in America, yet undisposed of, I do not want anyone to think for a moment that those schedules should be passed without reasonable consideration and fair debate. But I think that it can be done. If the Senators look at it from my viewpoint I am sure that it can be done. I may make one or two other speeches on the bill; but I am sure the time I take, if proportioned out to other Senators on the floor, would not carry the passage of the bill beyond an early date in August.

I merely want to say that of course you have your rights. The rule is a part of the Senate procedure. If you can get a two-thirds majority you have a right to gag us, and you have a right to cut off amendments and cut off debate and throw this misshapen piece of legislation into the face of the country, but I say you will make a very serious mistake if you do so.

Mr. McCUMBER. Mr. President, I move that the Senate take a recess until to-morrow morning at 11 o'clock.

Mr. HARRISON. Mr. President, I suggest the absence of a quorum. I withdraw the request for the present. There are just a few hours during which the rule can be discussed.

Mr. McCUMBER. It can be discussed all day to-morrow.

Mr. HARRISON. It ought to be discussed a little this afternoon. I have here a speech which the Senator made in 1918, in which he said he was against cloture and that an hour's debate was too little, and he argued against the rule at that time. I wanted to read it to refresh the memory of the Senator from North Dakota as to that speech. Will he withhold his motion until I can read a part of that speech to him?

Mr. McCUMBER. The Senator can do that to-morrow.

Mr. HARRISON. Very well; the Senator will do it to-morrow.

Mr. KING. Mr. President, will the Senator yield to me?

Mr. McCUMBER. I yield for a question.

Mr. KING. I gave notice, or, rather, I voted for the almond paragraph and indicated at the time that I would move to reconsider the vote by which it was agreed to. I just want to submit the motion to reconsider and will take it up to-morrow.

Mr. McCUMBER. That can be done in the morning.

Mr. KING. To-day is my last day.

Mr. McCUMBER. No; it is not. We are still in the same legislative day.

Mr. KING. Very well. With that understanding I shall submit the motion to-morrow.

RECESS.

Mr. McCUMBER. I move that the Senate take a recess, the recess being under the unanimous-consent agreement, until 11 o'clock to-morrow.

The motion was agreed to; and the Senate (at 6 o'clock and 5 minutes p. m.), under the order previously made, took a recess until to-morrow, Thursday, July 6, 1922, at 11 o'clock a. m.

SENATE.

THURSDAY, *July 6, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

PAY OF SENATE PAGES.

Mr. CALDER. Mr. President, in the general appropriation bill passed each year we include a provision for the payment of the salaries of the employees of the Senate, but no provision was made in the last appropriation bill for the payment of salaries of pages of the Senate after July 1 of this year. To take care of the matter the Senator from Wyoming [Mr. WARREN], chairman of the Committee on Appropriations, introduced a resolution (S. Res. 313), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate. I am directed by that committee to report back the resolution favorably without amendment. The resolution provides for the payment of the 16 regular pages from now until the 1st of December, or during such days as the pages may be employed. I ask for its present consideration.

Mr. KING. Mr. President, may I inquire what is the purpose of the resolution?

Mr. CALDER. I will say to the Senator from Utah that in the passage of the regular appropriation bill which takes care of the pay of Senate employees the Senate neglected to provide for the payment of the pages of the Senate. No provision was made for any pay of the pages until the next regular session of the Senate. We are taking care of them through this resolution by providing for the payment of their salaries out of the contingent fund of the Senate.

The resolution was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay from the miscellaneous items of the contingent fund of the Senate the 16 pages borne on the session rolls of the Senate from July 1, 1922, to and including the last day of the month in which the second session of the Sixty-seventh Congress is adjourned sine die, at the rate of $2.50 per day each.

ADDITIONAL SENATE PAGES.

Mr. CALDER. I report back favorably without amendment, from the Committee to Audit and Control the Contingent Expenses of the Senate, Senate Resolution 314 to provide for the continuation of the five additional pages who have been carried on the pay roll for the last year and a half. I ask for the present consideration of the resolution.

The resolution was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That Senate Resolution No. 175, agreed to November 10, 1921, authorizing and directing the Sergeant at Arms of the Senate to employ five additional pages for the Senate Chamber at $3 per day each from the 1st day of December, 1921, to the end of the second session of the Sixty-seventh Congress, to be paid from the miscellaneous items of the contingent fund of the Senate, be, and the same is hereby, amended to continue their employment to and including the last day of the month in which the second session of the Sixty-seventh Congress is adjourned sine die at the rate of $2.50 per day each.

POLAR FLIGHT OF EDWIN FAIRFAX NAULTY.

Mr. ROBINSON. Mr. President, some months ago the importance of Wrangel Island as an air base for flight routes across the Arctic was brought to the attention of the Senate in connection with a controversy respecting the priority of rights by discovery and occupation respectively accruing to the United States and Great Britain. Mr. Edwin Fairfax Naulty, renowned for his investigations in scientific and practical aeronautics, then proclaimed the right of the United States to assert just priority by actual discovery and continued occupation. The importance of the controversy apparently was not fully realized at that time by our Department of State.

About one year ago Mr. Naulty formed and published a plan for a trans-Arctic, transpolar flight. This plan was definite in all its details and was illustrated on a chart supported by known observations of ice drifts, current flow, known directions, known shallows and depths, and other data. This chart was deposited in a Government bureau and no attempt was made by Mr. Naulty to maintain secrecy respecting his plans and purposes.

The Washington Post of August 2, 1921, the Pittsburgh Post-Dispatch of August 4, 1921, the New York Times of September 11, 1921, the Washington Herald of October 12, 1921, and other newspapers published last summer, contained editorials and comments respecting Mr. Naulty's plan for a polar flight. The editorial in the Pittsburgh Post of the date above mentioned points out in definite detail the route of Mr. Naulty's proposed flight and the difficulties probably to be encountered, especially

that pertaining to fuel, and the scientific value of such an aerial expedition if successful.

Mr. Naulty's expedition, which should have taken place about October, 1921, was postponed on account of adverse weather conditions until autumn of the present year.

In the meantime, several months after the formation and publication of Mr. Naulty's plan, Amundsen, in an effort to establish a claim for Norway to an airway across the Arctic from the Atlantic to the Pacific, apparently appropriated the Naulty idea and plan, and his 1921 expedition on behalf of Norway having failed, and the Naulty proposal having come to his knowledge, Amundsen sought to adopt it as his own and to procure the benefits of the same for himself and his Government. That the true facts may become known and be preserved, I ask leave to print in the RECORD a communication from Mr. Naulty accompanied by newspaper editorials and news articles which are believed to set forth the subject fairly and fully.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *July 4, 1922.*

Hon. JOSEPH TAYLOR ROBINSON,
United States Senate, Washington, D. C.:

In addition to the facts set forth in the articles printed in the New York Times of August 2, 1921, September 11, 1921, and June 29, 1922, the Washington Post and Herald of August 2, 1921; the Washington Herald of October 13, 1921; and the Seattle Times of October 13 and October 23, 1921, permit me transmit to you, with the request that it all be printed in the CONGRESSIONAL RECORD for the information of the people of the United States, as well as the Senate and House of Representatives, some additional facts in regard to my plans for a flight to the North Pole and across the Arctic, the Arctic itself and its strategical importance for short air routes from the Atlantic to the Pacific to the nations bordering on the Arctic, and particularly to the United States.

In conjunction with the Arctic the strategic value to the United States of the entire Alaskan coast, from Dixon Entrance to the north Pacific to the one hundred and forty-first meridian in the Arctic Ocean, should not be lost sight of nor should the value of the Aleutian Islands, the Pribilofs, or Seal Islands, St. Paul, St. Lawrence, and Diomede Islands be overlooked.

Two foreign explorers, Vihjalmer Stefansson, a Scandinavian, who now asserts that he is a British subject, and Roald Amundsen, a Norwegian, have taken, and are about to take, action that may result inimically to the interests of the United States. Their work is camouflaged under the name of "scientific exploration," but as I see it, and as the facts seem to prove, this is only a disguise for territorial exploitation and aggression. Were the work of these two men carried on from the countries of their birth or adoption but little objection might be made, but under the pretense of "science" all the obtainable facilities of various departments of the United States Government have been used to forward their plans at the expense of the United States.

Last July I discussed my plans for a trans-Arctic, transpolar flight with DAN SUTHERLAND, Delegate from Alaska, and from him then got much assistance. Later Mr. SUTHERLAND met Stefansson, and being a single-minded man, free from guile and with no thought of it in others, Mr. SUTHERLAND discussed my plans with Stefansson. This was in late August, 1921. In September, 1921, Stefansson hastily organized a party, as described in the articles that appeared in the New York Times in March, 1922, that were reprinted in the CONGRESSIONAL RECORD of March 25, 1922, and "took possession" of Wrangel Island for Great Britain. Stefansson had been under fire from Professors O'Neill and Anderson, of Canada, over the Karluk expedition of 1913–14, and one of them had definitely charged Stefansson with having "subordinated the interests of science to his own personal advantage" during the Karluk expedition, which was under Canadian auspices. In his exploit of "taking" Wrangel Island Stefansson perhaps saw a way of rehabilitating himself with Canada and Great Britain owing to the great value of Wrangel Island as an air base for flight routes across the Arctic.

Alaska and Siberia effectively close the air exit of Great Britain or Canada from the Atlantic, across the Arctic, to the Pacific, on the main littoral, so that Herald Island, a small granitic rock, unsuitable for an air base, and Wrangel Island, which is 70 miles long and 30 miles wide, assume intense strategical importance. To Herald Island Great Britain might lay fair claim by right of Kellett's discovery of it except for the implication of the northward extension of boundary lines of nations abutting on the Arctic, a claim for which northward extension Canada makes for all the territory lying between the 60th meridian west, and the 141st meridian west, running from the known lands therein to the North Pole.

The first announcement of Stefansson's exploit was given out while he was on a lecture tour of the United States and at Kansas City. As it appeared in the Evening Star of Washington, on November 11, 1921, it read:

"STEFANSSON'S HELPERS REACH WRANGEL ISLAND—MEN SENT BY EXPLORER TO ESTABLISH BASE NORTH OF SIBERIA REPORTED SAFE.

"KANSAS CITY, MO., November 9.—Vilhjalmur Stefansson, Arctic explorer, announced here that a party he had sent from Nome, Alaska, to Wrangel Island, about 100 miles north of Siberia, to establish a base for what he said would be a huge British exploring party into the north, had arrived safely at its destination.

"In making the announcement Mr. Stefansson said the safe arrival of the party on Wrangel Island had made it possible for him to discuss some of the plans under consideration.

"There are six men in the Wrangel Island party, he explained, all of whom were picked for the expedition because of heroism or especial initiative shown on previous expeditions with him. The party left home secretly last September. 'I financed and sent the expedition into the north,' Mr. Stefansson said.

"The work of the six men will be confined entirely, he stated, to arranging the base for the big British party, which, he stated, will be formed in Canada or England in March.

"He said that a comprehensive announcement as to the purposes of the British expedition probably would be made in London as soon as the party had been organized."

Stefansson sent his "expedition" out in an American vessel, flying the American flag, the *Silver Wave*, of Nome, Alaska. He financed it with money obtained by lecturing in the United States, according to his own story in another publication; he cajoled three Americans to join the party under a Canadian leader, without explaining to them the object of his expedition, to take Wrangel Island for Great Britain. This was in September, 1921. The Stefansson party can not get out from Wrangel Island much before late July or August at the earliest this year, when we shall know surely if the Americans in Stefansson's party raised the American flag, as the captain of the *Silver Wave* said they did, when the Canadian raised the British flag over Wrangel Island on landing.

Great Britain is always alive to her interest, and so is Canada, and properly so; so it is not surprising to find the following dispatch printed in the Washington Post under date of May 13, 1922:

"Claims Wrangel Island—Canada plans to occupy land despite American priority.—Ottawa, Ont., May 13, 1922: The Canadian Government maintains that Wrangel Island is part of Canadian territory, the Canadian flag now flies over the island and an expedition is being prepared to go up there. This is the declaration of the Prime Minister, W. L. McKenzie King, when the House of Commons last night voted $15,000 for patrol of the northern waters of Canada.

"C. P. Graham, minister of defense, said the amount was necessary to publish the report of the Stefansson expedition. Hugh Guthrie, former minister of militia, said there was no doubt that the United States would make claims to the island on the ground of previous discovery."

Forty degrees of longitude separate the western boundary of Canada from Wrangel Island and it is 11° of longitude west of the one hundred and sixty-ninth meridian which, in Bering Strait, divides Alaskan from Siberian territory. Wrangel Island is the air Gibraltar of the Arctic. The nation of Europe that controls Wrangel Island controls the North Pacific, the West Arctic, and Bering Sea and the air approaches thereto across the Arctic. Although seldom visitable by surface craft, due to the heavy ice, and then only in the months of August and September, Wrangel Island is approachable by air during 12 months in the year, and has ample level ground, level ice, and sheltered harbors for land plane and seaplane landing. By aircraft Wrangel Island at present speeds is only three-quarters of an hour's flight from North Cape, Siberia; three and a half hours' flight from Nome or Point Barrow, and five and a half hours from Demarkation Point, each of which is Canadian territory.

From an aircraft carrier stationed in the open sea near Spitzbergen, and irrespective of the control of Spitzbergen, Great Britain, over the most northerly course could send a fleet of seaplanes to the mouth of the MacKenzie River, in Yukon territory, northern Canada, in flights of three stages of six and a half, six, and four hours each, with many emergency landing places on the way. Adding the flight from Demarkation Point to this Great Britain could fly her seaplanes to Wrangel Island in 22 hours with four stops en route.

From Wrangel Island to the north end of Sakhalin Island, now controlled by Japan, is a less distance by air than from Wrangel to Demarkation Point; allowing five hours for the flight from Wrangel Island to Sakhalin Island, it brings England and Japan in touch by air, going either way, if the British Empire controls Wrangel Island, in 27 hours. This is actually developed speeds is easily made to-day, as the United States has a seagoing triplane making 163 miles an hour and Great Britain has a plane that has done 212 miles an hour.

The strategical importance of flight routes across the Arctic and of air bases therein that would permit short flights and assure fuel supply and of Wrangel Island as a western station, air base, and supply stop may be seen when it is realized that the flight distance across the Arctic from the Shetland Islands, in Great Britain, to the Kurile Isles of Japan is less than the surface steaming distance across the Pacific from Vancouver, Canada, to Yokohama, Japan.

If in his early interviews in relation to Wrangel Island Stefansson was brutally frank, even alleging indirectly that he raised the money for his Wrangel Island venture from his lectures and the sale of his books in the United States, thus not only using American ports but also American money for alien purposes, Roald Amundsen, the Norwegian, has been just the opposite. Personally and through his press agent, H. H. Hammer, in Seattle, he has misrepresented his plans constantly, and has done this particularly in relation to his abandonment of his original plans for a seven-year surface drift through the Arctic ice in the schooner *Maud* and the substitution of the Fairfax Naulty polar flight plans, appropriated by him in toto, even including the route from Point Barrow to North Cape, as if he did not have the originality to find another west to east route or wanted to block the American expedition.

Amundsen's reputation among men who are familiar with the situation may be known by citing some of his exploits. He hastily organized a ski-racing crew to beat Capt. Robert B. Scott, the English explorer, into the South Pole, and used the route previously blazed by the gallant Shackleton to do it. Out of this adventure came nothing of scientific interest or value. Amundsen permits his press agent to assert constantly that Amundsen is the discoverer of the North Magnetic Pole, and repetition of this claim has caused it to be accepted as fact by those who do not know that the Englishman Parry sailed north of it in 1819 and that it was definitely located by the Englishmen John and James Clarke Ross in 1831.

Amundsen allows it to be claimed for him that he is the first man to make the Northwest Passage. The Northwest Passage was made by Captain McClure, of the British ship *Investigator*, in 1851, and he and his entire crew made the passage from Bering Sea to Baffin Bay, part of the way by sledge, and were paid $50,000 by England for the feat, and this 70 years ago. The two Rosses first, Franklin next, and a host of others searching for Franklin, made King William Land from the east, and Collinson first and a host of others since made Victoria Strait, west of King William Land, thus completing the southerly Northwest Passage. When Amundsen worked the *Gjoa* through the southerly Northwest Passage and into Beaufort Sea he "discovered" 11 American whalers wintering there calmly as a mere matter of whaling routine.

I challenged Amundsen in the columns of the Seattle Times of October 23, 1921, to produce any records of scientific worth made by him and made public that were new or original or covered previously unknown ground, excepting the short distance separating Shackleton's farthest south and the South Pole, a matter of three days' march, that Shackleton could have made with 20 pounds more food. He did not do so then, nor can he now.

Now, pursuing his old tactics of following in the tracks blazed out by others and of using their plans, Amundsen changes his ice drift plan for the *Maud* and his amended plan for short flights from the *Maud*

for a flight across the North Pole. In all the annals of exploration, though there has been much controversy over accomplishments, there is no case of a man, claiming to be a scientific explorer, who has appropriated the plans of another, as far as he knew them, used them to raise the financial backing denied him for his own plans, claimed the appropriated plans as his own, tried to hoodwink a friendly people who had extended him help in his dire need, used their territory as a base of operations for his secret plans for the benefit of his own country and against their interests and generally acted as a shrewd beech trader instead of according to the ethics of men like Franklin, Kane, Hall, Nares, Collinson, Nordenskjöld, Nansen, Peary, Scott, Shackleton, and other explorers of high standing.

Unless one has made a close study of the strategical importance of the short flight routes across the Arctic from the Atlantic to the Pacific and from the Pacific to the Atlantic, along the North American littoral, the European-Asian littoral, or across the North Pole, and the practicality of such flights for eight months of the year, it may seem as if any discussion over whether Naulty or Amundsen is the first proponent and route charter of trans-Arctic flight is of little moment to any one but themselves. It may seem as if it is of much less importance who accomplishes the Polar flight so it is "done and have it over with," but important air traffic rights are involved, rights as important to the United States as those involved in the Panama Canal.

Five nations are at interest in the matter. They are Norway, Denmark, Great Britain, the United States, and Russia.

Russia and the United States, in their own territory, control the entrance from the Pacific through Bering Sea to the Arctic.

Great Britain, through Canada, controls the easterly entrance to the Arctic from the Atlantic from Baffin Bay across the magnetic archipelago to the Middle Arctic as far as the one hundred and forty-first meridian, as well as a northerly route via Great Land, Heiberg Land, and Parry Islands.

Denmark, controlling Greenland and Iceland and Peary Land, north of Greenland, which was yielded to her by Secretary Lansing under the treaty for the cession of the Danish West India Islands in 1917, has closed the entire coast of Greenland and Peary Land to other nations and now divides control with Canada of the old "American Passage" between Greenland and Hall Land and Grinnell Land and Grant Land, and, with Cape Washington, at 83 degrees, 24 minutes north, has the highest north land and the land nearest the North Pole and controls the westerly approach from the Atlantic to the Arctic.

Norway controls the European coast from the Naze to the North Sea, to the Tana Peninsula at the White Sea, all of which is ice free the year round and has an incompletely ratified mandate to Spitzbergen from the League of Nations.

Russia and Siberia control the rest of the north European coast and the north Asian coast from the White Sea to Bering Sea.

Peary took possession of the region surrounding the North Pole, as well as Peary Land, north of Greenland, for the United States. Delong and Melville took possession of the Delong Islands, and Wellman and Baldwin did the same with Graham Bell Land, a part of the Franz Joseph Archipelago.

Norway, having North Cape and Spitzbergen under her control, in combination with a generally ice-free native coast, is strategically situated in Europe as the eastern flight gateway to the Arctic, eastern from America, northwestern from Europe. Seaplanes can fly from the North Sea along the Norwegian coast to Hammerfest, Tromsoe, or Gjaesvaer Harbor, thence to Bear Island, thence to South Cape, Spitzbergen, thence to North Cape, Spitzbergen, where they are less than 6 hours' flight from the pole and 18 hours' flight from Bering Strait. If Amundsen can fly from Point Barrow, land on, and take possession of the land that exists north of Alaska without protest from the United States, Norway would then have an air route from the North Sea practically to Bering Sea.

In addition, if her claim to Axel Heiberg Land and Ringnes Islands is admitted by Great Britain, Norway would then have a closed air route from the North Sea practically to Bering Sea. It would be the shortest and most usable route, and of tremendous trading value to Norway, which does not forget that the United States paid Denmark $25,000,000 for the Virgin Islands and threw in Peary Island through lack of knowledge of its value. The United States has never closed a land or sea route to any nation in peace times. Denmark has. So may Norway, as she has done with Spitzbergen. My flight plans did not contemplate the seizure and closing of flight lands in the Arctic, but their opening up.

No wonder, after Amundsen had time, from August 2, 1921, to October 12, 1921, with perhaps a suggestion from other sources, to digest my plans for a polar flight and a strategical use of them for his nation had fully penetrated, that Amundsen made a hurried trip to Norway and was there able to raise the financial means to anticipate our flight. Our plans, in their initiation, were scientific and not political; Amundsen's present plans are political and not scientific. The course of Amundsen may be "good business" and shrewd trading, and perhaps it is, but it is not based upon scientific ethics. What I object to in the entire Amundsen propaganda, with which the newspapers of the United States have been flooded for the last six months, is that his plans are camouflaged under the name of "scientific exploration," and that Amundsen, by misrepresentation of his objects, got for himself and his associates assistance from various officials of the United States as a "scientist" that would have been withheld from him by them in his true capacity of a territorial adventurer.

I am willing to go on record now that the Hydrographic Office of the Navy, the Coast and Geodetic Survey, the Geological Survey, the Weather Bureau, the Bureau of Standards, or any of the other bureaus whose heads have good-naturedly and courteously helped Amundsen and opened their facilities to him will never get a report from him of the slightest value. What he may find that is new he will keep for Norway. Amundsen has made Nome, Alaska, his base of operations for years. Four times he has sailed from it for the north. Has he transmitted yet a single observation of value from there? He will not even buy his fur clothing there, but deals for it at East Cape, Siberia.

I have kept a careful clipping watch on Amundsen since his first announcement of his intention to hire Norwegian aviators and take the land north of Alaska for King Haakon, of Norway. I will file with you later the entire series. Better than any words of mine they show how, from the first ballon d'essai, Amundsen grew bolder and bolder in his announcements as he met with no American opposition, finally deciding to fly across the American Continent to his ship at Seattle, but coming to grief and deserting his plane in western Pennsylvania. Amundsen's whole course has been one of misrepresentation. He tells one story in the United States and another in the London Times of June 9. In the London Times, over his own signature, Amundsen asserts that a Capt. Godfred Hansen has established a depot for his use at Cape Columbia, which, Amundsen says, is in North Greenland. Cape Columbia is not in North Greenland but is the most northerly point of Grant Land. Amundsen says Hansen has "worked hard and shown great capacity." He certainly would have to to establish, in the dead of winter, and an Arctice winter at that, a depot at Cape Columbia. Such an exploit would be well worth heralding. There are only three routes in on the surface. One by way of steaming or sailing around the northeast coast of Peary Land, which has never been done; one by way of an overland mush over the ice of Greenland, crossing the "American Passage" on the ice or over open water to Cape Columbia; one by way of Kane Basin, Kennedy Channel, Hall Basin, Robeson Channel, Lincoln Sea, and around Cape Sheridan. Any one of these exploits would have given Godfred Hansen a right to entry among the Arctic immortals. If Hansen flew in from Spitzbergen or Smith Sound that too would be a great feat. Small wonder when Amundsen was asked for details about this "depot" that it was announced from Christiania that he had changed his plans again and would not land at Cape Columbia. One of the late stories sent out by Amundsen's press agent from Seattle described Amundsen on the deck of the *Maud* starting for the icy north. Amundsen did not sail on the *Maud* but as a passenger on the passenger steamer *Victoria*. Of course, he had a perfect right to so sail but it was not truth to convey the impression deliberately that Amundsen had sailed in the *Maud*. Nor has there been much truth about any of the announcements of the man that the Seattle Times called the "much advertised explorer."

I have in my possession, as one of the many announcements made by Amundsen's press agent, an article under the date of August 1, 1921, in which Amundsen makes an appeal for books to be read in the long drift in the ice in the *Maud*. The full story of the polar flight plans of my son and myself were made public on August 2, 1921, after long previous preparation. Is it likely that Amundsen, if he had planned a polar flight, using the *Maud* as a base, at that time, would have sent out a weak story, like an appeal for books, if he had then worked out such an epochal enterprise as a 2,400-mile flight across the Arctic and the North Pole? Hardly. Amundsen and his press agent, and so far as I know, Amundsen is the only polar explorer ever to use a press agent, would have flooded the country with the account of their plans, as they did later when they realized what the Fairfax Naulty polar flight plan meant.

I have kept out of the limelight of publicity during the preliminary work, but there is not an official of importance in Washington whose duties or work would bring him in contact with any of the phases of the proposed flight who does not know that for over a year our polar flight plans have been constantly forwarded. One bureau of a department is the depository of 25 charts of the entire Arctic regions, prepared by my son and myself, which cover for the first time all the known data and the conclusions to be drawn therefrom on land, water, ice, wind, fog, rain, ice drift, Arctic Ocean currents, Arctic wind currents, probable lands, air routes, air bases, supply points, coal and oil deposits reduced to graphic form and digesting all the results of previous Arctic work from Hudson to Peary. This and other information with especial reference to Arctic flight routes was all prepared and filed long before Amundsen went to Norway to raise the funds there for his flight and, as I have reason to believe, claiming as his own idea the entire plans of the American flight.

Amundsen claims that the King of Norway is financing in part his expedition. I do not know that he is nor do I know what Amundsen told the King of Norway about polar flight plans, but I am to-day sending to the King of Norway photostatic copy of the original Fairfax Naulty polar flight plans as published, showing the date of publication of August 2, 1921, in order that he may have the facts in the matter before him. I am not doing this "through channels," but am sending it direct.

Amundsen's unethical conduct in regard to polar flight is not his first act that has caused criticism. His surreptitious exploit against Scott in the Antarctic is not forgotten by Englishmen nor, as a matter of fact, by scientific men everywhere. Scott spent years in preparation for real scientific results; his plans were world known; he took his time going in to the South Pole in order to obtain data of scientific value with proper instruments and by trained men. Amundsen hastily organized a ski-racing outfit and rushed it secretly over the route Shackleton had previously blazed out to within three days of the South Pole. It was a personal exploit for the glory of Amundsen, a much dimmed glory in the minds of men who know, and it added not one iota of value to scientific knowledge.

Amundsen went to Norway last winter to there raise funds for his plan of appropriation of the Fairfax Naulty polar flight. His ship, *Maud*, was then at Seattle being refitted at the yards of H. H. Hammer, who also acts as his press agent. If Amundsen had been honest in his polar plans, the clean thing for him to do would have been to make the flight westward from North Cape to Point Barrow, across the North Pole, if he could make it, thus taking departure from his own country and using Spitzbergen en route. Then it would have been a challenge to a race for the object sought, and little objection could have been made.

From Seattle to Point Barrow by surface ship is about 3,200 miles, short course. The ice clears out of Norton Sound, on which Nome is situated, between June 15 and July 1, and out of Kotzebue Sound about the first week in July, in favorable seasons. The Coast Guard cutter *Bear*, which under various commanders has made Point Barrow for 30 years, never attempts to make Point Barrow before August 1 on account of the ice conditions. The *Maud* left Seattle on June 1, and a month later was just about ready to clear from Nome with 700 miles of ice-clogged water to steam through before she could reach Point Barrow. The *Maud* could have made Hammerfest in the same time it will take her to make Point Barrow.

Amundsen is a Norwegian and must be familiar with the Norwegian coast. He knows that on account of the Gulf stream the Norway coast is free of ice the entire year. If Amundsen had meant to do the right thing, he could have taken the *Maud* from Seattle around the Panama Canal and to Hammerfest, Norway, with his airplanes on board and made his start from Hammerfest, Tromsoe, or Gjvaesvaer Harbor, all in Norway, flown from any of these points to South Cape, Spitzbergen, up Wybe Jans Water to North Cape, Spitzbergen, and from there, or from the Seven Islands, or any other departure place in Spitzbergen, made his flight attempt on the North Pole, and no one could have criticized him. If he could not have made the pole in a nonstop flight, he could probably have made Cape Morris K. Jessup, Cape Washington, or even North East Foreland or Cape Bridgeman, and from there started his final flight to the North Pole. This is one of the 50 Arctic flight routes worked out by my son Leslie Fairfax Naulty

and myself in the last five years, and were it not for the fact that we would be treading on others' territory we might have tried this route instead of the Point Barrow start from American territory.

Possibly, however, Denmark informed Amundsen, as the secretary of the Danish legation told me last summer, that Denmark had closed all of Greenland to foreign nations and would not look with favor on an attempt to use any part of Peary Land, yielded to Denmark by the United States by Secretary Lansing under the treaty for the cession of the Danish West India Islands in 1917, as a base for American or other nations' Arctic operations.

If Amundsen says that it is over 9,000 miles to take the *Maud* from Seattle to Hammerfest through the Panama Canal, I answer that it would be clear steaming all the way, with no blockading ice to buck, as in Kotzebue Sound, Bering Strait, and the Arctic to Point Barrow. We intended to fly from Nome to Point Barrow, not to use a surface ship. If Amundsen had made the polar-flight attempt from Norway and sent the *Maud* to Point Barrow as an arrival station, there still would have been no conflict. But Amundsen, using Norwegian outfitting, an alien surface ship, a German plane with a Bavarian motor, an English pilot just retained instead of the discredited Omdal, the Norwegian pilot brought over with such a hurrah, uses Seattle, Nome, and Point Barrow, American territory, as bases, for what purpose? Solely, I think, to block the American flight expedition, if possible, and to seize for Norway the land that all Arctic explorers think exists north of Alaska and between it and the North Pole before Americans can take physical possession of it and complete the American chain of title to Arctic lands north of Alaska now existing under the terms of the Alaskan cession negotiated by Secretary of State Seward with Russia in 1867.

A motive for this attempted seizure may be assumed from the fact that although Norway controls the western European approach to the Arctic by land from the Naze, in the North Sea, to Tana Peninsula, in Barentz Sea, north of Europe, and has an unratified mandate from the League of Nations, acquiesced in only by Holland and Denmark, to Spitzbergen, and a conflict over claims to Bear Island with Russia, south of Spitzbergen, Norway has no western outlet from the Arctic to Bering Sea and the Pacific. The taking of the land north of Alaska, or any land between Peary's north polar region, which Peary claimed for the United States by right of discovery, would give Norway a flight route across the Arctic, under complete control by her, of 3,000 miles from the north Atlantic to Bering Sea and the north Pacific, as against a sea-surface route via the Panama Canal of 9,000 miles.

Such a flight route with the present and coming development of aircraft, would have great trading value for actual use or for a sale to other nations for Norway. It is not much wonder that Amundsen was able to finance my flight plans in Norway.

To show the thoroughness of our preliminary work on the polar flight and of our consideration of Arctic lands my son and I have worked out a chart on a series of what might be called intersections of 5° projections, supported by known observations of ice drift, current flow, wind direction, known shallows and deeps, and other data, and have recorded thereon areas within the compass of which land will probably be found. This chart is on deposit in a bureau of a Government department with a date of record.

If I have avoided publicity notoriety in my preliminary work, I have not worked in secret, as during the progress of my plans, mostly in 1921, I have laid them before and discussed them with Secretary of the Interior Fall; Assistant Secretary of the Navy Roosevelt; Admiral Robison; Admiral Smith; Captains Bryant, Cole, Watt, Bostwick; Commanders Hooper, Farwell, Puleston, Asserson; Lieutenants Brayton and R. L. Lerch, of the United States Navy; Brig. Gen. William Mitchell; Lieut. Col. H. E. Hartney; Capt. St. Claire Street; Lieut. C. E. Crumrine; Captain Wright, Air Service, Army; Assistant Director Smith and Geologist Brooks, Geological Survey; Col. E. Lester Jones; Captains Patton, Giacomini; Major Bowie, Coast and Geodetic Survey; G. W. Lewis, executive engineer, National Advisory Committee for Aeronautics; Commandant W. E. Reynolds; Captains Hamlet, Henderson, Bullard, Coast Guard; Admiral Benson and Mr. Robinson, United States Shipping Board; Colonel Curtis and Major Bender, Signal Corps; Senators Wadsworth, Fernald, Reed, Walsh of Massachusetts; Representatives Oldfield, Hicks, Bulwinkle. With a few exceptions all of these gentlemen were familiar with my polar-flight plans long before October 12, 1921, as my diary shows, when Amundsen made his first tentative announcement of a plan to use airplanes in conjunction with the ice drift of the *Maud*, which he has since enlarged to the complete appropriation of my known plans. I also made arrangements with Colonel Shaughnessy, Second Assistant Postmaster General, to establish a United States post-office station at the North Pole, and he arranged that I was to be made an air-mail pilot, so that letters I had arranged to take to Europe could be stamped "North Pole" officially when we made it.

Nor were these men the only ones I conferred with. Brig. Gen. D. L. Brainard, who with Lieutenant Lockwood as a member of the Greely Arctic party, discovered Cape Washington, Hazen Land, is a resident of Washington; so also is Admiral G. B. Harber, who made the wonderful journey across Russia and Siberia to bring back the bodies of the De Long party. I sought their advice on matters of equipment, and from them and from Admiral Benson, who made the voyage in the *Yantic* to Littleton Island; from Captain Hamlet, of the Coast Guard, who knows the north Alaskan coast as former commander of the *Bear;* Commandant Reynolds, of the Coast Guard, who planted the American flag on Wrangel Island, I sought and was cheerfully given the results of their experience in order to eliminate all mistakes of preparation possible. I have had the cooperation of Capt. St. Claire Streett, in command of the New York-Nome-New York flight of 1920, and Lieut. C. E. Crumrine, a flier with the party, and many conferences with both over my plans in 1921.

I have communicated by letter and in person to the officials of the State Department, under whose purview the matter falls, full information concerning my polar-flight plans, the results expected to flow therefrom, and the effect on American rights in the Arctic of the exploits accomplished and proposed of Amundsen and Stefansson. Their game is not a new one. Peary discovered Independence Bay and Peary Channel, dividing Peary and Hazen Lands from north Greenland, thus proving that that territory, from Nares Land—so named by the American Brainard in compliment to the Englishman and not by any member of the Nares party—on Lincoln Sea to Cape Wyckoff on Spitzbergen Sea, an island separate from north Greenland. Peary traversed this route in 1890 and again in 1893–1895, and explored it with true Peary thoroughness. If Hazen and Peary Lands combined formed an island which was separated from north Greenland by a channel running from Lincoln Sea, so named by Hall, on the west, to Peary's Independence Bay, opening on the east to Spitzbergen Sea, this island, which Peary took possession of for the United States, would conflict with Denmark's nebulous claim to sovereignty to the "whole of Greenland," although the entire region was opened up and explored by Americans from Kane, Hayes, Morton, Hall, Greely, Lockwood, Brainard, and Peary. So Peary's discoveries were attacked by Koch and other Danes, and as a part of their plan political pressure was brought on the Hydrographic Office to withdraw a chart which bore a photograph of Peary with the American flag planted on Cape Morris K. Jessup and to alter its Arctic chart so Peary Channel would not be shown thereon as dividing Peary Land from north Greenland.

Peary Land now possesses great strategic value in flight crossings of the Arctic, going west from the Atlantic or east from the Pacific, and Denmark has closed this entire coast, under her claim of sovereignty, to all nations. It may be said that all of these matters are very much in the future and dependent for any value on the problematical operation of aircraft. So was the expansion of the United States to the westward when Washington was President and railroads were unknown, a matter of the future; so also was Duluth in Proctor Knott's day. We must look to the future and provide for it, if possible. "The people who have no vision perish."

Pardon the digression, and to return to the polar flight—

I have been told that I am to blame, and perhaps I am, for not hiring a press agent and keeping the project constantly before the American public. Methods like this are repugnant to a man of professional or scientific standing and difficult for me to adopt. But if little Norway has vision enough to back Amundsen, it would seem as if there are enough public-spirited men in the United States to put an American flight expedition in the air this summer.

We are taking nothing from Norway. The project of a polar flight is American in its initial conception. Back in 1912 Peary, as I have recently learned, suggested the use of airplanes, when they were sufficiently developed, for polar work, his idea being a crossing by air from Cape Columbia, Grant Land, to Cape Chelyuskin, Siberia, across the North Pole, a matter of 1,200 miles flight. It was impossible then, but is easily accomplished now.

If a dispatch printed in Washington last week is authentic, Norway is to send another flight expedition from North Cape to Point Barrow to cross the route Amundsen hopes to fly, but flying west instead of east. Maj. Tryggve Gran is reported to head this flight. Norway has no plane of her own built capable of a nonstop flight for the distance, so this is to be taken cum grano salus, if I may be permitted a bad Latin pun.

I am responsible to no one but God, my countrymen, and my conscience, and have no commercial motives in my proposed flight. I had designed, and it is a matter of Government record, an all-metal monoplane for the purpose of the Arctic flight, but to avoid any charge of commercialism I had decided to use instead Navy designed and built seaplanes and noncommercial equipment throughout.

It may be well to restate the purposes of the Fairfax Naulty polar flight, as they were printed in the New York Times of August 2, 1921, two months before Stefansson sent in his scratch expedition to seize Wrangel Island as an air base for Great Britain and three months before Amundsen gave out a word about a polar flight. Under the heading "Purposes of expedition" the announcement read:

"By the first polar air expedition we hope to accomplish these results: To positively demonstrate the practicality of the air route to and across the North Pole; to observe and photograph the North Pole and trans-Arctic regions; to study Arctic Ocean and air currents; to make observations of magnetic variation, inclination, and dip between the magnetic pole and the geographical pole; to observe north polar vortical [note vortical, not vertical] air movements; to obtain data of aurora borealis and northerly extension of zodiacal light; to obtain spectrum records by a new and simple means of circumpolar stars from full north; to determine the seasonal height of the congelation sphere (the freezing height) of the atmosphere from west to east across the Arctic; to open a route for later scientific expeditions; and, if possible, to gain for the United States the credit of the first northeast passage by air."

I challenge Amundsen or any other man to produce in print or show a dated record of any such plan for polar flight as herein outlined as broad in scope of scientific purpose, or as operatively worked out, which antedates this publication of my Arctic flight plans in the New York Times on August 2, 1921. I also announced in the same article that we had arranged for a relief expedition, if we needed rescue, via the east coast. Where are Amundsen's relief plans? Is he relying, as other foreign explorers in the region have, on the United States Coast Guard cutter *Bear* to help him out and bring him back to civilization in case his Norway-financed expedition to seize American territory comes to grief?

The theatric announcement was made from Nome in Amundsen's behalf that it is "success or death." Very dramatic, or very press-agenty, but not very edifying to the commander and crew of the *Bear* who may have to do the work of rescue. I arranged for a relief party by airplane with my original plans and as a part of them, and even devised a new type of portable, knockdown antennæ for use on airplanes for long-distance radio communication, so our rescue party would have our last known position to head for in the event of failure on our part. In all the flood of his press agent's work, work for which Hammer announced that he had been knighted by the King of Norway, Amundsen has not made public a single working plan that is not covered in my first announcement. I have kept my plans to myself since last October to avoid furnishing Amundsen further ideas for appropriation. The plain facts are that Amundsen has appropriated the entire American Fairfax Naulty polar flight plans outright, so far as he knew them, and substituted them for his original surface drift through the ice across the Arctic in the *Maud*, which he has often announced would take seven years.

An idea is property. An idea is just as much property as a piece of real estate or personalty, and it is so regarded in the high ethics of professional and scientific circles. Often the only reward of the originator is to have the satisfaction of reducing his theory to accomplished fact. It has been well said that the people who have no vision perish, and ideas have a spiritual and psychical value to the race, an individual of which produces them, far beyond any material rewards that may flow from them. If imitators, unrebuked, may steal ideas and claim them as their own, original thought is penalized and a premium is put on intellectual theft. Postponement of a plan is not abandonment of it. My original plan was for a flight in 1922. It was advanced to September or October, 1921, because of unusually favorable weather conditions that came unexpectedly to pass.

A long course of preparation is necessary to execute a successful Arctic flight. This takes time and work and no right is canceled because of postponement. England did not try to rush in and beat the

Navy N. C.'s trans-Atlantic flight. When Lieutenant Porte—the Englishman—proposed a trans-Atlantic flight in the Curtiss plane *America* Americans did not rush in to beat him to it, and it was not until Porte definitely announced that he had abandoned his proposed flight that the United States Navy took up the question of a trans-Atlantic flight, and then it chose a different route from Porte's. I had planned a trans-Atlantic flight, and the records of it are on file in Washington, via Newfoundland, Labrador, Greenland, Iceland, Faroe Islands, Shetlands, and Scotland to London, choosing this route as aircraft of that time were not capable of a nonstop trans-Atlantic flight, but gave it up in order not to come in conflict with Porte.

Spain did not try to get ahead of Portugal in the recent flight from Europe to Brazil; France did not try to beat the Rosses in their England-Australia flight. The nonstop trans-Atlantic flight from Newfoundland to Ireland, won by Alcock and Brown, was a challenge flight for a prize in money and open to all entrants. When Shackleton came to the United States in January, 1921, for the purpose of looking over the chances of a flight from the MacKenzie Detla across Beaufort Sea, and I saw him in New York and told him of my Arctic flight plans at a meeting with him at the Waldorf-Astoria in New York, he gave up his tentative idea when he found it was anticipated, and that gallant explorer said he would "chuck the Arctic and go back to his own field, the Antarctic." Shackleton even asked me if it would be "crossing my trail" if he used an airplane in the Antarctic. When G. S. Nares, in the *Alert* and *Discovery*, in 1875, pushed up the American Passage opened by Kane and Hall, the Americans before him, he took with him a bronze tablet, made in London before his departure, to place on Hall's Arctic grave, on which was deeply engraved by Nares the tribute to Hall, "In whose footsteps we follow." It has been reserved for Amundsen to break the high ethics of exploration for the sake of personal notoriety, self-exploitation, and material profit.

Our plans are complete and we are ready to attempt a flight to the North Pole and if possible across the Arctic this summer or early autumn, and by another route, also recorded in full long before any previous announcement of it by others. We are now arranging to get the final backing from Americans who will put the all-American polar flight in the air. More is at stake in this polar flight than a contest between two men of different nationality, over priority rights. If Americans do not make this flight and are beaten to the goal by Europeans it will be a source of regret to the United States later when aviation comes into its own.

Yours very truly, EDWIN FAIRFAX NAULTY.

[From the New York Times, Friday, June 30, 1922.]

CHARGES AMUNDSEN APPROPRIATED PLAN—E. F. NAULTY SAYS NORWEGIAN GOT IDEA FOR POLAR FLIGHT FROM HIS OWN PREPARATIONS—POSTPONED HIS ATTEMPT—CITING IMPORTANCE OF NATIONALITY, NAULTY SAYS AMUNDSEN WILL CHART NORWEGIAN AIR ROUTE.

(Special to the New York Times.)

WASHINGTON, June 29.—The allegation that Capt. Roald Amundsen, the Norwegian polar explorer, has appropriated American plans for a flight across the North Pole from Point Barrow to North Cape was made to-night in a prepared statement to the New York Times by Edwin Fairfax Naulty, of New York and Washington, a physicist, who has long been interested in polar exploration and aviation.

It is Naulty's contention that Amundsen has adopted the so-called Fairfax Naulty route and plans for a flight over the pole which were prepared by Naulty and his son, Leslie Fairfax Naulty, for use in connection with plans of their own for a trans-Arctic flight. These plans and the route were disclosed by Naulty in an exclusive interview he gave a Washington representative of the New York Times last year, and were printed in a Washington dispatch to the Times on August 2, 1921.

Naulty and his son had intended to start on their expedition for a transpolar flight in the fall of 1921, but called it off in the face of reports indicating that they would have met with adverse polar weather conditions. Naulty said to-night that he and his son plan to make their own transpolar flight this fall, but that he has refrained from talking about it for publication because he did not care to disclose scientific details for use by others.

"I challenge Amundsen or any representative of Amundsen's," said Naulty to-night, "to produce one line of print prior to August 2, 1921, to show that Amundsen had worked out before the publication of our plans in the New York Times any operative plan for transpolar or trans-Arctic flight. Amundsen claims that he bought a Farman plane in 1914 and learned to fly for the purpose of polar flight. Anyone who knows the limitations of a Farman bus of 1914 will smile at the thought of it making the 2,400 miles between Point Barrow and North Cape. In the Seattle Times of October, 1921, Amundsen said he learned to fly in 1914; in the London Times of June 9, 1922, he says he has had no experience as an airman.

SAYS EXPEDITION WAS BROKEN.

"The real facts are that in 1921 Amundsen was in Seattle with a broken expedition in which the public, even of Norway, had no interest. He read accounts of the Fairfax Naulty polar flight as proposed for that year, and when it was announced that the flight was postponed to 1922 he thought he would play the same game he did with Scott in the South Polar region. He is now at Nome, where he is in telegraphic communication, and he was challenged on the ethics of his course last year, so no advantage is being taken of him due to absence. Incidentally, Nome is a long way from the North Pole by ship or by plane.

"If Amundsen thinks he is putting anything over on the American people or the Department of State of the United States by his deliberate appropriation of the Fairfax Naulty route and plans for a flight across the North Pole from Point Barrow to North Cape via either Cape Columbia or Spitzbergen, he is doomed to the same disappointment that many Eureopeans have met in trying to 'let the United States in' for something.

"Amundsen stole a march on Captain Scott, the Englishman, when he rushed into the South Pole along Shackleton's old route on skis, merely to beat Scott to it, but his actions then and his record since are well known, and the Norwegian will learn in time, as others have learned, that America is not asleep.

"When Amundsen sailed as a passenger on the steamer *Victoria* out of Seattle in June and his press agent gave out a story that he was on the *Maud*, he thought no one had fathomed his carefully laid plans.

AN AIR ROUTE FOR NORWAY.

"Amundsen's sole motive in trying to make the transpolar flight is to establish a claim for Norway to an air route across the Arctic from the Atlantic to the Pacific, Norway controls the northwest Atlantic coast from the Naze in the North Sea to the Tana Peninsula in Barentz Sea. The League of Nations gave mandatory control of Spitzbergen to Norway. Norway claims territorial rights in Axel Heiberg Land and Adulf Ringes Land, which lie between Spitzbergen and Bering Sea.

"Now, if Norway could take possession of the 'unknown land' lying to the north of the Alaska north coast, she could control the air traffic of the future across the Arctic, since her airplanes could fly from North Cape to Spitzbergen, from Spitzbergen to Axel Heiberg Land, from there to Adulf Ringes Land, and from there to the southwesterly 'end' of the land which undoubtedly bounds Beaufort Sea on the north and lies between the Parry Islands and Bering Sea.

"To-day announcement is made that Norway is to send Maj. Tryggve Gran on a flight expedition probably from Hammerfest, Norway, via Spitzbergen, to the North Pole and thence westerly, and that a race is on between Amundsen and Gran to make the North Pole and the trans-Arctic crossing by air. It may interest both Amundsen and Gran, who are in touch by radio with the world, that all the possible routes that either or both may fly are already charted in full detail and in the possession of a department in Washington. This same department also has a series of 25 carefully worked-out Arctic charts, prepared by my son and myself, which show all practical flight routes across the Arctic, with a mass of other data, the first ever prepared for any Government, so here again they are not 'putting anything over' on us.

"Amundsen used Seattle as his base for repairs and operations. He is now using Nome as a ship base and intends to make his attempt to fly from Point Barrow, if his announcements can be relied on. All these points are American territory. I wonder if Americans realize just what this means. Amundsen is not doing this for the United States; he is doing it for Norway. Americans who have had experience with Europe can readily see what would happen to an American if he attempted to use Norway as a base of operations for exploration of the Tana Peninsula for the benefit of the United States, with a view of making it an air base in the north of Europe.

ISSUE OF TERRITORIAL RIGHTS.

"I have referred to a Norwegian air route across the Arctic and have allowed Norway claim to Axel Heiberg Land and Adulf Ringes Land. But neither Canada nor Great Britain will be so generous. Great Britain realizes the value of the Arctic air route just as well as Norway. Though little attention was paid to it before, much attention has been centered on the Arctic air route since August 2, 1921. Canada claims her northern territory extends from a line dividing Peary Land from Grant Land to the North Pole and thence down the one hundred and forty-first meridian to the boundary between Alaska and Yukon Territory. Canada has definitely asserted this claim in a chart issued in 1904. Within this northernly angle is inclosed the entire magnetic archipelago from Grant Land to Banks Land and including Adulf Ringes Land, Axel Heiberg Land, and the land north of Prince Patrick Land and west of Ringes Land reported by Stefanssen.

"Canada claims territorial rights to all the region within this angle extending to the North Pole and covering unknown as well as known lands. Not considering claims of the United States to part of this region by right of discovery and occupation, claims that have never been definitely abandoned or canceled, there still remains the claim to the North Pole region for the United States established by Peary in 1909. If Canada's claims to this entire angle be admitted tenable and with the exception of Grant Land and Grinnel Land, there can be no contest over Canada's rights, it would follow that the United States has undoubted territorial rights to the polar region north of Alaska and west of the one hundred and forty-first meridian extending to the boundary line between Alaska and Siberia.

"The Alaskan-Siberian boundary runs along the one hundred and sixty-ninth meridian at Bering Strait by definite agreement between Russia and the United States, and were there no other factors to be considered, adopting the Canadian claims as fact, the northerly boundaries of the United States would run from Demarkation Point due north to the North Pole, along the one hundred and forty-first meridian, thence south along the one hundred and sixty-ninth meridian to Bering Strait. This would include as American territory the probable 'Unknown Land' north of Alaska, which Amundsen said early this year he would claim for and name after the King of Norway.

"But United States rights to Arctic territory do not end with the one hundred and sixty-ninth meridian. West of it lies Wrangel Island and the De Long Islands, composed of Jeannette, Henrietta, and Bennett Islands. Wrangel Island is cut by the one hundred and eightieth meridian and lies due north of North Cape, Siberia. It was not discovered by the Russian after whom it is named, but was first seen by Captain Kellett, of the British Navy, from Herald Island in 1849, and reported by him on his return to England in 1853. Kellett did not take possession of Wrangel Island and made no claim to it, although he did land on Herald Island, named after his ship, H. B. M. *Herald*. In 1867, an open-water season in the Arctic, Captain Long, of the American bark *Nile*, whaling in those waters, coasted along the entire south shore of Wrangel Island, landed a boat's crew, took possession of it for the United States in 1867. It was Captain Long who gave the island the name of Wrangel Island. In 1881 Lieut. W. E. Reynolds, now commandant of the Coast Guard, then a junior officer on the United States revenue cutter *Corwin*, under Captain Hooper, landed at the head of a boat's crew, planted the American flag, and officially took possession of Wrangel Island for the United States. His act has never been disavowed by the United States and remains effective to-day.

STEFANSSON AND WRANGEL ISLAND.

"The recent exploit of Stefansson in taking possession of Wrangel Island for Great Britain through a party of three Americans, headed by a young Canadian, who were sent in on the steamer *Silver Wave* from Nome in September, 1921, has as little effect on the rights of the United States as did Stefansson's previous landing on Wrangel Island from the wrecked *Karluk* in 1914.

"West of Wrangel Island, along the seventy-fourth parallel and between the one hundred and fiftieth and one hundred and sixtieth meridian east, lies the Delong Island, discovered by the *Jeannette* party in 1881. There is no doubt whatever about these islands being American territory, as they were first discovered by the Delong party and have never been visited since. Wrangel Island and the Delong Islands would carry the American boundary from the one hundred and sixty-ninth meridian west across the one hundred and eightieth meridian and to the one hundred and fiftieth meridian east, giving a total sweep of 69° across the western Arctic and running to the North Pole. If rights of the United States be maintained and sustained, and the rights of Canada be maintained and sustained, it is difficult to see how Amundsen can claim any land or any rights for the King of Norway or the Norwegian Government in that region.

"A very interesting diplomatic situation has been developed by the advance made in aviation which on present day actual performances makes it possible for an airplane to fly from the North Atlantic to Bering Sea and thence to the North Pacific in a nonstop flight. The flight from Point Barrow to North Cape, across the North Pole, can be made in 24 hours, and the distance is less than 2,400 miles. The possession of air bases in the Arctic thus becomes of paramount importance to the nation whose territory adjoins the Arctic; that is, the United States, Great Britain through Canada, Denmark through Greenland, Norway through her own territory, Spitzbergen, on which Norway has a League of Nations mandate, and Russia.

"Without false modesty I claim for myself and my son, Leslie Fairfax Naulty, the credit of being the first to work out a definite, operative plan for transpolar flights and to make a special study of Arctic conditions with relation to flight."

TO ATTEMPT FLIGHT ACROSS NORTH POLE—EDWIN F. NAULTY ANNOUNCES PLANS FOR A 6,000-MILE TRIP OVER "TOP" OF THE EARTH—ONE PLANE AND FOUR MEN—STARTING IN SEPTEMBER FROM ALASKA, PARTY WILL TRY TO LAND AT POLE, THEN GO TO LONDON.

[Special to The New York Times.]

WASHINGTON, August 1.—Plans for an airplane flight over the North Pole from Alaska to Norway, to be attempted in September, were announced to-night by Edwin Fairfax Naulty of New York, a physicist who has long been interested in polar exploration and aviation.

Mr. Naulty stated that the plans call for the use of only one airplane and an expeditionary party of four, which would include himself and three experienced pilots, all ex-service fliers. They expect to cross the Arctic zone in 24 hours' actual flying time.

His son, Leslie Fairfax Naulty, who will be associated with him in the enterprise, is going to Europe to take care of plans for continuation of the flight from North Cape, via the Scandinavian capitals, to London.

The start of the important part of the flight from a scientific standpoint—the trans-Polar and trans-Atlantic flight—is to be made from Point Barrow, Alaska, Mr. Naulty announced, and the route to the pole will be, as far as flight conditions permit, along the Meridian of 155 west to the North Pole. The distance from Point Barrow to the pole is 1,200 nautical miles, and it is the plan that the first stop shall be made halfway between these two points.

SECOND STOP AT THE POLE.

The second stop is planned to be made at the North Pole, or as near to that point as there is a landing, for full observations, to determine position. Then, after overhaul and restowage, the route will run to Spitzbergen, where the third landing is planned to be made west of Andree Point, from which the ill-fated Andree some years ago started on his projected balloon voyage to the North Pole.

From Spitzbergen the fourth projected leg calls for a flight across Spitzbergen with a possible landing at Bear Island if conditions warrant, and thence to North Cape, Norway.

Mr. Naulty said that only one plane would be used for the flight. At first it was his plan to head a squadron of three ships, but difficulties of carrying on if one or more of the planes came to grief and the consequent necessity of carrying crews and adding their weight to the carried weight of the crew, stores, gas, and oil of the surviving plane determined the decision to make it a one-plane flight.

The complete route of the polar flight will be, according to Mr. Naulty's announcement, from Seattle to Ketchikan, Alaska; Ketchikan to Anchorage; Anchorage to Nome; Nome to Point Barrow, and thence across the polar regions to North Cape, Norway, and thence by taxi flights via Christiania and Stockholm to London. The Arctic flight proper, he explained, would start from Point Barrow. The journey from that point over the pole to Spitzbergen, a distance of 1,800 nautical miles, will be regarded as the transpolar flight. The trip from Point Barrow to North Cape, a distance of 2,400 nautical miles, will be regarded as the trans-Arctic flight.

TOTAL FLIGHT, 6,000 MILES.

As the distance from Ketchikan, Alaska, to Point Barrow is about 2,000 nautical miles, and from North Cape to London approximately 1,500 miles—with at least 100 miles spent in observation flying around the pole, provided the plans succeed—the total distance covered by the flight from Ketchikan to London would be 6,000 miles.

Mr. Naulty said he had been convinced by years of study of data of ocean, ice, and wind currents that land exists, in the form of an archipelago, isolated mountain peaks or a low range of "tailing-out" hills, in the region lying between 120 west and 135 east and 75 north and the pole, and that the plans for the projected polar flight are practicable. It had been his plan to undertake the flight next spring, he explained, but it has been moved up to late September on account of reports indicating unusually favorable Arctic conditions this year.

Mr. Naulty stated that he has been interested in polar exploration for 20 years and has discussed results with Shackleton, Bartlett, Flaii, and other polar surface explorers. In aviation his scientific work in connection with aviation had been in investigation of kinetics and statics of the airsphere. Most of his aviation work has been based on studies of air conditions, floatability, and motion.

DETAILS OF FLIGHT PLANS.

Mr. Naulty made this statement in announcing his plans to-night:

"Land is indicated by the course of the North American polar current from the whaling grounds above Beaufort Sea until it reaches Grant Land and flows south through Robeson and Kennedy Channels into Kane Basin. This current is separate from the Bering current, flowing farther south across Beaufort Sea, through the magnetic archipelago, into Baffin Bay. On the Asian side there are two ocean currents. One, the tidal coastal current, flows 'west' starting from North Cape, Norway, thence across the mouth of the White Sea, south of Nova Zembla, north in the Kara Sea, across Cape Chelypskin and the Nordenskield Sea, thence west along the Siberian coast to Bering Strait. The other—and this is a very important indication of land in the unexplored region—develops north of the seventieth parallel, runs north of Wrangel Island, across the Arctic 'shallows' to De Long Islands, and continues in a sweep 'east' across the deeps recorded by the sounding of the *Fram* until north of Franz Joseph Land it swings over toward the Greenland east coast and becomes the Greenland current flowing south between Iceland and Greenland.

"Under certain circumstances the Siberian tidal current and the Bering current and the polar current of the American side of the North Pole might be considered as one circumpolar current, originating off the north coast of Norway and coursing around the entire Arctic Basin, but dividing into two streams as the current flows east and south on the American side, its set being established by the sharp rotative motion of the Arctic basin, but it is more likely that the deflection of the polar current and the Wrangel and De Long current is caused by land in the region lying north of the seventh parallel and the North Pole.

AIR CURRENTS OF MORE INTEREST.

"Consideration of the action of the Arctic Basin currents first gave me the view that this land exists. I definitely recorded it in an Arctic Basin chart in 1917 and went on record then, but it is the course of the air currents that will be of more interest to us in the proposed trans-Arctic-North Pole flight.

"All the indications are that at an altitude of from 6,000 to 8,000 feet we shall find a strong 'easting' air current—that is, a definite current blowing more or less steadily from west to east below the North Pole at certain seasons and swinging north and south with the movement of the sun, like the lower latitude trade winds. Starting from Point Barrow this wind will be in our favor, as we shall have it on our tail in the flight across. If it is not found on the American side of the North Pole, it is pretty sure to be blowing on the Asian side. I expect to meet this as a beam wind at about 70° north, and by its direction there can determine whether we shall fly to the pole bearing in toward the one hundred and twentieth and ninetieth west meridians, or swing over toward the same meridians east—that is, toward the Asian coast.

"We plan to make our pioneer flight as speedily as possible and, strange as it may seem, to do it in late September. There are good reasons for the choice of this time rather than earlier. Our plan of the flight contemplates an air crew of four, with ground crews at start and finish.

"Our flight speed is estimated at 100 miles an hour, and to this, if wind favors, will be added the speed of the following air current I spoke of. The first jump will be from Point Barrow to the ice or land north of the seventieth parallel. We expect to find it at that point, but if not, and all goes well, we shall fly north until we do. At the first landing we shall restow and adjust for the hop to the North Pole. The distance from Point Barrow to the North Pole across the Arctic is 1,150 nautical miles up the one hundred and sixtieth west meridian. If we find land, it will halve this jump. If we do not, we shall be able to make the North Pole, or the region close to it, in a nonstop flight.

PLANS FOR POLAR OBSERVATION.

"Unless there is the fabled open sea surrounding the immediate region of the North Pole, we shall land as close as possible by observation and then take enough observations to determine the exact polar point. A complete set of observations—negative solar, as the sun will be below the horizon; positive, stellar, and lunar—will determine position, and then we shall check up by a quartering flight around a 25-mile radius of the pole.

"Forty-eight hours ought to enable us to do this, and then the flight south will begin. We expect to use stellar observations for course. We will have the advantage over the surface explorer on land or sea in that we can fly above the clouds and get a clear sky for observing our position—that is, unless the clouds are of unexpected and not probable thickness. Fog, of course, is our great enemy, but at the time of year we hope to be there fog is not likely.

"From land leave at the pole to land sight at Spitzbergen is a jump of 600 miles. Allowing for delaying winds, we ought to make this in 10 hours, but we hope to do it in 6. When we reach Spitzbergen, if we do, we shall have completed the North Pole flight, but to make the trans-Arctic flight we shall continue on to North Cape, Norway, probably landing at Bear Island, making two hops of the jump of 600 miles from Spitzbergen to North Cape.

"Landing conditions at the actual North Cape may force us to make a land rest near by, possibly at Hammerfest or east of the Cape. From North Cape we expect to fly south across Finland to the head of the Gulf of Bothnia, just north of which we shall cross the Arctic Circle and complete the trans-Arctic flight, Deo volente.

"The flight route continues along the Gulf of Bothnia to the Baltic and Stockholm. From Stockholm we plan to fly to Christiania, from Christiania to Copenhagen, from Copenhagen to Paris, and from Paris to London, where the expedition will end. Adventure is not the only incentive. In fact, the less adventure we have the better we shall like it.

PURPOSES OF EXPEDITION.

"By the first polar air expedition we hope to accomplish these results: To positively demonstrate the practicability of the air route to and across the North Pole; to observe and photograph the North Pole and trans-Arctic regions; to study Arctic Ocean and air currents; to make observations of magnetic variation, inclination, and dip between the magnetic pole and the geographical pole; to observe north poral vertical air movements; to obtain data of aurora borealis and northerly extension of zodical light; to obtain spectrum records, by a new and simple means, of circumpolar stars from full north; to determine the seasonal height of the congellation sphere of the atmosphere from west to east across the Arctic; to open a route for later scientific expeditions and, if possible, to gain for the United States the credit of the first northeast passage by air.

"If we fail to get through because of the limitations of our fuel supply, we have planned a relief expedition via the east coast. We shall have the best of wireless equipment, and we hope to be in constant touch with civilization by relay all the time we are north. We shall be able to 'listen in,' and we hope to be able to constantly make the northerly stations with our apparatus, and hope to announce the location of the North Pole by wireless from the pole itself. Beginning at Nome there is a chain of wireless stations of different governments all along the Arctic Basin, so that some one will pick up our messages and then relay them south. It is possible, owing to expected superior night sending, that we can extend the normal range of our wireless.

"Fuel is our great problem. We must take it with us, as there are no supply stations between Point Barrow and Spitzbergen. We shall have 50 flying hours' supply. If we can make 100 miles an hour flight, we shall get through in 24 hours' transverse flight from Point Barrow to North Cape and have a margin of safety in fuel supply for intratrip flight at the first landing and at the pole. If we do not make it, a relief will start from New York, fly to the mouth of the St. Lawrence, thence to the head of Labrador, thence to Disko Island, Greenland; thence to Etah, Washington Land; Cape Washington, or Cape Columbia, and thence north to our relief.

TO PHOTOGRAPH THE NEW LAND.

"But we are not thinking of relief so much as we are of getting through on the first trip. The flight from Seattle to Point Barrow will thoroughly test the flight qualities of the plane. If it is what

we have reason to expect, the plane will be well tuned up and the motors will have 'found themselves' by that time. Further but not prolonged tests will be made at Point Barrow. We shall have ample gas there by our plan, and we shall not need to save until the final start.

"Even if we only make Spitzbergen, we shall have come through and, Deo volente, will have settled the question of land to the 'west' of the pole. Our instrumental observations will be continuous during flight and stops and, though the time seems short, we shall get enough to warrant consideration and at least to blaze the way. Photographs with telephoto lenses will enable us to get an initial record of distant objects, and we shall see the country flown over far beyond the capacity of land or sea observation. We shall rely on still photographs rather than on motion pictures, as weight is an important factor in this flight, and impedimenta will be reduced to the least possible amount to allow for strength of structure of ship and fuel and oil supply. Later on, if we get through, there will be plenty of time for confirmation observations and flights.

"If the first flight is successful, it will be followed by others. The most important of these is to the location of the magnetic pole on Boothia Felix Peninsula to determine magnetic polar verticity. Amundsen years ago made a series of magnetic observations, but his train of compasses were not coordinated and the results obtained were not what he expected. The magnetic pole flight will be followed by an attempt to explore by air the Asian Arctic coast and littoral.

"The presence of oil, coal, copper, and other minerals and other surface indications seem to show that in prehistoric ages the present Arctic was equatorial or subtropical in temperature and condition; that in a way it bore the same relation to that past time as the Mediterranean does to historical times. Every nation on earth has the legend of the 'men from the north' as the founders of their civilizations. It is possible—mind, I say possible—that there may be the remains of such prehistoric civilizations buried under the ice, and perhaps occasionally exposed now, through melting (as mammoth remains have been found long preserved in ancient ice and finally brought to view). If an ancient civilization existed along the shores of the present Arctic, it is probable that large communities arose at tactical points, as in historic and modern times.

"On the Asian coast of the Arctic Telaun Bay the estuaries of the Rivers Kolima, Indigika, and Yana, and particularly the delta of the Lena, surprisingly like the Nile Delta, Katangha Bay, Cape Chelyuskin, Yenisei River, Breknovski Islands, at its mouth. Yenisei Gulf, Gulf of Ob, Kara Bay and Strait. Pechora Bay, Islands, and Pechora River, if free of ice, would present ideal conditions for settlement. Similarly, the archipelago lying between Greenland, Hudson Bay, and Beaufort Sea, on the North American side of the Arctic, would offer many sites for cities comparable to the ancient cities of the Mediterranean.

"For the exploration of these places the air offers a way that is far better than land or sea surface work. With fuel and oil bases first relayed in, a few years' work would accomplish more than generations of plodding and sailings have done. Aircraft have their limitations as well as surface craft or methods, but the limitations are not as severe. An ice pack impassible to a ship or that would take weary days for an explorer to mush across may be flown over in an hour. Altitude enables you at once to distinguish between ice, open water, and land, and gives topographical results incomparable.

"Cold? No more than we meet in summer flights to high altitudes. A recent flight for altitude over Paris reached a temperature of 60° below zero while on the street level in Paris the thermometer stood over 90 above. At 12 000 feet above Washington the mercury registered below freezing while the street heat stood at 90°, and the flyer passed from one extreme to the other in half an hour."

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[From the Washington Post, Tuesday, August 2, 1921.]

FLIGHT OVER NORTH POLE TO MAP CURRENTS OF AIR—AVIATOR NAULTY OUTLINES PLANS FOR TRIP FROM ALASKA TO SPITZBERGEN AND POINT IN NORWAY NEXT MONTH—TAKING ADVANTAGE OF WARM WEATHER—OTHERS TO BE MADE.

[By the Associated Press.]

Plans for a transpolar flight in September from Point Barrow, Alaska, to Spitzbergen and the North Cape, Norway, were announced here yesterday by Edwin Fairfax Naulty, of New York. Scientific observation of ocean, air, and ice currents will be the chief purpose of the trip, he said, with the hope of establishing the feasibility of the new route for commerce as a secondary consideration.

As announced, the start will be made from Seattle with a convoy of several planes, which will proceed by easy stages up the Alaskan coast to Point Barrow, stopping at Ketchikan, Anchorage, and Nome.

ADVANCED BY WARM WEATHER.

The Arctic flight will be made by one plane, which has already been constructed, carrying four men, including Mr. Naulty. The other three are former service men, and it was said their names would be announced soon.

Originally, it was explained, it was the intention to make the flight next year, but reports of warm weather near the Arctic Circle had led to the advancing of the date.

"We plan to make the flight as early as possible," Mr. Naulty said, "and, strange as it may seem, to do it in late September. There are good reasons for the choice of this time. Our flight speed will be about 100 miles an hour, to which might be added the speed of a following air current."

FUEL IS CHIEF PROBLEM.

Fuel was conceded to be the chief problem of the proposed expedition. A supply ample for 50 hours of continuous flight will be carried, it was said, and those planning the attempt expressed the belief that this would furnish an excess which would permit short by-flights at the first landing place on the polar ice and at the pole itself. If no landing places are found, it is the intention to make the 1,150-mile hop without a stop.

If the first flight is successful, others will be undertaken at once, it was said, with a view to settling definitely the location of the magnetic pole and the determination of "magnetic polar verticity."

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[From the Washington Herald, Tuesday, August 2.]

AIRMEN PLANNING FLIGHT OVER POLE NEXT SEPTEMBER—NAULTY EXPECTS TO START FROM POINT BARROW, ALASKA.

Flight over the North Pole by airplane is planned by Edwin Fairfax Naulty and his son, Leslie Fairfax Naulty, of New York.

The elder Naulty, who in 1916 completed the first all-metal airplane, is now in Washington completing plans for the proposed flight, which he intends to start from Point Barrow, Alaska, in September.

The prime objects of the flight will be to demonstrate the practicality of the northwest passage by air to and across the North Pole; to photograph the North Pole region, with the various phases of its animal life, and to obtain various other scientific data that could become available in no other way.

FIRST JUMP, 600 MILES.

"We expect to make 600 miles on the first hop and land at the eighteenth parallel," said Naulty last night. "If a landing is impracticable, we will continue north until it is. From the first stop the flight will be direct to the pole.

"Time enough for full observations will be spent at the pole, and then the flight will continue on to Spitzbergen, a landing being planned to the west of Andree Point, up on Northeast Island. From there the flight will go on to North Cape, Norway."

The flight over the Arctic Circle is but a small part of the long journey planned. In succession it is planned to touch at Stockholm, Christiania, Copenhagen, Paris, and London.

FOUR MEN IN PARTY.

Only one machine will be used and the expedition will consist of four men. Names of the others will be announced later, Naulty said.

"Fuel is our great problem," continued Naulty. "We must take it with us, and there are no gas tanks between Point Barrow and Spitzbergen. We shall have the best of wireless equipment and hope to be in constant touch with civilization by relay through high north stations all the time we are north. We hope to arrive at the North Pole by the most modern of means—the aircraft—and tell it by the most modern of communications—the radio.

"If we fail to get through, a relief expedition will come after us up the east coast, starting from New York, via Labrador, Disco Island, Cape Sabine, Cape Washington, and thence to the North Pole. But we are not thinking so much of relief as we are of 'getting through.'

THROUGH A CLOSING DOOR.

"We will be slipping through a closing door, but I think we can make it. We'll carry gasoline supply for 50 flying hours. At 100 miles an hour, we can make it in actual flying time of 24 hours from Alaska to Norway. At 50 miles an hour, we'll just slip through.

"If the first polar flight is successful, it will be followed by others. The most important of those we have planned is the location of the magnetic pole and the full determination of the point of north magnetic polar verticity."

It is also hoped by subsequent flights, Naulty added, to solve the question whether the Arctic is the seat of a prehistoric civilization.

"If we should find evidences of ancient cities," he continued, "it would result in a later flight along the Asian coast.

"We do not know that we shall succeed—no man can know that—but we shall do our best to get through."

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[Editorial from the Pittsburgh Post, August 4, 1921.]

TO THE NORTH POLE BY AIRPLANE.

As a sporting venture none of the various feats of aviation proposed from time to time surpasses in interest that which Edwin Fairfax Naulty, New York scientist, announces he will attempt next month. With three companions, all formerly military aviators, Naulty will try to reach the North Pole by airplane. He plans to fly from Seattle to Ketchikan, Alaska; from Ketchikan to Anchorage, Anchorage to Nome, Nome to Point Barrow, and thence across the Pole to North Cape, Norway; North Cape to Christiania, Christiania to Stockholm, and Stockholm to London—a total distance of more than 6,000 miles. It is an ambitious undertaking in all of its features, but that part of the journey which lies in the polar regions transcends all the rest, of course, in importance.

The venture involves great risk, but offers good chance of success. There is a question if landing places will be found in the land of eternal ice. It is 1,200 miles from Point Barrow to the pole, and 600 miles from the pole to Spitzbergen. Three stops are planned on that 1,800-mile leg of the journey. If it is impossible to find suitable places for descending, can the airplane cover the whole 1,800 miles without a stop? Capt. John Alcock and Lieut. Arthur W. Brown flew from St. Johns, Newfoundland, to Clifden, Ireland, a distance of 1,960 miles, without a stop in 16 hours and 12 minutes on June 14–15, 1919. Lieutenants Bossoutrol and Bernard remained in the air in an airplane continuously for 24 hours and 19 minutes at Etampes, France, on June 4, 1920. These records will give an idea of what a machine carrying two persons is capable of doing. Naulty's plane will carry four. It will have a speed of 100 miles an hour, but there is a question as to whether it will be able to carry all the gasoline that will be needed.

Notwithstanding the fuel difficulty, the expedition seems to give greater promise of success than the plan of other explorers to make a quick dash across the ice with sleds drawn by dogs.

The enterprise brings to mind the ill-fated expedition of Salomon August Andree, the Swedish explorer, who perished in an attempt to reach the pole from Spitzbergen in a balloon in July, 1897. Naulty will have a great advantage over Andree in that he not only will be able to steer his craft accurately but will be able, through wireless, to keep in touch with the world and guide rescue parties if he should require aid.

The expedition, if successful, should add considerable to our knowledge of the polar regions, since it will be possible to make observations, photographs, and maps from an airplane that will be superior in value to those made on the ground.

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WINDS MAY DELAY POLAR AREA FLIGHT—WEATHER CONDITIONS LEAD FAIRFAX NAULTY TO CHANGE PROBABLE DATE TO OCTOBER—REPORTS OUTLOOK BRIGHT—EXPLORER CONFIDENT HE CAN REACH THE POLE IN ONE FLIGHT FROM POINT BARROW.

[Special to the New York Times.]

WASHINGTON, September 11.—Fairfax Naulty, who recently announced his intention to make an airplane flight to the North Pole and across the polar area to Norway, declared to-night that the sudden change in continental weather, extending from Trinidad to northern Canada and from the California coast east to the Mississippi, has not changed his plans for the North Pole trans-Arctic flight this autumn further than to advance the last probable day for the hop off from Point Barrow, Alaska, from the end of September to the end of October.

"In Pittsburgh last Friday," said Mr. Naulty to-night on his return to Washington from that city, where he had been perfecting plans for the expedition, "I got, through Delegate DAN SUTHERLAND, of Alaska, a relayed radio from the captain of the U. S. revenue cutter *Bear* giving the weather conditions east of Point Barrow in the Arctic Ocean and in Beaufort Sea. The *Bear* has just made Nome from a cruise

as far as Demarcation Point, at the edge of Beaufort Sea, the farthest north and east that even that intrepid vessel ever made, and this report shows that all the heavy ice in the Arctic is offshore, that there is not much of it, that the weather has been unusually warm, and, best of all, that there was neither rain nor fog in August in the Arctic Ocean.

"If the expected condition of weather comes in October, we shall be able to make the flight from Point Barrow across the North Pole to North Cape, Norway, and have ample time for observations to insure that we have reached the pole in a week from the time we take the air for the flight.

"I have been conducting experiments with catalytic radio transmission in Pittsburgh, and feel that we can now be sure of a sending range of 2,700 miles by radio under fair conditions. We have cut our weight of the set so it weighs less than a member of the crew. With a dual set we shall be in hourly radio communication with the world. If we get into trouble, relief can and will be dispatched at once, and the rescue party will know just where we are, as we shall give our position every hour. We can easily reach Nome radio station, and may even be able to make the high power at Annapolis in night sending.

"At the North Pole we shall radio our observations and ask for any corrections from the Naval Observatory or Harvard University, and if we are in error that error can be corrected while we are at the pole. Our method will relieve our reports of any doubt as to accuracy.

"If all goes well we hope to start the polar flight from Washington, using a land chassis as far as Seattle. There we shall change the underbody to the special underbody I have devised for the Arctic, by means of which we can make a landing on ice or water. From Seattle we shall fly up the Alaskan coast to Anchorage, and from there cut across to Nome and on to Point Barrow.

"From Barrow the actual polar flight will start. We shall fly due north, and if we can make the North Pole in a single flight we will do so. From the pole we will fly to Spitzbergen, from there to North Cape and on to the head of the Gulf of Bothnia, where we again cross the Arctic Circle, which we cut just north of Nome. We shall fly down the Bothnian Gulf to the Baltic and to Stockholm, thence to Christiania, Copenhagen, Amsterdam, Brussels, Paris, and London. We expect to reach London on November 15.

"North to Point Barrow and south from North Cape we shall not have much difficulty about fuel. We shall carry 50 flight-hours fuel for the polar flight, and expect to go through on it. The rest of the way, on the proposed return flight to New York, via Scotland, Faroe Islands, Iceland, Greenland, Labrador, and Canada, even at Iceland and Cape Farewell, it will be easy to ship in a supply ahead of time."

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[From the Washington Herald, October 13, 1921.]

DISTRICT AVIATOR SAYS AMUNDSEN STOLE HIS IDEA—CLAIMS HE ORIGINATED PLAN OF FLIGHT TO NORTH POLE.

"If the report from Seattle, issued October 12, 1921, credited to H. H. Hammer, representative of Roald Amundsen, that Amundsen has changed his plans and intends to attempt a flight by airplane to the North Pole is true, it seems to be a very unsportsmanlike thing to do in view of the announcement that I have organized and am preparing a trans-Polar flight," Fairfax Naulty, commander of the first Arctic air expedition, declared last night.

VIOLATION OF ETHICS.

"Ample publicity has been given to my plans and the fact that our party of four is to attempt the polar flight this autumn. Under such circumstances an attempt to anticipate our carefully planned work with a scratch flight hastily conceived is not in line with the very strict code of ethics that has hitherto governed all explorers, and particularly all pioneer work in the air.

"An idea is property just as definitely as a piece of real estate. It belongs by right to him who brought it into existence."

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[From the Seattle Times, October 13, 1921.]

"WASHINGTON, D. C., October 12, 1921.—If the report from Seattle, printed to-day and credited to H. H. Hammer, business representative of Roald Amundsen, that Amundsen has changed his original plans for an Arctic drift in the *Maud* and intends to attempt a flight to the North Pole in two airplanes is true and Amundsen and not Hammer is responsible for the entire change of the original plans of the Norwegian explorer, it seems to me a very unsportsmanlike thing for Amundsen to do in view of the fact that I have organized and am hard at work on a trans-Polar, trans-Arctic flight, said Fairfax Naulty, commander of the first Arctic air expedition here to-night.

"Sufficient publicity has been given in advance to my plans and the fact that our party of four is to try for the North Pole from Point Barrow to North Cape, thence south to London and back, next year, to Washington via Scotland, Orkneys, Faroes, Iceland, Greenland, Labrador, and Canada to our starting place, the first air expedition starting this autumn from Washington and flying across the continent to Seattle and thence to Point Barrow, to make my plans well known to everybody. Under such circumstances an attempt to anticipate our carefully planned work with a scratch flight, hastily conceived, is not in line with the very strict code of ethics that has hitherto governed explorers and particularly applied to all pioneer work in the air.

"An idea is property, just as definitely property as a piece of real estate, a bank account, or an explorer's ship. It belongs by right of invention and original conception to him who brought it into being and hitherto it has been the rigid custom for all scientific and technical men of standing to respect, with the most scrupulous care, the right of others in their various lines of special endeavor. If science is to be brought to the level of competitive small trading and the tricks of copyists and imitators are to be introduced into a field that has been kept clear of such tactics professional courtesy has fallen into a low ethical state.

"I can not believe that Amundsen himself is responsible for the alleged announcement, and I look for a prompt disclaimer from him personally. The American public know, from published reports this summer, of our preparations that the Fairfax Naulty trans-Arctic, trans-Polar flight is an all-American expedition, and there has been no secrecy over my plans, which were published in full with the routes, objects, technique, and flight schedules all set forth. As scientific, technical, and operative sections here in Washington know, I have given the most minute personal attention to every feature of the flight from the preparation of condensed charts to photographic, navigating, radio, and magnetic gear, even to the extent of devising a new portable radio mast for airplanes to be used in wirelessing out our observations at the North Pole.

"There have been delays, but these have been due to my resolute decision to make and correct all mistakes in civilization and not in the wastes of the Arctic, where four men's lives depend on the thoroughness of my preparations and their practicality. I have been in constant consultation with men here who know the Arctic to the limits of its explored surface, have had the best of advice and cooperation on every necessary gear of structure, operation, and aviation, have had constant reports of temperature, wind force, rain, snow, and fog, ice and water conditions, air currents, magnetic and auroral state, and on every physical factor that could be checked up from past or current experience.

"We hoped earlier in the year to attempt the polar flight in late September but could not get away, and I alone am to be charged with the responsibility of the postponement, or any other postponements that may be required. I do not intend to expose the men who will risk their lives with me to any disaster through insufficient or hasty preparation or incomplete or insufficiently tested accessories. Although the prime object of the first transpolar flight is to make the northerly passage by air, across the North Pole from Alaska to Norway, and everything else will be subordinate to that object, still, if conditions permit, we expect to make and have the instruments to observe meteorological, geological, geodetical, magnetic, and astronomical phenomena, as well as to record permanently, by photography, the land, water, ice, and conditions of the region flown over.

"Amundsen started on his surface exploration of the Arctic with the *Maud* two years ago but because he has been delayed in getting into the Arctic by unpreventable obstacles and accident to his surface ship as well as crew trouble is no reason that anyone else would thereby have a right to duplicate his expedition because of Amundsen's delay in starting. Even if I am compelled to postpone until next spring or summer, as Providence has waited 6,000 years for man to think of and plan to execute the polar flight, surely others may possess their souls in patience for six months or so.

"I hope there will be no controversy over the polar flight. I seek none, but in justice to those who are interested in our success and to the men who are willing to risk their lives and all with me, and who have worked as hard as I and my son to make this American expedition a success, I must protest against an attempt from any quarter to anticipate our plans and to use the very confidence we have reposed in all by making our plans public to 'beat' us to our objective.

"Competition of such sort is not good sportsmanship; it is not good science, nor is it even decent, common courtesy. I am certain that Amundsen is misrepresented by his business manager, Hammer, and I sincerely hope he is. A prompt disclaimer from Amundsen will settle the whole matter. I do not claim a continuous monopoly on polar flight, but I do feel that I am entitled to be permitted to carry my plans to execution without the necessity of defending them by competitive haste to rush through what ought to receive the most careful workout. But if it does come to a question of speed in making the flight across the North Pole perhaps we shall show as much as another."

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[Printed in Seattle Times, Sunday, October 23, 1921.]

Fairfax Naulty, commander of the first trans-Arctic, transpolar flight, replying to assertions made in telegrams sent him by Roald Amundsen and Hakon Hammer, which the Seattle Times published on October 18 but which were not received by Fairfax Naulty until October 20, said last night in Washington:

"I have been too busy with work on my North Pole flight equipment to give time to Amundsen, but in view of his attitude and that of his employee, Hammer, for whom Amundsen assumes responsibility, and of the attitude of other foreign visitors and foreign critics of America and American ideas and plans, I can not let the matter go without calling the public's attention to some facts of Arctic and Antarctic exploration.

"First, however, let us suppose that Fairfax Naulty had planned a drifting trip in a surface ship from Norway along the Asian coast to the westward and that he had got into trouble with his crew, smashed his ship, and limped into Hammerfest for help, which was given him, and then got his ship down to Trondhjem, Norway, for repairs, which were made for him. Finding that the people of Norway were courteous, helpful, and polite, but not wildly excited over the proposed drift, and casting about for a way to catch the public eye, Fairfax Naulty, learning that Amundsen had carefully planned an air expedition for scientific and technical purposes from North Cape to Point Barrow, that he was then at Christiania, the capital of Norway, working hard to get away, decided that he would also make a flight across the North Pole, that he would import two American aviators to fly, and that he then instructed an employee, not overly familiar with either Norway or aviation, to announce his plans? What would the people of Norway think of the American gall of Fairfax Naulty in trying to slip in ahead of Amundsen? Especially if Fairfax Naulty, an alien, were using Norway as a base of operations.

"Now let us suppose that a hired man of Fairfax Naulty's crew sent a telegram to Amundsen telling him that a statement of Amundsen's 'showed your lack of study of the situation, as my boss's expedition and yours can not be compared, as his is for the purpose of scientific work while yours apparently is an aeronautic experiment.' What would Amundsen be justified in thinking? What would the Norwegian people think? 'American brass, cheek, nerve, and impertinence.'

"I have simply reversed our positions in this supposition.

"Seriously, I am—and I think most other Americans are—getting a trifle weary of European patronizing. Amundsen claims his expedition is scientific, while mine is an experiment. I challenge Amundsen to produce one solitary, previously unknown scientific or technical result from any of his previous expeditions.

"The Northwest Passage by Amundsen in the *Gjoa* in 1903–1906? Parry, an Englishman, made it to 125 west longitude in 1819–20, going west. McClure, a Scotchman, made it in 1851–1853, crossing Parry's westing at Banks Land, going east. The Magnetic Pole? James C. Ross found it in 1831; Sir John Franklin died in sight of it in 1847.

"An outlet from Baffin Bay to the Arctic? Elisha Kent Kane, an American, found it in 1853, and Charles Francis Hall, another American, made it complete in 1870. The very names of the region, Lincoln Sea, Grant Land, Garfield Coast, United States Range, Greely Fiord, Washington Land, Cape Columbia, Cape Washington, Lincoln Sea, and McKinley Sea, all indicate who were the original discoverers of the region.

"A drift across the Polar Basin? Nansen made it in the *Fram* from the delta of the Lena to Spitzbergen in 1893–1896, when he reached 86° 14′ north of the ninety-fifth east meridian. In 1881 De Long, in the *Jeannette*, made a 'westing' on the Asian side of the basin to the one hundred and fifty-third east meridian, and after the

Jeannette sank the expedition made the delta of the Lena. In the Swedish ship *Vega* Nordenskjold, in 1878–79, made the Northwest Passage from Tromso to Bering Strait along the coast of Europe and Asia, but even he had been anticipated in part by Leontief in 1770. Chelyuskin in 1741–42, Laptev in 1739–1741, and by the other Russian expeditions of Wrangell, Billing, Minin, and Lutke from 1738 to 1821. And if Spitzbergen is brought in, Henry Hudson sailed north of it in 1607.

"The Duke of the Abruzzi, Cagni, Zeigler-Baldwin, and Fiala also added to the world's actual knowledge of the Arctic, and there have been scores of other minor explorers in the region. Amundsen, in the *Gjoa*, wintered in 1905–6 on Beaufort Sea while making his 'Northwest Passage,' but that region had been mapped in 1890 by J. H. Turner, of the United States Coast and Geodetic Survey, so Amundsen was not in new territory, and Beechy, Franklin, Deaze and Simpson, Pullen, Hooper, Moore, McClure, McGuire, Collinson, Ray, Howard, Stoney, Stockton, Peters, Schrader, and General Funston had all been in the region during the years from 1826 to 1894.

"If Amundsen says soundings made in Beaufort Sea by him have novel value, I say that whaling captains have frequented the Beaufort since 1854; that they know the coast thoroughly from Barrow to Bathurst, and have all of them made a higher northing than he did, and that they know the 7-fathom line better than he does. Yet none of them would claim or be permitted to claim the name of scientist.

"The North Pole? Perry made it in 1909.

"The South Pole? The British still recall how Amundsen rushed in ahead of Scott, merely making a dash and presenting little scientific data on his emergence, while Scott, with the finest and best equipped polar expedition ever organized, starting ahead of Amundsen, knowing nothing of Amundsen's quickly organized venture, took careful observations, obtained accurate data, collected specimens, did genuinely useful scientific work, unaware that a rival was racing him to his objective merely for the sake of getting there first.

"I wonder if Amundsen recalls that Andree tried to fly to the North Pole and lost his life in the brave attempt in 1897; that Walter Wellman spent some years building a dirigible for the polar flight, and that both dates were long before 1914, when Hammer says he conceived the idea of flight to the pole in a Farman plane. Anyone who knows anything about aviation must smile at the idea of a Farman 'bus' of 1914, with a 60–80 horsepower motor, speed of 60 miles an hour, and flight radius of 50 miles nonstop, with luck, being used to make the flight to the North Pole.

"It might interest Amundsen to learn that at the trials at Fort Myer, near Washington, D. C., in 1909, a newspaper man talking to me about Wright's airplane said that an airplane would provide an ideal way to make the North Pole, and that he spoke of it to Wright, who agreed it might come in time.

"Hammer is mistaken when he assumes I gave no thought to the polar flight before 1914. I did not from August 6, 1914, until April, 1919, when the war and its aftermath occupied all the time of myself and son; but when our work was done we took up the project again. Being neutral during that time, Amundsen had time to think about many things.

"Of this Amundsen may be sure: I do not intend to let him beat me as he beat Scott. Nor do I intend to waste valuable time in controversy before the fact."

ADDRESS BY SENATOR ROBINSON.

Mr. KING. Mr. President, a question which has attracted considerable attention of late deals with the subject of the Cabinet officers having seats on the floor of the Senate and in the House of Representatives, and having the right to participate in debate, particularly if the debate should relate to questions arising in their respective departments. The subject has attracted a great deal of attention, and some newspapers have supported the proposition. The subject has received attention in a very able address delivered by the senior Senator from Arkansas [Mr. ROBINSON] at a meeting of the Maryland Bar Association, July 1, 1922. I ask unanimous consent that the address of the Senator from Arkansas may be printed in the RECORD in 8-point type.

The VICE PRESIDENT. Without objection, it is so ordered.

The address is as follows:

ADDRESS OF SENATOR ROBINSON AT ANNUAL BANQUET MARYLAND BAR ASSOCIATION, ATLANTIC CITY, JULY 1, 1922.

THE BUSINESS OF LEGISLATING.

Senator ROBINSON spoke as follows:

"It is at once an inspiring opportunity and a grave responsibility to live in the present and to bear even an humble relation to the events in progress throughout the world. The obligations now attending private citizenship in the United States are momentous. The responsibilities of public office are well-nigh overwhelming.

"The strain is not confined to the financial, industrial, and political systems of the Old World. It extends in less degree to our own. Lawlessness, particularly in the centers of industry and population, approaches anarchy. Frequent riots and mob violence are manifestations of local states of the public mind, betokening lack of confidence in the administration of justice and deep-seated resentment against constituted authority.

"It is not altogether surprising, nor yet entirely fair, that the unrest and vexation incident to postwar problems should find expression in bitter criticism of the Congress.

"Legislation erroneously is regarded by the masses as the remedy for every ill which afflicts the body politic. Consequently the continuance of disturbed conditions occasions bitter censure of the National Legislature for what is superficially deemed obstinate indifference to alleged essential reforms.

"Congress often is blamed by the public, ridiculed by editors and orators, and flayed in magazine articles for faults, some of which inhere in our political system, and for mistakes and failures attributable in part to causes beyond its control.

"This results from the comprehensive discretion vested in the legislative department and from the excessive employment, since the war, of propagandist methods for questionable purposes.

"A disinterested study of its recent proceedings will disclose that the Congress deserves only a part of the censure which public opinion directs against it for the prevailing restlessness and discontent, although it is undoubtedly following a faltering leadership whose strategy is to make mere successive advances and retirements over the same ground.

"The Congress, unlike the executive and judicial departments, primarily is concerned with questions of policy and naturally attracts the denunciation of agencies which reflect dissatisfaction and discontent.

"The wise executive and the upright judge by the nature of their duties are shielded against responsibility for mistakes in policy. It is always a complete defense for them to answer criticism with the declaration: 'Thus the law is written.'

"While legislative authority is necessarily discretionary, and therefore responsible for policies, its exercise is circumscribed by both natural and constitutional limitations.

"Many problems are so deeply rooted in human nature and in the instincts and customs of mankind that their complete solution can not be accomplished by the mere enactment of new laws. Indeed, experience proves that profound issues rarely are decided by direct and logical process, nor do they present distinct alternatives of choice and action. On the contrary, they usually appear clouded with confusion, enveloped in prejudice, and distorted by falsehood.

"The normal difficulties of the Congress, due to its broad discretion, have been augmented since the war by the pressure of propaganda.

"Every department of the Government is assailed by class influences deliberately organized and set in motion to secure selfish advantage. During the war the United States resorted to systematic stimulation of public opinion as the best means for securing support of its war policies and for counteracting German propaganda. The American people then learned the effectiveness of organized efforts to give form and expression to public opinion as a certain means of dominating governmental agencies. The result is that the Government is being administered through the influence of propaganda.

"The Senate and the House of Representatives no longer divide strictly along party lines. Frequently the alinement is according to blocs or groups organized for the promotion of special interest, as, for instance, finance, labor, and agriculture. The finance and labor groups have long been influential factors. The agricultural bloc is of recent origin, and is justified as indispensable to the protection of a large and deserving element whose situation renders compact organization difficult and who therefore are at the mercy of other interests which profit by oppressing farmers. The Congress under pressure from conflicting forces has manifested indecision, nevertheless in many instances its failure to act is less harmful than would be compliance with selfish demands subversive of the general public interest.

"Comprehending the readiness of elective officers to respond to appeals from the electorate, propagandists habitually use two general plans to influence legislation:

"1. To create public opinion respecting measures either by wholesome educational processes or by concealment and misrepresentation; and

"2. To make the legislator believe a well-grounded sentiment exists touching a subject, when in fact the public neither knows nor cares anything about it.

"The methods resorted to are often so undisguised as to counteract themselves. Propaganda, to be effective, usually must be insidiously planned and carried on.

"Such unwholesome practices probably can not be prevented without infringement of the constitutional right of freedom of speech. It is better to endure the evils of unrestrained propaganda than to stifle free speech. The only sane remedy for propaganda is exposure—full and fair publicity.

SHALL CABINET MEMBERS PARTICIPATE IN CONGRESSIONAL DEBATES?

"The fallacy that discontent may be removed by additional legislation finds its counterpart in the suggestion that our legislative system may be improved by giving to Cabinet members the right to participate in congressional debates.

"The division of the legislative, executive, and judicial functions into separate coordinate departments is a wholesome provision of the Constitution. This valuable principle of government would be threatened, if not destroyed, by any change which would confuse and commingle the legislative and executive functions. The argument advanced in support of such a change is that it would promote harmony by providing the Congress full information concerning the opinions and motives of the Executive. Anyone familiar with the congressional procedure rejects this argument as utterly fallacious. The President by address can furnish the Congress any information in his possession. He may advise what action he deems necessary in the public interest. The committees and Houses of Congress now call upon the executive departments for information concerning matters within their respective jurisdictions. It is true that frequent and sometimes bitter differences have arisen between the President and the Congress, but these differences usually have not been due to lack of mutual understanding. They have uniformly grown out of opposing viewpoints. The admission to congressional debates of Cabinet members would divert their attention from the important and intricate details of executive duties and convert them into legislative agents. The President inevitably would be committed in advance by his ministers to the approval or rejection of measures which our scheme of government contemplates shall be passed upon by him with an independent mind. The Congress would be subjected to Executive influences, and the result would be either subordination of the legislative mind to the Executive will or hopeless and irreconcilable conflict between the two.

"Whatever may have caused present conditions and whoever may be to blame for them, participation of Cabinet members in the business of Congress will not constitute an effective remedy.

LESS GOVERNMENT RATHER THAN MORE LEGISLATION THE REMEDY.

"The cause of the prevailing restlessness and discontent is too much government rather than necessity for additional legislation.

"Every lawyer is conscious of the process of centralization. The sphere of Federal activity is constantly expanding and Federal agencies are being rapidly multiplied. The States and their subdivisions have been repressed, until the last stronghold of local authority, the police power, is threatened by Federal encroachment.

"The disease which afflicts the body politic is so complicated that the patient can not describe the symptoms and the doctors can not correctly diagnose the illness. Nothing is worse needed than a cure for the prevailing neurotic fanaticism which manifests itself in clamorous calls for legislation which in the long run must prove harmful rather than beneficial.

"Approximately 16,000 written statutes, including municipal ordinances, are applicable to the government of the conduct of citizens in the various municipalities. The public mind would be calmed and comfort and happiness would be promoted if one-half of these, judiciously selected, were at once repealed.

"The fanatical tendency toward excessive law making is demonstrated by the introduction during the last session of Congress of 16,170 bills in the House of Representatives and 5,052 in the Senate, making a total of 21,222, not including resolutions and joint resolutions to the number of about 2,000.

"A sane program for the restoration of whole-hearted confidence in the Government might well include the following policies:

"1. More deliberation in the enactment of laws and the repeal of unnecessary, vexatious, and admittedly unpopular statutes.

"2. The simplification of all laws continued in force. Federal revenue acts, especially income-tax provisions, are notable instances of complex statutes which no one subject to them fully understands.

"3. Rigid and impartial enforcement as the surest means of compelling the repeal of obnoxious statutes and of creating a spirit of obedience to law.

"The notoriously frequent, and in some localities open violations, of the national prohibition act are creating a spirit of contempt for law and are tending to convert the American people into a nation of lawbreakers. The inauguration of national prohibition was premature in the sense that public sentiment in many communities did not approve it, and wherever that was true it has been difficult, almost impossible, to enforce the law. Nevertheless, while the National Constitution and statutes provide prohibition, there is no honorable course to advocate or pursue save rigid and impartial enforcement.

"4. The creation of higher standards of public duty for the citizen and the officer as the certain means of destroying the power of organized selfishness now threatening to dominate the Government.

"5. An intelligent and comprehensive study of the various phases of industrial life with a view to the establishment of just tribunals for the investigation and adjustment of disputes likely to result in strikes and lockouts.

"6. A nation-wide campaign, led by lawyers, to refine the administration of justice as the surest means of stabilizing our civilization and of perpetuating high ideals in American citizenship."

INVESTMENT AND PROFIT IN SOFT-COAL INDUSTRY (S. DOC. NO. 207, PT. 2).

The VICE PRESIDENT laid before the Senate a communication from the Federal Trade Commission, transmitting explanatory and statistical material supporting its preliminary report on investment and profit in soft-coal mining, 1916–1921, etc., which, with the accompanying papers, was referred to the Committee on Education and Labor and ordered to be printed.

PETITIONS.

Mr. EDGE presented a letter from Nelson Dunham, of New Brunswick, N. J., accompanied by a petition of the Plainfield Radio Association, praying that radio vacuum tubes be placed upon the free list in the pending tariff bill, which were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

NEW BRUNSWICK, N. J., *July 3, 1922.*

Hon. WALTER E. EDGE,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I have been requested by New Jersey radio amateurs to present their views and to petition Congress.

Amateurs everywhere are deeply interested in this matter and strongly feel that corporations are seeking a strangle hold which affects that which is fast becoming a public-utility service.

The purpose of this communication is to request that the inclosed petition be presented to the Senate.

Respectfully, NELSON DUNHAM.

TARIFF PROTECTION TO A MONOPOLY IN RADIO APPARATUS.

The honorable the Senate of the United States in Congress assembled.

SIRS: Your petitioners, believing that there exists a monopoly in the manufacture, sale, use, and importation of radio apparatus, submit that such monopoly should not be encouraged by tariff protection and that radio apparatus, particularly vacuum tubes, should be placed upon the free list.

Reference is made to (1) the testimony before the radio conference committee, appointed early this year by the Secretary of Commerce; (2) one of that committee's basic recommendations to the effect that radio apparatus should be freed of existing restrictions; and (3) the fact that importation of radio vacuum tubes—even for Government purposes—is virtually prohibited by the combine or its affiliated interests. Thus America is restricted to tubes of comparatively inferior quality and to a most limited selection as to power and type. For instance, four-element tubes are not obtainable in this country, though freely made and used abroad.

We do not presume to express an opinion as to whether a legitimate patent monopoly can legitimately be combined with all other patents and patent rights of like nature. It is manifest, however, that such combination can be used to defeat the antitrust laws, are contrary to public policy, and should not be fostered by tariff protection.

We believe that the Army and Navy Departments have a large surplus quantity of radio vacuum tubes, the disposal of which has been tied up by those interested in the monopoly. Inquiries made abroad meet with replies to the effect that importation of such tubes into this country is prohibited—not by reason of the tariff but by the control here of foreign patents and patent rights.

Your petitioners pray that radio vacuum tubes be placed upon the free list, at least for research and amateur experimental purposes.

Respectfully submitted.

PLAINFIELD RADIO ASSOCIATION,
(In behalf of its other New Jersey radio clubs and associations),
J. P. W. TAYLOR, *President.*

Mr. LADD. I present a resolution passed by the Irrigation Congress of North Dakota on irrigation and flood-control conditions in the West, and ask that it be referred to the Committee on Irrigation and Reclamation and printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Irrigation and Reclamation and ordered to be printed in the RECORD, as follows:

Whereas the womanhood of America are rapidly coming to a comprehensive grasp of the duties of American citizenship and the responsibilities that such citizenship implies; and

Whereas the comfort and prosperity of the home on farm and in village is a material factor in economic, social, and political contentment; and

Whereas the conservation of the flood waters of the Missouri-Yellowstone watershed will effect irrigation of certain arid and semi-arid tracts and will likewise enable the development of hydroelectric power, which may be utilized to increase agricultural productivity and at the same time provide comforts and conveniences aforementioned; and

Whereas the reclamation fund available to North Dakota, South Dakota, and Montana may be wholly inadequate to so comprehensive a project: Therefore be it

Resolved, That the womanhood of these several States urge and demand upon our Representatives in Congress that immediate steps be taken with a view to the reclamation of this vast area in the interest of the development and prosperity of the farms, villages, and cities in the entire watershed of the Missouri-Yellowstone; and

Resolved, That if the funds available to the several States are inadequate to such a comprehensive project, we urge and demand that our delegations in Washington call upon Congress for the appropriation of such additional funds as may be necessary to the completion of such a project.

Resolved, That it is understood and agreed that all lands in the Mouse River and Des Lacs watershed are considered a portion of the demand.

Adopted by the Fourth North Dakota Irrigation Congress in convention assembled June 8, 1922.

E. A. WILLIAMS, *President.*
GEORGE N. KENISTON, *Secretary.*

Mr. BROUSSARD. I have here a concurrent resolution adopted by the legislature of my State with reference to the flood waters of the Mississippi River, which I ask to have referred to the Committee on Commerce and inserted in the RECORD in 8-point type.

There being no objection, the resolution was referred to the Committee on Commerce and ordered to be printed in the RECORD in 8-point type, as follows:

Senate concurrent resolution (By Mr. Williamson, chairman).

Whereas the control of the flood waters of the Mississippi River and its tributaries is a question of vital and national importance, affecting as it does the lives and property of the people residing in this great fertile valley extending from the States of the Central West to the Gulf of Mexico; and

Whereas the United States Government alone has the power, authority, and responsibility to solve this great national problem: Therefore be it

Resolved by the senate of the State of Louisiana (the house of representative concurring)—

First. That there should be immediate recognition by the Federal Government of national responsibility for interstate drainage, and particularly the protection of the lower Mississippi Valley from floods originating above.

Second. That there should be a prompt and systematic completion of the levees up to the standard adopted by the Mississippi River Commission.

Third. That an immediate comprehensive study of the flood problem should be made.

Fourth. That there should be such supplemental protection for the lower Mississippi Valley in addition to the standard levees as may be found practical; be it further

Resolved, That a copy of this resolution be sent to the President of the United States, the Secretary of War, the Congress of the United States, and the governors of the various States, inviting their cooperation in solving this great national problem.

I hereby certify that the above and foregoing is a true and correct copy of senate concurrent resolution No. 8, adopted by the senate June 13, 1922, and concurred in by the house of representatives of the Louisiana Legislature on June 14, 1922.

O. H. SIMPSON,
Secretary of the Senate.

REPORTS OF COMMITTEES.

Mr. EDGE, from the Committee on Interoceanic Canals, to which was referred the bill (H. R. 11872) to amend sections 7, 8, and 9 of the Panama Canal act; to amend sections 288, 289, 342, 343, 368, and 461 of the Penal Code of the Canal Zone; and section 2 of the Executive order of July 9, 1914, establishing rules and regulations for the opening and navigation of the Panama Canal and approaches thereto, including all water under its jurisdiction; to amend section 6 of an act entitled "An act extending certain privileges of canal employees to other officials on the Canal Zone and authorizing the President to make rules and regulations affecting health, sanitation, quarantine, taxation, public roads, self-propelled vehicles, and police powers on the Canal Zone, and for other purposes, including provision as to certain fees, money orders, and interest deposits," approved August 21, 1916; and to regulate divorces in the Canal Zone, and for other purposes, reported it without amendment.

Mr. NEW, from the Committee on Territories and Insular Possessions, to which were referred the following bills and joint resolution, reported them severally without amendment and submitted reports thereon:

H. R. 11589. An act to provide for the transfer of the lands and buildings of the Federal leprosy investigation station at Kalawao, on the island of Molokai, in the Territory of Hawaii, to the Territory of Hawaii, and for other purposes (Rept. No. 806);

H. R. 11590. An act to amend sections 34 and 40 of the organic act of the Territory of Hawaii (Rept. No. 807); and

H. J. Res. 316. Joint resolution authorizing the reappointment of Frederick Mears as a commissioned officer of the Regular Army and making him available, when so reappointed, for service as chairman and chief engineer of the Alaskan Engineering Commission (Rept. No. 808).

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. RAWSON:

A bill (S. 3789) granting a pension to Carrie Mott (with an accompanying paper); to the Committee on Pensions.

By Mr. WALSH of Montana:

A bill (S. 3790) authorizing the Secretary of the Interior to enter into an agreement with Toole County irrigation district of Shelby, Mont., and the Cut Bank irrigation district, of Cut Bank, Mont., for the disposal of the surplus waters of Milk River, Two Medicine, Cut Bank, and Badger Creeks, not needed by the Indians of the Blackfeet Indian Reservation for domestic or irrigation purposes; to the Committee on Indian Affairs.

SPEECH BY SENATOR STANLEY.

Mr. BROUSSARD. Mr. President, on July 4 the senior Senator from Kentucky [Mr. STANLEY] addressed Tammany Hall. The speech is a most brilliant, interesting, and illuminating one, and I ask unanimous consent to have it inserted in the RECORD in 8-point type.

There being no objection, the speech was ordered to be printed in the RECORD in 8-point type, as follows:

ADDRESS OF SENATOR A. O. STANLEY, TAMMANY HALL, NEW YORK CITY, JULY 4, 1922.

Senator STANLEY spoke as follows:

"Fellow Democrats, in the mental and physical vigor of her children, in industrial enterprise, in financial strength, in martial achievement, a nation unconquered and invincible, commands upon the one hundred and forty-sixth anniversary of her birth the envy and the admiration of the world, the acknowledged premier of the planet, holding in her youthful and puissant hands the destinies of a distracted globe.

"In reviewing the proud annals of the past, rich in historic incident, one supernal fact stands, a thing apart, rising tower-like above the material mastery of a continent, above the discoveries of inventive genius, the immortal labors of philosophers and sages, above valor's inspiring victories on land and sea—for that one and mighty thing is at once the inspiration and the reward of all that we have ever hoped or thought or done—the declaration of our independence of the domination or control of any power on earth. It is more than a national liberation, it is the eternal guaranty of personal freedom, it is the inestimable heritage of every citizen, rich or poor, high or low, under the protecting aegis of the Stars and Stripes.

"After 4,000 years of vain endeavor and blighted hopes, weary wanderers in the wilderness of oppression found in the New World freedom's promised land, where all men may stand erect and unawed by human power, free to live their own lives, speak their own thoughts, shape their own destinies, bending the knee only to God, to whom alone they owe their independence and by whose grace they will forever maintain and defend it. For, said the immortal Declaration—

"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among them are life, liberty, and the pursuit of happiness; that to secure these rights governments are instituted among men deriving their just powers from the consent of the governed.

"The fathers never contemplated a sort of ubiquitous governmental Santa Claus, however benevolently disposed in the exercise of unlimited and autocratic powers. The Federal Government was not made the source or custodian of a people's wealth or the censor of its manners or its morals; it was not its function to prescribe its regimen or its faith, to curb its indolence or reward its industry. No; its one mission was, not to create or bestow or limit 'these rights,' but to secure them.

"To bestow a right implies its previous possession in the hand of the grantor, and the rights secured by the Declaration came not from governments, for it is self-evident—

"That all men are created equal and are endowed by their Creator with certain unalienable rights.

"No government having created, none save a despotism will ever dare to invade or restrict them. It matters not whether the abominable thing be attempted by a monarch or a majority; no name however euphonious, no form however popular or delusive can excuse the execrable act of oppression. For 'whenever any form of government becomes destructive of these ends it is the right of the people to alter or abolish it.'

"For long and weary years patriots, patient but vigilant, without a thought of secession or rebellion, sought to preserve these 'unalienable rights' secured by the great charters and denied by a stupid king and a bigoted ministry; revolution came only when reform was impossible.

"'In America,' said the calm Andrew Elliott, of Boston, 'people glory in the name and only desire to enjoy the liberties of Englishmen.'

"Before the Battle of Lexington, Franklin had 'never heard of the least expression of a wish for a separation,' and John Adams declared that the charge that 'any pant after independence' was a 'slander on the Province.'

"'Before the 19th of April, 1775,' relates Jefferson, 'I never heard a whisper of a disposition to separate from Great Britain.'

"In 1774 Washington wrote, 'No such thing as independence is desired by any thinking man in America,' and two years later he asserts, 'When I first took command of the Army I abhorred the idea of independence; but now I am fully convinced that nothing else will save us.'

"The author of the Bill of Rights, George Mason, aptly expressing the opinions of his compatriots, declared that prior to the wasting of their fields, the devastation of their cities and massacre of their sons he had been 'well affected to the King personally and to his Government; one who adored the wisdom and happiness of the British constitution and preferred it to any that then existed or ever had existed.'

"It was not to overthrow this 'constitution' or to supersede it that the Continentals took up arms, but as free Englishmen to retain and maintain their 'unalienable rights' under it.

"'We will,' swore the minutemen, 'to the utmost of our power and abilities defend all and every of our charter rights, liberties, and privileges, and will hold ourselves in readiness at a minute's warning, with arms and ammunition thus to do.'

"What were those precious 'charter rights,' liberties, and privileges for which the ragged Continentals with their flint locks stood ready 'at a minute's warning' to do and to die?

"They are the 'unalienable rights' of the Declaration of Independence, they are the body of the Constitution of the United States, they are the Bill of Rights, the 'holy of holies' of that instrument, without which the Colonies would never have adopted it. They are Magna Charta, the Petition of Right, and the Declaration of Right all in one. They are the sum of the solemn guaranties of every government proud scions of the Saxon race have ever acknowledged or obeyed in a thousand years, for which here and beyond the seas, from Yorktown to Runnymeade, they have stood willing and ready to fight, and, if need be, gladly to die.

"As their valor maintained them then, O God of nations and of battles, may our wisdom preserve them now, inviolate and eternally ours.

"Liberty to the Saxon is not the dream of some doctrinaire obscured in a philosophic haze; it is not without, it is within him—a vital, living, pulsating thing, a part of his very soul. It is concrete. It is sensitive to the touch and, like his body, to threaten or profane it is an intolerable degradation.

"This passionate, jealous, indomitable devotion to personal liberty and personal independence is the very hall mark of the race. To it is due its puissance in war and its moral grandeur in peace. It glorifies all its history, and when history is lost in the twilight of tradition it lends dignity to the savage and illumines the hut and the hearthstone of the barbarian in the wilds of Schleswig and Friesland.

"The institution of trial by jury had its genesis in this stubborn maintenance of the inviolate sanctity of his person and the privacy of his home, forever free from any form of governmental intrusion save by the consent of his fellows and his peers.

"The basis of their society was the freeman"—

"Says Green.

"He alone was known as 'the man' or 'the churl.' He was 'the free-necked man,' whose long hair floated over a neck that had never bent to a lord.

"According to Tacitus—

"Each dweller within the settlement was jealous of his own isolation and independence among his fellow settlers.

"Older than our civilization, older than our faith, are these institutions, cherished by our Scandinavian forbears still clad in the tawny hides of wild beasts and the worshipers of Thor and Woden. Upon the independence of the individual, upon the sanctity and security of the home, upon local self-government, Saxon civilization is builded, and to it that civilization owes the dominance of the world and the highest measure of freedom ever enjoyed by the children of men.

"The Saxon conquest of the British Isles was not the invasion of a hostile army; it was the exodus of a whole people.

"War was not sooner over—

"Says Green—

"than the warrior settled down into a farmer, and the home of the peasant churl rose beside the heap of goblin-haunted stones that marked the site of the villa he had burnt. Little knots of kinsfolk grew together in 'tun' and 'ham' beside the Thames and the Trent as they had settled beside the Elbe or the Weser, not as kinsfolk only, but as dwellers in the same plot, knit together by their common holdings within the common bounds. Each little village-commonwealth lived the same life in Britain as its farmers had lived at home. Each had its own moot hill or sacred tree as a center, its 'mark' as a border; each judged by witness of the kinsfolk and made laws in the assembly of its freemen, and chose the leaders for its own governance, and the men who were to follow headsman or ealdorman to hundred court or war.

"For 10 centuries has he cherished these institutions with an idolatrous devotion, defending them with dauntless bravery, and in defeat and disaster, still precious as life, he has still clung to them in the midst of servitude and of chains.

"Magna Charta is in its essence the embodiment of 'unalienable rights,' temporarily denied by a Norman conqueror and restored perforce by his reluctant and degenerate son.

"Perfected by experience, developed by civilization and by culture, these rights assumed a more definite and concrete form.

"Our Anglo-Saxon ancestors," says Chief Justice Taft, "hammered out their civil liberty by securing from their would-be royal oppressors not general declarations of principles of freedom, like a French constitution, but distinct and definite promises that certain rules, not of substantive but of adjective law, should obtain. * * * Run through the Magna Charta of 1215, the Petition of Right of 1625, the Bill of Rights of 1688, the great charters of English liberty, and you find in them an insistence not on general principles but upon procedure.

"In the maintenance of these 'inestimable privileges,' hoary with the prescription of centuries, the colonists went from reform to rebellion and from rebellion to victory. Even at this hour we are lost in wonder and in admiration at the valor, the moderation, and the wisdom of that band of heroes and of sages who at a nation's birth pledged it eternally to the inviolate preservation of these ancient, these 'unalienable rights' sacred as life itself, and, like life, they come not from governments but from God.

"Well might the great Chatham exclaim—

"I have read Thucydides and have studied and admired the master States of the world—for solidity of reason, force of sagacity, and wisdom of conclusion under a complication of difficult circumstances, no nation or body of men can stand in preference to the General Congress at Philadelphia.

"The very apostles of human liberty, profoundly learned in the history and character of all the despotisms of the past, their sagacious vision penetrating mere forms, dissected the very essence of government and exposed all the hidden arts by which avarice, ambition, or bigotry had ever deluded or enslaved mankind.

"In framing the Constitution they incorporated into the organic law all those 'checks and balances' which experience had shown were best calculated to prevent the unwarranted extension or abuse of Federal power and, above all, imperative and categorical inhibitions against the exercise of any authority by which a government in any form, State of Federal, might exercise an authority inimical to the 'unalienable rights' mentioned in the great Declaration.

"They reaffirmed the seasoned guaranties of the great English charters against every abridgment of the freedom of conscience, of speech, or of the press, against unlawful arrest, the imposition of excessive fines, or the infliction of cruel or unusual punishments. The person, papers, houses, and effects of the citizen were forever immune from unlawful searches and seizures. There was to be no denial of the writ of habeas corpus or the right of trial by jury. Local self-government was effectively preserved by vesting in the Federal Government only specifically delegated powers and by the further and sweeping assertion—

"The enumeration in the Constitution of certain rights shall not be construed to deny or disparage others retained by the people.

"And—

"The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively or to the people.

"The Constitution was a compend of the wisdom and the ripened fruit of the experience of 2,000 years of Saxon civilization.

"It is ours to proudly boast and justly maintain that the fathers of democracy were the authors and signers of the Declaration of Independence and the framers of the Constitution of the United States.

"The fundamental principles of freedom and the tenets of democracy form the woof and warp of our personal liberty and our national independence.

"The stability of our institutions, our national puissance, our territorial expansion, our amazing growth in wealth and population, and, above all, our long and unalloyed enjoyment of personal independence and domestic felicity, all are due to the fact that the administration of the law for more than half a century after the adoption of the Constitution was in the wise and strong hands of those who had fashioned that instrument, or of their successors who professed their political faith and emulated their illustrious example.

"From the inauguration of Thomas Jefferson to the Civil War, the Democratic Party lost but three elections, and no two

in succession; and from the adoption of the Constitution to the inauguration of the first Republican President, a period of over 70 years, there was but one attempt on the part of the Federal Government to invade the reserved rights of the citizen or the sovereignty of a State. This attempt by the authors of the alien and sedition laws to abridge the freedom of speech and of the press by conferring Federal jurisdiction over alleged seditious libels brought an instant anathema from the Sage of Monticello and from the alert and indignant democracy of the Nation.

"For—

"Says Jefferson—

"the Constitution of the United States, having delegated to Congress a power to punish treason, counterfeiting the securities and current coin of the United States, piracies, and felonies committed on the high seas, and offenses committed against the law of nations, and no other crimes whatsoever; * * * therefore the act of Congress passed on the 14th day of July, 1798 (the alien and sedition act), all other acts (which assume to create, define, or punish crimes, other than those so enumerated in the Constitution) are altogether void and of no force; and that the power to create, define, and punish such other crimes is reserved, and of right appertains solely and exclusively to the respective States, each within its own territory."

"The Republican Party, born in the throes of sectional hate and fratricidal strife, poisoned in its vitals by the virus of federalism, has, during all the years of its evil existence, never ceased to advance with steady and stealthy tread 'over the whole field of jurisdiction.' At this hour we are faced with a bald proposal to abandon all the sage precepts and principles of the fathers.

"For when you make a centralized government and not the citizen the source and repository of all power, you will not have amended, you will have abolished, the Constitution of the United States. You will have inverted the whole system upon which for a thousand years the structure of Anglo-Saxon liberty has rested.

"This disreputable political organization is at present torn by a number of warring factions, and of them all the so-called 'progressive' is the most ingenious inventor of new ways and means of invading the vested rights of the States and the liberties of the citizen; like a legislative ghoul, exhuming the dead and buried despotisms of the past, unmindful of the wise aphorism of Edmund Burke that 'all innovation is not progress.'

"The great trouble with these vociferous 'progressives' is that they are forever moving in the wrong direction. Their energy and ingenuity is in the main confined to the discovery of some new method by which a centralized and omnipotent power may extend its inquisitorial and ubiquitous authority over distant Commonwealths and remote communities and into every nook and corner of the moral, political, and industrial life of the citizen.

"From the crushing weight and the inordinate expense of this abominable system of endless and irresistible Federal interference there is no escape. Great States are to be stripped of all actual control over their penal, eleemosynary, and educational institutions. The citizen is to be left helpless and exposed to the prying interference and vexatious intermeddling of the delator and the spy, even in his most intimate and domestic relations.

"Weddings are to be supervised by a hygienic expert and marital rights determined by some eugenic fool.

"Babies are to be born by Federal aid and suckled under Federal supervision.

"You can not milk a cow without a Federal inspector at your heels. The factory, the mill, the counting-house, the office, and the home literally swarm with a horde of petty and pestiferous representatives of this paternalistic régime.

"Senator Foraker in 1907 bemoaned the multiplication of useless offices and officers in his degenerate day, declaring that—

"The little band of 167 special deputies, agents, and inspectors on the pay rolls of the Government 10 years ago has been swelled to an army of more than 3,000.

"Three thousand agents and inspectors! There are over 30,000 now.

"In an address recently delivered in this city, ex-Governor Haskell, of Oklahoma, indignantly declares:

"Less than a quarter of a century ago, in the greater enjoyment of individual rights and local self-government, our Federal authorities found it necessary to have upon the pay roll of the Federal Government fewer than 200 sleuths and special agents and inspectors to aid in the enforcement of Federal laws. Will anyone defend the policy of the Federal Government which to-day employs more than 42,000 inspectors, sleuths, and inquisitorial agents to dog the footsteps of him who should be, in the exercise of his constitutional rights, enjoying the hitherto dignity and freedom of an honest American citizen?

"From this depressing and sickening scene turn back with me to the dignity, the independence, the peace, happiness, and prosperity which for more than half a century marked the wise and just administration of national affairs by Presidents and parties reverent of the Constitution and obedient to its wise and manifest limitations.

"At home—

"Said Jefferson in his second inaugural—

"fellow citizens, you best know whether we have done well or ill. The suppression of unnecessary offices or useless establishments and expenses enables us to discontinue our internal taxes. These, covering our land with officers and opening our doors to their intrusions, had already begun that process of domiciliary vexation which, once entered, is scarcely to be restrained, reaching successively every article of produce and property. * * * It may be the pleasure and pride of an American to ask what farmer, what mechanic, what laborer ever sees a taxgatherer of the United States?

"The Federal Government was administered from the beginning of Jefferson's to the end of Buchanan's administration—a period of 60 years—for less than a billion dollars. That will not meet the expenses of special commissions incurred during a single year of the present administration.

"During the last 10 years the appalling cost of a hundred different commissions, boards, and bureaus, employing an innumerable army of deputies, inspectors, supervisors, spies, and political parasites, has actually exceeded by 400 per cent the total cost of the Federal Government for the first half century of its existence.

"This insatiate lust for inquisitorial power daily begets new boards and bureaus. The appetite for attending to other peoples' business grows by what it feeds on, and their devastating cost increases by leaps and bounds. We are told that this insufferable burden of taxation is the result of the war. A casual analysis of the receipts and expenditures of the Government explodes this groundless contention.

"For the fiscal year ending June 30, 1922, the amount appropriated for governmental purposes, not including the cost of the War and Navy Departments, pensions, Veterans' Bureau, or reduction of the national debt, is $1,115,517,366, an increase of 500 per cent over 1916 and within a few hundred thousand dollars of the total cost of maintaining the Federal Government from the inauguration of George Washington to the advent of the Republican Party.

"There is no limit upon Federal power and no bottom to the Federal Treasury, and, acting upon the preposterous assumption that national wealth can be multiplied by Federal taxation, Washington has become the Mecca alike of the visionary and the necessitous, each hour furnishing some new legislative nostrum or some new means of harrassing or plundering an outraged public. They glory not in the character but the amazing amount of grist turned out by the legislative mill.

"Mr. MONDELL, the leader of the majority in the House, has just blandly assured us that—

"This Congress has up to this time placed upon the statute books 398 separate laws, of which 311 are public and 87 are private, including claims. This is at the rate of 1¼ laws per legislative day for the entire session.

"And the worst is yet to come, for, notwithstanding this furious and indiscriminating grind, bills are now pending in the Federal Congress to regulate, supervise, censor, or control the public press, public utilities, the sale of securities, the mining of coal and minerals, and the weaving of cloth; horse racing, football, baseball, moving pictures, Sunday amusements, everything in fact from the birth of the baby to the burial of the corpse, and from the operation of a railroad to the setting of a hen.

"Under the terms of a bill proposing to regulate horse racing by censoring the mails and the press a lad at college writing to his mother and stating the odds on a football game is liable to a fine of $5,000 or imprisonment in the penitentiary for five years.

"Under the terms of Senate bill No. 23—

"any person who shall teach, incite, propose, aid, abet, encourage, or advise the unlawful injury or destruction of private or public property, etc., shall be guilty of a felony and shall be punished by imprisonment not exceeding 40 years or by fine not exceeding $50,000, or by both such fine and imprisonment.

"One act provides for the payment out of the Federal Treasury for all wheat, shell corn, or raw cotton or raw wool produced in the United States, and another supported by 1,425,295 alleged petitioners has just been read into the CONGRESSIONAL RECORD which imposes a fine of $10,000 and long terms of imprisonment upon any person or corporation running a freight or mail train, opening a post office, or publishing a daily newspaper on the Sabbath Day.

"There is still another bill proposed but not yet introduced boasting the approval of 91,000,000 supporters which denies the right to hold any National, State, or municipal office, either elective or appointive, to vote, own bonds, stocks, securities, mortgages, etc., or to hold any meeting or meetings, service or services whatsoever, other than by persons acknowl-

edging and proclaiming the doctrine of the Trinity and the divinity of Jesus Christ.

"There is not at this hour left a single 'inestimable privilege,' one 'unalienable right,' mentioned in the Declaration of Independence and secured by the Constitution of the United States which is not openly invaded or secretly undermined by some paternalistic project or socialistic propaganda.

"In the enforcement of this insane and pernicious saturnalia of socialistic legislation, the honest toilers of America are being literally devoured by a veritable army of hungry political parasites.

"Even the Dearborn Independent is appalled by the number of pensioners upon Federal bounty.

"Not more than 30,000,000 persons"—

"Says this paper—

"are actually engaged in producing and distributing goods, clothing, and other necessities of life. Every two actual producers now maintain, in addition to dependents and other nonproducers who draw from production, the equivalent of one individual that is maintained by Government expenditure of some sort. Do you know, furthermore, that 10 per cent of the national earnings now go for governmental operation, etc.?"

"In short and in fine, we have come to the parting of the ways. The Old Guard, impotent and discredited, is left to the mercy of the Nonpartisan League and a triumphant socialistic organization masquerading under the emblem of the Bull Moose.

"Is the spirit of democracy dead in America? Is constitutional government to be despised and forgotten? Shall the followers of Jefferson and Jackson and Tilden sit idly by or tamely and silently submit to the clamorous and turbulent determination by an organized mob of the right to review the decisions of courts and to supervise and to determine the most intimate relations of our social and domestic life? Shall every constitutional restraint and every constitutional limitation be removed at the whim of omnipotent numbers maddened by the blatant appeals of blind fanatics and flannel-mouthed demagogues? Then, have we passed from democracy to mobocracy, from a government by laws and courts and Congresses to a government by hysteria and a government by emotion, from order to chaos?

"There is no better place than here, no better time than now, to sound a trumpet call to the spirit of a once undefiled and invincible democracy, to rally to the preservation of the Constitution and the salvation of the country on this, freedom's holy Sabbath Day, on the 4th of July, and amidst the unterrified braves of Tammany Hall."

RAIL CONDITIONS AT WINSLOW, ARIZ.

Mr. ASHURST. Mr. President, I have just received a telegram from officers of the Confederated Crafts, of Winslow, Ariz., which I desire to read in order that it may appear in the RECORD:

WINSLOW, ARIZ., *July 4, 1922.*

Hon. HENRY F. ASHURST,
United States Senator from Arizona, Washington, D. C.:

As officers of the Federated Crafts of Winslow, Ariz., on the Santa Fe Railroad, sincerely believe that the time has arrived when you as a representative of the people of the State of Arizona should be informed of the existing condition of motive power at this point used in the handling of interstate commerce is in such condition as to jeopardize the lives of the employees as well as the traveling public, and it is our earnest request that this be placed before the Interstate Commerce Commission and brought to the attention of Congress.

D. E. MORRY.
A. O. DANIELS.
A. O. HURT.
C. E. MEABLES.
W. H. MYCKOFF.
J. H. HUGHES.

I move that the telegram be referred to the Committee on Interstate Commerce.

The motion was agreed to.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. ASHURST. Mr. President, in accordance with the cloture rule proposed to be invoked, I now send to the desk certain proposed amendments to the pending tariff bill, and in accordance with the rule ask that they be read. I must have them read in order to comply with the rule.

Mr. KING. Mr. President, I hope we may dispense with the requirement of the rule, because——

Mr. ASHURST. It will be remembered that I called attention yesterday to the fact that in view of the cloture movement, which motion I think is most unfortunate and to be deplored, every Senator is driven to the necessity of preparing and offering and having read all amendments which he proposes to submit to the bill, and these amendments must be read before 12 o'clock to-morrow. The amendments which I now offer are vital.

Mr. KING. I have something like a thousand amendments to offer to the chemical schedule.

Mr. ASHURST. Then the Senator should prepare his amendments and have them read before 12 o'clock to-morrow, unless he is certain the cloture motion will fail. I ask that the amendments which I have sent to the desk may be read before any further discussion is had.

The VICE PRESIDENT. The amendments will be read.

The reading clerk proceeded to read Mr. ASHURST's proposed amendments.

Mr. HARRISON. Mr. President, I ask unanimous consent that the amendments may be considered as having been read.

Mr. ASHURST. I know that it is a friendly move the Senator is making, but I ask to have the amendments read.

The VICE PRESIDENT. The Chair understands that there is objection to the request of the Senator from Mississippi.

Mr. ASHURST. I do not want my constituents to be deprived of the right to have these amendments presented and voted upon. I am not going to be guilty of any default or remissness. I ask that the amendments may be read, as the rule requires.

The VICE PRESIDENT. The reading will be resumed.

The reading clerk resumed and concluded the reading of Mr. ASHURST's amendments, which are as follows:

On page 113, line 16, after the word "state" and the comma, insert the following: "one-fourth of."

On page 213, line 17, after the word "matter" on said line 17, strike out the period and insert the following: "20 per cent ad valorem."

On page 113, line 16, after the word "state" and the comma, insert the following: "one-half of."

On page 120, line 19, strike out the numeral "7" and insert in lieu thereof the numeral "10," so that the paragraph as amended shall read as follows:

"PAR. 900. Cotton having a staple of 1⅛ inches or more in length, 10 cents per pound."

On page 120, line 19, strike out the numeral "7" and insert in lieu thereof the numeral "12," so that the paragraph as amended shall read as follows:

"PAR. 900. Cotton having a staple of 1⅛ inches or more in length, 12 cents per pound."

The VICE PRESIDENT. The amendments will lie on the table and be printed.

Mr. JONES of Washington. Mr. President, on yesterday I asked to have inserted in the RECORD a statement and petition with reference to the facilities at Ketchikan and the accompanying guaranty. The petition and statement were printed, but the names were omitted from the RECORD. I intended to have the names inserted in the RECORD, because of the character of the document. I ask now that the names may be inserted in the permanent RECORD, following the body of the petition.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. HARRISON. Mr. President, to-morrow under the rules of the Senate we are to vote on the question of cloture, which, if adopted, will limit debate to one hour for each Senator and restrict the further offering of amendments. I am a little surprised that some Senators on the other side of the Chamber should take this step, especially in view of their past convictions touching cloture and the votes they have cast heretofore when the rules of the Senate were attempted to be amended. I desire to bring to the attention of the Senate certain speeches, and more especially do I call them to the attention of certain Senators who uttered the speeches at the time previously when cloture was attempted in this body. They are very interesting.

The Senator from Massachusetts [Mr. LODGE] on yesterday followed his usual course of practicing parliamentary "jiu jitsu" by changing his past performances touching cloture. He is keeping up his stride of changing his position upon every question that comes before the Senate. I read from a speech which the Senator from Massachusetts made—and I am sorry that he is not now in the Chamber—in June, 1918, touching on cloture. The Senator from Massachusetts then said:

I now come to the bill which I believe is proposed as the official cause of this rule, and I think it is worth examining—

That happened to be at that time a revenue bill, the same as the pending bill—

That is the revenue bill. A bill for raising revenue, which includes, of course, tariffs as well as taxation, as far as my experience goes, and I think I have been taking part in framing something like seven or eight, always takes a longer time, both in the House and in the Senate. It is inevitable that it should. It is composed of a multiplicity of items, and whether it is to raise revenue by duties on imports or by taxation, it affects all the business of the country, and every business has a right to protest if it thinks that it is discriminated against or unfairly affected.

This revenue bill differed in no respect from others. It took a long time to get it through both Houses and turn it into law. As we are told that this is needed in order to shorten debate, especially on that bill, I want to analyze the time occupied in that bill.

It was taken up by the subcommittee of the House, as nearly as I can get the exact date, on the 15th of last April. It was taken up by the full committee on May 1. It was reported to the House on May 9. It was 24 days in the House committee. It was 14 days in the House. It then came over to the Senate on the 23d day of May. It was 74 days in the Senate committee. I can testify as a member of that committee that no time was lost, and no committee within my knowledge ever did harder or more incessant work than they did on that bill.

The House had had no hearings, and the result was that everything was pressed upon the Senate committee.

That is not different from this bill except as to the length of time that the Senate committee considered this tariff bill, which was much longer than the committee considered that revenue bill.

The Senate committee had the great pleasure and privilege of having all its colleagues here in session at the same time, and almost all of them felt that they ought to be heard. That, of course, was something the committee could not refuse. They brought, as they had a right to do, their constituents before the committee, and by the hardest possible work—and that includes the time when the bill was recommitted—74 days were taken by that committee.

* * * * * * *

After 74 days in the committee the bill came to the Senate and was 35 days before the Senate—more than a month. That seems a long period of debate. I had charge once here of a bill which was the organic act of the Philippines. It was seven weeks before the Senate. It was a very important measure, but I was in charge of the bill, and I thought it took a long time. People in charge of a bill usually do. It was before the Senate for 35 days. It was 31 days in conference. In debate in the two Houses on that bill 49 days were occupied, and in conference and in committee 129 days were occupied. Is it any wonder I say this is utterly needless?

This is not the place where the delays come. I look at this history of appropriation bills on the back of the calendar. The legislative, executive, and judicial bill was reported to the Senate on the 9th of April last. It was not taken up for several days, because my memory is that it passed in two or three hours one morning. At all events, it went out of the Senate on April 16 and went into conference April 19. Where is it? It has stopped where? Has the delay on that bill occurred in this body? I am not blaming the conferees of either House. I am showing the utter needlessness of this rule.

The Senator from Massachusetts further said:

My objection to it, however, is an objection of principle. I do not like to see this attempt to break down the freedom of debate in the Senate, which, whatever its defects may be at certain moments, in the main is, I think, extremely important to the country, and which certainly since the beginning of the war, as I have demonstrated by the time spent in debate, has produced no harm whatever and been no cause of delay. I relieve the majority of responsibility, because I can not see that they have the slightest gain to make by it; and I have not observed any greater reluctance to take time on the other side of the Chamber than on this.

Now I desire to read from another distinguished leader of the Republican Party. He is to-day the President of the United States. He spoke against cloture in this body when he was a Senator. He voted against the rule which sought to limit general debate to one hour and a half, but which permitted 20 minutes debate on every amendment that might be offered. The present President of the United States, at that time a Senator, thought that that was too much restriction on debate; that it defeated freedom of expression in this body; that it destroyed the cherished principles of the United States Senate. Here is what he said, in part:

You can not expect the Senate to limit its debate by an arbitrary rule.

* * * * * * *

But the reformation of the Senate has long been a fad. I came here myself under the impression that there ought to be cloture and limitations on debate; and the longer I sit in this body, the more convinced do I become that the freedom of debate in the United States Senate is one of the highest guaranties we have of our American institutions.

I have a speech here from the junior Senator from Minnesota [Mr. KELLOGG], one of the crusaders in the cause of cloture—one of the real apostles of the present day for restricting debate and limiting freedom of speech and action in the Senate. I have here a speech of the senior Senator from Michigan [Mr. TOWNSEND], who is another one of the leaders on the other side of the Chamber who would strangle debate in the Senate. I shall not quote from these speeches, but merely call the attention of the Senate to them. I have here also a speech from the distinguished junior Senator from Maine [Mr. HALE]. I wish I had the time to read it as well as these others to the Senate, but I shall not trespass too much upon the Senate's time. The Senator from Maine [Mr. HALE] is employing much of his energy these days in trying to strangle the United States Senate and to restrict freedom of debate here.

I see the benign countenance of my friend from Indiana [Mr. WATSON] over there. He is strong for this cloture rule. He is an adroit politician; he is as smart as they make them. He knows that the pending bill will not stand the attacks from this side of the Chamber. He wants to restrict debate, to forestall these assaults, to put through something here so that the people will never know the infamous character of some of the provisions of this bill. He knows that when the sugar schedule is reached we, on this side of the Chamber, are going to expose the deal that was attempted to be put over by a distinguished member of the Finance Committee, the senior Senator from Utah [Mr. SMOOT], by writing a letter to General Crowder, a representative of this Government to Cuba, and trying to induce Cuba to enter into a contract to restrict the production of sugar in Cuba to two and one-half million tons annually.

The Senator from Indiana knows that all that will be exposed. One of the conditions of the proposed contract was that if the Cubans should restrict their crop of sugar, the tariff on sugar would not be so high in this bill. The Senator from Indiana desires to keep that from the American people, and the adoption of this cloture rule will so limit debate that we on this side of the Chamber, who propose to discuss that matter, would not have time even to have read the letter written by the senior Senator from Utah to General Crowder or the contract which was attempted to be negotiated. The Senator from Indiana knows that if cloture is adopted the infamous schedule on wool which will place a tax anywhere from two hundred million to three hundred and fifty million dollars upon the American people can not be fully discussed. He knows that the provisions of this bill touching the powers granted to the President to raise and lower tariff duties can not be debated in the time which will be permitted for debate under the rule.

Mr. CARAWAY. Mr. President, will the Senator allow me to interrupt him?

Mr. HARRISON. I will yield in a moment.

The Senator from Indiana knows that those provisions touching the tax on leather and hides and shoes and boots, which will increase the cost of shoes to the little children and the men and women of the country, can not be discussed within the hour allotted to Senators under the rule. Now I yield to the Senator from Arkansas.

Mr. CARAWAY. Mr. President, as the Senator is referring to the Senator from Indiana, I wish to suggest to the Senator from Mississippi that the Senator from Indiana did not expect this cloture rule to be adopted, because the Senator from Indiana knows when this bill shall have passed the Senate it must go to conference, and the Senator from Indiana voted to permit the House of Representatives to adjourn subject to reconvening on the 15th day of August.

Mr. HARRISON. Yes.

Mr. CARAWAY. He knew that the bill was not to be passed before that time, else he would not have voted to permit the House to adjourn until the middle of August, so that the tariff bill could not be sent to conference if it were passed to-day.

Mr. HARRISON. The Senator is eminently correct. The whole procedure is a piece of sham and deception, pure and unadulterated hypocrisy. Here is what the Senator from Indiana said when he was opposed to a cloture that permitted an hour and a half of general debate and 20 minutes discussion on every amendment, without any restriction on the presentation of amendments. He grew eloquent, as he always does, and said:

Mr. President, the Senator from Alabama said before taking his seat that the greatest speeches that have been made in the Senate of the United States in the past have been comparatively short ones. That is true as to some of them, but I call the attention of my honorable friend to the fact that if this rule had been in force in the Continental Congress—

He harked away back to history—

many of the great historical utterances that laid broad and deep the enduring foundations of the Republic and pointed the inevitable pathway of the future would have been but partially delivered.

The Senator from Indiana delivered a splendid speech. It was all right, unless the printer got it wrong.

I quote further from the remarks of the Senator from Indiana on the occasion referred to:

If this had been the rule of the United States Senate after the adoption of the Constitution and the formation of the Union, many of the great orations that challenged the attention of mankind and fashioned the policy of the Republic would have been but partially delivered. If this had been the rule of the United States Senate for the first 50 years of its existence, John C. Calhoun would not have been able to thunder forth the doctrines in which he believed; Hayne could not have announced on the floor the ideas which he so eloquently espoused.

How beautiful!

Henry Clay would have been unable to deliver in full any one of the score of speeches that accomplished so much for his country; and Daniel Webster, imperious orator of American history, could not have blazed the pathway of the future in that historic utterance in which he announced the essential policies of the Republic if its institutions ar

to endure, for on the floor of the United States Senate and in the open forum of debate he in a sense shaped the destiny of the Republic and molded the future of the Nation.

Then Senator Gallinger, of New Hampshire, interrupted to say that Webster spoke for eight hours, and the adroit and smart and eloquent Senator from Indiana said:

And eight hours, the Senator from New Hampshire informs me, he spent in delivering that masterful oration.

If this had been the rule of the United States Senate before and during the Civil War Charles Sumner could not have sounded forth his great philippic against the barbarism of slavery, nor could any one of the masterful orators or statesmen who then occupied seats in this Chamber have voiced the sentiments of the sons of freedom that inspired the mighty North to action and led great armies to the fields of strife, for the principles of the perpetuity of the Union and the freedom of the slave were fought out upon the floor of the Senate before they were fought out upon the crimson fields of battle.

Further on in the same speech the Senator from Indiana said——

Mr. FERNALD. Read it all; it is good reading.

Mr. HARRISON. It is fine reading, and yet Senators on the other side will vote contrary to the admonition contained in the eloquent speech of the Senator from Indiana.

Why, Senators, we are not children; we are men. We are not playing with castles of cards; we are dealing with fundamental problems. We are not engaged in some sport in which a man is limited to a certain number of strikes; we are Senators, chosen because of supposed ability, fitness, and character to measure up to the great demands of statesmanship, to grapple with the eternal verities that underlie all progress and all enduring government, and why should it be thought that we must place a limitation upon ourselves else we shall trample upon the rights of the people by too great speech? The whole thing is to me the very height of the preposterous.

The Senator was friendly then with Senator Harding, just as he is friendly now with President Harding. They worked hand in hand and they will go down to destruction together—I mean politically.

The then Senator from Ohio, Mr. Harding, interjected, and the Senator from Indiana said:

I yield to the Senator from Ohio.

Mr. Harding said:

I want to call the attention of the Senator from Indiana to the fact that we completely changed the policy of the last tax law, due to the convictions that were evolved through the debate.

Oh, how true with regard to present-day conditions! How this bill has been changed from the time it was presented to the Senate in its original form! The Senator from Indiana the other day said that the Senate Committee on Finance had proposed 87 amendments, I believe, or 95 amendments, reducing the rates in the bill from its original form. So Mr. Harding must have been a prophet as well as stating facts at that time. He knew that this condition would probably come about in the future.

The Senator from Indiana said, in answer to that—

I thank the Senator for the suggestion. It is very appropriate and timely, because it is true that from the time the debate began on the last tax law until it was completed in this body the policy of that law was changed, and, I believe, changed to the good and changed in the interest of the people of the United States. I thank the Senator for his suggestion.

Yesterday when the Senator from Alabama [Mr. UNDERWOOD] was talking the Senator from Minnesota [Mr. KELLOGG] called attention to the fact that it took but seven weeks to pass through the Senate the Underwood-Simmons tariff law, and that already we have talked on this bill some seven or eight weeks, I do not know which. The Senator overlooked the fact that that was a good bill; that that was a bill in the interest of the people. There were provisions in it that the Republicans could not attack, and some of them voted for them. Even the Senator from Washington [Mr. POINDEXTER] in those days was termed a Bull Mooser, and he not only voted for the provisions of the bill but he voted for its final passage; and yet all through the consideration of this bill the rates have never been high enough for him. He has throughout the consideration of this measure voted with the reactionary element.

I do not know what it is that you gentlemen apply to these former Progressives and Bull Moosers that makes them become so reactionary, but you certainly have got something. My friend from Illinois [Mr. MCCORMICK] never called himself a Bull Mooser, but he had the horns and all the other characteristics of a Bull Mooser; but as soon as he gets here and comes under the hypnotic influence of the Old Guard he and the others soon become reactionary and forget their former promises.

I proceed further. Other Senators who are now in the Senate spoke at that time against cloture—one of them a great leader on the other side. I refer to the Senator from Utah [Mr. SMOOT]. He spoke against it. He said:

The passage of this resolution means that running debate will be closed in the future, and I say now that there has been more information given to Senators, actual information, information that affected the votes of Senators, more real information gained in a running debate where questions are freely asked than there is in all the set speeches that were ever made in this body.

Then the Senator who now offers this cloture made a speech, the distinguished Senator from North Dakota [Mr. MCCUMBER], who is in charge of this bill. He spoke. He now offers the cloture, although he voted against the cloture that limited general debate to one hour and a half and 20 minutes on each amendment, without restriction with regard to the presentation of amendments. He spoke against that kind of cloture, but on the bill that he fathered, of which he was the author in part, he now says to the Senate, through the presentation of this cloture, "You must not discuss it in all, with all the Senate committee amendments, with all its provisions, over an hour; and you shall not be permitted, after one hour following the convening of the Senate to-morrow, to present a single amendment to any part of my bill." Here is what he said then:

So I can see no good reason in the world for attempting to stifle the voice of Senators upon the many subjects that may be brought before us.

* * * * * * *

Mr. President, I am against this resolution for another reason. All of the arguments that have been made by the proponents of the resolution, all of the arguments that have been made in favor of it by others have not enlightened us as to why the resolution should be brought before us now. On the contrary, Senators have stated again and again that it is not necessary. The Senator from Alabama declared that the Senate had not abused the privilege of discussion since this war began; he declared that there was no danger that the Senate would abuse the privilege of unlimited debate during this war. Mr. President, if Senators have not done so, and if they will not do so, then, in the name of heaven, give us one solitary, honest reason why it is necessary to shackle Senators in their discussion of any subject before the Senate of the United States? And why will they not abuse the right of debate? Because there is not a Senator in this Chamber, there is not a Member of this body who is not patriotic; and any Senator of the United States who would obstruct, by longer discussion than would be necessary, a bill that would affect our war progress would be a traitor to his country; he would be guilty of an act of treason; and he should be and would be immediately expelled by the patriotic Members of the Senate body. Then, why bring in this resolution now?

He said:

I know there has been some criticism on the part of the press about Congress delaying legislation, but every Senator knows it is not true. We know that we have not delayed legislation in any respect whatever. Then, why this resolution? It is a reflection upon the honesty, the patriotism, the ability of the individual Senators of the United States.

Those were the utterances only a few years ago of the men who now attempt to stifle debate in this body; and the only reason that can be advanced for their change of front is that your bill is so bad, so odious, so indefensible that you are afraid of full and legitimate discussion of it. You cringe under the assaults that are made on it. You tremble under an honest analysis of its provisions—the poor, bleeding, wounded, lacerated thing. The attacks upon it have been so many and so constant that it groans with pain and pleads for treatment. Its temperature is high. Its respiration low. Its system is all run down, and never in all history did a thing need to be operated on or treatment applied more than in this instance. And yet you deny us, through the application of this proposed cloture, to administer to this now fatherless and deserted and orphan child.

Now, does the Senator want to ask me a question?

Mr. MCCORMICK. Although the Senator is lost in the maze of the metaphors of the Senator from Mississippi——

Mr. HARRISON. The Senator does not seem to be lost.

Mr. MCCORMICK. He would suggest that if the bill be breathless, that is not true of the Senators on the other side of the aisle.

Mr. HARRISON. No; and they will not be breathless from now on until November.

Mr. MCCORMICK. Until after election.

Mr. HARRISON. Oh, until after election? We will keep you breathless until after election, and there will not be any part of you left, politically, after the election. It is a godsend for himself that the Senator does not come up in Illinois this year.

Mr. President, speaking dispassionately, I want to appeal to the common sense and fairness and justice of Senators on the other side. You know that when this rule is adopted to-morrow, if it should be, your Finance Committee, that have met daily, as the Senator from Indiana and the Senator from North Dakota says, looking over these paragraphs, constantly making changes, offering modifications to the various provisions upon the floor, will be estopped in the future, except by unanimous consent, from offering those amendments. I submit that it is not fair to the American people. If your bill is odious, as it is—it has met the lashes and the criticisms and the condemnation of the Republican and independent press throughout the

country—if it is bad, do you think that is going to help you with that press? No. When you tie up this situation with a cloture that will prevent you, except by unanimous consent, from modifying its obnoxious and iniquitous provisions, you will roil that press still more, and you will cause more condemnation to be showered upon your heads, not only by the press but Americans everywhere, whether Republicans or what not.

Mr. KELLOGG. Mr. President, will the Senator give me the date of the speech I made on the cloture?

Mr. HARRISON. The Senator was speaking at that time against the resolution offered by the Senator from Alabama [Mr. UNDERWOOD] on either June 12 or June 13, 1918, and in opposition to the amendment offered by the Senator from Idaho [Mr. BORAH].

Mr. KELLOGG. Mr. President, I have not looked at the speech, but my recollection is that I voted for the present two-thirds cloture rule, which was brought in by the Democratic leader, and adopted, I believe, some time in 1918. It is true that the Senator from Alabama [Mr. UNDERWOOD] at some time desired to procure a majority cloture; but a two-thirds cloture rule was finally adopted, and I am sure the Senator will find that I voted for it. I remember that after months of debate I voted for and advocated cloture on the Versailles treaty.

Mr. HARRISON. Mr. President, if the Senator will permit, if he will look on page 7728 of the CONGRESSIONAL RECORD of June 13, 1918, he will see that he is recorded in the negative on the resolution proposed to limit general debate to one hour and a half and to limit debate on each amendment to 20 minutes.

Mr. KELLOGG. I am speaking about the cloture rule now in existence. I am sure I voted for that rule. But whether I did or not, I came to the Senate as a member of a minority party, and I had some high ideals about the duties of Senators, and about this great legislative body, of which I had read, and to which I had looked up for many, many years. I had heard of the names of great Members of the Senate which adorn the pages of American history. But I have lost some of that enthusiasm, and many of those bright ideals have been dimmed in the last six years.

I presume I did believe at that time that a two-thirds cloture was all that was necessary, because during the time that I was a member of the minority party there was no filibustering. The minority party during that time loyally supported the President and the majority, and no sign of a filibuster was evidenced during that period. Since I have commenced speaking this morning I have been informed that there were only three votes in the Senate against the proposed Democratic cloture rule which has been invoked for a vote to-morrow. It is of Democratic origin. Democratic Senators should not complain that it is invoked after 10 weeks of debate. They originated the principle of the cloture rule, and now it is not at all surprising, in view of what has taken place, that they writhe under the prospect of voting against it and going to the country with a filibuster which has lasted for months.

I was saying that during the time I was a member of the minority party they loyally supported the President, and did not try to delay legislation by filibustering; but the filibuster started in the Senate the day President Harding called an extra session—over a year ago. There were delays and delays and delays on the tax bill, on the prohibition bill, on any number of other bills. Look at the RECORD. The tax bill alone was in the Senate for two and a half or three months, and the Democratic Senators occupied about double the time the Republicans did.

The four-power treaty was in the Senate last winter for debate nearly two months. Look at the RECORD and see who occupied the time. The leader on the Democratic side said last night that we now have before us a bill with 2,000 amendments and that each one should be debated. The Senator well knows that many of those amendments are merely technical, and many of them would apply to a single section, which would involve but one principle. The Senator well knows that Senators on the other side have occupied three, four, and five hours continuously talking about one amendment which anybody could discuss intelligently in 15 or 20 minutes. The Senator well knows that the ranking Democratic member on the Finance Committee has parceled out the defense—or the filibuster. The Senator from Massachusetts [Mr. WALSH] was selected to fight the agricultural schedule because the other Senators would not or dared not do it and wanted to vote for it. Another Senator would be selected for something else, three or four of them at a time, to keep the thing going while the others were resting up during the night sessions. You can not make this country believe that those debates, day after day, day after day, on single amendments were not debates for the purposes of delay.

I am not in favor of cutting off reasonable debate. I am not in favor of denying to any Senator the opportunity to discuss any amendment and let the country know what the amendment is. I have discussed one.

The Senator from Alabama said yesterday that there had not been much debate except on the bill. There have been days and days and days spent in debate on every conceivable subject except the bill. I was looking over the RECORD the other day and counting up the speeches, and I found that one distinguished Senator, up to March 2, had made 18 speeches on the Federal Reserve Board, and I do not know how many he has made since March 2; I have not counted them. Can it be said that those were upon the subject before the Senate?

Mr. President, I have never seen such an exhibition of waste of time in any deliberative body, unlimited and useless argument on single items of a bill, as I have seen upon this, and every Senator knows that at the rate at which the debate has been going it would not be finished in three years.

I said at one time that this is the only great national legislative body in the world where business could be done only by unanimous consent, and where a Senator or a number of Senators could talk at any time on any subject, and at any length, and read any book, however irrelevant to the subject. No other such body exists. Senators, the American people are sizing up the Senate, and I want to say here that the opinion of the people is not flattering to this body. We are lowering the dignity of this great deliberative legislative body. Especially since the war, which swept nearly all the civilized world with a consuming flame, the demand upon the Congress for legislation has been so great, questions of such surpassing importance are coming up every day for solution, that we must choose whether we will do the business of the public or whether we will not. I say that a rule which allows 10, 15, 20, or 30 days' general debate on any bill, and then an hour on the bill and 15 or 20 minutes thereafter on any amendment, permits debate enough to bring out all the merits or demerits of the bill and acquaint the country with all the questions involved. That we ought to have. Some such rule as that I have proposed several times in the last two years. It may not pass now, but I shall continue to propose it, and I believe that it will pass. I believe that the Senate will determine some time that there must be a reasonable limitation upon debate, so that the majority may be able to do business. That is all I ask. That is all I think we should have.

It was said yesterday that it was unreasonable to ask for an agreement to fix a date for voting upon this bill. I would not ask to fix a date, but I do not think it is unreasonable to ask that some limitation be placed upon the debate, the length of time which a Senator may occupy in general discussion of the bill, and the length of time he may occupy on any amendment. I am sure that all Senators could, with 15 or 20 minutes debate upon an amendment, and a reasonable time upon the bill, elucidate every question which is necessary for the decision of this body, and which is necessary to go to the country.

I am not afraid of going to the country. I am perfectly willing to take responsibility for every vote I cast. I do not want to shut off reasonable debate; but there should be some limitation upon this endless, endless talk, which is evidently being engaged in for a purpose.

This bill has been before the Senate now for 10 or 11 weeks, with night sessions some 3 or 4 weeks, longer than any tariff bill has ever been before any legislative body in this country, so far as I can find out.

Mr. POMERENE. Mr. President, the Senator is generally fair, and will he not be fair in making the statement that this tariff bill has been longer before the Senate than any other tariff bill? Will the Senator not add to that that it was longer before the Finance Committee and longer before the Ways and Means Committee, and longer before a Republican House, than any other tariff bill in the history of the country?

Mr. KELLOGG. I think that is quite true; I think it was.

Mr. POMERENE. Then it would seem that while we on this side of the Chamber may be charged with certain responsibility for the delay, the Republicans on the other side of the Chamber are also chargeable with very much greater delay.

Mr. KELLOGG. Oh, no; I would not admit that. The Senator must remember that the time during the entire last session was taken up until Thanksgiving with the tax bill. The Senator must remember that about the time the tariff bill was ready to be reported treaties of very great importance to this country and to the world came before the Senate and occupied nearly two months' time. The tariff bill was re-

ported to the Senate on the 10th of April. The committee gave 10 days thereafter for the leaders on the other side to prepare for the debate. That was not unreasonable, of course. The debate started on the 20th of April and has lasted now for 10 or 11 weeks and only some 300 or 400 amendments have been adopted.

Mr. EDGE. Mr. President——

Mr. KELLOGG. I yield to the Senator from New Jersey.

Mr. EDGE. I think the Senate is not alone concerned with the time that has already been consumed but with the prospect that in the future it would seem there is no possible limit to the time to be consumed and when a vote may be taken.

Mr. KELLOGG. I am coming to that. The Underwood law was before the Senate only seven weeks and disposed of some 600 amendments, which the committee made, and of the bill itself. Here we have disposed of some 300 or 400 amendments alone in over 10 weeks, and at this rate it would take 50 or 60 weeks to dispose of the bill.

Mr. POMERENE. Mr. President——

Mr. KELLOGG. I yield to the Senator from Ohio.

Mr. POMERENE. I notice in this morning's paper that the Finance Committee on yesterday had agreed upon a good many amendments to the cotton schedule very greatly reducing the rates. I am very glad that they have awakened to the necessity of making some reductions in those rates. While the Senator from Minnesota is complaining about the time taken on this side of the Chamber, will he not tell us how many more changes the Republican members of the Finance Committee are going to recommend? Possibly we can tell something then about the length of time that will be required on this side of the Chamber.

Mr. WALSH of Massachusetts. May I say that 700 amendments have already been considered?

Mr. KELLOGG. I am informed by Senators who have been here during other tariff debates that in every instance the Finance Committee has reported many amendments while the tariff bills were under consideration in the Senate. I have not had much legislative experience myself.

But, Mr. President, I did not rise to discuss the merits of the bill. I hope the Finance Committee will make amendments where they think they should be made. I certainly shall not vote for amendments, wherever they shall originate, if in my opinion the rates proposed are too high. I have voted against a good many such already. I do not expect every Senator to agree with me.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. SHORTRIDGE in the chair). Does the Senator from Minnesota yield to the Senator from Massachusetts?

Mr. KELLOGG. I yield.

Mr. WALSH of Massachusetts. I understand that between 700 and 800 amendments have already been considered. The Senator states that he is willing to vote for a decrease in the rates when in his opinion the rates fixed by the committee are too high. How many times has he voted against committee amendments?

Mr. KELLOGG. Oh, I could not say. I have voted a good many times.

Mr. WALSH of Massachusetts. Has the Senator voted more than three times against committee amendments?

Mr. KELLOGG. Oh, yes; I have voted against committee amendments a good many times since the debate started.

Mr. WALSH of Massachusetts. The roll-call records do not show that Senators on the other side of the aisle have voted very frequently against committee amendments.

Mr. KELLOGG. Well, I think I have done so.

Mr. President, what I started out to say was purely on the question of the reasonableness of the debate that has been going on. I do not think the cloture would cut off reasonable debate. I think, with the general debate which has been had upon the entire bill, that if each Senator can discuss it an hour more, it is a reasonable time to discuss the bill and to bring out all those features and lay them before the country. I want to be fair. I hope the Senate some day will adopt a more reasonable rule that will, after a certain length of time, allowing each Senator full opportunity to debate the merits of the bill and each amendment, bring to a close that debate.

Mr. SPENCER. Mr. President, on the 16th day of May the junior Senator from Mississippi [Mr. HARRISON], in speaking of the delay upon the tariff bill, with great vehemence and earnestness declared that the fault was upon the Republican side of the Chamber and that the Democratic Senators were exceedingly anxious to vote on the tariff bill and to get through with it. He said on the 16th of May:

> Of course, we—
>
> That is, the Democratic side—
>
> understand that the plan of the majority is to allow consideration of the pending bill to occupy a long time in the Senate, to permit it to drag along for months and months, and then the bill will go to conference, and it will then stay in conference during and until after the election.

The Senator from Mississippi declared that such was the purpose and the plan and the intention of the Republican majority. Then he continued:

> I wish to say, however, that if this tariff bill must be passed and forced upon the American people, we want to see it gotten out of the way, and if the Senator from Utah and his colleagues on the other side of the Chamber will stop filibustering and unnecessarily delaying the bill, we will let them pass it and we shall get away from here, so that they will not be allowed to carry out their scheme of letting the bill die in conference while they extort from the large interests campaign contributions in order to elect the House of Representatives.

After the Senator from Mississippi had concluded, I asked then for unanimous consent that a vote should be taken upon the tariff bill on the 1st day of June, which was about two weeks in advance of the day upon which the Senator from Mississippi was speaking. Promptly there rose upon the Democratic side first the Senator from Georgia [Mr. WATSON] and then the colleague of the junior Senator from Mississippi [Mr. WILLIAMS], each objecting to any such unanimous consent for the fixing of a day upon which the bill shall be voted upon.

Since that time, Mr. President, in seven weeks of debate, we have passed upon about 200 out of 2,000 amendments. The total number of amendments already acted upon will not equal more than one-third or one-half of the total amendments to the bill. So far as progress is concerned, we have made no progress. There is no end in sight. We have already consumed about three months in the consideration of the bill, which came to the Senate on April 11, a longer time by far than was consumed with regard to the Underwood tariff law, which came to the Senate on July 11 and passed the Senate on September 9, 1913, or with regard to the Payne-Aldrich law, which preceded the Underwood law and which came to the Senate on April 19 and passed the Senate on July 8, 1909.

Mr. President, I hazard again the challenge to my friend from Mississippi that he join with me now in a request for a unanimous-consent agreement to vote upon the bill and upon all pending amendments and upon all amendments that may be offered on the 1st day of August next. I now suggest the absence of a quorum and shall renew my request for unanimous consent to fix a day upon which to vote on the pending tariff bill when a quorum is secured.

Mr. ROBINSON. Mr. President, I object. It will not be necessary for the Senator to suggest the absence of a quorum.

Mr. SPENCER. I withdraw the demand for a quorum call, because obviously the objection of the senior Senator from Arkansas [Mr. ROBINSON] prevents any such unanimous consent as I hoped to secure.

Mr. STERLING. I submit an amendment intended to be proposed by me to the pending bill, which I ask may be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

Mr. CARAWAY. Mr. President, among the names signed to the petition for cloture are those of Senators who have been absent so much that I doubt if the doorkeepers knew them when they returned.

The Senator from Minnesota [Mr. KELLOGG], to show how time ought not to be wasted, repeated one statement five different times in the lecture he read the Senate to-day.

The Senator from Minnesota [Mr. KELLOGG] discussed the bill once. The chairman of the committee, the Senator from North Dakota [Mr. MCCUMBER], then apologized when the Senator was through because he talked about matters not before the Senate. He said the Senator from Minnesota wanted to discuss the particular schedule because he was going away. He had come in, you know, and wanted to make a political speech and catch the next train out. As I said, the chairman of the Finance Committee apologized when the Senator from Minnesota was through with a speech which the Senator from Minnesota made out of order in discussing matters not before the Senate.

Mr. KELLOGG. Mr. President——

Mr. CARAWAY. I yield to the Senator from Minnesota.

Mr. KELLOGG. I discussed the agricultural schedule. Does the Senator say that was not before the Senate?

Mr. CARAWAY. The schedule before the Senate was the chemical schedule. I suppose the Senator did not know it, because I do not think he had been here often. He was only interested for political reasons in the agricultural schedule.

Mr. KELLOGG. That is an entirely gratuitous and insulting remark, and the Senator knows it.

Mr. CARAWAY. Was the Senator here for a week before he made his speech?

Mr. KELLOGG. The Senator knows I was here every day.

Mr. CARAWAY. Was the Senator here for a week or 10 days before he came in to make his speech?

Mr. KELLOGG. I was here.

Mr. CARAWAY. Did the Senator leave that day?

Mr. KELLOGG. I did not.

Mr. CARAWAY. When did the Senator go away?

Mr. KELLOGG. I was only away two days.

Mr. CARAWAY. I did not ask how long the Senator was away. When did the Senator go away—the next day?

Mr. KELLOGG. Two or three days afterwards. I was away two days and that was all.

Mr. CARAWAY. I am not complaining, because I do not think the country lost any great thing when the Senator was away.

Mr. KELLOGG. I made a speech on the agricultural schedule.

Mr. CARAWAY. I know what the Senator made his speech about, and I know that that schedule was not before the Senate at the time. Now the Senator complains about Senators talking and talking and talking. I know and the Senator knows, if he was here, which I doubt, that yesterday and the day before the time of the Senate was taken up largely in discussing nuts. I know of no better subject for the Senator to have stayed here and engaged in the discussion of, but he was not here, evidently. I know that for hours the time of the Senate was consumed in discussing that question, and yet the Senator says any question can be discussed intelligently and fully in 10 minutes. All of the discussion on the subject of nuts was by Senators on the other side of the Chamber. The junior Senator from California [Mr. SHORTRIDGE], who now so elegantly graces the chair, made several speeches, eloquent speeches, learned speeches, and his colleague, the senior Senator from California [Mr. JOHNSON] addressed the Senate many times on that subject. The Senator from Oregon [Mr. MCNARY] addressed the Senate on the same subject and many others discussed that subject intelligently.

Mr. KELLOGG. May I ask the Senator a question?

Mr. CARAWAY. Certainly.

Mr. KELLOGG. Was the Senator from California talking about the schedule that was before the Senate?

Mr. CARAWAY. Yes, sir; he was doing what the Senator from Minnesota did not do. He was talking about the matter before the Senate; but when the Senator from Minnesota talks it is about something else. That is what I am referring to.

Mr. KELLOGG. Did the Senator from Washington [Mr. JONES] talk about something that was not before the Senate?

Mr. CARAWAY. No. He did what an intelligent Senator usually does. He talked about fish when the subject of fish was before the Senate. The Senator from Minnesota when the chemical schedule was before the Senate talked about agriculture. That is what I am complaining about, that the Senator from Minnesota should read Senators a lecture about intelligently discussing schedules before the Senate when the only tariff speech I have heard him make was about a schedule weeks in advance of its being reached in the consideration of the bill.

Mr. KELLOGG. The agricultural schedule was reached within a few days.

Mr. CARAWAY. Oh, if the Senator will look at the date of his speech, which he has evidently forgotten, and the date when we reached the agricultural schedule he will find that he is no more accurate about the statement he has just made than he was about who was running a filibuster in the Senate.

Mr. KELLOGG. Did the Senator from Arkansas say that I was not here yesterday?

Mr. CARAWAY. I did not say that the Senator was not here on yesterday.

Mr. KELLOGG. Very well.

Mr. CARAWAY. I did not miss the Senator. If he had been absent I should have been just as happy and the Senate would have been just as enlightened, because the question before the Senate was discussed, and when that is done the Senator from Minnesota never takes part in the discussion.

Mr. KELLOGG. There are others who would not have been missed, Mr. President.

Mr. CARAWAY. I know that. There are three or four Senators on the other side of the Chamber, for instance, the chairman of the committee, who brought in a monkey show here when that was not before the Senate by any rule of the Senate, though there were some exhibits that evidently were in order; and the Senator from Indiana [Mr. WATSON] also had a cuckoo clock and a monkey show when that schedule was not before the Senate. I am sorry the Senator from Minnesota has got to rush off now, but he is in a hurry. [Laughter in the galleries.]

The PRESIDING OFFICER. The Senate will be in order and the galleries will observe the rule of the Senate.

Mr. CARAWAY. I do not like to charge the Senator from Minnesota with bad faith. Yet I know if the Senator had been here he would have voted to permit the House to adjourn until the 15th day of August. If Senators on the other side should secure the adoption of a cloture rule and should pass the pending tariff bill to-morrow, the Senator from Minnesota knows that that bill could not be sent to conference until the 15th day of August. If Republican Senators in fact wanted to pass this measure, as they now say they do, why was it that the President of the United States, why was it that the leaders of the Senate and of the House, by unanimous consent, agreed that the House should adjourn until the 15th of August? Such action is in bad faith and the country knows it, if this bill is desired passed now.

The Senator from Minnesota said he was willing to go to the country. The Lord knows he will go to the country, and the country will be glad when it gets a chance to speak. The Senator from Minnesota knows when he is talking about the country wanting action that he consented that there should be no action on this tariff bill in conference before the 15th day of August. I know that the country knows that because the country knows the Senator from Minnesota consented that there should be an adjournment of the House until the 15th day of August. The Senator from Minnesota knows and the country knows that with the House of Representatives not in session there can be no conference on the pending bill. Therefore the cheapest kind of gallery playing that I have seen is when the Senator from Minnesota talks about his anxiety to get immediate action, and the Senator from Missouri [Mr. SPENCER] asks unanimous consent for a vote on the 1st day of August, when each of them assented that there should be no conference on this bill before the 15th of August.

Oh, why waste all this time to call the attention of the country to the fact that Senators on the other side of the Chamber know the bill is bad and they do not want to pass it. I do not care what individual Senators say. They may go back and count the time consumed in debate, as disclosed by the RECORD for the last week or 10 days, and they will find that three-fourths of all the discussion—all the time wasted—has been on the other side of the Chamber. I said "time wasted." I will take that back, Mr. President. I do not know that the time was wasted. The party in power, which is going to the country, ought to have an opportunity to exhibit its incapacity to the country so that the country may pass upon it. The people are doing that.

The Senator from Minnesota said in his brief stay with us, just before he was ready to leave, that the country had weighed the Senate and was tired of it. Well, that is one statement to which the country is going to say "amen." Since the Senator from Minnesota became a Member of the Senate—I will not say it is solely on his account—but since he has become a Member of the Senate he says that the Senate has sunk lower in the respect of the country than ever before. He is right about that; and until the party now in power gets out there never will be any respect for the Senate nor for the administration. There is reason for that statement of the Senator from Minnesota, though there was not much for some others he made. Of course, the country is tired of the Senate; it is tired of the House of Representatives; it is tired of the administration; and it is showing every time it gets a chance that it is going to have a change.

I say, and say it with all courtesy, for I sincerely like the chairman of the Committee on Finance who brought in this bill—I know he is honest; I know he is courageous; he is able, and yet, with all the prestige acquired in 24 years of service in this body, with the administration back of him, with everything in his favor except public opinion, he went down in defeat last week, not by a restless city constituency but by the sturdy farmers of North Dakota. It was not because they did not love him personally, for I am persuaded that everybody who knows him loves him and respects him; but he was linked up with a bad cause; he stood shoulder to shoulder with a discredited party and suffered by reason of that fact and nothing else.

Mr. President, sometimes I am astonished that intelligent men should think that they can fool the people all the time. I think it was the great Abraham Lincoln who said you could not do that—that you could fool all of the people a part of the time and some of the people all the time, but you could not fool all the people all the time. The effort that is put forth by the majority party, with the full knowledge that it will fail, to pretend that they want cloture in the considera-

tion and vote upon the pending bill is not going to fool any of the people any of the time.

The Senator from Minnesota said he thought the four-power pact was before the Senate for six weeks or two months—I do not remember the exact length of time—but the treaty of Versailles, with his help, remained before the Senate for a year. He said that the revenue bill was before the Senate for a number of weeks, and that is true; but most of that time was taken up by Senators on the other side of the Chamber "jockeying" with each other about whether they should support one provision or another; and finally they got their President of the United States, Mr. Harding, to write a letter to the House to make it reject the amendment to reduce high surtaxes. The House, however, refused to follow the President, but followed the Senate.

Mr. KELLOGG. Mr. President, will the Senator yield to me?

Mr. CARAWAY. I yield with pleasure.

Mr. KELLOGG. Did I understand the Senator to say that most of the time consumed in the consideration of the revenue tax bill was occupied by Republican Senators?

Mr. CARAWAY. Yes.

Mr. KELLOGG. The RECORD shows that the remarks of Republican Senators occupy 281¾ pages of the CONGRESSIONAL RECORD, while the remarks of the Democrats occupy 411¼ pages of the RECORD. Of course, the Democrats may have talked very fast; I do not know as to that; but that is what the RECORD shows.

Mr. CARAWAY. Yes; and I think very likely they talked with more sense. I hope the Senator will read that debate, because he did not stay here and hear much of it at the time.

Mr. President, having ended this little pleasantry, which I have enjoyed so much, with the Senator from Minnesota, because, you know, everybody loves him, I am going to make a few remarks. I want to be accurate. They do not bear on the tariff bill; they do not have to do with cloture; but are suggested by a speech which was made by the President of the United States on the 4th day of July. They call attention to a condition that exists by reason of the President's sanction. It will take but a few moments.

PROHIBITION ENFORCEMENT.

Mr. President, the man responsible for the most open, flagrant violation of the eighteenth amendment and the Volstead Act is the President of these United States.

With the stroke of a pen he could close more barrooms than was ever given to any other one man to do within the history of the world.

Whether the Constitution and the law follow our flag when it goes to sea is a matter now some profess to doubt. Conceding for argument sake that it does not, the President could instruct the Shipping Board to close the saloons on all ships operated by the Emergency Fleet Corporation. If he believes in law enforcement, if he wants the sale of whisky prohibited, if he earnestly desires that all should stand equal before the law, he would say to Mr. Lasker, "We will not quibble about whether the law prohibits or permits the sale of liquor on American ships; the American people are opposed to the sale of liquor for beverage purposes. It is forbidden by the Constitution, which I took an oath to uphold. It is forbidden by an act of Congress, which I signed, and therefore these bars must be closed."

The President knows, all know, that were he to give such an order Mr. Lasker would obey it, for the Shipping Board and Mr. Lasker, its chairman, are the creatures of the President's creation, and as such take his orders and execute them. No apologist for the President, however partisan he may be, can deny this. Therefore, every ship that sails beneath the American flag, owned, operated, or leased by the Shipping Board sells whisky by the express or implied permission of the President of these United States. To-morrow all of them would be dry if he willed it. To-morrow all of them will sell whisky over their bars because he wills it. These criticisms of the President are particularly apropos, because he is quoted in his speech at Marion, Ohio, on July 4 with having given utterance to the following sentiment, which is copied from the Washington Post:

> The eighteenth amendment denies to a minority a fancied sense of personal liberty, but the amendment is the will of America and must be sustained by the Government and the public opinion, else contempt for the law will undermine our very foundations.

It is fair to presume the President spoke after deliberation and with full knowledge. Therefore, can the President escape this conclusion? Can his apologists deny that he connives at the breaking down of public morale? That he does not seek to prevent the destruction of the confidence of the people in law and order?

Oh, how different it is if the violator of the law happens to be an insignificant and perhaps friendless individual. In the same paper and on the same page where this declaration of the President appears urging that the eighteenth amendment be enforced I find the following article:

REARREST WAR VETERAN.

> Charged with unlawful possession of liquor, Floyd E. Tomlinson, 30 years old, an overseas veteran who was injured in the Argonne Forest, completed a brief term in Baltimore this morning for unlawful possession of corn liquor and was promptly rearrested and brought to this city by Detective Bagby King.
>
> Following his arrest in Baltimore, it is charged, revenue agents searched his room in this city and seized a quantity of the corn product. It is stated that Revenue Agent George Fowler, jr., was hired to drive Tomlinson to Baltimore to make the purchase, agreeing to bring the passenger and liquor here.

Here, an ex-soldier, a young man who went 3,000 miles from home and bared his breast to shot and shell in his country's defense, shed his blood in the Argonne Forest, wanted whisky. He was aided and abetted in this desire to get whisky by an agent, an employee of the Revenue Department, who doubtless suggested to him the place where the whisky could be bought. He bought it and was arrested and imprisoned in Baltimore for the possession of it. When his term of imprisonment expired, he was brought back to this city, the Capital of these United States, and again will be tried, convicted, and imprisoned because in his room which was searched in his absence was found whisky. What a commentary on this, the greatest Government in the world, when a former soldier is imprisoned for the possession of a quart, while the President of the United States licenses and permits the sale of thousands of gallons of whisky upon Government-owned property, both subject to the same Constitution, both amenable to the same laws.

Again, the Republican Party has posed as the friend and guardian of the negro. It is always extremely solicitous for his welfare when election time approaches. The Senate has been treated recently to the spectacle of the Committee on the Judiciary, by a partisan vote, reporting out the Dyer bill, simply to give Senator LODGE the negro support in his race for reelection. They are very, very solicitous indeed of the negro; but one negro here in the District of Columbia, inspired no doubt by the example of the President, seemed to think that whisky could be legally possessed on board ship. He is the owner of a boat, the *Madison Hall*. He was giving an excursion Tuesday evening to the people of his color. In the bar was 2 gallons of liquor. It is conceded that the owner was not aboard the vessel; there is no positive knowledge that he even knew the liquor was on board; yet he is to pay the penalty by the loss of his boat, worth a hundred thousand dollars. What was his offense? He in a small way imitated the methods that are pursued by American ships, and sought to attract traffic to his boat by the sale of liquor. He could urge, no doubt, the same excuse that Lasker pleads when he violates the law—that you can not run a boat without the sale of liquor. Why should that defense be good when urged by the Government of the United States, upheld by the chairman of the Shipping Board and by an alleged oral opinion given by Mr. Schlesinger, attorney for the Shipping Board, that liquor could be legally sold aboard American ships? But who is Mr. Schlesinger? He was of the firm of Schlesinger & Mayer, who were of counsel for all those who opposed temperance legislation. Mayer—Levy Mayer—is the man in whose hands a million dollars was placed to prevent the passage of the eighteenth amendment and the enactment of the Volstead law. Schlesinger was no doubt chosen by Lasker and the President, not because of his knowledge of maritime law but because, like the sea, he, too, is "wet." Why should this plea of necessity in behalf of the Shipping Board be concurred in by the President of the United States, and yet fail a negro, who is a citizen of the same country, subject to the same Constitution, and amenable to the same laws?

Oh, Mr. President, the President of the United States spoke more wisely than he knew when he said that violation of the law, when condoned and permitted, breeds contempt for law.

What a pity it is that those who are charged with the enforcement of law seem to think that they have discharged their full duty when they have imprisoned the weak and punished the ignorant!

The Secretary of War, Mr. WEEKS, a man of long and distinguished public service, recently said that the sale of light wines and beer should be permitted. No one doubts but that he spoke the sentiments of his chief. He must have expressed the views of the President of the United States. I am more persuaded of that fact after having read the views of two

Senators of the United States, both Republicans. I read from a paper of recent date the following:

WEEKS'S LIQUOR ADVOCACY RILES TWO SENATORS—FRELINGHUYSEN AND WILLIS SAY REMARKS OF WAR SECRETARY HURT G. O. P.

[International News Service.]

The "flare-back" from Secretary of War Weeks's recent utterances in favor of beer and light wines, and the abolition of the primary, is to-day causing considerable perturbation among Republican Senators who are candidates for reelection.

Senator Frelinghuysen (Republican), of New Jersey, who is facing a hot primary contest, is especially bitter in outspoken condemnation of the injection by Weeks of issues into this year's Congressional campaign, by which he has "made unnecessary trouble."

Senator Willis (Republican), of Ohio, said Weeks's advocacy of beer and light wine and attack upon the primary had been "exceedingly hurtful to his party at this juncture, and particularly to these Members of the Senate and House who are candidates for reelection."

In New Jersey, where Senator Frelinguysen is standing for absolute enforcement of prohibition, and is being supported by the drys, it was stated the wets of both parties were already making political capital out of Weeks's favoring modification of the Volstead Act so as to permit the manufacture and sale of beer and light wines.

Frelinghuysen exclaimed he was now being charged by his opponents with "flying in the face of the administration" because of his championship of law enforcement, while Weeks was being pointed out as the real spokesman for the administration in urging beer and light wines, and deprecating the Volstead Act as it is now constituted.

The New Jersey Senator declared the "wet" propaganda, coupled with Weeks's name which is now being broadcasted in his State, is proving helpful to Governor Edwards, running for Senator on a "wet" platform, and "decidedly harmful" to himself.

If it be not impertinent, I should like to ask the President of these United States, the Attorney General, the chairman of the Shipping Board, and the leaders of the Republican Party in both Houses of Congress if it is a part of their program, when they shall have put through a ship subsidy and have transferred all of the vessels now owned by the Government to private ownership, to give to the purchasers of the vessels so transferred a guaranty that they shall have with the ship and the subsidy, wrung from the taxpayers of America, a license also to sell intoxicating liquors? All know that it is the intention of this administration, so long as it is in power, to permit the sale of liquor upon American-owned ships within and without the 3-mile limit as long as these ships belong to the United States. Certainly, then, the administration would not contend that it itself could violate the law, but it would refuse to permit the violation of this law as soon as these ships became the property of private owners. In other words, the President of the United States and the administration could not afford to say that it is lawful, that it is right, that it is just and necessary, and therefore permissible to sell whisky upon a Government-owned vessel, and wrong and illegal and therefore not permissible to sell whisky upon privately owned vessels. Therefore, the American people must know that as long as this administration continues in power whisky will be sold upon American-owned vessels within and without American territory. Yet I want to repeat what I said the other day, that no one can honestly contend that every American ship that now sells whisky within and without the 3-mile limit is not violatng the eighteenth amendment and the Volstead Act. The Shipping Board at one time recognized that it was so, and denied that liquors were being sold upon American vessels. It has since changed its attitude, admits the sale, and rather boasts of it. The present Attorney General filed a brief in a case then pending in the Supreme Court of the United States in which the following correct enunciation of law was made:

The plain object of the eighteenth amendment and the Volstead Act was to destroy all traffic in or dealing with intoxicating liquor.

The amendment and act clearly were intended to prohibit the possession or transportation of liquor for beverage purposes, whether for consumption within the United States or not.

The proceedings in Congress evidence the legislative intention to prohibit all possession and all transportation except as specifically authorized.

It was the unanimous view of Congress that all transportation of liquor should be banned.

The prohibition on transshipment of liquor will not be read out of the act on the ground that as applied to such transshipment it has extraterritorial effect.

The Supreme Court, in a case handed down May 15, 1922, Grogan against Walker, said:

The eighteenth amendment meant a great revolution in the policy of this country, and presumably and obviously meant to upset a good many things on as well as off the statute books. It did not confine itself in any meticulous way to the use of intoxicants in this country. It forbade export for beverage purposes elsewhere. True, this discouraged production here, but that was forbidden already, and the provision applied to liquors already lawfully made. See Hamilton v. Kentucky Distilleries & Warehouse Co. (251 U. S. 146, 151 N. 1). It is obvious that those whose wishes and opinions were embodied in the amendment meant to stop the whole business.

In the case of Cornelli against Moore, on January 30, 1922, appears this language:

Section 3 is comprehensive in its prohibition, and it takes pains to provide that it shall have such liberality of construction as to achieve its declared purpose.

In the case of Wilson v. McNamee (102 U. S. 572) appears the following:

A vessel at sea is considered a part of the territory to which it belongs when at home, and the jurisdiction of the local sovereign over her and over those belonging to her is, according to the law of nations, the same as when she is in the home port.

The former Acting Attorney General, William L. Frierson, rendered this opinion:

(2) The eighteenth amendment by its terms applies to the United States and to "all territory subject to the jurisdiction thereof." The national prohibition act does not contain any language limiting the territory within which it is to be in effect. It simply enacts that certain transactions with respect to intoxicating liquors shall be unlawful, and provides "that any person" who violates its provisions shall be punished. It is clear, therefore, that this legislation prescribes rules of law which shall be in force wherever the laws of Congress are applicable. By virtue of the eighteenth amendment Congress is empowered to legislate on this subject without regard to State or other lines, and with respect to all territory subject to the jurisdiction of the United States. Except, therefore, as its operation in particular possessions of the United States may be limited by special statutes applicable to those possessions, the national prohibition act is in force throughout the jurisdiction of the United States. The question, then, is whether it furnishes rules of law which govern those on board an American vessel. That it does not apply when the vessel is in American waters I think no one will doubt. The question, then, is whether it applies when the vessel is on the high seas or in foreign waters. This question, I think, can now present no serious dispute. It was said in St. Clair v. United States (154 U. S. 134, 151):

"A vessel registered as a vessel of the United States is in many respects considered as a portion of its territory, and 'persons on board are protected and governed by the laws of the country to which the vessel belongs.'"

It follows, therefore, that persons on board an American vessel, wherever that vessel may be, are governed by the laws of the United States to which they would be subject if within the United States. Indeed, the jurisdiction of the Federal Government over them is much broader than when they are within the United States. In the latter case, with respect to the great bulk of criminal laws, they are subject to the jurisdiction of the various States and not to that of the United States. The various States, however, have no jurisdiction even of their own citizens when on the high seas. For this reason Congress may enact, and the Federal Government may enforce, criminal laws for the purpose of punishing offenders for offenses committed while on the high seas which it would not be within the power of Congress to make applicable to the same offense if committed within one of the States. Thus, Chapter III of the Revised Statutes, beginning with section 5339, contains a long list of offenses which, if committed within one of the States, would be beyond the power of the Federal Government to punish, and provides that when committed upon the high seas they shall be punished by the Federal Government. In such cases it was, of course, necessary to have a special statute, for the reason that Congress has no power to enact laws for the punishment of murder and other offenses mentioned in Chapter III of the Revised Statutes to be applicable generally throughout the United States. Any law, however, enacted by Congress within its power and made of general application is a law to which persons within the criminal jurisdiction of the United States are subject. The criminal jurisdiction of the United States is necessarily limited to their own territory, actual or constructive. After making this statement Mr. Justice Field, in United States v. Smiley (6 Sawyer, 640, 645), stated the rule of law determining the territory subject to the criminal jurisdiction of the United States as follows:

"Their actual territory is coextensive with their possessions, including a marine league from their shores into the sea. * * * The constructive territory of the United States embraces vessels sailing under their flag; wherever they go they carry the laws of their country, and for a violation of them their officers and men may be subjected to punishment."

It was for this reason that the Supreme Court said, in St. Clair v. United States, supra, that persons on board a vessel are protected and governed by the laws of the country to which the vessel belonged.

The eighteenth amendment empowers Congress to enact laws applicable wherever the jurisdiction of the United States exists. The national prohibition act is a law of such general application. I can not doubt, therefore, that it applies to those on board American ships, whether in American waters, on the high seas, or in foreign waters, equally with those in any of the States of the United States.

Respectfully,

WILLIAM L. FRIERSON,
Acting Attorney General.

THE SECRETARY OF THE TREASURY.

That remains the correct interpretation of the law, because no court has held to the contrary. But this administration puts itself in the humiliating position of declaring that an American ship is not subject to American laws, not amenable to any act of Congress. It would follow, of course, that American commerce upon the seas is not entitled to the protection of the law. One inevitably follows the other. This administration declares in its acquiescence in the conclusion that a ship is above the law; that it is a sovereignty within a sovereignty, and owes no allegiance to the Constitution and the laws.

The following sample of advertising that is now flooding the country foretells what is to follow such a course. Here is a sample:

EUROPE BROUGHT TO NEW YORK CITY.

We reiterate that the purpose of this vessel is to make available to this community samples of European entertainment; a world novelty of fascinating interest brought close to New York City. The first and only opportunity for millions of Americans to experience for themselves the atmosphere of Paris, London, Madrid, and Pekin truly represented.

If the serving of genuine wines, beers, and champagne is a natural and lawful part of such entertainment, such serving will not constitute the object of the American recreation vessel, but it would be an appro-

priate incident in an atmosphere of festivity, enchanting orchestrations, the most beautiful of Europe's women, selected for their artistic ability as exponents of classic and fancy dancing and operatic singing, and a feast prepared by the best chefs from abroad.

Consider the viciousness of the entertainment that they offer. All of these pleasures are for the rich. The sale of liquors, the bacchanalian dance, the immorality and lewdness implied, are for those who are able to go down to the sea in ships. The workingman, the farmer, the soldier, the ignorant negro, who seeks to convey to his home a quart of liquor and provide his friends with a drink, is sentenced to jail, the chain gang. The dignity of the law must be upheld, for the President of these United States in his Fourth of July declaration proclaims that the violation of the eighteenth amendment breeds contempt for all law; but no doubt he gave utterance to that noble sentiment with the reservation that the violation of this law by the poor, the ignorant, and the helpless is to be condemned, but the violation of this law by the rich, powerful, and pleasure loving, the social élite, is to be commended. The President of these United States provides a prison for the one and a ship loaded with fine liquors for the other, and yet he is the President of these United States and of all the people therein—the rich, the poor, the high, the low. He smiles on one, however, and smites the other. One man is ordered to jail for possessing a quart; the other may reel in his drunken revelry on board ship owned and operated by the United States and under the control of the President of the United States and be commended.

Such is law and such is sentiment as long as Warren G. Harding is President of the United States and Harry M. Daugherty is the Attorney General. But against this all Christian Americans protest.

Mr. McCUMBER. Mr. President, I have deemed it inappropriate for me at this time to give any expression whatever concerning the late primary election in my State, but the statement of the Senator from Arkansas [Mr. CARAWAY] just made to the effect that this election reflected any view upon the pending tariff bill was so wide of the mark that I feel I can not let it go by without correction.

I desire to state now that the tariff bill and the tariff question were never considered in the slightest degree in the recent contest in the State of North Dakota, and you will look in vain through the press of the State or through public utterances for any indication that was an issue in the State.

Mr. President, there are some things that are worth more to an honorable man than the retention of a seat in the Senate, and one of them is the retention of a clear political conscience and the realization that he has stood by what his judgment and sense of right indicated was the proper course. That course I have followed, and I am expressing no regret whatever that in choosing between the two my decision was in favor of retaining my own convictions of right and propriety. There may be a time when I will express what the real issue was in my State, but if I do it will only be because it may have some bearing upon questions of general public interest.

Mr. FRELINGHUYSEN. Mr. President, I ask unanimous consent to have printed in the RECORD and referred to the Committee on Finance certain resolutions adopted by the Vineland Central Labor Union and indorsed by various other labor organizations in favor of a protective tariff.

There being no objection, the resolutions were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

CENTRAL LABOR UNION OF VINELAND, N. J.,
AFFILIATED WITH THE AMERICAN FEDERATION OF LABOR,
Vineland, N. J., June 28, 1922.

Senator JOSEPH FRELINGHUYSEN,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: At the regular meeting of the Vineland Central Labor Union, held Thursday, June 29, the following resolution was adopted:

"Whereas many workers of this country have been out of employment for many months; and

"Whereas cheap goods are coming into our ports from Europe in competition with American-made goods, but sold to the consumers at a psice below American manufacturing cost; and

"Whereas, if those conditions are allowed to continue, our workers will still be in the army of unemployed, causing untold suffering to our workers and their families and lowering the American standard of living by low wages and long hours: Therefore be it

"*Resolved*, That we go on record favoring the speedy enactment of the tariff bill now pending in the United States Senate based on American valuations; and be it further

"*Resolved*, That a copy of this resolution be sent to Senator JOSEPH FRELINGHUYSEN and Senator WALTER EDGE with a request to vote for this bill."

This resolution was indorsed by the following local unions of Vineland:

Local Union No. 44, American Flint Glass Workers, 340 members; Local Union No. 132, American Flint Glass Workers, 280 members; Local No. 620, Carpenters and Joiners, 210 members; Local No. 40, Masons, Bricklayers, and Plasterers, 180 members; Local No. 473, Electrical Workers, 190 members; International Lady Garment Workers, Local No. 119, 320 members; Local No. 208, Amalgamated Clothing Workers of America, 515 members; Local No. 119, United Shoe Workers, 260 members; Local No. 129, United Shoe Workers, 220 members; Stage Employees, Local No. 673, 80 members; Local No. 595, Musicians of America, 310 members; Laborers and Helpers, Local No. 470, 330 members. Guy Cavaganaro, vice president; Estrella Cummins, secretary.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. JONES] to the amendment of the committee, which the Secretary will state.

The ASSISTANT SECRETARY. On page 102, line 19, in the committee amendment relative to fish, after the words "2 cents per pound," it is proposed to insert the following proviso:

Provided, That from and after 90 days after the enactment of this act no fresh or frozen halibut, salmon, or swordfish from the North Pacific Ocean or its tributary waters shall be admitted into the United States through any foreign country, except when the same shall be in bond from an American port.

Mr. KING. May I inquire of the Senator from Washington whether that is prohibitory of the importation of those fish?

Mr. JONES of Washington. Not at all.

Mr. KING. They have to be received in bond?

Mr. JONES of Washington. Yes; to come in in bond if coming from an American port. In other words, if fish are gathered at Ketchikan, they can be bought there and sent to Prince Rupert and on over the Canadian Pacific in bond to the eastern market.

Mr. KING. I am not sure that I understand the significance of the amendment. As I interpreted it, as it was read by the Secretary, it would seem to prohibit the importation of any of the class of fish referred to unless they come in bond.

Mr. JONES of Washington. They come through a foreign country in bond to the United States. They must start in bond from an American port.

Mr. McCUMBER. When they are caught, if they are sold in a Canadian port they can not be shipped into the United States at all.

Mr. JONES of Washington. Certainly; they must be taken to an American port.

Mr. McCUMBER. They must be taken to an American port out there.

Mr. JONES of Washington. That is exactly what we want to have done. That is what the Canadians have been doing in reference to their ports for a good long while.

Mr. KING. As I understand it, if an American fisherman should catch fish opposite Canadian territory and take them there and have them cured or salted and ship them to the United States they could not be received at all except in bond, to be transshipped to some other country, even should he pay the tariff?

Mr. JONES of Washington. He can take them to an American port; the American port is nearer the fishing grounds than any Canadian port.

Mr. KING. Suppose an American fisherman, or a Canadian fisherman, for that matter, should make a catch of fish, land the fish, and cure them upon Canadian soil, intending to ship them to the United States for use in the United States after they were cured. As I understand the amendment, he would be forbidden from doing that, even though he were willing to pay the tariff.

Mr. JONES of Washington. He probably would not land them there. He would land them at Ketchikan. Of course, if this amendment is adopted, if he saw fit to land them at Prince Rupert he could not send them into the United States in bond.

Mr. KING. But could he send them into the United States for use in the United States by paying the tariff?

Mr. JONES of Washington. No. All he would have to do would be to go to Ketchikan, which is the nearest place for him, as far as that is concerned. The halibut fisheries, as the Senator knows, are deep-sea fisheries. They are not along the coast; they are out in the ocean, and, really, the nearest place to land them is Ketchikan. So it would not work any hardship on anybody. If this amendment is adopted, what the Senator stated would be true—they must be shipped in bond from an American port, or they could not come in bond into the United States.

Mr. KING. It practically provides, then, that an American, or a Canadian, or anybody else, who catches fish and lands them upon Canadian soil or Mexican soil, where they are cured, may not ship them into the United States, even by the payment of the tariff duty?

Mr. JONES of Washington. Yes; that is what it provides. That is exactly what the amendment says.

Mr. KING. What becomes of the Senator's idea of some sort of freedom of action, freedom of contract, freedom of trade, when you are willing to pay the tariff duties which are imposed?

Mr. JONES of Washington. Mr. President, there can be no practical difficulty about it.

Mr. KING. But it is the principle involved. It seems to me it is a monstrous proposition to say that, although I am willing to pay the tariff, if I happen to land the fish which I caught in Newfoundland or some other part of Canada, or Mexico, or in Cuba, and they are cured or iced, and I am willing to pay the tariff imposed by law to ship into my own country, I can not do it.

Mr. JONES of Washington. I think probably I made my statement a little too broad. If they are imported from Canada, entered at the customhouse there, without being shipped in bond, there is nothing to prohibit them from coming in after paying the tariff. It is only when they are shipped in bond that they are prohibited, except as they come from an American port.

Mr. KELLOGG. The amendment provides that they can not be shipped here at all, except in bond, from an American port. That is the point. It absolutely prohibits any importation of fish from Canada unless they first come into Canada from an American port in bond. That is what the amendment says.

Mr. JONES of Washington. I ask that the amendment be read.

Mr. KELLOGG. If the amendment had named Canada, which is intended, of course, it would be a violation of every treaty we have.

Mr. JONES of Washington. It is no more in violation of a treaty than the action of Canada is in violation of a treaty. It is a very strange thing that foreign countries can do things to us and not be violating a treaty, but we can not do things against them without violating a treaty.

Mr. KELLOGG. With all that the Senator read, he has not read a single article that I have heard which indicated a prohibition of the importation of fish into Canada.

Mr. JONES of Washington. I read many discriminations. Of course, I am not trying to find just the specific example of action upon the part of Canada exactly like ours. I would like to have the amendment read. I want the Senator to note the exact language of it.

The VICE PRESIDENT. The Secretary will read the amendment to the amendment.

The ASSISTANT SECRETARY. On page 102, line 19, after the words "2 cents per pound," in the committee amendment, add the following proviso:

Provided, That from and after 90 days after the enactment of this act no fresh or frozen halibut, salmon, or swordfish from the North Pacific Ocean or its tributary waters shall be admitted into the United States through any foreign country, except when the same shall be in bond from an American port.

Mr. JONES of Washington. The amendment expressly declares that they shall not be admitted into the United States through a foreign country except when they are bonded from an American port. That is exactly what we desire to do. It is exactly what our Democratic friends sought to do in the Underwood-Simmons Act when it was pending here, and it was a very patriotic thing, in my judgment.

Mr. HEFLIN. Mr. President, more important than the protection of fish in the Pacific Ocean is the protection of the rights of the American people in this body. We have to-day witnessed a strange spectacle. The Republican Party, in control of the Congress and the executive branch of the Government, comes here with a resolution to suppress free speech in this body. It has been the boast for a long time that measures might be hastily considered in the House, but in the Senate there was full, free, and unlimited discussion; that this was, indeed, a deliberative body. But we now find the cohorts in control growing impatient, seeking to apply House rules to the Senate and to destroy this as a great deliberative body, to suppress free speech, if you please, for that is what it means.

When we were in the majority the present Democratic leader, my colleague [Mr. UNDERWOOD], offered a suggestion to limit debate at a time when this country was involved in war. Rights and liberties of the people were involved and imperilled. It was sought then to make it possible to secure speedy action on war measures because the boys on the battle front were entitled to have war supplies sent to them in abundance. It was necessary to keep them supplied with the sinews necessary to win that war. The suggestion was made, I say, in time of war, that some form of limitation be placed on debate. But what do we find to-day? In the aftermath of the war, in peace times, if you please, we find the Republican side invoking cloture to hasten the action of the Senate upon the most obnoxious, the most objectionable, the most oppressive and tyrannical tariff measure ever presented to any legislative body.

Who invokes this cloture in the Senate? Is it the American man and woman who is going to have money taken out of his pocket or her pocket by the operation of this law? Is it the masses of the people who, by the provisions of this bill, have the very salt that goes in their bread taxed? Are they asking for cloture that you may hasten this pillage and plunder of them? No, Mr. President; not they in the rank and file out yonder, who are never consulted by your party. It is the tariff barons, who are going to contribute to your campaign funds the sinews of political war for the coming election. They are bidding you invoke cloture in this Chamber.

The Senator from Minnesota [Mr. KELLOGG] told us this morning that the question was whether we would do the business of the people or continue to drag along. The issue squarely up to the Senate is whether you are going to do the bidding of the boodle bosses in America or stand by the ancient landmarks which have preserved law and order in this country on many occasions in the past.

Bolsheviks are made by your administration, by the injustice that you show through governmental favoritism to one class to the great injury of another class, by the employing of the taxing power to enrich one group of people to the impoverishment of another. Anarchists are springing up, socialists are multiplying, Bolsheviks are increasing, and here you are undertaking to increase still further their number by shutting off free speech and putting through under whip and spur this miserable and monstrous tariff legislation.

Senators, this performance will rise up to haunt you in the years to come. It will be a specter that you will point to many times and say, "We did wrong when we invoked the cloture rule to tax one class to enrich another." Why are you invoking it? Are you invoking it to pass a bill that will require those who control the fiscal policy to let money sufficient go out where it is needed and credit be extended to those who must have it to carry on their business? Not a bit of it. In whose name do you invoke it? You invoke it in the name of 4,000 tariff barons, 4,000 men who are going to be made as rich as Crœsus by the operation of this proposed tariff law.

Mr. President, the Republican leader of the House boasted the other day in a newspaper statement that they had saved or taken off of certain taxpayers $900,000,000. When I read those lines I said, "Yes; they have taken off of the big millionaires, those most able to pay taxes, $900,000,000 and more, and they are undertaking in this very bill to put that and much more upon the backs of the people who are least able to pay taxes." I would that the American people knew exactly what is going on here. There never has been a time in the history of this Government when the graft gang held high carnival in the Nation's Capitol as it does to-day. I would to God that the people knew the absolute truth.

Look at your newspapers, just filled up with column after column of propaganda demanding a ship subsidy. Here you are with a bill which seeks to put upon the backs of the American masses more than $3,000,000,000 of taxes upon the necessaries of life. You take the taxes off of luxuries and you are putting them upon the common necessities. You are driven now to great lengths in your desperation. Fearing that those who hold the purse strings for your campaign fund will not give you money to go out and try to buy seats again, they are able to make you come into this body, into this historic Senate Chamber of the United States, and invoke the cloture rule to cut off free speech, to kill debate, to suppress amendments, to tie the hands of those who dare to speak in this body for the rank and file of the American people.

That is what we witness here, Mr. President. The Senator from Massachusetts [Mr. LODGE] told us that in his long service here he had witnessed eight tariff discussions, but that this one had extended over a longer period of time than any other. Well, Mr. President, that is easily accounted for. There never has been a bill that had so many objectionable features jammed into it as has this bill. Look how long it took on the House side to frame this thing up. It was a monstrosity when it came over from the House, and here you are with your committee sitting for months and months and months behind closed doors, with not a Democrat present, working out your scheme, agreeing upon your schedules, putting them in the

bill, and bringing them into this body. We never knew what was in it until you submitted it. We have been reading it and trying to change it, and have changed it in some instances, and we want an opportunity to show where you are wrong, to show the people whose Government this is that you are oppressing and robbing them, and now we have you whipped to a standstill in the forum of fair debates in the Senate. You are whipped before the American people. A large portion of the press is lashing you for the provisions contained in the bill, and now in order to jam the thing down the throats of the American people you are going to pull down the curtains, blow out the lights, and ram it down their throats without letting them know what is in it. Then you will go to the country and try to fool the people by saying that you have done this thing in the interest of the people.

Here you come into this Chamber asking for a cloture rule at the behest of the tariff barons who have always flourished when your party was in control, while the masses of the people were made to suffer in many ways. You make it difficult for them to get the common necessities of life. You take the tax off of the luxuries, you take the taxes off of the back of the big income-tax payer, and then with a flourish of trumpets boast that you have relieved them of $900,000,000. Then you come in here without the slightest tinge of regret or shame upon your faces and write into a tariff bill taxes that will wring from the masses of the people more than $3,000,000,000 a year. You have taken it off of those most able to pay it and put it upon the backs of those least able to pay.

Mr. President, the Senator from Minnesota [Mr. KELLOGG] said the American people are sizing up the Senate. Thank God for that. They are sizing up the Senate! It is time that the American people were waking up to what is going on in their Senate. Sizing up the Senate? What will their judgment be of this cloture move on your part? Cloture rule? You sat here with your lips sealed and your arms folded and permitted the House, a Republican House, to adjourn and go off to look after its political fences, playing politics when we are here wrestling in the heat of the summer with the most damnable tariff measure ever foisted upon a free people. Yet you permitted the House to adjourn. They are gone for a month and a half. When you know the House can not consider this bill until the 15th of August, even if we should pass it, we find you bringing in here a cloture program to kill debate in this body.

The Senator from Minnesota says the people are sizing up the Senate. They are. I want them to continue the sizing-up process. The more they size you up the fewer of you there are going to get back here.

Mr. President, the junior Senator from Mississippi [Mr. HARRISON] threw out a suggestion this morning that deserves serious consideration. What mysterious power is it that is employed on the Republican side to take a man who comes in here a red-hot progressive, with a good many Democratic convictions and principles in his make-up, and cause him to be hypnotized and go to sleep, and when he wakes up he is a hard-and-fast reactionary, hard-boiled standpatter? What is it? What power is it, Mr. President, and who is it that can wave the magic wand over the eyes of those who come in this fashion and put them into the long sleep that brings complete obedience to the commands of the standpatters who control the Senate to-day? Talk about progressivism. It is dead in this body on the Republican side except for a handful, as we see it, in four or five Senators over there. We do not hear progressive notes and forward march orders sounded now except on the Democratic side. There are only a few progressives left on the other side of the Chamber. Most of them are old-time, standpat reactionaries. They just sit there and when the big interests say, "Cloture," they say, "Cloture" is the word, and they all "clote" at once. [Laughter.]

Bob Taylor used to tell a story about nine brothers who all slept in one big bed, and when they got ready to turn over one of them would holler "Spoon!" and they would all turn the same way at the same time. He said one day one of them was out on a springboard reaching out over the river where the water was 10 feet deep. He had gone out there fishing and was lying on his chest and had gone to sleep. One of the boys on the bank saw him out there and hollered "Spoon!" and he turned over and went head over heels into the water. [Laughter.]

That is the way you Republicans do. A good progressive comes in here and you proceed to teach him to "spoon." You first make him doze and then you put him to sleep and holler "spoon" and over he goes into the tariff barons' pond.

Mr. President, I called attention here one day, in replying to the Senator from Indiana [Mr. WATSON] and the Senator from Ohio [Mr. WILLIS] when they said that the tariff bills away back yonder were disposed of in 10 days' time or two or three weeks, and another in a month or five weeks, that one of those bills had only 100 items in it, and another one a hundred and fifty items or two or three hundred items, or something like that. Here we have a bill with 4,000 items in it and over 2,000 amendments that you have suggested yourselves, and then you talk about somebody on this side trying to filibuster. We are not filibustering. We are simply making a game fight against the nefarious and obnoxious and oppressive provisions of this very bad bill.

Mr. President, complaint is made that a good deal of time was consumed in discussing candy and nuts, and candy with nuts in it. I saw you Republicans put an almost prohibitive tax on those items. I thought of the saying, "It is like taking candy from a child." I saw the Republican Party literally take candy from thousands and hundreds of thousands of the children of the United States. The price will go up and up. You have made times so hard that they can hardly get bread and meat, and when they want a little something sweet with some of these delicious nuts, the heavy tax hand of the Republican Party is laid upon that item, and because we protested against it and fought for the children of America, millions of them, you criticized and scolded us.

Mr. President, what should we do? Should we sit down here and say, "All right, go ahead and pass your bill; we know it is wrong; we know it is wrong for you to tax salt; we know that salt ought to be as free from taxes as the air that we breathe; you ought not to be permitted to put a tax upon the salt that saves and seasons meat and goes into the people's bread." Are we to sit here and say nothing and permit you to do it without entering our protests? Should we permit you, without making a protest, to tax the knife and fork with which the man and the woman and the boy and the girl must eat? Why should you be permitted to take money out of my pocket for a knife and a fork with which to eat in order to sustain life that God has given me, in order to make the man who manufactures the knife and fork a billionaire in the United States? What right have you got to do that by law? If I permit a man to do that to me in a private transaction that is quite different, but any party that will employ the taxing power to make one man rich and another man poor deserves to die at the hands of the American people. What right has the Republican Party to do that?

The Senator from Minnesota [Mr. KELLOGG] said that the opinion of the American people of the Senate was not flattering. Are Senators surprised at that? I saw Senators on the other side of the Chamber vote to sell a seat in this body; they bartered it just like a man would sell a commodity in the market place. Are Senators surprised that the opinion of the American people of a party that will do that is not flattering?

Mr. President, the seats in this body are supposed to be occupied by two Senators from each of the sovereign States of this Union. Those Senators are supposed to stand here and defend the rights and the interests of their people and to protect this body and this Government against all enemies, both foreign and domestic. When somebody buys a seat in the Senate and the question is put to the Senate and the Senate ratifies the sale, do Senators blame the American people for having a poor opinion of the Senate that did that? The party that will do that ought to be driven out, and I pray God they will be when the election time comes. Is it any wonder that the people have a poor opinion of the American Senate when it will do that?

Following that, what do we see? We see a tax bill brought here, after the tariff barons have gathered like vultures on the battle plain, where the soldiers stricken down, their lifeblood oozing out, with nobody to defend them, lie helpless against the assaults of these vicious vultures. There they gathered. One could hear the whir of their wings; the air was thick with them, and the sky was black as they gathered for the feast. That is what we witnessed here in the gathering of these hungry and merciless tariff barons. The Senate Finance Committee met in the committee room. These men swarmed up and down the corridors; they hovered around the doors of the committee room. They were admitted. Each one told what he wanted. Where were the poor fellows out yonder upon whom these men were going to pounce and take from their hard earnings? Who was there to speak for them? Nobody. The door was shut and the committee said, "Mr. Tariff Baron, what do you want?" "Why," he says, "I want this rate. I will show you who I am. There is a check that I contributed to your last campaign fund." "Have a seat; have two seats." [Laughter.] He takes the seat and he gets exactly what he wants written into the pending bill. Then the committee let him out and another one comes in. He says, "I am of the

same order, except that I gave two checks." Then the committee said to him, "Have as many seats as you like." And he was seated. "What do you want?" "Why," he said, "I want this rate (naming it)." The committee said, "That is pretty high, isn't it?" Every now and then a member of the committee would say that until the other members would nudge him. "That is pretty high, isn't it?" Another member of the committee would say, "Do not say anything to this fellow; he furnished the main sinews of war."

But there was nobody speaking for the masses out yonder. The tariff barons were getting ready like the vultures to pounce down upon the helpless people and say, "Hold up there!" A consumer asks, "Why are you holding me up on the highway? I am buying this stuff with which to feed my wife and children, to keep them from starving. What right have you to take my substance from me?" "Why," the tariff baron says, "I do it by law; Congress gave me the right to pillage and plunder you; I have got a license; here it is. It is written in the law. Congress passed it; the President signed it; and I am here by authority of law. I am the tax gatherer of the Republic, made so because I contributed to the campaign fund of the Republican Party; and I made them use the taxing power of a hundred million people to enrich me and to impoverish you."

Senators on the other side of the Chamber do not dare to meet us on this side in open debate; they do not dare to stand face to face in this forum and fight this contest out in order that the debate may go into the RECORD each day and the American people may see and know what is going on here. Senators on the other side of the Chamber are seeking now to put out the light, to shut off debate, to close the RECORD to the truth, to jam this bill through, and again fool the American people.

Oh, Mr. President, has the Senate become a bargain counter? In 1909, standing on the other side of the Chamber but a little distance from where the senior Senator from Utah [Mr. SMOOT] now sits, Dolliver, intellectual giant and big-hearted, brave American patriot from Iowa, stood amongst his brethren like Saul, head and shoulders above them all, and said, "Senators, I say it with regret, but Congress has become a bargain counter."

Oh, Mr. President, what an arraignment was that! A bargain counter! The good women who sit in the galleries know what a bargain counter is. It is a place where goods are exposed for sale and where you can go with your purse and buy what you want and get a bargain when you buy it. And Dolliver, one of the greatest of Republican Senators who ever sat in this body since I have been in Congress, said that Congress had become a bargain counter. He said that when the Payne-Aldrich tariff law was under consideration; he said that when you had increased the tariff rates higher than ever before; he said that when fewer items were proposed to be taxed than will be taxed under this bill.

What would he say if he could look down from the parapets of the sky and see this Chamber in which he stood four square to every wind that blew, defying everybody and everything that sought the injury of his country; what would he think to look back in this Chamber where he performed so magnificently in the days gone and his eloquence rang like a trumpet call through these corridors; what would he say if he could look back now and see you taxing the salt that goes into the people's bread, the swaddling clothes of the infant, the wearing apparel through life, the winding sheet of the dead, the coffin, and the tombstone that stands over the dreamless dust of the departed? What would he think if he could come back now and behold 52 Senators on the other side of the Chamber signing the death warrant of free speech and an open forum in the Senate?

Oh, Mr. President, and for what purpose? Is the enemy at the gates of the Republic? Is an invading army threatening from a foreign land? Is that why free speech is to be suppressed and a deliberative body destroyed? Is that why Senators are driven to this extremity? Is that why they have grown desperate and wish to invoke cloture? No. But what is the noise then that we hear if it is not that of an invading army? It is the noise of the tariff barons of the Republic, hungry for the fleshpots of Egypt, hungry for the feast time such as they used to have when they drank up the substance of the American people, flourished in their evil doing, clipped their coupons, and grew rich in a little while.

Who are they? The tariff barons. And what do they demand? They demand that debate he shut off. What do they say? They say: "You are not going to get this bill through, and not only that, but the Democrats may carry the House in the coming election, they may cut down your number in the Senate, and the whole thing may be tied up and this bill defeated after we have spent the enormous sums of money we did in helping to elect you in 1920, and we want action; we demand action."

The Senator from Minnesota said the question is whether we will do the business of the people. The question is, I repeat, whether we will do the bidding of the bosses; that is the question. Mr. President, after this measure has been thrashed out and the items gone over and debated and the objections to them pointed out and called to the attention of the people, it is all right if in the final showdown the majority shall pass the bill. We shall not then complain, because we will have had an opportunity to tell the truth about the bill to the people whom it affects, but when you undertake to shut off debate and make it impossible to offer an amendment then a different question is presented. That is what your cloture will do, for under it not an amendment may be offered. If it were to be shown to the other side by this side that the present rates ought to be changed, if the proposed cloture rule shall be adopted, the Senate will be powerless to undo a wrong perpetrated against the American people. Then you wonder why we should oppose your cloture rule.

Mr. President, the Senator from Massachusetts [Mr. LODGE] yesterday afternoon grew impatient that the minority was vigorous and was consuming more time than he thought we ought to consume. The country now knows that the money power of this Republic is seeking absolutely to control this body and to suppress criticism of any of their reprehensible doings. Yes; they are trying to do that. The Senator from Massachusetts intimated that both sides ought to get together and just let this bill go through. It will be a sad day for the American people, God knows, when they do control this body to that extent when neither Democrats nor Republicans will speak out against the evils seeking to be practiced upon the people.

Mr. President, that day never will come with the Democratic Party. That party never yet has bowed the knee to Baal, and it never will. Thank God, it believes in an open field and a fair fight for the rights and liberties of the American people. No wonder it opposes your cloture rule, which seeks to shut off debate and keep the country from knowing the truth about this measure. Suppose Congress should finally adjourn and we should all just fold our arms and say, "All right, go ahead; the weather is hot; we should like to get away." I would love to go to visit some of the springs and summer resorts in my State and be amongst the best people in all the world. It would be exceedingly pleasing to me personally; but, Mr. President, if I am willing to stay here and some of the Senators on the other side are willing to stay here and prolong this debate, because they feel that it is their duty to do so in the interest of right and justice to the whole people of the United States, why should you be permitted to come in here with a cloture rule to shut off free speech, to kill debate, and jam this thing through?

Mr. President, I frequently think about the Scripture:

> Choose you this day whom ye will serve. Ye can not serve God and Mammon.

That question, in a little different form, is up to the Senate. "Choose you this day whom ye will serve"—the American people, right, truth, justice, or the emissaries and agencies of Mammon. That is the issue in this body. Do you not know that you would not bring in that cloture rule here if the tariff barons were not urging it? Do you not know that they are afraid that we will carry the House and reduce your number in this body, and endanger the passage of this thing finally if it is delayed? Do you not know that they see a Democratic minority, with a little aid from the other side, standing between the American masses and the hungry taxgatherers of the Republican Party? They know that.

Mr. President, the people are not going to be deceived. It is hot and it is hard work to have to condemn these things and point out these doings to the American people, but it is our duty to do it.

In conclusion I want to say a word about the Senator from Missouri [Mr. SPENCER]. He asked unanimous consent that we just go ahead and proceed to vote on the bill now. Would not that have been a delightful situation? He will refer to that, or somebody else will, that we did not want a vote; that he asked unanimous consent and the Senator from Arkansas [Mr. ROBINSON] objected. Of course he did. Why not object? Do you think we will give you consent to vote on provisions in that bill that we know are wrong; that we know have no place in this legislation; that we know will be oppressive to the people that they affect and make rich those who are the instigators of the items? Why, certainly not, Mr. President; so the Senator from Missouri suggested that we have unanimous consent to put it up to us on this side to say whether or not we wanted to close debate.

Mr. President, we have a right to debate those items. Who is involved? To whom will these items be applied? Who must

pay the bill? While these tariff fiddlers fiddle, who has to dance? It is the mass of the American people. After this bill is passed and the President has approved it, it will be too late to talk about it then. The die will be cast, and the Rubicon will be crossed. It will be too late then, and then the Senators on the other side would rise up, if the Senator from Missouri [Mr. SPENCER] could have his way, and say: "Why should you object to this item and that? You did not open your mouth against it. You did not even protest against it. You gave consent that we might pass them all in a bunch, and now you are estopped from complaining." That is what you would tell us if we were to consent.

Mr. President, the Republican Party has the power, it has the votes in this body, I presume, to pass this cloture measure, and for what purpose? I repeat, for the purpose of writing into law the most obnoxious tariff tax bill that has ever been written in the history of the Government. Senators, I know you are hard pressed, you are anxious to get out amongst the people and see if you can not explain some of these doings that you have indulged in here, but the day will come when you will regret this cloture business. Mark my words to-day: There are more Bolsheviks in this country than you think, and you created them by your party's conduct. The socialists are rejoicing at some of your policies, because they say you have multiplied their numbers. The anarchist rejoices at some of your policies, because he says you are helping him by what you do. Then, who is the great enemy of the Republic? He is the man that defeats justice. He is the man that will destroy free speech. He is the man who will take a whole-hearted 100 per cent American citizen and fill him with doubt and with indifference as to his Government. He is the enemy of the country.

Mr. President, this Government must be so fair and just in the exercise of the powers vested in it that every citizen beneath the flag will love it and every hand stand ready to defend it. I appeal to you to throw this cloture rule in the wastebasket; abandon this cruel course that you have mapped out in this historic lawmaking body; regard and preserve the rights of this institution that safeguards the rights and liberties of the American people; spurn those who would take away these rights from them, who would invoke this doctrine and this rule for the purpose of serving evil ends, for the purpose of making one class rich and another class poor. It was never intended by the founders of the Government that any of its instrumentalities should be used for such a purpose.

Mr. LENROOT. Mr. President, I think the record ought to show that but two Democratic Senators have sat in the Senate Chamber and listened to the eloquent speech of the junior Senator from Alabama.

Mr. HEFLIN. And two Republicans, I believe.

Mr. LENROOT. No; there were more than that. Five Republicans did the Senator the honor of listening to him, but only two Democrats did so.

Mr. President, I deeply sympathize with the junior Senator from Alabama in his feeling that to invoke this cloture rule would be an outrage. I do not know of any Senator in this body who would feel it a greater hardship to be cut off from his daily speech than my friend the junior Senator from Alabama.

There was handed to me a little while ago a record of the speeches of the distinguished Senator from Alabama, and this record shows that, beginning on the 15th day of last August and up to the 2d day of March last, he had made his Federal reserve speech 18 times; and I do not doubt that when the record is completed from the 2d of March to the present day that record will be doubled. I can understand, Mr. President, the feelings of the Senator from Alabama in being denied for the period of two weeks—because if the cloture rule should be adopted it will take probably two weeks to pass the bill—the right to speak more than one hour, in being denied the right of repeating that speech, so well known to us all, about Wall Street and the Federal reserve banks. But, Mr. President, while we can all appreciate the feelings of the Senator and sympathize with him, I think the Senator from Alabama should recognize the fact that if every Senator in this body took the time of the Senate in speech making that he takes it would be impossible to pass any kind of legislation at any time.

The Senator from Arkansas [Mr. CARAWAY] undertook this morning to charge the delay in this tariff bill to the Republican side, and then proceeded for nearly an hour to make a political speech that had nothing to do with the tariff bill. The Senator from Arkansas has taken such time upon extraneous matters since this bill came before the Senate that if every other Senator exercised the same right—and it is a right—not only would there be no opportunity to vote upon the tariff bill but there would be no opportunity even to discuss it.

I do not blame these Senators. They have a right to make these speeches. They have the right to filibuster this bill—to filibuster it to death—and they have the power to do so under the present rules of the Senate; but, Mr. President, the majority has a responsibility, and the country, I think, well understands that under the rules of the Senate, as they are now framed, the majority party may solemnly promise to the country legislation which the country expects. But under the present rules there is always a reservation that "we promise you this legislation provided the minority party will consent to it, but if there be objection upon the part of the minority we will not carry out our promise."

Mr. President, with the present majority of 24 that the Republicans have, the country expects the Republican Party to legislate; and I am frank to say, for one, that I do not believe that the country will accept the excuse that "the Democrats would not let us legislate." This body has the power to modify the rules of the Senate so that the majority can do business. It is the duty of the majority so to amend the rules of the Senate that when debate is abused, whether it be upon one side or upon the other, when Senators occupy hours and days in the discussion of extraneous matters, there shall be a power in the majority, whether that majority be on this side of the aisle or on the other side, to carry out its promises to the people and enact the legislation which it has promised to enact.

Now, a word with reference to the charge that has been made by the Senator from Mississippi and other Senators that if this cloture rule should be adopted to-morrow there would be no opportunity for the Finance Committee to bring in amendments from time to time, as it has been doing of late, reducing the rates it originally proposed. I am frank to say I do not like this cloture rule. I would much rather have a rule or an agreement that at least during certain hours of the day all debate should be confined to the bill, and that speeches upon amendments should be limited to 15 or 20 minutes. May I say in passing, Mr. President, that if that were done there would be some real consideration of the questions before the Senate and upon which Senators vote. There is none to-day.

What happens? An amendment is proposed; it is debated; half a dozen Senators listen to it—no more; a vote is taken, and Senators come in and follow the committee, as a rule, if they are on this side of the aisle; and they are against the committee, as a rule, if they are on the other side of the aisle. But not 10 per cent of the Senators who vote upon these various amendments know the first thing about the subject they are voting upon.

I do not blame Senators for that. So long as it is understood that if Senators sit here they must sit and listen by the hour to the discussion of every subject under the sun except the subject that is actually before the Senate, they can not be expected to sit in this Chamber when they have other and real work to do.

But, Mr. President, if there were a real limitation of 15 minutes upon amendments you would find the seats in this Chamber full, you would find Senators listening to the discussions, you would find Senators listening to the debates, and I want to say to the other side of the aisle that if that were done some of the increases—which I do not defend—could be defeated; but they can not be so long as the present custom and situation prevail.

If this cloture rule is adopted, will it or will it not tend to prevent any further decreases in the rates proposed by the Finance Committee? In my judgment, while the committee will be foreclosed under the cloture rule from bringing in new amendments reducing the duties, there will be more of the Senate amendments voted down and the House rates accepted if there be no opportunity to bring in amendments than we will get in reductions when they do bring in amendments.

So far as the time is concerned, each Senator would have an hour. It would compel each Senator, then, instead of taking the time of the Senate upon little, inconsequential items, to so divide his time that he would devote it to items of importance, and it would compel him to confine his discussion and say as much as possible in the least possible time, instead of, as to-day, saying as little as possible in the greatest possible time.

I have just had handed to me, in response to the charge that a great proportion of the time consumed in discussion of the bill has been taken upon this side, a compilation which shows that, eliminating debates or discussions of extraneous matter, which have been almost wholly confined to the Democratic side, in the

debate upon the bill itself the Republicans have occupied 408 pages and the Democrats 721 pages, and when you add to that the time that has been occupied in extraneous speeches, like those of my good friend, the Senator from Alabama, and of the Senator from Arkansas and others, it will be shown that the time occupied upon the Democratic side was very much more than that.

Mr. SMOOT. Mr. President, it seems to me, if the Senator will permit me, that this would be a very good time to have put in the RECORD the figures as to the time taken up to June 30 in the discussion of extraneous subject matter and by whom the time was taken. If the Senator has no objection, I shall ask unanimous consent that the statement be put in the RECORD at this point.

Mr. LENROOT. I yield for that purpose.

The PRESIDING OFFICER (Mr. BRANDEGEE in the chair). Is there objection?

Mr. HARRISON. What is the statement?

Mr. SMOOT. It gives the names of Senators who have spoken upon subjects other than tariff matters, beginning with April 21 and running to June 30.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

(H. R. 7456, Sixty-seventh Congress, second session. April 20, 1922. Unfinished business.)

HARRISON; April 21 (p. 5813), one-half page. (Address of Senator Moses in New York.)
CARAWAY; April 21 (p. 5794), one-half page. (Civil service.)
WALSH of Massachusetts; April 25 (p. 5929), 2½ pages. (Adjusted compensation.)
KING; April 26 (p. 5988), one-half page. (Bureau of Internal Revenue investigation.)
DIAL; April 26 (p. 5989), 1½ pages. (Pensions and adjusted compensation.)
LA FOLLETTE; April 28 (p. 6041), 7½ pages. (Naval oil reserve leases.)
LA FOLLETTE; April 29 (pp. 6096 and 6101), 3 pages. (Naval oil reserve leases.)
HITCHCOCK; April 29 (p. 6097), 1 page. (Naval oil reserve leases.)
POINDEXTER; April 29 (p. 6098), 1 page. (Naval oil reserve leases.)
NORRIS; April 29 (p. 6099), 3 pages. (Naval oil reserve leases.)
PITTMAN; May 1 (p. 6128), 3 pages. (Extension of War Finance Corporation.)
SIMMONS; May 1 (p. 6131), 2 pages. (Extension of War Finance Corporation.)
FLETCHER; May 1 (p. 6133), 1 page. (Extension of War Finance Corporation.)
HEFLIN; May 1 (p. 6134), 2 pages. (Extension of War Finance Corporation.)
CARAWAY; May 2 (p. 6174), 5 pages. (Dismissal of ex-service men from civil service; attack on Attorney General Daugherty.)
HARRISON; May 2 (p. 6179), 2½ pages. (Miscellaneous subjects.)
STERLING; May 2 (p. 6181), 1 page. (Miscellaneous subjects.)
JONES of New Mexico; May 2 (p. 6185), one-half page. (Miscellaneous subjects.)
CARAWAY; May 3, 4, and 5 (pp. 6245, 6306, and 6363), 6 pages. (Attorney General Daugherty.)
PHIPPS; May 5 (p. 6377), 2½ pages. (District of Columbia appropriations.)
HARRISON; May 5 (p. 6380), 2 pages. (District of Columbia appropriations.)
CARAWAY; May 6 (p. 6446), 1½ pages. (Attorney General Daugherty.)
ASHURST; May 6 (p. 6441), 4½ pages. (Hospitalization.)
BORAH; May 6 (p. 6485), 1½ pages. (Russian ambassador.)
HARRISON; May 8 (p. 6482), 2 pages. (Nat Goldstein.)
BORAH; May 8 (p. 6484), one-half page. (Russian ambassador.)
PITTMAN; May 8 (p. 6491), one-half page. (Good roads.)
HARRISON; May 9 (p. 6555), 1 page. (Nat Goldstein.)
DIAL; May 9 (p. 6556), one-half page. (Daylight saving.)
SPENCER; May 10 (p. 6634), 2 pages. (Nat Goldstein.)
HARRISON; May 10 (p. 6635), 2 pages. (Nat Goldstein.)
KING; May 10 (p. 6638), one-fourth page. (Governor of Porto Rico.)
MCCORMICK; May 12 (p. 6782), one-fourth page. Visit of 1881 class to Japan.)
ROBINSON; May 12 (p. 6782), one-fourth page. (Visit of 1881 class to Japan.)
LA FOLLETTE; May 12 (p. 6782), 4½ pages. (Merger of steel companies.)
KING; May 12 (p. 6797), 1 page. (Affairs in Haiti.)
MCKELLAR; May 13 (pp. 6867 to 6893), 2 pages. (Oil.)
POMERENE; May 13 (p. 6871), 4 pages. (Election of Senators.)
WATSON of Georgia; May 13 (p. 6869), 6 pages. (Education of the South.)
LA FOLLETTE; May 13 (p. 6893), one-half page. (Oil.)
HEFLIN; May 13 (p. 6895), one-fourth page. (Mothers' Day.)
BORAH; May 15 (pp. 6945 to 6950), 2½ pages. (Genoa conference.)
KING; May 15 (pp. 6945 to 6950), 1½ pages. (Genoa conference.)
HITCHCOCK; May 15 (pp. 6945 to 6950), 1½ pages. (Genoa conference.)
WATSON of Georgia; May 15 (pp. 6945 to 6950), one-fifth page. (Genoa conference.)
FRELINGHUYSEN; May 17 (p. 7096), one-fourth page. (Personal privileges.)
HARRISON; May 17 (pp. 7100–7101), 1½ pages. (Eight-hour day for Government employees and drift of recent elections.)
WATSON of Georgia; May 18 (p. 7170), two-thirds page. (Court-martial.)
CARAWAY; May 20 (pp. 7316 to 7321), 4 pages. (Thomas B. Felder.)
WATSON of Georgia; May 20 (p. 7320), 1 page. (Thomas B. Felder.)
WADSWORTH; May 20 (p. 7320), one-sixth page. (Thomas B. Felder.)
WILLIS; May 20 (p. 7321), three-fourths page. (Thomas B. Felder.)
BORAH; May 22 (p. 7363), one-half page. (Russian situation.)
CARAWAY; May 22 (p. 7375), 2¾ pages. (Thomas B. Felder.)
EDGE; May 23 (p. 7439), 1 page. (Russian situation.)
BORAH; May 23 (p. 7439), 1 page. (Russian situation.)
WATSON of Georgia; May 23 (p. 7460), 1½ pages. (Russian situation.)
CARAWAY; May 24 (p. 7523), 4¾ pages. (Attorney General Daugherty.)
ASHURST; May 24 (p. 7558), 1 page. (Policy of reclamation.)
FRANCE; May 24 (p. 6450), 3½ pages. (Present and future welfare of American farmer.)
BRANDEGEE; May 25 (p. 7621), one-half page. (Investigation into alleged unlawful hanging of soldiers.)
WATSON of Georgia; May 25 (p. 7622), 3½ pages. (Policy of present administration—Morse case.)
HARRISON; May 25 (pp. 7621, 7625), 1¾ pages. (Business of the Senate.)
MCCUMBER; May 25 (p. 7626), three-fourths page. (Business of the Senate.)
UNDERWOOD; May 25 (p. 7626), 1 page. (Business of the Senate.)
NORRIS; May 25 (p. 7627), one-fourth page. (Business of the Senate.)
SIMMONS; May 25 (p. 7628), 1¾ pages. (Business of the Senate.)
KELLOGG; May 25 (p. 7628), one-half page. (Business of the Senate.)
HEFLIN; May 25 (p. 7629), 1¾ pages. (Business of the Senate.)
LA FOLLETTE; May 25 (p. 7636), 1½ pages. (Operation of General Electric Co.)
LENROOT; May 26 (p. 7710), one-fourth page. (Attorney General Daugherty.)
CARAWAY; May 26 (p. 7710), 1 page. (Attorney General Daugherty.)
CARAWAY; May 27 (p. 7772), 5 pages. (Attorney General Daugherty.)
WATSON of Georgia; May 27 (p. 7714), three-fourths page. (Attorney General Daugherty.)
HARRISON; May 29 (p. 7840), one-fourth page. (Appointment by Executive order.)
CARAWAY; May 29 (p. 7843), 4¾ pages. (Attorney General Daugherty.)
LENROOT; May 31 (pp. 7895, 7914), 1¾ pages. (Letter from Secretary Hoover.)
WATSON of Georgia; May 31 (pp. 7913, 7915), 1½ pages. (Letter from Secretary Hoover.)
BORAH; May 31 (p. 7904), 5½ pages. (Russian situation.)
FLETCHER; May 31 (p. 7910), one-half page. (Russian situation.)
HARRISON; May 31 (p. 7911), 2¾ pages. (Primary campaign expenditures.)
WATSON of Georgia; May 31 (p. 7913), 1 page. (Attorney General Daugherty.)
STERLING; June 1 (p. 7939), 2¾ pages. (Reclassification of Government employees.)
WATSON of Georgia; June 1 (p. 7942), 1 page. (European relief expenditures.)
CARAWAY; June 1 (p. 7950), 4 pages. (Attorney General Daugherty.)
WATSON of Georgia; June 2 (p. 8023), 2 pages. (Attorney General Daugherty.)
STANLEY; June 3 (p. 8091), three-fourths page. (Attorney General Daugherty.)
WALSH of Montana; June 3 (p. 8095), one-half page. (Attorney General Daugherty.)
ASHURST; June 3 (p. 8093), three-fourths page. (Condition of Armenian people.)
KING; June 3 (p. 8093), 1¾ pages. (Condition of Armenian people.)
WATSON of Georgia; June 6 (p. 8249), 2 pages. (Secretary Hoover and Attorney General Daugherty.)
MYERS; June 7 (p. 8292), three-fourths page. (Sunday observance law for the District of Columbia.)
HARRISON; June 7 (p. 8300), 1½ pages. (Criticism of the President.)
WALSH of Massachusetts, SUTHERLAND, KING, BORAH, and others; June 8 (pp. 8372–8383), 11 pages. (Prices of coal.)
CARAWAY; June 9 (p. 8449), one-half page. (Attorney General Daugherty.)
HEFLIN; June 10 (p. 8513), 2¾ pages. (Gov. W. P. G. Harding, Federal reserve banks.)
HARRISON; June 10 (p. 8533), 1¾ pages. (Campaign contributions.)
DIAL; June 12 (p. 8550), one-fourth page. (Daylight-saving regulation.)
HEFLIN; June 12 (p. 8578), 1 page. (Disturbance of open-air meeting by airplanes.)
WILLIAMS; June 12 (p. 8578), 1¾ pages. (Disturbance of open-air meeting by airplanes.)
SUTHERLAND; June 13 (p. 8622), 1 page. (Leonard Kaplan at Naval Academy.)
KENDRICK; June 13 (p. 8623), 2¾ pages. (Adjusted compensation of World War veterans.)
HARRISON; June 13 (p. 8628), 2¾ pages. (Nat Goldstein.)
CARAWAY; June 15 (p. 8750), 1¾ pages. (Sale of liquor on American ships.)
HEFLIN; June 16 (p. 8810), 1¾ pages. (Primary election system.)
TRAMMELL; June 16 (p. 8812), three-fourths page. (Primary election system.)
NORRIS, FRANCE, and others, June 16 (p. 8806), 4½ pages. (Primary election system.)
CARAWAY; June 16 (p. 8813), 2¾ pages. (Removal from and appointment to office.)
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UNDERWOOD; June 17 (p. 8892), three-fourths page. (Muscle Shoals plant.)
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HEFLIN; June 17 (pp. 8895–8904), 2 pages. (Muscle Shoals plant.)
MCNARY; June 17 (pp. 8895–8904), one-half page. (Muscle Shoals plant.)
ASHURST, MCCUMBER, WALSH of Massachusetts, and others, June 17 (pp. 8905–8913), 8 pages. (Adjusted compensation of World War veterans.)
EDGE; June 21 (p. 9071), 2 pages. (Decisions of the Supreme Court.)
KELLOGG; June 21 (p. 9077), 1½ pages. (Decisions of the Supreme Court.)

LA FOLLETTE; June 21 (p. 9074), 7½ pages. (Decisions of the Supreme Court.)
LADD; June 21 (p. 9091), 9½ pages. (Proposed amendment to soldiers' compensation act.)
WATSON of Georgia; June 21 (p. 9100), one-half page. (Attitude of George Washington toward soldiers' bonus.)
POMERENE; June 21 (p. 9100), three-fourths page. (Civilian instructors at Naval Academy.)
NELSON; June 21 (p. 9101), one-half page. (Civilian instructors at Naval Academy.)
JONES of New Mexico; June 21 (p. 9103), 1¾ pages. (Adjusted compensation for World War veterans.)
HEFLIN; June 22 (p. 9145 and p. 9166), 9¾ pages. (Distribution of speeches by Federal reserve banks.)
MCLEAN; June 22 (pp. 9145–9166), 1 page. (Distribution of speeches by Federal reserve banks.)
GLASS; June 22 (p. 9152), 1½ pages. (Distribution of speeches by Federal reserve banks.)
ASHURST; June 23 (p. 9231), one-half page. (Hospital facilities for World War veterans.)
BORAH; June 23 (p. 9243), one-fourth page. (Soldiers' bonus—George Washington.)
WATSON of Georgia; June 23 (p. 9244), one-half page. (Soldiers' bonus—George Washington.)
MYERS; June 24 (p. 9294), 3½ pages. (Mob violence at Herrin, Ill.)
WATSON of Georgia; June 24 (p. 9297), one-half page. (Soldiers' bonus—George Washington.)
HARRISON; June 27 (p. 9471), 4½ pages. (Retrenchment of Government expenditures.)
WATSON of Georgia; June 28 (p. 9545), 2¾ pages. (George Washington and the soldiers' bonus.)
MYERS; June 28 (p. 9548), one-half page. (Mob violence in Herrin, Ill.)
MYERS; June 29 (p. 9655), 2¼ pages. (Motion-picture industry.)
CARAWAY; June 29 (p. 9659), 2½ pages. (Attorney General Daugherty.)
STANLEY; June 30 (p. 9747), one-half page. (Office of Attorney General.)
HEFLIN; June 30 (p. 9747), 3½ pages. (Distribution of speeches by Federal reserve banks.)

Mr. LENROOT. Mr. President, a word in conclusion with reference to the rates in the bill. I am satisfied, as I have said, that if there were a limitation of debate there would be greater reductions in the rates in this bill than will be made if the present course shall be pursued. I feel just as certain of that as I do that I am standing here to-day.

With reference to these rates, as the Senate knows, I have thus far opposed what I believed to be excessive rates, and I shall, in the future, oppose others which I believe to be excessive, and I am willing, if this cloture rule be adopted, to say all I have to say with reference to those excessive rates in the space of one hour, dividing my time as I shall see fit. But it is only fair to say, with reference to these rates, that I think Senators very often forget, and I do not think the country understands, that what is an apparent increase in a rate found in the bill as it passed the House, an increase made by the Senate may in fact be, and very often is, an actual decrease.

Every ad valorem rate in this bill which has not been increased by the Finance Committee has actually been very greatly reduced. I wonder if all Senators understand that. I am sure the country does not.

Mr. WALSH of Massachusetts. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Massachusetts?

Mr. LENROOT. I yield.

Mr. WALSH of Massachusetts. I can not speak for all the rates fixed by the Finance Committee, but I have some knowledge of the rates fixed in the agricultural schedule, and I say without hesitancy that the Senate Finance Committee have increased the rates over the rates of the bill as it passed the House in 10 instances to 1 where they have decreased them.

Mr. LENROOT. Let me ask the Senator, where the Senate committee has made no change whatever in the House rate, does the Senator count that an increase or a decrease or as remaining the same?

Mr. WALSH of Massachusetts. As remaining the same.

Mr. LENROOT. Does not the Senator see that where it is an ad valorem rate, he is very greatly mistaken, in all cases where there are ad valorem rates?

Mr. WALSH of Massachusetts. I have in mind the difference between the American valuation and the foreign valuation in the two bills.

Mr. LENROOT. And that is very substantial.

Mr. WALSH of Massachusetts. The statement I made is not changed by the fact that there are changes from the American valuation to the foreign valuation in the Senate committee amendments. Nearly all the changes have been in specific rates.

Mr. LENROOT. I think that is true.

Mr. WALSH of Massachusetts. The changes have been invariably to increase the rates. I made the statement on the floor yesterday, which I repeat, that only yesterday five rates were increased over the Senate committee amendments, and every day we have been making increases. There were some decreases made in the metal schedule, and I understand the committee are getting ready to make some in the cotton schedule, but so far as the agricultural schedule is concerned, there were more increases than decreases.

Mr. LENROOT. I agree with the Senator as to the agricultural schedule, but taking the bill as a whole, if he thinks that the tendency of the Finance Committee is to increase rates rather than decrease the rates, the cloture rule will prevent further increases, will it not?

Mr. WALSH of Massachusetts. I assume that is true, because the committee seems to be holding daily sessions at the present time, and the recommendations they make each day seem to be for increased rates. So if we apply the cloture rule to-morrow, I understand the committee can make no more changes, and therefore there will be few increases made.

Mr. LENROOT. Does not the Senator think that would be a good thing?

Mr. WALSH of Massachusetts. Very decidedly.

Mr. LENROOT. I am glad the Senator approves some features of the cloture rule.

Mr. WALSH of Massachusetts. I would like to say to the Senator that there have been 141 amendments acted upon since June 28th, and I think that is a pretty good record we have made during the last 10 days, at least in this Chamber. I do not see how you can expect to speed up the work on the bill at a greater rate than that.

Mr. LENROOT. Even assuming that to be true, will not the Senator admit that if we make the same rate of progress in the future as we have during the time the Senator has mentioned, we can not pass the bill this year?

Mr. WALSH of Massachusetts. If we can pass 141 amendments in a week, there is no reason why we can not pass this bill within the next four weeks.

Mr. LENROOT. Does the Senator think there will be no individual amendments offered to the bill?

Mr. WALSH of Massachusetts. I expect there will be.

Mr. LENROOT. Does the Senator not think there will be a great many?

Mr. WALSH of Massachusetts. Yes; I think there will be.

Mr. LENROOT. So the Senator does not count upon the completion of the bill with the disposition of the committee amendments within the next four weeks?

Mr. WALSH of Massachusetts. I do not see how there can be very much discussion of the amendments, because it would be going over matter already discussed; but individual amendments can not be offered now.

Mr. LENROOT. Unless we have the cloture rule, will not each individual Senator desire to and will he not discuss each amendment he offers, naturally?

Mr. WALSH of Massachusetts. Certainly.

Mr. LENROOT. I would like to ask the Senator how long he thinks the debate will last upon the valuation features of the bill?

Mr. WALSH of Massachusetts. It is my opinion that the bill will be ready for a final vote before the middle of August.

Mr. LENROOT. If it is, the Senator must admit that his side proposes in the future to take very much less time than it has in the past.

Mr. WALSH of Massachusetts. It is my opinion that the committee amendments will be completed in two weeks.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Utah?

Mr. LENROOT. I yield.

Mr. SMOOT. I want to say to the Senator from Massachusetts that, barring the agricultural schedule, where most of the rates are specific, and are higher than the House rates, I admit, I think the Senator will agree with me that there is not a schedule in the bill as reported in which the rates are not lower than the House rates.

Mr. WALSH of Massachusetts. I regret that I can not confirm what the Senator says. I can only speak for the agricultural schedule, which I have studied in some detail. I think the junior Senator from Utah [Mr. KING], in charge of the chemical schedule, and the Senator from New Mexico [Mr. JONES], in charge of the metal schedule, could enlighten us on the matter. My impression has been that even in those schedules the committee have recommended very many increases over the House rates.

Mr. SMOOT. Very few, Mr. President, and there were a few increases over the House rates voted by the Senate as against the recommendations of the committee.

Mr. WALSH of Massachusetts. I would like to ask the junior Senator from Utah if he confirms the statement made by his colleague about the Senate committee amendments in the

chemical schedule being generally reductions over the House rates?

Mr. KING. I think that many of the rates in the chemical schedule have been reduced from those found in the bill as it came from the House.

Mr. SMOOT. Particularly when you take into consideration the American valuation, there is not a rate that has not been reduced.

Mr. KING. I am assuming that.

Mr. SMOOT. There is not a rate, unless it was a specific rate, which remained as it was in the House text and as to which there was not a reduction.

Mr. KING. If the Senator will pardon me, there is authority given in the bill for the President to increase the rates.

Mr. SMOOT. Yes; and to decrease them.

Mr. KING. There will be no decreasing.

Mr. SMOOT. I am not sure of that. In fact, I think there will be more decreases than increases.

Mr. KING. It is purely prophecy, and I shall not indulge in prophecy.

Mr. SMOOT. Whatever is said along this line is prophecy, whether it comes from the senior Senator from Utah or the junior Senator from Utah. No one can say what the President will do. I only express my opinion, and I believe it with all my soul.

Mr. KING. Mr. President, will the Senator yield?

Mr. LENROOT. I yield.

Mr. KING. In view of a statement which was made since I came into the Chamber, I wish to say that I do not agree with the Senator from Massachusetts [Mr. WALSH] that every amendment which will be offered by the minority, or by the majority for that matter, will be debated. I have a large number of amendments which I shall offer to the chemical schedule. In the general debate upon the chemical schedule and in the consideration of the amendments offered by the committee, questions were discussed then which are directly involved in the amendments which I shall tender. I do not expect to discuss perhaps more than one-tenth of the amendments which I shall offer to the chemical schedule. I feel sure that many of the amendments which will be offered by the minority will not be discussed, but in their view it is important that those amendments should be offered in the hope that judgment by that time will have been restored to the other side of the Chamber, and they will concede that many of the amendments should be adopted and reductions made.

Mr. LENROOT. Mr. President, judging from the accretions to the number of advocates of the rates from the Senator's side of the Chamber, I do not feel very optimistic about that proposition, because there seem to be more and more Democrats adhering to the committee rates as time goes on.

I want to make a point in conclusion that I do not think Senators always remember, because I want to be fair to the Finance Committee, that where no change in rate is imposed in the House bill, in every case where it is an ad valorem rate it is in fact a reduction, and in many cases where the Finance Committee have recommended an increase in the ad valorem rates, so far as the rate is concerned, it is in fact a reduction from the House rates. To illustrate, the very next paragraph that the Senate will consider is upon sardines, where the House rate is 26 per cent ad valorem. The Senate Finance Committee recommends an apparent increase to 30 per cent ad valorem. Naturally one would conclude that was an increase in the rate or in the tariff duty to be imposed, but in fact it is a reduction. I simply take it for illustration. As a matter of fact, based upon the last figures that I have of importation and domestic production of sardines, the 26 per cent ad valorem rate based upon American valuation would have imposed a duty of 91 cents a case upon sardines, while the 30 per cent duty recommended by the Finance Committee, an apparent increase in the rate, upon the foreign valuation would make a duty of only 84 cents a case. So that while the House rate of 26 per cent would impose a duty of 91 cents a case, the Senate committee rate of 30 per cent would impose a duty of only 84 cents a case, or 7 cents a case less than the rate imposed by the House.

I think there are times when none of us bear this point in mind. While, as I have said very often, I think there are rates proposed by the Finance Committee that can not be justified, and I shall vote against them as we come to them, as I have voted against them in the past, nevertheless wholesale condemnation ought not to be made of the bill.

Mr. BORAH obtained the floor.

Mr. HEFLIN. Mr. President, will the Senator yield to me a moment?

Mr. BORAH. I yield.

Mr. HEFLIN. Mr. President, the Senator from Wisconsin [Mr. LENROOT] has taken me to task, as well as other Senators on this side, for opposing the cloture rule and for asking for time to discuss the tariff bill which we say is full of inexcusable and indefensible provisions. On yesterday, the 5th day of this month of July, the day following our Independence Day, the birthday of our liberty, the Senator from Wisconsin, speaking against one of these very provisions, said:

> Mr. President, I am opposed to the pending committee amendment because I do not believe that it can be justified from any standpoint.

That is one of the provisions in the bill which is full of provisions like it which the Senator from Wisconsin said "can not be justified from any standpoint." Again he said:

> Mr. President, I submit that the distinguished senior Senator from California [Mr. JOHNSON] and his colleague, the junior Senator from California [Mr. SHORTRIDGE], have not made out a case for the increase of duty which is now proposed by the committee—which is an increase of 275 per cent over the existing rate and an increase of 150 per cent over the Payne-Aldrich rate. I submit they have not made out their case upon their own showing, because in the speech of the senior Senator from California upon Monday he demonstrated that under the existing rate of the Underwood law the acreage planted in almonds in 1921, at the very lowest ebb of the industry, so far as the market was concerned, had increased almost 12½ per cent.
>
> Mr. President, in the face of the growth of this industry during the existence of the present Underwood law, an increase of 275 per cent in the tariff duty can not, I submit, be justified by anybody.
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> I have not made up my mind as to whether, when we come to a final vote upon this bill, I shall vote for it or not. I want to do so if I can. I want to resolve all doubts in favor of the bill; but if such rates as this are to be voted into this bill to any considerable extent, I want to say very frankly that I shall not support the bill when it comes to final passage.
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> Mr. President, I hope that I shall be able to support this bill when it does come to a final vote. The vote upon this amendment, of course, will not be the deciding factor, but it will be one of them; and if many such are voted into the bill, I repeat that—giving credit to every other Senator for the same high purpose and motives in voting for the bill that I believe actuate me—I shall reserve the right to vote against it unless some of these duties be brought down somewhere within reason.

That is the bill I am condemning. That is the bill I want time to discuss. The Senator says I have occupied a good deal of time. I am occupying that time in the interest of the American people, and I am not speaking for the tariff barons of this Republic. I want time to condemn the bad provisions of the measure which the Senator from Wisconsin admits can not be justified from any standpoint.

Mr. SMOOT. Mr. President, will the Senator from Idaho yield to me just a moment?

Mr. BORAH. I yield to the Senator from Utah.

Mr. SMOOT. I happened to be out of the Chamber when the Senator from Mississippi [Mr. HARRISON] was speaking this morning, but my attention has been called to a part of his remarks, reading as follows:

> I see the benign countenance of my friend from Indiana [Mr. WATSON] over there on the other side of the Chamber. He is strong for this cloture rule. He is an adroit politician. He is as smart as they make them. He knows that the pending bill will not stand the attacks from this side of the Chamber. He wants to restrict debate, to forestall these assaults, to put through something here so that the people will never know the infamous character of some of the provisions of this bill. He knows that when the sugar schedule is reached we on this side of the Chamber are going to expose the deal that was attempted to be put over by a distinguished member of the Finance Committee, the senior Senator from Utah [Mr. SMOOT], by writing a letter to General Crowder, a representative of this Government to Cuba, and trying to induce Cuba to enter into a contract to restrict the production of sugar in Cuba to 2,500,000 tons annually. The Senator from Indiana knows that all that will be exposed. One of the conditions of the proposed contract was that if the Cubans should restrict their crop of sugar the tariff on sugar would not be so high in this bill. The Senator from Indiana desires to keep that from the American people, and the adoption of this cloture rule will so limit debate that we on this side of the Chamber, who propose to discuss that matter, would not have time even to have read the letter written by the senior Senator from Utah to General Crowder or the contract which was attempted to be negotiated.

Mr. President, I have listened to the Senator from Mississippi make reference to this matter three or four times in the Senate, but I paid no particular attention to it. I want to say to the Senator from Mississippi that he can not keep the Senator from Utah from calling the country's attention and the Senate's attention to the letter that I wrote to General Crowder. When the country knows the situation and conditions existing at that time and what was the intention of certain interests in the country to do to the sugar industry of our country, I want to say that there will be quite a different opinion toward the sugar producers of the country than seems to be manifested by the Senator from Mississippi. There is nothing to conceal. I read the letter to the Finance Committee, and I intend to read it to the Senate. I am going to show the

Senate of the United States what a strangle hold the sugar refiners and the bankers of New York had on the sugar industry of the United States. I admit that rather than have it killed outright, I would undertake to do almost anything honorable to save the industry.

Mr. HARRISON rose.

Mr. SMOOT. I want the Senator from Mississippi to understand that the letter is going to be read and it is going to be explained when the sugar schedule is up for consideration.

Mr. HARRISON. I am delighted.

Mr. SMOOT. There was no deal put over by the Senator from Utah that he is not perfectly willing that all the world should know about, and when the world knows it I will say that some of the sugar refiners of the country and the banks which advanced money to the Cuban sugar producers will take notice and there will be quite a different sentiment in the country in relation to the rates of duty upon sugar and the sugar industry of the country than we are lead to believe by the remarks and insinuations of the Senator from Mississippi [Mr. HARRISON].

Mr. HARRISON. May I ask the Senator a question before he takes his seat, because the Senator alluded to my remarks and I was sorry he was not present to hear them. The Senator, I understand, will produce the letter which he wrote to General Crowder?

Mr. SMOOT. I am going to read it, and the Senator from Mississippi can not keep me from reading it.

Mr. HARRISON. Is not the Senator willing to have it read now?

Mr. BORAH. No; not in my time.

Mr. SMOOT. I have not a copy of it with me. This is no time to do it. When the sugar schedule is reached I intend to discuss the sugar schedule and then will be the time to read it, not now.

Mr. HARRISON. May I ask whether in the letter General Crowder was authorized to restrict the Cuban crop to 2,500,000 tons?

Mr. SMOOT. No; he was not.

Mr. HARRISON. On the theory that the tariff would be lower?

Mr. SMOOT. General Crowder was not authorized to do anything. I had no authority to authorize him to promise any rate of duty on sugar.

Mr. HARRISON. That is what the Senator was trying to get General Crowder to effect in Cuba, was it not?

Mr. SMOOT. I am not going to take the time of the Senator from Idaho now to discuss the matter. I shall tell the Senate the whole story at the proper time.

Mr. HARRISON. But our curiosity is all excited.

Mr. SMOOT. I know; the Senator's curiosity is always excited.

Mr. HARRISON. Then the Senator will not tell us now?

Mr. SMOOT. Not in the time of the Senator from Idaho.

Mr. BORAH. Mr. President, the colloquy between the Senator from Mississippi [Mr. HARRISON] and the Senator from Utah [Mr. SMOOT] illustrates how unwise it would be to undertake to apply cloture in the consideration of the tariff bill. The last bill that ought to have cloture applied to it is the tariff bill. We can possibly stop debate in the Senate, but we can not stop it in the country. Every one of the schedules in the bill will be debated for the next two or three years and perhaps the next ten years throughout the country. The best way that we could possibly expend our time here is to make just as few mistakes as we can before the bill goes to the people.

The debate in the Senate has not been intensely interesting perhaps to all of us, because we are not all tariff experts. But the debate which is going on in the country is intensely interesting. Strangely enough, they seem to know more about the bill than we do. I presume it is because they have to apply it daily, and they are studying the possible effect of it.

In my humble opinion, when the sugar schedule is undisposed of, when the woolen schedule is undisposed of, when the embargo proposition is undisposed of, when the glove, the potash, and all the other important schedules over which the fights have always been made in the past are undisposed of, to apply cloture would be a very serious thing. Not only would it result in injury to the country but it would result in tremendous injury to the Republican Party. Whether you view it as patriot or as partisan, sometimes synonymous, but not always so, it would be a great error to force these schedules through without most thorough debate. The people, I venture to believe, will be greatly benefited by debate.

Mr. POMERENE. Mr. President——

Mr. BORAH. I yield to the Senator.

Mr. POMERENE. I noticed a little while ago an article in the New York Tribune which would indicate that at a certain dinner held last night members of the Finance Committee themselves had very grave doubts as to whether cloture should be invoked. If the Senator from Idaho will pardon me, I should like to read a sentence or two from the article:

> While the Senate leaders propose to try the adoption of cloture in connection with the tariff bill under the existing two-thirds rule, sentiment was expressed at to-night's meeting that it was unwise to try to force cloture now, before the wool and sugar schedules are disposed of, lest it give rise to a charge that an effort is being made to gag the Senate in the discussion.

Mr. SMOOT. Mr. President, I wish to say to the Senator from Ohio that while some of the members of the Finance Committee may have attended the meeting, I assure him that I was not there.

Mr. BORAH. The article refers to leaders of the Senate, so a number of us were not expected.

Mr. POMERENE. The dinner was at the home of the senior Senator from Massachusetts [Mr. LODGE], and among other Senators who are named is the Senator from North Dakota [Mr. MCCUMBER], the chairman of the Finance Committee; the Senator from Kansas [Mr. CURTIS], who is the Republican whip; the Senator from Indiana [Mr. WATSON]; the Senator from Connecticut [Mr. BRANDEGEE]; the Senator from Oregon [Mr. MCNARY], and several others; and, of course, I assume they were all Republicans.

Mr. SMOOT. I desired merely to correct the statement the Senator from Ohio made in the first place, that the Finance Committee was there. The Finance Committee was not there.

Mr. POMERENE. I do not know whether I said the "Finance Committee" or "members of the Finance Committee."

Mr. SMOOT. I thought the Senator said "the Finance Committee."

Mr. BORAH. Of course, Mr. President, it would be perfectly suicidal for the Republican Party to shut off debate upon these schedules. It would be ruinous to us as a party, but, what would be still worse, it would be injurious to the country.

I have always been opposed, Mr. President, to cloture; and it has been extremely interesting in the years during which I have been here to observe how cloture has been sought to be applied by the two sides of the Chamber. When the Republicans are in the majority, they want cloture; when the Democrats are in the majority, they want cloture; and when either side is in the minority, it protests against cloture. We have that situation now. I think it would be extremely unwise to apply cloture at this time. However, Mr. President, I should be tempted to vote for cloture in this instance if it were not for the two considerations, one of which I have just mentioned, that I think we can not stop debate upon a measure by stopping debate here in the Senate. The second reason why I am opposed to cloture is because of that which lies ahead of us.

We are greatly mistaken if we think that the people are in a hurry to have us legislate along the lines on which we are proposing to legislate. The people are not at all dissatisfied to slacken haste in the matter of adding increased taxes upon the people and increased obligations and burdens upon the Government.

For instance, Mr. President, what are our friends proposing to do immediately after they pass the pending tariff bill? What is the next measure to be taken up? The next bill on the program is one to impose an indebtedness or an obligation upon this country of from $4,000,000,000 to $6,000,000,000. That will be the first hasty step we will take after we shall have concluded the consideration of the tariff bill. I am speaking now of the entire Congress; but do Senators think, in view of the conditions in this country at this time with reference to taxes, with reference to indebtedness, with reference to national obligations, that the people are desirous that we hasten to impose additional burdens on the Government of from $4,000,000,000 to $6,000,000,000. If there were a different program confronting us, if there were a different outlook, there might be some desire for haste, but in view of what confronts us I doubt very much if there is any considerable excitement in the country to have us move along with our program.

After we have disposed of the bonus proposition, which will add from $4,000,000,000 to $6,000,000,000 to the indebtedness of the country, what is the next measure upon our program? The ship subsidy bill. Do Senators think the people of the country are in great haste to have the débris cleared away—if I may call the tariff bill that—to make way for a ship subsidy bill, a measure which will draw from the Treasury all the way from fifty million to one hundred million and some say as high as three hundred million dollars; which will exempt some of the people of the country from the payment of a portion of their

taxes; which will select a few and give them an opportunity to succeed in the midst of the distress which presses down upon the remainder of the people? I do not think, Mr. President, that the people are in any haste to have us pass that kind of a measure.

Then, after we pass the ship subsidy bill and the bonus bill, both of which will constitute drains upon the Treasury and involve additional taxes and an increase of Government obligations, we propose to take up the bill for the creation of 24 Federal judges, which will be another drain upon the Federal Treasury. Perhaps we might justify the creation of 10 or 12 additional Federal judges. I think we might do so; but to create 24 additional Federal judges at this time, in my opinion, after having examined the matter as best I may, is intolerable and inexcusable and the imposition unnecessarily of a further burden upon the people of the country. And after we shall have passed the Federal judges bill, there will come what is called the Liberia loan bill. We propose to go into the Treasury of the United States, despite its condition, and loan to Liberia $5,000,000, at a time when the people of the United States are bled white, when they are absolutely without money to initiate enterprises, and when the great reclamation projects of the West are standing as they have stood for the last seven or eight years. With the Treasury unable to meet the demands of our own people, it is proposed to go into the Treasury and loan $5,000,000 to Liberia.

Not a single one of the measures upon the program which is now before us but draws upon the people for an additional sum and weighs upon them in the form of additional taxation and increases the obligations of the Government not only by millions but by billions of dollars.

Mr. President, therefore, while I have sat here and listened to this debate, or while I have known that it was going on, I have not felt the impatience which I otherwise would if I knew that there would follow the tariff bill measures which would, in my judgment, afford real relief to the country. I ask our friends who are meeting at the headquarters of our leaders if there is a single item in this program that does not increase the taxes of the people of the country? Is there a single part or parcel of the program that does not increase the obligations of the Government? It is the character of the program which makes hesitancy and delay in the consideration of the tariff bill a virtue.

Mr. President, we know that there is already great discontent throughout this country, and when discontent is widespread it is never without justification. That condition is apparent in the United States and it exists throughout the world.

It is evident that the burden which governments continue to impose upon the people is becoming unbearable. It is getting, as it were, upon the nerves of the public. The first underlying cause in my judgment of the world-wide unrest, of the almost universal criticism which we hear against governments, is exorbitant and unconscionable governmental expenditures, and particularly the outlook that these expenditures are not being diminished to any appreciable extent. Indeed, I do not believe that the burdens already placed upon the people are so disturbing, so fruitful of dissatisfaction and discontent, as those burdens which present policies indicate are yet to come. The present demands are sufficient to take the people's earnings, but the proposed policies take away their hope for better days.

The protest upon the part of the people is now being manifested in this country and throughout the world. It makes itself known in strikes, through the ballot box, and finally in rioting and in bloodshed. The most prolific source of misery and crime is oppressive taxation, and when you stop to think of the load now carried by the masses, we can not be surprised at the disorder and lawlessness everywhere prevailing.

In some countries it seems to be believed that this discontent and hunger can be fed up on repression and executions. In other countries, particularly in our own, the belief seems to prevail that the remedy is in still greater appropriations, increased national obligations, and necessarily higher taxes.

Let us examine in detail the weight under which the people are now bending and also examine some of the proposed measures of relief, some of the schemes which would start new enterprises and find employment for the idle through increased appropriations and still greater obligations of government! We will find that the late Doctor Rathenau was not far wrong when, a few days before his unfortunate death, speaking of the economic situation in Europe, he said:

> Chained in our galley we hew one another to pieces, although it is our bark which we are rowing and our struggle on whose behalf it is set forth.

We are told from time to time that the situation is encouraging; that we will get relief by reason of the fact that there are large sums of money owing to us from foreign governments, a part of which we may get and the interest of which we will surely get from some of them. These statements make it important for us to examine the conditions in those countries from which we are to get interest or aid, as we are told, to relieve the constantly increasing burdens of this country. I take up first the condition of Great Britain.

Some time ago there was a budget committee appointed in England, having for its object the investigation of the expenditures of the Government and the increase of taxes in that country. It was known as the Geddes committee. It would be well for those who are interested in this subject to recur to the report of that committee and read it. The committee present about as gloomy an outlook for the economic and financial future of England as could possibly be conceived this side of absolute bankruptcy. I have not the report upon my table, but I have here a discussion of the subject by one of the leading members of the commission, Lord Inchcape, who was speaking to a conference gathered for the purpose of discussing governmental expenditures and taxation. This is what he said:

> It was up to the entire Nation to insist upon drastic reductions in public expenditure. If they allowed this vital issue of economy to be made the football either of party politics or of departmental pride and intrigue, they were done. * * *
>
> I felt that if expenditure and taxation were not reduced—
>
> I feel so now—
>
> that we should land ourselves in national and individual bankruptcy.
>
> * * * * * * *
>
> The Geddes committee, which, after six months of strenuous work, suggested economies of £87,000,000 in the public spending departments, told His Majesty's Government that another £13,000,000 could be saved without difficulty and without impairing the practical efficiency of the defense and administration of the country.
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> * * * * * * *
>
> So we go on—
>
> Says Lord Inchcape—
>
> and, as far as can be seen, the revenue of the current year, even at the present rate of taxation, will not be equal to the expenditure. By juggling with figures and bringing into revenue realizations from the sale of surplus stores and ships, and by annexing the post-office surplus, which ought to be devoted to cheapening communications by letter, telephone, and telegram, the Government may be able to present a balanced budget; but what will happen in 1923–24, when they won't have the proceeds of sales of war materials to help them and when three years of low average of income tax will materially reduce the returns from that source, no one knows.

That is quite similar to the situation in this country. We have been able to make a showing which is somewhat encouraging by reason, I will not say of juggling of figures, as he says here, but, as the report of the Treasury Department itself says, by heroic effort, and by having at hand the proceeds of sales of war supplies, and so forth; but when we face the future those things must be eliminated, and within a short time we must face the proposition of meeting our indebtedness and our expenditures not by surplus war sales but by actual burdens upon the people.

Again, says Lord Inchcape:

> It is up to you; it is up to the entire nation to press for and to insist upon drastic reductions in public expenditure. If you don't, if you sidetrack this matter, or treat it as of secondary moment, then, in my judgment, you are done.
>
> * * * * * * *
>
> The wealth of the country does not belong to the Government. It is the property of the people, of those who have worked and saved, either for themselves or for those who are to come after them. * * *

How sound a statement; yet how heedlessly regarded by parliaments and congresses. This Government gets its money from the people. The money in the Treasury is money we have compelled them by law to pay over to the Government. If we should more conscientiously remember that, we would not deal so liberally with this money.

> I suggest to you that the first line of a country's defense, and of the defense of civilized life, is solvency. If a man's expenditure exceeds his income, if he is wise, he reduces his expenditure. If he is foolish, he goes on spending and borrows on his assets, pledging them for his loans, until he can borrow no longer, and then he is ruined. We are at the parting of the ways. We must reduce our expenditure and cease borrowing or we will come to grief.

Let me quote one more paragraph from this discussion:

> At present we are slithering down an incline plane of prodigality and indebtedness that will land us, unless we act promptly and resolutely, in the ditch. * * * If this goes on, our whole social and industrial fabric will go to pieces.

The report bears out the unhappy statement of this English statesman. I suppose some English politician might regard him as pessimistic, but my opinion is he was both wise and brave and also a patriot.

Mr. President, that is not the only feature of the tax situation in England which is of moment to us who are inclined to rely upon the interest upon the indebtedness which Great Britain

owes us to help us out. I find here a statement from the Outlook, of London, of May 7, 1922, which says:

On March 31, 1919, there were arrears of income tax * * * amounting to £55,000,000. In 1920 the figure had risen to £73,000,000. By 1921 it was £86,000,000, and this year it had reached the gigantic total of £110,000,000.

The condition of Great Britain is no different from that in many other leading countries. In other words, while expenditures increase, while outlays increase, the sources of taxes are drying up. Who is there that can say to the people of this country as we begin to legislate on this program which is to follow the tariff bill that a part of it will be taken care of by collecting from Great Britain her debt to us, or the interest upon it? The fact is that every dollar which we lay upon the people of this country for the next 10 or 15 years will in all probability be met by the people of this country alone, and there is no use blinking the proposition.

Let us look for a moment at the condition in France. France has her immense indebtedness and she is increasing it from day to day. Her sources of taxes are drying even more rapidly than those of Great Britain. I read here a statement from an ex-member of the French Assembly in which he says:

The new French budget, presented to Parliament by Mr. Charles de Lasteyrie, minister of finances, brings interesting precisions on one side of the problem. On the German side intelligent explanations are presented by Mr. Georg Bernhard, editor of the Vossiche Zeitung.

French taxes amounted to 5,000,000,000 francs in 1913. In 1919 they reached 9,700,000,000; these grew to 15,000,000,000 in the following year. For 1923 they will reach over 19,000,000,000 francs.

Five years after the war has closed, and after our antagonists have been reduced to practical helplessness, and after the signing of the four-power treaty, and after every appearance of peace, they have increased their expenditures from $15,000,000,000 francs to 19,000,000,000 francs for 1923. Then says the same writer:

The cost of living has increased by 300 per cent since 1913. French military expenditures compared to 1913 have grown by 266 per cent, while Italy shows an increase of 372 per cent, the United States of 340 per cent, and Japen of 332 per cent.

* * * * * * *

Thus we see, Mr. President, in these two great leading countries, whose indebtedness to us is very large, the constantly increasing expenditure, the constant increase of taxes, the constant decrease of returns of taxes or the drying up of taxes, and in all instances the rise in the cost of living and the constant increase of the burden of armaments.

I do not pause to survey the financial and economic conditions in other parts of Europe. Russia is in collapse; famine stalks her streets. In Germany the assassin's face haunts her public men and reparations dull the energy and blast the hopes of the people. Austria, Hungary, Rumania—why recount them, for we must know that bankruptcy is everywhere threatened.

Who could doubt what effect these conditions have upon the great mass of the people? Is there any surprise that there is discontent, not only throughout those countries but spreading into all other countries adjacent thereto? The fact is that the constant increase of governmental expenditure has reached the point where it breeds revolution. Everywhere men are denouncing or criticizing their governments—here and elsewhere. The people's faith and the people's patience are nearing exhaustion.

It seems to me, under these conditions, that the first and prime duty of a party which has the future of this country in its charge is at all hazards to refrain from increasing these obligations, these expenditures, and if possible to decrease them.

Now, Mr. President, let us look for a few moments at our own country.

We have at this time an indebtedness of about $22,000,000,000. Our Budget is running from $3,500,000,000 upward. According to the report of Mr. Mellon, the Secretary of the Treasury, the sources of taxes in this country are drying quite as rapidly as in Great Britain. We have a deficit for 1923 estimated at $500,000,000. That is the situation presented to us, not as a speculative proposition but by actual figures. At the close of the Civil War we had an indebtedness of about $2,674,815,356. By 1915 we had reduced the indebtedness of the Government to $1,090,148,006. In other words, during the space of 50 years we had reduced our public indebtedness something over a billion dollars. If we are to judge the future by the past, we now have an indebtedness which it will take us more than a thousand years to lift, to say nothing of the constantly increasing burden in the way of increased taxes from year to year by reason of the increased budgets; and it is proposed, in addition to that which we already have, to lay on an extra indebtedness, which I am going to discuss in a few moments.

Mr. President, the time may come, and in my opinion it is very likely to come, when the United States will have to stand, as it were, at the Marne on this question of preserving financial civilization. The time may come when our reserves, economic and financial, will have to be called upon as our reserve of man power was called upon in 1917, and it behooves the American people and the American Congress to prepare for that as we prepared for the great conflict which confronted us in 1917. The nation which will lead in the future, which will control and dominate, will not be the nation of armies, not the nation of navies, but the nation of economic power, of prosperity at home, of financial reserve, of means to take care of those things. It behooves us, therefore, not only by reason of the call which will be made upon us here in this country but by reason of the condition which surrounds us throughout the world, to conserve and reserve all the economic and financial power that we have in order to meet that exigency when it comes.

Mr. UNDERWOOD. Mr. President, if the Senator will allow me to interrupt him to make a suggestion, if we had owed $22,000,000,000, as we do to-day, when the war broke out in 1917, it would have been financially impossible for us to have put 2,000,000 men in France.

Mr. BORAH. I quite agree.

Mr. UNDERWOOD. The weakness is evidenced as much in financial weakness as it is in loss of man power.

Mr. BORAH. Quite so. There is another element to which I want to refer in connection with this, and that is the constant outlay for armaments. I have on my desk here the figures of the increase in the budget of France for 1923 for armament. Both war and navy appropriations are increased over this year's budget, the former 234,000,000 francs and the latter 323,000,000 francs. This is under date of May 16, 1922. In other words, notwithstanding the financial situation in France, for some reason unexplained, or not understandable, at least, by the outside world, she is increasing her army and her navy outlay over that of 1922.

Let us make a comparison with our country. For 1916, the year we started the large naval building program, we expended $154,727,556.36 for the Navy. For 1923 we have appropriated $328,000,000, in round figures.

The total appropriation for the Army in 1916 was $170,836,324.69. In 1923 it was $320,000,000. A like increase could be shown with reference to England.

I have called attention to this situation, which may seem somewhat irrelevant at first, but I am coming to the proposition of what should be the attitude of the American Congress toward these obligations which it is proposed we shall incur.

I look upon it somewhat in the light as if we were preparing for actual war. I think to drain our resources, to burden our people, to increase our obligations at this time is shortsighted, to say the least. It may be disastrous. It is a time when every citizen should feel toward his Government and its expenditures just as he would feel toward his Government if he knew that an outside enemy were threatening. Every man and every citizen should be willing to make the sacrifice, to economize, to deny himself or herself the same as we did during the Great War. There can be no possible doubt as to the task which confronts us, and there can be no doubt but what it will call for all we have under our control in order to meet it.

Notwithstanding that fact, Mr. President, we are told it is proposed as soon as this bill is out of the way to take up the ship subsidy bill. I am not going to discuss that to-day. I propose to do so in the near future. But it will be a drain upon the Treasury; it will establish a vicious system of tax exemption; it will not grant relief, and it will burden the future, in my judgment, quite as much as it would to actually vote bonds or obligations of the Government.

Secondly, we propose to take up what is known as the soldiers' bonus bill. I am perfectly well aware that both sides of the Chamber are in favor of that proposition to a large extent. We are now paying out over $1,000,000 a day for the disabled veterans; about $436,000,000 for this year will be paid, more than a million dollars a day. If we calculate the obligations which we owe to those men—and if they are disabled it is an obligation which we must meet at whatever cost—it will cost this Government, upon the ratio that it cost us after the Civil War, in the next 50 years over $65,000,000,000. Some estimate it higher. But, add that to the $22,000,000,000 which we already owe and the immense Budget which we have, and you have about all that the American taxpayer will be willing to carry during these coming years.

But it is proposed out of hand to lay upon the American people at this time an extra burden of from four to six billion dollars, almost twice as large as the debt which we had at the close of the Civil War; and if we pay it in the same way and at the same rate that we paid the debt after the Civil War, it will take us 250 years to pay off the debt which we propose to lay in a few weeks for the purpose of meeting this supposed obligation.

Mr. President, the discussion heretofore of this bonus measure has ranged principally about the present condition of the Federal Treasury and the immediate burdens of the taxpayer. These are matters of vital concern. But it must be apparent from the whole situation that underlying this question is a deeper problem touching not only this particular measure but the whole trend of legislation and the entire policy of reconstruction. The Treasury may run dry, but if the pride and the energy and the manhood and the womanhood of the Nation remain, it will again be replenished. The immediate burdens imposed by heavy taxes may sterilize industry and press down upon labor, but if faith in the Government and confidence in its policies remain, business in time will revive and labor again enjoy its rightful heritage. Language is inadequate to portray what a people will endure in the way of fiscal burdens so long as they believe that the policies obtaining are just and wise. But when a people begin to lose confidence in the wisdom and permanent policies of a government, it is time to look deeper than the mere significance of a pending measure.

The bonus measure is but a single expression of what seems to be a deep-rooted tendency—a tendency born of feeble policies and irresolute leadership. If this measure stood alone, if it were single in its import, we could look upon it with less concern. It is conspicuous, however, only because of the amount involved; there are any number of measures pending before the Congress of the same general nature. If you care to search the files of the Congress or survey the activities of State legislatures, you will no longer doubt the peril which confronts us as a people.

There are measures enough before the Congress, and lately in State legislatures, to bankrupt this, the richest Nation on the globe. If all the money were appropriated which, by bills, has been suggested, or if all the debts were created which such proposed measures would entail, it would place a mortgage upon the brain and the energy of our people which a thousand years could not lift. No statistician whom I have been able to find can tell us to-day the amount of indebtedness in the world. They approach with some supposed accuracy the debts of the different governments, but when you seek to tabulate the debts of the subdivisions of governments and then the private debts, the human mind staggers and computation breaks down. This fearful load resting like a blighting mildew upon the aspirations and the hopes and the energy of the people everywhere is now being increased at a rate which benumbs calculation. Even in this comparatively new land of ours we have reached already the era of embargoes, subsidies, gratuities, bonuses, and finally that sinister invention of American politics—50–50 between the States and the Government—that is, the States will exploit the taxpayer for 50 per cent and the Government for the other 50 per cent, thus dividing responsibility and augmenting extravagance, unmindful, apparently, that while the taxing power are two, the taxpayer in both instances is one and the same. The great task of legislation to-day is to ascertain how one class can benefit at the expense of another class—the taxpayer always the victim.

Mr. President, in times of adversity, in a severe economic crisis, a people, like individuals, must recur to first principles, return to the simple homely virtues, the only secure basis for either individual prestige or national power. Two roads were open to us and to all the world at the close of the Great War—that of waste, extravagance, taxes, and debts or that of economy, frugality, work, and self-denial.

The former leads inevitably to increased worry, greater misery, and ultimate ruin; the latter to contentment, prosperity, and strength. So far we have chosen the former course. When we have heard of unrest or political discontent, we have readily and generously tendered an appropriation. When the taxpayer has protested too earnestly, we have bravely put the burden upon posterity. Like economic cannibals, we are preying upon one another, and, going the cannibal one better, we are now preying upon our children and our children's children. Prosperity we assume is to come, not through individual sacrifice and individual effort, through self-exertion and personal initiative, but through the open door of the Public Treasury. Although the sources of taxes are drying up, yet those who are not making their way from the Public Treasury with what they could get are wending their way toward it to see what is left. If I were going to open the Treasury to any people, or if I were going to support a continuance of this policy, I would not turn the soldier away. But the road over which we are traveling means industrial distress and ultimate disaster from which the soldier himself can not escape. People simply can not and will not much longer carry the load which we are imposing upon them. We have already tested their patience to the breaking point. The multitudes, it has been said, in all countries are patient to a certain point, but no statesman has ever yet been wise enough to foretell the particular point at which that patience ceases.

I grant you that if this policy is to continue there is no argument by which you can exclude the American soldier from participating in its temporary advantage; but it should also be said that there is no logic by which you can exclude him from its permanent disadvantages. No one is more deeply concerned in getting back to right principles and sound policies than these young men. No one is more vitally interested in the future welfare of the country. The unwisdom of the course we are now pursuing will fall more heavily upon these young men and theirs in coming years than upon those who are now in places of authority. It may be vain in this mad hour of political exigency and reckless appropriations to urge these views, but the inevitable hour will come when the soldier himself will regret, deeply regret, he ever consented to become a part of any such scheme. It may be idle—it may even be thought presumptuous—at this time to speak for a different standard, but I doubt not at all that in later years the soldier himself will rue the heedless hour when he exchanged a noble heritage for less than a mess of pottage. The thing which he gave, and stood ready to give, was without money and without price. The thing which he earned, the glory which was his, transcends the miserable values of the market. He does not rightfully belong in this futile scheme to rebuild civilization and reconstruct a bankrupt world through subsidies, bonuses, appropriations, taxes, and debts.

You will all recall the uneasiness, the anxiety, with which we followed the American soldier across the sea and onto the battle line in Europe. He had been hurriedly called from the farm and the workshop, from school and college, and, practically unseasoned, undisciplined, and untrained, sent forward to meet the ordeal of war. His countrymen awaited the result with mingled feelings of fear and faith, and the whole world speculated on how he would meet the test.

We were told that this would be the real test of democracy—could a republic devoted to peace stand against the onslaught of centralized and thoroughly trained and highly militarized powers? We all know the result. The pride and the exultation we experienced over those first encounters of our troops no tongue can tell. They had met the test. They had vindicated our whole theory of government. They had justified our standard of civilization. They had checked and were soon to turn back the armies which had brought three great nations to bay. They had demonstrated that there was something after all higher and more masterful than sheer force—than mere organization. Behind the gun was character. Behind the weapons of destruction was unbought, unpurchasable love of country. Such service, sir, is the only security a republic can ever know. Such service spurns the idea of compensation, eludes all estimate, and defies the sordid rules of arithmetic. Let those disposed to do so trifle with the future by attempting to write across this glorious record "adjusted compensation."

But stern as was the task of the American soldier in war and unstinted as was the praise he won, a yet more inexorable obligation and a great opportunity awaited his return to civil life. The course which we are now pursuing will prove in the long run more dangerous to our Government than a foreign foe. A proud, strong nation may suffer a reverse in arms, but time may still find it triumphant. An independent and self-reliant people may be overcome by the fortunes of war, but time fights on their side to final victory. But a nation whose citizenship has been drugged and debauched by subsidies and gratuities and bonuses, who have surrendered to the excesses of a treasury orgy, has taken the road over which no nation has ever yet been able to effect a successful retreat.

Before we can come back as a people we must change our standards and adopt a different policy. Who will set up the new standards? Who will contend for the new policy? If these young men fail to do so, where shall we look for leadership? If great tasks and great opportunities be the things for which strong men yearn, this is the most coveted hour in the whole history of our Republic. The glory of Flanders Field and the deathless courage of Chateau-Thierry will not surpass

the glory and the courage of the young men who see their duty and do it now.

The Great War threw back upon society its most stupendous task. Nothing like it in all the history of the world. The whole social and economic fabric had been shaken from center to circumference. Many of the most sacred traditions of the race, some of the most precious rights of the citizen, seemed imperiled. Old precedents were discredited. New policies were now at hand. To the ordinary citizen the world seemed steeped in debt, the future filled with drudgery and toil. It was a stricken world—hunger, disease, crime, suicide, insanity—stricken, it would seem, by one to whom alone vengeance belongs. But in spite of this fearful catastrophe the people bore up, carried the load with marvelously little complaint—carried it because they were promised on all hands and from every quarter by all political parties and all public servants that there was to be a new and nobler era in governmental affairs. Their interests were to be zealously guarded, sympathetically and vigilantly protected. We were all to cooperate to lift the load and lighten the burden. Are we keeping the promise made? Are we fulfilling the pledge? Are we lifting the burden? The faith of the citizen is after all the sole source of power in a free government. To destroy it is the most reckless offense of which the public servant can be guilty.

Is there any doubt, Mr. President, that there is a political revolution on in this country? We may not feel it in all its effects in Washington, but it has reached here to some extent. The people are resentful of the fact that the promises to lift the burden have not been kept. They are striking at men in office, in power, in order to reach systems and policies and programs. Business men are borrowing money to pay their taxes. I have examined the lists in 10 of the great agricultural States of the Union and thousands of farms are for sale for taxes. While this condition confronts us, and while labor is dissatisfied and the farmer is discontented and business discouraged, we propose without hesitation, it seems, to lay upon the American people an additional burden of from $4,000,000,000 to $6,000,000,000.

The Republican Party is now in power. Others may vote with the party to lay on these increased taxes and burdens, but the responsibility is fixed and inescapable; it is with the party to whom has been intrusted the reins of authority. For the sake of our common country, for the sake of peace and happiness among the millions who must bear the awful load, who can not pass it on, will not the old party of so many noble victories rise to meet the occasion and stop once and for all this orgy of extravagance, this saturnalia of expenditure, until the people can redeem our country from discontent and strife and bring it back to prosperity and power?

Mr. STANLEY. Mr. President, I wish most reverently to turn just for a moment from the graphic picture painted by the truly great Senator who has just addressed us, great not only in his prescience and vision but in his superb courage in speaking the truth no matter whom it hurts, in hewing to the line in his own party or in mine, letting the chips fall where they will, in his masterly denunciation of the most abominable heresy in all political economy, the pernicious delusion, that by the jugglery of taxation we can increase wealth by taking it, that we can lift the burdens from the backs of a people by increasing them, that we can add to their independence by making them pensioners and parasites upon the Public Treasury instead of depending upon their own initiative and their own energy.

I would turn from that vivid picture he has just painted, one which I shall remember with delight as long as I live, to a country under a patriot and a sage who believed that governments were made for men and not men for governments, that the source of wealth was in labor and not in law. In his last inaugural Thomas Jefferson used these remarkable words, which now find their echo in the clarion tones of the Senator from Idaho [Mr. BORAH]:

At home—

Said Jefferson, in his second inaugural—

fellow citizens, you best know whether we have done well or ill. The suppression of unnecessary offices, or useless establishments and expenses enables us to discontinue our internal taxes. These covering our land with officers and opening our doors to their intrusions had already begun that process of domicilliary vexation which, once entered, is scarcely to be restrained, reaching successively every article of produce and property. * * * It may be the pleasure and pride of an American to ask what farmer, what mechanic, what laborer ever sees a taxgatherer of the United States?

The ardent hope of the Senator from Idaho may yet find its realization when God in his goodness gives another Thomas Jefferson to this distracted and plundered country where greed, folly, and fanaticism rule supreme for the hour and the hour only.

Mr. McCUMBER. Mr. President, a moment ago all was darkness and gloom, but this moment God's sunlight is shining above us. I still have faith in humanity, that in some way it will find the pathway cleared for the future and that the sons will be worthy of their fathers. In that faith I think that we can go on with the business of the country in the confidence that all of the wisdom, all of the greatness on the face of the earth is not behind us, and none gleaming to-day to lighten our pathway.

Mr. President, the world has met conditions before. The country has met conditions perhaps not quite as dark and gloomy as they appear to the Senator from Idaho to-day, but conditions which, measured by its ability to meet them, were far more burdensome than those which are imposed upon our shoulders to-day. The Senator from Idaho looks with apprehension upon the slightest increase in the indebtedness that we are to meet next year. Why, Mr. President, notwithstanding the fact of the mighty obligations that were imposed upon us at the close of the Great War, notwithstanding the fact that we did not at that time half realize the burden that had been placed upon our shoulders, within the last few years we have reduced our national indebtedness more than three and one-half billion dollars. We shall meet our future obligations. Though the outlook may at times seem somewhat dismal, I have no fear that with our mighty resources, many of which are scarcely half developed, we shall fail to have the courage and the intelligence to meet those future obligations as we have met our obligations in the past.

Mr. BORAH. I quite agree with the Senator that we shall meet them if we thoroughly understand them; but will the Senator tell me how we obtained the money to pay $3,500,000,000 of our indebtedness?

Mr. McCUMBER. I suppose we got it from taxation.

Mr. BORAH. We did not; we got it principally from selling surplus war materials.

Mr. McCUMBER. Yes; we sold a little of war material, but we did not get all the money from that source.

Mr. President, even the Underwood tariff law is bringing us in a revenue for which we did not look. In anticipation of a heavier tariff the goods began to come into the country as rapidly as the ships could bring them here and demand could be made for them. Instead of our customs revenue under the pending bill being $350,000,000, it will probably reach $400,000,000. The Actuary of the Treasury Department in his first estimate of the receipts from the revenue law of 1921 for the fiscal year 1922 came within $1,000,000 of absolute accuracy, and in the estimate which he is now making as to the future revenue to be derived from the proposed tariff law which we have before us he estimates now that it will run nearer $400,000,000 than $350,000,000.

Mr. President, conditions are not quite so gloomy as some might imagine after listening to the most eloquent address of the Senator from Idaho. We sometimes acquire exaggerated ideas and notions as to the real situation in the country. For instance, the Senator stated that the bill providing for the soldiers' adjusted compensation would cost from four billion to six billion dollars. The Actuary of the Treasury, in whom I have the greatest confidence, after the most thorough investigation of the probable draft upon the Treasury to be made by the compensation bill, estimates that about $3,800,000,000 might possibly be paid in 40 years. The country will grow, Mr. President, in population and in wealth during the next 40 years, and, in my opinion, if we are owing an honest debt to these men we ought to pay them even if it causes a little drain upon our pocketbooks. God knows those who have remained at home made enough here in the United States while they were serving their country without added compensation to enable us to pay forty times over the debt we owe them. I do not think we ought to complain if we are called upon to divide a dollar here and there, when we made thousands of dollars, in order to adjust the compensation of the men who fought our battles. I can not quite understand how Senators can stand here and vote for a good roads measure that will cost $125,000,000 in a single year and yet feel that they are committing an offense against the country if they vote for a bill which will require an appropriation of only $78,000,000 for our soldiers during the next year.

Mr. KING. Mr. President, will the Senator from North Dakota yield?

Mr. McCUMBER. I yield to the Senator from Utah.

Mr. KING. The able Senator from North Dakota has just made the observation that if we owe the soldiers we should pay them; that we should pay our honest debts. The impli-

cation was that we owed the soldiers, and therefore should pay them. I should like to ask the Senator what standard he has invoked in determining our monetary obligation to the soldiers; and, if he has invoked a monetary standard, how is he satisfied with the moderate sum which he has stated of three billion five or six hundred million dollars?

Mr. McCUMBER. Mr. President, if the Senator from Utah were an autocrat, as he is not, and if he had two men working for him whom he was paying $3 a day, and he said to one man, "Shoulder your gun, fight my battles, go down to death, if necessary, and I will continue your pay at $3 a day," and he told the other, "Stay at home out of danger and help me furnish materials to your brother who has gone to war, and I will pay you $9 a day for doing that, but, as I have not got that extra $6, I will borrow it and turn it over to you, and you will have to give me your note and you will have to sign to that note the name of your brother who is over fighting my battles." The man who was sent to battle would not get one penny of the increase of $6 a day, but when he came home he would have to shoulder the obligation. Now, I insist that there is something to adjust between those two men.

Mr. KING. If I understand the Senator's position, he puts it on the basis of a day's work?

Mr. McCUMBER. I do not care on what basis it may be put. In the eyes of some it may be based on the day's work of those who labored, but more appropriately on the enormous profits of those who were contractors and who bled the Government white and then levied that indebtedness in the form of a great bonded debt on the shoulders of future generations. It matters little how it came about; the fact is that when the soldier came home he found that his brother coworker had participated in all of these advantages, had reaped the higher wage, had enjoyed enormous profits, and then left the debt for him to pay. I say, yes, there is an obligation.

I support the adjusted compensation measure upon the theory that there is a moral obligation, and if it were an obligation resting on individuals instead of a nation any court of justice on the face of the earth would enforce an accounting that would give to the soldier something like fair and equal compensation with his stay-at-home brother. We do not all look at this matter of the soldiers' compensation in the same light, and I have no quarrel with those who take a different view. I justify myself because I feel that there is justice in the soldiers' claim.

Mr. President, I do not believe that we are all going to the bow-wows because of our extravagance. It is a bad element; it was incident to the time of the war when money was free and flowed like water. It takes a nation years to reform its extravagant methods growing out of war; but we are bringing about that reformation not so rapidly as the Senator from Idaho and I would like, but we are retrenching, and we will continue to do so, and we will pay our honest debts while we are doing it.

Mr. President, I realize that it is rather discomforting to listen to an eloquent address upon great national and world issues and then be compelled to drop down to dry fish, pickled and in brine, but that is the practical situation; we have got to meet it; we have got to get back to our dried fish and do something with it. I am not going to make a speech on the tariff bill in general; I think we ought to give our attention to the particular schedule before the Senate, but I want to answer one statement which has been iterated and reiterated here again and again, but which is erroneous.

The committee has not been frightened into reporting any lower rates, nor has it been frightened into increasing any rates by anything which has been said in the Senate. One might think from the arguments on the other side of the Chamber that the committee had reported changes after Senators on the other side had discussed the schedules. We did not make one of the changes after they had discussed them. We had occasion when we reported the bill in the first instance to say that conditions as to values were chaotic throughout the world. We admitted the almost impossibility of making a rate to-day which we were certain would be right to-morrow. So we stated fairly and openly that the committee would continue in session every day and that we would report from time to time such amendments as new conditions as disclosed by new sources of evidence would justify. We have followed that rule; we will continue to follow it to the very end. On the whole, such amendments as the committee have reported have been downward. Why? Because I think the low cost of production has reached its limit in the Old World and is going upward, while on this side of the Atlantic the high cost has reached its limit and is going downward, and as these two extremes more closely approach each other we need a different rate to be fair and just and sufficient, with all, to take care of the difference in the situation.

We will meet the conditions which develop as we go along with these schedules, and we will raise rates if we think we ought to raise them, and we will lower them if we think they ought to be lowered; but I want to say with reference to the tariff in general as it appears to-day that, measured by the spread between foreign production and sales and sales of comparable articles in the United States, this tariff bill gives a less rate of protection than any other Republican tariff bill that has been passed in the last 50 years.

When we impose a duty on wool of 33 cents per pound upon the scoured content we are compelled to give a compensatory rate to the manufacturer of woolen goods. That we have done, and have gone no further than the compensatory rate plus a very small protective duty, less than in previous tariff bills when we compare the difference between wages of the competitor, wages on this side of the ocean, and the other elements that enter into a determination in the competitive field.

Mr. President, I hope now that we can go on with our tariff bill. We will vote upon the cloture matter to-morrow; and if it is defeated we will, of course, go on in our patient, long-suffering way and hope some time to bring the matter to a final decision.

Mr. SIMMONS. Mr. President, I dislike very much to interfere with the return by the Senator from North Dakota, as he desires, to the pending schedule of the bill; but I feel compelled to make some observations upon the pending motion upon cloture. While I am hardly physically able to speak this afternoon, I am constrained to do so, because I fear that if I defer it until to-morrow I shall not have an opportunity during the only hour that is set apart before the vote.

Mr. President, before I approach the question of cloture I want to say that I am quite sure that the Senator from North Dakota was correct in his statement a little while ago with reference to the changes made by the committee in the tariff bill, so far as he is personally concerned, that nothing has been done through fear. The Senator from North Dakota is one of the boldest men I have ever known in public life, and I am sure that, personally, he does nothing through fear. I am also sure, and I want to say it now because I feel it, that there is not in public life to-day a more upright and a more independent statesman than the able Senator from North Dakota; and there is nobody in this Chamber who will personally regret more than I shall, when his term expires, to part with him as a colleague in the Senate.

Mr. President, I propose merely to talk about this cloture motion this afternoon and shall not, if I can avoid it, speak upon it in the usual way in which we speak in this Chamber.

The Senator from Minnesota [Mr. KELLOGG] saw fit in his remarks this morning to indulge in some criticisms which I take as rather personal to myself, because they referred to the distribution of the work on this tariff bill upon the floor of the Senate among the members of the minority of the Finance Committee, assisted by certain other Senators upon this side.

The Senator was severe in his characterization of the purpose of that distribution. He attributed it to a desire and an intent upon this side of the Chamber to prolong the discussion and to take up unnecessary time in the consideration of the tariff bill.

I desire to assure the Senator from Minnesota—for he is my friend, and I would say nothing offensive to him—and I want to assure the Senate and the country that nothing was further from my thought in making this distribution as ranking member of the minority of the committee than the motive assigned to my action by the Senator from Minnesota. As chairman of the Finance Committee during the Wilson administration when we brought in the Underwood bill and presented it to the Senate, I realized then, as I have realized in the consideration of this bill, that I then as chairman and now as ranking member of the committee, would not be able alone to give to all the items of these bills the consideration and attention necessary to an intelligent and an adequate understanding of them in order to present them to the Senate and the country as they should be presented; and at that time I hit upon the plan of distributing the schedules among subcommittees of the minority, and I found that the plan worked admirably. When this bill came in, after consultation with the other members of the minority, it was decided that the same course should be again pursued. The object was not, as the Senator seems to think, to prolong discussion, but it was to curtail discussion by a better and more thorough grasp of the individual subjects to be discussed. I think my plan has again worked very well.

Mr. President, I do not wish to thresh over old straws, but I submit that if there is a proper understanding of the situation which confronted the minority with respect to this bill it will not be believed or thought that we have taken more time than

has been reasonably necessary to accomplish the object that we set out to attain—that of giving the country and the Senate our viewpoint with reference to the various taxes imposed in this bill. The Senator from Ohio [Mr. POMERENE] this morning interrupted my good friend the Senator from Minnesota [Mr. KELLOGG] when he was discussing the number of amendments that have been already discussed, and comparing the amendments in this bill with the Senate committee amendments of past tariff measures, and the time that had been taken in the discussion of this bill as compared with the time that was taken in the discussion of former bills, with the statement that this particular bill had taken longer in all of its stages than the Underwood bill or any other tariff bill; that it had taken longer in the Committee on Ways and Means of the House than any other; that it had taken longer before the Committee on Finance than any other; and he added that it carried 2,000 amendments, or something over three times as many amendments as were contained in the Underwood bill.

Mr. President, he might have added and still have been within the limits of truth that this bill contains a larger number of amendments than all the tariff bills that have been passed by the Congress since the Civil War taken together.

I have not made an exact calculation, but calculating as far back as I have personal knowledge of, and getting some information in regard to events even further back than my personal knowledge goes, I am quite sure that if I am not altogether within the limit of accurate statement I am very nearly within the limit when I say that this bill carries more amendments made by the Senate committee than all the other tariff bills together that have been before the Senate since the Civil War. If the Senator from Alabama, who has great experience and information in these matters, thinks I am incorrect in that statement, I would be very glad to have him correct me.

Mr. UNDERWOOD. As far as my knowledge goes, the Senator is correct.

Mr. SIMMONS. Mr. President, it is admitted that we have now been discussing this bill as long as we discussed the Underwood bill, and we have acted upon as many amendments already as were attached here to the Underwood bill. We have acted upon 700 amendments already, and I do not think the Senate Finance Committee made quite 600 amendments to the Underwood bill. But outside and independent of the number of committee amendments, I want to call the attention of the Senate to the fact that there is a radical difference with respect to the time which would reasonably be expected to be taken in discussing these amendments and the time spent in discussing the amendments to past tariff bills, especially the last two tariff bills.

The rates in the Underwood tariff bill were based upon a definite policy. Those rates were levied for the purpose of raising revenue. It was an easy matter to test those rates and determine whether the subject under consideration was one upon which a revenue duty might with propriety be imposed. It was easy to determine whether the revenue duty imposed was too great or too small to carry out the general policy upon which the bill was framed. Hence, Mr. President, not much discussion, not much investigation, not much statement of facts were necessary in connection with the discussion of those amendments.

The Payne-Aldrich bill was based, or was supposed to be based, upon a definite and specific policy in the fixing of the rates. It was based upon the Republican theory of the difference in the costs of production here and abroad. The Finance Committee which prepared that measure had investigated those differences and ample data had been furnished the Senate by which we might easily and readily determine and test the adequacy or the inadequacy, the justice or the injustice, of the rates by the principle upon which they were laid.

But when we approach this bill we find that a different situation exists. It is not a bill framed upon revenue principles. It is not a bill framed upon the difference in cost of production here and abroad; it does not pretend to be either. Its sponsors and advocates do not claim that it is. They admit frankly that they sought no such information and got no such information. It is framed upon the theory of the difference in the selling prices of the foreign products and the American products; and it has been disclosed in the course of these discussions—practically not denied; indeed, virtually admitted—that the committee is not itself in possession of the necessary information to enable it to determine whether the duties correctly measure the differences or not.

There was no governmental investigation of that question or of the factors in that problem. In most instances the committee took the statements of witnesses personally interested in the subject matter as to one or the other of these essential factors in making that determination; and then, when the committee brought in its bill, it furnished us with books claimed to contain information necessary to enable us to test these duties; and yet, when you turn to those books, I defy any Senator to point out, in the summaries which are given with reference to the 2,000 amendments in this bill, any data or any information at all adequate, indeed, or of consequential importance, in connection with the very fundamental questions lying at the basis of the rates. That is a vital thing that is omitted.

We could not discuss these rates, we could not test these rates, until we had sought and found these essential data in the best way we could and presented them to the Senate for the first time, because they were not to be found anywhere in the published evidence or the published statements of the committee.

Mr. KELLOGG. Mr. President, so far as cost of production in Germany is concerned, the Senator has not produced anything except the sale prices, nor can he.

Mr. SIMMONS. So far as the committee was concerned, when it dealt with Germany it undertook to determine everything by the wages paid, or which were alleged to be paid, to German laborers, with full knowledge of the fact, I assume, because they ought to have had knowledge of the fact, that in Germany in very many instances the labor costs, for purposes of comparison, can not be ascertained by the amount of wage paid in one country or the other. We have not been able to get the information in many instances, but we have tried the best we could to get it; and the point I am making is, not that we had to shuffle about to get information but when we got the information it took time to present that information to the Senate, because the Senate did not have that information——

Mr. KELLOGG. Nobody could get the information.

Mr. SIMMONS. The Senate did not have it, as we have heretofore had the essential information to enable us to test rates as it appeared in the published statements of the committee.

I contend that if you take into consideration the difficulties under which we have had to labor, and these differences in conditions, we have done a very remarkable thing in having been able to discuss as many of these amendments as we have discussed. I concede that we have discussed a greater number of these items specifically than is ordinarily done in the case of a tariff bill, but we were considering a bill framed upon a new principle, and the minority of the committee was entirely satisfied that the rates levied by the committee were ascertained in a most haphazard sort of a way, and that it was our duty to the people of this country, and to the Senate, not only to investigate but to bring facts before the Senate and the country which would enable Senators and enable the people to test these rates for themselves. That has been our labor.

I know we have passed tariff bill after tariff bill when the discussions have not been sufficient to enlighten the people at all and when the law was finally enacted without the people knowing what was in it. We would have been derelict in our duty if we had permitted that to happen under the circumstances which now environ us. We have tried to carry the information to the people, and we have succeeded, with the aid of an efficient press that felt about this matter just as we felt about it and that from the beginning up to the present time has given us most helpful and most cordial cooperation.

For the first time in the history of this country, I want to say, the people of this country, even those living in the remote sections, not only the city people but the country people, are reading real facts about a tariff bill, because the papers are publishing facts about it and are discussing it intelligently. The people are reading about it. They are beginning to understand it as they never heretofore have understood a tariff bill, and I say now, from my experience in mixing recently with people living out in the country, where I myself am living, I have never known the people to be as well informed as to what a tariff bill meant to them as they are to-day with reference to what this bill means to them, and when you charge that the time we have devoted to bringing to the people the knowledge of what this bill means has been wasted you are speaking far wide of the mark.

If you do not appreciate the value of these discussions and the information that has been disclosed and carried far and wide throughout the country to the people of this country, to the people who have to pay the taxes, let me tell you that the people of the country appreciate it. You may think it has been time wasted, but the people of the United States do not think so. The people of the country and the press of the country think that no time has ever been occupied in the Senate of the United States to better advantage in the interest of the people

than the time we have taken to expose this measure in those particulars in which it is so unjust and unfair to the taxpayer.

Mr. President, I know there has been a great deal of extraneous talk during the seven weeks we have been discussing this measure, but there never have been seven weeks when the Senate was in session when there was not just about as much extraneous talk as we have had during the consideration of this bill, which has come about equally from this side and the other side.

Some Senator—I do not recall just which one—undertook a little while ago to present a catalogue of the number of hours which have been taken up on this side of the Chamber as compared with the number of hours which have been taken up on the other side of the Chamber in the discussion of this bill. I do not know, nor do I care, about the number of hours. I suppose we have taken more time, because we were the protesting parties. First we took upon ourselves the laboring oar. You were willing to sit in your seats and say nothing. You were willing to rely upon the party votes you have.

We were dissatisfied with the bill. You were satisfied with it. The burden of pointing out its inequities and its iniquities fell upon us. Necessarily we took the greater amount of time. But more important than that, when you come to comparing the number of hours taken upon the two sides, is the fact that when we were discussing the question item by item and paragraph by paragraph, trying to get information from those on the other side of the Chamber, and being unable to get it, trying to induce Senators on the other side of the Chamber to discuss it with us and were unable to do it—while we were engaged in that effort for three long weeks, Senators on the other side of the Chamber, following the lead of the members of the committee, sat practically mute in their seats and refused either to give us information or to join in discussion with us, and gave us to understand that if anything was to be done here except to vote and record the majority on the other side it must be done by this side without any help or answer from the other side of the Chamber. Of course, under those circumstances we have consumed a greater amount of time than those on the other side of the Chamber have consumed.

Mr. President, I do not think there is a man in the Senate who is more earnestly and more sincerely anxious to get through with the bill than I am. For more than a week I have been thoroughly exhausted and thoroughly worn out with it, physically unable, even when I wished to do so, to discuss it. I want to see it finished, not only for personal considerations but for public considerations. I agree that it ought to be passed as speedily as it can be done with justice to the people who are entitled to know the taxes that are being imposed upon them. I sympathize with the desire of the majority to expedite action. So far as I am concerned—and, I know, so far as my associates on this side of the Chamber are concerned—that within the limits of our convictions as to our duty in the premises we are just as anxious as those on the other side of the Chamber to curtail the discussions and finish with the bill.

I do not know whether you expect to be able to command a sufficient number of votes to adopt the cloture rule or not. If I were looking at the question of cloture purely and simply from a partisan standpoint, I would bid you Godspeed in your efforts to adopt it. I think it would be the end of your party, so far as success in the next election is concerned. I think it would be the most egregious blunder, if it could be carried to success, that a political party ever made. But, Mr. President, I do not look at it from that standpoint. I look at it from the standpoint of the public interest. Looking at it from that standpoint, I feel it my duty to interpose all the efforts within my power to defeat the scheme.

What would it mean? It would mean that for the first time in our history cloture had been applied to a measure containing thousands of provisions imposing taxes upon the American people, and in this case taxes which, together with the incidental increase in prices which would have to be paid by the people, would place a burden upon the American public amounting to billions of dollars, not only during this year but throughout the life of the measure.

Mr. KELLOGG. Mr. President, will the Senator yield?

Mr. SIMMONS. I yield.

Mr. KELLOGG. Did not the Senator apply for cloture in 1917, and after a cloture rule was presented make an agreement to vote on the tax bill?

Mr. SIMMONS. I do not remember. I do not recall whether I made the agreement or not.

Mr. KELLOGG. I think the Senator presented a cloture petition.

Mr. SIMMONS. No; I have never presented a cloture petition. I have presented a great many unanimous-consent requests, but I never have presented a cloture rule. We have had unanimous-consent agreements with reference to all sorts of bills, and under those agreements we have made arrangements with reference to the division of time and the amount of time and all that sort of thing, but that was a matter of agreement, that was a matter of unanimous consent, that was an agreement which was so adjusted and arranged that everybody was satisfied and everyone had all the time that he felt was necessary to enable him to discharge his duty to his constituents and to his country.

Mr. KELLOGG. In one of those cases the agreement was not made until after the Senator had presented a petition for cloture.

Mr. SIMMONS. I do not recall that. Does the Senator mean on a tax bill?

Mr. KELLOGG. Yes; I think it was.

Mr. SIMMONS. I do not think I have ever in my life even so much as considered the proposition of applying a cloture to a tariff bill.

Mr. KELLOGG. A tax bill.

Mr. SIMMONS. I am talking about tariff bills. What does it mean as applied to a tariff bill? The cloture that is provided for in our rules, if it were applied to a bill carrying one general proposition like that of the soldiers' bonus, like that of a ship subsidy, I think would not be a very great hardship, because each Senator would have an hour to discuss the single proposition. But it is different when cloture is proposed to be applied to a bill which carries 4,000 separate and distinct items, which already has had attached to it 2,000 amendments, 1,200 or 1,500 of which have not yet been acted upon or discussed, a bill that probably might be subject to several hundred additional amendments. When you undertake to apply our cloture rule, which limits discussion by each individual Senator on the bill and all amendments to only one hour in the aggregate, you have to my mind presented a proposition that is unthinkable and impossible and that can not be differentiated from a plain effort and purpose to gag Senators and to suppress real discussion.

Further, Mr. President, there are probably 2,000 paragraphs in the bill which have not been subjected to amendment by the committee, in many of which the rates are just as excessive and vulnerable as in any of the amendments offered by the committee. If the cloture prevails, Senators representing those who will have to pay the taxes imposed in those unamended paragraphs and sections of the bill will have no opportunity to offer upon the floor of the Senate any amendment to correct the wrong. So we would have possibly between a thousand and fifteen hundred separate and independent taxes imposed upon the people of the country just as the committee had written those taxes and brought them in here, without any discussion in this body, without any opportunity to amend a single one of them. When before did it ever happen in a free country that it was proposed that men should have their property taxed, with a heavy taxation, too—not taxation for the benefit of the Government; no; but mostly for the benefit of private interests—and the only consideration that was to be given to that law by which their property was to be in large part confiscated for private interest was the consideration given to it in the committee, while the men whom the people had selected and sent here to guard and protect their interests were, by force of the majority, if the cloture prevailed, to be denied the poor privilege of uttering a word of protest or offering an amendment in behalf of their constituents and the taxpayers. I say, when we get to the point that it can happen in a free country that a man's property can be taken away from him and given to private interests without his representatives in the tax-levying body having an opportunity to be heard, either by way of discussion or amendment—when we come to that situation in the United States, I say that the liberties of the American people will be jeopardized unless in their might they rise up then in revolt against any such outrages upon their constitutional and inalienable rights as citizens of a free Nation.

Mr. President, I have done just exactly what I did not expect to do. I have put too much physical effort into what I have said, and I am somewhat weary as the result. Rather hurriedly this morning I prepared some observations of a general character which I wish to make with reference to the proposal to invoke the cloture rule.

Mr. President, it is significant that this motion for cloture on the tariff bill follows so very closely upon the heels of certain disasters to the party in power in recent party primaries. The result of this discussion and the light thrown upon the inequities and the iniquities of the pending bill no doubt admonished those in charge of the measure that the time had come to close the doors against a further inspection by the people. The

presentation of this motion, practically to foreclose debate on the remaining 2,000 amendments and the other thousands of unamended items in the bill, does not mean that the Republican Party in the Senate or outside of the Senate are yearning for the passage of the bill.

Mr. President, they are not. The country knows they are not. It simply means that they have determined that reasons of safety call for the summary throttling of the disclosures and exposures of the outrages, hidden and otherwise screened, in the various paragraphs and schedules of the bill.

There has not been a moment, Mr. President, since Warren G. Harding was installed in the White House, now nearly a year and a half ago, that the campaign promises made to the men who organized and financed the Republican campaign in 1920 for immediate revision of the tariff in their interest has not been a nightmare to the administration and its leaders in Congress; when the thought of the revision of the tariff at this time did not fill them with fear and trembling; and when they have not looked upon it as a thing to be dreaded and avoided if it might be. There is not a Republican leader of grasp and vision in the Senate or outside of the Senate who does not feel and know that this is not an opportune time to revise the tariff and that such a revision as those who ask and insist upon as a thing promised, due and demanded, is fraught with danger both to the country and to the Republican Party.

Boies Penrose, the greatest leader the Republican Party has had in the Senate in recent years, saw this and fully appreciated and appraised its import. In these circumstances the task of those responsible for action was to devise ways and means discreetly to postpone action to a more propitious time and not to expedite action. These are the reasons that this bill lay fallow in the committee for nearly a year; these are the reasons that it was laid on the shelf for months while a $100,000 commission spent months in roaming around the world investigating the absurd so-called American valuation proposition. Thus it will be seen that if we are to have a tariff bill at this time, the proponents of this measure wasted a whole year in backing and filling, in going forward and then going backward, in useless wranglings and discussions, in trying to determine whether anything should be done or nothing should be done, in dilly-dallying and "sparring for time" with the men to whom their party was mortgaged and who wanted their "pound of flesh," regardless of whether the season was propitious or the time expedient. When at last it was determined to yield to the demands of the interests and make the final leap in the dark, with danger and threatenings of disaster impending, there were more long months of delay. The time which it was estimated it would take to do the work was doubled and trebled before it was finished.

What was the cause, Mr. President, of these long-drawn-out deliberations? What blocked speedy action by the committee on the bill? What discussions were going on in the committee room? Were they important or were they trivial? Were they necessary to the framing of a bill satisfactory to the interests or the drafting of a bill good for the people? We know what those discussions were, and we know they were not participated in by the people who will have to pay the taxes. They were carried on with the people present who will receive the benefits of the taxes to be laid.

First, there was the question of what sort of a tariff should be written and what should be the basis of valuation. Should the bill be drawn on the cost of production theory? No. Should it provide for the American valuation? No. The one was unsatisfactory to the committee and the other was unsatisfactory to the interests with whom they were conferring during these long months. These men who were there asking that the people be taxed in their behalf did not want the taxes levied upon the basis of the difference in the costs of production. That was not the sort of a tariff for which they were looking.

The committee, of course, was helpless. It did not have the facts; it could not get the facts, as it admits, to base the tariff upon the difference in the costs of production. Therefore that theory of tariff taxation was thrown overboard. The interests wanted and insisted upon tariff taxation so levied as to maintain their present profiteering prices and afford an opportunity to increase those prices hereafter; and that is what they got. That was the subject of the wrangling for months, Mr. President. It finally terminated in the committee scrapping all the theories of their party with reference to tariff taxation and giving to the interests, who had their ear from day to day, who swarmed around the committee room, who had their experts here with volumes of data, the kind of tax they wanted, although new in our history, although containing great wrong and oppression, although calculated and intended to maintain prices at the present high levels, when the people are praying for and demanding lower prices, and although it provides the easy and transparent method by which those interests at will may further advance their prices and yet enjoy immunity from foreign competition, such as they have provided for themselves against domestic competition by combination and monopoly. That is what was given to them.

I say that no such boon at the expense of a great people was ever conferred upon a special class as that conferred by this bill upon the special interests which came before the committee and stayed there with their lobbyists and their experts and their accountants until they got exactly what they wanted written into the bill.

Mr. President, I, therefore, say the men who are asking that this taxation be laid upon the people for the benefit of private business had their full day in court. That day extended through almost a year, if one considers the time when the tariff negotiations and the tariff conferences began between the committee in the other House and ended in the committee in the Senate. They had free entrance for themselves and their retainers, and they took advantage of it at every step of the proceeding, which ran through a whole year. I repeat, they have had their day in court. If ever a litigant was given a full and a sympathetic hearing, they were given a full and a sympathetic hearing.

But, Mr. President, where were the other parties to this transaction? Where, during all of these long months when the beneficiaries of this bill were enjoying the conferences and the confidence of the committee framing this measure, were the other parties to that transaction? What was the nature of the transaction? It was a proposition to impose a tax, chiefly for the benefit of certain favored individuals and corporations in this country, and only incidentally for the benefit of the Government, upon whom, Mr. President? Upon the 110,000,000 of people in this country, and upon practically everything that 110,000,000 of people buy and consume. Scarcely anything escaped. Where were the victims of these taxes? What opportunity have they had to be heard upon this question of imposing levies upon their property, not for the public benefit but for private interest?

The people upon whom these taxes were to be levied and collected were not there. The case of the tariff tax levy of 1922 against the people is now in the court of last resort. The taxpayers were denied their day in court, or at least they did not have it. They did not ask it, and if they did not ask it it was because they trusted to their representatives here to take care of their interests. It probably was because they were not seekers after special privileges, like these gentlemen who appeared before the committee, but were at home, attending to their private affairs, working in the shops and in the factories, working and toiling in the fields and in the stores and the countinghouses and in all the different channels of employment and activity in the country, attending to their business, that business in the main being to secure the necessaries upon which to support the life of themselves and their families.

Mr. President, the people who are to pay these taxes are in the main people who deal with the necessary things of life, who spend their time trying to accumulate the simple things that are necessary to sustain life in a civilized country. They were not before the committee. Their case is here to-day. They are represented here by their representatives, asking that they be heard in their behalf before the final decree is rendered against them, and before the writ of execution upon their property is ordered placed in the hands either of the Government or of the private beneficiaries of these taxes.

Mr. President, here is to be written the decree either in behalf of the people or against the people, and here is to be written not only the decree for levying taxes, but the decree for collecting the taxes here imposed upon the people.

The people have had no opportunity to be heard up to this time. Their representatives upon this floor stand here to-day asking that they be heard in the only tribunal to which they can now appeal for a hearing. They could not get anything like an adequate hearing in the House, because of the parliamentary situation there and its rules; but here, Mr. President, is a forum in which they had the right to suppose that through their representatives they would be given full and fair and adequate hearing, and that nothing necessary to protect their rights would be denied to them. But what do we have here? A proposition coming from the other side of the Chamber, a proposition coming from the committee that drafted this bill imposing these taxes upon these people that have never been heard, denying the right of the people's representatives upon

the floor of this Chamber to stand here and debate these taxes, and to offer amendments for their alleviation or for their removal if wholly unjust. You now propose to deny that right.

How are you going to stand before the American people in advocacy of such a proposition as that? When, until this day, has the American citizen had his day in court, or his opportunity to be heard upon this bill? When is he to be heard if he is not heard here through his representatives, if my mouth is closed and if the mouths of these other gentlemen over here who stand for him and the mouths of those over on the other side who stand for the consumer and the taxpayer are to be closed and gaged, and only an hour allowed to discuss 2,000 amendments, those acted upon and those that it is assumed will be offered here in the taxpayers' interest, largely—only an hour to discuss them all or to discuss the bill, and then the right of his representatives and spokesmen here to offer amendments in his behalf is denied?

Mr. President, it is very strange that this motion comes at this particular time.

These charges of filibustering have been made here for a month, and now, just as we are reaching probably the most important schedules in this whole bill so far as the taxpayers are concerned, just as we are reaching the cotton schedule and the wool schedule and the silk schedule and the sundries schedule—all matters of deep and profound importance to the taxpayer, every item in them of consequence to him—we are suddenly halted here with this proposition and told that there must be no further adequate discussion of these schedules; that there has been enough discussion about "small" and "trivial" matters.

Mr. President, what one man calls a small and trivial matter may be a big matter to another man. I want to say to the Senator from Massachusetts [Mr. LODGE], who was making his point yesterday, that that which seems small and insignificant and trifling to the man of great wealth becomes a matter of deep and profound consequence to the poor, struggling man who is making his living by the sweat of his brow; and it is the masses of this country who make their living by the sweat of their brows who are going to have to pay the high taxes that are imposed in the schedules that we are just about to reach. These schedules involve practically every thread of clothing which is to cover the bodies of themselves and their families, and upon those clothes are to be imposed unheard-of and unprecedented taxes.

Mr. President, Schedule K—alias Schedule 11 in this bill—Schedule K, under its alias, is about to be reached; Schedule K of infamous fame; Schedule K, which imposed its cruel burdens upon the people of this country until there rose here in the United States Senate a man who, although he was a Republican, in the name of the people had the courage to assail it, whose unequaled eloquence in defense of the people against the cruel burdens and exactions of Schedule K shook the Capitol from foundation to Dome and thundered over this broad land from ocean to ocean and from the Canadian border to the Gulf, arousing such indignation among the people of this country against Schedule K as resulted in the most remarkable political upheaval that has ever taken place in the United States from the day of the birth of the Republic.

Here we have Schedule K magnified, Schedule K standing there by the side of Schedule 11, its alias, a dwarf skulking behind his overshadowing giant companion. We are not to be permitted to discuss Schedule K. It might be too dangerous to the Republican Party to permit us to discuss Schedule K, or Schedule K's alias. We are to be gagged. The people's representatives are to be silenced by the brute force of votes corraled by the committee by all sorts of methods of logrolling.

We have seen one State given high protective duties upon practically everything it produces, high enough to force the 110,000,000 people of this countly, living in every part of the United States, to pay for their products a half more than they would have to pay if they were permitted to buy elsewhere, although the freight on them across the continent amounts to as much as the things themselves are worth. In a short time that State ought to be the richest State in the Union, with practically everything it produces protected by a prohibitive duty, and all the balance of the country forced to buy its products, regardless of distance and freight costs.

Another item in this bill in which the South and the West are interested, of which they are the chief consumers, carried a high duty. They use the article taxed in raising their cotton, in raising their tobacco, in raising their corn, and in raising their truck. It was a tax upon production. It was an unwarranted tax. It was an unprecedented tax. Those sections appealed to the committee—I know the section from which I come did—to have that burden taken from the struggling agriculturists of our sections of the country, but we made no headway. The appeal was ignored and unheeded. It happened that one little State, using about $300,000 worth of that product in the growing of potatoes, was to have a senatorial primary, and the appeal of one Senator was sufficient to secure the removal of a duty which the combined appeals of constituencies that use from $15,000,000 to $20,000,000 worth of the product were not able to accomplish.

Mr. President, it may be that this gag will be placed upon us. It may be that we shall not be able to offer any amendments in behalf of our constituents. It may be that we will not be permitted to debate any of the amendments which are pending. I do not know whether this motion will prevail or not. If it prevails, it will not be the end of our discussions; it will not be the end of our exposures. There are other bills to come before the Senate which will probably be called up for action during this session of the Senate. There is the ship-subsidy bill, a bill which practically gives the American merchant marine to a favored few and then requires the Government practically to pay the expenses of the operation, so that they may have most of the profits clear and have their property without cost. That will come up.

If we are not permitted to discuss the iniquities of Schedule K and of the cotton schedule and the silk schedule while this bill is before the Senate, let me warn the gentlemen who seek to get rid of these discussions which we are making here in behalf of the people of this country, the taxpayers, the men who are to pay the taxes you are imposing upon them, instead of getting rid of them they will simply postpone them, for just as soon as the next bill is called up, if we are not permitted to discuss the iniquities of these taxes now, we will discuss them then. If the gag is applied on the soldiers' bonus and applied on the ship subsidy bill, and we can not discuss those bills, as we will have been denied the opportunity to discuss this bill, then I promise that even though denied a hearing in this august body, in this last Chamber and tribunal of deliberative legislative work, if denied by these revolutionary tactics of the majority the right to discuss these things in this Chamber, then we promise you that the people shall know the iniquities of this thing, for we will take their cause to the hustings from one end of this land to the other, we will take it through the press, and we will take it through every channel of publicity that can be commanded. We tell you that you shall not impose these burdens upon the people, shall not impose these taxes for private purposes upon the struggling masses of this country, without an opportunity on their part, through their representatives, to be heard in this Chamber of this free American Government, not only in the way of opposition and protest but in the way of amendment and amelioration.

Mr. NORRIS. Mr. President, I have often said, since the proposition for cloture was suggested two or three weeks ago, that I expected to vote for the cloture rule, and since I have reached a different conclusion it seems to me only fair that I should briefly state my reasons to the Senate.

I have reached the conclusion that I ought to vote against cloture from an examination, first, of the cloture rule itself, and then on account of the condition of the bill to which cloture is to be applied under that rule, if it is applied at all. When I take those two things into consideration, I can not bring myself to the conclusion that it would be just to apply cloture to the pending tariff bill.

The rule if adopted and applied to a bill of this kind would practically end debate. It provides that after the rule is adopted no Senator shall talk more than one hour in the aggregate upon the bill and all amendments thereto. Not half of the committee amendments have been acted on. Some of the most important features in the bill are yet undisposed of. The rule prohibits the offering of any amendments unless the amendments are read in the Senate before the rule is adopted. It is an impossibility for Senators to propose amendments to some portions of this bill, with any intelligence, at least, until after the committee amendments have been disposed of, and when I looked into it with reference to some amendments I wanted to offer myself I say that I could not prepare the amendments with any intelligence until I knew what the final action on the committee amendments would be. Therefore the adoption of this rule would, in effect, prohibit the offering of amendments to the bill.

I have not been satisfied with the way time has been taken up in the discussion of this bill. To my mind a considerable portion of the time has been wasted. We have devoted days to unimportant and irrelevant matters, and I confess that I have felt that we would be justified in adopting some rule that would bring about an end to this almost endless turmoil. When I look, however, and see where that rule is going to land us

with the bill in the condition in which it now is, I feel that I would be jumping out of the frying pan into the fire.

Personally, it is my contention that we ought to have some regular standing rule of the Senate which would automatically control debate on the various amendments as we proceed. But when we see that the wool schedule, the sugar schedule, the authority in the bill conferring more power than has ever been conferred upon a President in regard to the tariff, are all undiscussed, none of them yet reached in the bill, and when I realize that the steel schedule is yet subject to individual senatorial amendments, I confess that I am compelled to admit, notwithstanding the fact that the rule of the Senate has been so liberal that the right to talk has often been extended and misused, that to adopt this particular rule and curtail debate just as this would curtail it would be something that to me, when I consider the facts and come face to face with them, would be obnoxious and something that I could not conscientiously sustain or defend. I have reached the conclusion, Mr. President, that the rule ought not to prevail.

Mr. KING. Mr. President——

The PRESIDING OFFICER (Mr. LADD in the chair). Does the Senator from Nebraska yield to the Senator from Utah?

Mr. NORRIS. I yield.

Mr. KING. I want to call the Senator's attention, if it would not be disturbing to him, to the fact that notwithstanding numerous provocations in the past, for considerably more than 100 years the Senate has resisted every effort made to limit debate. It was tried during the Civil War. It was tried in the days following the Civil War when it was alleged that the Democrats were frittering away time and were resorting to dilatory tactics and procedure. The Republicans, irked and irritated, suggested upon frequent occasions amendments to the rules. Men like Mr. Morrill, of Vermont, and Mr. Wilson, of Massachusetts, eminent Republican Senators, suggested amendments to the rule, but they never were reported out of the committee.

It was felt, as was stated by former Senator Hoar in an article which he wrote, that there ought to be one place where there was free and unlimited debate. So, notwithstanding, I repeat, the provocation which often confronted honest men, they concluded there was danger in the rule, and the Senate has gone on from 1806 with free and untrammeled debate. The Senator, I am sure, in looking back over the history of his country, will feel that there has been no serious abuse; and that when there has been a filibuster, so charged, in nearly every instance it has been vindicated and the people have approved of the course of those who have resorted to the filibuster.

Mr. NORRIS. I know the theory of unlimited debate is a good one, and this Chamber has been the means, by reason of the fact that there has been unlimited debate, of developing a great many things through the instrumentality of that debate. But I have reached the conclusion that it is going to be necessary for some kind of a limitation to be placed upon debate, even in the Senate.

Mr. ASHURST. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska——

Mr. ASHURST. I know there will be a certain tone of ungraciousness in what I am about to say, but I think I should say it, nevertheless. It will be remembered that one of the most able presiding officers who was ever in the chair in this body was the former senior Senator from Arkansas, Mr. Clarke. He always contended that if the presiding officer would but enforce the rule we would need no cloture. Let me read the rule to the Senator.

Mr. NORRIS. I am familiar with the rule.

Mr. ASHURST. I doubt if we are familiar with it. Let me read it to the Senator.

Mr. NORRIS. Let the Senator read it to himself. I do not care to hear it, because I know what it is.

Mr. ASHURST. I want every other Senator to know what it is. I want the Presiding Officer to know what it is.

> No Senator shall interrupt another Senator in debate without his consent, and to obtain such consent he shall first address the presiding officer; and no Senator shall speak more than twice upon any one question in debate on the same day without leave of the Senate, which shall be determined without debate.

Senators speak ten times in the same day upon the same question, but presiding officers sit in the chair and never think of saying "The Senator has already spoken twice." What we need is not a cloture rule, but an application of the rules that have been in existence for a long time. I thank the Senator.

Mr. NORRIS. The Senator's own interruption illustrates the difficulty——

Mr. ASHURST. That is what I was trying to illustrate—the difficulty.

Mr. NORRIS. The Senator has illustrated the fact that the written rules can not be enforced. He read a rule which said that to interrupt another Senator he should address the Chair and obtain his permission. When he interrupted the Chair for the purpose of reading the rule, I, having the floor, taking advantage of the privilege which I think I possess, said I did not want to have the rule read, but he read it anyway. That is the way the enforcement of the rules of the Senate has gone on.

Mr. ASHURST. I was only demonstrating how Senators do violate the rules.

Mr. NORRIS. The Senator is again violating the rule. Everyone here knows that the very rule to which the Senator referred has been invoked many times in the Senate. It was sought to be invoked just the other day by the Senator from Wisconsin [Mr. LENROOT]. It has been invoked and enforced many times since I have been in the Senate, but that does not affect unlimited debate.

There must come a time—it ought to come automatically under the rules of a legislative body—when the majority should have its day. There ought to come a time when the majority could rule, and it is no defense to that proposition to say that two or three men have filibustered and prevented the majority from having its way and that afterwards those two or three men were vindicated. That, in my judgment, is no defense. The majority in the end ought to be allowed to rule. If they rule unjustly, if they abuse the confidence placed in them by those who sent them here, it is for the people to remedy it rather than for Senators to resort to a revolutionary proceeding. I am not finding fault with the men who filibuster. I have done it myself. I would not hesitate to do it again, because the rules of the Senate permit it. I am not finding fault with a man if, for the purpose of defeating a measure, he talks all day and all night. The rules of the Senate permit it. We have no right to censure any Member of the body as long as he is obeying the rules. What I am complaining about is that we ought to have a sort of cloture rule which automatically would end the debate. As to the bill that we have here, if we had a rule that would require us, when we reach the consideration of amendments, to discuss the question before the Senate, and if on those amendments every speech was limited to 15 minutes, we would get a more intelligent discussion of the bill than we have been getting thus far.

Mr. President, the Senate devoted three days of its time to a discussion of the paragraph in regard to a tariff duty on log chains. For three days the Senate was in chains, and I think sometimes it is in chains yet. Ten minutes of intelligent discussion would have permitted the reader or the person who searches the RECORD and examines it to find all the arguments pro and con, while now he will have to read volumes, if he ever gets through with it.

So it is not because I think this interminable debate ought to cease that I am opposed to applying the cloture rule. If there were but one question or two or three questions involved, I would not hesitate to vote for it, but the rule itself, especially in its application where we are seeking to apply it, would, in my judgment, do more damage and more hurt than has been done or will be done by a continuation of the policy that has been going on in the past.

I was interested in some provisions in regard to the steel schedule. When the proposition was first made to offer a cloture I intended to vote for it, but I commenced to look into it and then commenced to realize that the rule, unless the amendments were prepared and read before the rule was adopted, would not permit even the offering of them, and also that we had unconsidered in the bill probably the most important schedules of all. It seemed to me I would rather bear those ills we have than fly to others that we know not of.

Personally—it may be that I am affected somewhat by it, but I am not conscious of it if I am—I am opposed to the tariff bill. It could not get my vote unless it was reconstructed from bottom to top. I think it is based on a wrong principle. I think its tendency will be to keep up the present high cost of living, because to quite an extent at least the information on which it is based is the selling price here and abroad rather than the cost of production here and abroad. I am not finding fault with those who framed it on that account. I have said before that I think they were up against an impossible task. I think the mistake is that we should try to pass any general tariff bill at the present time. No man living, either in this body or outside of it, can secure the evidence, either in this country or abroad, upon which to base the levying of a tariff duty if they are following the principle of trying to find the difference in the

cost of production here and abroad. The world is out of joint. We must wait until we get back to earth.

When we base a tariff on prices, or when to any extent we base it on prices, we are treading on the most dangerous possible ground. In the first place, if a man wants a tariff raised on his product all he has to do is to raise his prices and he gets it. But the principle is wrong. We are all crying out against the present high cost of living. If we base the tariff on the difference in the selling prices here and abroad, then the tendency of that tariff is to keep those selling prices intact and hold up the high selling cost of articles in America, and thus preserve the statu quo, the present high cost of living. It seems to me that is indefensible.

So far as I am personally concerned, I would be glad to see the bill defeated. I hope, however, that I am broad minded enough to say that even though I was opposed to it, if the majority of the Senate thought it ought to pass, I ought to bow in submission to that majority. For my part, I do not want to throw any unreasonable straw in their way. I would defeat the bill if I could by any legitimate means, but I do not believe that I would be justified, even if I could, in continuing indefinite debate to bring about its defeat.

Some Senators think that that would be a good thing to do and that indefinite debate may result in that. I have sometimes thought, in view of the slow progress we were making, that unless we adopt some way to push the bill along faster our terms of office would expire, that this Congress would end by limitation before the measure could be passed, and that might occur without any debate taking place that did not apply directly to the bill. Here is a bill containing thousands of committee amendments and several thousand items which are subject to amendment by individual Senators when the committee amendments shall have been disposed of. It would take a long time to dispose of those amendments legitimately. I wish we could have some rule by which upon the various amendments a limitation upon the length of time which Senators could speak might be imposed.

Mr. President, I dislike to see this endless debate proceed, but, as I have previously stated, when I come face to face with the proposition to vote for a rule that will end debate and practically end the right to offer amendments to the pending bill, particularly in view of the fact that the measure is of vast importance, broad in scope, and universal in application, I can not bring myself to the conclusion that I ought to support such a rule.

Mr. McCUMBER. I ask unanimous consent that when the Senate closes its session on this calendar day it recess until to-morrow at 11 o'clock a. m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JONES of Washington. I have several amendments to the pending bill which I desire, under the rule, to offer and have read; but if we might, without further debate, secure a vote on the amendment pending, I should be perfectly willing to withhold the presentation of those amendments until the vote shall have been taken. The amendments which I desire to offer will have to be read.

Mr. TRAMMELL. I also have an amendment which I desire to have read under the rule in order that it may be pending if the cloture rule shall be adopted to-morrow. The amendment I desire to offer is a short amendment. It will take only a moment or two to present it and have it read.

Mr. UNDERWOOD. Mr. President, I have no objection to taking a vote on the pending amendment; but it is late in the evening and a good many Senators are absent who desire to be present. The amendment is important, and I think that we should have a quorum call if we are going to vote on the amendment this evening.

Mr. JONES of Washington. I should desire a yea-and-nay vote on the amendment.

Mr. UNDERWOOD. I am afraid that if we undertake to consider the amendment at this late hour we may prevent Senators who desire to offer amendments before a vote takes place on the cloture rule from doing so.

Mr. JONES of Washington. Of course, I should not desire to do that. I take it, then, that we shall not have an opportunity to vote on the amendment to-night.

Mr. McCUMBER. I think there are enough Senators present to vote without calling for a quorum if Senators are ready to vote on the amendment.

Mr. UNDERWOOD. It is not a question of a quorum; but I do not think that Senators were expecting to vote on the amendment this evening. I think we should have a quorum call to give them an opportunity to come to the Senate.

Mr. McCUMBER. There is time enough remaining if the Senate votes right away on the amendment and if there is going to be no further discussion.

Mr. UNDERWOOD. I did not intend to discuss the amendment; but if the cloture rule is adopted to-morrow—and I do not think it will be—it will cut off all Senators from offering amendments to the bill, and it seems to me that with only 40 minutes left no Senator will take the responsibility of refusing to allow other Senators who desire to propose amendments to do so.

Mr. JONES of Washington. I do not desire to prevent the presentation of amendments.

Mr. UNDERWOOD. I understood the Senator.

Mr. JONES of Washington. I thought, however, if we could have a vote it would take probably 10 minutes to call the roll, and the amendment would be disposed of. I do not want to prevent that, but I have certain amendments which I wish to present and have read, so that they may come under the rule.

Mr. McCUMBER. I will say to the Senator that we should still have an hour to-morrow in which to present amendments, if it should be so desired, before there would be any vote.

Mr. UNDERWOOD. That is, if some Senator did not take the floor and debate the hour out.

Mr. McCUMBER. I am assuming that if any Senator had an amendment to offer no other Senator would be so discourteous as to prevent his doing so.

Mr. JONES of Washington. I think I had better present my amendments and have them read under the rule. I understand that under the proposed rule the amendments must be read. If, however, by unanimous consent the amendments may be considered as having been read and may be printed in the RECORD, I have no objection to that being done.

Mr. UNDERWOOD. I have no objection to that, if that be in conformity with the rule.

Mr. McCUMBER. I have no objection, but I really do not think the rule requires it.

Mr. JONES of Washington. My recollection is, though I may be mistaken, that the cloture rule requires amendments to be read.

Mr. McCUMBER. I do not think the rule uses that language.

Mr. JONES of Washington. I ask unanimous consent that the amendments which I send to the Secretary's desk may be considered as read and having been offered, and may be printed in the RECORD.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendments intended to be proposed by Mr. JONES of Washington are as follows:

At the proper place insert the following:

"On all articles the products or manufactures of any noncontiguous foreign country, imported into the continental United States through a contiguous foreign country, or which, being entered at a port of the United States moves in transit through a contiguous foreign country to a United States destination, there shall be levied, collected, and paid, in addition to all other duties as provided in this act, a sum equal to the charge or proportional charge for transportation of such articles within the foreign contiguous country."

On page 32 strike out lines 18 to 24 and insert the following:

"SEC. 204. Lime, in cooperage, 50 cents per 100 pounds, gross weight; lime, in bulk, 30 cents per 100 pounds, gross weight; hydrated lime, 40 cents per 100 pounds, gross weight; limestone, broken or crushed, in bulk, 15 cents per 100 pounds; ground limestone, in bags, 7½ cents per 100 pounds; ground limestone, in bulk, 5 cents per 100 pounds, including in every case the weight of the container."

Insert a new section, as follows:

"SEC. —. That a duty of 6 cents per net ton, not to exceed in the aggregate 80 cents per net ton in any one year, is hereby imposed at each entry by sea on all vessels which shall be entered in any port of the United States from any foreign port or place in North America, Central America, the West India Islands, the Bahama Islands, the Bermuda Islands, the coast of South America bordering on the Caribbean Sea, or Newfoundland; and a duty of 12 cents per net ton, not to exceed in the aggregate $1.20 per net ton in any one year, is hereby imposed at each entry by sea on all vessels which shall be entered in any port of the United States from any other foreign port or place, not, however, to include vessels in distress or not engaged in trade."

Insert a new section, as follows:

"SEC. —. Hereafter all goods, wares, and merchandise imported in vessels other than vessels of the United States shall be subject to a duty of 5 per cent ad valorem in excess of the duties herein imposed, and all goods, wares, and merchandise, excepting tea and coffee, so imported which are otherwise admitted free under this act shall pay a duty of 2 per cent ad valorem: *Provided*, That the foregoing provisions shall not go into effect as to goods, wares, and merchandise if imported in the vessels of those nations with which we have treaties which said provisions contravene until the expiration of one year from the date when this act becomes a law, at which time said treaties are hereby declared to be duly abrogated unless the same are sooner abrogated by notice given by the President under the terms of such treaties."

Insert a new section, as follows:

"SEC. —. That when used in this section—

"The term 'Secretary' means the Secretary of Commerce;

"The term 'public corporation' means a State, a legal subdivision thereof or a municipality, or a lawfully authorized public agency of a State or a municipality;

"The term 'applicant' means a public corporation applying for the right to establish, operate, and maintain a foreign trade zone;

"The term 'grantee' means a public corporation to which the privilege of establishing, operating, and maintaining a foreign trade zone has been granted.

"The term 'zone' means a 'foreign trade zone' as provided in this section.

"The Secretary is hereby authorized, subject to the conditions and restrictions of this section and of the rules and regulations made thereunder, upon application as hereinafter provided, to grant to public corporations the privilege of establishing, operating, and maintaining foreign trade zones in or adjacent to ports of entry under the jurisdiction of the United States. Not more than one zone shall be authorized in or adjacent to any port of entry, except that when a port of entry is located within the confines of more than one State a zone may be authorized in each State in the territory comprised in such port of entry.

"Foreign and domestic merchandise of every description, except such as is prohibited by law, may, without being subject to the customs laws of the United States, except as otherwise provided in this section, be brought into a zone and there stored, exhibited, broken up, repacked, assembled, distributed, sorted, refined, graded, cleaned, mixed with foreign or domestic merchandise or otherwise manipulated, and be exported, and foreign merchandise may be sent into customs territory of the United States therefrom, in the original package or otherwise; but when foreign merchandise is so sent from a zone into customs territory of the United States it shall be subject to the laws and regulations of the United States affecting imported merchandise: *Provided*, That when the privilege shall be requested the collector of customs shall supervise the unlading of foreign merchandise in the zone, cause such merchandise or any portion thereof to be appraised, and the duties liquidated thereon. Thereafter it may be stored or manipulated under the supervision and regulations prescribed by the Secretary of the Treasury, and within two years after such unlading such merchandise, whether mixed with domestic merchandise or not, may be sent into customs territory upon the payment of such liquidated duties thereon.

"The Secretary of the Treasury shall assign to the zone the necessary customs officers and guards to protect the revenue and to provide for the admission of foreign merchandise into customs territory.

"Vessels entering or leaving a zone shall be subject to the operation of all of the laws of the United States, except as otherwise provided in this section, and vessels leaving a zone and arriving in customs territory of the United States shall be subject to such regulations to protect the revenue as may be prescribed by the Secretary of the Treasury.

"Each application shall state in detail—

"(1) The location and qualifications of the area in which it is proposed to establish a zone, showing (a) the land and water or land or water area or land area alone if the application is for its establishment in or adjacent to an interior port; (b) the means of segregation from customs territory; (c) the fitness of the area for a zone; and (d) the possibilities of expansion of the zone area;

"(2) The facilities and appurtenances which it is proposed to provide and the preliminary plans and an estimate of the cost thereof, and the existing facilities and appurtenances which it is proposed to utilize;

"(3) The time within which the applicant proposes to commence and complete the construction of the zone and facilities and appurtenances;

"(4) The methods proposed to finance the undertaking;

"(5) Such other information as the Secretary may require.

"The Secretary may, upon his own initiative or upon request, permit the amendment of the application. Any expansion of the area of an established zone shall be made and approved in the same manner as an original application.

"If the Secretary finds that the proposed plans and location are suitable for the accomplishment of the purpose of a foreign trade zone under this section, and that the facilities and appurtenances which it is proposed to provide are sufficient, he shall make the grant. If the Secretary refuses the grant, the applicant may appeal to a board consisting of the Secretary of Commerce, the Secretary of the Treasury, and the Secretary of War, whose decision shall be rendered within three months from the filing of such appeal and be final as to the grant of the application.

"The Secretary shall prescribe such rules and regulations not inconsistent with the provisions of this section or the rules and regulations of the Secretary of the Treasury made hereunder and as may be necessary to carry out this section.

"The Secretary shall cooperate with the State, subdivision, and municipality in which the zone is located in the exercise of their police, sanitary, and other powers in and in connection with the free zone. He shall also cooperate with the United States Customs Service, the Post Office Department, the Public Health Service, the Bureau of Immigration, and such other Federal agencies as have jurisdiction in ports of entry described in the seventh paragraph of this section.

"For the purpose of facilitating the investigations of the Secretary and his work in the granting of the privilege, in the establishment, operation, and maintenance of a zone, the President may direct the executive departments and other establishments of the Government to cooperate with the Secretary, and for such purpose each of the several departments and establishments is authorized, upon direction of the President, to furnish to the Secretary such records, papers, and information in their possession as may be required by him, and temporarily to detail to the service of the Secretary such officers, experts, or engineers as may be necessary.

"If the title to or right of user of any of the property to be included in a zone is in the United States, an agreement to use such property for zone purposes may be entered into between the grantee and the department or officer of the United States having control of the same, under such conditions approved by the Secretary and such department or officer, as may be agreed upon.

"Each grantee shall provide and maintain in connection with the zone—

"(a) Adequate slips, docks, wharves, warehouses, loading and unloading, and mooring facilities where the zone is adjacent to water; or, in the case of an inland zone, adequate loading, unloading, and warehouse facilities;

"(b) Adequate transportation connections with the surrounding territory and with all parts of the United States, so arranged as to permit of proper guarding and inspection for the protection of the revenue;

"(c) Adequate facilities for coal or other fuel and for light and power;

"(d) Adequate water and sewer mains;

"(e) Adequate quarters and facilities for the officers and employees of the United States, State, and municipality whose duties may require their presence within the zone;

"(f) Adequate inclosures to segregate the zone from customs territory for protection of the revenue, together with suitable provisions for ingress and egress of persons, conveyances, vessels, and merchandise.

"(g) Such other facilities as may be required by the Secretary of Commerce, the Secretary of War, and the Secretary of the Treasury, acting jointly.

"The grantee may, with the approval of the Secretary of Commerce and the Secretary of the Treasury, and under reasonable and uniform regulations for like conditions and circumstances to be prescribed by them, permit private persons, firms, corporations, or associations to erect such buildings and other structures within the zone as will meet their particular requirements: *Provided*, That such permission shall not constitute a vested right as against the United States, nor interfere with the regulation of the grantee or the permittee by the United States, nor interfere with or complicate the revocation of the grant by the United States: *And provided further*, That in the event of the United States or the grantee desiring to acquire the property of the permittee no good will shall be considered as accruing from the privilege granted to the zone: *And provided further*, That such permits shall not be granted on terms that conflict with the public use of the zone as set forth in this section.

"Each zone shall be operated as a public utility, and all rates and charges for all services or privileges within the zone shall be fair and reasonable, and the grantee shall afford to all who may apply for the use of the zone and its facilities and appurtenances uniform treatment under like conditions, subject to such treaties or commercial conventions as are now in force or may hereafter be made from time to time by the United States with foreign governments.

"No person shall be allowed to reside within the zone except Federal, State, or municipal officers or agents whose resident presence is deemed necessary by the Secretary.

"The Secretary shall prescribe rules and regulations regarding employees and other persons entering and leaving the zone. All rules and regulations concerning the protection of the revenue shall be approved by the Secretary of the Treasury.

"The Secretary may at any time order the exclusion from the zone of any goods or process of treatment that in his judgment is detrimental to the public interest, health, or safety.

"No retail trade shall be conducted within the zone except under permits issued by the grantee and approved by the Secretary. Such permittees shall sell no goods except such as are brought into the zone from customs territory.

"The form and manner of keeping the accounts of each zone shall be prescribed by the Secretary.

"Each grantee shall make to the Secretary annually, and at such other times as he may prescribe, reports containing a full statement of all the operations, receipts, and expenditures, and such other information as the Secretary may require.

"The Secretary shall make a report to Congress on the first day of each regular session containing a summary of the operation and fiscal condition of each zone and transmit therewith copies of the annual report of each grantee.

"The grant shall not be sold, conveyed, transferred, set over, or assigned.

"In the event of repeated violations of any of the provisions of this section by the grantee, the Secretary of Commerce, the Secretary of War, and the Secretary of the Treasury, or a majority of them, may revoke the grant after four months' notice to the grantee and affording it an opportunity to be heard. The testimony taken before the Secretaries shall be reduced to writing and filed in the records of the Department of Commerce, together with the decision reached thereon.

"In the conduct of any proceeding under this section for the revocation of a grant, the Secretaries may compel the attendance of witnesses and the giving of testimony and the production of documentary evidence, and for such purpose may invoke the aid of the district courts of the United States.

"An order under the provisions of this section revoking the grant issued by the Secretaries shall be final and conclusive, unless within 90 days after its service the grantee appeals to the circuit court of appeals for the circuit in which the zone is located by filing with the clerk of said court a written petition praying that the order of the Secretaries be set aside. The clerk of the court in which such a petition is filed shall immediately cause a copy thereof to be delivered to the Secretaries, and they shall forthwith prepare, certify, and file in the court a full and accurate transcript of the record in the proceedings held before them under this section, the charges, the evidence, and the order revoking the grant. The testimony and evidence taken or submitted before the Secretaries, duly certified and filed as a part of the record, shall be considered by the court as the evidence in the case.

"On such appeal the court shall review the record of proceedings before the Secretaries; and if a decision of said Secretaries shall be supported by evidence, shall only make decision on errors of law.

"That in case of a violation of this section, or any regulation of the Secretary under this section, by the grantee, any officer, agent, or employee thereof responsible for or permitting any such violation shall be subject to a fine of not more than $1,000. Each day during which a violation continues shall constitute a separate offense.

"That if any provision of this section or the application of such provision to certain circumstances be held invalid, the remainder of the section and the application of such provisions to circumstances other than those as to which it is held invalid shall not be affected thereby.

"That the right to alter, amend, or repeal this section is hereby reserved."

In line 13, page 29, after the word "nitrite," strike out "3" and insert "5."

PART —.—ESTABLISHMENT OF FOREIGN TRADE ZONES.

Insert a new section as follows:

"SEC. —. The Secretary of the Treasury, upon the recommendation of the Secretary of Commerce, may grant to public corporations the privilege of establishing, operating, and maintaining foreign trade zones in or adjacent to ports of entry in the jurisdiction of the United States.

"Foreign and domestic merchandise of every description, except such as is prohibited by law, may, without being subject to the customs laws of the United States, except as otherwise provided in this act, be brought into a zone and there stored, manufactured, exhibited, broken up, repacked, assembled, distributed, sorted, refined, graded, cleaned, mixed with foreign or domestic merchandise or otherwise manipulated,

and be exported, and foreign merchandise may be sent into customs territory of the United States therefrom, in the original package or otherwise; but when foreign merchandise is so sent from a zone into customs territory of the United States it shall be subject to the laws and regulations of the United States affecting imported merchandise.

"The Secretary of the Treasury, with the cooperation of the Secretary of Commerce, shall prescribe such regulations as may be necessary for the purpose of selecting locations for foreign trade zones, maintaining adequate facilities for the transaction of business therein, protecting the revenue, and regulating the entry and clearance of vessels into and from foreign trade zones, and shall prescribe the conditions for the granting of a concession for the establishment of a foreign trade zone, as well as the conditions for revoking such a grant, and also any other regulations which may be necessary for carrying into effect the provisions of this section."

Mr. McCUMBER. I wish to correct what I stated a moment ago. On examination, I see that the rule does require that proposed amendments shall be read.

Mr. TRAMMELL. I present an amendment and I ask to have it read and considered as pending if the cloture rule shall be adopted to-morrow morning.

The PRESIDING OFFICER. The amendment intended to be proposed by the Senator from Florida will be read.

The READING CLERK. On page 230, beginning in line 4, it is proposed to strike out all of paragraph 1635 and insert in lieu thereof:

PAR. 1635. Potassium chloride or muriate of potash, potassium sulphate, kainite, wood ashes, and beet-root ashes, and all crude potash salts not specially provided for and the actual potash (potassium oxide) content of all the foregoing shall be admitted free of duty.

The PRESIDING OFFICER. The pending amendment will be stated.

The READING CLERK. On page 102, line 19, the Senator from Washington moves to amend by inserting after the word "pound" the following proviso:

Provided, That from and after 90 days after the enactment of this act no fresh or frozen halibut, salmon, or swordfish from the North Pacific Ocean or its tributary waters shall be admitted into the United States through any foreign country, except when the same shall be in bond from an American port.

Mr. UNDERWOOD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Gooding	McNary	Sheppard
Ball	Heflin	Moses	Sutherland
Broussard	Jones, Wash.	Nelson	Trammell
Bursum	Keyes	New	Underwood
Capper	King	Norbeck	Wadsworth
Caraway	Ladd	Norris	Walsh, Mass.
Curtis	La Follette	Oddie	Warren
Dial	Lenroot	Overman	Watson, Ind.
Frelinghuysen	McCumber	Pepper	Willis

The PRESIDING OFFICER. Thirty-six Senators having answered to their names, a quorum is not present. The Secretary will call the names of the absent Senators.

The reading clerk called the names of the absent Senators, and the following Senators answered to their names when called:

Fernald	Kendrick	Rawson	Spencer
Hale	McKinley	Shortridge	
Harris	Pittman	Smoot	
Kellogg	Poindexter	Sterling	

The following Senators entered the Chamber and answered to their names:

Cameron	Edge	Nicholson	Simmons
Dillingham	Lodge		

Mr. HARRIS. I wish to announce that my colleague [Mr. WATSON of Georgia] is absent on account of illness.

The PRESIDING OFFICER. Fifty-five Senators having answered to their names, a quorum of the Senate is present. The question is on the amendment offered by the Senator from Washington [Mr. JONES].

Mr. JONES of Washington. I ask for the yeas and nays.

Mr. POINDEXTER. Mr. President, before the vote is taken I want to say a word in favor of the amendment offered by my colleague.

The fisheries of Alaska, only partly developed, constitute one of the most valuable natural sources of wealth in the possessions of the United States. They can be made the means of the development of a great American industry, American in the true sense of the word, not only giving employment to Americans in the various branches of the work of catching and preparing and shipping this great food product for the market of the United States, which is the greatest population consuming valuable food fish in the world, but they can be made the means of developing what we need probably more than any other element in our national life, and that is a seafaring population, affording to the merchant marine a supply of sailors, and a resource for the manning of our Navy in time of war.

The purpose of the amendment of my colleague is to preserve this industry for Americans, to develop it as an American resource instead of a Canadian one. So far as I am concerned, when that is the issue I do not feel disposed to be punctilious about the exact form of the language, or, where there is a doubtful question as to whether some benefit is to come to the United States or to a foreign country, to hesitate about resolving that doubt. I feel disposed, upon issues of that kind, to give the benefit of the doubt to my own country. When we see the example of the means which have been taken—and properly taken, as has been said by my colleague—by the Government of Canada to prefer their own merchant marine, to promote the registry of vessels under the British flag, I see no reason why we should hesitate to take any proper, legitimate, honorable means for preferring our merchant marine, for encouraging the keeping of vessels in American registry instead of encouraging their transfer to British registry.

There are, as it seems to me from an examination of the showing which has been made upon this question, two ways in which that can be accomplished. One of them is along the lines proposed in the amendment offered by the senior Senator from Washington [Mr. JONES], which will have the effect of requiring fish caught in the North Pacific waters which are to be marketed in the United States—that is where our jurisdiction and our right comes in, the control of our own markets—in the imposition of restrictions upon imports to that market and upon the manner in which the products, even of American industry itself, shall be placed upon that market—to require that fish caught in North Pacific waters for the American market shall be shipped from an American port. The consequence of adopting this amendment will be to develop the fishery industry of the North Pacific at the town of Ketchikan—that seems to be the most convenient town—which has already a considerable industry attached to the catching and the marketing of halibut and other North Pacific fishes; or, if it is defeated, to leave the industry to a foreign port, Prince Rupert, the terminus of the Grand Trunk Pacific Railroad in British Columbia.

Prince Rupert is some 600 miles north of Seattle. Ketchikan, Alaska, is approximately 100 miles north of Prince Rupert. The fisheries from which this great supply of fish come are several hundred miles still farther north of Ketchikan.

Mr. President, when these fish are caught by American fishermen, wherever they may be caught—most of them are caught outside of the 3-mile limit, and consequently do not, strictly speaking, come from American waters, because outside of the 3-mile limit the fisheries are open to all nationalities of the world—it is regarded as an American fishery, notwithstanding the fact that the fish are packed for shipment in a foreign port and transported to market over a foreign railroad, giving to the foreign country the labor which is engaged in that business and to the railroads the proceeds of that transportation, and come into our market free of the tariff which is imposed upon fish imported from a foreign country; and by reason of the advantages which Prince Rupert has as the terminus of this railroad, of course it would get the entire fishery industry. It would be developed there instead of at an American port.

I agree entirely with the principles which have been laid down by the chairman of the Committee on Finance in discussing this amendment in so far as the premises which he stated are concerned, differing with him entirely, however, in the conclusion which he reached. I think he is right in saying that these fishermen ought to be allowed to go to the most convenient market, whether it is a domestic market or a foreign market; but if they go to a foreign port, give their business to a foreign country, employ foreign labor and foreign capital, and transport their goods over a foreign railroad, if that is to be allowed, as it is allowed unless some such amendment as that proposed by my colleague is to be adopted, then they should take the burden that is imposed upon the products of a foreign country, and American labor and American railroads should receive the benefit of a tariff which is imposed to give the preference to our own industry.

Mr. KING. Mr. President, will the Senator yield? I desire to ask a question for information.

Mr. POINDEXTER. I yield to the Senator from Utah.

Mr. KING. As I understand this amendment—and I confess that I do not understand it, but as it was read and as I interpret it—it means than an American fishing in Pacific waters and contiguous to the Canadian shore, or remote from it, it is wholly immaterial—if he takes his fish to a Canadian port and there cures the fish may not bring them into the United

States. Though he is willing to pay all the tariff that we impose, he is absolutely prohibited from bringing them here.

There would be very much in the Senator's argument, if my premise is correct, if we should penalize him for going into the Canadian port with his fish by imposing a heavy duty; but to prohibit him absolutely from bringing into the United States his product after it is cured or iced seems to me——

Mr. POINDEXTER. We do not prohibit him from bringing it into the United States. We allow him to bring it into the United States according to the amendment offered by the Senator from Washington, but we require him to ship the fish from an American port as a condition or restriction upon getting the benefit of the American market. He can bring them into the American market; and for the purpose of developing a great fishing industry in this country, and in the interest of the merchant marine and of a source of supply of the Navy in time of great emergency, I see nothing unreasonable in imposing such a condition as that upon this industry. It is not a hard condition. Why should not these men go to Ketchikan instead of to Prince Rupert?

Mr. WALSH of Montana. Mr. President——

Mr. KING. If the Senator will pardon me, then, as I understand the Senator, he does admit that if the fisherman goes to the Canadian port first he may not then bring his product into the United States?

Mr. POINDEXTER. That is true.

Mr. KING. No matter if he is willing to pay the tariff that we impose upon other fishermen or other countries, he can not bring that catch into the United States?

Mr. POINDEXTER. But we do not impose a tariff.

Mr. KING. Well, suppose we did.

Mr. POINDEXTER. If we did, it would be an entirely different question. If we did, then the result that is sought by the amendment of my colleague would be reached in another way; and if that amendment is defeated I expect to offer an amendment, at least for the purpose of making a record, and have the Senate vote upon it, to impose the duty provided in this bill upon fish imported from a foreign country, upon fish, wherever they may be caught, that are packed and prepared for shipment in a foreign country, by foreign labor, and shipped over foreign railroads.

The suggestion of the Senator from Utah, however, does not apply at all as the bill is now framed, or as the existing law is, that they are subject to the penalty of paying a tariff upon the shipment of fish to the United States. They are regarded as a domestic product. The Treasury decisions are to the effect that even where fish caught by American fishermen operating vessels of American registry are prepared for shipment upon some foreign territory—as, for instance, upon the coast of Labrador—and are shipped from that point into the United States, they pay no tariff, because they are regarded and decided under the Treasury rulings to be the product of American fisheries.

Mr. WALSH of Montana. That was what I desired to inquire of the Senator. Under the existing law the Alaska fisherman may bring his fish into the port of Prince Rupert and dress them there, ice them there, or dry them, and ship them over the Canadian railroads in bond into the eastern markets without the payment of any duty.

Mr. POINDEXTER. Not Canadian fishermen but American fishermen.

Mr. WALSH of Montana. Yes; American fishermen, either from the States or from Alaska.

Mr. POINDEXTER. Without the payment of any duty. Of course, no duty is paid on that fish now; but that would also be the condition even under this bill, should it be enacted in its present form.

Mr. McCUMBER. I want the Senator to make no mistake as to what the amendment is. The amendment reads:

> *Provided*, That from and after 90 days after the enactment of this act no fresh or frozen halibut, salmon, or swordfish from the North Pacific Ocean or its tributary waters shall be admitted into the United States through any foreign country, except when the same shall be in bond from an American port.

That is clear and specific.

Mr. POINDEXTER. That is what I stated.

Mr. McCUMBER. If a Canadian fishing fleet goes out from Prince Rupert and catches fish and brings them back into Prince Rupert, it is an embargo against them. They could not bring them in under this amendment. They could not even bring them into the United States by paying a duty.

Mr. POINDEXTER. All that they would be required to do in order to bring them in would be to take them into Ketchikan.

Mr. McCUMBER. In other words, take them there, and then take them to Ketchikan.

Mr. POINDEXTER. That is a hundred miles nearer the fisheries than Prince Rupert.

Mr. McCUMBER. But they can not send them over the Canadian Pacific——

Mr. POINDEXTER. I am not so concerned about the Canadian Pacific.

Mr. McCUMBER. They can not send them to Minneapolis and St. Paul, across the line——

Mr. POINDEXTER. Yes.

Mr. McCUMBER. Just a moment. I will tell what the fisherman has to do. He has to send them to an American port——

Mr. POINDEXTER. It is the purpose of this amendment to require him to do that. It is our market. It is our country. We can lay down such conditions as we choose on those seeking to enjoy its benefits.

Mr. McCUMBER. I had not finished my sentence. He has to send them to an American port. What port? Ketchikan. After he gets them to Ketchikan, what is he going to do with them? He has to bring them back to Prince Rupert, ship them back again, or else he has to go to Seattle and if two or three days out from Seattle his fish are ruined by reason of the long trip, he has to send them second or third class. That is really what it means.

Mr. POINDEXTER. No; that is not what it means at all.

Mr. McCUMBER. The Senator can not make it mean anything else.

Mr. POINDEXTER. I will show you why you can not make it mean that. The trouble with the Senator from North Dakota—and it is not to be wondered at, with the vast multitude of paragraphs and items in this bill—is that he has not a very clear idea of the geography of these ports and the fisheries which are seeking this benefit. The Senator talks about taking fish from Prince Rupert to Ketchikan and then bringing them back to Prince Rupert. The fish are caught two or three hundred miles north of Ketchikan, and they reach Ketchikan from the fisheries a hundred miles before they get to Prince Rupert. There is no question about taking them to Prince Rupert and bringing them back again to Ketchikan and then taking them from Ketchikan to Prince Rupert.

Mr. McCUMBER. I am assuming that a fleet go out from Prince Rupert and catch some of these fish; they may catch them nearer Prince Rupert or they may catch them farther away, but the testimony of those who are engaged in fishing is that, even if they had to go to Ketchikan, they would still have to go back to Prince Rupert and send them through that way to get them to the Canadian and American markets.

Mr. POINDEXTER. They do not have to go back to Prince Rupert, because they do not come from Prince Rupert. Under those conditions Prince Rupert would be merely a way station on the way from the fisheries to the market.

To show how entirely practicable it is for them to carry on their fishery industry at Ketchikan instead of at Prince Rupert, let us take the figures for 1921 of the halibut shipments from Alaskan waters, as they are called; they are called North Pacific waters, more properly, in the amendment of my colleague.

In that year there were received at Ketchikan 5,923,000 pounds of halibut. So evidently it is feasible and practicable to deliver halibut at Ketchikan, prepare them there for market, and ship them from there to the market. But there are greater advantages under the present system in taking them to Prince Rupert, under the orders in council of the Dominion of Canada, intended for the purpose of bringing that industry there, of employing Canadians, and of giving business to Canadian railroads. So at Prince Rupert in that year there were received 20,342,000 pounds. At Vancouver, British Columbia, there were received 3,934,000 pounds, and at Seattle there were received 11,650,000 pounds. So in 1921 there were 16,000,000 pounds of halibut taken from the fisheries to American ports—5,000,000 of them to Ketchikan, 11,000,000 to Seattle. Under those conditions why is it impossible or impracticable to encourage the taking of these fish to American ports and to develop the industry there instead of allowing it all to go, as the tendency now is, as is also shown by the figures I have cited, to Prince Rupert?

What is the objection made? There is an objection made by some of our own people, who, I suppose, will read what I am saying here. The owners of those boats apparently care very little about which port they go to. They go to the most convenient port. They go to the port where they can make the most money under present conditions, and when they are asked to join in building up this great industry, which is carried on by American citizens and which ought to be developed in all of its various branches by American labor by bringing the fish to an American port, their objection is that there are not

sufficient transportation lines between Ketchikan and Prince Rupert and between Ketchikan and Seattle; that there are not sufficient cold-storage houses and icing plants at Ketchikan.

When it is pointed out to them that there is no occasion to operate shipping lines between Ketchikan and Prince Rupert, and between Ketchikan and Seattle, to accommodate this business under present conditions, when three-fourths of the business is going to Prince Rupert; that if the business is required to go to Ketchikan as a condition of getting the benefit of the American market, transportation lines will be established to accommodate it, as a matter of course; that icing plants will be put up; that cold-storage houses will be established—they have nothing to say, except a mere statement that that will not be done or that it will take a year to do it, and they ask what will become of the business during that year.

That is a very feeble answer.

A year is not a very long time, even if their supposition is true that it would take that long to develop those facilities at Ketchikan, or greater facilities for marketing these fish at Seattle. That is not a very great obstacle to overcome, when we have in view the great object of making this an American industry, developing it in American ports and employing in it American labor.

Another objection they make is that if they undertake to establish ship lines between Ketchikan and Prince Rupert, they will have to cross Dixon Entrance, and that the water there is very rough; that the winds blow into that broad entrance from the Pacific Ocean. They say that it will require large steamships, and that the business will not justify the investment and the expense of operating those large steamships, which they say, in the brief which they have submitted to the committee, would be necessary to cross these rough waters, particularly in the wintertime, to carry the fish, after they have been iced and after they have been packed at Ketchikan, to the terminus of the Grand Trunk Railroad at Prince Rupert.

To show how easy it is to puncture an argument if one happens to know the conditions to which it applies, it is only necessary to point out that these very men, the owners of these shipping vessels, are doing now throughout the fishing season the very thing which they say it would be impossible to do. They have small fishing vessels. They are not using great ocean steamships, which they say would be necessary to make the trip from Ketchikan to Prince Rupert. They are engaged in the fisheries in the inland waters of Alaska, hundreds of miles north of Ketchikan. Ketchikan is 97 miles north of Prince Rupert, to be exact, situated on Revillagigedo Island. They come from the fishing banks with their schooners loaded with halibut at all seasons of the year, particularly in the wintertime, which is the best fishing season; go by Ketchikan, within sight of the docks and wharves, and from there to Prince Rupert to have their fish packed and shipped over the Grand Trunk Railroad. Yet they say it can not be done because of rough water.

Mr. President, this is simply another instance of the reluctance of people who are enjoying a present condition to have that condition changed unless they themselves see some immediate benefit in it for themselves. They are not taking the public viewpoint; and I am not criticizing them. They may not be expected to take the public viewpoint. Congress is expected to do that. They will be doing very well, perhaps, if they look after their own individual interests. They are not thinking of the broader policy of building up American seafaring occupations, of affording a supply of sailors for a merchant marine which we are talking so much about developing, of getting young men to learn the ways of the sea, as they will learn them if they engage in these great fisheries, and so be prepared to come to the aid of the country in time of war to man our war vessels. They are not thinking about those things. It makes very little difference to them, apparently, whether you build up Ketchikan or build up Prince Rupert. Yet the object of this amendment is to build up Ketchikan, and it seems to me to be a very substantial and a very justifiable purpose, such as we ought to have in framing this bill.

Now I want to call attention to one decision, the United States against Redding and others, by the Court of Customs Appeals. They were dealing with the question of what an American fishery is. The trouble about the condition of affairs to which my colleague's amendment relates is that this industry, which at least is partly foreign in the course of its conduct and its development, is regarded as altogether domestic by the Treasury Department.

Mr. McCUMBER. Mr. President, I wish to ask the Senator a question, because it seems to me the Senator and I are approaching this matter from an angle which can not be brought together at any point. The Senator is not dealing in this amendment simply with American fishermen. It provides that any fish caught in the north Pacific Ocean, whether they are caught by a Canadian or anyone else, shall not be shipped into America unless brought to an American port. If a Canadian fisherman sends out his own vessel and brings the fish into his own port, under this provision he can not bring them into the United States at all, not even by paying the duty.

Mr. POINDEXTER. No.

Mr. McCUMBER. Let us suppose a Canadian fishing fleet. We have control over our own. We can say to our own, if we think it is the proper thing to do, "You must bring your fish to an American port first, and not to a Canadian port."

Here is the foreigner, a Canadian, who sends out his fleet from Prince Rupert. They catch fish and bring them into Prince Rupert. Then they load them on their trains in their refrigerator cars, distribute them along the route, and their cars go all the way to Minneapolis and St. Paul. But you say to them, "You can not bring a pound of that fish, no matter what duty you are willing to pay, into the United States." That is a foreign country. Do you think that is fair treatment of a foreign country to say that "because you see fit to catch your fish and bring them into your own country, you can not export them to the United States at all"?

Mr. POINDEXTER. We are not interfering in any way with their fish. We are simply protecting our market. All we say to them is, "You can not enjoy the American market under those conditions." We have a perfect right to do that. But suppose we adopt the suggestion of the Senator from North Dakota and make the amendment apply only to domestic fishermen, to American fishermen.

Mr. McCUMBER. I think the fishermen ought to have the right to sell where they can get the best market for their fish.

Mr. POINDEXTER. I understand the Senator's complaint is that this will apply to the Canadian fishermen as well as to the American fishermen.

Mr. McCUMBER. That was not the point. It was not a complaint. The point was that we not only attempt to control the American fishermen, which we have a right to do—while I do not agree with the system of controlling them—but we go over there and say we are going to control the Canadians.

Mr. LODGE. The Canadian refuses to allow us to send a pound of fresh fish at Prince Rupert to the people there.

Mr. McCUMBER. But we do sell them there.

Mr. JONES of Washington. Not for local consumption.

Mr. McCUMBER. That may be.

Mr. LODGE. They put an absolute embargo on our fish.

Mr. POINDEXTER. They do the very thing, so far as our own country is concerned, that in principle is proposed to be done by this legislation with the United States. They deny the Canadian market to the American fishermen coming into Port Rupert with their fish. We only propose to deny the American market to any Canadian fishermen, and likewise to American fishermen, bringing their fish from the northern Pacific waters into a foreign port. In principle there is no greater discrimination in the proposed American regulations than there is in the Canadian law.

Section 1624 of the bill provides that all fish and other products of such fisheries shall be on the free list. "All fish and other products of such fisheries," and the question is—and it seems to me that sooner or later it must be determined if we are to pursue the object of retaining this as an American industry—whether or not business carried on in a foreign country, transported to market through the foreign country, shall be regarded as a product of an American fishery.

I doubt very much, if it were properly presented as a legal proposition, even under the language of the bill, to the Court of Customs Appeals, whether they would hold, even in view of the precedents which have been established—and which have gone quite far, but do not exactly fit this case—that the conditions which I have already described under which the fish from north Pacific waters are carried to market, constitute an American fishery, and that the fish when brought to market are the product of an American fishery.

But if the amendment proposed by my colleague is voted down, I expect to offer an amendment which would clear up any doubt upon the question which I have just stated and make it perfectly clear in the law that an industry carried on in this way in a foreign country, fish caught in the open ocean, taken into a foreign port, prepared there for shipment by foreign labor, transported over a foreign railroad, shall not be regarded, when they come into market and compete with American industry and American labor, as a domestic production. That will very likely, to a very large extent, if not altogether, accomplish the purpose which my colleague has in mind in offering his amendment.

Mr. LENROOT. May I ask the Senator why that is not done instead of urging this very unusual embargo, when the Senator himself now says that to impose the ordinary tariff rate will accomplish all that he desires to accomplish?

Mr. POINDEXTER. It will not accomplish all that I desire.

Mr. LENROOT. All that any American ought to ask, it seems to me.

Mr. POINDEXTER. Some Americans ask more than others for their country. I ask a good deal when the question is whether we shall favor our own people or foreigners in the rivalry of trade.

The decision of the Treasury Department to which I have referred, in concluding, uses this language:

> The American fishing vessel took no part in the fishing operations in question here except to convey from the United States to Newfoundland certain fishing supplies. A portion of the fishing tackle so conveyed was used under the supervision and by employees of an American citizen temporarily at Bonne Bay, Newfoundland; but the fishermen engaged there for service apparently used their own boats and presumably obtained there their supplies. The fish so caught were cured on British soil and shipped to the United States in a British vessel. *Held*, the importation was not entitled to free entry as the product of American fisheries under paragraph 567.

Paragraph 567 corresponds to the paragraph that I have just read. There is a case parallel to the one we are discussing, where the fish are packed or frozen in a foreign port. Both processes are used. Fish for what is called the fresh-fish market, in eastern cities, must be marketed under regulations of the cities or the States, and I think also under regulations of the Federal Government, within a certain number of days after they are caught. If they can not be delivered within that number of days and be classed as fresh fish for the city market, they are frozen and kept in cold-storage houses in a frozen condition and are shipped when the market justifies it. Fresh fish, so called, are packed in ice in boxes and shipped into the eastern markets. The freezing, the warehousing, the furnishing of the boxes, the packing in the boxes, the supplying of the ice, all of the labor connected with those things and the bringing of the fish to market thousands of miles across the country, are done by foreigners upon foreign soil, and there is no reason why the result of this labor should be regarded as the product of a domestic industry.

I hope the amendment of my colleague will be adopted. If it should not be adopted, I shall offer the amendment to which I have referred.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. JONES] to the amendment of the committee.

Mr. JONES of Washington. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. BALL (when his name was called). I have a general pair with the Senator from Florida [Mr. FLETCHER]. I transfer that pair to my colleague [Mr. DU PONT] and vote "nay."

Mr. EDGE (when his name was called). I transfer my pair with the senior Senator from Oklahoma [Mr. OWEN] to the senior Senator from Maryland [Mr. FRANCE] and vote "yea."

Mr. NEW (when his name was called). I transfer my pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from Maryland [Mr. WELLER] and vote "yea."

Mr. STERLING (when his name was called). I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Oklahoma [Mr. HARRELD] and vote "yea."

Mr. TRAMMELL (when his name was called). I transfer my pair with the senior Senator from Rhode Island [Mr. COLT] to the senior Senator from Texas [Mr. CULBERSON] and vote "nay."

Mr. WALSH of Montana (when his name was called). I have a general pair with the Senator from New Jersey [Mr. FRELINGHUYSEN]. In his absence I withhold my vote.

Mr. WATSON of Indiana (when his name was called). I transfer my general pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the senior Senator from Pennsylvania [Mr. CROW] and vote "nay."

The roll call was concluded.

Mr. SUTHERLAND. I transfer my general pair with the senior Senator from Arkansas [Mr. ROBINSON] to the senior Senator from Connecticut [Mr. BRANDEGEE] and vote "nay."

Mr. JONES of Washington (after having voted in the affirmative). Has the senior Senator from Virginia [Mr. SWANSON] voted?

The PRESIDING OFFICER. That Senator has not voted.

Mr. JONES of Washington. That Senator is necessarily absent and I promised to pair with him for the day. I find, however, that I can transfer that pair to the junior Senator from Michigan [Mr. NEWBERRY], which I do, and allow my vote to stand.

Mr. CURTIS. I wish to announce the following pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The junior Senator from Kentucky [Mr. ERNST] with the senior Senator from Kentucky [Mr. STANLEY]; and

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES].

The result was announced—yeas 19, nays 32, as follows:

YEAS—19.

Ashurst	Jones, Wash.	Nicholson	Rawson
Bursum	Lodge	Norbeck	Sterling
Cameron	McKinley	Oddie	Warren
Edge	McNary	Phipps	Willis
Gooding	New	Poindexter	

NAYS—32.

Ball	Harris	Lenroot	Smoot
Borah	Heflin	McCumber	Spencer
Broussard	Kellogg	Moses	Sutherland
Calder	Kendrick	Nelson	Trammell
Capper	Keyes	Norris	Underwood
Caraway	King	Overman	Wadsworth
Curtis	Ladd	Pepper	Walsh, Mass.
Dial	La Follette	Sheppard	Watson, Ind.

NOT VOTING—45.

Brandegee	Frelinghuysen	Myers	Smith
Colt	Gerry	Newberry	Stanfield
Crow	Glass	Owen	Stanley
Culberson	Hale	Page	Swanson
Cummins	Harreld	Pittman	Townsend
Dillingham	Harrison	Pomerene	Walsh, Mont.
du Pont	Hitchcock	Ransdell	Watson, Ga.
Elkins	Johnson	Reed	Weller
Ernst	Jones, N. Mex.	Robinson	Williams
Fernald	McCormick	Shields	
Fletcher	McKellar	Shortridge	
France	McLean	Simmons	

So the amendment of Mr. JONES of Washington to the amendment of the committee was rejected.

The PRESIDING OFFICER. The question is on the committee amendment as amended.

Mr. POINDEXTER. I offer the amendment to the amendment of the committee which I send to the desk and ask that it may lie over until to-morrow. I ask, however, that the Secretary may read it.

The PRESIDING OFFICER. The amendment to the amendment will be read.

The READING CLERK. Amend the committee amendment in line 19, page 102, by inserting after the word "pound" the following proviso:

> *Provided*, That fish prepared or packed in a foreign country for shipment and shipped from a foreign country into the United States in a ship of foreign registry or over a railroad running through a foreign country shall be subject to the duties prescribed by this paragraph.

Mr. POINDEXTER. I ask for a vote upon the amendment which I have submitted to the amendment of the committee.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Washington to the amendment reported by the committee.

Mr. McCUMBER. Mr. President, I hardly think that we ought to vote on an amendment which we have scarcely had time even to read and to draw a conclusion as to what its meaning is. I hope the Senator will give us time at least to read it.

Mr. POINDEXTER. In the hope that the chairman of the committee will look with favor on the amendment and accept it, I accede to his request that it may lie over.

EXECUTIVE SESSION.

Mr. McCUMBER. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

DEATH OF REPRESENTATIVE MOSES P. KINKAID.

Mr. NORRIS. Mr. President, it becomes my sad duty to announce to the Senate the death of Hon. MOSES P. KINKAID, for 20 years a Member of the House of Representatives from the State of Nebraska, who died in this city this morning.

I ask unanimous consent for the present consideration of the resolutions which I send to the desk.

The resolutions (S. Res. 318) were read, considered by unanimous consent, and unanimously agreed to, as follows:

> *Resolved*, That the Senate has heard with profound sorrow the announcement of the death of Hon. MOSES P. KINKAID, late a Representative from the State of Nebraska.
>
> *Resolved*, That a committee of six Senators be appointed by the Presiding Officer to attend the funeral.
>
> *Resolved*, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

The PRESIDING OFFICER, under the second resolution, appointed Mr. NORRIS, Mr. HITCHCOCK, Mr. JONES of Washington, Mr. ASHURST, Mr. JOHNSON, and Mr. NORBECK as the committee on the part of the Senate to attend the funeral of the deceased Representative.

Mr. NORRIS. Mr. President, as a further mark of respect to the memory of the deceased Representative I move that the Senate take a recess.

The motion was unanimously agreed to; and (at 6 o'clock and 25 minutes p. m.) the Senate, under the order previously made, took a recess until to-morrow, Friday, July 7, 1922, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate July 6 (legislative day of April 20), 1922.

UNITED STATES PUBLIC HEALTH SERVICE.

The following-named assistant surgeons to be passed assistant surgeons in the United States Public Health Service, to rank from the dates set opposite their names:

Ralph E. Porter from July 15, 1922.
Joseph W. Mountin from July 17, 1922.

These officers have served the required time in their present grade and have passed the necessary examination for promotion.

ASSISTANT DIRECTORS, BUREAU OF FOREIGN AND DOMESTIC COMMERCE.

Louis Domeratzky, of Virginia, to be assistant director, at $4,000 per annum, in the Bureau of Foreign and Domestic Commerce, vice Leland Rex Robinson, transferred.

Thomas R. Taylor, of New Jersey, to be assistant director, at $3,500 per annum, in the Bureau of Foreign and Domestic Commerce, vice Louis Domeratzky, promoted.

PROMOTIONS IN THE REGULAR ARMY.

VETERINARY CORPS.

To be captain.

First Lieut. Sherman Robert Ingram, Veterinary Corps, from March 1, 1922.

CHAPLAINS.

To be chaplain with the rank of major.

Chaplain Stephen Richard Wood, from June 29, 1922.

To be chaplain with the rank of captain.

Chaplain Henry Jouette Geiger, from April 6, 1922.

APPOINTMENTS IN THE REGULAR ARMY.

INFANTRY ARM.

To be second lieutenants with rank from June 26, 1922.

Pvt. First Class Orestes Cleveland, Headquarters, One hundred and third Division, United States Army.

Pvt. Elbert Kelly, United States Army, unassigned.

FIELD ARTILLERY ARM.

To be second lieutenants with rank from June 26, 1922.

Pvt. James Harrison Dickie, United States Army, unassigned.

Pvt. Raymond Quinn Hennicke, United States Army, unassigned.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY.

ADJUTANT GENERAL'S DEPARTMENT.

Col. Joseph Frank Janda, Infantry, with rank from July 1, 1920.

Lieut. Col. Louis Stewart Chappelear, Coast Artillery Corps, with rank from July 1, 1920.

Lieut. Col. Richard Kerr Cravens, Finance Department, with rank from July 1, 1920.

Lieut. Col. Robert Whitfield, Infantry, with rank from July 1, 1920.

Maj. Andrew Jackson White, Infantry, with rank from July 1, 1920.

Maj. Eugene Ross Householder, Infantry, with rank from July 1, 1920.

Maj. Edward Roth, jr., Coast Artillery Corps, with rank from July 1, 1920.

Capt. William Anthony Woodlief, Infantry, with rank from July 1, 1920.

AIR SERVICE.

Maj. Paul Theodore Bock, Corps of Engineers, with rank from November 23, 1920.

REAPPOINTMENT IN THE REGULAR ARMY.

Maj. Gen. Clarence Charles Williams, Chief of Ordnance, to be Chief of Ordnance, with the rank of major general, for the period of four years beginning July 16, 1922, with rank from July 16, 1918. His present appointment will expire July 15, 1922.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 6 (legislative day of April 20), 1922.

UNITED STATES ATTORNEYS.

William T. Carden to be United States attorney, District of Hawaii.

W. Sherman Ball to be United States attorney, western district of Kentucky.

UNITED STATES MARSHAL.

James C. Tyler to be United States marshal, southern district of Mississippi.

PROMOTIONS IN THE NAVY.

To be commanders.

Lewis D. Causey.
Charles S. McWhorter.
Guy E. Davis.

To be lieutenant commanders.

Robert H. Bennett.
Robert E. Bell.
John F. Donelson.
Webb Trammell.
Walter A. Riedel.
Lucien B. Green, 2d.
Sherwood Picking.
Wells E. Goodhue.
Joseph L. Nielson.
Joseph M. Blackwell.
George A. Rood.
Van Leer Kirkman, jr.
Philip R. Baker.
Eugene T. Oates.
George D. Murray.
Harry R. Gogusch.
Carroll Q. Wright, jr.

To be lieutenants.

Thomas C. Latimore.
Sidney B. Blaisdell.

To be lieutenants (junior grade).

Albert R. Staudt.
Robert M. Dorsey.
George W. Brashears, jr.
Edgar R. Winckler.
William H. Meyer.

To be ensign.

Myron F. Eddy.

To be dental surgeon.

John R. Barber.

To be passed assistant dental surgeons.

Andrew L. Burleigh.
Robert H. Fladeland.

To be chief gunners.

Charles B. Bradley.
James A. Featherston.
Jack K. Campbell.
John M. Buckley.
John M. Kirkpatrick.

To be chief machinists.

John E. Sullivan.
Robert J. Kingsmill.
Charles B. Shackelton.
Emery Smith.

To be assistant surgeon.

Malory A. Pittman.

MARINE CORPS.

To be first lieutenant.

Edward F. O'Day.

POSTMASTERS.

MICHIGAN.

Frank O. Parker, Alma.
Albert W. Lee, Britton.

MINNESOTA.

Dora N. Ruud, Granite Falls.

MISSOURI.

Charles H. Herriman, Buckl.n.

OKLAHOMA.

Omer K. Benedict, Tulsa.

UTAH.

Beatrice E. Hemphill, Helper.

SENATE.

FRIDAY, *July 7, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. WATSON of Indiana obtained the floor.

Mr. CURTIS. Mr. President, will the Senator yield that I may make the point of no quorum?

Mr. WATSON of Indiana. I yield for that purpose.

Mr. CURTIS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Gooding	McLean	Robinson
Ball	Hale	McNary	Sheppard
Borah	Harreld	Moses	Shortridge
Brandegee	Harris	Nelson	Simmons
Broussard	Harrison	New	Smith
Bursum	Heflin	Newberry	Smoot
Calder	Johnson	Nicholson	Spencer
Cameron	Jones, N. Mex.	Norbeck	Stanley
Capper	Jones, Wash.	Norris	Sterling
Culberson	Kellogg	Oddie	Sutherland
Curtis	Kendrick	Overman	Townsend
Dial	Keyes	Owen	Trammell
Dillingham	Ladd	Pepper	Underwood
du Pont	La Follette	Phipps	Walsh, Mass.
Edge	Lenroot	Pittman	Walsh, Mont.
Ernst	Lodge	Poindexter	Watson, Ind.
Fernald	McCormick	Pomerene	Willis
Frelinghuysen	McCumber	Ransdell	
Gerry	McKinley	Rawson	

Mr. HARRIS. I wish to announce that my colleague [Mr. WATSON of Georgia] is detained on account of illness.

The VICE PRESIDENT. Seventy-four Senators have answered to their names. A quorum is present. The Senator from Indiana has the floor.

Mr. McCORMICK. I ask unanimous consent to present for publication in the RECORD a resolution adopted by Aurora Post, No. 20, Grand Army of the Republic of Illinois.

Mr. WATSON of Indiana. I yield to the Senator from Illinois and to other Senators who have risen to present routine business.

PETITIONS AND MEMORIALS.

Mr. McCORMICK presented a resolution adopted by Aurora Post, No. 20, Department of Illinois, Grand Army of the Republic, which was referred to the Committee on Pensions and ordered to be printed in the RECORD, as follows:

JUNE 9, 1922.

To the United States Senate, greeting:

Resolved, That we, Aurora Post, No. 20, Department of Illinois, believe the Senate should no longer delay action on the pending Bursum bill granting $72 a month to all Civil War veterans and $50 to Civil War widows.

We respectfully ask Congress to consider the fact that large numbers of old, brave veterans who helped to save this Government from dissolution are now in want for the actual necessities of life.

Flood sufferers and foreign sufferers have been well provided for by Congress; their claim, to say the least, is only a common one, while the claim of the Civil War soldier is a just debt for services rendered, and if not paid soon will remain a debt forever unpaid, and future generations will regret it.

The vast majority of the people are willing and anxious to have the Bursum or the Morgan bill passed at once.

H. J. MULHOLLAND,
J. M. CONWAY,
Committee.

Mr. SHORTRIDGE presented letters and telegrams, in the nature of petitions, from Dr. Charles Landis, Memorial Church, Stanford University; Rev. Charles T. Lewis, Vermont Square Methodist Episcopal Church, Los Angeles; Rev. Francis J. Van Horn, First Congregational Church, Oakland; Rev. Eugene B. Smith, Union Congregational Church, Calipatria; Rev. Herbert Booth Smith, Immanuel Presbyterian Church, Los Angeles; Rev. Wilfred Kent, Methodist Church, Fullerton; Rev. Roscoe D. Douglas, Saratoga; Rev. Roy H. Barrett, First Baptist Church, Petaluma; Rev. A. Craig Bowdish, Richmond Congregational Church, San Francisco; Rev. Carl F. Henry, Throop Memorial Church, Pasadena; Rev. Edwin Walker, Public Community Service, Ben Lomond; Rev. Hamilton Lee, St. Matthews Church, Berkeley; Mrs. E. L. Tench, Long Beach; Mrs. Elizabeth Minarian, San Diego; Miss Ethel A. Latimer, Long Beach; Mrs. Sarah T. Boardman, Bell; H. H. Davis, San Gabriel; Mrs. E. M. Lyman, Long Beach; Mr. and Mrs. D. M. Utter, Los Gatos; Herbert C. H. Lake, R. D. Sands, W. S. Pugh, Alhambra; Charles D. Blaney and Isabel W. Blaney, Saratoga; R. Franklin Ray, Alameda; Elia Gilbert Williams, Mr. and Mrs. G. A. Wood, Grace E. Hanchett, and W. A. Vickery, of Saratoga; M. J. Gergussen, Los Angeles; Mrs. Abby McKinnon, Long Beach; Mr. George Curtiss, Soledad; Mrs. L. J. Hanchett, Saratoga; Joseph Overton, Los Angeles, and sundry citizens, all in the State of California, praying that relief be granted the suffering people of Armenia, and protesting against Turkish sovereignty over and alleged atrocities to the Armenians, which were referred to the Committee on Foreign Relations.

Mr. ROBINSON presented petitions of sundry citizens of Fort Smith, Ark., praying that only a moderate duty be imposed in the pending tariff bill on light-weight gloves, which were referred to the Committee on Finance.

Mr. WILLIS presented a petition of sundry citizens of Toledo, Ohio, praying for retention in the pending tariff bill of the proposed specific duties on silver black foxes, which was ordered to lie on the table.

He also presented a petition of the department of public service of the city of Cleveland, Ohio, praying for inclusion in the pending tariff bill of protective duties on vegetable oils, which was referred to the Committee on Finance.

He also presented memorials of the Cleveland Wet Wash Association and sundry laundry companies, all in the city of Cleveland, Ohio, remonstrating against inclusion in the pending tariff bill of proposed duties on vegetable and animal oils and praying that such oils be placed on the free list, which were referred to the Committee on Finance.

REPORT OF COMMITTEE ON IRRIGATION AND RECLAMATION.

Mr. McNARY, from the Committee on Irrigation and Reclamation, to which was referred the bill (S. 3709) to provide for an examination and report on the condition and feasibility of a reclamation project at Hope, Eddy County, N. Mex., reported it without amendment.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DIAL:

A bill (S. 3791) for the relief of William R. Bradley, former acting collector of internal revenue for South Carolina; to the Committee on Claims.

By Mr. PITTMAN:

A bill (S. 3792) to provide for the protection and development of the lower Colorado River Basin; to the Committee on Irrigation and Reclamation.

By Mr. WATSON of Indiana:

A bill (S. 3793) to authorize the Gary Tube Co. to construct a bridge across the Grand Calumet River in the State of Indiana; to the Committee on Commerce.

By Mr. KENDRICK:

A bill (S. 3794) to amend section 35 of the act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," approved February 25, 1920; to the Committee on Public Lands and Surveys.

By Mr. CALDER:

A bill (S. 3795) for the relief of Joseph Gilbert; to the Committee on Claims.

By Mr. FRELINGHUYSEN:

A bill (S. 3796) to amend section 4 of the act entitled "An act to incorporate the National Society of the Sons of the American Revolution," approved June 9, 1906; to the Committee on the Judiciary.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. EDGE. I submit an amendment intended to be proposed by me to the pending bill.

The VICE PRESIDENT. Does the Senator desire to have the amendment read?

Mr. EDGE. Not at this time.

The VICE PRESIDENT. The amendment will be printed and lie on the table.

Mr. WATSON of Indiana. Mr. President, the first national platform ever to mention the subject of cloture was that adopted by the Democratic National Convention in 1916. As one of its provisions, this language was incorporated:

> We favor such alteration of the rules of procedure of the Senate of the United States as will permit the prompt transaction of the Nation's legislative business.

That was a very concise and emphatic declaration in favor of limitation upon debate in this body. It will be recalled that in the campaign that year Woodrow Wilson, the then candidate for the Presidency on the Democratic ticket, referred on several occasions to this plank in the Democratic platform, and insisted that some limitation should be placed upon debate in the Senate,

Evidently the plank had been received with so much favor throughout the country in that campaign that the Democratic Party in convention assembled thought it worth while to repeat it in the platform of 1920, and that year, in exactly the same language, the same plank again was incorporated. So that so far as a solemn declaration of purpose is concerned nothing could be more emphatically stated than the intention of the Democratic Party, thus announced in two conventions, and also the unequivocal declaration of the candidate for the Presidency upon a platform insisting that this promise should be redeemed in good faith.

Evidently with the intent of carrying out that provision in the Democratic platform the late Senator Martin, of Virginia, the then Democratic leader in this body, introduced into the Senate on the 8th day of March, 1917, a resolution providing for the rule which we now invoke. This was presumably done for the purpose of carrying out the Democratic platform. It was debated in this body with more or less vigor for two days, and in that debate the able and popular Senator from Ohio [Mr. POMERENE], who honors me with his presence, made use of this language:

Mr. President, I had hoped that this rule might be so drawn as to make it a little more drastic during the last few days of a session. My belief has been that a majority, or at least two-thirds vote of the Senate, should have the right to further limit or conclude debate in the closing days of a session. I am satisfied, however, and I have talked the subject over with a number of Senators, that the rule presented by the Senator from Virginia is perhaps the best that can be obtained now. For this reason I earnestly hope that the proposed rule will be adopted, if we can get nothing better.

My very eloquent friend from Mississippi [Mr. HARRISON] yesterday charged me with inconsistency; but, Mr. President, I voted for that resolution, and I am now seeking to invoke its operation in this body. My friend the Senator from Ohio voted for the resolution, and he is now against invoking its operation in this body. Therefore if either of us can be charged with inconsistency, that charge does not lie at my door. I am not so squeamish on the question of inconsistency as some people may be, unless applied to a fundamental principle or to a fixed and established policy of government. As to a mere method of procedure there may be more or less of inconsistency, because—

New conditions teach new duties,
Time makes ancient good uncouth.

If conditions arise in the Senate which imperatively demand the change of its rules we ought to have the courage to meet the conditions which confront us and adopt rules which, in the language of the Democratic platform of 1916, "will permit the prompt transaction of the Nation's legislative business" in the Senate of the United States.

Senators, when the vote was taken on the Martin resolution on the 8th of March, 1917, 45 Democrats voted for it and 21 Republicans voted for it. Of the 45 Democrats who voted for the resolution, who were sitting in the Senate of the United States at that time, led by the Democratic leader of their own choosing, following the advice of the Democratic President, elected on a platform containing a declaration on the subject of cloture, 23 of them are yet Members of this body; and I venture to say that all 23 of them to-day will vote against the application of the rule which they helped to pass at that time in obedience to a platform declaration of their party and the mandate of their candidate for the Presidency. Of the 45 Democrats, 23 yet remain; 22 of them have gone hence; some laid low by the hand of death, but more of them mowed down by the remorseless scythe of public opinion.

Of the 21 Republicans who voted for that resolution, 21 yet remain in this body, and of that 21 who voted for the resolution then, I venture the prophecy that the 21 to-day will vote in favor of the application of the cloture rule as a rule of procedure in this body. So that no charge of inconsistency may be laid at our door on the subject in hand.

Mr. PITTMAN. Mr. President——

Mr. WATSON of Indiana. I yield to my friend from Nevada.

Mr. PITTMAN. I was one of the Democrats who voted for the rule to which the Senator from Indiana has referred, and I voted for it because I think, when two-thirds of this body feel that debate has gone far enough on a pending subject, that they have a right to limit the debate from that time on. The question now involved, however, is not whether a Senator favors that rule, but the question is whether two-thirds of this body think that this debate has gone far enough. For one, I do not think that it has gone far enough, because there are some two or three thousand new items which have been placed in the bill, each one in itself being in the nature of a separate bill.

I wish to say to the Senator from Indiana that if the pending bill were such a bill as the bonus bill, which involves merely one question, then I would be one Senator who would say that the debate had gone far enough, and I would be one of the two-thirds to invoke the rule on the bonus bill as soon as the debate on the tariff bill shall have been concluded; but I think that the Senator's criticism of Senators on this side who formerly voted for a cloture rule, but who are now going to vote not to invoke the rule is entirely illogical; indeed, it is almost absurd, when made by a Senator of the intelligence of the Senator from Indiana. It is not a question of whether a Senator favors a cloture rule; but it is a question of whether or not the time has arrived for invoking the rule; and the Senator from Indiana will learn at 12 o'clock noon to-day that there are not two-thirds in this body who feel that the time has arrived to invoke the cloture rule.

Mr. WATSON of Indiana. I think, probably, that the last statement of the Senator from Nevada is true; but if the cloture rule is ever to be invoked, why should it not be now?

Mr. POMERENE. Mr. President——

Mr. WATSON of Indiana. We have had here day after day and week after week debate which everybody knew was engaged in very largely for the purpose of delay. The American people can not be fooled. Everybody understands that there has been a filibuster on here; one which has been very adroitly conducted; one that has gone on here from day to day in a manner so as almost to deceive the very "elect"; and yet to one who has listened to the speeches made and the subjects discussed it comes home with irresistible force that these talks have been made largely for the purpose of delay. The mantle of prophecy has not descended on my shoulders, but I understand something of the methods of some of my astute friends on the other side of the Chamber, and I predicted on this floor nine months ago that the Democrats never intended that this bill should pass before the 1st of October next.

They do not intend that it shall pass before the 1st day of October and they do not intend that any cloture rule shall be applied that will enable us to pass it before the 1st day of October, because they intend to carry on their propaganda against it; they intend to fill the newspapers with all of their mistaken ideas—I do not speak in disrespectful terms—in regard to the effects of the bill when it shall be carried into operation, and then force us to go to the country on the bill with only 30 days in which to explain it, and when the bill itself shall have had no opportunity whatever to justify or vindicate its provisions. Senators on the other side of the Chamber know that just as well as they know that I am talking to them. The smart, astute leaders over there have purposely formulated this program. I am not complaining. They may denominate it good politics and it may be good partisanship, but I do not want them to undertake to induce the country to believe that it is statesmanship when it is pure unadulterated, undefiled partisanship with no other basis and no other foundation.

Mr. POMERENE. Mr. President——

Mr. WATSON of Indiana. I yield to my friend from Ohio.

Mr. POMERENE. Mr. President, a remark which the distinguished Senator from Indiana made a moment ago prompts me to ask a question. I do not desire that he answer it if he feels that he can not do so with propriety. However, the New York Tribune of yesterday referred to the hospitality which was extended by the very great and very distinguished leader of the majority the other evening, and among the names of the distinguished guests was that of our friend from Indiana. Further, the paper reported that it was the judgment of a number of the guests that evening that the cloture rule should not be pressed now lest the charge might be made that it was being attempted to gag the minority in the discussion of this question. My question—and I repeat that I do not want the Senator to answer it unless he feels that he can do so with propriety——

Mr. WATSON of Indiana. I will answer it, whatever it is.

Mr. POMERENE. Is it, or was it, the opinion of the distinguished Senator from Indiana that it was not opportune now to press this cloture rule?

Mr. WATSON of Indiana. Mr. President, I am very glad to answer the question of my friend from Ohio, who is always a fair-minded man and deals open handedly in the Senate. The Senator who sits before me, and whose guests we were on that occasion, and my friend the chairman of the Committee on Finance, on my right hand, who also was present, both spoke to me while the Senator from Ohio was asking his question, saying there was not a solitary thing said upon that subject, and, of course, there was not. I want to say to the Senator that I would not behind closed doors say that it was not opportune to invoke the cloture rule and then stand up here and advocate it.

Mr. POMERENE. Then, Mr. President, it would seem that the newspaper writer simply anticipated what ought to have been the opinion of those present rather than what was in fact expressed.

Mr. WATSON of Indiana. The probabilities are that the writer consulted some Democratic Senator as to what happened there instead of consulting some one who was present. No such discussion was indulged in; no such thought was entertained by anybody who was present on that occasion.

Mr. HARRISON. Mr. President——

Mr. WATSON of Indiana. I yield to my genial friend always.

Mr. HARRISON. Mr. President, I want to ask the Senator from Indiana if he does not think that this delay has been caused by the fact that there have been too many prima donnas and headliners on the other side of the aisle in the discussion of the tariff bill, and that the President in his speech yesterday in Ohio in speaking to the Glee Club when he employed this language had in mind Senators on the other side?

> The trouble in public life and in our party is that basses insist on attracting attention to themselves instead of singing for public good and party good, instead of singing in harmony. I don't care to be a soloist because I am President, but somebody has to do the directing.

Does the Senator think that the President had the Senator from Indiana and other Senators in mind on the Republican side when he made those remarks?

Mr. WATSON of Indiana. Mr. President, really I am not advised as to that, but I quite concur in the opinion expressed by the President and in the sentiment announced by him. I think, perhaps, there is too much of what he described. I think, perhaps, there is too much talking when we are not talking about the subject in hand. I do not care how much Senators speak, provided they speak to the subject in hand and finish the debate that is before the Senate, come to a conclusion, and either vote the pending proposition up or vote it down. That is the business of the Senate of the United States.

Of course, there are individual players here, as everywhere else, and I may say to my friend that I think, in part, it is due to the primary system. Senators come here with an individual mandate; they do not come here feeling that they are under great obligations to the party, because each individual has gone out as an individual and won his nomination and won his election, and so he does not come here imbued with the idea of teamwork, as used to be the case when party obligations sat more heavily upon the shoulders of public men than they do now. So I think in a way that has something to do with the individual soloist of whom the President spoke so feelingly yesterday. I have not had an opportunity to read his speech this morning, but I am very glad that that passage from the President's speech has been put in the RECORD.

Mr. OWEN. Mr. President——

Mr. WATSON of Indiana. I yield.

Mr. OWEN. Mr. President, will the Senator permit an inquiry to be made?

Mr. WATSON of Indiana. Yes.

Mr. OWEN. I have favored majority cloture continuously. In 1912 and 1913 I fought for it. I favor it now—a majority cloture. The American people gave a mandate to the Republican Party by a majority of 7,000,000 votes, authorizing them to make the laws of this country. Does the Senator think that, having that mandate, his party should permit a rule to obtain or remain in the Senate by which the Democrats could, if they wanted to, as alleged by the Senator, carry on a filibuster that would deny the majority the right to rule?

Mr. WATSON of Indiana. I do not.

Mr. OWEN. Is the Senator in favor, then, of majority peremptory cloture?

Mr. WATSON of Indiana. I am in favor of peremptory cloture; but I know, if we were to set aside the tariff bill and take up the cloture and discuss it and adopt it here, that Senators on the other side would filibuster that question just as long as they will filibuster the tariff bill, and our last state would be worse than our first.

Mr. OWEN. I will say to the Senator I will favor both by vote and by action and speech on this floor peremptory majority cloture now, but I will not favor a two-thirds proposal such as is now proposed, either in principle or in application to this debate. The principle of a minority ruling the majority is fundamentally wrong, and the present proposal is an inexcusable makeshift.

Mr. WATSON of Indiana. In other words, my friend, like the native of Maine, is in favor of prohibition but "agin its enforcement"; he is in favor of any proposition that is not now pending before the Senate. We have here a definite, specific proposition before the Senate. The Senator is in favor of cloture, but he is against the only thing that is offered now.

Mr. OWEN. I will say to the Senator that when the question of cloture arose on this side a very large majority of Democrats were in favor of peremptory cloture, and they signed a call to that effect. I have that call, and, with the consent of the Senate, I will put it in the RECORD.

Mr. WATSON of Indiana. They voted for it right here.

Mr. OWEN. I ask permission to put it in the RECORD.

Mr. WATSON of Indiana. That will be all right; I shall be very glad if the Senator will show how many Democrats favor cloture but are against its enforcement.

Mr. OWEN. I ask the Chair if I have consent to print the call in the RECORD?

Mr. WATSON of Indiana. I shall be very glad to have it inserted in the RECORD.

The VICE PRESIDENT. What is it the Senator from Oklahoma desires printed?

Mr. OWEN. I desire to have printed in the RECORD the roll of those who favored cloture by a written call.

The VICE PRESIDENT. When?

Mr. OWEN. It was at the time the vote was taken on invoking cloture—I do not remember the exact date, but it was in 1915.

The VICE PRESIDENT. The Chair merely wishes to understand exactly what the Senator from Oklahoma desires printed in the RECORD in order that it may be identified.

Mr. OWEN. I will send for the roll and present it.

The VICE PRESIDENT. Without objection, the matter will be printed in the RECORD.

The matter referred to is as follows:

UNITED STATES SENATE,
Washington, D. C., February 23, 1915.

To Hon. JOHN W. KERN,
Chairman of the Democratic Conference.

DEAR SIR: We the undersigned respectfully request that you appoint a committee of five Democratic Senators, of which the chairman of the Democratic conference shall be one, to prepare a revision of the rules of the Senate for the consideration of the Democratic conference at its first meeting after the 4th of March, 1915, with a view to giving the Senate greater power over the transaction of its business, ending filibusters and dilatory tactics, etc.

Yours very respectfully,

Robt. L. Owen.	Duncan U. Fletcher.
Thomas S. Martin.	Key Pittman.
Atlee Pomerene.	T. J. Walsh.
John F. Shafroth.	C. S. Thomas.
Henry F. Hollis.	Jos. E. Ransdell.
Geo. E. Chamberlain.	B. F. Shively.
Harry Lane.	H. L. Myers.
Francis G. Newlands.	Jas. Hamilton Lewis.
Claude A. Swanson.	Jas. K. Vardaman.
Henry F. Ashurst.	C. A. Culberson.
Charles F. Johnson.	F. M. Simmons.
James E. Martine.	Wm. J. Stone.
Willard Saulsbury.	John Walter Smith.
Morris Sheppard.	Joe. T. Robinson.
Jas. A. Reed.	Mark A. Smith.
Luke Lea.	James P. Clarke.
W. E. Chilton.	J. A. O'Gorman.
Francis S. White.	Jno. K. Shields.
Wm. Hughes.	Blair Lee.
Ollie M. James.	John S. Williams.
Wm. H. Thompson.	

(The above names were copied from original signatures.)

Mr. STANLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Kentucky?

Mr. WATSON of Indiana. I yield, of course, to my neighbor from Kentucky.

Mr. STANLEY. Mr. President, may I respectfully and affectionately suggest to my good friend and neighbor from Indiana that the trouble with this sepulchral glee club, this doleful chorus, of which the President spoke, is not that one man is doing all the singing, but that two many are singing and singing in different tunes. For instance, whenever the President sings in falsetto the powerful voice of the Senator from Idaho [Mr. BORAH] is heard in a deep and discordant bass; and when the President wants to sing low the Senator from California [Mr. JOHNSON] persists in singing high; and when the President wants to sing a good old reactionary doxology the Senator from Nebraska [Mr. NORRIS] breaks out in a progressive anthem. It is not that there is only one singing, but that there are a half dozen singing at the same time and all singing in a different tune and on a different theme.

Mr. WATSON of Indiana. Mr. President, I am very glad to understand that the Senator thinks that there is discord over here instead of harmony. The fact is that we do take varying views on public questions, but after all, when it comes to the fundamentals underlying Republican politics and Republican policies, we stand as one, just as we did in 1920 and just as we shall on this vote, and just as we shall continue to do on the things that we regard as vital to the public welfare and the well-being of our citizenship.

My very good friend from Mississippi [Mr. HARRISON] yesterday did me the very great honor to read to the Senate a speech that I delivered on the subject of cloture. The very eminent Senator from Alabama [Mr. UNDERWOOD] had introduced a resolution providing for cloture, an hour and a half limitation on debate, and at that time I opposed that resolution, and the Senator read the speech that I made for the purpose of showing that I was inconsistent; that having been opposed to cloture then, I was advocating cloture now; but if the Senator had read further in the speech he would have found why I opposed it. I opposed it because the Senator from Alabama foresaw that a treaty of peace was coming into the Senate, and because he was seeking to limit debate on that treaty of peace that should be formulated at Versailles.

Mr. UNDERWOOD. Mr. President, I do not want to interrupt the Senator——

Mr. WATSON of Indiana. I want the Senator to.

Mr. UNDERWOOD. But I certainly do not want him to announce my thoughts when he is announcing them incorrectly. I have been a Member of the Senate for seven years, and there has not been an hour since I have been a Member of the Senate that I have not been in favor of a reasonable cloture rule in this body. You can not adopt a cloture rule in the midst of a party fight any more than when you are on the battle field you can enter into an agreement as to whether or not you shall use poison gas in war. You can not adopt it at this time.

My objection to the cloture rule that you propose to put on the Senate now is that it is not an intelligent one. You propose to cut off amendments. You propose to deny to the minority the opportunity to propose amendments, if this rule is adopted, after we have given you unanimous consent to consider your own amendments first. It is an outrageous proposition. It is unreasonable.

Mr. WATSON of Indiana. I will talk about the "outrage" a little later.

Mr. UNDERWOOD. But I do not want the Senator to say that when I favored cloture during the period of the war I had in view the ratification of a treaty of peace, because I did not. In fact, if I recall rightly—the Senator has brought me into this, and I hope he will pardon me for occupying a little of his time——

Mr. WATSON of Indiana. Oh, I am perfectly content, because I think the further the Senator goes in that respect the worse off he will be.

Mr. UNDERWOOD. I proposed this amendment to the rules on the 2d day of May, 1918. It was reported to the Senate on the 31st day of May, 1918. If the Senator will allow his memory to drift back to the 19th day of May, 1918, he will realize that the Germans had landed on the Marne, and, if I recollect aright, they were already in the Picardy sac, and they were threatening the channel ports; and there was not a man in the United States on the 19th day of May, 1918, who expected the war to be ended within two years. So the Senator will understand that I did not have in my mind anything to do with the ratification of a treaty of peace at that time.

A great many of my own party—and they are entitled to their own views—do not agree with me on the subject of cloture. I do not believe in an unintelligent cloture, one that is intended to be hitched up only for particular party purposes; but I favored then a rule that would allow each Senator to discuss a question that came before the Senate for one hour in general debate, and allow him 20 minutes to discuss every amendment, unless his time was extended by unanimous consent, and I would vote for such a rule now if it were proposed to the Senate—I mean, with general application.

I deny that there is a filibuster on this side to prevent a final vote on this bill, and I think it will be finally demonstrated that the Senator has made a mistake in making that assertion; but it is absurd to say because I favored a cloture rule in order that the Senate might expedite its business that I am contradicting my position because I will not vote for a rule that will cut off any opportunity for the members of the minority to offer amendments to the great tariff bill; that would limit us, with 1,200 amendments of the majority pending, to a time that would amount to half a minute apiece.

We oppose the pending rule because it is not fair, no matter whether you want to charge us with filibustering or not. If you want to propose something for action you must propose something that is reasonable and fair. When we gave you the right by unanimous consent to consider your amendments first you can not get the American people to say that it is fair for you to deny to us absolutely the right to have ours considered at all.

Mr. WATSON of Indiana. Mr. President, in answer to the Senator, on the 13th of June, 1918, in the course of the speech which my able and eloquent friend from Mississippi [Mr. HARRISON] read yesterday, I said:

> What I really wanted to ask the Senator was this: Is he not willing to amend this proposed rule so that it shall not apply to the consideration of treaties? To me the most repugnant feature of this proposed amendment to the rules is that it applies to treaties. I believe that when this war shall have been concluded the Senate of the United States will stand face to face with the greatest problems that have ever confronted any legislative body in the history of the world, because growing out of this war there will be new world relations of such overwhelming consequence and importance that the Members of this body ought not to be handicapped to one hour and a half of speech on questions of such prodigious import.

And I will say that my friend said no; he would not make any limitation or exception.

Mr. UNDERWOOD. Of course not.

Mr. WATSON of Indiana. It was bruited about on this side at that time and we well understood that what the Senator then had in mind was limitation on the debate with reference to a treaty that was bound to follow the conclusion of the war. Any number of Senators on this side will verify my statement.

Mr. UNDERWOOD. I can not help, I am not responsible for, what Senators say behind my back or what they think; but I say it is absurd to charge that I was thinking about a treaty of peace on the 19th day of May, 1918. I had no such thought. The reason why I objected to the rule not being made broad enough to cover treaties was that so far as the interests of the American people are concerned I do not think that a treaty is of any greater importance than a bill such as the one pending before the Senate at this hour, that carries the burden of taxation into every home of America.

Mr. WATSON of Indiana. The Senator says he did not think of the treaty. He certainly thought of it, because I called his special attention to it at that time.

Mr. UNDERWOOD. I am not talking about what occurred between the Senator and myself in debate. I am talking about the motive that was behind me when I introduced the resolution for an amendment of the rules.

Mr. WATSON of Indiana. What was the Senator's motive when he declined to make an exception of treaties?

Mr. UNDERWOOD. Because I do not think they ought to be excepted. That does not mean that I was introducing the proposed rule to enable the Senate to ratify a treaty that I did not have in thought. It merely means that if you brought in now and tried to adopt a cloture rule and it excluded treaties I would vote against the exclusion, because I do not think a treaty is entitled to any more rights than a tax bill.

Mr. WATSON of Indiana. Mr. President, I disagree entirely with the Senator from Alabama in that respect.

Mr. UNDERWOOD. That is only a matter of opinion.

Mr. WATSON of Indiana. Certainly. I think there is all the difference in the world between an act that we pass and that we can repeal any day, and a solemn treaty that carries us into new relationships with the nations around the world, and that we can not revoke of our own legislative will. Of course it takes a two-thirds vote to ratify a treaty, but, after all, when a treaty is ratified it becomes the highest law of the land and can not be revoked except in a very solemn manner. It might perhaps lead to such breach of faith and confidence as would result in war, whereas an appropriation bill lasts for two years at the most and a revenue bill may be repealed at the very next session of Congress.

Of course I shall not say that my friend had in mind the treaty that was to be formulated at the conclusion of the war, but I do know that we had it in mind, and, having it in mind, I rose to my feet and asked the Senator the question that I have just read, and the Senator declined to make the exception; and therefore that led us irresistibly to believe that the Senator had the treaty in mind, and we voted against the rule.

When the vote was taken on that question on the 13th of June there were 8 Republicans that voted for the Senator's hour-and-a-half limitation and 26 Democrats, while 12 Democrats and 29 Republicans voted against it; in other words, 34 voted for it and 41 voted against it; and I know that a number of Senators on this side who really believed in limitation of debate were led to vote against it because they believed that the Senator then had in mind a treaty that was to follow the war.

Mr. JONES of New Mexico. Mr. President——

Mr. WATSON of Indiana. We did not then intend, nor so far as I am concerned do I ever intend, to vote for cloture in the consideration of a treaty, which is the highest law of the land and the most solemn engagement that one nation can enter into with another.

Mr. UNDERWOOD. Mr. President——

The VICE PRESIDENT. Does the Senator yield, and if so to whom?

Mr. WATSON of Indiana. I yield to the Senator from Alabama.

Mr. UNDERWOOD. I am perfectly willing for the Senator to state what his viewpoint was; but except for the fact that the proposal was offered by the Senator from Idaho [Mr. BORAH], I think, to exclude treaties from the consideration of this rule, it never entered my head that there was opposition to the cloture rule from the standpoint of treaties. I know there was not in the Committee on Rules. The Committee on Rules reported the resolution I think by a very large majority, if not by a unanimous vote.

Mr. WATSON of Indiana. Will the Senator speed up a little? I have but 15 minutes remaining.

Mr. UNDERWOOD. Yes; I will. The suggestion that was made in reference to treaties was entirely independent of the subject matter; and I know that the Senators who were supporting my resolution for a cloture rule did not do so in contemplation of the ratification of a treaty of peace. They voted for it, because they believed that the Senate of the United States had grown to such large numbers that some reasonable termination of debate must be agreed to; but to talk about our trying to agree to termination of debate in the midst of this party fight is simply absurd. When this bill is passed, and the party fight is over, if the Senator will bring in a reasonable rule for cloture that extends to all matters before the Senate, not picking out just those that he wants it to extend to, I will support it; but if he intends to play favorites in proposing a rule, I will not give him my support.

Mr. WATSON of Indiana. Mr. President, it is said that the Senate for all these years has operated without a cloture; but we must remember that conditions confront the Senate to-day altogether at variance with any that have hitherto confronted it.

Mr. JONES of New Mexico. Mr. President——

Mr. WATSON of Indiana. I can not yield to my friend. I have but 15 minutes.

Mr. JONES of New Mexico. I merely wanted to suggest that, inasmuch as the Senator from Indiana would consume all the remaining time left for discussion——

Mr. WATSON of Indiana. The Senator from Indiana is not consuming half of it. Everybody else is consuming it.

Mr. JONES of New Mexico. I ought to have the privilege of at least asking the Senator a question. It bears upon the advisability of adopting this rule.

Mr. WATSON of Indiana. I will let the Senator ask it, of course.

Mr. JONES of New Mexico. My question is simple, and it is one which the Senators must have in mind at this time in voting on the motion.

Mr. WATSON of Indiana. Well, ask the question.

Mr. JONES of New Mexico. Does not the Senator believe that if this cloture rule is invoked at this time it will prevent any debate upon some important schedules of the bill; and will it not prevent the offering of amendments which Senators may feel in good faith should be considered by the Senate?

Mr. WATSON of Indiana. That is what cloture is for.

Mr. JONES of New Mexico. Mr. President——

Mr. WATSON of Indiana. The Senator has asked his question. I have the question. I understand what the Senator is driving at. The very object of cloture is to cut off debate. What else is it for? The Senator wants to know if I am in favor of cutting off debate. Certainly I am. That is why I was one of the proponents of this proposition to cut off debate. That is the very object of it. It is said that it is not fair; that it does not give them a chance to amend at liberty, and all that sort of thing.

Mr. ROBINSON. Mr. President, will the Senator yield for a question?

Mr. WATSON of Indiana. The Senator knows that I have but a few minutes.

Mr. ROBINSON. I would like to ask the Senator whether he intends to consume the entire time for debate, the debate expiring, under the rule, at 12 o'clock?

Mr. WATSON of Indiana. I am trying my level best to say something, and the Senator understands that I have had no opportunity yet to present my own views on this proposition.

Mr. ROBINSON. Under the rules of the Senate the Senator having the floor can, of course, if he desires to do so, consume all the time that is available for debate. What I desire to know is whether the Senator intends to do that.

Mr. WATSON of Indiana. I intend to speak until 12 o'clock, unless I can have an opportunity to say what I desire to before that time.

Mr. ROBINSON. I merely want to say, with the Senator's permission, that it seems to me this is a fine illustration of the effect of cloture. The Senator proposing it obtains the floor and consumes all the time available for debate under the rule. I think it would be fair if the Senator would permit those who are opposed to cloture to have an opportunity of expressing themselves, at least that Senators on the majority side who intend to vote against it be given an opportunity to speak.

Mr. WATSON of Indiana. I am not going to yield any further. In the first place, my friend from Arkansas has already spoken one hour on this question.

Mr. ROBINSON. No; I did not speak exceeding 10 minutes. The Senator pays me a great compliment when he assumes that I consumed an hour. I consumed only 10 minutes.

Mr. SIMMONS. I suggest to the Senator from Indiana that he stop yielding.

Mr. WATSON of Indiana. The Senator from North Carolina suggests that I do not yield to anybody else. I accept the suggestion of the Democratic leader. I always like to be good-natured about things; but Senators will not permit me to go on with my speech.

Mr. ROBINSON. Will the Senator permit an interruption?

Mr. WATSON of Indiana. No; I will not permit it.

Mr. ROBINSON. The Senator certainly does not want——

Mr. WATSON of Indiana. I do not intend to yield further.

The VICE PRESIDENT. The Senator from Indiana declines to yield.

Mr. WATSON of Indiana. Mr. President, it is very evident that these gentlemen intend to filibuster me and my speech until 12 o'clock.

Mr. ROBINSON. Mr. President, will the Senator yield for a question?

Mr. WATSON of Indiana. No; I will not yield to the Senator. I do not want to be discourteous to my friend, but he has already taken up much of my time. I decline to yield.

The VICE PRESIDENT. The Senator from Indiana is entitled to the floor, and he will proceed.

Mr. WATSON of Indiana. What I was saying was that if we go back to the days of Webster, Clay, Calhoun, Benton, Hayne, those great men who debated great problems in a great way on the floor of the United States Senate, no one of them ever dreamed of a filibuster and nobody ever conducted a filibuster.

Then, coming on down to the time of the Civil War, with all its bitterness, with all the hostility and strife which it engendered, with all the animosity it aroused, nobody ever thought of a filibuster on the floor of the Senate of the United States in those days. Sumner and Fessenden, and all the great men, Carpenter, those mighty debaters of that time, Conkling and Morton, and all those masterful men, day after day, and week after week, and month after month, stood here to debate great, fundamental propositions, involving the very life of the Nation and the continuity of republican institutions in this country. There never was a filibuster in those days. When those men had expressed themselves in their own way, they were quite content that the majority party should rule, and rule by the vote, and end the debate on a question.

But we have come now upon new conditions; different from those which obtained in the earlier and better days of the Senate. We have come to a time when men will filibuster and will take up time for the express purpose of prolonging debate, postponing action, and putting off a vote. We all understand that. I am opposed to a filibuster fundamentally.

This is a Government by the operation of political parties, and, just as my friend from Oklahoma suggested a moment ago, the Republican Party came here with a mandate backed by 7,000,000 American freemen, who charged us with the responsibility of action, and the majority in this body, representing that great majority of people throughout the country, is entitled to act in this body. It is infinitely worse for us to decline to act than it is that we should debate some measures here that perhaps may not be just as they would be if four or five months were consumed in their debate and discussion. In other words, while all the portions of this bill we have not yet considered may not be just as they would be if subjected to debate, because changes will occur, after all, in my judgment, it is far better that we adopt this rule, and that we end this debate, and that we pass this bill just as it is, than to continue this filibuster and take the time of the Senate and of the people up until and perhaps after election day.

In other words, over and above the bonus and over and above the ship subsidy and over and beyond the tariff is the question of the ability of the United States Senate to function, to legislate, to discharge its obligations, and to meet the requirements imposed upon it by the people of the United States. That

is the sovereign question, because, Senators, after these minor problems—and they are all minor, being mere incidents in the life of the Nation—shall have been settled, we will come to greater and larger problems, which are sure to confront us within the next very few weeks, or months at most, involving the very perpetuity of American institutions. Then there must be such a limitation on the debate here as will again reestablish the Senate of the United States in the good graces and in the esteem of the people of this Republic. I am more interested in that larger and more fundamental thing than I am in the passage even of the tariff bill, as much of an advocate of protection as I am and always have been.

Immediately after the convening of the Congress and our entry into the war the Senator from Nebraska [Mr. HITCHCOCK] presented a statement for cloture signed by 80 Members of the Senate, and at that time said:

> This is a statement which has been signed by nearly 80 Members of the Senate, and it embraces about all the names of Senators who can be reached this evening except 12. The statement is signed in this way by virtually all but 12 Members of the Senate here present, and it speaks for itself. It is desired to place it in the RECORD at this time in order that the country may know and a record may be made of the fact that practically nine-tenths of the Senate of the United States are anxious to proceed to a vote on the pending bill and that nine-tenths of the Senate desire an opportunity to place the bill upon its passage.

Then Senator Clapp said:

> The bill came into the Senate Friday afternoon and was displaced time and again by the party in control of the Senate, and now at this juncture, when Senators are waiting, with no purpose of delaying it, but simply for the purpose of presenting their views to the Senate and to the country, to put them in the attitude of being responsible for this situation I regard as unjust and unfair.

To which Senator HITCHCOCK responded:

> In order that this matter might be tested by the Senators who are so anxious, I remind the Senator from Minnesota that at 12 o'clock I asked his consent to proceed with the consideration of this bill, and that after six hours of debate all further debate cease, and that we come to vote upon the bill, and the Senator from Minnesota objected. * * *
>
> I am making my statement in reply to his. Therefore, at this hour, when the defeat of this measure by exasperating and procrastinating debate, simply for the purpose of delay, threatens to prevent Senators from going on record—at this hour, when that seems to be imminent, we propose by putting this statement in the RECORD to show that nine-tenths of the Senate are ready to vote and anxious to vote and want to vote for this bill, but that they are being prevented by 12 Senators, practically, of the Senate who refuse us an opportunity to vote.

Immediately the President of the United States, in caustic and vitriolic language, denounced the "willful 12" who declined to accede to the notions of the majority, or the other 80 Members.

Mr. NORRIS. Mr. President——

Mr. WATSON of Indiana. So you have a continuous line of procedure, so far as the Democratic Party is concerned? Yet, what is the situation which confronts us now?

Mr. NORRIS. Mr. President, will the Senator yield for a question?

Mr. WATSON of Indiana. I have only three minutes.

Mr. NORRIS. I do not think the Senator ought to put even the "willful 12" in an attitude where they can not make answer to at least the suggestion of the Senator.

Mr. WATSON of Indiana. I have here what President Wilson said, but I have not time to read it.

Mr. President, we come here with a mandate to pass a tariff bill. We put in the Republican national platform a demand for a protective tariff measure, for the Republican Party is either a protective tariff party or it is nothing. We owe it to the country to redeem that promise and to fulfill that pledge. Yet, what is the situation? Sixty Republicans, representatives of sovereign States, come into this body with their hats in their hands, and to half a dozen Democrats on the other side they humbly and meekly bow and say, "By your gracious consent, gentlemen, we should be pleased to pass a tariff bill. By your leave, Senators, we should be delighted to fulfill our pledges to the people, to redeem the promises we made to the Nation." That is precisely the attitude in which we are placed here, and I say that the great and overwhelming question above all other questions is as to the ability of the United States Senate to function and to perform its just and righteous duty.

Therefore, so far as this limitation is concerned, I intend to vote for it. It is not a perfect measure, I will say to my friends on the other side who are so much opposed to it. I know that some of these schedules will probably be changed. I know that many amendments will probably be offered. I know that many of them will probably be just. But, after all, as between the two evils, I choose the one that is vastly less than the other one, the greater evil being a continued filibuster on this bill until about the day of election, which is absolutely sure to happen, beyond all peradventure.

The next thing, over and above that, is to prevent still further lowering this great conservative legislative body in the estimation of the people of the United States, for to-day it rests under a condemnation that should make every Senator pause before he declines to vote for a measure that will rescue this body from the severe criticism to which it is everywhere subjected throughout the United States; criticism largely brought upon it because of these long and unnecessary delays in the prosecution of the public business.

I agreed to yield to the Senator from Connecticut [Mr. BRANDEGEE] for a moment.

Mr. BRANDEGEE. Mr. President, I ask whether, in view of the fact that the Senator has taken so much time and that there are some of us who would like to have at least one minute apiece to explain our votes, it would be in order now to ask unanimous consent that each Senator have not to exceed one minute to explain his vote. Would that be in order? That is my parliamentary inquiry. If the Senator yields to me for a minute——

Mr. WATSON of Indiana. I yield to the Senator for a minute.

Mr. BRANDEGEE. While the Chair is considering the parliamentary question, I will make a statement for one minute.

Mr. WATSON of Indiana. I will be very glad to yield to the Senator.

Mr. BRANDEGEE. I simply want to read the rule, or part of it. In a few minutes the Chair will be required to state to the Senate under Rule XXII:

> Is it the sense of the Senate that debate shall be brought to a close?

The rule further provides:

> And if that question shall be decided in the affirmative by a two-thirds vote of those voting, then said measure shall be the unfinished business to the exclusion of all other business until disposed of.
>
> Thereafter no Senator shall be entitled to speak in all more than one hour on the pending measure, the amendments thereto, and motions affecting the same, and it shall be the duty of the presiding officer to keep the time of each Senator who speaks. Except by unanimous consent, no amendment shall be in order after the vote to bring the debate to a close, unless the same has been presented and read prior to that time. No dilatory motion, or dilatory amendment, or amendment not germane shall be in order.

The VICE PRESIDENT. Does the Senator from Connecticut ask unanimous consent to extend the time?

Mr. BRANDEGEE. I asked whether it would be in order to ask unanimous consent that each Senator be allowed one minute to explain his vote. If so, I shall make the request at 12 o'clock.

Mr. WATSON of Indiana. That is to say; that those who desire to speak should speak immediately after 12 o'clock.

Mr. BRANDEGEE. To immediately follow after 12 o'clock. My question is whether the rule can be set aside to that extent by unanimous consent.

The VICE PRESIDENT. The Chair will rule that such unanimous consent may be given, and when given would be binding on the Senate.

Mr. BRANDEGEE. I ask unanimous consent that at 12 o'clock each Senator may have one minute to explain his vote and only one minute.

Mr. WATSON of Indiana. That does not mean that he is to take his minute now or three hours from now or to-morrow, as he may elect.

Mr. BRANDEGEE. No; I said immediately beginning at 12 o'clock.

Mr. WATSON of Indiana. To that I have no objection.

The VICE PRESIDENT. Is there objection to the request of the Senator from Connecticut? The Chair hears none, and it is so ordered.

Mr. BRANDEGEE. Now, I want my minute while I am on my feet.

The VICE PRESIDENT. The Senator from Connecticut will proceed for one minute.

Mr. BRANDEGEE. I read the rule in order that there may appear in the RECORD exactly what the proposition is before the Senate. The proposal is to apply the existing cloture rule, and that can only be done by a two-thirds majority. My objection to applying it at this time is that I am informed there are still pending about 1,200 committee amendments to the bill. If the rule should be applied now no Senator could speak longer than one hour on the entire bill, including those 1,200 amendments, and the rule provides that no further amendments shall be offered. So the whole Senate would be driven——

Mr. WATSON of Indiana. No further amendments can be offered except by unanimous consent.

Mr. BRANDEGEE. And the Senator from Indiana having announced that he is for the passage of the bill without modification, just as it is, without further debate, of course would not give unanimous consent that amendments might be received.

Mr. WATSON of Indiana. Oh, no; I did not say that.

The VICE PRESIDENT. The time of the Senator from Connecticut has expired.

Mr. ROBINSON. Mr. President, no Senator who votes for the cloture can explain his vote in a minute, a day, a year, or a lifetime. It is an abandonment of the function of the Senate to deprive itself of the right to consider amendments which may be pending or which ought hereafter to be offered. It is an abandonment of the function of the Senate to suspend or terminate debate when 1,200 committee amendments are still pending to the bill. Let Senators who attempt to apply cloture under existing conditions take a lifetime to explain their votes.

Mr. JONES of New Mexico. Mr. President, I asked the Senator from Indiana if the adoption of this rule would not have the effect to prevent any discussion on the very important provisions in the bill. He admitted that it would. He admitted also that it would prevent the offering of amendments in good faith upon which Senators would wish to have an expression by the Senate.

When the Senator from Indiana appeals to party loyalty upon a measure of this sort I desire to suggest to him that the rule was never framed for the purpose of being invoked by any political party. The Senator knows there are not two-thirds of those in this Chamber belonging to any one party, and when he makes the kind of a speech which he made to-day he shows that he does not expect the rule to be invoked even by appealing to party prejudice.

The VICE PRESIDENT. The Senator's time has expired.

Mr. OWEN. Mr. President, I favor majority rule. I believe the majority in this Chamber should pass its rules in accordance with sound sense and good principles. At all events, I believe the party in power is charged with the responsibility of governing. I am in favor of their taking charge of the Senate by a majority vote. I therefore favor a cloture by majority vote, leaving it then to the majority to say what shall be done on the floor of this body. Neither the Republican Party nor the Democratic Party has a right to make promises to the American people and then refuse to adopt rules by which they can pass the promised laws. To promise the people relief and then to connive at letting the minority defeat the promise is an indefensible fraud on the American people.

I demand of the Republican leaders a majority cloture and the discharge of their responsibilities. They have the majority—an overwhelming majority—and they have no right to say to the country, " The Democratic minority would not let us act."

Mr. WALSH of Massachusetts. Mr. President, a great many inaccurate statements have been made about the progress of this bill. I should like to have the RECORD contain the real facts about the time consumed in the discussion of this proposed legislation.

The bill was reported on the calendar day of April 11. Debate and consideration began April 20. There were 1,987 amendments reported by the committee to the bill. The first amendment was agreed to on May 1. Since May 1, 66 days have elapsed. Nine of those days have been Sundays. One of those days was July 4. On one of those days the Senate recessed to attend the dedication of the Lincoln Memorial. This leaves 55 days in which the bill might have been kept before the Senate. During those 55 days 700 amendments have been considered and have been disposed of in Committee of the Whole, an average of 14 amendments per day.

Mr. McCUMBER. Mr. President, we have many times in the Senate agreed by unanimous consent to vote at a certain time upon a given measure and that no amendments should be allowed after a certain time except by unanimous consent. We have never yet failed to get that unanimous consent upon a proper amendment. I have not any doubt in the world, if we should apply the cloture rule, that any material amendment could be received and would be received without objection.

The VICE PRESIDENT. The Chair lays before the Senate the motion, under the rule, which will be read.

The ASSISTANT SECRETARY. It reads as follows:

We, the undersigned Members of the United States Senate, move to close the debate on the bill (H. R. 7456)—Calendar No. 591—an act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, in accordance with the provisions of Rule XXII of the standing rules of the Senate.

And it is signed by 52 Senators.

The VICE PRESIDENT. The first action under the rule is to call the roll and ascertain if a quorum is present. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Frelinghuysen	McKinley	Sheppard
Ball	Gerry	McLean	Shields
Borah	Gooding	McNary	Shortridge
Brandegee	Hale	Moses	Simmons
Broussard	Harreld	Myers	Smith
Bursum	Harris	Nelson	Smoot
Calder	Harrison	New	Spencer
Cameron	Heflin	Newberry	Stanley
Capper	Johnson	Nicholson	Sterling
Caraway	Jones, N. Mex.	Norbeck	Sutherland
Culberson	Jones, Wash.	Norris	Swanson
Curtis	Kellogg	Oddie	Townsend
Dial	Kendrick	Overman	Trammell
Dillingham	Keyes	Owen	Underwood
du Pont	King	Pepper	Wadsworth
Edge	Ladd	Phipps	Walsh, Mass.
Elkins	La Follette	Pittman	Walsh, Mont.
Ernst	Lenroot	Poindexter	Warren
Fernald	Lodge	Pomerene	Watson, Ind.
Fletcher	McCormick	Rawson	Willis
France	McCumber	Robinson	

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present. Under the rule the question is, Is it the sense of the Senate that the debate shall be brought to a close? This question is to be determined by a yea-and-nay vote, and the Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. CAMERON (when his name was called). I have a pair with the junior Senator from Georgia [Mr. WATSON], who is absent on account of illness. Therefore I am compelled to withhold my vote. If at liberty to vote, I should vote "yea."

Mr. DILLINGHAM (when his name was called). I have a general pair with the junior Senator from Virginia [Mr. GLASS], who is necessarily absent. The senior Senator from Pennsylvania [Mr. CROW] if present would vote "yea." If permitted to vote, I would vote "yea." The Senator from Virginia [Mr. GLASS] if present would vote "nay." Therefore the senior Senator from Pennsylvania [Mr. CROW] and I stand paired with the Senator from Virginia [Mr. GLASS] on this question, and I withhold my vote.

Mr. SWANSON (when Mr. GLASS's name was called). My colleague [Mr. GLASS] is detained from the Senate on account of illness. On this question he is paired with the Senator from Vermont [Mr. DILLINGHAM] and the Senator from Pennsylvania [Mr. CROW]. If present, my colleague would vote "nay."

Mr. GERRY (when Mr. McKELLAR's name was called). The Senator from Tennessee [Mr. McKELLAR] is unavoidably absent. On this question he is paired with the Senator from Indiana [Mr. NEW] and the Senator from Oregon [Mr. STANFIELD]. If present, the Senator from Tennessee would vote "nay."

Mr. NEW (when his name was called). Together with the Senator from Oregon [Mr. STANFIELD] I am paired with the junior Senator from Tennessee [Mr. McKELLAR]. If permitted to vote, I would vote "yea," but being paired I am compelled to withhold my vote.

Mr. SIMMONS (when Mr. REED's name was called). The Senator from Missouri [Mr. REED] is unavoidably absent from the Senate. Upon this vote he is paired with the Senator from Vermont [Mr. PAGE] and the Senator from Iowa [Mr. CUMMINS]. If the Senator from Missouri were present and permitted to vote, he would vote "nay."

Mr. McNARY (when Mr. STANFIELD's name was called). My colleague [Mr. STANFIELD] is absent from the city. He is paired as has been announced. If he were present, he would vote "yea."

Mr. HARRIS (when the name of Mr. WATSON of Georgia was called). My colleague [Mr. WATSON] is absent on account of illness. He is paired with the junior Senator from Arizona [Mr. CAMERON]. If present, my colleague would vote "nay."

Mr. WATSON of Indiana (when his name was called). I have joined with the senior Senator from Rhode Island [Mr. COLT] in a pair with the senior Senator from Mississippi [Mr. WILLIAMS]. I am therefore compelled to withhold my vote. If voting, I should vote "yea."

Mr. GERRY (when Mr. WILLIAMS's name was called). The Senator from Mississippi [Mr. WILLIAMS], as has already been announced, is paired with the Senator from Indiana [Mr. WATSON] and the Senator from Rhode Island [Mr. COLT]. If present, the Senator from Mississippi would vote "nay."

The roll call was concluded.

Mr. UNDERWOOD. I desire to announce that the Senator from Nebraska [Mr. HITCHCOCK] is necessarily absent. He is paired with the junior Senator from Maryland [Mr. WELLER]. If present, the Senator from Nebraska would vote "nay."

The roll call resulted—yeas 45, nays 35, as follows:

YEAS—45.

Ball	Gooding	McKinley	Shortridge
Bursum	Hale	McLean	Smoot
Calder	Harreld	McNary	Spencer
Capper	Johnson	Nelson	Sterling
Curtis	Jones, Wash.	Newberry	Sutherland
du Pont	Kellogg	Nicholson	Townsend
Edge	Keyes	Norbeck	Wadsworth
Elkins	Ladd	Oddie	Warren
Ernst	Lenroot	Pepper	Willis
Fernald	Lodge	Phipps	
France	McCormick	Poindexter	
Frelinghuysen	McCumber	Rawson	

NAYS—35.

Ashurst	Harris	Norris	Simmons
Borah	Harrison	Overman	Smith
Brandegee	Heflin	Owen	Stanley
Broussard	Jones, N. Mex.	Pittman	Swanson
Caraway	Kendrick	Pomerene	Trammell
Culberson	King	Ransdell	Underwood
Dial	La Follette	Robinson	Walsh, Mass.
Fletcher	Moses	Sheppard	Walsh, Mont.
Gerry	Myers	Shields	

NOT VOTING—16.

Cameron	Dillingham	New	Watson, Ga.
Colt	Glass	Page	Watson, Ind.
Crow	Hitchcock	Reed	Weller
Cummins	McKellar	Stanfield	Williams

The PRESIDING OFFICER (Mr. LENROOT in the chair). On this question the yeas are 45 and the nays 35. Less than two-thirds of the Senators present and voting have voted in the affirmative, and the motion is not agreed to.

Mr. McCUMBER. Mr. President, the pending amendment to the bill is the amendment offered by the Senator from Washington [Mr. POINDEXTER]. I asked on yesterday that the amendment might go over until this morning, as I had had no opportunity to read it. The Senator from Washington expressed the hope that I would consent to the amendment. I have examined the amendment carefully and I think that it should be modified. I want to call the attention of the Senator from Washington to the fact that the amendment as he proposes it is general in its effect. The amendment proposed by the senior Senator from Washington [Mr. JONES] on yesterday, which was voted down, related only to those fish which were caught in the north Pacific waters. The amendment that is now proposed relates to fish which may be caught at any place upon the face of the globe. I wish to read the amendment, and I desire the attention of those Senators who are sponsoring it. The amendment, as I have stated, Mr. President, is as broad as the earth is broad and covers both the land and the water. It reads:

Provided, That fish prepared or packed in a foreign country for shipment and shipped from a foreign country into the United States in a ship of foreign registry or over a railroad running through a foreign country shall be subject to the duties prescribed by this paragraph.

Now, let us look at the amendment for a moment from the standpoint of the fisheries of the North Sea, which is between England, Scotland, and France. There are many fishing fleets—Norwegian, Danish, Dutch, English, and French—that are fishing in the North Sea. There are lines of vessels landing at Boston or at New York or at other Atlantic ports. The great majority of those which bring fish or other products land at the port of New York. Second to that port is the port of Boston. Those fish go inland, even to Canadian markets, over American railways. Under the provisions of the amendment, if the shipper of fish desired them to go to Montreal, to Ottawa, or to Winnipeg, it would be impossible to ship them in bond; it would be necessary to pay the duty, even though not a pound of the fish was to be consumed in the United States. I think it is hardly fair to the railways of the United States, nor is it fair to those foreign importers who desire to import into their own country and who also desire to use the American railways as a means of transportation, to deny them that privilege if it is for their convenience,

Suppose there are herring caught off the coast of Scotland by a fleet of British fishermen and they are taken into a port of Scotland and then sent to Winnipeg or to Ottawa by way of New York. That is the easiest, the most convenient, and most natural route of the shipment. By this amendment those fishermen would be denied that privilege because the amendment provides that fish may not be shipped even in bond over an American railway; so that they would have either to be shipped into Canada by way of the St. Lawrence or to enter a port that affords rail facilities from the Canadian coast to the Canadian interior. That is true of Norwegian, Swedish, Dutch, and French importations of fish into Canada. Again, I will read the amendment:

Provided, That fish prepared or packed in a foreign country for shipment and shipped from a foreign country into the United States in a ship of foreign registry or over a railroad running through a foreign country shall be subject to the duties prescribed by this paragraph.

If the fish are brought here in a ship of American registry and it is desired to sell the cargo in Winnipeg, what will be its status, as the Senator from Washington understands it, if I may ask him that question?

Mr. POINDEXTER. In that event, the fish would not be subject to this amendment at all, because they would be brought to the United States in a ship of American registry to be sold in a foreign country. The amendment would only apply to fish brought here in a vessel of foreign registry. I was waiting until the Senator had concluded his statement in order to make a few brief remarks. Some of the advisers of the committee have proposed certain modifications which will perhaps improve the amendment. I am not a stickler for the form, so long as we can accomplish the object. I may say in regard to the criticism of the amendment made by the Senator from North Dakota as to its alleged effect in preventing shipments in bond to the United States of fish caught in the North Sea, of course, if it would have that effect it ought to be changed, because it is not my purpose or desire to produce any such change in our bonding regulations as that. Although I confess I have not reflected upon that particular phase of it, I do not agree with the Senator from North Dakota that it would have that effect, but I am willing to modify it so as to avoid that contingency.

Mr. McCUMBER. Will not the Senator, then, be willing to pass the amendment over for the time being until he, with the experts and members of the committee, may draft it in a form which will meet the approval of the Senator and yet at the same time be certain not to cut off the right of transit in bond across the United States?

Mr. POINDEXTER. Yes.

Mr. McCUMBER. I will say that the amendment which has been suggested does not safeguard that point.

Mr. POINDEXTER. I am perfectly willing, if the Senator and the committee will give attention to it, to allow the amendment to go over until it may be considered by the committee.

Mr. McCUMBER. I thank the Senator, and I think we can probably prepare an amendment that will be satisfactory to the committee as well as to the Senator.

Mr. POINDEXTER. I thank the Senator very much.

Mr. McCUMBER. I ask unanimous consent, with the consent of the Senator proposing it, that the amendment be withdrawn for the time being.

The PRESIDING OFFICER. Does the Senator also request that the committee amendment may be passed over?

Mr. McCUMBER. I ask that the committee amendment may also be passed over.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JONES of Washington. Mr. President, in connection with the discussion with relation to the amendment passed upon yesterday, I have before me some data which I desire to have inserted in the RECORD at this point, so that it will appear following the discussion on the amendment of my colleague, the junior Senator from Washington [Mr. POINDEXTER].

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

[Night lettergram.]

SEATTLE, WASH., *February 23, 1916.*

H. C. STRONG,
Hotel Raleigh, Washington, D. C.:

We are operating from Prince Rupert entirely as a matter of necessity. In fact, we did not go there until forced to under present conditions, and we would still much prefer to operate from Ketchikan or Seattle—in other words, to make our investments and transact our business in American territory.

SAN JUAN FISHING & PACKING CO.

[Western Union telegram.]

CHICAGO, ILL., *February 19, 1916.*

H. C. STRONG,
Hotel Raleigh, Washington, D. C.:

Your letter in regard to duty on halibut and salmon from foreign countries is correct statement of situation excepting that you should make it stronger, if possible. Unless we receive governmental relief, we will be forced to expend a large sum of money at Prince Rupert and in all probability have our American boats discharge their cargoes in that port, and not only lose the business for American ports but force the tonnage over foreign railroads. Canadian Government has done and is doing everything in their power to force this business into Prince Rupert to great detriment of Ketchikan, Seattle, and other American ports, and immediate relief is required to prevent serious loss to American fisheries.

P. L. SMITHERS,
Manager Booth Fisheries.

[Night lettergram.]

SEATTLE, WASH., *July 17, 1916.*

H. C. STRONG,
Hotel Raleigh, Washington, D. C.:

Please file with Chairman KITCHIN, Ways and Means Committee, and Senators JONES and POINDEXTER, and through them with State Department, following protest:

Protest filed by the British Embassy with State Department against House bill 15839, to regulate importation into United States of halibut or salmon taken in north Pacific Ocean or tributary waters, now pending in Congress, has no just basis to rest upon. Assertion that Canada has made heavy investments for benefit of American fishermen is without foundation. Investments referred to as having been made by Canada for benefit of American fishermen are building of grand trunk railway and certain terminal facilities at Prince Rupert for handling fish, which, of course, were made not for benefit of American fishermen but for benefit of Canada and Canadian interests.

In the attempt to make these investments profitable to Canada and Canadian interests the Canadian Government is giving support to a policy of unfair competition to force American fishermen and north coast fishing fleet to abandon American ports and turn their business to Prince Rupert and Grand Trunk Railway. An examination of present situation will show that we are facing new application of dumping principle with Canadian Government and its orders in council backing that sort of competition. Proposed law does not bar fish caught in British waters from American markets. On contrary, they are allowed to be landed here free of duty while American fish are subject to duty when shipped into Canada.

Action of Canadian Government was deliberately undertaken to foster a Canadian port and Canadian railway at expense of the fishermen, ports, and railways of America. Bill against which British protest is made is intended to put American and Canadian North Pacific fishing interests on an equal footing, thereby preserving to American ports a business which legitimately belongs to them and which if not obstructed by foreign interference would continue to come to American ports and to sustain and increase the American fishing fleet. There is no more ground or justification for a protest by Great Britain against this proposed action on the part of United States than there would be for similar protest against a provision of our tariff laws.

SEATTLE CHAMBER OF COMMERCE,
THOMAS BURKE, *President.*

—

DEPARTMENT OF COMMERCE,
BUREAU OF FISHERIES,
Washington.

Prince Rupert, British Columbia, year ending December 31, 1920.

United States fishing vessels landing	258
Number of trips landed	1,081

—

SEATTLE, WASH., *April 7, 1917.*

Hon. WILLIAM C. REDFIELD,
Secretary of Commerce, Washington, D. C.

DEAR SIR: I have been actively engaged in the halibut business on the North Pacific coast ever since 1899. In 1899 I was part owner and captain of the schooner *Reef*. Since that time I have been part owner and captain also of the halibut schooners *Roosevelt* and *Panama*. From 1899 to 1915 I was actively engaged in halibut fishing itself, fishing on all of the known halibut grounds on the Pacific during those years. During the years 1915 and 1916 I was manager of the Fishing Vessel Owners' Association, which association comprises practically the entire independently owned offshore fleet of the North Pacific. By independently owned I mean boats not owned or operated by the wholesale fish houses.

During the past two years the Dominion of Canada through its orders in council and trade regulations has been trying to force to that country the entire halibut business and to force to that country the different American fishing vessels. That in trying to force the American vessels into Canada registry they have put restrictions on them in getting bait and put restrictions on the shipments of fish from Prince Rupert to Puget Sound, and have refused to allow American-caught fish to be sold in the Dominion of Canada, and American fishermen are treated in that country as though they were foreigners, and any slight infraction of their regulations is followed by heavy fines. As manager of the association I gave these matters close attention, and believe that it would be to the ultimate advantage of American fishermen and boat owners if a law were passed providing for the shipment of fish direct from American ports. It is my opinion that this law would force the Canadian houses to do their American business on the American side of the line and that the fishermen would have the same competition for the purchase of their fish on the American side of the line. Any of the ports of southeastern Alaska are nearer to the Alaska fishing banks, and it would be just as convenient, in fact more convenient, for the fishermen than the Canadian ports. I think that the bill would be both to the ultimate advantage of the independently owned fishing boats and fishermen and also to the American people, and is necessary if this country is not going to turn over the business to the Dominion of Canada.

Respectfully yours,
JOHN GIBSON.

—

SEATTLE, WASH., *April 11, 1917.*

Hon. WILLIAM C. REDFIELD,
Secretary of Commerce, Washington, D. C.

DEAR SIR: The Fishing Vessel Owners' Association, of Seattle, on this date officially indorsed the halibut bonding measure, the same being signed by myself as manager for the association.

I wish to state further that I have been in the halibut fishing business, both as fisherman and boat owner, since its infancy on the North Pacific. During that time I have been interested in the American fishing schooners *Doncaster*, *Roosevelt*, and *Panama*. It was not until recently that the American fishermen were fully cognizant of the fate of this fishery built by them. There can be no doubt that unless the Government gives to American institutions the necessary relief to counteract the advantages under which Canadian concerns and fishermen operate that Canada will ultimately absorb the entire industry. We have no complaint as against the regulations that Canada makes for her own fishermen, but we do protest against the unequal advantages that Canadian fishing vessels and concerns have in competing in the American fish business. It seems to me to be self-evident that we can not successfully compete with institutions that are subsidized by a foreign government, that are protected by orders in council, while we are discriminated against by trade regulations, making it to our advantage to change our boats to Canadian registry. The American fishing fleet has withstood the open request of Canadian fish houses to change their boats to Canadian registry, but I fear that under the economic conditions artificially created by Canada the advantages of Canadian registry will become so apparent to American fishermen that Canada will secure all of the fleets, including that of this association itself. I think that Canadian concerns doing a purely American business and Canadian boats fishing for the American market should be compelled to operate under the equal laws of the United States. This is all we are asking, as we feel sure we can successfully compete under equal conditions.

Our association has been informed that you approve of the legislation requested, and we believe that nothing else could so adequately correct the existing evils.

Yours very truly,
M. JOHNSON.

—

SEATTLE, WASH., *April 11, 1917.*

Hon. WILLIAM C. REDFIELD,
Secretary of Commerce, Washington, D. C.

DEAR SIR: At a meeting of the Fishing Vessel Owners' Association held this week it was decided that our association go on record formally indorsing the passage of a bill providing—

"That no fresh or frozen fish from the North Pacific coast, or its tributary waters, be admitted into the United States through any foreign country, except the same be in bond from an American port."

The Independent Vessel Owners' Association comprises in its membership practically all of the American offshore halibut fleet on the North Pacific. By independent we mean boats not owned or operated by the fish companies. Most of these boats are owned by captains and fishermen themselves.

We feel that this law is necessary if the United States is to preserve its Pacific coast fisheries as an American institution, and maintain that this country has a right to say how fish caught in American fishing vessels and consumed by the American people shall be regulated. We feel that they will not be able to hamper the development of the American fisheries by their orders and counsel and trade regulations and other restrictions. Their treatment of American fishermen has been decidedly unfair and for the purpose of forcing American vessels into Canadian registry. We feel that as a purely American institution we are entitled to the same protection from foreign subsidies, rebates, etc., that the American coastwise shipping trade is.

Yours very sincerely,
M. JOHNSON,
Manager Fishing Vessel Owners' Association.

—

KETCHIKAN, ALASKA, *October 27, 1916.*

COMMISSIONER OF FISHERIES,
Washington, D. C.

DEAR SIR: I wish to be of record in favor of the passage of a law aimed to preserve the fishing industry of the North Pacific Ocean for America.

I am a citizen of the United States, have followed fishing all of my life, and am now master of the power schooner *Knickerbocker* engaged in fishing off the coast of Alaska.

I firmly believe that Canada will secure all of the benefits of these fisheries if our Government does not soon pass a law worded the same as the Chamberlain amendment to the last revenue bill.

Truly yours,
THOS. P. QUINN,
Master Schooner "Knickerbocker."

—

KETCHIKAN, ALASKA, *November 3, 1916.*

COMMISSIONER OF FISHERIES,
Washington, D. C.

DEAR SIR: As an American citizen, with a family of seven residing in Alaska, which I am supporting by fishing, I am very anxious to see a law passed which will preserve for Alaska the fishing industry which we are now losing to Canada.

We need a law which will make it necessary for all boats, whether Canadian or American, to discharge their fish at an American port if they are to be used in the United States.

Without such a law Canada has the control of our fisheries.

I am 45 years old; have followed fishing all of my life. Am now master of the power fishing boat *Prospector*.

Very truly yours,
CAPT. A. J. ANDERSON.

—

This is not for publication, as I must continue to do business out of Prince Rupert under present conditions.

EGIN ERIKSON.

KETCHIKAN, ALASKA, *November 9, 1916.*

The SECRETARY OF COMMERCE,
Washington, D. C.

DEAR SIR: I am the managing owner and master of the power fishing vessel *Polaris*. I have followed fishing for many years and am now operating the above vessel on the North Pacific.

Since the completion of the Grand Trunk Pacific Railway to Prince Rupert I have operated out of there most of the time. The Canadian port has become the leading fish market on the Pacific coast, and it has been a case of selling our fish there or proceeding to Seattle, a distance of over 600 miles.

The location of Prince Rupert, together with its transportation facilities, gives an advantage to the packing and shipping firms, as well as the vessels operating from there, and these conditions make it necessary for all of us to go to Prince Rupert or suffer loss in both time and money.

We need a law making it necessary for all boats to discharge at an American port all the fish going to be consumed in the United States. This would cause the Canadian railway to reach over into Alaska to get the freight, and then the business would be centered in Alaska instead of Canada. The buying would be done in Alaska, and the value of the catch would be circulated in American territory instead of Canada, as it now is.

If this is not done, Canada will soon have entire control of the Pacific fishing and the only supply of halibut now within reach of American markets. The fishermen of the Pacific will have to do as Canada dictates, which will force them to become Canadians or go out of the business of supplying fresh fish from the Pacific Ocean for the markets of the United States.

I sailed from Prince Rupert yesterday, and before my departure I had the real situation impressed upon me more forcibly than ever. I have been buying my supplies at Prince Rupert, but for the past few trips I have tried to get some from American ports. Yesterday upon going to the Canadian customs officer for my clearance the collector called my attention to the fact that my manifest called for ship's stores, but that it had been brought to his attention that I was buying

but a small portion of them at Prince Rupert. He stated that I had better buy my supplies there.

On the same day at the office of the American consul I was told by the consul that it would be better for me to outfit my boat at Prince Rupert.

Every pound of fish I take to Prince Rupert goes to the United States, as none of it can be consumed in Canada. This all comes from the Alaska banks, but the business is getting to a point where neither Alaska nor American citizens will have anything to say about the Pacific fisheries, and their value, which is great, will all go to Canada.

Truly yours, EGIN ERIKSEN.

—

KETCHIKAN, ALASKA, *November 10, 1916.*

COMMISSIONER OF FISHERIES,
Washington, D. C.

DEAR SIR: I am a fisherman and have followed fishing on the Atlantic and Pacific since my boyhood. I have lived in Alaska for five years, where I own my home as well as my power fishing vessel, the *Alameda*, all of which I have paid for from my earnings in catching fish, principally halibut.

For over a year I have taken my fish to Prince Rupert, British Columbia, from where it is shipped to the United States. Nearly all of the fish now caught in our northern waters are taken to the Canadian port. The buyers for the American markets are there, and it is the center of the fishing industry, but it is better for Canada and the Canadian fishermen than it is for the United States and American fishermen.

If we can not get a law changing conditions, it will not be long until all of the deep-sea fishermen of the North Pacific will be Canadians, or at least residents of and producers of wealth for Canada.

To my knowledge, many American fishing vessels have this year taken out Canadian registers and more have the intention of so doing. This action is due to conditions and laws created by Canada and the lack of laws in the United States to cover the situation.

Practically all of the fish, whether caught by American or Canadian vessels in the North Pacific, go to the United States, but we are obliged to do our marketing at a Canadian port, as Canada lies between us and the United States.

We must have a law making it necessary that all fish from the Pacific Ocean going to the markets of the United States shall be landed by the fishing fleet at an American port. Our fish will then be worth as much at a port in Alaska as it now is in Canada, for the law will make it necessary for the buyers and transportation companies to take the fish from the American side of the line, if they are going to the United States through Canada. This will save the fishing fleet many miles of travel to and from Prince Rupert, and as the transportation company can cover this distance with one vessel, carrying all the fish at lower cost, it will be an advantage to the fishing fleet, the consuming public of the United States, and at the same time build up Alaska with our fishing industry instead of turning it over to Canada, as we are now doing.

I believe every American fisherman and citizen who understands the situation will do everything in his power to bring about the legislation above suggested.

Truly yours, STEVE SELIG.

—

KETCHIKAN, ALASKA, *November 11, 1916.*

COMMISSIONER OF FISHERIES,
Washington, D. C.

SIR: I am master and managing owner of the American fishing vessel *Constitution*, carrying a crew of 13 men. I have been fishing for the past 10 years and for the last 5 years have been master and owner.

Conditions have taken me to the Canadian port of Prince Rupert for the past 18 months. It has been practically necessary that I go there, yet American vessels are seriously handicapped at Canadian ports, where present conditions oblige us to do our business. We must have the help of a law which will put this business at American ports or we shall see the fishing business in this part of the country all go to Canada. This can be done without increasing the cost of fish, and it will center business in Alaska instead of Canada.

I want to live in America and keep my boat under the American flag, but now our laws are working against me, or the lack of American laws are driving the business to Canada and Canadian vessels.

Respectfully yours, CAPT. F. SORINSEN.

—

ORDERS IN COUNCIL.

(1914, 1915, 1916, 1917, 1918.)

In re American fishing vessels purchasing bait, shipping and selling fish in bond. Imports. British Columbia.

DEPARTMENT OF CUSTOMS,
Ottawa, May 15, 1917.

Memorandum.

The following are copies of orders in council passed in 1914, 1915, 1916, and 1917 with regard to the purchase of bait and shipping and selling of fish in bond by United States fishing vessels on the Pacific coast.

JOHN MCGONGALD,
Commissioner of Customs.

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ORDER IN COUNCIL, DECEMBER 10, 1914.

For a period of 12 months from January 1, 1915, foreigners or foreign corporations bringing fresh fish in American bottoms to any port in British Columbia shall be permitted to land such fresh fish at such port without payment of duties and transship the same in bond to any port in the United States (without the right, however, to sell in Canada any of such fresh fish so landed); and foreigners and foreign corporations bringing fresh fish in American bottoms to any port in British Columbia shall be permitted to purchase supplies at any port in the said Province of British Columbia, the whole under such regulations and conditions as the minister of customs may determine.

—

ORDER IN COUNCIL, MARCH 9, 1915.

During the present calendar year (1915) foreigners or foreign corporations bringing fresh fish in vessels registered in the United States of America to any port in British Columbia shall be permitted to land such fresh fish at such port without payment of duties and transship the same in bond to any port in the United States, or to sell such fish in bond to such local dealer or dealers as may be properly and duly licensed therefor, under the regulations and conditions hereinafter mentioned, which dealer or dealers shall export the same in compliance with the bonding requirements (without the right, however, in either instance to sell in Canada for consumption therein, or otherwise except in bond, any of such fresh fish so landed); and such foreigners and foreign corporations bringing fresh fish in vessels registered in the United States of America to any port in British Columbia shall be permitted to purchase supplies and ship crews for such vessels at any port in the said Province of British Columbia, the whole under such regulations and conditions as the minister of customs may determine.

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ORDER IN COUNCIL, JANUARY 31, 1916.

PURCHASE OF BAIT AND LANDING OF FISH BY FOREIGN VESSELS AT PORTS OF BRITISH COLUMBIA IN 1916.

The following provisions in the above matter are made by order in council of 31st January, 1916, viz:

"During the present calendar year (1916) foreigners and foreign corporations bringing fresh fish in vessels registered in the United States of America to any port in British Columbia shall be permitted to land such fresh fish at such port without payment of duties and transship the same in bond to any port in the United States or to sell such fish in bond to such local dealer or dealers as may be properly and duly licensed therefor under the regulations and conditions hereinafter mentioned, which dealer or dealers shall export the same in compliance with the bonding requirements (but without the right, however, in either instance, to sell in Canada for consumption therein or otherwise, except in bond, any of such fresh fish so landed); and such foreigners and foreign corporations bringing fresh fish in vessels registered in the United States of America to any port in British Columbia shall be permitted to purchase bait and supplies and ship crews for such vessels at any port in the said Province of British Columbia: *Provided also*, That such foreigners and foreign corporations before bringing fresh fish to a port in British Columbia may be permitted to purchase bait at any port in the said Province of British Columbia upon an undertaking to the satisfaction of the minister of customs that catches of fish made with any baiting so supplied shall be landed at a port on the mainland of British Columbia and be thence forwarded in bond to a port in the United States, the whole under such regulations and conditions as the minister of customs may determine."

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ORDER IN COUNCIL, JANUARY 17, 1917.

During the present calendar year (1917) foreigners or foreign corporations bringing fresh fish in vessels registered in the United States of America to any port in British Columbia shall be permitted to land such fresh fish at such port without payment of duties and transship the same in bond to any port in the United States or to sell such fish in bond to such local dealer or dealers as may be properly and duly licensed therefor under the regulations and conditions hereinafter mentioned, which dealer or dealers shall export the same in compliance with the bonding requirements (but without the right, however, in either instance, to sell in Canada for consumption therein or otherwise, except in bond, any of such fresh fish so landed); and such foreigners and foreign corporations bringing fresh fish in vessels registered in the United States of America to any port in British Columbia shall be permitted to purchase bait, ice, and supplies, and ship crews for such vessels at any port in the said Province of British Columbia: *Provided also*, That such foreigners and foreign corporations before bringing fresh fish to a port in British Columbia may be permitted to purchase bait at any port in the said Province of British Columbia upon an undertaking to the satisfaction of the minister of customs that catches of fish made with any baiting so supplied shall be landed at a port on the mainland of British Columbia and be thence forwarded to a port in the United States, the whole under such regulations and conditions as the minister of customs may determine.

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ORDER IN COUNCIL, JANUARY 12, 1918.

PURCHASE OF BAIT AND LANDING OF FISH BY FOREIGN VESSELS AT PORTS OF BRITISH COLUMBIA IN 1918.

[The Canada Gazette, February 2, 1918.]

AT THE GOVERNMENT HOUSE AT OTTAWA,
Saturday, the 12th of January, 1918.

Present: His excellency the administrator in council.

His excellency the administrator in council, on the recommendation of the minister of the naval service, is pleased to order, and it is hereby ordered, as follows, with regard to the purchase of bait and the landing of fish by foreign vessels at ports in British Columbia during the calendar year 1918:

During the present calendar year (1918) foreigners or foreign corporations bringing fresh fish in vessels registered in the United States of America to any port in British Columbia shall be permitted to land such fresh fish at such port without payment of duties and transhipment the same in bond to any port in the United States or to sell such fish in bond to such local dealer or dealers as may be properly and duly licensed therefor under the regulations and conditions hereinafter mentioned, which dealer or dealers shall export the same in compliance with the bonding requirements (but without the right, however, in either instance, to sell in Canada for consumption therein or otherwise, except in bond, any of such fresh fish so landed); and such foreigners and foreign corporations bringing fresh fish in vessels registered in the United States of America to any port in British Columbia shall be permitted to purchase bait, ice, and supplies and ship crews for such vessels at any port in the said Province of British Columbia: *Provided also*, That such foreigners or foreign corporations before bringing fresh fish to a port in British Columbia may be permitted to purchase bait and ice at any port in the said Province of British Columbia upon an undertaking to the satisfaction of the minister of customs that catches of fish made with any baiting so supplied shall be landed at a port on the mainland of British Columbia and be thence forwarded to a port in the United States, the whole under such regulations and conditions as the minister of customs may determine.

RODOLPHE BOUDREAU,
Clerk of the Privy Council.

Mr. ROBINSON. Mr. President, for almost two days the Senate has had under consideration the amendment of the Senator from Washington relating to fish. This amendment, in

practical importance, has a very narrow application. It is noticeable from an examination of the CONGRESSIONAL RECORD that the debate on this subject has proceeded entirely from the other side of the Chamber. After consuming almost two days in discussion of this relatively unimportant amendment, the majority have now withdrawn all amendments affecting the subject, and ask that the subject be carried over, presumably for further consideration and further debate.

I wonder if, after having this matter before the Senate for two days, the Senate is not able to conclude it. If the process of procrastination and delay illustrated by this proceeding on the fish amendment and the amendment relating to almonds is to continue indefinitely, the country can not escape the conclusion that the majority is filibustering against its own bill. The idea of taking two days to consider a relatively inconsequential amendment, and then, after the Senate has waited patiently for an opportunity to vote on it, withdrawing the whole subject and passing it over for future consideration! This, too, from the advocates of cloture.

I appeal to our friends on the other side of the Chamber, as these items are reached and considered and the Senate is prepared to act upon them, to give us an opportunity to do it. Let us make some progress in connection with this bill. After we have had debate, let us act upon our judgment and reach a conclusion, particularly concerning matters that are not of the greatest importance. Let us make some advance in connection with this bill.

Mr. McCUMBER. Mr. President, I do not think it is necessary at all to pass over anything more than the mere amendment that is offered by the Senator. I asked him to withdraw that because I think it conflicts with other sections, and does not do just exactly what he wants to accomplish by it, or, rather, it may accomplish more than he desires to accomplish by it. Therefore I asked that the amendment might go over; but that does not necessarily affect in any way the question of the rates and the amendments that we have made upon paragraph 718. The Senator can still, if we adopt that, offer his amendment to-morrow.

The PRESIDING OFFICER. May the Chair suggest that it would not be in order until the time came for individual amendments unless the committee amendment is passed over so that it can be offered as an amendment to the committee amendment.

Mr. McCUMBER. I would rather not pass over the committee amendment. I know that we can get unanimous consent for the Senator to offer his amendment. No one will object.

Mr. POINDEXTER. Mr. President, I simply want to suggest that there is another committee amendment on the same subject in the free list, to which my amendment could be added and accomplish the same purpose.

Mr. ROBINSON. Mr. President, I shall not make any objection to any request the chairman of the committee chooses to make respecting the subject; but I do hope that whatever action he finally decides to take will have the effect of putting this item behind us. We have already taken more time to consider it than its importance justifies, in view of the very important provisions in the bill which have as yet received no consideration.

The PRESIDING OFFICER. Without objection, the order just made is modified so that the Senator from Washington withdraws his amendment, and the question is upon the committee amendment.

Mr. McCUMBER. Mr. President, my heart is filled with gratitude at the suggestions made by the Senator from Arkansas, but——

Mr. JONES of Washington. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Washington?

Mr. JONES of Washington. I hope now that we can vote upon the amendment referring to paragraph 718. This is such an important thing that I can not see where we will gain anything by adopting the committee amendment without passing upon the other proposition. The committee proposes to take care of it. We can adopt an amendment to the committee amendment——

Mr. McCUMBER. I will say to the Senator that if he can draft the amendment so that it will avoid the question of forbidding an American railway from transporting fish caught by foreign fishing fleets and destined to Canada, I think we can vote on it now; but——

Mr. JONES of Washington. I think that can very soon be done. I think my colleague can do that in a very few minutes. I do not think that construction is justified by the language of the amendment. However, he can make it very clear, I am sure.

Mr. POINDEXTER. Mr. President, on this same subject I ask unanimous consent to turn to page 228, line 15, and offer at the end of that line the amendment which I send to the desk.

The VICE PRESIDENT. The Secretary will state the proposed amendment.

The ASSISTANT SECRETARY. On page 228, line 15, paragraph 1624 reads as follows:

Oils, animal: Spermaceti, whale, and other fish oils of American fisheries, and all fish and other products of such fisheries; and all cod and cod-liver oil.

It is proposed to add at the end of the paragraph the following words:

No fish packed or frozen in a foreign country shall be exempt from duty under this paragraph.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The VICE PRESIDENT. The question now recurs on the committee amendment as amended.

Mr. JONES of Washington. Mr. President, I do not know about that. I suppose if we desire to reconsider the vote by which that was adopted there will be no objection to it?

Mr. McCUMBER. There will be no objection on the part of the committee.

Mr. JONES of Washington. Very well.

The VICE PRESIDENT. The question is on agreeing to the amendment as amended.

The amendment as amended was agreed to.

Mr. McCUMBER. Mr. President, I wish now to return to paragraph 718.

The VICE PRESIDENT. The amendment of the committee will be stated.

The ASSISTANT SECRETARY. The committee proposes, on line 18, page 102, to strike out the word "All" and to insert the following as amended:

Fish, fresh, frozen, or packed in ice: Halibut, salmon, mackerel, and swordfish, 2 cents per pound; other—

The amendment as amended was agreed to.

The ASSISTANT SECRETARY. On line 20 it is proposed to strike out the words "fresh, frozen, or packed in ice" and the comma.

The amendment was agreed to.

The next amendment was, in paragraph 719, on page 102, line 24, after the words "ad valorem," to strike out "fish, dried" and to insert "dried fish"; and in line 25, before the word "cents," to strike out "4¼" and to insert "1¼," so as to read:

Salmon, pickled, salted, smoked, kippered, or otherwise prepared or preserved, 25 per cent ad valorem; finnan haddie, 25 per cent ad valorem; dried fish, salted or unsalted, 1¼ cents per pound.

The amendment was agreed to.

The next amendment was, on page 102, line 25, after the word "pound," to insert "smoked herring, skinned or boned, 2½ cents per pound; all other," so as to read:

smoked herring, skinned or boned, 2½ cents per pound; all other fish, skinned or boned—

The amendment was agreed to.

The next amendment was, on page 103, line 2, after the word "boned," to strike out "including herring skinned."

The amendment was agreed to.

The next amendment was, at the beginning of line 3, to strike out "immediate containers weighing with their contents" and to insert "packages containing."

Mr. McCUMBER. I ask that the Senate reject that committee amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was rejected.

The next amendment was, on page 103, line 5, after the word "pound," to strike out "including the weight of the immediate container with the contents."

Mr. McCUMBER. On page 103, lines 5 and 6, the committee desires to modify the committee amendment so that it will read as follows: After the word "pound," strike out the comma and the words "including the weight of the immediate container with the contents," and insert in lieu thereof "net weight."

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee as modified.

The amendment as modified was agreed to.

The next amendment was, on page 103, line 8, after the word "in," to strike out "immediate containers weighing with their contents," and to insert "packages containing," so as to read:

PAR. 720. Herring and mackerel, pickled or salted, whether or not boned, when in bulk, or in packages containing more than 30 pounds each, etc.

Mr. McCUMBER. I ask that the Senate disagree to that committee amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. McCUMBER. On line 10, the committee proposes to strike out "30" and insert "15."

The VICE PRESIDENT. The amendment will be stated.

The ASSISTANT SECRETARY. It is proposed to strike out "30" before the word "pounds," and in lieu thereof to insert "15."

Mr. WALSH of Massachusetts. Mr. President, will the Senator from North Dakota state why that change is made? Does it amount to doubling the rate?

Mr. McCUMBER. No; that has nothing to do with the per cent, but it simply has to do with the size of the package. There were a great many packages practically put in the same shape that were coming in under 30 pounds; and therefore we fixed upon 15 pounds as the proper minimum size of the package that should bear that particular rate, instead of 30 pounds.

Mr. WALSH of Massachusetts. I think I understand now why the change is made.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, in line 10, after the word "each," to strike out "1½ cents," and to insert "1 cent."

Mr. WALSH of Massachusetts. Mr. President, I find that under the Underwood law herring and mackerel, pickled or salted, were admitted free, and under the Payne-Aldrich law these products were taxed one-half of 1 cent per pound. The committee amendment lowers the rate named in the House bill which was 1½ cents per pound. Will the chairman of the committee inform me why this rate has been decreased and nearly all other rates in this schedule increased over the rate fixed in the House bill?

I would like to have the opinion of the Senator from North Dakota on this item. I would like to have the Senator inform me how this rate was fixed.

Mr. McCUMBER. This is exactly the same as the Underwood rate. There is no increase over that. That provided 1 cent per pound, and we are leaving it 1 cent per pound.

Mr. WALSH of Massachusetts. My information is that herring and mackerel, pickled or salted, were free under the Underwood law. I do not think there is any question about that.

Mr. McCUMBER. I want to correct myself. I was reading from the act of 1909. It is free under the act of 1913. The only purpose of the rate of 1 cent is to afford protection to American fishermen, and for revenue.

Mr. WALSH of Massachusetts. I am informed that these items are products used in the Maine sardine industry; it seems to me if this information is correct it would be in the interest of the consumer to have this rate carefully considered by the committee.

Mr. LODGE. Mr. President, this, like the other duties on fish, is of very great importance to all the fisheries, and particularly to those of the Atlantic seaboard. I am not going into an elaborate discussion of the fishing industry, for I do not desire to take the time; but Senators must remember that this affects the fishing industry, one of the oldest employments of man in the world. No great fortunes are ever made in it. This is to help the fishermen of the Atlantic seaboard particularly, where the herring industry more particularly is.

During the war the restrictions placed upon fishermen in all countries as to entering ports, touching trade, buying equipment, and so forth, were done away with, so that all our ports are open now to foreign fishermen, without any restrictions whatever.

Canada, which is our principal rival, of course subsidizes her fishermen. She pays one-third of the cost of storage and two-thirds of the cost of transportation, and it is utterly impossible for the fishermen of New England, who are especially affected by this clause, to compete with subsidized fisheries. It will lead inevitably to the transfer of our fleets from Gloucester, Provincetown, and Boston, as well as the large fleet in Maine, to the British flag. It is out of the question for us to maintain our fisheries unless we give them protection, when they are competing with a subsidized industry on the other side of the line.

I will not press the point further, because I do not wish to take time. This is a very moderate rate.

Mr. WALSH of Massachusetts. Mr. President, I did not desire to open up any discussion of the rate named on this product. I simply wanted some information from the committee as to why in this case the House rate was lowered.

I find, in looking at the tables since my colleague addressed the Senate, that a good deal of salted herring has been produced in this country, so that the pickled or salted herring industry is one, perhaps, entitled to some protection.

Mr. LODGE. It is very difficult to get exact figures of the different kinds of fish, for since 1908 we have not had any statistics provided. The catch of herring in 1908, the last one, I think, where they were divided, was 125,000,000 pounds, valued at $796,000. The mackerel catch was 12,000,000 pounds.

Mr. WALSH of Massachusetts. I think the Senator will find the figures on production on page 42 of the pamphlet known as "Fish Industries of the United States."

Mr. LODGE. How late are their statistics?

Mr. WALSH of Massachusetts. For 1920.

Mr. LODGE. Those are only partial statistics; they are not complete. They give the percentages, I know.

Mr. WALSH of Massachusetts. They give the figures as to the fresh and salted herring production as about the same—3,000,000 pounds.

Mr. LODGE. They do not keep the figures as to the different fish distinct. They give the figures for the 1920 imports of fresh fish, frozen or packed in ice. That does not include salted herring. I have not been able to find that stated, except in the figures of 1908, which separate the herring.

The 1920 figures give a classification of the imports, and the import of herring was 7.2 per cent, not a very large import, but quite equal to the export. It is very hard to get those figures exact. The New England fisheries, as well as all the other fisheries, require protection owing to the Canadian laws and the fact that we give them no subsidies and no privileges of any kind. On the Atlantic seaboard, from Maine to Florida, the total production is 1,400,000,000 pounds; Gulf district, 120,000,000; Alaska, 400,000,000; Pacific district, 280,000, 000; Mississippi River and Great Lakes, 250,000,000. The fisheries are spread all over the coasts of the United States and employ about 205,000 people, meaning that they furnish support to about a million people. The great mass of them are individuals engaged largely in inshore fisheries. There are firms, of course, which own "bankers," and there are many individual boats also. I think these duties are moderate, considering the conditions which now exist.

Mr. WALSH of Massachusetts. Mr. President, I find that the imports are very much larger than I expected. The tariff information summary gives the imports for 1914 as 93,000,000 pounds.

Mr. KING. Of herring?

Mr. WALSH of Massachusetts. Of herring. The production for 1919 in the United States and Alaska was 18,000,000 pounds. The total production of salted and pickled mackerel is given, but we are not discussing that. So that the imports are very much larger than the production.

Mr. LODGE. They are.

Mr. WALSH of Massachusetts. The amendment is a reduction from the House rate, but it seems to be an increase over the Underwood rate and also a slight increase over the Payne-Aldrich rate. I do not know that the article is one I care to say more about.

Mr. HALE. The Senator referred to herring used in the sardine business in the State of Maine. Those herring would not come under this section. Those herring are on the free list.

Mr. WALSH of Massachusetts. Will the Senator direct me to the section which provides that those herring shall be on the free list?

Mr. HALE. I will find it for the Senator.

Mr. WALSH of Massachusetts. I wish the Senator would direct me to that section. I got the impression, until my colleague spoke, that paragraph 720 dealt only with fish used in the sardine industry. I find I was mistaken in that. Can the Senator from Maine point me to that section?

Mr. LODGE. Sea herring and tuna fish, fresh, frozen, or packed in ice, are on the free list.

Mr. HALE. Those are the herring that we make up into sardines, and they are on the free list. That is paragraph 1645.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the committee was, in paragraph 720, page 103, line 10, after the word "pound" and the comma, to strike out the words "including the weight of the immediate container and the brine, pickle, and salt."

Mr. McCUMBER. I want to include in that proposed amendment the word "net weight," to be inserted in lieu of the matter stricken out.

The ASSISTANT SECRETARY. After the words "per pound" insert the words "net weight."

Mr. JONES of Washington. I have a memorandum prepared by the Delegate from Alaska with reference to this proposition, and also with reference to the reduction of the House rate. He thinks that the rate should be retained as it was fixed in the House. Did the committee have pretty substantial reasons for reducing the rate from 1½ cents to 1 cent a pound?

Mr. McCUMBER. There was a great deal of evidence, and an immense number of petitions on the subject, and protests against any rate at all. It was claimed by many that this is the poor man's food, and ought not to bear any rate of duty whatever. The committee, however, felt that the rate ought to be at least 1 cent a pound.

Mr. JONES of Washington. The Delegate does not give me any special reason why it should be higher, but I have a letter here in reference to the amendment, from the Pacific Cured Fish Association, which reads:

The original draft as proposed by the House provided a duty of 1½ cents per pound on the gross weight. We are now anxious to know whether the reduced rate of 1 cent per pound also applies on the gross weight or the net weight.

As I understand it, if the amendment of the committee is adopted, then there will be no duty upon the container.

Mr. McCUMBER. The Senator is right. It is neither upon the container nor the brine nor the pickle nor the salt.

Mr. JONES of Washington. Why does the committee strike that out?

Mr. McCUMBER. Because the committee were of the opinion that 1 cent per pound upon the fish itself was as high a rate of duty as ought to be imposed, and that we ought not to impose a duty of 1 cent a pound upon salt and brine and the weight of the container; that whatever duty was placed upon the product, it should be upon the product itself and not upon its container.

Mr. JONES of Washington. I have here the memorandum to which I have referred, and I ask that it may be inserted in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The memorandum is as follows:

The packing of Scotch-cure herring is becoming an important industry in Alaska.

This year 180,000 barrels will be packed.

In 1921 65,000 barrels were packed.

In 1921 the quality of imported herring was not as good as usual. It will probably recover this year.

The Alaskan product is just as good as the best European (Scotland).

The market for this article is in the large cities of the Atlantic seaboard. It is not a cheap article of food, as the method of preparation is expensive. It is consumed largely by the wealthier Russians and Jewish people.

Scotland is the largest exporting country.

The freight cost per barrel in refrigerator boats from Scotland to New York is $1.50.

The freight cost per barrel from Alaska to Seattle in ordinary freight space is $1.50.

The freight cost from Seattle to New York in refrigerator cars is $5.60 per barrel.

The Alaskan shipper must overcome the excessive transcontinental rate in order to compete with the Scotch producer in the American market.

The following quotation is from page 92, Pacific Fisherman Yearbook for 1922:

"As for the outlook, little can be said with assurance, except that any Alaska matjes herring of prime quality appearing before the Scotch herring season gets well under way should find a very good market. The Scotch failure last year was unprecedented, and there is no reason to think it will be repeated, and with normal importation from Scotland it will be impossible again to sell as much Alaska herring as was produced in 1921 without heavy loss. This can, of course, be avoided if the protective measure provided in the proposed tariff act is promptly made a law, which will give the Alaska producer something like an equal opportunity and warrant the further growth of the industry for which tentative preparations are being made."

Mr. KING. Mr. President, I would like to inquire of the chairman of the committee and the senior Senator from Massachusetts [Mr. LODGE] if they believe, in view of conditions in the United States and the importance of fish as a food, that aside perhaps from a revenue duty it is just to the great consuming public to impose a tariff upon fish. I have heard with great interest the statement of my friend from Massachusetts, and I confess it has been quite impressive, namely, that Canada has subsidized the fishermen of that country, paying a considerable part of their operating expenses. But it does seem to me that we ought to do everything we can in reason to furnish cheap fish and cheap sea food to the American people. If it is possible to reduce the rate upon fish of all kinds, it ought to be done. I would like to ask the chairman of the committee whether the committee in the consideration of the schedule took that matter fully into account.

Mr. McCUMBER. The committee did, but the committee believed as a protective committee that it is the matter of first importance to give the fisherman himself a living wage, and to give all the people an opportunity to work so they will have the money with which to buy the fish. It is our conviction that with that policy we will be able to pay 1 cent a pound more for the fish than we would if we had a policy allowing everything to come in free and at the lowest possible rate. If that were true, of course, we would all be consumers, except as to a few agricultural products, and would produce nothing in the United States outside of those. Therefore, we felt that the small duty of 1 cent per pound, which possibly upon the imported article would amount to from 12 to 15 per cent ad valorem, was not an excessive duty.

I want to call the Senator's attention to the fact that the importations are extremely heavy as compared with the production. In 1919 our production in the United States of these two kinds of fish was about 23,000,000 pounds. In 1920 we imported 69,000,000 pounds. I think that our importations under ordinary conditions are equal to about twice the home production.

Mr. KING. If the Senator will pardon me, I was not speaking of this particular kind of fish, but of the fish schedule generally. I notice that some of the fish bear a rate of duty of 2 cents per pound; some 25 per cent ad valorem; some 1½ cents per pound, the latter rate having been fixed by the committee where the House provided 4½ cents per pound; still other classes of fish at 2½ cents per pound; and fish, by whatever name known, packed in oil, and so forth, at 30 per cent ad valorem. In other words, the rates vary from 1 cent per pound up to a considerably higher amount than that.

Mr. McCUMBER. We must start our investigation and to a certain extent base our conclusions upon two facts: First, that the American scale of wages is $135 per month on the American fishing boats, while it is $45 per month on the Canadian boats. I do not think the duty of 2 cents would have anything to do particularly with the price of fish in the United States. This is upon fresh fish, and the price goes up or down very rapidly, depending upon the size of the catch. Fresh fish will not remain fresh very long. The only question and the real effect of it is to transfer the market to the American fisherman rather than the Canadian fisherman with no particular effect upon the price of the fish.

Mr. WALSH of Massachusetts. Mr. President, compared with other rates in the schedule, the fish rates are not high. The fact is that these paragraphs are a few of the paragraphs where the rates have been lowered rather than increased as compared with the House rate. There is nothing further I care to say on this item except that it is significant that the tariff agricultural bloc, which dominated the Finance Committee in fixing rates in this, the so-called agricultural schedule, took care to keep down the protective rates on fish, which that nonagricultural class known as fishermen would naturally favor keeping high. In other words, they were unwilling to give to that class who go out to sea for the product they sell what they demanded for themselves.

Mr. LODGE. Mr. President, in connection with what my colleague has said, I will state that the demand from the west coast was for 3 cents a pound, as against 2 cents a pound, while the demand from the Lakes was 2 cents a pound. It is not a merely local demand.

The PRESIDING OFFICER (Mr. JOHNSON in the chair). The question is on agreeing to the amendment proposed by the Senator from North Dakota [Mr. McCUMBER] to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The next amendment will be stated.

The ASSISTANT SECRETARY. In paragraph 721, page 103, line 14, the committee proposes to strike out "26" and to insert "30," so as to read:

Fish (except shellfish) by whatever name known, packed in oil or in oil and other substances, 30 per cent ad valorem.

Mr. JONES of Washington. Mr. President, I wish to ask the chairman of the committee a question relating to a matter we have already disposed of. If an American citizen with his ship catches fish out in the ocean, takes them into Prince Rupert, and has them packed in ice and then shipped in bond to some market in the United States, would that be an importation of fish under the language of the bill?

Mr. McCUMBER. Not in bond for export?

Mr. JONES of Washington. No; that is not the proposition. This is the proposition, and I want it stated clearly——

Mr. McCUMBER. The amendment which was adopted this morning fixes that.

Mr. JONES of Washington. That is what I want to get at. I wish to get the Senator's opinion so that it may be in the RECORD with reference to the construction of the language. The first section of the bill provides that these duties shall be levied and collected and paid upon articles when imported from a foreign country. Then paragraph 718 provides for fish, fresh and frozen. I want the judgment of the Senator as to whether or not, under the language of the bill, fish caught by an American, taken into Prince Rupert, iced and packed, and then shipped in bond to a market in the United States would be considered as imported fish and subject to duty.

Mr. McCUMBER. Under the law as it now stands they would not be considered as imported fish.

Mr. JONES of Washington. But I want the Senator's opinion under the proposed law.

Mr. McCUMBER. Under the proposed law the same construction would be placed upon it. They would not be considered as imported fish. Under the amendment which was adopted this morning they would be made imported fish.

Mr. JONES of Washington. That is the Senator's opinion?

Mr. McCUMBER. Yes; that is my opinion.

Mr. JONES of Washington. Very well.

The PRESIDING OFFICER (Mr. STERLING in the chair). The question is on agreeing to the committee amendment in line 14, page 103.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment will be stated.

The READING CLERK. In paragraph 721, page 103, lines 17 and 18, the committee proposes to strike out "immediate containers weighing with their contents" and insert in lieu thereof "packages containing."

Mr. McCUMBER. I ask that the Senate disagree to the amendment.

The amendment was rejected.

The next amendment was in paragraph 721, page 103, line 19, to strike out "20" and insert "25" so as to read:

All fish (except shellfish), pickled, salted, smoked, kippered, or otherwise prepared or preserved (except in oil or in oil and other substances), in immediate containers weighing with their contents not more than 30 pounds each, 25 per cent ad valorem.

Mr. McCUMBER. Before taking up that amendment, I move to amend in line 19, page 103, by striking out "30" and inserting in lieu thereof "15," so as to read "not more than 15 pounds each."

The amendment was agreed to.

Mr. McCUMBER. Now I ask that the Senate agree to the amendment stated a moment ago in line 19, striking out "20" and inserting "25."

Mr. WALSH of Massachusetts. That amendment, I judge, amounts to a reduction of the House rate.

Mr. McCUMBER. Yes; it amounts to a reduction of the House rate.

Mr. WALSH of Massachusetts. From my examination of the paragraph I thought the rate was very high, in view of the fact that there is not very much competition between the imported sardines and the domestic produced sardines, but when I examined the Underwood law I found the rates to be about the same as named in this paragraph. I do not see how we could very strenuously object, therefore. I assume that the reasoning which led to the rate being imposed in the Underwood law is the same as in this paragraph, which was to the effect that the imported sardines are more or less of a luxury and that they could afford to bear a fair rate for revenue purposes.

I assume that the Senator from North Dakota agrees with that interpretation of the rate provided on this item. I am ready for the question to be put on the amendment, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the Committee on Finance was on page 103, paragraph 721, in line 20, after the word "in" where it occurs the third time, to strike out "immediate containers weighing with their contents" and to insert "packages containing."

Mr. McCUMBER. I ask that that amendment be disagreed to. As we have made other amendments which reduced the weight of the packages from 30 pounds to 15 pounds, the amendment is unnecessary.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

Mr. LODGE. One moment, Mr. President. I merely desire to suggest that, as I understand, disagreeing to the committee amendment leaves the language reading "in bulk or in more than 30 pounds each."

Mr. McCUMBER. The amendment which I have proposed reduces the size of the packages from 30 pounds to 15 pounds.

Mr. LODGE. I know that, but the way the Senator proposes to change it the language will read: "In bulk or in more than 30 pounds each." There must be some intervening words inserted.

Mr. McCUMBER. We have disagreed to the committee amendment so that now the language will read:

In bulk or in immediate containers weighing with their contents more than 15 pounds.

Mr. LODGE. I did not think that was the way the amendment was put. I thought that the entire clause was stricken out.

Mr. McCUMBER. No; rejecting the committee amendment reinstates the words "immediate containers weighing with their contents."

Mr. LODGE. Then, that is all right.

Mr. McCUMBER. In line 21, before the word "pounds," I move to strike out "thirty" and to insert in lieu thereof "fifteen."

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from North Dakota.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 103, paragraph 721, line 22, after the word "pounds," to strike out the words "including the weight of the immediate container with the contents."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. McCUMBER. Mr. President, on behalf of the committee, I wish to modify the amendment by striking out the words "including the weight of the immediate container with the contents" and inserting the words "net weight," so that the amendment will be to strike out and insert.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from North Dakota to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. McCUMBER. Mr. President, I should like now to return to paragraph 728, in reference to rice. The paragraph is found on page 104. I think that the Senator from Louisiana [Mr. RANSDELL] is especially desirous of being present when that paragraph is discussed.

Mr. ROBINSON. I think that is true, and I will send for the Senator from Louisiana if the Senator from North Dakota will meantime have some other paragraph considered.

Mr. WALSH of Massachusetts. Why not now consider the paragraph in reference to black or silver foxes?

Mr. McCUMBER. Very well; suppose we take up paragraph 715?

Mr. ROBINSON. I think we might do that.

The PRESIDING OFFICER. The Secretary will state the amendment of the Committee on Finance, in paragraph 715.

The amendment of the Committee on Finance in paragraph 715, page 102, line 15, is, after the word "foxes," to strike out "$350" and to insert "$200"; so as to read:

PAR. 715. Black or silver foxes, $200 per head.

Mr. McCUMBER. I move to strike out the entire paragraph.

The PRESIDING OFFICER. The question is on the motion of the Senator from North Dakota.

Mr. JONES of Washington. Mr. President——

Mr. ROBINSON. I am in hearty accord with the motion of the Senator from North Dakota.

Mr. JONES of Washington. I think the Senator from Michigan [Mr. TOWNSEND] is interested in that paragraph. That Senator is not now present. He spoke to me in reference to the matter the other day. The Senator from North Dakota, however, knows better about that than do I.

Mr. McCUMBER. No; I had forgotten that the Senator from Michigan is particularly interested in the paragraph.

Mr. JONES of Washington. I can send for the Senator from Michigan.

Mr. McCUMBER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Bursum	Curtis	Edge
Ball	Calder	Dial	Frelinghuysen
Borah	Cameron	Dillingham	Gerry
Broussard	Capper	du Pont	Gooding

Hale	La Follette	Pepper	Swanson
Harreld	Lenroot	Phipps	Townsend
Harris	Lodge	Poindexter	Trammell
Harrison	McCormick	Ransdell	Wadsworth
Heflin	McCumber	Rawson	Walsh, Mass.
Johnson	McNary	Robinson	Walsh, Mont.
Jones, N. Mex.	Nelson	Sheppard	Warren
Jones, Wash.	New	Simmons	Watson, Ind.
Kellogg	Newberry	Smith	Willis
Kendrick	Nicholson	Spencer	
Keyes	Oddie	Sterling	
King	Overman	Sutherland	

The PRESIDING OFFICER. Sixty-one Senators having answered to their names, there is a quorum present.

Mr. McCUMBER. I note that I omitted to offer one amendment which should be proposed—on page 103, line 4. At that place in the bill I move to strike out "thirty" and insert in lieu thereof "fifteen."

Mr. WALSH of Massachusetts. I thought that we were considering paragraph 715, relating to the duty on black or silver foxes. What has become of that paragraph?

Mr. McCUMBER. I simply ask to recur to paragraph 719 before we proceed to consider paragraph 715, because of an amendment which was omitted by error. The committee propose to limit the packages to 15 pounds.

Mr. WALSH of Massachusetts. Pardon me; I have no objection to the amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from North Dakota on behalf of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the amendment in paragraph 715 proposed by the Senator from North Dakota [Mr. McCUMBER] on behalf of the committee.

The READING CLERK. On page 102, after line 13, it is proposed to strike out paragraph 715, as follows:

PAR. 715. Black or silver foxes, $200 per head.

Mr. TOWNSEND. Mr. President, perhaps the Senator from North Dakota has stated why the committee propose to strike out the paragraph. If he has, I did not hear his statement, and do not know what the reason was which induced the committee, if the Senator speaks for the committee, to reverse itself. It appears that the House imposed a duty on black and silver foxes of $350, while the Senate committee made an amendment placing the duty at $200. As I understand, the motion now is to disagree to the Senate committee amendment. Am I correct about that?

Mr. McCUMBER. The motion is to strike out the entire paragraph, which would place black and silver foxes upon the free list, if imported for breeding purposes, and impose a 15 per cent ad valorem duty under the basket clause on other black and silver foxes.

Mr. TOWNSEND. Mr. President, the black and silver fox industry is, of course, very little understood generally throughout the country; the people know very little about it. It does not stand on a parity with industries engaged in the production of other animals which are admitted into the United States for breeding purposes. The testimony before the committee would indicate that those who are in favor of free trade or are opposed to a high protective duty disagreed among themselves, and the other facts that were brought out disputed the testimony of those gentlemen.

This morning I have received, as I presume other Senators have received, scores of letters, worded in exactly the same manner, which shows clearly they were inspired from a single source, the letters not differing from each other in a single word. They protest against the action of the Senate committee. I take it the writers of the letters are in favor of some sort of a protective duty, but just what they do not make clear.

High-grade black or silver foxes when imported into the United States on an average cost $2,000 a pair. The evidence shows that the Canadian Government imposes a duty of 25 per cent on such foxes when imported from the United States to Canada for breeding purposes; in other words, on a $2,000 fox Canada imposes a duty of $500. It is proposed by the Senate committee to strike out the paragraph imposing a duty on these animals, although the House bill provided a duty of $350. I was content that the rate should be made $200, which is less than the Canadian duty.

It can not be said that the poor man is interested in these articles or affected by the duty on them. Anybody who buys a black or silver fox skin—and such skins sell for very high prices—is able to buy it. It is no hardship, I repeat, upon the poor man to impose the duty suggested, because the poor man does not buy fur skins that cost from $750 to more than $1,000 apiece. Here is a luxury, clearly a luxury, nothing else than a luxury, and it is proposed that a duty shall be placed upon these articles not even as high as the duty which Canada, our competitor, places upon these articles coming from the United States.

There is a disposition on the part of people who are speculating in these matters to import inferior animals into the United States for breeding purposes. They bring them in on the theory that they are for breeding purposes, and they use them to interfere very materially with a legitimate industry of the United States. So, Mr. President, while this may seem like an item that does not require protection, and although when we are dealing with foxes the ordinary individual is inclined to scoff at the matter and say that they need no protection, we have in the State of Michigan more than 70 breeders of foxes, who have gone to great expense and who are conducting a legitimate industry. I do not know how many of these fox farms there are in other States. There are some in Wisconsin, some in New York, California, Minnesota, and in several other States; but Michigan, especially, has a very large number of these concerns which are engaged in the breeding of very high-grade animals.

I want to impress, if I can, upon the Senators who do me the honor to listen to what I am saying that this duty is not an imposition upon the ordinary individual. It does not make his furs or the furs for his wife and daughter cost more, because he does not buy these furs. This particular breed of foxes—the black and silver-gray fox—are rare animals and are bred only at great expense and with great care, and those who are engaged in their breeding in Michigan, those who started the industry there and in the other States, are deeply interested in maintaining the quality of the animals which are brought in. They have asked for this protection, and the House has given them $350. The matter was brought before me, and I went before the committee. It seemed to me that $200 would probably afford adequate protection, although by getting that nobody in the United States who is buying ordinary furs is injured by the duty, and if these animals are shipped into the United States free of duty the Government loses a revenue from a tariff which it can well afford to place upon a luxury.

A few Senators have come in since I began speaking about this matter, and I want to repeat: Our competitor is Canada. Foxes for breeding purposes are shipped back and forth across the line. Canada is protecting herself by putting a duty of 25 per cent ad valorem upon the value of the foxes, which, I say, in the case of those high-grade foxes, the ones that are imported, is about $2,000 per pair, so that a 25 per cent duty is $500. The House placed the duty at $350. The Senate committee reduced it to $200, and so reported it to the Senate; and now, without any explanation that I have heard, the chairman of the committee—speaking, I assume, for the committee—moves to disagree to the Senate amendment, and then he proposes to strike out the paragraph.

Mr. BORAH. Mr. President, how much revenue will this bring in?

Mr. TOWNSEND. More than the Senator thinks. I have not the figures here, because I had not expected the matter to come up at this time, so I am not prepared in regard to it.

Mr. KELLOGG. Mr. President, if the Senator will allow me, I have here a statement which says that in 1920, 805 of these foxes were shipped in; in 1919, 335. I can not vouch for this. This was furnished, I think, by the Fox Breeders' Association. It gives the number of fox farms in the United States as 216 and the number of foxes on those farms as approximately 4,350, of a total value of $4,281,830.

Mr. TOWNSEND. I shall endeavor to find out more about that before we get through, but I have nothing further on the subject at present.

Mr. McCUMBER. Mr. President, inasmuch as the committee has changed its view with reference to the simple question really as to whether or not animals of this character for breeding purposes should come in free, I desire to give very briefly the reasons that actuated the committee.

Mr. President, anyone who is acquainted with our agricultural conditions of 40 or 50 years ago, and who will stop to consider the kind of scrub cattle and horses that the country generally had at that time, and then compare them with the fine blooded stock that we have at the present time all over the United States, can realize the benefits to be obtained from allowing the importation of fine blooded cattle or hogs or sheep or horses, and we are asked now to change that policy. We are asked to change it just at a time when a fair number of people

in the United States have begun the development of fox farms. They got their blooded stock in the first instance free. Having developed the business and having gotten into this country under the law as it then stood without the payment of high duties, they now desire to take advantage of those who also wish to go into a business in which they can sell a single fox hide, as the Senator says, for from five to twelve hundred dollars, and require them to pay a mighty good price for so doing. In other words, they want the monopoly; they want the exclusive trade in the blooded stock.

I do not think we should change our policy. While the committee changed its mind, I am perfectly free to say to the Senator from Michigan that I have been in favor at all times of admitting free of duty these foxes for breeding purposes. Canada allows them to come into her own country free of duty, notwithstanding the fact that Canada is the home of the black and the silver fox, and they have had their fox farms for 20 years. The only excuse that can be given by those who desire a heavy duty upon the importation of these foxes is that the American purchaser does not know enough to distinguish between a good breeding stock and one which is poor.

Mr. President, the same objection that these people are making now might have been made against the Holstein bill; the same objection might have been made against the imported stallion and the sheep. I do not know why an American who is importing from Canada should not be able to distinguish between good stock and poor stock in foxes as well as he would in cattle or sheep; and if he is not able to distinguish he had better not go into the business, or else get some one with him who can pass judgment upon the quality of the stock better than he can.

I do not agree with the Senator that fur is a luxury——

Mr. TOWNSEND. I did not say that; I said this kind of fur.

Mr. McCUMBER. We people who live up near the North Pole, in the Dakotas and in northern Minnesota, regard it as an absolute necessity in the wintertime; and we should like to see the fox farms grow in the United States, and the number of pelts increase, until we can buy a silver or a black fox pelt practically as cheaply as we could buy the pelt of the old red fox a few years ago. We need the fur, and in my opinion we ought not to pass any legislation the effect of which will be to prevent other people going into the business of raising foxes for their fur; and the only way in which we can assure a steady increase is to allow the importation for breeding purposes to anyone who desires to go into the business. It will benefit our stock in the end; and I want to say in addition to that, in answer to the Senator from Michigan, that the Agricultural Department, who have jurisdiction over the matter of these importations, should see to it—and they have the power to see to it—that nothing but the highest class of well-bred stock shall come into the United States.

I think, Mr. President, that the fox industry ought to be placed exactly where the industry of cattle and horses and mules and everything of that character is placed.

Mr. ROBINSON. Mr. President, I am in accord with the position taken on this subject by the chairman of the committee, and I congratulate the committee on what appears to me to be a very intelligent and proper action, as indicated by the policy now suggested by the chairman of the committee.

This item relates to a tax upon the importation of live animals. The evidence is that the importations are had solely for breeding purposes. Every person now engaged in the production of the foxes described in this paragraph procured his original stock by importation. That statement, I think, will not be controverted by the Senator from Michigan or by anyone else.

The United States has never been known as a silver-fox country. It is true that ever since the country was discovered there have been a few silver foxes grown in the country, but the business as it now exists in the United States, even in the State of Michigan, is the result of the importation into the country for breeding purposes of the silver foxes grown in Canada, principally, I believe, on Prince Edward Island.

Comparatively few individuals have procured the stock and are now engaged in the business of breeding. A large number of other individuals, perhaps some corporations, are engaged in the same industry. It has been found exceedingly profitable during the last 10 years, one man with a very small capital having made a profit of approximately $250,000 in the single year 1920, if my memory serves me correctly.

There is a mutual arrangement now in force by which both Canada and the United States permit importations from the other country, respectively, of registered animals for breeding purposes, and among those registered animals are included foxes of the class designated in this paragraph.

Any disturbance of that arrangement in all probability would create resentment upon the part of Canada. It is a wholesome arrangement. It has proven beneficial to the United States, as stated by the Senator from North Dakota. There never was any justification for a tax upon the importation of silver or black foxes into the United States. There can be no justification for the high rate proposed in the House bill, and there is little justification for the rate proposed in the Senate committee amendment, which the Senator from North Dakota now contemplates withdrawing with a view to striking out the entire paragraph.

The importation of high-class animals for breeding purposes is a policy strongly intrenched in the procedure of this country in the past. The wisdom of that policy has been demonstrated by results already obtained. No circumstances within my knowledge exist which would justify the imposition of a high rate of duty upon the importation of these animals merely for the benefit of those who have already obtained the necessary stock for breeding purposes and who would, therefore, by the imposition of this duty or any other high duty, shut out competition upon the part of other American producers.

There has been furnished me by Mr. Frank L. Augustine, who is engaged in the business of producing silver foxes for the market in the United States, a brief disclosing the history of this industry in the United States, fully explaining the purposes of those who seek the imposition of this high duty contemplated by the House provision and by the Senate committee amendment, for the Senate committee amendment provides a tax of $200 a head upon all black or silver foxes imported into the United States.

The adoption of the course suggested by the Senator from North Dakota, in my judgment, is not inconsistent with a fair policy of protection. We have heretofore arranged with Canada for the importation of stock into that country free of duty for breeding purposes and we permit Canada to send stock into this country upon the same conditions and for the same purpose.

I ask unanimous consent to have inserted in the RECORD as a part of my remarks the brief which has been furnished me upon this subject. I can see no justification whatever for the imposition of either the House rates or the rates proposed in the original committee amendment. I am in hearty accord with the purpose set forth by the Senator from North Dakota.

There being no objection, the brief was ordered to be printed in the RECORD, as follows:

For the reasons outlined in the inclosed brief we believe that the words "except black or silver foxes" should be struck out of paragraph 1507 on page 209 of Calendar No. 591, House bill 7456.

There is a reciprocal arrangement between the United States of America and the Dominion of Canada whereby animals registered in national records of the United States are admitted into Canada duty free and animals registered in Canadian national records are admitted into the United States duty free. Canadian national records for black or silver foxes were officially recognized by the United States Department of Agriculture on October 4, 1921, for free entry into the United States.

If the words "except black or silver foxes" are left in paragraph 1507, it will mean that the agreement between the United States and Canada in regard to registered animals will be broken. You can not break an agreement in one part without breaking the agreement altogether. If we choose to break this agreement, how can we expect the Canadian Government to allow our registered horses and cattle to go into Canada duty free. We export to Canada far more registered animals than Canada exports to this country. This is particularly true in reference to registered horses and registered cattle.

With reference to the matter of the proposed duty of $200 per head on silver black foxes imported into the United States, I would like to draw your attention to the following facts regarding this situation. I am endeavoring to make a start in this industry, and I write from the point of view of a new beginner. I sincerely hope that you will read this brief over carefully and give your best consideration to the points which I endeavor to bring out.

The American Fox and Fur Farmer Magazine has its office in the same building and on the same floor of this building as the Central New York Fur Co., and I understand that the Central New York Fur Co. is interested in the magazine—that is, that the directors of the Central New York Fur Co. are among those behind this magazine. Anybody could tell by looking at the magazine that it could hardly be made to pay from the amount of advertising that they have. Mr. Cookingham, who went down to Washington in the first place in connection with this duty matter, is a director, or was a director, in the Central New York Fur Co. The Central New York Fur Co. brought their foxes into the United States in the fall of 1920, and their first breeding season was in the year 1921. As soon as they got their foxes into the United States they immediately started a hue and cry for a high duty. They claim that they have the best foxes in the United States. Where did they get these foxes? They got them right direct from Prince Edward Island. Is it fair that as soon as they got their good foxes into the United States that they should shut out everybody else in the United States from importing foxes into the United States?

Then take the case of Arthur Schleicher. Arthur Schleicher imported his foxes direct from Prince Edward Island, and claims to have as good a ranch of foxes as can be found anywhere. Is it fair that as soon as he has his foxes in the United States his neighbor in Wisconsin or some other State should be shut out from importing equally as high grade stock? Both the above people have good, large ranches. There is no doubt about that, but, even so, their ranches can not supply the whole world with fur.

Then take the case of Frank F. Tuplin. He was one of the pioneers of the business on Prince Edward Island. He made a lot of money there, and then took some foxes out to Michigan and started in the business, where, I understand, he has made a large amount of money. Almost every year, however, Mr. Tuplin goes to Prince Edward Island and brings foxes back with him to the United States. Why does he do this? If he has the best foxes in the world, as he seems to think in Michigan, why is it necessary for him to go to Prince Edward Island for new blood from time to time? These are pretty pertinent questions. Is it fair, now, because he thinks he has enough foxes to go on breeding independently from them, that his neighbor should be prevented from going to the original source of supply for foundation stock to start operations with? There is no question but that Frank Tuplin knows a lot about foxes; perhaps he does not tell all he knows. I believe he has made the statement that the quality of fur in Michigan on the average is not up to the quality of the fur on Prince Edward Island, but that he could raise more pups in Michigan than he could raise there. This is a strong argument for the wisdom of importing new blood from year to year.

The American Fox and Fur Farmer says that inferior foxes and culls should be kept out of the United States. This is quite true. How many cases do they actually know of where inferior foxes and culls have been shipped into the United States from Canada? There is no question that probably in some cases poor foxes have come in, but let me tell you that the average man who is buying foxes and paying his good money for them is pretty sure to see that he gets good foxes. Further than that, the Canadian Government will not register in their national records a cull fox. I believe that there should be a duty on foxes not registered going into the United States, but there should be no duty on foxes registered in Canadian national live-stock records.

The Canadian Government is just as strict in inspecting their foxes for registration as they are in inspecting their Holstein cattle. A great many cattle and horses are shipped into Canada duty free from the United States because they are registered in American national records. Some of these have gone bad and have been poor animals, it is true, but on the whole the average has been high, and it is the same way with silver black foxes coming into the United States from Canada. There are a number of people in the United States who have become interested in the fox industry within the last two or three years and who think they know it all. How can this be possible any more than it is possible for a man to learn and thoroughly understand the Holstein cattle business in so short a time? They may think that they know it all, but do they?

There is an agreement between the Government of the United States and the Canadian Government whereby animals registered in Canadian national live-stock records can go into the United States duty free, and vice versa; animals registered in American records recognized by the Washington Government and recognized by the Canadian Government can go into Canada duty free. If the United States Government chooses to break this agreement in respect to one branch of Canadian national live-stock records, would it not have a tendency to upset the whole working arrangement which is now going along so smoothly? This is only my own opinion, and I have not heard any others express their views on the subject. If it would upset the agreement, American horses and cattle could not go into Canada duty free as at present. This thought has just occurred to me, and it is only expressed as my viewpoint.

Here is another example: The Fromm Bros., of Hamburg, Wis., have been in the fox business in the United States for a long number of years. Why did they go down to Prince Edward Island in the fall of 1920 and bring back 20 or more good female foxes to mate up with their own stock at Hamburg, Wis.? They wanted good blood for breeding purposes, and they went to Prince Edward Island for it. Is it fair that we or some others should now be shut out and not allowed to secure new blood?

Another point is this: A large number of American citizens own foxes in Canada. These foxes are being ranched for them by Canadian ranchers, and it is their intention to bring these foxes into the United States this fall to ranches which they are establishing in different parts of the country. They have bought these foxes from Canadian ranchers and have paid for them, and why should they have to pay a big duty when they bring these foxes back into their own country? Is it fair? The Government talks about the conservation of fur-bearing animals. Is it a progressive step to stop the importation of high-class new blood just at this period of this young and growing industry?

The whole thing looks as if this movement for a high duty is being pushed by a number of American ranchers who, after they have shut out Canadian competition, can ask extravagant prices for their breeding stock, and thus the American citizen who wants to go into the industry would have to pay far more than the foxes are really worth to get a start. One large rancher stated that they would be able to get higher prices for their breeding stock if this duty went on. Another said that Canadians were selling their foxes too cheap. Why does he say this? The Canadians have as much sense about intrinsic values as we have. These large ranchers, however, want to get high prices for their breeding stock, and many of them are publishing literature stating that the average price received for silver-black fox pelts is $400 and $500 per pelt. They publish these things in order to get the public to buy their foxes. Everybody knows that no collection of silver-black fox skins would average these prices unless it was a hand-picked collection, but these people state that the average all over the country is this amount. This is a false statement, and people buying foxes and basing their expectations for profits on such estimates are certainly going to be disappointed and lose money.

Why are the American ranchers scared of Canadian competition? It is not on account of Canadians shipping poor foxes into the United States, as this statement is false. It is not on account of the large number of foxes in the United States, but it is simply because they want to make exorbitant prices for themselves. Talk about Canadians shipping poor foxes into the United States. I can name you instance after instance where foxes have been shipped by reputable Canadian breeders to ranchers in the United States, who have been more than pleased with the animals they secured. Take the case of Arthur Schleicher, of Lake City, Minn. He ordered all his foxes by mail from Canada, and he certainly got splendid animals. Read his advertisements, and it will show you what he thinks of his foxes. The foxes were shipped out to him from Canada, and he never saw them until they arrived at destination.

The Central New York Fur Co. bought their foxes in practically the same way, with the exception that they sent a man down by the name of Doctor Young to work on a ranch there during the winter and to study the business, and the foxes were ranched on Prince Edward Island for the first year and then they were brought to their own ranch in New York State. Take all the bunch of foxes in the States of Michigan and New York, Wisconsin, and Minnesota, and with the exception of a few foxes that came from Alaska they all came from Canada and were all bought at reasonable prices, with perhaps some few exceptions.

The United States was never known as a silver-fox country—that is, there were very, very few wild silver foxes ever caught here. Does it not seem reasonable to suppose, then, that we should have some source open from which we can draw new blood for breeding purposes to keep up the stamina and quality of our stock? If we shut out Canada, where are we going to get the new blood?

Mr. JONES of New Mexico. I should like to inquire whether or not it is proposed also to put these foxes on the free list.

Mr. SMOOT. If they are stricken from this paragraph, if foxes come in which are not for breeding purposes, they fall under paragraph 716, with a duty of 15 per cent, just the same as all other live animals.

Mr. ROBINSON. But foxes imported for breeding purposes will come in free?

Mr. SMOOT. Yes; just the same as other animals. But I understood the Senator from New Mexico to ask if foxes would come in free if this change were made. Foxes which come in, but not for breeding purposes, fall under paragraph 716, at 15 per cent ad valorem. If they are for breeding purposes, then they come in free.

Mr. JONES of New Mexico. My attention is called to paragraph 1507, which provides that—

> Any animal imported by a citizen of the United States specially for breeding purposes, except black or silver foxes, shall be admitted free.

Mr. SMOOT. Just as soon as we agree to this amendment I shall ask that we turn to paragraph 1507, the one to which the Senator refers, and shall ask that that first amendment there be disagreed to, and that the second amendment be agreed to. That will leave foxes brought in for breeding purposes on the free list.

Mr. ROBINSON. The course suggested by the Senator from North Dakota, and which I understand it is the policy of the Senator from Utah to carry out, is, as I comprehend it, to place foxes imported into the United States for breeding purposes upon the free list, and other foxes within a paragraph which contemplates a duty of 15 per cent.

Mr. SMOOT. That is correct.

Mr. ROBINSON. I have no objection whatever to that arrangement. I think it is a fair arrangement.

Mr. JONES of New Mexico. I wanted to be assured that these pure-bred foxes for breeding purposes would not bear any tax under any other clause of the bill.

Mr. SMOOT. If the Senate agrees to the recommendations of the committee, all breeding animals, including the black and silver foxes, will come in free of duty. If they are not for breeding purposes, outside of mules and horses, all live animals come in under paragraph 716, at a duty of 15 per cent ad valorem.

Mr. JONES of New Mexico. I have had occasion to get some first-hand information about fox farms. Last summer I was up in northern New York attending to another matter, but took advantage of the situation to visit one of these farms, and the owner of the farm happened to be present. Of course, I visited the farm just as any stranger would, for the purpose of seeing what I could and finding out what I could. I realized at that time that there was an attempt being made to get a very high duty put upon these foxes imported for breeding purposes. However, I gave no intimation of that kind to the proprietor of this farm. He was very liberal with his information, and proceeded to tell me all about his business. The substance of what he said was that he had invested $40,000 in that farm; that during the previous year his profits from the farm amounted to $60,000; that they expected to have a duty put upon foxes of $350 each, and that his profits would then be much larger.

He told me about the advantages of raising foxes in New York in comparison with the fox-raising industry on Prince Edward Island in Canada, and he said that while in Canada they did manage their business in such a way that their expenses were not so great as they were in New York, yet in New York they conducted their farms on a much more scientific basis, and that the increased cost was more than relatively returned to them in the profits of the industry.

So I can not conceive, from any reasonable point of view, that the industry needs this duty. It is true, as the Senator from Michigan has said, that at the present time at least these skins are a luxury, but I have never before heard it intimated that it was a province of government, even with respect to

luxuries, to impose a tax for the express purpose of enabling one citizen to reap a profit at the expense of other citizens. So far as building up this industry is concerned, it is being built up now.

Mr. ROBINSON. Mr. President, it can only be built up by the importation of stock for breeding purposes from Canada, and any rate of duty which tends to prevent that will tend to restrict the industry as a whole, rather than to promote and encourage it.

Mr. JONES of New Mexico. The Senator is unquestionably correct. If you put a tax upon these breeding animals, you necessarily raise the capital cost of the industry every time one of the animals is imported.

Mr. ROBINSON. If the Senator will permit me, I want to take issue with him upon his statement that furs are to be considered purely as luxuries. I do not take that view of the matter. There is a tendency to treat them as such, but they are a necessary, a common article of apparel, indispensable to the comfort of citizens who live in cold climates, and by some mysterious evolution of human society they have become necessary for use in summer seasons in hot climates. How that has happened I do not choose to take the time of the Senate to attempt to explain.

Mr. JONES of New Mexico. I do not dispute what the Senator from Arkansas has said. What I intended to express was that this particular fur is considered a luxury at this time, and so it is.

Mr. ROBINSON. That is true.

Mr. TOWNSEND. I think the Senator misconstrued my remarks. I take it that the higher grade of sealskins and these silver and black foxes are not necessities of life; they are luxuries. We were talking about this particular kind of an animal, not the ordinary fur-bearing animal.

Mr. JONES of New Mexico. My thought was that we should lower the capital investment in these farms as much as we could, because by the encouragement of production, in that way it is just possible that in the near future these furs may be so cheapened in price that those of us who are able to purchase at a reasonable price may afford some such furs as these. At any rate, whether they are luxuries or not, I can not see any logic or reason in wanting this tax, when it is not for the purpose of preserving the business, when it would tend to discourage the business, to limit the business, and when there is no claim made that the fox farms are not prosperous now. It seems to me that no principle can be invoked for this kind of a tariff duty. It would tend to create a monopoly in the hands of those who are fortunate enough to have the animals in this country now, and, according to their own statements, the purpose is simply to enable them to make more profit.

Mr. POMERENE. As I understood the Senator from New Mexico, he stated a moment ago that the New York fox farm, by reason of its scientific methods, was put to greater expense in the raising of these foxes than were the Canadians with their unscientific methods. If that be so, perhaps it might be better for the New York scientists to adopt the unscientific methods which prevail in Canada.

Mr. JONES of New Mexico. The Senator probably did not hear the remark which I made preceding that. He correctly quoted what I said in the first place, but the same New York farmer said that the additional expense was more than repaid to him in the profits of the business or, in other words, that they made greater profits by reason of this scientific knowledge and the additional cost which it necessitates.

Mr. CALDER. Mr. President, I favor the levying of this duty as proposed by the Committee on Finance, but about which they seem to have changed their minds. I know it is difficult to justify picking out one animal for the purpose of levying a tax upon that animal and not upon the rest. The domestic breeders of these foxes have contended that in recent years a poor quality of animal is coming in and that it is tending to destroy the value of their production here, and that only in this way can that be prevented. May I just read a paragraph from the summary of tariff information? It is as follows:

> Ordinary pelts range in price from $50 to $200 or $300, while the better pelts bring as much as $1,000 to $1,200. A common price for a pair of good breeding animals is $2,500, although poorer animals are sold as low as $500 per pair.

The $200 tax duty proposed is about 15 per cent upon the value of the higher grade animals, which is $2,500 a pair. The breeders seem to feel that this would tend to improve and keep up the breed, with which I am thoroughly in accord. It seems to me that their position is well taken and their position is well founded, and I hope the Senate will disagree with the recommendation of the committee.

Mr. KELLOGG. Mr. President, I heard the remarks of the chairman of the committee on the question of silver foxes to the effect that silver fox furs in Minnesota and North Dakota are a necessity. I hardly deem it necessary to state what everybody knows, that this, of course, is a pure luxury, and, carrying out the theory of our friends on the other side of the Chamber, they ought to be in favor of a tariff on this product for revenue purposes.

First, Canada imposes a duty against this country on the importation of all foxes.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER (Mr. CAPPER in the chair). Does the Senator from Minnesota yield to the Senator from Utah?

Mr. KELLOGG. I yield.

Mr. SMOOT. Somehow or other there is a mistaken idea as to Canada imposing a duty upon breeding foxes going into Canada. I have a copy of a telegram from Mr. R. R. Farrow, commissioner of customs at Ottawa, which reads as follows:

> Silver foxes have been allowed free entry into Canada for the last 15 years.

Mr. TOWNSEND. Mr. President, may I interrupt the Senator by suggesting that there was presented before the committee a letter signed by R. J. Lunny, chief appraiser at the port of Montreal, in which he said:

> Referring to your letter of the 22d instant, addressed to the collector of customs, respecting a letter written to you December 14, 1920, which has been lost, particularly referring to the duty on silver foxes imported into Canada.
>
> In reply I beg to advise you that silver foxes brought into Canada temporarily, for a period not exceeding three months, for the purpose of exhibition or of competition for prizes offered by any agricultural or other association are admitted free of duty. Otherwise the duty is 25 per cent ad valorem, plus a sales tax at present in force of 2½ per cent on the duty-paid value when imported by wholesalers or jobbers and 4 per cent in cases of importation by retailers or consumers.
>
> Yours truly,
>
> R. J. LUNNY, *Chief Appraiser.*

If the Senator from Minnesota will permit me, I have endeavored to find out what the facts are in reference to the matter. I wanted to find out about it and I presented my argument on the theory that Canada imposes a 25 per cent duty on the same kind of foxes which the Senate committee now proposes shall be admitted free of duty into the United States from Canada. The Senator from Arkansas [Mr. ROBINSON] said—or perhaps it was the Senator from New Mexico [Mr. JONES]—that the only way to improve the stock was to get these foxes into the United States. The farms in the United States can supply the American breeders of foxes, and they can pay the duty.

I am obliged to the Senator from Minnesota. He was talking about a matter in which I am greatly interested.

Mr. SMOOT. Mr. President, I want to say to the Senator from Michigan and also to the Senator from Minnesota that after the question came up as to whether there is a duty on black and silver foxes in Canada, the chairman of the committee wrote a letter and received an answer to it, and in that answer it was stated that there is no duty imposed upon foxes going into Canada for breeding purposes.

Mr. ROBINSON. Supplementing the statement which the Senator from Utah just made, my information is that all animals imported into Canada from the United States and all animals exported into the United States from Canada are, under existing arrangements, admitted free of duty in the respective countries when transported for breeding purposes. That is the rule which has been universally followed with respect to all animals. There is no duty of 25 per cent or any other rate, according to my information, imposed upon foxes imported into Canada from the United States for breeding purposes.

In addition to that and in addition to the statement I made a moment ago, with the permission of the Senator from Minnesota, a number of persons have gone into Canada and are now engaged in the business of producing foxes there for breeding purposes with the view of importing them into the United States. There are only two considerable businesses in this country which have already secured their stock and which are now attempting to shut out the importation of other foxes for breeding purposes. They went to Canada and got their breeding stock, had it admitted free of duty under existing arrangements, and, having done that, their effort now is to prevent others from doing the same thing, so as to put higher and higher the price to the American people for this very necessary, if sometimes considered luxurious, article.

Mr. KELLOGG. Mr. President, I have not examined the law, but the National Silver Fox Breeders' Association and the American Fox Breeders' Association state positively that the Canadian duty of 25 per cent applies to the importations into Canada of all silver and black foxes. That is the extent of my information on the subject.

Mr. President, there is a difference between admitting free of duty ordinary breeding animals, such as horses, cattle, and

hogs, and admitting silver foxes free. The animals which I mention, such as horses, cattle, hogs, and sheep, are a necessity in business; they are the great stock-producing animals of this country, and, of course, it has been the policy, as it should have been the policy of this country, to admit them free of duty for breeding purposes; but it is an entirely different thing when it comes to the business of breeding silver and black foxes, which is an expensive business, to contend that the general industry of the country is going to be benefited by admitting them free of duty.

I realize that the breeding of silver and black foxes is a new industry in this country; it has only grown up within a few years; but there are to-day in the various States 216 fox farms, on which it is estimated that there are being raised five or six thousand silver foxes for breeding purposes and for fur.

A great deal of money has been invested in the industry, and it is estimated that the value of the foxes on those farms is $4,281,830. The Bureau of Animal Industry recommends, and I understood so recommended to the committee, a duty on the importation of silver and black foxes for breeding purposes or for any purpose. It does seem to me, Mr. Pres.dent, that the proposed duty will produce a reasonable revenue, and that $200 is not more than a fair duty for the protection of a growing American industry. I hope the last committee amendment will not be adopted.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from North Dakota [Mr. McCUMBER] in behalf of the Finance Committee to strike out paragraph 715.

Mr. ROBINSON. I call for the yeas and nays.

The yeas and nays were ordered.

Mr. ROBINSON. A parliamentary inquiry, Mr. President. What is the pending motion?

The PRESIDING OFFICER. The pending motion is the motion made by the Senator from North Dakota to strike out paragraph 715.

Mr. ROBINSON. That was my understanding.

Mr. WALSH of Massachusetts. And should the motion be agreed to, I understand that on silver and black foxes, except those for breeding purposes, a duty of 15 per cent ad valorem will be imposed.

The reading clerk proceeded to call the roll.

Mr. NEW (when his name was called). I transfer my pair with the junior Senator from Tennessee [Mr. McKELLAR] to the junior Senator from Maryland [Mr. WELLER] and vote "nay."

Mr. WATSON of Indiana (when his name was called). I transfer my pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the Senator from Pennsylvania [Mr. CROW] and vote "yea."

The roll call was concluded.

Mr. EDGE. I transfer my general pair with the Senator from Oklahoma [Mr. OWEN] to the Senator from Oregon [Mr. STANFIELD] and vote "yea."

Mr. TRAMMELL. I transfer my pair with the senior Senator from Rhode Island [Mr. COLT] to the senior Senator from Missouri [Mr. REED] and vote "yea."

Mr. CAMERON (after having voted in the negative). I am paired with the Senator from Georgia [Mr. WATSON]. In his absence I transfer that pair to the junior Senator from Vermont [Mr. PAGE] and allow my vote to stand.

Mr. HARRISON (after having voted in the affirmative). I transfer my pair with the Senator from West Virginia [Mr. ELKINS] to the Senator from Nebraska [Mr. HITCHCOCK] and allow my vote to stand.

Mr. CARAWAY (after having voted in the affirmative). I transfer my pair with the Senator from Illinois [Mr. McKINLEY] to the Senator from Nevada [Mr. PITTMAN] and allow my vote to stand.

Mr. CURTIS. I am requested to announce that the Senator from Illinois [Mr. McKINLEY] and the Senator from Wyoming [Mr. KENDRICK] are absent on official business.

I also desire to announce the following pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS]; and

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER].

The result was announced—yeas 47, nays 19, as follows:

YEAS—47.

Ashurst	du Pont	Keyes	Myers
Borah	Edge	King	Oddie
Bursum	France	La Follette	Overman
Capper	Frelinghuysen	Lodge	Pepper
Caraway	Harris	McCumber	Pomerene
Culberson	Harrison	McLean	Ransdell
Curtis	Heflin	McNary	Rawson
Dial	Jones, N. Mex.	Moses	Robinson
Sheppard	Smoot	Sutherland	Walsh, Mass.
Shields	Spencer	Swanson	Walsh, Mont.
Simmons	Stanley	Trammell	Watson, Ind.
Smith	Sterling	Underwood	

NAYS—19.

Calder	Johnson	Nelson	Poindexter
Cameron	Jones, Wash.	New	Townsend
Fernald	Kellogg	Newberry	Wadsworth
Gooding	Lenroot	Nicholson	Willis
Hale	McCormick	Phipps	

NOT VOTING—30.

Ball	Ernst	McKellar	Shortridge
Brandegee	Fletcher	McKinley	Stanfield
Broussard	Gerry	Norbeck	Warren
Colt	Glass	Norris	Watson, Ga.
Crow	Harreld	Owen	Weller
Cummins	Hitchcock	Page	Williams
Dillingham	Kendrick	Pittman	
Elkins	Ladd	Reed	

So the amendment was agreed to.

Mr. LA FOLLETTE obtained the floor.

Mr. SMOOT. Mr. President, will the Senator from Wisconsin yield to me for a moment?

Mr. LA FOLLETTE. I yield to the Senator from Utah.

Mr. SMOOT. The action just taken by the Senate will necessitate changes in paragraph 1507, and I think those changes ought to be made at this time, so as to dispose of the question of the duty upon foxes. I ask, therefore, to take up paragraph 1507.

The PRESIDING OFFICER. The amendments to paragraph 1507 will be stated.

The READING CLERK. On page 209, paragraph 1507, line 8, after the word "United," it is proposed to strike out "States," and insert "States."

The amendment was agreed to.

The next amendment in paragraph 1507 was, on page 209, line 8, after the word "purposes," to insert "except black or silver foxes," so as to read:

PAR 1507. Any animal imported by a citizen of the United States specially for breeding purposes, except black or silver foxes, shall be admitted free.

Mr. SMOOT. I ask that that amendment may be disagreed to, in order to conform to the action of the Senate in reference to paragraph 715.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was rejected.

The next amendment in paragraph 1507 was, on page 209, line 10, after the word "such," to strike out "purposes, except black or silver foxes" and to insert "purposes."

Mr. SMOOT. I ask that that amendment may be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

CROP INSURANCE.

Mr. McNARY introduced a joint resolution (S. J. Res. 219) creating a joint commission to investigate the subject of crop insurance, which was read twice by its title.

Mr. McNARY. Mr. President, I have introduced a joint resolution providing for the appointment of a joint congressional committee, consisting of three Members of each House, to investigate the subject of crop insurance with a view to determining the practicability and expediency of creating a Government crop-insurance bureau or other agency.

This important subject has never been given the attention it merits, and I propose that Congress make a thorough and accurate survey, touching upon all the elements involved in such a considerable undertaking.

There is no industry subject to as many vicissitudes and hazards as farming. A year's toil and crop investment may be destroyed in a night. This threatening possibility is one of the reasons that drives farmers to the already overcongested cities, resulting in a condition both uneconomic and fraught with social evils. The farmers' economic status is directly dependent upon nature, and any legislation that tends to stabilize his crop production and minimize his losses is worthy of the most studious investigation by the Congress.

Excessive heat or rain may ruin his planted fields. His gardens or orchards may suffer from the frosts, the lack of heat, or drought. His growing grain or fruit may be injured by plant diseases or suffer damage by windstorms or hail.

The plan I propose by the resolution contemplates a study of all forms of crop insurance and the inclusion in a general legislative bill of all forms of losses against which insurance may be practicable.

For many years the farmers have carried their fire risk. Indeed there are over 2,000 mutual fire insurance companies in the country to-day actively, prosperously, and soundly en-

gaged in fire insurance. The total amount of insurance which they now have in force exceeds $8,000,000,000.

Insurance contracts against loss of grain by hail are issued in some of the Northern States and have worked to the benefit of the grain growers. A certain amount of fire insurance has also been written on standing grain in some States in the West. This form of insurance is most common where the wheat is left standing until thoroughly ripe and dry and then cut and threshed in a single process.

I realize it is not practicable to enact legislation that will justify the issuance of an insurance policy covering all the hazards to which crops are subject, but, in my judgment, a number of serious hazards may be included in a policy. If legislation of this character can be worked out, money made in the fat years would assist in carrying the farmer over during the lean years.

A single-crop farmer exposes himself to the possibility of losing the result of an entire year's work from a single catastrophe. Happily, however, the farmer of the present, in most instances and in most localities, practices diversified farming, and this practice is calculated to simplify the scheme of general crop insurance.

The principle involved in any plan of agricultural insurance must be such as will safeguard the farmer against unavoidable losses and at the same time permit him to obtain the insurance at a cost which he can afford to pay. It is these principles the resolution in question will seek to discover and, when discovered, write into legislation.

Mr. President, this Congress has done much to better farm conditions and has shown a sympathy for rural problems quite beyond that displayed by the Congress for many years. The neglect of the legislative branch of the Government to fashion laws designed to improve farm conditions has added to the unrest manifest throughout the agricultural communities in the country. While many questions appertaining to farm life can not be solved by legislation, yet every lawmaking effort should be exhausted in behalf of those who occupy and till the soil.

It is my opinion that, if the farmer's income is stabilized through the years and assurance given him of wholesome legislation providing that a sudden loss may be recouped by the payment of a policy of insurance, one of the great causes will be removed that accelerates the human current to the cities.

Mr. President, I intend to ask the Senate for early and favorable consideration of this legislation. I move that the joint resolution be referred to the Committee on Agriculture and Forestry.

The motion was agreed to.

VIEWS OF SENATOR POMERENE ON AMERICAN VALUATION PLAN.

Mr. POMERENE. Mr. President, I have had a great many letters from constituents urging me to support the American valuation plan which was contained in the tariff bill as it came to the Senate from the House. Personally I am very much opposed to it. Several days ago I wrote a letter to one of our largest manufacturers, giving my reasons for opposing it. I could take the time of the Senate to make a speech on the subject. I do not care to do that at this time, but in order that I may be able to answer other people who have written me on the subject, I ask unanimous consent that the letter to which I have referred may be incorporated in the RECORD in 8-point type. I should add that this is the complete letter, except for two or three paragraphs which were of a rather personal nature, and those I have omitted.

There being no objection, the letter was ordered to be printed in the RECORD in 8-point type, as follows:

"The question before us is the American valuation plan. It has nothing whatever to do with the theory of either a protective tariff or a revenue tariff. I have been in the Senate long enough to get away from theories. On the tariff question a man may be a theorist whether he believes in high protection or in a revenue tariff. It is practical common sense which ought to prevail, and whatever may have been our theories before the world cataclysm, changed economic and financial conditions must be borne in mind in all legislation. If American valuation is either right or wrong under a protective theory, it is right or wrong under any other system of tariff.

"I quoted to you on the train the argument used by the foreign trade branch of the Cleveland Chamber of Commerce. They used the item of lemons and pointed out the great difference in the price of lemons in the Cleveland markets within a very short period of time and based their argument against the American valuation plan on the very great difference in the amount of the tariff duties based upon a high price and a low price for lemons in the Cleveland markets. It is true they were unfortunate in their illustration, because the duty on lemons is specific and not ad valorem, but because they were mistaken in this fact it does not lessen the weight of the argument as applied to ad valorem duties where the American valuation plan could apply; and it is but a short step to conclude that if the American valuation plan was once adopted those who favor it would insist that every duty be made ad valorem rather than specific, or that the American valuation plan should be made to apply on imports whether subject to ad valorem or specific duties.

"I note your suggestion that it is easier for our customs officials to determine American values than foreign values. I can not think that you are quite serious in making this suggestion. We have consular officers and Treasury agents in every part of the world who are in constant communication with the Government departments at Washington. All this information is available to the customs officials. Importers who buy abroad are not wont to pay less to the producers abroad than the prevailing prices abroad. True, there may be special occasions to the contrary. The customs officials here have the same right to call witnesses and books and papers and inquire into foreign values of the importers that they would have under the American valuation plan, and if anything is needed to extend this authority, it is within the power of Congress to do it.

"Again, the variation in market prices at the point of production and sale is not so great as the variation in prices in the various markets of the United States throughout this great country from coast to coast and Lakes to Gulf. It is perfectly clear to those who have studied the question here in Washington that it is easier for the Treasury officials to enforce the tariff laws based on foreign valuations than it would be on American valuations.

"Your contention is seemingly that a high tariff does not aid in the control of prices. That prices can be and are controlled by dealers in articles on the free list is admitted. Fair-minded men will also admit that prices can be and are controlled on articles which are on the dutiable list, and I think fair-minded men will go further and say that the more nearly we exclude all foreign articles of a given kind the better will be the opportunity for those who are producing articles of this same kind to control the market and fix the price. The fact is that one of the purposes of a tariff is to increase prices. No one now denies this and no one denies the right of a producer to fix his prices, unless it be as a result of a combination which prevents reasonable competition and thereby places the buying public at the producer's mercy.

"To sustain your contention that the American valuation plan would not aid the American producer in advancing prices you say, 'If an article is valued at $4 in Germany and a similar article has a valuation in the United States of $8, then to equalize the difference under the American valuation a 50 per cent tariff should be set. That would mean a tariff on the article in question of $4. Add that $4 to the $4 German valuation and the result is $8, thus equalizing the American valuation of a similar article.'

"You further say, 'If then the American manufacturers try to raise the price, let us see what would happen. Supposing they boost the price to $10, then the tariff would be 50 per cent of $10, or $5. Add that $5 tariff to the $4 German valuation, and the German selling price to the United States would be $9. The result plainly shows that the American manufacturers could not boost the price; otherwise the Germans could take all the business.'

"Given your hypothetical illustration with your hypothetical prices and circumstances, you perhaps have proven your case to your entire satisfaction. You make the mistake, however, of assuming all the while that the change in valuation can only apply to the American market. Your example overlooks the changing of prices in the other countries. The debates in the Senate show that very substantial advances in the price of products as well as of labor are being made in Germany, and particularly was this true during the months of January and February.

"Now, let us take your illustration with the price of the article $8 and with a 50 per cent ad valorem tariff duty of $4. Then assume that the price in Germany advances from $4 to $6. If this article was to enter the United States, the importer would have to pay the German price $6, plus the ad valorem duty of $4, or $10; so it would be utterly impossible for the German article to enter the United States, with the effect that there would be no competition at all between domestic and foreign articles, and the producer in the United States could advance his price from $8 to just below $10. The further result would follow that the tariff duty which supposedly was intended as a source of revenue to the Government of the

United States would yield no revenue whatsoever. Effects will differ with varying prices.

"I understand, of course, some men holding economic views like your own are absolutely opposed to any imports which in any way tend to compete with their products. If that is sound policy then it would be simpler and wiser to place an embargo at once upon all imports; but no school of thought with which I am familiar is willing that this shall be done during a period of peace.

"Again, I note your suggestion, 'Let us take an article at a valuation in Germany of $4, France $5, England $6, and the United States $8. Under American valuation the tariff should be 50 per cent, which would compel the German, Frenchman, and Englishman to pay $4 tariff on that article. On the other hand, if foreign valuation were used it would mean that a tariff of 100 per cent must be placed on the article, whereby the German would pay $4, the Frenchman $5, and the Englishman $6 tariff.'

"Again, it is your purpose to keep out all competition. You would make the price of the German article with the 50 per cent tariff duty $8, the French $9, and the English $10. In other words, your plan would limit all American buying to Germany.

"In all tariff bills heretofore, whether of Republican or Democratic origin, foreign cost has always been taken into consideration. This cost varies at different times and in every country, and it is no more difficult to arrive at a rate that is reasonably just, based on foreign valuation, keeping in mind these differences in cost at the place of production, than it is to determine the American valuation in the various markets of the United States, due in part to varying marketing conditions in the several sections of the country, as well as to the cost of transportation.

"I can not understand how a gentleman with your usual eminently fair judgment can take this position. McKinley was a high protectionist, but in his last speech at Buffalo he said, 'America can not forever expect to sell and never to buy.' Certainly you want us to capture the foreign markets, but you do not seem to be willing that our people shall have the benefit of any trade relations with the old countries. From the logic in your letter you must even go further and suggest that the tariff should be made high enough so as not to permit any competition from abroad even with the most inefficient plant in the country. Again, let me repeat, if this is sound policy, then let us act openly and above board and either place a direct embargo upon all imports or do it indirectly by making the rate so high that nothing can come in. Let Congress do this and not put it in the power of producers to manipulate domestic prices so that the tariff rates will become in effect an embargo.

"Europe owes this country and its nationals $18,000,000,000. She can not pay it in gold because she does not have it. She can not pay it in her depreciated currency because we will not take it, and there is only one method whereby to get it, and that is by some reasonable trade relations.

"Again, we have a surplus of agricultural products running from one billion and a half to two billions each year, and a surplus of manufactured products running from at least two billions to two billions and one-half or more per year. How are we going to sell these things if we are not going to buy? If every other producer would take your position this country would be ruined in a twelvemonth.

"Now, let me state concretely some of my objections to the American valuation plan:

"First. The fact that the American valuation plan was early adopted and after a short trial discarded and the foreign valuation later adopted and continued all these years ought to indicate that the best judgment of your own party has been against the American valuation plan and for the foreign valuation plan.

"Second. Before the holidays the Congress of the United States set aside $100,000 for the purpose of investigating the American valuation plan. This investigation was conducted by the so-called Reynolds Commission, which was appointed by a Republican administration. This commission investigated the subject very, very carefully. They made their report to the Senate Finance Committee, and the Republican members of the committee by a vote of seven to three rejected the American valuation plan as wholly impracticable. And one of the special reasons why it is impracticable is because of 'the limited number of exactly comparable domestic and foreign products,' and again 'because of the difficulty and probable litigation involved in defining comparability to the satisfaction of importers, domestic manufacturers, and customs officials,' and again 'because of the disturbance to business while these difficulties were being adjusted.' The language just quoted is from Senator SMOOT, one of the very high protectionists in the Senate.

"Third. To a very large extent the producer fixes the price of his article. If the American valuation plan was adopted and the rate of duty was 50 per cent ad valorem based upon this American valuation, the producer could not change the rate of duty, but he could by the increase or decrease of his own price either increase or decrease the amount of the revenue which the Government would get out of this duty if articles were imported; and if the price of the foreign article abroad were to increase from month to month, it would be possible for the producer by raising his price to increase the amount of duty which the importer would have to pay to such an extent that the importer could not bring his goods in and pay the duty and compete with the American price. In other words, the producer could advance or decrease his own prices. It is not likely that he would decrease them. If he increased them, or if the prices abroad were increased, the foreign article could be shut out entirely because of the duty. In other words, it would be within the power of the producer to cut off the revenue of the Government. I have made this clear, I think, by what I said above as to the effect of the increase in prices abroad.

"Or, perhaps, to express my thought a little more clearly, American valuation must include labor cost, overhead cost, transportation charges, and profits. It therefore follows that any increase in labor costs, overhead costs, or transportation charges will increase the amount of tariff which the importer must pay; but this is not all. In other words, the greater the profit of the producer under the American valuation plan the greater will be the amount of the tariff the importer must pay, and the lower the profits of the American producer, the lower will be the amount of the tariff which the importer must pay.

"I have the greatest confidence in your personal integrity, but I would not trust you or any other man with the power in this way to fix the duty on goods competing with your own product. The fixing of the amount of duties is a function of Congress. It ought not to be within the province of a private American citizen to fix the amount of duty which a competing foreign article must pay. Congress should fix taxes. The amount of our revenue should not be subject to the control of the taxpayers, either directly or indirectly.

"Fourth. I think I can make my objections to the American valuation plan a little clearer if I avail myself of some of the figures which were prepared by the tariff experts of the Treasury Department, and which have been approved by at least a majority of the Republicans on the Finance Committee, and they will answer largely your suggestions that the American producer under the American valuation plan can not advance prices so as to cut out foreign competition. In presenting these figures let me remind you that the profits as well as the costs of importers and also producers vary constantly. There can be no fixed rule. To illustrate:

"Overhead expenses and profits may vary from 5 to 6 per cent and even as high as 100 per cent. Transportation rates may vary from an insignificant part of the cost of articles of small weight but of high intrinsic value to almost half or more of the total cost of articles of heavy weight, and profits may vary from nothing to 100 per cent or more. But these varying figures as to cost, transportation, and profits very seriously affect the amount of tariff to be paid under the American valuation plan, and a study of the figures I am about to give will demonstrate conclusively that the higher the profit to the domestic producer under the American valuation plan the higher the amount of duty will be which the importer will pay. Let me now give the figures of the expert.

"He assumes for illustration the foreign value of the article to be imported as 100 per cent, the landing charges 10 per cent, the average overhead expense and profit 25 per cent. The result is as follows:

	Per cent.
Foreign value	100
Freight, etc	10
Duty at 60 per cent of foreign valuation	60
Landed cost	170
Plus 25 per cent overhead and profit	42½
	212½
American valuation equivalent (60 per cent)	28

Sixty per cent of foreign value (100 per cent) equals 28 per cent of American value (212½ per cent).

"The experts then make an actual application of this rate under varying conditions. Based upon foreign valuation under

differing conditions, this rate of 28 per cent will vary from 46 per cent to 84 per cent on foreign values. He then gives the following examples:

Example No. 1.

(Thirty-three and one-half per cent overhead and profit.)

	Per cent.
Foreign value	100
Freight rate	10
Duty, at 28 per cent on American valuation (234 per cent)	65½
Landed cost	175½
Plus 33⅓ per cent overhead and profit	58
American valuation	234

Example No. 2.

(Fifty per cent overhead and profit.)

	Per cent.
Foreign value	100
Freight rate	10
Duty, at 28 per cent on American valuation (285 per cent)	80
Landed cost	190
Plus 50 per cent overhead and profit	95
American valuation	285

Example No. 3.

(Thirty-three and one-third per cent overhead and profit; freight 40 per cent.)

	Per cent.
Foreign value	100
Freight, etc	40
Duty, at 28 per cent on American valuation (297 per cent)	83
Landed cost	223
Plus 33⅓ per cent overhead and profit	74
American valuation	297

Example No. 4.

(Five per cent commission.)

	Per cent.
Foreign value	100
Freight, etc	10
Duty, at 28 per cent on American valuation (164 per cent)	46
Landed cost	156
5 per cent commission	8
American valuation	164

Summary of above.

	Freight.	Profit.	American value.	Foreign value equivalent rate.
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*
Formula	10	25	212½	60
Example No. 1	10	33⅓	234	65½
Example No. 2	10	50	285	80
Example No. 3	40	33⅓	297	83
Example No. 4	10	5	164	46

"It will be conceded, of course, that American valuation includes cost of production, transportation, overhead expenses, and profits. So it follows that the 28 per cent ad valorem on the American valuation used in the first table is the equivalent of 60 per cent on the foreign valuation thereof, but when applied to illustrations given in examples 1, 2, 3, and 4, in practice, the American valuations would vary from 164 per cent to 297 per cent of the foreign valuations. It seems to me that these figures demonstrate conclusively the wisdom of the majority of the Finance Committee in not adopting the American valuation plan.

"Fifth. I note your alarm, as stated in your letter, over the foreign goods being imported from Italy and being sold in this country at 90 per cent off the list in competition with your product. Of course, I know what list price is, and what 90 per cent off list price may mean, but in order to understand what it does in fact mean I would have to know what the list price was and what the domestic price was. These you do not give. If you had given them, I could then tell more about competitive conditions.

"It is no doubt true that in the course of readjustment producers have lost money. In fact, nearly everybody has lost money, but nearly everybody made money during the war and for a year or two thereafter.

"Possibly it is well that I have delayed the answer to your letter because it tells me of imports from Italy at 90 per cent off list and because of that fact you can not sell in competition with them. I was reassured the other day when I picked up the Canton papers which brought the happy news that your plant was running almost at full capacity and that within the last few weeks you gave your employees an increase of 10 per cent in their wages. I am glad to hear this and I congratulate you and your men.

"The tariff has not changed since you wrote your letter. Imports have been coming in during the last six months just as they did before, or at least there has been no change in the tariff. The continued employment to almost full capacity of your plant, and the increased wages you are paying, convince me that you were suffering unnecessarily and without cause from stage fright in January when you wrote your letter. Ninety per cent off of Italian list price apparently has not disturbed you very much in fact.

"To me the American valuation plan is the most vicious proposal that has been presented to the Senate during the nearly 12 years I have been a member of that body."

TARIFF RATES ON WOOL, ETC.

Mr. HARRIS. Mr. President, I ask permission to place in the RECORD three letters protesting against certain rates in the pending bill.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

ROME, GA., *June 28, 1922.*

Senator W. J. HARRIS,
Washington, D. C.

DEAR SIR: We are mailing you to-day copies of the Rome Tribune-Herald and Rome News of June 28 issue. We desire to call your particular attention to the two editorials appearing in these two papers regarding the proposed tariff bill, in which it places 33 cents per pound on the scoured contents of all wool. This, we think, will work a terrible hardship on the common people. It will advance every garment that contains wool to a point where the masses will be compelled, in a great many instances, to do without the proper clothes.

Retailers have had a bitter experience the last two years through unfair attacks of the press because of high prices. Retail clothiers have not made any money the past two years, and the consumer is demanding lower prices. If this bill passes the Senate and becomes a law it will advance the price of every suit and overcoat from $3 to $5. This will naturally create in the minds of the buying public sentiment against the retail clothier.

We trust that you will give this matter your due consideration and, if possible, have this phrase of the proposed tariff bill changed or defeated.

With kind personal regards, we are,

Yours very truly,

W. M. GAMMON & SONS.

—

ROME, GA., *June 29, 1922.*

Hon. W. J. HARRIS,
United States Senate, Washington, D. C.

DEAR SIR: At the regular meeting of the board of directors of the Rome Chamber of Commerce, held June 27, 1922, resolution was adopted opposing the present tariff bill and indorsing the position taken by the retail dry goods and retail clothing merchants, having special reference to the tariff on wool, and I have been directed to call this to your attention. I feel sure, however, that you are alive to the situation and that you will do what you can.

Yours truly,

ROME CHAMBER OF COMMERCE,
H. H. SHACKLETON, *President.*

—

Hon. W. J. HARRIS,
United States Senate, Washington, D. C.

DEAR SIR: Will you please read into the CONGRESSIONAL RECORD the following resolution and have a copy of the RECORD containing it sent me:

"*Resolved*, That we protest against the food, tableware, and women's wear schedules of the Fordney-McCumber bill. These schedules will increase the costs of living in every American home. They are fines levied by American men upon American women and upon American children. They should not be allowed to become law."

Yours truly,

Mrs. ROBT. L. BERNER,
Chairman Legislative Council of Georgia for all Women's Organizations.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. LA FOLLETTE. Mr. President, during the period of my participation in public affairs six great tariff bills have been considered by the Congress—the McKinley tariff, the Wilson tariff, the Dingley tariff, the Payne-Aldrich tariff, the Underwood tariff, and the present bill.

The passage of the Dingley bill in 1897, during President McKinley's first term, marks a turning point in the history of tariff legislation in this country. The schedules of that bill were framed in disregard of the principle which up to that time had been the declared policy of the Republican Party. That principle had been embodied in almost every Republican platform since 1860. That principle was first expressed in the Republican platform of 1860 in the following language:

That while providing revenue for the support of the General Government by duties on imports sound policy requires such an adjustment of these imposts as to encourage the development of the industrial interests of the whole country.

In 1864 and 1868 the issues of war and reconstruction dominated all other issues, and I find no declaration respecting the tariff in the platforms of the Republican Party of those years. In 1872, however, and continuously thereafter, the Republican

Party asserted its belief in the principle of protection. I shall not quote all those platforms. The platform of 1892 is typical in its declaration—

> That on all products coming into competition with the products of American labor there should be levied duties equal to the difference between wages abroad and at home.

Mr. POMERENE. Mr. President, may I ask the Senator a question? Was the Senator quoting from the utterances of the present Finance Committee?

Mr. LA FOLLETTE. No, indeed; I was not. I was stating the often declared and accepted doctrine of the Republican Party and was quoting from the platform of 1892 as a typical declaration of the party on protection.

The opponents of the protective policy had always advanced the argument that protection by shutting out foreign products would lead to monopoly and the consequent undue enhancement of prices at home. To this Republicans have replied that duties should never be high enough to shelter private monopoly, and that competition in this country could be relied on to prevent monopoly prices. It was in recognition of the danger of combinations and trusts that Senator Sherman, championed and supported by statesmen of that time, secured the enactment of the antitrust law of 1890.

The Republican platform of 1896, upon which President McKinley was elected, declared for the principle of protection while opposing such rates as could result in domestic monopoly. That platform declared:

> We renew and emphasize our allegiance to the policy of protection as the bulwark of American industrial independence and the foundation of American development and prosperity. The true American policy taxes foreign products and encourages home industry * * * in its reasonable application it is just, fair, and impartial; equally opposed to foreign control and domestic monopoly, to sectional discrimination and individual favoritism.

The Republican Party, however, disregarding the McKinley platform upon which it had won the election in 1896, proceeded to the enactment of the Dingley tariff law.

The avowed purpose of the Dingley law was to exclude foreign-made goods to the largest extent feasible and give to domestic capital full opportunity to supply the American market. The Dingley rates were designed, as far as possible, to shut out foreign competition, and in that purpose they were largely successful. Now, note the result. Within three years following the enactment of the Dingley law 149 trusts were organized in the United States, with a total stock and bond capitalization of $3,784,000,000. Four years later trust control had extended to 8,864 plants, with a total capitalization of $20,379,000,000. By January 1, 1908, the increased consolidation embraced 10,220 plants, with outstanding stocks and bonds aggregating $31,672,000,000 of paper capitalization. The Dingley law had excluded foreign competition. The trusts strangled home competition. The American consumer was completely at the mercy of the overprotected manufacturers of the country. Prices were rapidly advanced. The cost of living increased during that period more than 40 per cent.

The condition was upon us which the wiser statesmen had foreseen in 1890 must result from monopoly breeding tariffs. The reaction of the people was prompt and exactly what John Sherman had foreseen it would be when in the advocacy of the antitrust law he said:

> If we will not endure a king as a political power, we should not endure a king over the production, transportation, and sale of any of the necessaries of life. If we would not submit to an emperor, we should not submit to an autocrat of trade, with power to prevent competition and to fix the price of any commodity. If the combination is confined to a State, the State should apply the remedy; if it is interstate and controls any production in many States, Congress must apply the remedy. If the combination is aided by our tariff laws, they should be promptly changed, and, if necessary, equal competition with all the world should be invited in the monopolized article. If the combination affects interstate transportation or is aided in any way by a transportation company, it falls clearly within the power of Congress and the remedy should be aimed at the corporations embraced in it and should be swift and sure.

For a time the people hoped for some relief through the antitrust law; but the action of the executive department, through the Department of Justice, in the enforcement of this act was feeble and indecisive, and the trusts and combinations, fortified behind the tariff wall, soon learned that the antitrust law was no menace to them. And the trusts which that act had been intended to crush went scot free, while labor organizations, at which the law was never directed, became its victims.

President McKinley's untimely death and Roosevelt's accession to the Presidency, heralded widely as he was as the champion of the common people, for a short time confused the issue and restrained the people from open revolt against the Dingley tariff. But the demand from all parts of the country for revision of the Dingley tariff downward, even during the Roosevelt administration, was overwhelming.

I would invite Republicans at this time to turn to the newspaper files of that day and observe how generally throughout the country Republican State conventions were clamoring for the revision of the Dingley tariff downward. The Republican platforms of the different State conventions during this period amply attest this fact.

It is a part of the unwritten history of the time, which many of you will remember, that President Roosevelt during his second term prepared a message which recognized the demand made for a downward revision of the tariff, and that the message in this form was sent out to the press to be released when it was presented to Congress. But between that time and the presentation of the message something happened. That portion of the message was recalled and in its place was inserted a paragraph promising a special message on the subject later. The special message was never presented to Congress, and revision was delayed through standpat influences until near the close of his term, on the eve of the presidential election of 1908, it was suggested that the question should be taken up by the next administration.

Throughout the campaign of 1908 the promise of the Republican candidate nominated on that platform was that Congress would be immediately assembled and the tariff revised downward.

In 1908 it was vitally necessary for Republican success that Mr. Taft should promise immediate revision of the tariff downward. It had been so long deferred that the political managers of that party did not dare to enter upon the campaign of 1908 without certain distinct and clear-cut promises to call an extra session and revise the tariff immediately opon the inauguration of a Republican President. The standpatters had resisted the universal demand for downward revision of the high Dingley rates for years. But as the campaign of 1908 approached they saw that the public would stand no further delay on revision, and it was deemed essential to the success of the Republican Party that there should be incorporated in that platform two unusual, exceptional, and extraordinary pledges. What were they? First, that the Republican Party would call an extra session of Congress immediately after the presidential election for revision of the tariff. You will find that written in the platform of 1908. Second, they had to specifically define the principle upon which that revision should take place, namely, that it should measure the difference in the cost of production at home and abroad.

The Republican political managers did not dare to enter the campaign of 1908 without writing into the political platform of that year those two extraordinary, unusual pledges. Because of increased living costs the feeling was so tense that leaders of the Republican Party said, in effect, "We have postponed this thing so long that we now have to say something definite. We have to lead the voters of this country to believe that tariff revision will come immediately upon the election of a Republican President and a Republican Congress—not waiting for the assembling of the regular session of Congress on the first Monday in December."

And they wrote into the Republican platform of 1908 the principle that the rates fixed by a protective tariff should represent the difference in the cost of production at home and abroad.

Mr. UNDERWOOD. Mr. President, if the Senator will allow me to interrupt him for a moment, to sustain the position he has taken, I wish to call back to his memory the fact that in the House of Representatives, just prior to the election of Mr. Taft as President, the Republican Party being in control, the chairman of the Ways and Means Committee, Mr. Payne, brought in a resolution providing that the Ways and Means Committee should hold sessions for the consideration and formation of a new tariff bill immediately after the election, so that the promised revision downward should be ready for the extra session. The record of the proceedings of the House of Representatives will show that fact, indicating that the Republican Party were trying to make it certain to the people of the United States that they were going to be relieved of some of the burdens of taxation.

Mr. LA FOLLETTE. Mr. President, my own recollection confirms that of the distinguished Senator from Alabama. I remember now. And that simply emphasizes the fact, Mr. President, that the political managers of the Republican Party well understood that it was vital to the success of the Republican Party in that campaign that the voters should understand that this relief was to come, and come at once.

If anybody is interested enough in this subject to go over to the Congressional Library and consult the bound volumes of the papers of that day, he will find that county conventions, State conventions, and, indeed, every gathering of Republican organizations from 1903 to 1908 passed resolutions, almost without exception, and particularly west of the Allegheny Mountains, demanding a downward revision of the Dingley rates.

The cost of living was climbing higher and higher every hour, and that, too, was taking place without any just and sufficient reason.

I undertake to say that the cost of living during the period after the enactment of the Dingley tariff should have gone down and not up. We have revolutionized the cost of production during the last 25 years. We cut production costs in two again and again. Every student of the subject knows that to be a fact.

Throughout the campaign of 1908 the promise of the Republican Party and its candidates generally was that Congress would be immediately assembled and the tariff revised downward.

This was particularly true of the speeches of Mr. Taft, the Republican candidate for President. It is a matter of record that not once but many times throughout the campaign he made this promise. So insistent was this demand for tariff revision that Mr. Taft opened his campaign in the Middle West, where the demand for a revision of the tariff downward was most insistent. So strong was the demand of the people for a downward revision of the tariff during this period from 1904 to 1908 that they forced their views upon a reluctant Congress, made a new division in the Republican Party, and the name "standpatters" was coined for the first time in our political history to designate a small but powerful minority in the party who were successful in defying the public sentiment of the party and the country, even as some Republican Senators are attempting to defy it to-day. And they stood pat in their effort to thwart the desires of the people for tariff revision.

Not so, however, Mr. Taft and most of the other candidates who knew that only by promising a downward revision of the tariff was it possible to win the election of 1908. In my State on September 24, 1908, at a meeting at which I introduced Mr. Taft, he declared:

> The tariff is greater than the differential between the cost of production at home and abroad and it should therefore be reduced.

That was virtually the opening of President Taft's campaign for the Presidency of 1908. He came to Wisconsin because Wisconsin was the leading progressive State and had been insisting among other things upon a reduction of the outrageously high tariff duties. After a personal interview, I introduced him to a large audience in the gymnasium at the university with the assurance to that audience, which I believed to be well warranted by the interview I had had with him, that if he were President this and all other measures affecting the public interest would be dealt with upon what was well understood in that section of the country to be progressive Republican principles. I traveled with him for two days in his private car throughout Wisconsin while he made speeches in that State. And in every speech he pledged that if he were elected President the high rates of the Dingley Act would be reduced.

He referred in one of those speeches to CANNON, then the autocrat of the House, as "the old man of the sea on the back of the Republican Party." And he pledged himself then, and on a score of other occasions during the campaign, if elected, to immediately call a special session of Congress and recommend revision of the tariff downward.

It was upon this promise and because of it that the Republicans were successful in the campaign of 1908 and that Mr. Taft was elected President.

Mr. President, I could fill pages of the CONGRESSIONAL RECORD with his declarations made during the campaign from the time he left Wisconsin, where I introduced him to his first audience, until he turned from his campaign in the Middle West and West and went to the New England section of the country. And every one of those quotations from his speeches upon the tariff would be an assurance to the public that the revision to be made by the Republican Party on the assembling of Congress was to be, and should be, a revision downward from the fixed rates of the Dingley tariff law. I assembled those quotations and put them in the CONGRESSIONAL RECORD when President Taft was urging the passage of his reciprocity bill, and if my statement should be challenged I shall be able to quickly prove it.

Now, Mr. President, upon these promises of tariff revision downward William Howard Taft was elected President and the Republican Party was given another lease of power.

Mr. SIMMONS. Mr. President——

Mr. LA FOLLETTE. I yield to the Senator from North Carolina.

Mr. SIMMONS. The Senator is now reciting some historical facts with reference to this matter which I really feel that the Republican Members of the Senate ought to hear. I am afraid they have forgotten them. If it is acceptable to the Senator, I will suggest the absence of a quorum in order that we may have more of them present.

Mr. LA FOLLETTE. Mr. President, a call for a quorum at this time would necessarily return to the Chamber a larger number of my Republican colleagues, but I doubt very much whether they could be induced to remain here and listen to this historical review which I regard as very important.

I want to make, in the course of what I have to say, a direct appeal to Republicans to take such action regarding this bill as may rescue the Republican Party from defeat upon this issue. I do not know, however, that I can make an effective appeal. They may be so absolutely and completely committed to interests that overshadow the interests of the public and the interests of the Republican Party—which ought at all times to be identical—that I fear I shall fail in my undertaking.

So I will say to the Senator from North Carolina that I apprehend that a call for a quorum would be simply the waste of half or three-quarters of an hour of the valuable time of the Senate.

Mr. SIMMONS. I thought, in view of the action of the Republican Members of the Senate with reference to the tariff bill, it was possible they had forgotten the fact and that it might be very well to have them present and hear the facts stated by the Senator from Wisconsin. But it may be the Senator from Wisconsin is right and I am wrong, that they have not forgotten them and do not care to hear them related again.

Mr. LA FOLLETTE. Mr. President, I resume my remarks, and reassert that in the promised downward revision of the tariff Republicans were successful in the campaign of 1908. President Taft did immediately call a special session of the Congress. But instead of submitting the strong message we had expected, urging a thoroughgoing revision of the tariff, a revision of the tariff downward, President Taft submitted to this body and to the House of Representatives a six-line message which simply emphasized the importance of disposing of the tariff as early as possible, and said nothing of the promised revision downward—not a word.

Sir, I remember sitting in my seat, as a Member of the Republican side of the Senate, when that message from President Taft was read. I sat in expectation as that message was read by the Secretary from the desk. I waited, however, for something that was akin to what he said in the campaign, akin to what the Republican platform promised. When the Secretary of the Senate stopped his reading I, with scores of Republicans on this floor, could not believe it was the end of the message. I wish you could have seen the Senate at that moment of time. Senators looked into each others' faces with amazement as the Secretary of the Senate concluded his reading and laid the message aside.

The result of that message and what President Taft did in connection with the organization of the House was that Congress passed and President Taft approved what I regard as the infamous Payne-Aldrich tariff law.

I know something of what transpired during those crucial days. I know that the progressive Republicans of the House of Representatives held the balance of power, and enough of them decided not to go into the Republican caucus to defeat the selection of CANNON for Speaker. Why? Because they understood perfectly well that if CANNON were selected Speaker of the House of Representatives he would appoint a standpat Ways and Means Committee, and that tariff revision, instead of being downward, as had been promised throughout the campaign, would be a revision upward.

Then President Taft, notwithstanding the campaign he had made and the interpretation that he had put upon the Republican platform, sent his Cabinet officers to the floor of the House of Representatives and through promises of patronage and political pressure, "persuaded" a sufficient number of the progressive Republican Congressmen who were opposed to Cannonism and standpatism to enter the Republican caucus and nominate and elect CANNON as Speaker of the House of Representatives. Speaker CANNON promptly appointed Payne as chairman of the Ways and Means Committee and framed up a committee on Ways and Means that proceeded to revise the Dingley tariff rates upward and not downward. This bill revising the tariff was called the Payne bill as it passed the House of Representatives in the spring of 1909. It violated the pledges that had been made to the people of the country who elected the Republican Party to power.

I shall not now take the time of the Senate to relate the story of the struggle made by the progressives, both in the House and in the Senate, to defeat that measure and to secure the enactment of tariff legislation which would keep faith with the people. The story illustrates better than any other that I know the manner in which the great business interests of the country control legislation in spite of party pledges and in spite of the manifest opinion and wishes and welfare of the people, but I will not turn aside to tell it here. Suffice it to say that our protests were unheeded. The standpat Members of Congress had the votes and they had control of the President and were in position to put through the House of Representatives that legislation, and they did put it through.

The day the bill passed the House of Representatives revising the tariff upward, or on the day following, I called upon President Taft. I reminded him of his Wisconsin speeches; that he had said revision of the tariff schedules would be downward, and that the revision ought to be downward; that the Dingley rates more than represented the difference in the cost of production here and abroad, which the Republican Party had written in its platform as the true measure of protection.

I implored the President to send a message to Congress and urge Republicans to redeem their platform pledges and the promises which he as a candidate had made in the campaign. He said to me—and I quote substantially his words, which I published in 1912 and which have never been denied by him—"I know that is true, and if the Senate does not reduce those duties I will veto the bill." I said to him, "Mr. President, you will be in no position to veto the bill if you remain silent while the Senate is considering the bill and see these increases confirmed and remain mute. You will be so committed that you can not veto the bill. Business is suspended throughout the country, as it is during every tariff revision. You are, as it were, the supervising architect of the great legislative measure that is being constructed day by day and can not afford to sit on the job and see the plans and specifications violated day by day and never open your lips in protest." I again urged him to remind the Republicans of the Senate of the declarations upon which their party had won the election of 1908, and I asked that he appeal to that body to make good the pledges that the House had violated.

I remember distinctly that he said:

> Well, I do not altogether like to send to the Congress a message on pending legislation. I think my predecessor rather overran the limit in that respect, but I will tell you what I will do: If the Senate does not reduce the duties, I will veto surely the bill.

And he smote the table with his fists. He then added

> You Progressives attack that bill in the Senate; secure all the reductions you can, and if it is not a better bill when it comes to the Executive I will veto it.

I said good-by to him, came to this floor, and as one of a little group of Progressive Republicans we entered upon that long struggle to make the Payne-Aldrich bill conform to the promises of the Republican platform. We fought for six or eight weeks.

Mr. President, at the end of some six or eight weeks of the most arduous resistance upon our part against its excessive and extortionate rates the Payne-Aldrich bill was passed. Besides the increases made in the House over the Dingley rates, there were more than 680 increases in the bill as reported from the Finance Committee, and I can not at this moment tell you how many more were offered on the floor and put through. The bill as enacted was an abomination.

When the bill passed I again went to the White House and said, "Mr. President, the bill has passed the Senate. It is infinitely worse than when it passed the House. I have not been home for more than a year. I am going home while it is in conference. I have just come to pay my respects to you. I have not been able to come to you for six weeks because of the hours of meeting of the Senate."

"Well," he said—he did not have his fist doubled up at that time; he did not hit the top of his desk with his clenched fist; the starch seemed to be pretty well out of him, and he said, "What am I going to do?"

I said to him, "Mr. President, I do not know what you are going to do, but I do know what you told me you would do. You told me you would veto that bill unless it was improved; unless it was a revision downward."

"Well," he said, "suppose I can not veto it; what will I do?"

I said, "I do not know."

"Well," he replied, "tell me some of the bad things that are in it."

"Oh," I said, "Mr. President, that will take too long."

He picked up a pencil and a pad of paper and said, "Tell me some of the worst things in it."

And I began to enumerate some of its most vicious provisions as he wrote. When he had filled the first page of the pad he threw down the pencil and said, "Senator LA FOLLETTE, won't you go and write me a letter analyzing this bill, pointing out the worst things in it?"

I said to him, "Mr. President, I have my reservations to go home. I was going to take the train to-day."

He said, "Well, I request it."

I said, "That settles it, Mr. President, and I will go and cancel my reservations."

I did so, and sent him the next day an analysis—not perfect by any means, but the best analysis I could make in that brief time at my disposal.

I then took the train for Wisconsin, and when I reached my home State I received and have now in my files a letter from Mr. Taft thanking me for putting into his possession that analysis of the bill.

Then, to quote the language of the lamented Dolliver, "Surrounded as he was by gentlemen who knew what they wanted," he did what you might expect him to do—he surrendered and signed the bill.

And now let us see what happened.

In the congressional elections which shortly followed in 1910, however, the people of the country spoke in tones which commanded the attention of even the most hardened Republican bosses. Following the election of Mr. Taft to the Presidency in 1908, the membership of the House stood 212 Republicans and 174 Democrats, a clear Republican majority of 38 in the House. The Senate stood 59 Republicans to 33 Democrats, a Republican majority of 26 in the Senate. The Republican Party had undisputed control in both Houses. Mr. Aldrich was the boss of the Senate, and Mr. CANNON was, through Taft's influence, restored to his position as dictator of the House. But by the election of 1910 the Republican majority of 38 in the House was completely wiped out and control passed to the Democrats with a clear majority of 70 votes. Think of it! A House which had stood 212 Republicans to 174 Democrats became a House composed of 160 Republicans and 230 Democrats. The Republican majority of 26 in the Senate could not be entirely wiped out since only a third of the Senators are elected at one time. Yet the Republican majority in the Senate was reduced from 26 to 7. The Progressive Republicans held the balance of power, and the Aldrich-Cannon machine thereby lost control of legislation.

But even this rebuke by the voters was not enough. The Republican progressives in the Senate joined with the Democrats, and a tariff bill was passed with a reduction of rates from the Payne-Aldrich schedules, intended in some measure to keep faith with the people. But the influences brought to bear upon President Taft were so strong that he vetoed the measure.

On March 26, 1912—election was then approaching—President Taft transmitted to the Congress a report of the tariff board which dealt with cotton manufactures in what was known at that time as "Schedule I."

Mr. President, I would not have Senators assume that the tariff board dealt only with the cotton schedule. They dealt with a number of the schedules in a most thoroughgoing way.

A good corps of experts worked with that board, and never in the history of tariff legislation have we had such work, such thoroughgoing work, as was done by the Taft tariff board during its existence. They went thoroughly into the subject of the difference in the cost of production, and they made separate reports of the highest value to the President. You can get more information as to the difference in the costs of production by studying the work of the tariff board appointed by President Taft than you can find anywhere else in the history of tariff legislation of the United States.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER (Mr. WALSH of Massachusetts in the chair). Does the Senator from Wisconsin yield to the Senator from Ohio?

Mr. LA FOLLETTE. I yield.

Mr. POMERENE. The Senator has just stated that that tariff commission went into the difference in the wage cost between domestic production and foreign production.

Mr. LA FOLLETTE. I did.

Mr. POMERENE. The Senator is a member of the present Finance Committee. Permit me to ask him to what extent the present Finance Committee went into the difference in the cost of production in this country and in other countries.

Mr. LA FOLLETTE. Mr. President, I answer that as best I am able. In my opinion, it is impossible at this time to under-

take a study of the difference in the cost of production. Members of that commission have said to me what I think they have said to all members of the Finance Committee, that with unsettled conditions of affairs abroad, with the hourly changing of costs of production and wages, they could not make any study that would be reliable and have value if they undertook to do it.

So we have before us at this time, I think, as much as the present tariff commission could well do. There are a large number of surveys in the different industries, showing what they are doing in other countries in the way of production, such information as they could gather over the years they have been at work. That has all been summarized in a volume which is on the desks of most of the Senators.

But I undertake to say that the fact that it is impossible to make this scientific study is the best reason in the world why this Finance Committee should never have undertaken to make a complete revision of the tariff at this time.

I again go back to gather up the thread of my argument. President Taft, in transmitting to Congress the report of the tariff board on cotton manufactures, to which I have previously referred, said:

On the basis of the report I now recommend that the Congress proceed to a consideration of this schedule with a view of its revision and a reduction of its rates.

I base this recommendation on the declaration of the platform on which I was elected, that a reasonable protective tariff should be adjusted to the difference in cost of production at home and abroad.

It would have been better for Mr. Taft and for the Republican Party and for the people of the country if he had earlier remembered the pledges which enabled the Republican Party to win the election in 1908. I quote further from this message of the President, because I am presently going to submit some brief observations on the schedule dealing with cotton manufactures in the pending bill. He further said:

The duty on these yarns—referring to the ordinary warp or filling yarns forming the bulk of the domestic production—is two or three times in excess of the difference in the cost of production.

Again, in the same message he said, speaking of cotton yarns—he took that up first because that is the thing you start with in manufacturing cloth:

The difference in the cost of weaving yarn into cloth as between this country and its chief competitor varies according to the character of the fabric. In the case of many cloths of plain weave the American cost of weaving seems to be lower than the foreign cost, due to the great number of looms tended per weaver in this country. This reduces the labor cost per yard despite the higher earnings of the American weaver. This conclusion is further substantiated by the fact that cloths of this description are sold by the domestic manufacturer in this country at prices as low as those charged by the foreign manufacturer in his own country. In proportion, however, as the fabrics become more complicated—and therefore permit of fewer looms per weaver—the American cost of production increases. In the case of most fancy fabrics of complicated weaves, the cost of weaving is higher in this country, but on such fabrics the present duties are in excess of any difference in cost and in many cases are in excess of the total conversion cost in this country.

The cost of finishing—that is, bleaching, printing, dyeing, and mercerizing—is about the same in this country and in the leading competing country. The extra duties imposed under the present law by reason of these processes are in excess of the difference in the extra cost due to finishing and are often in excess of the total domestic cost of finishing.

I shall ask you to remember the language coming from a stand-pat high-tariff Republican President, based upon the findings of a Republican tariff board, when in a few moments I shall have something to say about the cotton schedule in the pending bill. Remember also that the tariff rates condemned by a Republican President and a Republican tariff board were those of the Payne-Aldrich law and were substantially lower than those of the pending bill as reported.

But this message of President Taft came too late. The people had been fooled too often and too grievously. Staggering under the burdens imposed by the Payne-Aldrich tariff, distrustful of the promises made by Republican leaders to reform that tariff, because those promises had been so often broken, the people in the election of 1912 in desperation turned to the Democratic Party with its promise of vastly lower tariffs, and Woodrow Wilson was triumphantly elected and both the Senate and the House became Democratic. Do we want to repeat that? The Democrats then passed what is known as the Underwood tariff bill, which afforded some relief from the exactions of the Payne-Aldrich tariff. By the elections of 1914 and 1916 the Democrats were continued in power, and it was not until the almost unanimous revolt on the part of the people from President Wilson's administration in 1920 that the Republicans were again able to assume control of the Government. If it had not been for the resentment of the people against the Wilson administration growing out of the war and what followed, there is no doubt that the Republican Party would never have returned to power unless it reformed its tariff policy and gave satisfactory guaranties that its reformation was permanent.

Mr. SIMMONS. Mr. President——

Mr. LA FOLLETTE. I yield to the Senator from North Carolina.

Mr. SIMMONS. I understand the Senator from Wisconsin to lay down the statement of the real situation, namely, that whatever may have been the cause of the overthrow of the Democratic Party in 1920, beyond all question the cause of the overthrow of the Republican Party in 1912 was the passage of the Payne-Aldrich law.

Mr. LA FOLLETTE. I say that the elections of 1910, and I think of 1912 as well, were unmistakably, and particularly in so far as the elections relating to the Congress were concerned, the result of the tariff legislation known as the Payne-Aldrich law. If anyone should regard what I say here as worthy of any reply, it may be said in extenuation on the Republican side that we had a split in the Republican Party in the presidential election and that there were two candidates, who divided the Republican Party. That is true as to the Presidency in 1912. But, Mr. President, that did not affect the election of 1910 with regard to Members of the House of Representatives and the Senate of the United States. I am satisfied that anybody who studies history and the trend of events as influenced by legislation and the conduct of political parties would be bound to agree that the congressional elections of 1910 were fought out, so far as the House and the Senate were concerned, upon the tariff legislation of 1909, known as the Payne-Aldrich law.

I think that carried over into the congressional elections of 1912.

So that I think I am entirely warranted and entirely sustained by the events of the time in asserting that the congressional elections of 1910 and 1912, which retired Republican majorities that were phenomenal in both the House and the Senate and transferred that power to the Democratic Party, were the result of that legislation.

Mr. SIMMONS. In other words, the first time the people had an opportunity to express themselves with reference to the House and the Senate after the passage of the Payne-Aldrich law the result was overwhelmingly against the Republican Party?

Mr. LA FOLLETTE. Yes. That, Mr. President, I think is history. It is in the light of those facts that I would appeal to my Republican colleagues here at this time not to repeat the political tragedy of that time by the enactment of a bill that is not only as bad as the Payne-Aldrich law but is in many of its schedules and many of its rates very much in excess of the tariff act of 1909.

In the stress of things generally, and in the light of the discussion that is going on here, and of the attitude of the press of the country, I do not know how much reduction will be made in the pending tariff schedules and tariff rates by my associates upon the committee, but I wish it might be very much more than there has been any indication of up to the present time.

Mr. SIMMONS. If the Senator will allow me to follow up the line of thought I had, the first time the people got an opportunity to express themselves with reference to the Congress which enacted that law they expressed themselves against the Republican Party, which controlled the Congress that passed the Payne-Aldrich law. That was in 1910. The first time the people got an opportunity to express themselves with reference to the President who signed that bill instead of vetoing it, as the Senator said the President told him he would do, they expressed themselves adversely.

Mr. LA FOLLETTE. Very adversely; more adversely then, I think, than at any other time in the history of our country.

Mr. SIMMONS. The Senator stated that that expression was somewhat complicated as to its purpose and intent by the fact that there was a division in the Republican Party preceding the election and during the campaign of 1912. I want to ask the Senator if that division in the party did not to a very large extent grow out of the Payne-Aldrich law?

Mr. LA FOLLETTE. It certainly did, Mr. President. I know something about the things that led on to it. It is perfectly clear, and it is not open to dispute, that more than anything else—infinitely more than any other single issue—the passage of the Payne-Aldrich law was the occasion for the revolt of the progressive element in the Republican Party.

Mr. SIMMONS. The revolt against President Taft?

Mr. LA FOLLETTE. Yes; the revolt against President Taft.

Mr. SIMMONS. The President who signed the bill?

Mr. LA FOLLETTE. That is absolutely true. There were some other elements that came in. There was the assault made upon conservation in the country through the Cunningham claims up in Alaska, and there were some things of that sort, but there was nothing comparable to this great piece of legis-

lation that involved every home and every consumer of all sorts of products in the country.

Mr. SIMMONS. Then does not the Senator agree with the general statement that the Republican Party, with its big majority and its long record of control in the country, was overthrown and turned out of power because of the passage of the Payne-Aldrich law?

Mr. LA FOLLETTE. I should say that beyond any question that was the primary cause. That is really the argument I am trying to make to my colleagues here.

It would seem, sir, that the men responsible for this Republican administration, in the light of this history, would, with the return of the Republican Party to power, frame a tariff bill with at least some show of a decent regard for meeting the undoubted will and desire of the vast majority of the people. But it seems that the same interests which foisted the Dingley tariff and the even worse Payne-Aldrich tariff upon a long-suffering public are strong enough to write into the statutes of this country the far worse tariff provisions contained in the pending bill. I do not understand, sir, how men charged with the duty of upholding and preserving the principles of the Republican Party, even if they felt no responsibility to the people who elected them, can deliberately force through legislation which they must know means the defeat, if not the utter ruin, of that party. If the elections of 1910 and 1912 and 1914 and 1916 mean nothing to them, then let them look to the Republican primaries held in Indiana, in Iowa, in North Dakota, and other States within the last few months. Powerful, indeed, must be the influences which can bludgeon through this legislation when the political leaders responsible for it know that it means the defeat of their party and the end of the political lives of most of the leaders responsible for this bill.

Mr. President, I had expected to begin what I had to say about the schedules of this bill by analyzing the cotton schedules. For that purpose I had prepared an exhaustive comparison between the cotton schedules in this bill and those of the Underwood-Simmons bill, which has been the law since 1913, and I had compared them also, in so far as they were comparable, with the schedules of the Payne-Aldrich bill. The result was most startling. I have the table before me and the samples of cotton cloths, 58 in number, before me upon which I had made this comparison. That comparison showed an increase in the tariff rates in the majority of those samples in the present bill over the rates in the Payne-Aldrich bill of from 11 to 90 per cent, and over the rates in the Underwood bill, or present law, very substantial increase in every instance, and in the majority of instances the increase in the rates ranged from 100 to 200 per cent.

Mr. POMERENE. Mr. President, am I right in assuming that when the Senator speaks of the "present bill" he means the bill as reported to the Senate?

Mr. LA FOLLETTE. I mean the pending bill as reported to the Senate.

It was therefore upon the basis of the schedule as printed in the bill now before the Senate that I prepared my tables and made my comparison. My Republican colleagues on the Finance Committee, however, have apparently seen a great light in the last few days, and they have been so industriously rewriting the cotton schedule of this bill as to make it practically a new bill in that respect.

One of the many jokers that were slipped into the cotton schedule of this bill has, I am advised, been slipped out or will be slipped out by the majority of the Finance Committee, and this action will effectively destroy the value for strictly accurate purposes of comparison any tables based upon the bill as reported to the Senate. I refer to the provision added by the Senate committee to paragraph 904. That provision reads as follows:

> The average number of the yarn in cotton cloth shall be based on the weight and length as above determined and shall be the number of 800 yard lengths that weigh 1 pound.

So long as there has been a cotton industry the accepted method throughout the world in measuring the weight of yarn or thread has been on the basis of "hanks" or "skeins" of the standard measurement of 840 yards. For this purpose the 840 yards have been quite as fixed a standard as 36-inch yards or 16-ounce pounds. The accepted way for measuring yarns is merely to ascertain the number of 840-yard hanks or lengths required to make 1 pound, and that number becomes the yarn number. Thus for a given yarn if 840 yards weighed exactly 1 pound, that would be a No. 1 yarn. If 10 lengths or "skeins" or "hanks" of 840 yards weighed 1 pound, that would be No. 10 yarn, and so on. When we buy a spool of No. 60 cotton it means simply that the thread was of such size that 60 times 840 yards, or 50,400 yards, were required to make a pound. That is what the number means on a spool of thread.

The majority of the Finance Committee in the provision which I have quoted provided that yarn numbers for tariff purposes only shall no longer be considered to be based upon 840-yard lengths but shall be the number of 800-yard lengths that weigh 1 pound.

Mr. SMOOT. When woven into cloth.

Mr. LA FOLLETTE. One pound when woven into cloth. It has been arranged in that way on the ground that some of the length would be taken up in weaving the thread going up and under and over and under. That never seemed to have been thought of before by Mr. Lippitt or by any other ingenious hunter for high duties, but they are after everything in sight on this occasion, and so they devised that scheme.

When, therefore, as provided in section 903, the tariff rate is fixed according to the number of the yarn, it is plain that this change in the yarn lengths arbitrarily made by the Senate committee operated to increase the tariff rate. The bill might just as well have provided that for duty purposes, yards should be considered to be 34 inches, or that pounds should be considered to be 14 ounces.

Mr. POMERENE. The public can understand that.

Mr. LA FOLLETTE. Yes; they can comprehend that all right, but this involved computation in regard to counts and skeins and hanks would go through all right.

While the increased tariff rate thus obtained is not very much, the withdrawal of this provision from the bill makes inaccurate all calculations based on 800-yard lengths instead of the 840-yard length. This provision also well illustrates the whole plan of these schedules which are so devised as to make it practically impossible for anyone but an expert to determine their application or the amount of tariff they impose in a particular case. When the majority members of the committee get through changing these schedules, the Senate, if it hopes to know anything about the effect of them, must treat the cotton schedules of this bill exactly as it would if they came before the Senate for the first time in an original bill.

Because of the committee changes which I know will be made in these cotton schedules, which amounts to practically rewriting them, I shall withhold for the present, at least, the tables which I have prepared and refrain from discussing the rates of the bill as to particular cloths until we have before us the schedules in the form in which they are finally offered to the Senate.

But there are some facts, Mr. President, which can not be changed by the modifications which the Finance Committee will make in the cotton schedules. My understanding is that in a general way it is the purpose of the majority of the Finance Committee to reduce the rates which this bill now carries on the cotton schedules to substantially the rates of the Payne-Aldrich bill. While, of course, it can be shown that as applied to certain fabrics the rates now carried in the bill are not in excess of the Payne-Aldrich rates, and some of them are even a little lower, yet as a whole the rates are very substantially higher than the Payne-Aldrich rates, the increase amounting from 10 to 20 per cent, according to the opinions of Finance Committee experts who have been engaged for months in work on this bill. I have no doubt that it is this consideration, coupled with the reminder of the election results of 1910 and 1912, furnished by the recent primaries in a number of the States, and the debate which has been proceeding on this floor, which I think has been most wholesome in its influence, which has caused the majority of the Finance Committee to agree to whittle down the rates they originally proposed.

Mr. SIMMONS. Mr. President, did I understand the Senator to say that the amendments hereafter which may be reported by the Finance Committee will probably reduce the rate in the cotton schedule about to the level of the Payne-Aldrich rates?

Mr. LA FOLLETTE. They may be a little under the Payne-Aldrich rates.

Mr. SIMMONS. I understood the Senator some time ago, when he was discussing——

Mr. LA FOLLETTE. The Payne-Aldrich rates.

Mr. SIMMONS. No; discussing the Tariff Commission——

Mr. LA FOLLETTE. The report of the Tariff Commission on the Payne-Aldrich rates.

Mr. SIMMONS. When the Senator was discussing the report of the Taft Tariff Commission, I understood him to read from some statement of the President at that time, Mr. Taft, to the effect that the rates in the Payne-Aldrich law were two or three times greater than the difference between the cost of production here and abroad.

Mr. LA FOLLETTE. Yes; I did state that with reference to many of the cloths. I shall go into that a little more definitely later.

Mr. SIMMONS. So that if the rates are now reduced down to the level, or, perhaps, a little bit below the level of the Payne-Aldrich rates, according to that statement of President Taft, based upon the findings of the Tariff Commission, they would still be very excessive.

Mr. LA FOLLETTE. There can be no question about that, Mr. President, but, of course, the Senate will have to deal with the rates in this bill as they are finally proposed by the committee. I think it is very unfortunate the Senate can not have the benefit of time to examine the rates. It seems to me that it would be reasonable to report the rates to the Senate some days in advance of the time when the Senate is required to take them up for consideration.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER (Mr. JONES of New Mexico in the chair). Does the Senator from Wisconsin yield to the Senator from Ohio?

Mr. LA FOLLETTE. I will yield in just a moment, Mr. President. The cotton schedule and the woolen schedule perhaps more than any others are very complicated and require study and time for calculation and for working out the exact effect of changes in rates, as no one better understands than the Senator from North Carolina, the ranking member of the minority of the Finance Committee.

Mr. SIMMONS. And for that reason, if the Senator will pardon me, having been advised by the distinguished Senator from Utah [Mr. SMOOT], who will have charge, as I understand, of the cotton schedule upon the floor, that he, as spokesman of the committee, proposes to offer additional amendments that will materially reduce the rates, I suggested to him that as soon as he had prepared those amendments he ought to give this side of the Chamber the benefit of examining them and not wait until the schedule is taken up for discussion.

Mr. LA FOLLETTE. Mr. President, if there is delay in the discussion of this tariff bill, and particularly of the cotton schedule, it will be entirely justified by the submission of a new schedule of rates in the cotton schedule right on the eve of taking it up for consideration in the Senate. As a member of that committee, and as a Member of the Senate who has been interested in tariff legislation and has had something to do with the tariff bills and the history of tariff legislation during the present generation, I urge my colleagues upon the committee to prepare and report to the Senate a revised cotton schedule as they propose to take it up and ask the Senate to consider it at least a week in advance of the time when they are going to present it for debate and argument in the Senate. That is only reasonable and fair to everybody connected with the legislation.

Mr. SIMMONS. Mr. President, I want to say to the Senator that we on this side have been very much embarrassed by the course that the majority have pursued with reference to these amendments that they have been bringing in here from day to day. We have known nothing about them until the paragraph was taken up for consideration, and then we have been suddenly told that the committee had proposed a new amendment in place of the one under consideration.

Mr. LA FOLLETTE. Mr. President, every Senator who has had experience in legislation of this sort must understand that any fair consideration of it must be preceded by an opportunity for investigation and study and computation and the employment of expert assistants.

Mr. President, this tariff legislation is of tremendously vital importance to every home, every individual, every man, and every woman in this land. It means so much in the daily life of everyone that no advantage ought to be taken by one side or the other. It ought to be an open, square-deal proposition, with a chance for full, fair, free debate on it to get at the truth.

I do not believe there is such a tremendous difference between the Republican side and the Democratic side on the matter of tariff as effort is made day after day to lead the public to believe.

I remember that I attempted to answer the distinction, and, Mr. President, I do not hesitate to say that the Underwood bill in a vast majority of its provisions is a protective measure, fairly protective to the industries of this country.

Mr. POMERENE. Mr. President, if the Senator will yield to me now——

Mr. LA FOLLETTE. I beg the Senator's pardon for not yielding to him before.

Mr. POMERENE. That is all right. The Senator stated a moment ago, as I understood it to be the fact, that the Finance Committee had very greatly reduced the rates on the cotton schedule; and the Senator——

Mr. LA FOLLETTE. I meant to say, and I should like to correct that, that it is under consideration by the Republican members of the committee; but just what the finished work of that committee will be when they are ready to submit it I am unable to say.

Mr. POMERENE. In reply to the statement made by the Senator from Wisconsin, the Senator from Utah [Mr. SMOOT] said that these rates would be reduced to the level of the Payne-Aldrich bill, and some of them below that.

Mr. SMOOT. I never made any such statement as that on the floor of the Senate.

Mr. POMERENE. Why, I certainly heard——

Mr. LA FOLLETTE. The Senator says that they will be less than that now.

Mr. SMOOT. I never interrupted the Senator at all.

Mr. POMERENE. Why, I heard it at this distance.

Mr. SMOOT. I simply say to the Senator that I made no such statement on the floor of the Senate, and I thought that was what he had reference to.

Mr. POMERENE. No; I was sitting here and heard what was said by the Senator from Utah to the Senator from Wisconsin. I do not care to have the Senator tell me that he did not say it when I heard it.

Mr. SMOOT. Mr. President, what I said was that I did not make any such statement here in the Senate.

Mr. POMERENE. Very well.

Mr. SMOOT. As far as that is concerned, if the Senator wanted me to interrupt him—which I did not think he did—I am perfectly willing now to say that if the rates are reported to the Senate that have been discussed, and I am quite sure will be reported to the Senate on the cotton schedule, they will materially reduce the rates as at present reported to this body.

Mr. POMERENE. Mr. President, I am interested in this schedule, and I simply wondered whether either Senator could advise me as to how much higher, on the average, the rates in the present bill were than the rates of the Payne-Aldrich bill.

Mr. SMOOT. I will say to the Senator, if the Senator from Wisconsin will pardon me, that a good many of the rates in this bill are lower than those of the Payne-Aldrich bill and some of them as reported to the Senate are higher than the rates of the Payne-Aldrich bill. The great bulk of them are lower. The amendments that will be offered, however, as the Senator has already intimated, will materially reduce those higher rates.

Mr. LA FOLLETTE. Mr. President, the figures furnished to me by the best expert on cottons that I know of in this country, who is connected with the Tariff Commission, establish the fact that the average rates in this bill as reported are substantially higher than the average rates of the Payne-Aldrich bill, in some instances nearly 50 per cent higher than the rates of 1909, and that the average rates of the Payne-Aldrich bill are substantially twice as high as the average rates of the Underwood-Simmons bill. That is about right, I think. I am speaking of the average.

Mr. SMOOT. It is a difficult question to take up in another Senator's time, but I want to say to the Senator that when the cotton schedule is reached I shall compare the rates and show the Senate just exactly what they are and what the proposed amendments mean. The Senator from Wisconsin referred to one this afternoon that had been taken out, about the length of a hank of cotton weighing a pound that makes a No. 1 thread. That is a small item compared to what the other changes will be. That simply means a 5 per cent reduction in the length of the thread. A quarter of a cent on that would be a very small item.

Mr. POMERENE. Mr. President, of course it will assist other Senators in their investigation of this subject if we have this information, and the sooner we can get it the better. This demonstrates how, just at this particular time, it would have been very unwise to adopt the cloture rule. We then, perhaps, could not have had this explanation at all.

Mr. LA FOLLETTE. Oh, yes, Mr. President; I think Senators on both sides will attest the wisdom of the action of the Senate day by day as we go on with this bill in rejecting this cloture proposition. I do not know where it emanated from or why it was ever proposed here.

Mr. SMITH. Mr. President——

Mr. LA FOLLETTE. It may be that there are Senators on this side who want to stop this debate, who do not want the disclosures made that ought to be made to the American people, who have to bear the tax burdens that follow the passage of a tariff bill.

I yield to the Senator from South Carolina.

Mr. SMITH. I do not want to stop that line of discussion, if the Senator wants to follow it up. The question that I

wanted to ask him does not pertain to that; but that is interesting, and I should like to have him develop it.

Mr. LA FOLLETTE. I yield to the Senator now.

Mr. SMITH. The Senator touched on a point in a speech that I made on the floor of the Senate here some time ago, and I wanted to ask him if he has followed it out to any practical working degree so that the Senate may understand it, and that is the comparison of the product of American labor with the product of a foreigner.

Mr. LA FOLLETTE. Oh, yes; yes.

Mr. SMITH. I am doing all that I can to get some reliable data on comparable production. Even as between Great Britain and America, on this very subject of cotton manufacturing—and I understand that it applies to other manufactured articles as well—the mechanical appliances, the extreme skill, the organization, the elimination of expense and waste in America, have made the American laborer the producer of a volume vastly in excess of any competitor in the world, so that when we come to compare the cost of production the element of wage is almost, I started to say, negligible, and in some departments I am going to undertake to show on the floor of the Senate that it is practically negligible.

Mr. LA FOLLETTE. Mr. President, I wish we might proceed with the consideration of this tariff bill, not as Republicans or Democrats, seeking a political advantage for our parties; not as stockholders in cotton mills or mines of one kind or another; not as flockmasters or owners of stock in woolen or in any other line of business. I wish we might proceed with the discussion and consideration of tariff legislation as representatives of the public interest, divested of every other consideration, and if we could proceed in that way I think we would make a searching examination into the costs of production and into the relation of wages to those costs. Then we would not have Senators on this floor making comparisons of the shelling of almonds by old women and little children at night—shelling them with a couple of rocks, beating upon the shells and extracting the kernels with their fingers—with the business of shelling them by machinery in this country.

Oh, sir, if we were here serving the public interest, we would have scientific and accurate data compiled in nobody's interest except ng the interest of the public. We would submit to no infernal juggling by the Steel Corporation or the American Woolen Co. or anybody else. We would be here hunting for the truth, for God's everlasting truth, with respect to everything, and then we would be serving the public.

I have not been able to attend upon the sessions of the Republican members of the Finance Committee for a number of days now, but, according to my information, the rates will be reduced to about the Payne-Aldrich rates.

The Payne-Aldrich rates wiped out the Republican majority in the House and in the Senate only a few years ago and drove from power the Republican administration. That is not going to be repeated here with my consent, I will say to my Republican colleagues.

Mr. STANLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Kentucky?

Mr. LA FOLLETTE. I yield.

Mr. STANLEY. I suggest to the Senator, speaking about certain iniquitous rates which proved ruinous to the Republican Party, that that was before a certain bloc tyranny in the Republican Party discovered that the higher you make the rates the more prosperous you make the people who pay them, and that the more protection you have in this country the greater is its prosperity. The Senator is talking about a time when protectionism was a belief. Now it is a fetich, a superstition. Nobody needs to explain why. You just get up and holloo, "We are for protection; it is a good thing." It is like the Irishman's stove—you buy one stove and you save half your fuel; if you buy two, you save it all. If you make the rates high, it will make us all rich and prosperous, and there is no use bothering about whether it is 100 per cent or 200 per cent or 1,000 per cent on the cost of production.

Mr. LA FOLLETTE. I proceed now to invite your attention to a more critical analysis of the Payne-Aldrich rates of that time.

If you get pretty well fixed in your minds what these rates of the Payne-Aldrich bill were, you will have some measure to apply to the rates that may be presented to you at this time, and it will help you, I think, very materially in getting before the American people just what is happening.

I tell you the cotton industry is something to which Senators must pay attention. There is no other product that comes from the hand of man, unless it is bread, that is much more important to the American people than cotton. Be they rich or be they poor, they must buy cotton cloth. From the cradle to the grave, no one is so rich that he is not a user of cotton cloth; and as to the poor and those in moderate circumstances, it is one of their chief household necessities. You can scarcely think of an article of household use—anything that enters into the life of the family—where cotton is not an important factor. It involves hundreds of millions, aye, it runs into billions of dollars. If by chance you make the American people pay twice as much as they ought to pay, you are unjustly loading more than $2,000 000,000 upon their backs. I do not care how complicated it is, yarn numbers, average counts, taking it in all of its details, it is your business to know what every line of the bill affecting cotton means, and if you vote for it you will have to be able to go out and defend yourselves before your constituents. They are going to know all about it. It is curious how the folks at home find out. The press may not carry much of it, but in some mysterious way it sifts down through to them. You may go out in the remote corners in the rural districts, and there is no place in the country on which the sun shines that will not understand the meaning of the cotton schedule, and how much additional it will cost them above what it is costing them now.

So, however forbidding and however difficult these paragraphs may look to you, you have got to take them up and dig it out yourselves, or have somebody assist you to dig it out, so you will be in a position to understand and defend your acts.

It will be the same with the woolen schedule when we get to that.

It will be the same with steel and iron.

We spent a little time on the steel and iron schedule here, and at the proper time I shall propose a revision of those schedules, one after another. Cloture might stop it, but I think there is enough loyalty and devotion to the interests of the public still left in the United States Senate to put cloture on the cloturists who would stop debate in order to put through this kind of a tariff bill.

There are millions who are interested and who are entitled to be represented and to have their day on the tariff. They are going to have it, and if they do not get it in the Senate they will get it somewhere else—they will get it out in Oregon or Wisconsin or Kentucky or Ohio or North Dakota or South Dakota or wherever the issue is carried, and it will be carried over this country before four years go by.

Mr. POMERENE. Mr. President, under this bill Ohio is being penalized for the benefit of some outlying districts.

Mr. LA FOLLETTE. That is befalling every section of this country. This interest or that interest which is strong in some locality ties up with an interest strong in some other locality.

But to return to my remarks on the cotton schedule.

It is well known, of course, that the Taft tariff board made an exhaustive study of the whole subject and that the board selected 100 representative samples of American cotton cloths and presented in a most exhaustive way their findings as to the cost of production, prices, and duties which would be imposed upon such goods if imported from abroad. In this way they covered the whole field of cotton-cloth production in this country, and they presented and there is printed in their report, which I have before me, elaborate tables to show the result of their researches.

I can not give you the samples of cloth. I had them once in my possession when I was making a study of this subject. I had the original samples which the board used in making its study. I have not been able to secure them again, but I have here a diagram of all of them and they are numbered and the tables go with them and show the cost of converting each of those samples from the raw material into the finished product, all figured out in the report which I hold in my hand.

Mr. WALSH of Montana. Mr. President, I would like to ask the Senator if the conclusions of the tariff board on that particular schedule were ever seriously controverted by anyone?

Mr. LA FOLLETTE. Never, as I shall show in just a moment.

I am not going to take the time of the Senate to go into this report in any detail. I assume that Senators are familiar with it, or if not they should become familiar with it before they vote upon the cotton schedules in this bill. I am going to ask the indulgence of the Senate to read only a few paragraphs from that report. The first paragraph that I read is found on page 446 of the report, and the language I quote relates to Table No. 137, which dealt with the labor and conversion cost per square yard of cotton goods—gray and finished—compared with present duty, showing lowest and highest cost obtained in the United States.

I take it that Senators understand what I mean by the terms "gray" and "finished." As the cotton is converted from the raw material into a fabric, in its first form it is known as gray cloth—that is, before it is bleached, dyed, printed, stained, mercerized, or subjected to any other advanced or finishing process. These hundred samples deal with the gray cloth and the finished cloth.

In general the table shows on these samples that with few exceptions the duty—

Referring to the duties of the Payne-Aldrich tariff then in force—and I will show the Senate the relevancy of that to this existing situation before I finish—

In general the table shows on these samples that with few exceptions the duty is greater than the total domestic labor cost, and in the majority of cases is greater than the total conversion cost—not including material.

Of course, not including material, for cotton is free. I continue to quote from the report of the tariff board, a majority of whom were Republicans:

In a number of cases the duties are two or three times the total domestic conversion cost.

Mr. POMERENE. Does that mean the conversion cost from the raw material?

Mr. LA FOLLETTE. From the raw material to the finished product. I continue to quote from the report of the board:

About the same thing holds true of the relation between the cost of finishing and the increase in duty on the finished fabric over the same fabric when unbleached.

When reference is made to the conversion cost of cloth it means completely finished; it takes in the mercerization and everything else, including the bleaching, the printing, the dyeing, and all that. When reference is made to the conversion cost of the gray cloth that takes in the conversion cost of that cloth from the raw cotton to the woven gray unbleached cloth, untouched after it is woven. Senators can see how the term "conversion cost" will have a different meaning, depending upon what kind of cloth it is applied to.

Think of that for just a moment. You talk about a tariff that shall equalize the labor cost at home and abroad or the cost of production at home and abroad. Here, sir, is the proof—unimpeachable and unanswerable—that the duties of the Payne-Aldrich tariff law, which are about to be duplicated in this legislation, or were a day or two ago, and are greatly increased in the bill now before you, exceed not only any difference in the cost of labor in this country and abroad but that they exceed the entire domestic labor cost. Not only that, but they exceed the entire conversion cost of cotton goods in the great majority of cases. By conversion cost is, of course, meant the entire cost of converting the raw material into the finished product ready for the market. Do you wonder, sir, that there was a popular revolt against the political party or, rather, the leadership of the political party that had foisted that infamy upon the people under the guise of protecting labor and our infant industries?

Again, speaking of Table 141, which dealt with the cost of production and duties on tapestries and pile fabrics, at page 460 of the report, it is said:

The labor cost of the tapestries given in the table varies from 11 to 47 per cent of the total cost, and the conversion cost from 14 to 65 per cent of the total cost. * * * The duty—

That is the Payne-Aldrich duty—

is 50 per cent ad valorem, and will be seen to be greatly in excess of the labor cost and in most cases in excess of the total conversion cost.

The total labor cost is only from 11 to 47 per cent. We Republicans put in our platform that we wanted tariff duties levied to cover the difference between the labor cost here and abroad, but it is shown that, while the labor cost on the pile fabrics runs from 11 to 47 per cent, the duty is 50 per cent. So it is more than the total labor cost in this country. That enables the pile fabric manufacturer to cut the price and have a little understanding with his competitors. I will come to that a little later on.

The board further states:

However, as stated, this does not include the labor cost and conversion cost of yarns which are purchased from outside.

Of course, if the yarn is purchased from the outside, that has to be taken into account.

This latter cost, however, is negligible and does not substantially affect the result.

Again, referring to Table 142, which dealt with the cost of production of pile fabrics, the report says:

Table 142 gives the same items of cost for pile fabrics. The cost for the pile fabrics includes the entire cost, the yarns being made by the mills manufacturing the pile fabrics—

There the yarns are not bought—

which is one of the reasons which accounts for the larger margin between the mill selling price and the total cost, including selling expense. The duty on bleached or colored pile fabrics is 12 cents per square yard and 25 per cent ad valorem, and on corduroys weighing 7 ounces or over per square yard the duty is 18 cents per square yard and 25 per cent ad valorem. The specific part of the duty alone exceeds the total labor cost. The relation of the total duty to the labor and conversion cost can be ascertained approximately on the basis of the ad valorem equivalent of the duties levied on imported pile fabrics, as reported by the Bureau of Statistics. These duties vary from 47.5 to 64.68 per cent. The latter rate is for corduroys weighing more than 7 ounces per square yard. The labor cost varies from 20.5 to 36.6 per cent of the total cost and the conversion cost varies from 39.8 to 70.8 per cent of the total cost. Expressed as percentages of the selling value these figures would be considerably less. It will be seen from the figures just quoted that the duty is greatly in excess of the labor cost and also exceeds the total conversion cost of pile fabrics.

So I might go on reading page after page from this report, showing the sham and the mockery of the pretense that the Payne-Aldrich tariff rates or any rates that approximate to them are in anywise calculated to simply equalize the cost of production at home and abroad.

Mr. President, when the Underwood tariff bill was before the Senate in 1913 I made some calculations based upon identically the same 100 samples used by the Tariff Board in its computations, and I found, sir, that on these 100 samples, which were representative of the whole cotton industry, the Payne-Aldrich duties then existing, equaled upon all except 25 of those samples the entire conversion cost. In 4 of these 100 samples the duty was 55 per cent of the total conversion cost. In 4 more it was 70 per cent. In 5 more it was 75 per cent. In 6 more it was 80 per cent. In 6 more it was 90 per cent. In 20—that is, in one-fifth of these samples which really represented the cotton industry—the duties of the Payne-Aldrich bill were 100 per cent of the entire conversion cost.

Is it any wonder that the Republican Party were retired for a number of years after putting through that kind of a tariff bill, despite their pledge to revise tariff duties according to the difference in the cost of production at home and abroad?

But even this is not all. Fourteen of these samples showed a duty under the Payne-Aldrich law of 125 per cent of the total cost of conversion; 10 of them carried a duty of 150 per cent; 9 of them bore a duty which was 175 per cent of the total cost of conversion. Three of these samples showed a duty under the Payne-Aldrich law 200 per cent higher than the total conversion cost. Four of these typical samples showed a duty under the Payne-Aldrich law 250 per cent of the total cost of conversion. Whose job do you suppose that was, Mr. President? Two of them carried duties of 300 per cent, one a duty of 400 per cent, and two a duty of 600 per cent under the Payne-Aldrich law of the entire conversion cost.

Mr. President, it was not until 1912 that the Tariff Board, having gathered its figures with the greatest care and compiled them with the assistance of experts, was able to know and publish to the world something of the iniquities of the Payne-Aldrich law.

The Payne-Aldrich law is damned, and damned by the report of a Republican board, and under present conditions the report of that board is more effective and better authority than it was when it was made in 1912.

It was in 1913 that I had compiled the figures which I have just given and which I gave on the floor of the Senate on September 9, 1913, and so far as I am aware no effort has ever been made to challenge their correctness. The attacks upon the Payne-Aldrich bill at that time were swept aside and did not appeal to the interest of Senators very much, and I doubt if a dozen Senators then on the floor gave heed to these figures which I now present, but we hear so much about the Payne-Aldrich bill in considering the pending tariff measure that I thought it worth while to get before the Senate some estimate of the Payne-Aldrich bill, not made by myself—no—but made by a real good Tariff Board appointed by President Taft. It so commended itself to him that he made it the subject of a special message to Congress, and asked just on the eve of the election of 1916 for Congress to get busy and do something. He tried to square himself with a Democratic Congress, but in the following election he carried just two States. That was not due, of course, altogether to the Payne-Aldrich law, but the change in the House and in the Senate can not be accounted for on any other basis. When Senators again seek to pass a bill such as that they can look for a result somewhat akin to that. I am not making that as an argument, because that is not a scientific basis for tariff legislation, but I sometimes think it is about the only appeal that can be made in some situations.

Mr. POMERENE. The same God is still overhead.

Mr. LA FOLLETTE. Yes; the same God is still overhead.

But, sir, long before the Tariff Board compiled and published its report the people of this country had learned the facts by bitter experience. They did not need any experts to figure out the results. They figured the matter out for themselves in the

increased cost of everything that they bought, and the result was that just as soon as they could reach the ballot box in the congressional elections of 1910 and the presidential elections of 1912 they swept from power in every branch of the Government the party responsible for this legislation.

Mr. President, I find that I can not conclude to-night what I have to say on this subject, because of the digressions to which I have been tempted in one way and another in the course of my remarks. I yield the floor at this point and will resume the floor again to-morrow. I see that it is now half past 5, and I suppose it is approaching the time when the Senate may care to adjourn, or it can take such course as it likes with regard to that. I yield the floor at this time and will resume again to-morrow.

MESCALERO APACHE INDIAN RESERVE.

Mr. BURSUM. Mr. President, I ask unanimous consent to take up a bill which is purely local in its character and affects only New Mexico. It is Order of Business 791, Senate bill 3519.

The PRESIDING OFFICER (Mr. WADSWORTH in the chair). The Secretary will state the title of the bill for the information of the Senate.

The ASSISTANT SECRETARY. A bill (S. 3519) defining the rights of the Mescalero Apache Indians in the Mescalero Indian Reservation, providing for an allotment of certain lands therein in severalty to the Mescalero Apache Indians, and creating and defining the All-Year National Park.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. KING. Mr. President, may I inquire of the Senator whether the bill has the approval of his colleague [Mr. JONES of New Mexico]?

Mr. BURSUM. It has.

Mr. KING. And the unanimous report of the committee?

Mr. BURSUM. The unanimous report. It is unanimously agreed upon by the Indians, recommended by the Interior Department, and very much desired by the people of that section.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. ROBINSON. Mr. President, I do not desire to object, but I want to ask the Senator from New Mexico a question. What is the purpose of the bill?

Mr. BURSUM. The purpose of the bill is to create a park in the Mescalero Indian Reservation, amounting to 2,000 acres. It also authorizes the Secretary of the Interior to purchase a small amount of land along a stream for the benefit of the Indians. The matter has been thoroughly threshed out with the Indians; they have unanimously agreed to it and desire it, and the people in that country desire it, and it does not affect any other part of the country.

Mr. ROBINSON. I believe the Senator has stated that the bill has the approval of the Interior Department.

Mr. BURSUM. It has; yes.

Mr. ROBINSON. Did the Indians, in their tribal capacity, take action respecting it?

Mr. BURSUM. Yes; they did. They had a meeting out there, and unanimously approved of the bill as drafted.

Mr. ROBINSON. I have no objection to the consideration of the bill.

Mr. OVERMAN. Mr. President, is this land to be purchased from Indian funds?

Mr. BURSUM. The Senator means this small amount of land? I suppose so; yes. The bill does not carry any appropriation.

Mr. SMOOT. How is the land that is to be purchased to be paid for?

Mr. BURSUM. It is a very small amount of land. The amount is not specified in the bill, but it probably will not exceed two or three hundred acres, all of it.

Mr. SMOOT. But does the Government pay for it, or is it to be paid for out of the Indian funds?

Mr. BURSUM. It would come out of the Indian funds, of course. It is not provided for in the bill, though. There is no appropriation whatever in this bill.

Mr. SMOOT. Then the Government would have to pay for it, if it is not provided for.

Mr. BURSUM. Whenever the appropriation is made, it would probably be taken out of the Indian money derived from timber sales.

Mr. SMOOT. Not unless it is specifically stated in the bill.

Mr. BURSUM. It is not specifically stated.

Mr. SMOOT. Then it would not.

Mr. BURSUM. At any rate, it will not exceed two or three hundred acres, and probably will be less.

Mr. SMOOT. What is the value of it?

Mr. BURSUM. Oh, I should say perhaps $3,000. It is a small amount. It is just a little creek that the Indians want, and which they ought to have.

Mr. SMOOT. If the Indians have any funds, of course it ought to be paid for out of the Indians' funds.

Mr. BURSUM. We passed a bill here some time ago that gives these Indians some assets in the shape of timber which may be sold at different times, and they will have funds.

Mr. SMOOT. I ask to have the bill read, so that we can see just how it reads.

The PRESIDING OFFICER. The bill will be read.

The ASSISTANT SECRETARY. The committee proposes to strike out all after the enacting clause and to insert seven pages of printed matter, which read as follows——

Mr. BURSUM. The substitute was prepared by the Park Service, taking into account the views of the Indians and the Secretary of the Interior. A substitute bill was framed, to which all sides agreed, including the Indian Rights Association.

Mr. WALSH of Montana. Mr. President, I was unable to hear the Senator when he undertook to tell us what the bill was about.

Mr. BURSUM. The real purpose of the bill is to establish a park containing an area of 2,000 acres in the Mescalero Reservation.

Mr. WALSH of Montana. What kind of a park?

Mr. BURSUM. A national park. It is very much desired by the people of the Southwest, of Texas and of southern New Mexico and of Arizona. There is no place where those people can go in the summertime and have a little recreation, and this place lends itself splendidly to that purpose. It has been agreed upon not only by those who desire the park but by the Indians themselves, and it is also recommended by the Interior Department.

Mr. WALSH of Montana. How large is this Indian reservation?

Mr. BURSUM. I suppose it is, perhaps, 60,000 acres or more.

Mr. WALSH of Montana. How many acres does the Senator say are included in this territory which is to be constituted a park?

Mr. BURSUM. Two thousand acres. It is very small.

Mr. OVERMAN. What is there about the land which makes it necessary for a park? Is it mountainous?

Mr. BURSUM. It is mountainous; yes.

Mr. OVERMAN. Is there any beautiful scenery there?

Mr. BURSUM. There is. It is a beautiful section, with fine, cool climate in the summer time, where you can have restful weather.

Mr. OVERMAN. We are buying a great many parks. I hate to object, but I think there ought to be some explanation of how this land is going to be purchased by the Government.

Mr. SPENCER. Mr. President, we do not pay anything for this park. The plan of the Secretary of the Interior is that when he is taking over this land he shall have the option of segregating some 2,000 acres which are not described, but which will be described within those limits, from the most mountainous and picturesque land, desirable land for a public park. When he takes this land from this Indian reservation, without any payment for it, the bill authorizes him to purchase such additional small amount of land as will round out the Indian reservation. The exact amount I do not remember. The Senator from New Mexico thinks it is but two or three hundred acres, and undoubtedly that land will have to be paid for; but it is insignificant in amount.

Mr. BURSUM. It is a small amount in acreage, but it is land which is subject to irrigation and has certain water rights, which are private now, but which the Indians desire; and that will be given to the Indians.

Mr. SPENCER. We do not buy the park.

Mr. WALSH of Montana. Mr. President, I do not comprehend this very well. This, as I understand, is within an Indian reservation?

Mr. BURSUM. It is.

Mr. WALSH of Montana. It accordingly is not subject to appropriation by anybody and no one can use it except the Indians, and so long as it is not allotted it is open to common use. What is the purpose of making a national park of it?

Mr. SPENCER. Only a very small part is designed for a national park.

Mr. WALSH of Montana. Two thousand acres.

Mr. SPENCER. Out of, the Senator from New Mexico says, something like 60,000 acres.

Mr. WALSH of Montana. It seems to me a remarkable thing to create a national park inside of an Indian reservation.

Mr. BURSUM. It is a remarkable place. It is the only place available for a park in that part of the country. It happens that this reservation embraces a very high, mountainous country, covered with pines. The land is seven or eight thousand feet high.

Mr. WALSH of Montana. Will it continue to be a portion of the reservation after it is constituted a national park?

Mr. BURSUM. The 2,000 acres, of course, will be subject to the control of the park director. The rest of it will belong to the reservation. The bill also provides that if at any time the park should be abandoned it will automatically revert to the Indians.

Mr. OVERMAN. Does the Senator guarantee that he will not ask $10,000 next year to take care of it?

Mr. SMOOT. Mr. President, I want to read a part of section 9, and ask the Senator if he knows anything about what the cost will be. The last paragraph of section 9 reads as follows:

The Secretary of the Interior is further authorized and directed to provide, at the earliest possible moment, proper houses for the Indian residents and particularly for the Mescalero Apache Indians.

Does the Senator know how much that is going to cost?

Mr. BURSUM. I will say to the Senator that it ought not to cost anything, because we passed here previously a bill authorizing the Secretary of the Interior to sell certain timber, and the proceeds of that timber will go for the benefit of the Indians.

Mr. SMOOT. But the Secretary of the Interior is directed here, at the earliest possible moment, to erect proper houses for the Indian residents.

Mr. BURSUM. That is very true, but I take it that that is supplementary to the prior bill which was passed authorizing the Secretary of the Interior to dispose of timber for the benefit of the Indians. That housing, however, has nothing to do with this park. That is part of the policy of the Indian Service.

Mr. SMOOT. These houses are to be built on this land.

Mr. BURSUM. Not on this land.

Mr. SMOOT. It says here—

The Secretary of the Interior is further authorized and directed to provide, at the earliest possible moment, proper houses for the Indian residents, and particularly for the Mescalero Apache Indians——

Mr. BURSUM. That is on the reserve.

Mr. SMOOT (reading):

The costs of such acquisition of property and of the construction of such houses and necessary buildings for individual Indians to be paid out of any funds now or hereafter available for such purposes.

So the houses that are mentioned here are to be built upon the land that is to be acquired.

Mr. BURSUM. The land to be acquired. That is a very small portion of the land. I will say that it is not to exceed two or three hundred acres, and I think less. That is a narrow strip of land, situated adjacent to the mountain stream, which is subject to irrigation, and it is not a question of the quantity of the land but it is a question of the character of the land. This land is owned by private parties. It has been owned for many, many years by private parties, and the Indians are very desirous of obtaining that land for their benefit. That is a very small affair, though.

Mr. SMOOT. Mr. President, there is not a national park created in the United States without an appropriation being made to take care of it every succeeding year after its creation. As I understand, this is to be a park within an Indian reservation.

Mr. BURSUM. Yes.

Mr. SMOOT. Does the Senator think that is a wise thing to do?

Mr. BURSUM. It is wise, because it is in a splendid location and the part segregated as a park would no longer be under the control of the Indian reservation.

Mr. SMOOT. As soon as it becomes a national park the Government of the United States will have to appropriate every year to maintain it.

Mr. BURSUM. It will belong to the Government. It will be subject to the jurisdiction of the Park Service. It will not belong to the Indians when it is a park.

Mr. SMOOT. Not if the provisions of this bill are carried out, because it says here that the amount that is paid for the land acquired under this bill——

Mr. BURSUM. Oh, that land is apart from the park. It is not a portion of the park. That is some private land that the Secretary is undertaking to purchase for the Indians. That has nothing to do with the park. It is not a part of the park.

Mr. SMOOT. In what part of the Indian reservation will the park be located?

Mr. BURSUM. That will be selected by the Secretary of the Interior and the park commissioner and must not exceed 2,000 acres. But these lands which are to be purchased are not for the park; they are for the Indians. They are farm lands, lands subject to irrigation, which belong to private parties, and have belonged for many, many years to private parties, although they are within the reservation. They were there prior to the time the reservation was created by Executive order.

Mr. SMOOT. That often happens.

Mr. BURSUM. It is desired to purchase those lands for the benefit of the Indians and for their use, and not for the park. They have nothing to do with the park.

Mr. SMOOT. Does the Senator believe that if this bill becomes a law there will be no appropriation asked for the maintenance of the park?

Mr. BURSUM. No appropriation any more than Congress would have to make for any other park.

Mr. OVERMAN. Will no appropriation be asked to build roads and beautify the park?

Mr. SMOOT. We created parks in Colorado with an absolute understanding that at no time would an appropriation ever be asked exceeding $10,000, and that understanding lasted one year, or perhaps two.

Mr. BURSUM. Even though Congress did have to appropriate a little money, does not the Senator think it is a fine policy to look after the health of the children of the country by a park located as this is?

Mr. OVERMAN. What is picturesque about it?

Mr. BURSUM. It is a country of beautiful pine trees and beautiful scenery generally.

Mr. OVERMAN. What kind of scenery? Pine trees and rivers?

Mr. BURSUM. The finest scenery in the world. There is no place more picturesque, more beautiful, more pleasant. It is a place where the people from the South can go with their children to escape the sultry weather of summer time.

Mr. OVERMAN. Are there any roads through it?

Mr. BURSUM. Of course there are roads, and fine roads, too.

Mr. OVERMAN. The Senator will not be here asking for an appropriation for roads?

Mr. BURSUM. I am not asking for a cent now. All I want the Senate to do is to pass this bill, and it will save me writing at least a hundred letters in the next 20 or 30 days.

Mr. OVERMAN. The Senator knows that we have to build roads through pretty nearly every one of these parks. How about this one?

Mr. BURSUM. We have a good road through this park.

Mr. OVERMAN. The Senator will not ask for any money to build roads?

Mr. BURSUM. No; not for a road. We have a good road there, which was built under the law we passed last year.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Indian Affairs with an amendment to strike out all after the enacting clause and insert:

That all the lands embraced within the present boundary lines of the Mescalero Apache Indian Reservation, in the State of New Mexico, are hereby reserved and withdrawn from settlement, occupancy, or disposal under the laws of the United States and dedicated and set apart for the use and benefit of the Indians thereupon and their descendants, subject only to the exceptions hereinafter set forth.

The name of such reserve shall be the Mescalero Apache Indian Reserve.

Within the boundaries of the Mescalero Indian Reserve there shall be set aside for use as a national park for the recreation of the public such parcels of land conspicuous for beauty of scenery or adapted for summer camps as the Secretary of the Interior may cause to be surveyed, designated, and set apart for park purposes: *Provided*, That no lands shall at any time be designated or set apart for park purposes which are occupied, used, or cultivated by any Indians: *Provided further*, That the aggregate area of the parcels of land so surveyed, designated, or set apart for park purposes shall not exceed 2,000 acres.

The official designation of this and the other lands herein mentioned for park purposes shall be "The All-Year National Park," and said national park shall embrace, in addition to the areas in said reserve hereby set apart for park purposes, such additional territory surrounding the Elephant Butte Reservoir, the White Sands, and the Mal Pais lava beds, herein set forth, to wit:

The Elephant Butte Lake and all of the lands appurtenant thereto heretofore acquired or set apart as the site of the Elephant Butte Reservoir and the lands appurtenant thereto.

Such portion of the Mal Pais lava beds and of the unappropriated public domain adjacent thereto, not exceeding 640 acres of the land adjacent thereto, as the President may, by proclamation, include in such park. Such portion of the White Sands or Gypsum Hills in Otero County, N. Mex., and of the unappropriated public domain adjacent thereto, not exceeding 640 acres of the lands adjacent thereto, as the President may, by proclamation, include in such park.

SEC. 2. That immediately upon the passage of this act the Secretary of the Interior shall cause to be surveyed the arable lands along the watercourses and elsewhere within the following-named canyons, to

wit: Tularosa, Elk, Silver Springs, White Trail, Cherokee, North Carrizo, South Carrizo, Rinconado, and Nogal, and such other informal selections as have heretofore been made and are now being occupied or cultivated by Indians for agricultural purposes, all of which said lands shall be allotted in severalty to the Mescalero Apache and other Indians now upon said reserve; and such lands as are now being used by the United States Government for school, agency, and other purposes shall be likewise surveyed and are permanently reserved, and such tracts as have heretofore been set aside for the benefit of any church shall be permanently reserved for such purpose. Such severalty allotments may descend to the legal heirs of the allottee, but neither the allottee nor such heirs shall have the power to dispose of such allotment by deed or otherwise until these restrictions may be removed by the Congress of the United States, except that in the discretion of the Secretary of the Interior such allotment may in the interest of the allottee be leased to any other Indian among those, or the descendants of those, now residing upon such reserve.

SEC. 3. That nothing in this act contained shall be held to abrogate the provisions of the mining laws of the United States, including the mineral lease law approved the 25th day of February, 1920, but the same shall remain in effect in the territory herein set apart: *Provided*, That the surface land area of any lease or permit shall be no more than is sufficient for strictly mining purposes: *And provided further*, That the proceeds of any lease of nonmetalliferous minerals shall be placed in the Treasury of the United States, one-third of such proceeds to be available from time to time for the use of the Indians residing upon such reserve, one-third to the credit of the reclamation fund, and the remaining one-third shall be paid over to the State of New Mexico for the road fund of such State. Any coal deposits which may be found upon the present Mescalero Indian Reservation may be leased or worked for the benefit of the Indians upon such reserve and their descendants, and the output thereof disposed of under such rules and regulations as the Secretary may prescribe. The Secretary of the Interior may sell and permit the removal of only the excess matured or down timber as he may deem necessary or advisable, the proceeds of such sale to be deposited in the Treasury to the credit of the Mescalero Indians. The Secretary shall cause to be provided for the use of said Indians one or more sawmills, easily transportable, which shall be used under the direction of the agent or superintendent by the Indians for cutting and preparing lumber for houses, corrals, fences, road building, and other necessary purposes for the benefit of said Indians upon such reserve.

SEC. 4. That the unallotted and unreserved lands upon said reserve shall be and remain the property of the Indians now residing upon said reservation for their common use and benefit, for grazing, and other purposes, through tribal herds or lease of such areas, and for their common use and benefit in securing supplies of lumber therefrom, as stated in section 3, until otherwise directed by the Congress of the United States.

SEC. 5. That the Indians resident upon said reserve and their descendants shall, under the rules and regulations to be prescribed by the Secretary, have free grazing for their own stock within said reserve, and the surplus grazing lands, if any therein, may be leased under such rules and regulations, and the proceeds of such lease or leases shall be deposited in the Treasury to the credit of said Indians.

Nothing in this act contained shall be interpreted to restrict or curtail the right of the Indians lawfully resident upon said reserve to hunt game therein or to fish therein under rules and regulations to be adopted by the Secretary of the Interior, which rules and regulations shall prohibit the hunting of game upon such reserve by any other than an Indian resident thereupon. All rights to the use of waters for irrigation and domestic purposes, whether obtained by user, prior appropriation, adjudication, or otherwise, now vested in or belonging to the Indians resident within the boundaries of said park are hereby confirmed.

SEC. 6. That under the directions of the Secretary the Bureau of Indian Affairs shall have complete jurisdiction over Indian matters and all properties and proceeds of the reserve for the benefit of the Indians lawfully resident therein, except as specifically excepted herein, and such jurisdiction shall extend to the Indians at all times, whether upon portions of the reserve set aside for park purposes or otherwise.

SEC. 7. That within the boundaries of said Mescalero Apache Indian Reserve the National Park Service shall have jurisdiction over roads and trails now constructed or to be hereafter constructed, as well as over the parcels of land referred to in section 1: *Provided*, That transit over same shall be perpetually free to the Indians, and that no such trails or roads now constructed shall be closed and no new roads or trails opened except by agreement between officials of the park and of the Indian Service, and said park service shall have jurisdiction over tourists and visitors within the limits of said reserve and the limits of said park, and shall formulate rules for the administration and control of such areas within said reserve as are specifically designated and set aside for park purposes and over roads and trails.

SEC. 8. That in the employment of labor within the boundaries of said reserve, including the portion set apart for park purposes, preference shall be given to Indians lawfully resident within said reserve, and a like preference shall be given for all guide work and for the use of Indian horses, whether such guide work and horseback riding shall be by rules and regulations provided to be carried on under concession or otherwise.

SEC. 9. That in event the use of any parcels of land hereinbefore provided to be set aside for park purposes, or the jurisdiction over any roads or trails now or hereafter to be constructed shall be surrendered, the Commissioner of the General Land Office shall be immediately notified thereof, and the title to such lands and the right to use thereof and jurisdiction over such roads shall immediately revert to the Indians resident upon the reserve, and such title or right to the use thereof shall not reinvest in the park service or any other service, or be divested from the Indian residents, except by act of the Congress of the United States.

That the Secretary of the Interior, in consideration of the transfer of the use of said parcels of land and roads to the park service, is hereby authorized to negotiate for, and secure the title to, privately owned lands situated upon said reserve within the Tularosa Canyon, together with any water rights or water-power rights appurtenant to said lands, through proper deeds of conveyance, which properties shall immediately become the property of the Indian residents; and those portions or lots thereof susceptible of allotment in severalty shall be so allotted to Indian residents; the remaining portions of such property to become the common property of the tribe, and the use, if any, of such water power to be for the common benefit of the Indian residents.

The Secretary of the Interior is further authorized and directed to provide, at the earliest possible moment, proper houses for the Indian residents, and particularly for the Mescalero Apache Indians; the costs of such acquisition of property and of the construction of such houses and necessary buildings for individual Indians to be paid out of any funds now or hereafter available for such purposes.

SEC. 10. That nothing in this act contained shall be interpreted to limit or interfere with the use of the Elephant Butte Dam and Reservoir and the lands appurtenant thereto for irrigation purposes, nor to limit additions to said dam and enlargement of said reservoir for irrigation purposes, nor to diminish, limit, or interfere with the use and development of electrical power incident to the discharge of water from said reservoir by or for the benefit of the Rio Grande irrigation project and the settlers and landowners entitled to the benefit thereof, but the use of said dam, reservoir, and lands appurtenant thereto for park purposes shall always be subservient to its use for irrigation purposes and the incidental development and use of hydroelectric power thereupon, under such rules and regulations as the United States Reclamation Service, under the authority of the Secretary, shall from time to time adopt and prescribe: *Provided further*, That the privilege of fishing in the Elephant Butte Reservoir shall be open and free to the persons complying with the game laws of the State of New Mexico.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

The title was amended so as to read: "A bill defining the rights of the Mescalero Apache Indians in the Mescalero Indian Reservation, providing for an allotment of certain lands therein in severalty to the Mescalero Apache Indians, and creating and defining the All-Year National Park, and for other purposes."

NOMINATIONS REPORTED.

The PRESIDING OFFICER (Mr. WADSWORTH). The present occupant of the chair asks unanimous consent, as in open executive session, to report from the Committee on Military Affairs certain nominations, to go to the calendar. Is there objection? The Chair hears none.

Mr. UNDERWOOD. I assume from this that we will not have an executive session this evening.

Mr. McCUMBER. No; we will not.

Mr. UNDERWOOD. Very well.

RECESS.

Mr. McCUMBER. I move that the Senate take a recess until to-morrow morning at 11 o'clock.

The motion was agreed to; and (at 5 o'clock and 50 minutes p. m.) the Senate took a recess until to-morrow, Saturday, July 8, 1922, at 11 o'clock a. m.

SENATE.

SATURDAY, *July 8, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

DISTRIBUTION OF SPEECHES BY FEDERAL RESERVE BANKS.

The VICE PRESIDENT. The Chair lays before the Senate a communication from the governor of the Federal Reserve Board, transmitting, pursuant to Senate Resolution 308, letters from the governors of the Federal reserve banks of Philadelphia, Richmond, and St. Louis relative to the circulation of copies of the speech of Senator GLASS. Without objection, the communication, with the accompanying letters, will be printed and lie on the table.

Mr. HEFLIN subsequently said:

Mr. President, in response to a resolution passed by the Senate a few days ago calling upon the Federal reserve banks to give certain information about the circulation of the speech of Senator GLASS, we have reports from the Federal reserve banks of Richmond, St. Louis, and Philadelphia transmitted to the Senate by the governor of the Federal Reserve Board. I ask unanimous consent that the order made this morning to print the reports be rescinded and that they lie upon the table of the Vice President until the other reports are received, so that we can dispose of all of them together.

The PRESIDING OFFICER (Mr. ROBINSON in the chair). Without objection, the request will be granted. The reports will lie on the table for the present.

PETITIONS.

Mr. SHORTRIDGE presented petitions of sundry granges of the Patrons of Husbandry in the State of California, with a membership of 900, favoring the election by farmer stockholders of six directors to officer each of the 12 Federal land banks,

the Federal Government appointing three directors to represent the Government and the country's interest, which were referred to the Committee on Banking and Currency.

REPORTS OF COMMITTEES.

Mr. BURSUM, from the Committee on Pensions, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

A bill (H. R. 11427) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war (Rept. No. 809); and

A bill (H. R. 11533) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war (Rept. No. 810).

Mr. NEW, from the Committee on Claims, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

A bill (S. 1491) for the relief of George T. Larkin (Rept. No. 811); and

A bill (S. 1515) for the relief of Henry C. Wilke (Rept. No. 812).

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SWANSON:

A bill (S. 3797) granting a pension to Anna R. Little; to the Committee on Pensions.

A bill (S. 3798) for the relief of F. J. Andrews; to the Committee on Claims.

A bill (S. 3799) for the relief of Louis A. Hogue; and

A bill (S. 3800) for the relief of C. Pateras & Sons and C. Lemos, owners of the Greek steamship *Constantinos Pateras;* to the Committee on the Judiciary.

By Mr. MOSES:

A bill (S. 3801) granting a pension to Eliza A. Stratton (with accompanying papers); to the Committee on Pensions.

STANDARDS FOR HAMPERS AND BASKETS.

Mr. CAPPER submitted an amendment intended to be proposed by him to the bill (H. R. 7102) to fix standards for hampers, round stave baskets, and splint baskets for fruits and vegetables, and for other purposes, which was referred to the Committee on Manufactures and ordered to be printed.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenues, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. POINDEXTER. Mr. President, I submit certain proposed amendments to the pending tariff bill and ask that they be printed and lie on the table for future presentation.

The VICE PRESIDENT. The amendments will be printed and lie on the table.

Mr. McCUMBER. Mr. President, I ask the Senate to return to paragraph 728, the rice paragraph. I desire to state in respect to this paragraph, as I stated some time ago, my belief that while the committee itself has not yet definitely reported the disagreement, in my own conviction we ought to disagree to the committee amendment.

Mr. RANSDELL. Mr. President, I am delighted to hear that statement from the chairman of the committee. Ordinarily I would not say anything in the light of that statement, but I have prepared some remarks which I would like to put in the RECORD, and I promise not to take a great deal of the time of the Senate. I think, however, it would add a little to the literature of the subject. The question is one of great importance.

Mr. McCUMBER. I made the statement just now because when the Senator from Louisiana was absent some time ago I indicated the same view in a statement before the Senate. I thought that the Senator who is now to speak on the subject should speak of it with the idea that at least he has the support of some members of the Committee on Finance in his view of the case.

Mr. RANSDELL. I thank the Senator very much for the statement.

Mr. DIAL. Mr. President, if the Senator from Louisiana will yield to me, and it is agreeable to the Senator, I will suggest the absence of a quorum.

Mr. RANSDELL. If the Senator will withhold his request for a quorum and let me proceed I shall appreciate it.

Mr. DIAL. Very well.

Mr. McCUMBER. Will the Senator from Louisiana yield to me to make a unanimous-consent request?

Mr. RANSDELL. With pleasure.

Mr. McCUMBER. I ask unanimous consent that when the Senate closes its business on this calendar day it recess until Monday at 11 o'clock a. m.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. McCUMBER. I thank the Senator.

Mr. RANSDELL. Mr. President, the action of the Finance Committee in recommending a horizontal reduction of 50 per cent in the existing tariff on rice practically amounts to the proscription instead of protection of that great industry. This hostile attitude toward a defenseless industry, which more than any other in the long agricultural schedule should call for the aid of a protective tariff, is all the more amazing because of the liberal treatment which the committee has recommended for all the other cereals.

Not only must our rice farmers compete with the lowest and most unequal form of foreign competition met by any American producer, but I think I can successfully demonstrate to the Senate the necessity of this particular crop if we are to succeed in our efforts to build up our merchant marine and foster our expanding foreign trade. I also intend to show that since the present tariff law went into effect the rice industry has been adversely affected by congressional enactments which, though not intentionally aimed at it, as in the present case, have nevertheless seriously affected it, and I believe that when these facts are demonstrated the Senate in a spirit of justice will agree to a restoration of the rates carried in the bill as it passed the House.

Let me preface these remarks, Mr. President, by briefly reciting the important position which this crop occupies in world-wide economy and its place in our own history. Not only is its use the most ancient but it remains to this day the most important of all the cereals used for human food. It occupies an honored place in records that are found at the very dawn of history, the Chinese tracing its introduction back beyond the year 2822 before the Christian era. All of the early classic writers of the western world who dealt with economic subjects testify to its importance, and it continues to occupy a highly important place in the agricultural life of the nations grouped about the Mediterranean Sea.

I shall not consume the time of the Senate to discuss the detailed history of the crop in those foreign countries; to show how during the lapse of ages its culture has lapsed at times, when for a period popular taste swung toward those grains which have always been identified with the North, like wheat and corn. The notable fact about it is that mankind has always returned with increased ardor to the cultivation of the crop that was invested with divine attributes when the race was in its infancy, and it suffices to say that not only in Asia but in Italy, in Spain, and elsewhere greater efforts are being made to-day to stimulate the production of rice than at any time in recorded history.

In our own country the rice industry has been one of the most spectacular factors in our marvelous agricultural development. This especially applies to the past 25 years, or from the time of the Spanish-American War, since when there has been a complete change not only in the fields of production but in the methods of cultivating the crop.

Rice is credited with having been introduced into this country in 1694, when a British vessel bound from Madagascar to Liverpool put into Charleston, S. C., for repairs. It is related that the captain gave to the governor, Landgrave Thomas Smith, some of the rough rice from his cook's stores, suggesting it as a possible additional article of food. It was planted in the governor's garden, now known as Longitude Lane, in the city of Charleston, and the product carefully preserved and distributed among the colonists.

By careful seed selection and intelligent study of cultural methods rice raised in the Carolinas and other South Atlantic States attained a world-wide fame for the excellent quality of the grain. There was a generous rivalry among the planters to promote this improvement and many of the most distinguished men of the colonial period were engaged in the production of this crop. The one man who stands out conspicuously, however, in his efforts for the improvement and development of the American rice industry is Thomas Jefferson. As a profound student of history and of contemporaneous world conditions, rice always held a strong fascination for Mr. Jefferson. He gave repeated proof of this in the course of his voluminous correspondence. In the historic letter from the author of the Declaration of Independence to

General Washington, dated Paris, December 4, 1788, beginning: "I have seen with infinite pleasure our new Constitution accepted by 11 States," he concludes as follows:

The consumption of rice is growing fast in this country, and that of Carolina gaining ground on every other kind. I am of the opinion the whole of the Carolina rice can be consumed here. Its transportation employs 2,500 sailors, almost all of them English at present, the rice being deposited at Cowes and brought from thence here.

I do not wish to make any extended citations from the works of either Mr. Jefferson or his distinguished political rival, Mr. Hamilton, who divided with him the honor of serving in President Washington's first Cabinet and with founding a rival school of political thought. However, I expect to show by brief citations how deeply concerned the founder of the Democratic Party was in establishing this great agricultural industry in America, and how rice as one of the grain crops was recommended for special consideration in the preparation of our tariff laws by Alexander Hamilton. That being so, the situation should receive favorable consideration from every follower of that distinguished statesman.

Let me show you the extent to which Mr. Jefferson went to advance the quality of our early American rice. He searched the three continents of Europe, Asia, and Africa for improved seed, and the drawbacks to the cultivation of the crop which he mentions are of interest to us at this time, because under modern conditions they have entirely disappeared.

Regarding his efforts with African rice he wrote William Drayton from France, "I have forwarded to you two couffres of rough rice which I had brought from Egypt." But his principal hopes lay with seed secured from another quarter of the dark continent. Of this variety he wrote:

In 1790 I got a cask of heavy upland rice from the river Denbigh, in Africa, about latitude 9° 30′ north, which I sent to Charleston in hopes it might supersede the culture of the wet rice, which renders South Carolina and Georgia so pestilential through the summer.

He reverted to this shipment in later years when he wrote:

The upland rice which I procured fresh from Africa and sent them (the South) has been preserved and spread in the upper parts of Georgia and, I believe, in Kentucky.

In the hope of improving the American strain with Asiatic seed, he wrote:

I first became informed of the existence of a rice which would grow in uplands without any more water than the common rains by reading a book of M. de Poivre, who had been governor of the Isle of France, who mentions it as growing there and all along the coast of Africa successfully, and as having been introduced from Cochin China. I was at that time (1784–1789) in France, and there happening to be there a prince of Cochin China, on his travels, and then returning home, I obtained his promise to send me some.

The steps that he took to secure the Italian varieties involved personal danger that lends a romantic hue to the recital. In his "Travels in Italy" he has recorded that "Poggio, a muleteer who passes every week between Vercelli and Genoa, will smuggle a sack of rough rice for me to Genoa, it being death to export it in that form."

Evidently the doughty Italian smuggler found the risk too great, for the author of the Declaration of Independence has recorded that he ultimately found it necessary to make a personal visit to the Italian rice country to make an investigation at first hand of their secret methods of milling the grain and to bring back a meager supply of seed concealed upon his person.

In his letter to Edward Rutledge from Paris, under date of July 14, 1787, he said:

I was glad to find that the adaptation of your rice to this market was considered worth attention, as I had supposed it. I set out from hence impressed with the idea the rice dealers here had given me, that the difference between your rice and that of Piedmont proceeded from a difference in the machine for cleaning it. At Marseille I hoped to know what the Piedmont machine was, but I could find nobody who knew anything of it. I determined, therefore, to sift the matter to the bottom by crossing the Alps into the rice country. I found their machine exactly such a one as you had described to me in Congress in the year 1783. There was but one conclusion then to be drawn, to wit, that the rice was of a different species, and I determined to take enough to put you in seed; they informed me, however, that its exportation in the husk was prohibited, so I could only bring off as much as my coat and surtout pockets would hold. I took measures with a muleteer to run a couple of sacks across the Apennines to Genoa, but have not great dependence on its success. The little, therefore, which I brought myself must be relied on for fear we should get no more; and because, also, it is genuine from Vercelli, where the best is made of all the Sardinian Lombardy, the whole of which is considered as producing a better rice than the Milanese.

Surely, Mr. President, no American who venerates the memory of Thomas Jefferson can read these extracts from his writings without a desire to preserve the industry which he labored so hard to establish.

The early history of the crop in the United States is confined to the Carolinas and South Atlantic States, where 96 per cent of it was grown. Very little of it was consumed by the American people outside of the localities in which it was produced and almost the entire output was marketed in Europe and the West Indies. While the statistics for the period antedating the Civil War are somewhat meager, yet they are sufficiently complete to give an accurate idea of the size of the crop.

From the best available data the production of rice in the United States grew from about 200,000 bushels at the end of 1720 to 3,335,000 bushels at the end of the last century, when the modern industry may be said to have become thoroughly established. The present yield averages about 50,000,000 bushels a year.

During the period from 1862 to 1864, inclusive, no record was kept but the output was small. Civil War ravaged the section where the great bulk of the crop had grown. The elaborate embankments and irrigation systems which had been constructed in the river bottoms of Georgia and the Carolinas at such an enormous expenditure of treasure and years of labor were destroyed. They were never fully restored, and their destruction marked the transfer of the crop from the South Atlantic to the Gulf States, where it was revived upon the sugar plantations that flourished near the mouth of the Mississippi River.

The production of sugar in Louisiana was also undergoing a radical change at that time, which marked the advent of large central factories. Prior to this development practically every plantation, large or small, maintained its own expensive manufacturing plant. More than a thousand existed in the southern part of the State, and their collective output was not as large as the modern establishments which are not one-tenth so numerous. It was a very expensive system, and, as the planters were looking for a crop that did not require so much operating capital, they eagerly turned their plantations from the cultivation of sugar to rice.

While rice had been introduced into Louisiana in 1817 it had only been grown in extremely limited quantities along the banks of the river below the city of New Orleans, and little of it was used outside of New Orleans prior to the Civil War.

With the destruction of the Carolina industry, however, and the discovery that rice could be profitably grown upon the sugar plantations at only a fraction of the cost, and with comparatively little preparation of the soil, its cultivation steadily extended in the river section of Louisiana. During the quarter of a century that followed this movement more than 80,000 acres were gradually adapted to it on either bank of the Mississippi as far north as Baton Rouge.

It was during this period that the cultivation of "upland rice," which had been the cherished dream of Thomas Jefferson nearly a century before, received its greatest impetus.

It was grown in innumerable small patches, and mills cleaning it were located here in Washington, D. C., in New York, Baltimore, and at numerous points farther south. Owing to the lack of uniformity in the grade of the output, however, this flare-up of the domestic industry was fighting a losing battle against foreign rice of more uniform grade, when the adaptability of the prairie lands of the Gulf coast for the production of this crop became recognized in the late nineties, and the history of the modern American rice industry dates from that period.

The Department of Agriculture, in collaboration with the Louisiana State University and Agricultural and Mechanical College at Baton Rouge, has recently issued a bulletin pointing out that the coastal plain area of southwest Louisiana came into special prominence as a rice-producing section about 1896, and the same bulletin gives us a comprehensive idea of the cost of producing the crop under modern methods and conditions.

It is safe to say, Mr. President, that since the period just referred to, beginning in the early nineties, no branch of American agriculture has shown such progress, either in the volume of the output or the technique of cultivating and harvesting the crop.

In view of these modern conditions prevailing in the rice belt of the South and on the Pacific coast, this crop now being produced, harvested, and marketed in much the same manner as wheat, and in justification of our appeal for a restoration of the House rates on rice, I submit an itemized statement of costs to the honorable Senator from North Dakota, in charge of this bill. Hailing, as he does, from the heart of our wheat-producing section, I feel sure he will recognize the justice of our plea.

When I tell him that this statement was not prepared in connection with the revision of the tariff; that it was not intended for use by Congress, but was undertaken as part of the regular routine work of one of the experimental stations in the rice belt, he will be convinced that if this branch of American in-

dustry is to be preserved from the deadening competitive conditions of the Far East, then our plea must be granted.

I will print, with the consent of the Senate, the statement as a part of the appendix to my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

(See Appendix A.)

Mr. RANSDELL. As against those costs, compiled under official and disinterested auspices, the American grower is called upon to compete with rice produced by the cheapest labor and under the lowest living condition of any article that enters into international commerce.

Since the enactment of the last general tariff act a great deal of information has been obtained about conditions in the Far East surrounding the production of the rice crop. Among the authoritative contributions on the subject are the works of Dr. F. H. King, late professor of agricultural physics at the University of Wisconsin, and late Chief of the Division of Soil Management of the United States Department of Agriculture.

Doctor King was a friend of the oriental people and made several visits to the Far East in pursuit of his studies. His statements in Farmers of Forty Centuries are valuable, because he was unprejudiced and sought to avoid exaggeration. I want to emphasize this statement, because approximately 90 per cent of the world's rice is produced under the conditions described in Doctor King's book.

Mr. President, at this point I wish to ask permission to print in the RECORD, without reading, as a part of the appendix to my remarks some brief excerpts from Doctor King's extremely interesting and instructive book entitled "Farmers of Forty Centuries." He visited Japan and China, made a most intense and careful study of conditions of agriculture in those two countries and has embodied his observations in a book, which I think every person in the United States interested in agriculture could read with very great profit. He especially discusses the rice situation; tells how rice is cultivated in those countries; about the wages paid to Japanese and Chinese for cultivating rice; and shows such an entirely different state of affairs from that which obtains in this country, especially how much cheaper they can raise rice than we possibly can, and how entirely different conditions are there, that a few extracts would be very instructive, and I ask to attach them to my remarks without reading, and that they be printed in 8-point type.

The VICE PRESIDENT. Without objection, it is so ordered.

(See Appendix B.)

Mr. RANSDELL. Mr. President, notwithstanding the enormous strides we have made in increasing the output in recent years, our total production is infinitesimal when measured by that of Asia, and it is against the surplus rice grown under such conditions as described by Doctor King and sent to this country to find a market that the American rice farmer asks to be protected.

Again let me emphasize at this point, Mr. President, that we produce in the United States only about 1 per cent of the rice crop of the world, while fully 99 per cent of the rice crop is produced in oriental lands. Along with that statement it should be borne in mind that the world produces and consumes considerably more rice than wheat. Wheat is the staff of life with us, but it is not the staff of life of a great many people in the world; rice with them is the principal article of food.

Doctor King found that many factors conspire to give the orientals an advantage in producing rice; that in portions of China, Japan, and Korea, to say nothing of the French and British possessions, not only does a dense population insure cheap labor but their geographic positions permit of a longer growing season, with the result that they have two or more crops annually, grown at but a fraction of our own cost in producing one. He found that in southern China, in Formosa, and in parts of Japan two crops of rice are grown; in the Cekiang Province there may be a crop of rape or wheat or barley or of Windsor beans or clover, which is followed in midsummer by another of cotton or of rice. In the Shantung Province wheat or barley in the winter and spring may be followed in summer by large or small millet, sweet potatoes, soy beans, or peanuts. It is unnecessary to expatiate upon the folly of expecting American farmers to meet such competition as this. As I have already pointed out, natural conditions contribute to this result no less than the cheap labor, for the rainfall in these countries is not only larger than that in our Atlantic and Gulf States but it falls more exclusively during the summer season, when its efficiency in crop production may be highest. South China has a rainfall of some 80 inches with little of it during the winter, while in our Southern States the rainfall is nearer 60 inches, with less than one-half of it between June and September.

Doctor King says that it is difficult to convey, by word or map, an adequate conception of the magnitude of the systems of canalization which contribute primarily to rice culture. A conservative estimate would place the miles of canals in China at fully 200,000, and there are probably more miles of canal in China, Korea, and Japan than there are miles of railroad in the United States. China alone has as many acres in rice each year as the United States has in wheat, and her annual product is more than double and probably threefold our annual wheat crop, and yet the whole of the rice area produces at least one and sometimes two other crops each year.

These brief excerpts from the monumental work which Doctor King gave to the world under the title "Farmers of Forty Centuries" will give an idea, not only of the natural advantages these people possess by reason of climatic conditions but likewise of the wonderful artificial improvements they have wrought through the centuries in the form of canals and dikes to enable them to produce this crop. When we come to consider the factor of labor costs our disadvantage is even more pronounced. In some of the advanced Chinese Provinces farm labor is paid at the rate of $21.50 gold per annum, with board. This is less than the monthly wage paid in the American rice country. But there are vast numbers of oriental farm laborers who receive less than $10 per year, with board and lodging and a few cheap articles of clothing. It is utterly impossible to attempt to build up an American industry that has to compete with such conditions unless we make some attempt to equalize these differences at the customhouse.

If I have been able to give the Senate a fair idea of how the American rice industry was developed from an unpromising start until within the last decade it assumed a place among our more important crops, and if I have succeeded in making clear the impossible competition we are called upon to meet from the Orient, I will proceed to show the wonderful possibilities that this cereal holds if the American Congress, in its wisdom, will permit us to continue the work of development which has been so ably begun.

As I have already pointed out, the prairies of southwest Louisiana became recognized as ideal rice lands some 30 years ago, and the history of the modern industry dates from that time.

In a recent discussion of the industry the United States Department of Agriculture points out that the principal rice region of the United States lies on the Gulf coastal plain, where there are broad, level prairies extending approximately from Rayne, La., to Crosby, Tex. These tracts of level land are broken here and there by sluggish streams. From them the irrigation water is obtained by the use of powerful pumps. As these streams are much lower than the prairies they also serve as the natural outlets for drainage. Deep wells also are used in this section to supply irrigation water for approximately 150,000 acres.

The rice area in Louisiana is located on the prairies in the southwestern part of the State, with the exception of a narrow strip of alluvial land, totaling 89,000 acres, along the Mississippi River. Since the early part of the nineteenth century rice has been produced in Louisiana, but the crop remained unimportant until it was demonstrated in Acadia Parish that it could be grown on the prairies.

The effect of the successful outcome of this agricultural venture increased the rice area in the State from 42,000 acres in 1879 to 84,377 acres in 1889. During the next 10 years there was such an increase in the number of irrigation plants, and at the same time so great an enlargement of the canal systems, that the acreage in rice in Louisiana reached 201,685 acres. By 1918 the prairie rice area in that State had increased to 491,893 acres. In Texas, where rice is grown only under prairie conditions, the area devoted to the crop increased from 178 acres in 1889 to 245,000 acres in 1918, 136,520 acres of which were located in southeastern Texas.

In acreage and production of rice the Louisiana prairies rank first, and those of Texas second. Of the 1,112,770 acres of rice grown in the United States in 1918 the Louisiana and Texas prairies contained 736,893 acres.

There is a similar, though smaller, prairie district in eastern Arkansas, approximately 50 miles wide and 150 miles long, which in 1918 produced 7,310 000 bushels on 170,000 acres. The rice industry is of recent development there, for it was in 1905 that Arkansas, with 460 acres of rice, was first included among the rice-producing States.

The department has also issued a treatise describing the industry as developed in California, in which it states that the first commercial crop of rice in California was grown in 1912 on adobe soil in the Sacramento Valley near Biggs. The profits

from this crop of 1,400 acres were large. The wide publicity that was given to the possibilities of rice culture on black adobe soil resulted in the sowing of more than 6,000 acres in 1913. The greater part of this acreage was in Butte County, though there were several small sowings in the San Joaquin Valley. The average yield of 3,200 pounds of grain per acre which was produced by the 1913 crop gave so great an impetus to the industry that in 1914 the area sown to rice was increased to 15,000 acres. Since that time rice production has increased rapidly. In 1919 rice was grown on 142,000 acres, and the resulting crop was valued at more than $21,000,000.

The last State to enter the field as a rice producing center is Missouri, where an output per acre has been reached that stands next to California. I will insert at the conclusion of my remarks a table taken from the last yearbook of the department, showing that this is an important branch of our agriculture, and that 1,337,000 acres were seeded to it in the crop year 1920.

With the growing demand in the markets of the world for this cereal and with new lands constantly being found within our borders that are susceptible to its cultivation, the possibilities for its expansion are enormous. As an indication of these possibilities, in the State of Louisiana alone, where the greatest area ever sowed to rice amounted to 700,000 acres, it has been stated by competent engineers after careful surveys that there is in excess of two and a half million acres of open prairie lands in the southwestern part of the State naturally adapted to the cultivation of rice. Underlying this entire area is an impermeable bed of clay which prevents the escapement of water when placed on its surface, and explains the remarkable success that has attended the cultivation of the crop in that section. As this same formation extends across the Sabine River into Texas, it may be conservatively estimated that there is a like area in that State, of no use heretofore except for grazing cattle, which holds forth the promise of enormous riches when brought under the cultivation of rice. The extracts I have read from the publications of the Department of Agriculture showing the extent of soil adapted to this crop in Arkansas and California, and the experiments which are going on in Missouri and elsewhere, warrant the statement that there are now more than 7,000,000 known acres of land available for the expansion of the American rice industry, and it is probable that this area will be doubled or trebled as accurate soil surveys are made.

Although we produced a crop of 54,000,000 bushels in 1920 under the stimulus of appeals from the Federal Government to increase all food crops, that enormous output represents less than 1 per cent of the rice crop of the world. Practically the entire output is grown in Asia, where it is most difficult to secure statistics; but from countries like India, where the statistics are accurate, we are enabled to secure some idea of the enormous output of this cereal, which feeds more than half of the human race.

In the reports of the Department of Commerce issued March 20, 1922, appears the following statement of the magnitude of India's crop:

> The final general memorandum on the rice crop of 1921–22, issued by the Department of Statistics of the Government of India the latter part of February, 1922, reports the total area planted to rice as 81,234,000 acres, or 3 per cent more than last year, and the total production as 32,994,000 tons, or 19 per cent over the previous year, according to a cablegram from Consul General Alexander W. Weddell, at Calcutta. This confirms the forecast made by the Far Eastern Division of the Bureau of Foreign and Domestic Commerce, published in Commerce Reports of December 12, 1921, to the effect that it was probable that the final forecast would report 81,000,000 acres and a yield of 33,000,000 tons.

It has been conservatively estimated by British trade experts that the Indian output is but 40 per cent of that of China. When to this we add the crops of Japan, the French and Dutch possessions, and the other countries of the Orient we can have some idea of the deluge that is threatening the American rice farmer, and understand why he cries out for legislation that will help him to meet it.

Mr. President, I wish to add, as a part of the appendix to my remarks, a table furnished to me by the Department of Agriculture a few days ago entitled "World crops of wheat and rice," which shows the approximate world yield of these two crops.

(See Appendix A.)

This table shows that the yield of wheat is 4,423,000,000 bushels, as compared with a yield of rice amounting to 4,452,000,000 bushels.

This gives an excess of 29,000,000 bushels of rice over wheat, which, taken in conjunction with the fact that the food value of rice is much higher than that of wheat, clearly demonstrates the premier place which this great cereal occupies among the crops devoted to human food.

Let me now consider the objection which has been raised to the proposed duty on rice because of the alleged large exports, which would seem to make unnecessary the imposition of these duties.

While for several years following the close of the late World War there were enormous exportations of rice from this country, this was due to the fact that in answer to an official appeal to produce more foodstuffs to help win the war the American rice farmers harvested twice as much rice as was consumed at home. But it must be remembered, Mr. President, that the Allies had taken an enormous horde of rice consumers from Asia either to fight or to work behind the lines, and the rice farmers of the United States were called upon to feed them.

Right here let me say that the situation with respect to rice was very much the same as that which arose in connection with the scarcity of sugar. It will be remembered that when the famine in that article was at its height the Food Administration comforted us with almost sardonic humor that there were tons of sugar piled up in Java and elsewhere in the Far East, but that tonnage could not be spared to go and get it. By the same token, we were asked to grow the rice that otherwise would have taken the cargo ships on long voyages to the rice fields of the Orient when they were needed in the theater of hostilities.

When hostilities suddenly terminated and the Asiatics were sent home to consume the surplus stores that had been piling up in the Orient, the American industry was caught not only with enormous stocks on hand but with the largest crop that had ever been grown and for which there appeared to be no market.

We all remember the distressing situation which ensued. Speculators who had overreached themselves and contracted for enormous supplies in Asia, counting on a prolongation of the war, had to accept delivery as soon as ships could bring it across. This foreign rice added to our own unmarketable output, which had been grown under the spur of an appeal to patriotism, absolutely broke the American rice market. A wild scramble was made to unload in all the far corners of the earth. One of the most notable results was the effect produced in Cuba. It was because of overspeculation in rice that the first clouds of financial disaster gathered on the horizon of that island, and a crisis was developed among the importers and banks of Habana interested in these importations, even before the crash came in sugar.

But these, Mr. President, were abnormal conditions the result of equally abnormal times, and do not represent the regular ebb and flow of our rice imports and exports. At the hearings before the Ways and Means Committee, which resulted in the rates being recommended which we are now seeking to have restored, it was shown that in normal times the home consumption in this country has been between five and six million bags and the importations something like a million bags.

This trade movement in rice can easily be explained. The manufactured product of other important cereals, such as wheat, corn, and oats, take the form of flour and meal, and the output of the mills is of rather uniform grade. In the case of rice, however, the grain is marketed in either whole or broken kernels, and very little of it is made into flour or meal. The American consuming public is perhaps the most discriminating on earth, and it will not use broken or defective rice. That is why a large percentage of our output, which otherwise would have to be marketed at considerable loss at home, enters into our export trade. It finds a ready market among the Latin people living on the islands and in the countries immediately to the south of us. The financial condition of the masses of those people prevents their balking at appearances, and they buy the broken rice solely for the food value which it contains.

This brings me, Mr. President, to the consideration of a subject that should appeal to the sense of fairness of every Senator; and I will say right here that it should especially appeal to every Member on the other side of the Chamber.

In the beginning of my remarks I quoted extensively from the works of Mr. Jefferson, the patron saint of the Democratic Party, to show his deep interest in the rice industry. I also stated that I intended to show by the writing of his great political antagonist, Alexander Hamilton, that rice should receive encouragement at the hands of his Republican followers of the present day.

As I have understood it, Mr. President, the report which Mr. Hamilton, as Secretary of the Treasury, made upon manufactures in 1790, has always been reverently regarded by Republicans as the keystone in the arch of protection. In discussing

grain in that report, Mr. Hamilton said that "manufacture of the several species of this article have a title to peculiar favor."

He then proceeded to say:

Ardent spirits and malt liquors are, next to flour, the two principal manufactures of grain. The first has made a very extensive, the last a considerable progress in the United States. In respect to both an exclusive possession of the home market ought to be secured to the domestic manufacturers as fast as circumstances will admit. Nothing is more practicable and nothing more desirable.

Without wishing to precipitate a discussion of the prohibition question, Mr. President, I desire to call attention to the fact that since the Underwood-Simmons Act became law drastic legislation has passed Congress which makes it impossible to follow this advice so far as rice is concerned. The Volstead law has almost completely destroyed the brewing industry, which formerly consumed large quantities of inferior grades, which were known among the trade as brewers' rice. There being no longer any occasion to admit this grade in large quantities because of the lack of a domestic supply for the brewers, a proper regard of the domestic industry would suggest that the rate as recommended by the House, of one-half cent a pound, be restored.

In the appendix which I shall publish as a part of these remarks I will give the statistics to show the important place that rice occupies not only in our domestic economy but in the commerce of the world. [See Appendix A.]

Let me say, moreover, that our Department of Agriculture has for years been urging the importance of developing this great crop. It has called attention to the fact that rice is more extensively grown and more widely used than any other foodstuff, a fact which it says will surprise many Americans, who do not realize that millions of people eat rice as regularly as Americans and Europeans eat bread. It might be added, Mr. President, that rice is to-day the most economical article for the table on the market; of high food value; healthful and nutritious. No food, not even wheat flour, lends itself to more varied ways of preparation. No single article of food possesses all the qualities of a perfect ration, but rice possesses them in greater degree than any meat, cereal, or vegetable in common use. You can go further on rice than any other single article of food. The nutritive value of food depends not simply on the proportions of nutrients it contains but also on the amount of those nutrients which can be made available to the body by digestion for building material and fuel. The superiority of rice in this respect is shown by the following comparisons:

Energy-yielding percentages of digestible nutrients in rice, 84.8; in beef, 31; in mutton, 34.8; in fresh pork, 37.4; in bacon, 71; in ham, 48.7; in salt pork, 86.6; in fowl, 25.5; in fish, 11.2; in canned salmon, 32.8; in eggs, 22.2; in milk, 12.5; in oats breakfast food, 87.1; in wheat breakfast food, 86.6; in white strain upon our wheat lands by turning to the cultivation of rice.

With all authorities agreed that the wheat-producing areas of the world are failing under the increasing strain that is placed upon them, and with that fact notoriously true as concerns our own fields; with an ever-growing population that must be fed; and with the best intellects of the world genuinely concerned about the prospect that the future holds for mankind in view of this condition; it is the part of wisdom that we should utilize every means that will insure us against the possibility of future famine, and as much as possible relieve the strain upon our wheat lands by turning to the cultivation of rice.

Mr. President, I ask leave to publish as an appendix to my remarks, in 8-point type, the several tables.

One gives the itemized cost of the production of 1 acre of rice in Louisiana.

The next one is a table giving rice, its acreage, production, and farm value, by States, in 1920.

Then there is a table giving the average production of rice from 1720 to 1900.

Next is a table showing the acreage, production, and value of rice in the United States from 1904 to 1920, from the Yearbook of the United States Department of Agriculture.

Then there is an extremely interesting table entitled "World's crops of wheat and rice." The source of the same is the International Institute of Agriculture.

Then there is a table showing the total exports and imports of rice by fiscal years from 1895 to 1921, inclusive.

Finally, there is a table showing how the pending legislation compares with previous tariff duties on rice in modern times. I ask leave to publish these tables as an appendix to my remarks.

The last two tables were compiled by my colleague [Mr. BROUSSARD] from Monthly Summary of Foreign Commerce and from the past tariff acts of the country, and all but the third and fifth used by him in his speech in the Senate on May 3 last.

The PRESIDING OFFICER (Mr. LADD in the chair). Is there objection? The Chair hears none, and it is so ordered.

(See Appendix A.)

Mr. RANSDELL. Mr. President, in conclusion, I sincerely hope that the amendment offered by my colleague, the junior Senator from Louisiana [Mr. BROUSSARD], proposing to strike out the Senate committee amendment and return to the provision of the House, will be adopted. I understood from the distinguished chairman of the Finance Committee that he has no objection to such action by the Senate. I sincerely hope that we may have a unanimous agreement upon that point.

APPENDIX A.

Itemized estimated cost of production of 1 acre of rice in Louisiana.

	1917–18	1910
Plowing	$1.46	$1.26
Disking	2.68	2.13
Harrowing	.89	.28
Pulverizing	.54	.30
Drilling	.68	.20
Fertilizer	2.00	1.40
Seeds	2.50	1.66
Weeds and red rice	1.00	.75
Levees and maintenance	.50	.40
Cutting roads	.20	.18
Harvesting	2.81	2.25
Threshing	3.00	3.00
Hauling	1.00	1.00
Warehouse and insurance	1.00	1.00
Water rent	6.00	6.00
Shop and tools	.20	.20
One-half automobile expense	.50	.40
Telephone	.07	.07
Insurance	1.20	1.20
Fencing	.10	.08
Taxes	.62	.50
Interest on investments	3.00	3.00
Total	31.95	27.26

TABLE 93.—*Rice: Acreage, production, and farm value, by States, 1920.*

State.	Acreage.	Average yield per acre.	Production.	Average farm price per bushel Dec. 1.	Farm value Dec. 1.
	Acres.	*Bush.*	*Bush.*	*Cents.*	*Dollars.*
North Carolina	400	25.0	10,000	167	17,000
South Carolina	4,100	25.0	102,000	290	296,000
Georgia	1,100	26.4	29,000	225	65,000
Florida	3,000	24.0	72,000	175	126,000
Missouri	500	50.0	25,000	131	33,000
Alabama	500	31.0	16,000	290	46,000
Mississippi	3,000	31.0	93,000	200	186,000
Louisiana	700,000	36.0	25,200,000	110	27,720,000
Texas	281,000	34.0	9,554,000	125	11,942,000
Arkansas	181,400	49.0	8,889,000	131	11,645,000
California	162,000	60.0	9,720,000	121	11,761,000
United States	1,337,000	40.2	53,710,000	118.9	63,837,000

Average production of rice from 1720 to 1900.

	Bushels.
1720–1729	219,425
1730–1739	497,304
1740–1749	604,966
1750–1759	523,966
1760–1769	742,997
1770–1774 (4 years)[1]	576,393
1782–1784 (2 years)[1]	91,203

[1] From 1775 to 1782 (during the Revolutionary War) and from 1784 to 1789 no record can be found.

	Bushels.
1790–1799	1,412,323
1800–1809	1,117,668
1810–1819	1,295,062
1820–1829	1,592,304
1830–1839	1,978,417
1840–1849	2,215,714
1850–1859	2,273,833
1860–1869	703,106
1870–1879	1,557,484
1880–1889	2,719,765
1890–1900	3,335,158

Acreage, production, and value of rice in the United States, 1904–1920.

[From Yearbook of U. S. Department of Agriculture.]

Year.	Acreage.	Average yield per acre.	Production.	Average farm price per bushel Dec. 1.	Farm value Dec. 1.
	Acres.	*Bushels.*	*Bushels.*	*Cents.*	
1904	662,000	31.9	21,096,000	65.8	$13,892,000
1905	482,000	28.2	13,607,000	95.2	12,956,000
1906	575,000	31.1	17,855,000	90.3	16,121,000
1907	627,000	29.9	18,738,000	85.8	16,081,000
1908	655,000	33.4	21,890,000	81.2	17,771,000
1909	720,000	33.8	24,368,000	.....	.....
1909	610,000	35.8	21,839,000	79.6	17,383,000
1910	723,000	33.9	24,510,000	67.8	16,624,000
1911	696,000	32.9	22,934,000	79.7	18,274,000
1912	723,000	34.7	25,054,000	93.5	23,423,000
1913	827,000	31.1	25,744,000	85.8	22,090,000
1914	694,000	34.1	23,649,000	92.4	21,849,000
1915	803,000	36.1	28,947,000	90.6	26,212,000
1916	869,000	47.0	40,861,000	88.9	36,311,000
1917	981,000	35.4	34,739,000	189.6	65,879,000
1918	1,119,000	34.5	38,606,000	191.8	74,042,000
1919	1,090,000	37.7	41,059,000	267.0	109,613,000
1920	1,337,000	40.2	53,710,000	118.9	63,837,000

World crops of wheat and rice.

[Source: International Institute of Agriculture.]

	Area.			Production.		
	1921	1920	Average, 1915–1919.	1921–22	1920–21	Average, 1915–1919
	1,000 acres.	*1,000 acres.*	*1,000 acres.*	*1,000 cwts.*	*1,000 cwts.*	*1,000 cwts.*
Wheat	192,158	189,438	187,815	1,657,817	1,606,044	1,571,583
Rice	102,600	100,785	99,937	[1]1,415,919	[1]1,218,687	[1]1,371,755
	.....	.....	.....	[2]874,024	[2]752,276	[2]846,762

[1] Rough rice, pounds. [2] Cleaned rice.

The approximate average yield of the world crop of wheat is 2,650,000,000 hundredweight (or 4,423,300,000 bushels).

The approximate average yield of the world crop of rice is (rough) 4,400,000,000 hundredweight (cleaned = 2,716,000,000 hundredweight, or 4,452,000,000 bushels).

Total exports and imports of rice by fiscal years from 1895 to 1921, inclusive.

The totals of imports and exports for each year have been added by fiscal years, and show the following results:

	Pounds.
1921:	
Exportation	440,855,298
Importation	96,804,612
Surplus exportation over importation	344,050,686
1920:	
Exportation	483,385,259
Importation	179,921,961
Surplus exportation over importation	303,463,298
1919:	
Importation	363,726,263
Exportation	193,128,000
Surplus importation over exportation	170,598,263
1918:	
Importation	456,058,608
Exportation	196,363,268
Surplus importation over exportation	259,695,340
1917:	
Importation	216,048,858
Exportation	181,372,310
Surplus importation over exportation	34,676,548
1916:	
Importation	264,324,005
Exportation	121,967,465
Surplus importation over exportation	142,356,540
1915:	
Importation	277,191,472
Exportation	77,480,065
Surplus importation over exportation	199,711,407
1914:	
Importation	290,194,917
Exportation	22,414,326
Surplus importation over exportation	267,780,591
1913:	
Importation	222,103,547
Exportation	38,195,490
Surplus importation over exportation	183,908,057
1912:	
Importation	190,063,331
Exportation	39,446,571
Surplus importation over exportation	150,616,760
1911:	
Importation	208,774,795
Exportation	30,063,361
Surplus importation over exportation	178,711,434
1910:	
Importation	225,400,545
Exportation	26,799,188
Surplus importation over exportation	198,601,357
1909:	
Importation	222,900,422
Exportation	20,511,429
Surplus importation over exportation	202,388,993
1908:	
Importation	212,783,392
Exportation	28,444,415
Surplus importation over exportation	184,338,977
1907:	
Importation	209,603,180
Exportation	30,174,371
Surplus importation over exportation	179,428,809

	Pounds.
1906:	
Importation	166,549,957
Exportation	38,142,103
Surplus importation over exportation	128,407,854
1905:	
Exportation	113,282,760
Importation	106,483,515
Surplus exportation over importation	6,799,245
1904:	
Importation	154,221,772
Exportation	29,121,763
Surplus importation over exportation	125,100,009
1903:	
Importation	169,656,284
Exportation	19,751,448
Surplus importation over exportation	149,904,836
1902:	
Importation	157,658,894
Exportation	29,591,274
Surplus importation over exportation	128,067,620
1901:	
Importation	117,119,710
Exportation	25,527,846
Surplus importation over exportation	91,671,864
1900:	
Importation	116,679,891
Exportation	41,066,517
Surplus importation over exportation	75,613,374
1899:	
Importation	204,177,293
Exportation	15,334,589
Surplus importation over exportation	188,842,704
1898:	
Importation	190,285,315
Exportation	6,200,987
Surplus importation over exportation	184,084,328
1897:	
Importation	197,816,134
Exportation	3,905,734
Surplus importation over exportation	193,910,400
1896:	
Importation	146,724,607
Exportation	15,031,554
Surplus importation over exportation	131,693,053
1895:	
Importation	219,564,320
Exportation	1,573,336
Surplus importation over exportation	217,990,984

How the pending legislation compares with previous tariff duties on rice in modern times:

Bills.	Paddy, or rough rice.	Brown rice (hulls removed).	Milled, or cleaned rice.	Broken rice, flour, etc.
H. R. 7456 (pending bill).	1 cent....	1½ cents..	2 cents...	½ of 1 cent.
Emergency.....	¾ of 1 cent	1¾ cents..	2¾ cents..	¼ of 1 cent.
Senate amendment....	⅝ of 1 cent	⅝ of 1 cent	1 cent...	Do.
Underwood bill.....	...do.....	...do.....	...do.....	Do.
Payne-Aldrich bill....	¾ of 1 cent	1¼ cents..	2 cents...	Do.
McKinley bill.....	¾ of 1 cent	1½ cents .	2 cents ..	¼ of 1 cent.
Wilson-Gorman bill....	...do.....	1/16 of 1 cent	1½ cents..	Do.
Tariff act, Oct. 1, 1890.	...do.....	1¼ cents..	2 cents...	1¼ cents.
Tariff act, Mar. 3, 1883 .	1¼ cents..	1½ cents..	2½ cents..	20 per cent ad valorem.

APPENDIX B.

FARMERS OF 40 CENTURIES, OR PERMANENT AGRICULTURE IN CHINA, KOREA, AND JAPAN.

(By F. H. King, D. Sc., formerly professor of agricultural physics in the University of Wisconsin and Chief of Division of Soil Management, United States Department of Agriculture. 1911.)

Page 2: We were instructed, surprised, and amazed at the conditions and practices which confronted us whichever way we turned; instructed in the ways and extent to which these nations for centuries have been and are conserving and utilizing their natural resources, surprised at the magnitude of the returns they are getting from their fields, and amazed at the amount of efficient human labor cheerfully given for a daily wage of 5 cents and their food, or for 15 cents, United States currency, without food.

The three main islands of Japan in 1907 had a population of 46,977,003, maintained on 20,000 square miles of cultivated field. This is at the rate of more than three people to each acre and of 2,349 to each square mile; and yet the total agricultural imports into Japan in 1907 exceeded the agricultural exports by less than $1 per capita.

Page 3: In the Shantung Province we talked with a farmer having 12 in his family and who kept one donkey, one cow, both exclusively laboring animals, and two pigs on 2.5 acres of cultivated land, where he grew wheat, millet, sweet potatoes, and beans. Here is a density of population equal to 3,072 people, 256 donkeys, 256 cattle, and 512 swine per square mile. In another instance, where the holding was 1⅞ acres, the farmer had 10 in his family and was maintaining one donkey and one pig, giving to this farm land a maintenance capacity of 3,840 people, 384 donkeys, and 384 pigs to the square mile, or 240 people, 24 donkeys, and 24 pigs to one of our 40-acre farms which our farmers regard too small for a single family.

Pages 5, 6, and 7: Many factors and conditions conspire to give to the farms and farmers of the Far East their high maintenance efficiency, and some of these may be succinctly stated. The portions of China, Korea, and Japan where dense populations have developed and are being maintained occupy exceptionally favorable geographic positions, so far as these influence agricultural production. Canton, in the south of China, has the latitude of Habana, Cuba, while Mukden, in Manchuria, and northern Honshu, in Japan, are only as far north as New York City, Chicago, and northern California. The United States lies mainly between 50° and 30° of latitude, while these three countries lie between 40° and 20°, some 700 miles farther south. This difference of position, giving them longer seasons, has made it possible for them to devise systems of agriculture whereby they grow two, three, and even four crops on the same piece of ground each year. In southern China, in Formosa, and in parts of Japan two crops of rice are grown; in the Cekiang Province there may be a crop of rape, of wheat or barley, or of windsor beans or clover, which is followed in midsummer by another of cotton or of rice. In the Shantung Province wheat or barley in the winter and spring may be followed in summer by large or small millet, sweet potatoes, soy beans, or peanuts. At Tientsin, 39° north, in the latitude of Cincinnati, Indianapolis, and Springfield, Ill., we talked with a farmer who followed his crop of wheat on his small holding with one of onions and the onions with cabbage, realizing from the three crops at the rate of $163 gold per acre; and with another who planted Irish potatoes at the earliest opportunity in the spring, marketing them when small, and following these with radishes, the radishes with cabbage, realizing from the three crops at the rate of $203 per acre.

Nearly 500,000,000 people are being maintained chiefly upon the products of an area smaller than the improved farm lands of the United States. Complete a square on the lines drawn from Chicago southward to the Gulf and westward across Kansas, and there will be inclosed an area greater than the

cultivated fields of China, Korea, and Japan, and from which five times our present population are fed.

The rainfall in these countries is not only larger than that even in our Atlantic and Gulf States, but it falls more exclusively during the summer season, when its efficiency in crop production may be highest. South China has a rainfall of some 80 inches, with little of it during the winter, while in our Southern States the rainfall is nearer 60 inches, with less than one-half of it between June and September. Along a line drawn from Lake Superior through central Texas the yearly precipitation is about 30 inches, but only 16 inches of this falls during the months May to September, while in the Shantung Province, China, with an annual rainfall of little more than 24 inches, 17 of these fall during the months designated, and most of this in July and August. When it is stated that under the best tillage and with no loss of water through percolation, most of our agricultural crops require 300 to 600 tons of water for each ton of dry substance brought to maturity, it can be readily understood that the right amount of available moisture, coming at the proper time, must be one of the prime factors of a high maintenance capacity for any soil, and hence that in the Far East, with their intensive methods, it is possible to make their soils yield large returns.

Page 7: Notwithstanding the large and favorable rainfall of these countries, each of the nations has selected the one crop which permits it to utilize not only practically the entire amount of rain which falls upon their fields but in addition enormous volumes of the run-off from adjacent uncultivable mountain country. Wherever paddy fields are practicable there rice is grown. In the three main islands of Japan 56 per cent of the cultivated fields—11,000 square miles—is laid out for rice growing and is maintained under water from transplanting to near harvest time, after which the land is allowed to dry, to be devoted to dry-land crops during the balance of the year, where the season permits.

Page 8: It is difficult to convey by word or map an adequate conception of the magnitude of the systems of canalization which contribute primarily to rice culture. A conservative estimate would place the miles of canals in China at fully 200,000, and there are probably more miles of canal in China, Korea, and Japan than there are miles of railroad in the United States. China alone has as many acres of rice each year as the United States has in wheat, and her annual product is more than double and probably threefold our annual wheat crop, and yet the whole of the rice area produces at least one and sometimes two other crops each year.

Page 11: Notwithstanding the enormous acreage of rice planted each year in these countries it is all set in hills and every spear is transplanted. Doing this they save in many ways, except in the matter of human labor, which is the one thing they have in excess. By thoroughly preparing the seed bed, fertilizing highly, and giving the most careful attention they are able to grow on 1 acre, during 30 to 50 days, enough plants to occupy 10 acres, and in the meantime on the other 9 acres crops are maturing, being harvested, and the fields being fitted to receive the rice when it is ready for transplanting, and in effect this interval of time is added to their growing season.

ILLUSTRATION OF JAPANESE AND CHINESE LABOR.

Pages 17, 18, and 19: Everything here was strange, and the scenes shifted with the speed of the wildest dream. Now it was driving piles for the foundation of a bridge. A tripod of poles was erected above the pile and from it hung a pulley. Over the pulley passed a rope from the driving weight, and from its end at the pulley 10 cords extended to the ground. In a circle at the foot of the tripod stood 10 agile Japanese women. They were the hoisting engine. They chanted in perfect rhythm, hauled and stepped, dropped the weight and hoisted again, making up for heavier hammer and higher drop by more blows per minute. When we reached Shanghai we saw the pile driver being worked from above. Fourteen Chinese men stood upon a raised staging, each with a separate cord passing direct from the hand to the weight below. A concerted, half-musical chant, modulated to relieve monotony, kept all hands together. What did the operation of this machine cost? Thirteen cents gold per man per day, which covered fuel and lubricant, both automatically served. Two additional men managed the piles, 2 directed the hammer, 18 manned the outfit. Two dollars and thirty-four cents per day covered fuel, superintendence, and repairs. There was almost no capital invested in machinery. Men were plenty and to spare. Rice was the fuel, cooked without salt, boiled stiff, reinforced with a bit of pork or fish, appetized with salted cabbage or turnip and perhaps 2 or 3 of 40 and more other vegetable relishes. And are these men strong and happy? They certainly were strong. They are steadily increasing their millions, and as one stood and watched them at their work their faces were often wreathed in smiles and wore what seemed a look of satisfaction and contentment.

CHAPTER III.

EXTREME VALUE OF CHINESE MONEY.

Pages 76 and 77: Perhaps nothing better measures the intensity of the maintenance struggle here and better indicates the minute economies practiced than the value of their smallest currency unit, the cash, used in their daily retail transactions. On our Pacific coast, where less thought is given to little economies than perhaps anywhere else in the world, the nickel is the smallest coin in general use, 20 to the dollar. For the rest of the United States, and in most English-speaking countries, 100 cents, or half pennies, measure an equal value. In Russia 170 kopecks, in Mexico 200 centavos, in France 250 two-centime pieces, and in Austria-Hungary 250 two-heller coins equal the United States dollar; while in Germany 400 pfennigs and in India 400 pie are required for an equal value. Again 500 penni in Finland and of stotinki in Bulgaria, of centesimi in Italy, and of half cents in Holland equal our dollar; but in China the small daily financial transactions are measured against a much smaller unit, their cash, 1,500 to 2,000 of which are required to equal the United States dollar, their purchasing power fluctuating daily with the price of silver.

RICE IN CHINA.

Two crops of rice are commonly grown each year in southern China, and during the winter and early spring grain, cabbage, rape, peas, beans, leeks, and ginger may occupy the fields as a third or even fourth crop, making the year's product from the land very large; but the amount of thought, labor, and fertilizers given to securing these is even greater and beyond anything Americans will endure. How great these efforts are will be appreciated from what is seen in figure 50, representing two fields thrown into high ridges, planted to ginger and covered with straw. All of this work is done by hand, and when the time for rice planting comes every ridge will again be thrown down and the surface smoothed to a water level. Even when the ridges and beds are not thrown down for the crops of rice the furrows and the beds will change places so that all the soil is worked over deeply and mainly through hand labor. The statement so often made that these people only barely scratch the surface of their fields with the crudest of tools is very far from the truth, for their soils are worked deeply and often, notwithstanding the fact that their plowing, as such, may be shallow.

WAGES IN CHINA.

Page 93: Through Dr. John Blumann, of the missionary hospital at Tungkun, east from Canton, we learned that the good rice lands there a few years ago sold at $75 to $130 per acre, but that prices are rising rapidly. The holdings of the better class of farmers there are 10 to 15 mow—1⅔ to 2½ acres—upon which are maintained families numbering 6 to 12. The day's wage of a carpenter or mason is 11 to 13 cents of our currency, and board is not included, but a day's ration for a laboring man is counted worth 15 cents Mexican, or less than 7 cents gold.

WAGES IN SHANTUNG.

At Tsingtau, in the Shantung Province, a missionery was paying a Chinese cook $10 per month, a man for general work $9 per month, and the cook's wife, for doing the mending and other family service, $2 per month, all living at home and feeding themselves. This service, rendered for $9.03 gold per month, covers the marketing, all care of the garden and lawn, as well as all the work in the house.

Page 119: We had a soil tube made in the shops of a large English shipbuilding and repair firm, employing many hundred Chinese as mechanics, using the most modern and complex machinery, and the foreman stated that as soon as the men could understand well enough to take orders they were even better shop hands than the average in Scotland and England. An educated Chinese booking clerk at the Soochow railway station, in Kiangsu Province, was receiving a salary of $10.75 gold per month.

PEOPLE OF CHINA AND JAPAN ARE VEGETARIANS.

Pages 134 and 135: The small number of animal products which are included in the market list given should not be taken as indicating the proportion of animal to vegetable foods in the dietaries of these people. It is nevertheless true that they are vegetarians to a far higher degree than are most western nations, and the high maintenance efficiency of the agriculture of China, Korea, and Japan is in great measure rendered possible by the adoption of a diet so largely vegetarian. Hopkins, in his Soil Fertility and Permanent Agriculture, page 234, makes this

pointed statement of fact: "One thousand bushels of grain has at least five times as much food value and will support five times as many people as will the meat or milk that can be made from it."

AREA IN RICE IN JAPAN AND CHINA.

Page 272: In the three main islands of Japan more than 50 per cent of the cultivated land produces a crop of water rice each year and 7.96 per cent of the entire land area of the Empire, omitting far-north Karafuto. In Formosa and in southern China large areas produce two crops each year. At the large mean yield used in the computation the estimated acreage of rice in China proper amounts to 5.93 per cent of her total area, and this is 7,433 square miles greater than the acreage of wheat in the United States in 1907. Our yield of wheat, however, was but 19.000,000 tons. while China's output of rice was certainly double and probably three times this amount from nearly the same acreage of land; and notwithstanding this large production per acre, more than 50 per cent, possibly as high as 75 per cent, of the same land matures at least one other crop the same year, and much of this may be wheat or barley, both chiefly consumed as human food.

Pages 276 and 277: Great as is the acreage of land in rice in these countries, but little, relatively, is of the dry-land type, and the fields upon which most of the rice grows have all been graded to a water level and surrounded by low, narrow raised rims, such as may be seen in Figure 149 and in Figure 150, where three men are at work on their foot-power pump flooding fields preparatory to transplanting the rice. If the country was not level then the slopes have been graded into horizontal terraces varying in size according to the steepness of the areas in which they were cut. We saw these often no larger than the floor of a small room, and Professor Ross informed me that he walked past those in the interior of China no larger than a dining table, and that he saw one bearing its crop of rice, surrounded by its rim and holding water, yet barely larger than a good napkin. The average area of the paddy field in Japan is officially reported at 1.14 se, or an area of but 31 by 40 feet. Excluding Kokkaido, Formosa, and Karafuto, 53 per cent of the irrigated rice lands in Japan are in allotments smaller than one-eighth of an acre, and 74 per cent of other cultivated lands are held in areas less than one-fourth of an acre, and each of these may be further subdivided.

TRANSPLANTING RICE.

Page 284: Extensive as is the acreage of irrigated rice in China, Korea, and Japan, nearly every spear is transplanted; the largest and best crop possible, rather than the least labor and trouble, as is so often the case with us, determining their methods and practices.

Page 302: When the harvest time has come, nothwithstanding the large acreage of grain, yielding hundreds of millions of bushels, the small, widely scattered holdings and the surface of the fields render all of our machine methods quite impossible. Even our grain cradle, which preceded the reaper, would not do, and the great task is still met with the old-time sickle, as seen in Figure 176, cutting the rice, hill by hill, as it was transplanted.

Mr. KING. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Ashurst	Harreld	McNary	Simmons
Broussard	Harris	Moses	Smith
Bursum	Harrison	Nelson	Smoot
Cameron	Heflin	New	Sterling
Capper	Johnson	Newberry	Sutherland
Caraway	Jones, N. Mex.	Nicholson	Townsend
Culberson	Kellogg	Norbeck	Trammell
Curtis	Kendrick	Overman	Underwood
Dial	Keyes	Pepper	Wadsworth
Dillingham	King	Phipps	Walsh, Mass.
Edge	Ladd	Poindexter	Walsh, Mont.
Ernst	La Follette	Pomerene	Warren
Fernald	Lenroot	Ransdell	Willis
France	Lodge	Rawson	
Gerry	McCumber	Robinson	
Gooding	McLean	Sheppard	

Mr. HARRIS. My colleague [Mr. WATSON of Georgia] is absent on account of illness.

Mr. GERRY. I wish to announce that the Senator from Nevada [Mr. PITTMAN] is necessarily absent on account of illness in his family.

The PRESIDING OFFICER. Sixty-one Senators having answered to their names, a quorum is present.

Mr. LA FOLLETTE obtained the floor.

Mr. POMERENE. Mr. President, may I ask the Senator from Wisconsin to yield to me for a moment to make a correction?

Mr. LA FOLLETTE. I yield with pleasure.

Mr. POMERENE. I would like the attention of the senior Senator from Utah [Mr. SMOOT].

In the CONGRESSIONAL RECORD of July 6 an effort was made to charge Democratic Senators with undue delay in the discussion of the tariff bill, and attention was called to the discussion of extraneous matters by various Senators. On page 10012 the Senator from Utah charged that I took four pages of the CONGRESSIONAL RECORD to discuss the subject of the election of Senators. That is a very important subject, but instead of taking four pages I took less than one column and a half of the CONGRESSIONAL RECORD, which will be found on page 6871, and on page 6872 there are some eight or nine lines. So the Senator from Utah was away from the fact just about three or four hundred per cent.

I am not objecting to this, but I do think when a statement of that kind is made it should be accurate. I have been in the habit of going to the Senator from Utah for statistical information, and I am very glad to do it. I am quite sure that this was not his own estimate, but perhaps an estimate by some clerk. Either he will have to get another clerk or I shall have to get another statistical adviser.

Mr. SMOOT. Mr. President, I want to say to the Senator from Ohio that I regret a mistake occurred. I frankly say to the Senator that I did not intend to put that data in the RECORD until after I had checked it up myself, but the question came up suddenly and I had that statement in my desk. If there are mistakes in it, I would like other Senators to call attention to them. There was, of course, no intention of making any error.

Mr. WALSH of Massachusetts. Mr. President, I would like to call attention to the fact that a similar mistake was made in my own case. I addressed the Chair on one occasion in reference to secret meetings of the Finance Committee. That provoked a discussion in which the Senator from Indiana [Mr. WATSON], the Senator from North Dakota [Mr. MCCUMBER], and the Senator from Utah [Mr. SMOOT] participated and which covered some pages of the RECORD. The amount of space which I took was less than a column, and yet I am charged with two and one-half pages.

Mr. SMOOT. That came about through interruptions. I did not take out for interruptions on either side of the Chamber, and I did not pretend to do so. I am in no position to state that all the figures are correct, because I have not checked them. I have been very careful in all statements I have made on the floor of the Senate, but I generally do the work myself and I do not leave it to any clerk. So when I make a statement I generally feel positive that what I am saying is correct. I apologize to the Senator from Ohio if the clerk made a mistake in the number of pages taken by him in extraneous debate.

Mr. SIMMONS. Mr. President, will the Senator from Wisconsin allow me just a moment?

Mr. LA FOLLETTE. I am very anxious to proceed. Of course, I want to be obliging to the Senator, but I shall conclude in a short time, if I may be permitted to proceed.

Mr. SIMMONS. Very well.

Mr. LA FOLLETTE resumed the speech begun by him yesterday. After having spoken for some time,

Mr. HEFLIN. Mr. President, I think we ought to have more Senators here to listen to the Senator from Wisconsin, and, if he will permit me, I should like to make the point of no quorum. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. KING in the chair). The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Harris	McNary	Smith
Borah	Harrison	Moses	Smoot
Broussard	Heflin	Nelson	Spencer
Bursum	Johnson	New	Sterling
Cameron	Jones, N. Mex.	Newberry	Sutherland
Capper	Kellogg	Overman	Townsend
Caraway	Kendrick	Phipps	Underwood
Curtis	Keyes	Poindexter	Walsh, Mass.
Dial	King	Pomerene	Walsh, Mont.
Dillingham	La Follette	Ransdell	Warren
Elkins	Lenroot	Robinson	Watson, Ind.
Ernst	Lodge	Sheppard	Willis
Fernald	McCumber	Shortridge	
Gerry	McKinley	Simmons	

The PRESIDING OFFICER. Fifty-four Senators have answered to their names. A quorum is present. The Senator from Wisconsin will proceed.

Mr. LA FOLLETTE. Mr. President, I resume my discussion at the point where I concluded when we recessed last evening.

Do the gentlemen responsible for this bill imagine that the people have forgotten? Do you think that the people will calmly accept the burdens in 1922 which they so decisively refused to carry in 1910 and 1912? There is just one way, Mr.

President, in which to save the Republican Party from defeat in the congressional election of 1922 and from disaster in the presidential election of 1924, and that is to return this bill to the committee and rewrite all the schedules of it so that they conform to the old Republican principle of protection by merely equalizing the cost of production at home and abroad, and if they are unable so to do, then to abandon general tariff legislation at this time.

It may be said, Mr. President, that although the tariff rates on the cotton schedules of the Fordney-McCumber bill, which we are about to consider, are as high or higher than those of the Payne-Aldrich bill, that nevertheless conditions have changed and that therefore the rates of the present bill are justified, although it is admitted that the rates of the Payne-Aldrich bill were indefensible. It is true that conditions have changed, but every change in condition is of a character which particularly makes for lower and not for higher rates on cotton cloth.

Past and present competition certainly do not justify high rates on cotton cloth. Are they justified by potential competition? The answer is no. American cotton-cloth manufacturers fear no competition from Japan. Our imports of cotton cloth from Japan are small and consist almost entirely of Japanese crêpe and the stenciled dyed tablecloths and mats, known as Japanese blue prints. These goods are sold because they are oriental novelties; but on cloths which are used in quantity, such as sheetings, print cloths, fine lawns, and so forth, the Japanese have been unable to secure a foothold in this country. Their sheetings are inferior in manufacture, and, because made from the rougher cotton of India, the American consumer will not use them. In goods requiring the use of American or Egyptian cotton, such as print cloths and lawns, the Japanese costs of production are higher than are the American costs of production. For corroboration of these statements I refer Senators to the Japanese Cotton Industry Trade, a report published by the United States Tariff Commission after sending an expert to Japan to ascertain the facts. That publication is accessible to every Senator, and it puts the quietus on the claim of Japanese competition.

American cotton-cloth manufacturers do not fear competition from Germany. The German cotton industry is confined almost exclusively to coarse and medium goods and uses few automatic looms. They have never been able to sell us sheeting or print cloth or fine lawns, and in the past have been confined mainly to coarse colored goods, mainly specialties where they had some advantage in dyes. This advantage they no longer have; and they will doubtless be a still smaller factor on the American market in the future.

With the bogies of Japan and Germany eliminated from the discussion, what countries remain? The United Kingdom, France, and Switzerland. Swiss exports are mainly of swivel-woven goods, particularly the class of fabrics which are known as dotted Swisses, and fine organdies made of high-count yarns. There are no swivel looms in American cotton mills, as this class of work is too slow and tedious to appeal to our manufacturers, so imports of dotted Swisses are noncompetitive. The Swiss organdies owe their sale to a peculiar gum finish, which enables ladies' collars made therefrom to withstand repeated launderings, and to their unexcelled bleaching. French goods are partly of fine lawns and partly of novelties. Neither the French nor the Swiss attempt to compete with the general run of staple fabrics which are made in the United States.

The United Kingdom of Great Britain is the one important competitor of the American cotton-cloth manufacturer in domestic and in foreign trade. Here again, though, there is no competition in the staple fabrics that make up the bulk of our trade, and imports from England are confined to fabrics which are sold because of fine counts or because of special finish. One of the most prominent of the latter cloths is the 8-harness sateen lining known as Venetians, which is dyed and mercerized and schreinered to imitate silk. The production of these goods in the United States, inaugurated during the war, is steadily expanding, and does not need a high duty to continue the gradual confining of the British fabrics to the very highest grades.

It may be noted that imported cotton cloths rarely undersell the domestic; in fact, the great bulk are imported because of novelty or of superiority in make or finish, and sell on the American market at a higher price than the nearest comparable domestic fabric. This fact has been proved by investigations conducted by the United States Tariff Commission and also, through the Treasury Department, by the Senate Finance Committee. Further corroboration is afforded by the International Comparisons of Prices of Cotton Cloth, compiled and published monthly by the Bureau of Business Research of Harvard University. These comparisons, which are based on staple gray goods, show that the level of American prices is but slightly different from the British; in fact, even substantially below the British and in some periods even below the Japanese prices.

Mr. SIMMONS. Mr. President, would it interrupt the Senator for me to ask him if, in the course of his exhaustive investigation, he has been able to ascertain the amount of imports of the class of cotton goods which are made in this country?

Mr. LA FOLLETTE. Such imports are negligible, I will say in answer to the Senator. That particular class of cotton goods is not made in this country, because it can not be made profitably here and our manufacturers find it greater to their profit to make other classes of goods.

Mr. SIMMONS. Do they not find it greatly to their advantage in the way of getting tariff duties to allow certain classes of goods to be exclusively manufactured elsewhere?

Mr. LA FOLLETTE. Assuredly they do.

It will be remembered that the Tariff Board in 1911 found that on many cloths, particularly staple goods which could be made on automatic looms, the American prices were the lowest. This accounts in large measure for the increasing success of our export trade in cotton cloth. Only on goods involving an unusual proportion of labor cost, as well as very fine goods and specialties, where the rate of output is necessarily slow, were we at a disadvantage. Our manufacturers are unwilling to enter that field, but that furnishes no excuse for the extravagant duties on the whole cotton schedule.

This condition obtains to-day with the modifications that our industry has expanded in size and range until we are beginning to offer substantial competition abroad in medium fine goods, as well as in the coarse and medium goods which comprised our export trade prior to the World War.

Wages in the cotton industry in England and the United States are closer together than they were before the war. This is shown by a contrast of Lancashire and Fall River weaving rates, which I propose to put in the RECORD, and I now ask leave to print in the RECORD a table showing the facts.

The PRESIDING OFFICER. Without objection, the table will be included in the RECORD.

The matter referred to is as follows:

COTTON WEAVING RATES IN LANCASHIRE.

Weavers and other operatives in the Lancashire cotton mills work under the terms of collective wage agreements that are made up for fixed periods. For each section of the industry there is a "standard list" that is basic, and changes in rates of payment are stated in percentages of this fixed list. For cotton weavers the rate of payment was the standard list, net, from April 19, 1906, to March 1, 1912, when there was an advance of 5 per cent on list. Subsequent changes have been as follows:

	Total of standard list rates.	Per cent of 1914 rate.
	Per cent.	*Per cent.*
January, 1916, 5 per cent advance, on list	110	104.76
January, 1917, 5 per cent advance, on list	115	109.52
July, 1917, 10 per cent advance, on list	125	119.05
December, 1917, 15 per cent advance, on list	140	133.33
June, 1918, 25 per cent advance, on list	165	157.14
December, 1918, 50 per cent advance, on list	215	204.76
June, 1919, 30 per cent advance, on list	245	233.33
May, 1920, 70 per cent advance, on list	315	300.00
June, 1921, 60 per cent reduction, on list	255	242.86
December, 1921, 10 per cent reduction, on list	245	233.33

Since the rate in 1914 was 105 per cent of the standard list, the per cent that the rate in any other year is of the 1914 rate has been obtained by dividing such rate by 1.05.

It is seen that from May, 1920, to June, 1921, the rate was precisely three times that paid in 1914. In June, 1921, employers and employees agreed on a reduction of 70 per cent on list, of which 60 per cent was to go into effect immediately and 10 per cent on pay day in the week ending December 31, 1921. The weaving rates in January, 1922, are therefore two and one-third times those obtained in 1914.

It is to be noted that the English hours of work were 55½ per week in 1914 and that these were reduced on July 10, 1919, to 48 hours per week. The actual weekly wages received by the weaver, assuming output per weaver per hour to have remained the same, are therefore 48 divided by fifty-five and one-half times 233.33, which is equal to 206.95 per cent of the weekly wages received in 1914.

COTTON-WEAVING RATES IN FALL RIVER.

The American cotton industry is scattered over a wide area and there is no uniform list of piecework rates such as prevail in Lancashire. Fall River, the largest center, has such a list by which weavers are paid on print cloths. The basic rate is that paid for weaving a 47½-yard cut of 28-inch, 64 by 64, 7 yards per pound print cloth. This rate has varied as follows:

Calendar years:	Cents per cut.
1877	19
1878	18
1880	21
1884	18.50
1885	16.50
1886	18.15
1888	19
1892	19.63

Calendar years—Continued.	Cents per cut.
1892	21
1893	18
1894	16
1895	18
1898	16
1899	18
1899	19.80
1902	21.78
1903	19.80
1904	17.32
1905	18.61
1906	19.80
1906	21.78
1907	23.96
1908	19.66
1912	21.63
1916	22.71
1916	24.98
1916	27.48
1917	30.23
1917	34.01
1918	39.11
1919	44.98
1919	50.50
1920	58.19
1920	45.10

The percentage advances and reductions since 1914 have therefore been as follows:

	Per cent of 1914 rates.
January, 1916, 5 per cent increase of existing rates	105.00
May, 1916, 10 per cent increase of existing rates	115.49
December, 1916, 10 per cent increase of existing rates	127.04
June, 1917, 10 per cent increase of existing rates	139.76
December, 1917, 12½ per cent increase of existing rates	157.24
June, 1918, 15 per cent increase of existing rates	180.81
June, 1919, 15 per cent increase of existing rates	207.95
December, 1919, 12½ per cent increase of existing rates	233.93
June, 1920, 15 per cent increase of existing rates	269.02
December, 1920, 22½ per cent decrease of existing rates	208.51

The Fall River weaving rates therefore attained a height in June, 1920, that was 2.69 times that of 1914, and to-day, January, 1922, are 2.0851 times that of 1914.

It is to be noted that the hours of work in Massachusetts cotton mills were reduced on June 2, 1919, from 54 down to 48 hours per week. The actual weekly wages received by the weaver, assuming the output per weaver per hour to have remained the same, are therefore 48 divided by 54, or eight-ninths times 208.51, which is equal to 185.34 per cent of the weekly wages received in 1914.

Mr. LA FOLLETTE. It is seen from these tables that the piecework rate for weaving cotton cloth in force January 1, 1922, was 2.333 times that in force July 1, 1914, in the case of Lancashire, as compared with only 2.0851 in the case of Fall River.

Fall River has been taken as indicative of the American cotton industry because it has a standard scale of weaving rates, but if the entire American industry, South as well as North, were considered as a unit, it would be found that American weaving rates are less than double those of July 1, 1914, whereas English weaving rates are two and two-thirds times those of July 1, 1914. This is due to the fact that since the peak in June, 1920, wages have been reduced to a much greater extent in country mills than in city mills, and that hours of work in States other than Massachusetts have not been lowered to the same extent. In fact, while English mills are restricted to 48 hours a week, as also are most of the mills of the Continent, American mills outside of Massachusetts work longer hours than 48—many operating 55 or more hours per week.

Including day and piece workers, wages are in general lower in English than in American mills, although closer together than before the war. In regard to weaving, however, the English rates are, on a large proportion of fabrics, actually more per yard than the American. The American weaver on sheetings and print cloths gets less per yard but more per week, due mainly to the much larger use of automatic looms in this country. Over half of our cotton looms are automatic, whereas less than 10 per cent of the English are automatic. English weavers ordinarily operate four plain looms on cloths that an American weaver would operate eight plain looms on; this being partly due, of course, to the differences in system whereby the American weaver is enabled to confine himself to weaving only, and work incidental thereto, such as sweeping, cleaning looms, and so forth, being performed by cheaper labor. On automatic looms American weavers average about 20, whereas, as stated on page 22 of the Textile World of April 22, 1922, some American weavers operate as many as 40 looms each on fine lawns.

The point that I want to emphasize at this stage of my argument is that the findings of a Republican tariff board on the Aldrich rates in 1912 are directly in point in considering the competitive conditions with Great Britain at this time, and are made especially pertinent for the reason that the English rates of wages paid in cotton mills are more nearly on a level with the rates paid in this country now than they were in 1914, before the war in Europe. So that the findings of the tariff board as to the relative cost of cotton manufactures at that period become applicable here and must be accepted as standard high-grade proof, for there is a less difference in the comparative rates of wages between Great Britain and the United States to-day than there was when the tariff board made its report, to which I directed the attention of the Senate yesterday in a somewhat elaborate way.

Mr. POMERENE. Mr. President, it seems to be the opinion of the Senator from Wisconsin that the majority of the Finance Committee must get back to normalcy in their tariff views.

Mr. LA FOLLETTE. Yes; I do think that that is very important, Mr. President. We can not make a tariff bill based on the fluctuating and changing conditions of all industries at this time and expect it to be a fair and just measure. If we make it to-day it will not be applicable to the conditions to-morrow. If it is determined that we are to pass a general tariff bill at this time it is my contention—and I want to stress that as much as I can—that that bill should be made to conform as nearly as possible to normal conditions as they existed before the war, taking into account some probable changes. There may be changes which would require a reduction in rates, as shown by the comparative tables that I have just asked to have inserted into the RECORD; it may be that in some cases an advance in rates would be required. It should be made largely with regard to the restoration of normal conditions, and not with regard to the present unstable and daily changing conditions.

Mr. WALSH of Massachusetts. Mr. President——

Mr. LA FOLLETTE. I yield.

Mr. WALSH of Massachusetts. Do the tables which the Senator has introduced show that the wages paid to the cotton weavers of Massachusetts are less than those paid the weavers of England?

Mr. LA FOLLETTE. No; that is not my contention, Mr. President. They show that they are more nearly equal to-day than they were in 1912, 1913, and 1914, at the time that the tariff board made its report on the Aldrich rates, and stated that in the great majority of the instances the rates there fixed were not only enough to measure the difference in the cost of production but were sometimes two, three, four, and five hundred per cent more than the difference in the total cost of converting the goods from the raw material into the finished product. What I am contending for now is that the wages paid in the cotton industry of England and the wages paid in the cotton industry of America are more nearly on a parity to-day than they were at the time the Taft tariff board made its report, to which I called the attention of the Senate somewhat elaborately yesterday.

Mr. EDGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from New Jersey?

Mr. LA FOLLETTE. I yield.

Mr. EDGE. Does the Senator believe that the type of scientific tariff bill to which he refers could be best prepared by a Senate committee, or by what might be termed a nonpartisan tariff board?

Mr. LA FOLLETTE. Mr. President, the present Tariff Commission has answered that question very definitely. Of course, as an abstract question, I should say that Congress ought to be guided by the report that would be made by a scientific commission after investigation; but the present Tariff Commission have been unable to furnish Congress any data on the difference in the cost of production between this and competing countries at this time. Why? Because the costs of production are changing hourly, daily, weekly, monthly. Since it is laid down as a cardinal principle in Republican platforms from the beginning down to now that in measuring the amount of protective duty that we shall impose there shall be a direct relation between the cost of production, the wages paid, the efficiency of labor, and all that is involved in it, in this country and in the competing country, if you can not get that data now then now is not the right time to make a general and sweeping revision of the tariff.

Mr. EDGE. Mr. President, with the most patriotic desire in the world on the part of the Senator and the members of the committee charged with the responsibility, does the Senator think that under ordinary circumstances, with all their varied responsibilities, they could ever be suitably equipped with the technical knowledge necessary to prepare a tariff bill such as the Senator describes?

Mr. LA FOLLETTE. Mr. President, that question has been answered innumerable times in the last 10 or 15 years. Every man who stands for anything that approaches scientific tariff making has contended that there should be a body independent of Congress that works all the while on all of the elements that enter into the comparative cost of production as between

this and competing countries. The standpatters in the present Senate—of whom the Senator from New Jersey is one of the most pronounced examples—have resisted the establishment of a tariff commission in this country for many years.

Mr. EDGE. I thank the Senator for the compliment.

Mr. LA FOLLETTE. Aldrich and Hale, when the Payne-Aldrich bill was pending, fought against the establishment of an effective tariff commission, and the RECORD is full of statements upon their part showing such opposition; but enlightened men for 25 years and more have contended that the only way to determine these nice questions of the cost of production is not in the committees of Congress but by an independent and scientific tariff commission.

Mr. EDGE. If the Senator will permit me once more, and then I will not interrupt him further——

Mr. LA FOLLETTE. I will permit a question. I do not want to be diverted at any length in my argument. If the Senator desires to submit a question, I will yield for that purpose.

Mr. EDGE. Following up the question that I have already propounded, I assume, then, that the Senator, inasmuch as he criticizes the work of the present committee which has presented this bill, really favors greater powers for some tribunal outside of a congressional committee. If he does, I must say that I agree with that contention, but I do not see how we can greatly improve the present system.

Mr. LA FOLLETTE. Let me say, in response to that, that the present Tariff Commission has that power now, but the conditions are not favorable to an exercise of that power, because all of the elements that they are to consider in arriving at a conclusion with respect to the cost of production are changing with every hour. Therefore they can not do their work. We can not create a tariff commission that could make a report to Congress to-day on the cost of production upon a single item covered by the tariff bill that would be reliable 10 days from to-day.

Mr. EDGE. Does not that make it all the more necessary to pass an elastic bill, a bill with discriminatory powers delegated to some authority?

Mr. LA FOLLETTE. No; that is the reason why it is all the more necessary for Senators to wake up to the fact that this is no time to enact a general tariff revision. It was seized upon as a favorable time because of the difference in exchange and because of the disordered state of business everywhere for the tariff robbers to rush in and demand big protection. Business was depressed here, business was depressed there, and that was made the excuse for coming before the committees of Congress and seeking to force through at this time a revision of the tariff that will be a millstone about the neck of the party and the Congress that passes it.

Mr. President, at the point where I was interrupted I was about to say that our system, by superior managerial ability and a larger use of automatic looms and other improved machinery, is operated more efficiently than the British. Those are all items to be taken into account by any committee seeking to adjust rates upon anything like an honest competitive basis or on the difference in the cost of production at home and abroad.

Mr. SIMMONS. Mr. President, may I mention to the Senator a statement I have seen somewhere, which I think is true, so far as investigations show? The statement I refer to is that in England, where the unions have probably greater control than they have in this country, the unions have been steadfastly opposed to the installation of automatic labor-saving machinery, and that their influence has operated in curtailing the installation of those labor-saving machines.

Mr. LA FOLLETTE. I think that is the answer. Labor is much more potential in Great Britain, much better organized, than it is here, and is able to carry the ideas to which the Senator refers into the operations of the cotton mills of Great Britain; but in this country production and everything that contributes to volume of output is the big thing the manager insists upon, because in the volume of output is found the great measure of profit and the command of the business.

Mr. SIMMONS. Is it not also true that the attitude of labor unions toward the number of men who should be employed to operate the machines has contributed largely to the situation which seems to exist there as compared with that here, namely, that more men are required there to operate the machines than are required in this country?

Mr. LA FOLLETTE. Mr. President, I think it is partly due to that. I would not want to say that it can be wholly ascribed to the greater power of the unions. I think there is no people on the face of the earth who move so rapidly in the direction of improvement and higher efficiency as the American people, and I believe that if it were possible for us to have an impartial investigation of the whole field of industrial production, comparatively, between the United States and the other countries, and to have an honest, scientific report made to the Congress of the United States, it would be the greatest blow ever dealt to the form of tariff making which we encounter every time there is a change in political supremacy in this country of ours.

Mr. UNDERWOOD. Mr. President, I am very much interested in the Senator's statistics. I think he has thrown great light on this controversy. But if the Senator stated the source from which he got his statistics I did not hear it, and I want to know, because possibly I may want to use the statistics hereafter. Will the Senator advise me as to the source from which he got these statistics?

Mr. LA FOLLETTE. Mr. President, the cotton experts employed by the Government assist Senators in studies of tariff legislation from time to time. Throughout my whole career in the Senate I have had to labor at a good deal of a disadvantage on tariff matters.

I want to say, with regard to the facts I am giving to the Senate now, while I am giving them as from myself, they are furnished to me——

Mr. UNDERWOOD. I do not ask the Senator for any name he may not want to give——

Mr. LA FOLLETTE. They were not furnished by any importer; I will say that much.

Mr. UNDERWOOD. I do not mean that. What I mean is, whether the facts come from an expert——

Mr. LA FOLLETTE. They come from one whom I consider the best expert on textiles in the United States.

Mr. UNDERWOOD. I do not want in any way to embarrass the Senator, but I am very much interested. I am a low-tariff man myself. I think these rates are entirely too high, and I am in accord with the Senator's argument. But even an expert goes to statistics to get the rates, and I thought possibly the Senator might furnish me with the source from which the statistician got his underlying, basic facts.

Mr. LA FOLLETTE. The statistician who furnished these tables to me secured his information from original sources on the ground abroad and here, and I will vouch, as a Member of this body with all that that implies, that he was a scientific and an impartial investigator.

Mr. UNDERWOOD. I thought they might possibly come from some Government reports, but it was a personal investigation and not a Government investigation.

Mr. LA FOLLETTE. No; it was not a personal investigation; it was an investigation conducted by our Government through its most experienced textile expert acting in his official capacity. I will say that much.

Mr. UNDERWOOD. I merely asked the Senator for information. I wanted to pursue it myself.

Mr. LA FOLLETTE. Mr. President, I thought I had made it clear that in regard to weaving the English rates are, on a large proportion of fabrics, actually lower per yard than the American. The American weaver on sheeting and plain cloth gets less per yard but more per week, due mainly to the much larger use of automatic looms in this country. English weavers ordinarily operate 4 plain looms on cloth that an American weaver would operate 8 plain looms upon, this being partly due, of course, to the difference in the system. On automatic looms American weavers average about 20, whereas, as stated in the Textile World, some American weavers operate as many as 40 looms each on fine lawn.

Mr. SIMMONS. That answers the question which I asked the Senator a little while ago with reference to the number of men operating certain classes of machinery in Great Britain and in this country. Referring to the opposition of the union and how that was controlled in Great Britain, I did not mean to criticize American labor unions, but rather to have the Senator infer in my opinion that American unions were much more liberal in these matters than the unions of Great Britain. They do not have the same control and they do not attempt to exert the same control over the operations of the factories in which they labor.

Mr. LA FOLLETTE. When I come to comment, as I shall shortly, on the matter of wages of cotton operatives in this country and the profits of mill owners, I think the Senator will find another answer. They have not the power, even if they had the disposition, in this country.

Mr. SIMMONS. I think there is a great deal in that. But what I rose to ask the Senator was this: The Senator has

spoken about the cost of piecework. Is the Senator able to segregate the piecework from the daywork of any particular article produced in Great Britain and also produced on the piecework basis in this country? I think that would give us the best index of the difference in the labor costs of the two countries that we could possibly get. The labor cost of piecework in Great Britain compared with the labor cost of piecework in this country, where the articles are the same, would give us a very good basis for an estimate of the difference in the labor cost of production in that country and in this country.

Mr. LA FOLLETTE. I am sure the Senator must have overlooked in part or not have heard in part my statement. The tables relate to similar production in the two countries. The piecework rates in the Fall River district of this country are comparable to the piecework rates in the Lancashire district as presented by the two tables which I have here.

Mr. SIMMONS. Wages paid generally do not measure the difference in cost of production, but the labor cost of piecework, I think, does very accurately measure the difference in cost of production.

Mr. LA FOLLETTE. Not only have excessive rates been written into paragraph 903 but the average rates of duty on countable cotton cloths dutiable thereunder have been substantially raised by the application to a large proportion of such cloths, probably to between one-third and one-half of the total of such cloths, of cumulative additional rates levied in paragraph 905a.

The levying of additional duties on Jacquard cloths is perhaps least open to criticism, inasmuch as many of these cloths carry a high labor cost percentage, but it may be noted that the Jacquard is also used on goods of medium price and quality and that, because it puts less strain on the yarn in weaving, it is frequently used in preference to dobbies, which describes another form of attachment.

The levying of additional duties on swivels can not be justified except as a revenue measure, inasmuch as American mills, after experiments in the past under high tariffs, discarded swivel looms as being less remunerative, because of their slow rate of production, than looms making plain, dobby, and Jacquard fabrics.

That does not justify putting these high duties on the Swiss goods which are made on these swivel looms when we have nothing to compete with it and when our consumers want that particular class of goods and can not get it any other way. The scheme of putting high duties upon that class of Swiss imports is to make the consumers of the country buy something they do not want at a higher price.

The extra duty on fabrics woven with eight or more harness cover not only eight harness sateen Venetian linings but also dobby goods. In the House bill it was intended to penalize in particular the import of Venetians, which constitutes the largest item of cotton cloth imported, but it is to be noted that the domestic manufacturers of Venetians have been gradually restricting English importations only to the highest qualities under the Underwood rates, and the higher rates of paragraph 903 will strongly accentuate this curtailment of imports without the necessity of this special additional rate of duty. In dobby goods the American industry is strong and increasing and has no need for exorbitant and extra rates of duty. The least justifiable class included under the cumulative rates of paragraph 905a is that of cloths made with drop boxes; this covers mainly ginghams and checks. The extra duty on drop-box fabrics, together with the extra rate in paragraph 903 on vat-dyed goods, was intended to stop importation of Scotch ginghams. It may be noted that the chairman of the committee on cotton manufacturers, Mr. Lowe, who secured these special additions to the high duties already agreed upon, is a manufacturer of ginghams.

American gingham manufacturers have been unusually prosperous for a number of years, having probably suffered less from the recent depression than any other section of the industry. Probably 98 per cent of the ginghams used in the United States are made here, and are mainly of 25s to 35s yarn counts; the relatively small amount imported is confined almost entirely to fine ginghams, made of yarn counts from 40s to 60s, and these imported ginghams are in almost every instance sold on the American market at higher prices than the nearest comparable ginghams of domestic manufacture. The "drop-box" provision serves not only to raise the price of such fine imported ginghams but makes prohibitive the duties on cheap shepherd checks, plaids, tweeds, and similar goods made with two colors in the filling.

The rates of duty in paragraph 903 are excessive enough without the addition of extra duties under paragraph 905a.

It thus plainly appears that the difference in labor cost in producing cotton goods between this country and England is much less than it was at the close of the period covered by the rates of the Payne-Aldrich law. It follows inevitably, therefore, that the tariff rates sufficient to equalize the cost of production in the two countries would be very substantially lower now than they would have been for that purpose in 1914 or in 1909, when the Payne-Aldrich law was enacted, or in 1912, when President Taft submitted to Congress the report of the Taft Tariff Board. If the rates of the Payne-Aldrich law were indefensible at the time they were in force, as stated in his message by President Taft, and as more elaborately stated by the Taft Tariff Board in its report, similar rates or anything approaching those rates are indefensible at the present time.

Not only is there this closer approximation of the wage rate between the two countries at the present time, but other factors have come into the problem in the last few years favoring the American as compared with the English cotton manufacturer. The Tariff Board in 1911 came to the conclusion and reported that staple plain cloths were made in the United States as cheaply or more cheaply than in England. Since that time not only have wages advanced proportionately more in England than in the United States in this industry but British taxes have been raised proportionately more than in this country. The price of mill supplies has been raised proportionately higher. During and just after the war a large proportion of English mills were sold at exorbitant prices, so that a large number of English cotton mills are working to-day under charges for depreciation and interest that are based on fully three times as great a valuation of mill-plant machinery as obtained before the war, with cotton costing about the same in Manchester as in Boston, while the English now have to pay considerably more for their material than do the American mills, due to increased ocean freight, storage, and other immediate charges. Although exact comparative data on this subject is not available so far as I am aware, it must be evident that the English costs of production have advanced much more than the American costs of production since 1914.

Every change in the industry which the passing years have brought since the Payne-Aldrich law was repudiated and repealed have been in favor of the American manufacturer as compared with the British cotton manufacturer. Every argument which applied against the Payne-Aldrich tariff rates when the people of this country so overwhelmingly repudiated that law is to-day much stronger against any similar rates or any rates that approach the Payne-Aldrich rates.

Why is it, Mr. President, that the people are having thrust upon them general tariff legislation at this time, and especially legislation which proposes to revise the rates upward to the extent proposed in the cotton schedules of this bill? On the average the rates as reported in this bill are higher than the rates of the Payne-Aldrich law, very much higher, of course, than the rates of the Underwood law. Some of the rates in the pending bill as reported by the Finance Committee of the Senate are very much higher than the Payne-Aldrich rates, some of them are lower than the Payne-Aldrich rates, but the average of all the rates of the bill as reported to the Senate is higher than the average of the Payne-Aldrich rate and very much higher than the average of the Underwood-Simmons rates, under which cotton manufacturing in the United States has advanced in its control of the world market.

Has the Congress come into the possession of any information worthy to be considered for rate-making purposes which was not possessed by the Tariff Board when it made the report from which I have quoted? Has the Tariff Commission, which succeeded the Tariff Board, gathered any facts or given to the Congress any information respecting the cost of production in this country and abroad which changes the figures of the Tariff Board to which I have referred? Every Senator who has followed this discussion knows that the Tariff Commission has made no study respecting the cost of production in this country and abroad, and particularly in England. The reason why the commission has not done so, as its members state to me, is because the unsettled conditions growing out of the war render it practically impossible to make reliable figures on production cost for purposes of comparison between this and other countries at this particular time. But, sir, that is the very reason why fundamental and general tariff legislation should not be undertaken at this time. The last authoritative word upon the comparison of costs of production in this country and in England in the cotton industry is found in the report of the Tariff Board, to which I have referred. And every change in the relative positions of the industry of the two countries which are really competitive—Great Britain and this country, and they are only

partly competitive—since that time has been in favor of America and against the English. If there is to be general tariff legislation in advance of a careful investigation of the subject by the Tariff Commission, all the logic and reason of the situation would require a revision downward, and a marked revision downward, instead of the proposal to double and in some instances treble the present rates as provided in this bill.

For the purpose of showing the growth of the cotton manufacturing business in this country under high tariffs and low tariffs and revenue tariffs, I have had a table prepared showing the imports and exports of cotton cloth, both in quantity and value, since the year 1891. This includes the period covered by the McKinley tariff, the Wilson tariff, the Dingley tariff, the Payne-Aldrich tariff, and the present law. I ask leave to have this table printed without taking the time of the Senate to read it.

The PRESIDING OFFICER (Mr. KING in the chair). Without objection, it is so ordered.

The table referred to is as follows:

Foreign trade of United States in cotton cloth.

Fiscal year.	Quantity.		Value.		Average value.	
	Imports.	Domestic exports.	Imports.	Domestic exports.	Imports per square yard.	Exports per linear yard.
	Square yds.	*Linear yds.*	*Dollars.*	*Dollars.*	*Cents.*	*Cents.*
1891	32,194,940	174,546,272	4,226,663	11,863,046	13.13	6.80
1892	34,230,070	183,754,321	4,508,915	11,158,023	13.17	6.07
1893	45,669,241	143,792,114	5,705,068	9,108,484	12.49	6.33
1894	27,581,490	185,887,736	3,465,333	11,494,786	12.56	6.18
1895	46,722,296	184,258,061	5,516,687	10,479,217	11.81	5.69
1896	42,068,865	225,139,368	4,998,739	12,953,357	11.88	5.76
1897	40,178,832	313,533,044	4,846,318	17,281,620	12.06	5.51
1898	43,440,363	270,507,818	5,304,851	13,290,823	12.21	4.91
1899	54,294,327	412,004,055	6,911,306	18,969,897	12.73	4.60
1900	60,625,422	352,194,989	7,994,064	18,068,934	13.19	5.13
Average 1891-1900	42,700,665	244,561,778	5,347,794	13,467,819	12.52	5.51
1901	43,615,055	251,503,351	6,422,959	14,136,037	14.73	5.62
1902	48,260,978	504,773,813	7,238,355	25,861,196	15.00	5.12
1903	58,621,129	495,379,197	9,146,023	25,352,584	15.60	5.12
1904	50,254,073	247,380,737	8,043,146	14,696,199	16.00	5.94
1905	50,339,051	694,500,715	8,217,735	41,320,542	16.32	5.95
1906	74,868,012	711,493,054	11,322,411	43,181,860	15.12	6.07
1907	83,640,236	326,340,329	13,059,050	21,239,247	15.61	6.51
1908	79,212,048	205,994,812	12,320,893	14,268,083	15.55	6.93
1909	68,914,101	367,631,542	10,499,288	21,693,080	15.24	5.90
1910	65,350,501	309,911,304	9,681,846	19,971,491	14.81	6.44
Average 1901-1910	62,307,518	411,490,885	9,595,171	24,172,032	15.40	5.87
1911	55,516,744	346,590,169	8,832,673	24,387,099	15.91	7.04
1912	46,041,533	476,778,499	7,638,631	31,388,998	16.59	6.58
1913	43,648,762	444,729,241	7,717,873	30,668,234	17.68	6.90
1914	58,621,496	414,860,013	11,523,829	28,844,627	19.66	6.95
1915	45,705,579	396,944,195	7,208,472	28,682,515	15.17	7.23
1916	53,800,547	550,571,720	9,002,572	46,381,390	16.73	8.42
1917	73,752,185	690,193,896	15,093,203	72,608,110	20.46	10.52
1918	44,522,663	684,927,075	12,693,999	103,416,102	28.51	15.10
1919	26,322,449	570,348,660	9,853,735	131,405,495	37.43	23.04
1920	119,482,121	867,292,647	40,314,983	211,937,783	33.74	24.44
Average 1911-1920	56,741,408	544,323,612	12,987,997	70,972,035	22.89	13.04
Calendar year 1921	112,340,259	[1] 551,521,981	33,723,908	71,578,227	[2] 30.02	[2] 12.98

[1] Square yards. [2] Cents per square yard.

[At this point Mr. LA FOLLETTE yielded to Mr. HEFLIN, who suggested the absence of a quorum, and the roll was called.]

Mr. LA FOLLETTE. The table which I have just presented to the Senate shows in the first place that imports of cotton cloth have at all times since 1891 been a mere fraction of our exports. Even in the greatest importing year, which was 1920, we imported only 119,482,121 square yards of cotton cloth, valued at a little over $40,000,000, while we exported 867,292,647 square yards, valued at practically $212,000,000. Throughout all this period neither our imports nor our exports appeared to have been substantially affected by tariff legislation. The reports show that at the present time our imports of cotton cloth at this time are less than 1 per cent of our production and are constantly decreasing, even under the Underwood-Simmons law, while our exports are over 11 per cent of our production and the percentage is constantly increasing. This is strikingly shown by a table which I have prepared and ask leave to insert in the RECORD without reading.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

Relation of production, imports, and exports of countable cotton cloth in census years (all data for calendar years).

IN QUANTITY.

Calendar year.	Domestic production.[1]	Imports.	Relation of imports to production.	Domestic exports.	Probable relation of exports to production.[2]
	Square yards.	*Square yards.*	*Per cent.*	*Linear yards.*	*Per cent.*
1889	3,002,761,037	[3] 31,138,204	1.04	120,302,818	3.61
1899	4,422,269,461	[3] 61,846,781	1.40	418,504,132	9.46
1904	4,952,188,834	[3] 44,755,238	.90	434,989,686	8.78
1909	6,122,143,115	[3] 73,803,398	1.21	380,521,971	6.22
1914	6,883,796,000	[4] 58,550,790	.92	326,477,879	5.11
1919	5,787,409,000	[4] 47,846,024	.83	683,045,326	11.80

IN VALUE.

Calendar year.	Domestic production.[1]	Imports.	Relation of imports to production.	Domestic exports.	Probable relation of exports to production.[2]
			Per cent.		*Per cent.*
1889	$191,804,036	[3] $3,959,344	2.06	$8,635,988	4.50
1899	230,989,886	[3] 8,074,436	3.49	19,704,713	8.53
1904	302,685,143	[3] 7,258,159	2.40	25,568,009	8.45
1909	426,100,200	[3] 10,726,461	2.52	23,050,260	5.41
1914	440,574,000	[4] 10,570,016	2.40	23,635,599	5.36
1919	1,307,062,000	[4] 17,047,514	1.30	151,997,817	11.63

[1] The tabulation does not include special cloths such as pile fabrics, tapestries, toweling, terry weaves, and cloths containing silk, nor does it include towels, bedspreads, sheets, blankets, or other articles made from cotton cloth.

[2] This percentage is obtained after reducing linear yards to square yards by subtracting 10 per cent—that is, assuming that exports average nine-tenths of a yard in width.

[3] General imports, since imports for consumption are not obtainable by calendar years before 1911.

[4] Imports for consumption.

Mr. JONES of New Mexico. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from New Mexico?

Mr. LA FOLLETTE. I yield.

Mr. JONES of New Mexico. May I inquire of the Senator if he has any information as to whether or not the imported goods are comparable to the domestic product?

Mr. LA FOLLETTE. Very largely not; the imports are made up almost entirely, according to my information, of a quality and character of goods which we do not produce in this country and which our manufacturers do not want to produce, because they can produce other cotton cloths more profitably in larger volume.

Mr. JONES of New Mexico. I desired to call attention to that because just the bare figures of imports and production might lead some persons to believe that we are importing the same classes of goods which we are exporting or producing and using in this country.

Mr. LA FOLLETTE. No; that is not true, Mr. President.

There is nothing therefore in the history of the cotton industry, as shown by the records of its imports and exports and production for the last 30 years, that calls for any such tariff rates as those proposed in the present bill, or as those provided in the Payne-Aldrich law. Certainly, Mr. President, there is nothing in the condition of the cotton-manufacturing business in this country at the present time which requires an upward revision of the tariff rates, but there is everything demanding a downward revision. Why, sir, the profits they have been making under the low-tariff provisions of the present law stagger the imagination.

I should be glad, indeed, if some of the representatives of the New England manufacturing States were present at this time. I remember—and that indicates the difference in the psychology of the situation—that 10 years ago, or something more than that, when we were framing the Payne-Aldrich tariff bill, Republican Members representing the cotton industries of New England remained upon the floor to defend in some measure the rates which were proposed in that bill. I remember distinctly something of a running debate which I had with a number of representatives of cotton-manufacturing States in New England when that bill was under consideration.

Is it because we have come to a time when nobody dares to stand up here to defend the profits that are being made by the cotton manufacturers of this country and that have been made ever since the Dingley Act was written on the statute books?

I do not know; but I know that we have the situation which is now shown to those Senators present.

I remember that when the Payne-Aldrich bill was under consideration in 1909 I devoted a part of a speech which I made on the bill to the cotton schedule, and I there showed from the reports of the companies and other official sources that many of them—this was in 1909—had been making yearly profits of 15 or 16 per cent upon their investment. Mr. President, the statement of that fact upon this floor in 1909, when the Payne-Aldrich bill was pending, produced a sensation.

Your predecessor, Mr. President [Mr. MOSES in the chair], Senator Gallinger, of New Hampshire, rose in his place in the Senate and argued that the manufacturers were not making so large a per cent of profit as 15 and 16 per cent, which I had stated from tables based upon the reports which they had made themselves. Your distinguished predecessor rose on this floor to contend that those excessive rates of 15 and 16 per cent could not have been made out of the cotton-manufacturing business, but that such profits as they were receiving, as shown by their reports which I presented, must represent outside speculation of some sort. I wonder what he would say it he were here and could see the balance sheets of those same companies during the last few years under the present low tariff law.

Take one of the companies, to the defense of which Senator Gallinger came on the occasion to which I refer—the Amoskeag Manufacturing Co., which Senator Gallinger declared was the leading cotton-manufacturing concern of New England. I made my speech in 1909. I happen to have before me a compilation taken from the records of that company of its net income available for surplus and dividends from the year 1910 to 1918, inclusive. Here they are:

1910	$760,967
1911	721,825
1912	1,104,352

The Underwood-Simmons bill went into effect on the 3d day of October, 1913. In 1913 the Amoskeag Co. carried to surplus and dividends $1,106,427, as shown by their reports.

1914	$1,022,887
1915	1,079,415

Let me say to the Senator from Alabama [Mr. UNDERWOOD] that the figures which I am now giving show that the profits made by this company were quite as great before the effects of the war began to manifest themselves under the tariff bill which he largely framed.

Mr. UNDERWOOD. Mr. President, if the Senator will allow me, the bill that I had a part in making cut the tariff rates all along the line, and especially in the cotton schedule, very materially.

Mr. LA FOLLETTE. That is true.

Mr. UNDERWOOD. It cut most of them in two, or more.

Mr. LA FOLLETTE. Just about.

Mr. UNDERWOOD. But I never contended that it was anything more than a conservative bill. I said then, and have always said, that I thought the first step should be conservative, so as not to frighten the country. I realize as fully as the Senator from Wisconsin that the cuts that I made in many schedules were not enough, but I do not know of any rates that I made that the gentlemen now in charge of the Government do not want to increase.

Mr. LA FOLLETTE. Mr. President, I made the reference which brought the Senator from Alabama to his feet for this reason: The advocates of excessive protection, not only for the cotton manufacturers but for every other manufacturing industry of this country, will say that we have no test of what the low rates of the Underwood-Simmons bill would do to the industries of this country; that it was not very long after the Underwood-Simmons bill went into operation that the war came on, which wholly changed the situation, and that therefore it was no test of that legislation.

I think everybody must say that a good deal of confusion was introduced into the statistics of the country as a result of that war; but I call particular attention to these figures just at this time because in 1912, when the Payne-Aldrich bill was in operation, this particular company was able to carry to surplus and expend in dividends $1,104,352, and in 1913, before the European war, a part of that time under the operation of the Underwood-Simmons bill, they carried to surplus and dividends $1,106,427—almost exactly what they did the year before—and that the next year, 1914, one-half of that calendar year being under the operation of the Underwood-Simmons bill, they carried substantially the same amount to profit and surplus as they did the two preceding years, to wit, $1,022,887.

Mr. UNDERWOOD. Mr. President, if I am not interrupting the Senator too much, I want to say this: I do not know the output of the particular company to which the Senator refers, but I think it is pretty general.

Mr. LA FOLLETTE. It is the leading cotton manufacturing concern in the country.

Mr. UNDERWOOD. I know, but I do not know the grades of cotton that it makes, although I know that it makes some of the higher grades of cotton that are made in the country; but in this country there are but few mills that spin yarn more than No. 200, whereas the English mills, some of them, spin up to No. 400; but the imports coming into this country are the high-grade cotton goods that are spun out of the finer thread.

In the case of many of the low-grade goods, if you put them on the free list there would be no competition, because we make them cheaper; and the main purpose, as I understand it, of the man who wants protection on cotton goods is to have protection on the higher-grade goods, where there are some imports coming in. He wants that protection, however, not for protection against the class of goods he makes, the heavier class of cotton goods, but he wants to keep out the high-grade goods, just as he wants a tariff on linen to keep out linen, because he thinks if linen comes in it occupies part of the market; and if the high-grade cotton goods comes in, that really high-grade cotton goods competes with linen, not with low-grade cotton goods, and he wants to exclude it, so as to make a larger market for himself in another direction. So I have no doubt that so far as the present tariff law was concerned on the bulk of the goods that were made in this country this particular bill did not charge the competitive conditions at all.

Mr. LA FOLLETTE. The reports of this company of their surplus and dividends sustain the Senator in the statement which he has just made.

In 1914, as I have just stated, they carried to surplus and dividends $1,022,887.

In 1915, after the European war had gotten well under way, and there was considerable interruption of cotton imports into this country, they still had just about the same amount of surplus and dividends—$1,079,415.

In 1916 the amount was $1,179,181.

In 1917, $1,333,610.

In 1918, the last year of the war, they made their big killing. In that year $5,052,681 went to surplus and profits.

It is undoubtedly true that the figures for 1918 reflect the war profits of the company, and figures for subsequent years undoubtedly do the same. But this does not alter the fact that the profits were made and distributed to stockholders or retained as surplus. If it be said that the war profits of the company are not a fair measure of its prosperity under normal conditions, then I answer that we should wait for normal conditions before enacting tariff legislation for the benefit of this and other similar companies. The profits of all these companies showed that they did not need this tariff before the war, and the available evidence to-day is to the effect that they will need it still less when normal conditions are restored.

In order to get before the Senate and the country some idea of the profits of these companies it is designed by this bill to protect, instead of reading into the RECORD a mass of figures from the reports of these companies, as I have done on previous occasions, I am going to read briefly what is said with respect to the business and profits of these concerns by an authority whose statements will be accepted everywhere as correct. I refer to the firm of Sanford & Kelley, members of the Boston Stock Exchange, with offices in New Bedford, Boston, and elsewhere. I have inquired into the reliability of this concern, and am advised that it is of the highest character and every statement put out by it may be relied on.

This concern has recently published a great mass of statistics relating to the cotton-manufacturing corporations for a period of years down to and including the year 1921, and I am going to quote briefly some of the facts and figures given by this firm, which is, of course, on the friendliest terms with all of the manufacturing corporations mentioned.

Mr. MOSES. Mr. President——

The PRESIDING OFFICER (Mr. ROBINSON in the chair). Does the Senator from Wisconsin yield to the Senator from New Hampshire?

Mr. LA FOLLETTE. I do.

Mr. MOSES. Being released from the thraldom of the Chair, I would like to ask the Senator, as a member of the Committee on Finance, if he has heard any representatives of the Amoskeag Co. raising their voices before the committee in this Congress asking for an increase of duty?

Mr. LA FOLLETTE. I have not, I am bound to say, as far as I can now recall.

Mr. MOSES. I would like to point out to the Senator, further, if he will permit me, that the profits which he has enumerated as being made by this company in the exceptional year of 1918—and I assume he will not hold it against the company that that was an exceptional year, because they did

not bring on the war—ran something less than 3 per cent of the annual turnover of the company. I assume the Senator would not consider that as an improper profit?

Mr. LA FOLLETTE. Mr. President, I will go into that a little later on with my friend from New Hampshire, if he will remain about the Senate. If I remember correctly, this is one of the companies which in the last two years has enormously increased its capital stock out of profits which it has made in the business, increasing its capital stock from something like $5,000,000, before the adoption of the Payne-Aldrich rate, to something like $40,000,000 at the present time.

Mr. MOSES. I think the Senator is in error in the last figures.

Mr. LA FOLLETTE. I may be.

Mr. MOSES. The capital stock has been doubled, as I remember.

Mr. LA FOLLETTE. I think it has gone way beyond that.

Mr. MOSES. Unluckily, I do not hold any of it; I wish I did. But I would like to say to the Senator that substantially every dollar of the profits made in the year of excessive profits which the Senator has quoted, the year 1918, is invested in Liberty bonds.

Mr. LA FOLLETTE. Mr. President, that does not very much concern the people who had to pay for the cotton goods which this company put out and charged two or three or four prices for. I do not conceive that that is any answer.

Mr. MOSES. Mr. President, I hold no brief for the Amoskeag Co.——

Mr. LA FOLLETTE. I am aware of that.

Mr. MOSES. But I want to say that at the conclusion of the war the Amoskeag Co., in an effort to bring business back to normal, decided to break the consumers' strike, and to cut the price of its standard goods on the market from 37½ cents a yard, which was the peak price in 1918, to 12½ cents a yard; and it ran its mills without making a dollar in order to keep 16,000 people employed in the city of Manchester.

Mr. LA FOLLETTE. Mr. President, that is a detail about which I am not informed, and I take the statement of my friend from New Hampshire, of course, as being in accordance with the facts. I will take up the Amoskeag Co. a little later for some further observations.

Mr. MOSES. I shall give myself the pleasure of hearing the Senator.

Mr. LA FOLLETTE. I hope my friend from New Hampshire will do me the honor to follow me when I come back to the Amoskeag Co. a little later.

Mr. MOSES. If the Senator will give me some adequate idea as to when that will be, I will go to luncheon, and return refreshed for the combat.

Mr. LA FOLLETTE. I think the Senator will be back in time, if he does not stop too long in the restaurant.

I come now to give the Senate a little idea of the profits which some of these cotton manufacturing concerns have been making, not during the war period, let me say to my friend from New Hampshire. I am going away back of that. I am going back in this report, from which I quote, 25 or 30 or 40 years, in reviewing the profits of these New England concerns under the rates of duty which have been maintained on the cotton schedule.

Let us take the Beacon Manufacturing Co. Here is what Sanford & Kelley have to say of the Beacon Manufacturing Co., one of the largest cotton manufacturing companies in the country, with mills at New Bedford, Mass.:

> This company has over $225 a share in surplus of net quick assets behind each preferred share of $100 par value—

They have been doing pretty well, have they not?—

> and net tangible assets at the book value are over $375 a share.

Mark you, I am quoting from a reputable firm, which is intrusted with the sale of their securities, a member of the Boston Stock Exchange.

> These figures are obtained after inventories are marked down to present market levels or to the lowest price of raw materials, finished goods, and supplies have reached in many years. After these write-offs in inventories have been made the company earned for the calendar year 1920 over 100 per cent on the amount of outstanding preferred stock. In the six previous years it also earned an amount equal to 100 per cent of its outstanding preferred stock. * * * The Beacon Manufacturing Co. makes cotton blankets. The superior quality and low retail price of the blankets have caused it to be necessary for the Beacon Co. to constantly year after year tremendously increase the size of their plant. This has been done almost entirely from profits of operation, as their capital to-day is $1,200,000, which compares with $800,000 in 1914. In that year their total sales were $1,800,000, by 1920 the plant had been so increased that they sold $7,627,000 of product. This gain in sales is not entirely due to increased output, because the selling price of their blankets was doubled in the last few years.

Now, note the following:

> The Beacon did not raise its price but one-third as much as its competitors (it only doubled the selling price of its blankets), although at no time could they entirely supply the demand for their goods. The reason prices were not raised further was that the company believed that their then profit was sufficient (100 per cent would seem to be a pretty fair profit), and it was good business in the long run not to increase the cost of their product to the consumer to such an extent as other manufacturers did, as by not doing so they were likely to have better satisfied customers, and their profits already had so increased that the larger proportion of any further increases they might have charged would have gone to the Federal Government in the shape of excess-profits taxes.

The only reason this concern did not take more than 100 per cent profit out of the people was because so much of such excess profits would have gone to the Federal Government in taxes.

Mr. CARAWAY. Mr. President, I presume they were one of the poor beneficiaries of the repeal of the excess-profits taxes.

Mr. LA FOLLETTE. Unmistakably, this concern is one of that long list of companies whose influence was brought to bear upon the Finance Committee from the very beginning of this Congress to repeal the excess-profits taxes by a propaganda the like of which I think I have never witnessed since I have been in public life.

Mr. POMERENE. The Senator does not mean to say they made these large profits by reason of the depreciated currency abroad?

Mr. LA FOLLETTE. They made these large profits because they had a chance to charge the American consumer enough to take 100 per cent out of him. They could have taken more. They did not take any more, because after they reached that point, if they had gone very much beyond it, the larger proportion of it would have gone to the Government in excess-profits taxes, and their loyalty to the Government did not extend to the point of raising their prices for the benefit of the Government Treasury.

Mr. POMERENE. Did these people ask for the increased rates found in the pending bill?

Mr. LA FOLLETTE. I do not remember that a representative of the Beacon Co. appeared before the Committee on Finance. The most active agent before the Committee on Finance was a former member of this body, one Senator Lippitt. He has been in evidence whenever there has been a cotton schedule to be framed, and in his trail I think we have generally found some things which were pretty embarrassing to his colleagues on the Republican side.

Mr. HARRIS. Mr. President, during the war the Government advertised for bids for gauze for dressing the wounds of the soldiers, and these manufacturing enterprises about whom the Senator is talking made bids to the Government. I was on the committee, and I happen to know about it for that reason. The Government investigated the profits they were making on this gauze and found that the profit was 95 per cent during the war.

Mr. LA FOLLETTE. That would be pretty modest for most of the companies I am going to call to the attention of the Senate in a few minutes.

Mr. CARAWAY. Mr. President, I wonder if the Senator could tell us why they should forego that extra 5 per cent profit which they were making. Was it due to their patriotism?

Mr. LA FOLLETTE. Yes; 5 per cent patriotism.

Mr. HARRIS. That was the lowest.

Mr. LA FOLLETTE. It was about the average of that class of citizens in this country at that time.

Continuing with the Beacon Co., this authority which handles their stocks on the Boston Stock Exchange said:

> In the 1920 year the Beacon Manufacturing Co. charged off from their inventories an amount equal to their average outstanding capital for that year. Even then they showed a profit after deduction equal to the amount of their entire outstanding preferred capital. * * * After charging off a million dollars from their liquid assets they then showed a surplus of net quick assets amounting to $1,800,000, or 50 per cent larger than the combined preferred and common capital.

This concern seems to have done very well even in the "bad year" of 1921, for the same authority further states, and I am quoting now from a representative member of the Boston Stock Exchange who handles the stocks of this company on that exchange:

> The demand for the product may be further illustrated by the fact that with their 1921 selling, open only a few weeks, they have sold 40 per cent of their capacity for the calendar year of 1921.

Here is what Sanford & Kelley have to say of some other New Bedford mills in their financial review of the year 1921:

THE DARTMOUTH MILL.

> At the annual meeting of the Dartmouth Mill, held in November, the corporation reported net earnings of $567,254. Their balance sheet showed also a reduction in inventory account of nearly $45,000. They paid in dividends during the year on the common stock 32 per cent. In 1920 they paid 34 per cent, in 1919 14 per cent, in 1918 12 per

cent, in 1917 42 per cent, in 1916 20½ per cent. In 1916 their surplus of net quick assets was $1,145,181, and now it stands at $2,649,986, or a gain in the period mentioned of nearly $1,550,000.

Mr. CARAWAY. That was in addition to the dividends they paid?

Mr. LA FOLLETTE. That is true.

Mr. CARAWAY. This amount was passed to surplus in addition to 30 or 40 per cent dividends?

Mr. LA FOLLETTE. That is true. Now, I take another company typical of the profits made, the Holmes Mill.

Mr. POMERENE. Where is it located?

Mr. LA FOLLETTE. It is located in Massachusetts.

THE HOLMES MILL.

This stock is now selling, according to Sanford & Kelley, at $300. I quote from their report:

The mill was started in about 1910, and the common stock sold at par. Therefore, in 12 years the investor has seen the market value of his stock trebled and has been receiving dividends since 1916 of 20 per cent or more; in 1920 he received 38 per cent.

THE NEILD MILL.

This mill has been paying quarterly dividends of $5 a share, or at the rate of 20 per cent in cash dividends. Of this concern Sanford & Kelley report:

If the Neild can earn 20 per cent on its capital in one of the worst years ever known in the cotton industry, what will it earn in normal times? It should be remembered in considering the dividends being paid by the Neild that they have not had many years to accumulate surplus earnings to pay off their debts as have many of the older companies. "It is therefore worthy of remark," say Sanford & Kelley, "that in the last five years they have paid successively 18, 19, 20, 32, and again 20 per cent." In spite of these disbursements in five years, amounting to considerably more than their capital stock, they can yet show a surplus of more than 100 per cent in their surplus of net quick assets. This, too, in spite of the tremendous taxes which the corporation has had to pay because of its large earnings, because of excess-profits taxes.

THE PIERCE MILLS.

I quote again:

The Pierce Mills paid its stockholders 34 per cent in cash dividends during the year, as compared to 50 per cent last year and 41 per cent the three previous years. The Pierce is one of those rich corporations that can well afford to pay substantial dividends in times of depression, as so much in the way of surplus quick assets has been laid aside over a long period of years and kept as a reserve for just such occasions.

Mr. WALSH of Montana. Mr. President, I understood the Senator to say some time ago that these companies were reducing wages.

Mr. LA FOLLETTE. I am coming to that pretty soon. There has been quite a struggle on between the manufacturers of cotton goods and their employees. I am going to take that up and present to the Senate some facts which I think are very pertinent to the discussion of the subject. I am just now dealing with the profits of these concerns.

If Senators will follow me in the quotations I am making here from a reputable concern in Boston, a member of the Boston Stock Exchange, representing the actual condition of these stocks and of these companies in all the aspects of their financial situation, they will observe that they are not dealing merely with recent years and the war profits that have been made under exceptional conditions, but that every once in a while we get a comment that reaches back into the pre-war period many years, sometimes 10, 12, 15, or 20 years and in some instances, as I remember, 40 years. These are not exceptional cases.

Mr. WALSH of Montana. If the Senator will suffer another interruption, I would like to inquire what was the occasion for the publication of this information by the concern to which the Senator has referred.

Mr. LA FOLLETTE. It was for the purpose of disposing of the stocks and bonds of these companies in the usual course of business. People who can make investments in stocks of this sort that pay 50 per cent or 100 per cent are interested, of course, in the opportunities which are offered by the bond companies and the stock companies that deal in and represent the various manufacturing companies in the disposition of their stock.

I come now to the Whitman Mills.

THE WHITMAN MILLS.

This is one of the largest and oldest mills in the country, and was reorganized in 1895. Again referring to the stock of this company, this same report says:

A man who owned 20 shares at that time—1895—and took new stock as it was offered to him afterwards now has 40 shares, which cost him $3,800 and are worth about double that amount in the market to-day. From the distributions of all kinds he has received in dividends since 1895 on what cost him $3,800 the sum of $8,034.50.

Sanford & Kelley also issued in 1921 a special report on the Whitman Mills, in which there is a most interesting side light upon the manner in which the cotton industry is conducted. I quote from that report:

The principal earnings of this corporation are from two distinct branches of the textile industry, which fact acts as a stabilizer. Through ownership in cotton mills they receive profits from manufacturing. From the sale and distribution of a tremendous volume of merchandise they receive profits in the form of commissions.

The company directs or actively assists in the management of nine textile mills and is the exclusive selling agent for all of them. * * *

Gross sales exceeded $120,000,000 in 1920, as compared with more than $100,000,000 in 1919 and an annual average of more than $23,000,000 for the 10 years prior to 1913.

We hear a good deal of complaint about the excessive retail price of cotton goods, and it is popular now to refer to the small retailer as a profiteer. The real explanation appears in the language I have just quoted. Mill owners simply form themselves into a selling agency to distribute the product for several mills, and to the manufacturing profit they add the immense profits they make as such selling agency.

That the immense profits in the cotton industry are not confined to any particular locality appears from Sanford & Kelley's reports. I quote from the same authority respecting Fall River mills:

THE LINCOLN MILL.

The Lincoln Mill made an exceptionally fine showing for 1920, indicated earnings being nearly $1,250,000 on a capital of $1,625,000. Disbursements to stockholders amounted to $30 a share. * * *

Dividends of 33 per cent in cash were paid and the inventory was kept down to low levels in the past year. For a great many years a large part of the earnings of this corporation have been put back into the plant, and the past calendar year was no exception.

THE TECUMSEH MILLS.

I quote:

With earnings amounting to about 100 per cent for 1920, it may surely be felt that the Tecumseh Mills did exceedingly well. The stockholders have every reason to be gratified, as they have received in cash and Liberty bonds 73 per cent, and when all this has been paid out the mill then showed a surplus of net quick assets amounting to over 100 per cent.

THE FLINT MILLS.

The Flint Mills—

And I am quoting from the representative of the stocks of these companies, their selling agent on the Boston Stock Exchange—

The Flint Mills made a remarkable showing for the past year, indicated earnings being in excess of its total capital stock. This more than justifies the board of directors for its liberal payments of cash dividends, which amounted to $48 a share.

It may be said that the profit of these mills was abnormally large during the war period. That is true; but most of the figures that I am giving involve two years subsequent to the war, including what is supposed to be a period of depression in the industry. Numbers of them also include years prior to the war.

The representatives of these organized industries who appeared demanding more tariff protested that there was terrible depression in the industry. I have stated the dividends, the profits, made in the period during which they represented they were suffering from depression which they advanced as a reason for the excessive increases in duties over those imposed by the Underwood-Simmons law.

Here is what Sanford & Kelley have to say of the Granite Mill, not only during the war period but for a period of 40 years:

THE GRANITE MILL.

Like the Flint Mill, it (the Granite Mill) shows a surplus of net quick assets greater than its capital and no debts except unaccrued taxes. The average dividend record of the Granite Mill over a 40-year period is exceptionally good, during which time there has never been a year past but what the stockholders received something in cash in the way of dividends, no matter how great the depression in the industry may have been.

THE KING PHILIP MILLS.

The King Philip Mills added another to its list of years of prosperity, which was reflected in the payment of dividends to the stockholders amounting to 73 per cent, taking the Liberty-bond disbursement as worth 100 cents on the dollar.

The list of mills which I have taken at random from these reports are typical, not exceptional. Some made more and some less.

The dividend record tells only a part of the story of the profits of these mills. In some instances, as in the case of Amoskeag, dividend paid on preferred stock may be carried in the statement of the company as "cost of manufacture." As in the case of this company also, stock dividends are declared sometimes equaling or exceeding the original amount of stock issued. Amoskeag, for instance, in 1919 declared a stock dividend of 100 per cent. Consequently the holders of that stock thereafter received dividends thereon the same as upon the original stock, which, of course, reduced the dividend rate. Then also, as in the case of this company, which is reported to have a surplus of $40,000,000, the surplus is built up entirely out of the earnings or profits of the company, which is but

another way of saying that it is built up out of money collected from the public largely as the result of profiteering.

Mr. President, I digress for a moment to cite another authority upon this subject. Former Professor Lauck, of the West Virginia University, made an investigation.

Mr. MOSES. Mr. President, before I left the Chamber, with the permission of the Senator from Wisconsin, he told me he was about to refer to the Amoskeag Mills. May I ask the Senator if what he has now stated is what he had in mind?

Mr. LA FOLLETTE. Yes, sir; I think it is.

Mr. MOSES. And that finishes the indictment of the Amoskeag Mills?

Mr. LA FOLLETTE. For the present.

Mr. MOSES. I do not want to interrupt the continuity of the Senator's argument at all, but it seems to me that he has overlooked some elements of the situation which would have been more familiar to him if he had lived in New England and had seen the operations of the mill. While it is quite true, I wish to say to the Senator, that the Amoskeag has accumulated a very large surplus, it has done so, as I understand, because it has not been in the habit of distributing its earnings in dividends, but it has kept its earnings for the purpose of developing the plant and taking advantage of the market. For example, the Stark Mills, in Manchester, neighboring the Amoskeag, have been compelled to go out of business because of some element, possibly of imprudence, in the management of their affairs or because of certain elements of competition in the Southern States, where the particular class of goods which they make has been produced in larger volume. The Amoskeag has bought the Stark Mills in order to continue the Stark Mills as a manufacturing enterprise in Manchester, something that the Amoskeag could not have done but for the prudence of its management in the past and the accumulation of the surplus to which the Senator from Wisconsin has referred.

It is my recollection from my reading of the last printed report of the Amoskeag—and I have nothing but newspaper sources from which to quote, and I am quoting wholly from memory—that the income of the Amoskeag from its investments, including the item Liberty bonds, to which I referred in a colloquy which the Senator permitted me to have with him a few moments ago, was fully equal to the income from its manufacturing operations.

I hope that the Senator from Wisconsin has not in mind any notion of penalizing New England thrift and prudence. The Senator will remember that my State is far distant from the source of supply of its raw material. We have in my State for native raw material nothing but a few deposits of building stone, a rapidly diminishing supply of timber, and water powers. Around those water powers have grown up these mills, and around those mills have grown up large, enterprising, flourishing communities, bringing cotton from Alabama and coal from Pennsylvania. This development has been made possible by thrift and enterprise. I hope the Senator from Wisconsin has not in mind the penalizing of New England for those sterling qualities.

Mr. LA FOLLETTE. Mr. President, I am scarcely in a position either in the Finance Committee or in the Senate to penalize anybody. I hold views which are not in accord with the majority. Those who boss the legislation of the Senate with regard to the tariff have been for many years in the majority here and in the majority in the Finance Committee. I stand quite by myself in that committee. So my friend from New Hampshire has no reason to apprehend any drastic action emanating from me against the Amoskeag or any other New England manufacturing concern for which he speaks.

I have considerable data here upon the Amoskeag cotton manufacturing plant. I had extracted therefrom for the purpose of the argument this afternoon just such material as I have presented. I remember, however, Mr. President, without referring to my more extended notes upon the subject, that the Amoskeag had many years ago a capital stock of about $5,000,000, and it has been able to add to its capital from profits in the business under the tariffs which have existed eight times the capital stock which it had some 20 years ago, or, perhaps, less than that—15 years ago.

Mr. MOSES. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield further to the Senator from New Hampshire?

Mr. LA FOLLETTE. I yield.

Mr. MOSES. The Senator would not assert that that increase in capital stock had all come out of profits during the time which he mentions, would he?

Mr. LA FOLLETTE. That is the same argument which the Senator's predecessor, Doctor Gallinger, sought to make here some years ago.

Mr. MOSES. In that respect, then, Mr. President, I presume I am a worthy successor of the late Senator Gallinger.

Mr. LA FOLLETTE. I think the Senator is; I think he is able to go his late colleague one better in his presentation of the case of the Amoskeag or any other New England interest. When these facts are presented with respect to that company, if the Senator from New Hampshire has any explanation for it, let him make it. I say that they have put by in capital stock out of profits since 1895 eight times the capital stock that they had at that time.

Mr. MOSES. I think the Senator is in error about that with reference to the period of time, but with reference to the practice of the company of putting by a part of its profits into surplus, I wish to say that that is a trait that I should be glad to see extended.

Mr. LA FOLLETTE. Yes; and out of profits they have been able to pay round dividends every year to their stockholders.

Mr. MOSES. I hope they have, and I hope they will continue to do so.

Mr. LA FOLLETTE. I will put into the RECORD the story of that institution. I will satisfy my friend from New Hampshire upon that subject.

Mr. MOSES. It certainly will be an interesting story of the development of a great industrial concern.

Mr. LA FOLLETTE. It certainly will be a story of the excessive profits that greedy manufacturers can make under excessive tariff rates.

Mr. MOSES. Oh, Mr. President, when a concern having a turnover of $35,000 000 a year amasses in profits and dividends substantially $1,000,000 a year, less than 3 per cent on its turnover, it is not possible to say that that is profiteering, or that it is excessive. The Senator knows perfectly well that in the general run of business transactions in the country a gross profit of 10 per cent on the turnover is not abnormal and is not deemed excessive.

Mr. LA FOLLETTE. Mr. President, a profit such as I have been presenting here to the Senate this afternoon of 50 per cent, 80 per cent, and 100 per cent per year on the manufacturing business that these protected interests have been conducting can not be excused on any play of terms about "turnover."

Mr. MOSES. Why, certainly, Mr. President, if a company keeping its capitalization at a small figure, for any reason——

Mr. LA FOLLETTE. Like the Amoskeag Co., for instance.

Mr. MOSES. Like the Amoskeag Co., for instance.

Mr. LA FOLLETTE. With its $40,000,000 of capital increase in a very brief period of time.

Mr. MOSES. I have not the figures of the Amoskeag Co. in my mind. I do not think it is as great as that, however.

Mr. LA FOLLETTE. I am very certain it is.

Mr. MOSES. But in the case of a company keeping its capitalization at a small figure, but having a tremendous turnover, certainly, as I view it, it is somewhat unreasonable to take the percentage applied to a small capital, but based upon a very large turnover, and present that as evidence of a charge of profiteering. The particular question which the Senator from Wisconsin is discussing, however, is not one which affects the Amoskeag Co., because, as I pointed out to him earlier in the day, the Amoskeag Co. has not been here asking for higher tariffs.

Mr. LA FOLLETTE. I do not know that that signifies anything, Mr. President. They may be represented by those who are here asking for higher tariffs.

Mr. MOSES. I think I may say of my own knowledge that they are not——

Mr. LA FOLLETTE. Well, that may be true, and if the Senator says so I know it is true.

Mr. MOSES. Because, I think, if the Amoskeag Co. had wished to have its case presented here, I would have heard something about it. The other manufacturers of my State have not been at all modest in notifying me of their desires.

Mr. CARAWAY. Mr. President, I might suggest to the Senator from Wisconsin that the Finance Committee has not been at all modest when it granted their desires, has it?

Mr. LA FOLLETTE. It has not been necessary, I will say, for anything more than intimations as to advances in rates to be made to have them recorded in this bill as presented here.

Mr. CARAWAY. Modesty, then, has not characterized their dealings——

Mr. LA FOLLETTE. Not very much; no.

Mr. CARAWAY. Not only with the constituents of the Senator from New Hampshire, but with the constituents of other Senators.

Mr. LA FOLLETTE. When any representative of a manufacturing interest appeared before the committee, about the first

question that was asked was "What do you want?" And when it was stated by the representatives of the concern what they wanted, that is about what they got.

Mr. MOSES. Mr. President, if I may ask the Senator from Wisconsin another question, he having already told me that as a member of the Finance Committee he has not heard the voice of any representative of the Amoskeag Co.——

Mr. LA FOLLETTE. I do not remember, Mr. President, whether the Amoskeag Co.'s representatives appeared before the committee or not. There was a period of about one month when I was absent from the hearings in the committee on account of a death in my family. They may have appeared at that time. I do not know whether they did or not.

Mr. MOSES. I think they did not; and, with reference to the suggestion made by the Senator from Arkansas, I wish the Senator from Wisconsin also to give me absolution. I have not appeared before the Finance Committee asking for higher duties on cotton.

Mr. LA FOLLETTE. No; that is very true, and I am very glad to attest that fact, Mr. President. I think the appearance of anybody representing any of these New England cotton manufacturers and asking for increased rates would be a piece of brazen impudence, and I know the Senator from New Hampshire well enough to know that he could not be enlisted in an enterprise of that sort.

Mr. CARAWAY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Arkansas?

Mr. LA FOLLETTE. I do.

Mr. CARAWAY. Granting that, I was going to suggest that it was not necessary for anybody except the representatives of the concern to come, was it? I judge from what the Senator has said that if they intimated, even by letter, that they wanted a raise they got it.

Mr. LA FOLLETTE. Mr. President, I think the record of the committee will show that an increase was, as a rule, accorded to those who appeared asking for an increase. I think that is the record of the Committee on Ways and Means in the House of Representatives. I think if anybody will take the testimony presented to the Ways and Means Committee of the House and the testimony presented to the Finance Committee of the Senate, it will be found that substantially the rates asked for by the interests who appeared were accorded to them. Of course many rates were added after the record evidence of the hearings terminated, for a very large body of representatives of these interests appeared when there was no record made of the hearings that were had by the Republican members of the committee, and concerning what transpired at that time I have to depend upon my recollection, as do other members of the committee.

Mr. WALSH of Montana. Mr. President——

Mr. LA FOLLETTE. I yield to the Senator from Montana.

Mr. WALSH of Montana. I have been endeavoring to follow the argument of the Senator from Wisconsin upon this very interesting question. I do not understand that he was questioning at all the propriety as a business proposition of passing a portion of the earnings of the company to surplus instead of distributing it as dividends. As I understood him, he was calling our attention to the fact that in addition to the amount distributed as dividends a large amount had been annually passed to surplus as indicating that great profits had been made out of the business, and that the companies were easily able to compete and do well, remarkably well, even under existing rates. I did not understand that the Senator from Wisconsin was questioning at all the wisdom or propriety of the Amoskeag Co. passing some of its earnings to surplus.

Mr. LA FOLLETTE. Mr. President, I was simply calling attention to the profits derived from the manufacturing business under the various tariffs that have been in existence for a period of years and showing how much had been paid out in dividends and the amounts that had been carried to surplus. I have made no comment upon either the amounts paid out in dividends or the amounts carried to surplus. I simply wanted to get before the Senate the facts with respect to these various companies, their earnings, the amounts that they had carried to surplus, and the amounts that they had paid out in dividends under the existing tariffs covering the period of years designated in the reports that I have presented.

Mr. MOSES. Mr. President——

Mr. LA FOLLETTE. I yield.

Mr. MOSES. In the interest of strict accuracy, to which the Senator is as much wedded as I, if I recall the language which he employed in citing figures in reference to this particular company, he cited the amounts annually derived from their operations applicable to dividends and surplus.

Mr. LA FOLLETTE. I think that is true; yes.

Mr. MOSES. So that the less than 3 per cent upon their turnover, which is about what happened——

Mr. LA FOLLETTE. Well, I do not know. I am not certain about that. I have not any data upon that subject. Has the Senator looked that up?

Mr. MOSES. I beg the Senator to take my word for it.

Mr. LA FOLLETTE. I will take the Senator's word for anything that he has investigated.

Mr. MOSES. My recollection from my investigation is that the annual turnover of this company is about $35,000,000, and $1,000,000 applicable to dividends and surplus would be something less than 3 per cent on the turnover, and as I understood the Senator in the table which he read earlier in the day that was the total amount available for dividends and surplus, so that the Senator from Montana [Mr. WALSH] should not think that there is an additional amount that in some way was carried to surplus, because, as I remember the table which the Senator read, that included the total earnings of the company.

Mr. LA FOLLETTE. Mr. President, I do not carry all those figures in my mind, and I will not take the time of the Senate to recur to the table.

Mr. MOSES. Mr. President, I merely happened to be in the chair, and my mind was entirely free to follow what the Senator was saying, and I think I recall it with literal accuracy.

Mr. LA FOLLETTE. That may be true.

Mr. SMITH. Mr. President, will the Senator allow me to get clearly in my mind the distinction that the Senator from New Hampshire is making in his calculation as to the turnover? The capitalization of this company, I believe the Senator from Wisconsin has said, is $5,000,000. That is the amount owned by the company or invested by the company, upon which they are to pay dividends. In the course of a year's business they will turn over that amount to an aggregate of $35,000,000, and on that turnover they will earn about 3 per cent; but that 3 per cent represents the amount made upon the yearly turnover. What does it represent upon the capital invested, upon which dividends will be paid?

Mr. MOSES. Mr. President, upon the figures which the Senator from South Carolina has quoted that would be something like 20 per cent on the capitalization, of which, however, less than half is distributed in dividends. The rest of it goes into betterments or into available surplus.

Mr. SMITH. Yes; but we want to get clearly in our minds this idea: There is invested in this business by the individuals engaged in it $5,000,000. They have a monthly or bimonthly turnover which in the course of a year aggregates $35,000,000. Upon that turnover they earn annually 3 per cent. That means that they have been able, by the use of the $5,000,000, to earn something like 20 or 25 per cent. Now, the question arises, What per cent have they made upon the capital invested? That is the point that the Senator from Wisconsin was attempting to develop. It is not so much a question as to the turnover as it is a question of what is the annual return upon the $5,000,000 invested.

Mr. MOSES. Mr. President, may I interrupt the Senator right there?

Mr. SMITH. Yes.

Mr. MOSES. No, Mr. President; the amount of money invested in the plant may be and probably is much more than the amount of the par value of the capital stock, because out of earnings in past years money has gone back into the plant for its enlargement and its improvement for which no stock was issued, and which has no place in its capital account.

Mr. SMITH. I know; but the Senator must not lose sight of the fact that all that accrued capital and facilities is a part of the profits. They did not see fit to pay it out as dividends. They put some of it into surplus and some of it into betterments or facilities for enlarging the plant.

To illustrate, it is alleged that in my State a certain cotton mill earned enough to build plant No. 2. They just issued duplicate stock, and I believe out of the earnings of plants No. 1 and No. 2 they built plant No. 3. Nobody invested any more money.

Mr. LA FOLLETTE. They took it out of the public.

Mr. SMITH. The plant made the money. They did not invest any capital out of other business, but plant No. 2 was the dividend paid on the stock of plant No. 1, and plants No. 2 and No. 3 in the last analysis were the dividends on the stock of plant No. 1; and that is the thing we want to get at in this debate, if possible—the question of what were the earnings.

Mr. MOSES. Do I understand that the Senator is complaining about that industrial development in his State?

Mr. SMITH. No; I am not complaining about these fellows making all they can. I am complaining about our legalizing that

kind of thing and shutting other people out from the possibility of protecting themselves against it.

Mr. MOSES. Of course, if the Senator from South Carolina wishes to pass a statute here which will prevent the Amoskeag Co., in Manchester, N. H., from paying the Southern States $16,000,000 for cotton, as they did last year, he can answer to the cotton raisers on that point.

Mr. SMITH. I am glad the Senator has called attention to that. These are not matters which pertain to any particular individual or any particular corporation. We are charged here with the duty of making such laws as will give every man an equal chance under the law, and the Senator knows that when the spinners in New England bought $16,000,000 worth of cotton from the South, if they did, they got their cotton below the cost of production. The man who sold them the cotton was not declaring any dividends or laying by any surplus. He was fixing to get a mortgage on his place, to try to meet expenses.

Mr. MOSES. I assume that the New England cotton spinners paid for cotton in the South what the cotton raisers in the South asked for it. They could not get it anywhere else.

Mr. SMITH. The cotton raiser in the South takes what the New England man offers. That is notoriously the fact. He has to take that or take nothing. He has no way of protecting himself. He is in bad; and, besides that, the monstrous condition still prevails in this country that the New England mills and the southern mills wait every morning for the Liverpool market to open to sell American cotton upon the basis of a European competitor.

Mr. LA FOLLETTE. Mr. President——

Mr. MOSES. I beg the Senator's pardon; he has the floor.

Mr. LA FOLLETTE. Mr. President, I want to conclude what I have to say, and I will leave the discussion of this subject to my friend from South Carolina and my friend from New Hampshire. I may have occasion at another time to go more fully into the financial history of the Amoskeag Co. I find I am not able to put my hand upon some notes I had regarding that company, which I thought I had brought to the Senate floor.

I wish to add to the testimony as to the profits made by these various cotton manufacturing companies this statement from Professor Lauck, formerly of the West Virginia University, who made an investigation into the profits of various manufacturing companies and published a pamphlet upon that subject, which was issued in 1920, from which I read:

PROFITS AS SHOWN IN THE PUBLISHED REPORTS OF TEXTILE COMPANIES.

Such profits should be reflected in the net incomes shown in the published reports of the large textile companies. Here, again, the material at hand is not so full as one could wish. But such returns as appear in Moody's and Poor's Manuals enable us to substantiate the above conclusions for eight large representative cotton and wool manufacturing companies. Roughly speaking, the net income of these companies for the war years 1916–1918 was five times as large as the corresponding total for the pre-war years 1912–1914.

* * * * * * *

In general, the outstanding fact is that in recent years the manufacturer's and retailer's margins of profits have been absorbing a much larger portion of the consumer's money than in earlier years, that to-day the amount absorbed by these two elements amounts to approximately one-half the price paid by the consumer for the goods, and that this is reflected in profits which, for the manufacturer at least, are many times those received in pre-war years. This establishes a very close relationship between profiteering and high prices.

I have not given these figures nor discussed the profits or the business methods of cotton manufacturers for the purpose of convicting them of profiteering but for the purpose of showing that before the war, during the war, and after the war the business has been an extremely profitable one, and the greatest of this prosperity has been enjoyed under tariff rates less than one-half of those which this bill seeks to impose. The only possible purpose of the cotton schedule of this bill is to give these great manufacturers an absolute monopoly of the American market—its purpose is to give these cotton manufacturers a monopoly just as complete as though an embargo were imposed upon importation of cotton cloths. The limit of the price which the American consumer will have to pay for this great necessary of life will be measured only by the necessities of the purchasing public and by the greed of the cotton manufacturers, who have come to look upon dividends of 20, 25, or 50 per cent quite as the ordinary thing in their business.

It is rather remarkable that the advocates of prohibitive tariffs never point to the real beneficiary of such legislation. They never mention what the tariff does for the manufacturer, but they solemnly declare that the tariffs are necessary for the poor laboring man and woman. There never was a falser claim made by mortal man than that the tariff wall which the cotton schedules of this bill propose to erect for the benefit of the cotton manufacturer will in any way benefit the laborer in the cotton mills. The cotton manufacturer pays his labor just as little as possible without any regard to tariff legislation or his profits. The wages paid in the cotton mills of this country and the manner in which women and children have been worked in those mills is a national disgrace. I have before me a pamphlet entitled "Wages and hours in American industry," prepared by the National Industrial Conference Board and published in 1921. This concern is composed of manufacturers, and the cotton manufacturers of the country occupy a prominent place in it. In this pamphlet they have a chapter on cotton manufacturing, and in that chapter they give what they call "classified pay-roll data." Among other things, this data shows for a typical month in 1914 and for six months of 1920 and six months of 1921 the average weekly earnings in the cotton factories, North and South, of women. and male skilled and male unskilled labor, and the average for all. By multiplying the amount of weekly earnings, as given in the pamphlet of this manufacturers' association, by 52, it is obvious that one gets the total amount the laborer could earn if he worked every week in the year. Constructed on this basis you get the following table:

Cotton-mill workers' yearly earnings (for 52 weeks' employment).

	1914	1920	1921
NORTH.			
All wage earners	$469.04	$1,218.93	$924.20
Male skilled	536.64	1,687.64	1,085.44
Male unskilled	457.60	1,162.82	915.98
SOUTH.			
All wage earners	369.20	937.61	791.60
Male skilled	419.64	1,236.87	951.60
Male unskilled	296.40	924.40	625.56

This employers' document also shows that in 1914, before the war, cotton-mill wages in the South were as low, if not lower, than any other wages in the United States; that in 1914 cotton-mill wages in the North were among the very lowest wages in northern industry; and that in 1921, at the peak of cotton-mill wages, both North and South, they were at the very bottom of the wage scale of the industries of the country. It also shows that in 1921, after the war, cotton-mill wages, North and South, were on the average further below wages in other industries than they were in 1914. Is it any wonder that there are strikes throughout New England? This table I have presented shows that at no time were the wages paid even to the most skilled cotton-mill workers anywhere near the health and decency level of any of the budgets made up either by the Labor Bureau or any of the other organizations that have made studies into that question. It is my recollection, also, that since the figures were published from which I have compiled this table, cotton-mill workers have accepted a very large cut in wages to escape starvation, and they are now generally on strike because of a proposal to still further cut their wages and increase the hours of labor.

But, sir, imagine a laborer, skilled or unskilled, in any industry supporting himself and maintaining a family on the yearly wage which it would be possible for him to earn in this industry, even though he worked every week in the year without loss of time. This table demonstrates beyond all question that the profits of the manufacturer have little to do with the wages of the worker, no matter what the manufacturer's profits may be.

They prate about low wages abroad and appeal for higher rates of protection to offset the difference between the wages paid in foreign countries and the wages paid here. The laborers of this country get no wages from their employers excepting as they are able to exact them through collective bargaining, and even then they are in an overwhelming and steadily encroaching condition of oppression.

Manufacturers appear before the committees of Congress with their mouths dripping with unctuous phrases about the protection of labor, and then drive their employees into a condition of life such as that shown by the investigations of the conditions in Lawrence, Mass., where families are compelled to live in one room on the wages which they are able to earn, and then are forced to strike to prevent those wages being reduced to a point which makes their condition of life more bitter and more exacting and more oppressive than it is.

The tariffs fixed by Congress ostensibly for the protection of labor never reach the laborer where the employer can prevent it. The employer will take every cent of the advantage that the tariff imposes and labor gets nothing from it excepting as labor, through organization, is able here and there to make an approach toward exacting what will furnish a fair return for its services.

Mr. President, it ought to be enough to say that labor to-day in the United States is paid less in the purchasing power of

its wage than at the beginning of this century. No man who has taken the trouble to go into the figures showing the increase in the cost of the necessaries of life will dispute that statement for a moment. I have submitted to the Senate ample proof on that subject. It is overwhelming. The shrinkage in the purchasing power of the dollar is such that the actual wage of labor in the United States to-day is below what it was at the beginning of the present century, measured by the purchasing power of the dollar. The purchasing power of the dollar to-day is 38 cents as compared with what it was in 1901.

The table which I have presented demonstrates beyond all question that the profits of the manufacturer have little to do with the wages of the worker, no matter what the manufacturer's profits may be. In the cotton business, at least, its history shows that the wages paid to labor will not be voluntarily increased. I think that is true of every other industry. If 10, 20, 50, and 100 per cent annual profits do not induce the manufacturer to raise the wages of his labor above starvation level, what is the use of talking about aiding labor through a protective tariff? Never was a greater fallacy than that you could make labor prosperous by adding to the wealth of the employer. Not one cent of the millions or billions that go into the employers' pockets as the result of a protective tariff in excess of the fair margin of profit ever benefits labor. That is an axiom that applies to the cotton schedule and the woolen schedule and the steel schedule and every other similar schedule in this bill. Of course, it is true that if a manufacturing business can not be conducted and some moderate profit realized it will in time be abandoned, and labor thereby will lose employment. But if it can be conducted at a moderate profit, no matter how great the wealth you may shower upon the manufacturer by embargoes, tariffs, or other favors, you will not benefit labor one cent. They will pay labor just what they are obliged to pay labor, and not one farthing more, and all the surplus of profits that come from a tariff and from other favors bestowed will be put into the coffers of the corporations and into the pockets of those who own the business.

That is why, Mr. President, the robber rates of tariff in the cotton schedule, the steel schedule, the wool schedule, and other schedules in this bill will not benefit labor in the least, but will simply enrich the great manufacturers by the hundreds of millions and billions of dollars which they will thereby be able to extort from the consuming public, and will lay upon the consumer that enormous burden in addition to that which he carries now.

Mr. President, I want to say just this word in closing: I hope to be able to devote some time to the cotton schedule after its rates shall have been fully settled upon and presented by the committee to the Senate for its consideration. I want to say that I shall be fortified with proof here to show that upon every step of conversion cost, from the gray cloth to the finished product, the processes are so improved in this country that the cost in Great Britain exceeds the cost here. That is my belief, based upon cablegrams which I have received within the last 24 hours touching this subject.

I hope to be able, Mr. President, to submit some observations further on this schedule at another time, and I hope to be able also to take up certain other schedules in the tariff bill and submit them to some discussion and analysis. I believe this is all I care to present at this time.

Mr. BROUSSARD. Mr. President, before action is taken on the rice schedule I have here a few facts which I should like to insert in the RECORD. We are asking that the House rate on rice be restored. I wish to place in the RECORD a few facts to show what the House rate is on an ad valorem basis and to show that it is not unreasonable.

The imports during the calendar year 1921 of paddy, or rough rice, were 56,615 pounds, valued at $3,501, or 6 cents per pound. That is equivalent under the House rate of 1 cent per pound to an ad valorem rate of 17 per cent.

Of the uncleaned or brown rice there were imported 19,839,596 pounds, valued at $1,052,668, or 5 cents per pound, which equals an ad valorem rate of 25 per cent.

Of milled rice there were imported 17,078,059 pounds, valued at $804,285, or 5 cents per pound, which would make the equivalent of an ad valorem rate of 40 per cent.

Of rice flour, meal, and broken rice there were imported 787,215 pounds, valued at $53,549, or 7 cents per pound, which is equivalent to an ad valorem rate of 7 per cent.

These are importations for 1921 and show, in my opinion, that the House rates are not excessive.

In order to show that the tariff rate is effective and does protect rice, which is an agricultural product—because it has been said that we can not reach agricultural products through the imposition of a tariff rate—I desire to put into the RECORD certain figures which show the result of the operation of the rates under the emergency tariff law, printed recently under resolution of the Senate.

It will be recalled that we passed the emergency tariff law on May 27, 1921. We find that the price of New Orleans rice in this country for June, 1921, was 2.75 cents per pound. We find that in July the price went to 3.63 cents per pound; August to 3.88 cents per pound; September, 3.63 cents per pound; October, 5.19 cents per pound; November, 4.51 cents per pound; December, 4.69 cents per pound. This was an increase of 70 per cent in the price of rice from June, 1921.

In order to show that the emergency tariff rate had something to do with this, I have here figures from the London market with reference to Siam rice, which is a comparable rice to the New Orleans rice. It will be found that in June the price in London was 4.54 cents per pound, whereas we were receiving in this country 2.75 cents per pound. Then the price on the London market was as follows: For July, 4.14 cents per pound; August is not given; September, 5.02 cents per pound; October, 4.74 cents per pound; November, 4.98 cents per pound; December, 5.14 cents per pound.

Mr. President, it will be seen by a computation and striking an average that the increase of Siam rice on the London market during the same period was only 13 per cent, and yet, notwithstanding the increase in the tariff rate under the emergency tariff law, the American consuming public were paying less for rice than was paid by the British consumers for a comparable quality of rice. I think that that demonstrates—and it is one of the lessons which this report clearly teaches; and if the figures in other instances are analyzed I believe the same result will be apparent—that we were never made to pay more than the British consumers paid for rice. Though the duty did increase the prices to the producer by 70 per cent, the consumer still paid less during every month than the English people paid on the London market, on which during the same period the price increased only by 13 per cent.

Mr. President, I wish to say on behalf of the committee that the statistics concerning rice in the Summary of Tariff Information were not sufficiently complete to afford the committee adequate information, and we find that they dealt with only two years, which were the only years that they could have selected where the conditions were such. For instance, we find on page 695 of the Summary of Tariff Information—and I am now quoting from that document:

> Compared with the enormous crops and exports of the Orient, the domestic production is insignificant. However, with the exception of certain kinds imported to meet special requirements, the American output supplies substantially the entire domestic demand and permits an export of over 400,000,000 pounds.

There could not have been a more inaccurate statement made with reference to rice, generally speaking, but it was practically true. Immediately after this was published I got together all of the monthly summaries which were issued by the Bureau of Foreign Commerce, and checking them up I found that the excess of exportations over importations for 1921 amounted to 344,050,686 pounds; for 1920 the exportations exceeded the importations by 303,463,298 pounds; but before that, going back as far as the time when the industry became generally recognized as an important agricultural industry in this country, going back to 1895, we find—I will select just a few years by way of illustration—that the excess of importations over exportations was in 1919, the year before that for which figures are cited by the Tariff Commission, amounted to 170,000,000 pounds plus; that in 1918 the excess amounted to 259,000,000 pounds plus; in 1915 to 199,000,000 pounds plus—practically to 200,000,000 pounds, because the total figures are 199,711,000 pounds—and going down to 1909, the surplus of exportations over importations amounted to 202,388,000 pounds plus.

These facts were not given to the Finance Committee, and for that reason the Finance Committee recommended a reduction in the rates proposed in the House bill. Immediately I presented these figures to individual members of the Finance Committee I was very much encouraged at the attitude taken, and I have been told by practically all of them individually that they recognized that the facts had not been presented to them at the time they took the action recommending a reduction of the rates.

I wish to say a word with reference to the amendment which I proposed to offer here. Before proceeding to do that, however, Mr. President, I should like to have permission to have the table which I prepared several months ago for my speech delivered on May 3, 1922, and inserted then in the CONGRESSIONAL RECORD from the Monthly Summary of Foreign Commerce reinserted in the RECORD, so as to show the relative importations and exportations of rice from 1895 to 1921.

The PRESIDING OFFICER. Without objection, leave will be granted. The Chair hears none, and it is so ordered.

The table referred to is as follows:

The totals of imports and exports for each year have been added by fiscal years and show the following result:

	Pounds.
1921:	
Exportation	440, 855, 298
Importation	96, 804, 612
Surplus exportation over importation	344, 050, 686
1920:	
Exportation	483, 385, 259
Importation	179, 921, 961
Surplus exportation over importation	303, 463, 298
1919:	
Importation	363, 726, 263
Exportation	193, 128, 000
Surplus importation over exportation	170, 598, 263
1918:	
Importation	456, 058, 608
Exportation	196, 363, 268
Surplus importation over exportation	259, 695, 340
1917:	
Importation	216, 048, 858
Exportation	181, 372, 310
Surplus importation over exportation	34, 676, 548
1916:	
Importation	264, 324, 005
Exportation	121, 967, 465
Surplus importation over exportation	142, 356, 540
1915:	
Importation	277, 191, 472
Exportation	77, 480, 065
Surplus importation over exportation	199, 711, 407
1914:	
Importation	290, 194, 917
Exportation	22, 414, 326
Surplus importation over exportation	267, 780, 591
1913:	
Importation	222, 103, 547
Exportation	38, 195, 490
Surplus importation over exportation	183, 908, 057
1912:	
Importation	190, 063, 331
Exportation	39, 446, 571
Surplus importation over exportation	150, 616, 760
1911:	
Importation	208, 774, 795
Exportation	30, 063, 361
Surplus importation over exportation	178, 711, 434
1910:	
Importation	225, 400, 545
Exportation	26, 799, 188
Surplus importation over exportation	198, 601, 357
1909:	
Importation	222, 900, 422
Exportation	20, 511, 429
Surplus importation over exportation	202, 388, 993
1908:	
Importation	212, 783, 392
Exportation	28, 444, 415
Surplus importation over exportation	184, 338, 977
1907:	
Importation	209, 603, 180
Exportation	30, 174, 371
Surplus importation over exportation	179, 428, 809
1906:	
Importation	166, 549, 957
Exportation	38, 142, 103
Surplus importation over exportation	128, 407, 854
1905:	
Exportation	113, 282, 760
Importation	106, 483, 515
Surplus exportation over importation	6, 799, 245
1904:	
Importation	154, 221, 772
Exportation	29, 121, 763
Surplus importation over exportation	125, 100, 009
1903:	
Importation	169, 656, 284
Exportation	19, 751, 448
Surplus importation over exportation	149, 904, 836
1902:	
Importation	157, 658, 894
Exportation	29, 591, 274
Surplus importation over exportation	128, 067, 620
1901:	
Importation	117, 119, 710
Exportation	25, 527, 846
Surplus importation over exportation	91, 671, 864
1900:	
Importation	116, 679, 891
Exportation	41, 066, 517
Surplus importation over exportation	75, 613, 374
1899:	
Importation	204, 177, 293
Exportation	15, 334, 589
Surplus importation over exportation	188, 842, 704
1898:	
Importation	190, 285, 315
Exportation	6, 200, 987
Surplus importation over exportation	184, 084, 328
1897:	
Importation	197, 816, 134
Exportation	3, 905, 734
Surplus importation over exportation	193, 910, 400
1896:	
Importation	146, 724, 607
Exportation	15, 031, 554
Surplus importation over exportation	131, 693, 053
1895:	
Importation	219, 564, 320
Exportation	1, 573, 336
Surplus importation over exportation	217, 990, 984

Mr. BROUSSARD. Mr. President, I had offered an amendment to this paragraph, but I find from the disposition of the Committee on Finance it is not necessary to press the amendment. I shall be satisfied to request the Committee on Finance to ask the Senate to disagree to the proposed committee amendment, which action will restore the House rate, which is practically the same rate as that carried in the emergency tariff law, and is also the rate which all of the rice growers of the country have asked the Finance Committee of the Senate and the Ways and Means Committee of the House of Representatives to give them. I hope the Committee on Finance will accept that suggestion and will ask that the committee amendment be disagreed to, thereby restoring the House rate.

Mr. JOHNSON. Mr. President, I wish to join in the suggestion made by the Senator from Louisiana. I shall make no extended remarks on the subject, because I think the justice of the suggestion made by the Senator is conceded upon all hands. I desire, however, to have printed in the RECORD a letter received by me from the Rice Growers' Association of California, together with the resolution adopted by them and the names attached thereto. One paragraph from the letter, however, I shall read:

The rice industry of California represents the product of 250,000 acres of land, upon which rice is the only crop that can be raised at a profit. It is, therefore, vital that this industry should be protected against the invasion of South Asiatic rice, which can be sold in the United States under the 1-cent tariff at one-half the price at which Louisiana, Texas, Arkansas, and California rice must be sold in order to return to the grower the cost of production.

The fact is, Mr. President, which probably is little known, that California in the last few years has become the second rice-producing State in the Union, and, unless Louisiana looks to her laurels, it will soon be the first rice-producing State in the Union. I ask that the resolution and letter to which I have referred be printed in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Without objection, it will be so ordered.

The matter referred to is as follows:

RICE GROWERS' ASSOCIATION OF CALIFORNIA,
CENTRAL OFFICES, CAPITAL NATIONAL BANK BUILDING,
Sacramento, Calif., June 29, 1922.

Senator HIRAM W. JOHNSON,
Senate Building, Washington, D. C.

DEAR SENATOR JOHNSON: Inclosed herewith you will find unanimous petition of the rice growers of California for a 2-cent tariff on cleaned rice, which involves an increase from the 1-cent tariff recommended by the Senate Finance Committee.

The rice industry of California represents the product of 250,000 acres of land, upon which rice is the only crop that can be raised at a profit. It is therefore vital that this industry should be protected against the invasion of south Asiatic rice, which can be sold in the United States under the 1-cent tariff at one-half the price at which Louisiana, Texas, Arkansas, and California rice must be sold in order to return to the grower the cost of production.

The great majority of all rice growers in the State are members of the Rice Growers' Association of California, and I therefore earnestly ask on their behalf your favorable consideration and support of the 2-cent rice tariff.

With kindest personal regards, I am,

Very faithfully yours,

F. M. PORTER, *Secretary.*

To the Senators and Representatives in Congress from the State of California:

Whereas the Underwood tariff provided a tariff of 1 cent per pound on milled rice, with variations for collateral products, which was properly and commendably increased to 2 cents in the emergency tariff; and

Whereas the Fordney tariff bill as revised by the Senate Finance Committee abandons the urgently necessary protection afforded by the emergency tariff and places the schedule back at the Underwood tariff rates, and also provides an exemption of any tariff on rices used in the manufacture of soups and canned goods, which is dangerous and unfair to the American producers of rice; and

Whereas the stability and development of the rice-growing industry in the United States, and particularly in the State of California, is vitally dependent upon the protection that would be afforded by a 2-cent tariff and the elimination of the unfair preference given manufacturers of soup and canned goods; and

Whereas the livelihood and prosperity of thousands of families of American farmers, merchants, and workingmen in the State of California are directly dependent upon the return of a reasonable price upon the 350,000,000 pounds of paddy annually grown in the State, which can not be obtained without protection against practically open competition with rices grown in Asia under living conditions intolerable and impossible to Americans: Now, therefore,

The undersigned, citizens and residents of the State of California living in the rice-growing area of your State, earnestly urge that you lend you good efforts to securing a 2-cent tariff on rice and the elimination of the unfair preference to the manufacturers of soup and canned goods, and by so doing indicate your loyalty to the principle of a fair return to Americans for products of American soil and a decent living to the farmers, merchants, and workingmen who are giving their time and best efforts to the building up of a great and sturdy industry in your State of California.

S. Latz, E. C. Callender, A. G. Rossi, Jas. A. Kern, Edw. J. Brunelle, and S. K. Briggs, of Modesto; W. B. Welch, Hughson; B. A. Barnes, L. W. Stephens, W. P. Andrews, jr., C. R. Herman, and T. Seversen, of Modesto, Calif.; John H. Free, Turlock; Leonard Latz, Modesto; A. Warington, Oakdale; J. B. Moorehead and Geo. T. Davis, of Modesto; A. M. McNeil, Ceres; Louis Harris, D. M. McLean, Geo. G. Voight, C. C. Easton, jr., Hugo McKinley, and Mark V. Wilson, of Modesto; A. K. Lockhart, Stockton; Bert Lowry, C. C. Colens, Roy B. Maxey, W. R. Park, W. H. Bohling, M. R. Pitts, G. B. Husted, C. L. Routh, John M. Orth, Elmer C. Read, and J. W. Hawkins, of Modesto; Eldon P. Mains, Turlock; G. R. Stoddard, John Hennemuth, Nathan B. McVey, E. H. Tickle, Bert B. Curtis, F. O. Harry, Robt. J. A. Henry, A. J. Carlson, Frank H. Reid, Ray Smith, L. E. Blakesley, H. W. Fields, H. L. Wood, F. W. Hosmer, I. J. Nelson, J. C. Chapman, J. K. Ransom, William Folger, and Board of Trade, by Geo. T. McCabe, secretary, of Modesto; Poundstone & Dwyer, by Geo. Poundstone, Grimes; Jesse Poundstone; Geo. W. Davis; L. A. Dunning; Hudson Ford; Roy Maxey; Claude L. Houchins; T. Crane; T. Harrington; W. P. Harrington Land Co., by T. Harrington, president; Colusa County Bank, by T. Harrington; Fred W. Schutz; Van Huffman; Ernest V. Elbe; A. J. Lofgren, C. J. Dahlstrom, Helmer G. Hanson, Albert Erickson, J. G. Rystrom, Oscar Fagerstone, Sam Lofgren, Admiral Barr, Bert Evans, Chas. Bloom, Clay B. Harris, T. A. Carlson, A. L. Peacock, O. G. Thomas, Paul Lofgren, David Lindberg, Walter C. Erickson, Henry R. Rystrom, Le Roy Swanson, Alfred Nelson, Carl R. Rystrom, Glen Harris, John V. Reeve, Ernest Lofgren, R. G. Clark, G. W. Thiele, A. E. Peterson, Dick C. Graham, Brooks A. Axtell, Harold Nelson, J. W. Anderson, Elmer J. Slussen, M. A. Nataas, Chas. L. Peterson, I. Anderson, John Olsen, Roy S. Olsen, E. H. Meyer, E. H. Lattermore, Louis Anderson, and J. W. Hendrix, of Richvale; H. S. Brink & Son; F. H. Thomas; C. H. Johnson; L. H. Gorham; L. A. Ray; J. O. Kearns; C. P. Gibson; J. T. Jones; H. R. La Point; W. E. Walker; E. M. Korling; B. Y. Demes; W. A. Harlan; C. A. Bayles; G. M. Persons; Perry D. Dunahoo; J. E. Baker; H. T. Green; W. C. Dunahoo; C. N. Washburn; W. E. Cummings; R. H. Murdoch; D. L. Taylor; F. S. Wardrobe; C. W. Heilbronner; P. N. Ashley; F. M. Porter; E. O. Foster; Darwin Picknell; M. J. Flynn; Russell Carter; M. Rice; J. Elefante; Leah E. Heidrick; C. J. McDonell; W. W. Foster; A. Randolph; W. P. Rice; Ed Anderson; A. G. Ruttrell; D. A. Middlecamp; J. E. Best; Geo. W. St. Louis; Ted Lanville; E. R. Edwards; Ed Barham; A. N. Turner; Frank Shaver; Geo. D. Hansen; M. H. Jellison; S. P. Pitt; J. H. Brink; A. P. Rose; E. Douglas Gordon; Irving F. Swift; Kenyon T. Gregg, rice grower; A. L. Galligan, grower; C. C. Yeates, rancher; G. W. Carpenter, rancher; M. F. Clyma, grocer; T. M. Gallagher, real estate; Carroll W. Heipon, rancher; Elizabeth Coughlin, district manager California Peach Growers; L. K. Newfield, editor Sutter Independent; R. W. Skinner, president California Canning Peach Growers; R. L. Morehead, president California Bean Growers; Geo. T. Boyd, cashier First National Bank, Yuba City; C. R. Boyd, president First National Bank, Yuba City; Frank G. Bremer, hardware; C. B. Kimball, hardware; B. B. Moreford, sheriff; J. O. Smith, manager and bookkeeper Lambert's Warehouse; F. V. Lefever, rice grower; Warren Steel, rancher; T. W. Patmon, rancher; Grace L. Gilson, rice grower; Garth H. Ottney, rice buyer; P. A. Kerrigan, rice grower; S. G. Harris, rice grower; W. F. Hoke, farmer; H. J. Carstentrock, contractor; C. A. Duncan, merchant; Marion Stegmere, rice grower; Samuel Gray, rancher; Edward Harris, rice grower; Frank W. Poole, jeweler; T. H. Stafford, fruit grower; V. B. Carroll, rancher; Geo. H. Jackson, landowner; J. L. Smith, rice grower; J. Brinnan, drayman; Alvin Weis, attorney; Allen C. Miller, civil engineer; Robert Ewing, rice grower; H. E. Meyers, rancher; E. J. Kelley Co. (by John F. Kelley), merchants; V. M. Cassidy, publisher; Lawrence Schelley, attorney; Hugh Joaquin, rice grower; Frank Lane, owner rice land; Melvin E. Hiller, manager R. B. & Co. Biggs Mill; Fred N. Kenyon, manager Kenyon Co. orchards; Louis Tarke, farmer and stock raiser; A. L. Hill, cannery, superintendent California Packing Corporation; L. H. Wilson, rancher; H. P. Stabler, Horticultural Com. Cutter Co.; A. W. McIntire, local manager Union Oil Co. of California; E. E. Werner, fuel dealer; H. D. Hook, rice grower; C. M. Crok, rice grower; B. F. Cattlett, rice grower; N. Neis Varsnka, rice grower; L. A. P. Eichler, rice grower (newspaper man); Frank Richwood, rice buyer; B. J. Heibert, harware merchant; Cline Bull, owner rice land; E. T. Barrett, rancher; Daniel Dempsey, fruit dealer; Hugh D. Moncur, well driller; Geo. T. Lath, rice grower; A. R. Gage, rice grower; F. W. Benton, lumberman; John Joaquin, rice grower; C. E. Button, employee, Sutter Butte Canal; A. J. Woodworth, fruit grower, printer.

Mr. POMERENE. Mr. President, I received this morning an editorial from this week's issue of the Iron Age entitled "An unsatisfactory tariff." The Iron Age represents what has been commonly understood to be one of the protected industries of the country. I think Senators and the country will be interested in getting the viewpoint of this periodical, and I ask that the editorial to which I have referred may be incorporated in the RECORD without reading.

The PRESIDING OFFICER. Without objection, leave will be granted. The Chair hears no objection, and it is so ordered.

The editorial is as follows:

AN UNSATISFACTORY TARIFF.

The tariff bill as it stands to-day, much amended by the Senate in Committee of the Whole, may fairly be spoken of as more unsatisfactory than any of its predecessors. It was to be expected that the majority party would frame the schedules on a protective basis and therefore that these would more closely approach the rates of the Payne-Aldrich Act than of the existing Underwood tariff. But no consistent policy has been followed in making the new schedules. Moreover, in many instances the existing duties have been so greatly increased that advocates of a moderate tariff, of whom there are many more in the ranks of lifelong protectionists than at any time since revenue bills began to be made, have either made open protest or washed their hands of what they fear will be one of the most unpopular of all tariff acts.

It is granted that the public mind in its present state is highly receptive to any and all statements to the effect that special interests are having their way in the making of duties. More easily than ever any increase in existing duties can be put before the people as so much more added to the consumer's burdens for the benefit of domestic producers. War taxes are felt in every quarter; profiteering by retailers in many lines is still notoriously common. The purchasing power of many classes in the community has been cut down by the wage reductions of the past year. These conditions give uncommon weight to criticisms of the pending bill, particularly to criticisms to the effect that in many cases domestic producers have had their way completely in the framing of schedules in which they are interested.

As has been pointed out in these columns from time to time, the efforts of steel manufacturers have been more in the direction of urging that their raw materials be left free of duty or nearly so than in securing high duties on their finished products. Their ability to export was an important consideration in this connection. Excessive transportation charges and the high labor costs of to-day, even after the reductions of 1921, have made the export position of our steel companies much more difficult than it was in 1913 when the Underwood bill was passed. There was hope that the Senate would reduce the House bill duties on manganese ore, ferromanganese, fluorspar, magnesite, and some of the ores entering into the manufacture of special steels. But through the action of the agricultural bloc and various combinations of Senators representing sectional interests, the raw materials duties in the metal schedule have been retained substantially as the House passed them. The manganese ore duty is left at 1 cent per pound of contained manganese, or $11.20 per ton for a 50 per cent ore. The duty on 80 per cent ferromanganese was put at $33.60, instead of $39.42. The fluorspar duty was raised from $5 per ton in the House bill to $5.60. The House duties on crude and dead burned magnesite were finally put at one-half cent and three-fourths cent per pound, just as in the House bill. The House duties on ferrotungsten and ferromolybdenum and their ores were reduced somewhat, but in other duties affecting tool steel prices the changes are immaterial.

Both House and Senate bills continue the Underwood bill's concession to the farmer in free barbed wire, but protection consistency is asserted in respect to cotton ties, the Senate retaining the House bill duty of one-fourth cent per pound, whereas cotton ties are now on the free list.

Changes may yet be made in the metal schedule, as the bill comes up for final consideration in the Senate and later in conference committee, but no important departure need be expected from the policy already approved of imposing on the raw materials of steel manufacture duties that each year will add many millions of dollars to the cost of producing American steel.

That tariff making under present world conditions and the unparalleled problems, industrial and fiscal, existing at home is a business of high hazard is being demonstrated almost daily in the popular reactions to the provisions of the pending bill. To add to the uncertainties of domestic industries the form which the pending bill will finally take seems likely to make it short lived. Radical changes by the next Congress are the well-nigh certain result of its enactment on substantially the present lines.

Mr. GOODING. Mr. President, I have a letter, together with a numerously signed petition, from the peanut growers of Virginia. I ask that the letter and the accompanying resolution or petition be read, but, as there are about 5,000 names to the petition, I shall not ask that the signatures be printed in the RECORD.

There being no objection, the letter and petition were ordered to lie on the table and to be printed in the RECORD, as follows:

AMERICAN PEANUT CORPORATION,
Norfolk, Va., July 3, 1922.

Senator FRANK R. GOODING,
United States Senate, Washington, D. C.

DEAR SENATOR: I herewith inclose you a list of names that are asking for a protective tariff on peanuts, and being so many of these names I have decided best to have them typewritten, and I attach copy of resolution passed by the Peanut Growers' Exchange.

You will see there are about 5,000 of these names.

Very truly yours,

P. D. BAIN.

CERTIFIED COPY OF RESOLUTIONS PASSED BY BOARD OF DIRECTORS OF PEANUT GROWERS' EXCHANGE (INC.).

SUFFOLK, VA., *March 1, 1922.*

Whereas the peanut growers of America can not successfully compete, in our own markets, with foreign growers of peanuts without a tariff thereon sufficient to cover the difference between the cost of labor abroad and in this country; and

Whereas the present emergency tariff on peanuts has been of decided benefit to the peanut farmers: Therefore, be it

Resolved, That the directors of the Peanut Growers' Exchange (Inc.), representing more than 5,000 farmers in Virginia and North Carolina, appeal to the Representatives and Senators of Virginia and North Carolina to secure such a competitive tariff on peanuts as is now provided for in the pending tariff bill, which is not more than sufficient to cover the difference between the cost of production here and abroad, and that a special appeal be made to the officials of peanut organizations in other peanut-growing States to appeal to their Representatives and Senators in Congress to assist us in securing this much-needed legislation.

We hereby certify that the above is a correct copy of the resolutions passed by the board of directors of the Peanut Growers' Exchange (Inc.) at their meeting March 1, 1922.

PEANUT GROWERS' EXCHANGE (INC.),
T. H. BIRDSONG, *Manager.*
J. FRANK FOOSHE, *Secretary.*

Mr. WALSH of Massachusetts. Mr. President, the Finance Committee reported amendments to the pending bill making substantial reductions in the rates fixed upon rice in the House bill. The rates named in the House bill are the highest ever named in any tariff bill with which I am familiar—certainly higher than those of the Payne-Aldrich law or the Underwood law or even the emergency law. I am informed that the committee now is in favor of the rejection of their amendments lowering the rates on rice, which means the restoration of the House rates in this bill. Why the committee came to that conclusion since this bill has been before the Senate I do not know, but it is significant that after much study—for I assume they studied all these schedules—they recommended a reduction in the rates named by the House. It may be that the change of heart is due to pressure exerted upon the committee by the able Senators from Louisiana. But why not? As this bill has been drafted by bargain-counter methods Louisiana should have its demand gratified just as California was a few days ago. If the efforts to reject the committee amendments prevail, then the House rates will be restored and the rates imposed upon this very important food product will in consequence be the highest ever levied. Of course, that action will prevail, for the committee has surrendered its former position.

The record of exports and of imports, the volume of the production, the expansion and growth of the industry does not warrant, in my opinion, these high duties upon rice. The average production in the years 1909 to 1913 amounted to 681,000,000 pounds, while the production in the year 1916 rose to the enormous figure of 1,135,000,000 pounds. What need is there for increased duties upon rice if this industry was able under the rates named in the Underwood law to increase its production by nearly 100 per cent?

Mr. BROUSSARD. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. I yield.

Mr. BROUSSARD. I would suggest to the Senator that the war made the Underwood rate as to this item inoperative and ineffective, and when it became operative after the war it was necessary to put it in the emergency tariff bill in order to save the industry.

Mr. WALSH of Massachusetts. I am glad to get the Senator's information as to the effect of the Underwood law upon this product; but the facts snow that the industry prospered, or at least increased greatly. There is no doubt but that between 1909 and 1916 the production of rice doubled, and it does not seem to me that an industry which increased its production so rapidly during these years could be said to be suffering by reason of the want of protective tariff duties.

Let us compare the figures of production, imports, and exports.

Mr. KING. Mr. President, will the Senator yield before he proceeds with that?

Mr. WALSH of Massachusetts. I shall be glad to yield.

Mr. KING. The Senator from Louisiana has just adverted to the fact that owing to the war there was some development and that after the war, as he stated, the industry suffered very disastrously.

Mr. WALSH of Massachusetts. Every industry has.

Mr. KING. I was going to say that farm products and practically every industry in the United States suffered, and rice suffered no more—indeed, suffered less—than some of the other industries of the United States. The depreciation in the price of rice, as I recall, was no greater relatively than the depreciation in the price of corn, where there was no possible competition.

Mr. WALSH of Massachusetts. If we attempted to frame a tariff bill based upon information as to what the industries of this country suffered after the war by reason of the depression in business, we would fix rates here that would be so high and so prohibitive that the whole economic structure of our country would collapse. Every industry suffered, and suffered tremendously, even including those heretofore among the most prosperous in this country, during that period of time, as the Senator well knows.

Mr. KING. And it might be added, too, that there was no interruption of importations by reason of the war, because our imports of rice have always come from the Orient, not from Europe; and there was no such chaotic or industrial perturbation in the Orient as to interrupt the importation of rice from the Orient to the United States. Rice could come just as freely during the war as before.

Mr. WALSH of Massachusetts. I have just had handed to me some figures that will enlighten the Senator.

The importations in 1920, after the war and before the emergency tariff law, were 50,000,000 pounds, while the importations from 1909 to 1913 averaged 71,000,000 pounds, nearly 50 per cent more.

Now, let us see what the imports and exports show.

Out of a production of 930,000,000 pounds of rice in 1921 we exported 600,000,000 pounds. Two-thirds of the crop produced went out of the country. Suppose that it all went out. Would you need a tariff duty to protect it? An industry that is exporting two-thirds of its crop can not justify the levying of any protective duty. It is preposterous to make any such claim. It stands to reason that the world price must be the controlling factor in the sale of a product that is exported in such large quantities. Nearly two-thirds of our products were exported. Do we want a system established of selling American products at home higher than abroad?

Mr. NICHOLSON. Mr. President, will the Senator yield for a question?

Mr. WALSH of Massachusetts. Certainly.

Mr. NICHOLSON. When the large export took place to which the Senator refers was a profit made by the producers of the rice? Can the Senator show or demonstrate by the figures which he is now in possession of that the growers of rice made large profits?

Mr. WALSH of Massachusetts. I have no figures as to that. I assume the situation is the same as with other industries, sometimes large profits were made and sometimes smaller profits.

Mr. NICHOLSON. Has the Senator ever been around where rice has been planted?

Mr. WALSH of Massachusetts. Yes, sir.

Mr. NICHOLSON. Has the Senator ever visited the fields where it is planted?

Mr. WALSH of Massachusetts. Yes, sir; I have.

Mr. NICHOLSON. And the Senator knows that the people who work in the rice fields work in mud up to their knees?

Mr. WALSH of Massachusetts. Yes, sir.

Mr. NICHOLSON. And if the Senator or I had to work in those fields we would look for a tariff of 10 cents a pound instead of 2 cents a pound, if we had to endure the labor, the hardships, that they have to endure.

Mr. WALSH of Massachusetts. There is just as much reason for giving them a tariff of $1 a pound as 2 cents a pound.

Mr. NICHOLSON. No; I would not say so but they are entitled to protection from the mere fact that——

Mr. WALSH of Massachusetts. You can not protect this industry except in one way, the way that is contemplated here, by the rice producers selling their crop to growers' organizations who control prices, and who get the benefit of the protective duties in making the American price higher than the foreign price.

Mr. NICHOLSON. From the Senator's statement, then, there is very little hope for the producer.

Mr. WALSH of Massachusetts. In my opinion this tariff does not amount to the paper it is written on, except that if the information I have is correct, that the price is controlled by the growers' associations, they can manipulate the price so as to get a larger price at home than abroad.

Mr. BROUSSARD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Louisiana?

Mr. WALSH of Massachusetts. I shall be glad to yield to the Senator.

Mr. BROUSSARD. I wish to say to the Senator that his information is not correct. There is a rice growers' association, but it is a cooperative association, just the same as we authorized under the amendment of the agricultural law some months ago. It is not one which buys rice and then sells it again, but the association is merely one which maintains an office and furnishes the producer with the price, and then combines the product of two or three small farmers in order to market their crop. It is a cooperative plan, however, and the men who are conducting it are working under a salary for the growers of the rice themselves, and no profit is made by the American Rice Growers' Association, because they are taxed for the expense of conducting it.

Mr. GOODING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Idaho?

Mr. WALSH of Massachusetts. Just a moment. May I finish my answer to the Senator from Louisiana? I have sympathy for the men and women who work on rice plantations, and I have sympathy for the men and women who toil in the cotton mills of New England; but the result of tariff legislation has been to impoverish them and to enrich the few. For the 10 per cent benefit that the working classes receive from tariff protection, 90 per cent of the benefit of the protection goes to the few who constitute the capitalistic class. That is the trouble with high protective tariff duties. It results in enriching the few, and it is responsible for the unrest in this country to-day, namely, that our economic system is resulting in concentrating the wealth of the country in the hands of the few, largely through excessive protective tariff duties.

Mr. NICHOLSON. Mr. President, will the Senator yield for just a minute?

Mr. WALSH of Massachusetts. Yes; I yield.

Mr. NICHOLSON. I will agree that the large corporations have benefited from the protective tariff; likewise, the laborers. There is no country in the world where the laborer is upon as high a pedestal as he is in this country of ours, and that is largely due to protection.

Mr. GOODING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield now to the Senator from Idaho?

Mr. WALSH of Massachusetts. Yes; I yield.

Mr. GOODING. Admitting that we grow all the rice we can consume in this country, I will ask the Senator if he does not think that forcing a great lot of rice into this country from foreign countries on what the Senator calls an already glutted market has the effect of reducing the price to practically nothing at all?

Mr. WALSH of Massachusetts. I will discuss directly the extent to which this market has been flooded by imports.

Mr. GOODING. I ask the Senator if that must not have an effect in the way of beating down the price?

Mr. WALSH of Massachusetts. Why, certainly.

Mr. GOODING. And will not a tariff keep it out?

Mr. WALSH of Massachusetts. Certainly, if it is possible to flood the market with any commodity, and that will affect the price. That is why prices fluctuate in many lines of business, tariff or no tariff.

Mr. GOODING. If the tariff is so low that it is not protective, it flows in here, of course, and it can have but one result.

Mr. WALSH of Massachusetts. The facts show that under the Underwood law, where the rate was very much lower, no such flood of importations came into the country as to force down the prices.

It is true that in some industries the working people have been benefited by the protective tariff system; there is no doubt about that; no one thinks the tariff barons were so foolish as to put all their earnings in their own pockets; but labor's benefits are insignificant compared to the benefits that have come to the manufacturers and others who have benefited by the high protective tariff system, and the concentration of the great wealth of this country in the hands of a few is attributable, in my opinion, to two things: The favors bestowed upon certain classes and privileged interests through tariff protection and the damnable stock-watering processes and proceedings that have taken place in the industrial life of this country in the last 50 years. The statistics clearly show that those industries that have been the most highly protected have amassed the greatest wealth, and have amassed enormous fortunes and paid great dividends because they were able to collect through a government subsidy from the consumers of America.

I repeat what I said a few days ago: In my opinion the agricultural interests of this country would be serving the farmers better if they were here driving down these excessive high rates on the things that the farmer must buy, rather than seeking to get tissue-paper rates for the farmer that will mean nothing and will not protect the farmer.

Mr. GOODING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Idaho?

Mr. WALSH of Massachusetts. Certainly.

Mr. GOODING. If it is true that labor has received some benefits from protection, then, because there is in this country a condition which I agree with the Senator is deplorable, so far as that is concerned, in the way of combinations and trusts, the Senator would deny the laboring men of this country proper protection.

Mr. WALSH of Massachusetts. I have never taken any such position. I have never taken a position against protection, in so far as protection is invoked to equalize the difference between the cost of labor here and the cost of labor in Europe; but your system of protection has been carried away beyond that theory. Your system of protection has resulted in increasing dividends and profits and amassing the wealth of this country in the hands of a few, and is bound to increase more and more the wealth of those few privileged tariff barons. Your system has been used to blind the public by giving small benefits to the laboring class to blind them against the tremendous wealth accumulated by the few.

Mr. GOODING. Then the laws of the country and the people are to blame, or those who represent the people are to blame, and not the principle of protection.

Mr. WALSH of Massachusetts. Mr. President, I suppose there are several groups on this floor who entertain widely different views upon what principle of protection ought to be applied to the making of a tariff law. One thing we have learned during the discussion of this bill, and that is that nobody has tried to find out what the facts were in a given industry to determine whether or not any principle of protection fitted those facts and justified the levying of a protective tariff duty.

Mr. GOODING. I think the Senator is entirely mistaken.

Mr. WALSH of Massachusetts. Here is an illustration of the lack of any definite principle in the formulation of this rate on rice. The rice industry is doing a tremendous export business and yet is given a high protective duty. Yesterday, industries which produce only 3 per cent and 5 per cent of our consumption were given a protective tariff duty. It makes absolutely no difference in giving protection whether the demands of the American consumers are satisfied by the industry's production or whether we must go out into the world markets to buy the things our people need to consume because an industry can not compete with foreign industries; there is absolutely no distinction made as to whether the industry is a small, growing one or whether the industry is a trust or expanding so that it controls the world market.

Mr. BROUSSARD. Mr. President——

The PRESIDING OFFICER. Does the Senator yield to the Senator from Louisiana?

Mr. WALSH of Massachusetts. I yield.

Mr. BROUSSARD. I think the Senator was out of the Chamber a moment ago when I took up the question of the importations and the exportations of rice. The only two years in which we imported more rice than we exported were 1920 and 1921. Previous to that, as far as there is any record in the Department of Commerce or the Department of Agriculture, we have imported an average of over 200,000,000 pounds every year in excess of our exportations.

If the Senator will permit me, I can explain in two minutes why we export rice. We would export rice if we did not produce one-tenth of the rice the people consume, because the

American consumer will not buy what we call broken rice. They want first-class, white, whole grains. We buy and import rice from rice-producing countries, and in milling it we break it. There is bound to be some breakage; and then we have to export the broken rice, because the American consumer will not buy it.

For many years we sold nearly 500,000,000 pounds of rice to the brewers and we still had a surplus of broken rice and inferior rice that we have to ship out of this country. Since prohibition the market for that 500,000,000 pounds of rice has been destroyed, so that added to what we previously exported is this quantity which was known as brewer's rice, and that is shipped to other countries, which ship whole rice to us. The American consumer will not buy it. I wish to say further to the Senator that every year previous to that our importations far exceeded the exportations.

During the war those of us in the State of Louisiana who had a little influence were put to work persuading the people to increase their production.

The Senator from Utah has referred to the fact that the Orient was still shipping its rice here. It could, in a measure; but our ships were out of that market, and the Asiatic bottoms were carrying other things besides rice, and they could not have brought to us the whole quantity which they produced at that time.

We know that the whole world was stimulated in the production of agricultural products, and when the war ended there came an accumulation of rice upon us, which the emergency tariff law stopped to a large extent. To say that we are exporters of rice is not true in the common acceptation of that term, because we export rice which the American consumer will not buy.

Mr. WALSH of Massachusetts. Mr. President, I have no personal feeling in this matter. If I could select my course, I would much prefer to remain silent and let the statements of both the Senators from Louisiana, whom I esteem very highly, remain undisputed. But it is my duty to look at the thing impartially and to apply to the facts presented to me such principles of tariff protection as I think my party and country ought to stand for. I have tried to be fair in presenting the facts, without any purpose of distorting them. In fact, I would naturally try to construe them in favor of the position of the Senator from Louisiana, if possible.

Mr. HARRELD. A while ago the Senator made the statement that the statistics show that those industries which have been most heavily protected have made the greatest profits. I would like to ask him if it is true also that those which have been least protected have made the least profits? That follows as a natural consequence, does it not?

Mr. WALSH of Massachusetts. No; it does not necessarily follow at all.

Mr. HARRELD. What is the matter with the farmers' profits? The reason they have not made profits is because they have not had protection, is it not?

Mr. WALSH of Massachusetts. The Senator claims we have a right to invoke the power of the Government to help make profits for people. I do not believe that. I do not believe this Government has a right to invoke its power to help make profits for anybody. It has a right to help an industry that is essential for the happiness and prosperity of our people. It has a right, perhaps, to invoke this unusual power to help develop an essential industry that will take care of the reasonable demands of our people at a reasonable price; but it has no right to pass tariff laws for agricultural industries or for manufacturing industries simply to make prosperity and profits for groups of individuals.

Mr. HARRELD. I did not say that at all. The Senator coined the expression that those who have been most highly protected made the highest profits.

Mr. WALSH of Massachusetts. I repeat it, that the protected industries in this country have become enriched through their exactions upon the consumers of America, made possible by reason of indefensible and pernicious high-tariff duties.

Mr. HARRELD. Then, would it not be wise to let the farmer profit a little by putting a protective tariff on his products?

Mr. WALSH of Massachusetts. I repeat, it seems to me that the agricultural bloc would be rendering a better service to the agriculturists of this country if it were seeking to lower some of the high rates upon the things the farmer buys, rather than put high rates upon agricultural products which can not be reflected in increased prices, such as the rates upon rice, wheat, and other products named in this bill.

The figures before me show that the imports of rice in 1921 amounted to only 37,000,000 pounds. The imports of rice were about 3 per cent of our total production. The exportations were about twenty times the importations.

Mr. President, compare these figures of production, imports, and exports. Do these disclose any urgent need for tariff increases? Out of a production of 983,000,000 pounds of rice in 1921 we exported 600,000,000 pounds. Nearly two-thirds of our enormous production exported! How can a duty be expected to benefit the growers in Louisiana and California under conditions like these? Total imports in 1921 amounted to only 37,000,000 pounds. These imports consist largely of Japanese brown rice for Japanese residents of Hawaii and of special types not grown in the United States.

In this country rice is cultivated by machine methods in large tracts in similar fashion to wheat, while in the Orient laborious methods prevail. There the seed is first planted in nurseries and laboriously transplanted by hand. Because of this difference in method, it is probable that in spite of the low wages in the Orient costs are higher there than in the United States, where rice is grown under the modern, improved, machine methods of large-scale production.

Domestic rice growers are so strongly organized that the members of the associations grow the great bulk of domestic rice. The associations annually fix minimum prices and have great influence in determining what the prices shall be.

The tremendous preponderance of exports shown by the figures I have quoted indicates that the proposed duty will be a nominal one, except for the possibility that the tariff barriers, by shutting off competition in the domestic market, may enable the organizations to sell at one price in the United States and at a lower price abroad.

How can this industry demand a protective tariff duty? Against what? Protective tariff duties are invoked to keep something out that is lowering the price of the American product; and we are shipping out twenty times as much of this product as is coming into this country and twice as much as we consume.

I am not going to prolong the discussion. There is no use in doing that. The policy of the other side is settled. Anybody and everybody who will vote for this bill can get protective tariff duties, whatever he wants, with no attempt made to justify them, no attempt made to distinguish between the nature and character of the industry and the needs of the industry.

I repeat, it does not seem to me, upon the evidence, that these increased tariff duties can be defended. But I want to say that rice is not different from many other agricultural products in the bill. Similar facts have been shown as to other agricultural products, but duties have been levied just the same—yes, the highest duties in our history. It is useless to protest here, but the American people will not hesitate to protest when they realize the burdens we are inflicting upon them.

Mr. GOODING. Mr. President, it is especially fitting that a Democratic Senator from New England should oppose protection to the rice growers of the South. For 130 years, or as long as the existence of this Government, the manufacturers of New England have been given protection. During most of those years they have had free cotton, free hemp, free silk, as they call it, and when the Democratic Party was in power free wool, and now, when the people of Louisiana and the other Southern States come and ask for a little protection, how fitting it is that those people who have been protected all those years should oppose it. I do not believe the junior Senator from Massachusetts represents the people of New England in that stand. I can not believe that they are not willing to give to other people what they have enjoyed for so many years, regardless of whether the Republican Party or the Democratic Party has been in power.

The manufacturing industries of New England to-day, under the Underwood-Simmons bill, have a protection of from 30 to 60 per cent on most things, where they are given any protection at all, unless it is the boot and shoe industry. Yet the junior Senator from Massachusetts has stood upon this floor and fought every proposition to give protection to the agricultural industry of this country.

Our clothing is not on the free list. There is a duty of 35 per cent on fabrics made of wool, and there is a duty of 40 per cent on manufactured garments. Outside of one or two manufactured articles, there is nothing on the free list in the Underwood bill that is not on the free list in the pending bill. You put farming machinery on the free list, and it was an insult to the American farmer to tell him he could buy farming machinery cheaper because you put it on the free list, because the inventive genius on the American farm has led the whole world in providing improved farming machinery, and the whole world uses American-made farming machinery, as there is none made any

place on earth we can use or do use. So putting farm machinery on the free list did not help the farmer by giving him cheaper farm machinery.

The boot and shoe industry is not given much protection in this bill; only 5 per cent. You had it on the free list. Barbed wire you had on the free list. This bill puts it on the free list. But practically everything else the farmer uses in his home or upon his farm you put a high duty on, almost without an exception. Every tool he uses, every nail—whether that nail is in his coffin or used on his farm—you put a high duty on; practically everything that the farmer must buy.

I want to read a letter from a man, not in New England but in the great State of New York. I agree with the Senator from Massachusetts that there are a lot of things wrong in this country, things that have got to be made right. But I am not in favor of destroying the great principle of protection in order to make men honest in this country and to keep them from robbing the American people, nor is it necessary.

This is a letter sent to me by the Eldredge Clothing Co., of Twin Falls, Idaho. It is a letter written to them by Cohen, Goldman & Co. (Inc.), 45 West Eighteenth Street, New York. I understand they are large importers of goods and also what are called jobbers, who enter into contracts with woolen mills and cotton mills for the entire output of the plant and distribute it to the merchant tailors of the country. This is their letter to Mr. Eldredge, a citizen whom I know very well:

1 Foreign type.	2 Shrink.	3 London price in pence per pound scoure l basis.	4 London price in cents per pound for greasy wool.
	Per cent.	*Pence.*	*Cents.*
Australian super warp 64/70's	48	52	50
Australian good topmaking 64/70's	52	48	43
Australian super warp 60's	42	45	48
Australian good topmaking 60/64's	46	42	45
Australian good style 56's	38 *52*	35	37 41
Australian good style 50's	33 *22*	25	27 31½
Australian good style 46's	30 *14*	17½	*20* 23
Australian good style 40/44's	28 *12*	13	*16* 18

Italic figures represent prices in London June auctions.

5 United States equivalent type (Ohio fine).	6 Shrink.	7 Market price in grease.	8 Cost at present prices paid in west of domestic clip.	9 Clean cost foreign type in London clip.	10 Clean cost competing type in Boston.	11 Clean cost new clip landed Boston.
	P. ct.	*Cents.*	*Cents.*	*Cents.*		
Ohio fine unwashed delaine	58	55	55	96	$1.31	$1.31
Territory fine staple	65	44	46	90	1.26	1.32
Ohio ¼ blood staple	54	50	50	83	1.08	1.08
Territory ¼ blood, good staple	61	45	46	83	1.15	1.18
Territory ¼ staple	55 *42*	40	42	59 66	*93* .89	.93
Territory ¼ blood	50 *40*	36	38	*41* 47	.72	.76
Territory low ¼ blood and braid	47	30	32	*26* 33	.56	.60
Territory braid	43	25	27	*22* 25	.44	.49

Italic figures represent changes since May 29.

Column 3 shows clean washed prices paid in London in May sales.

Column 4 shows grease prices in cents per pound paid in London in May sales figuring exchange at $4.45.

Column 5 shows grade of domestic wool competing with foreign wool in column 1.

Column 6 shows shrinkage of domestic grade shown in column 5.

Column 7 shows Boston market price of domestic wool in cents per pound.

Column 8 shows clip on recent sales is costing laid down in Boston. This is bare cost freight paid to Boston and in most cases is a little higher than present Boston market prices.

Column 9 shows scoured cost types used in London in cents per pound.

Column 10 shows clean cost domestic equivalent in Boston at present market prices.

Column 11 shows clean cost new clip from west landed in Boston without profit based on sales during past week.

NEW YORK.

ELDREDGE CLOTHING CO.,
Twin Falls, Idaho.

GENTLEMEN: We feel it our duty to notify all of our customers that if the proposed tariff on raw wool is passed, the retail price of a man's all-wool suit of clothes will go up about $4 and an overcoat about $7.50 at retail. This would mean a curtailment of your clothing business, and we feel that you should be made aware of the facts.

The Senate is considering a tariff on raw wool of 33 cents on the clean content of the pound. If adopted, this will mean an 83 per cent increase over the high Payne-Aldrich tariff, which Ex-President Taft characterized as "indefensible."

It will cost the American people about $360,000,000 a year. And this to protect the raw-wool industry, with a total annual output of only $65,000,000.

The reason is that this 33 cents grows to $1 a pound after it has passed through the hands of the wool dealer, the spinner, the cloth manufacturer, the clothing manufacturer, and the retailer, after each one has added his overhead and profit.

Moreover, the tariff taxes all wools alike, regardless of quality or cost, which will practically put an embargo on the lower-grade wools, and the workingman and the average farmer will have to be satisfied with wool substitutes—cotton or shoddy.

The wool tariff will not even protect the farmer, because only 7 per cent of the farmers of this country grow any wool. Of those who do, only a small fraction of 1 per cent grow it in commercial quantities, so that the farmers as a class will be taxed more for their clothes than they will get in the enhanced price of wool.

The bill is not a protective measure, because half of this tariff would be ample protection. It will cost the American people $360,000,000 and will merely enrich a comparatively few large ranch owners in the West.

The only thing that will modify the bill is a widespread protest. If you will write to your Congressman, protesting against this useless extravagance, and if you will run one or two advertisements in your local newspaper letting your customers know how much this wasteful legislation is going to cost them, you will be protecting your own business and you will be doing your duty toward your community.

Very truly yours,

COHEN, GOLDMAN & CO.

If this letter states the truth, then there is a most deplorable condition in America. If this letter states the truth, every wool dealer, every manufacturer of cloth, every manufacturer of clothing, every retailer is a profiteer and a crook. If there is any truth in this letter, or if it is true that the 33 cents a pound on clean wool is increased to $1 a pound before it reaches the consumer, then I agree that there is something wrong in the country and some remedy has to be found to meet the profiteers who are robbing the people.

Mr. LODGE. Mr. President——

The PRESIDING OFFICER (Mr. ROBINSON in the chair). Does the Senator from Idaho yield to the Senator from Massachusetts?

Mr. GOODING. I yield.

Mr. LODGE. I am interested in the letter which the Senator has just read. I believe the fact is, and I think I am correct, that the rate on a pound of scoured wool to-day under the emergency tariff law is 45 cents. Am I not right?

Mr. GOODING. The Senator is correct.

Mr. LODGE. The writer of the letter is selling now at his present prices under a scoured content tariff duty of 45 cents a pound. The pending bill reduces the rate 12 points, to 33 cents a pound, and yet he says it is going to add $4 to a suit of clothes.

Mr. GOODING. Yes; the Senator is correct, and I am going to discuss that point.

First let me say that if this letter does not state the truth, if the retailers of the country and the wool dealers and the manufacturers of cloth and clothing are not profiteering, then these men are criminals for sending such a communication as this through the mails and ought to be dealt with as criminals and nothing less. This is the propaganda, if you please, that men such as Cohen, Goldman & Co. and others of their kind are putting out to destroy the great principle of protection and to break it down.

Four dollars on a suit of clothes. The present price in the Boston market for the best grade of American wool is $1.31 on a scoured pound. It is as good as any wool in the whole world; in fact, Ohio fine unwashed delaine wool, as it is called, is the best wool that is grown on earth. It stands the strongest tear, it is the best-wearing wool, and it is as fine as can be grown any place in the universe. The price of that wool to-day in Boston is $1.31 per scoured pound. It takes 3½ pounds of scoured wool to make 3½ yards of cloth of the average weight that is used to make a suit of clothes. What is the total cost of the cloth for a suit of clothes with the tariff of 45 cents a pound on the scoured basis, 15 cents on the grease pound, and 30 cents on the wash, if you please? There is a provision in the emergency tariff law which provides that when any part of the fleece was removed to reduce its shrinkage it should bear the wash duty of 22 cents per pound, which makes a higher duty, if you please, than 45 cents a pound on the scoured wool, because practically all the woolgrowing countries in the world skirt their wool, and they have not stopped skirting it. So the emergency tariff law is acting almost as an embargo at the present time, and nothing proves that more conclusively than the fact that there are 107,000,000 pounds of bonded wool waiting for what? Waiting for the time when the tariff duty will be reduced 12 cents a pound and when they can bring it in here at a material reduction of 35 per cent below what they could bring it in for under the present law. And yet Mr. Cohen and Mr. Goldman tell the country that 33 cents a pound is going to increase the cost of a suit of clothes $4.

But let me go on with my story. Scoured wool is $1.31 a pound in Boston. Three and one-fourth pounds of scoured wool is required to make a suit of clothes. The total cost of the

wool, after the farmer has paid the freight on it to Boston, which to-day from the West is 10 cents a pound, after he has paid the profits which the commission man charges, after the scouring charges have been paid, is only $4.26 for it all, even of the highest-priced Ohio fine wool, as good as is grown anywhere on earth, with a duty of 45 cents per pound on scoured wool.

Territory fine staple, which is wool that comes from the West, is worth $1.26 in Boston—$4.10 for all the wool required for a suit of clothes, including all the freight rates, all the tariff at 45 cents on the scoured content.

Mr. BURSUM. Mr. President——

Mr. GOODING. I yield to the Senator from New Mexico.

Mr. BURSUM. Does not the Senator from Idaho think that the kind of wool Cohen, Goldman & Co. would be likely to use would be worth about 60 cents a pound?

Mr. GOODING. Shoddy, of course, as much as he could get into it.

Mr. BURSUM. Two dollars and forty cents for the wool in the suit.

Mr. GOODING. Yes. I am going to tell the story about Cohen, Goldman & Co. before I get through.

Ohio one-half blood staple is worth $1.08 in Boston. Out of this wool a suit of clothes will cost $3.51 with the emergency tariff law in full force.

Territorial one-half blood good staple wool, worth $1.15 in Boston, will cost $3.74 for a suit of clothes.

Territorial three-eighths staple, worth 89 cents in Boston, will cost for a suit of clothes $2.89.

Territorial one-quarter blood, worth 72 cents in Boston, will cost $2.34 for a suit of clothes, with a tariff of 45 cents on the cleaned content.

Territory braid, and I presume there is some made out of territory braid, will cost $1.43 for a suit of clothes after the duty is paid.

So, Mr. President, I want to ask if there is a man in all America, who has a job, who can not pay $4.26 for an all-wool suit of clothes or all of the wool that goes into an all-wool suit of clothes?

The fact is, Mr. President, that a large percentage of all the cloth that is made now is blended with shoddy; so that the actual cost of the wool in a suit of clothes, when the shoddy, which is in it is taken into consideration, would be reduced to not more than $2.50 on the average suit, and that will include 90 per cent of all the cloth that is manufactured or used for making men's clothing.

Mr. President, to show Mr. Goldman in his true light, and to show how far men like Mr. Goldman will go in order to carry on a propaganda so as to help them in their business of importing into this country, in order that they may charge any price they please for distributing a yard of cloth to the merchant tailor and destroy protection in this country, I am going to send to the desk and ask to have read a portion of an address by Mr. Goldman before the American Association of Woolen and Worsted Manufacturers in New York on the 10th of last December. The article which I send to the desk is dated, but the letter I have is not dated, and I do not, therefore, know on what date he sent it out. However, he and those associated with him have been sending out these letters for the last two or three months.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

The reading clerk read as follows:

[From Commercial Bulletin, Boston, Saturday, December 10, 1921.]

LOWER CLOTHING PRICES PREDICTED AT MEETING OF WOOLEN AND WORSTED MANUFACTURERS THIS WEEK—BETTER TIMES AHEAD.

That prices on clothing will go to lower levels in the near future and that the outlook for the manufacturers of woolen and worsted goods is encouraging were among the outstanding statements at the annual meeting of the American Association of Woolen and Worsted Manufacturers, held in New York this week.

In his remarks about the future of clothing prices, William Goldman, of the clothing manufacturing firm of Cohen, Goldman & Co., said:

"I would say first of all that in spite of the gloom and pessimism in the minds of business men, and in spite of the fact that no profit has been made this year, the clothing industry has not only done a surprisingly large volume of business at retail, but, in my opinion, the number of units distributed to the consumer has been above 90 per cent of the distribution in any normal prosperous year.

"The minds of most of us are still attuned to the pitch of 1919, and we have not yet toned down to normality. We are most of us under the impression that during the latter years of the war and immediately thereafter our sales volumes were enormous, whereas if we actually analyzed the figures we would probably find that so far as number of garments is concerned, and ignoring the volume in dollars and cents, we did not sell at retail any more garments for civilian trade in 1917 and 1918 than we did in any normal year. And if it hadn't been for the demobilization of 5,000,000 troops that we had to reclothe, I do not believe we would have done so in 1919. The volume was in price in those years, not in units.

"We have all seen prices skyrocketing to an almost unheard-of degree in the short space of four years, and it is a perfectly natural thing to take a superficial view of this situation and look for a rapid readjustment and a reasonably quick deflation that will bring us down to earth in a period of two or three years. But don't let us fool ourselves. It is a very simple thing to pyramid prices and values in a short time during a great war, but it is a long and difficult process to squeeze out that inflation when nearly the entire population of the world has accustomed itself to new standards.

"It is my opinion that we have now entered an era of at least 15 or 20 years of gradually declining prices.

"I do not mean to say that within this era we shall not have good business—aye, even years of great prosperity and advancing prices. But the tendency will be downward, and each recession during that entire era of 15 or 20 years will take us to a somewhat lower level.

"I do not want to be misunderstood as spreading a doctrine of pessimism, because, on the contrary, I have found after years of experience that with ordinarily good business management as much or more money can be made and held on a gradually declining market as on a rapidly rising market.

"I say this for two reasons: First, that we have all of us learned within the past year or two that most of the profits made on a rapidly rising market are paper profits; and, secondly, that a gradually declining market continually presents opportunities for savings in production costs over estimates made months in advance."

Mr. GOODING. Mr. President, it is quite evident, so far as woolens are concerned and the articles with which Mr. Goldman has to do, that there is not going to be much lowering in prices, at least, according to the letter which he sends out. Of course, there is not any question as to what his intention is, if it is possible to carry it out, and that is to destroy the protective principle in America. The importers have all been trying to do so for some time. One of the curses of this country is that we have too many Goldmans in America to-day.

A few years ago, when I had the honor to be president of the National Wool Growers' Association, I made an investigation into the cost of clothing. I followed the wool from the West through the commission house, through the factory, and into the hands of men like Mr. Goldman and his kind, if you please, who enter into contracts with the manufacturers for the entire output of their mills, and I found that Mr. Goldman and his kind took more for distributing a yard of cloth to the merchant tailors of the country than the wool grower got for growing the wool, the railroad for hauling it, the commission merchant for selling it, and the manufacturer for manufacturing it, and the duty on the wool, all put together, and yet this is the man who is fighting protection to the wool growers of this country.

Twenty years ago we had 64,000,000 head of sheep in America. To-day we have but 35,000,000 head. The industry is almost a wreck compared to what it was 20 years ago, and it is Mr. Goldman's kind who have destroyed it.

Mr. President, I shall not take any more time of the Senate. I know that the senior Senator from Utah [Mr. SMOOT] is very anxious to get a vote on the rice paragraph, and I hope on peanuts also to-night. So I will yield the floor.

Mr. SMOOT obtained the floor.

Mr. WILLIS. Will the Senator from Utah yield to me for one moment?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Ohio?

Mr. SMOOT. I yield.

Mr. WILLIS. I ask permission to insert in the RECORD at this point a very illuminating editorial from the National Republican of June 24, bearing on the very subject which has been so ably discussed by the junior Senator from Idaho [Mr. GOODING], the title of the article being "Free traders trying to fool women." I do not ask to have the article read.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FREE TRADERS TRYING TO FOOL THE WOMEN.

That Democratic politicians and foes of the Republican Party and the protective policy are exceedingly active at this time is evidenced by the organized movement brought into evidence at the convention of the Federation of Women's Clubs, at Chautauqua, N. Y., to commit that organization to the program of the so-called Nonpartisan Tariff League, a camouflaged antiprotective tariff organization.

A special appeal is made to women to fight a protective tariff. This appeal is based on the theory that protection means higher retail prices. We have had the highest cost of living and the most profiteering in necessities under the present tariff law the American people have ever experienced. In the long run the protective policy, as experience has demonstrated, brings about lower rather than higher retail prices through the stimulation of domestic production and competition. This appeal to women is promoted partly by theoretical free traders, but far more by huge importing interests engaged in charging enormous profits on articles bought abroad at low prices but sold to the ultimate consumer in the American market at all the market will bear.

Sensible women will not forget that they are interested in prosperous American production more than in foreign importations. Many hundreds of thousands of American women are directly employed in American productive industry. Every woman in the United States is affected by general business conditions in this country. When foreign production is promoted and domestic production discouraged, it means unemployment, and unemployment means hardship in the American home.

American women should stand for the American protective policy, which builds and safeguards American industry. Under that system the United States has become the most prosperous nation in the world, with women occupying a more desirable economic position than elsewhere on the globe. Women should not allow themselves to be deluded by organizations using high-sounding phrases about "non-

partisanship" and "fair tariff" but working all the time against tariff rates high enough to be protective of American industry, enterprise, and employment.

Mr. SMOOT. Mr. President, I am not going to take any time of the Senate now in the discussion of the pending amendment, if we may have a vote on it. I now ask for the yeas and nays on the first committee amendment in paragraph 728.

The PRESIDING OFFICER. The pending amendment will be stated.

The READING CLERK. On page 104, paragraph 728, line 15, before the words "1 cent per pound," the Committee on Finance proposes to insert "three-eighths of," so as to read:

PAR. 728. Paddy or rough rice, three-eighths of 1 cent per pound.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, on which the Senator from Utah has asked for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. TRAMMELL (when his name was called). I transfer my pair with the senior Senator from Rhode Island [Mr. COLT] to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

The roll call was concluded.

Mr. KING (after having voted in the affirmative). I have a general pair with the Senator from North Dakota [Mr. MCCUMBER]. I transfer that pair to the senior Senator from Missouri [Mr. REED] and allow my vote to stand.

Mr. HARRIS (after having voted in the affirmative). I transfer my pair with the junior Senator from New York [Mr. CALDER] to the senior Senator from Nebraska [Mr. HITCHCOCK] and allow my vote to stand.

Mr. NEW. I transfer my pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from Maryland [Mr. WELLER] and vote "nay."

Mr. CAMERON. I transfer my pair with the Senator from Georgia [Mr. WATSON] to the junior Senator from Nevada [Mr. ODDIE] and vote "nay."

Mr. CURTIS. I desire to announce that the Senator from Pennsylvania [Mr. PEPPER] is necessarily absent.

I also wish to announce the following pairs:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The junior Senator from Kentucky [Mr. ERNST] with the Senior Senator from Kentucky [Mr. STANLEY];

The Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH];

The Senator from Maine [Mr. HALE] with the Senator from Tennessee [Mr. SHIELDS];

The Senator from Washington [Mr. JONES] with the Senator from Virginia [Mr. SWANSON];

The Senator from Missouri [Mr. SPENCER] with the Senator from Nevada [Mr. PITTMAN]; and

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS].

The result was announced—yeas 12, nays 39, not voting 45, as follows:

YEAS—12.

Gerry	King	Pomerene	Trammell
Harris	La Follette	Simmons	Underwood
Heflin	Overman	Smith	Walsh, Mass.

NAYS—39.

Ashurst	Johnson	Moses	Sheppard
Brandegee	Jones, N. Mex.	Nelson	Shortridge
Broussard	Kellogg	New	Smoot
Bursum	Kendrick	Newberry	Sterling
Cameron	Keyes	Nicholson	Sutherland
Capper	Ladd	Norbeck	Townsend
Caraway	Lenroot	Phipps	Wadsworth
Curtis	Lodge	Poindexter	Warren
Gooding	McKinley	Ransdell	Willis
Harreld	McNary	Robinson	

NOT VOTING—45.

Ball	Ernst	McKellar	Spencer
Borah	Fernald	McLean	Stanfield
Calder	Fletcher	Myers	Stanley
Colt	France	Norris	Swanson
Crow	Frelinghuysen	Oddie	Walsh, Mont.
Culberson	Glass	Owen	Watson, Ga.
Cummins	Hale	Page	Watson, Ind.
Dial	Harrison	Pepper	Weller
Dillingham	Hitchcock	Pittman	Williams
du Pont	Jones, Wash.	Rawson	
Edge	McCormick	Reed	
Elkins	McCumber	Shields	

So the committee amendment was rejected.

Mr. SMOOT. Mr. President, I am directed by the Finance Committee to ask that the amendment on line 23, affecting brown rice, hulls removed, be rejected.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 104, line 23, it is proposed to strike out "1¼ cents" and insert "five-eighths of 1 cent," so as to read:

Brown rice (hulls removed), five-eighths of 1 cent per pound.

Mr. SMOOT. Upon that I ask for the yeas and nays.

Mr. KING. Mr. President, as I understand, the proposition of the committee now is to increase the rate from five-eighths of a cent to 1¼ cents per pound.

Mr. LODGE. To restore the House rate.

Mr. SMOOT. That will be the result; or, in other words, to restore the House rate.

Mr. KING. But if the action of the committee prevails, it will restore the House rate of 1¼ cents.

Mr. SMOOT. That is true.

Mr. WALSH of Massachusetts. I will say to the Senator that the committee have decided to restore all the House rates here. The vote on the last amendment shows that. This whole paragraph is going to be restored.

Mr. UNDERWOOD. But, as I understand, the question before the Senate is whether they will agree to the original committee amendment.

Mr. SMOOT. That is right.

Mr. UNDERWOOD. And the committee has merely abandoned its amendment itself.

Mr. WALSH of Massachusetts. Exactly.

Mr. UNDERWOOD. But the vote comes on the question of whether or not the committee amendment shall prevail.

Mr. WALSH of Massachusetts. The Senator is correct. I do not think the committee desire a roll call except on the previous amendment. They have us on record already.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was rejected.

The PRESIDING OFFICER. The Secretary will state the next amendment of the committee.

The ASSISTANT SECRETARY. On line 24 the committee proposes to strike out "2 cents" and to insert "1 cent," so as to read:

Milled rice (bran removed), 1 cent per pound.

Mr. SMOOT. I am directed by the committee to ask that the Senate reject that amendment.

Mr. WALSH of Massachusetts. That increases the rate 100 per cent.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

Mr. KING. Mr. President, the proposition, as I understand it, is to increase the rate 100 per cent over the committee amendment—that is, the Finance Committee reduced the inordinately high rate found in the House bill 100 per cent. But we are now asked to accept the House rate, which, as stated, will impose a duty 100 per cent higher than that which the Finance Committee, upon due consideration, felt to be adequate.

Undoubtedly the agricultural bloc, or the farm bloc, has brought pressure to bear upon the Finance Committee, and it has receded from its position and now recommends the placing upon the consuming public of a heavy burden of taxation involved in the duty which we are asked to impose. This is not a tariff bill for the purpose of raising revenue, or based upon any theory which has heretofore been accepted even by Republicans as the foundation or justification of tariff taxation. The able Senator from Wisconsin [Mr. LA FOLLETTE], in his address just concluded, has demonstrated that the Payne-Aldrich bill, as well as the pending measure, ignores all canons which heretofore have guided Republicans in levying tariff duties. There is no pretense that the difference in cost of production here and abroad is taken into account in the schedules found in this bill. It is admitted that labor costs in foreign countries are undergoing remarkable mutation; that the fluid condition in the political as well as in the economical life of the peoples of other lands make it impossible to ascertain in any fair and accurate way the costs of production in such lands.

This bill, therefore, is without any scientific data as a basis for its formulation; it is such a frightful medley of rates and schedules and duties, such a hodgepodge of facts and figures and greed and selfishness and cupidity, that it calls for the condemnation of those who love justice and desire the welfare of the people. Groups have been considered, their demands have been recognized, and the interests of the public entirely overlooked. We have condemned rivers and harbors bills and large appropriation bills because of the log-rolling, the trading and

trafficking which have secured their passage. What shall be said of this bill?

The supposed interest of sufficient States and sections have been recognized as to bring together in a cohesive way conflicting and incongruous elements and forces, but all united to secure the passage of the bill. Manufacturers who desire free raw materials support the bill because of the extortionate rates upon manufactured goods which are written in the various schedules. Agriculturists representing what has been denominated the agricultural bloc support the indefensible, not to say wicked, schedules which permit the manufacturers to rob and exploit the great mass of the American people because there are found in the bill schedules which impose enormous taxes upon the products of the field and the farm and the ranch. It looks as though this bill, which is an ugly and misshapen thing, was the product of concessions and demands, of contests and conflicts, all directed toward increasing the burdens upon the people, upon the theory and with the object of increasing the prices of the commodities and products which the contending forces manufactured and produced.

In my opinion, no more selfish, cruel, and heartless tariff bill was ever presented than the one which we are now considering. There is no pretense by its defenders that the interests of the people are taken into consideration in its passage. The proponents of the bill talk only of the benefits to be derived by the manufacturers and the interests who dictated, if they did not prepare, the bill.

It matters not whether the subject be food or clothing or medicine. The paramount consideration is how shall the rates be laid to increase the profits of the manufacturer and the producer. The agricultural bloc want increased prices for their products. It is unimportant what the effect will be upon the millions who are compelled to buy such products. The manufacturer demands the highest duties ever laid in any tariff bill, not to benefit the public but to increase his profits. Facts showing no competition, either domestic or foreign, fail to influence those who are cooperating to drive this bill through Congress. When it is shown that the imports are less than one-half of 1 per cent, or, indeed, when in some cases it has been established that there are no imports, those in control insist upon duties all the way from 60 to several hundred per cent. And when the facts show that we can produce in the United States given products cheaper than they can be produced anywhere in the world and that our exports are stupendous, there is no reduction in the tax and the high levels found in the bill are either maintained or raised. No rational basis of taxation is suggested or followed by the majority, nor is there the slightest evidence that the interests of the great mass of the people receive consideration.

This bill defies every economic principle, every safe and sane tariff policy, and the most elementary principles of justice and right. If the most selfish men in the land had written every schedule, it could not have been worse and its evil effects could not have been more serious.

But, Mr. President, it is obvious, as stated by the Senator from Massachusetts [Mr. WALSH], that no argument in favor of a reasonable tariff or a fair rate or a just system of taxation will be of any avail in this Chamber. Indeed, it falls upon deaf ears. I make no charges, but I do venture the statement that the record discloses that certain forces are operating in perfect harmony and that elements which ought to be antagonistic are brought into perfect apposition and all are cooperating to force this iniquitous bill through the Senate. We know that a tariff bloc was organized and that it impressed its views upon the Finance Committee and demanded rates which were finally written into the bill.

The claims of various commodities for protection have not been considered separately or independently, but representatives of various commodities and products have found common cause, have united in a common enterprise, and are unitedly supporting this bill. The agricultural classes, whose interests are not those of the manufacturers, are found supporting with a vehemence and zeal that is fanatical the extortionate rates found in the woolen schedule and the cotton schedule and the metal schedule and other paragraphs of the bill. Representatives of the chemical industries, of the cotton and the textile schedules, and of steel products feel perfectly secure that the extortionate rates found in the bill will not be changed; they feel that there is some sort of an understanding, some agreement or alliance, or subtle influence and power that will bring to their support strength from interests that in the very nature of things are antagonistic. This bill presents the spectacle of oil and water mixing, of light and darkness coalescing, of justice and injustice embracing. Indeed, the bill as it is now before us presents the triumph of injustice and exploitation.

When the steel schedule is before us these forces and interests will unite and impose high rates of duty, though it means increased prices to the farmers and the American people of all products and commodities of which iron and steel are constituent parts. It matters not that we export steel products, that we need fear no foreign competition, that the steel industry is practically a monopoly. These elements and forces blithely vote to increase the tariff and thus increase its power to further rob and exploit the American people.

Mr. President, I denounce this bill, and unhesitatingly declare that it is the most oppressive tariff bill ever proposed in the American Congress. Under the theory of raising revenue it is a bold and naked attempt to rob and plunder the American people. I am not opposing a fair revenue bill. I believe in raising revenue at the customhouses. I am willing to support a bill that will provide several hundred millions of dollars from tariff duties. But I am unwilling to subscribe to the proposition that the taxing power of the Federal Government may be prostituted and perverted to enrich any group or any class or any corporation or any section of our country. I believe in the Democratic theory of taxation as it was announced by Jefferson and as it has been proclaimed by genuine and not by hybrid Democrats. I am unwilling to adopt a theory that Congress has the power to tax one or more persons for the benefit of another. The Democratic Party, when it has been worthy of the confidence of the people, has championed the cause of constitutional government. It has been the defender of the Constitution, and in so doing it has been the protector of the American people. It has always opposed class legislation, special privileges, subsidies, and bounties and gratuities and the exercise of governmental powers in the interests of any section or any group.

I concede that the abuse of the taxing power may bring benefit to the few. Undoubtedly laws labeled "revenue laws" may be so adroitly drawn as to rob the many to benefit the few. In other ages it was considered entirely proper for the few to live in riches which were wrung from the masses of the people. An oligarchy or a despotic monarchy possessing unlimited power exploited the people and enacted laws or promulgated executive orders which transferred the results of the toil of the people to the pockets of a limited few. The great struggle for liberty and freedom at bottom was a struggle against the abuse of the taxing power. Our fathers averred that George III taxed the American colonists and denied them representation; that he cut off their trade with other nations. A free people will always guard the taxing power and will destroy any party or any class that perverts it and exercises it to enrich special favorites or particular classes. The Republican Party has departed from the principles of Lincoln and does not hesitate to employ the taxing power of the Federal Government to add to the fortunes of certain interests in the United States. This spirit finds exemplification in nearly every paragraph of this bill. The rates are increased far above those that are found in the Payne-Aldrich law, and they will place burdens upon the American people the aggregate amount of which it is impossible to calculate. Some who are familiar with its schedules declare that this bill will tax the American people several billions of dollars.

Mr. President, in my opinion, it will rob the American people of billions, perhaps exceeding $5,000,000,000 annually, and will indirectly affect the industrial life of the people. Indeed, it will affect the political life of the people; it will affect our relations with other nations; it will prove not only a burden to the American people but it will prove an evil to all other nations. It will interrupt the currents of trade and commerce which encircle the world. It will provoke animosity and retaliation that will disturb those amicable relations which should bind together the peoples of every land.

But notwithstanding the evils which this bill will inevitably produce, the forces behind it, the predatory interests which are backing it, the profiteering and greedy influences which are promoting it view with the utmost cynicism the consequences of their efforts and with jest and song acclaim the approaching day of victory. They know the bill will pass. They know there can be no referendum between now and the adjournment of this session of Congress when the American people could pass upon these schedules. They know they have the power and the votes; opposition irks them, arouses their resentment, and any criticism of the bill brings their wrath upon the head of the offender.

Mr. President, it has been indicated by the party in power, by the votes which have already been taken that they would be glad to interdict all importations and turn the American consumer over to the tender mercies of the greedy and devouring

monopolies that threaten the economic if not the political life of this Republic. I want to warn Republicans and warn these high-tariff robbers that there will be a day of reckoning, that the American people will not submit to this monstrous perversion of the taxing power, to the enactment of laws under the guise of revenue measures which are intended only to increase the wealth of special interests and to add to the power of certain groups and corporations to further impose their will upon the American people.

Mr. President, I regret that all Senators did not hear the address of the senior Senator from Wisconsin [Mr. LA FOLLETTE]. They would have learned if they do not now know the evils of the Payne-Aldrich law. The figures which he submitted and the tables which he presented demonstrated to a mathematical certainty what every patriotic American knows; that the Payne-Aldrich bill was a wicked and despotic measure which sought to bring industrial servitude to the American people and to concentrate in the hands of a limited few the great wealth and resources of this mighty Republic. That law was not only condemned, but it was damned by the American people. It aroused listless and apathetic taxpayers until in their wrath they smote the conspirators who foisted it upon the American people and drove from power the Republican Party which had drifted into the hands of sinister and predatory interests.

But that party seems not to have learned from its ignominious rout and defeat the lessons of prudence, and it certainly exhibits the fact that it has not learned how to be just or how to administer the great trust which has been committed to its hands by a deceived and overcredulous people. It proposes now to jam through this Congress a tariff bill more infamous, more indefensible, more oppressive than the Payne-Aldrich bill, which, as I have stated, was condemned and damned by the American people. It seems impossible to rouse Senators to a comprehension of the injustices and of the wrongs which this bill contains. The junior Senator from Idaho [Mr. GOODING], the head of the tariff bloc, undoubtedly feels secure, and he looks on with indifference at the assaults made upon the bill. He feels secure, doubtless, because he appreciates that back of the bill there is, I was about to say, a combination, but I withdraw the word and say that he feels secure because back of it there is a friendly and benevolent union and cooperation of the predatory interests and the agricultural interests, all of whom are seeking to foist upon the American people this most damnable and oppressive measure.

Mr. President, the rates in this bill are so high, so oppressive, that they have become offensive to decent people. Even many who are high protectionists appreciate that this bill is the result of combinations of greedy and selfish interests. And yet, cruel and oppressive as the bill is, it will go through. I can not express my abhorrence of this bill. I have examined each schedule and read every paragraph and my very soul revolts against its injustices and the patent evidences that it has been drawn by the interests and for the interests and without the slightest regard for the well-being of the American people.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from North Carolina?

Mr. KING. I yield.

Mr. SIMMONS. It may be that when this bill was first introduced the other side of the Chamber, even including some members of the committee, did not know of its iniquities, or did not know to the full extent of its iniquities. As the result of these discussions they now know of its iniquities, and they would like very much to get rid of it, but they do not know how to get rid of it.

Mr. KING. Mr. President, I hope that my distinguished friend is right. I want to believe, and I shall accept his view and I shall believe, that our friends upon the other side did not know of the infamies of this bill when it was first reported. I hope they are learning now of its iniquities. I hope they will have the moral courage to find some way by which they may get rid of it and not fasten it upon the American people. Of course our Republican friends have the power to drive it through. They have the power, because of the force of numbers, to use the taxing power of the Government to put their hands into the pockets of the American people and rob and plunder them at the command of the predatory interests who are here demanding the passage of this bill.

The able Senator from Idaho [Mr. GOODING] a moment ago confessed that the tariff does increase prices, and he complained of the attitude of the able junior Senator from Massachusetts [Mr. WALSH] because he was contending for a policy that would relieve the great consuming public from the burdens of taxation. The Senator from Idaho by his questions contended that because the New England manufacturers had robbed the public the junior Senator from Massachusetts should now join with him and rob the public to a still greater extent by imposing burdens upon them in order to benefit the agricultural classes of the country.

Mr. GOODING. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Idaho?

Mr. KING. I yield.

Mr. GOODING. I did not say anything that I am aware of about the New England manufacturers robbing the American people.

Mr. KING. Oh, Mr. President, the inference was absolutely unmistakable. No other deduction could be drawn from the interrogatories propounded by the Senator from Idaho to the Senator from Massachusetts when he was addressing the Senate than that the tariff was for the purpose of increasing prices of commodities and products and the profits of the manufacturers and producers; and he complained of the attitude of the Senator from Massachusetts and said, with some sarcasm, that it was quite fitting for a Democratic Senator from New England, where the manufacturers had profited by the tariff, to vote against this tariff, which the Senator from Idaho averred would add to the profits of the agriculturists. However, the Senator from Massachusetts correctly stated the fact that this bill will prove a delusion to the farmers of the United States.

The position of the Senator from Idaho was, and it is now, that the tariff increases prices and profits. That is the reason he wants it. He wants a tariff on wool to increase the price of wool. He wants a tariff on sugar to increase the price of sugar. He wants a tariff on rice to increase the price of rice. He wants a tariff upon everything that enters into the lives of the people, as he has indicated, in order that the prices of all products shall be increased.

Mr. President, I have conceived that it was the duty of representatives of the people, Republicans and Democrats alike, to legislate in the interest of the masses of the people. No man has a right, even if he comes from a manufacturing State, or from an agricultural State, or from any State that derives particular benefit from any tariff, to stand here and defend tariff exactions which would rob and exploit the American people. No man has the right, no matter what benefit it might be to him or to his State, to prostitute the powers of the Government in order to enrich his State, his community, or himself.

It is immoral, from my point of view at least, for any Senator to take that attitude that taxes may be levied in order to enrich any section or class. We are here under our oaths to support the Constitution of the United States. We are here to see to it that there shall be no special legislation, no special privileges, no gratuities and bounties to any particular section or any class. The question before us always should be: What is for the good of the American people? What is just and right? What is the mandate of the Constitution? We may levy taxes for the legitimate expenses of the Federal Government. We may not levy taxes in order to benefit any man, any section, or any group.

I agree with the inferences of the Senator from Idaho. The New England manufacturers have been enriched far beyond the dreams of avarice by the protective-tariff system. The protective-tariff system, as it has been applied by the Republican Party, was not conceived in the interest of justice, in the interest of the American people, but was conceived in the interest of a special class, and for years, while the Republicans have been in power, Congress has been the forum into which came the predatory, grasping, greedy, selfish interests of the United States, which were willing to destroy the Constitution, ignore justice, trample upon the laws, morals, and decency, in order that they might plunder the American people.

This bill is the apotheosis of robbery and of infamy. Of all the damnable tariff bills ever passed by the Congress of the United States, this will stand preeminent because of its multitudinous infamies.

The able Senator from Wisconsin [Mr. LA FOLLETTE] a few moments ago closed his address by calling attention to the schedules, and the colossal height to which they have been raised, and the inevitable effects upon the American people.

Mr. President, the Senator from Wisconsin declared that this bill should be redrawn; that if it passed in its present form it would bring defeat to the Republican Party as defeat came to that party when it passed the Payne-Aldrich bill. I predict that the American people will be aroused when they learn, as they will, what this bill is, what interests were behind it, what evils must inevitably flow from it. The American people believe in the Constitution. They desire justice. They want to preserve unimpaired the heritage of liberty which has been

transmitted by the fathers. They know what an oligarchy is. They know how cruel wealth is and how certain destruction will come to any nation that by unjust laws filches from the people, robs them of the products of their toil, and transfers what should be their wealth to the possession and the ownership of special interests and privileged classes. This is a democratic Government, a government of the people. It must remain a government of the people, not a government of privilegd classes or favored individuals, of corporations, and trusts, and monopolies. The American people desire that their property shall be protected, and as they insist in the right to acquire and to hold property, they demand as a corollary that property shall not be taken from them by unjust taxation, by tariff laws which under the pretext of raising revenue seek only the spoliation of the many in order to enrich the few.

Mr. HEFLIN. Mr. President, we hear Senators on the other side pleading for a tariff on hides. I am not going to discuss that proposition now, but I want to remind you that the banking system of this Government is so conducted to-day that the cattlemen of the country can not borrow money on the living animal in order to make his industry a going and a prosperous industry. We are treated to a ridiculous spectacle when Senators become heated and enthusiastic in pleading for a tariff tax on the dead animal's hide, when they permit a condition to exist that denies aid to the great industry of living animals in the United States.

Not only that, Mr. President, but they take the hide off the cattle industry, as my friend from Ohio suggests, through the policies they employ, and then call upon the Congress to grant a tariff duty to protect the hide of the dead animal to which they refused aid while it was living. That is one of the things we see here in this monstrous tariff bill.

Mr. President, I have just been talking to a cattleman from my State who has 500 of the finest cattle that you can find anywhere, and he can not borrow the money on them which he needs in order to keep his industry going, and this day, the 8th of July, in the Capital of the country, Senators are pleading for protection of this and that, and protection for the hides of dead animals, when they are permitting live animals to be driven to the slaughterhouse and sacrificed by the thousands, to the injury of the great cattle owners of the country.

I want Senators to think of my suggestion: What a glorious exhibition of statesmanship it is to demand a tariff duty to protect the hide of the animal that is dead and shut the doors of the banking institutions in the faces of the owners of thousands of live and lowing herds upon the plains.

No credits are extended to them. The cattlemen of this country are in dire distress, and the deflation policy of the Federal Reserve Board destroyed in 18 months nearly half the mother herd of this country. But Senators turn red in the face and perspire as they plead for a tariff duty on hides. Mr. President, I plead for justice and fair play for the great industry of living cattle while my Republican friends plead for protection to the hides of cattle that are dead.

Mr. LODGE. Mr. President, I shall take but a moment. When I came into the House of Representatives, the first tariff I had any experience with was the Mills bill. At that time rice was one of the atrocities of protection, flung at us as one of the worst things we did. It seemed to me that to develop the culture of rice in this country was a very important thing. I have not the figures so that I can give the statistics back to the time when I first knew it, when it figured as an atrocity, and I have heard continually in the land the voice of those who love the people, but in 1904 the total number of acres in rice under culture was 662,000. In 1920 there were 1,337,000 acres.

The price of rice in New Orleans at the time of the latest figures I have been able to get was somewhat lower than the London prices. We produce 53,000,000 bushels; we supply our own market; we make a great export; and the industry has been a great benefit to the country. It has no possible relation to New England. I think we can defend our position there without much difficulty, and I shall not speak of that. This has no relation to New England at all. The industry has been built up in Louisiana, in Texas, in Arkansas, in California, and in that region of the country. The development of the industry has been a great benefit to the whole country, and the domestic competition has prevented a rise in prices, has kept the price down instead of increasing it, because the demand for rice in the eastern world has been steadily increasing.

I only wished to call attention to the effect of one protective duty which was more abused at the time I first knew of it than almost any I have ever heard of.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. CURTIS. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. HARRIS (when his name was called). Making the same announcement as to my pair and its transfer, I vote "yea."

Mr. KING (when his name was called). I have a general pair with the senior Senator from North Dakota [Mr. McCUMBER]. I transfer that pair to the senior Senator from Missouri [Mr. REED] and vote "yea."

Mr. NEW (when his name was called). Making the same announcement as on the previous vote, I vote "nay."

Mr. SWANSON (when his name was called). I have a general pair with the senior Senator from Washington [Mr. JONES]. In his absence I withhold my vote. If permitted to vote, I would vote "yea."

The roll call was concluded.

Mr. TRAMMELL. I transfer my pair with the senior Senator from Rhode Island [Mr. COLT] to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. CAMERON (after having voted in the negative). Making the same announcement as before, I allow my vote to stand.

Mr. CURTIS. I wish to announce the following pairs:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The junior Senator from New Jersey [Mr. EDGE] with the senior Senator from Oklahoma [Mr. OWEN];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The junior Senator from Kentucky [Mr. ERNST] with the senior Senator from Kentucky [Mr. STANLEY];

The senior Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH];

The Senator from Maine [Mr. HALE] with the Senator from Tennessee [Mr. SHIELDS];

The Senator from Missouri [Mr. SPENCER] with the Senator from Nevada [Mr. PITTMAN]; and

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS].

The result was announced—yeas 12, nays 37, as follows:

YEAS—12.

Dial	King	Pomerene	Trammell
Harris	La Follette	Simmons	Underwood
Heflin	Overman	Smith	Walsh, Mass.

NAYS—37.

Brandegee	Kellogg	New	Smoot
Broussard	Kendrick	Newberry	Sterling
Bursum	Keyes	Nicholson	Sutherland
Cameron	Ladd	Norbeck	Townsend
Capper	Lenroot	Phipps	Wadsworth
Curtis	Lodge	Poindexter	Warren
Gooding	McKinley	Ransdell	Willis
Harreld	McNary	Robinson	
Johnson	Moses	Sheppard	
Jones, N. Mex.	Nelson	Shortridge	

NOT VOTING—47.

Ashurst	Elkins	McCormick	Reed
Ball	Ernst	McCumber	Shields
Borah	Fernald	McKellar	Spencer
Calder	Fletcher	McLean	Stanfield
Caraway	France	Myers	Stanley
Colt	Frelinghuysen	Norris	Swanson
Crow	Gerry	Oddie	Walsh, Mont.
Culberson	Glass	Owen	Watson, Ga.
Cummins	Hale	Page	Watson, Ind.
Dillingham	Harrison	Pepper	Weller
du Pont	Hitchcock	Pittman	Williams
Edge	Jones, Wash.	Rawson	

So the amendment of the committee was rejected.

Mr. SMOOT. Mr. President, I am directed by the committee to ask the Senate to disagree to its amendment on page 105, line 1. While I am on my feet I want to ask the Senate to agree to the next amendment, and I will explain it briefly so Senators will know just what it is. The second amendment, on page 105, to which I refer, is to strike out the words "all the foregoing not specially provided for." That amendment we think the Senate ought to agree to because it applies only to the one kind of rice, and that is a Patua rice which has been put on the free list in paragraph 1643.

Mr. WALSH of Massachusetts. I simply desire to call attention to the fact that the substitute offered by the committee increases the rate 100 per cent over the rate originally named in the committee amendment.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in line 1, page 105.

The amendment was rejected.

The next amendment of the committee was, on page 105, lines 1 and 2, to strike out the words "all the foregoing not specially provided for."

The amendment was agreed to.

Mr. BROUSSARD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the inquiry.

Mr. BROUSSARD. I think we have voted on only three amendments in the paragraph.

The PRESIDING OFFICER. All the amendments to paragraph 728 have been disposed of—five in all.

Mr. RANSDELL. Mr. President, I ask permission to have printed in the RECORD and referred to the Committee on Finance a protest from four prominent and well-known women of New Orleans, La., against the food, tableware, and women's wear schedules of the pending tariff bill.

There being no objection, the memorial was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

Hon. JOSEPH E. RANSDELL,
United States Senate, Washington, D. C.

DEAR SIR: Will you please read into the CONGRESSIONAL RECORD the following resolution and have a copy of the RECORD containing it sent to us:

"*Resolved*, That we protest against the food, tableware, and women's wear schedules of the Fordney-McCumber bill. These schedules will increase the costs of living in every American home. They are fines levied by American men upon American women and upon American children. They should not be allowed to become law."

Yours truly,

Mrs. J. A. STORCK,
Mrs. FLORIA H. CATORIE,
Mrs. STEPHEN E. SMITH,
Mrs. ANDREW J. REID,
New Orleans, La.

THE MUSCLE SHOALS PROJECT.

Mr. LADD. Mr. President, I desire at this time to introduce a bill providing for the disposal of Muscle Shoals. I will say that this bill as it now stands has had the approval of a large number of agricultural associations of this country. I present resolutions from the American Farm Bureau Federation, from the National Grange, a resolution adopted at the agricultural conference called by the Secretary of Agriculture at the request of the President, resolutions adopted by the Farmers' Union at their convention at Topeka, resolutions adopted by the American Federation of Labor, and a telegram from the president of the American Farm Bureau. I request that, without reading, these communications be referred to the Committee on Agriculture and Forestry and printed in the RECORD as part of my remarks.

The PRESIDING OFFICER. The Senator from North Dakota asks unanimous consent out of order to introduce a bill. Is there objection? The Chair hears none.

The bill (S. 3802) authorizing the acceptance of the proposal of Henry Ford for the completion and leasing of the dams and hydroelectric plants at Muscle Shoals and for the purchase of nitrate plant No. 1, nitrate plant No. 2, the Waco quarry, and the interest of the Government in the Gorgas Warrior River steam plant, all in the State of Alabama, dated May 31, 1922, was read twice by its title and referred to the Committee on Agriculture and Forestry.

The PRESIDING OFFICER. Without objection, the communications presented by the Senator from North Dakota will be referred to the Committee on Agriculture and Forestry and printed in the RECORD.

The communications are as follows:

THE AMERICAN FARM BUREAU AND MUSCLE SHOALS.

The executive committee of the American Farm Bureau Federation, at its meeting in Chicago, June 29, adopted the following with reference to Muscle Shoals:

The conservation of all the natural resources is one of the fundamental principles on which the farm organizations of the United States are founded. The preservation of our forests, the development of our inland waterways, the drainage of swampy land, the construction of great irrigation projects, and the maintenance of our soil fertility are such projects as challenge the attention not only of farmers but of all our population.

The operation of the Muscle Shoals project as contemplated under the terms of the Henry Ford proposal will serve to carry forward so many of these conservation projects as to deserve the whole-hearted and continued support of our organizations and of all our people, whether they live in cities or in the country. We reaffirm the former resolutions that have been passed relative to this undertaking by farm organizations and instruct our legislative departments to use all diligence in finishing this work.

CHICAGO, ILL., *June 29, 1922.*

Mr. HENRY FORD,
Dearborn, Mich.:

The American Farm Bureau Federation, by expression of its executive committee, remains your confident and steadfast supporter for Muscle Shoals project.

J. R. HOWARD, *President.*

NATIONAL GRANGE FOR MUSCLE SHOALS.

NATIONAL GRANGE, PATRONS OF HUSBANDRY,
Washington, D. C., July 7, 1922.

Hon. E. F. LADD,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR LADD: In reference to the disposition by the Government of the Muscle Shoals property and such action as the Senate may be about to take on the offer of Henry Ford to purchase and operate these properties, I beg to submit herewith a copy of the resolution which was taken by the national grange at its last annual session, held in Portland, Oreg., in November, 1921:

Resolution on Muscle Shoals air-nitrate plant.

"*Resolved*, That we favor the immediate sale of this plant by the Government to the highest bidder, subject to such safeguards as may be necessary to protect the interest of the public in power and products produced there, and providing for its use by the Government when needed."

This resolution was referred to the committee on agriculture, duly considered, and the committee made a report favoring its adoption, and the report was adopted. Reference: Page 130, Journal of Proceedings of the National Grange, 1921.

In my opinion this Henry Ford proposition more nearly conforms to the provisions of this resolution than any other pending proposition.

Yours sincerely,

T. C. ATKESON,
Washington Representative.

Resolution adopted at the agricultural conference called by the Secretary of Agriculture at the request of the President, January 23 to 27, 1922.

Resolved, That to accomplish results without any further delay whatsoever, we urge the Secretary of War to recommend and the Congress to accept Henry Ford's proposal to take over the hydroelectric power and air-nitrate plants at Muscle Shoals, under a guaranty to operate same for 100 years at its present capacity of approximately 100,000 tons of ammonium nitrate per annum, opening the Tennessee River to navigation, cheapening the production of fertilizer, metals, and other commodities, and assuring the United States nitrogen independence in peace or war.

FARMERS' UNION AND MUSCLE SHOALS.

We indorse the proposal made by Henry Ford to take over and operate the Government nitrate plant at Muscle Shoals, Ala., and urge that the offer be accepted.

Adopted by the Farmers' Union Convention at Topeka, November 15, 16, and 17, 1921.

THE AMERICAN FEDERATION OF LABOR

At its annual convention lately held in Cincinnati, June 20, 1922, adopted the following resolution with reference to Muscle Shoals:

"*Resolved* That this, the forty-second annual convention of the American Federation of Labor, sides with the farmers in their controversy as to the acceptance of the Ford bid, and that this convention instruct its executive council to use all means in its power to secure favorable action on the final offer of Mr. Ford to lease Muscle Shoals, and in view of the deterioration of the property at Muscle Shoals and the immediate and very urgent need of the farmers for more fertilizer, that the executive council use all haste possible in bringing pressure to bear on the Congress of the United States to secure favorable action at the present session on the Ford contract to develop Muscle Shoals."

Mr. LADD. Mr. President, I desire to make a few observations in connection with the bill introduced by me. The average importations of Chilean nitrate for five years, 1911–1915, inclusive, amounted to 551,714 long tons, with an average value at the Chilean port of $17,511,697 and with an export duty paid to Chile on this tonnage amounting to $6,910,978.92. The cost of ocean freight, insurance, commissions, and so forth, on this five-year period of Chilean nitrate importations can be conservatively estimated at $10 a ton, making a total cost at port of approximately $29,939,815.92.

Of this tonnage, during this period, there was consumed as a fertilizer by the farmers about 250,000 tons.

Chilean nitrate carries about 16 per cent of nitrogen plant-food or fixed nitrogen, and this 250,000 tons of Chilean nitrate used during this five-year period, therefore, yielded to the farmers 40,000 tons of nitrogen plantfood or fixed nitrogen.

Mr. Ford, in his final offer of May 30 (see section 15) expressly agrees and binds himself throughout the lease period to manufacture nitrogen and other commercial fertilizers, mixed or unmixed, and with or without filler, according to demands, and these fertilizers produced during the lease period shall have a nitrogen content of at least 40,000 tons of fixed nitrogen, and therefore Mr. Ford agrees to produce fixed nitrogen at Muscle Shoals equal to the fixed nitrogen contained in that portion of Chilean nitrate used by the farmers in the five-year period, 1911–1915, inclusive, and it will require 100,000 horsepower to produce this amount of fixed nitrogen, namely, 40,000 tons, and so 200,000 horsepower will produce as much fixed nitrogen as was carried in the total importations during the five-year period, 1911–1915, inclusive.

Shall the farmers continue to pay more than $3,000,000 annually export duty to Chile for nitrates, plus ocean freight, commissions, insurance, and so forth, when Mr. Ford offers to relieve the farmers of these burdens at Muscle Shoals?

AMENDMENT OF FEDERAL RESERVE ACT.

Mr. HARRIS. Mr. President, last week the Senator from Pennsylvania [Mr. PEPPER] reported from the Committee on Banking and Currency the bill (S. 3531) to amend section 9 of the Federal reserve act, a bill which I introduced and which has the favorable recommendation of that committee. The Senator from Utah [Mr. KING] asked that it go over until the next day, which was agreed to, but he was absent on that day and I did not call it up, so it has gone over until to-day. I am sure it will only take a moment to consider it. It is reported favorably by the Committee on Banking and Currency—a subcommittee of that committee composed of the Senator from Pennsylvania [Mr. PEPPER], the Senator from Virginia [Mr. GLASS], and the Senator from New Jersey [Mr. EDGE]. It is recommended by the Federal Reserve Board and by the governors of the Federal reserve banks, and also by the junior Senator from Alabama [Mr. HEFLIN], and many other Senators with whom I have discussed the matter. I do not think that there will be any opposition to it, and I ask unanimous consent for its present consideration.

There are a large number of small banks whose capital is less than is required by law to become members of the Federal reserve system. This amendment to the act will permit banks having 60 per cent of the required capital stock to become members of the system, provided they increase annually their capital stock amounting to 20 per cent of its net earnings until it meets the present requirement as to capital stock. This will give the small banks in the agricultural sections the benefits to be derived from the Federal reserve system and will help the system. It will also encourage the smaller banks to increase their capital stock and be in a position to better accommodate their customers. It will help greatly the small-town banks and greatly benefit the merchants, farmers, and others dependent upon these banks to finance them.

Mr. SMOOT. Does the Senator know whether the junior Senator from Utah [Mr. KING], who is at present out of the Chamber, has withdrawn his opposition to the bill?

Mr. HARRIS. The junior Senator from Utah told me to-day that he would make no objection to its consideration. I have held it over now more than a week on his account.

Mr. SMOOT. The reason why I ask is because I understood although I may have misunderstood him this morning when I was discussing the bill with him, that he still objects to it. But if he told the Senator from Georgia that he now has no objection to the consideration of the bill, I shall interpose no objection.

Mr. HARRIS. The junior Senator from Utah said he would not object to the bill coming up, but would vote against it. I did not know he was not in the Chamber when I called it up.

The PRESIDING OFFICER. The Senator from Georgia asks unanimous consent for the present consideration of the bill which the Secretary will report for the information of the Senate.

The reading clerk read the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate as in Committee of the Whole proceeded to consider the bill, which had been reported from the Committee on Banking and Currency with amendments, on page 2, to strike out "and, under such rules and regulations as the Federal Reserve Board may prescribe, it sets aside annually in a fund an amount not less than 20 per cent of its net income for the preceding year and it increases its capital from such fund from time to time until it possesses a paid-up and unimpaired capital not less than," and to insert "and, under penalty of loss of membership, complies with rules and regulations which the Federal Reserve Board shall prescribe, fixing the time within which and the method by which the unimpaired capital of such bank shall be increased out of net income to equal." And, after line 14, page 2, to add the following proviso: "*Provided*, That every such rule or regulation shall require the applying bank to set aside annually not less than 20 per cent of its net income of the preceding year as a fund exclusively applicable to such capital increase," so as to make the bill read:

Be it enacted, etc., That paragraph 9 of section 9 of the Federal reserve act as amended is amended to read as follows:

"No applying bank shall be admitted to membership in a Federal reserve bank unless (a) it possesses a paid-up, unimpaired capital sufficient to entitle it to become a national banking association in the place where it is situated under the provisions of the national bank act, or (b) it possesses a paid-up, unimpaired capital of at least 60 per cent of the amount sufficient to entitle it to become a national banking association in the place where it is situated under the provisions of the national bank act and, under penalty of loss of membership complies with rules and regulations which the Federal Reserve Board shall prescribe fixing the time within which and the method by which the unimpaired capital of such bank shall be increased out of net income to equal the capital which would have been required if such bank had been admitted to membership under the provisions of subdivision (a) of this paragraph: *Provided*, That every such rule or regulation shall require the applying bank to set aside annually not less than 20 per cent of its net income of the preceding year as a fund exclusively applicable to such capital increase."

The amendments were agreed to.

Mr. KING. Mr. President, I objected to the consideration of the bill the other day. I have conferred with the members of the Committee on Banking and Currency and they seem to approve of it. I did not object to its consideration, but I shall vote against it. I regard the bill as objectionable for two reasons, first, because it rather tends to encourage the formation of very small banks with limited and wholly inadequate capital; and secondly, the effect will be ultimately to drive State banks out of existence, not by any physical force or physical power, but because of the moral pressure which will be brought to drive them into the Federal reserve system.

I seem to stand alone in my views, although I know many entertain the same apprehensions as those which I have so imperfectly expressed. I believe it is unwise legislation, but I did not feel justified in opposing the consideration of the bill.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DEEDS FROM FIVE CIVILIZED TRIBES.

Mr. HARRELD. Mr. President, I ask unanimous consent for the present consideration of the bill (H. R. 11054) to validate certain deeds executed by members of the Five Civilized Tribes, and for other purposes. The bill passed the House, and was referred to the appropriate committee, which made a favorable report on it.

There being no objection, the bill was considered as in Committee of the Whole, and was read as follows:

Be it enacted, etc., That any conveyance of allotted or inherited Indian lands by any member of the Five Civiliezd Tribes, or his or her heirs, which may have been heretofore approved by the Secretary of the Interior, or any order heretofore issued by the Secretary of the Interior authorizing the removal of restrictions from lands belonging to such Indians under and in accordance with, or purporting to be under and in accordance with, the acts of March 1, 1901 (31 Stat. L., p. 863), June 30, 1902 (32 Stat. L., p. 503), March 3, 1903 (32 Stat. L., p. 996), April 21, 1904 (33 Stat. L., p. 204), April 26, 1906 (34 Stat. L., p. 145), June 21, 1906 (34 Stat. L., p. 373), and May 27, 1908 (35 Stat. L., p. 312), or under any of said acts, be, and the same are hereby, confirmed, approved, and declared valid from the date of such conveyance or order: *Provided*, That nothing in this act shall be construed to confirm, approve, validate, or affect any conveyance, order, or action procured through fraud or duress.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

COCONINO AND TUSAYAN NATIONAL FORESTS.

Mr. ASHURST. Mr. President, I ask unanimous consent for the present consideration of the bill (H. R. 7812) to extend the time for cutting timber in the Coconino and Tusayan National Forests, Ariz. The bill has been reported unanimously and favorably from the Committee on Public Lands and Surveys. It proposes to extend the time within which the Arizona Lumber & Timber Co., in northern Arizona, may cut timber from certain lands. It has passed the House and there is a favorable report upon it from the department.

Mr. SMOOT. I am familiar with the bill and I have no objection to its passage if it does not lead to any discussion.

There being no objection, the bill was considered as in Committee of the Whole, and was read as follows:

Be it enacted, etc., That the Secretary of Agriculture is hereby authorized to extend the rights of the Arizona Lumber & Timber Co. and its successors in interest to cut and remove the timber from such of the following-described lands: Sections 3 and 9, township 19 north, range 5 east; section 33, township 20 north, range 5 east; section 31, township 21 north, range 5 east; section 35, township 20 north, range 6 east; section 31, township 20 north, range 7 east; all of the Gila and Salt River principal base and meridian within the Coconino and Tusayan National Forests, Arizona, as have been reconveyed, or are under contract to be reconveyed, to the United States, subject to outstanding timber-right contracts held by said company under the rules, regulations, and conditions imposed by the Secretary of the Interior at the time of said reconveyance or contract to reconvey until such time as he may determine to be in the public interest but not later than December 31, 1950: *Provided*, That said company executes and enters into an agreement with the Secretary of Agriculture to comply with such additional requirements upon the above-described lands and any other lands for which timber rights are claimed by said company within the Coconino and Tusayan National Forests, as may be mutually agreed upon to promote forest-fire protection, reforestation, and forestry administration: *Provided further*, That all its present rights to cut and remove timber from any lands within said national forests are to terminate on the date fixed by the Secretary of Agriculture and agreed to by the company, but this Act shall not be construed to confer upon said company any rights in

addition to those held by the company at the time of said reconveyance, and in the absence of the execution of such an agreement this act shall neither extend nor restrict the present rights of said company.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

FORREST R. BLACK.

Mr. WILLIS. Mr. President, I submit a request for the present consideration of the bill (H. R. 314) for the relief of Forrest R. Black, a sailor who lost his valuables at the time of his enlistment. If I may have permission to have it considered, I shall ask permission also to print in the RECORD a letter from former Secretary Daniels and one from present Secretary Denby, both of whom favor the passage of the bill. A similar bill has passed the House twice, but failed here because it was not reached on the calendar.

There being no objection, the bill was considered in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Forrest R. Black, out of any money in the Treasury not otherwise appropriated, the sum of $142, in reimbursement for money and valuables lost while they were properly in the custody of the United States Government.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

Mr. WILLIS. I ask permission to have printed in the RECORD the report of the Committee on Claims and the letter to which I referred from former Secretary Daniels.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

[Senate Report No. 677, Sixty-seventh Congress, second session.]

MR. CAPPER, from the Committee on Claims, submitted the following report, to accompany H. R. 314:

The Committee on Claims, to whom was referred the bill (H. R. 314) for the relief of Forrest R. Black, having considered the same, report favorably thereon with the recommendation that the bill do pass without amendment.

The facts in the case are fully set forth in House Report No. 476, Sixty-seventh Congress, first session, which is appended hereto and made a part of this report.

[House Report No. 476, Sixty-seventh Congress, first session.]

The Committee on Claims, to whom was referred the bill (H. R. 314) for the relief of Forrest R. Black, having considered the same, report thereon with a recommendation that it do pass.

Facts in the case are contained in the following letter from the Secretary of the Navy, which is made a part of this report:

DEPARTMENT OF THE NAVY,
Washington, May 23, 1921.

The CHAIRMAN COMMITTEE ON CLAIMS,
House of Representatives.

MY DEAR MR. CHAIRMAN: Replying further to the committee's letter of May 6, 1921, inclosing a bill (H. R. 314) for the relief of Forrest R. Black, and requesting the views and recommendations of the department thereon, I have the honor to inform you as follows:

The proposed bill seeks to reimburse Mr. Black for valuables deposited at the Navy recruiting office, New York City, on June 1, 1918, while taking a physical examination for enrollment in the Naval Reserve Force, which valuables became lost and have not been recovered. The language of the proposed bill is identical with that contained in a proposed draft transmitted by this department to the Speaker of the House of Representatives by letter of September 11, 1918, to cover the item in question, and which was also introduced in the Sixty-sixth Congress as H. R. 9904. This department's report, dated October 25, 1919, on the bill H. R. 9904, contained a complete statement of the facts and information bearing upon the case. This report was printed as House of Representatives Report No. 552, Sixty-sixth Congress, second session, to which reference is hereby made for more detailed information.

In view of the facts contained in said report the department is still of the opinion that relief should be granted Mr. Black for the loss sustained by him, and therefore earnestly recommends that the bill H. R. 314 be enacted into law.

Sincerely yours,

EDWIN DENBY,
Secretary of the Navy.

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DEPARTMENT OF THE NAVY,
Washington, October 25, 1919.

The CHAIRMAN COMMITTEE ON CLAIMS,
House of Representatives,

MY DEAR MR. CHAIRMAN: Replying to the committee's letter inclosing a bill (H. R. 9904) for the relief of Forrest R. Black, and requesting the views and recommendations of the department thereon, I have the honor to inform you that the department submitted a proposed draft of a bill for the relief of this man September 11, 1918, setting forth the facts bearing upon the case, as follows:

"On June 1, 1918, Forrest R. Black made application for enrollment in the Naval Reserve Force at the United States Navy recruiting station, 52 West Twenty-third Street, New York City. Before taking his physical examination he requested permission to deposit his valuables, consisting of $42 in cash and a solid-gold watch and fob, with a hospital apprentice who had charge of the desk in the recruiting office, and who had been directed by proper authority to take charge of valuables belonging to applicants. The money and watch and fob were placed in an envelope, the envelope was sealed, the name of the owner was written on the envelope, and the envelope was placed with other valuables that had been deposited for safe-keeping.

"On the date in question the recruiting office handled 474 applicants, of whom 130 were enlisted or enrolled. This large number of applicants greatly taxed the facilities and capacity of the office. During lunch time, through an excess of zeal and in an endeavor to expedite the work of examining applicants the man at the desk voluntarily performed in addition to his own the duties of a man near the desk, taking the height and weight of applicants.

"As soon as the physical examination of Black had been completed he made application for the envelope of valuables, and it could not be found. Immediately upon making discovery of the loss the doors of the recruiting office were closed, the police were called in, and every person in the rooms was searched. The valuables could not be found, the thief evidently having already escaped.

"After a thorough investigation no evidence could be found as to how the valuables had disappeared, the thought being that at some time when the attention of the deskman was diverted some unauthorized person took advantage of the situation and stole the envelope containing the valuables.

"The hospital apprentice was a duly authorized agent of the Government in accepting the valuables. He acted within the scope of his authority, and, apparently, through his efforts to expedite the work of the office rather than through any neglect of duty the valuables were lost. While the Government is not legally bound to reimburse this man for the amount of his loss, yet in the opinion of this department it is morally so bound. So far as known there is no existing appropriation from which payment can be made, and the attached proposed draft of a bill is therefore submitted, with the recommendation that it be enacted into law at as early a date as practicable, either as a separate bill or as a part of some appropriate measure."

The department again recommends the relief of Forrest R. Black, as set forth in bill H. R. 9904.

Sincerely yours,

JOSEPHUS DANIELS,
Secretary of the Navy.

Attached herewith is also an affidavit from the claimant:

STATE OF OHIO,
County of Franklin, ss:

Forrest R. Black, being first duly sworn, deposes and says that he is 24 years of age and resides at 119 West Market Street, Tiffin, Ohio; that on June 1, 1918, he enlisted in the United States Naval Reserve Force at the Navy recruiting station, 52 West Twenty-third Street, New York City. Before taking his physical examination he requested permission to deposit his valuables at a "checking desk" established for that purpose by the recruiting office; that said valuables were placed in an envelope furnished for that purpose, and the same was sealed, and the deponent wrote his signature thereon; that as soon as the physical examination had been completed deponent made an application for the envelope of valuables, and it could not be found; that said valuables consisted of $42 in cash, a solid-gold watch valued at $100, and a gold fob containing two collegiate medals valued at $50.

FORREST R. BLACK.

Subscribed and sworn to before me this 17th day of October, 1919.

[SEAL.] HENRY F. VANDERLIP,
Notary Public.

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DEPARTMENT OF THE NAVY,
Washington, October 25, 1919.

The CHAIRMAN COMMITTEE ON CLAIMS,
House of Representatives.

MY DEAR MR. CHAIRMAN: Replying to the committee's letter inclosing a bill (H. R. 9904) for the relief of Forrest R. Black, and requesting the views and recommendations of the department thereon, I have the honor to inform you that the department submitted a proposed draft of a bill for the relief of this man September 11, 1918, setting forth the facts bearing upon the case, as follows:

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"On the date in question the recruiting office handled 474 applicants, of whom 130 were enlisted or enrolled. This large number of applicants greatly taxed the facilities and capacity of the office. During lunch time, through an excess of zeal and in an endeavor to expedite the work of examining applicants, the man at the desk voluntarily performed, in addition to his own, the duties of a man near the desk, taking the height and weight of applicants.

"As soon as the physical examination of Black had been completed he made application for the envelope of valuables and it could not be found. Immediately upon making discovery of the loss, the doors of the recruiting office were closed, the police were called in, and every person in the rooms was searched. The valuables could not be found, the thief evidently having already escaped.

"After a thorough investigation, no evidence could be found as to how the valuables had disappeared, the thought being that at some time when the attention of the deskman was diverted some unauthorized person took advantage of the situation and stole the envelope containing the valuables.

"The hospital apprentice was a duly authorized agent of the Government in accepting the valuables. He acted within the scope of his authority and apparently through his efforts to expedite the work of the office, rather than through any neglect of duty, the valuables were lost. While the Government is not legally bound to reimburse this man for the amount of his loss, yet, in the opinion of this department, it is morally so bound. So far as known there is no existing appropriation from which payment can be made, and the attached proposed draft of a bill is therefore submitted, with the recommendation that it be enacted into law at as early a date as practicable either as a separate bill or as a part of some appropriate measure."

The department again recommends the relief of Forrest R. Black as set forth in bill H. R. 9904.

Sincerely yours,

JOSEPHUS DANIELS,
Secretary of the Navy.

RECESS.

Mr. SMOOT. I move that the Senate take a recess, the recess being under the unanimous-consent agreement, until Monday at 11 o'clock.

The motion was agreed to; and (at 5 o'clock and 15 minutes p. m.) the Senate, under the order previously entered, took a recess until Monday, July 10, 1922, at 11 o'clock a. m.

SENATE.

MONDAY, *July 10, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

REINTERMENT OF SOLDIER DEAD.

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Quartermaster General of the Army, inclosing a list of American soldier dead returned from overseas to be reinterred in the Arlington National Cemetery Thursday, July 13, 1922, which will lie on the desk of the Secretary for the information of Senators.

DISTRIBUTION OF SPEECHES BY FEDERAL RESERVE BANKS.

The VICE PRESIDENT. The Chair lays before the Senate a communication from the governor of the Federal Reserve Board, transmitting, pursuant to Senate Resolution 308, letters from the Federal reserve banks of Cleveland, Chicago, and Kansas City, which will be printed and lie on the table.

Mr. McLEAN. Mr. President, on Saturday last other replies to the so-called Heflin resolution were received, and on request of the junior Senator from Alabama [Mr. HEFLIN] the order for printing those replies was rescinded in order to await the receipt of replies from other banks, that all the replies might be printed together. I inquire how many replies have been received from the banks, numbering 11 in all?

The VICE PRESIDENT. Only six replies have been received. Those replies will, therefore, be held in anticipation of the receipt of the rest.

CALL OF THE ROLL.

Mr. HARRISON. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll and the following Senators answered to their names:

Ashurst	Gooding	McLean	Sheppard
Borah	Harris	McNary	Simmons
Brandegee	Harrison	Moses	Smith
Bursum	Heflin	Nelson	Smoot
Calder	Johnson	New	Spencer
Cameron	Jones, N. Mex.	Newberry	Sterling
Capper	Jones, Wash.	Nicholson	Underwood
Caraway	Kellogg	Norbeck	Wadsworth
Colt	Kendrick	Oddie	Walsh, Mass.
Culberson	Keyes	Overman	Walsh, Mont.
Curtis	Ladd	Pepper	Warren
du Pont	La Follette	Phipps	Watson, Ind.
Ernst	Lodge	Poindexter	Willis
Fernald	McCumber	Ransdell	
France	McKinley	Robinson	

The VICE PRESIDENT. Fifty-eight Senators have answered to their names. A quorum is present.

APPOINTMENTS BY EXECUTIVE ORDER.

Mr. HARRISON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state the inquiry.

Mr. HARRISON. On the calendar day of April 24 the Senate passed a resolution (S. Res. 258) requesting the President of the United States to furnish to the Senate the names of persons appointed by Executive order since the 4th day of March, 1921, and the reasons therefor. Has there been any response to that request, may I inquire?

The VICE PRESIDENT. There has been no response, as the Chair is advised.

Mr. HARRISON. Mr. President, nearly three months have elasped since the Senate of the United States passed the resolution. It was a reasonable request. The request merely stated that the Senate desired the names of persons who had been appointed by the President of the United States since the 4th of March of last year through Executive order where exceptions had been made to the civil-service rules, and the reasons therefor. When the Senate passed the resolution, and it was passed unanimously, of course many of us thought there were a good many of such appointees who had been excepted from the civil-service rules. We did not think, however, it would take more than three or four days to get the information to the Senate. We knew there was Marion, Ohio, and some other places, but I had no idea and I am sure no other Senator had any idea that the list was so long that it would take three months to prepare the list.

It may be that it requires a good deal of time to get some reasons for the appointments which were made under exceptions to the civil-service rules, but the Senate is entitled to be respected by the President of the United States, the same as he would have the Senate respect him. I submit that a resolution passed three months ago by the Senate of the United States unanimously making such a simple request should be heeded.

I submit that unless some report is made to the Senate within a reasonable time other action upon the part of the Senate, if it can be taken—anything from mandamus to quo warranto proceedings—should be instituted to extract from the President, if possible, this large list of names of those who have been appointed through Executive order in violation of the civil-service rules, and the reasons therefor. If there were no reasons for the appointments, then the Senate is entitled to know that. If there were reasons, whether good or bad, then certainly the President has had sufficient time to give them.

PETITIONS AND MEMORIALS.

Mr. ROBINSON presented a resolution adopted by the General Federation of Women's Clubs at Chautauqua, N. Y., protesting against the passage of House bill 8086, to prohibit the shipment of filled milk in interstate or foreign commerce in its present form, and suggesting amendments thereto, which was referred to the Committee on Agriculture and Forestry.

He also presented memorials of the American Bank of Commerce & Trust Co., of Little Rock, Ark., and the O. K. Houck Piano Co., of Memphis, Tenn., remonstrating against a reduction of zone rates on second-class mail matter, which were referred to the Committee on Post Offices and Post Roads.

Mr. TOWNSEND presented petitions of sundry citizens in the State of Michigan praying that only a moderate rate of duty on kid gloves be imposed in the pending tariff bill, which were referred to the Committee on Finance.

Mr. POINDEXTER presented numerous petitions of various lumber and shingle companies and sundry citizens in the State of Washington, praying for inclusion in the pending tariff bill of a duty of 50 cents per thousand on imported shingles, which were referred to the Committee on Finance.

BILLS AND JOINT RESOLUTIONS INTRODUCED.

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WALSH of Massachusetts:

A bill (S. 3803) amending section 2 of the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1921, and for other purposes," approved June 4, 1920; to the Committee on Naval Affairs.

By Mr. BORAH:

A bill (S. 3804) granting an extension of time for the repayment of construction charges on reclamation projects; to the Committee on Irrigation and Reclamation.

By Mr. SHORTRIDGE:

A bill (S. 3805) to confer jurisdiction upon the Court of Claims to ascertain the cost to the Southern Pacific Co., a corporation, and the amounts expended by it from December 1, 1906, to November 30, 1907, in closing and controlling the break in the Colorado River; to the Committee on Claims.

By Mr. POINDEXTER:

A bill (S. 3806) fixing the salary of the United States district attorney for the western district of Washington; to the Committee on the Judiciary.

A bill (S. 3807) directing the resurvey of certain lands; to the Committee on Public Lands and Surveys.

A bill (S. 3808) authorizing the Secretary of the Interior to investigate and report to Congress upon the Columbia Basin irrigation project; to the Committee on Irrigation and Reclamation.

By Mr. WATSON of Indiana:

A joint resolution (S. J. Res. 220) authorizing the Secretary of War to loan certain cots, blankets, tents, chairs, etc., to the executive committee of the American Legion for the Department of Indiana for use at the State convention of the American Legion to be held at Terre Haute, Ind., September 25, 26, and 27, 1922; to the Committee on Military Affairs.

By Mr. SPENCER:

A joint resolution (S. J. Res. 221) providing payment of judgment in favor of Robert L. Owen and associates in the case known as the Mississippi Choctaws Case No. 29821, Court of Claims (with an accompanying paper); to the Committee on Indian Affairs.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The VICE PRESIDENT. The Secretary will state the pending amendment.

Mr. McCUMBER. I ask that the Senate now consider paragraph 713, page 102, eggs of poultry.

The VICE PRESIDENT. The amendments to paragraph 713 will be stated.

The first amendment of the Committee on Finance in paragraph 713 was, on page 102, line 6, before the word "cents," to strike out the numeral "6" and to insert the numeral "8," so as to read:

PAR. 713. Eggs of poultry, in the shell, 8 cents per dozen——

Mr. WALSH of Massachusetts. Mr. President, there are three amendments proposed by the Senate Committee on Finance to paragraph 713. I shall discuss all of those amendments together and not take the time of the Senate to discuss each amendment separately, so that when the discussion is over we may vote immediately upon all three amendments.

The Senate committee amendment proposes to increase the duty on eggs in the shell from 6 cents, as provided in the House bill, to 8 cents per dozen; on whole eggs, egg yolk, and egg albumen, frozen or otherwise preserved, from 4 cents to 6 cents per pound; and on dried whole eggs, dried egg yolk, and dried egg albumen, from 15 cents to 18 cents per pound. Under the Underwood law eggs in the shell were on the free list; on eggs frozen or otherwise prepared a duty of 2 cents per pound was imposed; on frozen or liquid egg albumen there was a duty of 1 cent per pound; on dried whole eggs a duty of 10 cents per pound; on dried egg yolk a duty of 10 per cent ad valorem; and on dried egg albumen a duty of 3 cents per pound. So that it is to be observed that paragraph 713 represents a proposed increase of 200 per cent over the Underwood rates on frozen or otherwise prepared eggs and a jump from the free list to 8 cents per dozen on eggs in the shell.

Under the Payne-Aldrich law all eggs, with the exception of dried eggs, were dutiable at 5 cents per dozen; dried eggs were dutiable at 15 cents per pound, egg yolk at 25 per cent ad valorem, and egg albumen at 3 cents per pound. It is to be observed, therefore, that the proposed increase in the duty on eggs in the shell in paragraph 713 over the Payne-Aldrich rate represents an increase of 60 per cent, and the proposed increase of the duty on dried eggs over the Payne-Aldrich rates represents an increase of 20 per cent.

The egg problem is largely confined to frozen eggs. There are practically no imports of consequence into this country of eggs in the shell. There has been a growing increase of importations of frozen eggs from China. So that the duty which is likely to most affect prices is the duty upon preserved or frozen eggs.

It will not be amiss to consider briefly the imports and exports of eggs. The domestic production of eggs in 1919 was 1,577,000,000 dozen, valued at $641,000,000. Our average imports are about 2,000,000 dozen and our average exports are about 30,000,000 dozen. Imports come mainly from China, but it is to be noted that even during the years of the operation of the Underwood tariff the imports in comparison to production were more than offset by our exports. Our imports do not average one-seventh of 1 per cent of our production. Our main imports are in frozen, dried, or otherwise preserved eggs, of which we export practically none. Imports of frozen and dried eggs come from China and are used by wholesale bakers and confectioners. In 1920 we imported 9,000,000 pounds of frozen whole eggs, 9,000,000 pounds of frozen or dried egg yolk, and 3,000,000 pounds of frozen or liquid egg albumen.

The reason advanced for the proposed increased rates, increases over the Payne-Aldrich law and over the House rates, is the removal from the domestic market of the competition of frozen eggs which come from China. It is to be noted that we import comparatively few eggs in the shell, and that our imports consist mostly of egg products. The producers of eggs urge a high duty on egg products in order to force the consumers to use domestic eggs in the shell. They think this is one step toward getting a monopoly of the domestic market on eggs and egg products; that shutting out importations of frozen eggs and egg products will stimulate the domestic industry and lead to a greater demand for eggs in the shell and consequently higher prices.

The domestic production of frozen eggs and egg products has not up to the present time taken care of the demand, and production could be increased, it is urged, if imports were shut out. We have had to import frozen eggs in order to take care of the demand, chiefly on the part of the bakers and confectioners of the country. It is claimed, however, if frozen eggs and egg products were eliminated from competition in the domestic market that the industry would be developed here, that there would be a greater demand for eggs in the shell, and that in time the domestic market could take care of the demand for necessary egg products.

The industries engaged in the production of frozen eggs and egg products are located in the Middle West. Those industries are separate and distinct from the agricultural industries, and in my opinion the farmer can derive no benefit from the high rates upon eggs and egg products proposed by the committee. The middlemen, who buy the eggs from the farmer and who have established manufacturing plants so as to freeze eggs and to extract and put upon the market egg products, may be beneficiaries of this protective tariff, because the rate is so high that the importation of these products will be almost prohibited and the confectioners and bakers of the country will be dependent upon these middlemen for their supply of egg products.

The drying of eggs is a factory process involving very heavy overhead expense. The imposition of a high duty will be a serious burden to the users of dried eggs and will be reflected in increased prices for pie, pastry, cakes, and confectionery.

It is claimed that with a duty which will practically shut out imports of egg products the demand for shell eggs will be increased and that there will be reflected a corresponding benefit to the farmer by an increased price; yet our annual production has always been more than our consumption, and we have exported considerable quantities of eggs, while the importations of eggs in the shell have been negligible and have largely been eggs sold along the Canadian border.

There is very little difference between the price paid for the Chinese frozen eggs delivered in New York and the frozen eggs produced in this country delivered in New York. The bakers claim that they will be unable to get sufficient egg products to take care of the demands of their business, and they are therefore very insistent in their opposition to the high rates provided in paragraph 713 of this bill.

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER (Mr. ODDIE in the chair). Does the Senator from Massachusetts yield to the Senator from Montana?

Mr. WALSH of Massachusetts. I yield.

Mr. WALSH of Montana. I should like to inquire of the Senator from Massachusetts how far the principle of the difference in the cost of production here and abroad enters into these rates? Take the eggs in the shell, on which a duty of 8 cents a dozen is imposed. From where do the eggs in the shell come which are imported into this country?

Mr. WALSH of Massachusetts. From Canada.

Mr. WALSH of Montana. And does it cost 8 cents a dozen more to produce eggs in this country than it does to produce them in Canada?

Mr. WALSH of Massachusetts. I think not. There are also some eggs imported from China in the shell, but the quantity is negligible.

Mr. WALSH of Montana. How do they come in the shell?

Mr. WALSH of Massachusetts. They are imported as case eggs.

Mr. WALSH of Montana. As case eggs from China?

Mr. WALSH of Massachusetts. Yes; they are transported in refrigerators.

Mr. WALSH of Montana. What evidence is there showing the difference in cost of production of eggs in this country and in China?

Mr. WALSH of Massachusetts. There is no evidence at all. There is some evidence that the Chinese eggs sell at a cheaper price.

Mr. WALSH of Montana. So that really the rate proposed represents an arbitrary figure merely imposed for the purpose of prohibiting imports, does it not?

Mr. WALSH of Massachusetts. There is no doubt about that, and that is true of nearly all of the commodities in the agricultural schedule.

Mr. JOHNSON. Mr. President, may I ask the Senator from Montana what was the question he addressed to the Senator from Massachusetts? It was impossible to hear him over here.

Mr. WALSH of Montana. I was very desirous of ascertaining how far the principle of the difference in the cost of production here and abroad has entered into the items of this particular paragraph, and I inquired of the Senator from Massachusetts from what country we import eggs in the shell? He tells me from Canada.

Mr. JOHNSON. And also from China.

Mr. WALSH of Montana. Exactly. I inquired if it cost 8 cents a dozen more to produce eggs in this country than in Canada. The Senator from Massachusetts then informed me that we also import eggs in the shell from China, and I inquired of the Senator what evidence there is to show that 8 cents is the difference in the cost of production of eggs in this country and in China.

Mr. JOHNSON. The difference is even greater than that; and if the Senator will glance at the testimony taken before the Senate Finance Committee——

Mr. WALSH of Montana. The testimony of cost of production?

Mr. JOHNSON. Yes.

Mr. WALSH of Montana. Where can I find the testimony concerning the cost of production?

Mr. JOHNSON. I have before me the tariff hearings before the Committee on Finance of the Senate, page 2862.

Mr. WALSH of Montana. Just what does that testimony show as to what the cost of producing a dozen eggs in China is?

Mr. JOHNSON. In a word, the difference between 6 cents and 25 cents.

Mr. WALSH of Montana. What is the testimony concerning the cost of production of eggs in China?

Mr. JOHNSON. I think substantially 6 and 8 cents in China, as against 25 cents in this country.

Mr. McCUMBER. Mr. President——

Mr. WALSH of Massachusetts. Mr. President, I should like to call the attention of the Senator from Montana to some statements made with regard to eggs and egg products in the Tariff Information Survey on the articles in paragraphs 203 and 204 of the tariff act of 1913. That survey comments upon the difference in the price of eggs from China and eggs sold in the American market that are produced here in America. The paragraph to which I refer reads as follows:

During that season—

Referring to the season of 1921—

frozen-egg products prepared in one of the largest factories in China and landed in New York, all charges paid (customs included) were slightly over 2 cents per pound cheaper than similar products prepared in a large breaking plant in the Central West and delivered at New York.

This report says that there was a difference of 2 cents per pound in frozen eggs. The House provisions of this bill fix a tariff duty of 4 cents per pound on frozen eggs. The Senate Finance Committee has increased that to 6 cents per pound. How can this be defended in view of the information as to the difference in cost at New York?

Mr. JOHNSON. Mr. President, will the Senator from Massachusetts yield?

Mr. WALSH of Massachusetts. I desire to finish my statement about this matter. In the face of the information that there is a difference of 2 cents, the Senate Finance Committee proposes to fix the rate here at 6 cents per pound.

Mr. JOHNSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from California?

Mr. WALSH of Massachusetts. I yield to the Senator.

Mr. JOHNSON. I wanted, with the Senator's permission, to furnish to the Senator from Montana the information that he desired: First, in the testimony of Knox Boude that is found at the page that I suggested; secondly, the detailed information that was given by Prof. James E. Rice, representing the American Poultry Association, Ithaca, N. Y., found at page 2877. Therein will be found the details that the Senator from Montana doubtless desires, and the answer to any question he may wish to put respecting the difference in cost.

In addition to that, let me correct—unless I misunderstood the Senator from Massachusetts—a statement of his respecting the place or the country from which eggs now come in competition to us. The principal place with which we come in competition now is China.

Mr. WALSH of Massachusetts. I stated that particularly about dried eggs.

Mr. JOHNSON. Then I did not hear the Senator. I misunderstood the answer.

Mr. WALSH of Massachusetts. There is no doubt at all about the fact that egg products are imported from China.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from North Dakota?

Mr. WALSH of Massachusetts. I yield to the Senator from North Dakota.

Mr. McCUMBER. Will the Senator allow me to put in a single paragraph of the statement of the Tariff Commission?

Mr. WALSH of Massachusetts. Will the Senator wait until I get through? I desire to finish my remarks on this subject.

Mr. McCUMBER. This is simply on the question of the difference in cost, which the Senator was discussing.

Mr. WALSH of Massachusetts. That will, no doubt, be in order after I have completed my statements. I am practically through now.

Mr. McCUMBER. Certainly; I will wait.

Mr. WALSH of Massachusetts. Mr. President, from the information at hand these high rates are not justified. If any benefit accrues to anybody, it is going to accrue to the so-called middleman; and the information which the Tariff Commission furnishes to the Finance Committee is to the effect that there is not such a difference in the price of Chinese eggs as compared with the domestic eggs as to warrant this very great increase in the price of eggs and egg products—an increase of 200 per cent over present law.

I ask that two letters with reference to the proposed rates on eggs and egg products be inserted in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letters are as follows:

FROZEN EGGS, EVAPORATED EGGS.

WASHINGTON, D. C., *June 15, 1922.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SENATOR: Permit me to offer a suggestion relative to the tariff on the above-mentioned items, in which I believe the Senate committee has been persuaded to make a mistake that might prove very costly. It has increased the rates 140 to 700 per cent, and I doubt whether you can afford to do it.

My clients tell me that the proposed rates would be absolutely prohibitive, and that if they are insisted upon it will totally obliterate our commerce in these products. But leaving them out entirely, an embargo of these commodities would seriously affect certain lines of food production and some very considerable American industries depending thereon. It should not be done.

It should be noted that frozen and evaporated eggs are simply raw materials used in manufacturing, and only by bakers of commercial importance in a few of the big industrial centers. They never come in competition with the domestic egg in the home. To this extent they are noncompetitive. The bakers say they have no facilities for breaking and testing eggs, and that they would simply have to curtail their production if deprived of these prepared eggs.

A rate of 2 cents per pound on frozen and of 7 cents per pound on evaporated eggs would be fair and reasonable. It would yield a good revenue and help American industry, besides aiding the physical well-being of millions.

Any considerable increase over these rates will (1) put the importers entirely out of business, (2) curtail the productiveness of many big manufacturing establishments, (3) react detrimentally upon about 50 per cent of American families, and (4) result in cakeless dinner pails everywhere, besides (5) decreasing the revenue of the country, and all without the slightest compensating advantage to any of the people. I don't believe you want to do it.

Very sincerely yours,

C. E. RICHARDSON.

NEW BEDFORD, MASS., *May 16, 1922.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: We understand that a tariff bill (H. R. 7456) is now being debated in the Senate, and I desire to call to your attention certain matter in it which, if passed, would be a decided hardship on ourselves and all others in our industry. If we are correctly informed, increases in the tariff as follows are outlined in this bill:

	Per cent.
Dried whole egg	100
Sugar	100
Gelatine	300
Lemon and orange oil	200
Shelled peanuts	400
Shelled almonds	275
Shelled walnuts	200

Cocoa butter, a very large increase, figures of which we have not at hand.

All of these materials are used largely in our business, and the increases outlined would materially affect an industry which has been struggling for a year and a half past to keep its head above water.

I doubt if any of the four so-called independent cracker baking companies in the State of Massachusetts have shown any profits at all in that period, and while not having any desire to shirk any responsibilities, it does seem as though an increase in tariff of the size apparently contemplated would be a burden almost too heavy to bear.

We earnestly request you to use your great influence to the end that we may be relieved from this proposed burden.

Yours very truly,

SNELL & SIMPSON BISCUIT CO.,
EDWARD H. WHITMAN, *General Manager.*

Mr. McCUMBER. Mr. President, the Senator from Massachusetts says that these high rates are not justified. Undoubtedly, from the standpoint of those who want to get their eggs cheaper, they may not be justified, but from the standpoint of those who produce eggs and sell them in the United States I think they are amply justified. I do not know anyone in the farming business or in the poultry business who is making an unreasonable return upon his investment in poultry. I do not think they are making as much in percentage upon their capital invested as are the bakers and those who consume the product of the American poultry farms.

The Tariff Commission report says, on page 661:

In China 2 to 3 dozen can be bought at seaports for the price of 1 dozen here.

From 2 to 3 dozen can be purchased at Chinese seaports for the price of 1 dozen in the United States.

Mr. WALSH of Montana. Mr. President——

Mr. McCUMBER. Now, Mr. President, if that be true, in view of the fact that China is a good-sized country, there is ample opportunity for an enormous development of the Chinese trade and the destruction of the industry in the United States, where it costs from two to three times as much as in China.

I yield to the Senator from Montana.

Mr. WALSH of Montana. Mr. President, I notice that the following sentence appears in connection with the statement just read by the Senator:

When carefully selected and handled, these eggs can be placed on the American market and sold to bakers, who use principally cheaper grades known as "seconds."

That is to say, that out of these eggs that you encounter in the Chinese seaports, when you select them—of course, that means, when you throw out the ones that are more or less tainted——

Mr. McCUMBER. Oh, no, Mr. President; I want to correct the Senator there. It does not mean when you throw out any of them.

Mr. WALSH of Montana. And then when you bring them across the ocean to San Francisco—and I observe that New York is the principal market for them—they are there sold as seconds to bakers who make use of them. The context leads one to the conclusion that the eggs are not of very high character; and, as some one has said, if an egg is bad at all, it is useless.

Mr. McCUMBER. Mr. President, the Senator made a statement there that the record will not bear out at all, namely, that those which are not carefully selected are thrown away. That is not the case at all. They are carefully selected. Those of the better quality are used directly and sold as eggs in the shell. The others are not thrown away at all. They are dried or preserved in other manners, and are used also by the bakers. There is no evidence anywhere that there is any waste whatever in the eggs that are brought over. Of course, if an egg came over rotten, I presume it would be thrown away; but there is no evidence of anything of that character. So we get right down to this proposition: The cost of production in China is about one-third the cost of production in the United States. Of that we have direct evidence. The selling price at the ports in China is about one-third of the selling price of the American egg, as shown by the tariff reports.

Mr. WALSH of Montana. However that may be, it appears that the foreign competition is not substantial, as represented by the following figures: During 1920 there were 1,708,701 dozen eggs introduced into this country, of a value of $617,909, and there were 38,000,000 dozen exported from this country. The total production ran to something like 1,575,000,000 dozens, and the imports amounted to 1,708,000 dozens, or less than one-half of 1 per cent.

Mr. McCUMBER. Yes, Mr. President. Cuba gives us a differential, I believe, of 20 per cent, and that enables us to export heavily to Cuba; and we export to Canada a certain class of very high-grade eggs, which are reexported to England.

Now, let us get the proportionate figures.

In 1913 Canada imported 16,894 dozen eggs into this country. That was under the Payne-Aldrich bill. China imported 95,639 dozen. In 1921 Canada had increased her 17,000 to 763,000 in round numbers, and China had increased her 95,000 to 1,348,000 dozen in round numbers. That shows a pretty rapid progress in the introduction of the Chinese egg, and to some extent also of the Canadian egg, and it certainly justifies the duty we have placed upon eggs in the shell of 8 cents per dozen. Of course, we can buy eggs cheaper for the benefit of these bakers if we will allow the American producer to go out of business and the Chinese producer to supply the American market; but with this protection we do not expect that we will increase the Chinese importation at the expense of the American producer.

Now, Mr. President, I simply want to place in the RECORD the equivalent ad valorem duty.

In 1921 the imports amounted to 3,062,518 dozen eggs, valued at $922,839, or 30 cents per dozen. On the basis of 30 cents per dozen the 8 cents per dozen rate is equal to 27 per cent ad valorem. Compared with the ad valorem given in every other line of industry it will be found that this is much below the average.

Mr. WALSH of Massachusetts. Mr. President, for the further information of the Senator from Montana I want to call his attention to Table 1, summary of trade in eggs and egg products, on page 14 of the Tariff Information Survey on eggs and egg products. The Senator will learn from that table that the proposition briefly is this, to eliminate the importation of eggs and to continue the exportation of eggs, to keep from buying anything abroad, but to let out of America everything that we possibly can sell to the world. This table shows that the value of the imports of eggs and egg products has never exceeded the value of the exportations of eggs and egg products. The figures for the year 1919 show that the imports of eggs and egg products were valued at $3,885,387, while our exports were valued at $12,785,000. In the year 1920 the imports of eggs and egg products were valued at $12,991,000. The value of the domestic eggs and egg products exported was $19,431,000. The following year, 1921, the imports were valued at $10,000,000 and the exports at $11,452,000.

This table shows that there is no serious competition, that our export business has always been worth more than the small amount of imports which are shipped into the country. The committee amendments are based upon the theory that by increasing these high duties we will entirely shut out the imports, we will stop everybody from selling to us, but we will retain the business we are doing with the outside world, and perhaps increase it.

Mr. WALSH of Montana. This matter of a duty on eggs is a question in which I have no interest at all. I do not imagine it amounts to anything. I can not conceive that the importation of the inconsequential amount of eggs or egg products into this country, which the information before us shows comes in, can really be an element in the fixing of the price of eggs throughout the country. That it may affect some one producing eggs in California, where they come in immediate competition with the eggs from China, may possibly be true, but so far as the country at large is concerned, it is an inconsequential matter. I simply spoke of it to show that the claim that these rates represent the difference in the cost of production here and abroad is just a pretense, without any foundation whatever.

I have before me the testimony referred to by the Senator from California, and if I interpret it correctly, it does not at all sustain the contention he makes that the evidence shows a difference in the cost of production between this country and China of 8 cents, or any other amount. I have before me the testimony to which he referred, and I do not find anything in it to show the cost of producing eggs either in this country or abroad. The gentleman to whom he referred said:

We always figure the cost of producing eggs at 25 cents a dozen.

That is all there is on that subject, so far as the United States is concerned, so far as I can discover.

Mr. JOHNSON. Mr. President——

Mr. WALSH of Montana. If the Senator will pardon me, Mr. Boude said:

I am going to put in evidence in a few moments the pre-war prices of sending Chinese eggs as reported by our consuls. Here is a report of an investigation made by the University of Oregon. It shows that the costs before the war were from 2 to 6 cents per dozen as paid by exporters over there, or importers here, whichever way you wish to put it.

Mr. JOHNSON. Mr. President——

The PRESIDING OFFICER. Does the Senator yield to the Senator from California?

Mr. WALSH of Montana. I yield?

Mr. JOHNSON. I was endeavoring to furnish the testimony to the Senator, who thought there was no testimony upon the subject. He now has had an opportunity, during the debate, to look at the testimony of one witness. If he will take the trouble to look at the testimony of the other witness, Professor Rice, he will see the costs mapped out in the various charts.

It is unfortunate in debating a proposition of this sort that, first, there shall be a statement that there is no testimony of any sort; then, when the Senator has had three or four minutes in which to investigate some of the testimony, he shall reach a conclusion upon that without looking at the rest of the testimony.

I commend to him, not at this time, because it is no time for us to be reading for the first time testimony with which we ought to be familiar, the tariff hearings, the testimony taken before the Finance Committee, where he will find answered in detail and definitely every single query he can put. But I beg him not to take the time to ascertain it now, upon the floor, in a matter in which he says he is not interested at all; but subsequently, during his leisure hours, if he will peruse what has been said by Professor Rice about the egg, doubtless there will be an illumination upon the subject that will be charming to him, and that will make it unnecessary, without adequate information, for him to indulge in his animadversions.

Mr. WALSH of Montana. I looked at the source indicated by the Senator, and I was not able to find the information which he said I would find. Of course, it may be somewhere else.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the committee was, in paragraph 713, page 102, line 9, to strike out "4" and insert "6"; and on line 10, to strike out "15" and insert "18", so as to read:

Whole eggs, egg yolk, and egg albumen, frozen or otherwise prepared or preserved, and not specially provided for, 6 cents per pound; dried whole eggs, dried egg yolk, and dried egg albumen, 18 cents per pound.

The amendment was agreed to.

Mr. McCUMBER. I ask that we now go to page 110, paragraph 757—peanuts.

The first amendment of the committee, in paragraph 757, was, page 110, line 23, to strike out "3 cents" and to insert in lieu thereof "three-fourths of 1 cent," so as to read:

Peanuts, not shelled, three-fourths of 1 cent per pound.

Mr. WALSH of Massachusetts. Mr. President, I desire to call attention to the fact that there has been a very great reduction made in the committee amendment in the rate upon peanuts. I have been unable to find any explanation for this action, except that peanuts are raised in the Southern States that are represented here by Democratic Senators. I think it is a drive to embarrass Democratic members of this body. I know of no other explanation to be made for reducing the rates upon peanuts to the extent they have been reduced in this amendment. It is an attempt to belittle and embarrass, and provoke opposition to the Democratic Party among the constituents of certain Democratic Senators in this Chamber. It amounts to an attempt to discriminate against constituencies that differs with the majority party.

Mr. TRAMMELL. Mr. President, I do not know by what line of logic or reasoning the committee proposes this reduction. Only a few moments ago we considered, and the Senate adopted, a committee amendment raising the duty on eggs from 6 to 8 cents per dozen. There is no question but that the peanuts produced in this country have considerable competition. When this matter was considered, at the time we passed the emergency tariff bill, it was agreed by both Houses that the rate should be fixed at 3 cents per pound. To reduce that rate to three-fourths of 1 cent per pound is a reduction of practically 75 per cent on this particular farm production.

In certain sections of my State we produce large quantities of peanuts. While we do not favor the policy of a high protective tariff, the position of a great many of my people and of myself is that if everything bought by the people of my State must be purchased where a high tariff prevails, then we feel that our products coming in competition with foreign products should have the same policy of an increased tariff applied. Any other policy is unfair and would work a great injustice upon the producers of my State. I do not want the peanut producers of Florida and other States discriminated against.

I hope the committee amendment will not be adopted, and that the rate as fixed in the emergency tariff act, and as fixed in the pending bill by the House, will be allowed to stand. Under the bill we are now considering the farmers of my State are going to have to pay an increased price for most everything they have to buy on account of the high tariff rates imposed by this measure. This being true, why should they not have the benefit, if there is any, by having the tariff of 3 cents per pound on their peanuts?

I do not know why it is suggested that this rate should be reduced. We have heard a great deal of discussion on the question of the tariff duties fixed upon various products, products which, if the information furnished is correct, have but little foreign competition, products of which we export a great deal more than we import. Yet upon this one article, produced entirely in Southern States, the committee for some reason recommended a reduction in the rate of duty. I hope the reduction will not be made.

Mr. WALSH of Massachusetts. Mr. President, I want to call attention to the difference between what we have just discussed—the duty on eggs—and the duty on peanuts. The only eggs imported into this country which come into competition with domestic production are from China. The only peanuts imported into this country come from China.

Mr ASHURST. Mr. President, what is the difference between the cost of a peck or quart of peanuts in the United States and in China?

Mr. WALSH of Massachusetts. I have not that information.

Mr. ASHURST. That may be important to some of us when we come to vote on this.

Mr. WALSH of Massachusetts. I am calling attention to the fact that the Finance Committee, with a record of importations of eggs from China of an insignificant amount, increased the tariff duties very substantially; with a record before them of a much larger importation of peanuts, compared with the number of peanuts exported, they reduced the rate substantially, and the peanuts come from the same country from which the eggs come; that is, China.

Let us look at these figures to see in what a position the committee is placed when we compare these two cases.

Mr. ROBINSON. Mr. President, I think the statement the Senator is making is accurate and that the same principle applies to the duties we considered last Saturday in relation to rice. There never was an effort made by the committee, or anyone representing the committee, to justify the reductions proposed in the rates upon that commodity. From the beginning it was announced that in all probability the committee would recede from its amendment cutting the rates on rice. The only rates upon agricultural products carried in the emergency tariff law which were reduced by the committee, to my knowledge, were those on rice and peanuts, and, as I have already said, the chairman of the committee and his active supporter, the Senator from Utah [Mr. SMOOT], were good enough to admit, when the matter was discussed by the Senator from Louisiana [Mr. BROUSSARD], the Senator from Arkansas [Mr. CARAWAY], and myself some weeks ago, that the committee had made a mistake in its action in recommneding a reduction of those rates. I then said the amendment was a discrimination against rice, a southern product. As I have already said, no effort was made to justify the reductions, and I am looking for some justification of this reduction.

Mr. WALSH of Massachusetts. Let me call the Senator's attention to these figures. The production of peanuts in the year 1921 was 816,000,000 pounds. The imports were 40,000,000 pounds, the exports only 14,000,000 pounds. Three times as many peanuts were imported as were exported. Yet the rate is reduced very substantially, from 3 cents to three-fourths of 1 cent.

In the case of eggs, we exported more than we imported, and the rate was increased very substantially. How can you explain it? Here is a perfect illustration of the haphazard, bargain-counter method by which this bill has been framed. How can you explain increasing the rates upon eggs, with a record of exports greater than imports, and reducing the rate upon peanuts, imported from the same country, with a record of exports very much larger than imports?

Mr. WALSH of Montana. Mr. President, I merely wish to suggest that perhaps the chairman of the farm bloc will be able to make that explanation.

Mr. WALSH of Massachusetts. I understood the chairman of the farm bloc to have prepared an amendment which he was going to propose, so as to embarrass some Democrats by making them vote for or against it. But I fail to see any justification, in view of this information and a comparison of the tables on eggs and peanuts for this discrimination.

Mr. McCUMBER. Mr. President——

Mr. WALSH of Massachusetts. The Senator will note I am not arguing for an increase. I am simply calling attention to the difference between this rate and the rate upon eggs, and to the further fact that these two products and the rates levied disclose the want of any definite protective tariff principles in preparing this bill.

Mr. McCUMBER. And I want to call the Senator's attention to the difference between the Underwood rate and the rate in the pending bill. The Senator is complaining because we do not give a higher duty upon peanuts and has intimated that it was a discrimination against the industries of one of our Southern States. The Senator forgot to mention that the Underwood-Simmons law put eggs on the free list, while it did take care of peanuts. It gave a duty upon peanuts, but eggs were left off the dutiable list.

Mr. WALSH of Massachusetts. Eggs in the shell.

Mr. McCUMBER. Yes; eggs in the shell.

Mr. WALSH of Massachusetts. There was a duty upon egg products.

Mr. McCUMBER. The committee did not do anything of that character. It raised the Underwood-Simmons duty upon peanuts, and it did it in the face of the fact that some of the industries of the South came and demanded that we should not raise it, but should put peanuts upon the free list. The argument was made by the crushers of peanuts that the Chinese peanut does not come in competition at all with the American peanut; that it is used only for oil; and that the American peanut is used only for edible purposes. I do not think that view was entirely correct. It was surprising, however, to me—it may be through timidity of those who believe in the Democratic theory of tariff—that they did not appear before the committee and ask for a protective tariff in the face of the fact that their own law gave them no protection according to their own theory.

The committee has always been open to Senators from any section of the country who desire a higher duty or a lower duty. Both the Senators from Louisiana were not slow in presenting the case of sugar and molasses to the Senate Committee on Finance. They believed in the protection of those products and they made their views known to the committee.

The Senator from Massachusetts was mistaken when he said that we lowered the duty. We raised the duty above the pres-

ent Underwood-Simmons rate. But I agree with the Senator from Florida [Mr. TRAMMELL] in that I think the committee rates are too low, and on behalf of the committee I ask that the Senate disagree to the committee amendments reducing the rates on peanuts.

Mr. KING. Mr. President, may I inquire of the Senator having the bill in charge if it would not be wise—and I thought I had that understanding with those on the other side—to postpone action upon peanuts until we discuss the oils? I understood that we would treat them all together—peanuts, peanut oil, coconut oil, and so forth.

Mr. McCUMBER. We will go right on to the oil-bearing seeds next, but we should take peanuts first.

Mr. KING. What I had in mind was the oils themselves—soya-bean oil and cottonseed oil—because those subjects are all so interrelated that it is difficult to discuss one without touching the other.

Mr. McCUMBER. That is true, but before we discuss the oil we must dispose of the raw product from which the oil is produced. We must decide that question first. The question of the duty on peanuts themselves will be a controlling element in fixing all the other duties.

Mr. SIMMONS. Mr. President, I understood the Senator to say a little while ago that Chinese peanuts are used principally for the purpose of crushing oil therefrom.

Mr. McCUMBER. No, the Senator misunderstood me. I stated it was claimed by those who are producing the oil—and they were gentlemen from the South, though I do not remember whether they were from the Carolinas or not—that the Chinese peanuts do not come in competition because they claim that the Chinese peanuts are used for oil only. I think they do come in competition, and so stated.

Mr. SIMMONS. Very few peanuts are imported directly from China, though most of them originate in China and are imported through Japan, but practically all which are imported come from the Orient. I think the bulk, though I would not say all, of the peanuts imported into this country are not used as the American peanut is used. The American peanut is used largely in the manufacture of peanut butter and sometimes, to a small extent, in oleomargarine, and to a larger extent for eating purposes, and for the purpose of making candy. As a general proposition it may be said, I think, that practically all the importations of peanuts into this country are converted into oil.

Mr. KING rose.

Mr. McCUMBER. Mr. President, I was about to ask for a yea and nay vote on the question, but if the junior Senator from Utah [Mr. KING] desires to speak I withhold the request for the present.

Mr. KING. As I understand the Senator from North Dakota, his proposition is to recede from the committee amendment.

Mr. McCUMBER. It is.

Mr. KING. And to restore the rate——

Mr. McCUMBER. On unshelled peanuts 3 cents, and on shelled 4 cents per pound.

Mr. KING. Mr. President, the amendment which was recommended by the committee more nearly approximates what would be right and fair—assuming that any duty at all should be levied, which I deny—than the House provision of the bill. I think this provision will prove to be futile in raising the price of peanuts, because of the close relationship between this commodity and other nuts which produce oil and because of the lack of competition from abroad. I shall not say that it is offered to secure support for the bill, but I will say that there are some indications which would lead to that conclusion. It is in harmony with a number of the provisions found in the bill which will not increase the prices of certain agricultural products, but which have gained the support of some for the entire bill upon the theory that agriculture will be benefited This bill seems to be drawn upon the theory of granting tariff rates to all who demand them, and it presents evidences of rivalry to see who could get the highest rates of duty.

Mr. McCUMBER. Mr. President, will the Senator yield?

Mr. KING. Certainly.

Mr. McCUMBER. I say to the Senator, in all fairness, that it is not done for any such purpose. I do expect that some of those who oppose the bill generally will vote that we recede from the Senate committee amendment, but I do not expect to have a single one of them, after they get what they want, to vote for the bill. So I do not want the Senator for a moment to think that the Senate is asked to disagree to the committee amendment with the idea that we will change one single vote on the final passage of the bill. I think that the committee amendments, the same as I think the present bill—and they are very close together—give too low a duty upon peanuts.

Mr. KING. I may not have made myself clear and I may not have fully comprehended the meaning of the Senator or properly interpreted his remarks. What I meant to say was that the provision, like other provisions in the bill, is a sop to the agriculturists for the purpose of securing, if possible, the support of Senators in this body and Representatives in the other body to the entire bill.

Mr. McCUMBER. In reply to that, Mr. President, I state that that is not the purpose, neither is it the expectation.

Mr. KING. Well, Mr. President, it does seem to me that men of the great intelligence of the Senator from North Dakota—and he is an able man, one of the ablest men in public life—must know that a tariff upon many of the products found in the bill, particularly in the agricultural schedule, will not increase the prices of the agricultural products to which those particular paragraphs and schedules refer. The Senator knows that we produce in the United States not hundreds of millions but billions of pounds of corn; that we export corn and wheat and rice and other agricultural products. To say that a tariff upon these products will increase their price in the domestic market it seems to me is to deny the fundamentals of trade and commerce and accepted principles of political economy.

The Senator knows that we produce in the United States of cottonseed oil hundreds of millions, indeed, more than a billion, of pounds; that of animal fats we produce more than a billion pounds, and that our exports exceed 1,000,000,000 pounds annually. Approximately one-third of our total production of animal and vegetable fats is exported. The United States makes the world market and fixes the world's prices. To impose a duty upon vegetable oils, upon peanuts, upon lard, upon animal fats, Mr. President, is a foolish and fatuous proceeding, and demonstrates that those who advocate that policy have given no adequate thought to the situation, or they hope that by some species of psychology or ledgerdemain the agriculturists of the United States can be made to think that they are to receive additional prices for their surplus products, products which find their way into Europe and other countries of the world. Perhaps our Republican friends who are proposing these schedules are giving a lesson in psychology to the farmers and others; they are not dealing in accepted facts with respect to trade and commerce nor are they following accepted principles of political economy.

The Senator from North Dakota has been contending, I suppose—and I came into the Chamber after he had concluded his address—that a duty upon peanuts is important to the American producer. Let me briefly submit a few pertinent facts relating to this matter. The production of peanuts in the United States increased from 1909, when we produced 19,000,000 bushels plus to 46,000,000 bushels in 1918. In 1920 the production declined to approximately 35,000,000 bushels.

The increase was largely due to the peanut-oil and peanut-butter industries, but while the peanut production was increasing more than twofold between the years to which I have referred, the importations of peanuts and peanut oil increased practically threefold. Exports also increased threefold during the same period.

Of the 108,000,000 pounds imported—peanuts and oil—in 1918, 80,220,130 pounds came from Japan. Approximately 3,000,000 pounds came in at Atlantic ports and 103,000,000 pounds at Pacific ports. Freight rates from Suffolk, Va., to San Francisco are high—around 3 cents per pound—while the ocean rate from Japan to Seattle and San Francisco is less than 1 cent per pound. Peanuts can be grown in California, but they are less profitable than other crops.

The haul from Virginia is much shorter to Canada than to San Francisco, and the freight only about one-fourth as much. Canada imposes an import duty of 2 cents per pound.

The prices of peanuts during the past seven years, and the rapid increase in production and consumption, indicate that American growers have not as yet materially suffered from foreign competition. The maintenance of the peanut-oil and peanut-butter industries probably will continue to require foreign-grown peanuts unless American production is appreciably increased. Other uses for peanuts have also increased. It should also be noted that nearly one-half the domestic acreage in peanuts is pastured or "hogged off," and that peanuts often compete in the crop rotation with such products as tobacco, cotton, and corn.

There has been no competition from foreign countries, nor will there be any such as to affect the domestic growers. What limited quantities were imported did not compete with the American crop. If it was suitable for edible purposes, it was

used on the Pacific coast when, because of the high freight rates from the producing sections of the United States, the domestic product could not go.

But the important fact is that the peanuts imported were not comparable for confection or "butter" purposes with the American product and were largely used for their oil content. The peanut oil, because of its relationship to other vegetable oils, particularly cottonseed oil, and its interchangeability with such oils as well as animal fats, can not be regarded as a competitor with them even though it comes from other lands.

Mr. President, the high prices which prevailed in 1919—because, I might say, high prices prevailed with respect to all commodities—made the demand for peanuts grown in the United States for confection purposes and for what is called peanut butter so great that there were none available for oil purposes. Mills which had crushed peanuts for the oil they contained were deprived of the opportunity of doing so. The consumption increased faster than production, and the confection demand and the light import in 1918 caused prices to remain during 1919 and 1920 very high; so, as I have indicated, peanuts in the domestic market were used for other purposes, and thus the oil producers were deprived of the opportunity of acquiring peanuts for the manufacture of oil.

The tariff summary states that—

During the year ended June 30, 1919, there was a decided falling off in importation of peanuts, due mostly to restrictions imposed by the War Trade Board. Imports of oil, on the other hand, increased about 37 per cent over the preceding year, thus bringing the peanut equivalent for 1918–19 up to over 12,000,000 bushels.

* * * * * *

During the fiscal year 1920 general imports of shelled nuts amounted to 120,344,425 pounds and of unshelled nuts 12,067,988 pounds. There were also imported over 22,000,000 gallons of peanut oil. While these imports are the largest on record, it should be noted that the corresponding domestic harvest was 13,000,000 bushels less than in the preceding year.

The operation of the emergency tariff act is discussed as it relates to peanuts in the report of the Tariff Commission recently transmitted, and it is there stated—

In summarizing the effects of the emergency tariff changes upon the trade in peanuts distinction should be made between the trade in shelled and unshelled. Imports of unshelled peanuts, which have been relatively unimportant in recent years, were not materially reduced after the increase in duty.

Imports of shelled nuts, however, after the increase in duty from three-fourths of 1 cent to 1 cent per pound in the 10 months following the change declined to 6,410,000 pounds, as compared with 22,440,000 pounds, which came in during the same period of the previous year.

But that was, as indicated, chiefly due to the low prices which prevailed, and there was a diminution in the prices of many of the oil products and of many other commodities in the United States. But, as I have endeavored to point out, the imports, whether of peanuts or peanut oil, had no appreciable effect upon the price of the domestic products. The nuts suitable for edible purposes as nuts did not affect the price of the nuts grown in the United States. Nor does the oil compete with the peanut oil produced in the United States.

It must be borne in mind in discussing this question that the price of vegetable oils and animal fats determine the price of peanuts, cotton seed and cottonseed oil, soy beans, soy-bean oil, and coconut oil; or perhaps it might be said that because of their nature and qualities each influences the price of all the others, and all influence if they do not determine the price of each. So I repeat, the price of peanuts is governed largely by the price of vegetable oils and animal fats.

Peanut oil is interchangeable with cottonseed and other vegetable oils and with animal fats. The importation of oriental vegetable oils has not reduced the price of domestic vegetable oils or animal fats because of the enormous surplus produced by the United States, which have established the world price except when by unwise legislation—the emergency tariff act—we prevented such oils from entering the United States. This legislation diverted the oriental vegetable oils, or most of them, except coconut oil, from the Philippines, to Europe, where they came into competition with American products, forcing down the level of world prices and thus affecting, of course, the domestic market.

A tariff upon peanuts, Mr. President, because of the interchangeability of the oil derived from peanuts and for other reasons stated, in my opinion, will not affect the price. Because of the fact that we export vegetable oils and animal fats to the extent of hundreds of millions of pounds annually and because of the fact that peanuts and the oil derived therefrom are taken into account in determining the domestic price of animal and vegetable fats, it is obvious that the price for peanuts is determined by world prices for animal fats and vegetable oils. The result has been, as I have indicated, that when by the emergency tariff act there was in the world only one buyer, treating Europe as one buyer for vegetable oils, including those of the Orient, that situation eventuated in a reduction in the prices of the vegetable oils of the Orient.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Massachusetts?

Mr. KING. I yield.

Mr. WALSH of Massachusetts. I want to call the Senator's attention to the price of peanuts after the passage of the emergency tariff law. The Senator will recall that under that act on peanuts a protective tariff rate of 3 cents per pound was imposed. I read two advertisements, appearing in the Farmers' Exchange, one of the leading farm papers of North Carolina, of the issue of Saturday, April 12, 1922, under the head of peanuts:

Selected recleaned seed peanuts: North Carolina Runners, 4 cents per pound; White Spanish, 4½ cents. Any amount shipped. Strickland & Baxter, Clio, Ala.

Selected No. 1 seed or roasting peanuts: Alabama Runners, 4 cents per pound; White Spanish, 4 cents per pound. No order accepted for less than 100 pounds. Cash with order. Goff-Hutchison Merc. Co. (Inc. $50,000), Enterprise, Ala.

It appears that cleaned peanuts, seed peanuts, which are the very best grade of peanuts, were selling for 4 cents a pound on April 1, with a protective tariff duty of 3 cents. What would they have sold for without the tariff protective duty upon the theory of this bill? I am informed that peanuts were never selling at such a low price as to-day since the war; that the price is lower than ever before, showing conclusively that the emergency tariff law has not helped the farmers who raise peanuts one particle, as the rates fixed upon other agricultural products have not helped the farmers engaged in raising the products on which duties have thus been imposed.

Mr. ROBINSON. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER (Mr. McNARY in the chair). Does the Senator from Utah yield to the Senator from Arkansas?

Mr. KING. I yield.

Mr. ROBINSON. Supporting the statement just made by the Senator from Massachusetts, there has been called to my attention a publication known as The Progressive Farmer, published at Raleigh, N. C., of Saturday, April 8, 1922, in which peanuts for seed are advertised, and the rates are substantially the same as those mentioned in the publication referred to by the Senator from Massachusetts. I desire to insert in the RECORD, with the consent of the Senator from Utah, the advertisement to which I have referred. This shows that cleaned peanuts of the highest grade for seed purposes were advertised for sale at 1 cent per pound more than the present rate provided under the emergency tariff law.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

PEANUTS.

Seed peanuts: Small Running, Bunch, and Jumbo; good stock. Write for prices. Slade, Rhodes & Co., Hamilton, N. C.

Selected recleaned seed peanuts: North Carolina Runners, 4 cents per pound; White Spanish, 4½ cents. Any amount shipped. Strickland & Baxter, Clio, Ala.

Seed peanuts: The highest-yielding variety of North Carolinas. J. W. Canady, Sneads Ferry, N. C.

Selected No. 1 seed or roasting peanuts: Alabama Runners, 4 cents per pound; White Spanish, 4 cents per pound. No order accepted for less than 100 pounds. Cash with order. Goff-Hutchison Mercantile Co. (Inc.) ($50,000), Enterprise, Ala.

Mr. ROBINSON. If the Senator from Utah will be kind enough to yield to me further——

Mr. KING. I shall be glad to yield to the Senator.

Mr. ROBINSON. I want to state in this connection that it is extraordinary, beyond my comprehension, that at a time when there is widespread agitation in justification of high tariffs on farm products as necessary for the protection of the American farmer, at a time when the policy of protection is being written into law, the Finance Committee of the Senate should report to this body amendments reducing rates on two agricultural products, and only two agricultural products, and continuing in force or increasing the rates under the emergency tariff law as to all other agricultural products, and that those products should by the law of nature be confined to the southern section of this country, the representatives of which in this body are Democrats. There could have been no other purpose than to play "peanut politics" by attempting to force on record Senators who are committed to a policy of tariff for revenue as favoring protection for the products grown in their own communities.

I am not afraid to meet this issue here or anywhere else. If the policy that is to be written into our tariff laws is a policy of protection, I do not find myself justified, as a representative

of the people of the State of Arkansas, in voting to discriminate against the products of that State. I should prefer to see tariff rates for revenue purposes only, and if the rates now levied under the Underwood law could remain effective as to all products, I should be glad to see that end accomplished. I will not indifferently see a tariff levied for political purposes discriminatory against the products of the section that I represent.

I shall probably vote to restore the House rate. I do not find myself inconsistent in taking that course to prevent discrimination. If I represented a State where peanuts are produced, realizing that the action of the committee justified me in concluding that the amendment was reported for the sole purpose of embarrassing Senators who do not believe in the policy of protection, I would not hesitate to support the action of the committee now, when it proposes to withdraw this discriminatory amendment. Indeed, unless something comes to my knowledge which makes it appear my duty to pursue a contrary course, I shall vote to sustain the proposal of the committee to recede from its amendment.

Mr. POMERENE. Mr. President, will the Senator yield to me a moment?

Mr. KING. I yield.

Mr. POMERENE. In connection with what the Senator from Arkansas has been saying, it may be of interest to some Senators—I mean, some Democrats and some Republicans—for me to say that two leading Republican business men from my own State this morning were in my office, and in talking about the high rates of this bill they said that they were both protectionists, but they feared that the effect of the high rates of duty contained in this bill would be to create such a resentment against the protective tariff policy of the country that it would be ruined.

Mr. KING. Mr. President, the statement just made by the Senator from Ohio reflects the attitude of many liberal-minded and sincere protectionists in the United States. There are many Republicans who honestly believe in the protective theory, but who do not believe in a tariff that amounts to an embargo upon many of the products entering into the lives of the people. There are men in the Republican Party who have the vision of the Senators from Wisconsin, if I interpreted their remarks correctly, who took the position that a tariff bill which is so prepared that certain interests—the steel interests, the textile interests, the woolen interests—will be permitted to charge extortionate prices and exercise monopolistic control over such commodities, is not a protective tariff bill but a bill which legalizes exploitation and robbery.

I may differ from one who honestly believes that there should be reasonable protection upon certain industries, and that that protection should be determined by the difference in the cost of production abroad and the cost of production in the United States, but I can respect his sincerity; but anybody who reads the testimony taken by the Finance Committee and by the Committee on Ways and Means of the House—indeed, who reads the speeches coming from the proponents of this bill—will be struck with the fact that the difference in cost of production abroad and the cost of production at home has been entirely ignored and has not been taken into consideration in the preparation of this bill. Indeed, there are in every schedule of the bill many instances where we export large quantities of given products and import less than one-tenth of 1 per cent of such products. Nevertheless the bill carries inordinately high tariff rates—in some instances being over 300 per cent. What is the reason for such a course? Either to deceive the people or, if the product to which the duty applies is susceptible of monopolistic control, to enable those who have the power to exercise a monopoly to form one and to exploit the American people.

Mr. President, I repeat that upon no rational theory, no honest theory as the basis for a protective tariff, can this bill be justified. No argument which has been addressed to the American people by protectionists in the past can be advocated to support the major part of the provisions of this bill.

The Senator from Arkansas calls attention to the fact that the agricultural schedule increased the rates upon practically every agricultural product except two—two which were produced in the South. I am not going to state the reason which prompted the Finance Committee to lower the rates upon rice and peanuts, but it does not need much perspicacity or very much power of discernment to determine the reasons which prompted that most extraordinary and phenomenal procedure upon the part of the committee.

Mr. President, coming now to the item before us, attention was called by the Senator from Massachusetts [Mr. WALSH] to the fact that under the emergency tariff law, which was to be the panacea for the farmers, the price of peanuts has gone down. The Tariff Commission furnishes statistics which exemplify the truth of the statement just made by the Senator.

On page 31 a table is submitted which shows the decline in domestic prices following the passage of this act. The average f. o. b. market price of Virginia and Spanish type peanuts November, 1919, to April, 1922, is shown in this table.

In November, 1919, the price of the Virginia-North Carolina peanuts, jumbo, unshelled, was 15 cents per pound; fancy, unshelled, 11¾ cents per pound; extra large, shelled, 17½ cents per pound; and No. 1 Virginia, shelled, 14¾ cents per pound. The price of the Southeast Spanish—that is one of the varieties produced in the United States—No. 1 shelled was 16¾ cents per pound.

In December the price of the jumbo had declined. The other prices were substantially the same. There had been a slight decline in one or more.

In January, 1920, the prices were substantially the same. There were some slight reductions.

That is also true of February and March.

In April the prices had declined to the following figures: Jumbo, unshelled, 13¾ cents per pound; fancy, unshelled, 10¾ cents per pound; extra large, 15½ cents per pound.

The report does not show the prices for May, June, July, August, September, and October, except as to Southeast Spanish No. 1, shelled; and those prices declined from 16¾ cents in November, 1919, to 13 cents per pound in September, 1920.

In November and December there was a further decline. The fancy, unshelled, went down to 6¾ cents per pound.

In January, 1921, the prices were for jumbo, unshelled, 10¾ cents per pound; fancy, unshelled, 6 cents a pound; extra large, shelled, 12 cents per pound; No. 1 Virginia, shelled, 4¾ cents per pound; Southeast Spanish No. 1, shelled, 5½ cents per pound; and Southwest Spanish No. 1, shelled, 6 cents per pound.

The prices were substantially the same for a number of months. In August jumbo, unshelled, were 11¾ cents a pound; fancy, unshelled, 7⅛ cents; extra large, 12 cents. No. 1 Virginia were down to 4¾ cents; Southeast Spanish No. 1, 4⅜ cents; Southwest Spanish No. 1, approximately 6 cents per pound.

There was a decline in December. Jumbo dropped to 8½ cents; fancy, unshelled, 6⅜ cents; extra large, shelled, 8⅜ cents; No. 1 Virginia, shelled, 6¼ cents; Southeast Spanish No. 1, shelled, 4¾ cents; Southwest Spanish No. 1, shelled, 5⅞ cents.

During the first four months of 1922 the prices were still lower. In January the price of jumbo, unshelled, was 7¾ cents; 7¼ cents for the fancy, unshelled. In April, 1922, jumbo, unshelled, sold for 6¼ cents; fancy, unshelled, 5¼ cents; extra large, shelled, 8⅜ cents; No. 1 Virginia, shelled, 5⅝ cents; Southeast Spanish No. 1, shelled, 5⅛ cents; and Southwest Spanish No. 1, shelled, 6⅜ cents.

The commission states:

> Of greater importance than the import duty in restricting imports was the progressive decline in the price of domestic peanuts in 1921–22. The price of extra large Virginia shelled nuts declined from about 17 cents per pound in January, 1920, to 8⅛ cents in March, 1922. Of especial importance is the fact that the premium on extra large shelled nuts, which amounted to nearly 8 cents in the spring of 1921, due to the shortage of this size in the 1920 crop, was cut down to 3 cents in the spring of 1922.

Mr. President, these figures demonstrate that the imposition of the higher tariff duty was of no advantage to the producers of peanuts in augmenting the price of their product. I repeat, therefore, that the emergency tariff law, so far as it relates to many of the commodities covered by it, was a delusion and a snare. It was a deception practiced upon the farmers for the purpose of inducing them to support the Republican Party. It was to prepare the way for a tariff bill the important schedules of which would be either dictated by the predatory interests of the United States or their influence would be potential in the formulation of such schedules.

Some of the Republican leaders undoubtedly knew, although their platform did not contemplate a tariff revision upward or did not promise the kind of a tariff bill we have before us, that there would be introduced a tariff bill which would be of great advantage to certain interests in the United States which have for so many years profited by the perversion of the taxing power of the Federal Government.

Undoubtedly the steel interests knew that a tariff bill would be reported by the Republican Congress which would enable the steel manufacturers of the United States, who have a monopoly upon steel products, to either maintain their high prices or to increase them, as they may desire. You may not measure the evils or the iniquities of a tariff bill solely by the level of prices which may be maintained for an indefinite period with respect to the commodities to which the bill refers.

The natural tendency following the war, when we should have returned more nearly to normal conditions, was a decline

in prices. It would be just as wrong to use the taxing power to enable monopolies to perpetuate war prices and project them into peace times as to put it into their power to increase those prices.

Mr. WATSON of Indiana. The Senator has said over and over again that the tariff is a tax, and that the amount of the tariff is added to the price in the United States of the product which the consumer has to pay.

Mr. KING. The Senator is in error; I have not stated it that broadly.

Mr. WATSON of Indiana. That has been stated over and over again. I merely wish to ask the Senator how he reconciles the present speech he is making with his oft-repeated declaration of a general character, because he is now arguing that, notwithstanding the imposition of a 3-cent rate on peanuts as against three-eighths of a cent under the Underwood tariff law, the price of peanuts has gradually declined.

Mr. KING. Mr. President, if the Senator had done me the honor to follow what I have said during the discussion of this bill he would have a different view as to my attitude upon tariff questions.

I have said that tariff rates may be a tax; indeed, I have said that the reason assigned by protectionists for the laying of duties was to increase the price of domestic products, and therefore the tariff was a tax. I have challenged attention to commodities which we were exporting and when we were making the world prices, and have stated that as to such commodities the tariff rates fixed in this bill were a delusion and a snare—I used that expression a number of times—and that such rates would not affect the prices of the domestic products.

Mr. WATSON of Indiana. I would like to ask the Senator another question. It is the oft-repeated cry of those who are opposed to the protective system that the tariff is a tax and is always added to the price of the article on which the rate is imposed. Peanuts are being sold for 3 cents, as I understand it, by Virginia and Carolina farmers. The tariff is 3 cents. I suppose, therefore, if we take the tariff off they would get the peanuts for nothing?

Mr. KING. My friend from Indiana——

Mr. WATSON of Indiana. If the tariff is a tax, always added to the price the consumer pays, how does the Senator explain that?

Mr. KING. Does not the Senator believe that the tariff raises prices?

Mr. WATSON of Indiana. I gave my view of the tariff, and I am trying to get the Senator's view.

Mr. KING. I am answering the Senator by asking him a question, if he will permit me to be a Yankee for the moment, as he is sitting by a Yankee.

Mr. WATSON of Indiana. I will permit the Senator to be a Yankee. On a new industry the tariff does raise the price until the home competition cuts the price down. That has been demonstrated over and over for 130 years of American history. Now that I have answered the Senator's question, will the Senator answer the question I asked him? If the tariff is a tax and is always added to the price, how does the Senator account for the fact that we have a tariff of 3 cents a pound on peanuts, and yet peanuts are selling for 3 cents a pound?

Mr. KING. I have answered that and have fully discussed it when other paragraphs of the bill were under consideration. Perhaps the Senator was not in the Senate when I discussed that feature of this matter before. Of course, where we control the world market and fix the world price, where it is an international world price and we determine it, as we do with respect to the price of peanuts and vegetable oils and animal fats, then tariff rates, no matter how high they are placed, are unimportant. If you should put a dollar a pound upon peanuts, it would affect the price, if at all, only as I have indicated heretofore in discussing this item. Peanuts are used in part for the making of vegetable oils. We fix the price of vegetable oils and of animal fats not only here but in the world. In the emergency tariff law certain vegetable oil producing commodities imported from the Orient were subjected to high tariff duties; this resulted in their being sold to Europe, where they were converted into vegetable fats, and took the place, in part, of products which heretofore had come from the United States. If it had not been for the tariff, these oil-producing products would have been brought to the United States, where they would have been crushed and the oils derived therefrom refined, thus giving employment to many Americans. This oil would then have been exported to Europe or used for industrial purposes in the United States. This would have liberated more of our oils and fats for export at higher prices than were obtained. But I say to the Senator from Indiana [Mr. WATSON] that the history of all Republican tariffs shows that the purpose has been to increase domestic prices—to enable the domestic producer to charge more for his product than the foreign market establishes.

The tariffs laid by Republicans have been designed to increase prices, to tax the people, to permit corporations to exploit the people. In this they have been eminently successful. I repeat, if there is no possible competition from abroad, then the tariff is either a palpable frand and designed to deceive the American people, or it is to enable in some way the domestic producers to effectuate stronger combines with respect to commodities which are important to the people and, if possible, increase the prices of the same.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from North Dakota?

Mr. KING. I yield.

Mr. McCUMBER. I think the Senator will agree with me that prices are fixed by the law of supply and demand at the point of consumption, and the point of consumption of peanuts is in the United States. If the price is affected by the law of supply and demand—and in agricultural products there are no combinations of the producers—and we cut off 110,000,000 pounds in a single year by reason of a tariff duty which prevents their importation, will not the Senator agree that the cutting off of that 110,000,000 pounds will have some tendency, at least, toward increasing the price of the product in the United States?

Mr. KING. Let me ask the Senator why prices went down when you passed the emergency tariff law?

Mr. McCUMBER. Prices went down for several reasons. I can give the important reason. It was due to the very close, hard times which have followed since 1920; less demand for peanuts, the same as there was less demand for other things which were more of a luxury than a necessity, and which would feel the effect of the stringent conditions in the country. We can not say, of course, just what the price would be if there had been no importations, or if the 110,000,000 extra pounds had come in. All I want to insist is this, that if the law of supply and demand governs, if you decrease the supply, then necessarily it must have some effect upon the price.

Mr. KING. Mr. President, the record which has been submitted conclusively demonstrates that the emergency tariff law, which was offered by our friends upon the other side as a panacea for the evils from which the American people were suffering, failed to give any relief to the growers of peanuts. Indeed, in the face of this high tariff, the prices of all grades of peanuts have progressively declined.

I submit that because of the close relation of peanuts to other nuts, and the interchangeability, if I may be permitted that expression, of the oil contents of peanuts with cottonseed oil particularly, this rate, in my judgment, will prove abortive in affording any benefit to the growers of peanuts.

But aside from that—and I do not care to take any time in arguing it—I contend that it is not justifiable to impose tariff rates merely for the purpose of enhancing the price of any particular product.

No great revenue will be derived from this product, and the contention of the able Senator from North Dakota, if he contends that prices will be raised by the provision, must be that he is willing to impose a tax upon the people for the purpose of increasing the profits of those who may be engaged in the business. The Senator certainly contends that this is a tax, and he is arguing that the effect of the tax will be to increase the price. Of course, if it is to increase the price, it is to increase the burdens upon the consumer. He justifies that course and defends the position of his party in exercising the taxing power for the purpose of increasing prices. But I protest against—I shall not use the word "hypocrisy," but against the pretense so often exhibited by the proponents of this bill that it will result in great benefit to the agricultural interests of the United States.

There has been a cooperation that is most astounding, for it argues an agreement, a hard and fast agreement, between certain interests to work together and to support all the schedules, notwithstanding the fact that many of the schedules will result inevitably in increasing the prices of the products which the farmers and the agriculturists must purchase. They will be compelled under the provisions of the bill to pay more for their agricultural implements, for their clothing, for their shoes, for all the things they buy, than they would have to pay were it not for the bill and the schedules of the bill. The farmers of the United States are being fooled now, as they have been fooled in the past, by the leaders of the protective school in the United States.

Mr. President, the steel interests and the textile interests in the past have been beneficiaries of the tariff system, and they

have grown rich at the expense of the people by reason of the tariff rates which have been imposed. Several days ago I was discussing the tariff, and alluded to a number of States which had been particular beneficiaries of high tariffs. I alluded among others to the State of Connecticut. The able Senator from Connecticut [Mr. McLEAN] challenged some of the statements which I made. I then said that protection undoubtedly had enriched some in his State, but that the great wealth of Connecticut, Rhode Island, and certain protected States was in the hands of a limited number of corporations and individuals. I called attention to the strikes in the mills of his State, to the impoverishment of the people at work in the mills, to the poverty which existed, and called attention to the fact that the Republicans had by their legislation made it possible for certain industries to reap enormous profits, and that those industries had driven out the American workmen and had imported labor from abroad and forced the wages of the worker down until the wages paid were so pitifully small that poverty and, in too many instances, gaunt hunger were the constant companions of the employees.

A few days later I received a letter, which I have before me, from Mr. Patrick F. O'Meara, president of the Connecticut Federation of Labor, with his office, I think, in New Haven, in which he said that he had read the colloquy between the Senator and myself, and, if I may be pardoned, in his reference to myself he extended congratulations for the defense against a—

system that if permitted to continue will have the serf and slave system that existed in the South before the Civil War beaten all to atoms.

Your statement of the employment of the cheap-wage foreigner in the State of Connecticut is so true that, as I read the speech, I was thinking whether or not your information came as if you were a resident of Connecticut.

Then he said:

During the World War the writer was honored by being selected for membership on one of the three district boards of this State. This, as you will recollect had to do with all appeals over local boards' decisions and all industrial exemptions, and as the secretary of the board for the war term the great part of the evidences submitted on questionnaires brought forth conditions that no State should be proud of, and thousands of these questionnaires had to be written up and completed by others than the registrant, for the reason that the said registrant could neither read or write.

Why I wish to call your attention to the latest reports coming from the United States Department of Labor, which shows that the illiteracy in this State is shameful, and this is the State, little that we are in square miles, that Senators McLEAN and BRANDEGEE wish to convey the information that matters are all serene up here.

During the latter part of the year 1921 the city of New Britain, Conn., had to make an appropriation out of the municipal funds to send back to Spain and Portugal large numbers of cheap foreign laborers that they had brought in there (I refer to the manufacturers), and who were living in such filthy conditions that the city authorities of New Britain thought the best thing to do was to send them out of the city.

Your statement on page 6562—

Speaking of the RECORD—

relative to this State having industrial disturbances is as true as any words coming from the mouth of man, I do hope that on account of the position in the life of the community that I hold that you will not feel that I am entirely biased in my claims, for I have plenty of letters in my office from employers of labor, large and small, in this State thanking the writer for the fairness that I have entertained at all times.

But I can not sit idly by and have conditions go on as they are without protesting from time to time against them, and I was elated when I read of your indictment against Senator McLEAN and his constituents—I refer to the manufacturers of Connecticut. * * *

If the proposed tariff bill goes through they will again reap the harvest that they have for years, and I smile when I read of the claims that German-made watches are being sold so cheaply in the United States, when, as a matter of fact, such a big and influential concern as the New Haven Clock Co., in my home city, is to-day paying wages so low that they never would be accepted only that men are forced to take them to earn a few dollars for their families; the wages are even lower than before the war.

Then he said:

In order to have you feel that the specific information is coming from a person that knows, I wish to state that the writer is a product of the State of Connecticut, born in the city of New Haven, Conn., and know full well of the conditions whereof I write, and if either one of the Senators from Connecticut will deny any of the statements that I have written about I will gladly furnish them to you in affidavit form to back them up.

Mr. President, I repeat the bill is in the interest of certain protected manufacturing concerns, and in order to pass it and to maintain these extortionate rates representatives of the farmers, or the farm bloc, have given their support to the bill, and the farmers, at least some of them, have been made to believe that the bill is in their interest. It is not. It penalizes the farmers and places additional burden upon them. They will be the ones upon whom the burden will fall the most severely when the bill shall be enacted into law and when opportunity shall have been given for the full effect of it to be realized by the American people.

Mr. President, the rate in the item under consideration as recommended by the Senate committee, if any rate at all is required, is adequate, and I hope the action just indicated by the chairman of the committee will not receive the approval of the Senate.

Mr. McCUMBER. Mr. President, I want the attention of the Senator from Utah for just a moment. The Senator asked me a question or two. One of them was, If I was willing to tax the American consumer, if it was a tax, for the benefits that might be derived by the producer. I want to answer him most candidly. I have driven through that section of the Southern States which produces the bulk of the peanuts. I have looked at their homes and at their farm buildings. I have noted that as a rule they are rather dilapidated. Many of them have not had the paint brush upon them for half a century or more. When I compare the condition of those who produce peanuts with the condition of the average people who buy peanut candy and peanut butter, I say to the Senator from Utah, Yes; if I could increase the price of peanuts to those farmers 3 cents a pound and if it added 3 cents a pound to the price of peanut butter, I would do it, and I would do it quickly. If the purpose of a protection is to protect where it is needed, then I would vote for that protection where it is needed, even though it be at the cost of the consumer.

Answering the Senator in that respect, I now want to have his attention to a question which I may ask him. I notice that in the calendar year 1921 we collected in duties on imported peanuts $365,876.48. The Senator will admit that we need the money. The Senator has stated that the emergency tariff duty has not raised the price of peanuts. All right, then. We have obtained $365,000 in revenue from importers without costing the American people one penny. I will admit that, if the Senator wishes. Why, then, does the Senator wish to reduce the rate of duty? Why does he wish to deprive the Government of $365,000, when he admits that it has not added one penny to the cost of the consumer in the United States? I do not think it has added very much to the cost; I will admit that it is mostly a revenue duty.

I want the Senator to give the matter his fair consideration and not his partisan consideration. The Senator is generally very fair in the discussion of these subjects; and while I think his arguments are overloaded with adjectives I am certain that he tries to arrive at a conclusion that is fair and just. The Senator knows, as well as I do, that in a country which is not an exporter of a given product to any considerable extent, but which imports that product, the prices are fixed by the combined production and importation. The Senator must agree with me as to that. If that be true—and no one can deny it—then the Senator must admit if in this country, the place of consumption, the volume of the commodity is reduced to a considerable extent, necessarily the price of the product within the country will be buoyed up. There may be such a depression that we can not prevent the price going lower and still lower, but, nevertheless, the law of supply and demand will hold good, namely, that the greater the surplus the less the price; the greater the deficiency the greater the price.

Let us examine the importations and see whether the emergency tariff rate had any effect upon importations; in other words, whether it had any effect upon increasing or decreasing the volume of the commodity in the United States. I will take the importations for 1920. In 1920 the importations were 8,703,000 pounds, in round numbers, of peanuts not shelled. Now, remember that we did not pass the emergency tariff law until May 27, 1921. Therefore the emergency tariff act was in operation only during six months.

Mr. KING. I hope the Senator from North Dakota will keep in mind, as he is discussing this phase of the case, the fact that our importations of peanuts are largely used on the Pacific coast; that our exportations—and the Senator knows that we exported last year some 14,000,000 pounds—are largely to Canada. Because of the freight rates from Virginia and the Southern States to the West, it is almost impossible at 3 cents a pound to ship there and find a market.

Mr. McCUMBER. The good peanuts which are raised in North Carolina go a great way west.

Mr. KING. The Senator will see by the RECORD, if he will read it, that the freight rates make almost prohibitive the sale on the Pacific coast of peanuts raised in the Eastern and Southern States. By the raising of the tariff duty we are going to provoke retaliation from Canada, and we shall cut off our market for peanuts in Canada. So we are going to hurt the farmer, even conceding that the tariff does swell the price of the domestic product.

Mr. McCUMBER. It is a surprise to me, Mr. President, that we are going to have retaliation from Canada. Canada does not raise any peanuts. I do not know what she would have to retaliate about.

Mr. KING. The Senator from North Dakota certainly did not deduce the idea that I meant that Canada would discriminate in the matter of peanuts, for there is more than one method of retaliation. For instance, when we passed the emergency tariff act imposing a tariff on cottonseed oil, Italy, which does not produce cottonseed oil, retaliated against us, as did also France. There are more ways than one for one nation to retaliate against another. We export many commodities.

Mr. McCUMBER. But countries, as a rule, retaliate by imposing a duty on an article which is competitive.

Mr. KING. Oh, no.

Mr. McCUMBER. But certainly Canada would not have any reason to retaliate one way or another. Our tariff on peanuts is not going to affect Canada in the slightest degree.

Mr. KING. Let me say to the Senator from North Dakota—and I hope he will pardon me for interrupting him——

Mr. McCUMBER. Certainly.

Mr. KING. I make the prediction now that the Senator from North Dakota, in the quiet retreat of his North Dakota home—and we regret very much that he is going there—will find a verification of the prediction that if Congress passes this bill, with the high rates fixed in the schedules, that Canada and other countries that have sought commodities here, either by a combination or otherwise, will seek to find markets elsewhere in which to purchase the products which we now produce and sell to them. We shall, therefore, be the sufferers and our exportations to foreign countries will, in part, fail by reason of the inhibitions against importations which the pending bill provides.

Mr. McCUMBER. Mr. President, I have complained several times about the long speeches which the Senator from Utah has made upon this general aspect of this bill, and I do not want to encourage him to go over them again. I am to-day discussing peanuts, and while I do not claim to have any expert knowledge upon the subject of the raising of peanuts, or, as some one has suggested, "peanut politics," I do know something about the law of supply and demand as to every commodity as it applies at the point of consumption. The suggestion I wish to make is that, first, we derived $365,000 of revenue from the imports of peanuts. If the duty did not raise the price of peanuts, then it did not cost the American public a penny. If it did raise the price or keep the price from falling to the point to which otherwise it would have sagged, then I am glad that we kept the price up at least that high.

I believe that, notwithstanding the fact that, with the depressed conditions prevailing throughout the United States, peanuts went down in value per pound, as did every other commodity. The fact that 110,000,000 pounds of shelled peanuts and some 25,000,000 pounds, as I now remember, of the unshelled were kept out by reason of the tariff duty indicates that the protective duty in the emergency tariff act did some good, or prevented a worse condition ensuing, if Senators prefer to put it in that way. All I am stating is that, so long as we can get nearly a half million dollars in revenue from importations of a certain commodity without affecting the American price, we certainly ought to continue the duty.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

Mr. SIMMONS. Mr. President, I wish to correct the Senator from North Dakota in an implied statement which he made a little while ago which related to the character of the homes he said he saw in the sections of the South in which peanuts are grown. The effect of his statement was, I think, to create the impression that the peanut growers are not so prosperous as other agricultural classes of the South. The Senator is mistaken. I live in that part of North Carolina where both cotton and peanuts are grown, and I think that the peanut farmers in my State have been about as prosperous in the years that have passed as have the cotton farmers; in fact, there is a feeling among many farmers of the State that the net profits of peanut growing at the prices that have obtained in recent years are as great, if not greater, than the net profits of cotton growing. I myself am rather inclined to think so.

The tenant classes to which the Senator referred—and I assume he was referring to their homes in the agricultural districts of the South—do not live in imposing mansions; they live in small cottages; but I wish to say to the Senator that the houses in which the farmers, especially the tenant farmers, live in the sections where peanuts are largely or chiefly grown are just as good as those in which the farmers and tenants live in the sections where cotton is grown.

Mr. McCUMBER. If the Senator will allow me, what the Senator really means to say, then, is that the difference is about the same in one section as it is in another. The Senator will not claim that during the last few years either of them have been very prosperous?

Mr. SIMMONS. No; they have not, and were not before the war. What I mean to say, and all I meant to say, was that I think the peanut growers of the section in which I live have been just about as prosperous as those who have engaged in other lines of agriculture.

Mr. President, I am quite sure that up to this time the emergency tariff duty of 3 cents a pound on peanuts has added nothing to the price of peanuts; indeed, the farmers of my State are getting on their farms only about 3 cents, although sometimes for a good quality they may get 3½ cents a pound. They are getting, therefore, practically only about the amount of the emergency tariff duty, and, of course, that tariff duty has not been added.

Mr. President, nobody has ever contended, I think, that a tariff duty would add to the price of a domestic product the full amount of the duty where there was actual competition between producers, where there was produced practically enough to supply the domestic demand, and where the producers actively compete.

The trouble about the protective tariff just at this time is that the domestic competition which Mr. McKinley claimed was so essential to the protective principle does not obtain in the United States as to the great majority of manufactured products. As to those in many, if not most, instances, there is no domestic competition. The price is controlled by combination, agreement, association, or understanding; but where there is active competition, as in the case of the peanut industry, nobody would contend that the full amount of the duty could be added to the price, especially where the production is equal to the consumption, or practically equal. There is no competition in this country that is sharper than that between the indpendent growers of peanuts. It is a product that is not grown in large quantities by the individual producer. One hundred acres in peanuts is a very large peanut farm in my State. The average peanut grower probably has no more than 30 or 40 acres in peanuts. They are sold in the open market in competition with the product of all the other growers.

We produce in this country all the peanuts that we need for edible purposes and for purposes of making so-called peanut butter and to meet the large demands of the confection trade of the country. Our importations of peanuts have varied. They have been larger when our domestic crop was subnormal than they have been when our crop was normal. In fact, if you will follow the importations, beginning just about the time of the war, you will see that the importation of edible peanuts was about the difference between the normal production and the abnormal production of peanuts.

Peanuts are imported into this country for an entirely different purpose than that for which the bulk of the peanuts raised in this country are used. Probably between one-fourth and one-third of these nuts grown in this country are never gathered at all.

They are converted into meat. That part which is marketed, that portion which is in good condition—that is to say, not broken and not faulty—is used to supply the market for edible purposes and these other commercial purposes that I have indicated. Practically the only part of our domestic product that is crushed and converted into oil is the faulty peanut and the broken peanut, which have no market value for the other purposes, mainly for food.

The peanuts which we import, probably not altogether, but almost altogether, are used for the purpose of conversion into peanut oil. I think I could show beyond question, Mr. President, if I had the time, that that is true. I do not suppose that will be controverted, however. It is a fundamental law of the trade that the price of peanuts and the price of soya beans and cotton seed are affected by two things—first, the competition between the producers, and secondly, the price of oils. A large operator told me the other day that the prices of these oil nuts—whether coconuts, peanuts, soya beans, cotton seed, or otherwise, and there are a good many of these oil nuts—have for many years followed the price of oils, especially cottonseed oils, where they are used for the purpose of making oils. The price of oils in this country is regulated by the price of oils in Europe, and that is because we either export our great surplus of oils, or we convert it into lard substitutes and export them. So that the prices of oils and the products made out of oils in this country—and that includes all the oils, cotton oil, peanut oil, and all the rest—are fixed in this country by the price of the oil in the great markets of Europe. That is what we import these peanuts from Asia for, to convert them into oil to be sold in part in this country but chiefly abroad. We have built up an enormous and an exceedingly profitable industry

in the sale of our oils and oil products to Europe, practically our only foreign purchaser for these oils.

Europe buys her peanuts and her soya beans just where we buy those that we import for the purpose of conversion into oil. She buys them in Asia and in certain parts of India. In the markets of Asia and in the markets of India the United States and Europe—and Europe is represented in that respect almost entirely by Great Britain, for she is the chief European producer of oil—are the only foreign purchasers of these nuts which are purchased for the purpose of being converted into oil. The effect of the emergency tariff putting a duty upon these low-grade peanuts that are purchased abroad and brought here to be converted into oil has been practically to exclude the American purchaser from those foreign markets.

In the past 10 months we bought only four hundred and thirty-odd thousand bushels of these peanuts. These things can be understood better when the quantity is stated in bushels than when it is stated in pounds. In the past 10 months, therefore, we bought less than half a million bushels of these peanuts. We practically abandoned the market for the purchase of these nuts to our foreign competitors, greatly to the distress of the oil crushers of this country. They see it as clearly as I see it. They have been to my office in great numbers; there have been 15 or 20 of them in there at one time—representatives, delegates appointed to see me, from their several sections declaring that they had been driven by this duty out of the only market where they could get anything like a supply for oil purposes, and were now confined to the faulty peanuts, as here, the American market taking practically all of the good peanuts for edible purposes and paying for them a price that they could not afford to pay for peanuts to crush. They had been driven out, had abandoned the market, with what effect, Mr. President? With the effect that only one foreign purchaser of these nuts was left, and that purchaser was our foreign competitor for our oils. The effect, as they declare to me and as is manifest, is that our foreign competitor in these oils, having no competitor in the markets where he gets his raw material, has been able to beat down the price in that market and to get his peanuts for crushing at a price at which he has never before been able to purchase them, with the result of lowering the price of oils in Europe, thus reducing the price for our exportable surplus. With the emergency tariff duty applying, our buyers could not compete and purchase the foreign peanuts for crushing.

Would it not be much better from every standpoint for us to be permitted to buy our raw material there and maintain the standard of price in that country instead of letting our only competitor without competition buy these nuts at his own price and then convert them into oil, forcing us to meet the competition of that lower-priced oil? This lower price for exportable surplus is undoubtedly reflected in the price of the nuts that we grow in this country, whether those nuts are used for crushing or other commercial purposes.

Mr. President, all I wanted to show in this connection—and I am speaking now more especially about the duty on peanuts—was to show the effect of that duty on growers of edible peanuts; to show that it has operated to prevent our crushers from getting from abroad their supply; and has prevented them from protecting the price of their product in our export market, and that the resulting decline of prices in that market has been inevitably reflected in the domestic price of our oils and all of the domestic products out of which those oils are produced.

I am repeating what these gentlemen have stated to me and what I believe the facts to be. These gentlemen assert that they are not asking for these high duties upon vegetable oils; that they are protesting against them; that their foreign business has been practically ruined as a result of these duties; and that the falling away of their foreign business has resulted in a reduction of prices in their foreign market which has reflected itself disastrously upon the prices of their products in the domestic market.

I have tried to be as brief and concise as possible because I do not wish to take up any unnecessary time.

Mr. KING. May I inquire of the Senator, in view of the situation relative to peanuts, some of the imported articles having been used for oil purposes, if it would not be fair, or at least much fairer than the present provision, to submit an amendment by which peanuts of the grade to be crushed for the oil content should come in in bond, and upon evidence that they were converted into oil, relieved of the duty?

Mr. SIMMONS. That can be done when the bill is open to amendments offered by individual Senators.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). The question is on agreeing to the committee amendment.

Mr. CURTIS. I ask for the yeas and nays on agreeing to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. CURTIS. I ask for the yeas and nays.

Mr. TRAMMELL. Are we about to vote on the amendment in regard to the tax on peanuts?

The PRESIDING OFFICER. That is correct.

Mr. TRAMMELL. My understanding is that the chairman of the committee stated to the Senate that he felt that the proposed decrease was too much, and that the bill should stand as originally reported, with a duty of 3 cents per pound on peanuts. That is the rate carried in the emergency tariff bill and in the bill as it passed the House, and I hope very much that it will be retained at that figure, instead of as the committee amendment proposes, which the chairman says he realizes is too small and should be defeated. That is my understanding of the statement made by him.

Mr. WALSH of Massachusetts. I understand that a negative vote will restore the House rate, and an affirmative vote support the Finance Committee in the lower rate?

The PRESIDING OFFICER. That is correct. The question is on the committee amendment to strike out "3 cents" and to insert in lieu thereof "three-fourths of 1 cent."

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. WATSON of Indiana (when his name was called). I transfer my pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the junior Senator from Vermont [Mr. PAGE], and vote "nay."

The roll call was concluded.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from West Virginia [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. ROBINSON].

Mr. NEW. I transfer my pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from Maryland [Mr. WELLER] and vote "nay."

Mr. MCKINLEY. I transfer my pair with the junior Senator from Arkansas [Mr. CARAWAY] to the senior Senator from Pennsylvania [Mr. CROW] and vote "nay."

Mr. CAMERON. I transfer my pair with the junior Senator from Georgia [Mr. WATSON] to the senior Senator from Iowa [Mr. CUMMINS] and vote "nay."

Mr. FERNALD. I transfer my pair with the senior Senator from New Mexico [Mr. JONES] to the senior Senator from Connecticut [Mr. BRANDEGEE] and vote "nay."

The result was announced—yeas 13, nays 52, as follows:

YEAS—13.

Dial	Owen	Smith	Walsh, Mont.
Harrison	Pomerene	Stanley	
King	Shields	Underwood	
La Follette	Simmons	Walsh, Mass.	

NAYS—52.

Ashurst	France	Lodge	Poindexter
Borah	Frelinghuysen	McCumber	Ransdell
Broussard	Gooding	McKinley	Sheppard
Bursum	Hale	McLean	Shortridge
Calder	Harreld	McNary	Smoot
Cameron	Harris	Moses	Spencer
Capper	Heflin	Nelson	Sterling
Colt	Johnson	New	Swanson
Curtis	Jones, Wash.	Newberry	Townsend
du Pont	Kellogg	Nicholson	Trammell
Elkins	Kendrick	Oddie	Warren
Ernst	Keyes	Pepper	Watson, Ind.
Fernald	Ladd	Phipps	Willis

NOT VOTING—31.

Ball	Fletcher	Myers	Robinson
Brandegee	Gerry	Norbeck	Standfield
Caraway	Glass	Norris	Sutherland
Crow	Hitchcock	Overman	Wadsworth
Culberson	Jones, N. Mex.	Page	Watson, Ga.
Cummins	Lenroot	Pittman	Weller
Dillingham	McCormick	Rawson	Williams
Edge	McKellar	Reed	

So the committee amendment was rejected.

The next amendment of the committee was, in paragraph 757, peanuts, on page 110, line 24, to strike out "4" and insert "1½," so as to read:

Shelled, 1½ cents per pound.

Mr. SMOOT. I am directed by the committee to ask that this amendment of the committee be disagreed to.

The amendment was rejected.

The next amendment of the committee was, on page 111, line 11, to strike out "25" and insert in lieu thereof "40," so as to read:

Flaxseed, 40 cents per bushel of 56 pounds.

FLAXSEED AND LINSEED OIL—PARAGRAPHS 760 AND 50.

Mr. WALSH of Massachusetts. Mr. President, the Senate committee amendment to paragraph 760 increases the rate on flaxseed from 25 cents per bushel of 56 pounds, as provided in the House bill, to 40 cents per bushel; and the amendment to paragraph 50 increases the rate on linseed oil from 2½ cents per pound, as provided in the House bill, to 3½ cents per pound.

DIFFERENCES BETWEEN SENATE BILL AND PREVIOUS LAWS.

Under the Underwood Act flaxseed was dutiable at 20 cents per bushel, and linseed oil was duitable at 10 cents per gallon of 7½ pounds (1⅓ cents per pound).

Under the Payne-Aldrich Act flaxseed was dutiable at 25 cents per bushel, and linseed oil was dutiable at 15 cents per gallon of 7½ pounds (2 cents per pound).

Under the emergency act flaxseed is now dutiable at 30 cents per bushel, while the Underwood rate of 10 cents per gallon of 7½ pounds of linseed oil remains unchanged.

The pending bill increases the rate in the Underwood Act on flaxseed by 100 per cent, and the rate on linseed oil by 162½ per cent. It increases the rate in the Payne-Aldrich Act on flaxseed by 60 per cent. and the rate on linseed oil by 133⅓ per cent. It increases the present rates—the Underwood Act, as amended by the emergency tariff act—by 33⅓ per cent on flaxseed and 162½ per cent on linseed oil.

Mr. President, a clear and accurate understanding of the problem of a tariff on flaxseed is possible only when considered in conjunction with the duty on linseed oil. Flaxseed is grown in the United States exclusively for the production of linseed oil.

FLAXSEED—EFFECT OF DUTY UPON DOMESTIC CROP.

Our average production for the years 1914 to 1920 has been 12,000,000 bushels, and our average yearly imports have been 14,000,000 bushels. Our consumption has closely approximated our production plus our imports. Our production has averaged 45 per cent of our consumption and our imports have averaged 55 per cent of our consumption.

It is clearly established that on this particular product—flaxseed—the American grower will collect an increased price for his seed equal to the amount of any tariff levied on imports of foreign flaxseed. It has been proven conclusively that previous tariffs in both Democratic and Republican tariff bills have never operated so as to induce the growing of a greater quantity of flaxseed in the United States. The statistics show that these previous tariffs have never resulted in promoting the development of flax growing to the end that we might eventually grow all we require.

The duty on flaxseed has never had the effect of being a "protective" tariff in the commonly accepted idea that a duty is protective when it protects the production of an article at home against the same article produced abroad so that the industry may be developed. It has merely operated as a bounty for flax growers when they chose to grow flax instead of wheat. This is made very clear by the Tariff Commission in their publication entitled "Agricultural Staples and the Tariff, Information Series No. 20" (p. 127).

Neither have high prices for flaxseed caused by great demand contributed to an increase in its production. Price fluctuations of from $2 to $3 per bushel have taken place without creating a larger production.

There can be no question regarding the accuracy of the Tariff Commission's statements that the fundamental obstacles to the production of flaxseed in the United States are such that the production of flaxseed is not one that can be encouraged or developed in a practical manner, no matter how high a tariff might be imposed on foreign flaxseed.

The levying of a duty on flaxseed can not, therefore, be justified on any other theory than that of its being merely a bounty, and if the leaders of the agricultural bloc think they are obtaining a bounty for American flaxseed growers through the combination of rates on linseed oil and flaxseed they have advocated and vigorously forced into this bill they are very much mistaken.

COMPARATIVE DUTIES ON FLAXSEED AND LINSEED OIL.

There are 19 pounds of linseed oil obtained in actual practice from a bushel of flaxseed, weighing 56 pounds. Imports are in the form of both flaxseed and linseed oil, and therefore American flax growers when seeking protection require a duty on imports in the form of linseed oil that has been crushed in the linseed-oil mills of Holland and England, as well as upon flaxseed from Canada, the Argentine, or India.

So far as our flaxseed growers are concerned, the total duty on 19 pounds of oil must be relatively the same as the duty on 1 bushel of flaxseed. Let us see what the duty actually is on flaxseed as provided for in this bill.

The Senate committee amendment to paragraph 760 of this bill fixes the duty on flaxseed at 40 cents per bushel of 56 pounds, as compared with 3½ cents per bushel on oil or 66½ cents upon the 19 pounds of oil in a bushel.

Mr. President, flax growers who are interested in what the farm bloc has done for them would naturally notice with gratification the proposed rate of 40 cents, which is double the duty of 20 cents per bushel in the Underwood-Simmons law; but if they examine the discount list and the penalty list, which is inserted in the later paragraphs of this bill, and fathom the intricacies of all of the strings that are tied to the regular schedules they would doubtless be less jubilant.

On page 269 of this act a joker has been inserted which by actual operation would reduce the flax growers' net protection from 40 cents per bushel, as provided for in paragraph 760, to 30 cents per bushel. This special drawback provision reads as follows:

Where two or more products result from the manipulation of imported merchandise, the drawback shall be distributed in accordance with their relative values at the time of separation.

In order to be sure that this special provision would operate to reduce the amount of the specified duty on flaxseed by 25 per cent, due to the nondutiable by-product obtained therefrom, I addressed a letter to the Treasury Department and asked their opinion relative to the operation of this drawback provision, and I have received a letter from the Treasury Department from which I will read:

Under the act of 1909 it was the practice to distribute the drawback accruing to linseed oil and linseed-oil cake produced from imported flaxseed according to their relative values at the time of separation in accordance with the decision of the court in the case of the United States v. Dean Linseed Oil Co. (87 Fed. 453). The provisions of section 313 of the pending tariff bill as amended by the Senate Finance Committee appear to be substantially the same as the drawback provisions of the act of 1909.

A bushel of flaxseed will be separated into 19 pounds of linseed oil and 37 pounds of oil cake. The flaxseed importer will then export the 37 pounds of oil cake to Europe and claim a drawback in spite of the fact that oil cake itself is on the free list. The Treasury Department will calculate the value of the products which the flaxseed importer obtained through the simple process of separating the oil and cake by adding the value of the 19 pounds of oil according to the market price existing at the time of separation and the value of the 37 pounds of linseed cake which the importer has shipped to Europe. It will then be found that the value of the 37 pounds of linseed cake which has been reexported will average slightly over 25 per cent of the combined value of the 19 pounds of oil and 37 pounds of linseed cake, and the flaxseed importer will receive a drawback from the Treasury Department approximating 25 per cent of the duty which he paid on the bushel of flaxseed.

The drawback of 25 per cent of the 40 cents duty which the flaxseed importer paid will amount to 10 cents and thereby the net duty which the flaxseed importer will have paid will amount to only 30 cents and not 40 cents as provided for in paragraph 760.

Mr. President, we must therefore consider these tariff rates on flaxseed and linseed oil on the basis of the duty on flaxseed being actually 30 cents per bushel of 56 pounds and not 40 cents per bushel, as the agricultural bloc would have the farmers believe.

Let us now see what the duty is on linseed oil. Paragraph 50 of this bill fixes the duty at 3½ cents per pound, and 3½ cents multiplied by 19—there are 19 pounds of oil obtained from a bushel of flaxseed—equals 66½ cents. Therefore the facts are that the duty on flaxseed in this bill for the benefit of flax growers is 30 cents per bushel, and the duty on the oil content of a bushel of flaxseed after it is separated from the cake is 66½ cents per bushel.

In other words, Mr. President, the importers of flaxseed—only 14 in number—are invited by the farm bloc and the majority members of the Senate Finance Committee to collect a subsidy amounting to 36½ cents on the 19-pound linseed oil content of every bushel of flaxseed grown in the United States and on every bushel that is imported from Canada and the Argentine.

To suppose that a small band of 14 importers who control this business will decline such an invitation when they have already been shown to have adopted other means of accomplishing the same thing without the aid of a tariff would be absurd. Is it not amazing that the farm bloc should be promoting with

all of their energy and vigor a system whereby 14 closely cooperating flaxseed importers should collect on the American farmers' production of flaxseed more protection than the grower received himself, and in addition thereto a subsidy at the same extortionate rate on all of the flaxseed that is imported?

Mr. President, the process of separating linseed oil and cake from the flaxseed is very simple. In fact, the process is so simple that I believe the importers of bird cages, hair dryers, and cuckoo clocks, against whom a Member of this body spoke so vehemently a few days ago, employ more labor in unpacking the foreign cuckoo clocks, hair dryers, and bird cages than do these flaxseed importers employ in removing linseed oil from its container—the flaxseed. It would, therefore, be just as logical to grant the importers of cuckoo clocks some special rates to protect the workmen who unpack the boxes of them as they come from Germany as it is to provide special rates for these 14 flaxseed importers so that they may be enabled to swell their treasuries by $9,400,000 in excess of what their legitimate profits would be.

The favorable consideration accorded the flaxseed importers is due to the fact that they have qualified in the eyes of the majority members of the Finance Committee as captains of industry. They must have linseed-oil mills as an adjunct to their domestic and importing business in order to separate the linseed oil from the flaxseed, but there is no diversity of interest. They all work together and they all ask the farm bloc and the majority members of the committee to rate them as American manufacturers and to overlook the fact that more than half of their business is importing. They have insisted that they be given high rates of duty for the protection of their "manufacturing industry," although at least 60 per cent of their subsidy would be collected by them through importing operations.

Linseed-oil mills crushing flaxseed with 33 per cent oil yield only pay wage earners an amount equal to 2½ per cent of the value of their production. The following is an extract from the report of the United States Bureau of the Census for 1919:

Number of linseed mills	26
Number of wage earners	2,173
Wages paid wage earners	$3,052,000
Value of products	$120,638,000

Tariff protection for linseed-oil mills above the protection they pay on flaxseed can not be justified by any appreciable difference in the labor costs here and abroad.

Sometimes excessive tariff rates are automatically reduced by keen competition in the home market. In the case of the linseed-oil industry 26 linseed-oil mills, owned by about 14 companies, crush all the oil that is crushed in America, and 5 companies control 75 per cent of this business.

It is, therefore, certain that the tariff will be collected in its entirety by such a small number of operators. A representative of one of these linseed-oil mills stated before the Committee on Ways and Means that the difference in labor costs in linseed-oil mills here and abroad was not a serious matter. The American mills, with their superior facilities for distribution, can also secure a premium on domestic linseed oil over the prices of foreign linseed oil with the tariff added.

The Payne-Aldrich Act created a differential for the American linseed-oil mill operators of 17½ cents on the oil content of a bushel of flaxseed.

Those who framed the Underwood-Simmons law found that there was little labor cost in the crushing of flaxseed and reduced the Payne-Aldrich differential to 5 cents on the oil content of a bushel of flaxseed. This differential fully protected our linseed-oil mills, as shown by the small imports of linseed oil as compared with the large imports of flaxseed.

The Republican Party upset the scientifically adjusted rate in the Underwood-Simmons law by their ill-advised emergency tariff, which raised the duty on flaxseed from 20 cents per bushel to 30 cents per bushel without granting any increase in the duty on linseed oil. This reversed the differential in favor of foreign oil mills, and since the present law became effective we have imported relatively larger quantities of linseed oil than flaxseed; and pointing to the results of this haphazard emergency tariff, the American linseed-oil monopoly are now using this as an argument to obtain a differential in their favor far in excess of any slight difference that may exist between the cost of crushing linseed in the mills abroad and in this country.

Here is what the linseed crushers, the Government, and the farmers will receive, based on an average year of 12,000,000 bushels domestic crop and 14,000,000 bushels of imported flaxseed:

The Government will collect duties on 14,000,000 bushels of imported flaxseed at 30 cents per bushel	$4,200,000
The farmer will collect tariff protection on 12,000,000 bushels at 30 cents per bushel	3,600,000
After deducting the above amounts paid by linseed crushers in duties and tariff protection for their flaxseed, their excessive subsidy of 36½ cents on the oil content of a bushel of flaxseed will equal	$9,490,000
Total cost of this scheme to be paid by the manufacturers and others using linseed oil as a raw material equals	17,290,000

American paint, varnish, oilcloth, and linoleum industries which use linseed oil as a raw material will have to add the 66⅔ cents collected by the American linseed-oil monopoly to the price of their products, and this amount will be unavoidably multiplied as the linseed oil passes through the channels of industry and trade, to be paid by the consumer at the retail stores.

This tariff, at its cost to consumers as above explained, will be paid one-half by American farmers and one-half by American consumers. The result to the farmer, on the basis of 66⅔ cents protection given the linseed-oil mills, not to mention the increase which will accrue as the manufactured products pass through the hands of the manufacturer, wholesaler, and retailer, will be as follows:

Cost to farmer in purchase of products made from linseed oil	$8,645,000
Protection received by the farmer from the tariff on flaxseed	3,600,000
Loss to the farmer	5,045,000

If the farmers' tariff on flaxseed is allowed to be so prostituted by the rates on linseed oil as proposed in the pending bill, the result to the farmer is a tremendous loss, while thousands of substantial industries and American consumers will be forced to submit to exploitation.

Mr. President, I have a very large number of letters and telegrams from paint manufacturers and organizations in the State of Massachusetts protesting against this duty, particularly upon linseed oil, which I ask to have inserted in the RECORD.

The PRESIDING OFFICER (Mr. WADSWORTH in the chair). Without objection, it will be so ordered.

The letters and telegrams are as follows:

HOLYOKE CENTRAL LABOR UNION,
Holyoke, Mass., April 24, 1922.

Hon. DAVID WALSH,
United States Senator, United States Senate, Washington, D. C.

HONORABLE SIR: The Holyoke Central Labor Union desire to protest to you against the exorbitant rate of duty on linseed oil and flaxseed oil. We believe that there is no justification for such a differential in the rates on flaxseed and linseed oil, as the labor in linseed crushing is very small.

We also want to protest against the proposal of Senator LADD of North Dakota, as made by him on January 5, relative to flaxseed and linseed oil.

It is the hope of the above named body that you will see your way clear to work and vote for an amendment to the bill, making a radical reduction in the duty on both linseed and flaxseed oil, as the proposed high tariff on both linseed and flaxseed oil will be one of the causes of stopping a great deal of repairs on buildings as well as retarding much new work for some time to come. Thanking you in advance for past and present favors, I remain,

Respectfully yours, JOSEPH L. MARION, *Secretary.*

—

MILFORD, MASS., *April 13, 1922.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SENATOR: We desire to protest to you against the exorbitant rate of duty of 2½ cents per pound on linseed oil in paragraph 50 of the Fordney tariff bill. As there are 19 pounds of linseed oil obtained from a bushel of flaxseed, this rate of 2½ cents per pound on linseed is equal to 47½ cents per bushel.

There is no justification for such a differential in the rates on flaxseed and linseed oil, as the labor in linseed crushing is very small. The Bureau of the Census extract for the year 1919 shows the wages paid in linseed oil mills to be only 2½ per cent of the value of the products produced.

We also protest against the proposal of Senator LADD, of North Dakota, made by him on January 5 before the Senate Finance Committee urging that the rate of duty on flaxseed be increased to 40 cents per bushel, and that the duty on linseed be increased from 2½ to 3½ cents per pound.

We urge that a duty of 20 cents per bushel net, and not subject to any drawback on oil cake, be adopted on flaxseed, and a duty of not over 12 cents per gallon of 7½ pounds be adopted on linseed oil.

Hoping you will see that this injustice is eliminated from the pending tariff bill, we remain,

Yours very truly,

LOCAL NO. 216, BROTHERHOOD OF PAINTERS, DECORATORS, AND PAPERHANGERS OF AMERICA,
By CHAS. E. DEWING, *Secretary.*

—

BROTHERHOOD OF PAINTERS, DECORATORS, AND PAPERHANGERS OF AMERICA,
Boston, April 4, 1922.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: I have been instructed to write you, on behalf of Local 258, protesting the passage of a bill now pending in regard to the tariff on flaxseed and linseed oil.

Yours respectfully, R. W. BENNETT,
Recording Secretary.

BROTHERHOOD OF PAINTERS, DECORATORS, AND PAPERHANGERS OF AMERICA, LOCAL UNION NO. 257,
Springfield, Mass., March 31, 1922.

MY DEAR SENATOR: We desire to protest to you against the exorbitant rate of duty of 2½ cents per pound on linseed oil in paragraph 50 of the Fordney tariff bill. As there are 19 pounds of linseed oil obtained from a bushel of flaxseed, this rate of 2½ cents per pound on linseed oil is equal to 47½ cents per bushel. As the duty on flaxseed in paragraph 760 is 25 cents per bushel, which after deducting the drawback amounts to 18½ cents per bushel, the duty on linseed oil is most unjust, as it forces all linseed oil consumers to pay 29 cents per bushel more protection to the linseed oil mills than the oil mills pay to American farmers or to our Government in duties on imported flaxseed.

There is no justification for such a differential in the rates on flaxseed and linseed oil, as the labor in linseed crushing is very small. We also protest against the proposal of Senator LADD, of North Dakota, that the rate of duty on flaxseed be increased to 40 cents per bushel and that duty on linseed oil be raised from 2½ to 3½ cents per pound.

We urge that a duty of 20 cents per bushel net, and not subject to any drawback on oil cake, be adopted on flaxseed, and a duty of not over 12 cents per gallon of 7½ pounds be adopted on linseed oil.

Hoping that you will see that this matter is given attention, I am,
Respectfully yours,

P. H. TRIGGS,
Secretary of Local Union No. 257.

—

BROTHERHOOD OF PAINTERS, DECORATORS, AND PAPERHANGERS OF AMERICA,
Union No. 253, of Holyoke, Mass., April 12, 1922.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SENATOR: We desire to protest to you against the exorbitant rate of duty of 3½ cents per pound on linseed oil in paragraph 50 of the Fordney tariff bill. We also protest to you against the duty on flaxseed. Hoping you will see that this injustice is eliminated from the pending tariff bill, we remain,

Yours very truly, ROBERT GOODWIN, *Recording Secretary.*

—

BROTHERHOOD OF PAINTERS, DECORATORS, AND PAPERHANGERS OF AMERICA,
Union No. 75, of Fall River, Mass., April 2½, 1922.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: The Senate Finance Committee has reported out the tariff bill with a provision for a duty on linseed oil and flaxseed. If the recommendation becomes a law, it will greatly increase the cost of linseed-oil varnish and all painting material. So I ask you to try and work for an amendment to the bill, as it will greatly reduce the amount of our work. I remain,

Fraternally yours, P. O. DUCHARME,
Recording Secretary Local 75.

—

HOLYOKE, MASS., *April 20, 1922.*

Hon. DAVID WALSH,
United States Senate, Washington, D. C.

DEAR SENATOR: We desire to protest to you against the exorbitant rate of duty of 2½ cents per pound on linseed oil in paragraph 50 of the Fordney tariff bill. As there are 19 pounds of linseed oil obtained from a bushel of flaxseed this rate of 2½ cents per pound on linseed oil is equal to 47½ cents per bushel. As the duty on flaxseed in paragraph 760 is 25 cents per bushel, which, after deducting the drawback, amounts to 18½ cents per bushel, the duty on linseed oil is most unjust as it forces all linseed oil consumers to pay 29 cents per bushel more protection to linseed oil mills that the oil mills pay to American farmers or to our Government in duties on imported flaxseed.

There is no justification for such a differential in the rates on flaxseed and linseed oil, as the labor in linseed crushing is very small. The Bureau of the Census extract for the year 1919 shows the wages paid in linseed oil mills to be only 2½ per cent of the value of the products produced.

We also protest against the proposal of Senator LADD, of North Dakota, made by him on January 5 before the Senate Finance Committee, urging that the rate of duty on flaxseed oil be raised from 2½ to 3½ cents per pound. This proposal would make the duty on flaxseed exorbitant and make the rates of duty on linseed oil even more unjust than those originally contained in the Fordney bill.

We urge that a duty of 20 cents per bushel net and not subject to any drawback on oil cake be adopted on flaxseed and a duty of not over 12 cents per gallon of 7½ pounds be adopted on linseed oil. Any rates higher than these will cause an unjust increase in the cost of linseed oil products, such as paint and enamel, and furthermore, any greater differential than 10 cents per bushel on flaxseed and linseed oil would result in an exploitatory subsidy for linseed oil mills to which they have no just claim. Hoping you will see that this injustice is eliminated from the pending tariff bill, we remain,

Yours very truly,

HOLYOKE BUILDING TRADES COUNCIL,
FRANK R. ELTING, *Secretary.*

—

BOSTON, MASS., *January 20, 1922.*

DAVID I. WALSH,
United States Senate, Washington, D. C.:

We protest the proposed tariff on flaxseed of 40 cents per bushel and 26½ cents per gallon on linseed oil. We think it an outrage against the paint and varnish manufacturers. This is legislation for the few against the many. Is this American justice we have been proud of?

WADSWORTH, HOWLAND & CO. (INC.).

—

BOSTON, MASS., *March 31, 1922.*

DAVID I. WALSH,
United States Senate, Washington, D. C.:

We protest against proposed duty on linseed oil of 3½ cents per pound. We can't survive if any more handicaps are put on our industry.

WADSWORTH, HOWLAND & CO. (INC.).

—

BOSTON, MASS., *August 25, 1921.*

Hon. DAVID I. WALSH,
United States Senator, Washington, D. C.

DEAR SENATOR: We dislike to bother you with the many cares and troubles that must constantly arise for you as our Senator, but we do feel that it is of the utmost importance that we enter our protest against the Fordney tariff bill as it now reads regarding animal and vegetable oils and fats.

It would seem to the writer that any man would know that there should not be any tariff on these raw materials. Take, for instance, China wood oil. Under this Fordney bill there will be a tariff of 40 cents per gallon, which is nearly as much as we used to pay for it. What will be the result of any such tariff as that? The foreigners will make the goods up and ship it right into the United States and beat us.

There should be no tariff on flaxseed. Every manufacturer of paints and varnishes knows that we are no longer an export country in flaxseed, but are only one of the large importing countries; still they go to work and put a tariff on flaxseed. It seems as if they are working in every way to put manufacturers in our line out of business.

For instance, normally we use 30,000,000 bushels of flaxseed per year in this country, and this year if we can raise over 8,000,000 or 9,000,000 bushels in this country we will be doing well, and our production of flaxseed is growing less and less while the demand is increasing.

It does not seem possible that men who think could go over this bill as regards these two items and have a broad-minded love of our country in view when they promote any such bill as this.

Yours very truly,

WADSWORTH, HOWLAND & CO. (INC.),
ARTHUR P. FELTON, *President.*

—

BOSTON, MASS., *January 20, 1922.*

DAVID I. WALSH,
Senate Finance Committee, Washington, D. C.:

We protest against a tariff of 40 cents a bushel on flaxseed and 26½ cents on linseed oil. It is an outrage on the paint industry.

JAS. H. PRINCE PAINT CO

—

NORFOLK DOWNS, MASS., *March 31, 1922.*

Senator WALSH,
Washington, D. C.:

Understand Finance Committee is considering adoption of 3½ cents per pound duty on linseed oil. This exorbitant duty on the principal raw material of our industry will greatly curtail consumption of our products. We emphatically oppose a duty in excess of 12 cents per gallon.

NORFOLK VARNISH CO.

Mr. WALSH of Massachusetts. Mr. President, I hold in my hand a very remarkable letter, which I am going to ask to have read from the desk. It is a letter from a manufacturer of Philadelphia, Pa., who uses linseed oil in very large quantities. This letter shows the extent of the burden which will be placed upon him by the exaction of the very high prices that will follow the imposition of this high duty. It is a letter which I am sure is similar to letters that have been received by other Senators from like manufacturers in various parts of the country; but he states the whole story better than I could state it, and I am going to ask the Secretary to read the letter in full to the Senate.

Mr. McCUMBER. The Senator, I understand, asks that the letter be read?

Mr. WALSH of Massachusetts. Yes.

Mr. McCUMBER. I think every Senator has received that letter and read it. It is quite a lengthy letter, as I now recall.

Mr. WALSH of Massachusetts. Ordinarily, I should not ask that it be read; but this is a very important subject, and I think it will contribute something to the debate.

The PRESIDING OFFICER. Without objection, the letter will be read.

The reading clerk read as follows:

CONGOLEUM CO. (INC.),
Philadelphia, Pa., July 6, 1922.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: As a manufacturer of linoleums and felt base floor coverings and a large user of linseed oil, we desire to protest against the proposed compensatory duty of 3½ cents per pound on linseed oil, which is based on a proposed duty of 40 cents per bushel on flaxseed.

This duty on linseed oil is equivalent to an increase of approximately 16 cents per gallon over the Underwood rate, which means that if the duty becomes effective we will be obliged to pay 16 cents more per gallon for linseed oil.

This company uses at least 1,000,000 gallons of linseed oil per year. An increase of 16 cents per gallon would mean that our cost of production would be increased $160,000 annually. To cover this increase in the cost of production it would be necessary to increase our selling prices by $240,000 per year, which in turn would be increased by the retailers to $360,000 per year. Therefore for this $160,000 increase in our production cost the ultimate consumer would pay approximately $360,000.

This condition arises from the fact that any increase in the cost of raw materials entering into a manufactured article is charged into the cost of production. The selling price of the manufactured articles is based on certain percentages of the cost of production. For example, if an article costs $1 to manufacture, the selling price might be 133 per cent of this cost. Should the raw materials entering into the said article be increased 16 cents, then the total production cost becomes $1.16 and the selling price would then become 133 per cent of $1.16. This same principle also applies to the retailers' cost and selling prices; consequently any increase in the cost of production means a greater increase in the selling price to the retailer and still greater increase to the ultimate consumer.

According to the Bureau of Census report for 1921, the oilcloth and linoleum industry consumed over 9,000,000 gallons of linseed oil, which means that the increased cost to the whole industry and to the consumer would be nine times the above figures, which amounts to an increased cost to the industry of $1,440,000 and an increased cost to the ultimate consumer of at least $3,240,000.

A bushel of flaxseed, which weighs 56 pounds, yields 19 pounds of linseed oil, or approximately 2½ gallons. Under the Underwood Tariff Act there was a duty of 20 cents per bushel on flaxseed. This made the market price of flaxseed 20 cents a bushel higher than if there had

been no duty, because a large portion of the flaxseed used was imported, and therefore the domestic price would equal the imported price plus the duty of 20 cents per bushel. This additional cost of 20 cents per bushel was equivalent to 8 cents per gallon, which meant that the Underwood tariff rate on flaxseed increased the cost of linseed oil by 8 cents a gallon. The linseed-oil producer was given a duty of 10 cents per gallon, which enabled him to absorb this additional cost plus a profit of 25 per cent on the increase of 8 cents.

Under the proposed duty flaxseed will be increased at the net rate of 10 cents per bushel over the Underwood rate. The gross rate is 40 cents, but there is a drawback equivalent to 10 cents per bushel on linseed cake in the drawback provisions of the bill, which makes the net rate of 30 cents per bushel. This increase of 10 cents per bushel over the Underwood rate is equivalent to an increase in the cost of linseed oil of 4 cents per gallon, which means that the linseed-oil producers should have a duty of 5 cents more per gallon over the Underwood rate to cover this increased cost of production and allow them a 25 per cent profit on the increase. This would then make the total rate of duty on linseed oil 15 cents per gallon as a compensatory rate of 30 cents net per bushel on flaxseed.

Instead of this the linseed-oil manufacturers are granted a rate of 26¼ cents plus per gallon, which means that for an increase in their cost of production of 4 cents per gallon over the Underwood rate they wish to obtain an increased duty of 16¼ cents, which will enable them to get 16¼ cents more for their oil to offset an increase in the cost of 4 cents. If this rate becomes effective, the linseed-oil producers will receive 11¼ cents per gallon more than they actually need to offset the increased cost of production plus a 25 per cent profit on the increase. This 11¼ cents excess profit means that the linoleum and oilcloth industry would be obliged to pay $990,000 more for its linseed oil, while in turn the consumer would pay $2,227,500.

In a statement made by Senator LADD, as reported in the CONGRESSIONAL RECORD of May 15, 1922, it was claimed that the cost of conversion of flaxseed into linseed oil was 50 cents per bushel, and that the European cost was 25 cents per bushel. Also, that labor in Europe is not receiving anything like 50 per cent of the wages paid in the United States. This company investigated the labor costs in England and received from the National Seed and Crushers' Association, of London, the average rates of pay paid in England by the linseed-oil crushers. This letter is attached hereto.

These rates of pay expressed in our money, with exchange at $4.40 per pound sterling, are as follows:

	Cents per hour.
Molders	26.1
Pressmen	28.8
Grinders	25.6
Parers	25.2
General labor	25.2

Although we do not employ any molders, pressmen, or parers, we employ common labor and grinders in the linoleum business, and the wages in these classes of labor range between 30 cents and 35 cents per hour at the present time.

The rates of pay for general labor paid by the linseed-oil crushers in England are approximately the same as paid for the same class of labor in other industries of which we have authentic records. It can be readily seen that England is paying considerably more than half of the wages paid in the United States.

The conversion cost or crushing cost of linseed oil is analogous to the crushing of cotton seed, excepting the cotton seed requires more work and labor in preparing the seed for the crusher. The cottonseed crushers have always been able to crush their products as cheaply as any foreign country, and even requested that there be no tariff on cottonseed and similar foreign oils. The reason for this condition is due to the fact that the labor cost in crushing oil seeds is an exceedingly small increment. In the crushing of linseed oil the labor cost is 2½ per cent of the total value of the product as shown by the 1919 census. The above rates of English labor indicate that their rates per hour are approximately 70 per cent of the American rate, which would mean that the actual labor saving would be 70 per cent of 2½ per cent, or approximately three-fourths of 1 per cent of the value of the products. This means that if the British labor was as efficient as the American labor, the cost of production would be reduced by three-fourths of 1 per cent of the value of the products. This saving is so small that it will not begin to pay the transportation costs on the finished products between England and America. At the present time, however, American labor, from personal observations that the writer has made in other industries in England, is far more efficient than the English labor, and although the rates of pay per hour in England are lower than the rates of pay in the United States, the output per hour in the United States is much greater, thereby offsetting to a large extent the advantage gained by lower rates per hour.

If the proposed rates of duty on linseed oil become effective, the costs of certain grades of floor coverings which this company manufactures and is now exporting will be increased to the point where it will probably be necessary to either discontinue the export business or else manufacture such products in the countries where such floor coverings are now being exported. In either case, this will mean the withdrawal of this amount of business from the United States, resulting in a reduction in purchases and employment of labor, which again reacts on the linseed-oil crusher and on the farmer.

We furthermore wish to state that we are urging that the proposed rates of duty on linoleums be reduced, as they are much higher than is necessary to equalize the difference in the cost of production between linoleums manufactured in England and those manufactured in the United States. The exact amount of the reduction that we are urging in the rates on linoleum is dependent upon the rate of duty that will apply to linseed oil.

Approximately 60 per cent of the floor coverings manufactured by this company are sold in the agricultural districts, and we believe that this ratio of distribution will apply to the other manufacturers of linoleums and oilcloths. Consequently 60 per cent of the burden of the excessive duty on linseed oil, as carried by the ultimate consumer of floor coverings, falls upon the farmer.

The farmer is also a very extensive user of linseed oil in the form of paints which he buys to paint his buildings and equipment. Here again the excessive duty on linseed oil will fall upon the farmer.

There are nearly 1,000 paint manufacturers in the United States who use linseed oil as a basic material. We can not understand how the proposed duty on linseed oil can be regarded as protective when it imposes an unwarranted burden upon the American farmers and all other consumers and accomplishes nothing but the creation of an excessive profit for the few operators of a simple oil-separating process.

We feel that it is incumbent upon the Senate to reduce the proposed 3½ cents per pound duty on linseed oil to 2 cents per pound, which would be equivalent to 15 cents per gallon. This rate will provide ample compensation and ample protective margin for the flaxseed-crushing operation as compared with the proposed rate of 40 cents per bushel (30 cents net) on flaxseed.

Very truly yours,

A. E. VAN BIBLER, *Secretary.*

THE NATIONAL SEED CRUSHERS' ASSOCIATION,
London, June 23, 1922.

H. SHELDON TIEL, Esq.,
The Congoleum Co. (Inc.), Philadelphia.

DEAR SIR: With reference to your call here to-day, I have pleasure in giving you information as to the rates of wages paid to the employees in the English oil mills.

As you will understand, the rates vary slightly in different towns, country mills mostly paying slightly lower rates than city mills. The following, however, are the principal rates applicable in Hull, which is the center, by about 50 per cent of the seed-crushing business of the United Kingdom:

	Shillings.
Pressmen	63
Molders	57
Grinders	56
Parers	55
General labor	55

The above rates are for a working week of 6 shifts of 8 hours each, say a week of 48 hours. The practice on this side is to work three squads of men in the 24 hours, the first start working from 6 a. m. till 2 p. m., the second set from 2 p. m. till 10 p. m., and the third set from 10 p. m. till 6 a. m.; each squad of men takes rotation. The men on the first shift one week take the second shift the next week and the third shift the following week, and so round. In actual practice there is one shift of eight hours dropped in the three weeks, owing to the intervention of the Saturday, so that a man in his three weeks cycle really works 48 hours the first week, 48 hours the second week, and 40 hours only the third week. No deduction of wages is made for the third week; he receives the same wage for that period. In each shift of 8 hours there is a break of 20 minutes for meals at half time.

We shall be happy to give you any further information you desire.

Yours faithfully,

J. W. PEARSON, *President.*

Mr. WALSH of Massachusetts. Mr. President, when paragraph 50 is taken up I shall move to reduce the rate on flaxseed oil from 3½ cents to 2 cents.

Mr. McCUMBER. Mr. President, I am profoundly affected by the plea which has just come from the manufacturers of linoleum, who, of course, use considerable flaxseed or linseed oil in the manufacture of their product. However, I am not prepared to shed copious tears when I recall that they have asked and received the full compensatory duty upon the flaxseed oil in the rates which have been given them for the protection of their product against English and other manufactures. I do not find that any one of them is requesting that their product be placed upon the free list or that the rate on it be materially reduced.

Mr. WALSH of Massachusetts. I understood the objection made by the writer of the letter which has just been read was that these rates would compel him to charge such a high price for his product that he would be unable to do any export business.

Mr. McCUMBER. However, I think they will continue to import just as long as we are producing less than one-third of the product consumed in the United States, and I have no doubt that the duty may possibly also affect their export trade. That would naturally follow.

I read with great interest how these extra duties would be charged to the consumer, and that the consumer would have loaded upon his shoulders the extra weight of 3½ cents a pound on the oil that is used in the linoleum.

I can not help pausing a moment and casting my eyes over the record of their charges for linoleum in 1920. They were not mourning at that time about the consumers. At that time they were asking several times the former value of their product, and they were importing their linseed oil without the payment of any of these higher duties.

They are just like all other human beings; they are going to get all they can for their product, and the measure of what they will receive will be the ability of the public to purchase. That is what they have done in the past and that is what they will do in the future, and they will charge all that the trade will bear, and they will do this, tariff or no tariff. They would like to charge that and at the same time prevent the producer of the flaxseed from receiving due compensation for his labor in producing their raw product. But, Mr. President, this duty will not be added to the cost of linoleum for the simple reason that the trade will not allow an increase in price. The price of this product will come down, as the prices of all other products will recede.

I was not in the Chamber when the Senator from Massachusetts began his argument, but I am going to presume that he abandoned the stock argument which we have heard on the other side so often, that the farmer got no benefit out of the emergency tariff. I do not think he mentioned that subject. It was mentioned with a great deal of vehemence when the crop of the world sent peanuts down, but it is forgotten when the conditions of the world send flaxseed up.

I am trying to be as reasonable as possible in the consideration of the effect of a duty on any commodity. I have never

claimed that the tariff was going to change the whole world prices of any commodity, and have always insisted that prices in the United States would go up and down to correspond with general world production. That was true of the peanut crop; it is true of the flaxseed crop.

But I want to call attention to this one fact, that while world prices of flaxseed, after we passed the emergency tariff bill, went upward, the American prices were sent upward away beyond the world level of prices, and the difference between the world level of prices and the American level of prices during the same period measures accurately the benefit we obtained from the emergency tariff law.

We passed the emergency tariff law in the month of May, 1921. In the month of April, the preceding month, the price of No. 1 northwestern American flaxseed was $1.54 a bushel. We passed our law the next month, and during that month the average was $1.79. It then went upward each month until May, 1922, when the average price per bushel was $2.76. So the farmer is receiving now $1.22 a bushel more than he received just prior to the passage of the emergency tariff act. That does not mean he is getting a benefit of $1.22 a bushel by reason of the emergency tariff act, not by any means; but if we look at the world level of prices, which is measured in the free-trade port of Buenos Aires, we will find that the price at Buenos Aires of La Plata flaxseed in April, 1921, was $1.15 and in May, 1922, it was $1.91. It was 76 cents higher than it was the month previous to the enactment of the emergency tariff law. Therefore, while the world's level of prices advanced 76 cents a bushel, American prices advanced $1.22 a bushel, or a difference of 46 cents a bushel. We at least got that benefit.

We did not get the full benefit for another reason. When the emergency tariff bill came over from the House we were in a hurry to get it through so that, as far as possible, we could check the downward tendency of prices of the products covered by it. The weakness of that bill was that while it gave a sufficient protection upon the flaxseed, it gave no differential to take care of the importations of the linseed oil. The result was that linseed oil came into the country in enormous quantities, instead of the raw product, the linseed itself, and that held the prices down. Except for that, during the entire year we would have had the full benefit of our tariff difference, and in fact, even as it was, we received practically the same difference that was measured by the emergency tariff.

Mr. President, I want to make the record complete in regard to a few items. The act of 1909—the last Republican tariff bill—gave a duty of 25 cents per bushel upon flaxseed. The act of 1913 cut it down only 5 cents, making it 20 cents per bushel. The bill as it passed the House gave back the old Payne-Aldrich rate of 1909 of 25 cents a bushel. The emergency tariff law gave us 30 cents a bushel, and the proposed law fixes 40 cents per bushel as the rate.

Now, during the calendar year 1921 the imports amounted to 12,326,244 bushels as compared with a production in the United States of 8,112,000 bushels. But in addition to that nearly 20,500,000 bushels came into the United States in the shape of linseed oil, and that brought the entire importations to the equivalent of about 33,000,000 bushels.

We derived some revenue from this product independent of the protection. Under the act of 1913, in the first half of the year 1921, we collected in duties $903,636.20. After the emergency act passed we collected $2,341,408.80, or a total of $3,245,045. On the basis of $1.65 per bushel, the average unit value for the calendar year 1921, the rate of 40 cents per bushel is equal to 24 per cent ad valorem.

Now, Mr. President, we have shown a great advantage to the American farmer in the emergency tariff. We will be able to maintain a very much better average, I think, with the present proposed tariff rate. As to the differential of 3½ cents per pound, my colleague, the junior Senator from North Dakota [Mr. LADD], having had long experience as a professor in the agricultural college of that State and also as president of the college, has very extended knowledge concerning the matter of a proper differential in the matter of this particular tariff duty, and if that Senator will allow me to impose upon him I will ask his opinion and judgment as to the proper differential.

Mr. LADD. Mr. President, in speaking at this time I want to give attention to both flaxseed and the soya bean, which come under this paragraph. The Senator from Massachusetts [Mr. WALSH] called attention to the fact that a large amount of the oil imported into this country of late had been imported by the crushers, and that is true. Why by the crushers? Because they were unable to compete with European countries in the importation of flaxseed. The tariff on flaxseed was placed at 30 cents under the emergency tariff law and the oil remained at 10 cents per gallon. Naturally the oil was being imported into the country by the importers; so the crushers, in order to retain their customers, found it necessary to meet the demands of the markets to become able to import flaxseed and became importers of the oil for no other purpose than to keep their customers until they could again become buyers of the flaxseed.

We had a tariff of 30 cents on flaxseed in 1890, and at that time the tariff on oil was greater than the tariff on flaxseed, being 32 cents per gallon. In 1894 the tariff was reduced to 20 cents per bushel on flaxseed, and on oil to 20 cents, just the same as on the flaxseed per bushel. In 1897 it was changed to 25 cents per bushel on the seed, and remained the same—20 cents—on the oil. In 1909 it was 25 cents on the seed and reduced to 15 cents on the oil. Under the Payne-Aldrich bill the tariff was 20 cents on the seed and 10 cents per gallon on the oil.

In 1913, when the Underwood-Simmons law went into effect, we were producing in this country 28,853,000 bushels of flaxseed. We were producing about 25,000,000 bushels each year, with the exception of one year, when there was a shortage of crop due to nearly complete failure, drought, and so forth, when it fell to something like 12,000,000 bushels. In 1920, because of lack of protection, we find the amount of flaxseed produced here was only 7,661,000 bushels. In 1913 we were importing 5,000,000 bushels of flaxseed. In 1920 we were importing 23,000,000 bushels of flaxseed. Of oil, in 1913 we imported 172,522 gallons, but of linseed oil, in 1920 we imported 4,550,391 gallons.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. WILLIS in the chair). Does the Senator from North Dakota yield to the Senator from Utah?

Mr. LADD. I yield.

Mr. KING. Can the Senator give the differences in prices for finished product—that is, for linseed oil—in 1912, 1913, and 1914, and also in 1918, 1919, 1920, and 1921?

Mr. LADD. I do not know that I have those data here.

Mr. KING. Let us see how much the advance was, not only on the oil from pre-war years to a period during and since the war but as well the prices before the war and since, on flaxseed.

Mr. LADD. I have the prices for the flaxseed, but not for the oil.

Mr. KING. That range was about 300 or 400 per cent above the pre-war price, was it not?

Mr. LADD. In 1912, on the basis of 100 cents, it was 114.7, or $1.147. In 1919 it was $1.99, in 1920 it was $1.766, in 1921 it was $1.629; the data was furnished me, I may say, by the Department of Agriculture. On the oil I can not give the figures, as I do not have them with me at this time.

In the first four months of 1922 we imported 8,954,958 gallons of oil, or about twice the amount in four months as for the preceding year. In other words, to put it in another form, during the month of January, 1922, we imported thirty-one times as much linseed oil as in the same month for 1921. During the month of February, 1922, we imported sixty-nine times as much as in the corresponding month for the preceding year. In March, 1922, we imported eight hundred and seventy-three times as much oil as in March, 1921. In April, 1922, we imported sixty-five and one-half times as much as in April, 1921. In May, 1922, we imported sixty-three and one-half times as much as was imported for the corresponding month in 1921. In other words, we imported in May, 1922, 3,716,209 gallons, as compared with 58,399 gallons in May, 1921.

I asked the Department of Agriculture to furnish me certain data, and I want to call attention to what they say with regard to the duty:

> A still more important factor perhaps is the localization of our linseed-oil industry along the eastern seaboard. The eastern mills, far removed from the flax-producing sections of the United States, have come to depend almost entirely upon Canada, Argentina, and British India for their raw materials. More recently even the western crushers located in Minneapolis and Chicago have begun to use Argentina seed. The freight rate on flaxseed from Minneapolis and Duluth to New York is 86½ cents per 100 pounds, or at the rate of 52 cents per bushel. In contrast with this rate the ocean freight rate from Argentina to New York is from $3.50 to $4.50 a ton of 2,240 pounds. The $4.50 rate applies to up-river ports and is at the rate of 11 cents per bushel. In September of last year, when large quantities of flaxseed were being imported from Argentina, the freight rate was approximately 35 cents per bushel.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota again yield to the Senator from Utah?

Mr. LADD. I yield.

Mr. KING. I may not have heard at a distant part of the Chamber, but I understood the Senator to fix the highest price of flaxseed at less than $2.

Mr. LADD. No; I stated that in 1912 the price was $1.14. I am speaking of the farm price, the price which the farmer received. The data was received from the Department of Agriculture. In 1913 the farm price was $1.19; in 1920, $1.766; and in 1921, $1.629.

Mr. KING. If the Senator will in his time indulge me for a moment, I find in the United States Department of Agriculture Yearbook for 1920 the following figures, which seem to be somewhat at variance with those given by the Senator. We find the low price at Cincinnati in 1913 was $1.50 per bushel; at Minneapolis, $1.23¼ per bushel; at Milwaukee, $1.25½ per bushel; at Duluth, $1.22⅝ per bushel. In January, 1914, substantially the same figures are given. In 1915 $1.70 is given as the low price in Cincinnati, $1.59½ in Minneapolis, $1.51½ in Milwaukee, and $1.61½ in Duluth. Those are the low prices.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to his colleague?

Mr. LADD. I yield.

Mr. McCUMBER. The Senator from Utah is in error as to any variance between his statement and that of my colleague. My colleague is quoting the farm prices and the Senator from Utah is quoting the prices at the city. If the Senator from Utah will turn back to page 601 of the document to which he was referring, he will find the farm prices which correspond with what the junior Senator from North Dakota has stated.

Mr. KING. There may not be any variance in the sense implied by the Senator. If those prices indicated the commercial prices, then, of course, there is a variance.

If the Senator from North Dakota will pardon me a moment further, in 1916 prices had risen to $2.85 in Cincinnati and corresponding increases at the other points which I shall not take the time to indicate. In 1917 the price was $3.75 per bushel in Cincinnati. The highest price was $4.25 per bushel. In Minneapolis the high price was $3.46; in Milwaukee the high price $4.32; in Duluth the high price $4.36 and the low price $3.46. In 1918, $3.75 was the low and $4.25 the high in Cincinnati, and there were corresponding increases at the other points. In January, 1919, $3.25 was the low and $5.50 was the high in Cincinnati, with corresponding increases at the other points, the price being as high as $6.73 at Duluth. In 1920 the low price in Cincinnati was $4.50 and the high price was $5, the average being $4.62. In Minneapolis the low was $4.63 and the high $5.45. In Milwaukee the low was $4.70 and the high $5.35. At Duluth the low was $4.68 and the high $5.36. The prices increased from January right along down to July of that year, when the low price was $5 in Cincinnati. In Minneapolis the price was lower, being $3.11 and $3.87½, while $3.94 was the high price at Duluth.

So there was considerable spread, to use a word which has been employed a great deal during the debate, between the farm and the commercial price of the seed to which I have referred.

Mr. LADD. Mr. President, there is no question about that, but the prices I am giving are the prices which the producer is going to receive for the crop which he grows. During the war, of course, there were higher prices paid because of the demand, and the expense of production was also greater.

Mr. KING. The Senator will see that the prices went up over 300 or 400 per cent, and I presume that the prices now are very much higher than they were in 1913. There must be some profiteering somewhere which reflects itself in higher prices for linseed oil which are carried on to the farmer and to everybody else who employs linseed oil in painting and for other purposes for which it is legitimately used.

Mr. LADD. Can the Senator from Utah give the price of linseed oil per gallon during the war and the price of linseed oil at the present time?

Mr. KING. I do not have those prices here.

Mr. LADD. Linseed oil was as low as 69 cents a gallon during the past winter, and I think it is something like 72 cents wholesale according to the last quotation of the price that I noticed.

Mr. KING. My recollection is that the last price I saw was 87 cents a gallon. The pre-war price was 50 cents, or thereabouts, a gallon. A short time ago the price was from 75 to 100 per cent above the pre-war price, which, of course, is an impediment to painting and to building operations and to the general use of this very essential commodity.

Mr. LADD. That is very true; but that does not give the producer of the commodity any greater return. The report which has been furnished by the Secretary of Agriculture further states:

> It does not require any extended calculations to show that American flaxseed can not, on the basis of present production and transportation costs in this country, compete with Argentine flaxseed which, after paying an import duty of 30 cents a bushel can still be landed in New York more than 20 cents cheaper than flaxseed from the Middle West.

Mr. WALSH of Massachusetts. Will the Senator yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Massachusetts?

Mr. LADD. I yield.

Mr. WALSH of Massachusetts. I understand that the Payne-Aldrich law levied a duty of 25 cents per bushel upon flaxseed and that that law contained a drawback provision, and that the Underwood law levied a rate of 20 cents per bushel without any drawback provision. I further understand that the price of flaxseed has constantly increased from 1913 to 1920; in fact, that it has increased from $1.75 a bushel to nearly $5 a bushel. In the face of the fact that, despite the elimination in the Underwood law of the drawback provision of the Payne-Aldrich law and a reduction from a rate of 25 cents to 20 cents, the prices have increased, does the Senator say that the reduction of the rate and the elimination of the drawback in the Underwood law are responsible for the reduction in the production of flaxseed in this country?

Mr. LADD. They are in part responsible; but that reduction is not the only factor; there are other factors that enter into the question. The Senator from Massachusetts spoke of one of those. I can not agree with him wholly. The Senator said that flax was a sort of a "catch crop" for a part of the farmers. That I do not think to be true. Flax is a crop grown by farmers on new soil or newly broken land. On the old land years ago the farmers were obliged to abandon the production of flax for the reason that a disease, known as flax wilt, destroyed the plant and the crop did not succeed. The cultivation of flax was then confined more largely to new land, but that condition has been overcome at the present time. For the past six or seven years there has been on the market a variety of flaxseed which is immune to these diseases. Just as a person who has been vaccinated for smallpox is immune to smallpox, so one of these varieties of flaxseed is immune to the flaxseed wilt. So flax is coming back into cultivation in the older parts of the West where it was formerly grown. Flax yields an income to the farmer which is less than yielded by wheat in the wheat-growing sections, as is shown in the report of the Secretary of Agriculture, from which I have quoted. That flax production has rapidly decreased in this country since 1913—that it has fallen from 25,000,000 or 29,000,000 bushels a year to from 7,000,000 to 8,000,000 bushels a year—is due in a large measure to the lack of protection, and the fact that the emergency tariff failed to furnish proper protection on the oil has been the means of closing practically every crushing plant in this country. Without adequate protection on both the oil and the flax, the farmer would have no home market for the flax that is produced in this country.

The demand for linseed oil in 1913 was about 40,000,000 gallons, but during the past few years the demand has increased to approximately 75,000,000 gallons, while the quantity produced in this country has rapidly decreased. Under proper protection flaxseed, in my judgment, would come back as a large and important crop all through the Northern States, from New England to Montana, and would be grown not only on new lands but on the old lands.

In the report which is furnished by the Department of Agriculture they say further:

> Furthermore, since the United States is at the present time a large importer, an increase in the tariff which would reduce our importations would probably result in lowering the price in foreign markets to points which would enable American importers to buy in foreign markets in spite of the protection afforded by the higher tariff, so that the farmer would not profit to the full extent of the increase in the tariff rates.

I ask that this report may be printed in full as part of my remarks.

The PRESIDING OFFICER. Without objection, that order will be made.

The report referred to is as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE,
BUREAU OF MARKETS AND CROP ESTIMATES,
Washington, October 29, 1921.

(Memorandum for Dr. H. C. Taylor, Chief Bureau of Market and Crop Estimates.)

PROPOSED INCREASE IN THE IMPORT DUTY ON FLAXSEED, WITH SPECIAL REFERENCE TO ENCOURAGEMENT OF FLAXSEED PRODUCTION IN THE UNITED STATES.

DEAR DOCTOR TAYLOR: The undersigned, acting as a special committee, under your oral instructions of October 3, 1921, submit the following report on the production and international trade in flaxseed, with particular reference to the possibilities of encouraging the production of flaxseed in this country by increasing the import duty from 30 to 50 cents per bushel.

Respectfully submitted.

O. C. STINE,
Agricultural Economist, Office of Farm Management and Farm Economics.
C. R. BALL,
In charge Cereal Investigations, Bureau of Plant Industry.
C. L. LUEDTKE,
Assistant in Market Information, Foreign Information Section, Division of Agricultural Statistics and Prices.

PROPOSED INCREASE IN THE IMPORT DUTY ON FLAXSEED, WITH SPECIAL REFERENCE TO ENCOURAGEMENT OF FLAXSEED PRODUCTION IN THE UNITED STATES.

FAXSEED A PIONEER CROP.

Flaxseed has always been know as a pioneer crop, thriving on the frontier and moving with it. It has been produced generally on the first soil of newly cleared or newly broken lands and has been a cash crop for the new settler or farmer distant from market. In all of the northern States it has been for a period an important crop. Before the Revolution the northeastern and middle States produced and exported considerable quantities of flaxseed. Before the Civil War, Ohio and Kentucky had become important producers and Cincinnati was an important primary market for flaxseed. Flax production has shifted west with the westward movement of settlement until now the most important producing centers are in the most recently developed lands in the northern Great Plains area, embracing the States of Minnesota, South Dakota, North Dakota, and Montana.

FLAX WILT AND COMPETITION WITH OTHER CROPS.

Flax wilt and profitableness of other crops have been two important factors in causing the shift in flax production. The wilt by causing the crop to fail after the second or third year on the same land compelled farmers to shift cultivation. After a few years it could have been grown again, but markets for other farm products had developed and so it was not as profitable to grow it as other products. If these two factors continue to operate in this way our flax production may soon be a thing of the past and the United States will be compelled to depend upon foreign countries for its entire supply. Fortunately, wilt resistant varieties have been developed which will enable farmers to grow flax continually on their farms. These varieties thus far have not yielded as well as the flax commonly grown; therefore the use of wilt-resistant seed will increase the cost per bushel of producing flaxseed.

However, in those portions of the corn belt where flax has not been grown recently, it is probable that the organism causing wilt is not present, at least, not abundantly. In that case it would not be necessary to use seed of resistant but lower yielding varieties until the wilt appears and becomes destructive. Seed free from wilt infection should be used wherever possible. Such seed, generally, can be obtained in Montana or western North Dakota, where wilt is not widely destructive. Those needing seed of the wilt-resistant variety probably can obtain it from the North Dakota Agricultural College, Agricultural College, N. Dak.

If the growing of flaxseed is to be encouraged in the corn belt, it should be made a neighborhood or community enterprise in order to facilitate the distribution of seed and the marketing of the crop. It would be most economical to distribute at least a carload of seed in each producing community. At any rate, a sufficient acreage should be sown in each community to insure the production of at least a carload of seed so that it could be shipped economically to a central market. One difficulty in growing flax, even on the border of the flax area, is that there is not a ready market for small lots of seed. It is very desirable that a group of farmers grow a sufficient acreage to insure production of a crop that can be marketed economically.

UNITED STATES PRODUCTION DECLINES.

The period since 1908 has seen a general decline in the production of flaxseed in the United States. North and South Dakota, Minnesota, and Montana now produce 84 per cent of the domestic crop, which in 1920 amounted to 10,990,000 bushels. The production this year is estimated at 8,878,000 bushels. This decline in production, coupled with the growing demand for linseed products, has made the United States essentially a flaxseed importing country.

WORLD ACREAGE AND PRODUCTION.

Argentina is the largest producer of flaxseed in the world. The average acreage is around 3,000,000 acres. India follows a close second. The United States is third with 2,000,000 acres; then comes Canada with an average of 1,000,000 acres, while Uruguay, Japan, and several European countries each cultivate from 50,000 to 100,000 acres. In most of the European flax-growing regions the flax is raised primarily for its fibers. In the United States, Canada, and Argentina, as well as in India, flax is produced primarily for the seed. The area and production in the principal flax-producing countries of the world in 1921 and for a five-year period, 1909–1913, were as follows:

Countries.	Area.		Production.	
	Average 1909–1913[1]	1921	Average 1909–1913[1]	1921
	Acres.	*Acres.*	*Bushels.*	*Bushels.*
Argentina	3,683,000	[2] 3,484,000	31,989,000	[2] 42,025,000
India	3,821,000	[2] 2,234,000	19,773,000	[2] 10,760,000
Russia in Europe (except Poland)	3,217,000	.....	19,772,000	.....
United States	2,490,000	1,242,000	19,505,000	8,252,000
Canada	1,036,000	786,000	12,068,000	7,160,000
Other countries	1,014,000	.....	7,073,000	.....
Total	15,261,000	7,746,000	110,180,000	[3] 68,197,000

[1] 5-year average, except in a few cases where 5-year statistics were not available.
[2] Harvest in February.
[3] Exclusive of Russia and "Other countries."

It will be observed from the foregoing table that the 1921 flax acreage in the principal flax-producing countries of the world was about one-half the average acreage during the five-year period from 1909 to 1913. It will further be noted that the 1921 production, exclusive of Russia and other countries not shown, was about 62 per cent of the five-year pre-war average. Prior to the war the Russian Empire produced about 20,000,000 bushels annually, and Europe, outside of Russia, produced about 3,000,000 bushels. Russia, however, may now be left out of the discussion because she is not yet producing quantities in excess of her demands.

The acreage sown to flax in Argentina has been around 3,000,000 acres since 1903, showing little change from year to year. No acreage or production estimates have been received as yet for the 1921–22 crop. The acreage in Canada this year is almost one-half that of 1920. The latest reports give the production this year at 7,160,000 bushels, which is about 800,000 bushels less than the 1920 crop. The 1920–21 crop in India this year was 10,760,000 bushels, or about 6,000,000 bushels less than the crop of the previous year.

INTERNATIONAL TRADE IN FLAXSEED.

Argentina leads not only in production but also in her exports of flaxseed, which amount to approximately 90 per cent of her production. India exports about 80 per cent of her production. Russia, however, exports only about 25 per cent or 5,000,000 bushels. The average annual imports of the United States and certain European countries during the three years preceding the war (1911–1913), and in 1919 and 1920 are shown in the following table compiled from official and other sources:

Average annual net imports of flaxseed into principal flax-consuming countries.

	Average 1911–1913	1919	1920
	Bushels.	*Bushels.*	*Bushels.*
Austria-Hungary	1,872,000	.....	.....
Belgium	3,348,000	979,000	716,000
Bulgaria	.....	.....	.....
Denmark	520,000	709,000	1,054,000
France	6,243,000	.....	1,217,000
Germany	15,102,000	.....	2,075,000
Italy	1,698,000	519,000	871,000
Netherlands	6,254,000	3,718,000	3,647,000
Norway	445,000	351,000	332,000
Sweden	904,000	695,000	1,085,000
United Kingdom	15,091,000	20,536,000	15,575,000
Total	51,477,000	27,507,000	23,412,000
United States	7,290,000	14,036,000	24,616,000
Grand total	58,767,000	41,543,000	48,028,000

Prior to the war the total consumption of all Europe averaged around 63,000,000 bushels, of which 40,000,000 bushels were imported. During the three years immediately preceding the war the total imports of Europe averaged over 51,000,000 bushels, and those of the United States during the same period averaged around 7,000,000 bushels. In 1918, with Germany, Belgium, Hungary, Denmark, and the Netherlands taking no flaxseed and Italy taking very little, we find Europe's net imports in that year reduced to about 11,000,000 bushels. Following the armistice, after readjustments began to be made, the Netherlands, Italy, Denmark, and France imported quantities more nearly approaching their normal imports, until in 1919 the European net imports aggregated 28,000,000 bushels. In 1920 her imports dropped to 23,000,000 bushels, less than half the average imports during the three years immediately preceding the war. This decrease was due largely to reduced importations of the United Kingdom, which imported 5,000,000 bushels less in 1920 than during the previous year. Most of the other countries, however, notably Denmark, France, Germany, Italy, and Sweden, all showed increases in their 1920 imports.

Europe is gradually recovering her former position as a flax-importing country. The best evidence of this will be found in the following table, showing the exports of flaxseed from Argentina—the chief source of European and American flax imports—during the first seven months of the present calendar year compared with the totals for 1920:

Exports of flaxseed from Argentina.

Countries.	1920	Jan. 1 to July 31, 1921
	Bushels.	*Bushels.*
United Kingdom	5,079,714	5,709,678
France	469,501	784,129
Belgium	1,435,470	1,684,629
Germany	947,151	1,290,163
Italy	278,362	19,762
Netherlands	3,547,280	2,805,590
Denmark	1,391,493	605,281
United States	18,770,476	7,390,095
Other countries	9,434,589	12,249,742
Total	41,352,036	32,539,069

From an analysis of the foregoing table it will be observed that the exports of flaxseed from Argentina to the United Kingdom, France, Belgium, and Germany during the first seven months of this year exceed the total exports to those countries during the calendar year 1920. Attention is particularly directed to the relative volume of flaxseed taken by the United States and the United Kingdom this year as compared with a year ago.

In considering the world's trade in flaxseed as a whole it is not necessary to give any consideration to the trade in linseed oil, because the principal producing countries export very little oil, though some countries export linseed oil crushed from imported seed. In studying the trade of any one country, however, it is well to consider the seed equivalent of the oil.

IMPORTS OF FLAXSEED INTO THE UNITED STATES.

The average annual imports of flaxseed into the United States from 1911 to 1913 were 7,297,000 bushels. In 1919 there were 14,036,000 bushels imported, while in 1920 the imports amounted to 24,641,000 bushels, all of which, with the exception of 1,863,000 bushels, came from Argentina. So far this year (January 1 to September 30, 1921) 8,602,884 bushels of flaxseed have been imported into the United States, as against 19,301,932 bushels for the corresponding period of 1920. Of the 8,602,884 bushels imported so far this year Argentina contributed 5,938,596 bushels, while Canada furnished 2,370,378 bushels,

the remainder (293,910 bushels) coming from other countries. The imports of flaxseed into the United States during the past 10 years are given in the following table:

Imports of flaxseed into the United States.

	From Argentina.	From Canada.	From other countries.	Total.	
				Fiscal year.	Calendar year.
Fiscal years ending June 30:	*Bushels.*	*Bushels.*	*Bushels.*	*Bushels.*	*Bushels.*
1910	3,209,087	1,410,398	383,011	5,002,496	9,158,779
1911	5,021,137	2,251,083	3,227,007	10,499,227	7,480,115
1912	1,210,628	3,510,883	2,120,295	6,841,806	7,833,180
1913	429,254	4,732,316	132,726	5,294,296	6,580,154
1914	None.	8,647,168	6,067	8,653,235	9,246,530
Calendar years:					
1914	73,555	9,166,249	6,726	.....	9,246,530
1915	11,097,624	3,447,372	151,627	.....	14,696,623
1916	8,744,795	4,210,197	143,012	.....	13,098,004
1917	1,712,178	7,004,638	677,471	.....	9,394,287
1918	9,668,119	3,240,043	66,314	.....	12,974,476
1919	12,353,932	1,279,132	403,120	.....	14,036,184
1920	22,778,359	1,637,813	225,018	.....	24,641,190
1921 (9 months)[1]	5,938,596	2,370,378	293,910	.....	8,602,884

[1] Preliminary.

ACREAGE NECESSARY TO PRODUCE UNITED STATES REQUIREMENTS.

Increase in the production of flaxseed in the United States may be brought about either by increased acreage or by increased yield per acre, or both. The average acreage planted to flaxseed in the United States during the period 1910–1920 was 1,900,000 acres, the tendency being a gradual reduction during the decade. The average annual production during the period was about 14,700,000 bushels, with a 7,500,000-bushel crop in 1919, which was the smallest crop harvested since 1879. The average excess of imports over exports for the period, including the seed equivalent of linseed oil, was about 11,900,000 bushels, making our average net supply about 26,500,000 bushels. The largest supply for any one year was in 1912, when it amounted to 33,000,000 bushels, followed by 31,000,000 bushels in 1919 as a close second. The large supply in 1912 was the result of a good crop from a large acreage, while in 1919 it was due to the large import of 24,500,000 bushels of flaxseed.

Acreage, production, yield per acre, and average farm price per bushel of flaxseed in the United States, 1902–1921.

Year.	Acreage.	Production.	Average yield per acre.	Average farm price (Dec. 1) per bushel.
	Acres.	*Bushels.*	*Bushels.*	*Cents.*
1902	3,740,000	29,285,000	7.8	105.2
1903	3,233,000	27,301,000	8.4	81.7
1904	2,261,000	23,401,000	10.3	99.3
1905	2,535,000	28,478,000	11.2	84.4
1906	2,506,000	25,576,000	10.2	101.3
1907	2,864,000	25,851,000	9.0	95.6
1908	2,679,000	25,805,000	9.6	118.4
1909	2,712,000	25,856,000	9.4	.....
1909[1]	2,083,000	19,513,000	9.4	153.0
1910[2]	2,467,000	12,718,000	5.2	231.7
1911	2,757,000	19,370,000	7.0	182.1
1912	2,851,000	28,073,000	9.8	114.7
1913	2,291,000	17,853,000	7.8	119.9
1914	1,645,000	13,749,000	8.4	126.0
1915	1,387,000	14,030,000	10.1	174.0
1916	1,474,000	14,296,000	9.7	248.6
1917	1,981,000	9,164,000	4.6	296.6
1918	1,910,000	13,369,000	7.0	340.1
1919	1,572,000	7,661,000	4.9	438.3
1920	1,785,000	10,990,000	6.2	176.6
1921	1,242,000	8,878,000	7.2	[3] 162.9

[1] Census returns.
[2] Figures adjusted to census basis.
[3] Farm price Oct. 1, 1921. Price on Oct. 1, 1920 was 279.7 cents.

The additional acreage necessary to produce an amount equal to our net imports of flaxseed and seed equivalent of linseed oil, based upon a 10-year average yield per acre—7.6 bushels, 1911–1920—would have been 3,000,000 acres in 1919, when the net imports—during the fiscal year ending June 30, 1920—were approximately 24,700,000 bushels. The required additional acreage in 1920, when our net imports were 16,700,000 bushels, computed on the above basis, would have been 2,000,000 acres. It is interesting to note in this connection that the average yield for the United States in 1920 was only 6.2 bushels, so that 2,000,000 additional acres actually planted in 1920 would not necessarily have produced an amount equal to our net imports during that year. On the other hand, it should be remembered that our imports in 1919 and 1920 were unusually heavy—the heaviest, in fact, on record. Based on our average net imports during the past 10 years, including the heavy imports in 1919 and 1920, it would only have required 1,500,000 additional acres to produce an amount equal to our net imports.

Another fact to be kept in mind is the variation in the average yield per acre in the several States in which flaxseed is grown. The 10-year average yield in Wisconsin, for example (1911–1920), was 12.2 bushels per acre; in Minnesota, 9.3 bushels per acre; in North Dakota, 7.5 bushels per acre, and in Montana, the State with the largest flax acreage, 6.7 bushels per acre. The following table shows the acreage, production, and average yield per acre of flaxseed in the principal flax-producing States during 1920, with the average yield covering a 10-year period (1911–1920):

Acreage, production, and average yield per acre, 1920, and average yield, 1911–1920.

States.	Acreage.	Production.	Average yield per acre.	Average yield 1911–1920.
	Acres.	*Bushels.*	*Bushels.*	*Bushels.*
Wisconsin	9,000	99,000	11.0	12.2
Minnesota	320,000	3,040,000	9.5	9.3
Iowa	12,000	120,000	10.0	9.9
Missouri	6,000	45,000	7.5	7.0
North Dakota	735,000	3,896,000	5.3	7.5
South Dakota	220,000	2,200,000	10.0	8.3
Nebraska	5,000	45,000	9.0	7.6
Kansas	23,000	159,000	6.9	5.8
Montana	451,000	1,353,000	3.0	6.7
Wyoming	4,000	33,000	8.2	8.5
United States	1,785,000	10,990,000	6.2	7.6

The variation in the average yield per acre in the different States clearly shows how the localization or distribution of the additional flax acreage among the several States might change the basis for an estimate of this kind.

COMPARISON OF YIELD AND COST OF PRODUCTION.

In the period from 1908 to 1916, inclusive, the average yield of flaxseed per acre was 5.07 bushels in Russia, 5.08 bushels in British India, 8.42 bushels in the United States, 9.11 bushels in Argentina, and 11.07 bushels in Canada. Unfortunately there are no comparable data as to the cost of producing flaxseed in these countries, except in the case of Canada, where flaxseed production is confined to the newer farming regions and where the methods of cultivation are substantially the same as in the United States. The general level of prices and wages and the methods of cultivation in the other countries are so obviously different as to render all comparisons in the absence of authoritative cost data misleading and valueless.

RELATION BETWEEN PRICE AND COST OF PRODUCTION.

In considering the price necessary to obtain increased production we must take into account the long-time average price of the crops with which flax competes. In the Northwest flax competes with oats and wheat. In the corn belt the competition of corn would also be a factor. The average farm price, yield, and value per acre of flax in the United States, 1905–1914, compared with oats, wheat, and corn, are given in the following table:

	Average price per bushel.	Average yield per acre.	Average value per acre.
	Cents.	*Bushels.*	
Flax	132.7	8.8	$11.68
Oats	38.7	29.6	10.46
Wheat	85.1	14.8	12.59
Corn	54.5	26.6	14.50

It will be observed that the farm price of flax is greater than that for any of the competing crops, but the yield of flaxseed per acre is less than the yields of the other crops. The average value of flaxseed produced per acre was greater than the value of oats but less than the value of wheat or corn. If the cost per acre of producing each crop were equal, the prices should rank as indicated in the following table:

Relative value per acre.

Flax	100
Oats	90
Wheat	103
Corn	124

However, the cost of production is not the same in each case. The office of Farm Management and Farm Economics has conducted cost of production studies of these crops. The following table shows some of the most important items of cost for each crop and the relative costs per acre:

Relative cost of production per acre, flax, oats, wheat, and corn.

	Yield per acre.	Man labor.	Horse labor.	Seed.	Twine.	Other costs, per cent of total.	Man labor cost.	Relative total costs.[1]
	Bushels.	*Hours.*	*Hours.*	*Bushels.*	*Pounds.*	*Per cent*	*Per cent*	
Flax (North Dakota)	7.5	5.6	19.5	0.5	[2] 1.8	40.1	22.4	100
Oats (North Dakota)	33.0	5.6	17.4	2.0	1.9	41.4	23.4	96
Wheat (Minnesota)	8.1	8.2	22.4	1.4	2.2	32.9	20.5	160
Corn (corn belt)	43.0	19.0	46.2	.14	0.0	14.6	31.1	244

[1] Computed by finding the per cent 1 hour of man labor was of the total cost of production in each case and dividing the result obtained for flax by each of the other results.
[2] Comparatively little of the flax crop is bound either in North Dakota or other States.

It will be seen from the foregoing data that an acre of flax can be produced more cheaply than an acre of wheat or corn, but is more expensive than oats. If the yields were the same the prices per bushel would rank in the order of relative costs, but the yields differ. In the following table are shown the relative prices per bushel of flax, oats, wheat, and corn from 1905 to 1914, with the price of flaxseed as a basis. The second column shows the relative prices on September 1, 1921, and the third column shows what the prices of the other products

should have been to have kept the normal price relations or to have been relatively as profitable as flaxseed:

	Relative farm prices per bushel 1905–1914.	Farm prices Sept. 1, 1921.	Prices on the basis of pre-war relations.
	Cents.	*Cents.*	*Cents.*
Flax	100	165	165
Oats	29	30	48
Wheat	64	101	106
Corn	41	56	68

SUMMARY AND CONCLUSIONS.

As we have already pointed out, the amount of additional acreage necessary to produce the equivalent of our net imports of flaxseed would vary according to the average yield per acre selected as a basis for the estimate. The possibility of securing this additional acreage, however, would be dependent in a large measure upon the relation between the cost of production of flax and other farm products and the prices received for them. While the gross return per acre on flaxseed is less than that for any of the competing crops except oats, it is a very difficult problem to determine what price for flaxseed would be necessary to stimulate production. Since the flaxseed production has been continually declining with the pre-war relation between these crops, it seems evident that the price of flax must be maintained relatively higher than it was before the war. If the elements of cost change, an adjustment of the price to meet an increase in the relative cost of producing flaxseed must follow.

There are also a number of other factors which should be considered in this connection. Among these are the difficulties that would be encountered in obtaining and distributing the right kind of seed, in the event it were proposed to increase the flax acreage. Then there is the problem of marketing flaxseed in an area which does not commonly grow it. While soil and climate would permit flax to be grown in most parts of the United States, it can not be suddenly reintroduced into areas in which it is not now being grown and be advantageously marketed. In many isolated places it could not be marketed with advantage and it would, therefore, be desirable to have any additional acreage in flaxseed confined to or in proximity to existing flax areas.

A still more important factor perhaps is the localization of our linseed-oil industry along the eastern seaboard. The eastern mills, far removed from the flax-producing sections of the United States, have come to depend almost entirely upon Canada, Argentina, and British India for their raw materials. More recently even the western crushers, located in Minneapolis and Chicago, have begun to use Argentine seed. The freight rate on flaxseed from Minneapolis and Duluth to New York is 86½ cents per 100 pounds, or at the rate of 52 cents per bushel. In contrast with this rate, the ocean freight rate from Argentina to New York is from $3.50 to $4.50 a ton of 2,240 pounds. The $4.50 rate applies to up-river ports and is at the rate of 11 cents per bushel. In September of last year, when large quantities of flaxseed were being imported from Argentina, the freight rate was approximately 35 cents per bushel. In addition to the freight rate there is an export tax payable in Argentina amounting to approximately 8 cents per bushel at the present time.

The comparative cost of production and the prevailing prices in Argentina and other foreign countries are two additional factors. While it has not been possible to obtain any comparable data on production costs in foreign countries, the following comparison of prices for flaxseed in Argentina and Minneapolis on certain dates in September, 1921, is of interest:

	Argentina.	Minneapolis.
	Per bushel.	*Per bushel.*
Sept. 1	$1.71	$1.93½–$1.96½
Sept. 8	1.67	2.01½–2.02½
Sept. 15	1.51	2.08 – 2.11

The Minneapolis prices represent official closing cash prices on the above dates. The Argentine prices are the cash prices based on the rate of exchange prevailing on the above dates. The difference between Argentine and Minneapolis prices is from 22½ cents a bushel on September 1 to 57 cents a bushel on September 15. While this is hardly a fair comparison, it at least serves to illustrate the spread between Minneapolis and Argentine prices.

It does not require any extended calculations to show that American flaxseed can not, on the basis of present production and transportation costs in this country, compete with Argentine flaxseed which, after paying an import duty of 30 cents a bushel, can still be landed in New York more than 20 cents cheaper than flaxseed from the Middle West.

No discussion of this subject would be complete without pointing out the danger of the largely increased production of flaxseed with resulting lower prices. While the United States imports flaxseed the price in this country will be determined by the price in foreign markets plus the cost of transportation including the tariff. A tariff which would result in raising the price of linseed oil and paints in which it is used above the point at which they could be exported would put this country in a position of producing for the home market only. The price of flaxseed could then be maintained on the basis of the home demand and supply until our production increased to the point where a larger market was demanded, when we would again meet foreign competition, with the possible result of lower prices. Furthermore, since the United States is at the present time a large importer, an increase in the tariff which would reduce our importations would probably result in lowering the price in foreign markets to points which would enable American importers to buy in foreign markets in spite of the protection afforded by the higher tariff, so that the farmer would not profit to the full extent of the increase in the tariff rates.

Mr. LADD. Mr. President, I have a letter from one of the linseed companies in this country, in which they state:

We have with us in this country at the moment our South American representative, who advises us that growing conditions were never better in the Argentine for a bumper flaxseed crop. Last year it is estimated that they raised a crop which permitted an exportation of something like 32,000,000 bushels of flaxseed. This was considerably less than the crop of the previous year, from which was shipped, including carry over, something like 54,000,000 bushels.

It is our representative's opinion that if weather conditions do not change the present favorable outlook Argentina this year can raise a crop which will permit the exportation of over 40,000,000 bushels of flaxseed. Indications in our own Northwest, particularly in North Dakota, show a slight increase in acreage, with very favorable weather conditions. * * *

With an increase of from eight to ten million bushels in the Argentine and industrial conditions not improving in the United Kingdom and the Continent, unless the flaxseed and linseed oil tariff schedule is corrected, we may look for considerable recession in the price of the coming crop of flaxseed in this country, as it is evident from reports that we get from the other side that the industrial condition is not improving and we can expect a repetition of the competition under which the linseed industry and the flaxseed farmer have been laboring during the life of the emergency tariff bill.

With regard to the question of the rate on linseed oil. In the CONGRESSIONAL RECORD of May 15, on page 6962 and following pages, I presented data furnished me by the mills as to the difference of cost based on the actual figures of mill production. For instance, one of the large mills that crushed in 1921 1,274,085 bushels of flaxseed furnishes a table of costs, and on the basis of those costs, using an average of 50 cents per bushel conversion here and 25 cents per bushel abroad, which latter figure is borne out by sales prices of foreign oil here, it is demonstrated as of March 24, 1922, that the difference in conversion cost would be 3.4 cents per gallon, or approximately 3.5 cents per gallon. The same is true of Montreal, Canada, factories and other factories.

This data has been presented and may be found in full in the CONGRESSIONAL RECORD, and it clearly indicates that the difference in the cost, the difference in exchange, and the difference in freight as compared with the ocean rate, warrant the belief that 3.5 cents is none too great in order to protect both the farmer and crushers from the importation of oil rather than of flaxseed.

I wish also, while I am on my feet, to speak of the soya bean.

Mr. WALSH of Massachusetts. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Massachusetts?

Mr. LADD. I yield.

Mr. WALSH of Massachusetts. Do I understand the Senator has concluded his explanation of the high compensatory duty upon linseed oil?

Mr. LADD. I may have something further to say as I discuss the question of the soya bean.

Mr. WALSH of Massachusetts. I wish to know if the only information which the Senator has obtained in reference to the cost of production here and abroad is the information which he has just said he received from one of the large crushers.

Mr. LADD. I received information from several mills, as indicated in the RECORD of May 15, not only in this country but in Canada as well, and also from the data which I presented from the Department of Agriculture.

Mr. WALSH of Massachusetts. I thought possibly the Senator in discussing the compensatory duty had overlooked the drawback provision of this bill. I hardly think the Senator and the committee have taken that into account?

Mr. LADD. I do not think I understand the Senator.

Mr. WALSH of Massachusetts. The drawback provisions of this bill reduce from 40 cents per bushel to 30 cents per bushel the high duty which will have to be levied upon imported flaxseed, and I fear that the committee and the Senator from North Dakota in fixing the compensatory duty upon linseed oil have not borne in mind that there is to be a reduction of 25 per cent upon the duty paid upon the imported flaxseed. That, of course, ought to reduce very materially the compensatory rate to the linseed-oil manufacturer. I do not think the Senator has had that called to his attention heretofore.

Mr. LADD. Yes; and I have the figures as to the difference made by the drawback.

Mr. WALSH of Massachusetts. Has the Senator calculated upon a reduction of 25 per cent in the duty upon the imported flaxseed by reason of the drawback provision of this bill?

Mr. LADD. I am not ready to concede that the reduction amounts to 25 cents per bushel.

Mr. WALSH of Massachusetts. The Senator knows that when flaxseed cake is exported, as it is exported, the duty paid on the imported flaxseed will be refunded and that rebate will amount to 25 per cent of the duty paid.

Mr. LADD. That is taken into consideration in these data that I have given there, showing the drawback.

Mr. WALSH of Massachusetts. I thought the Senator was simply stating conversion costs.

Mr. LADD. All the data were summarized in the conversion costs.

Mr. WALSH of Massachusetts. Does the Senator dispute my allegation that the labor cost in the crushing of flaxseed is only 2½ per cent of the cost of production?

Mr. LADD. That depends on whether——

Mr. WALSH of Massachusetts. The Census Bureau figures show that.

Mr. LADD. I have here the data that were furnished last year by the Government of the rates in 1921. In the United States the rate for pressmen and molders was 50 cents per hour, while in England the rates were 31 and 28 cents per hour, respectively.

Mr. WALSH of Massachusetts. That is only of consequence if the labor item is a serious one. The letter which was read at the desk has annexed to it a letter from an English crusher showing what he paid his laborers who work in the crushing factories; but the basic argument here is that the cost of labor is only 2½ per cent of the total cost of production, so that if there is a difference between the English labor cost and the American labor cost, it can only affect the 2½ per cent of the cost of production.

Mr. LADD. As stated, I want to take up at this time the question of the soya bean.

I call attention to the fact that in Wallace's Farmer for May 19, 1922, appears an editorial article on the soya bean, in which the growing of the soya bean is encouraged, and it says:

Soya beans have been grown in the Corn Belt for 30 years, but until very recently we have been cautious about advising our readers to grow them on any very extensive scale. Nine out of ten of the varieties as introduced from Manchuria have not been adapted to Corn-Belt conditions. Moreover, until recently we have not known how to plant, cultivate, and harvest the crop with the minimum of labor.

* * * * * * *

Of course, the most practical way to utilize soya beans on the average farm is to plant them with corn. The object of this article, however, is to urge more farmers to give soya beans a trial as a seed and hay crop. Wherever winter wheat and corn are grown, we believe that the soya bean has a potential field of usefulness. * * * We believe that in one-half of the State of Iowa it is worth while to consider introducing winter wheat and soya beans into the rotation as a substitute for oats, and perhaps also as a partial substitute for clover.

I ask that this article be published in full as part of my remarks.

The PRESIDING OFFICER. Without objection, leave will be granted.

The article is as follows:

TRY SOY BEANS.

Soy beans have been grown in the Corn Belt for 30 years, but until very recently we have been cautious about advising our readers to grow them on any very extensive scale. Nine out of ten of the varieties as introduced from Manchuria have not been adapted to Corn-Belt conditions. Moreover, until recently we have not know how to plant, cultivate, and harvest the crop with the minimum of labor.

During the past five or six years soy beans have been rapidly passing out of the experimental stage. Fairly well adapted varieties have been found for every section of the Corn Belt. It has been found that weeds can be kept down with the minimum of labor by giving one or two harrowings before the beans come up and then two or three harrowings in the afternoon, when the bean plants are dry, when they are from 3 to 6 inches high. More and more grain threshermen are learning to thresh soy beans by reducing the speed of the cylinder to 300 or 400 revolutions per minute and removing the concaves and part of the cylinder teeth.

Of course the most practical way to utilize soy beans on the average farm is to plant them with corn. The object of this article, however, is to urge more farmers to give soy beans a trial as a seed and hay crop. Wherever winter wheat and corn are grown we believe that the soy bean has a potential field of usefulness. In Missouri and the southern half of Illinois they are substituting soy beans more and more extensively every year for oats, using a rotation of corn, soy beans, wheat, and clover. And in case of clover failure they can double up on the soy beans. Soy beans harvested for grain or hay in early September leave a stubble on which wheat may be drilled without preparation of any kind. We believe that in one-half the State of Iowa it is worth while to consider introducing winter wheat and soy beans into the rotation as a substitute for oats and perhaps also as a partial substitute for clover.

We still do not know enough about varieties and harvesting methods of soy beans. In every community, however, are men who are willing to lead the way and who get paid for leading the way by selling seed at a good price. We hope that those of our readers who are experimentally minded and who have the least bit of time available will start experimenting this year with soy beans. The beans can be planted any time during May or the first 20 days of June.

Circular 65 of the Iowa station at Ames, Farmers' Bulletin 973 of the United States Department of Agriculture, and Bulletin 195 of the Missouri station at Columbia, all of which may be secured free on application, give excellent information on soy beans. We are convinced that soy beans are a coming crop, and that 10 years from now the acreage will be ten times as great as it is to-day.

Mr. LADD. There were imported during the past year 12,322,877 bushels of soy beans at a cost of $1.65 per bushel.

I have here a letter that I call attention to, from the Department of Agriculture, in which the writer says:

I might say that the soy bean has been slowly but steadily increasing in importance in America during the past 10 years. It is one of the most productive as regards seed production of the legumes adapted to the temperate climates. The value of the crop for seed, pasture for sheep and hogs, for hay, silage, soil-improving purposes, and the possibilities of the seed for the production of oil and meal and as a food give the soy bean a high potential importance.

Although grown primarily for forage purposes, the production of seed in many sections of the South and in the Corn Belt has become a very profitable industry, especially during the past three or four years. The large increase in acreage for seed production has led to the seeking of an outlet for surplus seed. At the present time agricultural authorities in Indiana, Ohio, and Illinois have taken up the oil-crushing proposition with several manufacturers. We are informed that several mills in these States have installed, or will install in the near future, machinery for crushing the 1922 crop of soy-bean seed for oil and meal. One mill in Ohio at the present time is utilizing domestic-grown seed for this purpose.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Utah?

Mr. LADD. I do.

Mr. KING. I was interested in the statement made by the Senator that arrangements have been made for crushing soya beans in Indiana and other places. Does not the Senator know that there are more than 700 seed-crushing machines in the United States which will crush soya beans as well as cotton seed, and that they are employed only about half the time because of a lack of sufficient seed to crush?

Mr. LADD. I will also call the attention of the Senator to the fact that the same facilities and machinery that crush cotton seed and linseed are not adapted to the handling of soya beans. I have had quite a little experience in the extraction, having made an investigation in practically every State in the section where soya beans are grown, and I found that the methods used for soya beans were quite different.

Mr. KING. I think the Senator will admit that the crushing machines now in existence have handled soya beans and have crushed them successfully and extracted the limited amount of oil which they possess, and their owners have only regretted that there were not more soya-bean seeds produced so as to give them employment during a greater part of the year.

Mr. LADD. As I have stated—

One mill in Ohio at the present time is utilizing domestic-grown seed for this purpose. Moreover, many associations, particularly in Illinois, are investigating the possibilities of community oil mills.

All indications point to a greatly increased acreage for seed production in 1922. The latest crop estimates show the following acreages of soya beans for seed production: In 1919, 1920, and 1921, 155,000, 156,000, and 186,000 acres, respectively; the seed produced for these years being 2,045,000, 2,278,000, and 2,815,000 bushels, respectively. It must be borne in mind that these figures represent only the soya beans grown for grain production. In some of these States growing large acreages of the crop it has been estimated that about 90 per cent of the crop is grown for hay, silage, pasture, and soil-improving purposes.

Although the production of seed in 1921 was greater than in any previous year some concern was felt in the large seed-producing States that there would be considerable surplus seed left in the hands of the growers. From the latest reports from these States indications are that the entire supply of seed will be required for increased acreage, and there is a likelihood of seed shortage in several sections.

The soya bean is one of the most important crops that can be grown for the improvement of the soil, for the introduction of nitrogen into the soil, and for enriching the soil for other crops. It is perhaps as widely grown as any other crop in this country, and under proper protection there would be a very large increase, to the advantage of our people in this country.

I take just two oils, calling attention first to the soya bean:

In 1912 we imported 28,000,000 pounds of soya-bean oil. In 1919 we imported 337,000,000 pounds, an enormous increase.

In the case of coconut oil, in 1912 we imported 32,000,000 pounds, and in 1919, 490,000,000 pounds.

From 1912 to 1919 the increase in these two oils—that is, coconut and soya-bean oil—amounts to 767,000,000 pounds. These are displacement oils for the cottonseed, the peanut, the linseed, and other oils; and the soya bean could be produced in this country with great advantage to the farmers, and at the same time furnish the necessary soya-bean oil for use in this country, if there were adequate protection.

Mr. FRELINGHUYSEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from New Jersey?

Mr. LADD. I yield to the Senator.

Mr. FRELINGHUYSEN. For information, I should like to ask the Senator, who has made a considerable study of this question, whether in this production in the State of Ohio any of the crop was utilized for industrial purposes. Were any of the soya beans crushed and used commercially, outside of the forage crop?

Mr. LADD. This letter states that one factory in Ohio is at the present time utilizing domestic grown seed for the purpose of extracting the oil. I am informed that one of the large houses in Chicago is preparing to handle the seed from Indiana for the present year of 1922, and is putting in crushers and necessary machinery to handle the seed from Indiana.

Mr. FRELINGHUYSEN. Can the Senator state to what extent the oil is used and what is the nature of the industry that is using it? Is it used to any appreciable extent? What is the production of this factory?

Mr. LADD. That I can not tell the Senator. I have not the information, except as it is furnished in this letter. I knew that it was in existence, and knew that these arrangements were being made in Chicago for the Indiana crop. The oil itself is used, of course, as a substitute for linseed oil; it is used in linoleum production; it is used in soap manufacture, and various other industries

Mr. FRELINGHUYSEN. But there is no actual evidence that this domestic oil is now being used in any industry?

Mr. LADD. No; for the reason that the bean has been grown almost wholly as a forage and soil-improvement crop thus far; but attention has been called to the value of the crop for oil production for a number of years, beginning with about 1912 or 1913. For example, at the North Dakota Agricultural College many experiments were carried on each year, from that time on up until the present time, in securing the seed and experimenting with the soya bean as produced in nearly every State. I might say, for the Senator's information, that the two States that furnished the soya bean richest and best in oil were New Jersey and Utah.

Mr. President, I believe that the rate asked for flaxseed is not unreasonable. It is not higher in proportion to conditions at this time than the rate accorded under the Payne-Aldrich law. If we are to build up in this country the industry of flax production we must furnish adequate protection, and with reasonable protection it will again become one of the important crops of the Northern States.

Mr. KING. Mr. President, before the Senator takes his seat, I heard a portion of the statement of the Senator from Massachusetts. As I recall, he directed the attention of the Senate to the fact that certain manufacturers of linseed oil, some 9 or 10 of them, were making enormous profits, and it is quite likely that the farmers were not getting an adequate price for their product or, at any rate, were not getting a sufficient proportion of the cost of the product to the consumer. Does the Senator challenge the accuracy of the statement made by the junior Senator from Massachusetts as to the enormous profits which are made by this Linseed Oil Trust?

Mr. LADD. Mr. President, I will not attempt to answer that, but I do believe that during the war there were enormous profits made by those companies, as there were by many other companies. In other words, there was profiteering all along the line. I have every reason to believe they were profiteering with the rest.

Mr. KING. Is not this bill, as now fashioned, with the differential which is provided between the flax and the linseed oil, in the interest of those profiteers?

Mr. LADD. I do not think so. In 1890, when the duty was 30 cents on flaxseed, it was 32 cents on the oil, and there was then a large amount of flax grown in the country. But the fact that Argentina is now producing the flax in enormous quantities, since the country has been opened up, much more cheaply than we can produce it, and with water rates much less than our farmers can obtain, makes it impossible for our farmers to compete.

Mr. KING. Is it not true that this is a frontier crop, and that there has been a diminution of production?

Mr. LADD. Yes.

Mr. KING. And whatever increase there was was under the Underwood law, when it was practically free, or was entirely free?

Mr. LADD. No; under the Underwood law there was a rapid falling off in production. In 1912 we produced over 28,000,000 bushels. In the previous years we produced about 25,000,000 bushels, with the exception of one year, but in 1921 it was down to 8,000,000 bushels. Under the war pressure there was some stimulation. I know that in North Dakota, at the request of the Government the North Dakota Agricultural College did everything it could to encourage the production of flax and wheat in order to meet the demands, and in 1912 there were produced 28,000,000 bushels, in round numbers.

Then in 1913 the production was 17,000,000, in 1914 it was 9,000,000, and in 1918 it had increased again to 13,000,000 bushels. In 1919 it was 7,000,000, in round numbers. In 1920 it was 10,000,000, and in 1921 it was 8,878,000 bushels. So that there was not an increase but a decrease.

The Senator asked whether this was not a frontier crop. It has been a frontier crop in the past. It has been a crop grown on newly broken land. But the reason it was not grown on other land was because of the wilt disease, which destroyed the crop. As soon as the flax was from 4 to 6 inches high the disease attacked it, and completely destroyed fields of it. The farmers therefore did not attempt to grow it. But with the production of a wilt-resistant flax grown at the present time, which is immune from the disease, the flax is now grown, for example, in the eastern part of North Dakota much more largely than on the new lands of the western part of the State, and it is coming on as a crop in Minnesota and Wisconsin.

Mr. KING. Mr. President, the matter under discussion is flaxseed oil, but the Senator from North Dakota has directed attention to soya-bean oil, and just for a moment I want to detain the Senate.

A study of the facts shows that under the emergency tariff law the import of soya beans has been very small. No beans have been crushed for oil in the United States since 1918, and through 1921. The oil, as stated by the Senator, is imported in the crude form and refined in the United States, and is used largely in the soap industry.

A few days ago the Senator made a speech in which he referred to certain vegetable oils, and I am in receipt of a communication which I desire to read, in view of the Senator's statement to-day, because I think it explains one part of the Senator's address which he did not fully amplify, and from which misapprehensions or deductions may be drawn which perhaps the Senator did not intend to be drawn.

The writer of the letter states as follows:

We note in some recent remarks of the Hon. E. F. LADD, Senator from North Dakota, that he has made, as reported in the CONGRESSIONAL RECORD, statements relating to foreign vegetable oils (duties on which we are actively opposing for reasons set forth in detail in the remarks of our special committee printed on pages 5162 to 5173, inclusive, in the tariff hearings) which require correction.

On page 6962, CONGRESSIONAL RECORD of May 15, 1922, Senator LADD states "Our excess of importation for vegetable oils above exports amount annually for the same period (1914–1920) to 292,317,000 pounds."

May I add, in parentheses, that the Senator has repeated practically the same statements during his remarks to-day.

The imported vegetable oils to which Senator LADD refers are cottonseed oil, soya-bean oil, peanut oil, and coconut oil.

We desire to point out how entirely erroneous and misleading such statements as those of Senator LADD might be to those not properly informed.

By those acquainted with the inseparable market relationship of edible oils and fats of both vegetable and animal origin the mistake would never be made of endeavoring to compare imports of the four named vegetable oils with exports of edible vegetable oils.

Any comparison of imports with exports of edible domestic oils and fats, of which cottonseed oil is second most important, is meaningless unless it includes the edible animal fats and oils, such as hog lard, oleo oil, neutral lard, and oleo stearin.

The combined domestic production of edible fats and oils of animal and vegetable origin, exclusive of butter, is 3,600,000,000 pounds per annum. Any tariff discussion must consider this great figure in the aggregate.

To discuss domestic edible oils and fats without including the edible animal fats and oils would be tantamount to discussing the currency system and referring only to the silver thereof, without reference to the gold and other kinds of currency.

It is no more logical to compare the imports of foreign vegetable oils with the exports of cottonseed oil than it would be to compare the latter with the imports of automobiles. Cottonseed oil is an edible oil and the imported oils are largely used for industrial purposes in this country, although in Europe the tendency to utilize them in edible products to the exclusion of our cottonseed oil has about destroyed all of our export business, owing to the exclusive monopoly of foreign vegetable oils Europe has enjoyed since the passage of the emergency tariff.

In order that you may have complete information on this subject, we attach hereto a sheet carrying detailed figures relating to the period between 1914–1920, to which Senator LADD referred.

I ask to have the statement referred to printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Table showing exports of edible fats and oils from United States for the seven years from 1914 to 1920, inclusive, and imports of these fats and oils for industrial and to a limited extent for edible usage.

Item.	Imports.	Exports.
	Pounds.	*Pounds.*
Lard		3,610,652,741
Cottonseed oil	113,734,372	1,379,000,000
Lard substitutes		427,339,565
Oleomargarine		67,305,166
Oleo oil		530,681,388
Neutral lard		146,377,970
Corn oil		65,542,346
Stearin (animal)	16,830,137	90,348,109
Peanut oil	374,345,945	6,513,000
Soya bean oil	1,088,231,531	98,985,000
Coconut oil of non-Philippine origin	502,096,892	159,640,000
Coconut oil expressed from copra of non-Philippine origin	705,000,000	
Total	2,800,238,877	6,582,384,286

Coconut oil coming from the Philippines and coconut oil made from Philippine copra is not included in the above table because this movement is equivalent merely to a shipment from one part of the United States to another. Such coconut oil and copra would never be subject

to a duty and will therefore have to be treated strictly as American production when matters in relation to the tariff are under discussion.

Total exports of American edible oils and fats for the seven years exceeded imports by 3,782,145,409 pounds, or an average annual excess of exports of 540,000,000 pounds.

A most significant fact is that the highest prices ever obtained for cottonseed oil in the history of the cotton-oil industry were obtained in the years when the importations of foreign oils were heaviest. In the year 1919, third in importance of imports, and following on 1917 and 1918, greater still in imports, crude cotton oil reached the peak price of 25 cents per pound.

Price deflation when it came was not caused by importations of foreign oils but by the same conditions which caused the slump in the price of cotton, hogs, corn, wheat, hides, and all other agricultural products. Importations of foreign vegetable oils had then greatly diminished.

The period from 1914 to 1920 is, of course, not comparable with what has gone before or will come after. Imports were larger then than they could ever be under normal conditions because our country was supplying Europe with munitions of war and was itself at war. Vegetable oils were one of the most valuable items in the production of munitions of war.

That importations fell when war conditions were past may be seen by comparison of the following table of imports and exports for the individual year 1920, the last complete year available before tariff restrictions interfered with importation.

For the year 1920.

	Pounds.
Combined imports of oils and fats listed in table above and also exclusive of Philippine production	398,712,408
Combined exports of hog lard, cottonseed oil, oleo oil, etc., as listed above	1,043,423,732
Excess of exports over imports for the year 1920	644,711,324

Mr. KING. The statement shows no lard imports, but exports of 3,610,662,741 pounds; of cottonseed oil there was imported 13,734,372 pounds, and the exports were 1,379,000,000 pounds. No lard substitutes were imported, but our exports were more than 427,000,000 pounds. There was no oleomargarine imported, but our exports were more than 67,000,000 pounds. There was no oleo oil imported, but our exports were more than 530,000,000 pounds. Of neutral lard there were no imports, but 146,000,000 pounds of exports. Of corn oil there were no imports, but more than 65 000,000 pounds of exports. Of stearin (animal) there were 16,000,000 pounds of imports, but 90,000,000 pounds of exports. Of peanut oil there were 374,000,000 pounds imported and 6,513,000 pounds exported. Of soya-bean oil there were 1,088,000,000 pounds imported and 98,000,000 pounds exported in that form. That would be the reexports; that is, in the original form. Of coconut oil of non-Philippine origin there were 502,000,000 pounds imported and 159,000,000 pounds exported. Of coconut oil expressed from copra of non-Philippine origin there were 705,000,000 pounds imported. So that the imports were 2,800,000,000 pounds, and for the same period the exports were more than 6,500,000,000 pounds.

The total exports of American edible oils and fats for the seven years exceeded imports by 3,782,145,908 pounds, or an average annual excess of exports over imports of more than 540,000,000 pounds.

This report says:

The period from 1914 to 1920 is, of course, not comparable with what has gone before or will come after. Imports were larger then than they could ever be under normal conditions, because our country was supplying Europe with munitions of war and was itself at war. Vegetable oils were one of the most valuable items in the production of munitions of war.

For the year 1920 I find that the combined imports of oils and fats listed in the table above, also exclusive of Philippine production, amounted to 398,712,408 pounds, but the exports of hog lard, cottonseed oil, oleo oil, and so forth, as listed above, amounted to more than 1,043,000,000 pounds. I therefore think that the writer very justly complains of the statement of the Senator from North Dakota, because if you speak of imports and exports of vegetable oils only, without considering their interchangeability with animal fats, you must necessarily leave an incorrect impression in the mind of the auditor, when we take into account that the vegetable oils serve the place of animal fats, and vice versa; and when you take into account the fact, to use the Senator's expression, which I do not quite admit is accurate, that there are displacements, you must take into account the fact that if a displacement occurs it merely furnishes opportunity to fill the void or the vacancy by some other suitable product, and thus increase our exports. For instance, if we import soya-bean oil, or other low-grade vegetable oils, which we do not see fit to use for edible purposes because of their inferiority measured by the American product, the American cottonseed oil for instance, it simply means that those oils are used for industrial purposes instead, perhaps, of some of the higher grade American oils, and thus the higher grade American vegetable oils find a better market at better prices in European countries.

If the soya-bean oil and other low-grade vegetable oils produced in the Orient are not brought here and refined or used for industrial purposes they are absorbed readily by European buyers, we not being in competition if we have a high tariff, in consequence of which the American export market is to that degree impaired, and Europeans who are so greatly in need of edible fats will be compelled perhaps to use for edible purposes inferior grades of oil, which they would ordinarily use for industrial purposes, and thus take the place of our edible oil and to that extent diminish our edible exports.

The Senator, it seems to me, in the position which he is taking is advocating a policy which is injurious not only to the more than 700 companies engaged in the crushing of seeds, who have more than $200,000,000 invested, who have more than 32,000 employees, but is injurious to the farmers who grow the cotton seed and other vegetable products, the oils of which constitute a part of the edible products of the United States as well as of foreign countries.

Mr. LADD. Mr. President, I can hardly agree with the statement of the Senator. I am fairly familiar with the letter he read and the source of his information and the purpose of it. If we produced soya-bean oil in this country it would be identically the same as the soya-bean oil produced from the soya beans grown in Manchuria. As long as we are using in this country 337,000,000 pounds of soya-bean oil in a single year, as we did in 1919, after the war, as against only 28,000,000 pounds in 1912, it would seem to indicate that much more of our home-produced oils—our cottonseed, peanut, and linseed oils—have been displaced and this other oil has taken its place in the manufactures.

I was not comparing the animal oils. I shall compare those when we come to that question. I was, rather, dealing with the question of vegetable oils as they occur. The same is true of coconut oil. Four hundred and ninety million pounds of coconut oil in 1919 took the place of that much American oil that might have been produced by the American farmers.

Mr. FRELINGHUYSEN. Mr. President, I want to ask the Senator a question. He referred to the year 1919 as the high-water mark of importation of soya-bean oil. As I understand it, the emergency tariff act placed a duty of 2 cents a pound on soya-bean oil, did it not?

Mr. LADD. Yes.

Mr. FRELINGHUYSEN. What has been the importation since that duty was placed upon soya-bean oil?

Mr. LADD. For the three months following the enactment of the emergency tariff law, and that is the only data I have, it was 2,054,000 pounds. That was for the three months following the enactment of the emergency tariff law. Since that time I have no data.

Mr. FRELINGHUYSEN. Then for three months it was a little over 2,000,000 pounds, as against 195,000,000 pounds in the year 1919. Would it not seem to indicate, I ask the Senator from North Dakota, that the duty of 2 cents on this oil, which is not produced in this country, had diverted that oil to other markets?

Mr. LADD. Yes, Mr. President, but at the same time we are still importing of the foreign oil to take the place of the oils produced in this country, and instead of importing oils I would use the products produced by the American farmer, North, South, and West.

Mr. FRELINGHUYSEN. I want to take a fair view of the question. If an industry could be created that would supply the domestic market and not interfere with the tremendous business that the farmer has in edible fats, I would be willing to support a tariff for that purpose. But has the duty in any way encouraged the production of soya-bean oil or any increased planting of soya beans for the purpose of its use in commercial lines?

Mr. LADD. It is true that for the first time Ohio has now taken the lead and is operating a factory. In Chicago they have made preparations to handle the 1922 crop, and this has all come about under our tariff. For 28 years, or, as the Secretary of Agriculture said, for 30 years, we have been experimenting and have only reached a stage where we have begun to encourage production in this country.

Mr. FRELINGHUYSEN. But the Senator has not assured me that the amount of production has increased here. He has not given me any figures to show that this tremendous consumption of imported oil, utilized in the industries, can be supplied by our domestic productive area. It is only a small portion and, therefore, unless the farmer can produce in quantity sufficient to meet the needs of the industries and also to supply the refining industry of this country which utilizes the soya-bean oil for rerefining purposes and export, it would seem as if it was a direct tax until we could produce it in this country in sufficient quantities to meet the demand.

Mr. GOODING. Mr. President, I want to ask the Senator from New Jersey if he thinks we will ever produce soya beans unless we give them proper protection? The fact is that they

are grown in almost every State in the Union. They are one of the most important fertilizer crops that we grow. There is no question about growing enough to supply this country, and the whole world, so far as that is concerned. There is not a State in the Union in which they can not be grown, but they can not be grown and never will be grown by America until they are properly protected.

Mr. FRELINGHUYSEN. I am ready to answer the Senator. He asks a perfectly reasonable and fair question. No; I do not believe soya beans will ever be grown in this country. Soya beans are at the present time used for forage purposes and will continue to be used for forage purposes. I do not believe that the farmers of the West will ever find it profitable, even with the 4-cent duty, to grow a sufficient crop to supply the domestic market. More than that, if that is done it will reclaim the present tremendous export market that we have and it will deprive the farmer himself of his outlet for his edible hog lard and other products, because while that transition is going on it will drive these vegetable oils into the European market, and there they will meet the farmer of the West with his hog lard and the farmer of the South with his cottonseed oil.

I am perfectly willing to go to a certain length, as the bill provides, and to put a duty upon the vegetable oils where they grow in edible quantity. That is what the committee did. But I am unwilling to put a tax of millions of dollars upon the industries of the country and at the same time to deprive the farmer himself of his export market. I am a protectionist, but I do not believe in this case as does the Senator from Idaho, who is also a good protectionist. I want to go along with him in his policy of protection, but I do not believe that the optimism which he has for this product will ever be realized.

Mr. GOODING. The Senator goes along very nicely as long as it does not interfere with some manufacturing concern over in New Jersey. There he stops all the time.

Mr. FRELINGHUYSEN. That is manifestly unfair, and the Senator knows it. I have voted, religiously and consistently, for the duties on the farm products of the West; but when I see a duty placed upon a product that I do not believe will be manufactured here, which will simply be a tax, I can not go along with the Senator. I ask the Senator if he believes that any of the duties which have been imposed upon the industries of the East have been unfair, and which he is unwilling to support? I am supporting this proposition and I am supporting the committee proposition.

Mr. GOODING. Mr. President, I want a spirit of fairness all the way round. That is all I am asking. The people who are asking for soya-bean oil to be placed on the free list are none other than the soap people of the country. The purpose, if the Senator will permit me, is to bring in soya beans with practically no duty at all upon them and beat down the prices of the American vegetable oils and soya beans and soya-bean oil in this country. That is the purpose.

I happened to be present when Mr. Heldman was presenting his testimony in the interest of a duty on soya beans, when he told the story of the production of soya beans in Manchuria, where, after the crop is harvested, it is hauled to the seaport from 150 to 200 miles distant. The natives start out with a few sacks of soya beans on a wooden cart with wooden axles, with a driver and a greaser, and they proceed to the seaport to sell their soya beans. When they reach a tavern at night, the droppings from the horses pay for the lodging of the driver and the attendant. That is the condition, if you please, which the American farmer is forced to compete with, as evidenced by the natives in Manchuria growing soya beans. Of course we will not grow soya beans in America as long as we have to meet that condition under free trade. We will only grow them when we get a proper protection, and that is all we are asking for in this instance.

Mr. McCUMBER. Where did the hired man carry his wages?

Mr. GOODING. I do not know whether he had a safe along with him for that purpose or not, and he did not have to stop in a hotel in America overnight or it would have taken all the soya beans that he could carry to market to pay his hotel bill.

Mr. FRELINGHUYSEN. Mr. President, I have heard before this argument regarding the soap manufacturer utilizing the soya bean and vegetable oils. It is true that he does. It is also true that he purchases large quantities of the farmer's products. It is also true that he asks for a moderate protection on certain of his products. But I venture to say that the most important of the soap maker's business in the United States is his export business, and that he very little cares about the duty on the lower-cost products of laundry soap. I venture to say he would be willing to have it removed. But he is concerned with the cost of his raw material. I know that if there is a duty placed upon those raw materials which are not produced here, it increases the cost of production or affects his export trade, because Europe can buy those raw materials and meet his product in this market with free raw materials on which he pays a duty.

Mr. GOODING. Mr. President, I realize that in reexporting the soap makers will get their duty refunded, of course, so it will not interfere with the soap makers in their export trade at all. There is a general provision in the bill which takes care of that matter. There is a general provision of the bill relative to that.

Mr. FRELINGHUYSEN. Mr. President, whenever it becomes necessary for a manufacturer to go to a customhouse in order to get a refund, it necessitates an increased overhead charge, and every transaction of that character increases the cost of production. That is the reason why the provision for a refund, or a drawback, as it is called, is not attractive so far as this immediate question is concerned. I desire to say to the Senator from Idaho [Mr. GOODING] that the point is this: This duty has been placed upon this commodity in the hope that under the provisions of the pending bill the western farmer may raise soya beans and that some one will build factories in which they may be crushed. That is a hope which, in my opinion, is not to be realized, because other crops are more profitable than are soya beans. If America is not to be an outlet for vegetable oils, it simply means that Europe will be, and the result will be to back up the production of 750,000 barrels, I think it is, of cottonseed oil that is exported. I am a protectionist; I wish to protect every industry that may be fostered in this country; but when the imposition of a duty would affect the farmers so seriously, I do not believe in such imposition.

Mr. GOODING. Will the Senator yield to me?

Mr. FRELINGHUYSEN. I refuse to yield further. The Senator from Idaho may make his speech after I shall have concluded.

The PRESIDING OFFICER. The Senator from New Jersey declines to yield further.

Mr. FRELINGHUYSEN. Mr. President, the complaint of the milk producers, the dairy farmers of the country, who came before the Committee on Finance was that these vegetable oils were largely used in food products, and for that reason they wanted a tariff against adulterations such as filled milk and butter substitutes. In the Committee on Finance I supported that policy, and a duty was imposed, although such action is in face of the experience of three months of the emergency tariff law which shows that our imports have dropped practically to a negligible quantity. I took the position, however, that where vegetable oils went into the industry throughout the country and were not produced here the imposition of a duty on them increased the cost of consumption, and, therefore, that we should not impose a duty. That is the position of the committee and that is the position I am defending. I do not believe it is either wise or practicable or that it will help the farmer one iota to impose this proposed duty without the bonding provision on these vegetable oils. I repeat, I am defending the committee's position. I believe that if the duty be imposed without the bonding provision it will seriously affect the market for the farmers' edible products, such as hog lard and cottonseed oil.

I still further believe—and I have believed all along—that, as to the vegetable oils which are produced only in foreign countries it would be better that they should be admitted free of duty.

Mr. LADD. Under date of May 19, 1922, Wallace's Farmer has an editorial, of which I merely desire to read a few words as follows:

> It is more important that there be a tariff of 2 or 3 cents a pound on those tropical fats and oils that are used for nonedible or soap purposes than that there be a tariff of 3 or 4 cents a pound on the edible fats and oils.

The editorial further on says:

> Such a tariff will be a very real benefit to the farmers of the cotton South, the Corn Belt, and the cattle country of the West.

I ask that the editorial may be printed in the RECORD.

The PRESIDING OFFICER. Without objection, that order will be made.

The editorial is as follows:

PUT A TARIFF ON TROPICAL OILS USED FOR SOAP.

The Senate tariff bill which is now up for discussion provides for a tariff of 3 to 4 cents a pound on such vegetable oils as coconut oil, soy-bean oil, etc. It is provided, however, that in case these oils are used for the making of soap, or other nonedible purposes, that they can come in free. This means that we shall import into the United States every year free of tariff charges several hundred million pounds of coconut oil and soy-bean oil—or two or three times as much as we imported of these oils previous to the war. During the war, when

Germany, England, and Holland lost their grip on the cheap tropical oil trade of the Orient, the American soap manufacturers stepped in. And now they are using about three times as much coconut oil and soy-bean oil in the manufacture of soap as they did before the war. The coconut oil and soy-bean oil is being substituted in soap manufacture for home-grown oils and fats, such as tallow, lard, cottonseed oil, corn oil, etc.

The United States can produce her own fats. We don't want to make the mistake of Germany and build up an agriculture which in time of war can not be rapidly modified to furnish our full supplies of fats at home. Our soap manufacturers should be taught again to depend as largely on the fats and oils coming from American farms as they did before the war.

It is more important that there be a tariff of 2 or 3 cents a pound on those tropical fats and oils that are used for nonedible or soap purposes than that there be a tariff of 3 or 4 cents a pound on the edible fats and oils. As a matter of fact, there is enough coconut oil coming in free from the Philippine Islands every year to supply the demand for edible fats and oils. Even more important than the tariff on hides is the tariff on tropical oils used for soap purposes. Such a tariff will be a very real benefit to the farmers of the cotton South, the Corn Belt, and the cattle country of the West.

Mr. McCUMBER. Mr. President, we are climbing this soya bean hill, but it seems to have been soaped down before we got to it; so I hope we shall go back and consider the matter on which we are to vote, I hope, in a very short time. Before doing so, however, I wish to correct an error which I think was made by the junior Senator from Massachusetts [Mr. WALSH] in arriving at the conclusion that the crushers of flaxseed, the manufacturers of linseed oil, after having sold and exported the linseed cake and meal would receive practically a rebate of 10 cents, which would reduce the duty paid by them to 30 cents instead of 40 cents. In arriving at that conclusion the Senator from Massachusetts, of course, has to assume that the crushers export every pound of the meal and of the by-products from their mills. As a matter of fact, I understand they do not export more than about 45 per cent, as shown in the last four or five years by the figures of our exportations. Therefore, the rebate the crushers would get would only have been upon above 45 per cent of their product. Even if it were 50 per cent, the rebate would only be half of what the Senator from Massachusetts has assumed it would be, and would amount to about only 5 cents per bushel instead of 10 cents per bushel.

Mr. WALSH of Massachusetts. My authority for the statement is the brief of Spencer Kellogg & Sons, who are one of the importing flaxseed crushers. They state plainly in the beginning of their brief that these drawbacks on the exportation of linseed cake, on which there is no duty itself, amounted to 6½ cents rebate on each bushel of flaxseed which they imported, and which would be equal to 25 per cent of the duty which they paid when importing the flaxseed.

Mr. McCUMBER. That is all right, but the Senator will see that if the manufacturers of linseed oil only exported about 45 per cent of what they have imported, they could get a rebate not on the whole but only on the 45 per cent; and the 45 per cent would be 4½ cents per bushel instead of 10 cents per bushel, the estimate as made by the Senator from Massachusetts. I simply wish to make that correction. The Senator's figures would be accurate if all of the product were exported and if the manufacturers received the full hundred per cent; but they receive only 99 per cent, and they receive that on about 45 per cent of the importations and not upon 100 per cent.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. WALSH of Massachusetts. Of course, the figures I gave were based upon the exportations under the Underwood law, under which no drawback was allowed; in fact, there has been no drawback since the Payne-Aldrich law. Of course, all of the flaxseed cake has not been exported, but the right to export it exists, and the greater the quantity which is exported the larger would be the drawback, and it is possible on previous estimates that it might reach 25 per cent.

Mr. President, I have waited patiently to hear some explanation for this very high compensatory duty, a duty of 36½ cents upon a bushel of flaxseed when converted into oil, but I have not heard any explanation, and I can not let this debate close without again protesting against such a tremendous subsidy to the flaxseed crushers of the country.

Let me repeat the figures very briefly. The crushers' subsidy under the Underwood law was 5 cents; the crushers' subsidy under the Payne-Aldrich law was 19 cents; the crushers' subsidy under the House provisions of this bill is 29 cents, and the Senate amendment makes the crushers' subsidy 36½ cents per bushel of flaxseed. It is indefensible.

Either the Underwood law did them a tremendous injustice, the Payne-Aldrich law did them an injustice, and the House provision did them an injustice, or we are giving the crushers a gift, a subsidy of 36½ cents, that is not warranted or justified by the facts. The farmer gets only 30 cents a bushel, while the crushers get 36½ cents for simply crushing the seed into oil, and the public must pay 66½ cents per bushel increased price for flaxseed when purchased as linseed oil. This is one of the worst provisions of the pending bill. It can not be justified. It involves an increase from 5 cents under the present law to 36½ cents, an increase of nearly 700 per cent.

I am frank enough to say that under the emergency tariff the crushers were not treated fairly, for there was no provision made to give them an increased compensatory duty, the emergency tariff act merely increasing the duty upon flaxseed and not increasing the duty to the crushers. I am willing to be fair to them, but I can not see how any Senator in this Chamber can justify taxing the American people 36½ cents per bushel simply for the process of crushing flaxseed into linseed oil.

I am going to repeat the figures before the vote is taken. The farmers will get out of this protection $3,600,000, if this duty shall be reflected in increased prices to the farmer. The Government will get $4,200,000 revenue on the importations, and the crushers, after paying the farmers their $3,600,000 and the Government its $4,200,000, will put in their pockets $9,500,000. Senators talk about protecting the farmers, and yet you give the farmers $3,600,000 and give the crushers $9,500,000, and the thousands and tens of thousands of farmers and other consumers will be compelled to pay the subsidy given to the crushers.

The cost of labor in the linseed crushing mills of this country is only 2½ per cent of the cost of production. The duty proposed is a gift, pure and simple, and every paint manufacturer and user of paint in this country, and every manufacturer of other products in which linseed oil is used, know that to be the fact. As the Senator from New Jersey said, their attitude is not so much on account of the business they do in America, where possibly they can obtain increased prices, but they know that their export business—and our manufacturers of paint and linoleum and oilcloth are doing a very extensive export business—when these rates are pyramided on the finished product will make prices prohibitive for export purposes.

Now, I am going merely to quote a few sentences from letters addressed to me from the crushers of other oil seeds, and each of them says that there is absolutely no need of a protective duty upon these vegetable oils. A compensatory duty may be necessary by reason of the duties levied upon the raw product, but they do not want protection and they do not need it, because there is practically no difference—little difference, if any—between the cost of crushing abroad and in this country.

The first letter that I have is from Aspegren & Co., of New York. The writer states:

I am interested in a great many mills in the South, and I have practically all my money invested in same, which I mention so that you can realize the importance of the subject to me. The mills I am interested in are located in Virginia, Louisiana, North Carolina, Georgia, and Texas.

I am not familiar with the linseed oil, castor oil, and rapeseed oil business, but I am fully familiar with the cottonseed oil, soya-bean oil, peanut oil, and coconut-oil crushing.

The cost of crushing oil seeds abroad and in the United States is a comparatively small one, the Bureau of Census, I believe, giving the cost at from 2½ to 4 per cent of the value of the product. It is therefore a negiligible factor, and we have so many other advantages that we can easily offset the small difference in cost.

Mr. BROUSSARD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Louisiana?

Mr. WALSH of Massachusetts. I do.

Mr. BROUSSARD. From whom is this letter?

Mr. WALSH of Massachusetts. That letter is from Aspegren & Co., of New York, and is signed by John Aspegren, president of the company.

Another letter I have is from the French Oil Mill Machinery Co., who are cottonseed crushers, located at Piqua, Ohio:

We are in receipt of your favor of the 13th in reference to the relative difficulty in crushing linseed, cotton seed, and copra. There is no great difficulty in crushing either material. The method of preparation is considerably different. Cotton seed is the most complicated, requiring not only the cleaning of the seed but also the linting and separating of the hulls from the meats.

And there is a lower duty upon cottonseed oil than there is upon linseed oil, though the process is much more difficult and much more expensive.

With either linseed or copra it is simply a cleaning process preparatory for the crushing, and the linting and hulling operations are not required.

Another letter from Mr. Albert G. Kahn, of Little Rock, Ark., says:

The American vegetable crude-oil mills do not need to be subsidized by a tariff in order to operate successfully. In fact, these mills have no direct concern in a tariff. The function which they perform is a manufacturing one. They are presumed to buy their raw materials,

crush them, and sell the manufactured products at a margin sufficient to reimburse them for their service. You will therefore see that they are only interested in maintaining this margin or toll. What arguments have recently been made in favor of a tariff by some cottonseed-oil mill operators are presumably in the interest of the American farmer or producer of oil-bearing materials.

I personally think that even from the farmer's point of view, so long as we have an exportable surplus of American edible fats, a tariff would be a boomerang.

Yours very truly, A. G. KAHN.

Another letter from the South Texas Cotton Oil Co., of Houston, Tex.:

Answering question in your letter of May 27, I do not believe American vegetable-oil mills need to be subsidized by a tariff in order to operate successfully, if for no other reason than that the industry has grown to its present size and importance in the United States without any tariff.

Another letter from the Palestine Oil & Manufacturing Co., of Palestine, Tex.:

Without going into any exhaustive argument, I will answer the second paragraph of your letter by stating most emphatically that I do not think American vegetable-oil mills need to be subsidized by a tariff in order to operate successfully. On the other hand, I believe the Fordney-McCumber tariff bill will work a hardship on not only our industry but all industries producing edible fats, including manufacturers of finished edible products, the cotton raiser, the cattle and hog raisers, and I might say the soap industry.

Another letter, which I will not take the time to read, from the American Cotton Oil Co., of New York, is to the same effect. I ask unanimous consent to have it printed as a part of my remarks:

The PRESIDING OFFICER. Without objection, it will be so ordered.

The letter referred to is as follows:

THE AMERICAN COTTON OIL CO.,
New York, May 31, 1922.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I beg to acknowledge your letter of May 27, requesting information as to our views concerning the necessity of tariff protection for the American oilseeds-crushing industry.

In reply we beg to advise that the operation of crushing oilseeds and oleaginous materials is a comparatively simple process of separating the oil content of oilseeds and oleaginous materials from the fibrous content, which operation is almost entirely a mechanical one.

The American cottonseed-oil industry, which is now composed of over 700 mills, has been built up without any tariff protection, and the copra-crushing industry in the United States has also been built up without any tariff protection. The labor cost in crushing cotton seed is approximately 4 per cent of the value of the finished product, and considering the comparatively small factor of labor cost it is clear that if the foreign labor cost was only 50 per cent of the American cost, that the difference in the cost of crushing oilseeds here and abroad would not exceed 2 per cent of the value of the finished products. However, when oilseeds are crushed in the United States a great advantage is gained, because of the fact that the shipment of these oils from foreign oil mills entails considerable loss in leakage as compared with no loss when the oil is transported to the United States in the form of seed.

The American industry, on account of its economical facilities for distribution, also enjoys further advantages, the sum total of which, in our opinion, more than offsets the small difference which may exist between the labor cost in foreign mills and the labor cost in American mills. We own 24 cottonseed oil mills, scattered throughout the cotton-growing States, and these mills have always been operated by us without any tariff protection whatever. There has been no change in the world situation which would now cause us to advocate tariff protection for American vegetable oil mills, as we believe they are in a position to compete with foreign vegetable oil mills.

If I can be of any further assistance I shall be very glad to have you advise me.

Respectfully yours, W. J. CASSADY,
Vice President.

Mr. WALSH of Massachusetts. Mr. President, these letters show that the difference in the cost of crushing abroad and in this country is very insignificant. They show that the labor cost is a very insignificant item in the total cost of production, and they show that this compensatory duty of 36½ cents per bushel upon the linseed oil in a bushel of flaxseed can not be justified, can not be defended; and I say it is an outrage to tax the American people 66½ cents on every bushel of flaxseed when they purchase it as linseed oil.

Mr. BROUSSARD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Louisiana?

Mr. WALSH of Massachusetts. I do.

Mr. BROUSSARD. May I inquire of the Senator whether he has read all of the letters from the crushing companies?

Mr. WALSH of Massachusetts. I have read only part of them; only the portion that refers to the difference in cost.

Mr. BROUSSARD. Has the Senator any letters from soap manufacturers?

Mr. WALSH of Massachusetts. I have letters from soap manufacturers, yes; but I have not read them, because I have myself been interested in only one item in this paragraph—flaxseed and linseed oil. The Senator from Utah [Mr. KING] has charge of the other items, so I have confined my discussion entirely to flaxseed; and, as the Senator knows, linseed oil is not used in making soap. Some of the other vegetable oils are used in soap making.

Mr. BROUSSARD. I was led to ask the question on account of the fact that the Senator read letters only from cottonseed crushers.

Mr. WALSH of Massachusetts. Simply to learn from them what I had been informed of, and I wanted to have it confirmed, that the most expensive seed to crush is the cotton seed. I think the Senator will agree with me in that; and yet the rate here on cottonseed oil is less than on linseed oil, which is made by a very much simpler process, does not require nearly as much expense, and the labor item is very much less; and yet here the rate is higher than the rate upon cottonseed oil.

Mr. President, I want to be fair about this. I consider this duty one of the most outrageous in the whole agricultural schedule. I think it is the most indefensible. I think it is an outrage to burden the industries of this country and the consumers who must use linseed oil with this excessive duty.

I do not think it can be defended, and I think the committee ought not to give such a high compensatory duty to 14 crushers who have been under indictment for violating the laws of the land and seeking to control prices, and who will be the beneficiaries of this increased protective tariff duty. It seems to me that there is absolutely no justification for this increased duty to the crushers.

I have not said much about flaxseed. I do not think it is of nearly so much importance as the duty given to the crushers. Let the farmers know that when they vote for this duty for the crushers they vote about 30 cents protection to themselves and 66 cents protection to the crushers who crush the seed into oil. It can not be justified.

Mr. President, I ask permission to have printed at the end of my remarks a table showing the differentials between duties on linseed oil and flaxseed in various tariff acts.

There being no objection, the table referred to was ordered to be printed in the RECORD, as follows:

Table showing differentials between duties on linseed oil and flaxseed in various tariff acts.

	Cent per bushel.
Senate rate (H. R. 7456):	
Flaxseed, 40 cents per bushel (less drawback on cake)	30
Linseed oil, 3½ cents per pound (19 pounds per bushel)	66½
Crushers' subsidy	36½
House rate (H. R. 7456):	
Flaxseed, 25 cents per bushel (less drawback on cake)	18½
Linseed oil, 2½ cents per pound (19 pounds per bushel)	47½
Crushers' subsidy	29
Emergency act:	
Flaxseed, 30 cents per bushel (no drawback)	30
Linseed oil, 10 cents per gallon (7½ pounds)	25
Crushers' penalty	5
Underwood Act:	
Flaxseed, 20 cents per bushel (no drawback)	20
Linseed oil, 10 cents per gallon (7½ pounds)	25
Crushers' protection	5
Payne-Aldrich Act:	
Flaxseed, 25 cents per bushel (less drawback on cake)	18½
Linseed oil, 15 cents per gallon (7½ pounds)	37½
Crushers' subsidy	19

House rate (H. R. 7456) granted linseed-oil crushers increase in subsidy between Underwood differentials of 5 cents per bushel and House differential of 29 cents per bushel, or an increase of 480 per cent.

Senate rate (H. R. 7456) grants linseed-oil crushers increase in subsidy between 5 cents per bushel in Underwood Act and differential in the Senate rates of 36½ cents per bushel, or an increase in the crushers' subsidy of 31½ cents per bushel, or 630 per cent increase over the Underwood differential, whereas farmers' duty on flaxseed has only been increased by 10 cents per bushel, or 50 per cent increase.

The Underwood differential of 5 cents per bushel gave the crushers a 98½ per cent monopoly on imports of linseed oil by forcing its importation to this extent in the form of flaxseed. Why increase the 5 cents per bushel protection for the crushers by 630 per cent when the 5-cent differential gave them a monopoly?

Mr. McCUMBER. Mr. President, I desire to place in the RECORD three exhibits from the testimony which was presented to the Finance Committee.

Exhibit A is the cost of production of linseed oil in the United States from Argentine linseed.

Exhibit B is the cost of production of linseed oil in Europe from Argentine linseed.

Exhibit C is a calculation of drawback on exported oil cake manufactured from 1 bushel of imported linseed oil dutiable at 40 cents per bushel of pure seed.

All three of these take as the basis the landed cost in the port of New York, and the three together show, after making every allowance for drawback, and so forth, that there is a necessity for a duty of 3.4 cents per pound. The committee, to make it an even figure, placed it at 3½ cents, or 3.5 cents per pound.

The PRESIDING OFFICER. The Senator from North Dakota asks unanimous consent to have printed in the RECORD as

part of his remarks the documents which he has described. Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

FLAXSEED CRUSHERS' TARIFF COMMITTEE,
March 28, 1922.

Hon. P. J. MCCUMBER,
Chairman Senate Finance Committee,
United States Senate, Washington, D. C.

MY DEAR SENATOR: The flaxseed crushers in the United States beg to present herewith their exhibits, dated March 24, 1922.

Exhibit A: Cost of production of linseed oil in the United States from Argentine linseed.

Exhibit B: Cost of production of linseed oil in Europe from Argentine linseed.

Exhibit C: Calculation of drawback on exported oil cake manufactured from 1 bushel imported linseed dutiable at 40 cents per bushel of pure seed.

Accordingly we submit that if imported flaxseed is made dutiable at 40 cents per bushel, then—

Linseed oil should be made dutiable at 3½ cents per pound if without provision for drawback allowance for exported oil cake.

If provision for drawback on oil cake is made in the pending tariff law linseed oil should be made dutiable at 3 cents per pound.

Exhibits A and B herewith show that at the same base price for imported linseed from Argentina the conversion costs in the United States are 3.4 cents per pound of oil higher than in Europe.

Exhibit C herewith shows drawback on exported oil cake if provided by law is the equivalent of 3.6 cents per gallon, or forty-eight one-hundredths cent per pound of oil—hence a difference of one-half cent per pound in the above proposlas for duty on linseed oil.

The method of our calculations and the figures incorporated in the accompanying statements have been submitted to Messrs. De Long and Zapoleon, experts of the United States Tariff Commission.

Very respectfully,

FLAXSEED CRUSHERS' TARIFF COMMITTEE,
C. T. NOLAN, *Member.*

(Inclosure as indicated.)

MARCH 24, 1922.

EXHIBIT A.

Cost of production of linseed oil in the United States from Argentine linseed.

	Per bushel.
Price of Argentine linseed at New York, this date, for but 96 per cent purity	$2.18
4 per cent additional to bring cost to 100 per cent seed purity to conform to oil-yield calculations	.0872
Duty added to cost of seed	.40
Manufacturers (United States of America) cost of conversion of seed into oil and oil cake packed, sold, and ready to ship, not inclusive of plant depreciation nor of trade discount, cartage, and freight	.50
	3.1672
Less value of oil-cake product, 37 pounds, at normal price, $30 per 2,000 pounds	.555
	2.6122

	Per gallon.
Divisor, 19 pounds of oil, the yield from 1 bushel of seed equals cost of 1 pound of oil, $0.1375, or per gallon of 7.5 pounds	$1.03125
Cost of linseed oil manufactured in Europe, including its transportation in barrels to United States, Atlantic seaports (see accompanying statement B)	.7760
Difference per gallon	.25525
Difference in conversion costs per pound of oil	.034

EXHIBIT B.

Cost of production of linseed oil in Europe from Argentine linseed.

	Per bushel.
Cost of Argentine linseed calculated the same in Europe as in New York this date, basis 96 per cent purity	$2.18
Four per cent additional to bring cost to 100 per cent seed purity to conform to oil-yield calculations	.0872
Duty, none	.00
Manufacturers (European) cost of conversion of seed into oil filled into barrels, sold and ready to ship	.25
	2.5172
Less value of oil-cake product 37 pounds, at normal price $30 per 2,000 pounds f. o. b. steamer, New York basis, equivalent in England to $36.75 per 2,000 pounds	.68
	1.8372

	Per gallon.
Divisor—19 pounds of oil, the yield from one bushel of seed, equals cost of one pound of oil $0.1375, or per gallon of 7.5 pounds	$0.7275
Plus transportation of oil in barrels to United States Atlantic seaports	.0485
Total cost to United States Atlantic seaports per gallon of oil	.7760
Difference in conversion costs per pound of oil	.034

NOTE.—Where international money exchange rate enters in the above the calculation is at $4.40 per pound sterling—current exchange rate.

EXHIBIT C.

Calculation of drawback on exported oil cake manufactured from 1 bushel imported linseed dutiable at 40 cents per bushel of pure seed.

	Bushel.	Per cent.
Linseed oil yield, 19 pounds: value, 10 cents per pound	$1.90	77.4
Oil cake yield, 37 pounds; value, 1½ cents per pound	.555	22.6
	2.455	100.0

Duty on cake yield from 1 bushel of linseed, 22.6 per cent of 40 cents, is $0.0904, which reduced to oil equivalent per pound is 0.48 cents per pound, or 3.6 cents per gallon.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The ASSISTANT SECRETARY. On line 14, page 111, it is proposed to strike out the word "pound," and to insert the same word with a semicolon and the following words:

Soya beans, four-tenths of 1 cent per pound; cotton seed, one-third of 1 cent per pound: *Provided*, That no allowance shall be made for dirt or other impurities in seed provided for in this paragraph.

Mr. LADD obtained the floor.

Mr. WALSH of Massachusetts. Mr. President, I was about to ask that the Senator from Utah [Mr. KING] be sent for, because he is interested in this item. May I ask the senior Senator from North Dakota [Mr. MCCUMBER] whether he intends to take up, immediately following the action upon paragraph 760, paragraph 50, which deals with the oils?

Mr. MCCUMBER. Yes, Mr. President.

Mr. WALSH of Massachusetts. I ask because I want to make a motion to reduce the rate on linseed oil. That will be taken up immediately?

Mr. MCCUMBER. Yes.

Mr. LADD. Mr. President, I move to amend line 14 by striking out "four-tenths of 1 cent" and substituting therefor "1½ cents."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from North Dakota [Mr. LADD] to the amendment of the committee.

Mr. WALSH of Massachusetts. Let the amendment be stated, please.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. It is proposed to amend the committee amendment on lines 14 and 15 by striking out, after the words "soya beans," the words "four-tenths of 1 cent," and in lieu thereof inserting "1½ cents."

Mr. WALSH of Massachusetts. Mr. President, in view of the fact that the Senator from Utah [Mr. KING] is not in the Chamber I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ashurst	Heflin	Moses	Simmons
Borah	Johnson	Nelson	Smith
Broussard	Jones, N. Mex.	New	Smoot
Bursum	Jones, Wash.	Newberry	Spencer
Calder	Kellogg	Nicholson	Sterling
Cameron	Kendrick	Norbeck	Sutherland
Capper	King	Oddie	Townsend
Colt	Ladd	Overman	Trammell
Curtis	La Follette	Pepper	Underwood
Dial	Lenroot	Phipps	Wadsworth
Ernst	Lodge	Poindexter	Walsh, Mass.
Frelinghuysen	McCumber	Ransdell	Walsh, Mont.
Gooding	McKinley	Sheppard	Watson, Ind.
Hale	McNary	Shortridge	Willis

The PRESIDING OFFICER. Fifty-six Senators having answered to their names, a quorum is present. The question is on the amendment offered by the Senator from North Dakota [Mr. LADD] to the committee amendment, which the Secretary will again report.

The ASSISTANT SECRETARY. In the amendment proposed by the committee, page 111, lines 14 and 15, after the words "soya beans," strike out "four-tenths of 1 cent," and insert in lieu thereof "1½ cents."

Mr. KING. Mr. President, I presume that no appeals to the blocs, groups, alliances, and confederations on the other side, who perhaps get some assistance on this side, will affect the result with respect to the matter under consideration.

A few moments ago the Senator from North Dakota made complaint because in describing the pending bill I had employed some of the language of Mr. Roosevelt in describing Republican tariff bills, Senator Dolliver in describing the Payne-Aldrich bill, and the distinguished Senator from Wisconsin [Mr. LA FOLLETTE] and other eminent Republicans in describing former Republican tariff bills. The Senator from North Dakota would be very glad if I would employ the adjective "good" and say that this was a good tariff bill. He would be more gratified if I should say it was a just tariff bill; but if I should say either I would be wholly inaccurate. It is neither good nor just. It is bad and it is unjust, and I expect my friend would complain about those two adjectives.

It is astonishing the point of view we entertain. Any Republican or Democrat who says that this bill is a delightful, a beautiful, a delectable, and a just measure would sing a song that would come with great delight to the ears of the able Senator from North Dakota. But the able Senator does

not like to have anybody tell the truth about this bill. To call it an inequitable bill is exceedingly offensive to him. He does not like that adjective. He will hear the adjective now; he will hear it when he retires to the quietude of his private life. He will hear it many years after this, because the American people believe that it is a bad bill, an inequitable bill, and that belief will be confirmed after the bill goes into operation.

We are confronted with an amendment, recommended, I am told, by the committee, to increase the rates reported by the bill, after due consideration, I suppose, from four-tenths of a cent to a cent and a half, which would be an increase of nearly 300 per cent.

Mr. SMOOT. It is not a committee amendment.

Mr. KING. Then I was laboring under a misapprehension. I congratulate the committee upon their moderation. May I inquire whether the committee is suggesting this at all?

Mr. SMOOT. The junior Senator from North Dakota offered the amendment.

Mr. KING. With that understanding, I do not think I shall take the time to discuss it. I understood the committee itself was offering this amendment.

Mr. McCUMBER. The Senator may possibly omit one or two of his adjectives.

Mr. KING. No; I still say it is a bad bill, because even if this amendment should not prevail there are so many other bad provisions in the bill that I would not want to withdraw the criticism heretofore made. But in view of the fact that this is not offered by the committee I can not believe it will get any support. I shall not, therefore, take any of the time of the Senate to discuss it.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from North Dakota to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is on the committee amendment.

Mr. McCUMBER. Mr. President, the committee moves to amend this amendment by striking out, after the word "pound," on line 16, page 11, the balance of the said line and all of line 17; in other words, to strike out the words: "*Provided*, That no allowance shall be made for dirt or other impurities in seed provided for in this paragraph." That would leave the matter so that the screenings and impurities, instead of bearing the higher rate, would bear a 10 per cent duty.

The PRESIDING OFFICER. The chairman of the committee desires to modify his amendment, and the question, therefore, is on the committee amendment as modified.

Mr. GOODING. Mr. President, I do not think those who have been supporting the amendment offered by the Senator from North Dakota understood just what they were voting for. I am not finding any fault with the Chair at all, who is perfectly fair, but we expected a roll call. Possibly we are to blame for not calling for it. I ask the chairman of the committee if he will permit a reconsideration of the vote just taken on soya beans?

Mr. McCUMBER. I have no objection.

Mr. WALSH of Massachusetts. Neither have I any objection.

Mr. GOODING. Then I would like to discuss the amendment of the Senator from North Dakota relating to soya beans for just a few minutes.

The PRESIDING OFFICER. Let the parliamentary situation be straightened out. Without objection, the vote whereby the amendment to the amendment, on page 111, line 14, was disagreed to will be reconsidered.

Mr. WALSH of Massachusetts. Then the question is on the amendment offered by the Senator from North Dakota [Mr. LADD] to the Committee amendment?

The PRESIDING OFFICER. The question is on the amendment offered by the junior Senator from North Dakota [Mr. LADD] to the committee amendment, on which the Senator from Idaho will be heard.

Mr. GOODING. Mr. President, I doubt if there is any duty in this bill more important to the American farmer than the duty that is asked for by the Senator from North Dakota on soya beans.

Just a few days ago I placed in the RECORD a statement of farm changes that have been taking place in this country. In the year 1920, as I remember, 60,000 men, women, and children left the farms in the States of Ohio, New York, and Michigan simply because the soil was so poor that they were unable to earn a living.

Soya beans are coming into a great use in this country as fertilizer. Possibly no other crop is doing more to bring back the fertility of the soil in America than soya beans in those States where they are used, and it is a bean grown to a very large extent now in many of the States.

In the South, in those sections where the boll weevil has made it impossible to grow cotton any longer, soya beans are being grown to quite an extent, and since the passage of the emergency tariff law, which gave 2 cents a pound on vegetable oil and soya bean oil, we are establishing crushers in this country, and we are growing beans for seed.

I have here an article appearing in the Country Gentleman, which I shall not read much of, but I shall ask that it be printed in the RECORD, because to my mind it is a very good article. The title of the article is "More Soys," and it is written by J. Sidney Cates. I read just a paragraph:

MANY FARMERS SEE IN THE BEANS A SOUND NEW MONEY CROP.

Last year witnessed a 20 per cent increase in acreage of soya beans planted for seed, and the harvested crop totaled but slightly under 3,000,000 bushels. The Corn Belt seems suddenly to have discovered the possibilities of the soy as a money crop, just as six or eight years ago the farmers out there found the great value of beans for growing along with corn for soil improvement and for hogging down.

I ask that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Country Gentleman, April 1, 1922.]

MORE SOYS—MANY FARMERS SEE IN THE BEANS A SOUND NEW MONEY CROP.

(By J. Sidney Cates.)

Last year witnessed a 20 per cent increase in acreage of soy beans planted for seed, and the harvested crop totaled but slightly under 3,000,000 bushels. The Corn Belt seems suddenly to have discovered the possibility of the soy as a money crop, just as six or eight years ago the farmers out there found the great value of beans for growing along with corn, for soil improvement, and for hogging down.

Recently I journeyed into Illinois to find out how the men on the farms were handling this new money crop, and what it was displacing in the old and well-established systems. At the office of C. H. Oathouse, farm adviser for Champaign County, I interrupted a conference with four or five farmers who were arranging for a cooperative shipment of a car of beans to a large paint and oil manufacturer at Cleveland.

"There is a big surplus of beans in the county," explained Mr. Oathouse, "although we estimate the area planted for seed here next season is going to increase fivefold. We are, however, having no difficulty at all in finding a market. There will be ample oil-mill facilities near by for handling any quantity of beans we may produce."

"Our new rotation to include soy beans eliminates oats," explained one of the farmers. "We are working a four-field system—corn, soy beans, wheat, pasture; the pasture being made up of alsike, sweet clover, and timothy. The oat crop has never been satisfactory, but nothing else seemed to fit in after corn.

"With the better varieties of beans which have come on the market the past few years the problem seems to be solved. And there is not such a rush of early spring work as with the oat crop. After corn is planted and before it requires cultivation the bean crop is put out. We plant everything solid with a grain drill, using about a bushel of beans to the acre. Planting in rows and cultivating, as is done so extensively in North Carolina, does not give such good results in yield here as does the plan we follow; and besides, the land is left ridged to some extent when the crop is removed and takes considerable work to get in shape for wheat which follows."

"How do you handle the weed problem?" I inquired, going on to explain that experience in most sections showed that the beans started off so slowly in the early season that weeds and grass often choked the broadcast crop and seriously cut down yields.

"We have worked up our own system of keeping the crop clean," spoke up Mr. Oathouse. "To begin with, we harrow the land well before starting to seed with the grain drill. At this time a lot of weed seeds have already germinated and are killed. Then, when the beans break through the ground, we go over it with a weeder. It does not seem to do any damage to the beans, and is very effective in cleaning out grass, provided the land is not baked to a hard crust. On baked land what we call a rotary hoe is the tool to do the business. You might compare this instrument to a disk harrow with just the spokes of the wheel instead of solid disks. The rotary hoe can be used until the beans are 6 to 8 inches high, and it does not seem to injure them at all. After that time they will smother weeds. When harvest time comes we go in with an ordinary grain binder."

"Don't you shatter a lot of the beans with a binder?" I asked.

"That would be the case with your row-grown beans," he replied. "But our crop grown thick on the land, develops an upright habit of growth with no wide-spreading branches to be crushed in the grain binder. No, we do not figure any more loss from shattering in harvesting beans than we do in harvesting wheat or oats, though if the crop is very dry we do like to carry on the work as much as possible early in the morning, when it is more or less damp from the dew."

Wheat follows beans under the Illinois system, without any further preparation of the land. In fact, the grain drill is started right after the reaper, the two implements often going around the field 50 yards apart, the bean bundles being dropped off on land already seeded to wheat.

"In Champaign County," said Mr. Oathouse, "we have had a couple of meetings of those interested in growing beans. We have figured that about twenty-five or thirty thousand bushels are grown in the county. We believe that this acreage will increase fivefold in 1922. Every fellow who had beans last year will increase his planting, and he will be joined by all his neighbors. This increase will be at the expense of corn as well as oats. All the farmers are waiting for is full and definite assurance of a general market. We believe there need be no uneasiness on this point. One factory in Decatur, which now handles

30,000 bushels of corn a day, will put in bean equipment. A cotton-oil mill in East St. Louis has equipment and is asking for 15,000 tons next year."

A YEAR OF RECORD YIELDS.

Yields last year were the highest ever known. A number of small-acreage yields averaged more than 40 bushels to the acre. One farmer told me he had out 100 acres of the poorest land on his farm and lacked 3 bushels of making 2,000. The crop brought $3,000. I dare say there is not a hundred-acre cornfield which last year yielded so much in money value.

Will Riegel, manager of the Mahary farms at Tolono, Ill., where a 6,100-bushel crop was grown last year, told me their average was approximately 35 bushels to the acre. The first cash crop of beans was raised on these farms in 1909, and the manager declares that beans have been the most profitable crop raised ever since. Mr. Riegel says that now the land, through long growing of beans, is getting too rich and that the rotation will have to be changed.

Doctor Smith, over at the University of Illinois, told me they were recommending soys to take the place of red clover in rotations.

"From the standpoint of soil fertility," said he, "the soy has a rather prominent place with us here in Illinois. The last 10 years we have had five failures with red clover; that is, it failed to come up the second year of its biennial life. Sweet clover is filling this gap where there is lime in the soil. In the presence of lime sweet clover practically never fails. The soy can be depended on to make a crop under either circumstance."

I found a number of Corn Belt men making an excellent go of soys as the main crop.

The three Fouts brothers, at Camden, Ind., own farms close together, and they call the group Soyland. They are not only making money selling seed, but by feeding hogs and sheep. Soys are the main crop on all three farms.

Edwin Johnson, of Stryker, Ohio, has made an excellent thing of soys as the main money crop. He has three farms devoted to the business, and also gets the neighbors far and wide to grow beans for him on contract. His production runs into the thousands of bushels.

I encountered one Illinois farmer whose main enterprise is pork production. He fed this pork last year on corn, balanced up with soy beans instead of tankage. But he did not grow a stalk of corn on the place; the whole farm was put out to beans. These he sold and with the proceeds bought corn. He figures that he got in this way three times the corn that he would have secured by planting it.

At present the price of soy beans in the Corn Belt is the lowest in many years, seed selling on farms at $1.30 to $1.60 a bushel. But seemingly this is going to stimulate rather than retard the production of beans as a money crop. In the first place, it simplifies the problem of getting seed for planting. And, in the second place, the present price of beans expands the market demand, not only through the greater use of seed but for oil and meat production. It is a practical certainty, I was told, that several crushing establishments will go up in the Middle West this year.

Probably the most important thing developed at the Chicago meeting of the Central States Soy Bean Growers' Association, held in November, was a move to standardize the variety names. A committee was formed to take over the work of getting rid of duplicate names of varieties. This committee was made up of one experiment-station man who works on soy beans and one prominent grower for each of the States represented in the association. Soy Bean Specialist Morse, of the Department of Agriculture, was made chairman of this committee. The department and the station men of the committee have agreed to grow all the present varieties having several names this coming season. The study of duplicate names will be made during the growing season.

Approximately 150 variety names are now in common use, though the number of really different varieties is probably less than 100. The Mongol, for instance, is sold under the name of Hollybrook, Roosevelt, Medium Yellow, Medium Early Yellow, and several other aliases. The Ito San is also called Early Yellow, Medium Early Yellow, and Medium Yellow. The old Mammoth Yellow is sold as both Early and Medium Yellow. The old Tar-Heel Black has been sold through the North as Early Black, Early Mammoth Black, and Medium Black. The Peking is sold as Sable, Essex, Red Sable, Black Champion, and Extra Select Sable. And this list could be greatly extended.

HEAVIER-YIELDING VARIETIES.

As the soy-bean crop is just beginning to reach out for a larger place in our agriculture, it is particularly important that these duplicate names be eliminated. The crop is grown now all the way from the Gulf to the Canadian border, and success with it depends far more than is the case with ordinary crops on getting a well-adapted variety. When variety names become meaningless, important studies in variety adaptation are lost in the resulting confusion.

In North Carolina, where more seed beans are raised than anywhere else, 34 per cent of the crop is grown for seed. Illinois now comes next with 28 per cent of the whole planted area harvested for seed. No other State saves for seed as much as 21 per cent of the total planted area. Throughout the Corn Belt a great deal more than half the total soy area represents interplanting with corn. This is also true in North Carolina. In other parts of the South the soy bean, to a greater extent, occupies the land all by itself. In Virginia only 29 per cent of the crop is interplanted; in South Carolina, 39 per cent; and in Georgia, 35 per cent.

It is common talk through the Middle Western States that soy beans yielded last year almost double what they ever did before. I am at a loss whether to lay this merely to a very propitious season or to consider that in large part it is due to better cultural methods and the use of heavier-yelding varieties. Probably all three factors enter into the equation. It is a pretty clear case, however, that the recent greatly increased interest in soys through the Corn Belt, particularly the northern edge of the corn States, can be attributed to better varieties.

We have at last gotten round to searching similar latitudes in northeastern Asia for soy varieties adapted to the northern edge of this country. For unrecorded ages orientals have depended largely on the soy for food, and they have naturally accomplished much in seed selection. By beginning where they left off—or perhaps I had better say, reached—we have been able to make a rapid stride in pushing the beans north.

New varieties, some 300 in number, were brought in from Manchuria during the winter of 1913–14. The whole importation was tested out at the Government farm at Arlington, Va., and the markedly inferior ones were discarded.

Before this importation of seed the soys had a very cramped northern limit of maturity. The new kinds mature a crop farther north than a corn crop is dependable. From West Branch, Mich., and from northern Wisconsin there came back reports of one sort yielding more than 40 bushels to the acre. The yield for forage in these northern latitudes is also heavy. There are numerous reports of more than 6,000 pounds to the acre of air-dry material throughout Michigan and Wisconsin, coming from the new Manchuria beans.

Over in New England, where the heavy freight rate on western grain is a serious burden to dairymen, these new Manchurian kinds seem to deserve a large place. The old varieties were not considered safe in New England farther north than Amherst; frost would come before the beans matured. Now, well up in New Hampshire and Vermont and over in south Maine, the Black Eyebrow and Mandarin, probably the most promising of the Manchurian kinds, ripen a heavy crop of seed.

Heretofore we have made large importations of both soy beans and soy oil. Now that we have got tested seed of varieties adapted to the climate of our richer lands there is a prospect of our not only filling our own needs but of producing a bean surplus to send out to other countries.

The soy bean is worked up into a great variety of table products. And in this, as in all lines of soy appreciation, we are merely taking a leaf from the history of Asiatic people. Over there it has stood the tests of unrecorded thousands of years.

Mr. GOODING. In this country to-day, Mr. President, we are growing 40,000,000 acres more of farm crops than we are consuming. It is estimated that the increased consumption in this country of farm products is equal to 2,000,000 acres a year. At that rate it is going to take 20 years in this country for our consumption to catch up with our farm production.

Now, if we are going to bring any permanent prosperity back to America we have to have a balanced condition upon the farm. The trouble is we are growing too much wheat and not enough wool; we are growing too much cotton and not enough sugar; and so it goes on down the line. If we will make an effort to protect the agricultural industries which have been on the free list, so as to bring about a balanced crop condition on the farm, we will not be forced for very many years to find a foreign market for farm products of the country, and we will stabilize our agricultural industry. We will never have prosperity, if you please, until we develop every agricultural interest up to our own requirements at least, and that is what we are not doing. If we will develop the crops in this country in which we have not yet reached our own consumption it will take care, if you please, of the 10,000,000 acres of farm products for which we are now forced to find a market in foreign countries. Above all, soil exhaustion is taking place in every State in the Union. There is no exception to that rule. Above everything we ought to encourage a crop such as soya beans, which mean so much to the soil fertility.

There is not going to be any prosperity in this country until the farmer gets better prices for his product, and he is not going to get a better price until we have a balanced condition, nor is there going to be any return to the farm until the farmer gets a square deal in the country and is able at least to furnish the American people with the farm products which we can grow so successfully in this country. Therefore I hope the amendment of the Senator from North Dakota [Mr. LADD] will prevail.

The Senator from New Jersey [Mr. FRELINGHUYSEN] is entirely mistaken in one of his statements. The farmers are growing soya beans in this country and they are growing them for seed. We are crushing them, and if we can be given an opportunity by proper protection, so that we do not have to compete with the natives of Manchuria, we can do vastly better. There they will haul the soya beans 100 or 200 miles to market, taking a week or 10 days to make the trip, with only three or four bags; and that is the competition the farmers of this country have to meet. We can not develop the soya-bean industry and we can not develop any other industry in the face of such competition.

The Senator from New Jersey also said there was not much importation of the soya bean. I send to the desk a short article, which I would like to have read, telling the story of a cargo of soya-bean oil just reaching Norfolk.

Mr. FRELINGHUYSEN. Before the article is read and before the Senator takes his seat I would like to correct a statement he made. He stated I said there were no soya beans grown in this country. I did not say that. I said there was no appreciable crushing of soya beans for soya-bean oil. I have here a letter from the United States Department of Agriculture——

Mr. GOODING. I agree with the Senator in that statement, but they are crushing and starting to crush more, and they will crush a great deal more if they are given the opportunity.

Mr. FRELINGHUYSEN. The United States Department of Agriculture on June 19 said:

If any domestic grown soy beans are being crushed at all, it is only in negligible quantity.

The Senator spoke of large quantities of soy-bean oil being imported, and said that I said there was none being imported.

Mr. GOODING. The Senator said very little was being imported.

Mr. FRELINGHUYSEN. I did not make that statement. I said that the record would show that 195,000,000 pounds of soy-bean oil had been imported in 1919, and as to the first three months after the emergency tariff act went into effect, placing a duty of 2 cents per pound on soy-bean oil, the Senator from North Dakota [Mr. LADD] read the figures showing that only 2,000,000 pounds had been imported. I called attention to the decline in the importations after the duty became effective.

The PRESIDING OFFICER. The Secretary will read the article as requested by the Senator from Idaho.

The reading clerk read as follows:

[From the Norfolk Ledger-Dispatch, Tuesday, June 30, 1922.]

CUSTOMS DUTY ON SINGLE CARGO HERE IS ABOUT $100,000—SHIP ARRIVES WITH BIG LOAD SOY-BEAN OIL—REVENUE TO BE PAID BY PORTSMOUTH COMPANY AS OIL IS TAKEN FROM TANKS.

Uncle Sam will get more duty out of the cargo being discharged at the Army base to-day by the Japanese steamer *Mayebashi Maru* than out of any single importation of merchandise at Hampton Roads since 1914.

M. M. Vipond, deputy collector of customs, had it figured out this morning that the 1,800 tons of soy-bean oil brought from Darien, Manchuria, in the deep tanks of the Japanese steamer would eventually increase the revenue of the Norfolk customhouse by approximately $100,000. The money will not be received right off the bat, however, for the Portsmouth Cotton Oil Refining Co., the owners of the oil, recently bonded the tanks at their Portsmouth plant in which the oil is to be stored and the duty will be paid upon it as it is gradually withdrawn for refining.

The oil brought here from Darien by the *Mayebashi Maru* is one of a number of shipments recently received by the great refinery at Portsmouth, but heretofore no duty has been paid at Norfolk, the oil having been transshipped to Manila, where the duty was collected. Other direct importations, it is understood, will be made this summer by the same concern, which is among the three largest refiners of vegetable oils in this country.

DUTY 20 CENTS A GALLON.

Until the passage of the emergency tariff bill a few months ago soy-bean oil was upon the free list. Now the duty is 20 cents per gallon. The heavy duty was imposed at the solicitation of American producers of soy beans and of peanuts. There is little difference between peanut and bean oils.

The *Mayebashi Maru* is expected to complete discharge of the oil to-day and proceed to Philadelphia.

At the Army base the oil is being discharged in the company's own tank cars which bear it over the belt line to the Portsmouth plant.

Mr. RANSDELL. Mr. President, I wish to say just a few words in regard to the pending item. I would like to have my Democratic friends from the South, before voting upon this item, to consider that the soya-bean industry is one of the most promising in the South, in my judgment, as a successor, to some extent, of cotton in the region which is now being devastated largely by the boll weevil. It is extremely difficult, especially for a Caucasian, in the South to make a living by planting cotton.

I have looked into the question of the soya bean considerably, and am convinced that a white man, in the cotton portion of the South where soya beans grow better than they do in the northern portions of the country, can by the use of improved machinery make a great deal more money annually as the result of his labor than he could possibly make from cotton. It requires about as much labor to cultivate soya beans as it does to cultivate corn. Soya beans can be planted by machinery, cultivated by machinery, harvested by machinery, and ordinarily produce pretty nearly, if not quite, as much yield per acre as can be obtained from corn. A considerably better price can be secured per bushel for soya beans than for corn. More money can be made, considerably, as the result of a year's labor in soya beans than in cotton. I am thoroughly convinced of that fact.

Let us see some of the uses of the soya bean. They produce the most remarkable hay. Southern farmers all know there is no better hay than pea-vine hay. Soya-bean hay is just as good as pea-vine hay. It is easier to cure than the pea-vine hay. Soya beans carry into the ground just about as much nitrogen as the pea vines. They improve the soil just about as much as the pea vines, and are tremendously valuable in the South for improving the soil.

All agriculture in the country is interested in improving the soil. Our yields are diminishing all over the land. Cotton is coming down in its annual production, as corn is coming down and as wheat is coming down. Everything that grows from the soil is coming down in its annual production per acre, and one of the very interesting problems before the Senate to-day is whether or not we shall lease Muscle Shoals to Mr. Henry Ford in order that he may give us cheap fertilizer for the improvement of the land for agriculture.

Mr. President and Senators, if we can plant a crop of soya beans in the soil and make as good financial returns out of that crop and at the same time build up the soil wonderfully, to be followed by crops of cotton or corn or sugar or rice or wheat or any other product, because all crops that grow out of the ground are wonderfully benefited by the nitrogen placed in the soil by nature's best feeder, the soya bean, it would seem wise to make more use of that crop. It is a most valuable crop in that connection.

I wish to impress upon my friends from the South, and especially those along the Atlantic coast, where the boll weevil is becoming so bad, that they have got to do something in that section to fight that awful pest. They have got to have some money crop other than cotton. They can not live if they do not have a money crop. They can get that money crop from the soya bean and at the same time save the tremendous fertilizer bill they are now obliged to pay. If they could keep their cotton lands reasonably fertile without having to pay the perfectly colossal fertilizer bills which they are now obliged to pay, the returns on their agriculture would be very much heavier. I say to them that they can get that kind of a crop through the intelligent use of the soya bean. The crop also will add materially in producing fine hogs and fine beeves. In a small way I have had a few acres of soya beans on my plantation, and I know the nature of the crop, and that nothing fattens hogs more rapidly than the soya bean. Soya-bean meal is a splendid feed for beeves.

When the oil is extracted from soya beans that oil makes a splendid substitute for paint. It answers the purposes of a mixture of turpentine and linseed oil, which I believe are used largely in the manufacture of paint. Soya-bean oil to a great extent takes the place of linseed oil in the manufacture of paint. It is a valuable commodity.

The growing of soya beans is very largely a new industry in our country. We seek by tariff duties to build up new industries. When they are thoroughly well established there is probably no reason for placing an import duty on their products; but, I repeat, this is a new industry in our country. It is beginning to grow up in practically every State in the Union, for while, to a great extent, the soya bean flourishes best in the South, there are certain varieties which flourish in the most northern State of the Union. I am satisfied that varieties will be developed which will flourish along the Canadian border, and every part of the Union will ultimately be able to grow this plant successfully.

We need new plants in this country, Mr. President; we ought to do something to develop a new industry in America; and I say to you, sirs, in the most serious manner, that, to my mind, this is the most promising new agricultural plant with which I am familiar. I sincerely hope the amendment to the committee amendment proposed by the Senator from North Dakota [Mr. LADD] to increase the duty on soya beans may be adopted.

Mr. GOODING. I desire to call the Senator's attention to the fact that there is a duty of 3 cents a pound on soya-bean oil; and, in my judgment, that duty will be of little use with a duty of only four-tenths of 1 cent a pound on soya beans. The importers will ship in soya beans and crush them and, of course, in that way bring in soya-bean oil for about a cent a pound duty, as I understand, or not more than a cent and a quarter a pound, as compared with the 3-cent duty which the committee has given to soya-bean oil. So, if we wish to make effective the duty on soya-bean oil, there should be imposed a duty of at least 1½ cents a pound on soya beans.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from North Dakota [Mr. LADD] to the amendment of the committee.

Mr. GOODING. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. SMITH. I rise to a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his parliamentary inquiry.

Mr. SMITH. Is the vote about to be taken directly on the question of the proposal to impose a duty of 1½ cents on soy beans?

The PRESIDING OFFICER. The Senate is about to vote on the amendment offered by the Senator from North Dakota [Mr. LADD] to the committee amendment providing a duty of 1½ cents a pound on soy beans.

Mr. KING. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Utah will state his parliamentary inquiry.

Mr. KING. We are about to vote now, as I understand, upon the amendment offered by the Senator from North Dakota increasing the rates provided by the committee amendment about 300 per cent.

The PRESIDING OFFICER. The question has been correctly stated. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. CALDER (when his name was called). I am paired with the senior Senator from Georgia [Mr. HARRIS]. On this question I am informed that he would vote as I intend to vote. Therefore I feel at liberty to vote, and vote "nay."

Mr. UNDERWOOD (when Mr. HARRISON'S name was called). The junior Senator from Mississippi [Mr. HARRISON] is absent. He is paired with the junior Senator from West Virginia [Mr. ELKINS]. If the Senator from Mississippi were present he would vote "nay."

Mr. MCKINLEY (when his name was called). Transferring my pair with the junior Senator from Arkansas [Mr. CARAWAY] to the junior Senator from Oregon [Mr. STANFIELD], I vote "yea."

Mr. NEW (when his name was called). Transferring my pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from Vermont [Mr. PAGE], I vote "yea."

Mr. WATSON of Indiana (when his name was called). I have a general pair with the senior Senator from Mississippi [Mr. WILLIAMS]. I am informed that if he were present he would vote as I intend to vote on this question. Therefore I feel free to vote, and vote "nay."

The roll call was concluded.

Mr. CAMERON. Making the same announcement as before with reference to my pair and its transfer, I vote "yea."

Mr. HALE. I have a general pair with the senior Senator from Tennessee [Mr. SHIELDS]. I have been informed that if he were present he would vote as I intend to vote. I therefore feel at liberty to vote, and vote "nay."

Mr. JONES of Washington (after having voted in the affirmative). I understand that the senior Senator from Virginia [Mr. SWANSON] has not voted. I promised to pair with him for the afternoon, but I find I can transfer my pair with him to the junior Senator from Maryland [Mr. WELLER]. I do so, and allow my vote to stand.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from West Virginia [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. ROBINSON]; and

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES].

The result was announced—yeas 28, nays 28, as follows:

YEAS—28.

Ashurst	Heflin	McNary	Ransdell
Broussard	Johnson	New	Sheppard
Bursum	Jones, Wash.	Nicholson	Shortridge
Cameron	Kellogg	Norbeck	Sterling
Capper	Kendrick	Oddie	Townsend
Gooding	Ladd	Phipps	Warren
Harreld	McKinley	Poindexter	Willis

NAYS—28.

Borah	Frelinghuysen	Nelson	Smoot
Calder	Hale	Newberry	Spencer
Colt	King	Overman	Underwood
Curtis	Lenroot	Pepper	Wadsworth
Dial	Lodge	Pomerene	Walsh, Mass.
Ernst	McCumber	Simmons	Walsh, Mont.
France	Moses	Smith	Watson, Ind.

NOT VOTING—40.

Ball	Fernald	McCormick	Robinson
Brandegee	Fletcher	McKellar	Shields
Caraway	Gerry	McLean	Stanfield
Crow	Glass	Myers	Stanley
Culberson	Harris	Norris	Sutherland
Cummins	Harrison	Owen	Swanson
Dillingham	Hitchcock	Page	Trammell
du Pont	Jones, N. Mex.	Pittman	Watson, Ga.
Edge	Keyes	Rawson	Weller
Elkins	La Follette	Reed	Williams

So the amendment of Mr. LADD to the committee amendment was rejected.

Mr. LADD. I desire to reserve the right to present and to have a separate vote upon the amendment to the committee amendment when the bill reaches the Senate.

The PRESIDING OFFICER. The Senator has that right under the rule. The question is on agreeing to the committee amendment as modified.

Mr. MCCUMBER. Mr. President, I desire to modify the committee amendment by striking out the colon after the word "pound," in line 16, page 111, and inserting a period; and also by striking out the words:

Provided, That no allowance shall be made for dirt or other impurities in seed provided for in this paragraph.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. KING. Mr. President, I have a statement on the question of soya beans and oil, vegetable oils and animal fats and their interchangeability, and the effect of importing soya beans and soya-bean oil, which tends to show that importations are beneficial, in that they not only give employment to a large number of American people but give us a market for cottonseed oil about which the Senator from Louisiana is so solicitous. I ask that the statement be inserted in the RECORD without reading.

The PRESIDING OFFICER. Without objection, it is so ordered.

The statement referred to is as follows:

The proposed tariff on foreign vegetable oils is a boomerang. It will depress the price of hog lard, corn oil, cottonseed oil, and other oils and fats produced by American farmers. The proposed tariff on coconut oil, peanut oil, soya-bean oil, and cottonseed oil will depress the price of domestic vegetable and animal oils used in the manufacture of butter and lard substitutes, and thereby the price of butter and lard will be adversely affected.

The proposed tariff on foreign vegetable oils will make the price of cottonseed oil lower, and thereby the price of vegetable lard will be lower. Consequently hog lard will be made lower in price by the competition of lower-priced vegetable lard made from domestic vegetable oils. This will adversely affect the price of hogs and corn.

The proposed tariff on foreign vegetable oils will depress the price of oleo oil, neutral lard, and cottonseed oil—the principal ingredients of oleomargarine or butter substitutes. This will adversely affect the dairy farmer.

Tariffs on commodities of which we produce an exportable surplus, however, are totally inoperative as "protection," and are in fact actually injurious to American farmers, forcing them to sell their crops at reduced prices. Let us demonstrate this to you as it applies to vegetable oils and animal fats:

The United States is the greatest producer of edible oils and fats in the world.

We give herewith our production for a typical year, 1921. These are the same figures appearing on the pictorial chart, but converted into carloads of 30,000 pounds each.

Please note the tremendous exports:

TABLE 1.—*United States production and exports of edible oils and fats, calendar year 1921.*

	Production.	Exports.
	Carloads.	*Carloads.*
Hog lard	63,333	29,766
Cottonseed oil	43,333	8,400
Vegetable lard, produced from above cottonseed oil	.....	1,600
Oleo oil	4,033	4,266
Oleo stearine	2,366	1,090
Neutral lard	2,133	766
Corn oil	2,900	146
Peanut oil	1,300	60
Total	120,298	46,094

These are the primary fats from which are produced other articles, such as oleomargarine, salad oils, etc. These derivative products are not included because this would cause duplication.

America must ship abroad 46,000 carloads of edible vegetable oils and fats and sell them at international prices in order to dispose of our total production of 120,000 carloads. American farmers, who produce these products, have to sell nearly as much outside the tariff wall as they sell inside. Refer to pictorial chart on reverse side and you will see clearly how the American farmer is necessarily interested in maintaining good market conditions outside the tariff wall. If the conditions outside the tariff wall—in Europe—are maintained in as favorable condition as possible, the markets inside the wall or at home will be good; but the wall deprives the United States of any voice in making prices outside the wall, and while killing the American farmer's voice in price making outside the wall and giving this power entirely to the astute strategists of Europe the wall has also depressed our home market, because when selling exportable surplus crops like the great group of interchangeable edible oils and fats produced in the United States the home market on the average can be no better than the export market.

The domestic buyer will not pay our farmers any more than the export buyer will pay. The wall is a boomerang, because it removes the United States as a rival bidder in other agricultural countries and the buyers in Europe, on whom we must depend for the sale of our 46,000 carloads of surplus, are given a clear field and complete power to bargain us against foreign farmers in Asia, Africa, and South America, who also have surpluses which they must sell to Europe. Thus it is clearly proven how these duties on exports are absurd and actually of negative effect.

We are not telling you what may happen in the future, but what has actually happened during the past 12 months under the emergency tariff bill, which shut foreign soya-bean oil, cottonseed oil, and peanut oil out of the United States by high duties.

When the fall crops of 1921 were ready for market, European buyers had undisputed control of the new crops of soya-bean oil, peanut oil, cottonseed oil, and other foreign fats. They let us "hold the sack." They made us offers for our surpluses at prices measured by the depressed prices at which they could purchase the foreign vegetable oils. They did exactly what is stated on the reverse side of this folder. We therefore were helpless sellers, with no power to bid and still forced to meet the competition of foreign vegetable oils in the surplus-consuming area of the world—Europe. Instead of meeting the competition with some control over it we met it in aggravated form.

This report from the American consul at Dairen, Manchuria, dated February, 1922, shows exactly what happened:

"The new American tariff on soya-bean oil prevented export to the United States, and the consequent withdrawal of an important purchaser caused the price to drop. Europe was a large purchaser, how-

ever, and the stock of soya-bean oil at present on hand is proportionately much smaller than that of bean cake."

Europe made lard substitutes out of these foreign vegetable oils, and our exported hog lard had to compete with a foreign product which had been depressed in price by our emergency tariff. Our corn growers and hog raisers suffered in place of being "protected." They were forced to sell hog lard to Europe at low prices by the action of the emergency tariff, which lowered the price of foreign vegetable oils and then diverted them into our own export market.

Europe would not buy our cottonseed oil at price asked by our farmers. Our exports of refined cottonseed oil have declined tremendously, as shown by the following comparison:

	Period 1921.	Period 1920.
	Pounds.	*Pounds.*
November	3,033,884	18,231,215
December	5,054,022	37,471,254
January	4,915,632	66,458,248
February	3,546,072	35,321,571
Total	16,549,610	157,482,288

Europe bought 5,249 carloads of our refined cottonseed oil during the above four months' period before the emergency tariff, and only 552 carloads during the same period after the emergency tariff, a reduction of 4,697 cars, or nearly 90 per cent. Had not our cotton crop been very short this year our cotton growers would have been unable to sell their seed to the cottonseed-oil mills. They would have been obliged to use it on the farm for fertilizer and feed, owing to the destruction of their export market for cottonseed oil by the action of the emergency tariff.

Some dairymen, because of their lack of knowledge concerning this subject, demanded that foreign vegetable oils be excluded from the United States, claiming that these foreign vegetable oils were so cheap that substitutes for butter would be made from them, and thereby the price of butter would be depressed. Is this not absurd? You have seen from the foregoing tables that we exported in 1921, a typical year—typical with the exception of cottonseed oil—8,400 carloads of cottonseed oil, 4,933 carloads of oleo oil, 766 carloads of neutral lard, 146 carloads of corn oil, and 60 carloads of peanut oil, or a total of 13,638 carloads of American edible oils and fats that are the very prime ingredients of butter substitutes. These quantities, exported, vastly exceed the quantity used in our domestic oleomargarine industry. Had our cotton crop been normal our exportable surplus of domestic oils and fats suitable for butter substitutes would have been 20,000 carloads.

The American dairymen, therefore, have been badly advised. Foreign vegetable oils and fats, such as coconut oil, soya-bean, cottonseed oil, and peanut oil are on the average inferior in quality for butter-substitute making to our own domestic oils and fats, and are used principally in the United States for industrial purposes, such as soap making, tanning, rubber substitutes, etc. The foreign oils, therefore, if freely admitted to the United States, turn the wheels of our industries, enable us to manufacture soap and other products at prices that are in line with world prices, and thus enable the American manufacturer to sell his finished product at home and abroad, and at the same time this quantity of these foreign vegetable oils and fats thus diverted from Europe will leave a corresponding demand in Europe for edible products to be filled from our great exportable surplus of higher-grade edible oils and fats made up of 893,000,000 pounds of hog lard, 252,000,000 pounds of cottonseed oil, 48,000,000 pounds of vegetable lard, 32,700,000 pounds of oleo stearine, 23,000,000 pounds of neutral lard, 4,400,000 pounds of corn oil, 128,000,000 pounds of oleo oil, and 1,800,000 pounds of peanut oil.

American dairymen produce 1,700,000,000 pounds of butter, or 53,333 carloads. This is a tremendous quantity. The American dairyman's competition from butter substitutes is right in his own front yard—American cottonseed oil, corn oil, peanut oil, oleo oil, and neutral lard. These very products are exported in tremendous quantities, and in favoring a tariff on foreign vegetable oils he has gone hunting with the wrong end of the gun.

The American dairyman should know that he can not escape the competition of butter substitutes and that any tariff procedure that depresses the price of the great surplus quantity of domestic butter-substitute making vegetable oils and fats produced by other American farmers will only increase his competition from butter substitutes made from domestic fats and oils. If he persists in his ill-advised demands for duties on foreign vegetable oils he will accomplish nothing but the reverse of what he desires.

(a) By killing the United States as a rival buyer of these foreign vegetable oils in the Orient we would allow their price to be depressed in the primary markets.

(b) These oils will then go to our foreign customers in Europe at the depressed price, depressed by our inability to bid for them.

(c) They will then displace a relative quantity of our own higher-grade edible oils and fats in Europe or will be the means by which we are bargained down to lower prices for our own surplus.

(d) Thereby our own home markets will be correspondingly reduced and the American dairyman instead of being obliged to compete with butter substitutes made from cottonseed oil costing, say, 10 cents per pound, will have to compete with butter substitutes made from cottonseed oil selling at 9 cents per pound; he will have to compete with lower-priced oleo oil, neutral lard, peanut, and corn oils. All choice ingredients for oleomargarine.

The oils and fats which America produces in great quantities command the best price when sold for edible usage. Our great cottonseed-oil industry, when it first started, had to seek a market for its cottonseed oil in the soap kettle. Scientists then found out how to refine this product and make vegetable lard from it, or imitation hog lard. The cottonseed oil proved of much greater value for this purpose than for its original and less valuable use in the soap kettle. American soap makers, therefore, had to give up this oil and American cotton growers found the price of cotton seed greatly enhanced by the better paying market for the oil in edible usage. This has been true of practically all American oils and fats. As fast as their production has been developed they have proven to be the premier oils and fats of the world for edible purposes, and our industries have been continuously hard pressed to find new supplies suitable for soap and other inedible products.

We do not produce sufficient industrial oils and fats for our needs, as shown by the following table:

TABLE 2.—*United States production and exports of inedible oils and fats.*

	Production.	Exports.
	Carloads.	*Carloads.*
Tallow	10,883	460
Greases	11,366	(1)
Lard oil	566	20
Fish and whale oil	1,666	26
Total	24,481	506

[1] Not available.

By comparing our exports of edible oils and fats (Table 1), 46,094 carloads, and our exports of inedible oils and fats (Table 2), 506 carloads, it will be seen that our exports of inedible oils and fats are very small. In fact, these exports merely result from unusual circumstances and conditions and the fact that our supply of industrial oils and fats is less than our requirements is illustrated by the following table:

TABLE 3.—*United States imports and reexports of foreign industrial oils and fats, calendar year 1921.*

Carloads of 30,000 pounds.	Imports.	Reexports.	Net imports.
Coconut oil	6,000	300	5,700
In form of copra	3,764	90	3,674
Soya-bean oil	576	82	494
Peanut oil	100	None.	100
Cottonseed oil	22	None.	22
Palm oil	770	12	758
Palm-kernel oil	79	None.	79
Tallow	60	None.	60
Olive-oil foots	532	5	527
Total	11,903	489	11,414

Linseed oil, flaxseed, castor oil, rapeseed oil and chinawood oil, cod oil and cod-liver oil are omitted because they are not interchangeable with the major edible and soap-making oils and fats in general usage.

It will thus be seen that our net imports of these foreign industrial oils and fats was 11,414 carloads, while from Table No. 1 it will be seen that we exported 46,094 carloads of our domestic high-grade edible fats during the same period. These foreign industrial oils are used in the United States almost entirely for industrial purposes. Only a small quantity of these foreign oils and fats are used in low-grade edible products.

It is perfectly clear that our domestic vegetable and animal oils are of such superior quality for edible purposes that after supplying our own requirements of them for food we export the balance for use as food in foreign countries. Instead of using our surplus of high-grade edible fats for industrial purposes at lower prices in our factories, we sell them abroad at the higher edible price level and import the lower-grade and cheaper varieties for our industries. A highly profitable arrangement for all concerned—the American farmer and the American consumer.

Furthermore, for the sake of argument, if it were to be admitted that all of these foreign vegetable oils were used for edible purposes, the entire net imports of foreign vegetable oils, per Table No. 3—11,414 carloads—would only be 25 per cent of our exports of edible oils and fats, per Table No. 1. Foreign coconut oil is used principally in the manufacture of laundry soap. Most of our foreign coconut oil is imported from the Philippines and no tariff can be collected on these imports, and hence the futility of any duty at all on coconut oil. Soya-bean oil is used principally in soap making. Foreign cottonseed oil is of inferior quality and is used principally for soap making.

The foreign oils and fats in the above table and the oil-bearing seeds and materials from which they are expressed should all be allowed duty-free entry into the United States. Our industries would thus be supplied with suitable oils and fats for industrial purposes and the markets of Europe would thus be maintained in favorable condition to receive our exportable surplus of edible oils and fats at higher prices. A balance sheet for any previous year will show large exportations of edible oils and fats, with foreign vegetable oils imported principally for industrial purposes. Even during the World War years, of the quantity of foreign vegetable oils and fats imported the quantity used in low-grade edible products was trivial compared with our exports of American edible oils and fats.

Some who have never studied this problem may say, "If we are producing more vegetable oils and animal fats in the United States than we need, we should shut the foreign oils and fats out and use our own for every purpose; we don't need any more." Where is there an American hog raiser, corn grower, or cotton grower who would prefer to sell his surplus hog lard, corn oil, or cottonseed oil to an American soap factory for 5 cents per pound for soap making when he could sell his surplus for edible purposes abroad at from 10 to 12 cents per pound? Any farmer will agree that he should sell his products wherever and for whatever purpose they will bring the highest price, and the market in which he can get the best price and sell for the most valuable usage is the market he really should protect, whether it be England, Holland, or Turkey makes little difference. Europe can not produce sufficient foodstuffs for her large population. Her people must eat; they will pay more for hog lard, cottenseed oil, oleo oil, corn oil, neutral lard, and peanut oil for edible purposes than Americans would ever pay for these fats in the form of soap with which to wash their hands. To endeavor to force these high-grade fats back into the soap kettle would be absurd and disastrous to American farmers and dairymen.

* * * * * * *

Europe is the world's food surplus consuming market. Our proposed tariff on products of which we produce an exportable surplus can not by any stretch of imagination force Europe to pay us higher prices;

but these tariffs actually reduce world-price levels by transferring the power to dictate prices from the sellers to the buyers, from the United States to Europe.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee as modified.

The amendment as modified was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment reported by the Committee on Finance.

Mr. McCUMBER. I ask now to return to paragraph 50, on page 21.

The PRESIDING OFFICER. The amendment in paragraph 50, on page 21, will be stated.

The ASSISTANT SECRETARY. On page 21, paragraph 50, line 17, after the words "Castor oil," it is proposed to strike out "4½" and in lieu thereof to insert "3," so as to read:

PAR. 50. Oils, expressed or extracted: Castor oil, 3 cents per pound.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

Mr. KING. I move to strike out "3" and insert in lieu thereof "2."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Utah to the amendment reported by the committee.

The amendment to the amendment was rejected.

The amendment of the committee was agreed to.

The PRESIDING OFFICER. The Secretary will report the next committee amendment.

The ASSISTANT SECRETARY. On the same page, line 18, it is proposed to strike out the words "cottonseed oil, coconut oil, and soya-bean oil, 2 cents per pound."

The PRESIDING OFFICER. The question is on the amendment reported by the committee.

The amendment was agreed to.

The next amendment of the Committee on Finance was, in the same paragraph, same page, line 20, after the word "oxidized," to strike out "2½" and insert "3½," so as to read:

linseed or flaxseed oil, raw, boiled, or oxidized, 3½ cents per pound.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

Mr. WALSH of Massachusetts. Mr. President, that is the oil upon which I argued against the imposition of such a high rate. I move now that the numerals "3½" be stricken out from the committee amendment and that the numeral "2" be inserted in place thereof.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts to the amendment reported by the committee.

Mr. WALSH of Massachusetts. On that amendment I ask for the yeas and nays.

The PRESIDING OFFICER. Let the Secretary report the amendment to the amendment.

The ASSISTANT SECRETARY. On page 21, line 20, the committee propose to strike out "2½" and to insert "3½"; the Senator from Massachusetts [Mr. WALSH] now moves in lieu of the numerals "3½" proposed to be inserted by the committee that there be inserted the numeral "2."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Massachusetts to the committee amendment, upon which the yeas and nays are demanded.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. CALDER (when his name was called). I am paired with the senior Senator from Georgia [Mr. HARRIS]. I therefore withhold my vote.

Mr. HALE (when his name was called). I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the senior Senator from Connecticut [Mr. BRANDEGEE] and will vote. I vote "nay."

Mr. JONES of Washington (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. McKINLEY (when his name was called). Making the same announcement as before, I vote "nay."

Mr. HARRIS (when the name of Mr. WATSON of Georgia was called). I desire to announce that my colleague the junior Senator from Georgia [Mr. WATSON] is detained on account of sickness.

Mr. WATSON of Indiana (when his name was called). I transfer my general pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the senior Senator from Pennsylvania [Mr. CROW] and will vote. I vote "nay."

The roll call was concluded.

Mr. HARRIS. I transfer my pair with the Senator from New York [Mr. CALDER] to the Senator from Rhode Island [Mr. GERRY] and will vote. I vote "yea."

Mr. CAMERON. Making the same transfer as before, I vote "nay."

Mr. SUTHERLAND. I transfer my general pair with the senior Senator from Arkansas [Mr. ROBINSON] to the junior Senator from Iowa [Mr. RAWSON] and will vote. I vote "nay."

Mr. ERNST (after having voted in the negative). I transfer my pair with my colleague the senior Senator from Kentucky [Mr. STANLEY] to the senior Senator from Illinois [Mr. McCORMICK] and will let my vote stand.

Mr. COLT (after having voted in the negative). I transfer my pair with the junior Senator from Florida [Mr. TRAMMELL] to the junior Senator from Vermont [Mr. PAGE] and will let my vote stand.

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. McKELLAR];

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS].

The result was announced—yeas 12, nays 44, as follows:

YEAS—12.

Ashurst	Heflin	Pomerene	Underwood
Dial	King	Simmons	Walsh, Mass.
Harris	Overman	Smith	Walsh, Mont.

NAYS—44.

Borah	Hale	McKinley	Sheppard
Broussard	Harreld	McNary	Shortridge
Bursum	Johnson	Moses	Smoot
Cameron	Jones, Wash.	Nelson	Spencer
Capper	Kellogg	Newberry	Sterling
Colt	Kendrick	Nicholson	Sutherland
Curtis	Ladd	Norbeck	Townsend
Ernst	La Follette	Oddie	Wadsworth
France	Lenroot	Pepper	Warren
Frelinghuysen	Lodge	Phipps	Watson, Ind.
Gooding	McCumber	Ransdell	Willis

NOT VOTING—40.

Ball	Elkins	McKellar	Reed
Brandegee	Fernald	McLean	Robinson
Calder	Fletcher	Myers	Shields
Caraway	Gerry	New	Stanfield
Crow	Glass	Norris	Stanley
Culberson	Harrison	Owen	Swanson
Cummins	Hitchcock	Page	Trammell
Dillingham	Jones, N. Mex.	Pittman	Watson, Ga.
du Pont	Keyes	Poindexter	Weller
Edge	McCormick	Rawson	Williams

So the amendment of Mr. WALSH of Massachusetts to the amendment of the committee was rejected.

The PRESIDING OFFICER (Mr. STERLING in the chair). The question now is on the amendment of the committee.

Mr. WALSH of Massachusetts. Mr. President, I think this is such an excessive duty, amounting to a subsidy of over $9,000,000 annually on linseed oil to 14 crushers in this country, that I must ask for the yeas and nays upon the committee amendment.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. CAMERON (when his name was called). Making the same transfer as before, I vote "yea."

Mr. ERNST (when his name was called). Making the same transfer as before, I vote "yea."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "yea."

Mr. UNDERWOOD (when Mr. HARRISON'S name was called). I desire to announce that the Senator from Mississippi [Mr. HARRISON] is absent, and is paired with the Senator from West Virginia [Mr. ELKINS]. If the Senator from Mississippi were present, he would vote "nay."

Mr. JONES of Washington (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. McKINLEY (when his name was called). Making the same announcement as before, I vote "yea."

Mr. SUTHERLAND (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "yea."

Mr. HARRIS (when the name of Mr. WATSON of Georgia was called). I desire to announce that my colleague, the junior Senator from Georgia [Mr. WATSON], is detained on account of sickness.

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "yea."

The roll call was concluded.

Mr. COLT (after having voted in the affirmative). Has the junior Senator from Florida [Mr. TRAMMELL] voted?

The PRESIDING OFFICER. He has not.

Mr. COLT. I have a general pair with that Senator. I transfer that pair to the junior Senator from Vermont [Mr. PAGE], and will allow my vote to stand.

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR];

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS].

The result was announced—yeas 41, nays 16, as follows:

YEAS—41.

Broussard	Hale	McNary	Smoot
Bursum	Harreld	Moses	Spencer
Calder	Johnson	Nelson	Sterling
Cameron	Kellogg	Newberry	Sutherland
Capper	Kendrick	Nicholson	Wadsworth
Colt	Keyes	Oddie	Warren
Curtis	Ladd	Pepper	Watson, Ind.
Ernst	Lenroot	Phipps	Willis
France	Lodge	Poindexter	
Frelinghuysen	McCumber	Ransdell	
Gooding	McKinley	Shortridge	

NAYS—16.

Ashurst	Jones, Wash.	Pomerene	Townsend
Borah	King	Sheppard	Underwood
Dial	La Follette	Simmons	Walsh, Mass.
Harris	Overman	Smith	Walsh, Mont.

NOT VOTING—39.

Ball	Fernald	McLean	Robinson
Brandegee	Fletcher	Myers	Shields
Caraway	Gerry	New	Stanfield
Crow	Glass	Norbeck	Stanley
Culberson	Harrison	Norris	Swanson
Cummins	Heflin	Owen	Trammell
Dillingham	Hitchcock	Page	Watson, Ga.
du Pont	Jones, N. Mex.	Pittman	Weller
Edge	McCormick	Rawson	Williams
Elkins	McKellar	Reed	

So the amendment of the committee was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The ASSISTANT SECRETARY. The two following amendments have been agreed to heretofore, after modifications by the committee.

The next amendment is, on page 21, lines 24 and 25, where it is proposed to strike out "peanut oil, 2½ cents per pound," and the semicolon.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The ASSISTANT SECRETARY. On page 22, line 1, after the words "rapeseed oil," the committee proposes to strike out "1½ cents per pound" and to insert "6 cents per gallon."

Mr. KING. Mr. President, I should like to inquire what the ad valorem would be under that rate?

Mr. MCCUMBER. The rate in the House text is 1½ cents per pound. There are about 7½ pounds to a gallon. Therefore the 6 cents per gallon would be a reduction of about 50 per cent.

Mr. KING. I move to strike out the numeral "6" and insert in lieu thereof the numeral "4."

Mr. MCCUMBER. Before we vote upon the motion I would like to answer the Senator's question as to the equivalent ad valorem. The equivalent ad valorem is 7½ per cent, and the rate, I desire to say, is the same as that in the Underwood law.

Mr. KING. I withdraw the motion, in view of the statement as to the ad valorem.

The PRESIDING OFFICER (Mr. MCKINLEY in the chair). The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment on page 22.

The ASSISTANT SECRETARY. On page 22, beginning with line 4, the committee proposes to insert a new paragraph, as follows:

PAR. 50a. Coconut oil, 4 cents per pound; cottonseed oil, 3 cents per pound; peanut oil, 4 cents per pound; and soya-bean oil, 3 cents per pound: *Provided*, That such oils may be imported under bond in an amount to be fixed by the Secretary of the Treasury and under such regulations as he shall prescribe; and if within three years from the date of importation or withdrawal from bonded warehouse, satisfactory proof is furnished that the oil has been used in the manufacture of articles unfit for food, the duties shall be remitted: *Provided further*, That if any such oil imported under bond as above prescribed is used in the manufacture of articles fit for food there shall be levied, collected, and paid on any oil so used in violation of the bond, in addition to the regular duties provided by this paragraph, 3 cents per pound, which shall not be remitted or refunded on exportation of the articles or for any other reason.

Mr. KING. Mr. President, a parliamentary inquiry.

A number of instances have arisen during the consideration of the bill where the situation was substantially as it is here, and I inquire whether or not, when we reach the paragraph providing for nondutiable commodities, that paragraph may be amended by taking one or more of the items in the paragraph now under consideration and transferring them by appropriate motion?

The PRESIDING OFFICER. The Chair will settle that question when it is reached.

Mr. KING. Of course, I presume that will be done, and I do not ask the Chair to decide the case in advance. Yet the Chair will see that if a failure to make the motion would preclude, when we reached the nondutiable list, a motion to transfer any of the items in this paragraph to the nondutiable list, I would feel constrained to submit the motion now. But it seems to me that the proper time to make the motion would be when we reach the nondutiable list. I think it has been decided heretofore, during the progress of the bill, that an amendment to an amendment such as this would not preclude, when we reach the nondutiable list, an amendment to transfer to the nondutiable list an item agreed to now. With the understanding that I may move to transfer to the free list some of the items in this paragraph, if not all, I shall not submit the motion to transfer now.

I move to strike out the numeral "4," in line 4, and to insert in lieu thereof the numeral "2," so as to read:

Coconut oil, 2 cents per pound.

Mr. MCCUMBER. Mr. President, I want to make a very short statement concerning this added paragraph.

The Committee on Finance, in considering the duty on vegetable oils, faced one of its most difficult tasks. The committee was confronted, on the one hand, by a plea to protect dairy and agricultural industries against imports of cheaper foreign oils. On the other hand, there were large manufacturing industries, principally those producing soap, paints, and varnishes, which would be adversely affected by a duty on these oils. These industries are on a substantial export basis. For example, the foreign shipments of soaps in 1919 were in excess of $15,000,000, or approximately 5 per cent of the total domestic production, and the exports of pigments, paints, and varnishes were more than $25,000,000, or about 7 per cent of the domestic output. It is evident that these domestic industries would be placed at a disadvantage in the world's market if forced to pay a premium for raw materials as compared with their European competitors.

The question of protection to American industries involves domestic cottonseed and linseed oils and the large dairy industries. In the case of cottonseed and linseed oils the committee, after careful consideration, reached the conclusion that so far as manufacturing uses other than for food products are concerned the displacement of these oils by imports is not serious. About 85 per cent of the cottonseed oil consumed in the United States is used for edible purposes, primarily in the manufacture of lard substitutes. Cottonseed oil, because of the better price that can be obtained for its use in food products, has a very limited use for inedible purposes and has been replaced by cheaper oils. It can therefore be seen that any competition to domestic vegetable oils from imported oils is largely in the manufacture of edible products.

Linseed oil may be replaced by soya-bean oil to a limited extent in the manufacture of paints, linoleum, and oilcloth. However, it is very inferior to linseed oil and will not be used unless the linseed oil exceeds it very much in price. At the present time the linseed oil is lower than the soya-bean oil, and therefore soya-bean oil would not be used at all.

In 1919 the quantity of soya-bean oil used in the paint and varnish industry was approximately 10 per cent of the linseed oil so used and was 5 per cent of the entire domestic production of linseed oil. But it will be remembered that at that time flaxseed, the raw product, was from $4 to $5 per bushel. It is therefore evident that the replacement of domestic linseed oil by soya-bean oil is relatively small and has definite limitations due to technical superiority of the former.

The question as to protection on vegetable oils narrows itself to competition with domestic cottonseed and peanut oils in the manufacture of edible products, and the more severe competition offered by those cheaper imported oils to the American dairy industry. Although butter must face competition from butter substitutes made from domestic cottonseed oil, regardless of the tariff, this competition becomes more intense from substitutes made from cheaper imported oils—coconut and peanut. The committee therefore reached the conclusion that if the proposed duties were levied on imports of coconut, cottonseed, peanut, and soya-bean oils, when imported for use in the manufacture of edible products, they would ade-

quately protect the domestic oil industry and would serve as a stimulus to further developments of the dairy industry in the United States.

We therefore propose this provision in the bill, which allows a rebate if the imported oils are not used for edible purposes. This would protect the dairy products and at the same time give the soap manufacturers the benefit of those cheaper products which they desire to use in order to maintain their export business.

Mr. KING. May I inquire of the Senator if the investigations of the committee did not disclose the fact that the coconut and soy-bean and peanut oils imported into the United States are substantially all used in industrial concerns, or for industrial purposes, and to that extent perhaps displace the higher grade domestic products which, in America, we are permitted to manufacture into edible products for export, and thus get control of the export market of the world in animal and vegetable fats?

Mr. McCUMBER. No; I think that is hardly accurate. They are used, of course, for both edible and unedible products. They are used in the manufacture of soap; they are used in the manufacture of imitation butter, and so forth; and by this proviso we protect the dairy interests of the country against the use of the cheaper foreign oils to take the place of butter fats, and at the same time we do not interfere with the interests of the soap makers in their export trade.

Mr. KING. Mr. President, I think the able Senator from North Dakota has not quite accurately stated all the facts with respect to the imported vegetable oils. I will qualify that. My information is that these vegetable oils which are imported—soya-bean, coconut, and a very little amount of peanut oil—are all used for industrial purposes, the soya bean particularly for the manufacture of soap.

Mr. McCUMBER. May I ask the Senator what scope he desires to give to the statement "for industrial purposes"? Of course, making butter is an industry.

Mr. KING. I did not mean that making butter is an industrial purpose. I mean, principally, for soap, for automobiles, and so forth.

Mr. McCUMBER. The Senator means for nonedible purposes?

Mr. KING. Yes; for nonedible purposes.

Mr. McCUMBER. Of course, that would be true of soy bean oil, but I think it would not be true of coconut oil, or of peanut oil, or other oils used in the manufacture of edible products.

Mr. KING. I have not time to refer to all the information and the data which I have here, but the statements in the data I have show, as I now recall, that substantially all the soy-bean oil and the coconut oil and the peanut oil is used for soap purposes and for industrial purposes—that is, for nonedible purposes—and by using those oils for those purposes, it liberates the edible oils and the animal fats produced in the United States for the production of butter fats and other edible products not only for use at home but for export, and as a result we have secured the markets of the world.

The effect of a tariff duty such as this would be the same as the result of the emergency tariff act, which diverted these industrial vegetable oils from the United States to Europe. There many of them were manufactured into edible products, though the edible products were inferior to the edible products which we would have sent to Europe, but because of the necessities of the people they were compelled to utilize those oils for that purpose. Now, every pound of oriental oil that is diverted from America and sent to Europe is an injury to the cottonseed growers of the South and to the farmers, I might also say, of the United States. The result is that when the emergency tariff law was enacted there was only one purchaser in the Orient for the vegetable oils, and that was Europe. Prior to that there were two purchasers; that is, the competing oil men of the United States and the competing oil men of Europe.

That resulted in higher prices for the vegetable oils of the Orient, and the higher prices of the oils in the Orient were reflected in the United States and higher prices were paid for the oils produced here. But just as soon as the emergency tariff law was enacted, so that the producers of the oriental oil had only one market, to wit, Europe, their price went down. There was no competition in the bidding, and with the lowering of their prices, because there was only one bidder, to wit, Europe, those lower prices were reflected in diminished prices here and the cottonseed men of the South obtained a less price for their oil than they otherwise would have received.

What was the result? Those oils which would have come to the United States and have largely entered into industrial uses were sent to Europe and there manufactured into edible products, and the American oil men and shippers of edible and inedible oil products lost a large part of their market. So instead of the emergency tariff law being a benefit to the oil producers of the United States, either the producers of vegetable oils or the producers of animal fats, it was a detriment.

There was also another injury which resulted from this procedure. When we import those oils from the Orient we must refine them. That furnishes work for a large number of people. As stated, that oil goes into soap and into other inedible products of the United States. So American manufacturers and American employees were injured by the exclusion of these oils which formerly were brought from the Orient. It is absurd to say that there is any benefit to the producer of these animal fats or vegetable oils by the imposition of the tariff duty when, as everybody knows, the United States is a great field for the production of animal fats, as well as for the development of vegetable oils.

I call attention now to a chart which I have here, which corroborates, I think, the statements I have made.

Mr. McCUMBER. Mr. President, before introducing the chart will the Senator yield to me to present a unanimous-consent request?

Mr. KING. Certainly.

Mr. McCUMBER. I ask unanimous consent that when the Senate closes its session on this calendar day it take a recess until to-morrow at 11 o'clock a. m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KING. May I inquire of the Senator if he expects to get a vote this evening? It will take me some time to analyze this chart.

Mr. McCUMBER. I do not think we can get a vote to-night upon this paragraph. So I was about to ask for a short executive session.

Mr. KING. Very well; I shall be glad to yield for that purpose.

RIVER AND HARBOR IMPROVEMENTS.

Mr. JONES of Washington. I desire to submit a report from the Committee on Commerce.

The PRESIDING OFFICER. Without objection, the report will be received.

Mr. JONES of Washington. From the Committee on Commerce I report back favorably with amendments the bill (H. R. 10766) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, and I submit a report (No. 813) thereon.

I invite the attention of Senators to the measure. It does not appropriate any money; it simply adopts projects, making appropriations in order. There are two amendments which the committee have made to the bill, to which there will possibly be opposition. I know that we can not pass the measure unless it can be done without taking very much time. I could not ask the Senator from North Dakota [Mr. McCUMBER], in charge of the tariff bill, to lay aside that bill unless I could assure him that there would be very little discussion on the river and harbor measure. So I hope that Senators will examine the amendments which are made to the bill in order that we can probably ascertain some time in the near future about what length of time it will take to pass the bill. As I said, if I find we can pass it in probably an hour or such a matter, I shall confer with the Senator from North Dakota about it.

Mr. LENROOT. I should like to ask the Senator from Washington whether the report filed by the committee presents a comprehensive explanation of the two amendments to which he has referred?

Mr. JONES of Washington. It does not cover them extensively, but it brings out the salient facts, I think, with reference to each one.

The PRESIDING OFFICER. The bill will be placed on the calendar.

EXECUTIVE SESSION.

Mr. McCUMBER. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 6 o'clock and 15 minutes p. m.) the Senate, under the order previously made, took a recess until to-morrow, Tuesday, July 11, 1922, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate July 10 (legislative day of April 20), 1922.

COLLECTOR OF CUSTOMS.

Fred A. Bradley, of Buffalo, N. Y., to be collector of customs for customs collection district No. 9, with headquarters at Buffalo, N. Y., in place of George G. Davidson, jr., whose term of office will expire July 15, 1922.

NAVAL OFFICER OF CUSTOMS.

Joseph W. Pascoe, of Easton, Pa., to be naval officer of customs in collection district No. 11, with headquarters at Philadelphia, Pa., to fill an existing vacancy.

REGISTERS OF THE LAND OFFICE.

Edwin E. Winters, of Alabama, to be register of the land office at Montgomery, Ala.

Louis W. Burford, of Colorado, to be register of the land office at Del Norte, Colo.

Edgar T. Conquest, of Colorado, to be register of the land office at Sterling, Colo.

Charles R. Smith, of Colorado, to be register of the land office at Durango, Colo.

Fred C. Stoddard, of Montana, to be register of the land office at Missoula, Mont.

PROMOTION IN THE REGULAR ARMY.

MEDICAL CORPS.

To be captain.

First Lieut. William Le Roy Thompson, Medical Corps, from July 6, 1922.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY.

AIR SERVICE.

First Lieut. Donald Frank Stace, Coast Artillery Corps, with rank from July 2, 1920.

COAST ARTILLERY CORPS.

First Lieut. Joe David Moss, Field Artillery, with rank from October 7, 1919.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 10 (legislative day of April 20), 1922.

REGISTER OF THE LAND OFFICE.

Robert Bruce Milroy to be register of the land office, Yakima, Wash.

PROMOTIONS IN THE ARMY.

Clarence Charles Williams to be Chief of Ordnance, with rank of major general.

Joseph Frank Janda to be colonel, Adjutant General's Department.

Louis Stewart Chappelear to be lieutenant colonel, Adjutant General's Department.

Richard Kerr Cravens to be lieutenant colonel, Adjutant General's Department.

Robert Whitfield to be lieutenant colonel, Adjutant General's Department.

Andrew Jackson White to be major, Adjutant General's Department.

Eugene Ross Householder to be major, Adjutant General's Department.

Edward Roth, jr., to be major, Adjutant General's Department.

Paul Theodore Bock to be major, Air Service.

Kenneth McCatty to be captain, Coast Artillery Corps.

William Anthony Woodlief to be captain, Adjutant General's Department.

Sherman Robert Ingram to be captain, Veterinary Corps.

Morton Donald Adams to be first lieutenant, Coast Artillery Corps.

Stephen Richard Wood to be chaplain, with rank of major.

Henry Jouette Geiger to be chaplain, with rank of captain.

POSTMASTERS.

ARIZONA.

Patrick D. Ryan, Fort Huachuca.

ILLINOIS.

William L. McKenzie, Elizabeth.

Mancel Talcott, Waukegan.

LOUISIANA.

Novilla T. King, Simsboro.

NEBRASKA.

Elmer W. Couch, Henry.

Mildred E. Johnson, Mead.

NEW JERSEY.

Edmund A. Kenney, River Edge.

Jennie Madden, Tuckahoe.

NORTH CAROLINA.

Sadie M. Mullen, Huntersville.

SENATE.

TUESDAY, *July 11, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Vice President being absent, the President pro tempore (Mr. CUMMINS) took the chair.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McLEAN. Mr. President, on yesterday in my temporary absence the Senator from Utah [Mr. KING] took occasion again to refer to the effect of protection upon the industries in some of the Eastern States, and especially in the State of Connecticut. I agree with him as to the effect of a protective tariff upon the great industrial States of the country that have "prospered enormously," as he says, but I do not agree with him in some of the conclusions which he reached in regard to the effect of protection upon the workingmen of the country who are engaged in the manufacturing industries. The Senator from Utah took occasion, among other things, to say:

> The steel interests and the textile interests in the past have been beneficiaries of the tariff system, and they have grown rich at the expense of the people by reason of the tariff rates which have been imposed.

I am quoting from page 10109 of yesterday's RECORD.

Mr. President, the fact that this is the greatest and richest Nation in the world, pays by far the highest wages in the world, and the further fact that a day's work in this country will buy anywhere from three to six times as large an amount of the basic necessities of life as a day's work will buy in many other countries in the world, would seem to justify the Senator from Utah, when he discusses the demerits of the protective system, in devoting a few moments to this discussion of the merits of the system as demonstrated by the industrial record of the country under protective tariff.

The Senator went on to say:

> Several days ago I was discussing the tariff, and alluded to a number of States which had been particular beneficiaries of high tariffs. I alluded among others to the State of Connecticut. The able Senator from Connecticut [Mr. McLEAN] challenged some of the statements which I made. I then said that protection undoubtedly had enriched some in his State, but that the great wealth of Connecticut, Rhode Island, and certain protected States was in the hands of a limited number of corporations and individuals. I called attention to the strikes in the mills of his State, to the impoverishment of the people at work in the mills.

I do not remember that the Senator specified any particular strike in Connecticut. I did not know that there was any strike now existing in Connecticut of any consequence.

Mr. KING. Mr. President, will the Senator yield?

Mr. McLEAN. Certainly.

Mr. KING. I spoke in the past, that there had been strikes, a great many strikes. I did not speak of any in the present.

Mr. McLEAN. Oh, it probably is true that there have been strikes in Connecticut in the past, but I think there is no State in the Union whose record is freer from serious strikes than the State of Connecticut, and it is because, as I shall undertake to show later, that the wages paid in Connecticut are probably as high as those paid in any community on earth for similar services.

I quote further from the Senator's remarks of yesterday, where he said that these strikes resulted in the impoverishment of the people at work in the mills, and where he called attention—

> to the poverty which existed, and called attention to the fact that the Republicans had by their legislation made it possible for certain industries to reap enormous profits, and that those industries had driven out the American workmen and had imported labor from abroad and forced the wages of the worker down until the wages paid were so pitifully small that poverty and, in too many instances, gaunt hunger were the constant companions of the employees.

Of course, I realize that when the Democratic Party is in the desperate condition which it now occupies, we must expect exaggeration and misrepresentation from its votaries.

I called attention the other day to the fact that the manufactured products in the State of Connecticut in the year 1919 were greater in value than the entire wheat crop of the United States. I called attention then, and I want to repeat a few facts bearing upon Connecticut industries and what they mean not only to the workmen of Connecticut but to the rest of the people of the United States.

We have in Connecticut 4,800 factories. The people employed in 1919 were 338,000. The wages and salaries paid were $406,467,000. The capital invested was $1,341,000,000. The value of the products was $1,392,000,000. The cost of materials was $685,000,000, and the value added by manufacture was $706,000,000. The average daily wage was $3.56. Now, there may be industries in the country highly specialized where the labor is especially irksome and possibly dangerous, where the average of wage paid will be higher than that, but I challenge any man on this floor to point to any State in the Union where the average paid for wages upon products similar to those made in Connecticut is higher than the average wage paid in Connecticut.

It may be of interest to note that the number of establishments in Connecticut in 1899 were 3,382; salaries and wages paid, $85,000,000. The number of establishments was increased 18 per cent from 1909 to 1919, the number of persons engaged increased 32 per cent, and the wages from 1909 to 1919 increased 172 per cent. I wish to put in the RECORD a brief statement with reference to the different industries in Connecticut and the number of employees.

Connecticut industries consumed in 1919 398,000 tons of anthracite, 2,280,000 tons of bituminous coal, 1,447,000 barrels of fuel oil, 163,000 tons of coke, 32,618 barrels of gasoline, and 627,000 cubic feet of gas. Connecticut ranks first among the States in the value of products in the fur felt hat industry, fourth in silk, sixth in cotton, and sixth in woolen worsted products. In 1919 Connecticut consumed 54,000,000 pounds of cotton, purchased 33,000,000 pounds of cotton yarn, value of cotton $65,000,000, value of manufactured products $105,000,000. In 1919 Connecticut purchased 60,000,000 pounds of wool, made 200,000,000 yards of cloth, and 69,000,000 yards of shirting, valued at $68,000,000. Yet, Mr. President, the output of some of our factories has been decreasing since 1914. Our costs of manufacture have greatly increased. For instance, the cost of materials in the fur felt hat industry increased 163 per cent from 1914 to 1919.

Mr. President, it is true that Connecticut makes about everything that is merchantable, and she makes machinery for other States and countries to make about everything that is merchantable. When the war broke out the Government took advantage of the fact that Connecticut was equipped to make probably a greater variety of articles needed for war supplies than any other State of her size in the Union. It is a matter of history that Paris would have surrendered to Germany in 1914 if it had not been for munitions made in Connecticut. Indeed, sir, a very large portion of the munitions used by our allies during the whole war were made in Connecticut.

It is easy to see that with the tremendous demand for war supplies Connecticut industries were prosperous for a time during the war; but, sir, a great many of our best boys were drafted and sent to the front and our manufacturers were compelled to secure help where it could be obtained and such help as it was possible to obtain. After the war closed we had, as can well be imagined, a very serious period of depression, because the demand for many of our goods ceased. More than that, Germany, after the war closed, specialized in many articles which came in direct competition with goods made in Connecticut, especially the metal goods, all kinds of cutlery, clocks, and so forth. As the result, our factories were compelled either to close or work on short time or reduce wages. There was no alternative. It was true then and it is true to-day that owing to this keen German competition many of our factories were and are working on short time, many of our manufacturers are making no money, yet they are keeping their organizations together and are employing help at a loss, possibly hoping that this Congress will have the wisdom to give to her industries, and all legitimate industries in the country, reasonable protection against the ruinous competition from the low-wage countries across the water.

Mr. President, the junior Senator from Utah [Mr. KING] read into the RECORD yesterday a letter from Patrick F. O'Meara, president of the Connecticut Federation of Labor, portions of which I shall now quote:

> Your statement of the employment of the cheap-wage foreigner in the State of Connecticut is so true that, as I read the speech, I was thinking whether or not your information came as if you were a resident of Connecticut.

I continue to quote:

> During the World War the writer was honored by being selected for membership on one of the three district boards of this State. This, as you will recollect, had to do with all appeals over local boards' decisions and all industrial exemptions, and as the secretary of the board for the war term the great part of the evidence submitted on questionnaires brought forth conditions that no State should be proud of, and thousands of these questionnaires had to be written up and completed by others than the registrant, for the reason that the said registrant could neither read nor write.

Mr. President, Mr. O'Meara, I presume, is a good Democrat, and, if my information is correct, he had a job under the former administration. Apparently he had something to do with the draft. Whether he had any other occupation or not I do not know.

Mr. KING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Connecticut yield to the Senator from Utah?

Mr. McLEAN. I do.

Mr. KING. Does the Senator from Connecticut refer to the "job" that Mr. O'Meara had as being one with the draft board?

Mr. McLEAN. Yes.

Mr. KING. The Senator does not consider that a very big "job," does he?

Mr. McLEAN. I do not know whether Mr. O'Meara had any other occupation or not. I am not finding fault with Mr. O'Meara; on the contrary, if the Senator will pardon me, I desire to say that if there is anything in the State of Connecticut that deserves criticism, I would be the last man in the Senate to try to suppress such criticism; but when Mr. O'Meara makes the broad and far-reaching statements which he does, I hope he will let the workingmen in Connecticut know before next November comes whether he thinks the remedy for the situation which he alleges exists lies in a continuation of existing tariff rates or in rates which would give the employers in the State of Connecticut reasonable protection against their competitors from abroad. If he adheres to the tariff plank in the last Democratic platform, which denounced protective tariffs, if he adheres to the time-honored policy of the Democratic Party that protective tariffs are not only unconstitutional but that they are fraudulent and a tax upon the many for the benefit of the few, I hope he will frankly state his position in the State of Connecticut, for I want to say, and say emphatically, that Connecticut has no more use for the Democratic theory relative to protection than it has for a frost in August or the Asiatic cholera. The writer goes on to say:

> During the latter part of the year 1921 the city of New Britain, Conn., had to make an appropriation out of the municipal funds to send back to Spain and Portugal large numbers of cheap foreign laborers that they had brought in there (I refer to the manufacturers), and who were living in such filthy conditions that the city authorities of New Britain thought the best thing to do was to send them out of the city.

As I have stated, Mr. President, during the war the manufacturers of Connecticut were compelled to get help where they could and of the best character that could be obtained, and to get along with it as best they could, for a great many of our high-class boys were called to the front, while we in Connecticut were making munitions and arms and war supplies that were absolutely necessary to the conduct of the war. We were fighting for our lives, and we did the best we could. I want to say, Mr. President, that Connecticut is not ashamed of her record in the war of what she said or did. Her record will, I think, compare favorably with the record of the State which is represented in part by the junior Senator from Utah.

When the war was over we had to meet the serious industrial depression. Orders for our goods ceased; we had a large surplus of labor on our hands; but, Mr. President, I want to say that everything was done to help those men who were unemployed to go where they could secure employment, if possible, or to keep them in Connecticut and pay them enough to enable them to subsist until business should revive.

This letter goes on to say:

> But I can not sit idly by and have conditions go on as they are without protesting from time to time against them, and I was elated when I read of your indictment against Senator McLEAN and his constituents—I refer to the manufacturers of Connecticut. * * *

Mr. President, I want to say now, as I have said before, that, as a member of the Finance Committee, I have in no instance, and I shall in no instance, ask for a rate that will give more than reasonable protection to the manufacturers of Connecticut and enable them to pay good wages, and I wish to say further that the highest rates in this bill are the lowest in proportion to the protection which is needed.

I quote further from this letter:

> If the proposed tariff bill goes through they will again reap the harvest that they have for years, and I smile when I read of the claims that German-made watches are being sold so cheaply in the United States, when, as a matter of fact, such a big and influential concern as the New Haven Clock Co., in my home city, is to-day paying wages

so low that they never would be accepted only that men are forced to take them to earn a few dollars for their families; the wages are even lower than before the war.

Mr. President, I have not had an opportunity to communicate with the company referred to, but it is probable that foreign competition in the article manufactured by that company is keen at the present time, and very likely their mill is either working on short time or it may be possible that they have had to reduce wages temporarily, and I wish to say again to the Senator from Utah that this condition must necessarily continue if the competition from abroad is allowed to continue; and precisely the same argument which applies to the manufacture of clocks applies to every single industry in this country. The Senator from Utah has taken occasion, I think, to vote for a protective tariff on the products of his State.

Mr. KING. No.

Mr. McLEAN. I do not know but that the Senator has avoided voting on some of the articles produced in his State which have asked for protection——

Mr. KING. Mr. President, I can not permit such a statement as that to go unchallenged; I deny it.

Mr. McLEAN. Or neglected to do so.

Mr. KING. No; I do not dodge any issue that may be presented.

Mr. McLEAN. Then I gladly withdraw the statement if it is not true; but I do not understand the Senator to say that he is opposed to all protective tariffs, and I want to say to him that a man will drown under an inch of water just as quickly as he will if he is at the bottom of the sea. We have many highly specialized industries in Connecticut, yet, as every Senator knows, the industries of Connecticut are really but a drop in the American bucket. The pay roll in the United States in 1919 was over $10,000,000,000, and a very large percentage of that was paid in the production of articles in the manufacture of which labor constituted a very high percentage of the cost. So the problem confronting us is entirely national in its scope.

It is true with regard to my section of the country that we are now experiencing industrial depression. Conditions have been improving to some extent lately, probably in anticipation of the enactment of the pending bill, but unless this bill is passed, unless the confidence of our great producers is revived, serious results will ensue. Many of them, I know, have their storehouses full of goods which they can not sell, waiting and hoping that the Democratic Party will allow the country to be relieved from the potential and actual ruinous competition of other countries.

I want to say to the Senator further that while I have no controversy with him, taking the view that he does on this question, and I have no controversy with the president of the American Federation of Labor in the State of Connecticut, the Senator's position and the position taken by Mr. O'Meara utterly fail to consider the real cause of the business depression which now exists in Connecticut and elsewhere, and utterly fail to estimate the necessity for the maintenance of the time-honored and fully tested principle of protection if we are to continue to do business in this country and sustain our standard of wages and living.

Mr. KING obtained the floor.

Mr. HEFLIN. Mr. President, will the Senator yield to me to submit a resolution and ask unanimous consent for its immediate consideration? I think it will take but a moment to have it considered.

Mr. KING. I yield.

ABANDONED COTTON ACREAGE.

Mr. HEFLIN. I ask unanimous consent for the present consideration of the resolution which I send to the desk.

The PRESIDENT pro tempore. The Secretary will report the resolution for information.

The reading clerk read the resolution (S. Res. 319), as follows:

Whereas the Crop Reporting Bureau of the Agricultural Department has heretofore made no report on abandoned cotton acreage until the 1st of December each year; and

Whereas there is practically no cotton acreage abandoned after July 1 each year; and

Whereas failure to obtain a good stand of cotton in many places and the increased ravages of the boll weevil in other sections of the cotton-producing States have caused abandoned cotton acreage to be larger than usual; and

Whereas the cotton produced, the spinner, and the public are entitled to know as early as the information can be obtained what per cent of cotton acreage has been abandoned: Therefore be it

Resolved, That the Chief of the Crop Reporting Bureau be, and he is hereby, authorized and directed to immediately confer with the commissioners of agriculture in the cotton-growing States and with the agricultural agents of the various counties in said States and ascertain just what in their opinion is the percentage of abandoned cotton acreage up to July 1, 1922; be it further

Resolved, That the said Chief of the Crop Reporting Bureau shall publish said information in his forthcoming August the 1st crop-condition report.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Alabama?

Mr. SMOOT. Mr. President, I do not know that I gathered the full import of the resolution. It seems to require a report as to the cotton acreage abandoned up to July 1, 1922. It does not, however, ask that any comparison be made with the cotton acreage abandoned in any other year or period. I can not quite understand how the bureau will answer the question propounded unless some date is specified with which to compare the cotton acreage abandoned on July 1, 1922.

Mr. HEFLIN. I will state to the Senator from Utah that the reports published every year on December 1 show that. They have authority now for obtaining that information, but we want to know now what percentage of the acreage planted in cotton this year had been abandoned up to the 1st of July. There is very little cotton acreage abandoned after that time. Whatever there is, it will be reported in December.

Mr. SMOOT. As compared with the last report made?

Mr. HEFLIN. We can compare this report, when received, and show how much was abandoned each year before, because that information is already on file in the Department of Agriculture; but we want to know how much has been abandoned this year up to July 1, rather than wait until December 1 and have the public, the spinners, and the cotton-buying world believe that the acreage planted in cotton in the spring is in cultivation now, when the truth is much of the acreage planted this year has already been abandoned.

Mr. SMOOT. What I think the Senator wants is the number of acres in cultivation on July 1, 1922.

Mr. HEFLIN. That is what this information will show.

Mr. SMOOT. But that is not what the resolution says.

Mr. HEFLIN. The resolution will get the information, however, because the department has already shown the number of acres planted in cotton, and when we find out how much has been abandoned we will then know, of course, how many acres are still in cultivation.

Mr. SMOOT. I have no objection to the information, but I doubt very much whether the resolution is properly expressed.

The PRESIDENT pro tempore. The Chair hears no objection to the request of the Senator from Alabama.

Mr. WADSWORTH. Mr. President, as I understand, the official to whom this resolution is addressed is a subordinate of the Secretary of Agriculture.

Mr. SMOOT. He is?

Mr. HEFLIN. Oh, yes.

Mr. WADSWORTH. Then I suggest in all seriousness that the resolution should be addressed to the Secretary of Agriculture——

Mr. SMOOT. Oh, absolutely, without question.

Mr. WADSWORTH. And that he should be authorized and directed to have done what the resolution requests.

Mr. HEFLIN. I accept the suggestion of the Senator from New York.

The PRESIDENT pro tempore. The resolution is modified accordingly. Is there objection to its present consideration?

Mr. POMERENE. Mr. President, may it be read again? I was out of the Chamber when it was read.

The PRESIDENT pro tempore. The Secretary will read the resolution as modified.

The reading clerk read the resolution as modified, as follows:

Whereas the Crop Reporting Bureau of the Agricultural Department has heretofore made no report on abandoned cotton acreage until the 1st of December each year; and

Whereas there is practically no cotton acreage abandoned after July 1 each year; and

Whereas failure to obtain a good stand of cotton in many places and the increased ravages of the boll weevil in other sections of the cotton-producing States have caused abandoned cotton acreage to be larger than usual; and

Whereas the cotton producer, the spinner, and the public are entitled to know as early as the information can be obtained what per cent of cotton acreage has been abandoned: Therefore be it

Resolved, That the Secretary of Agriculture be, and he is hereby, authorized and directed to immediately confer with the commissioners of agriculture in the cotton-growing States and with the agricultural agents of the various counties in said States and ascertain just what in their opinion is the percentage of abandoned cotton acreage up to July 1, 1922. Be it further

Resolved, That the Secretary of Agriculture shall publish said information in his forthcoming August the 1st crop-condition report.

Mr. POMERENE. Mr. President, if the Senator will yield for a question, I notice that the Senator has fixed July 1 as being the date after which little or no acreage is abandoned. Does that cover the entire Cotton Belt?

Mr. HEFLIN. Oh, yes.

Mr. POMERENE. Why not say "during this season," or something of that kind?

Mr. SMOOT. That is, from December 31, 1921. They have it up to that date.

Mr. HEFLIN. Certainly; for this season.

Mr. POMERENE. Of course, I do not live in the Cotton Belt, so am not entirely familiar with that; but it occurred to me that the Senator is just as much interested in knowing whether there was any acreage abandoned after July 1 as he is in knowing whether any was abandoned before July 1, because that is what he wants.

Mr. HEFLIN. The Secretary of Agriculture is already authorized to make that report, and makes it on the 1st of December; but we are asking now that this information be given to the public, so that the public will know and the farmer will have the benefit of the public knowing that he is not cultivating as many acres in cotton as he planted in the spring of the year and will not make as much cotton, because hundreds of thousands of acres planted in cotton have been abandoned for various reasons.

Mr. POMERENE. I think that is a very good suggestion; but it ought to be broad enough to include all acreage abandoned, whether it was abandoned before July 1 or after July 1.

Mr. HEFLIN. A report on that which is abandoned after July 1 is provided for now. I am asking that a report on abandoned cotton acreage be obtained and published by August 1 each year.

The PRESIDENT pro tempore. The Chair hears no objection to the present consideration of the resolution.

Mr. SMOOT. Just a moment, Mr. President. I want to ask the Senator from Alabama in all seriousness if he will not withdraw the resolution now and put a limit upon the time when the investigation shall be made. I am quite sure, the way the resolution reads, that there will be no limit at all, and if the Senator gets the information called for it is going to take months and months of time and a great deal of expense to furnish it, and I know that is not what the Senator has in mind.

Mr. HEFLIN. No. For the Senator's information, Mr. President, since he does not live in a cotton-growing State——

Mr. SMOOT. I know about the cotton-growing States, however.

Mr. HEFLIN. I suggest to him that the resolution simply provides that the Secretary of Agriculture shall have communications sent by mail to the commissioners of agriculture in the cotton-growing States and the county agents in those States, asking them to give the information in their possession as to the amount of cotton acreage already abandoned, and that information will be sent back through the mails and it will then be given to the public in the August 1 crop-condition report.

Mr. SMOOT. If the Senator is content with that statement, I have no objection to the resolution, but I will say that the resolution does not call for what the Senator wants.

Mr. HEFLIN. The resolution will get the information we want, and I ask for its adoption, Mr. President.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution? The Chair hears none. The question is upon agreeing to the resolution.

The resolution as modified was agreed to.

DISTRIBUTION OF SPEECHES BY FEDERAL RESERVE BANKS.

The PRESIDENT pro tempore. The Chair lays before the Senate a communication from the governor of the Federal Reserve Board, transmitting, pursuant to Senate Resolution 308, letters from the Federal Reserve Banks of Minneapolis and Dallas relative to the circulation of a speech of Senator GLASS on the Federal reserve system. The communication will lie on the table.

Mr. KING. Mr. President, I was about to suggest that perhaps the communication ought to go to the Committee on Banking and Currency.

The PRESIDENT pro tempore. The Chair is advised that it has been the understanding that these communications shall lie on the table until they are all received, at which time they will be properly disposed of.

Mr. HEFLIN. Yes, sir; that is the understanding.

Mr. KING. I have no objection.

Mr. McLEAN. Mr. President, I am obliged to the Senator from Utah for calling my attention to the matter which has just been disposed of, and I should like to know whether these replies have been ordered printed in the RECORD.

Mr. HEFLIN. Not yet.

Mr. McLEAN. I understand that it is the Senator's purpose to keep them on the table until he gets replies from all of the banks——

Mr. HEFLIN. All of them.

Mr. McLEAN. And then have them printed in the RECORD.

Mr. HEFLIN. And then let the Senate decide what disposition they will make of them. I may have objection to some portions of them going into the RECORD.

Mr. McLEAN. I shall not.

Mr. HEFLIN. I am satisfied the Senator will not.

Mr. McLEAN. On the contrary, inasmuch as the Senator from Alabama secured the passage of the resolution requiring these replies, I shall expect that he will not object to their being printed in the RECORD when they are received.

Mr. HEFLIN. I want to make some comments upon some portions of the replies.

The PRESIDENT pro tempore. The communication has been disposed of.

PHILADELPHIA SESQUICENTENNIAL EXHIBITION.

Mr. JONES of Washington. Mr. President, House Joint Resolution 170 was referred to the Committee on Commerce. The principal object of the joint resolution seems to be to provide for an invitation on the part of the President to foreign nations to participate in an international exposition to be held in Philadelphia in 1926. I think it should properly go to the Foreign Relations Committee. I ask unanimous consent that the Committee on Commerce may be discharged from the further consideration of the joint resolution and that it may be referred to the Committee on Foreign Relations.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and that change of reference will be made.

PETITIONS AND MEMORIALS.

Mr. ROBINSON presented telegrams in the nature of petitions from Bert Johnson, of Nashville, and the Nashville Chamber of Commerce, in the State of Arkansas, praying for prompt action by the Government to settle the railroad strike so that peach and truck crops may be moved to market without loss, which were referred to the Committee on Interstate Commerce.

Mr. PHIPPS presented petitions of the Governor of Colorado, the Public Utilities Commission of the State of Colorado, and the Moffat Tunnel Commission, all of Denver, Colo., praying for full enforcement of the decree of the United States Supreme Court relating to severance of the Central Pacific Railway from the Southern Pacific Co. and opposing reopening the question by legislative action, which were referred to the Committee on Interstate Commerce.

Mr. JOHNSON presented memorials of 262 citizens in the State of California, remonstrating against the enactment of legislation providing for compulsory Sunday observance in the District of Columbia, which were referred to the Committee on the District of Columbia.

Mr. SIMMONS presented a resolution of the North Carolina Pine Box and Shook Manufacturers' Association, protesting against the proposed transfer of the Forest Service from the Department of Agriculture to the Interior Department, which was referred to the Committee on Public Lands and Surveys.

He also presented a resolution of the Medical Society of the State of North Carolina, favoring the passage of House Resolution 258, providing for a select committee of 15 doctors in the House of Representatives to inquire into the subject of narcotic addiction in the United States, etc., which was referred to the Committee on Finance.

He also presented resolutions of the Christian churches of Duke, N. C., favoring the granting of relief to the suffering peoples of Armenia, which were referred to the Committee on Foreign Relations.

He also presented the memorial of Mrs. R. W. Hicks, president of the North Carolina Sorosis, remonstrating against inclusion of the food, tableware, and women's wear schedules in the pending tariff bill, which was referred to the Committee on Finance.

He also presented a petition of sundry citizens of Duplin County, N. C., praying for the enactment of legislation creating a department of education, which was referred to the Committee on Education and Labor.

He also presented resolutions of Guilford Council, No. 23, of High Point; New Bern Council, No. 520, of New Bern; and Greensboro Council, No. 13, of Greensboro, all of the Junior Order United American Mechanics; and Banner Council, No. 30, of Rocky Mount, and Raleigh Council, No. 83, of Raleigh, both of the Sons and Daughters of Liberty, all in the State of North Carolina, favoring the enactment of legislation creating a department of education, which were referred to the Committee on Education and Labor.

Mr. CAPPER presented petitions of members of the Argentine High School, of Kansas City, and sundry citizens of Merriam, all in the State of Kansas, praying for the enactment of legisla-

tion creating a department of education, which were referred to the Committee on Education and Labor.

He also presented resolutions adopted by the chambers of commerce of Junction City and Kansas City, the Lindsborg Commercial Club, of Lindsborg, and the Topeka Traffic Association, of Topeka, all in the State of Kansas, favoring full enforcement of the decree of the United States Supreme Court relating to severance of the Central Pacific Railway from the Southern Pacific Co., etc., which were referred to the Committee on Interstate Commerce.

THURSTON W. TRUE.

Mr. ROBINSON, from the Committee on Claims, to which was referred the bill (S. 2984) for the relief of Thurston W. True, reported it with an amendment and submitted a report (No. 814) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMOOT:

A bill (S. 3809) granting a pension to Jane Z. Tolman; to the Committee on Pensions.

By Mr. POINDEXTER:

A bill (S. 3810) providing for a readjustment of sales contracts of Government houses in Bremerton and other points in Kitsap County, Wash.; to the Committee on Education and Labor.

By Mr. SHORTRIDGE:

A bill (S. 3811) to provide for the erection of a public building at Oakland, Alameda County, Calif.; to the Committee on Public Buildings and Grounds.

By Mr. COLT:

A bill (S. 3812) granting six months' gratuity pay to Stanfield A. and Elizabeth G. Fuller; to the Committee on Claims.

By Mr. POINDEXTER:

A bill (S. 3813) authorizing a decoration for valor, to be designated the military star; to the Committee on Military Affairs.

By Mr. SMOOT:

A joint resolution (S. J. Res. 222) authorizing the Federal Reserve Bank of St. Louis to enter into contracts for the erection of buildings for its head office and branches, and the Federal Reserve Bank of San Francisco to enter into contracts for the erection of a building for its branch office in Salt Lake City, Utah; to the Committee on Banking and Currency.

RIVER AND HARBOR IMPROVEMENTS.

Mr. CALDER submitted an amendment authorizing improvement work at Westchester Creek, N. Y., in accordance with report submitted in Rivers and Harbors Committee Document No. 8, Sixty-seventh Congress, second session, and subject to the conditions set forth in said document, intended to be proposed by him to the bill (H. R. 10766) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was ordered to lie on the table and to be printed.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. KING. Mr. President, I shall occupy but a short time, because I know Senators are anxious to proceed with the consideration of the schedule dealing with vegetable oils, which is now before us; but the Senator from Connecticut [Mr. McLEAN] has discussed at considerable length a letter received by me and presented to the Senate yesterday. The letter was written by a resident of the State of Connecticut who is in a position to know of the facts to which he refers in his letter.

Mr. President, a few days ago, in speaking upon the tariff, I said:

Mr. President, I repeat what I said a moment ago, that a large part of the population working in the mills in the State of Connecticut was foreign. There were strikes in the mills and factories because of the injustice which the mill owners perpetrated upon the laborers whom they employed. I repeat, the Senator's State has grown rich. I do not mean the great masses of the people have prospered or become rich, but the predatory interests with which the Senator from Connecticut is allied have grown rich. The Senator, believing in their economic views, speaks for policies which they favor and for this bill, which they indorse. When we come to the textile schedule we shall find the able Senator from Connecticut lifting his voice in protest against fair and reasonable rates. He is willing that the favorites of the Republican Party, those favorites against whom Senator Dolliver inveighed, those favorites against whom Theodore Roosevelt inveighed, those favorites who have played the game in the past and who have prostituted the taxing powers of the Government for their enrichment, shall continue their illegal course.

At this point I was interrupted by the Senator from Missouri, and after a short colloquy, I proceeded:

Coming back to the question which I suggested a moment ago, I repeat that the manufacturers and the beneficiaries of the tariff system who reside in the State of the Senator from Connecticut, or who, if they do not reside there, reside in New York or Boston or elsewhere and have their factories in his State, have been willing to get cheap labor and get it from over the seas in order that they might increase their swollen fortunes. The State of Connecticut, small, with but limited agricultural resources, with no mineral wealth, and without having the advantages that are possessed by many other States, has directed its attention largely to manufacturing; and those engaged in manufacturing have perceived that if they could get higher tariff duties and prevent competition from abroad they would be able to exploit the American people by charging them infinitely more for their products than would have to be paid under a legitimate competitive system. Republicans of Connecticut have only done what Republicans—I am speaking now of the brand of Republicans that Roosevelt denounced—have done elsewhere.

A resident of the State of Connecticut, reading the address which I made, and the colloquy between the Senator from Connecticut [Mr. McLEAN] and myself, was prompted to write me the letter which I read in part yesterday, and to which the Senator from Connecticut has just referred. Those who have listened to the Senator will recall that he did not deny what I stated and what was stated by Mr. O'Meara, the president of the Federation of Labor, namely, that cheap labor had been imported and employed in the mills and factories of Connecticut, and that strikes and industrial disturbances had occurred because of the low wages which had been paid.

The Senator does not deny what was declared to be a fact by Mr. O'Meara, that men from Portugal and Spain had been employed in his State, and because of their unfortunate situation an appropriation had been made by the city council of one of the cities for the purpose of sending them back to the country from which they came.

Mr. McLEAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Connecticut?

Mr. KING. I yield.

Mr. McLEAN. I did not deny it because I had no knowledge on the subject. I stated to the Senator, however, that during the war the overwhelming demand for munitions made in Connecticut, and the fact that a good many of our own boys were drafted and sent to the front, made it imperative for our manufacturers to secure labor from every source possible for the time being, and that after the war was over it may be true that we had in the State a great many men who came from outside—I do not know where. I stated to the Senator that he would find we did everything we could to help those people get employment outside or in the State, and in many instances we kept our factories going at a loss for the express purpose of keeping those people in comfortable circumstances until they could get employment elsewhere.

Mr. KING. Mr. President, Mr. O'Meara corroborates, in his statement, the observations which I made with respect to the effect of the protective tariff system as it applies to the State of Connecticut. He, in effect, states that the perpetuation of that system will result in a condition of servitude. He states that there have been strikes and industrial disturbances, notwithstanding the great profits which have been made by the manufacturers of the State of Connecticut.

Mr. McLEAN. Mr. President, I want the manufacturers to prosper in order that they may pay high wages and maintain the American standard of living. If there are any manufacturers in Connecticut or anywhere else who do not do that, the remedy does not lie in destroying capital. The cure does not lie in universal poverty. We can not help ourselves by descending to the conditions which exist across the water, which these people left in order to better themselves.

Mr. KING. Mr. President, no one was suggesting an assault upon capital. In my opinion, as I have said heretofore, the greatest enemy capital has to-day is the selfishness and the greed of some of the capitalists themselves. Some are not content with a legitimate and fair profit upon their investments. I am not making an indictment of the capitalistic system or of all capitalists, because I believe in private ownership of property and in the right of owners to use their own property and to enjoy the benefits arising therefrom. I am speaking, as I said in that speech to which I referred, of the character of capitalists of whom Mr. Roosevelt spoke, of whom the distinguished Senator who is now occupying the chair [Mr. CUMMINS] and his illustrious colleague, Senator Dolliver, now deceased, spoke when they were discussing the Payne-Aldrich tariff bill, those capitalists who sought to impose tariff duties so high as to build up monopolies in the United States and to give them absolute control of the domestic market and the prices of domestic products.

They were referring to the Steel Trust, which has made not millions of dollars but hundreds of millions; the Steel Trust which secures benefits in the bill before us and demands duties upon steel products notwithstanding the fact that the steel industry of the United States can successfully compete with the steel producers in every country in the world.

The steel manufacturers, and all other corporations and individuals who seek to use the Government and the powers of the Government to secure legislation to enable them to increase the prices of their products, are their own enemies and the enemies of capital. Our country has grown and prospered under its free institutions, the Federal Constitution as well as the State constitutions recognizing the right of individuals to acquire property and to control it. I believe that our country has grown and prospered because of the capitalistic system; it would have failed in its high mission under communism or the conflicting socialistic doctrines or the nationalization of the industries of the country. I believe in an individualism that gives a broad field for the genius and the enterprise of the American people. But I am opposed to a tariff system that will rivet upon the consuming masses the policies and the demands of greedy corporations who are not satisfied with a fair and legitimate profit upon their investments.

The State of Connecticut, as indicated by Mr. O'Meara, has built up great industrial corporations, and those organizations have employed pauper labor from overseas, and have paid wages which have been so low, as indicated by Mr. O'Meara, as to threaten industrial servitude and have been provocative of strikes and industrial disturbances.

Mr. WADSWORTH. Mr. President, the last statement made by the Senator excites my curiosity. Does Mr. O'Meara state what the wages were?

Mr. KING. No.

Mr. WADSWORTH. Then how can the Senator say he states they are so low that the employees can not live on them?

Mr. KING. I did not hear the Senator's statement.

Mr. WADSWORTH. Why does the Senator make the assertion, therefore, that the wages are pauper wages, if he does not even know what the wages are?

Mr. KING. Does the Senator know what the wages are?

Mr. WADSWORTH. No; I do not; but the Senator is making some affirmative statements, and I am seeking information.

Mr. KING. I will state to the Senator that I do not know specifically what the wages are, but I do know——

Mr. WADSWORTH. Does the Senator know generally what they are?

Mr. KING. Will the Senator permit me to conclude my sentence? That wages paid in manufacturing plants of Connecticut at times have been so low as to be provocative of strikes and industrial disturbances, and, as the Senator will recall, in the investigations which were made when there were strikes a few years ago, it was shown that women, and even little children, were either compelled to work or did work in many factories and mills because the earnings of the husbands and the fathers were insufficient to meet the necessities of the family.

Mr. WADSWORTH. I have no recollection of any such incidents, nor do I remember the investigation. To what investigation does the Senator refer?

Mr. KING. The Senator knows that both in Rhode Island and in Connecticut there were strikes a few years ago in the textile mills and plants.

Mr. WADSWORTH. I am speaking of Connecticut. I have no recollection of the strikes in Connecticut to which the Senator refers.

Mr. KING. I have a recollection that there were strikes in both Rhode Island and in Connecticut. There have been strikes in textile plants and in steel plants and many of these great manufacturing institutions of the United States.

Mr. WADSWORTH. I am speaking of Connecticut. I want the Senator to give the information to which he has alluded, but which he apparently does not specify. In what city and in what industry and in what corporation were these pauper wages paid?

Mr. KING. I can not state to the Senator offhand——

Mr. WADSWORTH. I thought not.

Mr. KING. But I shall put in the RECORD to the full satisfaction of the Senator, before this debate ends, data which will support the statement of Mr. O'Meara, and the statement which I have made, that the wages paid in the textile mills of Connecticut were so low as to be insufficient for the proper support of the families of the men who labored there, and I will put in the RECORD facts to show the Senator that in textile mills not only men work, but in many instances the mothers and some of the children have worked.

Mr. WADSWORTH. When the Senator gets all this information, which is going to be so interesting——

Mr. KING. I do not know whether it will be interesting to the Senator. I think it will not be interesting to the supercilious Senator from New York.

Mr. WADSWORTH. I thank the Senator for his observation. I am merely seeking the truth. I did not realize that a seeker after the truth should be called supercilious; but I hope that when the Senator does put this interesting information, of which he has none to-day——

Mr. KING. The Senator from New York is entirely in error.

Mr. WADSWORTH. I have not been able to get any of it from the Senator. I hope that when he does put it in the RECORD he will also ascertain and put in the RECORD the comparative wages paid in Connecticut and the wages paid in other States to show whether Connecticut has thus fattened at the expense of the many and for the benefit of the few, and whether or not it has been the rule in the State of Connecticut to pay pauper wages under a protective tariff system.

Mr. KING. I am sure the Senator will not be interested in all of that information, and if it is a matter of so much interest to the Senator, with his prodigious capacity for work, I suggest that he embark upon this enterprise himself.

Mr. McLEAN. I shall be deeply interested, myself, in the replies which the Senator gets to the question of the Senator from New York. The Senator from New York is a very able Senator, very industrious and very capable in seeking statistics, but I do not think he will succeed in finding anything to corroborate the charges of the Senator from Utah.

Mr. KING. We will leave that for the public to determine, if they should be sufficiently interested in the controversy between the Senator from New York and myself.

I read again what was stated by Mr. O'Meara, the president of the Federation of Labor of the State of Connecticut, where he says, speaking of the system which obtains in Connecticut—

> that system if permitted to continue will have the serf and slave system that existed in the South before the Civil War beaten all to atoms. Your statement of the employment of the cheap-wage foreigner in the State of Connecticut is so true that, as I read the speech, I was thinking whether or not your information came as if you were a resident of Connecticut.

This gentleman was born in the State of Connecticut and knows full well, as he states in his letter, "of the conditions whereof I write, and if either one of the Senators from Connecticut will deny any of the statements that I have written about I will gladly furnish them to you in affidavit form to back them up."

So, Mr. President, we will have the president of the Federation of Labor of the State of Connecticut furnishing, I have no doubt, ample evidence to support the contention which he makes and to justify the statements which I make. The Senator himself has admitted that poor people from Spain and Portugal were employed——

Mr. McLEAN. Mr. President——

Mr. KING. And that they were sent back by appropriation from a municipality.

Mr. McLEAN. I do not see why the Senator should reiterate an admission that I have never made. The Senator knows that I said that I did not contradict that statement because I had no knowledge on the subject.

Mr. KING. Then I modify it; the Senator does not deny the statement.

Mr. McLEAN. I have no knowledge on the subject, and where I have no knowledge I do not deny.

Mr. KING. I put the statement of Mr. O'Meara against the negative attitude of the Senator from Connecticut.

Mr. McLEAN. Where I have no facts I do not assert.

Mr. KING. The Senator does not dare deny it——

Mr. McLEAN. I do not follow the example set by the Senator from Utah.

Mr. KING. The Senator does not dare deny it.

Mr. McLEAN. What?

Mr. KING. Has not the Senator listened to what I have just been reading, what he is contradicting?

Mr. McLEAN. I do not deny that during the war we employed men from Portugal. Is that the point? No; I do not deny it. I do not know anything about it; and if it is true, it is of no consequence.

Mr. KING. Of course it would not be of any consequence to the Senator. I would not claim it was of any consequence to the Senator.

Mr. McLEAN. I fancy that there are men in Utah who were not born there.

Mr. KING. I do not know the pertinency of that observation.

Mr. McLEAN. I hope they have something to do.

Mr. KING. I was contending, in the speech which the Senator has attacked, that the tariff system, as it has been devised and applied by the Republican Party, has benefited and enriched a limited number, and that schedules have been drawn in the interest of predatory trusts, and I aver that schedules in this bill have been dictated by interests which are demanding of the people prices for their products that are inequitable and unjust.

I called attention to the fact that industrial disturbances and strikes had occurred because of the low wages paid, and Mr. O'Meara says:

Your statement on page 6562—

Speaking of the RECORD—

relative to this State having industrial disturbances is as true as any words coming from the mouth of man. I do hope that on account of the position in the life of the community that I hold that you will not feel that I am entirely biased in my claims, for I have plenty of letters in my office from employers of labor, large and small, in this State thanking the writer for the fairness that I have entertained at all times.

Now, Mr. President, the matter under consideration this morning is only important as it is a manifestation of the effect of a vicious tariff system. No one who is asking for a fair and reasonable tariff that will afford reasonable revenue to aid in meeting the expenses of the Government can be charged with making an assault upon capital. Democrats believe that capital should have full opportunity for legitimate investment. They are opposed to socialism. They are opposed to governmental restrictions which would hamper and impede legitimate development and progress. But the Democratic Party is opposed to the prostitution of the taxing powers of the Government and their utilization by certain industries in order to enrich those who are engaged in such industries.

I shall vote for a tariff that will give to the Government adequate revenue. I shall not vote against a tariff bill because it may afford incidental protection if I believe that the rates are fair and just and will raise a reasonable amount of revenue. But I shall not vote for any tariff measure, the sole purpose or the principle of which is to transfer from the pockets of the masses into the pockets of the few the earnings of the people.

Mr. McLEAN. Mr. President——

Mr. KING. I yield to the Senator from Connecticut.

Mr. McLEAN. The Senator said he would vote for an adequate tariff or a tariff that would provide adequate revenue. We need $4,000,000,000, as the Senator knows.

Mr. KING. Of course I did not mean that we should raise all revenues from tariff duties. No one ever suggested such a preposterous thing, particularly when the Republicans are in power. The policy of the Republican Party is to derive but little revenue from the tariff, by cutting off importations, in order that the domestic manufacturers and producers may have a practical monopoly of the domestic market. I am in favor of a legitimate tariff such as the Underwood tariff law, and I would be in favor of supplementing that by a sane and reasonable revenue law that would require wealth and the various industries of the country and the other proper sources of taxation to contribute what would be fair and just to meet the expenses of the Government economically administered.

Mr. McLEAN. The revenue received from the income tax in 1921 was $1,000,000,000 less than it was in 1920. My idea is that the best way to alleviate existing conditions and reduce the per capita tax is to restore the purchasing power of the American people and increase our incomes so that the income tax returns will not drop a billion dollars a year.

Mr. KING. Mr. President, the last sentence of the Senator is a statesmanlike observation. The difference between the Senator and myself is that he suggests a method of accomplishing that desirable end which I think will not bring it about. He believes that in order to restore, as he calls it, prosperity we must cut off all or practically all imports and give the domestic producer a monopoly of the domestic market. I regard that as a foolish, an unwise course. I would increase production, expand our foreign trade and commerce, give to capital fair returns upon investments, afford it a full and fair opportunity for development, remove hampering governmental restrictions, give labor ample reward for its services, and place this Republic in a position to lead the world morally, financially, and in all movements which make for world peace and prosperity.

Mr. EDGE. Mr. President, I desire to consume about 10 minutes' time of the Senate to discuss what appeals to me to be an outstanding feature of the tariff bill, one which appears in the bill and is provided for as reported by the committee, which has not yet been reached in the ordinary way, but which I believe should be given consideration even before it is reached because of its paramount importance.

I refer to that section of the bill which provides for elasticity of administration of the tariff law and which provides discretionary power likewise in the administration of the law. I may say very frankly that if the tariff bill in its final form fails to provide, otherwise than through congressional action, some method through which individual schedules can be revised, downward as well as upward, as circumstances and investigation should warrant, I can not vote for it. I am making this declaration thus early, as I do not wish my possible position later to be misunderstood.

I am a firm believer in some elasticity in the administration of a tariff law. The abnormal trade conditions of to-day and the accompanying necessity for continually revising economic business relations makes it absolutely impossible for any tariff law to long meet situations which are changing so rapidly. It is unthinkable, especially in view of the time consumed in the consideration of this bill, that Congress should be the only authority permitted to readjust tariff schedules.

At the best, because of lack of technical knowledge, Congress is poorly equipped, and, anyhow, there are too many other problems the solution of which the country demands at our hands. I freely admit my lack of knowledge as to the wisdom of many of the schedules I have voted on during the consideration of this measure. I think it is perfectly fair to assume that there is not a Senator who would for one moment claim he could vote with anything like comprehensive knowledge of the effect of a majority of the schedules.

Of course, Senators on either side of the Chamber have their convictions as to general policy, which I do not criticize, but the individual raising or lowering of rates I must assume have been the result of study and investigation upon the part of the committee. Generally speaking, I have followed the recommendations of the committee. I have questioned their wisdom in a number of cases, but in the final analysis I have felt that a committee spending weeks and months studying details of trade, receiving reports from experts and governmental bodies appointed for the purpose, should of necessity be better informed than I could possibly expect to be. So therefore it has been my policy, as stated, usually to support the committee.

However, repeat that I am not entirely satisfied—far from it—with the bill as presented, and I would not feel justified in voting for it if I felt that all these schedules were to remain hard and fast until some future Congress again undertook a revision of the tariff.

I have always felt that legislative authority or responsibility consisted, or at least should consist, mainly of formulating policies and not dealing so much in details of administration. The latter power, to be successfully applied, must not be too greatly circumscribed and much latitude should be delegated to others. Again, may I repeat, with all respect, that this Congress, or no other Congress, is equipped to enact scientific tariff schedules and that to properly serve the country they should be flexible. If delegated power is badly administered, Congress always has the power to revoke or repeal such authority.

Democratic criticism of the bill has not, generally speaking, greatly influenced me, because it has so frequently been followed by glaring inconsistencies. Our friends on the other side of the aisle admit that fundamentally they are opposed to the policy of protection. Fundamentally I favor the policy of protection and firmly believe the history of the prosperity of the country in the past in every way justifies such a conviction.

That even Democratic approval or disapproval, however, is largely influenced by local or sectional conditions and, convictions as to policy goes to the four winds is amply demonstrated and emphasized by many Democratic votes for an increased tariff where the commodity or product was locally produced. Apparently it is not very difficult for an ardent Democratic free trader to suddenly become a shouting protectionist if local interests are affected.

It only all goes to prove if a tariff bill is to be equally fair to producer and consumer alike, some less directly interested agency than Congress must be delegated with greater power.

I look forward to the day when Congress will not be so jealous of its prerogatives and will adopt a policy which will provide for a bipartisan commission of trade and production experts delegated with real authority to prepare and administer tariff bills. As international trade expands, as the various countries of the world are brought closer together because of trade necessities and transportation developments, so the possibility of a tariff bill lasting as an effective measure longer than it takes to write it becomes more and more remote.

Mr. FRELINGHUYSEN. Mr. President, will my colleague suffer an interruption?

Mr. EDGE. I yield to my colleague..

Mr. FRELINGHUYSEN. The Senator is familiar, probably, with an amendment which I have proposed to the pending bill providing for an enlargement of the Tariff Commission in numbers, increase of salaries, and added powers to give them the authority to recommend to Congress certain rates based upon the difference in the conversion costs here and abroad or in the competing countries, and where the conversion costs in the competing country can not be found to take the landed selling cost for an article as compared with the domestic wholesale selling price, the commission to report to Congress their conclusions and leave Congress free to act.

As I understand the Senator's position, he not only approves of that amendment and that policy, but he goes further and is in favor of empowering that governmental agency actually to fix the rates. Am I correct in that assumption?

Mr. EDGE. Not entirely. I do not think it would be constitutional for an agency of that character to fix rates. I am in hearty sympathy, let me say, with the proposed amendment of my colleague, providing for a nonpartisan or bipartisan commission of experts to consider tariff rates. But, I go a step further, as my colleague suggests, by indorsing the provision now appearing in the pending bill, which provides that the President of the United States shall have a certain latitude in lowering or raising tariff schedules upon such information as he deems wise and proper, and upon the promulgating of a proclamation to that effect. So I am, to an extent, combining the features of his proposed amendment with the additional, as I view it, necessary power to give some latitude, so far as it can be done constitutionally, to some official of the Government.

Mr. WALSH of Montana. Mr. President, I should like to get a little more definite information from the colleague of the Senator who has the floor concerning his amendment, with the permission of the junior Senator from New Jersey.

Mr. EDGE. I yield to the Senator from Montana.

Mr. WALSH of Montana. The present commission, as I understand the matter, is authorized to ascertain the difference in the cost of production here and abroad, and it is undertaking to do so and to give that information to the Senate so far as it has been able to secure it. If I understand the amendment offered by the senior Senator from New Jersey, it merely amplifies the powers given to the commission to the extent that it authorizes them to recommend the rate.

Mr. FRELINGHUYSEN. To give that information and those facts which impel their findings.

Mr. WALSH of Montana. I am simply endeavoring to find out how much additional authority is given to the commission by the amendment proposed by the senior Senator from New Jersey. The present commission is authorized expressly by the act creating it to determine the difference in the cost of production here and abroad in the case of each duty. It is not authorized to recommend what rate ought to be imposed. Is there any additional power granted to the commission by the amendment proposed by the Senator?

Mr. FRELINGHUYSEN. Most certainly. In addition to the powers which the commission already has, the amendment provides a fundamental principle for ascertaining the tariff rates based upon the difference in the conversion cost here and abroad; that is, the difference in the production cost. I am not going into that. I shall do so when the amendment is before the Senate. Nevertheless, it provides for ascertaining the difference in the two costs of production and gives power to the commission to call in advisory committees; in other words, it lifts from the present Finance Committee of the Senate the burden of the hearings, but provides that all the facts analyzed which would appear from the hearings of those committees, whether brought out by manufacturers interested in industry or importers or consumers or transportation men, shall be reported to the Congress, together with the findings.

The amendment goes further than that, and confers a power which they do not now have, and that is, where the conversion costs or the production costs can not be ascertained, that they shall take the landed selling price of the foreign article and the domestic wholesale selling price, which can be obtained, and that they shall submit with the facts so ascertained their findings as to what the tariff rates should be.

Mr. EDGE. Mr. President, I wish to be courteous, but I should really like to proceed with my remarks and conclude them.

Mr. FRELINGHUYSEN. I really do not want to infringe upon the Senator's time.

Mr. EDGE. I will be glad to extend every possible courtesy to my colleague.

Mr. FRELINGHUYSEN. I thank the Senator for his courtesy. He has studied the subject in which I am deeply interested, and I wish to understand his position.

Mr. EDGE. I know my colleague is prepared to debate the amendment which he has offered in detail at a later date.

Mr. President, returning to the bill before the Senate, I regret somewhat that the President is called upon to assume this additional responsibility and burden, because I feel the Chief Executive has sufficient to do as it is, but under existing conditions it would seem impossible to place it elsewhere for the present. The President, of course, can not carry on the work personally, and will therefore undoubtedly depend upon a tribunal whose duty it will be to obtain the facts and which will not be governed alone by political party traditions, be they free trade or protection, but whose administration and advice will be first influenced by trade and industrial facts.

As the Government has insisted on assuming control of practically all business activities, then the Government owes it to business to give prompt decisions as to governmental policy. A tariff bill is the very foundation of business development.

This is possibly a bit aside from my discussion, but I sometimes feel that the present tendency toward investigation, regulation, and at times participation is destroying business initiative. Men feel it is useless to endeavor to develop possible resources because of uncertainty as to the Government's position.

It is all very well to try to prescribe a formula for business, but ofttimes I feel that the present determination to control and police every endeavor is resulting in a type of inertia that in the final analysis means plenty of theory in Washington but a national insolvency which will result in final disintegration and disaster.

Now, if on top of this we pass a tariff bill the subsequent administration of which demonstrates that while it affords ample protection it is unnecessarily destructive of American export business, there must be some authority to make quick alterations rather than to await the slow process of congressional action.

Referring to the necessity for elasticity in tariff schedules, President Harding on December 6, 1921, on the convening of the present session, when delivering his message to the Congress, made his position in this regard perfectly clear in the following language:

> Every contemplation, it little matters in which direction one turns, magnifies the difficulty of tariff legislation, but the necessity of the revision is magnified with it. Doubtless we are justified in seeking a more flexible policy than we have provided heretofore. I hope a way will be found to make for flexibility and elasticity, so that rates may be adjusted to meet unusual and changing conditions which can not be accurately anticipated. There are problems incident to unfair practices, and to exchanges which madness in money have made almost unsolvable. I know of no manner in which to effect this flexibility other than the extension of the powers of the Tariff Commission, so that it can adapt itself to a scientific and whole just administration of the law.
>
> I am not unmindful of the constitutional difficulties. These can be met by giving authority to the Chief Executive, who could proclaim additional duties to meet conditions which the Congress may designate.
>
> At this point I must disavow any desire to enlarge the Executive's power or add to the responsibilities of the office. They are already too large. If there were any other plan I would prefer it.
>
> The grant of authority to proclaim would necessarily bring the Tariff Commission into new and enlarged activities, because no Executive could discharge such a duty except upon the information acquired and recommendations made by this commission. But the plan is feasible, and the proper functioning of the board would give us a better administration of a defined policy than ever can be made possible by tariff duties prescribed without flexibility.

Again, I quote from the same message:

> In this proposed flexibility, authorizing increases to meet conditions so likely to change, there should also be provision for decreases. A rate may be just to-day and entirely out of proportion six months from to-day. If our tariffs are to be made equitable and not necessarily burden our imports and hinder our trade abroad, frequent adjustment will be necessary for years to come. Knowing the impossibility of modification by act of Congress for anyone or a score of lines without involving a long array of schedules, I think we shall go a long ways toward stabilization if there is recognition of the Tariff Commission's fitness to recommend urgent changes by proclamation.

A number of Senators, in criticizing the pending bill have suggested that it be returned to the committee to be rewritten. The Senator from Wisconsin [Mr. LA FOLLETTE] only last week gave this necessity as his viewpoint. But how would such action result in any great fundamental change of policy? Many amendments have from time to time been suggested by the committee since the bill has been before the Senate, but there is no indication that a majority of the committee would make the revolutionary changes apparently demanded by some of the critics. It all comes back to the policy suggested by the President, with which policy I am in absolute agreement. There never will be a really scientific tariff bill produced unless its

groundwork, at least, is predicated upon the investigation of nonpartisan interests where sectional demands can not have the controlling effect.

Personally, while fully subscribing to the policy of protection as measured by the honest difference between the cost of production at home and abroad, plus a reasonable profit, I recognize that the problem is more involved to-day than ever before in the history of the country. I am one of those who confidently believe it is absolutely essential to encourage and develop American export business if we are to reach anywhere near the maximum of prosperity necessary to increase employment and, naturally with it, contentment at home. During my short career in the Senate I have very frequently presented this view and endeavored to suggest constructive legislation to help develop export trade. I recognize fully that trade can not alone go in one direction; that if we are to be permitted to export we must import; that if we sell we must buy; and that to-day European countries can hardly reimburse us through any other agency than by an exchange of goods. I believe such exchange should be encouraged, and encouraged on a much larger scale than trade reports register at the present time. I recognize that embargoes and too heavy duties operate against a correction of this condition; but I recognize likewise that positive and distinct discrimination should be made by us as to what commodities we will permit to make up the volume of our imports and those which it is inimical to our domestic interests to encourage. I feel that Congress is hardly equipped clearly to balance the necessity of these discriminations, and it makes me all the more positive that other agencies, purely American agencies, must be employed. I have often said we can not have the cake and the penny both. We must sell a certain proportion of our farm and manufactured products abroad if our people are to be employed, and, conversely, we must receive from the other side certainly products not too directly in competition with our own.

Therefore, I repeat, the passage of this hard and fast tariff bill, without opportunity for certain elasticity of rates, might prove a national calamity. As much as I realize in many cases the necessity for higher schedules for our farm and factory products, I feel that I would fail in my duty if I finally supported a measure which, while it unquestionably provides much needed protection, still might result in a further diminution of our trade with the world, so necessary to the prosperity of every class of citizenship.

A tariff which, while affording better protection, still results primarily and practically in a general raise of prices at home, without a corresponding encouragement of world's trade, narrows our possibility for development to a trade confined to ourselves, which is not, in my judgment, a real interpretation of a broad and enlightened protective policy or a lasting solution of our economic ills.

Mr. HEFLIN. Mr. President, the Senator from Connecticut [Mr. McLEAN] in his speech this morning told us about factories being closed down and wages being reduced in Connecticut, and attributed that condition to the competition of Germany. I thought while the distinguished Senator was speaking of how the deadly deflation policy operated and how much ruin it wrought even to some interests in his State. Not a word did the Senator say about that, but he offers as a cure for all ills the high protective tariff of the Republican Party. He told us the value of the articles manufactured in a year in his State; he gave us figures as to production, running up into the hundreds and hundreds of millions of dollars.

Mr. President, a considerable portion of the manufacturers of the State of Connecticut consist of cotton goods, the raw material of which is raised by the cotton producers of my State and section at starvation prices and bought by the spinners of Connecticut at a price away below the cost of production. The Senator did not mention the cotton industry, but talked of what his State produces in the way of manufactured articles.

Every time, Mr. President, we approach the vital issue before this country, which is the matter of properly administering the greatest banking system in the world, we find the shrewd Republican leaders dodging and going around the main issue. They do not want the people to be informed upon that question; they do not want the people to know that money and credits are as essential to the life of their business as air and water are to the life of the human being. They are moving heaven and earth now to have the present governor of the Federal Reserve Board reappointed. Such a propaganda has never been carried on as that which is going on in the country now. Business men's clubs and bankers' conventions are being asked to indorse him for reappointment; and not long ago, strange to say, Mr. President, the great Harvard University conferred upon him the degree of LL. D.

HARVARD AND HARDING.

Mr. President, the most remarkable instance of a slight-of-hand performance perhaps ever witnessed in our country was that presented not long ago by the faculty of Harvard University when, with perfect control over their risibilities and without moving a muscle or batting an eye, they conferred the degree of LL. D. on W. P. G. Harding. [Laughter.] Horatius at the bridge and Leonidas at Thermopylæ never displayed such grim boldness and reckless daring as did the members of the Harvard faculty when, in defiance of the pride and interest of her honored living and in utter disregard for the memory of her illustrious dead, they conferred the degree of LL. D. on W. P. G. Harding. [Laughter.]

Oh, Mr. President, Columbus discovered America, but I am persuaded to believe that if he had known that such a travesty upon the proprieties attaching to a great American institution of learning would one day be perpetrated here, he would have permitted the legend "Ne plus ultra"—No more beyond—to remain upon the scroll of the Spanish coin around the pillars of Hercules.

Theodore Roosevelt, a brilliant graduate of Harvard in her better and brighter days, used to carry a big stick and terrorize big crooks; but the fates spared him the dreadful ordeal of seeing and hearing the money changers of Wall Street chuckle when Harvard conferred the degree of LL. D. on W. P. G. Harding. [Laughter.]

Verily, LL. D. degrees are in greater abundance at Harvard now than ever before, and those in control of them far more careless and indifferent as to their disposition than ever were their illustrious predecessors.

If there are any others who served Wall Street financiers through the Federal Reserve Board's ruinous deflation policy who feel that they, too, are entitled to a Harvard degree of LL. D., the same as W. P. G. [laughter], I respectfully refer them to Mr. F. H. Curtiss, intimate and influential friend of the faculty at Harvard and a prominent member of the committee of economic research of that institution. In addition to his close and potential connection with Harvard University he is now, by appointment at the hands of W. P. G. Harding, chairman of the Federal Reserve Bank of Boston, at a salary of $18,000 a year.

Mr. President, we can not escape the conclusion that it was deemed advisable to secure for W. P. G. a Harvard degree of LL. D. [laughter] to help Wall Street in its efforts to get him reappointed governor of the Federal Reserve Board.

O tempora, O mores!

Shades of Oliver Wendell Holmes, Emerson, and Lowell!

Come back, O spirits of the cultured and mighty dead, and restore the equilibrium of the Harvard of other days.

Mr. POMERENE. Mr. President, I want to speak very briefly on the subject of vegetable oils.

Very frankly, I should like to see all of these oils placed upon the free list. When I say "these oils," I mean cottonseed oil, coconut oil, peanut oil, and soya-bean oil. These oils are both edible and nonedible; that is, certain qualities of them are edible and certain of them are not edible.

These oils enter not only into the industrial life of the country but into the domestic life of the country as well; and if I understand the amendment which has been proposed by the Finance Committee it is to place these oils substantially on the free list so far as they enter into the manufacturing of articles which are not used for food purposes.

I am glad they have made that concession. I do not think the average citizen realizes the extent to which these oils are consumed in this country in manufacturing purposes. I am going to discuss this question rather from the standpoint of the soap makers of the country.

In the State of Ohio there are 27 large soap manufacturers who use these oils. There are more smaller ones, but there are 27 that may be regarded as large soap producers. The largest of these, of course, is the Procter & Gamble Co., of Cincinnati, manufacturers of Ivory soap. This company manufacture coconut oil. To some extent they would be benefited by having coconut oil put on the dutiable list. They are not asking for it, however. They realize that with their mill making coconut oil it would be an advantage to them over their competitors, but they are taking the larger view, the national view of this tariff question so far as it relates to their business. The coconut oil which these companies use is very largely produced in the Philippines. There is one coconut-oil mill that I

speak of here in the United States, and it is owned by the Procter & Gamble Co.

Other Senators have indicated in what they have said the large extent to which these oils are used. The soap goes into every family and every household. Not only are the manufacturers of the soaps opposed to the duty on these oils but the laundries as well. I have a very large number of letters and other communications, partly oral and partly in telegrams, bearing upon this subject; and, as I now recall, nearly all of them protest against these high rates of duty, because if they are imposed they are going to add substantially to the cost of production, and they are going to add largely to the cost to the consumer.

The rate on coconut oil under the Senate bill is 4 cents; under the House bill 2 cents; under the emergency act it was 20 cents a gallon; under the Underwood Act it was free of duty, and so it was under the Payne-Aldrich Act.

Cottonseed oil under the Senate bill is made dutiable at 3 cents a pound, under the House rate 2 cents a pound, under the emergency act 20 cents a gallon, and under the Underwood Act and the Payne-Aldrich Act it is free.

Peanut oil under the Senate bill is dutiable at 4 cents a pound, under the House rate 2½ cents a pound, under the emergency act 26 cents a gallon, under the Underwood Act 6 cents a gallon, and under the Payne-Aldrich Act free.

Soya-bean oil under the Senate bill is dutiable at 3 cents per pound, under the House rate 2 cents per pound, under the emergency act 20 cents a gallon, under the Underwood Act and the Payne-Aldrich Act free.

The Senate Finance Committee in substance provides that these oils may come in free when they enter into the manufacture of soaps, and possibly when used for some other manufacturing purposes; but if they are to be used in the manufacturing of substitutes for butter, such as oleomargarine, then they are to be taxed.

Let me see if I can present this matter as it appeals to me.

I realize the selfishness at the basis of many of these rates, and it is pure, unadulterated selfishness. On the other hand, perhaps it may be said in some sense of the word that those who advocate that these oils be placed upon the free list are prompted in part by a selfish feeling. That may be so, but it seems to me that we ought to look at this matter from the national viewpoint; so I have been trying to find out in my own mind, if I could, a reason for putting these oils upon the free list when they enter into the manufacture of soaps and putting them on the dutiable list when they enter into the manufacture of edibles.

Reduced to its final analysis, the proposition means this: "Yes; we agree that cleanliness is next to godliness, and for that reason we think that for laundry purposes and for toilet purposes the people should have soap free of duty, and in order that it may be furnished more cheaply to the public we are going to put these raw materials upon the free list, so that the workingman, with his family, can get his soaps made out of oils that are on the free list; but Heaven forbid that his family should be permitted to use oleomargarine or anything else that is used for edible purposes without paying a tax!"

That is the situation. I suspect that the duty is going to be retained on these oils in so far as they are used for edible purposes; but it having been conceded that oils which are used in the manufacture of soaps for toilet and laundry purposes should be on the free list, I can not understand why the plain citizen and his wife and children should not be permitted to use the same oils in an edible form without paying a tax. That is as it appeals to me; and I am not going to take the time of the Senate to dwell upon the matter further. I could go into details. I have a lot of statistics here before me. I could consume several hours of the Senate's time in discussing this matter, but I think I have presented my thoughts in this very brief way, and they will be understood and perhaps as much attention paid to them as if I talked for several hours more and gave all this detailed information.

For these reasons, thus briefly stated, I shall vote to have these oils put on the free list if I have the opportunity. If I do not have that opportunity, I shall vote to have them placed on the free list to the extent permitted by the Finance Committee.

COLUMBIA BASIN IRRIGATION PROJECT.

Mr. JONES of Washington. Mr. President, I report back favorably from the Committee on Irrigation and Reclamation the bill (S. 3808) authorizing the Secretary of the Interior to investigate and report to Congress upon the Columbia Basin irrigation project. I call the attention of my colleague to this report.

Mr. POINDEXTER. I ask unanimous consent for the present consideration of the bill. It calls for an investigation and report by the Secretary of the Interior.

The PRESIDENT pro tempore. The Secretary will read the bill.

The Assistant Secretary read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to investigate and report as early as possible, and not later than the 1st day of January, 1924, on the essential features of the proposed Columbia Basin irrigation project referred to in the act of the Legislature of the State of Washington entitled "An act providing for the survey of the Columbia Basin irrigation project, creating a commission therefor, defining its powers and duties, and making an appropriation, and declaring that this act shall take effect immediately," approved March 1, 1919, in the following particulars:

Its water supply and the permanency and sufficiency thereof; the approximate watershed from which said water supply is to be derived and what, if any, natural reservoirs, such as lakes, are available for the storing of surplus waters for the irrigation of the land, the reclamation of which is contemplated by the said act, and any other lands capable of being irrigated by the waters to be conserved through such project in the said State of Washington or any other State; the character of the climate as it affects the agricultural development of the said land; the transportation facilities available therefor; the prospects and means of settlement; the engineering features of the proposed project, stating point of diversion of the water to be used in the said project and from what streams; the principal dam or dams which may be needed therefor and the general location, nature, length, and character of such aqueducts or canals as may be necessary for conveying the waters to the lands to be irrigated thereby; the cost and feasibility from an engineering and physical standpoint of such work as may be required to accomplish the purposes of the said project, both in the aggregate and the ultimate cost per acre to the land to be benefited thereby; and the views of the commission as to the general benefits to be derived from the completion of the said project in the way of markets for manufactured products, of increased agricultural production, of opportunities for home building, and the effect of the same, both upon the communities immediately affected and upon the Nation at large, and such other matters as in the judgment of the said Secretary may be of importance and pertinent to the proposed development.

SEC. 2. That for the purpose of carrying out the provisions of this act there is hereby authorized an appropriation, from any money in the Treasury not otherwise appropriated, of the sum of $100,000, to be expended under the direction of the Secretary of the Interior in making such investigations, studies, and report.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. McCUMBER. I will not object, if it does not involve debate.

Mr. OVERMAN. I would like to have the Senator explain the bill.

Mr. POINDEXTER. Mr. President, this is a bill directing the Secretary of the Interior to make an investigation of this irrigation project and report to Congress. It appropriates nothing, but authorizes an appropriation of $100,000 to carry out the investigation.

Mr. CARAWAY. Mr. President, may I ask the Senator a question? Does not that come under reclamation work now being done, and is there not a board or commission to investigate and report on such matters?

Mr. POINDEXTER. This is a special bill.

Mr. CARAWAY. I know it is; but is there not a board to report upon this very question of irrigation and reclamation?

Mr. POINDEXTER. No; there is not. There is a Reclamation Service in the Interior Department. The Secretary of the Interior would have that bureau available to aid him in this investigation.

Mr. CARAWAY. What is the reason why this particular project should be picked out and have a special investigation made of it when we have the bureau for general investigations?

Mr. POINDEXTER. There is a law requiring action by Congress before any irrigation project can be adopted. This bureau has no authority to make either investigations or reports, or to approve projects without the special authorization of Congress.

Mr. CARAWAY. Does not that bureau have any power to investigate?

Mr. POINDEXTER. Not new projects. That requires the authorization of Congress. Furthermore, I will say to the Senator from Arkansas, it is intended that this should be a special undertaking. On account of the size of it and the amount of money that will be required in case it should be approved, it was thought that there should be perhaps some independent authorization for this investigation, and that it should be carried on under special provision of law.

Mr. WALSH of Montana. If the Senator will pardon me, I may say, for the information of the Senator from Arkansas, that the proceeds from the sale of public lands go into what is known as the reclamation fund, and that is utilized for carrying on projects now under way. From time to time Congress has made very meager appropriations, to be utilized by the Reclamation Service in studying the possibilities of new projects; but that is an inconsequential amount. Congress has also

made special appropriations to discover underground sources of water, but there is no fund available, nor is there any authority vested in the Secretary of the Interior, under existing law, to carry out the purposes contemplated by this bill.

Mr. CARAWAY. Then, let me ask this question. What are the bureau's duties, and what useful service does it render, if it can not make investigations?

Mr. POINDEXTER. It can make investigations whenever it is directed to do so. It is the function——

Mr. CARAWAY. Why is it not directed to do so in this particular instance?

Mr. POINDEXTER. Because it was desired to put it upon a broader basis, and to invoke new agencies, on account of the extent of the project.

Mr. CARAWAY. It looks, then, to a very large appropriation in the future?

Mr. POINDEXTER. In case it should be approved, it would require a large appropriation, to be reimbursed, of course, from the land.

Mr. CARAWAY. I do not think the funds we have already appropriated have ever been returned.

Mr. POINDEXTER. They are being returned, and I have no doubt all will be returned.

Mr. CARAWAY. The information I got while I was a Member of the House was, as I remember, that they were postponing even the payment of the interest from year to year. I shall not object to the bill, but I was just trying to find out why this particular project should be selected for investigation.

Mr. POINDEXTER. I think it can all be summed up in the statement that the view of those who are interested in it was that the proposed project is of such extent, and the expenditures would be so large in case it should be approved, that it would be better to provide a special agency by which the investigation should be made.

Mr. BORAH. Mr. President, I have not had time to read this bill, but I understand it is the unanimous report of the committee?

Mr. POINDEXTER. It is.

Mr. BORAH. Does the bill contemplate an investigation by other agencies than those which ordinarily, under the Reclamation Service, would make an investigation?

Mr. POINDEXTER. Not necessarily. It leaves that in the discretion of the Secretary of the Interior. For instance, General Goethals made an investigation of this project and a report on it, basing it very largely upon an investigation made by the State of Washington. If the Secretary of the Interior should choose to avail himself of the information which General Goethals has, he would have the opportunity to do so under this bill.

Mr. BORAH. That is the reason why I asked the question. I am simply seeking information. I am very much interested in this project, as all western men are.

Mr. WALSH of Montana. Let me state to the Senator from Idaho that the bill as originally proposed contemplated the creation of a commission consisting of three members, one to be appointed by the Secretary of the Interior, one by the Secretary of Agriculture, and one by the Secretary of Commerce; but the committee could see no reason why the investigation could not be most effectively carried on by the existing organization of the Reclamation Service under the direction of the Secretary of the Interior.

Mr. BORAH. Then, really all the bill does is to authorize a sufficient fund simply to make the investigation. They might make the investigation now if they wanted to do so?

Mr. POINDEXTER. I suppose they might. I may not be thoroughly informed on it, but my information is that the Reclamation Service does not undertake investigations of special projects. It certainly does not carry them on to the point of complete surveys without special authorization.

Mr. OVERMAN. What is meant by authorization? Does it mean that they will come to Congress at the next session and ask for an appropriation of $100,000 for this purpose? The bill authorizes but does not appropriate.

Mr. POINDEXTER. It does not appropriate.

Mr. OVERMAN. What is the reason of that? When does the Senator think an appropriation will be desired?

Mr. POINDEXTER. In case the bill shall pass the House of Representatives and become a law we will desire it as soon as the Appropriations Committee would approve it. It will have to go before the Committee on Appropriations.

Mr. OVERMAN. Yes; it is only an authorization.

Mr. WALSH of Montana. Perhaps a misunderstanding might arise by reason of something that was said in answer to an inquiry made by the Senator from Arkansas. Of course, before any project was entered upon it became necessary for the Reclamation Service to make an investigation as to whether or not a particular project was feasible. Having found certain projects feasible, those projects were entered upon and have been completed or practically completed. Those projects having taken all the available funds, and no more funds really being available for the purpose of prosecuting investigations, Congress has from time to time made meager appropriations to carry on investigations concerning the feasibility of other projects.

Mr. OVERMAN. I understand General Goethals has made an investigation of this matter. Who paid him?

Mr. WALSH of Montana. He was employed by private parties interested in the project, and the State of Washington has appropriated and expended $150,000.

Mr. OVERMAN. The State of Washington having made a thorough investigation, and General Goethals having done the same, why authorize an appropriation of $100,000 more to make an investigation?

Mr. WALSH of Montana. It is conceded, as I understand the matter, that Congress would scarcely care to enter upon the project without an official investigation made by its own agency.

Mr. OVERMAN. That is what I want to get at. Who is to make the investigation?

Mr. WALSH of Montana. The Secretary of the Interior.

Mr. ASHURST. Mr. President, in reply to the suggestion of the Senator from Arkansas [Mr. CARAWAY] as to no repayments being made of money advanced from the reclamation fund, the Reclamation Service reached its twentieth year on the 17th of June last, and during the first 19 years $171,996,476 were expended, and there have been repaid, in the first 19 years, $46,125,559.

I ask unanimous consent to include in the RECORD at this point a table showing the amount appropriated for each project, and the amount returned to the Treasury of the United States. I hope the bill will pass at this time.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE INTERIOR,
UNITED STATES RECLAMATION SERVICE,
Washington, D. C., August 6, 1921.

Hon. HENRY F. ASHURST,
United States Senate.

MY DEAR SENATOR: In the absence of Director Davis we duly received your letter of July 20, 1921, to him, requesting a revision of figures sent to you in 1919, showing the net investments in several Government reclamation projects.

When your letter arrived we were, for other purposes, compiling such data to the end of the last fiscal year, and as that is a convenient period to use, it seemed best to withhold reply until these figures were available.

I am now sending them herewith in a tabulation similar to the one returned with your letter.

You may recall that these figures were made up in this way originally by specific request from your office by telephone. They are not in the form that we would select for ordinary purposes of publication because there is danger that they will mislead.

In other words, the inclosed figures are bookkeeping data and involve considerable duplication that swell the totals and make these misleading unless there is given and read with them considerable explanation. For example, we are constantly transferring from one project to another machinery, equipment, and materials in order to work the greatest economy and efficiency in utilizing these.

To keep the books showing the investments in any particular project, it is necessary to include an agreed value for such things transferred from and to the project. Thus, the total investment for each project includes "transfers received" of such things, and the column "Reimbursements and credits" includes "transfers issued." On any particular project these two entries necessarily differ, and hence must be included to bring out the net investment for that project, whereas for all projects these items merely balance one another and swell the totals, aggregating upward of $8,600,000.

The figures given for total investments include cash disbursements from the reclamation fund, appropriations for "increase of compensation," and other special appropriations, such as that of a million dollars toward the cost of Elephant Butte Dam under the act of March 4, 1907; others for judgments of the Court of Claims, the funds for the Yuma auxiliary project, etc.

At the bottom of the table you will notice a number of other items added to bring the figures into agreement with our book totals. The "secondary projects" include a great number of possibilities that have been surveyed or examined from time to time in addition to the projects actually undertaken. For example, in Arizona this includes the San Carlos, San Pedro, Sentinel, and other propositions that will occur to you.

The item of "general expense" includes headquarters offices at Washington and Denver for administration, engineering design, and other purposes, legal services, and many other items that can not readily be allocated to particular projects except in bulk from time to time on the basis of expenditures or similar criteria. This item of general expense is the largest one included under the head of transfers already mentioned.

The item entitled "Indian projects" represents expenditures from the reclamation fund reimbursed by the Indian Bureau.

If you intend to publish these figures and want to avoid the possibility of misleading suggested above, you may want to use merely the figures of "net investment." In most cases we find that figures of cost rather than investment answer the questions in the minds of in-

quirers, and if you wish figures on a cost basis, or if we can otherwise be of further service in this connection, we shall be glad to do so.

Very truly yours,

MORRIS BIEN, *Acting Director.*

Reclamation projects investment to June 30, 1921.

State.	Project.	Total investment of United States.	Reimbursements and credits.	Net investment of United States.
Arizona	Salt River	$14,738,768.28	$4,800,610.32	$9,938,157.96
Arizona-California	Yuma	11,353,345.18	2,330,516.52	9,022,828.66
California	Orland	1,330,107.50	411,650.07	918,457.43
Colorado	Grand Valley	4,051,877.50	234,165.35	3,817,712.15
Do	Uncompahgre	7,873,432.32	1,214,326.00	6,659,106.32
Idaho	Boise	15,080,090.12	3,168,134.50	11,911,955.62
Do	King Hill	1,359,866.98	54,356.61	1,305,510.37
Do	Minidoka	8,866,272.26	4,038,517.85	4,827,754.41
Kansas	Garden City	402,424.80	69,063.14	333,361.66
Montana	Huntley	2,511,337.38	841,256.80	1,670,080.58
Do	Milk River	3,881,950.40	210,097.77	3,671,852.63
Do	St. Mary Storage	2,904,882.94	158,565.01	2,746,317.93
Do	Sun River	4,354,658.49	456,792.73	3,897,865.76
Do	Lower Yellowstone.	3,780,806.97	318,825.18	3,461,981.79
Nebraska-Wyoming	North Platte	14,240,256.48	2,960,317.42	11,279,939.06
Nevada	Newlands	7,691,341.87	1,349,537.06	6,341,804.81
New Mexico	Carlsbad	1,893,115.31	677,633.86	1,215,481.45
Do	Hondo	407,745.12	35,842.46	371,902.66
New Mexico-Texas	Rio Grande	12,963,441.23	1,746,396.42	11,217,044.81
North Dakota	North Dakota pumping.	1,584,033.21	519,601.59	1,064,431.62
Oklahoma	Lawton	(1)	(1)	(1)
Oregon	Umatilla	3,249,935.01	793,916.49	2,456,018.52
Do	Deschutes	2,041.83	7,407.29	5,365.46
Oregon-California	Klamath	3,986,187.17	990,872.96	2,995,314.21
South Dakota	Belle Fourche	4,413,894.12	1,012,666.36	3,401,227.76
Utah	Strawberry Valley	4,154,753.17	864,211.43	3,290,541.74
Washington	Okanogan	1,659,232.53	294,233.95	1,364,998.58
Do	Yakima	13,845,153.71	5,224,092.68	8,621,061.03
Wyoming	Shoshone	7,808,514.85	1,159,009.35	6,649,505.50
Do	Riverton	172,885.52	18,271.41	154,614.11
Various	Secondary	1,760,256.72	562,330.17	1,197,926.55
	Civil service, retirement and disbursement fund.	22,785.00	16,925.18	5,859.82
Subtotal		162,345,393.97	36,540,143.93	125,805,250.04
Wyoming	Jackson Lake enlargement.	(2)	(2)	(2)
General expense		6,181,268.14	6,015,817.56	167,450.58
Indian projects		3,145,052.66	3,145,052.66	
	Yuma auxiliary	221,774.18	424,080.63	(3) 202,306.45
	Drainage and cutover.	100,987.52	464.51	100,523.01
Total		171,996,476.47	46,125,559.29	125,870,917.18

(1) Included in secondary projects.
(2) Included in Minidoka project.
(3) The reimbursements exceed the investment.

The PRESIDENT pro tempore. The junior Senator from Washington asks unanimous consent for the present consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

Mr. POINDEXTER. There is a clerical error in line 22, page 2, where the word "commission" is used. I move to amend by striking out "commission" and inserting in lieu thereof the words "Secretary of the Interior," so as to read:

and the views of the Secretary of the Interior as to the general benefits—

And so forth.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McCUMBER. I ask that the Secretary report the amendment offered by the Senator from Utah [Mr. KING] to the amendment of the committee.

The PRESIDENT pro tempore. The Secretary will read the amendment to the amendment.

The ASSISTANT SECRETARY. On page 22, line 4, in the committee amendment, the Senator from Utah proposes to strike out "4," before the word "cents," and to insert in lieu thereof "2," so that if amended it will read:

Coconut oil, 2 cents per pound.

Mr. HARRISON. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Ashurst	Glass	McCumber	Shields
Ball	Gooding	McKinley	Shortridge
Borah	Hale	McLean	Smith
Bursum	Harreld	McNary	Smoot
Calder	Harris	Moses	Stanley
Capper	Harrison	New	Sterling
Caraway	Heflin	Newberry	Townsend
Cummins	Johnson	Norbeck	Underwood
Curtis	Jones, Wash.	Oddie	Walsh, Mass.
Dial	Kellogg	Overman	Walsh, Mont.
Edge	Kendrick	Pepper	Warren
Elkins	Keyes	Poindexter	Watson, Ind.
Ernst	King	Pomerene	Willis
Fernald	Ladd	Ransdell	
France	La Follette	Rawson	
Frelinghuysen	Lodge	Sheppard	

Mr. HARRIS. My colleague [Mr. WATSON of Georgia] is absent on account of illness. I ask that this announcement may stand for the day.

Mr. HARRISON. I wish to announce that the Senator from Nevada [Mr. PITTMAN] is detained on account of illness in his family. I will let this announcement stand for the day.

The PRESIDENT pro tempore. Sixty-one Senators have answered to their names. There is a quorum present. The question is on agreeing to the amendment proposed by the junior Senator from Utah [Mr. KING] to the amendment of the committee.

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The question now is on agreeing to the committee amendment.

The amendment of the committee was, on page 22, after line 3, to insert a new paragraph, as follows:

PAR. 50a. Coconut oil, 4 cents per pound; cottonseed oil, 3 cents per pound; peanut oil, 4 cents per pound; and soya-bean oil, 3 cents per pound: *Provided*, That such oils may be imported under bond in an amount to be fixed by the Secretary of the Treasury and under such regulations as he shall prescribe; and if within three years from the date of importation or withdrawal from bonded warehouse, satisfactory proof is furnished that the oil has been used in the manufacture of articles unfit for food, the duties shall be remitted: *Provided further*, That if any such oil imported under bond as above prescribed is used in the manufacture of articles fit for food there shall be levied, collected, and paid on any oil so used in violation of the bond, in addition to the regular duties provided by this paragraph, 3 cents per pound, which shall not be remitted or refunded on exportation of the articles or for any other reason.

Mr. GOODING. In paragraph 50a, page 22, line 6, after the word "pound" and before the word "*Provided*," I move to strike out the remainder of the paragraph.

Mr. LADD. Mr. President, I desire at this time to make a few observations with regard to the subject before us in connection with the matter of soap. I may say that I hope the amendment proposed by the Senator from Idaho to the amendment of the committee will be adopted.

As a matter of fact, according to the record there is only 4 per cent of the total soap produced in the country that is exported. The balance of the soap is used domestically. The total amount of imported soap is less than 1 per cent, and one-half of that is castile soap. In 1911 there was exported, in round numbers, from this country $4,000,000 worth of soap. In 1918 it had risen to $13,000,000, in 1919 to $21,000,000, and in 1920 it was $19,000,000. That is the latest information I have.

The soap manufacturer has enjoyed a duty on soap continuously, and he has at the present time, under the bill, a proposed duty of from 5 to 50 per cent ad valorem on all the soap that is imported into the country, and yet he has objected. However, the objection has come mainly from the producers of laundry soap and from the laundrymen themselves to a tariff duty on the vegetable oils.

I call attention again to what was stated in the editorial from Wallace's Farmer, which I placed in the RECORD yesterday, wherein it was stated:

The United States can produce her own fats. We don't want to make the mistake of Germany and build up an agriculture which in time of war can not be rapidly modified to furnish our full supplies of fats at home. Our soap manufacturers should be taught again to depend as largely on the fats and oils coming from American farms as they did before the war.

It further said:

It is more important that there be a tariff of 2 or 3 cents a pound on those tropical fats and oils that are used for nonedible or soap purposes than that there be a tariff of 3 or 4 cents a pound on the edible fats and oils. As a matter of fact, there is enough coconut oil coming in free from the Philippine Islands every year to supply the demand for edible fats and oils. Even more important than the tariff on hides is the tariff on tropical oils used for soap purposes.

Mr. President, in 1912 the soap manufacturers were using 35 per cent of vegetable oil and 65 per cent of animal and fish oils. Of this amount 17 per cent was cottonseed oil, but in 1917 the amount of cottonseed oil had fallen to 9.4 per cent of the total amount used. Coconut oil is rapidly displacing other oils, not only in soap making but as a substitute for cottonseed oil, peanut oil, and corn oil in butter substitutes, in lard, and various other preparations.

In 1912 we imported only 32,000,000 pounds of coconut oil. Before that time it was an industry that was practically negligible. In 1919 of coconut oil we were importing 490,000,000 pounds. Of soya-bean oil in 1912 we were importing 28,000,000 pounds, and before that time it had been practically a negligible quantity. In 1919 we were importing 337,000,000 pounds. In other words, from 1912 to 1919, inclusive, there was an increase in the amount of coconut and soya-bean oil of 767,000,000 pounds. This was used to displace oils produced in this country.

In butter substitutes in 1912 coconut oil only constituted 1½ per cent of the total amount used. In 1918 coconut oil in butter substitutes constituted 49 per cent, or practically one-half of all the butter substitute was coconut oil. Cottonseed oil in 1912 in the manufacture of butter substitutes constituted 83 per cent, but in 1918 it had fallen to 29 per cent, being displaced by the oriental cheap oils.

Of lard substitutes in 1912, 22 per cent was cottonseed oil. In 1918, 83 per cent was used of cottonseed oil and the balance of coconut oil.

The use of peanut oil is rapidly increasing, as is the use of coconut oil and soya-bean oil rapidly increasing, in the amount that is used in this country to displace the other oils that can be and are produced here.

I wish to place in the RECORD a letter from the Detroit Reduction Co., of Detroit, Mich., or a portion of the letter, wherein they say:

> The proviso above quoted is the amendment which the Senate committee has placed in the bill that we are interested in having eliminated.
>
> The soap and candle makers who use large quantities of vegetable oils would naturally import these materials under bond as provided by this amendment, but when the oils are once in their factories it will be difficult to tell what proportion will be used for nonedible products and what amount will go into edible products.
>
> You will note that, as the amendment is written, three years may elapse from date of importation or withdrawal from bonded warehouses before proof need be offered to the Treasury Department as to the use of the oils. In my judgment, it would be very difficult for anyone to trace these oils after three years had elapsed. For this reason I think we are justified in asking that the amendment be stricken out and the tariff on vegetable oils be left in.
>
> You will further note that there is nothing in the whole paragraph which contemplates that these oils will be used in the manufacture of products here and then reexported. While this may be an argument used by the soap makers, it is surely not provided for in the bill; in fact, the interests that are working hardest for free oils are the importing and exporting houses. They, however, merely figure that the oils would pass through the country and they would get their commission for handling the same. This would in no way help American manufacturers.
>
> What we are asking is that the duty be placed on the vegetable oils in question, because they come in direct competition with garbage grease and greases produced by small rendering plants throughout the United States. It should be further made clear that if there is no duty on vegetable oils used in the manufacture of soaps and candles, for which purpose garbage grease and other low-grade greases are used, that then it will destroy the industry in which garbage-grease producers are engaged and in which our capital is invested.
>
> Stating the case plainly, therefore, the question of issue is: Are we going to allow Japan and China to ship large quantities of vegetable oils to the United States, free of duty, and in so doing ruin a business to furnish a very liberal supply of low-grade greases for the soap and candle makers?
>
> The case would also be different if the vegetable oils in question were imported from France, Belgium, Italy, or other European countries who are in debt to us and in need of help, but this is purely a product coming from the Orient.
>
> The result would be that the oriental countries, where labor is very cheap, will ship their oils in here to the detriment of those engaged in the reduction of garbage and the recovery of grease therefrom merely to satisfy the demand of a few export and import houses and a number of soap and candle manufacturers.

THE SOAP MAKER AND THE FARMER.

The manufacturer of soaps, Mr. President, is not consistent. He pretends to be favorable to protection for the farmer producing oils like cottonseed oil, corn oil, peanut oil, and soya-bean oil, and it would seem for propaganda purposes offers the farmer an apparent protection on these oils and thereby closes the front door against importation of free oils, but cunningly provides that the back door shall be left open so he can slip in, unobserved, through this back entrance and, "blind pig" or "bootlegger" like, be permitted to have unmolested his protected graft while the farmer, as in the past, continues to pay the bills and is being forced out of farming by competition with cheap oriental labor, and this that the soap maker may continue to profit and prosper. To put an apparent tax on coconut oil and then let in free copra is no protection, and will not long mislead anyone. I shall, therefore, move to make the necessary change when we come to copra. The Senator from Idaho [Mr. GOODING] has already moved to strike out the paragraph that would permit the introduction of coconut oil and soya-bean oil free.

I can not see why oils should be admitted free for soap with which to wash the hands while oils to be used as foods for the stomach should be taxed.

Mr. President, those who try to mislead the public by such a course are not on tenable ground. The soap manufacturer has big protection—on castile soap 15 per cent ad valorem; on toilet soaps, perfumed, 50 per cent ad valorem; on medicinal soaps 20 per cent; and on unperfumed toilet soaps 10 per cent. Even on all other soaps of the cheapest grade he has a protection of 5 per cent ad valorem, yet the soap manufacturer is flooding the country with propaganda against protecting the farmer in order that the soap manufacturer may continue to swell his profits. This is not justifiable.

If we do not intend to afford the farmer a modicum of protection, then let us say so; but let us not try, by this means, to mislead him, for his memory is good and his retaliation will be lasting.

I advise my good friend, the Senator from New Jersey, to inform the soap manufacturers that they do not come into court with clean hands, for they are not interested in seeing that the farmer, the producer of vegetable oils, gets a fair price for his product, but rather that the users of vegetable oils for soap making and other purposes get cheap raw material in an unprotected market produced by cheap oriental labor, in order that the soap manufacturer may have a full dinner pail and an opportunity for European travel, while the farmer is forced to the verge of bankruptcy and compelled to live as do the peasants of the competing nations.

I note from the Manufacturers' Record of Baltimore, under date of May 25, 1922, their editorial view.

I call attention to the fact that the Manufacturers' Record is not a western magazine; it is not a magazine that is supporting the agricultural interests of this country; but is a manufacturing journal which is published in Baltimore, Md., and ordinarily supports the manufacturing interests; but here is what is said editorially by that magazine:

> For years the soap makers have enjoyed protection under Republican and protective tariff laws alike. This protection has been high as 20 per cent ad valorem for common soap, while raw materials had no protection at all. But now, when the farmers demand that they also be given consideration, the soap makers first urge Congress to give them only 5 per cent protection and the raw materials nothing at all; and then, when that appears dubious, aver that they would rather not have any protection at all than to have to let the farmers have it, too. That is, the makers of common soaps, for it is not controverted that the makers of the fancier soaps always want and get protection.
>
> Our contention is that such a change of policy by the soap makers, after they have enjoyed years of prosperity under tariff protection, is unmoral if not immoral. We are not experts in the ethics of selfishness, but we do know that the agricultural industry in the United States is more important than the soap industry, and we do know that it is more important that American vegetable oils sell in a protected market than that some soap makers sell some of their product in foreign lands. Not that the alternative exists, for we are quite confident that America will export soap even after vegetable oils are protected.

As has been the case, I may say, during the period of the emergency tariff. Again, the editorial says:

> The position of the soap makers appears to be quite clear—they were willing enough to have tariff protection, and have had it for years, but the moment it is proposed to give tariff protection also to the manufacturers of raw materials, namely, the farmers who produce vegetable oils, why these same soap makers come into court and say, substantially, "Oh, well, in that case, rather than have the other fellow protected, we'll do without protection." They are not against protection for their product; they are only against it if the producer is also to get protection. There is a condition precedent to their enthusiasm for free trade. Indeed, they are not for free trade in soap at all.

How about the soap manufacturer of the past as compared with the farmer? The article says further:

> But how long has it been since the soap makers began to think that possibly the cheaper soaps did not need much protection? In the act of 1909, when the agricultural bloc had not made protection of vegetable oils a real issue and they were coming in for the most part free, we find that these soap makers were getting 20 per cent ad valorem. It may be assumed that they asked for this high preferential and that it was not crammed down their throats. And makers of fancy soaps were getting as high as 50 per cent protection. Also, when Mr. UNDERWOOD wrote his free trade tariff law, the soap makers somehow managed to get 5 per cent on common soaps and as much as 30 per cent on perfumed soaps, while the makers of vegetable oils, the farmers, were getting nothing.

Let us see what the editorial thinks would be a fair deal for the farmers—and bear in mind all this comes from a journal published not in the interests of agriculture but it comes

from the Manufacturers' Record, published in the interests of the manufacturers. They conclude:

It would be good policy now for the soap makers to let the farmers have some of the same medicine which has made the soap makers themselves prosperous—that is, protection. We wonder how any sane American should want conditions otherwise. For instance, the emergency tariff act has made the peanut-growing industry again profitable in the United States. We think that is a fine achievement, and so do many farmers whose lands, ruined for cotton by the boll weevil, still have a living in them unless the soap makers are allowed to patronize the coolies of China rather than their own fellow citizens.

We had better be fair and give the American farmer a chance to supply raw material if we expect him to purchase the highly protected manufactured products.

I feel, Mr. President, that the tariff as proposed by the committee in this instance is justifiable and that the amendment proposed by the Senator from Idaho should prevail.

Mr. TOWNSEND. Mr. President, will the Senator from North Dakota yield for a question?

The PRESIDING OFFICER (Mr. BURSUM in the chair). Does the Senator from North Dakota yield to the Senator from Michigan?

Mr. LADD. I yield.

Mr. TOWNSEND. My understanding of this provision is that it is not a drawback provision, under which duty is to be paid on goods admitted in bond and then to be rebated when the goods are exported, but that it simply applies to goods shipped here in bond, and then the Government will have to go to trouble and great expense, and with the probability of failure, of detecting what is used for edible purposes and what is not?

Mr. LADD. That is correct; and it is practically, in my judgment, impossible to enforce such a provision.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Idaho [Mr. GOODING] to strike out the proviso beginning in line 6 on page 22.

Mr. FRELINGHUYSEN. Mr. President, the Senator from Idaho [Mr. GOODING] has moved to strike out the proviso inserted by the committee allowing a drawback or remittance of the tariff rates imposed on vegetable oils when such oils are used in industry. The situation confronting the committee was this: Vegetable oils prior to the emergency tariff act had been on the free list. The emergency tariff law placed a duty of 2 cents on soya-bean oil and on other vegetable oils which are not produced in this country. I felt, in view of the fact that there was no evidence before the committee that there was any prospect of any of these oils being produced in this country and none of them having ever been produced here, they should remain on the free list; but those who wish this protection for the farmer of the West, not realizing the tremendous ill effect it will have upon other products which vegetable oils take the place of, asked that a duty be placed upon vegetable oils because coconut oil is used in filled milk and soya-bean oil in oleomargarine, and to some extent replaces linseed oil. There was no evidence before the committee that these vegetable oils to any great extent are employed in the manufacture of edible food products, such as milk and oleomargarine, but that the vegetable oils imported from the other side are utilized to the extent of practically 85 per cent in industries which have a capital of nearly $400,000,000 and provide employment for nearly 50,000 wage earners. Therefore, there being no prospect in sight of the production in this country of these vegetable oils, except here and there, I took the position that to impose this duty upon the industry in a case where protection was not needed was unwise, unsound, and uneconomic, and simply amounted to a tax upon the soap-making industry, which is entitled to consideration. Those engaged in that industry are taxpayers; they are employers of labor, notwithstanding the fact that they have been criticized and derided on this floor. The linoleum manufacturers are also equally entitled to consideration, as are the tire manufacturers and the paint manufacturers. There is a crushing industry in this country that is entitled to live; and when a tax is put upon vegetable oils simply from caprice, I claim that it is the duty of the Committee on Finance of the Senate to relieve that condition.

Acknowledging the claim of the farmers that to some extent adulteration might be practiced, although soya-bean oil is not edible, and recognizing the fact that probably some of the oleomargarine products might compete with butter, the dairy farmer's product, the committee provided that wherever these oils were imported for edible purposes the duty should be imposed, but that where they went into the industries they should be admitted in bond and the tariff remitted.

Mr. TOWNSEND. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Michigan?

Mr. FRELINGHUYSEN. I yield to the Senator.

Mr. TOWNSEND. In order to get the matter clear in my own mind, do I understand the Senator to say that there was no evidence before the committee and that there is possibly no evidence now before the Senate that coconut oil and soya-bean oil can be produced in quantities in the United States?

Mr. FRELINGHUYSEN. Yes, sir. The raw material is not available in the case of soya-bean oil. The copra is imported from the South Sea Islands and is crushed to a certain extent in the oil-crushing industry of the country, and coconut oil is produced in that way where the raw material is imported. Of course, the Senator knows that as far as the Philippines are concerned, 85 per cent, I think, of our coconut oil that is imported comes from there, and that if the coconut oil is admitted free this tariff does not reach that and can not reach it, owing to our understanding with the Philippines, and that if the use of coconut oil in filled milk is to be prohibited it can be done only by Federal legislation or by State enactment. Many of the States are passing laws against filled milk because, I am told, it is to a great extent adulterated, but we can not by this tariff law prevent the use of coconut oil in filled milk, because it comes in from the Philippines free. I will ask the Senator from North Dakota if that is not so?

Mr. LADD. Mr. President, coconut oil comes in from the Philippines, and naturally, the Philippines being a part of the United States, it comes in free, and that is enough to supply the domestic needs of this country for replacement oil. It is now replacing very largely the oils—corn oil, peanut oil, and cottonseed oil—that are produced in this country.

I shall have to differ somewhat in one respect from the Senator, however, when he says that soya-bean oil is not edible oil. It is used largely as a food product and is used already in a few preparations in this country after it is properly treated.

Mr. FRELINGHUYSEN. After it is rerefined.

Mr. LADD. Yes. It all has to be refined.

Mr. FRELINGHUYSEN. Does the Senator know to what extent it is used in edible products in this country?

Mr. LADD. No; we have not been able to learn to what extent it is used.

Mr. FRELINGHUYSEN. Do not the records show that during the war only about 8 per cent of the importations, which were very large, were utilized for food products?

Mr. LADD. I presume the Senator may be right. I have not the figures.

Mr. FRELINGHUYSEN. The truth of the matter is, Senators, that soya-bean oil is not edible in the United States, and is not used here as food; but Europe uses it, and it uses coconut oil.

Mr. LADD. Coconut oil, if I may say so to the Senator, is used largely as a food product here. Forty-nine per cent of our oleomargarine to-day is coconut oil.

Mr. FRELINGHUYSEN. Yes; and they use all of the oils. The point I am making is that if you close the market by a duty of 4 cents on coconut oil and 3 cents on soya-bean oil, you drive those oils right back into Europe, where they are utilized, and you force your cottonseed export oil right back into this country.

The statement has been made, and sincerely, by the Senator from North Dakota [Mr. LADD] and the Senator from Idaho [Mr. GOODING] that a soya-bean crushing industry can not be built up in this country. I read from a letter from the United States Department of Agriculture which said that soya-bean oil had not been produced to any great extent in this country since 1918 from American beans. In that connection, because I am convinced that we are chasing shadows in the belief that a soya-bean oil industry can be built up in this country, I ask to have read the letter which I send to the desk from one of the southern crushers.

The PRESIDING OFFICER. In the absence of objection, the Secretary will read as requested.

The reading clerk read as follows:

SOUTH CAROLINA COTTON SEED CRUSHERS' ASSOCIATION,
Columbia, S. C., June 26, 1922.

Senator J. S. FRELINGHUYSEN,
Washington, D. C.

DEAR SENATOR: Absence from my office has caused my delay in answering your letter of the 17th. However, I hasten to reply.

About five years ago when it was realized that the boll weevil was about to make its advent into South Carolina, and would destroy a large part of the cotton crop, oil-mill men who had their money in oil-crushing mills began to look around to find a substantial crop that would bear oil-bearing seed. After making a thorough study, as we thought, of the various plants that might be used, we concluded that the soya beans offered the most.

A committee was appointed from the association to make a tour through the eastern part of North Carolina for the express purpose of studying how soya beans were grown and with what success they were used as oil-crushing material. We were very favorably impressed with the crop of soya beans in the eastern part of North Carolina.

There is no doubt about growing the beans. It is indeed a wonderful crop. We were so impressed that the association, itself, put quite a large tonnage of seed for distribution to the oil mills and to the farmers of the State for planting, hoping to gradually substitute this crop for cotton.

The result, however, of our efforts were sorely disappointing. Crops were grown all right. Good yields made, but the difficulty was in harvesting them. The nature of the bean is such that the entire crop in the field will ripen within a few hours, and is so ripe that the pods break open and the beans scatter on the ground.

I do not believe that 10 tons of beans were harvested. And the crop, so far as it being a money crop was concerned, was an absolute failure. It is a great crop to grow for cattle feed, but for oil purposes it is, in my opinion, a failure in this country.

It is my understanding that soya beans that come from the Far East, Manchuria particularly, are hand picked by cheap labor, which makes the crop entirely too expensive to be grown for oil-milling purposes here.

I do not know of any farmers who planted the beans at our suggestion who put them in the second year.

This brief statement is the experience that the South Carolina crushers had with its efforts to introduce this crop. When millmen are discussing the short supply of cotton seed and the possibilities of substituting oil-bearing seed, soya beans are not mentioned.

I trust what I have written above answers your inquiry.

Yours truly,

W. B. WEST, *Secretary.*

Mr. GOODING. Mr. President, if the Senator will allow me——

Mr. FRELINGHUYSEN. I yield to the Senator from Idaho.

Mr. GOODING. I should like to say to the Senator from New Jersey that yesterday I placed in the RECORD an article from the Country Gentleman telling the story of the soya-bean development in Illinois and Ohio, and it gives a complete story of the improved machinery which they are now using, and how they are saving the beans from being scattered on the ground, and how it is a money crop. If the Senator will be kind enough to read that article I am quite sure he will agree that the soya-bean industry in this country is going to be a great industry if it is properly protected, and if he thinks it is going to be a great industry I believe he would like to see it protected.

Mr. FRELINGHUYSEN. Mr. President, I do not believe it is going to be a great industry, because I do not believe that the farmers of the West will raise, with their other crops, sufficient of these beans, nor do I believe that the capital will be employed to crush them. They can raise other crops more effectively, and I think we are simply trying to protect an infant industry in prospect when the infant has not been born.

In order to procure more information I wired Swift & Co. on June 21, asking them the questions embodied in the telegram which I send to the desk and ask to have read.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

The reading clerk read as follows:

JUNE 21, 1922.

SWIFT & Co., *Chicago, Ill.:*

Will you please advise me if, in your opinion, the products—oil and cake—resulting from the crushing of a ton of soya beans are as valuable as those resulting from the crushing of a ton of cotton seed, and if, as oil millers, you could pay as much per ton for soya beans as you could pay for cotton seed?

J. S. FRELINGHUYSEN.

Mr. FRELINGHUYSEN. I ask that the reply may be read.

The PRESIDING OFFICER. The Secretary will read as requested.

The reading clerk read as follows:

UNION STOCK YARDS, ILL., *June 22, 1922.*

Hon. J. S. FRELINGHUYSEN,
Washington, D. C.:

Answering, our opinion oil millers could not pay as much for soya beans as cotton seed, as products manufactured from soya beans are not as valuable as from cotton seed.

SWIFT & Co.

Mr. FRELINGHUYSEN. Mr. President, yesterday my good friend the Senator from Idaho [Mr. GOODING] placed in the RECORD an article, which appears on page 10131 of the RECORD, from the Norfolk Ledger-Dispatch of Tuesday, June 30, 1922, in connection with my criticism of the 2-cent duty on soya-bean oil contained in the emergency tariff bill, which the record showed had resulted in a reduction of the imports from 195,000,000 pounds in 1920 to 2,000,000 pounds for the three months since the emergency tariff went into effect. The Senator tried to show that great importations were coming in and had this article read. I ask that the telegram which I send to the desk be read to go in the RECORD.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

The reading clerk read as follows:

NEW YORK, N. Y., *July 11, 1922.*

Senator J. S. FRELINGHUYSEN,
United States Senate, Washington, D. C.:

I understand that Senator GOODING yesterday read into the RECORD from a Norfolk newspaper describing the enormous amount of revenue the Government would receive from 1,800 tons bean oil imported into Norfolk. If that is so, I would ask you to kindly call the attention of the Senate to the facts in the matter, which are as follows: At a personal interview which I, as well as other representatives of the vegetable-oil industry, had with Senator GOODING, at which we complained about the detrimental effects that the emergency tariff bill had had on prices for cotton oil due to Europe getting complete control at its own price of oriental soya-bean oil after American competition had been eliminated, Senator GOODING suggested as a cure that we try to import soya-bean oil and reexport it under drawback and thus break Europe's control. The soya-bean oil referred to as imported in Norfolk has been imported by my company and is the only lot of soya-bean oil that we have bought for importation since the adoption of the emergency tariff bill. It has been imported for the very purpose of experimenting on reexportation under drawback, as with prevailing emergency duty added to the foreign cost it becomes absolutely impracticable to import it for technical use into this country. This oil has all been placed in bonded tanks and we made application yesterday for withdrawal of a first part of same, which, after being refined, will be exported to Canada, where we have sold it. We hope to work off the balance the same way to Canada and Europe, but are afraid that it will be our first and last importation of this kind, because Government regulations for drawback appear to be too costly to allow us to compete with other countries, notwithstanding our better and cheaper refining cost.

JOHN ASPEGREN,
President Portsmouth Cotton Oil Refining Corporation, Portsmouth, Va.

Mr. FRELINGHUYSEN. Mr. President, I want to give the farmers all of the protection necessary, but when they are trifling in this way with one of the greatest commercial products which they produce I believe that my position upon this question is absolutely sound.

In amount, edible fats are one of the greatest products of the farmers of this country, and if we are to put on a tariff simply through caprice or because we believe it affects some other product remotely, and at the same time destroy or impair our great export trade in cottonseed oil and hog lard, I believe I am protecting the farmer better when I say these oils should come in free, and not continue to be distributed in Europe to displace the hog lard and the cottonseed oil which the American farmer raises.

If the Senate is going to adopt this amendment and put this duty on vegetable oils, the result will be observed in the future and closely studied, and I want to put in the RECORD to-day a statement of the danger to the great productive areas of the West by reason of the fact that they are putting up these products in competition with their own home products which are exported to Europe.

In order to understand the position of the United States and American farmers in the world's edible oil trade, it is necessary to understand the position of this country as a producer, exporter, and importer of all kinds of vegetable oils and animal fats. What is our position? We are the largest producers of the highest grade edible oils and fats in the world. We produce the very choicest quality, and of these prime edible oils and fats we produce more than all of the other nations of the world combined.

The statistics which I have here show that for the past eight years our average yearly production, imports, and exports have been as follows:

	Pounds.
Hog lard, edible:	
Our average yearly production	1,900,000,000
Our average yearly imports	None.
Our average yearly exports	559,000,000
Neutral lard, edible:	
Our average yearly production	73,471,973
Our average yearly imports	None.
Our average yearly exports	21,290,000
Cottonseed oil, edible:	
Our average yearly production	1,391,934,375
Our average yearly imports	14,302,569
Our average yearly exports	203,954,624
(NOTE.—Imported variety noncompetitive inedible.)	
Oleo oil, edible:	
Our average yearly production	136,552,000
Our average yearly imports	None.
Our average yearly exports	92,643,000
Oleo stearin, edible:	
Our average yearly production	69,228,334
Our average yearly imports	None.
Our average yearly exports	23,687,334
Peanut oil, edible:	
Our average yearly production (principally from imported peanuts)	39,967,125
Our average yearly imports	47,170,750
Our average yearly exports	1,027,625
NOTE.—Imported variety also used for industrial purposes.	
Corn oil, edible:	
Our average yearly production	103,758,000
Our average yearly imports	None.
Our average yearly exports	36,872,000
Tallow, edible:	
Our average yearly production	38,365,000
Our average yearly imports	None.
Our average yearly exports	None.
Olive oil, edible:	
Our average yearly production	685,412
Our average yearly imports	49,327,333
Our average yearly exports	59,575

From these prime edible oils and fats we manufacture great quantities of products or derivatives, such as vegetable lard, vegetable stearin, and oleomargarine.

We can not take into account the production of these derivatives, because that would result in the duplication of the quantities of the prime oils and fats from which the derivatives are made, but we must take into account the exports of these derivatives, as in the exportation of them large quantities of the prime vegetable oils and fats were exported from the country.

	Pounds.
Vegetable lard, edible:	
Our average yearly production	1,156,084,750
Our average yearly imports	None.
Our average yearly exports	59,417,375

Mr. KING. Will the Senator kindly state the article of which the exports were 59,000,000 pounds?

Mr. FRELINGHUYSEN. Edible vegetable lard. I presume that is cottonseed-oil lard.

	Pounds.
Oleomargarine, edible:	
Our average yearly production	227,626,000
Our average yearly imports	None.
Our average yearly exports	9,615,167
Vegetable stearin, edible:	
Our average yearly production	23,819,334
Our average yearly imports	None.
Our average yearly exports	2,774,667

We are exporting tremendous quantities of our high-grade edible vegetable oils and animal fats.

Our annual production is approximately 3,400,000,000 pounds of these choicest edible oils and fats, and our exports are approximately 1,000,000,000 pounds annually. We have a tremendous exportable surplus of our high-grade edible oils and fats.

INTERCHANGEABILITY.

Mr. President, the vegetable oils and fats which we produce are all interchangeable in usage.

Salad oils are refined cottonseed oil, refined corn oil, refined peanut oil, or olive oil.

Vegetable lard and animal lard are used interchangeably. Vegetable lard is made principally of cottonseed oil, neutral lard, edible tallow, and oleo stearin, but peanut oil or corn oil can be used instead of the cottonseed oil.

Oleomargarine is made of oleo oil, neutral lard, cottonseed oil, peanut oil, corn oil, coconut oil.

All of these high-grade edible oils and fats may be considered as one homogeneous product. They are inseparably joined in market relationship.

Linseed oil is not interchangeable in usage with this great group of edible oils and fats, and from a tariff standpoint it is no more associated with the tariff problem as it relates to other vegetable oils than petroleum. The Senator from North Dakota [Mr. LADD] stated that linseed oil was in a separate department.

Mr. President, American farmers are producing approximately 500,000 tons more of edible oils and fats than we consume. Our cotton growers, corn growers, hog raisers, and cattle raisers are aggressively invading the consuming countries of Europe with their great surplus of edible oils and fats. We dominate the world's markets for high-grade edible fats, and our entire price structure is on an international basis. We must sell our exportable surplus of edible oils and fats in the markets of Europe in competition with the foreign surpluses of animal and vegetable oils produced by other agricultural countries.

Mr. SIMMONS. May I ask the Senator if he has carried out his calculations sufficiently to be able to tell us what proportion of these oils and fats is exported in the aggregate, and what proportion is consumed in this country? I do not mean as to any particular one of these many varieties of oils, but the proportion of all of them combined.

Mr. FRELINGHUYSEN. Before the Senator asked me the question I read that approximately the 500,000,000 pounds of edible oils and fats we consume are produced here.

Mr. SIMMONS. That includes them all?

Mr, FRELINGHUYSEN. I think that includes them all. I had a mass of figures, and I compiled them by taking the totals.

Mr. SIMMONS. We consumed, then, about 500,000,000 pounds of these various oils and fats. How many pounds do we export?

Mr. FRELINGHUYSEN. That would indicate, as I stated before, that we exported 1,000,000,000 pounds.

Mr. SIMMONS. We exported twice as much, then, as we consumed?

Mr. FRELINGHUYSEN. Our annual production of all of these edible products and their derivatives is 3,400,000,000 pounds, and our exports are approximately 1,000,000,000 pounds annually.

Mr. SIMMONS. We produce 3,000,000,000 and export 1,000,000,000?

Mr. FRELINGHUYSEN. We produce 3,400,000,000, according to the figures I have had compiled.

Mr. SIMMONS. The Senator has just made a very illuminating statement. He said a moment ago, before I interrupted him, that these oils and fats were upon a world basis of price; that is to say, that the price of the exportable surplus controlled and regulated the price of the domestic consumption. Am I correct in that statement?

Mr. FRELINGHUYSEN. As I understand it, the Senator is. That was the statement I made. I am informed that the prices of these oils are practically made by a group in Europe, and they are internationally uniform. It is somewhat similar to the price of wheat. I think generally the export price is the price on the Liverpool market.

Mr. SIMMONS. Then the effect of the Senator's statement is that where we export one-third of our domestic production, the price is fixed in the world market?

Mr. FRELINGHUYSEN. In this particular instance.

Mr. SIMMONS. Even as to the part that is consumed at home. If that be true, I desire to inquire of the Senator if he can see any reason why there should be a duty upon any of these products?

Mr. FRELINGHUYSEN. I stated that I firmly believe that the attitude of previous Congresses in admitting free the vegetable oils which are not produced here was a good policy. I also stated that I had not been convinced that our farmers intend to raise sufficient of the raw materials, the vegetables, to press these oils necessary to supply the domestic market. Therefore I believe that they should be free. But I also pointed out what the claim of the farmers of the West was. I want to say at this point that I believe the farmers have never had sufficient consideration by previous Congresses, and that they are entitled to protection where the industry is established and where it exists. I have religiously voted for these duties to protect the farmer.

Mr. SIMMONS. Mr. President——

Mr. FRELINGHUYSEN. I have not finished my statement. If those products were displacing certain dairy products and would give a larger market for the products at home, I was perfectly willing that a tariff should be imposed to keep the vegetable oils out of the edible products, but that I firmly believed it to be unwise to penalize an industry simply from sentiment; and I want to say there is a sentiment or a prejudice against these vegetable oils. But the larger question that impressed me was the fact that when we put a duty on these oils and do not give an outlet and allow them to be absorbed in the industries, we back them up in central Europe, and it backs up our hog lard and cottonseed oil products here and I do not think that is fundamentally sound in tariff making.

Mr. SIMMONS. Does the Senator think that it is a sound proposition to penalize one industry for the benefit of another industry?

Mr. FRELINGHUYSEN. I did not hear the Senator's question.

Mr. SIMMONS. The Senator said a moment ago that it might be to the interest of our dairy products to impose duties upon the oils of which he has spoken. I ask the Senator if he thinks we should impose a duty upon one domestic product for the benefit of another domestic product. Is that a Republican theory of tariff making?

Mr. FRELINGHUYSEN. I am not going to indulge in the philosophy of the question.

Mr. SIMMONS. I was not asking the Senator the question in any captious spirit.

Mr. FRELINGHUYSEN. I wanted to see these oils admitted free, but the committee believed in their judgment, where there was adulteration, as it had information that there was, and where the farmers' products were being displaced to a certain extent by an inferior product, that it was a good policy to impose a duty.

Mr. SIMMONS. I will state to the Senator why I asked the question. I did not know whether it was true or not, but I have heard it stated, and the Senator being a member of the majority of the committee I am trying to ascertain the facts, that it is proposed to put these high duties upon the oils and the nuts out of which the oils are made not in the interest of the oil industry, not because the oil industry was asking it, but because it was thought that the oils come in competition with the dairy products of the country, and it was proposed to place this obstacle and this handicap upon that industry for the benefit of the dairy industry of the country. I was intending to ask the Senator, if that were true, if any part of the purpose of imposing these high prohibitory duties upon these oils and fats which are imported was to protect the dairy industry from competition with those products, does the Senator think that that is a proper exercise of the tariff levying functions of the Congress? Does not the Senator think that

would be using the protective principle for the purpose of discriminating in favor of one domestic industry as against another domestic industry? Has protection advanced to that point in the United States?

Mr. FRELINGHUYSEN. Of course the Senator has asked me a very complex question. We made tariffs, I recollect, in the Underwood bill as to certain manufactured articles, where duties were imposed against articles because they replaced certain articles which were manufactured or produced here. I think that has not been a new thought.

Mr. SIMMONS. This is not a case of replacing certain articles that we produce. It is a case of displacing one article that we produce by another article that we produce; that is, not permitting the consumer in this country to determine the question of which one of those two articles he prefers.

Mr. FRELINGHUYSEN. That is true.

Mr. SIMMONS. As I understand the proposition, it is to settle the question for the consumer in the bill and say to him that we desire and intend that he shall buy dairy products to supply his demands and not vegetable oil products and to coerce him into deciding in favor of one American industry as against another we put a high duty upon vegetable oils because they compete with the dairy products.

I will say to the Senator that there has been legislation here and about this very subject which I have thought ever since the day of its passage—in fact, since I was a Member of the Senate—was one of the most iniquitous pieces of legislation ever written upon the statute books.

Years ago when I first came to the Senate the question of imposing a tax of 10 cents upon oleomargarine was one of the live questions of the day. I was a member of the Committee on Agriculture and Forestry at the time, and the first speech that I made in this Chamber was in earnest opposition to that tax. It was upon the ground that the tax was manifestly and admittedly levied for the purpose of discriminating against the product of the cottonseed producer and in favor of the product of the dairy farm. It was discriminatory legislation, which was not justified, and I think there are very few people in the country who have attempted to justify it. It was the dominating influence of a particular industry in the country that forced Congress into that legislation.

As I understand the Senator, one of the chief purposes of imposing these high duties upon the foreign nuts and foreign oils is to protect not the manufacturers of those oils and the growers of those nuts in this country but primarily to protect the dairy interests of the country from competition with those products. I say if that is the thought in this legislation it is wholly indefensible. It is an application of the protective-tariff system to discrimination among the domestic industries of the country. It is arraying one American industry against another American industry. It is protecting through the tariff the products of one section of the country in favor of the products of another section of the country. It is protecting the product of one American industry against the product of another American industry, whereas protection as originally expounded and as interpreted until the present day, I think, without exception, has been, as alleged by its advocates, for the purpose of levying taxes to protect American industry against foreign industry.

I did not ask the Senator the question in any captious spirit. I think that he and I agree pretty well—not altogether, possibly, but in the main—with reference to the imposition of the duties upon oils and nuts. I was asking the question for the purpose of securing information. I want to find out if that is one of the reasons or if that was the chief reason for increasing the duties up to the high rate provided in the bill. Is it to protect the dairy industry against the vegetable-oil industry of the country? Is it to protect the dairy industry of the country against the products of cotton seed and the products of peanuts and the products of soya beans? If it is, I would like to know upon what principle of tariff protection it can be justified. Nothing more vicious or more un-American has ever been advocated here, if, indeed, that is the reason for the proposed high rates.

Mr. FRELINGHUYSEN. Mr. President, the Senator knows that I am simply trying to defend the position of the committee with regard to the drawback clause. But I should like to ask him a question before I answer the question which he propounded to me. Did the Senator vote for a tariff duty of 2 cents on soya-bean oil in the emergency tariff act?

Mr. SIMMONS. Mr. President, I voted for nothing in the emergency tariff act.

Mr. FRELINGHUYSEN. If the Senator did not vote for that 2-cent duty in the emergency tariff act, I can not answer his question. But I have this to say in regard to the duty imposed by the committee on the vegetable oils where they were used for edible purposes. If the vegetable-oil industry menaced the entire dairy industry of the West and vegetable oils were imported in sufficient quantities to displace—a better word than replace—the farm products of the farmers and dairy farms of the West, I believe that the tariff would be justified. If those products were utilized for edible purposes here in destroying the product of the American farmer, I believe we should protect ourselves against them. Is that a sufficient answer to the Senator?

Mr. SIMMONS. The Senator astounds me. Are not both the vegetable oils and the nuts, as well as dairy products, products of the farm? Is it seriously proposed here that when, as in this case, there are two industries in the country, both legitimate, both recognized by the law, both products of agriculture, both regarded as more or less important, that we shall discriminate between them and say that one of those industries is more important than the other industry and deliberately proceed, through the exercise of the taxing power of the Government, to suppress the one to the encouragement of the other? Is it seriously proposed that we shall do that? If so, sir, it is monstrous.

Mr. FRELINGHUYSEN. Oh, no, Mr. President; that is not what I said. I said I believed the foreign vegetable-oil industry menaced the dairy industry of the country and would destroy it, and that we should protect our own farmers against it.

Mr. SIMMONS. In my part of the country the farmer raises cotton, and cotton seed that is most valuable as a staple. Why would the Senator feel that he was justified in handicapping that product to protect the industry that merges from the dairy in the northern, eastern, and western sections of the country?

Mr. FRELINGHUYSEN. Cottonseed oil is a product of this country. It does not need protection, although we have given it protection.

Mr. SIMMONS. Why did the Senator give it protection, then?

Mr. FRELINGHUYSEN. My answer to the Senator was in relation to vegetable oil produced in foreign countries and not produced here. If I believe that, if those oils menaced the dairy farmers of this country, we would be perfectly justified in placing a high duty upon them to protect the dairy farmers.

Mr. SIMMONS. They are the raw materials of the oil producers of the country, and I do not distinguish the difference. The factories can not run if there is not sufficient raw material to be had to supply them. The argument of the Senator is that if an industry has to import its raw materials it is not entitled to the same protection as the industry in this country that does not have to import its raw materials.

Mr. FRELINGHUYSEN. If the cottonseed oil industry was menaced by foreign competition, the Senator would be very anxious for protection, and I would be in favor of giving it.

Mr. SIMMONS. Mr. President——

Mr. FRELINGHUYSEN. I have not yet finished.

Mr. SIMMONS. Very well.

Mr. FRELINGHUYSEN. The vegetable oils which are imported into this country are not the character of oils which are produced here, nor are the vegetables from which they are produced grown here in sufficient quantity or quality to produce the oil. In the case of soya beans, for instance, the South Carolina Crushers Association testified that the soya beans in this country ripen too quickly; that they can not be produced of proper quality. So, in the case of peanut oil, the Senator from North Carolina knows that the peanuts of this country, and particularly of his section, are so marketable and are in such demand for edible purposes that the nonedible peanut oil that is used in soap making does not come in competition with his product.

Coconut oil is not produced here and comes in free. Therefore the question of a protective tariff on these oils is not a practical one. That is the question I am arguing, although where the foreign oil may be used as an adulterant or a substitute for an article produced here, such as a natural farm product, and competes with the domestic commodity, then I believe that it is perfectly practicable to impose a tariff duty upon it. That is what the bill and this amendment provide.

Mr. SIMMONS. Mr. President, we have in the United States great industries which are engaged in the manufacture of vegetable oils. They use various seeds, such as cotton seed, peanuts, soya beans, and a number of other commodities which it is not necessary to mention. They import a small quantity of those products for the purpose of crushing; they import a small portion of the oil for the purpose of refining it, in order that they may have a sufficient output to satisfy the demand. If I understand the Senator from New Jersey, he says that if any part of the raw material of these oil crushers is imported

from abroad, he feels it is perfectly justifiable to place a high duty upon that part of their raw material, not for their benefit, not for the benefit of the labor which is engaged in the industry, but for the purpose of preventing those oils from coming in competition with the dairy products of this country. That is all I wanted to get from the Senator in a clear unequivocal form, and I have it now.

Mr. FRELINGHUYSEN. Mr. President, I want to show the effect of a restriction of the European market on these products.

In Europe our surplus of hog lard, cottonseed oil, corn oil, peanut oil, oleo oil, oleo stearine, vegetable lard, and other edible fats must sell in competition with coconut oil, peanut oil, soya-bean oil, and cottonseed oil from Oriental countries. We can not possibly enact legislation here which will shut out of Europe cottonseed oil, peanut oil, coconut oil, and soya-bean oil from the Orient.

We can not avoid the competition of those foreign oils, and so the question is entirely how we shall meet the competition which we can not avoid meeting. Our farmers have been exporting a great surplus of oils and fats for the past 50 years, and it would be absurd to say that it has not been profitable for us to enter the competitive markets of the world, otherwise we would not have produced a great surplus and we would not have continued to compete in the open markets of the world for the past 50 years.

The American farmers' market for oils and fats for edible purposes is at home and in foreign countries. The American farmer is not producing these oils and fats for industrial purposes, as can be readily seen by taking a typical year, such as the year 1920. During that year our farmers produced 1,730,000 tons of high grade edible fats, such as hog lard, edible tallow, neutral lard, oleo stearine, cottonseed oil, vegetable lard, oleo oil, corn oil, and peanut oil. Of this 1,730,000 tons the American farmer exported approximately 500,000 tons of the same interchangeable oils and fats.

There is no intentional production of oils and fats of this group in the United States for industrial uses, with the exception of fish oils; and the only available oils and fats for our industries, such as those engaged in manufacturing soap, rubber substitutes, printing inks, leather dressings, imitation leather, and many other products are the refuse fats which unavoidably result from the production of the prime oils and fats. The only domestic supply of industrial fats which our industries have available as raw material is the inedible tallow and greases which are produced from butcher-shop scraps, and by garbage-reduction plants and packing houses. The whole process of producing oils and fats in the United States, both vegetable and animal, is designed to obtain the greatest quantity possible in edible form and to reduce to the greatest extent possible the output in inedible form.

During the typical year 1920 there was produced in the United States only 335,000 tons of industrial grades of oils and fats, and hence our industries must have access to foreign supplies. All of the coconut oil, soya-bean oil, peanut oil, and cottonseed oil imported by our industries is obviously taken away from the nations of Europe, and thereby the competition with our own exportable surplus is greatly reduced in the European markets; at the same time American industries are able to obtain their necessary basic materials and compete with the industries of Europe for export business in their finished products.

The Tariff Commission's report as to the operation of the emergency tariff rates shows conclusively that duties on foreign vegetable oils are inoperative so far as protection is concerned, and are only an obstacle to American industries.

Mr. SIMMONS. Mr. President,——

Mr. FRELINGHUYSEN. I yield.

Mr. SIMMONS. I am heartily in sympathy with the argument which the Senator is now making, and, if it would not interrupt him unduly, I should like right here, for the purpose of fortifying his argument, to make a brief general statement, based upon the proposition laid down by the Senator a moment ago that we could not compete in the purchase of these raw materials in foreign markets with the high rates proposed to be imposed by the pending bill. With the kind permission of the Senator, I wish to say——

Mr. FRELINGHUYSEN. I am very glad to yield to the Senator, but I do not want to yield the floor. I will suspend for a moment, if the Senator wishes to interrupt me, if I do not yield the floor.

Mr. SIMMONS. I merely wish to reenforce the argument which the Senator, as I understood him, was making.

Mr. FRELINGHUYSEN. I will be very glad to have the Senator make the statement, with the understanding that I do not surrender the floor.

Mr. SIMMONS. Mr. President, I have had occasion to investigate this question, because it affects very vitally large interests in my section of the country as well as the country as a whole. I find it to be true that cottonseed oil is the dominant oil; it dominates the price of oils; the price of all the oils follows the price of cottonseed oil. It not only dominates and fixes the price of the other oils of similar kind and character but it fixes the price of the raw materials in this country out of which those oils are produced.

The Senator from New Jersey is absolutely correct when he says that, on account of the large percentage of our domestic production which is annually exported, the product is upon an international price basis; that is to say, the price of cottonseed oil in this country is fixed by the price in Europe, where our exportable surplus is almost entirely disposed of, and as the cottonseed-oil industry dominates the oil trade the prices of other oils follow the price of that particular oil, and so all the other vegetable oils produced in this country are upon a world price basis. We do not fix the price of a single one of our oils in the domestic market, but the price is fixed for us chiefly in London, which is the great international market for those oils and fats.

Mr. President, the source of the raw materials out of which our vegetable oils are made is almost exclusively in America and the Orient—chiefly in this country, but partly in the Orient. The raw materials out of which Europe produces her oils come almost entirely from the Orient. Europe does not import to any considerable extent her raw materials from the United States.

I think the Senator from New Jersey will agree to the proposition that there are probably in Japan and in China and India, where these raw materials are produced, but two purchasers. One of those purchasers, but not the largest, is the United States and the other is Europe, but chiefly Great Britain. They are the only competitors in these great markets for these essential products used in the industries of the two continents.

It is claimed, and I think it is manifestly true—and I ask the attention of the Senator from New Jersey to this statement—that with the high duties upon nuts, peanuts, and beans imposed in this bill and in the emergency tariff it has been found practically impossible for the American purchaser of these raw materials in the Orient to compete with the European purchaser. How can he compete when, after he has paid the price per pound, he must add 3 or 4 cents to that price in order to get his raw material into his American mill, while his English competitor gets his into England without having that burden laid upon him?

That is clearly the effect upon this competition between these two sole purchasers and competitors in the markets of the Orient. American buyers and manufacturers have been driven out. We have left Great Britain in the sole and undisputed control of that source of supply, practically the only purchaser of this exportable raw material raised in the Orient. Of course, it is obvious that Great Britain, therefore, can choose what price she will pay. The price becomes a buyer's price and not a seller's price.

In those circumstances is it not perfectly evident that if Great Britain can get her raw material for a materially lower price than under present conditions the price of the manufactured product in Great Britain will be affected and reduced practically to the amount saved in the purchase of the raw material by reason of the elimination of her chief competitor?

The Senator says that the price of our oils and our fats, of which we are a tremendous exporter, will be fixed by the prices of oils in the European market, and we find as the result of forcing the American purchaser out of the Orient that the European price will, as a matter of certainty, be greatly reduced.

Mr. GOODING. Mr. President——

Mr. SIMMONS. I do not yield now. I want to ask the Senator if it is not perfectly clear that if that takes place the price of our domestic oils will be to that extent reduced, instead of, as it is contended and claimed, increased as the result of these high duties? In other words, indirectly—not directly—these high duties operate not to increase the price of these American oils, which are upon a world basis of price, but to decrease the price of these oils in the American market?

Mr. FRELINGHUYSEN. Mr. President, that is my contention, and I claim——

Mr. GOODING. Mr. President, will the Senator yield to me while I ask just one question? I do not care to take up any time, but I simply want to ask the Senator——

Mr. FRELINGHUYSEN. Mr. President, I have the floor, and I am addressing the Chair.

The PRESIDING OFFICER. The Senator from New Jersey has the floor. Does the Senator yield?

Mr. FRELINGHUYSEN. I am perfectly willing that this question should be asked, but I wish to resume and complete my speech. If the Senator will confine himself to a statement of a few minutes, I shall be very glad to yield.

Mr. GOODING. I just want to ask one question, and that is this: I want to ask the Senator from North Carolina, who had charge of the Underwood-Simmons bill when it was in the Senate, if it is not true that the Underwood-Simmons bill provides for reexport by bonding, so that where any foreign product is brought in here and manufactured and reexported, 99 per cent of the duty is remitted?

Mr. SIMMONS. Mr. President, I am not able to say whether we had a provision of that character with respect to this product or not, but I think there was one.

Mr. GOODING. Yes; I think there was. That is my understanding—that it was a general provision in all of our tariff bills.

Mr. SIMMONS. I think that was true, and I think there is a provision in this bill for that purpose where these products are used for other than edible purposes.

Mr. GOODING. That is my understanding.

Mr. SIMMONS. And I am in favor of it.

Mr. FRELINGHUYSEN. That is the proposition.

Mr. President, when it became apparent that the committee intended to place a duty on these vegetable oils not made here that go into edible products, I took the position that to compel the industries that use 90 per cent of all of the vegetable oils imported to pay this additional duty on these materials that they utilize in soap manufacturing was unjust and unfair, and a tax.

In derision yesterday the soap manufacturer was condemned because he asked relief from this tariff, and it was pointed out that the soap manufacturer was enjoying high rates of duty, and therefore it was said that the farmer was entitled to have this remote protection placed on these vegetable oils not made here because the soap manufacturer was getting protection.

The soap manufacturer is getting 5 per cent ad valorem protection on the cheaper grades of soap, and he does not need it and he does not care for it and he has not asked for it. It is a revenue duty pure and simple. On the high grades of perfumed soap, which form a very small percentage of the product, we do impose high duties because they are luxuries. As far as the soap manufacturer is concerned, he has a clean bill of health on the question of any selfishness regarding this tariff, except a protest against the injustice of it, and he has just as much right to come here and have his rights defended as the farmer of the West.

What is the soap industry of this country? It is not in my State alone. It is in over 25 States of the Union, and there are 348 separate establishments. The capital invested is $212,416,866; salaries and wages paid each year, $35,399,914; number of wage earners, 20,290, and the value of their product each year is $316,740,115.

When you come to the question of paint—and some of these oils are utilized there—there are 601 manufacturers, with $177,314,815 invested.

Mr. POMERENE. Mr. President, will the Senator permit me to read just a sentence in view of what he has just said with regard to the tariff duty on manufactured soap?

Mr. FRELINGHUYSEN. Yes; I yield.

Mr. POMERENE. Mr. S. W. Eckman, of the B. T. Babbitt Co., of New York City, appearing before the committee—and I read from page 1272—says:

> We are not here pleading for any protection on our raw materials or finished product. We are able to look out for ourselves in that respect.

I know that some of the Ohio soap makers said that while this protection was here, they did not care for it.

Mr. FRELINGHUYSEN. The Senator is right, and I thank him for his contribution. I simply want to show that when it was attempted on this floor yesterday to accuse the soap manufacturer of being selfish in this thing, and asking for a high rate of duty himself while he asked to be relieved from this imposition on vegetable oils, that was not so; that he is not selfishly asking for a duty.

The manufacturers of oilcloth and linoleum use some of these oils. The capital invested there is $49,803,688 and the salaries and wages are $8,297,546. The number of wage earners is 5,414 and the value of the products is $52,673,206.

In other words, on these products, not manufactured in this country, heretofore on the free list, industries with nearly $500,000,000 of capitalization, paying $80,000,000 in wages, and employing over 50,000 employees, scattered in every State of the Union, are asked to pay a duty amounting to millions of dollars. I claim that that is an injustice, that it fosters no American industry, and, furthermore, that it injures the farmer more than it helps him, because the absorption of those vegetable oils creates a vacuum in Europe which is filled by our American products. Good business demands that we admit these oils free under the bonding provision and remit the duty and take the burden off of these industries, so unnecessarily placed upon them by reason of the amendment of the Senator from Idaho [Mr. GOODING], asking that this provision be stricken out of the bill. It will seriously injure the oil-crushing industry of this country. It will seriously affect the southern farmer. It will seriously affect the western farmer in the outlet for his hog lard. I claim that it is unwise and unbusinesslike to do something simply because remotely it is hoped that some day we may crush a few soya beans.

I am a business man. I am a protectionist. I am for a tariff that will encourage and build up any industry; but the committee was not shown, and I do not think any of its members were convinced, that it was necessary, simply from caprice or prejudice, or whatever it may be, to put duties of 3 cents and 4 cents on these oils and make these industries pay them. It will not help the farmer. It will hurt the farmer, and it will seriously injure these great industries of our country, and more seriously injure the workingmen who work in them.

I am opposed to this amendment being stricken out. It is a safeguard against an unjust tax, and I hope the Senate will vote to retain it.

Mr. GOODING. Mr. President, I hope the time will come in this country when the farmer will be able to speak for himself and when he will be listened to. There is not a farm organization in America that is not asking that this proviso, which permits the vegetable oils to come in free when used in soap, be defeated. There is no exception to that. The dairy associations, although they are protected in vegetable oils which are used for edible purposes, are more alarmed than any other organization in the country I know of, because they do not believe that they will have proper protection if these oils, which are used for edible purposes and soap purposes, may come in free of duty when used for making soap.

It is my hope as a protectionist that when we get through with this tariff bill we will be able to defend every provision in it. This is a provision that no man who believes in protection can defend, because it gives a great industry in this country a preferred place in this bill. It gives them free raw materials, while the manufacturer of oleomargarine and of lard substitutes must pay a duty of from 3 to 4 cents on vegetable oils.

I can not understand why the farmer who produces the vegetable oils in this country is not just as much entitled to protection when he goes into the making of soap as he is when he goes into the making of oleomargarine. I can not see that distinction at all, and when they talk about backing up the fats of this country or interfering in any way with our export trade, when it is admitted that in all tariff bills there has been a provision by which any commodities may come into this country and be reexported and 99 per cent of the duty refunded, that argument is not worth answering or important enough to warrant taking up the time of an intelligent body of men.

The Senator from New Jersey in his argument admits that our exports of oleomargarine and oil fats which go into edible uses are even greater than those of the products which go into the soap making of this country. Tell me why the soap maker of this country is entitled to any special privileges, why he shall get soya beans, cottonseed oil, coconut oil, or anything else free of duty, while the oleomargarine manufacturer pays a duty?

On all perfumed soaps the soap maker gets 50 per cent ad valorem, and those soaps are made out of coconut oil, soya-bean oil, cottonseed oil, and peanut oil that will come in free of duty unless my amendment prevails. Laundry soaps, which bear a duty of only 5 per cent, are made out of tankage, largely from the slaughterhouses, and the garbage gathered in your great cities.

The duty can not interfere, in my judgment, with the price of laundry soap. I do not think it will make any difference at all in the price of soap, because, in my judgment, if we have one great combination, one great trust in America, it is the soap makers, and they have grown rich, fabulously rich, until they count their millions by the hundreds.

Mr. FRELINGHUYSEN. Mr. President, in the interest of accuracy I want to interrupt the Senator. He stated that the soap maker had a high rate of duty on certain classes of soaps.

Mr. GOODING. Yes; and I stated that that soap was made out of coconut oil, soya-bean oil, and cottonseed oil that the soap maker receives free of duty if the committee amendment prevails.

Mr. FRELINGHUYSEN. We admit that.

Mr. GOODING. And peanut oil, which you would have come in free for the soap makers. That is my statement.

Mr. FRELINGHUYSEN. I think there is a complete answer in the fact that not over 1 per cent of the entire production of soap in this country is of this high-grade perfumed soap; that 95 per cent is the cheaper soap, upon which they need and ask no duty, which they are willing to have free. The other 4 per cent are medicinal soaps. Therefore the duty imposed upon these soaps of which the Senator speaks is almost negligible—in fact, is negligible—and so his argument does not apply.

Mr. GOODING. I do not agree with the Senator from New Jersey at all. I think we pay fabulous sums for perfumed toilet soaps and for shaving soaps in this country, the raw material of which the soap people are to have come in free if this committee amendment prevails. Why shall they have free raw material, when upon the same farm, and through the same crusher, goes the same oil which goes into edible uses, and which bears a duty of 3 or 4 cents a pound? The soap maker is put in a preferred class. I do not think that is the intention of the committee at all, but that is the result of the working of this bill if the committee amendment prevails. I can not believe it is going to prevail.

In 1917 there were 168,000,000 pounds of coconut oil consumed in the soap industry, as compared with 126,000,000 pounds of cottonseed oil and 124,000,000 pounds of soya-bean oil. I have not the amount of the peanut oil that goes into soap, but it is considerable. Fifteen million nine hundred and ninety-seven thousand pounds of corn oil went into the making of soap in that year.

I do not agree with the Senator that the soya-bean industry is not going to be a great industry. I placed in the RECORD yesterday a statement to the effect that last year's crop was something like 3,000,000 bushels for seed. Again I want to say, Mr. President, if there is anything this country needs in all the world, it is some crop that will bring back the fertility of the soil. All of our prosperity in this country must be measured by the fertility of the soil, and the history of civilization shows that when soil goes backward civilization goes backward with it, and it is even true on an individual farm. Show me a farm where there is a struggle to keep the wolf from the door, and where it is hard for them to provide the necessities of life, and I will show you where even civilization, if you please, is going backward. Any citizen is a better citizen in this or any other country when he does not have to struggle too hard for a living. He is in a better frame of mind toward the whole world.

Mr. WILLIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Ohio?

Mr. GOODING. I yield.

Mr. WILLIS. I am very much interested in what the Senator is so eloquently saying relative to the maintenance of the fertility of the soil, and I want to ask him a question, for information entirely. In the State of Ohio up to this time the soya bean has been raised either as a forage crop or as a means of increasing the fertility of the soil by plowing it under. I am wondering whether, if the use of the crop is changed and soya beans are allowed to come to maturity and are harvested and pressed into oil, the crop so handled acts as a means of increasing the fertility of the soil.

Mr. GOODING. There is no question about that. It is through the roots of the plant that the nitrogen finds its way into the soil and increases its fertility. Soya beans belong among the leguminous plants, such as peas, which improve soil fertility. Yesterday I put an article in the RECORD which, if the Senator will read, he will find covers that very fully. It also tells the story of improved machinery for cultivating and harvesting, and the trouble they found, evidently, in North Carolina, where they had not used this improved machinery in the shelling of beans, has already been obviated. I was never more convinced of anything in my life than that the soya-bean industry is going to prove a great industry, because it must be used to bring back the fertility of the soil. It has been used in the State of Iowa for a number of years with corn, used both for cutting for hay for forage and for hogging down. But they are now beginning to grow soya beans for seed and for crushing into oil. If we can have proper protection, there is no question at all about the success of the industry.

I do not care to take up the time of the Senate. This case seems to be so clear that I do not anticipate that anything I might say would have any influence. But I am unable to understand why a preference should be given to anybody in the framing of this tariff bill, and I can not see it in any other light than that the soap makers are given a preference. I do not see why they should have their raw material free.

The soap manufacturers have always been protected, and why they should have a duty of 50 per cent on their finished product and have their raw materials free I am unable to understand.

I know the committee has labored hard with this, and I appreciate the great work they have done in preparing this bill, but I can not agree with the committee in this matter. and I sincerely hope that in the interest of the great principle of protection, which has made this country what it is to-day, there will be no schedule in this bill which can not be defended. I have not forgotten what Schedule K in the Payne-Aldrich bill did to the Republican Party.

I send to the desk a communication addressed to the Members of the Senate and the House of Representatives by the Texas Cottonseed Crushers' Association and the Oklahoma Cottonseed Crushers' Association. I would like to have it read and appear in the RECORD in 8-point type.

The PRESIDING OFFICER. Without objection, it is so ordered, and the Secretary will read the communication.

The reading clerk read as follows:

TARIFF ON VEGETABLE OILS.

To all Members of the United States Senate and House of Representatives, Washington, D. C.:

We address this communication as representatives of the Texas Cottonseed Crushers' Association, Oklahoma Cottonseed Crushers' Association, and various independent crude cottonseed-oil mills of other States in the South who are for a tariff on vegetable oils that will protect the crude cottonseed-oil industry and the southern cotton farmer and peanut grower.

We are here to reinforce the demands of the producers for a protective tariff on vegetable oil; to take issue with the claims of the Interstate Cottonseed Crushers' Association that the crushers want free trade; to present the interchangeabilities of these oils in their process of distribution; to point out the reasons why the Senate Finance Committee report as written affords no protection whatever to the producer of all fats in this country, and suggest a remedy.

The permanent bill as reported by the Senate Finance Committee has granted sufficient rates to properly protect the crude cottonseed-oil industry and the farmers of the South, as well as the dairy farmers and hog producers, and all others engaged in the production of fats, namely, 4 cents per pound on coconut oil, 4 cents per pound on peanut oil, 3 cents per pound on soya-bean oil, and 3 cents per pound on cottonseed oil. However, the drawback provision in the schedule providing that all oils used in the manufacture of soap and for other inedible purposes, duty paid, will be refunded if the oil is used for these inedible purposes. There is also no duty on dried copra, made from coconuts. These two provisions combined, in our opinion, invalidate the whole bill, and as far as a protective measure is concerned it would be useless.

In the case of imported copra, the supply of which is practically unlimited as far as any possible demand is concerned, we will have to absorb not only the oil produced from it, it being crushed in American mills, but will likewise have the cake and meal that will be produced from it in competition with American feedstuffs.

DUTY URGED ON FOREIGN VEGETABLE OIL, CAKE, OR MEAL.

We urge a duty of one-half cent per pound on soya-bean, copra, cottonseed, and peanut cake as a protection against importation of these materials into this country. We urge this especially in view of the fact that one of the leading manufacturers of soap has circularized the mixed-feed industry urging their support for free importation of dried copra, on the theory that the cake produced in its manufacture here would tend to lower the prices of other concentrated vegetable oil cakes.

Total domestic production of cottonseed oil for seven years—1914 to 1920, inclusive—shows a production of 9,857,146,000 pounds and 915,208,000 pounds of peanut oil, or a total of these two domestic oils of 10,772,354,000 pounds, or an average annual production of the two oils of 1,538,907,714 pounds.

Our imports for that same seven years were—

	Pounds.
Cottonseed oil	113,752,000
Soya-bean oil	1,086,226,000
Peanut oil	374,345,000
Coconut oil	1,201,015,000
Crushed in American mills from imported copra	915,068,000

or a total import for the seven years of 3,690,406,000 pounds, or an average annual import of all vegetable oils for that seven years of 527,201,000 pounds.

Exports for the same seven years were—

	Pounds.
Cottonseed oil (14 per cent production)	1,379,045,000
Soya-bean oil	98,985,000
Peanut oil	6,513,000
Coconut oil	159,640,000

or total exports for seven years of 1,644,183,000 pounds, or an average annual export of 234,833,000 pounds of all vegetable oils, against imports for that same seven years of 3,690,406,000 pounds, or an average annual import of 527,201,000 pounds, or an annual excess of imports above exports of 292,317,000 pounds.

We do not have the complete figures on the distribution and usage of these various vegetable oils in different articles in which they are used in this country, except for the years 1912, 1914, 1916, and 1917. These figures show there were used in the soap industry for the years 1912, 1914, 1916, and 1917, 1,536,637,000 pounds, or an annual average consumption of 384,159,000 pounds. It also shows that for these same four years a total of 572,872,000 pounds of cottonseed oil was used in the manufacture of soap, or an average annual consumption of 143,218,000 pounds, so if these various oriental oils are to be free of duty when used for soap, it would necessarily eliminate the demand for cottonseed oil for that purpose, and inasmuch as a net consumption of all vegetable oils used in the manufacture of soap is greater than the net importable surplus of all vegetable oils, if permitted to come in free for that purpose, it would necessarily invalidate the protective feature of the schedule.

THE ORGANIZATION OF THE COTTONSEED-OIL INDUSTRY.

We are safe in saying that not less than 65 per cent and very probably as much as 85 per cent of all vegetable oils produced in this country and imported into this country are distributed through what are known as the four large refiners and compound manufacturers and the five large Chicago packers. These concerns are also owners of a large number of crude cottonseed-oil mills, and are very active competitors with what is known as the independent crude cottonseed-oil industry in the purchase of cotton seed, and it is a fact that the competition is exceedingly extreme. We believe that a proper protective tariff will assist in preventing a further concentration of the industry. The four large refiners are not to be criticized in their demand for free importations of these various vegetable oils. They are only exercising what is now generally recognized as common to all interests everywhere, the right to conserve and foster their own interests, and as these interests are engaged in importing, exporting, and the conversion of these various vegetable oils into the finished products and distributing the larger portion of them, their best interests, in our opinion, do not lie in a protective tariff, but rather in world trade. The soap manufacturers likewise are in this same position, and they are not to be criticized for looking after their own interests.

The crude cottonseed-oil industry, or rather the independent crude cottonseed-oil mills, in the extreme competition with these large interests, are at this time in rather a demoralized and bad financial condition. So much is this true that it is also attended by a bad psychology, and this is one reason why there has been the apparent indifference on the part of so many independent crude cottonseed-oil mills toward the whole question of tariff.

THE INTERSTATE COTTONSEED CRUSHERS' ASSOCIATION MEETING AT NEW ORLEANS ON JANUARY 4, 1922.

The Interstate Cottonseed Crushers' Association at a called meeting at New Orleans on January 4, through proxies largely held and voted by these four large refiners, committed that association to the policy of free trade, as the following analysis of that vote will indicate. There were counted, all told, 253 votes. Of these 253 votes, 164 were voted by these large interests. The convention became tired and would not wait for the whole vote to be tabulated, and the votes from North Carolina, South Carolina, Georgia, Mississippi, and Louisiana were not counted, but there were more dealers, brokers, and other people associated in the business and in no manner connected with the ownership or management of the cotton mills than there were cotton-oil mills represented over and above those owned by the larger companies. Of the independent crude-oil mills voting, Texas and Oklahoma voted 58 votes in favor of the tariff. Those voting against the tariff there were 37 independent crude-oil mills, 82 brokers and dealers, 5 refiners, and 68 mills belonging to these larger companies. However, there were only 5 votes against the tariff from Texas and none from Oklahoma. We are safe in saying that not over 40 per cent of all independent crude-oil mills belong to the interstate association, and therefore were in no manner represented in that vote. There were also three Japanese firms who voted against the tariff. Therefore we are justified in saying that the New Orleans meeting did not represent the attitude of the independent crude cottonseed-oil industry on the tariff question, and we feel that it is unfair to that portion of the industry to be advertised and understood to be fostering an idea that is against the interests of the great American farmer everywhere.

These large refining interests made some very clever arguments at the meeting, the central thought of which was that a tariff on vegetable oils would not protect. Briefly, that soya-bean and coconut oil, two principal oriental oils that are imported into this country, were used as an edible very extensively in Europe, principally in margarine, but in the United States this oil is of such quality that it would not meet the American standards and could not be used as an edible; also that the industry in Europe is dominated by three concerns, and by reason of our emergency tariff our importers and exporters could not compete in the oriental market, leaving a virtual monopoly of these three European companies, and therefore such a low price when imported into Europe was at such a low level that practically excluded us entirely from the European market in our own vegetable oils and greatly curtailed the market for our hog lard. One of the principal arguments being made for free vegetable oils by these interests is a comparison of our exports of cottonseed oil since January 1, this year, as compared with the volume exported during that same period of 1921, and without any analysis as to the price of cottonseed oil in 1921 and to-day. In March, 1921, cottonseed oil sold for 3¾ cents per pound, crude, f. o. b. oil mills. To-day it is worth 10¼ cents per pound. At that time cottonseed oil was the cheapest vegetable fat in the world as a result of conditions that then existed. It was cheaper than soya-bean, coconut, or any other vegetable oil, so when Europe bought it it was buying the cheapest vegetable fat to be found in the world.

EMERGENCY TARIFF.

The emergency tariff bill was passed in May of last year, and very quickly after that cottonseed oil began to advance, and while it sold at 3¾ cents per pound in March, it sold as high as 7½ cents in July and 8 cents in August. Cottonseed oil has been relatively higher during the whole year than any other animal or vegetable fat. This is in part due, of course, to the small cotton crop, but in a large part to the emergency tariff. To-day it is selling at about 2½ cents higher than coconut oil, duty unpaid; 3 cents per pound higher than soya-bean oil, duty unpaid; and there have been times when coconut oil sold 2 cents per pound higher than cottonseed oil and cottonseed oil at the same price as soya-bean oil. We are fully persuaded that but for the emergency tariff, by reason of interchangeability, one vegetable oil for another, that cottonseed oil would be selling at least 2½ cents per pound cheaper than it is at this time, and we are sure that it has protected the southern farmer and given him an additional price for his seed equivalent to the duty on these oriental vegetable oils, in round figures $8 per ton on his cotton seed and $18 per ton on his peanuts, and on the cottonseed crop alone in aggregate of $25,000,000.

Interchangeability: Notwithstanding the contentions that were made by the refining interests at New Orleans that soya-bean oil and coconut oil could not be successfully used as an edible oil in the United States, the information we have and the amounts of these oils heretofore used in the manufacture of edible products in this country would tend to refute this statement as follows:

[From United States Department of Agriculture Bulletin No. 709; later figures not available.]

	Pounds.
1914. Soya-bean oil used in lard substitute	1,585,000
1916. Soya-bean oil used in lard substitute	14,247,000
1917. Soya-bean oil used in lard substitute	34,351,000
1918. Soya-bean oil used in lard substitute	56,517,000

The consumption of soya-bean oil for 1918 for lard substitutes is equivalent to over 900 tank cars of oil, or nearly one-third of the entire production of cottonseed oil for Texas this past season. Furthermore, United States Department of Agriculture Bulletin No. 439 states:

As the process of refining soya-bean oil is improved and perfected there seems to be scarcely any use in which oil has a part in the manufacture of foodstuffs to which it will not be an important adjunct.

PRESENT STATUS OF INDEPENDENT CRUDE COTTONSEED-OIL INDUSTRY.

The Texas Cottonseed Crushers' Association went on record at its annual meeting last year in favor of a tariff on vegetable oils and the substances from which they are made. At a called meeting of that association, on the 28th of December last, the following resolution was unanimously adopted:

Moved that we again confirm the resolution as passed by our last annual meeting held at Galveston—that is, we especially indorse the action of the Southern Tariff Congress demanding that cottonseed and competing oils be included in the permanent tariff bill now before Congress, and we urgently request all Texas Congressmen to sign this petition and lend their full cooperation to the Southern Tariff Association. The resolution was adopted unanimously.

All except two members of the Oklahoma Cottonseed Crushers' Association are in favor of a tariff on vegetable oils. Many crude oil millmen who were for a tariff before the New

Orleans meeting, who were misled by the arguments made at that meeting, have changed back to their original faith in all parts of the South and are now demanding a tariff on vegetable oils that will protect.

IN THE INTERESTS OF AGRICULTURE.

We hold no brief for the American farmer. Through various farm organizations in the South, dairy interests of the North, and the live-stock producing sections of the West, the farmer is demanding protection and especially against cheap oriental vegetable oils produced by Chinese and South Sea Island labor, 10 cents to 15 cents per day.

Our interest in a tariff is secondary to that of the farmer, as it is immaterial to us what we pay for cotton seed or peanuts provided the products can be sold at such a price as will permit us a reasonable profit. We are, however, interested in a price being maintained that will induce the farmer to market his production of cotton seed and peanuts, as during the business collapse in the fall of 1920 and the early part of 1921 cotton seed was so low in price that 20 per cent of the available supply for that year was not sold to the crushing mills, and therefore was never crushed, and to the extent of 1,000,000 tons. We are further interested in the price of the products being sufficiently high to encourage the farmer in increasing the production of both cotton seed and peanuts.

We believe that our interests and those of the farmer are identical and we do not apologize for demanding protection to his interests as well as our own. It would also seem that all men who have the interest of their country at heart would appreciate that the farmer must be protected in order to be prosperous, and is entitled to receive all that can be granted. With a prostrated agriculture we will have an impoverished Nation.

NECESSITY FOR PROTECTION.

The unusual conditions that surround the independent crude cottonseed oil industry are such that unless suitable protection is granted against oriental vegetable oils and their substances, the industry can not survive in open competition with the larger interests in the business who are also engaged in the importing and exporting of these various vegetable oils and in the distribution of the finished product, including manufacture of these various commodities, for the reason that their largest profits are made in the merchandising end of their business.

TARIFF WANTED.

The duties prescribed in the Senate Finance Committee bill of 4 cents per pound on coconut and peanut oil, and 3 cents per pound on cottonseed and soya-bean oil are sufficient, provided the drawback provision is eliminated, refunding the duty when it is shown it has been used in the manufacture of soap or for other inedible purposes. We also urge a duty of 2 cents per pound on copra, being the same relative ratio as far as its oil content is concerned, as 4 cents per pound on coconut oil.

Inconsistency of various fat schedules: Notwithstanding the demands of soap manufacturers and other interests for free vegetable oils and raw materials and the fact that the Senate Finance Committee schedule on vegetable oil, which provides for these different oils to come in free of duty when used for soap and other nonedible purposes, all of which invalidates the whole schedule as a protective measure in the interest of the producer of the Nation.

Nevertheless laundry soaps carry a duty of 5 per cent and toilet soaps a duty of as high as 50 per cent ad valorem, and notwithstanding that the effects to all intents and purposes of this schedule as now written invalidates the whole as a protective measure which will provide for manufacturers of oleomargarine a free raw material, a duty of 8 cents per pound is given to the oleomargarine manufacturer, the principal ingredient of which is coconut oil.

And notwithstanding that the lard substitutes manufacturers are demanding free importation of oriental vegetable oils and the substances from which it is made, which, in fact, they do receive, if the Senate finance schedule as now written is enacted into law, nevertheless a tariff is given them as protection against foreign manufacturers of lard substitutes and to the extent of 5 cents per pound.

We do not complain at these various interests receiving protection, but we demand for the American producers of competitive fats and oils protection against destructive foreign competition.

CONCLUSION.

We believe the interests of the cotton farmer, peanut grower, dairying farmer, and the hog grower, and the independent crude cottonseed-oil industry are on one side of this question demanding suitable tariff protection, and on the other side are the importers, exporters, soap manufacturers, and distributors of all the products of vegetable oil, and those who want to engage in world trade even though it be at the expense of the great producing element of this Nation.

Respectfully submitted,

J. S. LECLERCQ,
ED. WOODALL,
B. W. COUCH,
Special Tariff Committee,
Texas Cottonseed Crushers' Association.
By A. S. ROBERTS,
Special Tariff Committee,
Oklahoma Cottonseed Crushers' Association.

Mr. WADSWORTH. Mr. President, for the first time in this debate, which has now proceeded for many, many weeks, I make bold to address the Senate on the question of a tariff rate. I do so at this point because my interest in the agricultural schedule generally is very deep. I have believed for a long time, Mr. President, that the producer of the agricultural commodities of this country should enjoy a reasonable measure of protection. I have thought for some time that it was somewhat unfair, and in some instances exceedingly unfair, that the farmer should have to make all his purchases in a protected market and sell his products in a free market. I may confess also, Mr. President, with due humility, that I am especially interested in the rates on agricultural products, because agriculture is my business. I say with "due humility" because in spite of that fact I am not a member of the so-called "agricultural bloc." I have supported to date all the proposals made by the Finance Committee in the matter of rates upon agricultural products, and I expect, unless some new and unexpected arguments reach my mind, to continue to support the committee in the proposals which it has made and which have not yet been acted upon.

My interest in this particular provision, paragraph 50a, on page 22, and my special interest in the live-stock industry—I will not say my knowledge of that industry, for I realize that a little knowledge is a dangerous thing—prompt me more than ever to support the committee in the proposal which it has made, for I believe the proposal made by the committee is in the interest of the agricultural population of this country and its better interest as contrasted with the proposal made by the Senator from Idaho [Mr. GOODING].

I think very few people in the United States except those who are engaged in the live-stock business, or perhaps in the cotton-raising business, realize the astounding position in the trade of the world enjoyed by American fats and oils. We are by far the greatest producers of high-grade fats and oils. Nature has so endowed this continent, has so equipped the United States with resources of an agricultural nature that it has not yet become necessary, and I hope it will not become very necessary, for the American farmer to devote much of his attention to the production of low-grade inedible fat and oil products. The overwhelming proportion of our efforts, agriculturally speaking, is devoted to the production of fats and oils, which lead the world in quality, which are known all over the world, and command their market with the very best.

Mr. KING. Will the Senator from New York yield to me?

Mr. WADSWORTH. I will.

Mr. KING. I should be very glad if we could have a larger attendance present.

Mr. WADSWORTH. I do not think it is necessary to call a quorum. I am quite sure it would be dissipated within two or three minutes after it had appeared.

Mr. GOODING. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Idaho?

Mr. WADSWORTH. I do.

Mr. GOODING. In view of what the Senator from New York has stated, is it not a very serious mistake to impose a duty on edible oils that come into the country?

Mr. WADSWORTH. I think not; certainly not if they are to be used for edible purposes in this country.

Mr. GOODING. As I understood the statement made by the Senator from New Jersey [Mr. FRELINGHUYSEN], our export trade in oils which are used in oleomargarine and lard substitutes is very much larger than our export trade in nonedible oils, such as are used in manufacturing soap and for other similar purposes.

Mr. WADSWORTH. I emphasized that a moment ago.

Mr. GOODING. So that if a duty on nonedible oils will interfere with our foreign trade, will not a duty on edible oils interfere with it in the same way?

Mr. WADSWORTH. With our foreign trade?

Mr. GOODING. Yes.

Mr. WADSWORTH. The duty on edible oils imported into the United States to be used for edible purposes will not interfere with our export trade; it will interfere with the domestic business of producing edible oils and fats, and I am opposed to that interference. What I want to defend, however, and preserve is the immense export business of the United States.

Mr. GOODING. Mr. President, I also wish to ask the Senator whether, in view of the provision in this bill which permits reexport, it is not idle to talk about a tariff on vegetable oils alone interfering with exports or reexports, because that provision applies to all industries and is used very generally in this country, and has been for a number of years? Why should it interfere with reexport of soap products and not with the reexport of oleomargarine and the products of other industries? If the Senator can explain the exceptions, I should like to hear him do so.

Mr. WADSWORTH. Mr. President, I was about to proceed to develop what little argument I am capable of making. I am not worried about the soap manufacturers; I am not rising here upon the floor of the Senate as their champion or defender. Their business is but an incident in the consideration of this question, although it may be a rather important incident; I have never figured out its relative importance. I am not rising here to defend the linoleum manufacturers or those who used inedible oils and fats in the production of manufactured articles to be sold to the people of the United States, and, if possible, exported to the other markets of the world. What concerns me most is the real object of the whole agricultural schedule, which is the protection of agriculture. If there is one element of agricultural production in the United States which is largely dependent for its prosperity upon its ability to sell abroad it is that element of agriculture which produces fats and oils, for, as the Senator from New Jersey has shown, nearly one-third of all the fats and oils produced in the United States by American farmers are exported and sold elsewhere. If that one-third were thrown back in any considerable degree upon the consuming public of the United States it would so depress the price of fats and oils as to injure the farmer, who is the original producer of those fats and oils.

We can not hope to consume the fats and oils which we produce, and yet we have every right to hope to feed a good part of the world with our surplus, and that we are doing, or, at least, that part of the world that can afford to pay the price for the best article upon the market. People are going to eat fats and oils; they are almost as necessary as salt, but, of course, they are used in infinitely larger quantities, and if people can not get the best, they will eat the second best; if they can not get the second best, they will eat the third best; and so on down the line. They must have them. Witness the desperate efforts of the German people during the latter years of the war to get fats. I undertake the prediction, Mr. President, that in most of the wars which may occur in the future the underlying, impelling instinct will be the acquisition of oils and fats, edible. The human race must have them, and it is that very fact which has lent such immense importance to the so-called oriental oils, some of which can be used, though not all of them, for edible purposes.

American fats and oils command the highest prices in the world. I want that export trade preserved. I know as well as I may know anything—which may not be saying much—that if by direct or indirect means we compel an increased supply of second and third rate fats and oils in Europe, we will, by the same token, decrease the consumption of American fats and oils in Europe. If we impose a duty of 3 or 4 cents a pound on these oils, which are used in the United States almost entirely for so-called industrial purposes, and thereby compel the producers of such oils and fats in the Orient to ship them to Europe and to other parts of the world where teeming populations exist and dump them upon the European and other markets, underselling American fats and oils raised upon our farms, which are the cleanest and whitest fats and oils in the world, I know that they will crowd out of those markets our own products. That is what I fear; that is what I have feared all along, and I think the Finance Committee has put its finger upon the essence of this problem, and has drawn this amendment in such a way as to obviate the danger which I am trying to point out, and at the same time protect the American farmer against the undue importation of foreign oils and fats which, after arriving in this country, may be converted into food products through adulteration or any other means.

What does this paragraph provide for? It starts out by putting a duty on coconut oil at 4 cents per pound. Let me say just a word about coconut oil. Where does it come from? Where does the great majority of the coconut oil imported into the United States come from? Seventy-five per cent of it comes from the Philippine Islands, and every pound of it comes in free of duty under our agreement with the Philippine government; and if we will add to that percentage the copra which may come in from the Philippine Islands, with its oil content, we will find a total of something over 80 per cent of all that we use in this country of coconut oil and the content of copra, which consists of coconut oil, coming from the Philippine Islands free of duty. Why do not the Senators who are so sincerely, and I believe in every instance but this, where I beg leave to differ with them, so intelligently, defending the needs of agriculture in the United Sates move to put a tariff tax on the importations of coconut oil from the Philippine Islands? We get nearly all that we use from there, but nothing is said about that. That situation seems to be accepted.

I can not regard the coconut-oil situation as depicted in this bill, therefore, as being exceedingly important, for the most of it is coming in free of duty, anyway. The percentage we are getting from the Philippines is increasing, slowly but surely, from year to year, and we may get 90 per cent of it from there before we know it instead of 75 per cent.

Cottonseed oil is listed here at 3 cents per pound. That is a fine, splendid, staple American product. It is one of the three or four elements in our whole agricultural situation which has helped make American fats and oils famous the world over—our immense production of first-class cottonseed oil. This paragraph provides that if cottonseed oil is imported into the United States, and it is thereafter proved to the satisfaction of the Treasury Department that it is not used and has not been used for food products, the duty of 3 cents a pound shall be remitted. If it is used for food products, of course it comes into competition with the American food producer, including the American cotton grower. I believe with the Senator from Idaho that he should be protected, and this bill does it. In that event, 3 cents a pound must be paid on the imported cottonseed oil. The same observations hold good for the peanut oil at 4 cents a pound and the soya-bean oil, of which we have heard so much, at 3 cents a pound. Whenever these oils come into competition with the American food producer in the manufacture or production of food products, they are to pay a tariff rate; but if they do not come into competition with our food prducers and our food products, they are not to pay a tariff rate. Personally I do not think they should; for if we build up a barrier, even though it be a comparatively low one, against the importation of foreign fats and oils of a second and third rate in quality which are not to be used for food in the United States we are going to compel the deluging of the European market with those same oils, with which we can not compete in Europe. The people of Europe are bound to eat the oils and the fats. If they can not export, and if the people of the Orient can not export their surpluses of these cheap second and third rate oils and fats to the United States, they will keep them at home and eat them. American people would not care to eat them, but others will. They will have to.

The very exigencies of trade and commerce and their difficult economic situation will compel them to do so; and I fear that in that event the American farmer, the man who produces beef cattle and hogs and sheep and cotton will lose a large portion of that splendid foreign market which has done so much toward building up the live-stock industry and the cotton industry of the United States.

Mr. President, I think the committee is right in this matter. I am told that a good many farm organizations have resolved against the committee's attitude. I fear that some of them do not realize where the American live-stock industry's prosperity comes from, in large part. It comes, Mr. President, in large part from our ability to export American meat food products, fats, and oils at the highest prices commanded in the world's markets; and as long as we can keep doing that, and protect our own domestic market against undue and unreasonable invasion of it by competing food products, just so long will American live stock and agriculture generally be safe. If we should lose our export market on these things, and especially the matters covered in this bill—fats and oils—we can not hope to get the same prices for our cattle and our hogs and our cotton seed when we send them to our domestic markets and endeavor to sell them there in order to keep our business running.

So, Mr. President, I venture to express my approval of the solution reached by the Finance Committee as set forth in paragraph 50a.

Mr. GOODING. Mr. President, I think, in connection with this duty, that I am in pretty close touch with the agricultural interests of the country; and if there is another farmer in

America, outside of the senior Senator from New York [Mr. WADSWORTH], who is asking for free vegetable oils for soap, I have not heard of him.

Again, I can not understand why the Senator, with his clear vision of everything that he discusses in the Senate here as a rule so well and so ably, will insist that a duty on vegetable oils is going to interfere with our export business. That is one of the things that I can not understand in the Senator, because surely, with the provision in the bill that permits the refunding of 90 per cent of the money upon reexportation, the duty can not interfere with any manufacturer of any kind that wants to reexport any product.

Mr. President, if this provision of the committee is adopted this is what is going to happen, and a representative of the soap interests admitted it to me, and, of course, it will happen as a business proposition: They will go into the world's markets and buy the cheapest vegetable oils they can buy and bring them into America, and that will control the price of vegetable oils in this country, because that vegetable oil will be used in interchanging. They do not have to use coconut oil. They can use soya-bean *oil* in making soap. They can interchange them. They will just buy the cheapest oil they can buy and bring it into America and beat down the prices, and this bill as far as protection is concerned to the cottonseed growers and the soya-bean growers and the peanut growers and the producers of fats for soap just becomes a straight farce.

That is all I have to say.

Mr. WILLIS. Mr. President, I think the votes I have thus far cast here in my very limited service bear out rather distinctly the idea that I am in favor of the policy of protection, and particularly in favor of that policy as it is applied to the products of the farm. Because I have favored that policy it has been a delight to me to go along with the distinguished junior Senator from Idaho [Mr. GOODING], who has taken a very active interest in these matters, and who, in my judgment, has rendered a great service to the farmers and to the country in aiding in writing into this bill an agricultural schedule the most favorable to the farmer that has ever been written into any tariff bill, so far as I know, in the history of the country. The Senator from Idaho has had a large part in that.

I want to say at this point that I think the committee which has had the exceedingly difficult problem treated of here in paragraph 50a to deal with has reached a solution that is fair to all.

I am not quite able to agree with my good friend from Idaho [Mr. GOODING] touching some things that he has said regarding this tariff rate and the interests and industries involved. Our situation in Ohio is perhaps somewhat unlike that of some other States. The soya bean has been raised in Ohio and will be increasingly raised there. It is a great crop for the enrichment of the soil. So far as I know, no soya beans raised in Ohio are being used as a source of oil. There may be some. I do not know about that.

Mr. WALSH of Mssachusetts. Mr. President, will the gentleman yield for a moment?

Mr. WILLIS. I yield to the Senator from Massachusetts.

Mr. WALSH of Massachusetts. Will the Senator state whether or not he has received any letters from farmers in Ohio protesting against the duties upon these oils?

Mr. WILLIS. I was just about to take up that matter, and I will take it up now. Because of the fact to which I have alluded our farmers are very much interested in soya-bean growing, but not as a source of vegetable oil. I have received no letter from any Ohio farmer or from any organization of Ohio farmers asking for this duty upon soya-bean oil, except as a means of preventing the use of this and other vegetable oils in the production of filled milk and substitutes for butter and lard, and yet I personally know that there are thousands of them that are very much interested in soya-bean culture, and the reason of that is the fact I have stated—that the soya bean is used there as a forage crop, and it is a splendid one, or as a crop to be plowed under for the fertilization of the soil.

Mr. WALSH of Massachusetts. I suppose the Senator has received no letters either in regard to the duty upon coconut oil or cottonseed oil or peanut oil?

Mr. WILLIS. Yes; I have received some letters, as I shall explain to the Senator in a moment.

I have made some inquiry about this matter amongst the soap people and the varnish people, who have great industries in our State. So far as I have been able to find out from the inquiries I have made, absolutely none of this soya-bean oil produced from soya beans grown in Ohio is offered in any Ohio market, nor have I been able to find any of them—I do not say that there are not any, but so far as my inquiry has gone I have not been able to find any—but that are willing to make affidavit that they have not been offered in the market any soya-bean oil pressed from beans grown in the United States; and I state that recognizing the fact that this report of the Tariff Commission states the undoubted fact that in 1915, 100,000 bushels of soya beans were pressed in this country for oil, but they are not being so pressed to any considerable extent now. It is quite possible that as the years go on that industry will develop, and I am in favor of encouraging it, and encouraging it by a reasonable duty, but I doubt whether it would be wise to impose a practically prohibitive duty on that product just now.

Mr. GOODING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Idaho?

Mr. WILLIS. I yield to my friend from Idaho.

Mr. GOODING. I should like to say to the Senator that the junior Senator from North Dakota [Mr. LADD] read into the RECORD on yesterday, as I remember, a letter in which it is stated that at the present time practically all the soya beans grown in this country are being used for seed—that is, the larger amount of them. There is such a demand for them that they are using practically the entire crop for seed, it is extending so rapidly and so fast; and I think that is correct.

Mr. WILLIS. I think that is undoubtedly true; and, incidentally, that is one of the reasons why under present conditions soya beans would not be used as a source for oil, because they would be worth two or three times as much for seed as they would as a source of oil.

I think my good friend the Senator from Idaho is mistaken in another respect, when he speaks of the "soap trust." I do not know what may exist somewhere else, but I am fairly well acquainted with the industries of Ohio. There is not any soap trust in Ohio, and if there were I would not be speaking for them. I am not their champion, and hold no brief for the soap industries; but fairness compels me to state the fact that so far as I know there is not anything of that sort at all.

I personally know of at least 30 independent soap manufacturing concerns in the State of Ohio, and a large number of concerns manufacturing paints and varnish, all of which, of course, are interested in these duties.

I have received a large number of letters from farmers. I will not take the time to read them, but I ask unanimous consent to insert as an appendix to my remarks just a few of the letters and telegrams which have come to me from Ohio farmers.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See Appendix.)

Mr. WILLIS. My friend from Idaho suggests that the farmers are not asking for free oil. They certainly are not; but they are asking for exactly that which the committee has provided for in this amendment. For example, I have before me a letter, all of which I shall put in the RECORD, from one of the leading agricultural men of our State, a man whom my colleague knows as well as I do, the editor of the Ohio Farmer, in which he calls particular attention to the fact that it is desirable, from the viewpoint of the farmer of Ohio, to have such provision in the law as will discourage, if not prevent, the use of these imported vegetable oils in the manufacture of edible products, calling attention to the fact that they are being used in making filled milk, and in butter substitutes, substitutes for lard, and so forth. That is the burden of the letters and telegrams and other communications I have received from Ohio farmers.

Mr. FRELINGHUYSEN. Mr. President, I should like to ask the Senator if the editor of the Ohio Farmer spoke in his communication of coconut oil as well as the vegetable oils used in filled milk?

Mr. WILLIS. I think, in fairness to the editor, I ought to read at least a part of the letter just now. It is as follows:

> In the name of the dairymen and farm producers of Ohio we urge the importance of adequate tariff protection against the importations of oriental peanuts, peanut oil, coconut oil, soya beans, soya-bean oil, etc., which are coming to be a tremendous factor in offering food substitutes which are placed on the market in competition with the products of American farms.

I will not read the rest of the letter, but will put it in the RECORD at the close of my remarks. He was talking about the use of these vegetable oils in making edible products which come in competition with dairy products. Here is a bundle of telegrams to the same effect.

I think the committee and its distinguished chairman, the Senator from North Dakota, who have faced a very difficult task, have done a mighty good job of work in drawing the amendment which they have offered. They have written into the bill this language:

> PAR. 50a. Coconut oil, 4 cents per pound; cottonseed oil, 3 cents per pound; peanut oil, 4 cents per pound; and soya-bean oil, 3 cents per pound: *Provided*, That such oils may be imported under bond in an

amount to be fixed by the Secretary of the Treasury and under such regulations as he shall prescribe; and if within three years from the date of importation or withdrawal from bonded warehouse satisfactory proof is furnished that the oil has been used in the manufacture of articles unfit for food, the duties shall be remitted: *Provided further*, That if any such oil imported under bond as above prescribed is used in the manufacture of articles fit for food there shall be levied, collected, and paid on any oil so used in violation of the bond, in addition to the regular duties provided by this paragraph, 3 cents per pound, which shall not be remitted or refunded on exportation of the articles or for any other reason.

I think, then, that the Finance Committee has made a fair, an earnest, an honest, and I may say, in my humble judgment, a successful effort toward the solution of this problem, upon which I congratulate the chairman. I shall support the committee amendment. It provides fair protection upon vegetable oils produced by American farmers; through the bonding provision free entry of vegetable oils is secured for the encouragement of foreign trade and for the guaranty of a supply of cheap soap material for the United States, and at the same time the use of these vegetable oils is prevented, so far as possible, from entering into edible products that would come into competition with our own dairy products.

APPENDIX.

THE OHIO FARMER,
Cleveland, Ohio, March 25, 1922.

Hon. Frank B. WILLIS,
Senate Office Building, Washington, D. C.

DEAR SENATOR: In the name of the dairymen and farm producers of Ohio we urge the importance of adequate tariff protection against the importation of oriental peanuts, peanut oil, coconut oil, soya beans, soya-bean oil, etc., which are coming to be a tremendous factor in offering food substitutes which are placed on the market in competition with the products of American farms.

We feel that we can look to you to protect the interests of our fundamental industry, which is just getting back onto its feet after the most trying time in our history.

Thanking you for whatever effort you can exert to protect the honest products of American dairies, stock farms, bean fields, cotton plantations, and linseed producers, we remain,

Yours respectfully, JOHN F. CUNNINGHAM.

LIMA, OHIO, *March 20, 1922.*

Senator FRANK B. WILLIS,
United States Senate, Washington, D. C.:

The dairy interests of northwestern Ohio require protection against vegetable oils used for making butter substitutes. The duty should be at least 5 cents per pound on vegetable oils and 3 cents per pound on copra and soya beans.

THE FARMERS' EQUITY UNION CREAMERY CO.,
OREN DICKASON, *Secretary.*

WAUSEON, OHIO, *March 20, 1922.*

Senator F. B. WILLIS,
Washington, D. C.:

Our organization of 4,000 dairy farmers favor duty of 4 cents per pound on vegetable oils and 2 cents on copra and soya beans. This is necessary to safeguard the dairy business.

NORTHWESTERN COOPERATIVE SALES CO.,
J. C. BURR, *President.*

COLUMBUS, OHIO, *March 22, 1922.*

Hon. F. B. WILLIS,
Senate Office Building, Washington, D. C.:

Ohio milk producers insist that you use all possible efforts to secure a duty of not less than 4 cents per pound on vegetable oils and 2 cents on copra and soy beans, thus securing the market for Ohio's dairy products and safeguarding the health of the general public.

E. D. WAID,
Secretary Ohio Dairy Marketing Organization.

JEFFERSON, OHIO, *March 21, 1922.*

Hon. F. B. WILLIS, *Washington, D. C.:*

The Dairymen's Cooperative Sales Co., of Youngstown, Ohio, composed of 11,000 dairymen, urge you to work for a duty of 4 cents a pound on vegetable oils and 2 cents a pound on copra and soy beans. Dairymen must have this protection.

P. S. BRENNEMAN, *President.*

Mr. McCUMBER. Mr. President, paragraph 50a brings to the front one of the thousands of difficult and complex problems which the Committee on Finance has had to face in formulating a protective tariff bill. The formulation of a tariff bill for revenue only is very simple. All the committee has to determine is the amount of the imports, the effect of certain rates upon those imports, and what we need to raise, and then divide that amount among the several classes of imports in a way that will be least burdensome to the American people. That is a simple process.

But when framing a bill from the protective standpoint, you have first to measure the effect of each duty upon the first or primary industry into which the article goes, then the secondary industry. Then you have to take each article which enters into a product and trace it through all the ramifications of the industrial concerns of the United States and ascertain just what effect it has not only in the production but upon the ultimate consumer.

It is a difficult process, indeed, and it brings into the arena all of the conflicting interests and forces, and in an acute form that is true of this particular paragraph.

The primary contestants in the matter of the duty which has been placed upon these oils were the dairy interests on the one side and the general industrial interests on the other. The dairy interests naturally wanted to cut out anything capable of being used in an edible form which might conflict with their product. The industrial interests desired to get the particular products in without their being loaded with any duty whatsoever.

During all the years I have been in the Senate I have been attempting to make not only the Senate understand, but to make the world understand, as far as I could, that it was an erroneous idea to assume that God Almighty created a class of people known as farmers simply to produce food and clothing for the rest of humanity to eat and wear, and that all a farmer was entitled to was an existence out of that business. I have been trying to convince the country that if possible farming ought to be made so remunerative that people could engage in it as a business and could conduct it in the same manner in which they conduct any other business; that they could employ their sons and daughters and pay them wages, the same as the banker would employ his son or his daughter in the bank and pay a wage; and that they could secure from their efforts an amount above the bare expenses of operation sufficient to declare a dividend at the end of the year.

Gradually we are trying to reach that condition, gradually we are bringing the interests of the farmer to the front, and we are trying to protect his interests the same as those of any other industry. I feel under great obligations to the Senator from Idaho and to the farm bloc for the efforts they have put forth to get honest protective duties for the farmer, and I wish to compliment them also on the fact that they have been willing to give protection to every other industry in the country.

But the committee faced a difficult problem in dealing with this particular case. There were the two interests. The farmer should not be blind to the interest of the manufacturer, and the manufacturer should not be blind to the interests of the agricultural producer. We want to so levy and adjust our tariff rates from the protective standpoint at all times that they will not injure any business, but will raise both interests to a higher plane of prosperity. That is what we are trying to do in the final settlement of this case.

I stated that we began some time ago to try to protect the farmers' and the dairymen's interests. When we first began to manufacture oleomargarine it went upon the tables in our restaurants and in our hotels and sold for from a half to two-thirds the price of good butter, and we used it without knowing what we were using. It was colored, and it was so flavored that ordinarily in using it upon the table you could not tell the difference. Thus in the early days we were putting into our stomachs stearin, deodorized lard, and every other kind of stuff out of which they manufactured oleomargarine.

Finally Congress determined that they would stop at least the fraudulent use of it, and they levied a tax upon margarine. They said to the people, "If you want to buy it, you can purchase it, but you have to purchase it identified so that you will know it is not butter." That was our first step to protect the dairy interests of the United States.

We have gone further in this bill. We have not only put a duty of 8 cents a pound upon all imported butter, but we put a duty of 8 cents a pound on everything that is sold as a substitute for butter, no matter what it is. So the dairyman must admit that we have done the best we could to protect his interests.

When he was before our committee all he claimed, as suggested by the Senator from Ohio, was protection on the edible products. He did not want to have these oils brought in and used in competition with cream and milk, butter and cheese, and that is all he did ask. I have talked with a number of those who represented those interests, and they were satisfied with this provision. Of course, they would have been better satisfied if we kept them out entirely, because they argue, just as the Senator from Idaho does, that it has some effect as a displacement of our American fats and oils.

Mr. GOODING. Mr. President, I want to say to the Senator, who, as chairman of the committee, has worked very hard, that I think I am in a position to know what the dairy interests of this country want. No doubt some of them have stated what the Senator has said they did, and indicated that they were

satisfied. But their organizations everywhere are opposing this provision, which permits vegetable oils to come in free for the soap people. I have plenty of telegrams and letters which I could put into the RECORD if I cared to. They feel they are not going to get proper protection if this provision is adopted.

Mr. McCUMBER. Yes; I heard the argument of the Senator and I will answer it most briefly. I do not agree with the Senator from New York and the Senator from New Jersey with reference to the great danger that we would have in disposing of the fats and oils which we produce in this country if we prevent the oils from India and the Orient from coming into the United States. Their argument is—and there is something in it, but I think they give to it a greater weight than it is entitled to—that if the oil of the Orient and India can not come into the United States, it will go to Italy, Great Britain, and France and will be consumed there, and that just to the number of pounds, we will say approximately, that they consume of those oils in those countries they will not consume the tallow and the lard that is manufactured in the United States. Well, each product, as a rule, has a market of its own for the particular purpose, and while I have no doubt that it would affect us to some extent, I do not think we need to give it the weight that is given by the two Senators whom I have mentioned.

But now I want to consider for a moment what we have done for the dairymen and for the American producer of fats in the United States. What do we produce? We have cattle and hogs and we have fish. What have we done? We have protected those. In paragraph 49 we have put on cod and herring and menhaden oils 5 cents per gallon duty. We have put on whale and seal oil 6 cents per gallon duty. We have put that on whether they come in and are made into soap or not. There is no rebate on that. On sperm oil we have placed a duty of 10 cents per gallon and on all fish oils not specially provided for a duty of 5 cents a gallon. So we have defended the American fats and greases against fish oils of every nature, kind, or description. Those are not included in the oils which we say may be used without the payment of duties, provided they do not go into edible products. Those have to pay a duty anyway, no matter for what purpose they are used.

Then again, we have provided on all other oils and fats 20 per cent ad valorem. Then we come down to castor oil, hempseed oil, linseed oil, flaxseed, and olive oil, and upon all of those we place a duty, no matter for what purpose they are used in the United States. Olive oil in containers bears a duty of 60 cents per gallon, and other olive oil not specially provided for 50 cents per gallon. Even poppy-seed oil, raw or boiled or oxidized, bears a duty of 20 per cent ad valorem. All of these bear a duty, no matter for what purpose they are used. We selected four of these oils and stated that if any of those four kinds come in the United States and are not used for edible products, then the duty may be remitted.

Mr. TOWNSEND. Mr. President——

Mr. McCUMBER. But if they are used so that they can in any way come in competition with our dairy products, then the full, heavy duty must be paid.

I yield to the Senator from Michigan.

Mr. TOWNSEND. The thing that disturbed me in that particular was the question as to how we are going to determine that fact.

Mr. McCUMBER. Experts of the Treasury Department say there is no difficulty whatever in doing it. We have similar provisions with reference to the use of certain products. It is just as easy as it is to determine when one gets a drawback what proportion of the product has been exported and what proportion has been used in the United States.

Mr. TOWNSEND. It seems to me it is much easier to determine the question of reimportation, which is a general principle, and to know how to handle it than it is to segregate from this product, as it comes here and is stored for three years under bond, that which can be used and is used for edible purposes from that which is not. Practical men have informed me that this is an almost impossible task.

Mr. McCUMBER. The Senator does not wait until three years have elapsed before anything is done. Of course, the product is brought here in bond, and the moment he takes anything out of bond he has to report it, and he has to report finally what it is used for, or if it is sold it is quite easy to trace where it has gone.

Mr. TOWNSEND. Of course, if I thought that was easy I would not question it, but it seemed impossible to me.

Mr. McCUMBER. For instance, under this bill our carpet wools come in free. We will have to trace to find that those wools actually go into the manufacture of carpets. The department believes that it will find no difficulty in enforcing this provision.

I say there were simply four kinds of oils which we allow to be used, and most of them are used in soaps, and they may come in free provided they are used for a specific purpose and do not go into any other edible product. What are they? Coconut oil is one and bears a duty of 4 cents per pound. Where do we get our coconut oil? Seventy-five per cent of it comes from the Philippine Islands. That comes in free. Now, the Philippine merchant can make his oil out of 80 per cent of Philippine coconuts and 20 per cent of Indian coconuts and still bring it in free. When we come to the question of copra, the crude coconut meat dried, it is simply a question whether our American crushers or oil producers shall surrender their business over to the Philippine Islands. We levy a small duty, but it is not a bagatelle, and it will not affect the soap-making industry or any other industry in the United States. There is not a dollar's worth of copra that can be used in the manufacture of condensed milk or in any other dairy product without paying the full rate of duty.

I believed in going further than that. My own opinion is that we should do with all of these butter substitutes exactly what we did for oleomargarine—put a tax upon it so that they can not drive out of business the dairy industry of the United States. I would not object to the use of these substitutes at all if I considered that the product was just as good, but I believe that it is practically a fraud upon the consumer.

Next is cottonseed oil. What is that used for? Ninety per cent is used in the United States for food products. We can not prevent that. Ninety per cent of it goes into substitutes for lard and other food products. All we have said is that the other 10 per cent or anything that is brought into the United States shall not be used for food products without paying the duty. That is all that was possible for us to do to protect against the use of cottonseed oil in an edible product.

The next is soya-bean oil, 3 cents per pound. The soya-bean oil can not be brought into the United States without paying that full duty unless it is brought in for the purpose of producing something else than an edible product. What can it be brought in for? It can be used in the manufacture of paints. To-day I think the price is so high that it could not be used for that purpose. But assuming that linseed oil goes up so that it would induce the manufacturer of paint to mix in a certain portion of soya-bean oil, he has not as good a product of paint, and that is absolutely certain. It is an adulterant and no good concern would dare to use it if they depended upon maintaining their good reputation. But it may be that to the small extent that it may possibly be used in making paints it will compete with linseed oil. However, I do not think there will be much danger even there.

Mr. KING. Mr. President——

The PRESIDING OFFICER (Mr. NICHOLSON in the chair). Does the Senator from North Dakota yield to the Senator from Utah?

Mr. McCUMBER. I will yield in a moment. I think the soap industry can take care of itself, but I realize the fact that the real wealth of a nation depends upon the balance of trade in its favor in dealing with foreign countries. I would first take care of our home markets and see that the American laborer and the American producer first had his own market, that he might receive a good wage and a fair return upon his investment. I would take care of that first, but as soon as that was taken care of I would reach just as far into the market as possible for the purpose of getting as great a balance of trade in our favor as we could. Therefore when these oils come in and are manufactured into soap and that soap is exported, or an equal quantity of the oil is exported, I do not think that the producer of fats in the United States, the farmer who raises hogs and cattle, is going to be seriously injured. Whether there is a little injury or not, Mr. President, this was a compromise, and it was the best that we could get to satisfy all classes that were interested in the subject.

I now yield to the Senator from Utah.

Mr. KING. I think perhaps the Senator covered the point I had in mind. The Senator in discussing the soya bean said that the product of it, the oil, was used for paint purposes, and indicated that that was the only purpose for which soya-bean oil was used.

Mr. McCUMBER. It can not be used for food purposes.

Mr. KING. It is used for soap.

Mr. McCUMBER. It may be used for soap and for other industrial purposes.

Mr. KING. What I had in mind was that the Senator did not intend to limit its use to paint purposes.

Mr. McCUMBER. No. What I meant to say was that the only thing with which it came directly in conflict which the farmer produced is linseed oil.

Mr. KING. Mr. President, before a vote is taken I desire to submit a few remarks and have read an editorial that I think is pertinent to the question before us and answers some of the arguments suggested by the Senator from South Dakota [Mr. LADD] and the Senator from Idaho [Mr. GOODING] who are representatives of the farm bloc. They have contended, and others have accepted the same view, that imported vegetable oils come into competition with dairy products. In my opinion this view is erroneous and the facts already disclosed by the record do not support such contention.

I join with Senators in paying tribute to the agriculturists of the United States. Upon various occasions I have referred to the difficulties under which they have labored and the hardships which they have encountered. I have stated not only during the course of the debate upon this bill but upon other occasions since I have been in the Senate that there has been too much legislation of a special character and that Congress has too often exhibited a solicitude for the manufacturing interests at the expense of the agriculturists. I have not been able to understand how the farmers of the United States could have given such general support to the Republican Party, particularly during the reign of the extreme Republican protection sts, because that party has been controlled by forces and interests that have been deaf to the needs and welfare of the agriculturists of the United States. The farmers have been compelled to buy many of the commodities essential to their life and welfare from protected interests, and they have sold their products at prices which were fixed by world prices. They have supported policies that enabled the manufacturers of the United States to form combinations, monopolistic in character, under which domestic prices for the products of such organizations have been forced to inordinately high levels.

The farmers have been the victims of the protection policy, and instead of condemning the Republican Party and its oppressive economic policies the agriculturists have given very general support to the party that was hostile to their best interests. And we are told now that certain groups have been formed to procure the passage of this bill. The agricultural interests, it is claimed, will support the bill because of the promises of protection to the farmers, and, of course, the manufacturing interests of the United States will support it because it lays tariff duties so high as to enable the domestic producer to fix prices that will bring enormous profits to the domestic manufacturer.

I believe that the prosperity of the United States goes hand in hand with the prosperity of the farmer. But the farmer and the live-stock producer will not be benefited by this bill and the provisions which are urged as affording benefits to the farmers will prove to be like dead sea apples.

This bill is in the interest of certain great industries, such as steel, the textile and woolen mills organizations, the dye corporations, the chemical interests, and others which I will not now mention. There may be a few paragraphs in the bill which deal with agricultural products from which some benefit may be derived by the farmers of the United States, but generally speaking, I repeat, this bill will prove injurious to the farmers and harmful to the live-stock interests of the country.

Mr. President, I ask that an editorial appearing in the February issue of the California Dairyman, a newspaper published in Los Angeles, Calif., may be read from the clerk's desk. While I do not assent to all the conclusions drawn I think it answers some of the objections urged against the importation of vegetable oils and demonstrates that the importation of such oils will not prove harmful to the dairymen of the United States; also that the emergency tariff bill did not operate as promised by its advocates.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

The Assistant Secretary read as follows:

ANOTHER ANGLE OF THE TARIFF QUESTION.

A careful analysis of the trade conditions resulting from the present emergency tariff import duty on foreign vegetable oils clearly shows that the operation of this duty is an important cause of declining prices for butter fat and hog lard.

The intended effect of the emergency import duty was that protection would be given both to the vegetable and the animal fat industries.

It was recognized that the prices received by the American producers and manufacturers of dairy and hog products were directly affected by the market prices of edible vegetable oil products, such as margarine and lard compound.

The framers of the present emergency tariff considered that by imposing a duty on cheap imported oriental oils, fair market prices could be obtained by dairymen, cotton growers, and hog raisers, and, incidentally, the Government could collect some much-needed revenue.

In actual practice none of these desirable results occurred. What did happen was that the duty acted as an embargo and millions of pounds of oriental oil which previously used to find their way in a large measure into American industrial channels were diverted to European markets for use as edible oils. This diversion of inferior oriental vegetable oils from their industrial use in the United States to use in edible form in European countries has caused a decrease in our monthly exports of cottonseed oil of from 60,000,000 pounds in January, 1921, to five to ten million pounds at the present writing.

It has been recently shown to the Committee on Finance of the United States Senate that our import tariff of 20 cents a gallon on coconut, soy beans, and cottonseed oils and 26 cents on peanut oil has permitted European buyers to centralize their purchases of these oriental oils which the duty excluded from our country.

This concentrated buying in Europe and the absence of American competitive buying for industrial purposes caused a decline in foreign edible fat and oil prices below cost of production of our American products.

When we take into consideration that this country normally would export over 60 per cent of its hog-lard production—nearly a billion pounds—and about 400,000,000 pounds of cottonseed oil it becomes obvious that when a considerable portion of this exportable surplus fails to find a profitable export sale it must remain in our domestic market.

Any condition which prevents the widest export sale of cottonseed oil means more and cheaper margarine and lard compound and proportionate declines in butter fat, dairy cattle, and hog prices.

On the other hand, a return to the normal import and export conditions affecting vegetable and animal oils, which prevailed prior to the emergency tariff, will undoubtedly result in an upward price reaction benefiting cotton growers and members of our own dairy and live-stock industries.

A protective import tariff on butter and butter substitutes is a necessity.

It is still more important that the import duty on foreign edible oil, seeds, and beans as now written in the proposed permanent tariff be eliminated.

Mr. KING. Mr. President, I regret that the proponents of the amendment, and particularly those who belong to what is denominated the "farm bloc," were not in the Chamber to listen to the admirable editorial which has just been read and which shows the untenable position of the Senator from Idaho [Mr. GOODING] and the distinguished occupant of the chair, the junior Senator from North Dakota [Mr. LADD].

Mr. President, a statement was made by the Senator from Idaho relative to the increase in the price of vegetable oils following the passage of the emergency tariff act. A sufficient reply to the contention that the emergency tariff law was responsible for any possible increase in the price of vegetable oils is found in the report submitted by the Tariff Commission under date of June 27, 1922. On page 58 of that report the following appears:

> The price of cottonseed oil is influenced chiefly by the price of lard, of which the United States is the largest exporter. When the price of the latter exceeds that of cottonseed oil by a certain amount, the market for lard substitutes, which consumes 80 per cent of our cottonseed-oil production, is improved and the price of the oil advances. Table 13 shows the price trend of cottonseed oil since 1914. It will be noted that minimum prices for recent years prevailed in April, 1921. The subsequent rise in prices, while possibly due—

I presume the words "while possibly due" were deemed proper in view of the nature and character of the work of the commission, but it is obvious, if one may interpret the meaning of the writer by the language employed, that the author of this report did not deem the rise in prices, small though it was, as in any degree attributable to the emergency tariff act—

> The subsequent rise in prices, while possibly due in some measure to the effect of the emergency tariff, was influenced by at least four other factors:
>
> (1) The shortest cotton crop in two decades.
>
> (2) The large increase in lard exports in 1921, which advanced the price of lard and, consequently, of cottonseed oil.

That is exactly the contention of the Senator from New York [Mr. WADSWORTH], the Senator from New Jersey [Mr. FRELINGHUYSEN], and the chairman of the Committee on Finance [Mr. McCUMBER], that because of the interchangeability of these vegetable oils and animal fats, and by reason of the tremendous exports from the United States, aggregating approximately 1,400,000,000 pounds annually, the prices in the world market determine the prices in the United States; and, of course, anything that contributes to the reduction of prices in the world market and as reflected in Europe would immediately lower the prices in the United States.

> (3) A world shortage of vegetable fats. The Mediterranean olive-oil crop, normally in excess of 2,000,000,000 pounds, was 44 per cent short, and the Manchurian soya-bean-oil crop was 20 per cent short.
>
> (4) A gradual relaxation of business deflation with resultant stiffening of prices of nearly all commodities.

Mr. President, some of the farm bloc contend, and properly, that the law of supply and demand determines prices. When the Mediterranean crop of olives was short 44 per cent, when the Manchurian crop of soya beans was short 20 per cent, when the cotton crop in the United States was short, manifestly, whether there was a tariff or not, prices of cottonseed and vegetable oils and animal fats in the United States would rise, and, as the prices rose, so the reservoir of prices of these products would rise throughout the world. It is regrettable that our friends who are the proponents of this amendment, and who defend the law of supply and demand when it suits them, deny

its validity when its operation contravenes their desires and exposes their fallacies.

Reference was made by the Senator from Idaho to the attitude of some Oklahoma and Texas cottonseed crushers. The Senator from Massachusetts [Mr. WALSH] yesterday put into the RECORD, without reading, a number of letters, and I desire now to call attention to one or two of them. I read from a letter written by the Palestine Oil & Manufacturing Co., of Palestine, Tex., wherein it is said:

Without going into any exhaustive argument, I will answer the second paragraph of your letter by stating most emphatically that I do not think American vegetable-oil mills need to be subsidized by a tariff in order to operate successfully. On the other hand, I believe the Fordney-McCumber tariff bill will work a hardship on not only our industry but all industries producing edible fats, including manufacturers of finished edible products, the cotton raiser, the cattle and hog raisers, and I might say the soap industry.

Mr. A. G. Kahn, of Little Rock, Ark., states:

The American vegetable crude-oil mills do not need to be subsidized by a tariff in order to operate successfully. In fact, these mills have no direct concern in a tariff.

I might add parenthetically, Mr. President, that so far as I have been able to discover the representatives of these mills, more than 700 in number, are concerned primarily in finding a supply of raw material for their mills. They are unable now to operate their mills more than 50 per cent of the time because of the inadequate production of oil seeds in the United States and their inability to secure under existing law sufficient supplies in other countries.

They would be glad, of course, to see domestic production of cotton seed increased, because that would increase the productivity of their mills, and consequently increase their profits; but they are primarily concerned in the welfare of the cottonseed producers of the United States. If the cottonseed producers of the United States receive any blow to their industry, it will militate against the crushing industry; and if the world prices of cotton seed and other vegetable oils, or of animal fats, are reduced, the price of cotton seed and cottonseed oil in the United States is reduced, and such reduction injuriously affects the producers of cotton seed and undoubtedly would diminish their output. So it is to the interest of the seed crushers' associations to have the cottonseed industry prosperous, and it will prosper by increasing the world prices. World prices will increase by diverting to the United States instead of to Europe oriental oils and seeds, where they may be converted into what may be denominated the finished products, because in so doing it adds to our exports and prevents Europe from lowering the prices, which she would do if she were the only purchaser of oriental oils and oriental seeds.

Recurring to this letter of Mr. Kahn's, he says:

The function which they perform—

Referring to the mills—

is a manufacturing one. They are presumed to buy their raw materials, crush them, and sell the manufactured products at a margin sufficient to reimburse them for their service. You will therefore see that they are only interested in maintaining this margin or toll. What arguments have recently been made in favor of a tariff by some cottonseed oil mill operators are presumably in the interest of the American farmer or producer of oil-bearing materials.

I personally think that even from the farmer's point of view, so long as we have an exportable surplus of American edible fats, a tariff would be a boomerang.

Mr. President, that seems to me as plain as any proposition in Euclid. When we have 1,400,000,000 pounds of exportable fats, when we determine largely the world price of fats and therefore of oil seeds in the world, it is absurd to say that the importation of a few million pounds of seeds or oils would result in competition with the American product, or injuriously affect the prices of oils and fats, including butter fats, in the United States or in the world.

The Senator from New York [Mr. WADSWORTH] very wisely remarked, though he is interested in agriculture and is solicitous for the welfare of the farmer, that his interests would be best promoted by having a world market for the animal and vegetable fats of the United States. It is manifest what the consequences to the live-stock producers of the United States prior to the war and during and since would have been had it not been for our European market. Their prosperity resulted from the European market. Cut off the European market for our surplus hogs and meats and butter fats and vegetable oils and these great industries will be seriously affected.

The Senator from Idaho, as I stated, had read from the desk what purported to be a copy of resolutions adopted by some Oklahoma and Texas oil-seed crushers' associations. Since then there has been a meeting of the national organization of the interstate cottonseed crushers' associations of the United States. I have before me the National Provisioner, the issue of June 17, 1922, and I read from page 23 of this paper the following paragraph:

The tariff question, which had been before the industry for a long time, required such definite action as was taken in the opinion of the members of the association, and so the convention declared itself in opposition to the tariff on vegetable oils.

As I am advised this national association includes the oil-seed crushers' associations of Texas and Oklahoma, and a resolution was adopted by the national association at their meeting in New Orleans January 4 of this year, which is as follows:

Resolved, That we are opposed to a tariff on foreign vegetable oils and oil seeds in the permanent tariff bill, believing that such a tariff would prove a detriment to the farmer and to our industry; and

Resolved, That our officers, either directly or through appropriate committees, present to Congress these our resolutions and advocate legislation accordingly.

On a separate motion the following additional resolution was adopted:

Resolved, That referring to the above resolutions, it is suggested to our associated State organizations that they take similar action.

I shall not take the time of the Senate to put into the RECORD further extracts from the proceedings of the association.

I think the same day a telegram was sent to the Senate committee by Mr. Watkins, of Atlanta, the chairman of the Crude Cottonseed Oil Tariff Committee, an independent organization of crushers, and so forth. Let me say that the organization to which I am now referring at first advocated a tariff upon vegetable oils, but after an investigation of the effect of a tariff, and after perceiving the effects of the emergency tariff law, it rescinded its former action, and communicated the following resolution to the Finance Committee of the Senate. Let me read from this page:

Following the special meeting of the Interstate Cotton Seed Crushers' Association at New Orleans, January 4, when resolutions were adopted declaring the opposition of its members to a tariff on vegetable oils, and their belief that such a tariff would prove a detriment to the cotton farmer and to the cottonseed industry, a number of leading crushers in the South, who had been foremost in advocating the tariff, joined with the majority in opposing it.

Henry E. Watkins, of Atlanta, chairman of the Crude Cottonseed Oil Tariff Committee, an independent organization of crushers that had actively worked for the tariff and had filed a number of briefs with the Ways and Means Committee of the House of Representatives and the Finance Committee of the Senate, wired officially to the chairman of each of those committees as follows:

"When Crude Cottonseed Oil Tariff Committee was organized and briefs were filed with House Committee on Ways and Means and the Senate Finance Committee asking for duties on foreign vegetable oils and oil-bearing materials, the entire cottonseed oil industry was not represented. The Interstate Cotton Seed Crushers' Association represents a distinct majority of those engaged in the cottonseed oil industry; and that association, at a special meeting held recently in New Orleans, voted by a large majority declaring by resolution that duties on foreign vegetable oils and oil-bearing materials are detrimental to the farmers and to the cottonseed-oil industry. The Crude Cottonseed Oil Tariff Committee concurs in the sentiment expressed in the resolutions adopted by the Interstate Cotton Seed Crushers' Association at New Orleans, and thereupon disbanded; and it now wishes to withdraw its brief asking for duties on vegetable oils.

"CRUDE COTTONSEED OIL TARIFF COMMITTEE,
"By HENRY E. WATKINS, *Chairman*;
"W. M. HUTCHINSON, *Secretary*."

Mr. President, if I believed that a duty upon vegetable oils would be of any advantage to the agriculturists of the United States it would change my attitude respecting this entire paragraph; but I believe that so long as we are exporting animal and vegetable fats to the extent of nearly one-third or quite one-third of our entire products, and are fixing prices for the markets of the world, a tariff will be injurious and not advantageous to the farmers of the United States.

I have here a copy of the telegram which was sent by our consular representative in Manchuria following the enactment of the emergency tariff law, and he states that when that law went into effect it withdrew American purchasers from the oriental market, and that left but one purchaser—to wit, Europe—for oriental oils and seeds, and with only one purchaser the price of oils declined, and as they went down reductions followed in Europe, for it permitted European purchasers to take the oils, bought at a less figure than if Americans had been competitors in the Asiatic market, to Europe, where they were refined and put upon the market in competition with American fats and oils. Owing to the poverty of the people of Europe they were compelled to purchase these inferior oils for edible purposes because the prices were lower than American prices and lower than they would have been if Americans had been in the market to buy oriental oil instead of being excluded by the emergency tariff law. In other words, the inferior oils of Asia, which would have been used to manufacture soap in the United States if they could have been brought to the United States, were sold to Europe and then manufactured into a poor grade of edible fats, thus excluding from Europe the same quantity of American fats—both animal fats and vegetable oils.

The result was that the emergency tariff law proved a boomerang to the agriculturists of the United States in its effects so far as vegetable oils are concerned. This bill would almost pro-

hibit, if not entirely prohibit, the importation of oriental oils, if the amendment of the Senator from Idaho were to prevail, and if we were to prohibit the importation of oriental oils the result would be, as I have stated, the diversion of those oils to Europe and the diminution of the business which is now conducted in the United States of refining oils, and it would have the effect in the long run of lowering the world price of animal and vegetable fats to the detriment of American agriculturists.

I think the proponents of this proposition are inadvisedly, and without full knowledge of the consequences of their acts, working against the interests of the agriculturists of the United States.

Mr. President, the Senator from Idaho has made reference to the tariff upon soap. The Senator knows that the manufacturers of the great bulk of the soap of the United States wanted no tariff. Perhaps 90 or 95 per cent of the soap of the United States bears a tariff of only 5 per cent, and the manufacturers of that character of soap did not want a tariff, and, so far as I am advised, the soap makers of the United States did not desire a duty on the perfumed soaps which are imported, which are limited in quantity, measured by the great production of the United States, and which bear a higher tariff.

Mr. McCUMBER. Mr. President, I think it fair to state that the higher duties imposed upon these perfumed soaps are revenue duties only. They were luxuries, and we levied these duties for the purpose of securing revenue, and not for protection.

Mr. KING. I was about to say that I acquit the soap manufacturers of any efforts to secure a duty. If I understood the attitude of the Senator from Idaho, he was criticizing the soap manufacturers for obtaining a tariff, when my information is that they did not want a tariff, and whatever tariff has been imposed has been for revenue purposes purely. I think it is a disadvantage to them, because to that extent it lessens their ability to compete in the markets of the world with the soap producers and manufacturers of other countries.

Mr. GOODING. Mr. President, I suggest the absence of a quorum.

Mr. SIMMONS. I hope the Senator will withhold that request for just a moment.

Mr. GOODING. I shall be very glad to withhold it.

Mr. SIMMONS. I must leave the Chamber within a few minutes, and before leaving I wish to read a short editorial from the New York Tribune. It is so apropos to the Republican filibuster that has been going on to-day that I feel I must read it.

The New York Tribune, I suppose it will be conceded by everybody, is a Republican paper. This editorial has to do with the extraordinary pronunciamento of Chairman Adams, of the Republican National Executive Committee. It is headed "Chairman Adams blunders" and reads:

CHAIRMAN ADAMS BLUNDERS.

Chairman Adams, of the Republican National Committee, sees fit to echo the charge made by the tariff bill's managers in the Senate that it is being held up by a Democratic filibuster. This charge has little merit. Delay has not been due to a filibuster.

It is gratifying to have that said by this great Republican newspaper, in view of the repeated charges to the contrary by the other side of the Chamber, made for political purposes. The editorial continues:

The Fordney bill came over from the House a year ago. It was so crude as to need to be completely rewritten. The process consumed many months. The revised draft has not been acted on mainly because that draft is still subject to legitimate debate and alterations, and because the pressure from the country is for further consideration rather than for swallowing the bill without examination.

This great newspaper thinks we have not yet sufficiently discussed the tariff bill. It thinks the bill requires more discussion before it is swallowed. I continue reading:

Mr. Adams says that it is necessary to pass a permanent revision at once in order to carry out the pledges of the last Republican national platform. To show the error of this it is enough to quote the tariff plank of that platform. The mandate given for tariff revision was broadly discretionary and highly conditional. The plank reads:

"The uncertain and unsettled condition of international balances; the abnormal economic and trade situation of the world and the impossibility of forecasting accurately even the near future, preclude the formulation of a definite program to meet conditions a year hence. But the Republican Party reaffirms its belief in the protective principle and pledges itself to a revision in the tariff as soon as conditions shall make it necessary for the preservation of the home market for American labor, agriculture, and industry."

There is this further comment by the paper on this Republican platform declaration:

Exchange is more unsettled to-day than it was when this plank was adopted at Chicago. The economic and trade situation of the world is as abnormal as it was then. The fight in Congress, still unfinished, over the question of American or foreign valuation shows how extremely difficult it is to write a permanent tariff in the face of economic fluidity and chaos abroad.

Are conditions ripe for the fulfillment of the elastic promise of the Republican platform? It is open to any Republican to say that they are not. A Republican may go further and say that, in effect, the mandate, so far as there is one, is against enacting a permanent tariff bill until international trade is normal, which notoriously it is not at present. The attempt of Chairman Adams to use the platform to shut off debate is not warranted by the language of the platform itself.

I think it is very timely to put this utterance of this great Republican and protectionist organ into the RECORD.

I want to say just one word in addition to what the Tribune so well said in refutation of the charge that we are filibustering upon this side of the Chamber instead of honestly and sincerely discussing a very imperfect, crude, and untimely bill. The fact that the four amendments to the bill as it passed the House which have excited the longest debate and discussion on this floor are, first, the amendment with reference to barytes; next, the amendment with reference to cyanide; next, the amendment with reference to almonds; and next, the amendment which we are now considering. In each of those instances the fight with respect to the amendment has been conducted largely upon the other side of the Chamber.

Mr. SMOOT. The Senator forgets the four days' fight on vinegar.

Mr. SIMMONS. I have no recollection of the time spent on vinegar.

Mr. SMOOT. Four days was spent on vinegar.

Mr. SIMMONS. If you add up the time spent on those four amendments, and survey those debates, you will see that the great bulk of the time has been taken up on the other side of the Chamber, in each case a fight against the committee on the part of certain Senators on the Republican side of the Chamber. That is the finest proof of the necessity of thorough discussion of the different items of this bill.

It was developed, with reference to those particular items, that there were certain objections on the other side because the amendments were not supposed to have been framed in the committee in consonance with the views of a certain element on the other side of the Chamber, and a controversy arose within the ranks of the Republican Party, which resulted in the most extensive debates upon amendments that have occurred since the bill was taken up by the Senate.

Mr. GOODING. Mr. President, I renew my suggestion of the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hale	McLean	Sheppard
Ball	Harreld	McNary	Simmons
Broussard	Harris	Moses	Smoot
Bursum	Heflin	Nelson	Spencer
Calder	Johnson	New	Stanley
Capper	Jones, N. Mex.	Newberry	Sterling
Colt	Jones, Wash.	Nicholson	Townsend
Cummins	Kendrick	Oddie	Underwood
Curtis	Keyes	Overman	Wadsworth
Dial	King	Poindexter	Walsh, Mass.
Edge	Ladd	Pomerene	Warren
Frelinghuysen	Lodge	Ransdell	Willis
Gooding	McCumber	Rawson	

The PRESIDENT pro tempore. Fifty-one Senators have answered to their names. There is a quorum present. The question is on the amendment of the Senator from Idaho [Mr. GOODING] to the amendment of the committee.

Mr. GOODING. I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. BALL (when his name was called). Transferring my pair with the senior Senator from Florida [Mr. FLETCHER] to the junior Senator from Maryland [Mr. WELLER], I vote "yea."

Mr. EDGE (when his name was called). I have a pair with the senior Senator from Oklahoma [Mr. OWEN]. I am informed that if he were present he would vote as I propose to vote. I vote "nay."

Mr. FRELINGHUYSEN (when his name was called). I have a general pair with the Senator from Montana [Mr. WALSH]. I am informed that if present he would vote as I am about to vote on this question. I vote "nay."

Mr. HALE (when his name was called). I have a general pair with the senior Senator from Tennessee [Mr. SHIELDS]. I am informed that if present he would vote as I shall vote. I am therefore at liberty to vote. I vote "nay."

Mr. JONES of Washington (when his name was called). I understand the senior Senator from Virginia [Mr. SWANSON] is absent. I promised to pair with him for the day. I find that I can transfer that pair to the junior Senator from Oregon [Mr. STANFIELD], and I do so and vote. I vote "yea."

Mr. McCUMBER (when his name was called). I agreed to protect my pair on this vote, the senior Senator from Wisconsin [Mr. LA FOLLETTE] who if present would vote "yea" and I should vote "nay." I find, however, that I can transfer that

pair to the senior Senator from Connecticut [Mr. BRANDEGEE], which I do, and vote "nay."

Mr. NEW (when his name was called). I am paired with the junior Senator from Tennessee [Mr. MCKELLAR]. On this vote I understand that he would vote as I do, and I therefore vote. I vote "nay."

Mr. STERLING (when his name was called). I have a general pair with the Senator from South Carolina [Mr. SMITH]. Being unable to obtain a transfer I withhold my vote. If at liberty to vote, I would vote "yea."

The roll call was concluded.

Mr. GLASS. I am informed that the senior Senator from Vermont [Mr. DILLINGHAM], with whom I have a general pair, would vote on this question as I shall vote, and therefore I vote. I vote "nay."

Mr. CARAWAY. Has the junior Senator from Illinois [Mr. MCKINLEY] voted?

The PRESIDENT pro tempore. That Senator has not voted.

Mr. CARAWAY. I have a pair with the junior Senator from Illinois [Mr. MCKINLEY] and in his absence I withhold by vote.

Mr. COLT (after having voted in the negative). I have a pair with the junior Senator from Florida [Mr. TRAMMELL]. I understand that if present that Senator would vote as I have voted, and therefore I allow my vote to stand.

Mr. JONES of New Mexico (after having voted in the affirmative). I transfer my pair with the Senator from Maine [Mr. FERNALD] to the Senator from Nevada [Mr. PITTMAN] and allow my vote to stand.

Mr. CURTIS. I wish to announce the following general pairs:

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES];

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS];

The Senator from West Virginia [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. ROBINSON]; and

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON].

The result was announced—yeas 24, nays 33, as follows:

YEAS—24.

Ashurst	Harris	Kendrick	Poindexter
Ball	Heflin	Ladd	Ransdell
Broussard	Johnson	McNary	Rawson
Capper	Jones, N. Mex.	Nicholson	Sheppard
Gooding	Jones, Wash.	Oddie	Shortridge
Harreld	Kellogg	Phipps	Townsend

NAYS—33.

Borah	Frelinghuysen	Nelson	Stanley
Bursum	Glass	New	Underwood
Calder	Hale	Newberry	Wadsworth
Colt	Keyes	Overman	Walsh, Mass.
Cummins	King	Pepper	Warren
Curtis	Lodge	Pomerene	Willis
Dial	McCumber	Simmons	
Edge	McLean	Smoot	
Ernst	Moses	Spencer	

NOT VOTING—39.

Brandegee	France	Norbeck	Sterling
Cameron	Gerry	Norris	Sutherland
Caraway	Harrison	Owen	Swanson
Crow	Hitchcock	Page	Trammell
Culberson	La Follette	Pittman	Walsh, Mont.
Dillingham	Lenroot	Reed	Watson, Ga.
du Pont	McCormick	Robinson	Watson, Ind.
Elkins	McKellar	Shields	Weller
Fernald	McKinley	Smith	Williams
Fletcher	Myers	Stanfield	

So Mr. GOODING's amendment to the amendment of the committee was rejected.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. MCCUMBER. I ask that we go now to paragraph 51, alizarin assistant.

The PRESIDENT pro tempore. The amendment of the committee to paragraph 51 will be stated.

The ASSISTANT SECRETARY. On page 22, line 25, the committee proposes to strike out "25" and insert "35," so as to read:

PAR. 51. Alizarin assistant, Turkey red oil, sulphonated castor or other sulphonated animal or vegetable oils, soaps made in whole or in part from castor oil, and all soluble greases; all of the foregoing in whatever form, and used in the processes of softening, dyeing, tanning, or finishing, not specially provided for, 35 per cent ad valorem.

Mr. SMOOT. Mr. President, I do not think this amendment will lead to any discussion, and I desire to make only a brief statement about it.

Eighty per cent of alizarin assistant consists of castor oil. We raised the rate on castor oil to 3 cents a pound. Eighty per cent of 3 cents is 2.4 cents, and 2.4 cents on the basis of the price of alizarin assistant is about 25 per cent. Then we allowed 10 per cent additional for the protection of the article, which makes the 35 per cent instead of 25 per cent as the House fixed the rate. I will say that on account of the increase in the rate on castor oil, and because alizarin assistant contains 80 per cent of castor oil, it was necessary to make the change in the rate on alizarin assistant.

Mr. KING. Mr. President, I agree with my colleague that in view of the rating given to castor oil—and this question came up during the consideration of the chemical schedule—this differential is necessary, but when we get the bill into the Senate I shall ask for another vote upon the rate on castor oil. I think it is absurd and improper to put such a high rate of duty upon castor oil when it is so important as a medicine, and to put such a high rate of duty upon alizarin assistant which is so important in dyeing and tanning. But I agree that as we put the rate on castor oil the proper differential would be substantially as stated here.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. MCCUMBER. I now ask to return to paragraph 758, on page 111, relative to pecans. On behalf of the committee I move to strike out the figure "1," in line 3, and to insert in lieu thereof the figure "3"; and also to strike out the figure "2" in line 3 and to insert in lieu thereof the figure "6"; so that the rate on pecans, unshelled, will be 3 cents a pound and on shelled pecans the rate will be 6 cents a pound.

The PRESIDENT pro tempore. The Secretary will state the first proposed amendment.

The ASSISTANT SECRETARY. On page 111, paragraph 758, at the beginning of line 3, it is proposed to strike out "1 cent" and in lieu thereof to insert "3 cents."

Mr. WALSH of Massachusetts. Mr. President, will the chairman of the Committee on Finance inform us why he has moved to increase the rate on pecans as originally reported by the committee? In view of the fact that there are no imports of pecans to speak of, I should like to know why the committee has moved to increase so largely the rate upon pecans?

Mr. MCCUMBER. There are a million pounds or so imported, and they come from Mexico. They are of an inferior grade; there is a little revenue derived from the importations; and inasmuch as they are of an inferior grade I do not think the increased duty will affect the price of the American product at all.

Mr. WALSH of Massachusetts. The information which I have is that the production in this country is 31,000,000 pounds annually; that the imports have never been more than 1,000,000 pounds; and in the last year, 1921, they were but 551,000 pounds—at least, during the first nine months of that year.

Mr. MCCUMBER. In the calendar year of 1921 there were imported 1,082,390 pounds.

Mr. WALSH of Massachusetts. For the year 1921?

Mr. MCCUMBER. For the year 1921.

Mr. WALSH of Massachusetts. The information I had only covered the period of nine months. The importation amounts to but one-thirtieth of the production of this country. Pecans are a distinctively American crop; the Mexican pecan is much inferior in quality and does not compete with the domestic pecan. There is no need of a protective duty on pecans.

Mr. MCCUMBER. The duty is only 27 per cent ad valorem.

Mr. WALSH of Massachusetts. I call attention to the fact that there is a very large production of pecans in this country and that the importations are very insignificant in quantity and inferior in quality.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDENT pro tempore. The next amendment proposed on behalf of the Committee on Finance by the Senator from North Dakota [Mr. MCCUMBER] will be stated.

The ASSISTANT SECRETARY. On page 111, line 3, after the word "shelled," it is proposed to strike out the numeral "2" and to insert in lieu thereof the numeral "6."

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. MCCUMBER. I now ask to return to paragraph 762, on page 112, relative to "Other garden and field seeds."

The PRESIDENT pro tempore. The first amendment of the Committee on Finance in paragraph 762 will be stated.

The ASSISTANT SECRETARY. On page 112, line 3, paragraph 762, after the word "seeds," it is proposed to strike out the words "Sugar beet, 1 cent per pound; other beets," and to insert "Beet (except sugar beet)," so as to read:

PAR. 762. Other garden and field seeds: Beet (except sugar beet), 4 cents per pound.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

Mr. WALSH of Massachusetts. I do not care to discuss paragraph 762, but I should like to ask unanimous consent to have the vote whereby the amendments in paragraph 761 were agreed to reconsidered in order that I may present for the RECORD some protests which have been made against the increases in that paragraph.

Mr. McCUMBER. Very well, Mr. President.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the Committee on Finance, which has been stated by the Secretary.

The amendment was agreed to.

Mr. WALSH of Massachusetts. I now ask unanimous consent to reconsider the votes by which the amendments to paragraph 761 were agreed to.

The PRESIDENT pro tempore. The Senator from Massachusetts ask unanimous consent that the votes by which the amendments in paragraph 761 were agreed to may be reconsidered. Is there objection? The Chair hears none, and it is so ordered. The amendments of the committee will again be stated.

The ASSISTANT SECRETARY. The first amendment reported by the Committee on Finance in paragraph 761, is in line 18, page 111, before the word "cents," to strike out the numeral "2" and to insert in lieu thereof the numeral "4," so as to read:

PAR. 761. Grass seeds: Alfalfa, 4 cents per pound.

Mr. WALSH of Massachusetts. Mr. President, I shall not take up much time in discussing the amendments in paragraph 761. I merely wish to call attention to the large number of protests which have been made against the increased rates upon grass seeds.

I can not understand why the Committee on Finance should have penalized the farmers of this country by imposing such high rates of duty upon grass seeds. The proposed duties can be of benefit to but a very small group of farmers, and the great number of farmers who must go into the market to purchase grass seeds will, in my opinion, be heavily penalized.

I desire to call attention to some objections which may well be urged to all the proposed rates on grass seeds:

Grass seeds have always been on the free list of every tariff law ever enacted.

The real value of grass seeds is determined by the crops produced and not by tariff duties which may be levied.

The American farmer will absorb these duties by higher cost of seeds, estimated on prices of date of July 9, 1921, to be an average increase of 17.9 per cent, or 59 cents per sowing acre. That burden will have to be assumed by the farmer. A duty of 3 cents per pound means an increase of $1.80 per bushel on clover seed. Since July 9, because of these threatened duties, prices on grass seeds have advanced 25 per cent.

Some of these grass seeds which are indispensable to the American farmer are not produced in the United States on a commercial scale. They must be imported, and, therefore, the duty is certain to be reflected in increased prices.

Statistics show that the grass seeds produced in this country on a commercial scale are not sufficient for domestic requirements; our farmers are obliged to buy imported seeds, and they ought not to be subject to the duties imposed by this paragraph.

It is further stated that these duties will benefit only 5 per cent of the farmers of the country; that 95 per cent of the farmers are obliged to go into the market and buy seeds, and therefore they will be obliged to pay higher prices for their seeds than they have had to pay heretofore.

I wish to call attention particularly to the fact that some of these seeds are not produced at all in this country. I am informed that orchard grass is entirely imported, and also that crimson clover and various other varieties of the seeds covered by this paragraph are not produced at all in the United States.

I submit for the RECORD some letters of protest which I have received against the duties imposed in paragraph 761, and also a memorandum summarizing the opposition of groups of farmers to the duties levied in the paragraph.

The PRESIDENT pro tempore. Without objection, the matter referred to will be printed in the RECORD.

The matter referred to is as follows:

BOSTON, *Tuesday, April 25, 1922.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

MY DEAR SENATOR: At our conference in the Senate Conference Room on April 6, I very briefly presented to you the reasons why an injustice was being done to the vast majority of the farmers in the Middle and Eastern States by placing rather heavy duties, under paragraph 761, on grass seeds, most of which are not grown in this country on a commercial scale. I further stated that this schedule had been written by five or six Senators from the States of Utah, Idaho, and perhaps Kansas, where alfalfa is produced; and these Senators very naturally wish to favor their constituents by placing this duty on alfalfa seed in order to increase the price of grass seeds. The great majority of farmers in all the Eastern and Middle States, however, are not advised, apparently, of these duties, and being unorganized have not, except in a few cases, petitioned their Senators for free grass seeds. It seems a fair deal to these purchasers of seeds that the Senator should be fully acquainted with the situation, and I understood you to agree to make such an argument to the Senate in support of an amendment carrying grass seeds to the free list. I now understand that you have been chosen to make a report for the minority members of the Senate Finance Committee on the agricultural schedule, and I therefore took the liberty of wiring you to-day on this matter, as I now confirm by the inclosed carbon copy. I also hand you herewith a brief which was filed with the Senate Finance Committee in support of free grass seeds, an examination of which will possibly assist you in deciding whether or not the claim is reasonable.

I wish to add one point in fairness to the Seed Trade Association, which has attempted to voice the beliefs of the majority of buyers of seeds in the Eastern and Middle States. The seedsmen are entirely neutral in this matter and do not argue for or against free seeds, except as they feel that the interests of seed buyers demand. If it had been shown that the majority of seed buyers preferred to have duties on seeds, the seedsmen would be the last ones to suggest and argue contrary to that position. The seedsmen feel that there is no farmer who wishes to pay $2.40 more per bushel on clover seed, the amount of the duty on such seed imposed by this tariff bill reported by the Senate.

If it is not too great a burden on your time, I would appreciate a reply to this letter and telegram advising me of your position and whether or not you are still interested in amending this paragraph 761.

Yours respectfully,

CURTIS NYE SMITH.

—

BOSTON, MASS., *April 25, 1922.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.:

On April 6, in my conference with you in Washington, you expressed approval of amending paragraph 761 by transferring grass seeds to free list as in all former tariff bills, because vast majority farmers buy but do not produce these seeds, and free importation materially lowers production costs, and only a few growers in Western States have secured duties through energies of their Senators. Questionnaire sent out by American Farm Bureau Federation asking opinion on this question to 60,000 members showed all States except Idaho and New York in favor free grass seeds. Consequently, as you are submitting minority report on agricultural schedule, I trust that in behalf of the vast majority of farmers you will recommend transferring grass seeds to free list. Will submit detailed argument either in person or by mail.

CURTIS NYE SMITH.

—

BOSTON, MASS., *March 31, 1922.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: It has come to our attention that the Fordney tariff bill provides for heavy duties on grass seeds, which have always heretofore been on the free list. This is a great surprise to us, and we think of it as a very serious matter, which we should call to your attention.

This duty on importations of grass seed, paragraph 761, increases the cost of the seed to the American farmer on an average of 17 per cent. This seems to us particularly unfortunate at this time. The major portion of these seeds are not in competition with any seeds commercially grown in the United States; therefore this duty gives no protection or adjustment of prices between foreign-grown and American-grown seeds but is a serious burden of direct taxes on the necessities of the farmer.

We would call to your attention that such a tariff as this will inevitably drive the farmer into purchasing lower grade of seeds, which contain larger percentages of objectionable weed seeds. This is very injurious to the crops and always to the value of farm lands.

The seedsmen's representative, Mr. Curtis Nye Smith, will be in Washington probably Wednesday and Thursday of next week, and we would appreciate it if you would do us the courtesy of giving him a brief interview on this subject.

Very respectfully yours,

JOSEPH BRECK & SONS,
Per LUTHER A. BRECK, *President.*

—

BOSTON, MASS., *May 5, 1922.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR:

* * * * * * * *

On May 15 there is to be a hearing before the Federal Horticultural Board regarding further restrictions under quarantine 37. The seedsmen, nurserymen, and florists all feel that further restrictions can not be borne without very serious injury to business.

There is some thought, we understand, of prohibiting the importation of the Dutch bulbs, such as narcissus, tulips, hyacinths, and so on. These bulbs, as you are aware, are the ones which planted in the fall give us our first spring flowers. The narcissus, in particular, is one of the largest sellers that the florists have.

As these bulbs can not be commercially grown in this country, as has been proved by a large number of unsuccessful experiments, it seems to us that it would be folly to restrict their importation, both from the point of view of the various businesses enumerated above and that of the American public at large, who are coming more and more to enjoy and benefit from the first blooms of the year. Think of the thousands of people who visit our own public gardens every year to see the glorious spring bulbs in flower.

We sincerely urge your looking into the actions and policies of the Federal Horticultural Board.

Very respectfully yours,

JOSEPH BRECK & SONS,
Per LUTHER A. BRECK, *President.*

MEMORANDUM OF OBJECTIONS.

During the last war seeds were held of such prime importance that the various Government departments classed them with munitions or food products in all priority classifications. Congress passed a special war act to determine and to increase the supply, especially as seed importations were practically suspended during the large part of the war.

It is therefore too obvious to require further details that grass seeds, though of perhaps relatively small value, have, by reason of what they produce, a very great effect on the welfare of the country.

GRASS SEEDS UNDER FORMER TARIFF LAWS.

Grass seeds under all the tariff laws of this country have always been carried on the free list.

Paragraph 595, Underwood law, act of October 3, 1913.
Paragraph 668, Payne-Aldrich law, act of August 5, 1909.
Paragraph 611, McKinley law, act of August 27, 1894.
Tariff law of October 1, 1890.
Section 2503, tariff act of March 3, 1883.
Section 8, tariff act of February 8, 1875.

PRINCIPAL REASONS WHY GRASS SEEDS SHOULD BEAR NO IMPORT DUTIES.

A. The American farmer, particularly in his present distressing condition, should not be burdened with the heavy increase in the purchase price of grass seeds which will be caused by the duties assessed in paragraph 761 of the Fordney tariff bill.

The inevitable result of these heavy duties on grass seeds will be to increase the prices of grass seeds, whether produced in this country or in foreign countries, because of the economic effect of the substantial elimination of competitive world markets. This is proved by two circumstances:

(1) Certain grass seeds composing a large part of the agricultural demands of this country are not produced in the United States to any commercial extent, to wit: Crimson clover, alsike clover, hairy vetch, spring vetch, rape, Canada blue grass, rye grass, and all the natural grasses.

The following Table A will show in figures the average yearly imports of the aforesaid grass seeds for the years 1910 to 1920, inclusive, the proposed duty to be assessed thereon by paragraph 761 of the Fordney bill, and the potential revenue received from such duties and paid exclusively by the American farmer. This table is prepared from the printed reports of the United States Department of Agriculture:

Department of Agriculture figures average yearly imports 1910–1920.

TABLE A.

	Pounds.	Proposed tax per pound.	Average yearly revenue.
		Cents.	
Alfalfa	4,897,026	2	$97,940.52
Alsike	2,872,936	3	86,188.08
Crimson clover	5,595,504	1	55,955.94
Red clover	10,494,254	3	314,827.62
White clover	355,696	3	10,670.88
Other clovers	3,595,782	2	71,915.64
Millet	1,592,721	½	7,963.60
Timothy	111,619	2	2,232.38
Hairy vetch	857,259	2	17,145.18
Spring vetch	659,293	1	6,592.93
Other grasses	3,448,909	2	68,978.18
Total yearly revenue			740,410.95

That Congress may have an even more striking proof of the burden of these duties on grass seeds which are not produced on a commercial scale in this country Table B is given, showing that the American farmer must pay an average of 17.9 per cent more for these grass seeds, or at the average rate of 59.1 cents per sowing acre. These figures do not tell the entire story, unless one is aware of agricultural conditions. For example, hairy vetch would cost under this Fordney bill $1.20 more per sowing acre, and as this seed is only sown on poor land, worth $2 to $10 per acre, the duty means no planting and no production.

TABLE B.

Kinds of seeds directly affected by imports.	Current July, 1921, wholesale prices per pound.	Proposed import tax per pound.	Resulting wholesale price with duty per pound.	Approximate per cent of increase in price.	Tax per sowing acre.
	Cents.	*Cents.*	*Cents.*	*Per cent.*	*Cents.*
Alsike clover	17½	3	20½	17.1	45
Crimson clover	7½	1	8½	13.3	15
Red clover	18	3	21	16.6	45
White clover	35	3	38	8.5	36
Hairy vetch	8½	2	10½	23.5	1.20
Spring vetch	5	1	6	20.0	60
Rape	7½	2	9½	26.6	20
Canada bluegrass	18	2	20	11.1	80
Orchard grass	20	2	8¼	32.0	1.00

Average increase in price of above grasses, 17.9 per cent.
Average increase in price per sowing acre, 59 per cent.

The PRESIDENT pro tempore. Inasmuch as the amendments to paragraph 761 were reconsidered en bloc, is there objection to agreeing to the amendments en bloc?

Mr. WALSH of Massachusetts. I have no objection. I know that the decision of the Senate will not be changed; I simply wanted to present the objections which were in my hands to the rates reported by the committee in the paragraph.

The PRESIDENT pro tempore. The Chair hears no objection. The question is upon agreeing to the amendments in paragraph 761.

The amendments were agreed to.

The PRESIDENT pro tempore. The Secretary will state the next amendment in paragraph 762.

The ASSISTANT SECRETARY. On page 112, line 5, paragraph 762, after the word "cabbage," the committee proposes to strike out "12" and insert "8."

The PRESIDENT pro tempore. The question is upon agreeing to the amendment.

The amendment was agreed to.

The next amendment was, in the same paragraph, on page 112, line 9, after the word "onion," to strike out "20" and in lieu thereof to insert "10."

The amendment was agreed to.

The next amendment was, on line 12, after the word "tree," to insert the words "and shrub."

The amendment was agreed to.

The next amendment of the Committee on Finance was, in the same paragraph, on page 112, line 13, after the word "pound," to strike out "flower, 4 cents per pound."

Mr. TOWNSEND. Mr. President, I think all those interested in that amendment are prepared to have a change made, and I have an amendment which I intend to offer. The committee has not considered the proposed amendment, but desire to consider it. Therefore I ask unanimous consent that the amendment in line 13 shall be passed over until the committee may have time to consider the amendment which I propose to offer.

The PRESIDENT pro tempore. Without objection, the amendment proposed by the committee, in line 13, paragraph 762, will be passed over.

The next amendment of the Committee on Finance was, in the same paragraph, on page 112, line 16, after the word "this," to strike out "title" and insert "schedule."

The amendment was agreed to.

The next amendment was, in paragraph 763, page 112, line 18, after the word "beans," to insert "not specially provided for."

The amendment was agreed to.

The next amendment was, in line 19, after the word "dried," to strike out "1¾" and insert "2," so as to read:

PAR. 763. Beans, not specially provided for, green or unripe, one-half of 1 cent per pound; dried, 2 cents per pound.

Mr. WALSH of Massachusetts. Mr. President, I am not going to take the time of the Senate to reiterate the objections to this amendment. Whatever I might say would be similar to what I have said in regard to very many of the other amendments in this schedule.

Beans are produced in very large quantities in this country and are exported in considerable quantities. We have practically no importations. The fact that beans are sold on an export basis does not seem to justify any increase in the tariff duties which have been suggested by the committee in paragraph 763.

The average annual harvest of dried beans is 9,000,000 bushels. During the war this production was greatly increased. Our average imports are only about 2,000,000 bushels and our exports are equal to the amount of our imports.

The rate proposed is an increase over the rate in the Payne-Aldrich law amounting to 167 per cent, and an increase of 380 per cent over the rate named in the Underwood law. I believe, however, it is similar to the rate named in the emergency law. It does not seem to me that this industry is of such an infant character as to justify these excessive rates.

The PRESIDING OFFICER (Mr. ODDIE in the chair). The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The ASSISTANT SECRETARY. On line 20, at the end of the line, it is proposed to strike out "2" and insert "2½," so as to read:

In brine, prepared or preserved in any manner, 2½ cents per pound.

The amendment was agreed to.

Mr. McCUMBER. I ask now to go to paragraph 766.

The ASSISTANT SECRETARY. Paragraph 766 is on page 113.

Mr. McCUMBER. On line 4, I ask to strike out the committee amendment of "55," and to insert in lieu thereof "45."

The ASSISTANT SECRETARY. It is proposed to modify the committee amendment by striking out "55" and inserting "45," so as to make the paragraph read:

PAR. 766. Mushrooms, fresh, or dried or otherwise prepared or preserved, 45 per cent ad valorem; truffles, fresh, or dried or otherwise prepared or preserved, 25 per cent ad valorem.

Mr. WALSH of Massachusetts. Mr. President, the amendment now proposed by the committee is, of course, a reduction of the original amendment offered by the committee; but even the reduced rate is altogether too high. It is still a substantial increase over the House rate, and a very large increase over the rates named in previous laws.

The rate named originally by the committee, 55 per cent ad valorem, was an increase of between 600 and 700 per cent

over the Underwood law and the Payne-Aldrich law. Of course, the modified amendment reduces that increase somewhat. There is absolutely no competition through imports with the domestic fresh mushrooms. Whatever competition there is is confined entirely to the prepared or dried mushrooms; and it does not seem to me that the record of importations has been of sufficient amount to warrant the imposition of such a very high duty as is suggested by the committee.

I have nothing further to offer on this subject.

The PRESIDING OFFICER. The question is on the agreeing to the amendment of the committee as modified.

The amendment as modified was agreed to.

The ASSISTANT SECRETARY. On page 113, lines 7 and 8, the committee proposes to strike out "75 cents per 100 pounds" and to insert in lieu thereof "1 cent per pound," so as to read:

PAR. 767. Peas, green or dried, 1 cent per pound—

And so forth.

Mr. WALSH of Massachusetts. Mr. President, I think some Senator upon the other side of the Chamber desired to discuss that paragraph. I did not ask to have it held up for consideration. Does the Senator from North Dakota recall who it was?

Mr. McCUMBER. I think the Senator from Washington [Mr. POINDEXTER] was the one who made the suggestion, and it was passed over at his request; but, as I understand, he does not desire to be heard on it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The ASSISTANT SECRETARY. On line 8, page 113, the committee proposes to strike out "1 cent" and to insert in lieu thereof "1½ cents," so as to read:

Peas, split, 1½ cents per pound.

The amendment was agreed to.

Mr. McCUMBER. I ask now to turn to paragraph 774, on page 114.

Mr. WALSH of Massachusetts. Mr. President, may I ask the Senator to reconsider the action taken upon paragraph 769, referring to potatoes? Through inadvertence I permitted the amendments in that paragraph to be agreed to some days ago. I consider that a very important paragraph, and I should like to discuss it.

Mr. McCUMBER. Very well; I will consent to reconsideration.

Mr. WALSH of Massachusetts. I move that the action taken by the Senate on the committee amendments in paragraph 769 be reconsidered.

The motion to reconsider was agreed to.

Mr. WALSH of Massachusetts. Mr. President, I consider the amendments in this paragraph among the most objectionable in the whole agricultural schedule. To appreciate how very excessive these duties are that are levied upon potatoes, we ought to consider what duties were levied in previous laws.

First of all, the Senate committee amendment increases the duty on potatoes from 42 cents per 100 pounds, as provided in the House bill, to 58 cents per 100 pounds.

Under the Underwood law potatoes and potato products were free except when imported from a country imposing a duty on such articles imported from the United States, in which case the duty was 10 per cent ad valorem. Under the Payne-Aldrich law potatoes were dutiable at 25 cents per bushel of 60 pounds. The duty in this amendment amounts to 35 cents per bushel. Under the emergency tariff potatoes were dutiable at 25 cents per bushel of 60 pounds. The proposed rate of 58 cents per 100 pounds represents an increase of 27½ per cent over the Payne-Aldrich law and over the emergency law.

That is a very excessive increase—27½ per cent over the Payne-Aldrich law, and even over the emergency law, in which law we thought we were levying the very highest possible rates that the consumers could stand upon agricultural products; and when we consider what an essential food potatoes are, particularly for the poor people of this country, we can appreciate the great burden that is to be levied upon them through these excessively high duties upon potatoes.

The harvest of potatoes has fluctuated very greatly. From 1916 to 1920 the harvest ranged from 287,000,000 bushels to 430,000,000 bushels. Owing to quarantine restrictions imports of potatoes come only from Canada and the Bermudas. We receive only from 150,000 to 200,000 bushels per year from Bermuda and we import from Canada only from 200,000 to 6,000,000 bushels per year. The importations are trivial, a very small fraction of 1 per cent, being at the highest 6,000,000 bushels, as compared with a domestic production of 430,000,000 bushels of potatoes. Our exports are about 3,500,000 bushels, so that on the average we have exported more potatoes than we have imported.

The imports come almost entirely from Canada, and they come into New England and are consumed in the New England market. This duty will prove a very serious burden to the consumers of New England. The only purpose of imposing this duty, so far as I have been able to learn, is that it is supposed to benefit the producers of potatoes in one county in northern Maine—Aroostook County. Potatoes of a very excellent quality are produced there in great abundance; but the production in that county in Maine is not sufficient to take care of the consumption in New England. Potatoes must come from Canada, and the only effect of this very high duty will be to increase the price to the consumers and increase the price particularly of the domestic potato produced in Aroostook County, Me.

I can not help but feel that this duty, which is so high, has been put in this bill at the request of the Senator from Maine [Mr. HALE], whose term is expiring, and who will use this as a campaign argument in favor of his return; and it goes to confirm the allegation made against this bill by the junior Senator from Wisconsin [Mr. LENROOT] some days ago, that this bill is full of rates that are fixed and put into the bill at the request of Senators who are desirous of making an appeal in their home districts to show that they have been influential in obtaining high protective duties on the products they produce.

Mr. HALE. Mr. President, I was out of the Chamber when the Senator made his statement. I should like to have him repeat it.

Mr. WALSH of Massachusetts. I said that the production of potatoes in the county in Maine where very excellent potatoes are produced is not sufficient to take care of the consumption in New England; that I could not conceive of any reason for this increased duty being levied upon potatoes—an increase over the high rates of the emergency law—except at the request and solicitation of the Senator from Maine in his desire and purpose to get protection for the farmers of Aroostook County by shutting out the Canadian supply, and that I thought it would prove a very helpful political argument in favor of the Senator's return by reason of his being able to show that he had obtained from the United States Senate such high protective rates on potatoes.

Mr. HALE. I trust that it was a helpful argument. I think the people of Aroostook County appreciate what their Senators do for them down here.

Mr. WALSH of Massachusetts. I am not criticizing the Senator, but rather commending his political sagacity. I am criticizing those Senators who accept the arguments of the interested producers in Aroostook County, and are concerned only about their point of view, rather than the point of view of the great consuming public.

Mr. HALE. The Senator admits, however, that from the point of view of the producer the increase in the tariff is a good thing, does he not?

Mr. WALSH of Massachusetts. I consider this duty one of the most outrageous in this whole bill. I consider that it is going to increase the price of potatoes at certain intervals in New England very materially. I consider that it will be the most destructive item in this whole bill against the Republican Party in New England. If I were to choose one of the features of this bill that, in my opinion, would be most harmful to Republican chances in New England, outside of one county in Maine, it would be this item. You can not justify a duty of 58 cents a hundred pounds upon potatoes. It can not be proven that the difference in cost between the production of potatoes in Canada and in Maine, just over the border line, amounts to 58 cents per 100 pounds.

Mr. HALE. Does the Senator think there is an increase of 58 cents per 100 pounds over the emergency tariff?

Mr. WALSH of Massachusetts. I stated when the Senator was absent from the Chamber that this increase in the rate was 27½ per cent over the Payne-Aldrich law and over the emergency law; that the proposed duty of 58 cents per 100 pounds was the highest duty ever levied upon potatoes, one of the foods most necessary and commonly used by the great masses of our people, a duty that I think is indefensible in view of the record of production, and in view of the fact that we produce over 400,000,000 bushels, and in view of the fact that since the production in New England is not sufficient, we must go to Canada, and if we go to Canada this duty will be reflected in increased prices for our potatoes.

Mr. HALE. I think the Senator is mistaken. The rate is 10 cents a bushel higher than the rate in the emergency tariff law.

Mr. WALSH of Massachusetts. Let us see how this is going to work out. Let me repeat, in my judgment, speaking broadly of the items of this bill which are going to injure the majority

party just such items as this will be picked out, analyzed, and studied, and shown to be a very great burden to the consumer. Let me present some figures.

First of all I want to call attention to the annual consumption. The annual potato crop is about 400,000,000 bushels. The maximum has been 600,000,000. The imports of potatoes vary from 200,000 to 6,000,000 bushels.

Our annual exports are about 3,500,000 bushels.

It will be noted, therefore, that the maximum imports constituted only a small fraction of 1 per cent of our production and are offset in large part by our exports. Our total annual consumption can be estimated at about 402,792,000 bushels.

The proposed tax of 58 cents per 100 pounds is equivalent to approximately 35 cents per bushel; and if, as is claimed by the majority Members who are urging this duty, the tariff results in an increase of 35 cents to the price of potatoes, it will mean a total tax on the people of the United States of $140,977,200 for their potato consumption.

Mr. President, I repeat if the proposed tax becomes effective it will increase the price of potatoes in this country to the staggering figures of $140,000,000. There is nothing like it in this bill.

It can not be justified. It is almost criminal to ask the poor people of this country, many of whom depend upon potatoes very largely for their principal food, to pay 58 cents per 100 pounds, or about 35 cents per bushel, as a subsidy to the potato growers.

The price and production of potatoes fluctuate from year to year. When the crop is short and the supply consequently scarce the price rises, and when there is an abundant crop the price falls below the cost of production.

Under such conditions it would be in the interest of the producer and consumer alike to permit a free movement of this staple food product between the United States and Canada. When there is a large domestic crop there will be an outlet for the same by exports, which will stabilize prices; and when there is a short crop the public will be protected against exorbitant prices and obtain the necessary supply through imports from Canada.

It must be borne in mind that the Northeastern States, so far as the demand for food supplies is concerned, is dependent upon sections beyond the Canadian border line and the Allegheny Mountains. If New England is cut off from the Canadian supply by high tariff taxes, the people of that section of the country will be forced to pay the cost of long hauls in freight rates on shipments from distant sections of the country, and this will mean an increase in the cost of living that will prevent the steady progress and advancement of these States. Moreover, the increased cost of living will eventually react on the price of products of this section of the country, and the effect of the tariff would be a raise in the general level of prices without benefit to the farmer or the consumer.

I want to repeat. I consider this rate exorbitant; I consider it indefensible. While I believe it will undoubtedly be favorable to the political fortunes of my friend the Senator from Maine [Mr. HALE], I think it is indefensible. I do not make any criticism of his effort to get protection for the potato producers of Maine; the Representatives of every other State have done the same thing. He is not chargeable with any blame; but it is the duty of the rest of us to consider the consumers' interest, to consider that this duty is levied for the purpose of shutting out the few potatoes which come over the border line from Canada and find their way into the New England market and help to take care of the wants of our people when there is a short crop.

How is any Senator on this floor going to answer a campaign argument to the effect that the result of the levying of this duty means $140,000,000 to the consumers? You can say, of course, that it will not be operative; that it will not be reflected; but the purpose of putting it in this bill is to make it operative.

The purpose of putting it into this bill is to increase prices or to deceive and mislead the farmers. Those who have put this duty in the bill will say that it means more prosperity and more profit to the producer, and if it means more prosperity and more profit to the producer it means that the consumer must pay that profit. I am surprised at the judgment of the committee in levying this very high duty upon this product.

There are a good many of these items I have not discussed at any great length. The chairman and the other members of the committee know that I have tried to center the debate upon the items of importance in this schedule, and I do want to make a vigorous protest for the RECORD against this high rate upon potatoes.

Mr. HALE. Mr. President, the Senator's protest seems to be in line with his general action in regard to the agricultural schedules. Apparently he has been assigned, or has assigned himself, to oppose the increase in the agricultural schedules, and I am entirely ready to admit that he has done it very ably.

As far as this increase in the duty on potatoes is concerned, whether it may or may not have helped me in my fight for a renomination, I favored it because I thought the interests of my State and of the farmers and potato growers of Aroostook County demanded this increase.

Potatoes are a variable sort of a crop. During the war the price of potatoes went up to $4 or $5 a bushel. At certain times the price goes down to 15, 20, or 25 cents a bushel. No one can tell, when he plants his potatoes, what he is going to get on his product. So unless we know that we are going to be protected from Canada our farmers are very apt to cut down their planting. After two or three poor years they get discouraged. But with this duty on potatoes, I predict that they will plant far in excess of what they have done before, and the result will be that we shall grow more potatoes in this country, and the price will go down on account of the increased production. So I do not think the Senator's fears that the consumer will have to pay so much higher a price for his potatoes on account of this duty are well grounded.

The PRESIDING OFFICER. The items in this paragraph having been reconsidered in gross, the question is whether they will be considered in gross. Is there objection? There being no objection, they will be so considered. The question is on agreeing to the committee amendments.

The amendments were agreed to.

Mr. McCUMBER. I ask that we now go to paragraph 774.

The PRESIDING OFFICER. The Secretary will state the amendment of the committee to that paragraph.

The ASSISTANT SECRETARY. On page 114, line 11, the committee proposes to strike out paragraph 774, as follows:

PAR. 774. Broom corn, $2 per ton.

Mr. WALSH of Massachusetts. I think the Senator from Arizona [Mr. ASHURST] wanted to discuss paragraph 770. I call the attention of the Senator from North Dakota to that fact.

Mr. ASHURST. The amendment I want to have adopted is to the text, and I believe would not be in order at this time. It will be in line 16, and I doubt if it will be in order now.

Mr. WALSH of Massachusetts. I knew the Senator was interested in that paragraph, and I wanted to protect his rights. I did not ask to have paragraph 774 passed over. I think some Senator on the other side of the Chamber wanted to discuss that paragraph. Does the Senator from North Dakota recall who it was?

Mr. McCUMBER. I think the Senator referred to appeared before the committee again; the committee gave him a hearing and decided to stand by what it had reported; that is, that broom corn should be placed upon the free list.

The PRESIDING OFFICER. The question is on the amendment of the committee.

The amendment was agreed to.

Mr. McCUMBER. I ask that paragraph 776 be passed over, at the request of one Senator, and the next will be paragraph 778.

The next amendment of the committee was, in paragraph 778, page 114, line 24, to strike out "$4" and insert in lieu thereof "$3," so as to read:

Hay, $3 per ton.

Mr. McCUMBER. I ask that the Senate disagree to the amendment in line 24, where we proposed to strike out "$4" and insert in lieu thereof "$3," leaving the duty on hay $4 per ton.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. WALSH of Massachusetts. Mr. President, all I care to say about this item is contained in a letter which was addressed to Hon. Charles M. Cox, a member of the Boston Chamber of Commerce, by a group of hay dealers. The letter reads in part, as follows:

At a meeting of the principal hay dealers of this city, held on the 5th instant (last December), it was unanimously voted that we request you to serve as our representative in appearing before the Finance Committee of the United States Senate, at the hearings soon to be held in regard to the proposed tariff act.

Requesting a member of a committee of the chamber of commerce to appear in protest against the duties upon hay. I continue reading:

We note that in paragraph No. 778, it is proposed that the duty on hay shall be $4 per ton and $1 per ton on straw. This is exactly double the duty which we have been paying. We ask you to inform the Senate committee that in certain years when the crop of hay in New England and New York State happens to be light, it be-

comes important for us to be able to secure hay from Canada, and we respectfully request that the duty on hay be continued as it has been in the past, namely, $2 per ton and 50 cents on straw.

New England is peculiarly situated in that the price of hay and grain is higher here than in any other section of the eastern half of our country. We are at the end of the line.

That rather surprised me, that the price of hay and grain is higher in New England than in any other part of the country. I continue reading:

Our farmers can not possibly raise all the hay which they need, and it is clearly to the economic advantage of New England that she be able to secure her supplies of all kinds of agricultural needs at as low cost as possible. The imposition of a higher duty on hay will constitute a real hardship.

The letter is signed by a number of distinguished citizens.

Mr. President, I think to increase the duty upon hay 100 per cent over the present rate is not justified and can not be supported by the facts. Increasing the duty upon straw 200 per cent is likewise indefensible. These duties benefit only a few farmers.

Mr. WILLIS. Mr. President——

Mr. WALSH of Massachusetts. Many of the farmers of the country and of New England will feel the effects of these high rates and will have to pay $2 a ton more for their hay and $1 a ton more for their straw by reason of the duties levied in the bill. I yield to the Senator from Ohio.

Mr. WILLIS. Mr. President, I notice the Senator said that the duties would affect only a few farmers. He certainly does not mean to make that statement. They will affect a very large number of farmers. Certainly more than two-thirds of them in my State, and farmers all over the country are very greatly interested in this matter, hay being one of their money crops. I was just wondering whether the Senator ever worked in a hay field on a day like this. If he did, I am certain he would not begrudge the slightly increased income that the amendment will bring to the farmers.

Mr. WALSH of Massachusetts. I am rather proud to say to the Senator that I have worked in the hay field on days like this.

Mr. WILLIS. I congratulate the Senator.

Mr. WALSH of Massachusetts. As a boy I worked in the New England hay fields, where the soil is rocky and difficult to work, and where the farmers have to toil and labor hard, and do not enjoy comfortable farming conditions. I am now pleading for them, because when I referred to the effect of this duty upon the farmers I should have referred particularly to New England, where hay is imported and straw is imported. Almost all of the straw used there is imported and very little produced.

These duties will be a burden and a hardship upon the farmers of New England. I protest in their name against the rates. I repeat that the number of farmers in the eastern section of the country who produce hay on a commercial basis is insignificantly small. I do not know about the extreme West, but the number that produce hay and straw in the eastern part of the country is very small, compared with the total number of farmers. These high duties mean an additional burden to those farmers.

When this schedule is analyzed and the few duties which appear to protect the farmers of the country are compared with the duties which extract large sums of money in increased prices from them, the farmers will be as vigorously protesting against the bill as the business interests and some of the manufacturing interests of the country are now protesting against it.

Mr. LODGE. Mr. President, I merely desire to put in the RECORD a few figures about the hay crop in New England. It is one of the few profitable crops we have and it is a very important crop in New England.

The area in Maine employed in the growing of hay is 1,668,000 acres and the production is 1,191,000 short tons, a pretty good production of hay. In Massachusetts, of course, a small State, the area is 436,000 acres and 610,000 short tons were produced; in New Hampshire 450,000 acres produced 540,000 short tons; in Vermont 910,000 acres produced 1,320,000 short tons.

Mr. WALSH of Massachusetts. Will my colleague permit an interruption?

Mr. LODGE. I would like to complete the figures. In Connecticut 355,000 acres produced 460,000 short tons; in Rhode Island 46,000 acres produced 51,000 short tons. I have not added up the figures, but that would indicate a pretty large hay crop, and it is pretty valuable to the farmers of New England, especially to the three northern States of Maine, New Hampshire, and Vermont. Horses are not used as much as they were at one time in New England, and I rather think we can come pretty near to making our supply, although I have not figured it out. The supposition that there are no farmers interested in hay in New England, I think, is a mistake.

Mr. WALSH of Massachusetts. Mr. President, my colleague did not see fit to permit me to interrupt him and I shall now make the inquiry I was going to make. I inquire whether the figures given by him were of hay produced for commercial purposes or whether they gave the total production of hay?

Mr. LODGE. The figures I gave were the total hay production. Of course it is almost all used locally in the States except in Vermont and Maine. I take it there is hay exported from both, as they produced between them 2,500,000 tons.

Mr. McCUMBER. Mr. President, I desire to say that this is the same rate as that provided in the Payne-Aldrich law, and is equivalent, under the 1921 imports, to about 20 per cent ad valorem.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment reducing the rate on hay from $4 to $3 per ton.

The amendment was rejected.

The next amendment was, on page 114, line 24, to strike out "$1" and insert "$1.50," so as to read:

Straw, $1.50 per ton.

The amendment was agreed to.

The next amendment was, on page 115, line 1, to strike out "$1.50" and insert "$2.40," so as to read:

PAR. 779. Hops, 24 cents per pound; hop extract, $2.40 per pound.

The amendment was agreed to.

The next amendment was, on page 115, line 2, to strike out "75 cents" and insert "$3," so as to read:

Lupulin, $3 per pound.

Mr. McCUMBER. I ask that the Senate disagree to this amendment.

The amendment was rejected.

The next amendment was, on page 115, after line 2, to insert a new paragraph, paragraph 779a, sago flour and tapioca flour.

Mr. McCUMBER. At the request of several Senators I ask that paragraph 779a may go over until to-morrow.

The PRESIDING OFFICER. Without objection, the paragraph will be passed over.

The next amendment was, on page 115, in lines 14 and 15, to strike out "curry and curry powder, 2 cents per pound," and the semicolon.

Mr. McCUMBER. That is transferred to the free list.

The amendment was agreed to.

The next amendments were, on page 115, line 21, to strike out the word "ground" and the comma and insert "ground or," and in line 21 to strike out "5" and insert "8," so as to read:

Mustard, ground or prepared, in bottles or otherwise, 8 cents per pound.

The amendments were agreed to.

The next amendment was, on page 116, in line 5, to strike out "turmeric, 10 cents per pound," and the semicolon.

Mr. McCUMBER. That is also placed on the free list.

The amendment was agreed to.

The next amendment was, on page 116, in line 8, to strike out "20" and insert "25," so as to read:

Mixed spices, and spices and spice seeds, not specially provided for, including all herbs or herb leaves in glass or other small packages, for culinary use, 25 per cent ad valorem.

The amendment was agreed to.

Mr. McCUMBER. This completes the agricultural schedule and takes us up to the next schedule with the exception of two paragraphs passed over, paragraph 776 and paragraph 779a.

Mr. President, I ask unanimous consent at this time that when the Senate closes its session on this calendar day it recess until to-morrow at 11 o'clock a. m.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. WALSH of Massachusetts. Does the Senator intend to take up paragraphs 776 and 779a to-morrow?

Mr. McCUMBER. Yes; to-morrow morning.

Mr. WALSH of Massachusetts. Those are the only two paragraphs remaining for consideration in the agricultural schedule?

Mr. McCUMBER. They are.

Mr. WALSH of Massachusetts. Very well.

EXECUTIVE SESSION.

Mr. McCUMBER. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 6 o'clock and 15 minutes p. m.) the Senate, under the order previously made, took a recess until to-morrow, Wednesday, July 12, 1922, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate July 11 (legislative day of April 20), 1922.

UNITED STATES JUDGE.

James H. Wilkerson, of Illinois, to be United States district judge, northern district of Illinois, vice Kenesaw M. Landis, resigned.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY.

ORDNANCE DEPARTMENT.

Capt. Clarence Francis Hofstetter, Coast Artillery Corps, with rank from July 1, 1920.

SIGNAL CORPS.

Capt. Joshua Ashley Stansell, Cavalry, with rank from September 21, 1920.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 11 (legislative day of April 20), 1922.

UNITED STATES PUBLIC HEALTH SERVICE.

Ralph E. Porter to be passed assistant surgeon.
Joseph W. Mountain to be passed assistant surgeon.

POSTMASTERS.

CALIFORNIA.

Earl B. Birmingham, Hilts.

MAINE.

Roger S. McGown, Carmel.
Byron E. Lindsay, Kingman.
Carroll M. Richardson, Westbrook.

MASSACHUSETTS.

Edward L. Diamond, Easthampton.
Edgar T. Brickett, North Cohasset.

MONTANA.

Orson B. Prickett, Billings.

NEW YORK.

Robert A. Lundy, Ray Brook.

PENNSYLVANIA.

Harry A. Borland, Indiana.
Samuel E. Crawford, Petrolia.

TEXAS.

Robert A. Jackson, Chillicothe.

SENATE.

WEDNESDAY, *July 12, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

NATIONAL MONUMENT IN RIVERSIDE COUNTY, CALIF.

Mr. JOHNSON. Mr. President, I ask unanimous consent for the present consideration of the bill (H. R. 7598) authorizing the Secretary of the Interior to dedicate and set apart as a national monument certain lands in Riverside County, Calif. The monument is desired in order to preserve what are probably the only remaining large groves of natural wild Washington palms in the United States. Three adjoining canyons, Palm, Murray, and Andreas, each containing an extensive grove of these desert palms, are embraced within the area of the proposed monument. Many other specimens of desert flora of major scientific interest are also to be found there.

The bill has the approval of the Department of the Interior, including the Bureau of Indian Affairs. It safeguards the Indians and it costs the Government nothing at all.

Mr. SMOOT. I suggest that perhaps this may be a good time to pass several bills, as there is not a Democratic Senator in the Chamber.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill named by the Senator from California?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to set apart upon the following-described lands located in the county of Riverside, in the State of California, as a national monument, which shall be under the exclusive control of the Secretary of the Interior, who shall administer and protect the same under the provisions of the act of Congress approved June 8, 1906, entitled "An act for the preservation of American antiquities," and under such regulations as he may prescribe: The west half of the southwest quarter of section 2, the southeast quarter of section 3, all of section 10, the west half of the northwest quarter of section 11, all of section 14, all in township 5 south, range 4 east, San Bernardino base and meridian, containing 1,600 acres: *Provided*, That before such reservation and dedication as herein authorized shall become effective the consent and relinquishment of the Agua Caliente Band of Indians shall first be obtained, covering its right, title, and interest in and to the lands herein described, and payment therefor to the members of said band on a per capita basis, at a price to be agreed upon, when there shall be donated for such purposes to the Secretary of the Interior a fund in an amount to be fixed and determined by him as sufficient to compensate the Indians therefor.

SEC. 2. That in order to determine the amount to be paid under the preceding section the Secretary of the Interior is authorized and directed to negotiate with said Indians to obtain their consent and relinquishment, and when such consent and relinquishment has been obtained and an agreement reached the Secretary of the Interior is further authorized to make payment from said donated fund for the lands relinquished to the enrolled members of the said Agua Caliente Band as authorized by section 1 of this act: *Provided*, That the consent and relinquishment of the Indians may be obtained and payment made for the lands in such manner as the Secretary of the Interior may deem advisable: *Provided further*, That the water rights, dam, pipe lines, canals and irrigation structures located in sections 2 and 3 of township 5 south, range 4 east, San Bernardino meridian, and also all water and water rights in Palm Canyon, are hereby excepted from this reserve and shall remain under the exclusive control and supervision of the Bureau of Indian Affairs.

SEC. 3. That the provisions of the act of Congress approved June 10, 1920, known as the Federal water power act, shall not apply to this monument.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

PETITIONS.

Mr. WARREN presented resolutions adopted by the directors of the National Farm Loan Associations of Cokeville and Cody, both in the State of Wyoming, favoring amendment of the Federal farm loan act increasing the loan limit from $10,000 to $25,000, so that actual farmers operating a standard farm unit may enjoy the benefits of the farm-loan system and that they may borrow money through the said system at the lowest possible net cost, not higher than 5 per cent, etc., which were referred to the Committee on Banking and Currency.

Mr. LADD presented resolutions adopted at a session of the North Dakota Federation of Nonpartisan Clubs, at Bismarck, N. Dak., favoring the passage of Senate bill 2604, the so-called Ladd honest money bill, which were referred to the Committee on Banking and Currency.

Mr. SPENCER presented resolutions adopted at a mass meeting of citizens at Herculaneum, Mo., favoring the granting of relief and protection to the suffering peoples of Armenia, which were referred to the Committee on Foreign Relations.

Mr. CAPPER presented resolutions adopted by the Chamber of Commerce of Abilene, Kans., favoring full enforcement of the decree of the United States Supreme Court ordering the divorcement of the Central Pacific Railway from the Southern Pacific Co., etc., which were referred to the Committee on Interstate Commerce.

Mr. ROBINSON presented a telegram in the nature of a petition from the Nashville (Ark.) Chamber of Commerce, praying for Government protection of mails and trains in interstate commerce during the present railroad strike, which was referred to the Committee on Interstate Commerce.

PHILADELPHIA SESQUICENTENNIAL EXHIBITION.

Mr. LODGE, from the Committee on Foreign Relations, to which was referred the joint resolution (H. J. Res. 170) to approve the holding of a national and international exhibition in the city of Philadelphia in 1926 upon the Fairmount Park and parkway site selected by the Sesquicentennial Exhibition Association, and lands contiguous thereto that may be acquired for that purpose, as an appropriate celebration of the one hundred and fiftieth anniversary of the signing of the Declaration of Independence, reported it without amendment.

FRAUDULENT USE OF THE MAILS.

Mr. TOWNSEND. I ask unanimous consent that the Committee on Post Offices and Post Roads be discharged from the further consideration of the bill (S. 1973) to amend section 213, act of March 4, 1909 (Criminal Code), affixing penalties for use of mails in connection with fraudulent devices and lottery paraphernalia; the bill (S. 1974) to amend section 215, act of March 4, 1909 (Criminal Code), penalizing fraudulent use of the mails; and the bill (S. 1975) to amend section 3929, Revised Statutes, relating to exclusion of fraudulent devices and lottery paraphernalia from the mails, and that these bills be referred to the Committee on the Judiciary. They properly belong to that committee.

The PRESIDENT pro tempore. Without objection, that change of reference will be made.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LADD:

A bill (S. 3814) to provide for an emergency tariff to be levied on all linseed oil coming into the United States from foreign countries, and for other purposes; to the Committee on Finance.

By Mr. FLETCHER:

A bill (S. 3815) granting a pension to Michael Yallowich; to the Committee on Pensions.

By Mr. WALSH of Montana:

A bill (S. 3816) granting an increase of pension to William Cowan (with accompanying papers); to the Committee on Pensions.

By Mr. PHIPPS:

A joint resolution (S. J. Res. 223) authorizing the Federal Reserve Bank of Kansas City to enter into contracts for the erection of a building for its branch office at Denver, Colo.; to the Committee on Banking and Currency.

AMENDMENT TO RIVER AND HARBOR BILL.

Mr. FLETCHER submitted the following amendment intended to be proposed by him to the bill (H. R. 10766) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was ordered to lie on the table and to be printed:

On page 20, line 9, strike out the word "Palatka" and insert in lieu thereof "Sanford."

PROTECTION OF MIGRATORY BIRDS.

Mr. ROBINSON submitted an amendment intended to be proposed by him to the bill (S. 1452) providing for establishing shooting grounds for the public, for establishing game refuges and breeding grounds, for protecting migratory birds, and requiring a Federal license to hunt them, which was referred to the Committee on Military Affairs and ordered to be printed.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McCUMBER. I ask that the Senate proceed to the consideration of paragraph 776, page 114.

Mr. SIMMONS. Mr. President, I make the point of no quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Ernst	McKinley	Robinson
Ball	Fernald	McLean	Sheppard
Borah	France	McNary	Simmons
Brandegee	Gooding	Moses	Smoot
Bursum	Hale	Nelson	Spencer
Calder	Harris	New	Sterling
Cameron	Harrison	Newberry	Townsend
Capper	Johnson	Nicholson	Trammell
Colt	Jones, N. Mex.	Norbeck	Wadsworth
Culberson	Jones, Wash.	Oddie	Walsh, Mass.
Cummins	Kellogg	Overman	Walsh, Mont.
Curtis	Kendrick	Pepper	Warren
Dial	Ladd	Phipps	Watson, Ind.
du Pont	Lodge	Ransdell	Willis
Edge	McCumber	Rawson	

Mr. HARRISON. I wish to announce that the Senator from Nevada [Mr. PITTMAN] is detained on account of illness in his family. I ask that this announcement may stand for the day.

The PRESIDENT pro tempore. Fifty-nine Senators have answered to their names. A quorum is present.

Mr. McCUMBER. In paragraph 776 I ask the Senate to disagree to the committee amendment beginning in line 17 on page 114 and ending in line 20 with the words "per pound."

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. On page 114, lines 17 and 18, the committee proposes to strike out "17½ per cent ad valorem, but not less than 2 cents per pound," and insert "valued at 20 cents per pound or less, 1 cent per pound; valued at more than 20 cents per pound, 2 cents per pound," so as to read:

Chocolate and cocoa, sweetened or unsweetened, powdered or otherwise prepared, valued at 20 cents per pound or less, 1 cent per pound; valued at more than 20 cents per pound, 2 cents per pound.

Mr. WALSH of Massachusetts. Mr. President, will the Senator state what substitute he intends to offer for the amendment he requests be disagreed to?

Mr. McCUMBER. After the amendment is disagreed to, I desire to substitute 25 per cent ad valorem in line 17 and also to strike out 30 per cent ad valorem in line 21 and insert 25 per cent ad valorem, so that it places them all on a 25 per cent ad valorem basis.

Mr. WALSH of Massachusetts. All that I care to say upon the substitute amendments to be offered to this paragraph is that they are probably urged because of the high duty fixed upon cacao butter. The duty fixed upon cacao butter is considerable of an increase over previous and existing law, and in order to make the duty upon chocolate and cocoa have some relationship to the duty upon cacao butter, which is a by-product, I assume the committee now are seeking to increase the rates upon cocoa and chocolate. I think the rate upon cacao butter is altogether too high and it should be reduced so that the House rate upon chocolate and cocoa can remain.

The manufacture of chocolate and cocoa is an extensive American industry. There are some importations of a certain quality of cocoa from Holland. Evidently at the outset the committee did not feel and believe that it was necessary to increase the duties heretofore existing, because they actually lowered the rates, but they did increase the rate upon cacao butter and that very naturally brought a protest from the manufacturers of chocolate and cocoa; but instead of reducing the rate upon cacao butter the committee have retained the high rate upon cacao butter and now ask to increase the rate upon chocolate and cocoa.

The PRESIDENT pro tempore. The question is upon agreeing to the committee amendment.

Mr. STERLING. Mr. President, let us understand the situation. What is now proposed, I understand, is a disagreement to the committee amendment as printed in the bill.

Mr. McCUMBER. It is.

Mr. STERLING. With the intention on the part of the committee to move another amendment?

Mr. McCUMBER. That is true.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the committee.

The amendment was rejected.

Mr. McCUMBER. The next amendment is, in line 17, to strike out "17½" and insert in lieu thereof "25."

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. On page 114, line 17, it is proposed to strike out "17½" and insert "25," so as to read:

Chocolate and cocoa, sweetened or unsweetened, powdered or otherwise prepared, 25 per cent ad valorem, but not less than 2 cents per pound.

Mr. STERLING. Mr. President, I wish to be heard briefly upon this question. I hope the committee amendment to the House provision will not prevail. I am particularly interested in the first two items, chocolate and cocoa, sweetened or unsweetened. I am not so immediately concerned in the rates relating to cacao butter as provided for in the bill and as provided for in the amendment now proposed by the Senator from North Dakota.

Mr. President, I see no good reason for an increase of the rate on chocolate and cocoa over that provided for in the House bill; indeed, I think the House rate is higher than is necessary. I see, on the other hand, several good reasons why the Senate committee amendment should not prevail.

Here are articles, chocolate and cocoa, which are of almost universal use; they are used in every household in the land; they are recommended by physicians and dietitians for the sick, for their health-giving and health-restoring qualities; and it ought to appear reasonably necessary for the protection of a home industry in order that we impose any high tariff duty upon the importation of these articles. I think the report of the Tariff Commission on the subject is very significant. I call attention first to the language of the House provision in paragraph 776, which provides:

PAR. 776. Chocolate and cocoa, sweetened or unsweetened, powdered or otherwise prepared, 17½ per cent ad valorem, but not less than 2 cents per pound; cacao butter, 3½ cents per pound.

And in this connection I call attention to the rate provided for in the act of 1913, being the present law, and to refer to the condition of the domestic industry, the increase in the number of chocolate and cocoa manufacturing plants in this country, and the quantity and value of the product in this country under the Underwood tariff law. I quote the provision of that law:

PAR. 231. Unsweetened chocolate and cocoa, prepared or manufactured, not specially provided for in this section, 8 per cent ad valorem.

So the proposition now is to increase the rate to more than three times its present amount by making it 25 per cent ad

valorem instead of 8 per cent ad valorem, as provided for in the present law—this on unsweetened chocolate.

In this connection let us look at the production and see whether, in view of the production in this country, there is any necessity for an increase in the rate. Mind, Mr. President, I am not contending for the Underwood law rate now, but I am contending for the House rate rather than the rate under the Underwood law, the House rate being 17½ per cent ad valorem on both sweetened and unsweetened chocolate.

Mr. LODGE. Mr. President, may I ask the Senator from South Dakota a question?

Mr. STERLING. Yes.

Mr. LODGE. The Senator, as I understand, does not object to the House provision to the effect that the rate of duty shall not be less than 2 cents a pound for all grades?

Mr. STERLING. I am not objecting to that.

Mr. LODGE. The Senator is not trying to differentiate between the various grades?

Mr. STERLING. If the House provision may stand as it is written, I shall not object.

I quote now from page 806 of the Summary of Tariff Information:

> Production: The output of the cocoa and chocolate industry increased about tenfold from 1895 to 1918. In 1914, 36 factories (exclusive of confectioners) had a capital of $24,000,000 and a product valued at $36,000,000. The industry is localized in the Eastern States, four plants producing about half the domestic output. Automatic machinery is employed almost exclusively and raw materials constitute the principal item of cost. In 1917 the 29 largest factories reported the following production, which is substantially the total for this country.

I shall not take the time of the Senate to read the production of the different kinds of this product in 1917; but, proceeding, the report states:

> In 1919 the total value of the products of the 48 establishments was $139,000,000, divided as follows: Chocolate cakes, sweetened and unsweetened, $51,000,000; chocolate liquor and coating, $36,000,000; chocolate, including milk chocolate, $12,000,000; cocoa, $24,000,000; cacao butter, $14,000,000; all other products, $2,000,000.

That was the output in this country of the 48 establishments during the year 1919. What was the total value of the imports of chocolate of all kind, sweetened and unsweetened, cocoa, sweetened and unsweetened, and cacao butter in the year 1919?

It was only $235,000—slightly over one-quarter of a million dollars—as against our domestic production of $139,000,000.

Mr. President, I think we have from time to time recognized the principle in our tariff discussions here that where the volume of exports is tremendously large and far in excess of the imports brought into the country there is no great need for a high protective tariff. That principle has been announced again and again on the floor and on this side of the Chamber.

Mr. President, we do not import to exceed 1 per cent of the quantity consumed in this country, according to the figures.

There is another significant thing——

Mr. KELLOGG. Mr. President, will the Senator yield?

Mr. STERLING. I yield to the Senator from Minnesota.

Mr. KELLOGG. What is the rate for which the Senator is asking?

Mr. STERLING. I am asking for a restoration of the House rate, I will say to the Senator, which is 17½ per cent ad valorem.

Mr. WALSH of Massachusetts. Mr. President, will the Senator be kind enough to yield to me?

The PRESIDENT pro tempore. Does the Senator from South Dakota yield to the Senator from Massachusetts?

Mr. STERLING. I yield to the Senator.

Mr. WALSH of Massachusetts. I am very much in sympathy with what the Senator is saying. This whole difficulty, however, has arisen because of the increase in the rate on cacao butter. If the Senate committee will accept the House duty levied on cacao butter, we could accept the House duty upon chocolate and cocoa, and everybody, so far as I know, would be satisfied. The manufacturers are not asking for the increased duty on chocolate and cocoa except by reason of the increase in the rate on cacao butter, which they must use in the preparation of certain kinds of chocolate. If the cacao-butter rate is reduced, then all other rates in the paragraph can be reduced to the House level.

Let me further call the Senator's attention to the fact that the cacao-butter rate has been increased simply because there has been a sudden and rapid importation of cacao butter, due to the vogue of that very popular ice, known as Eskimo pie, in the making of which cacao butter is largely used. This demand may disappear in two or three months and never occur again.

I repeat that I fully sympathize with what the Senator is saying, but the basic trouble is that the cacao-butter rate is too high and ought to be reduced to the House rate, and the House rates on cocoa and chocolate ought to be retained in this paragraph.

Mr. STERLING. I thank the Senator for what he has said as a contribution to this discussion. I agree with him that the rate proposed by the Senate committee upon cacao butter is too high, but I am more deeply concerned with the duty on chocolate and cocoa, because those commodities, rather than the cacao butter, come into general household use, and any proposed duty on these appeals to me more than does the rate prescribed for cacao butter.

Mr. McCUMBER. The Senator has been quoting some figures with reference to exportations. Does he know what the exportations have been for the last two months?

Mr. STERLING. I can pretty nearly tell the Senator what the exportations have been for the last four months, at any rate.

Mr. McCUMBER. The reason I ask as to the exportations for the last two months is that the committee is informed that all of the chocolate-producing countries have levied very heavy duties against the importation of chocolate, much heavier duties than ours.

Mr. STERLING. If the Senator will allow me, I will call attention to the figures a little later. I think I have some figures here upon that question. However, I wish now to call attention to this feature of the case: It is fundamental, Mr. President, in our tariff discussions that we desire a protective tariff for the purpose of protecting the labor interests of the country, so that the laboring man may have higher wages and as a consequence enjoy a higher standard of living. Comparatively little labor is employed in this industry, as appears from the statement in the Tariff Commission's report which I have already read, but to which I wish to call attention anew:

> Automatic machinery is employed almost exclusively and raw materials constitute the principal item of cost.

So the importance of this increase can not be stressed because of the manner in which it will affect or benefit labor in this country.

> Raw materials—
>
> Says the report—
>
> constitute the principal item of cost.

And upon the raw material there is not one cent of tariff; the cacao beans under the present law and under the bill we are now considering come in free of duty.

So, Mr. President, in view of the conditions, the fact that the proposed rate of duty will give no protection to American labor, and the further fact that the manufacturers of chocolate and cocoa are not compelled to pay any tariff at all on the raw material which they use, ought to be, it seems to me, determining factors in our consideration of this question.

Shall we, by the imposition of this high rate of duty—25 per cent ad valorem—give the manufacturers in this country, who have grown and developed and increased under a duty of 8 per cent ad valorem, the excuse to increase their prices of this necessary household article? I do not think we should. Nothing calls for it; the building up of an infant industry or the protection of such industry in this country does not call for it, and protection to American labor does not call for it.

Mr. President, the Senator from North Dakota asked me a moment ago about recent importations. A statement from the Department of Commerce shows the total imports of manufactured cocoa and chocolate, except confectionery, for 10 months ending April, 1922, were 1,632,396 pounds. We will keep in mind, I hope, that this is not a tariff imposed upon confectionery. Such a tariff duty is provided in another paragraph of this bill, namely, paragraph 506. We are now considering chocolate and cocoa, sweetened or unsweetened, and powdered cocoa, for which the purchaser pays 25 or 30 cents for each half-pound package. If it is chocolate it comes in the form of a cake, and if it is cocoa, powdered, it comes in a can, and according to the latest information from my grocer, the cakes are selling for 25 cents a half pound and the cans for 25 cents a half pound.

The same report shows the exports of manufactured cocoa and chocolate from the United States for January, February, March, and April, 1922, as follows:

January, 1922,, cocoa, powdered, 1,183,599 pounds.

Mr. McCUMBER. The Senator is now referring to the exports?

Mr. STERLING. I am referring to the exports. I have given the figures as to imports, which were for the 10 months ending April, 1922, 1,632,396 pounds.

Mr. CALDER. Mr. President, will the Senator inform the Senate if that is cocoa, powdered, in those exports?

Mr. STERLING. These are imports of manufactured cocoa and chocolate, except confectionery.

Mr. CALDER. I am speaking of the exports.

Mr. STERLING. It is the same; it is cocoa, powdered, and chocolate, except confectionery.

Mr. CALDER. My information is that those exports are of cocoa, powdered, which is a by-product here in America.

Mr. STERLING. It is to a great extent a by-product, and that is only another reason against this proposed rate. Chocolate is itself to a great extent a by-product, the principal thing being, as stated by the Senator from Massachusetts a while ago, cacao butter; and the powdered cocoa and the chocolate, especially the cocoa, are to a great degree by-products of the manufacture of cacao butter. They produce it also in the manufacture of the butter.

In February our exports were 1,740,306 pounds of cocoa, powdered; of chocolate, 54,098 pounds.

For March our exports were 1,061,944 pounds of cocoa, powdered, and 56,592 pounds of chocolate.

For April our exports were 2,276,708 pounds of cocoa, powdered, and 48,027 pounds of chocolate.

Making a total, Mr. President, of exports for the four months of 6,510,124 pounds; and thus these figures show that in four months we exported four times more of chocolate and cocoa than we imported in 10 months.

Under circumstances like these, is there any need for a higher protective tariff than the House bill has provided? I think that is too high. I think 8 or 10 per cent ad valorem is high enough to protect every interest concerned.

Mr. McCUMBER. Mr. President, if the Senator will yield to me a moment——

Mr. STERLING. Yes.

Mr. McCUMBER. The export figures which I have do not at all agree with those that are being read by the Senator, if I have followed them rightly. The exports of cocoa and chocolate, prepared or manufactured, not including confectionery, for the full nine months ending in March, 1922, were only $308,307 worth, and the exports of cocoa, powdered, were only $168,420 worth, and the exports of chocolate, except confectionery, were only $46,829, as shown by the monthly summary, and that takes in the nine months ending in March, 1922. That is only about half a million dollars' worth altogether.

Mr. STERLING. Mr. President, the Senator's figures surely are wrong. I read from the Department of Commerce statement. This is the authority for the figures I give. They show of imports for the first 10 months ending April, 1922, 1,632,396 pounds. They show of exports for the first four months of 1922, 6,510,124 pounds of cocoa, powdered, and chocolate, except confectionery.

Mr. McCUMBER. Mr. President, I think there must be some error in that statement, because here is the Monthly Summary of Foreign Commerce of March, under the head of "Exports of domestic merchandise by articles and principal countries," and it shows, as I have stated, that the exports of cocoa and chocolate, prepared or manufactured, not including confectionery, for the whole nine months preceding March, 1922, were only $308,307 worth, and that the exports of cocoa, powdered, were $168,420, and the exports of chocolate, except confectionery, were only $46,829. That is not for a month, but for the full nine months. I do not suppose it makes a great deal of difference, as that is merely a matter of exports, and most of our exports would be, I think, to Cuba, where there is a differential in our favor.

Mr. STERLING. Mr. President, I reiterate my statement that the figures referred to and which I have quoted, showing imports and exports during these 4 months and these 10 months, are correct, and they come from that source which surely, of all others, ought to be informed, and, I think, is informed upon this subject of exports and imports of any particular product. So, Mr. President, considering the fact that the industry of making chocolate and cocoa in this country has developed as it has, increasing tenfold from 1895 to 1918, and that it is still increasing since 1918, as shown by the report of the Tariff Commission, when in 1919 they produced $139,000,000 worth in this country and when during that same year there was imported into this country only $235,000 worth, and when we consider that there is no claim here that labor is to be benefited by this increase; also that the industry itself does not need any further assistance by way of a protective tariff, and when, too, we consider the danger that the higher rates will be made the excuse for the manufacturers and the dealers to charge a high price, a more than reasonable price, for their product of chocolate and cocoa, used in every household in the country, I think we would be doing almost an absurd thing if we should increase this rate beyond what the House provided.

Mr. CALDER. Mr. President, as the figures quoted by the Senator from South Dakota indicate, the production of chocolate and cocoa in this country increased very largely between 1914 and 1919. This was caused by the fact that through the war the markets of the world were closed to Germany and Austria, large producers of chocolate and cocoa, and in a sense to Great Britain and Switzerland also. We therefore had the world market for the production of American chocolate and cocoa. These productions in America increased fourfold. Our manufacturers increased their plants. All over America we saw great chocolate and cocoa plants doubling and trebling and becoming even four and five times their former size, and the exports increasing by leaps and bounds.

Now, what has happened? With the war over, and these European countries returning to their former capacity, they have taken over again their markets in South America and in other places in the world where they formerly had the trade; and as far as these countries themselves are concerned—and this I would call to the attention of the Senator from South Dakota—all of these countries—Canada, Germany, France, and England—have put up a wall against us in the matter of chocolate and cocoa that prevents our sending any of our products to them. I am informed that Canada has placed a duty of 5 cents a pound against our chocolate, and that other countries have rates almost in the same proportion; so that we face a situation to-day whereby we may make this rate low enough, and I think the committee recommendation is low enough, to encourage importations here, when these markets of Europe are absolutely closed to us. They have taken the position that chocolate and cocoa are luxuries, and that upon these luxuries they can afford to levy a very heavy tax.

The rates proposed by the committee, Mr. President, are less than the Payne-Aldrich rates, when you examine them closely, and except for the duty on unsweetened chocolate carried in the Underwood Act they are even less than the rates of the Underwood Act. That act provides a duty of 2 cents a pound up to 20 cents a pound, and after that 25 per cent ad valorem. In fact, the rates here are about the same, except in the matter of unsweetened chocolate, as those fixed by the Underwood law.

Mr. STERLING. Mr. President, let me call the Senator's attention to this fact: The Underwood Act provided, for unsweetened chocolate and cocoa prepared or manufactured, not specially provided for, 8 per cent ad valorem, and the great bulk of the chocolate that comes into this country is the unsweetened chocolate. Comparatively little of the sweetened chocolate comes in.

Mr. CALDER. I repeat that except for the rate on the unsweetened chocolate, the rates provided by the Finance Committee are not higher than the rates in the Underwood Act.

Mr. STERLING. Let me just call attention to this fact——

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from South Dakota?

Mr. CALDER. I yield.

Mr. STERLING. The rate proposed now by the Senate committee is a little more than three times the rate upon the great bulk of chocolate manufactured that comes into this country unsweetened. Nearly all of it is unsweetened.

Mr. CALDER. Mr. President, we have this condition concerning cacao butter: We have importations during this year of cacao butter very greatly in excess of anything that we have ever had before. While cocoa, powdered, or chocolate, powdered, is a by-product of cocoa and chocolate manufactures, cacao butter is the by-product of the chocolate and cocoa manufacturers in Europe, and they have been sending here large quantities. In fact, they have completely overwhelmed our market in cacao butter; and the committee have felt compelled, in justice to the manufacturers of cacao butter here, to put a reasonable duty upon that commodity. Not only must we do that to protect the cacao-butter man here, which adds to the cost of the chocolate, but we have a higher tax on sugar and almonds and walnuts and all the other things that enter into the manufacture of these commodities.

It seems to me there is no item in this bill more justified than the rates submitted by the Finance Committee in this matter. They are less than the rates in the Payne-Aldrich bill, and except, I repeat, in the case of the unsweetened chocolate, not higher than the rates of the Underwood Act.

Mr. McCUMBER. Mr. President, I want to call attention to the fact that the rates on chocolate and cocoa under the present law are as follows: Sweetened, valued at not over 20 cents per pound, 2 cents per pound. That is the same as we have here. Valued at above 20 cents per pound, 25 per cent ad valorem. That is what we propose to put in our amendment, the same as the Underwood tariff. The only place where a

difference would lie would be in the unsweetened product. The rate on the unsweetened product in the present law is 8 per cent ad valorem, while this, as suggested by the Senator from South Dakota, would leave the rate 25 per cent, as against the House provision of 17½ per cent.

Since coming in this morning I have talked over the matter with the Republican members of the committee, and they are satisfied to have me withdraw the proposed amendment to strike out "17½" and to insert "25"; and if the Senate will allow me to do so, I will withdraw that proposed amendment, leaving it at 17½ per cent.

The PRESIDENT pro tempore. Without objection, the amendment is withdrawn. The Secretary will state the next amendment of the committee.

The next amendment was, on page 114, line 20, to strike out "3½ cents per pound" and, as modified, insert "25 per cent ad valorem" in lieu of "30 per cent ad valorem," so as to read:

Cacao butter, 25 per cent ad valorem.

Mr. WALSH of Massachusetts. Mr. President, I ask the chairman of the committee to make the same request in regard to this amendment in order to even matters up.

Mr. McCUMBER. The amendment as modified reduces the rate on cacao butter, and so forth, to 25 per cent ad valorem. Under the evidence which was given to the committee, which I have not before me at this time, we felt justified in requesting the small duty of 25 per cent ad valorem.

Mr. CALDER. It is proposed to strike out "30" and to insert "25."

Mr. McCUMBER. Yes; it is proposed to strike out "30" and insert "25."

Mr. WALSH of Massachusetts. That is about a 200 per cent increase over the House rate of 3½ cents per pound. Cacao butter sells for about 30 cents per pound.

The only argument I have heard from any source in favor of increasing the rates upon cocoa and chocolate was from the leading chocolate manufacturers of my State, and they apparently were satisfied with the House rates; but when the Senate committee reported this increase in the rate on cacao butter, they, and doubtless other manufacturers of chocolate, complained because the cacao butter rate left a disparity between the rate on cacao butter and the rate upon chocolate and cocoa.

I read from a letter which I received to that effect:

The reason for the increase in the selling price of cacao butter was because of the extraordinary increase in the sale and demand for Eskimo pie, in the manufacture of which cacao butter is mixed with the sweet chocolate to make the covering of this article. For a short time Eskimo pie took like wildfire throughout the entire country. The result was that many manufacturers of ice cream and sweets loaded up with the constituents that go to make up this article and caused a very great shortage in the market. This, however, is, I am assured by Mr. Gallagher, the president of Walter Baker & Co., a temporary condition. Mr. Gallagher tells me that the country can produce considerably more cacao butter than it ordinarily required, and that therefore in placing this increased duty on cacao butter the Senate Finance Committee did not even the thing up for the chocolate manufacturers as they intended to do.

That seems to be the whole cause of the agitation in favor of increasing the rates upon chocolate and cocoa; that the Senate Finance Committee, increasing the rate upon cacao butter, did not even the thing up for the chocolate manufacturers. In other words, cacao butter is a by-product of chocolate and cocoa, and the by-product has a higher rate than the main product itself.

It is preposterous. It is all due to the fact that for a few months last year there was a tremendous importation of cacao butter, because the home market did not begin to supply the demand for that commodity needed in the manufacture of Eskimo pie. It seems to me this high rate can not be justified.

I hold in my hand a table showing the imports and exports of cacao butter from 1910 to 1922, which I ask to have inserted in the RECORD with my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Imports and exports of cacao butter, 1910–1922.

	Imports.			Exports.	
	Pounds.	Dollars.	Value per pound.	Pounds.	Dollars.
Fiscal year:					
1910	3,755,140	750,333	$0.200	(1)	
1911	4,395,452	1,112,778	.253		
1912	5,832,063	1,552,973	.266		
1913	3,631,986	990,568	.273		
1914	2,876,967	801,259	.279		
1915	126,028	35,863	.284		
1916	69,888	15,824	.226		

[1] Exports not separately given prior to 1919.

Imports and exports of cacao butter, 1910–1922—Continued.

	Imports.			Exports.	
	Pounds.	Dollars.	Value per pound.	Pounds.	Dollars.
Fiscal year:					
1917	24,289	7,581	$0.312		
1918	14,852	4,633	.311		
Calendar year:					
1919	8,179	2,539	.300	7,320,255	3,031,748
1920	14,080	6,705	.477	5,377,188	1,948,617
1921	1,723,385	380,985	.222	2,855,278	755,544
January, 1922	172,091	37,915		85,184	23,921
February, 1922	1,833,001	463,555		57,055	19,319
March, 1922	2,101,654	546,467		69,547	23,071
April, 1922	819,407	191,257		131,488	49,334
May, 1922	452,375	101,070		109,070	31,580

Mr. WALSH of Massachusetts. This table shows that there were very heavy importations in 1921 and the first five months of 1922, but even in 1921 we exported 2,855,278 pounds of cacao butter, while our imports were only 1,723,385 pounds. So that even with the increased importation of cacao butter there has been a very heavy exportation of this product.

The rates fixed upon the other items in this paragraph are an improvement over the committee amendment, but I think, to complete the relativity of these products one to the other, the duty upon cacao butter ought to be lowered.

Mr. McCUMBER. Mr. President, the Senator has stated that the 25 per cent ad valorem would be equivalent to about three times as much as the House rate. The Senator is mistaken in that statement. The entire importations for 1922 show about 22 cents per pound as the invoice price. With the article selling at 22 cents a pound, a rate of 3.5 cents per pound gives an equivalent ad valorem of 16 per cent. We have added to that 9 per cent, to make it 25 per cent. Instead of being two or three times as much it is a little more than one-half greater than it would be at 3½ cents per pound, taking the average prices for 1921.

Mr. WALSH of Massachusetts. Instead of being 200 per cent increase it is over 100 per cent increase?

Mr. McCUMBER. No; the increase would be 50 per cent, an increase of about one-half.

Mr. WALSH of Massachusetts. With cacao butter selling at 30 cents a pound an ad valorem of 25 per cent represents 7½ cents.

Mr. McCUMBER. The Senator is in error again. The 3½ cents per pound is an equivalent of 16 per cent ad valorem. We have proposed a duty of 25 per cent ad valorem. Therefore our increase is 9 per cent ad valorem, or a little more than one-half. One-half would be 8 per cent.

I desire to insert in the RECORD a memorandum concerning cacao butter, and in this memorandum appear the comparative costs of production in several countries abroad and the cost of production in the United States, with the conclusion as to what would be a reasonable duty. It is stated in this memorandum that the figures show conclusively that cacao butter can be sold by European manufacturers for 9¼ cents a pound less than by United States manufacturers.

Mr. STERLING. May I ask if the memorandum to be printed in the RECORD shows the price of cacao butter on the market now?

Mr. McCUMBER. No; it gives the cost of production. I am informed that it reaches from 26 to 30 cents a pound in the United States. The information I am presenting is simply to give the cost of production abroad and in the United States, for the purpose of showing what differential should be made. I do not care to read it if I may have it printed in the RECORD.

Mr. WALSH of Massachusetts. I have no objection.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

COCOA BUTTER MEMORANDUM.

I.

The cocoa bean produces two basic products, viz: Cocoa butter and cocoa powder.

In the United States of America cocoa powder is mainly a by-product and is used for ice cream, beverages, and pastry.

In Europe it is used almost entirely as a food.

In the United States of America 90 per cent of the cocoa butter produced is used in making confectionery.

In Europe cocoa butter is the by-product and the manufacturers must look to foreign markets for the sale of their surplus.

In the United States of America the average selling price of bulk cocoa powder obtainable to-day is 3½ cents per pound. In Europe it is 10 cents to 12 cents per pound.

II.

Three and one-third pounds cocoa beans yield 1 pound cocoa butter and 1⅔ pounds cocoa powder.

III.

The selling price of cocoa butter in the United States of America is determined by foreign quotations. A monthly auction is held in Amsterdam and the prices the world over for the succeeding month are practically ruled by this auction. The present market price of 29½ cents per pound in the United States of America is based solely on foreign offerings and domestic competition, and not on actual cost production.

To illustrate: The following figures show conclusively that cocoa butter can be sold by European manufacturers for 9¼ cents per pound less than by United States manufacturers:

Comparative costs.

UNITED STATES OF AMERICA.		EUROPE.	
1,250 pounds cocoa beans, at 9 cents per pound	$112.50	1,250 pounds cocoa beans, at 9 cents per pound	$112.50
Conversion cost of cocoa beans	29.25	Conversion cost of cocoa beans	14.70
	141.75		127.20
YIELD.		YIELD.	
375 pounds cocoa butter, at 29½ cents pound	$110.62	375 pounds cocoa butter, at 24 cents pound	$90.00
625 pounds cocoa powder, at 3½ cents pound	21.88	625 pounds cocoa powder, at 10 cents pound	62.50
	132.50		152.50
Loss in United States of America	9.25	Profit	25.30
Loss in United States of America			9.25
Profit in Europe			25.30
			34.55

Differential of $34.55 on 375 pounds cocoa butter in favor of Europe, 9¼ cents pound.

IV.

Under the present tariff of 3½ cents per pound cocoa butter importations by calendar years were as follows:

	Pounds.
1912	6,074,741
1913	3,606,332
1914	2,838,761
1915 to 1920, inclusive (war conditions prevailing)	793,766
1921	2,372,669
1922 to June 1 (Port of New York only)	4,821,835

Attention is called to the fact that in the Reynolds report, page 13, schedule 7, the import statistics given are for "cocoa butter or butterine, refined deoderized coconut oil, and all substitutes for cocoa butter."

The above figures cover cocoa butter imports only.

It is obvious that the 3½ cents duty has not shut out the importation of cocoa butter, although the United States manufacturers were and are equipped to supply all the cocoa butter required for domestic consumption, and a large surplus in addition

V.

The fact is that the markets of Europe (which are the principal consuming markets of the world) are closed to the United States manufacturers, as is shown by the following rates of duty:

1. GERMANY.[1]

	Rates per 100 kilograms.	Equivalent in American currency per pound.
		Cents.
Cocoa butter	150 gold marks	16.2
Cocoa powder	160 gold marks	17.3

2. GREAT BRITAIN.

		Cents.
Cocoa butter	4½ pence per pound	8½
Cocoa and other cocoa preparations	28 shillings per hundredweight on raw cocoa used in manufacturing plus 4½ pence per pound on cocoa butter used; equivalent to 6½ cents on average mixture of chocolate.	

3. ITALY.

		Cents.
Cocoa butter	70 gold lire	8.1
Cocoa powder	120 gold lire	10.4

4. FRANCE.

		Cents.
Cocoa butter	150 paper francs	5½
Cocoa powder	do.	5½

[1] All now under embargo subject to special import license only.

5. SPAIN.[1]

	Rates per 100 kilograms.	Equivalent in American currency per pound.
		Cents.
Cocoa butter	750 gold pesetas	65
Cocoa powder	do.	65

[1] Favored nations products, 250 pesetas; equivalent to 21.8 cents per pound.

These facts, together with the difference in conversion costs, have resulted in over one-half of the cocoa butter and cocoa powder equipment in the United States of America being shut down and the piling up here of enough unsold cocoa powder to supply the United States of America for two years.

VI.

The only United States exportations of cocoa powder for the last 18 months have been made for American relief purposes in Europe. This powder was sold at an average price of 3 cents per pound packed in export cases free alongside steamer.

VII.

Therefore, to equalize these conditions 25 per cent ad valorem should be the minimum import duty on cocoa butter, although the foregoing comparative statement justifies a 30 per cent ad valorem rate.

A 25 per cent ad valorem rate will, however, harmonize with the rates now proposed for chocolate and cocoa in paragraph 776.

Mr. WALSH of Massachusetts. Will the Senator inform us in what country it is made for 9 cents less per pound than it can be produced for in America?

Mr. McCUMBER. I will take the table.

Mr. WALSH of Massachusetts. May I say, while the Senator is looking for the information, that cacao butter is the by-product of the cacao bean, as cocoa and chocolate are, and if cacao butter can be made for 9 cents less per pound abroad, chocolate and cocoa can also. They all come from the same bean. Therefore the committee is discriminating in favor of cacao butter and against chocolate and cocoa, and these rates upon chocolate and cocoa are absurd, if the corresponding reduction in the cost of production is shown in cocoa and in chocolate as is shown in respect to cacao butter.

Mr. McCUMBER. The report, which is quite lengthy, takes the cost in the United States, in Germany, and in Great Britain, and the difference of the landing prices I mentioned. It shows that it can be produced and placed on our market for about 9 cents less when made in Germany than when produced in the United States, according to the figures.

Mr. WALSH of Massachusetts. I find in the Summary of Tariff Information, on page 807, the statement that one German manufacturer has moved his factory to this country because he can make chocolate and cacao butter and cocoa cheaper here than he can in Germany, where the bean is taxed, while here it is admitted free.

The PRESIDENT pro tempore. The question is on agreeing to the amendment as modified.

The amendment as modified was agreed to.

Mr. CALDER. Mr. President, before this subject is passed, I want to make my protest, and a strong protest, against the agreement on the part of the chairman of the Finance Committee and the Senate to the rate of 17½ per cent. This rate on the higher-priced chocolate and cocoa is 7½ per cent less than that in the Underwood Act, and, in my judgment, will tend to largely increase the importations of chocolate and cocoa into this country. I repeat, Mr. President, the European countries which have been manufacturing chocolate and cocoa in the past have put an embargo against the importation of those commodities from this country.

I want to call attention to the rates in the Payne-Aldrich Act. In that act chocolate and cocoa valued at not over 15 cents per pound were given a rate of 2½ cents a pound. Valued at above 15 and below 24 cents per pound, the rate was 2½ cents per pound and 10 per cent ad valorem. Valued at above 24 and not above 35 cents a pound, the rate was 5 cents a pound and 10 per cent ad valorem. Valued at above 35, the rate was 50 per cent ad valorem.

We take these high-priced chocolates and cocoas, which can flood this country from countries where we are denied the opportunity of entering, and we fix our rate at 17½ per cent, as against 50 per cent in the Payne-Aldrich Act. The proposal is unjust to the cocoa and chocolate manufacturers of this country. The rate should be left at not less than 25 per cent.

Mr. McCUMBER. I desire to state in reply that I think the provision for not less than 2 cents per pound will amply take care of the industry.

Mr. CALDER. In reply to the Senator from North Dakota may I say that that will only be helpful in the case of the lower-

priced chocolates. In the higher-priced chocolates, those that sell for over 20 cents a pound, the rate will not be sufficient, but will tend largely to increase the importation of those commodities and is really a very great injustice.

Mr. LODGE. Mr. President, I want to say a single word, although I know the paragraph has been passed, and I hope gone for good. The grading is due to the fact that we have added to the duties on sugar, the grading making lower rates on the low-priced chocolate and higher rates on the higher-priced chocolate. It simply reverses the compensation which ought to be given, because the cheap chocolates carry more sugar than the expensive chocolates. The only fair way is to have an even specific for all grades of sweetened chocolate.

Mr. CALDER. I think it should be understood, too, that the rates carried in the bill as passed by the House are based upon the American value of the commodity, and that the actual tax under the House provision is one-half of that proposed by the Senate committee, because the Senate committee rates are based upon the foreign valuation.

The PRESIDENT pro tempore. The Secretary will state the next amendment.

The ASSISTANT SECRETARY. On page 115, after line 2, the committee proposes to insert a new paragraph to read as follows:

PAR. 779a. Sago flour and tapioca flour, one-half of 1 cent per pound; tapioca flake or pearl, three-fourths of 1 cent per pound.

Mr. NEW. I ask that consideration of this paragraph may be postponed for the present.

Mr. McCUMBER. Very well, I am willing to pass it over temporarily.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Indiana? The Chair hears none, and the paragraph will be passed over.

CANDY MANUFACTURERS' PROFITS.

Mr. WALSH of Massachusetts. Mr. President, I ask permission to have printed in the RECORD a letter which I have from a leading candy manufacturer, Mr. Herman L. Heide, a member of the executive committee of the National Confectioners' Association, in reply to a statement made on the floor during the debate upon almonds and walnuts in reference to the profits of candy manufacturers. The letter gives some valuable information as to the actual profits of the candy manufacturers and denies the claim that their profits have been excessive.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

NATIONAL CONFECTIONERS' ASSOCIATION
OF THE UNITED STATES,
July 11, 1922.

Hon. DAVID I. WALSH,
Senate Office Building, Washington, D. C.

DEAR SENATOR WALSH: Referring to the CONGRESSIONAL RECORD of July 3 and 5, I note that Senator JOHNSON in seeking to justify the unreasonable and indefensible rate that California is asking for protection on almonds and walnuts advances the false argument that "the candy industry has gone on record that they were making 300 per cent profit" and therefore can well afford to pay the preposterous tariff imposed.

Now, Senator JOHNSON, whom we all know to be capable and intelligent, can not seriously believe that the candy industry is making or ever has made 300 per cent profit. I do not hesitate to make the statement that the net results for any year of the candy manufacturing industry throughout the United States averages less than 10 per cent on the capital invested. Certainly this return is entirely legitimate and can not be found fault with. While it may be true that during the war period the profits were somewhat better than the average, that situation was typical of all industries throughout the country and in fact throughout the world. On the other hand, it is equally true that the confectionery industry suffered severely when the terrific slump in sugar and other raw materials took place. With many concerns the profits of previous years were wiped out and in numerous instances bankruptcy ensued.

During a hearing before the Internal Revenue Department several years ago some of the gentlemen on the board that conducted the hearing inquired as to the reason the confectionery manufacturing industry showed such negligible profits as compared with other industries. It is obvious that such interrogation would not have been forthcoming did the confectionery industry reap the fabulous profits that Senator JOHNSON has attempted, and perhaps successfully, to fix in the minds of his hearers and to the country at large through the medium of the press. The origin of that 300 per cent profit myth may, to the best of my knowledge, be traced as follows:

On August 1, 1921, Mr. Benjamin Miller, head of the Miller Bros. Candy Co., operating a few retail stores in Greater New York, and a small manufacturing plant, publicly issued fictitious statements that were given wide publicity by one of our leading New York newspapers, and particular emphasis was laid upon the alleged 300 per cent profit, which Senator JOHNSON, to serve his own ends, has seen fit to use notwithstanding that it is an utter falsehood.

In this connection it may be of interest to note that on April 14, 1922, an involuntary petition of bankruptcy was filed against the Miller Bros. Candy Co., and against whom suits had previously been instituted for bills outstanding from February 28, 1921, right through to the present period. Herewith are inclosed several lists showing the dates and the amounts, as well as the names of the plaintiffs by whom judgments or suits have been filed. Now, then, if the Miller Bros. Candy Co. were actually making the 300 per cent profit reported to have been declared by Mr. Benjamin Miller, why would it have been necessary to file a petition in bankruptcy? Why has the Miller Bros. Candy Co. been unable to pay its bills and have a very handsome profit left? It is quite apparent that the present predicament of that firm clearly proves the falsity and the injustice of the 300 per cent profit statement.

As the confectionery industry has been falsely and unfairly accused in public of profiteering by a personage of such prominence as Senator JOHNSON, it would be no more than fair and just to the confectionery industry were the situation corrected through the presentation of the foregoing to the United States Senate, from the floor of the Senate, in order to dispel, so far as possible, the erroneous impressions Senator JOHNSON has created, and in order that the correction be made part of the CONGRESSIONAL RECORD.

Yours very truly,

HERMAN L. HEIDE,
Member Executive Committee.
National Confectioners' Association.

Mr. WALSH of Massachusetts. I ask to have inserted in the RECORD a special article written for the New York Evening Post upon the effect of the duties levied in the pending bill upon the ultimate consumer, also an extract from an editorial in the New York Herald.

There being no objection, the articles referred to were ordered to be printed in the RECORD, as follows:

THE "ULTIMATE CONSUMER"—WHAT HAPPENS TO THE COST OF LIVING ON THE WAY FROM BED TO BREAKFAST.

(By W. O. Scroggs in the New York Evening Post.)

We may recount the short and simple but somewhat intimate annals of a morning hour in the life of a plain middle-class American consumer and see how the tariff penetrates into the inner temple of his existence.

His day begins when he is aroused by an alarm clock, and the new tariff bill raises the duty on this article 67 per cent. His first act is to throw off the counterplane, on which the duty has been increased 60 per cent, and the sheet, on which the duty is higher by 20 per cent. He jumps from his bed, on which the duty is advanced 133 per cent, and dons a summer bathrobe, with the duty up 50 per cent, and slippers, with the duty increased 40 per cent.

He walks over a Brussels carpet (duty up 100 per cent) to close the window, the duty on the pane of which has been raised 400 per cent, and adjust the shade (duty up 20 per cent) and curtains (up 33 per cent). Then he enters the bathroom, stands before a mirror, on which the duty has been raised 60 per cent, and turns on the electric light, with a 50 per cent higher duty on the bulb.

SHAVING COSTS JUMP.

Next he sets out his shaving stick, subject to an increase in duty of 67 per cent, his shaving brush (duty up 57 per cent), and razor (up 50 per cent), and begins his tonsorial operations, after giving the blade a few strokes on a strop (duty up 15 per cent). This over, he devotes his attention to the bathtub, on which the duty has been raised 100 per cent. Towels (with the duty up 60 per cent), soap (up 67 per cent), toothbrush and hairbrush (up 57 per cent), and comb (up 40 per cent) are next in demand. Cleanliness may be next to godliness, but the new tariff bill taxes it just the same.

As our consumer dresses, it may be noted that the new bill increases the duty 60 per cent on his underwear, 33 per cent on his hose, 50 per cent on his shirt and collar, 20 per cent or more on his necktie, 60 per cent on his suit of clothes, and imposes a duty of about 8 per cent on his shoes, which were formerly on the free list. On the collar buttons and cuff links which he transfers to a fresh shirt the duty has been increased 33 per cent.

The only articles he has touched so far on which the duties have not been increased in the Fordney-McCumber tariff bill are his dentifrice and his talcum powder.

As the weather is growing warmer our consumer decides to discard his waistcoat. This necessitates a change from suspenders, with a duty 60 per cent higher, to a leather belt, with the duty raised 75 per cent higher. He then transfers pocketbook (duty up 148 per cent), fountain pen (up 100 per cent), penknife (up 200 per cent), and lead pencil (up 70 per cent) from waistcoat to coat pockets, picks a fresh linen handkerchief (up 50 per cent) from the dresser (up 133 per per cent), polishes his eyeglasses (up 15 per cent), and after giving his clothes a touch with the whiskbroom (up 57 per cent), is ready for breakfast.

HIGHER DUTY ON BREAKFAST.

On entering his dining room, our consumer draws up a chair the duty on which has been raised 133 per cent, to a table (subjected to a similar increase), covered with linen damask on which the duty is advanced 43 per cent. He spreads a napkin (duty up 43 per cent) on his knees, and turns on the current for his electric toaster, on which the duty has been advanced 160 per cent. Then he toasts some bread, removed from the free list and made dutiable at 15 per cent ad valorem. He drinks water from a glass on which the duty is 45 per cent higher, and begins his breakfast with an apple (duty up 200 per cent) baked with sugar (duty up 60 per cent) in an aluminum dish (up 150 per cent) on a cast-iron stove (duty up 100 per cent).

The duty is also advanced 27 per cent on his chinaware, 20 per cent on his table silverware, 200 per cent on his oatmeal, and 225 per cent on his butter. The cream for his coffee has been removed from the free list and subjected to a duty of 22½ cents a gallon, and his eggs also have been taken from the free list and made dutiable at 8 cents per dozen. The salt for his eggs likewise comes off the free list, and so does his bacon. Even the duty on the salt shaker gets a boost of 45 per cent. A favorite expression of western cowboys is, "Skin 'em from hell to breakfast." The framers of the new tariff bill apparently took this for their motto.

THE TARIFF BILL.

The people demand that their taxes shall come down, their cost of living shall come down, and the barriers against selling their goods abroad shall come down. If the only kind of tariff measure they can get from the present Congress is one that will jack up their cost of living still higher when it already is too high, and make it all the harder to export their surplus products when it already is hard enough to export them, then the American people do not want any statesmen to rush himself out of breath over the passage of this tariff. They will be content to wait till the cows come home, for a Congress that has sense enough to know costs must be reduced, not inflated, and that has ability enough to frame the kind of tariff that is necessary to the welfare of the country.

This does not mean the American people want the United States to be a free-trade country. It does not mean the American people would

throw the floodgates wide open for the pauper labor products of Europe and Asia to come down upon our markets in tidal waves and wipe out our own industries.

It does mean the taxpayers and bill payers of America demand a rational tariff that will be reasonably protective, not insufferably burdensome. * * *

Mr. WALSH of Massachusetts. Mr. President, I think we have finished discussion of all the amendments offered by the Senate Finance Committee in the agricultural schedule. That means that my work in presenting the views of the minority is completed for the present.

The PRESIDENT pro tempore. The Chair reminds the Senator that one amendment has been passed over at the request of the Senator from Indiana [Mr. NEW] and the Assistant Secretary advises the Chair that one other amendment was passed over relating to flower seed.

Mr. WALSH of Massachusetts. The latter amendment went over at the request of the Senator from Michigan [Mr. TOWNSEND]. But so far as the schedule as a whole is concerned the debate is practically ended. I desire very briefly to call attention to the result of the discussion in and votes by the Senate upon this schedule.

I had some hopes, but I find they were vain, that the discussion on the various amendments offered by the Senate Finance Committee would result in reducing some of the high rates, but practically every amendment, several hundred of them in all, providing for substantial increases in the rates levied upon agricultural products in the House text have been adopted. Practically no reductions have been made. The committee's position has been uniformly sustained. The rates fixed by the agricultural tariff bloc which, of course, were urged solely from the viewpoint of the producer, have been accepted without any regard for the consumers.

In addition to the amendments offered by the committee, as printed in the bill when we commenced the discussion of the schedule, there have been offered upon the floor 24 amendments of a substitute character, all of which have increased the rates even above those named by the Senate Finance Committee when the bill was originally reported to the Senate. So that 24 additional amendments have been offered to the bill since the discussion commenced, all of them increasing the duties originally proposed. Eight amendments have been offered by the committee reducing the rates originally fixed by the committee when the committee reported the bill.

I think that information is of some value. It goes to show that notwithstanding the general discussion throughout the country and the general criticism of this bill, that so far as agricultural products are concerned there has been absolutely no attempt to reduce the rates named in the bill.

I want once more to call attention to the fact that many of the rates are bound to be operative, and the Congress of the United States is presenting to the American people a tariff bill which must in certain particulars very materially increase the cost of living to the American people, and this at a time when wages are being reduced and when the cry throughout the land is to reduce prices and the cost of production. I repeat, the demand from one end of the land to the other for reduction in the prices of the things that we eat and the things that we wear is here answered by passing through Congress a tariff bill which places higher duties than ever before in the history of the country upon agricultural products, upon raw materials, and upon the things that our people must eat. Of course, it will result in a very serious protest from the consumers of the country.

Attention should be called to the fact that the schedules in this bill are so numerous and the increases so many that even those groups which are here and there benefited by an increased protective duty will have to pay more than they receive in increased prices upon the articles they produce when they come to buy other articles produced by other groups which also bear a heavy protective duty. Evidently the protests of those who have insisted that the time was at hand for levying moderate protective duties have gone unheard and unheeded, and any effort to reduce the rates in the bill appears to be unsuccessful. The protests from press and people is falling on deaf ears. The Senate is not concerned or interested in levying low duties, but is trying to see how high it can make these rates. Fortunately, an appeal can soon be made to the American people, and what their verdict will be is not, in view of recent political activities, uncertain.

Mr. McCUMBER. Mr. President, what the Senator says is true in one respect. We have given a higher rate of duty for the protection of the farmers and for the protection of agriculture than has ever been given in any previous bill. Those rates, Mr. President, are justified. Notwithstanding the fact that rates are higher upon agricultural products than ever before, those rates do not anywhere nearly measure up to the duties which are given for the protection of manufactured articles other than agricultural.

The PRESIDENT pro tempore. The Secretary will report the first amendment in the next schedule.

The ASSISTANT SECRETARY. The next amendment of the Committee on Finance is under "Schedule 8.—Spirits, wines, and other beverages," on page 116, after line 14, to strike out:

PAR. 801. Liqueurs, as defined in the national prohibition act, when imported in compliance with the provisions of that act, shall be dutiable at the rates hereinafter provided in this title.

And in lieu thereof to insert:

PAR. 801. Nothing in this schedule shall be construed as in any manner limiting or restricting the provisions of Title II or III of the national prohibition act, as amended.

The duties prescribed in Schedule 8 and imposed by Title I shall be in addition to the internal-revenue taxes imposed under existing law, or any subsequent act.

The amendment was agreed to.

The next amendment was, on page 117, line 4, before the word "containing," to insert "(except Angostura bitters)"; in line 6, after the word "component," to strike out "part," and insert "material," and in line 7, after the word "proof," to strike out "gallon" and insert "gallon; Angostura bitters, $2.60 per proof gallon," so as to make the paragraph read:

PAR. 802. Brandy and other spirits manufactured or distilled from grain or other materials, cordials, liqueurs, arrack, absinthe, kirschwasser, ratafia, and bitters of all kinds (except Angostura bitters) containing spirits, and compounds and preparations of which distilled spirits are the component material of chief value and not specially provided for, $5 per proof gallon; Angostura bitters, $2.60 per proof gallon.

Mr. SIMMONS. Mr. President, I would like to inquire of the Senator in charge of the bill why this differentiation as to bitters. That seems to be a new provision of a tariff bill, and I have discovered nothing in any of the literature about it. I suppose there must have been some testimony on the subject. I should be very glad to have the Senator explain the proposed amendment.

Mr. SMOOT. The reason is very simple. Angostura bitters come in under the prohibition law to-day; they are not prohibited at all. Therefore we only impose a rate of $2.60 per proof gallon of the alcohol that is in the bitters. Otherwise it would have been $5 a gallon. That would have been on account of the prohibition law, but under the prohibition law itself the bitters are allowed to come in. Therefore we only charge exactly the rate that was charged for alcohol under the Payne-Aldrich law.

Mr. SIMMONS. In other words, as I understand the Senator, we are charging really the same rate—$5—upon the proof liquor in the bitters?

Mr. SMOOT. Yes; that is all it is.

Mr. SIMMONS. I have no objection to the amendment.

The amendment was agreed to.

The next amendment was, on page 117, line 10, before the word "gallon," to strike out "proof," so as to make the paragraph read:

PAR. 803. Champagne and all other sparkling wines, $6 per gallon.

The amendment was agreed to.

The next amendment was, on page 118, line 10, after the word "this," to strike out "title" and insert "schedule," so as to make the paragraph read:

PAR. 809. When any article provided for in this schedule is imported in bottles or jugs, duty shall be collected upon the bottles or jugs at one-third the rate provided on the bottles or jugs if imported empty or separately.

The amendment was agreed to.

The next amendment was, on page 119, line 3, after the word "this," to strike out "title" and insert "schedule," and at the beginning of line 10, before the word "gallon," to insert "proof," so as to read:

PAR. 811. No lower rate or amount of duty shall be levied, collected, and paid on the articles enumerated in paragraph 802 of this schedule than that fixed by law for the description of first proof; but it shall be increased in proportion for any greater strength than the strength of first proof, and all imitations of brandy, spirits, or wines imported by any names whatever shall be subject to the highest rate of duty provided for the genuine articles respectively intended to be represented, and in no case less than $5 per proof gallon.

The amendment was agreed to.

The next amendment was, on page 120, line 6, after the word "this," to strike out "title" and insert "schedule," so as to make the paragraph read:

PAR. 813. No wines, spirits, or other liquors or articles provided for in this schedule containing one-half of 1 per cent or more of alcohol shall be imported or permitted entry except on a permit issued therefor by the Commissioner of Internal Revenue, and any such wines, spirits, or other liquors or articles imported or brought into the United States without a permit shall be seized and forfeited in the same manner as for other violations of the customs laws.

The amendment was agreed to.

The next amendment was, on page 120, line 15, after the word "this," to strike out "title" and insert "schedule," so as to make the paragraph read:

PAR. 814. The Secretary of the Treasury is hereby authorized and directed to make all rules and regulations necessary for the enforcement of the provisions of this schedule.

The amendment was agreed to.

The next amendment was, on page 120, line 16, after the word "cotton," to strike out "manufactures," so as to read: "Schedule 9.—Cotton and manufactures of."

Mr. SIMMONS. Mr. President, I make the point of no quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Ashurst	Fernald	McNary	Smith
Ball	Glass	Moses	Smoot
Borah	Hale	Nelson	Spencer
Bursum	Harris	New	Stanley
Calder	Harrison	Nicholson	Sterling
Cameron	Heflin	Norbeck	Townsend
Capper	Jones, Wash.	Overman	Trammell
Caraway	Kellogg	Phipps	Wadsworth
Colt	Kendrick	Ransdell	Walsh, Mass.
Cummins	Keyes	Rawson	Walsh, Mont.
Curtis	Lodge	Robinson	Warren
Dial	McCormick	Sheppard	Watson, Ind.
du Pont	McCumber	Shortridge	Willis
Ernst	McLean	Simmons	

Mr. STANLEY. I take this occasion to announce that the junior Senator from Louisiana [Mr. BROUSSARD] is absent on this roll call on business of the Senate. He will be so engaged for a day or so more. I desire that this announcement may stand for subsequent roll calls.

Mr. HARRIS. My colleague, the junior Senator from Georgia [Mr. WATSON], is absent on account of sickness.

The PRESIDENT pro tempore. Fifty-five Senators have answered to their names. There is a quorum present. The Secretary will state the first amendment proposed by the Committee on Finance in Schedule 9.

The amendment of the Committee on Finance was, on page 120, line 16, in the heading of the schedule, after the word "Cotton," to strike out the word "Manufactures" and to insert "and manufacturers of," so as to make the heading read:

Schedule 9.—Cotton and manufactures of.

The amendment was agreed to.

The PRESIDENT pro tempore. The Secretary will state the next amendment proposed by the Committee on Finance.

The next amendment of the Committee on Finance was, on page 120, after line 17, to insert a new paragraph as follows:

PAR. 900. Cotton having a staple of 1⅛ inches or more in length, 7 cents per pound.

Mr. CAMERON. Mr. President, I wish to offer an amendment to the committee amendment proposing a duty on long-staple cotton. In paragraph 900, on page 120, line 19, before the word "cents," I move to strike out the numeral "7" and to insert in lieu thereof the numerals "15," so that the paragraph if so amended will read:

PAR. 900. Cotton having a staple of 1⅛ inches or more in length, 15 cents per pound.

The PRESIDENT pro tempore. The question is on the amendment proposed by the junior Senator from Arizona to the committee amendment.

Mr. ASHURST. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. SMITH. Mr. President, before a vote is taken on the amendment offered by the Senator from Arizona to the amendment reported by the committee, I think the Senate ought to be thoroughly advised as to the necessity for the duty which is now proposed on the so-called Yuma, or Arizona-Egyptian long-staple cotton. There has been printed by the Tariff Commission a pamphlet entitled "The Emergency Tariff Act and Long-Staple Cotton," and from the facts set forth by the commission an erroneous impression has arisen.

Arizona cotton does not enter into competition with the so-called long-staple Egyptian cotton. The facts as presented by the Tariff Commission are to the effect that the Egyptian cotton under present conditions sells for a higher price and finds a readier market in America than the Arizona cotton. The Egyptian cotton is practically a vegetable silk. I doubt very much if a competitor for it can be found in the world at all.

Few of those who have not made a close study of cotton production are aware of the fact that identically the same seed planted in different soils and under different climatic conditions produced radically different fibers. To illustrate, on the coast of the Carolinas there was developed what was known as sea-island cotton. That cotton is in a group to itself. The seed of the cotton grown in the islands off the coast of the Carolinas when imported even into the neighboring State of Georgia and planted under what seem to be similar conditions of climate and soil in a year or two will have a tendency to revert to the mother or parent type, which is the ordinary staple cotton. So that the peculiarities of environment, such as humidity, sunlight, and soil, radically change the nature of the fiber produced by the identical seed.

We in the Carolinas had a practical monopoly of that wonderful cotton known as sea island, which developed a staple of 2 inches and above and sold in the field without being gathered for in the neighborhood of $1 a pound. It was used by the thread people. The J. & P. Coats and the Willimantic Mills monopolized the sea-island cotton and used it for the specific purpose of making thread and fine lace. There was no competition with the sea-island cotton. It was of a peculiar fiber and peculiar nature, produced by the combination of season and oil, and did not find a duplicate elsewhere.

I will say in passing that this wonderful production, of almost inestimable value, practically without a competitor, has now been eliminated or destroyed by the advance of that pest known as the weevil. Our production has dropped to where it is negligible and a substitute will have to be found elsewhere.

As an evidence of the fact that even that staple was without a competitor, it sold at a higher price per pound, with no duty on it and open to the competition of the world, than the cotton which is the nearest approach to it in length of staple, the Egyptian cotton. As to the Egyptian cotton, which my friends fear so greatly, if they will take the trouble to read this monograph gotten out by the Tariff Commission, they will find that it is used for a specific, definite purpose that does not compete with our Arizona Egyptian cotton. Its fiber is different; the uses to which it is put are different, as evidenced by the fact that it is bringing a higher price to-day in the market, even with the emergency tariff duty, than the Arizona cotton. It is brought in here and sold at a higher price.

That is another illustration of the mistakes that we may make in putting duties on different forms of raw cotton. India produces 4,000,000 bales of raw cotton. It is practically under the control of Great Britain, and Great Britain uses less than 200,000 bales of that cotton in her ordinary cloth and textile manufacturing plants, because the fiber is so short and coarse and indifferent in its use that it can not enter into competition with the American middling upland cotton; so that the price that is paid per pound and the demand for a given cotton will be determined by the locality in which it is produced and the peculiar fiber as the resultant thereof.

Right in our own country you have the Mississippi or bender cotton as contradistinguished from the ordinary upland cotton. That classification is not so rigid in the general terminology used by the trade; but the mills of this country understand that cotton grown in the Delta of the Mississippi and on certain lands in Texas from the same identical seed produces a different fiber that can not be duplicated with the same seed in other parts of the country.

It is true that we have hybridized a cotton now, increasing the length of the staple by cross breeding, and we are producing in the uplands of the South Atlantic States a very high grade of extra-staple cotton; but even that extra-staple cotton partakes of the nature of the peculiar fiber produced in America that has not yet been successfully duplicated anywhere that American seed has been tried on the earth.

It is my opinion, based upon statistics which I have and which I hope to-morrow to be ready to furnish, together with what I have to say on the cotton question, that there is not a spot on the globe that can grow cotton in competition with America if quality is taken into consideration. It will be remembered that in 1863, 1864, and 1865 there was a cotton famine in America. The negroes were taken from the cotton fields, our credit was destroyed, our country was bankrupt, and American cotton went to $1.89 per pound in gold, in the face of the fact that the production of cotton in the rest of the world was unimpaired by the Civil War. England had about 61 per cent of her liquid capital invested in cotton manufactures, and had unlimited capital to exploit a supply elsewhere. She employed Russia in this terrible famine of cotton brought about by the failure of the American cotton crop. She employed a man from my own county to take American seed, and, with his American knowledge—he was a cotton grower—to try the whole Empire of Russia as to the feasibility of producing the kind of cotton that the world must have to make clothing. After seven years of tremendous expenditure on the part of the Russian Government, the project was given up as impractical.

The same thing has been true in the English possessions in India. I will give to the Senate to-morrow a more detailed

statement, because these are facts that ought to be known to us in order to govern us intelligently in levying a duty upon a given product for the benefit of the American people. If it should be clearly demonstrated that American cotton is without a competitor, that we have a monopoly of that peculiar quality of the fiber that the world can not duplicate, I think it will go far toward modifying certain tariffs that are being asked upon the finished goods produced from American cotton. Whatever else may be said, any economist in the world must admit—speaking now according to the operation of natural law—that the man whose mill or whose manufacturing plant is right in the region of and contiguous to the supply of the raw material certainly has an advantage over the man or the manufacturer who is not so situated.

The only competitor that America has is from two to three thousand miles away, and there has to be transportation partly if not almost entirely transcontinental, because we are so situated here in America, for some reasons that doubtless we may develop later on, but which are now a fact, that cotton to be exported abroad must find other ports than the southern ports, causing a land haul that never should have been tolerated. You have to have a partial continental haul. You must have compression. There is not a cotton manufacturer but will testify that the compression of the cotton, either at the gin by the roller process or under hydraulic pressure and steam pressure, to bring it to the form that will conserve the most space in shipping, does affect the fiber. The core of a bale that has been compressed by the roller process has been found to have almost what is known as perished fiber. Next, you have the damage incident to handling. The American bale is not put up in such form as to stand the rough usage incident to transportation abroad. The result is that a tremendous per cent of the lint itself is either damaged or lost in transportation from this country abroad. In addition to that, you have two to three thousand miles of ocean transportation.

It does not seem reasonable that the world, dependent upon America for its supply of cotton for manufacturing purposes, can come to America, buy the raw material, transport it across the continent, transport it across the ocean, manufacture the goods, retransport the goods back, and undersell the product of the American manufacturer. I have tables here showing the difference in the freight rates from here to the great distributing center in Europe—namely, Liverpool—and you will note the advantage.

One of the great drawbacks to the exportation of American cotton is the fact that the per cent of damage is so great. I am calling attention to these general features in order to show that the proposed duty of 15 cents a pound on the Arizona or Yuma cotton, having a staple of 1⅛ inches, which is practically all produced in the section referred to, is not justified by the facts. According to the findings of the Tariff Commission, as I have said, and upon investigation I think my colleagues will find that that is the case, its only competitor—if competitor it is to have—will be the Egyptian cotton; and yet the Egyptian cotton with your emergency tariff in force is selling for a higher price than the Arizona cotton and finding a market for the peculiar manufactures that it enters into. The fact of the matter is, Mr. President, I am sure, that the Arizona cotton will find a ready market at its comparative value without any duty on it at all.

I do not pretend to stand here and say that any cotton sold in America is selling within 50 or 100 per cent of the intrinsic value; but that is another story. Look at the cotton manufacturers, and compare the profits that have been made by them with those that have been made by the cotton producers. I am not complaining of the profits that the mills of America have made. A man engages in a business to make what profit he can out of the business in which he engages, and he would be untrue to himself and untrue to the business if he did not get from that business all that thrift and enterprise could get out of it; but the thing that handicaps the cotton producers in America is the fact that we have no system of marketing and no system of financing that will incorporate in the sale of the cotton the cost of production plus a profit to the producer. The artificial producers are so organized that all overhead charges are included in the price current, so that when the goods are disposed of the producer gets back the cost of production plus the profit that he has placed upon them; but not so with the production of cotton and other agricultural products. The question is, What does the man or the organization or the market that is buying this stuff propose to give, regardless of cost or supply or demand, practically speaking?

It is rather an indictment of the intelligence, not alone of the cotton producers of America but of the business men, bankers, merchants, and commercial interests over this country, that Liverpool dictates and fixes the price of the world's cotton crop, America included.

According to a table I have here on cotton production in the United States, issued by the Census Bureau, 70 per cent of all the cotton produced in the world is produced in America, and about 90 per cent of all the real spinnable cotton is produced here in America. Yet the United Kingdom, solely dependent upon America for her supply of raw cotton to compete with American manufacturers, dictates the price of American cotton.

Let us get that condition clearly in our minds. Nature has given us a monopoly of the production of cotton for mill purposes, cotton preeminently superior to any the rest of the world produces for ordinary cotton goods. England was the first to establish cotton spinning as it is now known. Her progress in that respect was phenomenal. England is absolutely dependent upon America for her supply of the raw material to make cotton goods. Previous to the war we exported to England, and she consumed, something like 4,000,000 bales of American cotton. That was about the capacity of her spindles.

Were there to be an absolute failure in the American cotton crop, the English mills would have to close and the English manufacturers would be bankrupt. Sir William Capper, in an address before the cotton interests of England in 1912 or 1913, called attention to the fact that they must find some means of encouraging greater production in America. Yet here we find the curious complication of having to erect a tremendous tariff on cotton manufactures produced abroad while those manufacturing have to buy American cotton to produce those cloths.

The ordinary business man knows that there is something wrong somewhere. Where the freight alone is from $5 to $15 a bale, to say nothing of the shipping damage, to say nothing of marine insurance, or the ordinary insurance, the conversion abroad, and the incidental waste, and then the rebaling and shipping back, it does seem that the mere proximity of the American mills to the world's supply of cotton would be a sufficient protection to guarantee her immunity against the world. Yet there is not a schedule that has a higher rate of duty than the cotton schedule. The raw material is produced in this country, not produced by pauper labor, but produced by American farmers. I do not say they get anything like a price commensurate with the value of the stuff they produce, for they do not; but none of us can say that America produces cotton with pauper labor. We produce the raw material with American labor, on land owned by American landowners. Europe buys that stuff, converts it into the finished product, reships it, and our manufacturers complain that without a tremendous duty they can not successfully compete with their foreign competitors.

Mr. SHORTRIDGE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from South Carolina yield to the Senator from California?

Mr. SMITH. Certainly.

Mr. SHORTRIDGE. Theoretically what the Senator says would seem to have great force, but as a practical fact, is it not so that the English purchaser of American cotton who purchases it at a given price, plus cost of transportation, insurance, and other incidental expenses, can and does transform the raw material into the finished product, and can ship the finished product back to America, paying the freight and other incidental expenses, if you will, and sell the finished product at a price less than the American manufacturer must charge? Is not that so as a fact, leaving theory entirely apart?

Mr. SMITH. According to the statistics, that is not so.

Mr. SHORTRIDGE. Of course, we contend the contrary.

Mr. SMITH. I have tables here, which at the proper time when we get to the other schedules I shall be glad to submit to the Senate, showing the amount of production under each schedule, the amount exported, the amount consumed here, and the value of the imported article of like kind, which will show that the goods imported in sufficient quantity to be noticeable at all are of that character of goods which, under the conditions prevailing in America, we have not found it profitable to manufacture at all, and we have not entered that domain.

There are finer counts of thread which are produced in England, and a finer character of goods. I will take as an illustration Swiss dotted goods. The American manufacturers have found that it is really hardly profitable for them to enter into that field of manufacture at all. That is a peculiar form in which the goods come. There is a considerable quantity of it, but we have not even attempted to make it, finding it more profitable to make that which is generally used. Those goods are used by a certain clientele here which is not of sufficient importance to justify our manufacturers to enter into it at this stage of American production, and they have not entered that field at all. There is no competition from this

side, unless it would be the competition of an individual buying another character of goods and substituting it for that as his choice. In other words, the American mills have nothing to offer as a substitute for that particular form of goods.

Mr. SHORTRIDGE. But are there not many comparable goods?

Mr. SMITH. No. I am speaking of those classes of goods the production of which our manufacturers have not attempted at all.

Mr. SHORTRIDGE. Just one final question, to get the view of the Senator. Are there not certain kinds of goods manufactured in England, for example, and manufactured in America, the same kind, out of the same material, by substantially the same processes? Are not those facts? If so, how does the Senator account for the fact that the English manufacturer can manufacture, ship to America, and undersell the American manufacturer? How does the Senator account for that?

Mr. SMITH. I think I will be able to show that in the goods made from thread up to 60, which comprise the vast majority of American goods, no country can manufacture and undersell America. That comprises the bulk of the cotton manufacturing.

Mr. SHORTRIDGE. I assume the Senator has taken into account the question of labor, the price paid for American labor and that paid for foreign labor?

Mr. SMITH. I am taking into account everything which enters into the goods as they are laid on the counters for sale.

Mr. SHORTRIDGE. Very well.

Mr. SMITH. I think this information will prove what I have stated. This is about as good a time as any for me to call attention to the fact that we are pleading here for a higher rate of duty, and yet it is startling to find that under some manipulation of freight rates its costs very nearly as much to ship cotton from Galveston, Tex., to Boston, Mass., as from Galveston to Bremen.

Mr. SHORTRIDGE. How does the Senator account for it?

Mr. SMITH. The only explanation I have is that there is some arrangement made with the transportation companies, as we have in this country, known as the flat rate on a given commodity, where it is converted from the raw material into the finished product. Of course, you may write this rate into the law, but I doubt very much if the cotton producers of Arizona will have the power to benefit by the 15 cents a pound, because you are going to take the price which Liverpool quotes you.

Mr. SHORTRIDGE. The Senator's contention is that it will not benefit the Arizona or the California cotton raiser?

Mr. SMITH. That is my contention.

Mr. SHORTRIDGE. Will it injure anybody; and if so, whom will it injure?

Mr. SMITH. I think it will do this—and this is the dividing line between me and some others in this Chamber: I do not believe in the doctrine of protection to the degree that we should shut out competition and have the purchasers of the goods made from this cotton paying a higher price than they would otherwise pay, when, in the last analysis, because there is a provision in this bill made to take care of it, the manufacturer will get it; the farmer will not get it, and the farmer's wife who wears the goods that are made out of the so-called protected cotton will pay into the pockets of the manufacturers the difference, while the producer will not get a penny.

Why do I say that? Simply because until the producers of the agricultural products of this country are in a position to name the prices of the things they produce, what advantage will a tariff give unless there should be a tremendous influx of goods from abroad? In that event they might get some incidental benefit by the inevitable operation of the law of supply and demand. Yet the Senator from California and other Senators here know that under modern conditions of trade the law of supply and demand scarcely operates at all.

I shall use one illustration. With the modern facilities for manufacturing steel, the cheapening of the process of manufacture in the open furnace and the blast furnace, and the adaptation of material forces to the conversion of the raw ore into the finished product, with unlimited iron ore in the world, and facilities for producing iron and steel universal, does anybody suppose that the law of supply and demand had anything to do with the arbitrary lifting of steel $16 a ton at the behest of the steel manufacturers? Does anybody to-day suppose that the law of supply and demand has governed the rise in the price of gasoline from about 6 or 7 cents a gallon to 32 and 33 cents a gallon?

With the processes of refining being cheapened every day and the elimination of expense going on apace, and with possibly a greater stock of raw material, the world's greatest stock of raw oil, and the best facilities for refining that the world ever knew, the price still mounts. Does the law of supply and demand alone govern that? Under modern conditions the law of supply and demand might very well be transcribed, to use the etymological meaning of the word, or might be expressed by saying the law of supply and the man, and not demand, because with organized resources, organized forces of distribution, organized control of the world's supply, the owner and holder of those franchises can dictate his price regardless of the clamor of the people or their indifference.

These are things that we must take into account in discussing these vital questions which affect the American people. The fact of the matter is that the question for us to decide along with the discussion of the bill now is, to what extent has organized capital or organized resources got its forces at work to control prices regardless of the laws we may enact?

Mr. SHORTRIDGE. Mr. President, would it interrupt the Senator if I were to ask him a question or invite his attention to a thought?

Mr. SMITH. I am glad to yield to the Senator from California.

Mr. SHORTRIDGE. Assuming what the Senator says to be correct, namely, that the law of supply and demand does not control or fix prices——

Mr. SMITH. I mean that it does not entirely control.

Mr. SHORTRIDGE. Are we not driven to the conclusion that it becomes the duty of our Government to protect our American industries—including, of course, when I use the word "industries," the people engaged in them—from those gigantic foreign combinations over which our laws do not extend and which combinations we can not control? In other words, if the Senator will permit me—and I hope he knows that I am very greatly interested in his remarks—the law of supply and demand cutting a large figure, the foreign combinations over which we have no control exercising their power, does it not become a practical, economic truth that we here in America should, for example, protect by a tariff the rice growers, the sugar growers—for example merely—and having regard to my own State, the quicksilver industry? For, to answer in a measure my own question, if we do not, then the foreign combinations can import into this country and destroy these industries. Only the people of Louisiana, the people of Arkansas, the people of California can, by changing their life and living, produce those several things as cheaply as we know they are and can be produced in foreign countries.

Mr. SMITH. Back of that lies the question which it is hardly worth our while to discuss now, and that is for what purpose would we protect the Louisiana rice grower? For what purpose would we protect the Arizona cotton grower? For what purpose would we protect anything? The only purpose we could have in view would be to produce an adequate supply for the needs of the people at a competitive price with those produced abroad, the infant industries idea. We produce rice to do what? To feed the American people. If the American people are to be denied an adequate supply of rice in order to make prosperous the rice growers of Louisiana and Texas, then we have the question, which are we going to protect, the millions of people who eat rice or the few who produce it? We must decide that question, whether we think it is a good economic proposition that the food products must forever be protected at a price which tends to increase the cost of living and impoverish the American people in order that the producers of that article may be prosperous, or whether we would rather have an abundant supply at a low cost, no matter whence it should come, for the sustaining of the life of the people.

That is the question for us to decide and not the other question. But if by a little protection an industry might be started which, under the fostering care of a little governmental help, which, even though my predecessor Calhoun was led into that trap after the War of 1812 and repented it the balance of his days——

Mr. SHORTRIDGE. He was a protectionist.

Mr. SMITH. Taking that theory, I know that there is a fundamental truth there, and I am not going to gainsay it, because the old pump in front of the first school I attended was an illustration of how we are inveigled into this question of protection. The pipe of that pump——

Mr. WATSON of Indiana. Mr. President——

The PRESIDING OFFICER (Mr. WILLIS in the chair). Does the Senator from South Carolina yield to the Senator from Indiana?

Mr. SMITH. Just let me finish my statement and I think I shall anticipate what my delightful friend from Indiana is about to say.

That pipe ran down to an inexhaustible supply of water. The pump was all right; the pipe was all right; but the old valve was loose and you could go there and pump your arm off and never get a drop of water. However, if you took a quart of water and poured in while you were pumping until you started suction you could get water enough to water the whole county. But without the quart of water you never could get a flow.

There was a basic reason and philosophy in a new country just starting to say, "Let us get the quart of water to start the flow"; but most of them have gotten where they say, "Furnish the quart all the time and we will practically quit pumping." That is where the danger lies. The whole question to me is one of what would inure to the best interests of all the American people in enriching them and adding to their power and progress.

Mr. STANLEY. Mr. President, if the Senator will permit me, I think a certain President of the United States made a very famous remark to the effect that the fellow who furnished the quart was the first fellow to get it back.

Mr. SMITH. Yes; and then he got about four-thirds of the balance of the profits.

Mr. CARAWAY. I thought the Shipping Board had the quart.

Mr. SMITH. Perhaps so. I know the general public has not gotten it. Now, Mr. President, if my good friend from Indiana desires to interrupt me, I am glad to yield to him.

Mr. WATSON of Indiana. The Senator is very kind. I do not want to ask questions about the general policy of protection or a revenue tariff, because he and I would not agree about it and we could argue here all day without reaching any agreement. But the Senator made a statement a little while ago to the effect that he is not in favor of the doctrine of protection to the degree that it would support a monopoly. I do not think he is in favor of the doctrine of protection in any degree, from the third degree up to the thirty-third degree.

But I want to ask him this question: The question now under discussion is, as we familiarly called it in committee, "long-tail" cotton. I understood the Senator to say a while ago that pima cotton raised in Arizona does not in any respect or for any purpose compete with the sakellarides cotton raised in Egypt. Did the Senator make that statement? I could not hear distinctly whether he did or did not.

Mr. SMITH. According to the Tariff Summary of Information and the showing made, it is practically without competition with that particular form of Egyptian cotton to which the Senator refers.

Mr. WATSON of Indiana. The figures show that for all purposes in 1921 we used in the United States 159,000 bales of 500 pounds each.

Mr. SMITH. From what page is the Senator reading in the report?

Mr. WATSON of Indiana. I am reading from the report of the United States Tariff Commission, Tariff Information Series No. 27, the emergency tariff act, and long staple cotton, page 15. The Egyptian cotton in 500-pound bales consumed in 1921, in 12 months, was 159,196 bales, but of the American Egyptian cotton consumed there were 16,771 bales, or one-tenth the amount of the Arizona cotton consumed as compared with the Egyptian cotton.

Further analyzing the table, if the Senator has it before him, I will say that for tire fabrics 12,298 bales were used, while of the Egyptian cotton for tire fabrics 84,505 bales were used. I am assuming from the testimony given before the committee that the Arizona cotton is just as valuable for the purpose of making tires as the Egyptian cotton. Is that the information of the Senator?

Mr. SMITH. Yes.

Mr. WATSON of Indiana. If that be true, then why had we not better protect the American crop from competition with the Egyptian product raised at the lower price, so that we could produce and sell the whole quantity of 84,505 bales now produced in Egypt?

Mr. SMITH. The Senator is overlooking the fact that even though the Egyptian cotton can be used or may be used for tire fabric purposes, together with whatever cotton may be used or can be allowed to come from the Arizona cotton, we would still have not nearly enough——

Mr. WATSON of Indiana. That is quite true.

Mr. SMITH. Not enough to meet the demand, and in addition to that it will be found, under a table given in the same monograph, that Egyptian cotton, even for those purposes, was selling at a higher price in the American market than the Arizona cotton.

Mr. WATSON of Indiana. That is not the information adduced before the committee. However, I desire to ask the Senator this question. Of course, before the war, which afforded a very high tariff, as we know, we produced but very little of that cotton in this country. Under the prohibitive tariff afforded by the war, it was produced to some extent in the Salt River Valley. After the emergency tariff law was enacted we went on producing that cotton in Arizona. They did produce there a large number of bales. There is some dispute about the number. Mr. Heard said, I think, 105,000 bales, and Mr. Lippitt said 92,000 bales. But be that as it may, they actually did make a sale, for the purpose of making tires, of 16,771 bales in 1921, of cotton which is just as good, according to the Senator's own statement, as the Egyptian cotton for that purpose.

Mr. SMITH. Yes.

Mr. WATSON of Indiana. If we properly protect it, could we not produce enough cotton in Arizona to supply the other 84,505 bales, which were used for tire purposes in the United States; and, if we could do that, why should we not do it?

Mr. SMITH. Although the purchasers of that character of cotton were giving a higher price for it for the uses to which it is restricted, still they did not have enough of that cotton to meet the tire demand. Practically the entire amount of Egyptian cotton which is imported is used for a different purpose. No matter how much cotton may be produced in Arizona, there will be a demand for that Arizona cotton at the price of that particular kind of cotton, and it will not enter into competition with other cotton in the ordinary uses.

To illustrate: Thousands and thousands of pounds of American upland cotton are used to make rope and cordage, because conditions are such that there may come a time when the surplus on hand will justify its use; but the short-staple India cotton and the semitropical cotton are used universally throughout the world at a fixed trade price for those purposes, while the American cotton for the other purposes brings a higher price. The same thing is true in reference to what is called the Egyptian cotton and the Arizona cotton. It is also true of the upland long-staple cotton which is being produced in the Southern States. We get a price that is not competitive for the long-staple cotton which is produced in the South Atlantic States, because it fills a peculiar place. We could use some of that for tire manufacturing purposes, but it is cheaper than the Arizona cotton and ordinarily would not come in competition with it, because it does not possess the peculiar characteristics which adapt it to that purpose.

Mr. WATSON of Indiana. Now, may I ask the Senator from South Carolina a question?

Mr. SMITH. Yes.

Mr. WATSON of Indiana. The Senator from South Carolina I know is a great authority on the question of cotton cultivation. Former Senator Lippitt stated before our committee that, I should say, within the last eight or nine years, as I recall as to the "sak" cotton, as it is ordinarily called, which is produced in Egypt, and of which there are seven or eight varieties, those varieties have been constantly changing; that the seed apparently are becoming impure; and that the higher grades of sakellaridis cotton are becoming more and more inferior from time to time, so that they are hard put to it to keep up the high quality of the "sak" cotton. Is that true?

Mr. SMITH. My information is exactly to the contrary.

Mr. WATSON of Indiana. That was former Senator Lippitt's statement.

Mr. SMITH. My information is to the effect that Great Britain, which really fosters and is in control of that production, has used the same methods which our Department of Agriculture and our progressive farmers are using, which are designed to eliminate, as far as possible, the coarser and shorter varieties and to substitute therefor the longer grades. All through the South Atlantic and Gulf States to-day there is not perhaps 10 per cent of short-staple cotton grown—I mean the very short staple—as compared with merely a few years ago. It was found that the tensile strength of the longer grade was superior; that it was cheaper in conversion than were the shorter grades; that it would stand the twist of the loom better; and it could be made into finer counts and would make finer goods. So the whole tendency the world over has been to develop a better staple of cotton. My information is that in Egypt the cotton has adapted itself to a similar development to a certain degree, but beyond that point, of course, the development can not be carried. I wish to state to the Senator from Indiana in this connection, as a matter of information which has come to me, that in India on account of the climatic and soil conditions they have been totally unable to improve the staple of cotton.

I think that everyone familiar with cotton growing will agree that the Egyptian acreage for the growth of cotton has already

been exploited; that Egypt has reached her limit in that direction; that there is no more soil there adapted to the cultivation of this particular variety of cotton; that every acre which is available for the growth of this variety of cotton has already been devoted to its cultivation. Therefore, whatever competition may be feared from that source has already reached its maximum. In view of the fact that the Arizona cotton is bringing a higher price in the American market to-day than is any competitive article or any cotton which is an approximate substitute for it, there need be no fear at all that there will be competition from the Egyptian cotton with the Arizona cotton. The reason for that Senators must understand. I will to-morrow bring in the figures in reference to the matter, if the subject is not finally disposed of to-day, to show that about 80 per cent of the aggregate of the cotton produced in Egypt is consumed in Europe; so there is only a limited supply—about 20 per cent—which can come to America. In order to get it here we shall have to give a better price than Europe is giving for this superior cotton. When we take into account the fact that sea island cotton has passed almost out of existence and cotton manufacturers are now using a great amount of the Egyptian cotton in the manufacture of thread, the great monopolies such as J. & P. Coats, the Willimantic people, the sewing-thread people, using vast amounts of this cotton, and when we consider the quantity which is being consumed in Europe, the competition of the Egyptian cotton with the Arizona cotton, though it could compete, would be absolutely negligible. There is little of the Egyptian cotton sent to America, and the only way America can get it is to offer advanced prices over what Europe is giving. That is the situation.

Mr. WATSON of Indiana. Mr. President, I think what the Senator says is quite true as to the limit of the capacity of the production of Egypt; I have no doubt about that; but we did not produce any of this cotton before the war. We began to produce it because of the prohibitive tariff afforded by the war, which amounted to an embargo, and we produced up to 105,000 bales. The testimony is that if we have sufficient protection—and we never produced any of it until protection was afforded—for a sufficient length of time we can produce enough to supply the entire American demand.

Mr. SIMMONS. Mr. President, does the Senator mean——

Mr. WATSON of Indiana. What I want to get at is this: If the statement of former Senator Lippitt be true—and I am not an authority on this question at all; I merely listened to both sides, pro and con, before the committee—but, if it be true that the quality changes in Egypt from time to time and that they may not be able to produce for a long series of years the finer grade of sakellarides cotton that is used in cotton manufactures in the United States, would it not be the part of wisdom for us to develop the production of this cotton in our country and thereby employ our own labor, invest our own capital, and utilize our own resources? We have the great western section of the country; it is a part of the United States; we have got to do something with it; cotton can be cultivated in the great Salt River Valley and, I think, beyond, in the Imperial Valley to very great advantage, and perhaps to greater advantage than other crops.

Mr. SMITH. The Senator answered his argument, I think——

Mr. WATSON of Indiana. No.

Mr. SMITH. When he said that the staple of the cotton of Egypt is deteriorating to where it will not suit the purposes of the American manufacturer and the European manufacturer, and asked if it would not be the part of wisdom on our part to develop and supply the finer grades.

Mr. WATSON of Indiana. The very best we can under protection, but we can not do it in any other way.

Mr. SMITH. Why is protection desired when there is no competition, if we can produce a staple that has no superior but the Egyptian, and the Egyptian is deteriorating? The Senator admits that the supply even now is totally inadequate for the world's demand of that kind of cotton. So what have we to fear?

Mr. WATSON of Indiana. I have just shown my friend that for the manufacture of tires we did use in one year 12,298 bales of Arizona cotton and in the same year we used 84,505 bales of Egyptian cotton.

Mr. SMITH. That is true.

Mr. WATSON of Indiana. There is, then, competition.

Mr. SMITH. No; for this reason: The Egyptian cotton was used, but all the cotton of the Arizona type that was available for that purpose was also used.

Mr. WATSON of Indiana. I do not think so.

Mr. SMITH. I shall attempt to show that to be the fact.

Mr. WATSON of Indiana. The Senator and I disagree about that.

Mr. SMITH. They used whatever amount of Egyptian cotton they could get for that purpose at a higher price than the Arizona cotton, showing that there was no competition, but just a question of supply. The amount of Egyptian cotton for this country is limited; it can not be obtained in quantity; the great bulk of it is taken abroad.

Mr. SIMMONS. Mr. President——

Mr. SMITH. If the Senator from North Carolina will bear with me for just a moment, then I will be glad to hear from him. Even in the Southern States we get an enhanced price for long-staple cotton by the millions of bales. As the length of the staple is increased, the value of the cotton is enhanced. The Senator would not pretend to say that we ought to protect the universal upland long-staple cotton of the South because it brings a better price than the other. There is no competitor for it; there is no competitor for the Arizona cotton. When it comes to the question of supply and demand, the world will take every bale that Arizona can make for the specific purposes for which it is adapted and at such prices as the users and the producers may work out, but certainly of a higher value than the ordinary cotton.

Mr. SIMMONS. Mr. President, I simply want to understand the statement made by the Senator from Indiana. I understood the Senator from Indiana to say that we never made any of this Arizona long-staple cotton until it was protected.

Mr. WATSON of Indiana. We produced a little. It was not introduced in this country until in 1901, and the production amounted to but little until 1917, when it ran up to $6,000,000 and in 1918 to about $11,000,000 and in 1920 to about $20,000,000.

Mr. SIMMONS. But there was no protection on it then.

Mr. WATSON of Indiana. There was the embargo created by the war.

Mr. SIMMONS. Oh, the war embargo.

Mr. WATSON of Indiana. That was the best kind of protection, the same kind of protection which started the dye industry and 40 other industries which I might name.

Mr. SIMMONS. I think the Senator is mistaken in the statement that we did not produce a rather considerable quantity of this cotton before the war.

Mr. WATSON of Indiana. No; we did not. How much was it?

Mr. SIMMONS. I am not now in possession of the figures. Possibly the Senator from Arizona could tell us how much of this cotton we were producing before the war. My recollection is that we were producing a very considerable quantity.

Mr. SMITH. I have before me the figures of the production of Arizona cotton.

Mr. SMOOT. We were producing very little.

Mr. SIMMONS. Not as much as we are producing now, of course.

Mr. WATSON of Indiana. There were 375 bales produced in 1912, 2,000 in 1913, 6,000 in 1914, 1,000 in 1915, 3,000 in 1916, and then in the following years 1917, 1918, 1919, 1920, and 1921 the production ran up to 15,000, 36,000, 40,000, 92,000, and 37,000 bales. The Government reports the production to be 92,000 bales, while the representatives of the cotton producers in Arizona, including Mr. Heard and others, insist that they produced 105,000 bales. Of course, we will take the figures of the department and say that 92,000 bales were produced in the year given, whereas the production amounted practically to nothing or was a negligible quantity before the protection in the shape of an embargo afforded by the war.

Mr. SMITH. Mr. President, if the Senator is to be accurate, he must remember that from 1901 up to about 1907 and 1908 it was a question of pioneering. They had to understand the method of cultivation; they had to understand the method of irrigation and the selection and hybridizing of the seed. There has not been, according to the reports, a single year in which they could not dispose of the product at fancy prices.

Mr. WATSON of Indiana. I do not agree with my good friend about that. In 1920 they produced 92,000 bales. Why? Because they did not have competition from abroad; that is all. Then the competition set in after the war was over, and they began to produce less down there because of the foreign competition. According to my theory, I will say to my friend, all in the world that they need now is a protection in order to build up that industry to a point where the entire American demand will be met by the American supply.

Mr. SIMMONS. Mr. President, the Senator says the war was protection. I am not ready to admit that the war operated

as an embargo against the importation of Egyptian cotton into this country.

Mr. SMITH. It had nothing in the world to do with it.

Mr. SIMMONS. The war did operate as an embargo upon the importation of products from the Central Powers, but during the war we had communication with the Allies, and Egypt was controlled by the Allies.

Mr. SMITH. Not only did we have open exchange and interchange of goods, but we had what was known as the unified buying that supplied the Allies with their cotton. The Senator knows that we had one buyer who supplied the different ones with their raw material.

Mr. SIMMONS. There was no interruption of our transportation with Great Britain.

Mr. WATSON of Indiana. Mr. President, I call the attention of the Senator to the fact that for the year 1915–16 we imported 269,000 bales and for 1916–17, 259,000 bales. We got into the war, and what happened then? The importation ran down to 136,000 bales; then, the next year, 126,000 bales; then, as soon as the war was over, it ran up to 323,000 bales. So that it was interfered with, and our imports were not over 50 per cent of what they had been before; and when that 50 per cent from abroad was cut off we began to use the Arizona cotton to the extent of the 50 per cent which before we had been buying abroad. In other words, the prohibitive tariff afforded by the war built up the industry so that we did not import from abroad, and we did use what we made at home. Now, all that we need is to continue that condition, and we will continue to build up that industry and we will continue to use an American supply to meet an American demand.

Mr. SMITH. Mr. President, the Senator is saying that the war acted as a tariff. He must not overlook the fact that though there was no interruption of traffic between this country and Great Britain, her taking of American cotton incident to the war fell from about 4,000,000 bales to about 2,000,000 bales; but the price of the American cotton rose, even then, on account of the distribution of this cotton elsewhere. There was no interruption. The mills of this country had as free access to this cotton during the war as they had beforehand, and just after the war the price of the Egyptian cotton dropped and the price of the Arizona cotton dropped, and dropped just about in the same proportion.

Mr. WATSON of Indiana. My friend says there was no interruption. What about the submarines that swept our merchant marine practically off the sea? Here are the figures, though, showing where the imports of Egyptian cotton fell off from 269,000 bales to 126,000 bales, and in proportion as those imports of foreign cotton fell off we enhanced the production in the United States and used Arizona cotton.

Mr. SMITH. May I ask the Senator, then, why it was in 1920, when practically no Egyptian cotton was coming in here, that the Arizona cotton dropped to a point where they could not sell it?

Mr. WATSON of Indiana. Because, they claimed, of the competition.

Mr. SMITH. What competition?

Mr. WATSON of Indiana. From abroad.

Mr. SMITH. Why, there were practically no stocks of Egyptian cotton and very little coming in, and yet overnight the Arizona cotton dropped from something like $1 a pound down to where they could not get the cost of production.

Mr. WATSON of Indiana. Not only that, but the Senator must remember that the Arizona producer behind the prohibitive wall afforded by the war began the production, and then came the fear that that tariff would be taken away.

Mr. SMITH. Oh, Mr. President, I am not going into that field, but the trade does not take into account the fear of something that may happen a year from now. If these tire men wanted a fabric for their tires and knew they could get it, do you suppose that a fear that some Egyptian cotton might come in a year from now would break the price of the Arizona cotton? The demand was on. The supply was here. There was practically no Egyptian cotton on the market, in stock or in transit, because in 1921 the Egyptian acreage was cut, and the crop was almost a failure; and yet has Arizona cotton gone up?

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. SMOOT. I think the real reason why the Arizona crop was not sold was this: The Arizona people claimed that it cost so much per pound to raise that cotton, and they did not propose to sell it for less than it cost. The Egyptian cotton came in here at a very, very much lower price on the basis of comparative quality and what the goods were to be used for—I will say to the Senator that I know what I am talking about——

Mr. CARAWAY. Then, the Senator from Indiana was wrong. The two authorities differ.

Mr. SMOOT. And, refusing to sell that product, they held it in Arizona; and, in fact, I take it for granted that the Senator from South Carolina knows that nearly every one of the people who were raising cotton down in Arizona went broke.

Mr. SMITH. So they did in the South; but the Senator here is contradicting what his colleague said. His colleague said that there was an embargo, and you got a big price.

Mr. SMOOT. On account of the war.

Mr. SMITH. On account of the war, and then they got afraid that this cotton would come in and put the price down.

Mr. WATSON of Indiana. Which they testified to before our committee.

Mr. SMITH. Very well; but here is the argument of the Senator from Utah now to the effect that the reason why it went down was because the Egyptian cotton did come in and was sold at a less price and not because they were afraid of it.

Mr. WATSON of Indiana. As far as it did come in; and the Senator's statement is exactly right and borne out by the facts.

Mr. SMOOT. And I will say to the Senator that I think the Senator from Arizona will bear me out in the statement that those people had borrowed upon that cotton more money than they could sell the cotton for at the time they were undertaking to sell it.

Mr. SMITH. All right. Now, let me take the Senator's argument. Just let me take his own argument.

Mr. SMOOT. I want the Senator to know the facts.

Mr. SMITH. All right. I want to take the facts just as the Senator gives them. Now, you have an embargo tariff on Arizona cotton. That shuts out your Egyptian cotton, unless it pays that tariff. There is the Arizona cotton for sale. The Arizona cotton, with your tariff, with the Egyptian cotton, according to one, not coming in, does not go up in spite of your tariff. If the supply of American cotton was inadequate, and by protecting it you will raise the price, because the supply is not adequate here, and you will get a good price, why did it not respond when you put on your emergency tariff, shut out the Egyptian cotton, and left the Arizona cotton to supply the demand? Why did it not go up?

Mr. SMOOT. It did respond up to about 7 cents a pound, but no more, and that was all there was in the emergency tariff bill.

Mr. SMITH. Precisely; and the short staple of the South responded 10 cents a pound. There was no tariff on that. There was no tariff on American cotton, and yet the short staple that was unprotected advanced more than the long staple that was protected.

Mr. SIMMONS. Has not the short staple advanced more than the long staple?

Mr. SMITH. That is the point I am making.

Mr. SIMMONS. Not only that which is imported but that which is produced in the United States.

Mr. SMITH. To be sure. I say that the short-staple cotton, without any tariff, open to world competition, has advanced more per pound than the Arizona cotton that is of a fine type has advanced.

Mr. SMOOT. There was more of a chance for an advance on the low-priced cotton than there was on the high-priced cotton. I think the Senator will admit that.

Mr. CARAWAY. Mr. President, as I gathered from the Senator from Indiana [Mr. WATSON] before he got scared and quit the argument, this cotton is being used for tires. Does the Senator from South Carolina know anything about the life of a tire? It was said that the manufacturer was afraid that some time in the future there might be competition from Egyptian cotton.

Mr. SMITH. The life of a tire?

Mr. CARAWAY. It must be manufactured and used within a comparatively short time or it dry rots.

Mr. SMITH. Yes.

Mr. CARAWAY. And yet that was the fear some years in the future, and it scared the Arizona cotton buyers, and they would not buy their cotton.

Mr. SMITH. In this connection, I want to read what the Tariff Commission said, after discussing this duty on this cotton:

> The only conclusion to be drawn from the above is that, with the exception of two months during the dull season just after the duty went into effect, the emergency tariff act has had no effect in increasing or even in upholding the price of Pima cotton. Even during the period stated the effect was slight, inasmuch as there were few purchases, and it is to be noted that American purchases of Sakellarides were most largely during the fall, when the margin of Sakellarides over Pima was much greater. It is clear that American spinners are willing to pay a much higher price for 1 1/16-inch Sakellarides than they are for 1⅛-inch Pima.

That is the very point I have been making—that the staple of the Egyptian cotton is superior to the staple of the Arizona cotton, and they are willing to pay a higher price to get the advantage of the better fiber.

In conclusion, I want to say this, Mr. President, and I shall take occasion, later on, to elaborate this point:

Any tyro, the merest schoolboy, must admit that something is radically wrong where a country such as America, with her genius for skilled production and invention, leading the world in the application of mechanical devices to the manufacture of the necessities of life, having a monopoly to the extent of 70 per cent of the actual production of all the cotton of the world and 90 per cent of that which is available for ordinary cotton cloths and yarns, with her mills in the cotton fields, can not compete with a country as highly civilized as she, whose labor organizations are as perfect as hers, whose condition of life and civilization are going pari passu with ours, 3,000 miles away. There is something wrong when she can come here, buy the raw material, pay the freight and the loss incident to the transportation, convert it into the finished article, bale it, with all the overhead and incidental charges, bring it back here, and sell it in competition with the American product.

Mr. CARAWAY. And, if the Senator will permit me, very largely we spin with water power, while they have to burn coal.

Mr. SMITH. Mr. President, taking the average freight cost from America abroad as being around $10 a bale, the incidental loss in the c. i. f. contract and 30 per cent off for tare, cost, insurance, and freight will easily put it up to $15 a bale. Then there is the cost incident to the return of the goods—I am speaking of freight alone—the cartons in which it is held, the paper in which it is wrapped, the boxes that encase it, the marine insurance and marine freight and the overland freight, and yet it is claimed that they can bring it back here and undersell the producer of the raw material! There is something radically wrong somewhere. I will guarantee the assertion that any mill man in America could prosper if you could guarantee him a profit equal to the freight on the raw material from here to Europe and the freight on the finished goods back, to say nothing of anything else.

Mr. President, I want to say that I for one want to see every pound of American cotton manufactured on American soil. I believe it is an economic waste, an economic loss, for us to send abroad in the raw state this priceless gift of the gods to the American people. We have the facilities, we have the ingenuity, we have every element that could enter into its manufacture. We have also the splendid profits which have grown out of the manufacture of this article, and I want to see the American manufacturer converting every pound of American cotton. There is no necessity for artificial aid in accomplishing that purpose. He has a monopoly of the raw material. He has more than a competitive chance in the devices for manufacturing. He has a control of both fundamentals in this proposition, and there is no reason why we should guarantee such enormous profits on the manufacture of a part as to discourage the manufacture of the whole, and it is for that I am pleading.

Mr. SIMMONS. Mr. President, before the Senator concludes I want to ask him one question, because the Senator is a great authority upon the subject he has been discussing with such enlightenment to the Senate this morning. Is it not a fact that of all the cotton goods we produce in this country only about one-fourth of them are confronted with foreign competition?

Mr. SMITH. I think it is in the neighborhood of 2 per cent, according to the best figures I can get.

Mr. SIMMONS. It is less than I thought it was. I thought the statistics bore out the fact that there was competition in about one-fifth of the manufactures of cotton goods.

Mr. SMITH. No; nothing as large as that.

Mr. SIMMONS. Let us assume the Senator is right, that the competition is very small, less than I supposed it was, that competition is almost entirely between this country and Great Britain, is it not?

Mr. SMITH. It is.

Mr. SIMMONS. And that competition is confined to the very finest quality of goods?

Mr. SMITH. That is correct.

Mr. SIMMONS. The quality of goods out of which this competition grows requires Egyptian cotton in its manufacture. That is true, is it not?

Mr. SMITH. That is true.

Mr. SIMMONS. Then we have this state of facts: We have no competition in our cotton manufacturing industry except as to a few per cent of the entire products of our mills; that competition comes almost entirely from Great Britain; the character of goods out of which that competition grows form the very finest quality of cotton fabrics; and the fine goods out of which the competition grows are produced by the use of Egyptian cotton. If we impose a duty of 7 cents or 15 cents upon Egyptian cotton, and our manufacturers must pay that duty, while our competitor, Great Britain, does not have to pay that 7 cents a pound, or the 15 cents a pound, if we shall impose that rate, then will we not be put at a great disadvantage in competing with Great Britain in this quality of goods, not only in our own markets but in all the markets of the world, and will not that disadvantage be the disadvantage of 7 cents a pound on cotton out of which the goods are produced, if we fix the duty at 7, or if we raise it to 15, then will not that disadvantage be measured by the extent of the duty we impose upon the Egyptian cotton? In other words, the raw material out of which we must make the extra fine quality of cotton goods we have competition in will cost us 15 cents a pound more than the raw material of our competitor will cost him, not only in this market but in the markets of the world, in that line of goods.

Mr. SMITH. Granting that the quality of the cotton is equal, the researches of the Tariff Commission have shown that the Egyptians produce a long-staple cotton about one-eighth inch longer than ours, even considering the maximum length of our cotton. Then you will have shut out from the use of the American mills a finer grade of cotton which they might get at competitive prices, and prohibit them from using it, giving the foreigner not only the advantage of a cheaper price but of a cheaper price for a finer quality than you can get in America.

Mr. SIMMONS. If we can compete at all with Great Britain under these new conditions we shall have to do it by imposing a higher duty upon the British products.

Mr. SMITH. Certainly.

Mr. SIMMONS. The general consumers of the country will have to pay that higher duty upon all our imports from Great Britain, so that if the Arizona cotton producer is benefited by the 7 cents a pound—and that is very problematical—it is certain that the consumers of this country will have to pay 7 cents more for all the manufactures they buy from Great Britain.

Mr. SMITH. Of that character of goods.

Mr. SIMMONS. Yes; of that character of goods.

Mr. SMITH. That is inevitable, Mr. President, no matter what the volume of importations composed chiefly, or in part, or wholly of this character of cotton may be. If this duty goes on, every importation which comes from abroad containing this cotton must of necessity reflect that duty, or you will have no protection, and as the Senator from North Carolina has said, in order to protect the few hundred thousand bales of Arizona cotton, you will impose a duty upon the importation of goods made abroad of this character to meet that tariff and impose it on the consumers of America.

Mr. SIMMONS. If we continue to import from Great Britain under these higher rates of duty the same amount of these fine goods we now import—and we will have to do it, because we do not make them, and can not make them——

Mr. SMITH. That is true.

Mr. SIMMONS. If we continue to import the same amount we now import, and the consumers have to pay these higher rates of duty, which would be necessary, then does not the Senator think that the American consumer of this class of goods would have to pay from five to ten dollars for every dollar of benefit the Arizona producer of long-staple cotton would receive?

Mr. SMITH. That is absolutely inevitable.

Mr. SIMMONS. Even if he gets the benefit of every penny it is proposed to levy upon his cotton.

Mr. SMITH. That is true.

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Montana?

Mr. SMITH. Certainly.

Mr. WALSH of Montana. I recollect that the Senator from Arizona, my esteemed friend, some time ago told us that the real difference between the cost of production of long-staple cotton in this country and in Egypt is not at all represented by the rate which he asks, but that it rises as high as 30 cents a pound. In that case if paragraphs 315, 316, and 317 remain in the bill, and the rate is fixed at 15 cents a pound on long-staple cotton, it will be the duty of the President of the United States to raise that rate to 30 cents a pound.

Mr. SMITH. Certainly.

Mr. SIMMONS. I did not catch what the Senator said.

Mr. WALSH of Montana. I recall that the Senator from Arizona told us some time ago, what I do not undertake to dispute at all, that the difference in the cost of production of long-staple cotton is not represented by 7 cents, nor even by 15 cents, but that it is as much as 30 cents a pound, and that is the difference in the cost of production. So I call attention to the

fact that if the rate is fixed by the Senate at 7 cents a pound, or even at 15 cents, under the operation of paragraphs 315, 316, and 317 it will be the duty of the President of the United States to raise the rate to 30 cents a pound, and the industries of this country, as indicated by the Senator, will be burdened by a duty not only of 7 cents a pound but of 30 cents a pound.

Mr. SIMMONS. Mr. President, what I said a little while ago about the increase in the price of these high-grade goods which we now import from Great Britain, most of which we do not make ourselves, in addition to the amount the increase will force the American consumer to pay on the imported goods, it will not be confined to the imported articles at all, but, as we know very well, the American manufacturer of goods at all comparable with them would advance his price to the same extent as the British price was advanced, and the American consumer would be again mulcted as a result of the increase in the price of the imported article.

Mr. SMITH. Mr. President, just let me state, in this connection, that the tariff investigations show that in the goods of which we have the largest importations from abroad there is no competition in this country at all. We have not established the manufacturing processes, and it has not been told why we put such an exorbitant duty upon those goods which are really noncompetitive.

Mr. SMOOT. Mr. President, I think if the Senator from Montana will reconsider the statement he has just made, he will want it modified. He said that there would be 30 cents a pound on cotton if the President exercised his power under the bill to fix a rate representing the difference between cost of production here and abroad.

Mr. WALSH of Montana. Of course he is limited by the 50 per cent provision.

Mr. SMOOT. Therefore it could not be 30 cents. If it were 7 cents, he could fix a rate of 10½ cents, if he exercised the power given him.

Mr. WALSH of Montana. If it was 15 cents, he could fix the rate at 22½ cents.

Mr. SMOOT. Yes; but not 30; and I do not think for a moment it will be 15 cents.

Mr. WALSH of Montana. If it is fixed at 7, of course the Senate must consider that it will have to be raised to 10½.

Mr. SMOOT. No; it will not have to be raised to 10½.

Mr. WALSH of Montana. Why not?

Mr. SMOOT. Simply because the question arises, when the investigation is made, as to whether there would be a justification for it. When the Senator from Arizona spoke conditions were quite different from the conditions of to-day.

Mr. WALSH of Montana. That is to say, it may be shown that 7 cents represents the difference in the cost?

Mr. SMOOT. Absolutely.

Mr. WALSH of Montana. Of course; but I am assuming it does not.

Mr. SMOOT. I think the Senator from Arizona himself will admit that conditions have greatly changed since he made the speech in which he said that would be the difference.

Mr. ASHURST. That is quite true; but I wish to get the floor as soon as I may.

Mr. WALSH of Montana. I understand the Senator from Arizona to contend that at this time it would take at least 15 cents to represent the difference in the cost of production here and abroad.

Mr. ASHURST. Yes; that is my contention.

Mr. SMITH. Mr. President, I think every student of the possible effect upon the American purchasing public of the imposition of this duty—and every Senator here ought to have studied it—will see, by looking at the table of imports of cotton goods from abroad, that the major part of those imports are composed of this very character of cotton, and they are considerable. It is interesting to note that the American manufacturer is not engaged in producing the major part of these imports.

The result of that duty is already reflected in a paragraph in the pending bill, paragraph 905a, in which, in addition to the duties imposed in paragraphs 901, 902, 903, and 905 it is provided that "there shall be paid on all yarn finer than No. 60, and on all yarns finer than No. 60 contained in threads and cloth," an additional duty of 10 cents per pound.

Now, mark you, they have imposed a duty of 10 cents a pound on all goods above 60, and the vast quantity of such goods are not restricted to these kinds, but the 10 cents a pound applies because some of them may be used in the production of 60. So immediately we are confronted with the fact that all goods produced in America, as well as those imported from abroad that have any goods in which this product enters at all, shall bear that extra duty.

Now, Mr. President, as a last word, I am convinced that my friends in Arizona are in the same condition we are in in South Carolina. They are suffering not for the lack of a tariff or for the want of a tariff but for a proper market condition. Mark my word, you have already tried the emergency tariff and got no relief. You can try this tariff, and the only relief you will get will be the pleasure of producing more cotton for the purpose of furnishing a higher tariff for the manufacturers.

Mr. SMOOT. Mr. President, I ask unanimous consent that when the Senate closes its session to-day it recess until 11 o'clock to-morrow.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ASHURST. Mr. President, I would not address the Senate now as I have heretofore discussed this subject, but after such a well-informed person as the Senator from South Carolina [Mr. SMITH] has spoken, it is incumbent upon me to say something in reply. While we may not agree with the Senator from South Carolina, we can not ignore him.

The diamond pivot around which my remarks this afternoon will revolve is a sentence found on page 10940 of the proceedings in the Senate Monday, July 10 last, in a speech by the Senator from Arkansas [Mr. ROBINSON], a Senator whose strength and courage are recognized by all. Speaking of the tariff bill he said:

> If the policy that is to be written into our tariff laws is a policy of protection, I do not find myself justified as a representative of the people of the State of Arkansas in voting to discriminate against the products of that State.

Mr. President, no language that could be employed could more aptly describe the duty of Senators.

It is necessary to clear away some underbrush that is obscuring our way in order to understand the terms in the nomenclature of this cotton about which we are now talking.

The long-staple cotton grown in the Southwest is called American-Egyptian cotton, it is called Pima cotton, and it is also called Sakellarides cotton. So when I say Pima cotton I mean American-Egyptian or Sakellarides cotton.

In 1920 there were produced in the United States in the irrigated valleys of the Southwest 103,000 bales of American-Egyptian or Pima cotton.

The imports of Sakellarides cotton from Alexandria, Egypt, into the United States in the year closing August 1, 1920, was approximately 340,000 bales. The average import of this cotton for the four previous years was 120,000 bales.

It is conservatively estimated that the demand of the American manufacturers for this type of cotton, which is used principally in manufacturing cord-tire fabrics, airplane and balloon cloth, mercerized and fine cotton goods, such as dimities, lawns, voiles, fine shirtings, handkerchiefs, and threads, will average about 250,000 bales annually.

The cotton producers of the Southwest are asking for at least a sufficient duty to equalize the difference in labor and transportation costs between the wages paid the peasant laborer of Egypt of from 24 to 36 cents per day and the daily wage paid agricultural labor in the Southwest of from $2 to $3 per day. The transportation cost from Alexandria, Egypt, to New England manufacturing points is $10 less per bale than the lowest rate from Phoenix, Ariz., in the center of the American-Egyptian district, to the same manufacturing points. The difference in labor cost is most vital, as approximately 60 per cent of the cost of producing this specialized long-staple cotton is for labor.

In considering the need for protection for this developing American industry, encouraged by five administrations and assisted by appropriations from every Congress since 1904, four factors should be considered:

First. Is the production within the United States of long-staple cotton of superior quality in sections proven ideal for its growth an essential national industry?

Second. Will the failure to protect long-staple cotton by reasonable tariff, sufficient to equalize the difference between the cost of the present labor of Egypt and the American agricultural labor and the difference in transportation costs, destroy the production of American-Egyptian cotton in the United States?

Third. Is it not probable that with the protection asked for we can produce in the United States within a few years, in regions proven thoroughly suited to its growth, all the long-staple cotton of this type needed by American manufacturers?

Fourth. If this industry, developed with the assistance of the Department of Agriculture, is allowed to perish through lack of the reasonable tariff protection asked for, will not our American manufacturers, needing this class of cotton, eventually pay

such a price for it as foreign nations controlling production of it may dictate?

I confine my remarks directly to these four points. First, is the production of this type of cotton an essential national industry?

I have heretofore spoken of the valuable work carried on by the Government since 1902 in developing the Pima cotton. This work covered scientific studies in Egypt, the establishment in 1906 of plant-breeding gardens in Arizona, the establishment of thorough Government standards now recognized throughout the world, an organized system of Government inspection of standardized selected seed, and a study of the most practical uses of this cotton by American manufacturers, and, finally, owing to its extreme strength, combined with lightness, its successful use after the most exacting and careful tests by the Government for our Air Service both in airplane wings and balloon cloth.

While Pima cotton has proved satisfactory in these tests, they are now working to improve methods of cooperation, specifically in marketing, and through more careful land selection, improved methods of cultivation, cleaner picking, and better ginning and baling to still further improve the standard quality of this cotton.

It is interesting to note that the Government in developing this long-staple industry in the Southwest was but reviving an ancient industry, practiced by the prehistoric peoples in the southwestern valleys.

Owing to the encouragement of the Government, aided by the conditions created during the war, and the greatly increased demand by cord-tire manufacturers the production of Pima cotton in the Southwest has grown from 3,331 bales in 1916 to a production in 1921 of 103,000 bales. The wisdom of the Government in encouraging this new southwestern industry has been shown by the fact that during this same period the inroads of the boll weevil have reduced the production of the famous sea-island cotton, almost identical with Pima in length of fiber, from 117,559 bales in 1916 to a production in 1920 of but 1,725.

Owing to the difficulty experienced during the war by the American manufacturers of cotton fabrics in obtaining Egyptian cotton, the use of American-Egyptian cotton, especially by the tire manufacturers, largely increased, and there was also a steadily increasing use by fine spinners when assured they could obtain this exceptionally long and uniformly running cotton in quantities; and an opportunity was given to prove the exceptional value of this cotton not only in airplane and balloon cloth but in other fine fabrics.

At the outbreak of the war the farmers of the Salt River Valley in Arizona were nearly ready to abandon the production of this long-staple cotton, because the low price received, below actual cost of production, was entirely out of line with its real value. The prices brought about by the war, however, encouraged the farmers to continue production, with the result that a really valuable national industry was established. In other words, the American-Egyptian long-staple industry was practically saved by the submarine.

Reference has been made to the various uses of this cotton; the bulk of it goes into what is known as cord-tire fabrics, made from No. 22 counts of yarn. Another use is in fine ginghams, made from No. 30 to No. 50 yarns; fine shirtings, made from Pima cotton of No. 60 to No. 80 yarns; while finer goods, such as voiles, dimities, stockings, mercerized goods, and fine fabrics mixed with silk, are made from No. 110 to No. 130 yarns.

A particular factor, to which attention should be given, is that Pima cotton is particularly well adapted to the various manufacturing processes, such as mercerizing, dyeing, and bleaching.

For use in all these fabrics American-Egyptian cotton has been found to be practically unexcelled and for use in airplane cloth made of No. 80 yarns it has been found nearly as satisfactory as the best of Irish linen. It is an interesting fact that cord-tire fabric made from uncombed American-Egyptian cotton shows a greater strength than fabric made from combed Sakel, an exceedingly fundamental point to the American tire manufacturer. The elasticity is also unexcelled. In the past a comparatively small proportion of fine cotton fabrics, mercerized or otherwise, has been made in the United States. The production of this class of goods is largely controlled by Great Britain; but there is every reason to believe that with the continuance in America of the production of American-Egyptian cotton our own spinners will largely increase their manufacture of fine goods, thus affording a stabilized demand for American-Egyptian, even should the demand for use in automobile tires decrease.

Egypt produces annually about 700,000 bales of Sakel cotton, sold to the manufacturers of Europe and America, and principally woven into tire fabrics.

The cost of production in 1921 in the Southwest, based on a yield of one-half bale per acre, and a basic wage of $2 per day for agricultural labor, showing a cost to the producer of American-Egyptian Pima long-staple cotton, delivered at New England manufacturing points, of 34.83 cents per pound.

The production cost of Sakel cotton, almost identical with Pima, shipped from Alexandria, Egypt, and laid down at New England points, for this season's production, is estimated at 21.6 cents per pound.

At present Egypt produces annually about 700,000 bales of this type of cotton, America produced 103,000 bales, Peru about 5,000, the Sudan about 10,000, and Nigeria and Uganda in central Africa about 2,000 bales each in 1920. The world's demand for fabric made from fine cotton is increasing. England with a keen sense of trade advantage has definite constructive plans under way through her control of barbarous and semicivilized countries to control the long-staple cotton production of the world; and tiis manifest that if we allow this American industry to perish, our American manufacturers will eventually pay such a price for this essentially needed cotton as the nation or nations which control its production may demand. With remarkable vision England is laying her plans for obtaining her raw materials for the benefit of her manufacturers in those equatorial lands where native labor is unlimited and the price of production is not a factor. In his testimony before the Committee on Finance in December, 1921, Mr. D. B. Heard, of Phoenix, Ariz., said, amongst other things:

> Recently I had the opportunity of conferring in England with the very able manager of the English Cotton Growing Association, who with the cooperation of the Government is spending £150,000 per annum in the development of new fields of cotton production. Mr. Himbery's report to the World Cotton Conference on this remarkable development is attached hereto under the head of "Exhibit I." This organization brought about the production in Nigeria, Uganda, Sudan, and Mesopotamia last year of 80,400 bales of cotton, of which approximately 20,000 were long-staple cotton of the type referred to in this statement, and the estimate of production this year in the same countries is 146,000 bales, with an ultimate production of nearly 3,000,000 bales.

In a statement prepared in 1920 by Mr. Schofield, of the United States Department of Agriculture, on the production cost of American-Egyptian or Pima cotton in the Southwest he shows an annual production cost last season of 52⅞ cents. Sakel cotton from Egypt's crop of 1920 was freely offered during the past summer laid down in New Bedford and other New England points for 26 cents, which explains the reason for the recent paralysis of our American long-staple industry. While production costs in the Southwest have greatly decreased since Mr. Schofield's estimate was made, it is manifest that, even at the present low scale of wages, which is less than what could be justly considered normal, we can not produce our cotton and lay it down in New England manufacturing districts at a less price than 35 cents. With Egypt able to lay this cotton down in New England for 26 cents, it is evident that if the 20 cents per pound tariff asked for is added to the present price of Sakel Egyptian cotton, the American grower will make but a fair profit above his cost of production. Secretary of Agriculture Wallace in his recent report to the Ways and Means Committee recommended a minimum duty of 10 cents per pound on this type of cotton, and the situation now existing, as outlined above, would seem to justify the duty of 20 cents per pound asked for. It is hoped through this tariff legislation to stabilize the price of American-Egyptian cotton at from 40 cents to 45 cents per pound, thus justifying the continuation of the industry.

As the Senator from Utah stated as to the figures which I gave on the floor of the Senate about a year ago, those figures would not be appropriate at this time, because conditions have somewhat changed; but from all of the information we are able to obtain, the difference to-day in the cost of production, where it was 26 cents a pound in 1920 is now 15 cents a pound, and my colleague [Mr. CAMERON] has tendered an amendment proposing to increase the rate brought in by the committee from 7 cents per pound to 15 cents per pound, so as to equalize the difference in the cost of production.

It might interest Senators to know that in the early part of 1920 on a bale of cotton shipped from Alexandria to the New England mills the freight was $10 per bale less than the freight upon a bale of cotton shipped from Phoenix, Ariz., to the same point.

Now, as to the kinds of cloth made from this cotton it is called luxurious or character cloth. I have here some large samples of character cloth made from Arizona-Egyptian, or Sakellarides cotton, manufactured, sold, and guaranteed by the Textile Industrial Institute of Spartanburg, S. C.

Mr. FLETCHER. Mr. President, may I interrupt the Senator?

Mr. ASHURST. I yield.

Mr. FLETCHER. I would like to inquire of the Senator what has been the effect of the imposition of a tariff duty of 7 cents a pound on cotton produced in his State? Did it cause the importations from Egypt to diminish or cease entirely, or what has been the effect?

Mr. ASHURST. Mr. President, I shall try to give the Senator the information because that is a pertinent question. I think I have the figures here from the emergency tariff information, Series No. 27, covering long-staple cotton.

Beginning with the year 1913, the United States received from Egypt in 1913, 124,634 bales; in 1914, 89,726 bales; in 1915, 176,974 bales; in 1916, 185,497 bales; in 1917, 134,891 bales; in 1918 it dropped to 75,865 bales; and in 1919 increased to 95,262 bales. Then came the disastrous year of 1920. Egypt exported to the United States 275,617 bales in 1920, and destroyed the value of the long-staple cotton crop in the Southwest. During the year 1921, 46,423 bales were imported; in other words, in 1921, 46,423 bales were imported and the year before 275,617 bales were imported; so that practically one-sixth was imported in 1921 that came in in the year 1920.

Mr. FLETCHER. The Senator, then, argues that the imposition of the duty under the emergency tariff act caused the decrease in importations?

Mr. ASHURST. Mr. President, the Senator from Florida is entitled to a frank answer, and I am going to deal with him frankly. Senators do not agree; all I can do is to state the ultimate facts. The Senator knows that in 1920 came a general debacle; mills themselves closed; and I will not attribute to the tariff the fact that we imported only one-sixth of the cotton in 1921 which we imported in 1920; I would not say that was wholly due to the tariff; but the 7 cents per pound duty of the emergency law helped us just 7 cents per pound.

Mr. FLETCHER. Just one other question or two along that line. Does the Senator from Arizona feel that the imposition of a duty upon the long-staple cotton would be a revenue-producing tariff?

Mr. ASHURST. Yes.

Mr. FLETCHER. As well as affording indirect protection, it would produce revenue?

Mr. ASHURST. Yes. If I were in charge of a tariff bill or if I were the chairman of the Committee on Ways and Means of the House of Representatives or the chairman of the Committee on Finance of the Senate, the first article I should select on which to impose a duty would be long-staple cotton. I would be entirely unembarrassed in doing so by the fact that long-staple cotton is produced in my State, but I would impose a duty because it is a splendid revenue producer.

Mr. FLETCHER. May I ask the Senator one other question, Mr. President?

Mr. ASHURST. I yield to the Senator.

Mr. FLETCHER. I feel a considerable interest in this question, because Florida produces about one-third of the sea-island or long-staple cotton, as we call it, which is produced in this country. I think South Carolina, Georgia, and Florida produce the sea-island cotton of the country. Of course, there is no real need of importing cotton from Egypt or anywhere else. We in this country can produce all of the cotton and all the kinds of cotton that are needed, and we do, of course, export large quantities. I have the impression—and I will ask the Senator from Arizona whether it conforms to his experience or observation or judgment in the matter—that the importation of Egyptian cotton takes place at the instance of manufacturers but not because they are obliged to have the Egyptian cotton. Long-staple cotton is an expensive cotton to produce; it is a 12-months' crop really. Its producers have to pay very high wages to gather it; it is more expensive to gin and prepare for market than is the short-staple cotton; it costs all the way from 30 to 50 cents a pound to produce it, and in some instances, perhaps, more; but when the long-staple cotton producer offers his cotton to the manufacturer, the manufacturer will say, "I will give you 20 cents a pound for that cotton." "Well, but," the producer says, "it is worth 40 cents." And it is worth 40 cents. But, just to illustrate, the manufacturer will say, "But that is the market price now; I will pay you 20 cents a pound; and if you do not want to take that, I will import some Egyptian cotton in order to supply my demand." Is it not a fact that the importation of Egyptian cotton is used as a club over the producer of long-staple cotton in this country to beat down the price of the producer?

Mr. ASHURST. I will try first to answer the first part of the Senator's question.

The boll weevil has exterminated the sea-island cotton.

Mr. FLETCHER. That is true to a considerable extent.

Mr. ASHURST. If it were not for Arizona and California, in 1920 we would have had but 1,700 bales of long-staple cotton; those two States—Arizona and California—came to the rescue of this country.

When our cavalrymen of the clouds in the World War, like eagles with victory in their beaks and the American herald in their talons, were soaring it was the fabric from Arizona-Egyptian or Pima cotton that made the aviators feel secure. With airplane wings made of this cotton he knew he had a steed with lungs of steel and wings of finest fabric.

Mr. FLETCHER and Mr. STANLEY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Arizona yield; and if so, to whom?

Mr. ASHURST. I yield first to the Senator from Florida.

Mr. FLETCHER. The Senator is correct about the ravages of the boll weevil, but we hope in some way or other to manage to produce a certain amount of long-staple cotton from time to time, at any rate, and I think there has been an increase in the acreage in Florida this year as compared to last year. My observations, however, had not so much reference to Florida as to the whole production, including that of Arizona as well, of long-staple cotton. My question was whether or not the manufacturers did not use the Egyptian cotton as a club to beat down the price of long-staple cotton in this country, because it came in free, and they could always say, "You will either take our price for your product or we will bring in cotton from Egypt."

Mr. ASHURST. Exactly. Here is a manufacturer in South Carolina or North Carolina, and here is a manufacturer in New England. The fact that one lives in New England and the other in the South makes no difference; they are going to get their raw material as cheaply as they may. I do not feel any resentment against the spinner of South Carolina or of North Carolina or of Massachusetts because he buys in Egypt; he wants cheap raw material, and he is opposed to a tariff on his raw material. If he can send to Egypt and get the cotton at 26 cents a pound, I do not blame him. That is a part of human nature.

Mr. FLETCHER. Mr. President, may I ask the Senator another question there, namely, whether this Egyptian cotton really competes with the sea-island cotton? In other words, the long-staple sea-island cotton is used very largely in making mercerized silk. They make the cotton cloth, and give it a caustic bath which gives it the silky texture and appearance, and then it is used for making automobile tires, and so forth. Whether this Egyptian cotton really competes or not, my contention is that the threat of importing the Egyptian cotton is used as a club to beat down the price.

Mr. ASHURST. I will say in reply to the Senator that it is comparable. I could say, but it would have a tinge of immodesty, that it is superior to the Egyptian cotton and superior to the sea-island cotton. I will not say that, although I have proof that indicates that; but let me call to the attention of the Senator what is made out of the Egyptian cotton, and he will perceive at once that they are only the most luxurious cloths. I will read them:

Sateen, plyvoile, semivoile, dimity, transparent organdy, cotton mull, sheer nainsook, French lawn batiste, chiffon mull, poplin, warp print, fine shirting poplin, fancy piqué vesting—

Arizona cotton makes those cloths that the opulent people use and need, yet Senators hesitate about putting a duty on that which they will pay and never miss the price.

Fancy striped voile, sateen brocade, thread-stripe organdy—

Mr. FLETCHER. Is that made out of the Egyptian cotton?

Mr. ASHURST. No; that is made out of the Arizona cotton. What I am enumerating are fabrics made from the Arizona or California cotton, which, as I repeat, is comparable to your sea-island cotton and comparable to the Egyptian cotton. Listen:

Fancy leno voile, Jacquard, clip spot lawn, fancy swivel voile.

Mr. President, being such a poor French scholar, indeed having such a paucity of French, I shall not read the other names of these luxurious cloths made from this cotton.

Mr. FLETCHER. The Egyptian cotton competes with it, does it not?

Mr. ASHURST. The Egyptian cotton competes with it; yes.

Mr. OVERMAN. Mr. President, are not all these cloths made out of our cotton—the sea-island long-staple cotton?

Mr. ASHURST. This [indicating] has been handed to me with the label on it. The gentlemen engaged in producing cotton in Arizona came into my office last summer, some of them wearing clothes made out of the Pima cotton; they handed to me these specimens of this luxurious cloth, and they are men of truthfulness and high character. One of them was a strong Democrat; another was the editor of a leading Republican

paper; and they said that these luxurious cloths were made out of Pima cotton grown in the Salt River Valley.

Mr. FLETCHER. Mr. President, the question in my mind was whether the Egyptian cotton really could be used to produce the same results.

Mr. ASHURST. Of course, the ingenuity of our own American manufacturers is such that they are able at times to produce some sensational cloth that might not be produced in England or elsewhere.

Mr. OVERMAN. Mr. President, does the Senator know where the goods are manufactured that are made from this particular cotton, of which only about 130,000 bales are produced in this country?

Mr. ASHURST. This is taken from Arizona.

Mr. OVERMAN. I understand, but where are the mills located that produce it?

Mr. ASHURST. It says here:

Character cloth: Trade-mark registered March 9, 1920—

I am only reading what it says—

manufactured, sold, and guaranteed by Textile Industrial Institute, makers of character cloth, Spartanburg, S. C.

Just as the Senator, a great lawyer, presents testimony as it is brought in to him and as the witnesses state their case, I offer these samples.

Mr. President, here is some cotton which has been "stapled"; and I see Senators sitting about here who know all about cotton, Senators who were raised in the cotton States, their careers having been made and well made in cotton States. I labor, as you perceive, under some degree of embarrassment, because this is a new industry in my State. It is a new industry in the State of my affectionate friend the Senator from California [Mr. JOHNSON]. It has grown up suddenly.

Here is 1⅛-inch cotton. This amendment would not cover that.

Mr. SMOOT. The amendment would cover one and a half; it covers one and three-eighths and above.

Mr. ASHURST. Here are the staples: One and a half, one and nine-sixteenths, one and five-eighths, one and eleven-sixteenths.

Mr. STANLEY. Mr. President——

Mr. ASHURST. I yield.

Mr. STANLEY. Do the growers of long-staple cotton work more or less than 12 hours a day in Arizona?

Mr. ASHURST. The growing of long-staple cotton is a difficult task. I do not know as much as the Senator does about it, but I know enough to know that the growing of upland or short-staple cotton entails a considerable amount of care, prudence, and work, but the growing of long-staple cotton is even a more technical, difficult business.

Mr. STANLEY. Mr. President, that was not what I asked. I simply inquired whether the growers of this long-staple cotton work eight hours a day, as industrial labor usually does in mills and mines?

Mr. ASHURST. I will discuss that——

Mr. STANLEY. In my country the farmers work 12 hours a day on an average. The point I am making—I will be perfectly frank with the Senator—is that we produce cotton, some short-staple cotton, tobacco, corn, wheat, oats, and a thousand and one other things, and our farmers work 12 hours a day.

Mr. ASHURST. You are fortunate—only 12 hours a day.

Mr. STANLEY. I was going to say, since the Senator was speaking of working 12 hours a day in Egypt, that farm labor works 12 hours a day in my country at the lowest, and from sun to sun as a rule.

Mr. ASHURST. Let me tell the Senator—indeed, I can not tell the Senator from Kentucky anything historically, because while the other side may be proud of HENRY CABOT LODGE as a historian, we have equal pride in the Senator from Kentucky and others here. As to history, since the Senator has brought that up, let me tell him that when Cambyses went into Egypt in 525 B. C. he there found the Egyptian, the physically most perfect man the world ever saw.

Mr. SIMMONS. Mr. President, the Senator must remember that the cotton which the Egyptian produces is the finest in the world and sells for more than any other produced anywhere else in the world, and that is the cotton with which we have to compete.

Mr. ASHURST. The Senator's familiarity with cotton is great. He asserts that the Egyptian cotton is the finest in the world.

Mr. SIMMONS. The point I am making is that we compete with the price at which the cotton is sold and not with the wage which the laborer who makes it receives. The point of competition is the price, and the price of the cotton that the Egyptian makes and sells in all the markets of the world is tremendously higher than the price of any cotton produced anywhere else. You are producing long-staple cotton now out in your State with a protection of 7 cents a pound, and yet this Egyptian cotton is selling right here in the American market to-day for 10 or 15 cents a pound more than your cotton is selling for.

Mr. ASHURST. The Senator dogmatically asserts that.

Mr. SIMMONS. I am not asserting it dogmatically.

Mr. ASHURST. Well, the Senator asserts that. He says that is the fact. Now, why does the Egyptian cotton sell higher?

Mr. SIMMONS. It is my understanding that that is a fact.

Mr. ASHURST. A university professor in Cologne says that the Pima cotton is the best in the world. I will read the statement. It only came out this morning and I have not had a chance to read all of it.

Mr. SIMMONS. Suppose it were admitted that it was the best in the world. It still does not sell as high as the Egyptian cotton, and I think I can tell the Senator one of the reasons.

Mr. ASHURST. I wish the Senator would.

Mr. SIMMONS. One of the reasons is this, that it is not a question of the length of the staple at all. Of course, you want a long staple, but the length of the staple of the Egyptian cotton is not the thing that gives it the great advantage over other long-staple cotton. If we produced here a cotton of exactly the same length of staple it would still not sell for as high as the Egyptian cotton, because the Egyptian cotton for some reason or other known to Providence and not to us is considered by all manufacturers superior to any other cotton of the same length staple produced anywhere else in the world.

It is just like the Turkish tobacco. We have tried hard in this country to raise a tobacco that would compete with the Turkish tobacco and which would be of the same value in blending with other tobaccos as the Turkish tobacco. We have used the seed, we have tried to find a climate as near like that of Greece and Macedonia and other sections where it is grown in Europe, but we have never succeeded yet. There is something in that tobacco which must be the result of the climatic conditions there which gives it a flavor, an aroma, that is entirely different from anything that can be produced anywhere else.

It is the same with reference to cotton. I was talking with an expert about it only this morning. He said it was not a matter of the length of the staple, that it was an easy matter to raise cotton in this country of the same length of staple as the Egyptian cotton, but he said there was something in the Egyptian cotton, something of value that was indescribable, but which the manufacturers thoroughly understood, which did not exist in our long-staple cotton. I am merely telling what an expert of great authority told me.

Mr. ASHURST. I am glad to have that contribution.

Mr. SMOOT. Mr. President——

Mr. ASHURST. I yield to the Senator from Utah.

Mr. SMOOT. I just want to state why the Egyptian cotton is worth more.

Mr. ASHURST. I would be glad to have the Senator tell me why.

Mr. SMOOT. The fiber of the Egyptian cotton is finer than the fiber of any other cotton known in the world and they can spin a finer yarn with the Egyptian cotton than with any other cotton in the world.

The luster on the Arizona cotton is just as good as the luster on the Egyptian cotton, but if you put the fibers of the two cottons under a magnifying glass it will tell the story immediately, and the Senator from North Carolina was right when he said that we can not account for it. When you put Egyptian cotton upon the machinery and go into the spinning room and try to draw a thread of 150 or 200 the test will come. That is where you find the advantage of the fineness of the fiber of the Egyptian cotton.

Mr. ASHURST. Mr. President, that may be true——

Mr. SMOOT. I will say to the Senator that shirtings like the samples he has just shown do not require an extra fine thread to make, and the Arizona cotton is just as good as any cotton grown in any part of the world for that purpose.

Mr. SIMMONS. Just as the short staple is just as good for certain other grades of cloth as cotton grown anywhere in the world. But this is true—and the Senator from Utah must admit it—that wherever the very finest grades of goods are to be produced the Egyptian cotton is absolutely essential to their production.

Mr. SMOOT. Wherever there is a thread to be spun above 120 you have to have the Egyptian cotton to do it successfully, just as you have to have Egyptian cotton, or a cotton with a staple of 1⅜ inches or above, to make a thread finer than 60 or 66.

Mr. SIMMONS. That does not imply that the long-staple cotton grown in various sections of the States, and especially in Arizona, is not exceedingly valuable in the manufacture of other cloth.

Mr. SMOOT. It is just as good as any cotton in the world.

Mr. ASHURST. Here is my able friend the senior Senator from North Carolina——

Mr. SIMMONS. I am not trying to embarrass the Senator.

Mr. ASHURST. The ability of the Senator embarrasses me. I know he would not try it willfully. His ability does it; his keenness of argument and suggestion is embarrassing to any Senator, and there is a double team against me. After he gets up and announces that the Arizona cotton is not comparable to the Egyptian cotton; that the Arizona cotton lacks that indefinable essence, and does not quite measure up to the Egyptian cotton, up jumps my friend from Utah, before whose great armory of facts I always bow, and they double-team on me and say, "The Arizona cotton is out of court."

But I have witnesses here, and I will read their statements, so that Senators may see whether the Arizona cotton is inferior to the Egyptian cotton.

Mr. SIMMONS. The Senator misunderstood me altogether. I did not mean that the Arizona cotton was not as good as any cotton in the world for the manufacture of certain classes of goods, but I did say that there is a certain other class of high-grade goods in which that cotton can not be used. If you use it you get an inferior product, and to get the high-grade cloth it is absolutely essential that you use the Egyptian cotton, and in that use there is no comparison between the Egyptian cotton and the Arizona cotton.

Mr. ASHURST. Very well.

Mr. SMOOT. I want to say to the Senator that he certainly has not a technical knowledge of the manufacture of goods, or he would not have laid to my door any attempt whatever to "bawl" him out of court. I simply state facts as they exist as to the difference between the two cottons. I did say that up to the spinning of a thread of 120, the Arizona long staple is as good as any cotton in all the world, and the finish of it is just as good as that of any cotton in all the world. But I say now to the Senator that he can not find a manufacturer in all the world who can take the Arizona long-staple cotton and spin a thread of 240.

Mr. ASHURST. Let me put in my proof now. Here is a document laid on my desk this morning through the kindness of the chairman of the Committee on Finance. I have scarcely had time to peruse it, but on page 24, in a footnote, we find a quotation from the Daily News Record, of New York City, in its issue of February 4, 1922, giving a review of the New Bedford cotton market. What does New England say? I am going to quote other countries; but what does New England say? In this document laid on my desk this morning, and which I have not had an opportunity thoroughly to peruse, I read:

Pima has commanded more than its usual share of interest among the long cottons—

That will bear a repetition—

Pima has commanded more than its usual share of interest among the long cottons. Cotton men declare that there can be no overlooking the fact that the use of Pima for fine goods is meeting with considerable favor with the mills where it has been introduced.

New England, which does not want this cotton to have a tariff, is at least fair enough to give it a good character. I do not expect New England to say it is superior to Egyptian.

But I turn now to Professor Schiertz, a textile expert. Who is this; some Senator speaking out on the hustings? No; a textile expert of the Cologne University, who has the following to say of Arizona long-staple cotton:

I have examined the samples—

Mr. President, am I reading aright? Is there not some strabismus about my sight when I see this, and see it for the first time?

I have examined the samples of Arizona cotton given me by Mr. Paar and I consider this cotton extremely adapted for replacing Egyptian cotton.

Can it be that I have read aright, after my friends here have said that the Egyptian cotton could be used for a purpose for which the Arizona cotton could not be used?

Mr. SIMMONS. Mr. President, I have no question about that.

Mr. SMOOT. That does not deny the statement I made.

Mr. ASHURST. Replace.

Mr. SMOOT. It could replace it in certain goods; in other goods it could not.

Mr. ASHURST. A Senator can not be replaced in his seat unless he is out and the other man is in. He says "replace."

Mr. SMOOT. Not all classes of goods.

Mr. ASHURST. He says "replacing Egyptian cotton."

Mr. SMOOT. The Senator can put whatever construction he wants.

Mr. ASHURST. It is not a matter of construction. It simply says that this Arizona cotton is eligible for replacing Egyptian cotton.

Mr. SIMMONS. I have no question in the world about this fact, that if you raise large quantities of this cotton it will take the place of Egyptian cotton in the production of certain things. Particularly is that true with reference to automobile tires. If we had no long-staple cotton grown in this country it would be necessary for us to go to Egypt to get the Egyptian cotton to make those tires. You can not make them with short-staple cotton. We were using Egyptian cotton to a large extent and chiefly in making automobile tires. Since we have begun to produce long-staple cotton, not only in the Senator's State but in other sections of the South, they are using that long-staple cotton to make tires instead of using the Egyptian cotton. But that does not mean that the Egyptian cotton is not absolutely necessary and that the Arizona cotton will not take its place in connection with the manufacture of the finest articles of cotton cloth.

Mr. SMOOT. I want to say to the Senator that I have no doubt but that approximately 95 per cent of all the goods manufactured from cotton in the United States, or imported into the United States, could be made of Arizona long-staple cotton. There is 5 per cent, however, that could not be made with it. Does that dispute the statement made by the professor that it could replace the Egyptian cotton? Not at all. Of course, it can replace it. Nobody is ever going to deny it. I certainly shall not.

Mr. ASHURST. Mr. President, it is not my habit, and I do not think it is the habit of anybody else in this controversy, to read a fragment of an article and not read it all. I am about to read from the pamphlet issued by the United States Tariff Commission, entitled "The emergency tariff act and long-staple cotton." It is Tariff Information, Series No. 27, page 18. This is Mr. William Paar, a Los Angeles importer, speaking. He told the officials of the Arizona Pima Cotton Growers' Association at a recent conference as follows:

German experts have declared your long-staple variety superior to Egyptian Sakell for the manufacture of certain kinds of fine textiles, such as lisle silk, imitation linens, and cotton goods for underwear.

Mr. Paar further said:

Two of Germany's foremost textile experts have passed upon the quality of Arizona cotton. Professor Johannson, recognized as the foremost cotton expert in all Germany, examined samples of Arizona cotton sent by the Arizona Pima Cotton Growers' Association. "I have never seen a raw material so suitable for the manufacture of high-class textiles, such as lisle silk for hosiery, underwear, and imitation linens," Professor Johannson was quoted as saying.

Then Professor Schiertz, of Cologne University, was quoted. But I have spent too much time on the character of the cotton.

Mr. SIMMONS. Mr. President, before the Senator concludes, will he yield to me?

Mr. ASHURST. I yield.

Mr. SIMMONS. There was a certain part of the Senator's argument about which I feel that I ought to make some observations and ask some questions. The Senator stated a little while ago that the cultivation of the long-staple cotton was exceedingly expensive and exceedingly difficult. Of course, I know nothing about the process of growing the long-staple cotton in Arizona, but I assume the process of growing it is the same as the process of growing long-staple cotton in other parts of the country. Arizona is not the only place, as I said, where it is grown. We grow it where we can in North Carolina, not quite as long a staple as in Arizona, but not so much shorter. I have grown some of it myself. There are sections of my State where a good deal of it is grown.

So far as my observation goes, the process of cultivating it is exactly the same as that of cultivating the short-staple cotton. The only difference is that we do not get quite as large a yield per acre, measured in pounds, from the long-staple as from the short-staple cotton. We get very much more for the long-staple cotton that we grow in my State than we do for the short-staple cotton. I think it will sell for probably one-third more than the short staple. I think sometimes it sells for twice as much as the short-staple cotton. But the cost of producing it is no greater than the cost of producing the short-staple cotton except that there can be produced only a little over one-half as much to the acre of the long-staple cotton.

It may be that it is produced in a different way in the Senator's State, but we simply prepare our land for it just as we do for the ordinary cotton. We plant it with machinery just as we do the short-staple cotton. We plow it in the same way; we hoe it in the same way; we pick it in the same way; and we gin

it in the same way. There is absolutely no difference. Therefore, I think the Senator is wrong when he says the process of cultivation is very difficult.

Mr. ASHURST. Of course, I suppose the same general plan of cultivation would apply.

Mr. SMITH. Mr. President, if the Senator will allow me, it is a matter of common knowledge that the Egyptian Government goes to great pains to develop and produce this Egyptian cotton. I was wondering if in this monograph, which I have not read entirely, attention was called to that fact by which any comparison could be made of the conditions under which Arizona cotton is produced in America and the other cotton is produced in Egypt. I find on page 23 the following statement:

Short-staple uplands is the basic cotton crop of the world, and prices of other cottons necessarily follow a rise or fall in the price of uplands. Such variations from the price of the basic cotton are influenced and accentuated by special factors. Pima and Egyptian cottons tend to come together in periods of low prices and to draw apart on a rising market. The Pima crop, very much smaller than the Egyptian and in a few hands, is less subject to speculation, and being more securely financed and marketed by a few large growers can hold its level better in a distress market. It is largely controlled by the Pima Cotton Growers' Association, and Government funds available through the War Finance Corporation have been used to enable the growers to hold for better prices. The Egyptian Government also assists its growers, not only by advances through the National Bank of Egypt but also by the direct purchase of cotton in periods of depression.

In other words, the Government becomes the purchaser of the cotton at a given price in order that it may not go down, and to sustain the morale of the grower as we did in the emergency when we took the wheat crop in hand.

Mr. OVERMAN. And as we tried to do in the matter of the cotton crop.

Mr. SMITH. Yes; and as they threatened to do, but went in the other direction, in reference to the cotton crop.

The Egyptian prices are affected primarily by conditions in the fine spinning industry of England, its main market, and secondarily by the American demand.

I want to call the Senator's attention to a comparison of the Boston prices of comparable grades of the Egyptian cotton and the Arizona cotton with and without the duty. He will notice, going down to the market quotations of 1922, fully good Sakel, comparable with No. 2 Pima, without the duty, 52¼ cents a pound against 37 cents, a margin of the Sakel over the Pima of 22¼ cents. For the February quotation we have 48 and 36. For the April quotation we have 46 against 32, and for May 48 against 35. This would seem to indicate that amongst other things the price of Egyptian cotton maintains itself firmly over the American cotton even in the American market, indicating that there is really an intrinsic difference in the grades. There is that difference, as every cotton man knows, but when everything is said and done, there is not enough of the Arizona cotton and Egyptian cotton that is available for America to meet the demands even were they interchangeable; that is, one a perfect substitute for the other. My contention is that the price of Egyptian cotton is wholly uninfluenced by the Arizona product, and the price of the Arizona cotton is wholly uninfluenced by the Egyptian product.

Mr. OVERMAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Arizona yield to the Senator from North Carolina?

Mr. ASHURST. I yield.

Mr. OVERMAN. What is the amount of the normal crop, in bales, of Arizona and California cotton?

Mr. ASHURST. About 200,000 bales.

Mr. SHORTRIDGE. Mr. President, I merely wish to observe that thousands and hundreds of thousands of acres of land in California are adapted to the cultivation of this particular kind of cotton, and that fact ought to be borne in mind in dealing with the problem.

Mr. CAMERON. Mr. President, I had intended to make an extended argument and a further appeal on this subject, but realizing the fullness with which this has been gone into before the Finance Committee and in the Senate to-day and previously, I do not feel justified in doing so other than to point out a few facts which to my mind show the justness of our claims for protection of one of the greatest and most essential infant industries in the country. In looking around the Chamber during this discussion I note only a very few Senators present, and it seems unnecessary for me to repeat here the merits of my amendment in view of the individual conversations I have had with most of the Senators, to whom I have presented in a personal way our hopes of adequate protection for our greatest agricultural industry. I do desire, however, to read a letter written to the chairman of the Finance Committee which is concise and to the point, and which is illustrative of the fallacy of certain objections to the protection of this industry, as follows:

WASHINGTON, D. C., *February 6, 1922.*

Senator PORTER J. MCCUMBER,
Chairman Finance Committee, United States Senate.

MY DEAR SENATOR: While in Providence, R. I., yesterday there was brought to my attention a statement appearing in the Providence Journal under date of February 3 to the effect that former Senator Henry F. Lippitt, of Rhode Island, had appeared before the Senate Finance Committee in opposition to the proposed duty on long-staple cotton, and in his presentation to the committee referred to certain statements which I had made as president of the Arizona Pima Cotton Growers' Association.

As you are aware, the American-Egyptian or Pima long-staple cotton, running in length from 1 1/16 inches to 1⅜ inches, is produced in the irrigated valleys of Arizona and California, principally in the Salt River Valley near Phoenix, Ariz.

Mr. Lippitt, in the article referred to, is quoted as saying that this cotton "was by no means cotton that could take the place of all of the Egyptian cotton that is imported, as much of that was of a superior quality to the Arizona cotton and would have to be used if New England was to continue to produce threads and fabrics of the highest quality."

From research work which our Cooperative Marketing Association has been carrying on, in cooperation with the United States Department of Agriculture during the past 90 days, and from investigations which I have recently made in the milling district in New England, I am convinced that the American-Egyptian or Pima cotton in the condition in which it is now going into the market is fully equal in quality to the Egyptian cotton, which experts testify is now deteriorating in value, and that practically all the threads and fabrics now made in New England from Sakel or Egyptian cotton can now be made of American-Egyptian or Pima.

Up to six months ago many of the American fine spinners were of the opinion, before they had learned what changes in mechanical methods were necessary to handle Pima cotton successfully, that the use of Pima cotton was principally in coarse yarns largely used for making tire fabrics. But on the advice of experts who have been studying this remarkable Arizona-Egyptian cotton we have been making an organized effort since last September to get the Pima cotton used by those spinners who are making yarns for fine fabrics. At first some of those mills were dissatisfied with the cotton, but as they developed the proper mechanical processes for utilizing it they have found it fully as good as the Egyptian cotton. Certain of the fine fabric mills who a year ago were reluctantly trying out Pima cotton experimentally are now glad to buy it in even running lots of several hundred bales at a time. A convincing evidence that American spinners of fine yarns are to-day finding Pima cotton thoroughly satisfactory is the fact that of the 40,000 bales of Pima cotton sold since last September a very large proportion has been bought by the fine spinners. Only this week in New England I have received abundant demonstration, both from mills and brokers, that Pima cotton for use in fine fabrics is no longer an experiment but a demonstrated success.

In another portion of ex-Senator Lippitt's remarks it is indicated that Governor Campbell, of Arizona, in urging a tariff on Pima cotton predicted that in five years Arizona would produce all the cotton of this type needed by the American manufacturers. In the brief which I presented to the Senate Finance Committee on January 13 last I endeavored to make it very clear that, if given reasonable protection, the cotton producers of the Southwest, which includes those in the irrigated valleys of California as well as Arizona, would be able to produce all the cotton of this type needed by the American manufacturers, and Governor Campbell intended to have his remarks so apply and not solely to Arizona.

I also presented a map supplied by the United States Department of Agriculture showing the definite location of these irrigated sections of the Southwest where it had been demonstrated Pima cotton could be grown, aggregating nearly a million and a half acres. If about 30 per cent of this area were put into the production of Pima cotton annually, providing for a well-balanced agriculture with proper crop diversification and rotation and assuming that the average yield per acre will not exceed what has been obtained in the past, it is very evident that the production in 1920 of 103,000 bales of Pima cotton could be easily doubled.

In the report of Senator Lippitt's remarks he suggests that the growing of this cotton in the Southwest would be an extremely expensive experiment. I am glad to advise you that the growing of Pima cotton is in no sense an experiment in the irrigated Southwest, and the records of the United States Department of Agriculture will demonstrate this clearly.

It has also been gratifying to us to learn that the fine spinners who at one time questioned whether this cotton could be mercerized satisfactorily now find that in mercerized yarns it is fully as good as Sakel or Egyptian cotton, and that when properly spun and woven into fabrics it develops practically the same sheen and finish as fabrics made from Egyptian cotton.

I feel that in this matter there should be understanding, cooperation, and sympathetic interest between the manufacturers of this cotton and we who are producing it in the Southwest, and I am making the foregoing statement in no spirit of controversy but simply in an endeavor to clear up any misunderstanding that may exist on this subject and would be glad to have this letter filed as a supplement to the brief presented on January 13 last.

Faithfully yours, DWIGHT B. HEARD.

I have read this letter, as requested, in order to show that there was no thought in the minds of the spinners or of the manufacturers of New England but that the Egyptian cotton raised in Arizona is equally as good in every respect as the cotton imported from Egypt. There is room in the Southwest for the development of this industry. We have lands enough under irrigation on which to produce all the long-staple or the Pima cotton, whatever it may be termed, to take care of all the needs of the manufacturers in this country. There can be no question about that. It would be but a helping hand, justly deserved, for the Government to assist this industry for a while just as many others have been helped in the past.

I can see no reason why Congress, while framing a tariff bill, should not in justice to a community that has been striving to produce a commodity which has heretofore been sup-

plied by a foreign country, grant the necessary protection to carry on such development and establish a new industry so essential to our well-being—one that is indispensable in time of war.

I might here appropriately add that Mr. Heard has spent months of time at an enormous expense in personally investigating this industry in all parts of the world, and is considered an authority on the subject.

Mr. President, I ask unanimous consent to have printed as an appendix to my remarks the brief presented to the Finance Committee by Mr. Heard on January 13, referred to in the letter which I have just read.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(See Appendix B.)

Mr. CAMERON. I can not see the contention of the Senators opposing this meritorious duty of 16 cents, especially those of the South, for surely such a protection in no way will injure their cotton, which is wholly of a different kind. The market of one will not affect the market of the other.

One other fact I desire to have considered, which to me seems a most binding obligation, and that is during the World War the people of the Southwest were requested and urged to the point of patriotism by the Government to engage in the production and the building up of the industry of long-staple cotton with assurances that they would be protected. On these representations farms were converted into cotton fields, and no expense was spared in cultivating and producing the new product which was so essential during the war. To-day these same farmers are crying for relief, and are justly expecting the fulfillment of this moral obligation, else nothing but bankruptcy and disappointment will be their reward. Through the Agricultural Department these people were told that it was the great American policy to produce our own raw materials; that before long, as a result of this policy by the Government, all the long-staple cotton needed in this country would be produced at home. A picture was presented of a great American industry, finally self-supporting and independent, which would mean full utilization of the barren wastes of the West as a cotton country, the finest in the world; a community of homes, sound finances, and full American livelihood. Now, if this industry is not fully protected, this moral obligation not kept, I ask what will be the result when it is remembered that the people of Arizona were urged by the Government to build up a great new industry, and were later repeatedly advised by the recognized spokesmen of the Republican Party that they could rely on receiving such protection in the new tariff bill as would assure the permanent prosperity of the long-staple cotton industry? It will be recognized that a failure to protect that industry in the pending tariff legislation will be regarded by them as nothing short of a gross betrayal.

There is no one in the Senate who tries to be fairer on questions coming before this body than I; and I feel in standing here to-day and proposing my amendment I have not asked for sufficient protection when I have proposed a duty of 15 cents a pound on long-staple cotton. However, I believe the people of Arizona can get along with such a rate if it is given to them; and I believe it should be given to them; but I do not think they are asking anything that is unjust. So I hope when the Senate votes on the question this afternoon it will see fit to give us this 15 cents for which we ask and let us continue the industry and show the country what we can do in the production of long-staple cotton.

I want in conclusion to ask unanimous consent for the privilege of including in the RECORD as a part of my remarks the statements to which I have referred.

The PRESIDENT pro tempore. In the absence of objection, permission to do so is granted.

The matter referred to is as follows:

APPENDIX A.

ARIZONA LONG-STAPLE COTTON.

DEFINITION.

Any statutory definition of "long-staple" cotton must necessarily be arbitrary; but inasmuch as the "Sakellaridis" variety of Egyptian cotton is the product which sells on a level with the "American Pima" grown in Arizona, and the great bulk of the "Sakellaridis" staple is 1⅛ inches in length, it is recommended that "long-staple" cotton be defined in the tariff act as a staple not less than 1⅛ inches in length, although the Arizona staple has an average length of 1⅛ inches. In other words, unless "long-staple" cotton is described as of a length of 1⅛ inches or more no protection against the competing variety of Egyptian cotton would be found.

HISTORY.

"American Pima" cotton was developed on the Pima Indian Reservation in Arizona during the years 1902–1910 by the scientists of the United States Department of Agriculture, and in 1910 they announced that as a result of their long experiments in plant breeding they had produced a "long-staple" cotton equal in every respect to the best Egyptian cotton. The Department of Agriculture was led to make these experiments because it had been foreseen that the ravages of the boll weevil would in time destroy the sea-island cotton industry, and it had been found impossible to grow sea-island cotton successfully on the mainland of the United States.

Following that announcement, and because of the urgent advice of the Department of Agriculture the farmers of the Salt River Valley of Arizona began growing "Pima" cotton. The development of the industry was gradual but had reached large proportions by the year 1915; and in the year 1920 the growing of "long-staple" cotton had become the chief agricultural industry in Arizona—the Salt River and Yuma Valleys being mainly devoted to its culture.

Meanwhile, however, the "Sakellaridis" cotton of Egypt, which by a strange coincidence had been developed in that country in the same year of 1910, had become the chief Egyptian article of export to the United States so that by the fall of 1920 the "Sakellaridis" cotton had become a destructive competitor, and practically all of the 1920 crop of cotton grown in the Salt River and Yuma Valleys in Arizona and amounting to some 90,000 bales remains unsold.

There are at least 200,000 bales of "Sakellaridis" cotton in American warehouses awaiting factory demands, and in view of this surplus and the incoming crop for this year in Egypt there is no hope of a living market for the Arizona growers unless an adequate protective duty be levied upon the Egyptian article. That small portion of the Arizona crop of last year which has been marketed has brought from 25 to 30 cents a pound at Phoenix and Yuma, approximately one-half the cost of production.

FINANCIAL DISASTER.

The cost of producing the 1920 crop of cotton was 52 cents per pound. Many millions of dollars of the funds of the local banks are tied up in the product; they have borrowed several million dollars from the Federal reserve bank, and appalling disaster awaits the people of these communities unless relief through an adequate tariff be provided.

"Long-staple" cotton is used in the manufacture of fine dress goods, fine hosiery, fine sewing thread (all luxuries), and in automobile tire fabrics. In recent years approximately 80 per cent of Arizona cotton has gone into "cord" tires.

The people of Arizona who are most familiar with trade conditions say that if Arizona cotton is properly protected the market demand and the market price will immediately improve, whereas so long as American manufacturers are assured of cheap cotton from Egypt through the years to come there will be no disposition to offer anything but a hand-to-mouth market.

FAITH IN PROTECTION.

Some 200,000 acres of the most valuable irrigated lands in Arizona were devoted to the growing of "long-staple" cotton in 1920. The acreage the present year is somewhat under 100,000.

Why, it may be asked, did the farmers of Arizona persist in again planting a large acreage of cotton this year when their crop of the previous year still remained unsold? The answers are:

(1) The landowners were led to believe that the Republican policy of protection would be applied to Arizona; (2) it requires two years to place cotton land into profitable production of alfalfa, and the landowners preferred to trust to the fairness and statesmanship of the American Congress; and (3) the semitropic climate and the soil of southern Arizona furnish ideal conditions for the growing of "long-staple" cotton, and these landowners are anxious to continue in this industry.

COMPETING CONDITIONS.

The fellaheen of Egypt work 12 hours a day in growing "Sakellaridis" cotton and receive 40 cents therefor. Farm labor was paid in Arizona at the rate of $5 per day in 1920 and will receive not less than $3 the present year. The cost of production this year in Arizona will be at least 41 cents per pound.

The Egyptian producer is able to lay his cotton down on the American seaboard for a freight rate, Alexandria to Boston, of 60 cents per hundredweight. The Arizona grower pays in freight somewhat above $2 a hundredweight to the same market, the Egyptian thus enjoying a differential of nearly 1½ cents per pound in freights alone. No complaint is made concerning the American freight rate. Not only must the railroads receive a revenue which will permit them to live, but they should not be deprived of the very large revenue which a continuance of the cotton industry in Arizona will give them, and that industry will languish and die if Congress denies its appeal for protection.

In the Salt River Valley and in the Yuma Valley there have been established two American communities of the very highest type.

PROPOSED DUTY.

For the adequate protection of the "long-staple" cotton industry in Arizona and California a duty of 20 cents per pound should be levied on all importations of the "long staple."

The development of American industries through their proper protection until they are well established and the assurances of the very best living conditions have always been cardinal Republican doctrines. To refuse protection to the infant long-staple cotton industry is to abandon these doctrines.

LIMITATION.

The people of Arizona for the present would be satisfied with a protective duty of 20 cents per pound, limited to five years. They are willing to trust to the wisdom of Congress in dealing with the situation at the end of the 5-year period.

ATTITUDE OF MANUFACTURERS.

Although the House bill carries a satisfactory duty on tire fabrics and on textiles and all other fabrics into which long-staple cotton enters, it appears that some of the manufacturers are not satisfied with such protection, but insist on the privilege of buying their raw materials from the fellaheen of Egypt or from Arizona growers at a ruinous price.

THE CONSUMER.

As already pointed out, long-staple cotton goes almost exclusively into the manufacture of articles which are fairly classed as luxuries.

Assuming that a duty of 20 cents per pound would within another year cause the American market for long-staple cotton to advance to 40 cents per pound, it can not be held with truth that this increased price would lay a serious burden on the consumer. Certainly an added 10 cents per pound for the cotton should not add one cent to the cost of a pair of fine hose or to a spool of fine thread, or add very much to the cost of a cord tire.

COMPENSATING DUTY.

The only argument which has been offered against a duty on long-staple cotton has been to the effect that there should be a compensatory duty on all imported articles containing the long staple, and that it is extremely difficult for customs officials to determine from inspection whether a manufactured fabric from abroad contains a staple 1⅛ inches long. This argument presumes the necessity of a compensating duty. But why grant the soundness of such an assumption?

The pending tariff bill provides a duty of 25 per cent ad valorem on tire fabrics and cotton fabrics generally plus an added tax based on the "thread count." If the duty thus provided is not in all conscience a sufficient protection for these manufactured articles, the American people will be slow to believe otherwise.

It is difficult to refrain from describing the demand for an added compensating duty as one of downright impudence.

In any event, whatever the difficulty in administering a law covering a "compensating" duty, the people of Arizona are willing to take their chances on securing adequate protection for their chief industry on the basis of 20 cents a pound, and they can not believe that any manufacturer will suffer seriously through failure of customs officials in any given instance to arrive at a proper classification on the basis of the "compensating" duty.

GOVERNMENT A CREDITOR.

The Federal Government is a heavy creditor of these Arizona communities whose welfare—solvency even—is now largely at stake in the cotton industry. The Salt River Valley Water Users' Association owe to the Government on account of the Roosevelt Dam and irrigation works thereunder a round figure of $9,500,000. There is past due and unpaid on the installment account the sum of $203,000.

The Yuma project owes a total of $4,700,000 in round figures.

REVENUE.

The Government is therefore a creditor of these communities to the extent of more than $14,000,000. In the fiscal year ended June 30, 1920, the importations of long-staple cotton from Egypt amounted in round figures to 242,000,000 pounds, while the Arizona production for the calendar year 1920 was in round figures 50,000,000 pounds.

It is assumed from all the data in hand that in normal times the home market, after absorbing all the long-staple cotton that can be produced in Arizona and California—the available acreage having about reached its maximum—would take each year 100,000,000 of Sakellaridis cotton from Egypt. A duty of 20 cents a pound would thus yield a revenue of $20,000,000 annually.

To dwell on the importance of obtaining this added revenue from an article which goes into luxuries, while at the same time assuring prosperity and splendid living conditions to high-class American communities, would be to elaborate the obvious.

THE GROWER A MANUFACTURER.

If it be conceded that a policy of providing free raw materials for American manufacturers has been one of the features of the doctrine of protection, there would be no violation of that principle in giving a tariff protection to the grower of American long-staple cotton. Not only is the very process of growing the cotton a technical work, calling for unusual intelligence in supervision, but in the truest sense the grower is a manufacturer. Removing the raw cotton from its bolls on the standing stalks in the field, the grower takes this raw product to the cotton gin, where under his direction the seeds are removed, the lint is prepared and then baled and returned to him, whereupon he takes his bales to the local market or himself ships them to the eastern seaboard, where the baled product goes through further processes of manufacture—sometimes many processes—before it reaches the ultimate consumer. In other words, the primary raw material in the matter of cotton is never seen by the intermediate and final manufacturers, but goes through the first processes of manufacture while still in the hands of the grower.

Why should the interests engaged in some of the later processes of manufacture receive all the fostering care of the Congress?

MORAL OBLIGATION.

The Government is under a serious moral obligation to these communities. Through its Department of Agriculture the people of Arizona were told, substantially:

"It is the American policy to grow our own supplies. You can grow here all the 'long-staple' cotton needed by the people of the United States, thus at the same time keeping many millions of dollars at home and building up here the best sort of American homes. Go to it."

When it is remembered that the people of Arizona were urged by the Government to develop and build up a great new industry, and were later repeatedly advised by recognized spokesmen for the Republican Party that they could rely on receiving such protection in the new tariff law as would assure the permanent prosperity of the "long-staple" cotton industry, it must be recognized that failure to protect them in the pending tariff legislation would be regarded by them as nothing short of a gross betrayal.

APPENDIX B.

STATEMENT REGARDING PRODUCTION OF AMERICAN-EGYPTIAN OR PIMA LONG-STAPLE COTTON.

(Presented by Dwight B. Heard, Phoenix, Ariz., to subcommittee on cotton of Committee on Ways and Means, House of Representatives, Apr. 25, 1921.)

APRIL 25, 1921.

Hon. WILLIAM R. GREEN,
Chairman Subcommittee on Cotton,
Committee on Ways and Means,
House of Representatives.

SIR: Availing of your suggestion that I present in concise form a statement in behalf of the needs of the producers of American-Egyptian cotton, I present the following:

Statement by Dwight B. Heard, of Phoenix, Ariz., representing the Arizona Egyptian Cotton Growers' Association, the Phoenix (Ariz.) Chamber of Commerce, and the Phoenix Clearing House Association, as to the need of a protective tariff on American-Egyptian or Pima long-staple cotton.

PRELIMINARY STATEMENT.

The American-Egyptian or Pima long-staple cotton industry, which during the past 15 years has developed as an essential national industry, now faces destruction through competition with cotton of similar type produced by the peasant labor of Egypt on a present wage scale of 40 cents per day for a 12-hour day.

This Egyptian long-staple cotton is now being laid down at New England spinning points at 26 cents per pound, almost exactly one-half the estimated production cost of last year's American-Egyptian crop, as per a report recently furnished Congress by Mr. Wallace, Secretary of Agriculture.

In the season of 1919–20, 485,000 bales of Egyptian cotton were imported into the United States, as compared with an average importation of the previous five years of 202,000 bales. It is conservatively estimated that 70 per cent of this importation was Sakellaridis cotton, the type principally used for the manufacture of tire yarns, and which the American-grown Egyptian cotton comes in direct competition with.

The standard of living of the Egyptian peasants who furnish the labor in the cotton fields of Egypt is vastly inferior to an American standard of living. This peasant labor is exceptionally efficient. These Egyptian laborers, at the price of 40 cents per day, work from sunrise to sunset, while in Arizona, where 85 per cent of the American-Egyptian crop is grown, the cost of field labor for a nine-hour day in 1920 was $3. It is estimated that in 1921 this will be reduced to $2, still more than five times as large as the Egyptian wage, in view of the shorter hours in Arizona.

It is conservatively estimated that one-third of the cost of the production of long-staple cotton is involved in the picking. The cost of picking cotton in Egypt in 1920, according to the best information available, was less than $10 per 500-pound bale, while in Arizona the cost of picking the same size bale was $80. This situation presents an intolerable condition which can only be remedied by the reasonable protection asked. Officials of the United States Department of Agriculture have recently estimated that the cost of producing American-Egyptian Pima cotton in Arizona in 1920 on the basis of a yield of a half bale to the acre was 52.6 cents. The attached statements from well-informed Arizona growers show an estimated average cost of production in 1921 of approximately 41 cents. According to the most recent market quotations, Old World Egyptian cotton of the Sakellaridis variety, the type which most nearly corresponds to the American Pima, and which comprises about 70 per cent of the import from Egypt, is being laid down in New Bedford for 26 cents per pound. The duty asked for by American producers to maintain this industry on a living basis is about 20 cents per pound. It is evident that unless the relief asked for through a protective tariff is promptly granted the industry built up through 20 years' cooperation with the United States Department of Agriculture faces destruction.

BRIEF HISTORY OF THE AMERICAN-EGYPTIAN COTTON.

Pima cotton was originated and developed by the Department of Agriculture as a result of plant-breeding work carried on in Arizona since 1902. A strikingly superior individual plant, selected in 1910 at the Government experimental station at Sacaton, on the Pima Indian Reservation in southern Arizona, was the parent of the Pima variety, of which 250,000 acres were grown in 1920 in Arizona and California. It is an interesting coincidence that the plant which gave rise to the Sakellaridis variety, the principal competitor of Pima, was discovered in Egypt in the same year, 1910.

Pima cotton can be successfully grown only on the irrigated lands of southern Arizona and California, where the climatic and soil conditions have proven to be exceptionally favorable for the growth of this type, which is not adapted to conditions in the eastern Cotton Belt.

The Pima cotton has an average length of staple of 1⅛ inches and is maintained in a high state of uniformity by careful seed selection under the supervision of the United States Department of Agriculture. It is used in the manufacture of fine dress goods, hosiery, and sewing thread, but principally in automobile tire fabrics. It is estimated that 80 per cent of the Pima crop in recent years has been used for this last purpose. In all these classes of manufacture the American-grown Egyptian cotton is in direct competition with Sakellaridis cotton imported from Egypt.

DECLINING SEA-ISLAND PRODUCTION MAKES PIMA ESSENTIAL TO NATIONAL DEFENSE.

During the recent war exhaustive Government tests showed that the Pima cotton was a thoroughly satisfactory substitute for sea-island cotton in the manufacture of airplane wings and balloon cloth, and during the last year of the war large quantities of cloth were manufactured from Pima cotton and successfully used in the air work. The first tests of Pima cotton for this purpose were made at the suggestion of the Department of Agriculture, which pointed out that with the rapid advance of the boll weevil the sea-island crop might be suddenly wiped out, and that a substitute must be found if possible in an American-grown cotton.

Since Arizona and California are well isolated from the boll-weevil district and were producing a cotton already of extra long staple and great uniformity, which was known to be capable of substitution for sea island, an extension of Pima cotton growing in that region appeared to be a military necessity, and for that reason was especially encouraged by the Department of Agriculture in the war period. The figures given in the table showing the production of sea-island and American-Egyptian cottons during the last five years make it clear that the Department of Agriculture was thoroughly justified in calling attention to the necessity of a substitute for sea-island cotton, which now has almost disappeared from cultivation. If the war had been prolonged even for another year the Pima cotton would have become the sole reliance for this vital purpose.

Partly as a result of stimulation by the Government during the war the acreage of Pima cotton has been greatly expanded during the last two years, and with the sudden slump in the market in 1920 the growers have been left with fully 90 per cent of their last crop unsold. The danger is very great that unless adequate protection is furnished against the competition of cheaply grown foreign cotton this highly specialized cotton, which recent experience has shown to be essential to the national defense, will disappear.

With the sea-island cotton practically gone, this country would be entirely dependent on foreign sources of supply:

Statement of the production of Pima and sea-island cottons in bales during the past 5 years.

AMERICAN-EGYPTIAN.

Year.	Pima.[1]	Sea Island.[2]
1916	3,331	117,539
1917	15,966	92,619
1918	40,343	52,208
1919	42,374	6,916
1920	91,965	1,725

[1] 500-pound bales. [2] 400-pound bales.

Estimated imports of Sakellaridis Egyptian cotton in equivalent 500-pound bales during the past five years.

	Bales (500 pounds).
1915–16	204,000
1916–17	119,000
1917–18	80,000
1918–19	70,000
1919–20	340,000

COST OF PRODUCTION.

In a very carefully prepared statement recently issued by Mr. C. S. Scofield, of the United States Department of Agriculture, based on a yield of a half bale to the acre in the Salt River Valley of Arizona, where about 85 per cent of the Pima cotton is produced, a production cost is shown for the season of 1920 of 52.6 cents per pound. Owing to reductions which have already occurred in the price of field labor and estimated reductions which are anticipated in the cost of picking and ginning Pima cotton for next season, it is estimated that the cost of production in 1921 on the basis of a half bale to the acre will be at least 42 cents.

It will be observed that if the 20 cents per pound tariff asked for is added to the present delivered price of Egyptian Sakellaridis cotton in New England, the American grower would make only a very small profit above cost of production. It is hoped by this legislation to stabilize the price of American-Egyptian Pima cotton so as to justify continuing the American industry based on a price of approximately 50 cents to the producer.

The attached statements, Exhibits A, B, and C, of estimated cost of production in the Salt River Valley of Arizona for 1921, made by Mr. W. S. Stevens, president of the Arizona American-Egyptian Cotton Growers' Association, Mr. Charles M. Smith, a grower who keeps exceptionally accurate records, and the writer, who has grown this type of cotton for the past five years, are presented for the purpose of giving detailed estimates as to the cost of production for 1921.

On the Salt River Valley reclamation project in Arizona 186,000 acres were farmed in Pima cotton in 1920, on which a crop of 72,000 500-pound bales were produced. Confronted, as they have been during the recent months, with a price for this cotton far below its cost of production, the majority of the producers, through the assistance of the banks, have held on to their cotton, anticipating a relief from the existing situation, and it is estimated that 67,000 bales of this crop still remain in the hands of the producers. This situation illustrates the urgent need for immediate relief.

The emergency tariff bill, as passed by the House of Representatives on April 15, 1921, and now before the Committee on Finance of the Senate, in paragraph 16 contains the following clause as to the protection duty on long-staple cotton:

"Cotton having a staple of 1⅛ inches or more in length, 7 cents per pound."

It is evident that the above is not adequate to protect this industry on the basis of American standards of living. In the report of April 13, 1921, in connection with this emergency tariff bill, on page 20, the Bureau of Markets of the Department of Agriculture definitely recommends a duty of not less than 10 cents per pound, making the following statements:

"(4) Large areas of land in this country are available for the production of extra-staple cotton, but because of the costs of reclamation, irrigation, and the higher standards of living, and the cost of labor the cost of production of such cotton in the United States is high, and our producers need a protective tariff to equalize the cost of production abroad with that in the United States.

"(6) In the table following are presented quotations on the selling price of Sakellaridis Egyptian and American Egyptian cottons. It will be observed that on March 15 the price of fully good Sakellaridis was 35⅞ cents and good fair Sakellaridis 26⅞ cents c. i. f., landed Boston, and that American Egyptian cotton of No. 2 grade was quoted at 26⅞ cents and No. 3 grade at 25⅞ cents, landed Boston. Such prices are far below the estimated cost of production of cotton in Arizona and California. It should be pointed out further from the table that the prices of good fair Sakellaridis and No. 2 Arizona Egyptian have been practically identical since November 13 last. In other words, the price of good fair Sakellaridis seems to fix the price of American Egyptian cotton. * * *

"(9) Producers of long-staple cotton have faced adverse market conditions in the sale of last year's crop and are said to have on hand a large part of last year's production. Accordingly, it is believed that the producer would receive the benefit of whatever protection that might be conferred by the proposed tariff measure."

I am presenting the foregoing statement at the request of the Arizona American-Egyptian Cotton Growers' Association, the Phoenix Chamber of Commerce, and the Clearing House Association of Phoenix, whose letters in this connection are attached herewith. In this statement I have endeavored to present figures and facts as to this industry whose existence is so seriously threatened, and in view of the fact that through some misunderstanding the producers of American-Egyptian cotton had no opportunity to present their case before the Committee on Ways and Means of the House, I trust opportunity may be found before the emergency bill passes the Senate to increase the duty on long-staple cotton from 7 cents to the 20 cents so urgently needed.

Very respectfully,

DWIGHT B. HEARD.

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EXHIBIT A.

ARIZONA AMERICAN-EGYPTIAN COTTON GROWERS' ASSOCIATION,
Phoenix, Ariz., April 14, 1921.

MR. DWIGHT B. HEARD,
Phoenix, Ariz.

MY DEAR MR. HEARD: Complying with your request to make up an additional statement of cost for producing cotton in 1921, as I view the situation, I submit as follows:

There is such a wide difference in the ideas of rental values that I have eliminated this altogether, considering a man that is working on payment of one-fourth of his crop as rent. I have eliminated, as far as possible, the question of diversified farming, in that a portion of the crops produced might be used in feeding and caring for the stock of the grower.

I am taking as a basis an exceptionally good man with an exceptionally good team, and giving him all the land that such a man can possibly handle under favorable circumstances, which is 50 acres. I am considering that this man and his one team do all the work of preparing and planting, cultivating, supervising, picking, and deliver the cotton to the gin. In handling this acreage he will have no time whatever to do any hoeing or irrigating. This is provided in moderate charges. We have considered the cost of picking on the pre-war basis, which is really less than it should be, when we consider the fact that shoes are 100 per cent more than four years ago, and that provisions and clothing have not anywhere near been reduced to pre-war basis.

This man and his team are allowed $1,200 for the year. Out of this $1,200 the man's only living expense, or his wage and feed for his team, are all included. This man and his team is far above the average in being thoroughly able to cultivate and handle 50 acres of land, but I am considering the average yield to be the actual average being produced in our valley since Pima cotton has been introduced, which has been one-half bale per acre. Of course, we have exceptional cases where people may average better than one-half bale for several years, but this is offset wherein just as many farmers produce less than one-half bale for the same period of time, because they are liable to the losses incurred from hail storms, black arm, root rot, and other troubles, so that, on the whole, I think that this is a very conservative estimate of the average cost for the year 1921:

A man and team, 1 year		$1,200.00
Irrigation water, at $3.75 per acre		187.50
Planting seed, $1 per acre		50.00
Hoeing, including thinning, at $7 per acre		350.00
Expense of irrigation, $3 per acre		150.00
Implements, $250; depreciation only		50.00
Shop work		25.00
Incidentals, including sacks, tents, etc		100.00
Ginning 25 bales, at $20		500.00
Picking 25 bales, at 3 cents per pound		1,500.00
		4,112.50
Total, less 11¼ tons of seed at $20		225.00
Total cost of 18¾ bales, 6¼ having been paid as rent		3,887.50

Cost per pound, $0.413.

Very truly,

W. S. STEVENS.

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EXHIBIT B.

APRIL 14, 1921.

MR. DWIGHT B. HEARD,
Phoenix, Ariz.

DEAR MR. HEARD: The following is my estimate of the cost of production of Pima cotton in the Salt River Valley for 1921:

ESTIMATED COST OF PRODUCTION, 80 ACRES COTTON, SEASON 1921.

Based on low-wage scale of $3 per day, including board—cheap horse feed, but no allowance for horses when not actually employed, nor for man when he is not actually in field:

Plowing, at $3.75 per acre	$300
Disking after plowing, at 80 cents per acre	64
Dragging twice, at $2	160
Labor, irrigating before and after plowing	54
Disking before planting, at 80 cents	64
Planting, at 70 cents per acre	56
Cultipacker, at 50 cents per acre	40
Cultivating about 8 times, including furrowing, at 70 cents	448
Chopping, at $1.25 per acre	100
Hoeing twice, at $1.50 per acre	240
Labor, irrigation, four times after planting	60
Planting seed	40
Depreciation in equipment	150
Incidental expenses	250
Irrigation water, 3 acre-feet, at $7.50 per acre	600
Taxes, State and county, at $5 per acre	400
Estimated cost to picking time	3,026
Picking, basis one-half bale per acre, at 3 cents per pound	2,400
Ginning, basis one-half bale per acre, at $20 a bale	800
Overhead, including tents, sacks, wood insurance, hauling cotton to gin, etc., at three-fourths cent per pound seed cotton	600
Total as above	6,826

Actual cost of production (labor only), 34 cents per pound.

[IMPORTANT NOTE.—The above does not include any land rent or interest on land investment; does not allow anything for living expenses while farmer is not in field; nothing for ditch cleaning, keeping up fences, etc. On above basis 45 cents per pound would mean ultra-conservative cost of production, 1921.]

CHAS. M. SMITH.

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EXHIBIT C.

APRIL 21, 1921.

Estimate of Dwight B. Heard, of Phoenix, Ariz., as to cost of production of American-Egyptian (Pima) cotton, under the Salt River reclamation project, Arizona, for season of 1921, cost per acre, based on production of one-half bale to an acre and present cost of labor and supplies:

Annual payment to United States Government, due on Roosevelt Dam and Salt River Valley projects		$2.00
Taxes on basis average assessed on location $183 per acre and average combined State, county, school, high school, and road district tax of $2.50		4.57
Irrigation water service based on annual use of 3 acre-feet		3.60
Seed for planting, select Government-inspected seed, at 2 cents per pound; 30 pounds per acre		.60
Labor for irrigating once before planting, six times after plowing, at 30 cents per acre		2.10
Plowing, per acre		4.50
Harrowing, twice, at $1		2.00
Dragging, twice, $1		2.00
Planting, 75 cents		.75
Rolling, 75 cents		.75
Seven cultivations, including furrowing out		5.60
Chopping or thinning		1.25
Average summer hoeing, cost per acre		7.50
Expense per acre to picking time		37.22
Picking 1,000 pounds seed cotton, equaling one-half bale of lint, at 3 cents per pound	$30.00	
Ginning one-half bale of cotton, at $20	10.00	
Transport to gin of seed cotton, 5 cents per 100 pounds	.50	

Overhead and incidental expenses per acre, including tents and wood for pickers, depreciation on machinery, shop work, picking sacks, insurances based on 10 cents per pound of seed cotton	$7.00	
		$47.50
		84.72
Deduct value of cotton seed, 750 pounds, to each 1,000 pounds of seed cotton at value of $16 per ton		6.00
Net cost of producing one-half bale of 250 pounds of Pima long staple cotton lint, per acre		78.72
Cost per pound, Pima lint cotton, exclusive of any return on value of land		.3149
Figuring a revenue on the land of but $20 per acre would add 8 cents to production cost of lint cotton and make the actual production cost per pound of Pima cotton lint		.3949

PHOENIX, ARIZ., *April 14, 1921.*

Hon. J. W. FORDNEY,
Chairman Ways and Means Committee,
House of Representatives, Washington, D. C.

DEAR SIR: From the standpoint of safeguarding the financial interests of the Salt River Valley of Arizona, the Phoenix Clearing House Association is vitally interested in the proposal to enact a protective tariff on American-Egyptian Pima long-staple cotton. This is a special type of cotton developed by the United States Department of Agriculture through an experimental stage of 12 years or more, and which has become known to the cotton trade at large as the equal of any cotton in the world. This type of cotton has been extensively used for the manufacture of tire fabric, on account of its superior length of staple and high tensile strength.

Last year in the Salt River Valley 185,000 acres were planted to long-staple cotton, with a resulting yield of more than 72,000 bales. Estimates place the cost of last year's crop at about 60 cents per pound.

No general market has so far developed for the staple, and the few sales made during recent weeks have ranged from 24 cents to 30 cents per pound, basis No. 2.

Salt River Valley is especially adapted to the growing of long-staple cotton. The cultivation of this staple is restricted to a few valleys in the Southwest, where the length of the growing season permits the development of the fiber and general cultural conditions are favorable.

It seems important that some steps be taken to insure the permanence of this new industry in the Southwest, which is just beginning to supply a growing demand for this superior type of cotton.

In order that the industry may survive, the growers of Arizona and California need the benefit of a protective tariff of a sufficient amount to enable them to compete with Egyptian Sakellaridis cotton, produced in Egypt by native labor on a wage scale entirely out of harmony with the American standard of living.

The Phoenix Clearing House Association in special meeting hereby earnestly advocates the adoption of a protective tariff on American-Egyptian Pima long-staple cotton of 20 cents per pound.

Mr. Dwight B. Heard, representing the Arizona American-Egyptian Cotton Growers' Association and the Phoenix Chamber of Commerce, will appear before your committee in behalf of the foregoing proposal. Mr. Heard is fully qualified to speak for the cotton growers of the Southwest, and we bespeak for him your most favorable consideration.

Yours respectfully,

THE PHOENIX CLEARING HOUSE ASSOCIATION,
By B. E. MOORE, *Vice President.*

THE PHOENIX CHAMBER OF COMMERCE,
Phoenix, Ariz., April 14, 1921.

Hon. DWIGHT B. HEARD,
Heard Building, Phoenix, Ariz.

MY DEAR MR. HEARD: We are glad to have you represent the Phoenix Chamber of Commerce, with a membership of 1,100, at any and all meetings held in Washington in connection with the tariff or any other subject vital to this section of the Southwest.

This is to advise you that you have been appointed as the general official representative of this organization at the board of directors' meeting held to-day, April 14.

Yours very truly,

W. W. LAWHON, *President.*
HARRY WELCH, *Secretary.*

ARIZONA AMERICAN-EGYPTIAN COTTON GROWERS' ASSOCIATION,
Phoenix, Ariz., April 14, 1921.

Hon. JOHN W. FORDNEY,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: We have succeeded in getting the bearer of this message, Hon. Dwight B. Heard, to make the trip to Washington to impress upon your committee the imperative need of quick action to prevent the dumping of Egyptian cotton upon our market.

If we fail to get immediate relief, the cotton producers in Arizona will be absolutely ruined. They have practically all of the 1920 crop on hand waiting and hoping that you will be able to pass an emergency tariff law that will stop further importations of Egyptian cotton and thereby insure a price on their cotton that will, in a measure, equal the cost of production.

It cost approximately 71 cents per pound to produce this crop, which, of course, was far above the cost of previous years. It will cost, on an average, about 40 cents per pound to produce the 1921 crop, and we should be entitled to a reasonable profit over and above this price; and in line with the profits made in other business, think that a price of approximately 60 cents per pound should be realized on our cotton, which is the finest cotton produced in the world.

We earnestly urge you to use every possible effort to get this emergency tariff law amended, to provide that we may have a tariff of not less than 20 cents per pound.

On behalf of the great number of cotton growers, together with their wives and children, who will be absolutely destitute if this measure fails, we urge you to insist on the amendment as suggested.

Thanking you heartily, I am,

Very truly,

ARIZONA AMERICAN-EGYPTIAN COTTON GROWERS' ASSOCIATION,
By W. S. STEVENS, *President.*

The PRESIDENT pro tempore. The question is upon the amendment proposed by the junior Senator from Arizona [Mr. CAMERON] to the amendment of the Committee on Finance. The Secretary will call the roll on the amendment to the amendment.

Mr. CAMERON (when his name was called). I have a general pair with the junior Senator from Georgia [Mr. WATSON]. I transfer that pair to the junior Senator from Colorado [Mr. NICHOLSON] and vote "yea."

Mr. OVERMAN (when his name was called). Noticing the absence of my general pair, the senior Senator from Wyoming [Mr. WARREN], I transfer that pair to the Senator from Missouri [Mr. REED], and vote "nay."

Mr. ROBINSON (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the Senator from Rhode Island [Mr. GERRY] and vote "nay."

Mr. WATSON of Indiana (when his name was called). I transfer my general pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the senior Senator from Pennsylvania [Mr. CROW] and vote "nay."

Mr. WILLIS (when his name was called). I am paired for the day with my colleague, the senior Senator from Ohio [Mr. POMERENE]. I transfer that pair to the junior Senator from Oklahoma [Mr. HARRELD] and will vote. I vote "yea."

The roll call was concluded.

Mr. UNDERWOOD. I wish to announce that the Senator from Mississippi [Mr. HARRISON] is paired with the Senator from West Virginia [Mr. ELKINS]. If he were present, the Senator from Mississippi would vote "nay."

Mr. NEW. I transfer my pair with the Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from Iowa [Mr. KAWSON] and vote "yea."

Mr. GLASS. I transfer my general pair with the senior Senator from Vermont [Mr. DILLINGHAM] to the senior Senator from Texas [Mr. CULBERSON] and will vote. I vote "nay."

Mr. JONES of Washington (after having voted in the affirmative). The senior Senator from Virginia [Mr. SWANSON] is necessarily absent, and I promised to pair with him for the afternoon. I find, however, that I can transfer that pair to the junior Senator from Oregon [Mr. STANFIELD]. I do so, and allow my vote to stand.

Mr. WALSH of Montana (after having voted in the negative). I observe that the Senator from New Jersey [Mr. FRELINGHUYSEN], with whom I have a pair, has not voted. I transfer that pair to the Senator from Nebraska [Mr. HITCHCOCK] and allow my vote to stand.

Mr. WATSON of Indiana (after having voted in the negative). I am informed that my pair, the senior Senator from Mississippi [Mr. WILLIAMS], if present would vote as I have voted. Therefore I withdraw the announcement of the transfer of my pair and permit my vote to stand.

Mr. SIMMONS. Mr. President, I wish to inquire whether the Senator from Ohio [Mr. WILLIS] has voted.

The PRESIDENT pro tempore. The Senator from Ohio has voted.

Mr. SIMMONS. The senior Senator from Ohio [Mr. POMERENE] is paired with the junior Senator from Ohio [Mr. WILLIS]. If the senior Senator from Ohio were present he would vote "nay."

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON]; and

The Senator from North Dakota [Mr. MCCUMBER] with the Senator from Utah [Mr. KING].

The result was announced—yeas 14, nays 41, as follows:

YEAS—14.

Ashurst	Gooding	McKinley	Shortridge
Bursum	Johnson	McNary	Willis
Cameron	Jones, Wash.	New	
Capper	Ladd	Oddie	

NAYS—41.

Borah	Glass	Overman	Sterling
Brandegee	Harris	Pepper	Townsend
Calder	Heflin	Phipps	Trammell
Caraway	Kellogg	Ransdell	Underwood
Colt	Kendrick	Robinson	Wadsworth
Cummins	Keyes	Sheppard	Walsh, Mass.
Curtis	Lenroot	Simmons	Walsh, Mont.
Dial	Lodge	Smith	Watson, Ind.
du Pont	McLean	Smoot	
Ernst	Moses	Spencer	
France	Nelson	Stanley	

NOT VOTING—41.

Ball	Culberson	Elkins	Frelinghuysen
Broussard	Dillingham	Fernald	Gerry
Crow	Edge	Fletcher	Hale

Harreld	McKellar	Pittman	Swanson
Harrison	Myers	Poindexter	Warren
Hitchcock	Newberry	Pomerene	Watson, Ga.
Jones, N. Mex.	Nicholson	Rawson	Weller
King	Norbeck	Reed	Williams
La Follette	Norris	Shields	
McCormick	Owen	Stanfield	
McCumber	Page	Sutherland	

So Mr. CAMERON's amendment to the amendment of the committee was rejected.

Mr. ASHURST. Mr. President, the Senate having declined to adopt the amendment fixing the duty at 15 cents per pound, I now offer the amendment which I send to the desk, providing for a duty of 10 cents per pound.

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. On line 19 it is proposed to strike out "7" and insert "10."

Mr. ASHURST. I ask for the yeas and nays on that amendment.

The yeas and nays were ordered.

Mr. SIMMONS. Mr. President, I wish to put in the RECORD, without reading, a letter which I have received upon this subject from Mr. Frederick H. Andres, who, I understand, is treasurer of the Frederick H. Andres Co. (Inc.), of Boston, Mass. This letter I put in the RECORD because it sustains absolutely the contention that has been made upon the floor by the opponents of the amendment we have just voted upon, which is now presented in a new form, to the effect that there is no real competition between the Egyptian cotton and the Pima cotton grown in Arizona, and that the Egyptian cotton to-day, with a duty of 7 cents upon it, sells in the American market for very much more than the long-staple cotton of Arizona.

The PRESIDENT pro tempore. Without objection, the letter will be printed in the RECORD.

The letter is as follows:

FREDERICK H. ANDRES (INC.),
Boston, Mass., June 29, 1922.

Hon. FURNIFOLD MCL. SIMMONS,
Member Committee on Finance,
United States Senate, Washington, D. C.

DEAR SENATOR: I would like to point out to you the folly of the duty of 7 cents per pound on foreign cotton of 1⅛-inch staple at present in force through the emergency tariff bill and embodied in the permanent tariff bill at present before Congress.

The plea of our Arizona cousins for protection was that their product, which was equal in every respect to that of Egypt, could not compete with Egyptian cotton, owing to the cheaper labor of Egypt. With a duty on this foreign cotton they would be able to get the equivalent of the duty more for their cotton, which would in a measure compensate them for the difference in the cost of production.

That looked all very fine, but what did actually happen?

At no time since this duty on foreign cotton went into effect did Pima cotton sell on a parity with Egyptian Sakellarides, which is the 1⅛-inch variety. To-day the much-advertised Pima cotton goes begging at 34 cents, while we are actually selling Egyptian Sakellarides of equal grade and staple at 45 cents, including the duty of 7 cents.

This difference has varied according to supply and demand, but at no time did these cottons sell at the same price since the duty was imposed. Previous to the tariff they did sell fairly close together and for some time Pima was higher than Egyptian Sakellarides. As I pointed out in my arguments of February 2 and February 9 addressed to your committee, copies of which I sent you, Pima cotton must rest on its own bottom, and its selling price has absolutely nothing to do with the price of Egyptian. It is entirely controlled by supply and demand.

No duty on foreign cotton will help our cousins in Arizona.

The only difference that such a duty makes is to saddle the long-suffering public with a higher cost of material. What the Government collects in revenue out of the duty will not pay them for the extra work entailed. But the public pays not only the 7 cents per pound, but four or five fold that 7 cents. How much do you figure 7 cents per pound on cotton would figure in a pair of ladies' mercerized cotton hose? I would say no more than 1 cent per pair, or, say, 12 cents per dozen. The jobber will offer these goods to the retailer at, say, 12 cents per dozen more than the Pima product, but do you think the retailer will sell them at the same price as the Pima goods, or even 1 cent per pair more? No; he will add 5 cents at least to the price, or five times the difference it costs him.

Another point which we might make is that 100/2 mercerized English yarn is sold here for $2.10, against the domestic price of $2.30 per pound. One of the reasons for this difference is the 7 cents per pound which the American manufacturers are obliged to pay for the Egyptian cotton which enters into this yarn, just as if the handicap of American high-labor costs compared with British were not sufficient to saddle our industry with. Then, again, take the American tire manufacturers. They are buying Egyptian cotton and shipping it to their Canadian plants, thereby saving 7 cents per pound duty, but also depriving American labor of the labor employed by American capital.

Foreign labor is getting the benefit of this absurd legislation, while the American public pays the higher cost of the goods in order that Mexican labor employed by the Arizona growers might thrive.

Boiled down to hard facts, the duty on foreign cotton—

1. Has not helped the Arizona planter.
2. Has not forced the American manufacturer to use Pima instead of Egyptian Sakel.
3. Has not increased the net revenue of this country.
4. Has allowed foreign manufacturers to compete more effectively with American manufacturers in this country, as well as abroad, in cotton manufactures containing long staple.
5. Has resulted in American capital employing Canadian labor to manufacture goods into which this long-staple cotton enters, to the detriment of American labor.
6. Has resulted in enhancing the price of finished goods to the consumer.
7. The ultimate result would be a gradual paralysis of the fine-goods industry in this country, to the detriment of American labor and the American public.

So you see that nobody gains by this legislation. On the contrary, the losers are our long-suffering public, who pay a lot and kick a little.

Yours very truly,

F. H. ANDRES.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Arizona [Mr. ASHURST] to the amendment of the committee.

Mr. SIMMONS. Mr. President, on that amendment I wish only to make one observation.

As a result of the 7-cent duty on long-staple cotton proposed in the Senate amendment every rate upon cotton goods has been jacked up, wherever Egyptian cotton is used in the manufacture of the article, to the full extent of the 7 cents per pound. There will be very little cotton cloth imported into this country in which Egyptian cotton is the chief component element of value, because we do not import more than a small amount of cotton cloths, and they are of the finer grades. The amount of duty that will be paid at the customhouse, therefore, by reason of this duty, will not be large. It will be, however, a great deal more than the amount of money that will go into the pockets of the Arizona cotton growers and the California cotton growers; but that is not the trouble. Every product of cotton in this country which is at all comparable with that quality that is imported from abroad will be advanced in price as the result of this duty to the full extent of the duty.

Mr. STANLEY. Mr. President, I am very much interested in the very significant statement which the Senator from North Carolina is making. It is one, to my mind at least, of tremendous import. As I understand the Senator, when they start to fix the price upon cotton yarn and threads and cloth in the various stages of manufacture they will start on the basis of a 7-cent import duty, and that import duty will be carried on all cotton fabrics, whether made of Egyptian cotton or the long-staple cotton from Arizona and the Imperial Valley of California, or made of some other cotton.

Mr. SIMMONS. That is absolutely true, in my opinion, as to all cotton goods produced in this country that are at all comparable with the kind that we import.

Mr. SMOOT. Wherever long-staple cotton is used.

Mr. SIMMONS. Whether long-staple cotton is used at all or not.

Mr. SMOOT. Oh, no.

Mr. SIMMONS. Certainly so, if it is comparable. I am not talking about the duty now; I am talking about the advance in price by the American producer. Of course, on every pound that is imported we shall have to pay, by way of a compensatory duty, under your bill a duty on that to the extent of the duty you impose on the raw material; but every pound of cotton goods that is produced in this country that is at all comparable to the goods that come in and are subject to this duty will be advanced in price by the American producer to the full extent of this duty, not necessarily, but because he has the power to do it and because the conditions permit it, and because that is the way in which these compensatory duties operate.

Mr. SMOOT. The Senator will admit, however, that the bill does not provide for a compensatory duty upon the great bulk of the goods in this bill.

Mr. SIMMONS. I did not say that at all. It provides only for a compensatory duty upon those goods that are imported of which Egyptian cotton is the component element of chief value. That is the only article of import upon which the duty will be laid. That will be a heavy burden upon the American consumer. It will add the amount of this duty to every pound of goods imported from abroad that has this Egyptian cotton to that extent in it; but the point I am making is that the American producer of cotton cloth with Egyptian cotton in it will, of course, add it, because he has paid it, and the American producer, whether he has imported and used Egyptian cotton or not in the goods he produces, will make that an excuse for advancing his price to the full extent of the duty. It is perfectly clear that we will have to pay this duty, not only upon the article imported but we will have to pay it upon every pound of cotton goods produced in this country in which Egyptian cotton is used. That, I say, would be a very heavy burden, because it would apply not only to the imported article but to the article produced in this country containing Egyptian cotton.

If it stopped there, it would be bad enough, surely; but the point I am making is that it will not stop there, but that every comparable article of cotton cloth produced in the United States, whether it has Egyptian cotton in it or not, will be advanced to the extent of this duty, and no man can tell or estimate the

gigantic sum that will be added to the cost of the cotton goods consumed in America by reason of this 7 per cent duty. The bill jacks up all duties to the extent of the 7 cents a pound.

I know this, Mr. President—that while the Arizona cotton producers will be able to collect 7 cents a pound upon the 100,000 bales of this cotton that they produce, amounting to several hundred thousand dollars, the amount of money that will go into their pockets by reason of this increased price of their cotton, assuming that they get the full benefit of the duty in the advanced price, will be a mere bagatelle compared with the amount of money that the people of this country will have to pay out on account of the duty without getting anything in value for it, without a single compensatory consideration, except the fact that the Arizona cotton producer will have been helped to the extent of what will be even in the aggregate a comparatively insignificant amount. The amount the people of the United States will have to pay out, I say, will run into tens of millions, and if it stops at $10,000,000 I shall be greatly pleased and surprised.

Mr. President, this is a mere illustration of the character of this bill. We shall presently talk about a ship subsidy. This bill is reeking with subsidies, is just as much filled with gratuities as the ship subsidy bill will be. I have given an illustration of the character of subsidies in this bill, a subsidy to the growers of 100,000 bales of cotton in this country, paid for by the people through tens of millions of dollars added to the cost of the clothes they wear upon their backs and the cotton goods and materials they use in their homes.

The only difference between the ship subsidy proposition and this subsidy proposition and the scores and hundreds of subsidy propositions which permeate this tariff bill from beginning to the end, is that in the case of the ship subsidy the Government collects the money from the people and pays it over to the operators of the ships. In this particular case, however, the Government authorizes and empowers the manufacturers of cotton goods in this country to collect the subsidy out of the people, compelling them to pay over a very small part of it to the cotton farmers of Arizona and authorizing the manufacturers to put the balance of it in their own pockets.

Mr. SMITH. Mr. President, before the vote is taken permit me to say, in strengthening by statistics the position the Senator from North Carolina takes, that I have here a table furnished me by the Tariff Commission showing that over 50 per cent of the cotton goods brought into this country, perhaps 65 to 70 per cent, are composed of yarns above 60 in count. Perhaps 35 to 40 per cent are composed of yarns from 90 on up to 120. Therefore if we put a duty of 10 cents a pound additional on the Arizona cotton, that, of course, would be reflected in the following paragraphs in the bill, providing for a compensatory duty on all goods in which yarns of a like count shall enter, which means that as to approximately 55,000,000 square yards of goods imported this duty will be reflected directly as a compensatory duty. So that, brought down to its last analysis, it means that a duty laid on a few thousand bales of cotton in Arizona, the benefit of which to the producers is very questionable, will be reflected in a compensatory duty to the amount of millions of dollars to the consumers of cloth made out of like counts of thread. In other words, we will be penalizing the American people who use cloth the major part of which is produced abroad out of thread of this nature sent into this country, and the importers and the consumers of those goods will be forced to pay a compensatory duty on all the cloth made out of the Arizona cotton, on cloth that has thread of a like count, or where there is a possibility of the cloth being made out of thread of a like count.

So that if it were the policy of the Government to encourage the production of this character of cotton, it would be infinitely cheaper and better for the American people to pay the cotton growers a bonus per bale, or a bonus per pound, double and treble what it is proposed to put as a duty on the cotton; pay it direct to them, and let the benefit go where we intend that it shall go, rather than to mulct the American people on all the cloth made out of yarns into which this could enter.

Why not be sensible? If we want to benefit the Arizona cotton growers let them appeal for a direct bonus to encourage their production, and then it will not go to any manufacturer, it will not come indirectly, but it will go to them directly on every pound they produce of a given staple. They would be the direct beneficiaries of it, and the American people would not be loaded with this burden on the vast importation of foreign goods.

So, if they come here to appeal for help, and we are going to help them, let us help them directly, but not indirectly burden the whole American people in order that they may perhaps incidentally benefit; and it is very doubtful as to whether they would get anything at all or not.

Mr. SHORTRIDGE. Mr. President, the Senator from North Carolina [Mr. SIMMONS] says that the rate of duty which is claimed on this particular article is an illustration of the whole nature and character of this tariff bill. I could well believe that it is so. It is indeed, in my humble judgment, a very fair and just illustration of the principle which runs through, vitalizes, and gives economic value to this tariff bill.

Mr. SIMMONS. What I meant to say—and I wish the Senator to have my statement in the strongest language—was that it was the parcelling out by the Republican Party of subsidies.

Mr. SHORTRIDGE. And a penalizing of the American people.

Mr. SIMMONS. Yes.

Mr. SMOOT. Mr. President——

The PRESIDENT pro tempore. Does the Senator from California yield to the Senator from Utah?

Mr. SHORTRIDGE. Certainly.

Mr. SMOOT. Then, if all the rates in this bill are subsidies, the Underwood law must contain subsidies. Where are you going to draw the line? The only question is as to the amount.

Mr. SIMMONS. I did not say they were all subsidies. I said that this was an illustration of scores of items in this bill of similar character, which are merely subsidies.

Mr. SMOOT. If the Senator will read his speech, he will find that he said that if the ship-subsidy provision is a subsidy, so is this bill a subsidy.

Mr. SIMMONS. I said there were scores of items which were subsidies.

Mr. SMOOT. The Senator did not say scores of items.

Mr. SIMMONS. I said this was an illustration of the kind of item which was a subsidy. The Senator knows I said that.

Mr. SHORTRIDGE. I agree with the Senator to this extent, that it is an illustration of the principles which permeate and run through and which I claim give economic strength and virtue to this proposed tariff law.

Of course, a theory is one thing; a fact is another. Theoretically, every tariff duty imposed, according to some schools, adds to the price of the article to the consumer here in America. But in practical operation the facts discredit and refute the Democratic theory. We apply our doctrine of protection to many other items. We apply it to the American producer of rice, the Alabama miner of amorphous graphite, the Southern, Middle, or Far Western States producer of sugar. In the mining States we apply it, for example, to quicksilver. In the manufacturing States we apply it to the various articles of manufacture. According to Democratic theory, each of these applications of the protective principle tends to benefit only the particular industry. Calling it a "subsidy," calling it "penalizing," terming it an "imposition upon the American people," adds nothing whatever to argument nor does it affect the ultimate concrete fact. Industries are interdependent; they do not stand alone. In encouraging and building up and maintaining one industry not only those engaged in that industry are benefited but many other industries are encouraged and sustained and America prospers. Even as in old times, the London aristocrat wanted his clothes made in Rome, and later his articles of adornment made in Paris, and as now the dudes of America want their clothes made in London, so we find that now, according to this statement, there are those who want foreign-raised cotton merely because it bears the term "Egyptian." Such is the force of habit or custom or words. It may be that "a rose by any other name would smell as sweet," but I doubt very much whether we would enjoy the flower as much if it bore another name. So to call this proposed duty on long-staple cotton a "subsidy," or to say that we "penalize" or that we are "oppressing" one part of our people in order to aid another is to indulge in mere verbiage. Thus to characterize this or any other item in this bill adds nothing to the argument.

If we apply the theory advanced here by the disciples of Cobden or the disciples of Calhoun in his later day—forgetting his powerful arguments in his perhaps stronger youth—one by one the industries of America would be put out of existence. I trouble the Senate to justify that statement, I think, by merely suggesting what would happen if the free-trade notion or principle were carried to its legitimate conclusion in framing tariff laws.

I care not what my learned friends may say, I know that there are industries in California which can not compete with oriental industries. Our State is made up of men and women who have come from practically every State in the Union, from

northland and southland. Looking at the distinguished Senator from North Carolina [Mr. SIMMONS] my mind recurs to the fact that some of the most eminent and successful men in the political world, in the commercial world, in the educational world of California came from his great State of North Carolina.

Similarly we have attracted to California the finest type of citizenship in America. Our soil, our climate, the status of our civilization are such that our people can not, in the field or the factory, compete with oriental labor, the Japanese coolie labor, the Chinese coolie labor, the Far East coolie or cheap, miserably paid labor. That is not a theory with us. It is a tragic or pathetic fact.

The same thing holds good, I venture to say, with respect to Louisiana. Those coming immediately from that State, Senators of character, of learning, rising quite above political affiliations, indifferent to political terms of partisanship tell you and tell me that they can not prosper there in the cultivation of rice or sugar in competition with foreign producers.

If I may refer again to my own State, I simply know, and the facts warrant my statement, that we can not there operate our quicksilver mines in competition with the Spanish or the Austrian. I therefore make the broad statement that one by one by a certain kind of legislation we can put out of business the industries of America. I would include not only the producers of foodstuffs but the multitudinous phases of manufacture. If that be so—it perhaps may be doubted, but if it be true—why should we hesitate to give protection to Arizona or to California in respect to this particular industry, why as to sugar, why as to rice, why as to graphite, why as to quicksilver, why as to many of our manufactured articles in this country?

The answer, I imagine, which the free trader will make is that by virtue of superior skill, by virtue of labor-saving machinery, by virtue of organized capital, each and all of these various American industries can survive and our system of wages and standard of life and living be maintained without protection. But I beg to remind Senators that the father and the mother, with their little brood of children to feed and clothe, with the schools and churches and our type and standard of living in California, can not compete with the foreigner—assuredly not with oriental labor. What, then, is to happen? One of two things must happen. Either they must go out of that particular line of work and business or the cost of production, the scale of wages, in that industry must be reduced; otherwise the foreign producer can import and the foreign product will take the place of the home product. Is that result to be desired? Is that the result the free trader is aiming at?

Mr. SIMMONS. Of course, I sympathize with the people of California and the farmers out there if they are in the distressed condition in which the Senator represents them to be. In the last 10 days we have devoted quite a number of days to discussing duties upon farm products and other products of California. I can not very well understand the statement the Senator is making about the difficulties which they are having to make a living out there in farming and fruit growing and nut raising, and all that sort of thing, in view of statements I have heard about the value of lands in California. I do not know whether it is true or not, but I have been told that the farm lands, the fruit-growing lands, the nut-growing lands of California have a market value far in excess of the market value of farm lands anywhere else in the United States. I have heard some stories about some lands that were worth $1,000 or $1,500 an acre. I do not know exactly how to reconcile the statement of the Senator with reference to the difficulties the farmers and growers of the other products out there are having to get along, with the unusual value of lands said to exist there.

Mr. SHORTRIDGE. One answer might be that we have thus far been fairly well protected by the principle for which we are now contending.

Mr. SIMMONS. Since 1913 we have had the Underwood law, and during that period of time they have been pretty prosperous out in California. I would be very glad if the Senator would tell the Senate to what extent farm lands have advanced in value in California during that period of time.

Mr. SHORTRIDGE. Since 1914 manifestly we have had a protection brought about by other than legislative action. The war brought about a hectic, feverish type of prosperity all over the land, and just as such temporary prosperity will vanish in a day, brought about by unnatural causes, I maintain that substantial and permanent prosperity will be insured by an application of protective principles, principles which work in a sense in the same way; that is to say, which enable the American producer, whether he be in the Senator's State or mine, to have the benefit of the greatest consuming market in the world, namely, the market of 105,000,000 of American citizens within our continental borders.

Mr. SIMMONS. I have heard a good deal about the war being a practical embargo, but I had understood the Senator was complaining largely of oriental competition. The war did not seriously interfere with transportation and commerce between the Pacific coast and the Orient, did it?

Mr. SHORTRIDGE. Yes; it did. As an illustration, the war shut off the trade of Germany with China and during that time a certain American industry built up an enormous trade in China. Now, that the war is over America has lost that trade almost entirely and Germany has recovered it, and to a very appreciable degree——

Mr. SIMMONS. The Senator is speaking about export trade now, is he not?

Mr. SHORTRIDGE. Certainly I am; and as to import trade there was material interference in transportation across the Pacific Ocean by virtue of the war. It is true that early the German fleet was swept from the Pacific Ocean, but owing to the great national and international economic upheaval the imports from the Orient were diminished, and this did affect the condition of affairs.

But I am not complaining or am not troubling the Senate with the conditions prevailing there growing out of the late war. What I am maintaining and what I am willing to join issue with the Senator on is this: The learned Senator contends that this is a sample of many items in the bill; that it is designed to benefit only one class of our people. I say that at first blush that is so, even as to put a tariff on any particular article is at first blush designed to help those engaged in that industry. But if the free-trade principles which I am opposing are applied, then one by one we can put out the industries of America, as the world is now constituted.

If I lived in the Fiji Islands or in a South Sea island where we raised nothing but coconuts or pineapples or bananas, I might be a free trader in respect to importing into that island all manufactured articles. But we do not live in the Fiji Islands or a South Sea island. We live in America. I maintain that what develops an industry in North Carolina or Kentucky is beneficial to me and is beneficial to California. I am not afraid of the protection doctrine, and I add that if the Senators from North Carolina should come forward and claim a tariff duty upon some particular industry limited to their State and could show me that because of the price of labor there or other conditions they could not compete with Burma or with Egypt or other foreign land, I would favor tariff protection for their industry, and I think they would earnestly ask it. If the issue, therefore, is that every tariff duty imposed is a penalizing of the American people, I am willing, speaking for my poor self, to join issue and to discuss that before the American people.

Finally, so far as I am concerned on this particular item, both of the Senators from Arizona have presented the facts and advanced convincing arguments in favor of the rate of duty asked. I have not indulged in many words with respect to California, but the soil and the climate of California are adapted to the raising of this particular kind of cotton. I do not understand Senators when they say that this kind of cotton is not in direct competition with the Egyptian long-staple cotton. It appears from the record that 12,000 bales or more of our cotton were used in a late year in the manufacture of automobile tires, and that a very considerably larger number of bales of Egyptian cotton were similarly used. Manifestly there was competition there. I am not advised as to what particular automobile tires used the American cotton or which used the Egyptian, but both kinds were bought and used by automobile tire manufacturers, and in that particular field it would appear that there was something in the nature of competition.

As to the proposed amendment, the Senate having expressed itself unmistakably as against the 15-cent rate, I hope Senators will feel disposed to vote for the amendment now proposed by the senior Senator from Arizona, with the rate at 10 cents per pound.

Mr. STANLEY. Mr. President, I hesitate to say any more upon this subject at this late hour when the Senate is anxious to vote, especially when I realize that a few Senators will listen attentively to what I say and, like St. Patrick's fishes, when I get through they will have their own way. The pending amendment, however, is so peculiarly atrocious that I can not refrain from expressing my disapprobation.

Mr. ASHURST. I did not catch the word the Senator used, being engrossed in the examination of my manuscript.

Mr. STANLEY. This is such a peculiarly indefensible and atrocious proposition that I can not refrain from expressing my utter abhorrence of it. If my remarks affect nobody except myself, I will at least have relieved my own conscience and my own soul by saying what I think about it.

This character of cotton is raised in a kind of governmental agricultural infirmary, deliberately redeemed from the wilderness at an enormous cost. This peculiar type of cotton is produced in the Salt River Valley of Arizona and the Imperial Valley of California. Those two valleys are reclaimed land, land redeemed from the sand hills and the waste of a barren wilderness by an expenditure of millions upon millions of dollars. The great Roosevelt Dam and a like structure erected in the Imperial Valley saved this arid land for the uses of the American people, and yet, so far as this product is concerned, the American people would be a dollar a pound better off in the purchase of an essential commodity if not one stone had been laid upon another in the erection of those dams and not one acre of that land had ever been reclaimed. It is proposed, first, to take millions, hundreds of millions, of the people's money from the Public Treasury to irrigate and reclaim land from the sand wastes and then tax the American people ten times as much as the farmers in the two valleys referred to were paid to leave communities where they were tax producers and gather them under a Government dam to become tax eaters. The proposition is so preposterous and absurd that it seems to me amazing that any man of thought or conscience should have to rise in this place to attack or expose it.

Mr. ASHURST. Mr. President——

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from Arizona?

Mr. STANLEY. Certainly.

Mr. ASHURST. I paid the Senator a while ago what I thought was a just compliment to his learning as a historian, and I should regret to be obliged to recall that compliment; but if he continues in that vein I shall be obliged to do so. The Senator says we have appropriated millions of dollars to build these irrigation projects. Mr. President, not a dollar have we appropriated. The money came from the sales of lands in the various States. Those lands were dedicated by the States to the Federal Government. The arid States are not asking for an appropriation and have never asked for one; they are simply paying back that which we loaned the Federal Government.

Mr. STANLEY. That is a very fine difference, Mr. President; it is the difference between tweedledum and tweedledee. Whether the lands belonged to the Government or to the States, they were public lands and were sold, and it was the Government's money when it converted its own lands into money. The Senator may argue that because it did not take the appropriations for the reclamation projects in the Salt River and Imperial Valleys out of this pile of Government money but took it out of that pile the Government is not a loser; but I leave that argument to answer itself. Be that as it may, here are dams constructed at public expense; here are the energy and the assets of this country used to add to the area of arable lands in the United States. Why do we reclaim arid lands? In order that two blades of grass may be made to grow where but one grew before; in order to make bread and cotton and wool and other prime necessities of life more plentiful; in order to make them easier to obtain and to lessen the cost by increasing the supply.

The result of this proposition is that just in proportion as we redeem arable lands so we shall enhance the price of everything that is raised upon those lands. If this thing were continued to a sufficient extent, all we would have to do would be to redeem enough land to pauperize the United States.

Mr. SHORTRIDGE. Mr. President——

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from California?

Mr. STANLEY. Certainly.

Mr. SHORTRIDGE. Does the Senator claim that the policy of reclaiming the arid lands of the West has been a mistaken policy?

Mr. STANLEY. The reclamation of arid lands for the production of crops which will add to the wealth of the country is a most meritorious policy; to reclaim them in order to hothouse an industrial parasite is a mistake. The Senator from California is so modest he amazes me. A mistake? It is a blunder, almost a crime, to take the money of the people or to take the money of a State and reclaim arid land and then tax the other people of the United States who are raising products upon lands which they themselves redeemed from the wilderness and from the savages to enable those living on the reclaimed land to prosper. Thousands and tens of thousands of hardy pioneers went West; they faced the perils, the solitude, and the hardships of the pioneer's life; they redeemed their land; they owe their success only to their energy and to God; and yet it is proposed to make the men who are producing the wealth of this country upon the land which they redeemed pay a thousand per cent for essential articles of life in order to give a bonus to one county in Arizona and a little shirt-tail full of cotton producers in Imperial Valley who are living upon Government reclaimed land.

The Government has not added to the agricultural wealth of this country; it has created behind these dams an agricultural infirmary, and for every 15 cents it is proposed to pay these cotton planters we are taking at least $2 out of the pockets of the American people.

When the duty on 150,000 bales of Egyptian cotton, and the compensatory duty on all imported goods into which Egyptian cotton enters are considered, for the little five or six hundred thousand dollar bonus given the cotton grower—$10,000,000, says the chairman of the committee—are taken from the pockets of the American people.

Mr. ASHURST. Mr. President, will the Senator yield to me at that point?

Mr. STANLEY. Certainly.

Mr. ASHURST. Mr. President, my friend, with his coruscating rhetoric that is admired all over the United States, says that the Salt River Valley is so inconsiderable and small—that is the purport of his remarks—that it amounts to nothing. Mr. President, I wonder what the merchants and manufacturers of Kentucky will think of that when I tell them through this RECORD that in 1920 the Salt River Valley bought, used, and paid for 32 carloads of goods, wares, and merchandise from Kentucky?

Eight thousand carloads of goods, wares, and merchandise were sent in 1920 from the various States into the Salt River Valley. I am not speaking now of less than carload lots, and I am not speaking of carload lots that went into the Yuma project. I tell you, sir, from Kentucky, and you, sirs, from Maine and from Massachusets, New Hampshire, New York, Ohio, and Michigan that you forget that you send 240,000 carloads of goods, wares, and merchandise to these reclamation projects. We are not beggars asking a largess from the Federal Treasury.

Mr. CARAWAY. Mr. President, will the Senator yield——

Mr. STANLEY. Certainly.

Mr. CARAWAY. I am curious to know why the Senator from Arizona did not include "pocket" importations. He said he included nothing but carload lots, but, coming from Kentucky, I thought possibly that some of it went in less than carload lots. [Laughter.]

Mr. ASHURST. Will the Senator from Kentucky allow me to say a word in reply to the suggestion of the Senator from Arkansas?

Mr. WATSON of Indiana. Mr. President, for the enlightenment of this side of the Chamber, will the Senator from Arizona please state what was in those cars?

Mr. STANLEY. Mr. President, I claim my constitutional privilege from Kentucky. We are not required to say what we sold these prosperous people when they are getting about a dollar a pound for cotton while the poor planter in Mississippi gets but 10 cents a pound, duty and all. They are able to buy Kentucky products; but common politicians and ordinary farmers need not come around.

Mr. CARAWAY. May I suggest that, inasmuch as Arizona is somewhat removed from the seaboard, they have to patronize Kentucky, for they can not reach the Shipping Board?

Mr. STANLEY. If I had realized that, I would not have said what I did.

Mr. ASHURST. Mr. President, since something has been said about pockets by that very keen blade, the junior Senator from Arkansas [Mr. CARAWAY], who has entered this debate, I will say that the saddlebags of the "Arkansas traveler" in 1920 brought into the Salt River project alone 26 carloads of goods, wares, and merchandise, for which we paid not in promises but in gold. There are 30 reclamation projects in our country; multiply 30 by 8,000 and you have the number of carload lots of goods, wares, and merchandise that the irrigation projects purchased and paid for.

Are the fires in your furnaces out? Does the smoke no longer come from your factory chimneys? Are you thinking about foreign trade? I say build up the reclamation projects of the South and West and you will cease harrowing your brain about foreign trade. The western and southern people, if you will give them a chance to reclaim their lands, will buy not merely 240,000 carloads annually of your goods and wares but 1,000,000 carloads.

Mr. STANLEY. Mr. President, all I know is what is contained in this little book issued by the Tariff Commission. In speaking of this matter it says:

> The production of American-Egyptian cotton is confined almost entirely to the one county of Maricopa, in the Salt River Valley, Ariz., where the soil and climatic conditions closely approximate those of Egypt and where the necessary moisture must be supplied by irrigation. Pima is the only cotton grown in the Salt River Valley. It is grown only to a slight extent elsewhere; possibly 500 bales are produced annually in the Imperial Valley in California.

This report, from which the Senator from Arizona quoted as the supreme authority against the statements of both the Senator from Utah and the Senator from South Carolina, further says that—

> It is largely controlled by the Pima Cotton Growers' Association, and Government funds available through the War Finance Corporation have been used to enable the growers to hold for better prices. The Egyptian Government also assists its growers—

And so on.

This report says:

> Such variations from the price of the basic cotton are influenced and accentuated by special factors. Pima and Egyptian cottons tend to come together in periods of low prices and to draw apart on a rising market. The Pima crop, very much smaller than the Egyptian and in a few hands, is less subject to speculation, and being more securely financed and marketed by a few large growers can hold its level better in a distress market.

Mr. ASHURST. Mr. President, will the Senator yield to me at that point?

Mr. STANLEY. Certainly.

Mr. ASHURST. They set an example as to what we hope our southern brethren will do. Years ago we said to our southern brethren in the cotton fields, "When you raise a crop of cotton, say to the spinner, 'There it is. Unless you meet that price, you can not have it.'"

That is what I have been urging for years. I have begged, privately and publicly, my friend from South Carolina [Mr. SMITH] to start such a movement in the South; and then, instead of woe and desolation, instead of abject misery and abject poverty spreading itself through the South, the South will be the commander of the world's greatest staple, cotton, and can make its own price.

In Arizona it is not controlled by a trust. Our men—the rich man and the poor man, the Democrat and the Republican—who grow cotton simply believe they have the right to fix their price, and they wish the southern cotton grower would do the same thing. Then he would have a right to feel that he was getting his due portion of justice in the land of his birth.

Mr. HEFLIN. In other words, if the Senator will permit me, he feels that the cotton producers have the right to count the cost of production and add a reasonable profit thereto, and then to organize and stand together until they get that price.

Mr. ASHURST. Absolutely. That is what I hope to see the southern cotton planter do. The southern cotton planter must keep books. He must know what it costs to raise his cotton, and he must not sell below the cost of production. You do not need a Senator to tell you that if you sell cotton for less than it costs you to raise it you will inevitably be bankrupt. The largest individual grower that I know produced 150 bales in 1920. It is true that one company—the Goodyear Co., I believe—some years ago planned a great expansion and did raise some five or six thousand bales, but they have given up that activity in large measure. With due deference to the documents from which the Senator quoted, the cotton of Arizona cotton growers is not controlled by a trust, but he with one bale or he with two bales knows what it costs him to raise that cotton, and he does not intend in the future that Wall Street gamblers—as my friend from the State of Alabama [Mr. HEFLIN] so eloquently says—shall by a wild, reckless foray of deflation deflate him again. We have a few statesmen down there on the soil; we have a few men working in the sun who are comparable to statesmen here. They were deflated once in 1920, but are not going to be deflated again if we can help it, either as to cotton or as to cattle or as to sheep or as to wool.

Mr. HEFLIN. You will have to get a lot of these "helgibites" off of the Federal Reserve Board then.

Mr. ASHURST. We will put them out of office, no matter what their politics may be, if they give any special privilege to the manufacturing interests above the farming interests.

Mr. STANLEY. Mr. President, the Senator has well said that men ought to be put out of business, men ought to be put out of public life, men ought to be pilloried in the court of public opinion who give special favors to the manufacturing interests over the farming interests, and to that brave statement I say "Amen"; but is there in law or morals or justice any reason for pillorying the man who gives a special favor to the manufacturing interests over the farming interests, and crowning the man who secures, through a bloc or otherwise, a special advantage to the farming interests over the industrial interests?

I represent not an industrial center but an agricultural community, more strictly agricultural than that from which the Senator from Arizona comes, and yet my tongue shall cleave to the roof of my mouth and my hand shall lose its cunning before I will stand as a Senator on this floor and do for the farmer the thing which I damn as dishonest if done for anybody else.

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. STANLEY. Certainly.

Mr. ASHURST. No exception can be taken to that statement. No one here has asked any special privilege for the farmer. Certainly I have not asked anything special for the farmer. I have only asked, and that is all anyone has asked, that the farmer shall be treated just as are the other interests in this country. But, Mr. President, I will go further. I will be bold. I will say that if I were giving out special privileges, they would be given to the farmer for this reason:

The multitudes of the earth can be subsisted only from the soil. You may wear, as I do, this suit now, which I wore last year, and I can retrench there, but you must have three wholesome meals each day; and if the white-collared people in the city want their three wholesome meals each day, if they wish those food supplies they can only get them because some one goes down upon the brown earth, cultivates it, and waters it with his sweat. That is the only way in which the soil is going to be cultivated. So if I were passing out special privileges—the Senator and I stand on the same platform there; we are opposed to them—they would be given to the farmer. I say, however, that we are not passing out special privileges; and while I am on this subject, I said when I began this cotton debate that the diamond pivot around which my speech would revolve was some words uttered by the able and courageous senior Senator from Arkansas [Mr. ROBINSON] last Monday when he said:

> If the policy that is to be written into our tariff laws is a policy of protection I do not find myself justified, as a representative of the people of the State of Arkansas, in voting to discriminate against the products of that State.

To my mind that is statesmanship. No man ought to claim special privileges for his State, but I trust no Senator will be found here who would plunge a dagger into the bosom of his own State. If there is to be found a dagger in the bosom of the cotton growers of Arizona it will not be my hand that thrust it, and if the cotton growers of Arizona are to be bankrupt it can not justly be laid at my door that I helped to bring it about, or stood by, like Saul at the stoning of Stephen, while their ruin was accomplished.

It was Thomas Jefferson who risked his life to smuggle out rice for our agriculturists. He organized the first agricultural bloc. It was Walker, Secretary of the Treasury, who produced the greatest tariff bill, who was the father of an agricultural bloc.

Mr. President, we are pilloried and condemned here in the Senate, we are treated with derision, because we have presumed to speak for agriculture. Had we spoken for the Federal reserve banks, had we spoken for the Morgans and the Ryans and the Rockefellers instead of the farmer we never would have been criticised.

Mr. STANLEY. Mr. President, the Senator from Arizona is shooting at a man of straw, and he is very much excited over something that has never occurred. I will say to the Senator from Arizona that when he was in his hippins I was organizing cooperative organizations of farmers. When he was a schoolboy, some 20 years ago, I assisted in writing the charter and by-laws of the first cooperative association ever organized in Kentucky for the sale of tobacco. That plan, the plan of the Planters' Protective Association, is the model on which Mr. Shapiro has secured a national reputation, and the same plan under which 95 per cent of the burley growers of Kentucky are now selling their tobacco.

Nearly 20 years ago, month in and month out, I hammered and demanded in the face of a hostile majority an investigation of the American Tobacco Co. Alone, unaided by anybody, I impeached that company on seven different counts, and within two years of that time Chief Justice White handed down a decision dissolving the American Tobacco Co., and he never quoted a charge that I had not made, and he never failed to sustain a charge that I had made.

I gave 18 months of my life, working 16 hours a day until I was physically exhausted, to bring the great Steel Trust to time,

over the opposition of the President of the United States, over the opposition of the Attorney General of the United States, and I lived to see the Attorney General incorporate about 30 pages of my report into an indictment of the United States Steel Corporation, when that corporation was closer to the President than any other corporation in the world, and when it was worth a man's head to do it, and when it was not the popular thing to be at the head of a farmers' bloc. I took my political head in my hand and defied the organized wealth of America when it was crushing the life out of the agricultural interests of Kentucky, and I did not wait until it was the easiest way and the softest way to favor to howl about my love for the farmer every time I wanted to incorporate an iniquity into a tariff bill.

Be that as it may, Mr. President, let us get down to hardpan.

Mr. SMOOT. Let us get back to long-staple cotton.

Mr. STANLEY. Let us get back to long-staple cotton, and get through with it. My objection to this tariff is simply this:

One county in Arizona, redeemed by Federal aid—a little spot of land in the Imperial Valley, redeemed by Federal instrumentalities—is growing long-staple cotton, and the tax which this bill imposes is equivalent to $2 a pound upon that cotton. Instead of having these people raise cotton we had better have them raise palms and roses, and erect fountains, and put silken tents over their heads, and provide trained servants to fan the flies off of them, and let them live in idleness and luxury, and keep their hands off the delicate instrumentalities of the Government, and prevent the incorporation into this bill of a clause that will be reflected in compensatory duties from one end to the other, and will lay a heavy burden upon every man with a decent cotton shirt upon his back, and every woman in the United States who buys a gingham dress. I will not be frightened by farmers' talk, or anybody else's talk. The women in gingham dresses, the men in cotton shirts, the users of automobile tires, and all like things in the production of which cotton is a prime necessity, all the consumers, have some rights in this country, and for them I shall speak.

The VICE PRESIDENT. The yeas and nays having been ordered, the Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. UNDERWOOD (when Mr. HARRISON's name was called). I wish to announce that the Senator from Mississippi [Mr. HARRISON] is paired with the Senator from West Virginia [Mr. ELKINS], and that if he were present he would vote "nay."

Mr. JONES of Washington (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "yea."

Mr. OVERMAN (when Mr. KING's name was called). I was requested to announce that the junior Senator from Utah [Mr. KING] is unavoidably detained on public business. He is paired with the senior Senator from North Dakota [Mr. MCCUMBER].

Mr. MCCUMBER (when his name was called). I have a general pair with the junior Senator from Utah [Mr. KING], but I am informed that on this vote he would vote the same way I intend to vote. I will therefore vote. I vote "nay."

Mr. ROBINSON (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the Senator from Rhode Island [Mr. GERRY] and vote "nay."

Mr. WALSH of Montana (when his name was called). I transfer my pair with the Senator from New Jersey [Mr. FRELINGHUYSEN] to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "nay."

Mr. WATSON of Indiana (when his name was called). I transfer my general pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the junior Senator from Washington [Mr. POINDEXTER] and vote "yea."

Mr. WILLIS (when his name was called). I am paired today with my colleague, the senior Senator from Ohio [Mr. POMERENE], who is absent. I find, however, that I can transfer that pair to the junior Senator from Oklahoma [Mr. HARRELD]. I transfer my pair to that Senator and vote "yea."

The roll call having been concluded,

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from Maine [Mr. HALE] with the Senator from Tennessee [Mr. SHIELDS].

Mr. NEW. Making the same announcement as on the previous vote with reference to my pair and its transfer, I vote "yea."

Mr. CAMERON. Making the same announcement as on the previous vote, I vote "yea."

Mr. COLT (after having voted in the negative). Has the junior Senator from Florida [Mr. TRAMMELL] voted?

The VICE PRESIDENT. He has not.

Mr. COLT. I transfer my pair with that Senator to the junior Senator from Vermont [Mr. PAGE], and allow my vote to stand.

Mr. SIMMONS. I wish to announce the unavoidable absence of the senior Senator from Ohio [Mr. POMERENE]. He is paired with the junior Senator from Ohio, and if he were present he would vote "nay."

The result was announced—yeas 19, nays 33, as follows:

YEAS—19.

Ashurst	Johnson	McNary	Shortridge
Bursum	Jones, Wash.	New	Townsend
Cameron	Kendrick	Oddie	Watson, Ind.
Capper	Ladd	Phipps	Willis
Gooding	McKinley	Sheppard	

NAYS—33.

Brandegee	Kellogg	Newberry	Sterling
Calder	Keyes	Overman	Underwood
Caraway	Lenroot	Pepper	Wadsworth
Colt	Lodge	Robinson	Walsh, Mass.
Curtis	McCormick	Simmons	Walsh, Mont.
Dial	McCumber	Smith	Warren
France	McLean	Smoot	
Harris	Moses	Spencer	
Heflin	Nelson	Stanley	

NOT VOTING—44.

Ball	Fernald	La Follette	Ransdell
Borah	Fletcher	McKellar	Rawson
Broussard	Frelinghuysen	Myers	Reed
Crow	Gerry	Nicholson	Shields
Culberson	Glass	Norbeck	Stanfield
Cummins	Hale	Norris	Sutherland
Dillingham	Harreld	Owen	Swanson
du Pont	Harrison	Page	Trammell
Edge	Hitchcock	Pittman	Watson, Ga.
Elkins	Jones, N. Mex.	Poindexter	Weller
Ernst	King	Pomerene	Williams

So Mr. ASHURST's amendment to the committee amendment was rejected.

Mr. CAMERON. I give notice that I shall ask for a separate vote on this cotton schedule in the Senate. I hope in the meantime some of the Senators will look into this question more thoroughly; and I believe if they will do so they will vote with us.

The VICE PRESIDENT. The question now recurs on the committee amendment.

Mr. SMITH. I ask for the yeas and nays on the committee amendment.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. CAMERON (when his name was called). Making the same announcement as before, I vote "yea."

Mr. UNDERWOOD (when Mr. HARRISON's name was called). I make the same announcement with reference to the pair of the junior Senator from Mississippi [Mr. HARRISON] as on the previous vote.

Mr. JONES of Washington (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "yea."

Mr. OVERMAN (when Mr. KING's name was called). The junior Senator from Utah [Mr. KING] is detained on important public business. He is paired with the Senator from North Dakota [Mr. MCCUMBER]. If present, he would vote "nay."

Mr. MCCUMBER (when his name was called). I transfer my general pair with the junior Senator from Utah [Mr. KING] to the junior Senator from Maryland [Mr. WELLER] and vote "yea."

Mr. NEW (when his name was called). Making the same announcement as to the transfer of my pair as on the previous vote, I vote "yea."

Mr. SIMMONS (when Mr. POMERENE's name was called). I wish to announce that the senior Senator from Ohio [Mr. POMERENE] is unavoidably absent. He is paired with the junior Senator from that State [Mr. WILLIS]. If present the senior Senator from Ohio would vote "nay."

Mr. ROBINSON (when his name was called). Announcing the same pair and transfer as on the previous vote, I vote "nay."

Mr. WALSH of Montana (when his name was called). Making the same announcement as before, I vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "yea."

Mr. WILLIS (when his name was called). Making the same announcement as on the previous roll call relative to the transfer of my pair with my colleague, the senior Senator from Ohio [Mr. POMERENE], I vote "yea."

The roll call was concluded.

Mr. HALE. I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the senior Senator from Pennsylvania [Mr. CROW] and vote "yea."

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS]; and

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN].

Mr. STANLEY (after having voted in the negative). I transfer my general pair with the junior Senator from Kentucky [Mr. ERNST] to the senior Senator from Texas [Mr. CULBERSON] and allow my vote to stand.

Mr. COLT (after having voted in the affirmative). I am informed that if present my pair, the Senator from Florida [Mr. TRAMMELL] would vote as I have voted, and I therefore allow my vote to stand.

Mr. McKINLEY (after having voted in the affirmative). I transfer my pair with the Senator from Arkansas [Mr. CARAWAY] to the Senator from Delaware [Mr. DU PONT] and allow my vote to stand.

The result was announced—yeas 41, nays 11, as follows:

YEAS—41.

Ashurst	Harris	McKinley	Shortridge
Brandegee	Heflin	McNary	Smoot
Bursum	Johnson	Moses	Spencer
Calder	Jones, Wash.	Nelson	Sterling
Cameron	Kellogg	New	Townsend
Capper	Kendrick	Newberry	Warren
Colt	Keyes	Oddie	Watson, Ind.
Curtis	Ladd	Pepper	Willis
France	Lenroot	Phipps	
Gooding	Lodge	Ransdell	
Hale	McCumber	Sheppard	

NAYS—11.

Borah	Overman	Smith	Walsh, Mass.
Cummins	Robinson	Stanley	Walsh, Mont.
Dial	Simmons	Underwood	

NOT VOTING—44.

Ball	Fletcher	McKellar	Rawson
Broussard	Frelinghuysen	McLean	Reed
Caraway	Gerry	Myers	Shields
Crow	Glass	Nicholson	Stanfield
Culberson	Harreld	Norbeck	Sutherland
Dillingham	Harrison	Norris	Swanson
du Pont	Hitchcock	Owen	Trammell
Edge	Jones, N. Mex.	Page	Wadsworth
Elkins	King	Pittman	Watson, Ga.
Ernst	La Follette	Poindexter	Weller
Fernald	McCormick	Pomerene	Williams

So the committee amendment was agreed to.

Mr. WARREN obtained the floor.

Mr. SMOOT. Mr. President, will the Senator yield to me?

Mr. WARREN. I yield to the Senator from Utah for the purpose for which he rose.

Mr. SMOOT. I have a number of amendments to the cotton schedule which have been approved by the committee. I offer them at this time and ask that they be printed.

The VICE PRESIDENT. The amendments will be printed and lie on the table.

Mr. ROBINSON. Mr. President, may I ask the Senator from Utah if the amendments which the committee now reports constitute a general revision of the rates in the cotton schedule?

Mr. SMOOT. I will not say a general revision, but as far as yarns and cloths are concerned and as far as gloves and hosiery are concerned it is a revision.

Mr. ROBINSON. May I ask the Senator from Utah a further question as to whether the rates now proposed are reductions of the rates originally reported by the Finance Committee?

Mr. SMOOT. They are all reductions.

Mr. ROBINSON. Can the Senator state in percentages approximately the amounts of the reductions that are made, or is it possible to do that?

Mr. SMOOT. Does the Senator mean the average in the whole schedule?

Mr. ROBINSON. No; I mean the average or approximate percentage reductions that the rates now proposed constitute of the original Finance Committee rates.

Mr. SMOOT. Taking it as a whole, on the yarn and cloth schedules only there is about a 4 per cent reduction, just a fraction less than 4 per cent of reduction. In some items no change; in others a large reduction. In the hosiery and glove schedules, and particularly the cheaper lines of cotton gloves, there is a very large reduction, I will say to the Senator.

Mr. ROBINSON. Can the Senator approximate the reduction in percentage?

Mr. SMOOT. I would say on the cheaper cotton gloves it is about one-half. I could not say exactly offhand because, as the Senator realizes, where we have a spread of prices all the way from 50 cents to $2.50 per dozen and an ad valorem rate applying to them all, it is very difficult to say offhand, but I would say it was about 50 per cent.

Mr. ROBINSON. Is it possible for the Senator from Utah to state the theory upon which the proposed rates now submitted are based and the theory upon which the reductions are made?

Mr. WARREN. Well, Mr. President——

Mr. SMOOT. The Senator from Wyoming has the floor.

Mr. ROBINSON. I realize that is a very large question. I shall renew it to-morrow.

Mr. SMOOT. I will say to the Senator when we get to the discussion of the amendments I am perfectly willing to answer any question that I can answer.

Mr. SIMMONS. Mr. President, I wish the Senator from Wyoming would allow me to have one minute.

Mr. WARREN. I would like to clear the way for what I desire to present to the Senate and then I shall be glad to yield.

The VICE PRESIDENT. The Senator from Wyoming has the floor.

Mr. WARREN. I wish to ask unanimous consent that the tariff bill may be temporarily laid aside as I wish to address myself to another subject. I ask unanimous consent for that purpose.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. WARREN. I now yield to the Senator from North Carolina.

Mr. SIMMONS. I would like to have the Senator from Utah state if the committee will make similar reductions in the woolen schedule and the silk schedule?

Mr. SMOOT. I have not offered any amendment nor has the Senator from North Dakota on the wool schedule, but I will say to the Senator that it is impossible to make the reductions in the rates in the wool schedule that have been made in the cotton schedule. I think I can convince the Senator from North Carolina that that is the case.

Mr. SIMMONS. Will the committee revise the schedule?

Mr. WARREN. Mr. President, I suggest that these are matters that ought to come up on their merits and not at this particular time.

Mr. SIMMONS. I am simply asking questions. I am not discussing it.

Mr. SMOOT. I will say to the Senator offhand that it could not be more than 5 per cent on the woolen schedule on the cloths. On the yarns there can not be any change at all. Whatever changes there are in the wool schedule, I will say to the Senator, will be very slight.

Mr. SIMMONS. Does the Senator think they will further rewrite the schedule?

Mr. SMOOT. On the cloth—I mean 5 per cent ad valorem and not 5 per cent of the rate.

Mr. SIMMONS. Will the committee make like reductions in the silk schedule?

Mr. SMOOT. I can not say what the committee will do. I can only say what they have done.

Mr. SIMMONS. Does the Senator think they will further rewrite the schedule?

Mr. SMOOT. So far as silk is concerned, I am sure they will, because the committee have already agreed to one important amendment.

APPROPRIATIONS FOR FISCAL YEAR 1923.

Mr. WARREN. Mr. President, as a matter of law and practice, the Committees on Appropriations of the Senate and House are directed, every Congress, to assemble and furnish to the Congress in compact form all the figures pertaining to appropriations.

At the close of each session the committees are expected to place before the Congress and in the RECORD figures showing the amount of appropriations for the current year and also amounts provided for the ensuing year.

I am about to present, and shall ask leave to print in the RECORD, tables carefully prepared by the clerks of the Committees on Appropriations showing the condition of the appro-

priation bills at the close of the present session. These tables show all the appropriations made during this session for the fiscal year of 1923 and also those made during the preceding session, giving the comparison with former Congresses as to estimates and appropriations.

Figures and facts regarding appropriations are not picturesque subjects. In fact, the attention of Congress and the public is challenged by many more attractive subjects; but, after all, no legislative duty surpasses in importance or responsibility the duty of appropriating revenues derived from taxes collected from the people to meet Government expenditures.

The people have a right to know with what wisdom and care the funds of the Government have been apportioned for expenditure.

In connection with my remarks I want to indorse and commend the Budget law, the retiring Budget Director, Gen. Charles G. Dawes, and the former Chief of Finance of the War Department, Gen. Herbert M. Lord, who now becomes Budget Director. These able gentlemen have under the law presented their conclusions to President Harding, who in turn has reviewed, revised, and transmitted them to Congress for our conscientious consideration.

The Budget law was approved by the President June 10, 1921. Prior to that date the flood of money calls under the prevailing system of estimates assumed such proportions that it seemed advisable for the chairman of your committee to call the matter to the attention of President Harding, so that the Chief Executive might have before him for consideration the fact that in only 14 days of the commencement of the first session of Congress under his administration deficiency estimates alone amounting to $216,000,000 had been submitted to us, with more in prospect, about $137,000,000 of which concerned items for the fiscal year 1922, which at the time had not yet begun.

The advisability of teamwork between the Executive, the departments, and Congress became so apparent that it was suggested to the President as a means of bringing about the desired results in economy.

The President acted immediately, sending written notice to each member of his Cabinet that he did "not know of any more dangerous tendency in the administration of governmental departments" than the tendency to exceed the limits of appropriations fixed by Congress; and he said "I am very sure that we can never fix ourselves firmly on a basis of economy until the departments are conducted within the provisions made by Congress."

Thereafter, in due course, came the work of the newly erected Budget Bureau in the way of alternative estimates, which were accepted and adopted by committees of both House and Senate.

The new Budget system changed the names and the grouping of subjects formerly comprehended in the regular annual appropriation bills, which in turn made it necessary for the Senate to change its rules, as the House had previously done, so that all of the appropriation bills would come to the regular Senate Appropriations Committee.

And so the Senate, in March, 1922, adopted the new rule which has so well and with such satisfactory results served the purpose of teamwork.

Seldom, if ever, has the discharge of the duty of appropriating funds been attended with greater difficulties and embarrassments than during the past few years since the war.

In times of war all restraint is removed and extravagance reigns and costs are uncounted; but in the years following economy and reform are the watchwords, and the exhausting labor of again securing a safe and sane basis is a matter of necessity if the public and the Government are to exist.

Although economy was the outstanding feature in handling the appropriation bills for the present fiscal year—and this a cut-to-the-bone economy—the speed with which they were completed and the absence of an admitted evil in past appropriation bills, the inclusion of extraneous legislation, were also marked features.

The first Budget under the Budget law was submitted by President Harding December 5, 1921, for the fiscal year 1922-23. When the fiscal year opened July 1, 1922, every Government activity had been provided for some months in advance, so that department heads and bureau chiefs knew to the penny the limits of their expenditures.

Every appropriation bill, including all of the regular supply measures, three deficiency measures, and the several extra appropriation bills, such as the Russian relief, seed grain for crop-failure areas, the building of veterans' hospitals, and the providing of $500,000 for war-fraud investigations for the Department of Justice, were finished by June 30 last, despite the crush of most important general legislation, including the long-time, long-distance, hard-fought tariff bill, the soldiers' compensation bill, and innumerable other measures.

This record contrasts sharply with that during the Wilson administration, when the important Army and Navy appropriation bills failed to get through in time. Once during former President Wilson's last term failure of appropriation bills made it necessary for Mr. Wilson to call an extra session of Congress, although it was known that he was opposed to that course and would not have done so except for such failure.

At that time Congress was compelled to pass, before the beginning of the fiscal year, July 1, continuing resolutions to keep some of the Government departments running.

At the outset of President Harding's administration a special session was called to face the task of passing the Army and Navy appropriation bills which had failed, the Army bill through a pocket veto by President Wilson.

The Army appropriation bill this year was passed by the House in a few days, even though a hard fight was waged over the size of the Army personnel; and when the bill came to the Senate it was put through in the record time of one day. A similar record was achieved by the present House and Senate on the Navy bill this year—a bill which generally has taken several weeks in the Senate being passed in as many days.

Factors in the efficiency and speed in the passage of this year's appropriation bills were the Budget system and the reorganization by the House and Senate of their Appropriations Committees. The Budget Bureau and the committees cooperated in holding expenditures to an absolute minimum of necessity without abridging the Government's legitimate work.

The reduction of departmental estimates by the Budget Bureau was followed in a great number of instances by further reductions by the Senate and House committees—reductions which almost invariably were sustained by the respective Houses.

Although the Appropriations Committees were enlarged, they worked with greater speed and gave promise, after the first shaking down of the new committee system, of even greater speed in handling next year's appropriating measures.

Although the new Senate rule operates to keep out extraneous legislation, several of the 1923 appropriation bills carry constructive legislation, notably laws concerning the District of Columbia tax revision commission, the $7,500,000 appropriation for Wilson Dam at Muscle Shoals, etc.; but such legislation was so managed that it did not retard the passage of the supply measure. These items were, of course, inserted by unanimous consent.

At this point I want to congratulate most sincerely the Appropriations Committees of the House and Senate on the friendly relations and teamwork which have prevailed during the past year. Especially does the chairman of the Senate Committee on Appropriations desire to thank the members of his committee for their cooperation, and even more especially to thank the additional members selected from other former appropriating committees for the zeal and interest they have manifested in working with the parent committee. The able chairman of the House Committee on Appropriations has been always ready to cooperate, and the vigilant clerks of the Appropriations Committees of both bodies—always ready, night and day—have kept their work current.

In considering these regular annual supply bills the House Committee on Appropriations took more than 13,000 pages of testimony during the session, and the Senate Committee on Appropriations, after taking advantage of its study of this great mass of testimony taken by the House, took over 2,500 additional pages.

In presenting the several tables making comparisons of appropriations and estimates, all appropriations and estimates for each fiscal year have been segregated under their respective departments or establishments. This method insures a fair comparison. The same method has been applied also in handling the permanent and indefinite appropriations. This assembles all like data in one place and is considered an improvement over old methods.

The appropriations as shown in Table I for the fiscal year 1923 are $319,280,984.10 less than for the fiscal year 1922.

This result, which I am sure will be gratifying to the taxpayers of our country, was achieved by a careful and painstaking effort on the part of all concerned.

The regular annual appropriation bills as passed the Senate show an apparent increase of $195,049,426.35 over the amount as passed the House. After deducting from this sum $50,000,000 added to the post office act for construction of rural post roads; $53,480,120 added to the War Department act, made necessary in the main by increasing the size of the personnel and enlisted strength of the Army; and $44,080,507.10 added to

the naval act, chiefly on account of increased pay, increase of the Navy, and for aviation purposes, there is left only $47,488,799.25 added by the Senate to the proposals of the House. Much of this amount added to the bills as passed the Senate was made necessary by estimates for items brought forward at later dates and after the bills had passed the House, and there was little controversy concerning their merits.

As shown in Table IV, Congress has reduced the Budget estimates for 1923 in the sum of $172,523,046.86, and the amount submitted for 1922 in the sum of $139,649,245.41. Much of this reduction has been brought about by the fact that the estimates are arranged so far in advance that conditions necessarily change by the time actual consideration is had.

In the necessary transfer and changes to conform to the Budget law the Budget officers acted as the first line of defense and Congress as the second line of defense. And so in this first year under the new law probably more and deeper cuts in the estimates were made by Congress than should be necessary.

It may be interesting to students of national finance to note that the ordinary receipts of the Government for the past year exceed the ordinary expenses for the same period by $313,801,651.10.

It is also an interesting fact that the reduction of the public debt during the same period—one year—amounted to $1,014,068,844.23.

Mr. President, the tables I present speak for themselves, and I commend them to the attention of Congress and the American people.

I ask unanimous consent that the tables may be printed in the RECORD in 8-point type.

There being no objection, the tables were ordered to be printed in the RECORD in 8-point type, as follows:

TABLE I.—*Comparison of appropriations, fiscal years 1922 and 1923.*

[Amounts carried for each of these fiscal years in the regular annual appropriation acts, deficiency appropriation acts, special acts, and amounts estimated under permanent and indefinite appropriations.]

Department or establishment.	Appropriations, fiscal year 1922.	Appropriations, fiscal year 1923.	Decrease (−) or increase (+) 1923 compared with 1922.
Legislative (Congress):			
Regular annual	$18,247,247.06	$12,788,324.95	[1] −$5,458,922.11
Permanent and indefinite	800.00	800.00	
Total	18,248,047.06	12,789,124.95	−5,458,922.11
Executive office and independent offices:			
Regular annual—			
Shipping Board	73,959,000.00	[2] 100,459,000.00	+26,500,000.00
Veterans' Bureau [3]	408,166,732.00	418,063,843.45	+9,897,111.45
Executive and other independent offices	16,721,325.00	[4] 18,115,928.00	+1,394,603.00
Total	498,847,057.00	536,638,771.45	+37,791,714.45
Permanent and indefinite	5,523,000.00	6,017,000.00	+494,000.00
Total	504,370,057.00	542,655,771.45	+38,285,714.45
State Department:			
Regular annual	[5] 16,741,346.09	10,443,488.16	−6,297,857.93
Permanent and indefinite	106,000.00	106,000.00	
Total	16,847,346.09	10,549,488.16	−6,297,857.93
Treasury Department:			
Regular annual	145,352,179.65	118,835,308.81	−26,516,870.84
Permanent and indefinite	1,394,609,200.00	1,375,396,910.63	−19,212,289.37
Total	1,539,961,379.65	1,494,232,219.44	−45,729,160.21
War Department:			
Military activities—			
Regular annual	350,707,538.35	256,411,169.67	−94,296,368.68
Permanent and indefinite	2,172,300.00	1,265,000.00	−907,300.00
Total military activities	352,879,838.35	257,676,169.67	−95,203,668.68
Nonmilitary activities—			
Regular annual	42,638,010.66	[6] 68,753,323.00	+26,115,312.34
Permanent and indefinite	8,324,600.00	6,521,300.00	−1,803,300.00
Total nonmilitary activities	50,962,610.66	75,274,623.00	+24,312,012.34
Total, War Department—			
Regular annual	393,345,549.01	325,164,492.67	−68,181,056.34
Permanent and indefinite	10,496,900.00	7,786,300.00	−2,710,600.00
	403,842,449.01	332,950,792.67	−70,891,656.34
Navy Department:			
Regular annual	413,180,960.87	294,336,577.00	−118,844,383.87
Permanent and indefinite	13,197,696.00	3,433,672.00	−9,764,024.00
Total	426,378,656.87	297,770,249.00	−128,608,407.87

[For footnotes see next page.]

TABLE I.— *Comparison of appropriations, fiscal years 1922 and 1923*—Continued.

Department or establishment.	Appropriations, fiscal year 1922.	Appropriations, fiscal year 1923.	Decrease (−) or increase (+) 1923 compared with 1922.
Interior Department:			
Regular annual—			
Pensions	$265,000,000.00	$252,000,000.00	−$13,000,000.00
Interior Department proper	49,559,305.13	45,565,108.67	−3,994,196.46
Total	314,559,305.13	297,565,108.67	−16,994,196.46
Permanent and indefinite	30,573,500.00	27,562,900.00	−3,010,600.00
Total	345,132,805.13	325,128,008.67	−20,004,796.46
Post Office Department (payable from postal revenues), regular annual (only)	579,976,851.00	565,064,786.50	−14,912,064.50
Agricultural Department:			
Regular annual	[7] 39,527,434.00	36,929,173.00	−2,598,261.00
Roads, construction of	[8] 80,000,000.00	[8] 10,000,000.00	−70,000,000.00
Permanent and indefinite	11,750,000.00	12,250,000.00	+500,000.00
Total	131,277,434.00	59,179,173.00	−72,098,261.00
Department of Commerce:			
Regular annual	17,394,859.00	18,743,245.00	+1,348,386.00
Permanent and indefinite	3,000.00	3,000.00	.....
Total	17,397,859.00	18,746,245.00	+1,348,386.00
Department of Labor, regular annual (only)	5,798,196.50	[9] 6,916,920.00	+1,118,723.50
Department of Justice, and the judiciary:			
Regular annual	16,938,667.67	17,851,221.00	+912,553.33
Permanent and indefinite	[10] 175,500.00	.....	−175,500.00
Total	17,114,167.67	17,851,221.00	+737,053.33
District of Columbia:			
Regular annual	23,463,675.72	22,841,609.80	−622,065.92
Permanent and indefinite	1,380,600.00	1,624,600.00	+244,000.00
Total	24,844,275.72	24,466,209.80	−378,065.92
Increased compensation ($240 per annum)	35,000,000.00	38,735,173.00	[11] +3,735,173.00
Miscellaneous (unclassified)	126,842.04	.....	−126,842.04
Grand total:			
Regular annual	2,563,373,328.70	2,274,119,027.01	−289,254,301.69
Permanent and indefinite	1,467,816,196.00	1,434,181,182.63	−33,635,013.37
Increased compensation	35,000,000.00	38,735,173.00	+3,735,173.00
Miscellaneous (unclassified)	126,842.04	.....	−126,842.04
Grand total	**4,066,316,366.74**	**3,747,035,382.64**	**−319,280,984.10**
Less Post Office (payable from postal revenues)	579,976,851.00	565,064,786.50	−14,912,064.50
Total, exclusive of Post Office	3,486,339,515.74	3,181,970,596.14	−304,368,919.60

[1] This decrease is due largely to the transfer of appropriations for printing and binding to the various departmental bills for 1923. Departmental appropriations for printing and binding for the fiscal year 1922 are carried under "Legislative."

[2] $50,000,000 of this sum is for the payment of construction and other claims.

[3] The appropriations for the Veterans' Bureau include for hospital construction $18,600,000 for 1922 and $12,000,000 for 1923.

[4] This sum includes $1,500,000 for the purchase of land in the District of Columbia on which is situated temporary Government office buildings.

[5] This sum includes $5,000,000 for treaty payment to Colombia and $1,000,000 for Government building and exhibits at the exposition at Rio de Janeiro.

[6] This sum includes an increase of $27,815,661 for rivers and harbors over amount appropriated for 1922 and $7,500,000 for Muscle Shoals development for which no appropriation was made for 1922.

[7] This sum includes $2,000,000 and $1,500,000, respectively, for seed-grain loans to farmers of the drought-stricken areas of the Northwest for the crops of 1921 and 1922.

[8] These amounts were appropriated in the Federal highway act of Nov. 9, 1921. For 1923 the Secretary of Agriculture is authorized to apportion the sum of $50,000,000 among the several States and to approve projects under such apportionments. The Post Office appropriation act which authorized the foregoing $50,000,000 also authorized the sum of $71,500,000 for the fiscal year 1924 and $81,500,000 for the fiscal year 1925.

[9] This sum includes $1,240,000 to carry out the provisions of the act relating to the welfare and hygiene of maternity and infancy.

[10] Appropriations for this purpose are changed from a permanent basis for 1922 to an annual basis for 1923 and are included in the regular annual act.

[11] The appropriation for 1922 for additional compensation was an indefinite amount and was estimated in the Budget at $35,000,000. Recent figures of expenditures show the actual cost for 1922 will be approximately $41,800,000. The specific appropriation of $38,735,173 for 1923 is therefore $3,064,827 under the estimated expenditures for 1922.

TABLE II.—*Comparison of estimates and appropriations, fiscal year 1923.*

[Amounts carried for fiscal year 1923 in regular annual appropriation acts, deficiency appropriation acts, special acts, and amounts estimated under permanent and indefinite appropriations.]

Department or establishment.	Budget estimates submitted Dec. 5, 1921.	Supplemental Budget estimates submitted Dec. 5, 1921, to June 30, 1922.	Total Budget estimates, fiscal year 1923.	Appropriations, 1923, regular annual and permanent and indefinite.	Increase (+) or decrease (−) appropriations compared with estimates.
Legislative (Congress):					
Regular annual	$17,232,655.95	$5,000.00	[1] $17,237,655.95	$12,788,324.95	[1] −$4,449,331.00
Permanent and indefinite	800.00	.....	800.00	800.00	.....
Total	17,233,455.95	5,000.00	17,238,455.95	12,789,124.95	−4,449,331.00
Executive office and independent offices:					
Regular annual—					
Shipping Board	50,501,500.00	50,000,000.00	100,501,500.00	100,459,000.00	−42,500.00
Veterans' Bureau	385,921,702.00	37,117,142.95	423,038,844.95	418,063,843.45	−4,975,001.50
Executive and other independent offices	17,077,481.00	663,670.00	17,741,151.00	[2] 18,115,928.00	+374,777.00
Total	453,500,683.00	87,780,812.95	541,281,495.95	536,638,771.45	−4,642,724.50
Permanent and indefinite	6,017,000.00	.....	6,017,000.00	6,017,000.00	.....
Total	459,517,683.00	87,780,812.95	547,298,495.95	542,655,771.45	−4,642,724.50
State Department:					
Regular annual	10,474,901.16	321,072.00	10,795,973.16	10,443,488.16	−352,485.00
Permanent and indefinite	106,000.00	.....	106,000.00	106,000.00	.....
Total	10,580,901.16	321,072.00	10,901,973.16	10,549,488.16	−352,485.00
Treasury Department:					
Regular annual	130,607,787.19	1,298,570.00	131,906,357.19	118,835,308.81	−13,071,048.38
Permanent and indefinite	1,375,396,910.63	.....	1,375,396,910.63	1,375,396,910.63	.....
Total	1,506,004,697.82	1,298,570.00	1,507,303,267.82	1,494,232,219.44	−13,071,048.38
War Department:					
Military activities—					
Regular annual	309,373,709.47	1,402,909.22	310,776,618.69	256,411,169.67	−54,365,449.02
Permanent and indefinite	1,265,000.00	.....	1,265,000.00	1,265,000.00	.....
Total, military activities	310,638,709.47	1,402,909.22	312,041,618.69	257,676,169.67	−54,365,449.02
Nonmilitary activities—					
Regular annual	46,512,408.00	1,816,000.00	48,328,408.00	68,753,323.00	[3] +20,424,915.00
Permanent and indefinite	6,521,300.00	.....	6,521,300.00	6,521,300.00	.....
Total, nonmilitary activities	53,033,708.00	1,816,000.00	54,849,708.00	75,274,623.00	+20,424,915.00
Total, War Department—					
Regular annual	355,886,117.47	3,218,909.22	359,105,026.69	325,164,492.67	−33,940,534.02
Permanent and indefinite	7,786,300.00	.....	7,786,300.00	7,786,300.00	.....
Total	363,672,417.47	3,218,909.22	366,891,326.69	332,950,792.67	−33,940,534.02
Navy Department:					
Regular annual	[4] 422,518,695.13	7,862,700.00	430,381,395.13	294,336,577.00	−136,044,818.13
Permanent and indefinite	3,433,672.00	.....	3,433,672.00	3,433,672.00	.....
Total	425,952,367.13	7,862,700.00	433,815,067.13	297,770,249.00	−136,044,818.13
Interior Department:					
Regular annual—					
Pensions	252,000,000.00	.....	252,000,000.00	252,000,000.00	.....
Interior Department proper	46,218,432.00	668,049.30	46,886,481.30	45,565,108.67	−1,321,372.63
Permanent and indefinite	27,562,900.00	.....	27,562,900.00	27,562,900.00	.....
Total	325,781,332.00	668,049.30	326,449,381.30	325,128,008.67	−1,321,372.63
Post Office Department (payable from postal revenues), regular annual (only)	579,650,066.00	4,274,347.00	583,924,413.00	565,064,786.50	−18,859,626.50

[For footnotes see next page.]

TABLE II.—*Comparison of estimates and appropriations, fiscal year 1923*—Continued.

Department or establishment.	Budget estimates submitted Dec. 5, 1921.	Supplemental Budget estimates submitted Dec. 5, 1921, to June 30, 1922.	Total Budget estimates, fiscal year 1923.	Appropriations, 1923, regular annual and permanent and indefinite.	Increase (+) or decrease (−) appropriations compared with estimates.
Agricultural Department:					
Regular annual	$34,610,668.00	$1,153,200.00	$35,763,868.00	$36,929,173.00	[5] +$1,165,305.00
Roads, construction of	.....	.....	.....	10,000,000.00	[6] +10,000,000.00
Permanent and indefinite	12,250,000.00	.....	12,250,000.00	12,250,000.00	.....
Total	46,860,668.00	1,153,200.00	48,013,868.00	59,179,173.00	+11,165,305.00
Department of Commerce.					
Regular annual	20,672,326.25	673,169.50	21,345,495.75	18,743,245.00	−2,602,250.75
Permanent and indefinite	3,000.00	.....	3,000.00	3,000.00	.....
Total	20,675,326.25	673,169.50	21,348,495.75	18,746,245.00	−2,602,250.75
Department of Labor, regular annual (only)	6,564,632.00	1,240,000.00	7,804,632.00	6,916,920.00	−887,712.00
Department of Justice and judiciary, regular annual (only)	18,219,146.00	539,000.00	18,758,146.00	17,851,221.00	−906,925.00
District of Columbia:					
Regular annual	26,886,866.75	1,299,440.00	28,186,306.75	22,841,609.80	−5,344,696.95
Permanent and indefinite	1,624,600.00	.....	1,624,600.00	1,624,600.00	.....
Total	28,511,466.75	1,299,440.00	29,810,906.75	24,466,209.80	−5,344,696.95
Increased compensation ($240 per annum)	.....	.....	.....	38,735,173.00	[7] +38,735,173.00
Grand total:					
Regular annual	2,375,042,976.90	110,334,269.97	2,485,377,246.87	2,274,119,027.01	−211,258,219.86
Permanent and indefinite	1,434,181,182.63	.....	1,434,181,182.63	1,434,181,182.63	.....
Increased compensation	.....	.....	.....	38,735,173.00	+38,735,173.00
Grand total	**3,809,224,159.53**	**110,334,269.97**	**3,919,558,429.50**	**3,747,035,382.64**	**−172,523,046.86**
Less Post Office (payable from postal revenues)	579,650,066.00	4,274,347.00	583,924,413.00	655,064,786.50	−18,859,626.50
Total, exclusive of Post Office	3,229,574,093.53	106,059,922.97	3,335,634,016.50	3,181,970,596.14	−153,663,420.36

[1] Estimates for the legislative include printing and binding allotments for the various departments as submitted under the Government Printing Office. In preparing appropriation bills these sums were distributed to the various departmental bills. This reduction, therefore, is due in the main to this transfer.

[2] This sum includes $1,500,000 for the purchase of land for temporary office buildings and was not estimated in the Budget.

[3] This net increase is due to the appropriation of $15,180,401 for rivers and harbors in excess of the estimates submitted by the Budget, and the appropriation of $7,500,000 for Muscle Shoals development not included in the Budget.

[4] The Navy estimates were prepared and submitted to Congress prior to the conclusion of the Conference on Limitation of Armament.

[5] This net increase is due to the appropriation of $360,000 for congressional seed distribution and $100,000 for eradication of citrus canker not included in the Budget. The sum of $800,000 for printing and binding was estimated under legislative (see note 1).

[6] This sum was appropriated for forest roads and trails in the Federal highway act of November 9, 1921, and was not estimated in the Budget.

[7] This sum was not estimated in the Budget.

TABLE III.—*Comparison of Budget estimates and appropriations, supplemental and deficiency, fiscal year 1922 and prior fiscal years.*

(Amounts considered and appropriated in deficiency appropriation acts approved August 24, 1921, December 15, 1921, March 20, 1922, and July 1, 1922.)

Supplemental and deficiency Budget estimates submitted to Congress from July 20, 1921, to June 30, 1922, for the fiscal year 1922 and prior fiscal years	$472,410,129.96
Supplemental and deficiency appropriations for the fiscal year 1922 and prior fiscal years carried in the deficiency acts enumerated above	332,760,884.55
Reduction in estimates for the fiscal year 1922 and prior fiscal years	139,649,245.41

TABLE IV.—*Recapitulation of comparisons of Budget estimates and appropriations.*

Net reduction in Budget estimates for the fiscal year 1923 as per Table II	$172,523,046.86
Reduction in Budget estimates for the fiscal year 1922 and prior fiscal years as per Table III	139,649,245.41
Total net reduction	312,172,292.27

Mr. OVERMAN. Mr. President, I am preparing from the official record a statement which will tell a very different story from the story which has been told here to-day by the chairman of the Committee on Appropriations, the Senator from Wyoming [Mr. WARREN]. The Senator from Wyoming has made a comparison between the expenditures of the Government for 1922 and 1923 which shows some reductions, but I am having a statement prepared showing the expenditures for 1915, three years before the World War, as compared with the expenditures of this year, three years after the war, which will demonstrate that the present administration is costing millions of dollars more than did the administration of 1915.

Mr. WARREN. I desire to say a few words in reply to my colleague on the Committee on Appropriations, the Senator from North Carolina [Mr. OVERMAN]. The able Senator from North Carolina has referred to the expenditures for 1915. I have here, and I send to the desk, a table showing the grand total of the expenditures for the past six years, which I ask may be printed in 8-point type as a part of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The table referred to is as follows:

Grand total of appropriations, fiscal year 1918	$18, 901, 966, 814. 09
Grand total of appropriations, fiscal year 1919	27, 072, 094, 720. 07
Grand total of appropriations, fiscal year 1920	7, 337, 597, 282. 05
Grand total of appropriations, fiscal year 1921	4, 780, 829, 510. 03
Grand total of appropriations, fiscal year 1922	4, 066, 316, 366. 74
Grand total of appropriations, fiscal year 1923	3, 747, 035, 382. 64

Mr. ROBINSON. Mr. President, I note that, according to Table III, which the Senator from Wyoming [Mr. WARREN] has just presented, and for the study of which, therefore, very little opportunity has been afforded, supplemental estimates were submitted by the Budget Bureau for the fiscal year 1922 and for prior years, amounting to approximately $472,500,000. I am curious to know if the Senator from Wyoming can state how it happened that such large deficiency estimates arose and how there was such a wide divergence between the original estimates and the supplemental or emergency estimates.

Mr. WARREN. There are two reasons for that—one, the Shipping Board and other hang-over items of the war, involving property of the United States at home and in foreign countries; and two, what was more troublesome for the time being, the change in the source of the estimates from the heads of the departments to the Budget Bureau. The estimates coming through the Budget Bureau from the heads of the departments, the Budget Bureau would hesitate in making est mates on which Congress should base its appropriations until they had taken more time. Consequently, that action enlarged the amount of the supplemental estimates that were submitted.

Mr. ROBINSON. Whatever the cause, it is perfectly apparent that there was a very wide divergence between the original estimates and the supplementary estimates to take care of deficiencies.

I note by the same table that Congress in the consideration of those deficiency estimates appropriated very much less, almost $140,000,000 less, than the amount estimated for. That would seem to discredit very emphatically the value of the Budget estimates. If Congress, upon an examination of its work when it submitted supplementary estimates, found it necessary to reduce them by one-third, or in the total amount of $139,649,245.41, it would on its face indicate that the work of the Budget Bureau was not very accurate in the opinion of Congress.

Mr. WARREN. The amount of which the Senator spoke, $472,500,000, was estimated for before the Budget system was organized under the law.

Mr. ROBINSON. That was prior to the work of the Budget Bureau?

Mr. WARREN. It was prior to that. The next, Table IV——

Mr. ROBINSON. I have not yet come to that.

Mr. WARREN. The Senator will notice that the amounts are smaller according to that table.

Mr. ROBINSON. I note that there was a divergence between the estimates and the actual appropriations of $172,533,046.86 for the fiscal year of 1923. which would apply to the work of the Budget Bureau. How does the Senator account for such a wide divergence between the estimates and the amount appropriated?

Mr. WARREN. As I stated before, there are two causes; the hangover from the war, and there always have been and always will be, so long as the Senator and I are here, deficiencies because of laws passed during the year after the regular estimates that call for unexpected funds, emergencies, and so forth.

Mr. ROBINSON. May it not also be true that the Congress in making the appropriations actually appropriates a less amount than the necessities already disclosed require, and therefore knowingly creates deficits? Is there anything in that suggestion, in the opinion of the Senator?

Mr. WARREN. That is true in one sense, but I hardly want to charge my colleagues in the House and Senate with that.

Mr. ROBINSON. I am not making any charge; I am simply stating the practice which the Senator and I, after 20 years or more experience in Congress, know has frequently, if it has not generally, prevailed; that Congress oftentimes in making appropriations has reduced amounts below the sum estimated for, with the knowledge of the fact, or with a reasonable ground to expect, that deficiency appropriations would subsequently be required.

Mr. WARREN. But with the expectation of asking the different institutions, departments, and so forth, to live under those appropriations if it is possible. If they have not done that, of course——

Mr. ROBINSON. My suggestion goes further than that; and I think the Senator from Massachusetts will agree with me that the custom has existed for a very long time—and it does not seem to have been dispensed with yet, according to these figures—of taking estimates and paring them beyond all reason, so that deficiency appropriations become not only probable but imperative, and deficiency appropriations in large amounts. The point I make is, from the figures presented in the Senator's statement, that the appropriations as disclosed and as indicating a material reduction in the expenditures below the amount expended last year may not be accurate, because additional deficiencies undoubtedly will be required to be appropriated, and they may amount to very large sums. I do not think the Senator would be prepared to say that the deficiencies can be anticipated.

Mr. WARREN. That is true; but do not overlook the fact that included as deficiencies are the supplemental appropriations, things that come up that were not thought of, things that were not previously legislated for. For instance, what are you going to do with this maternity business that comes up, when a bill passes which requires the appropriation of millions, as well as all other unexpected calls that arise?

Mr. ROBINSON. And then, too, emergencies arise.

Mr. WARREN. Certainly.

Mr. ROBINSON. For instance, we appropriate considerable sums for various purposes, but the relation of those sums growing out of supplemental and emergency appropriations to the total amount is comparatively small. The point I am making is that we legislate constantly, knowing that we are creating deficiencies and that these figures, while they have undoubtedly some value, can not be relied upon as disclosing the amount of money actually expended or liabilities actually incurred by the Government during this fiscal year, or anything approximating it.

Mr. WARREN. Let me say to my distinguished friend that when he has examined thoroughly, as I know he will, these several tables and statements, he will find that an entirely new form of separating the figures will disclose these items more plainly, and furthermore will show that we are on the road to closing that matter down to a very small minimum.

Mr. ROBINSON. If the Senator has found from his experience that that is true, I am greatly gratified at the information, because I am convinced that there is much ground for it.

Mr. WARREN. We are moving in that direction.

RAVAGES OF THE BOLL WEEVIL.

Mr. SMITH. Mr. President, I submit a resolution and ask unanimous consent for its immediate consideration. I have conferred with Senators on the other side in regard to it, and I do not think there is any objection to its consideration and passage.

In this connection, I should like to have printed in the RECORD a cablegram that was sent to one of the Washington papers to-day on identically the same subject, calling attention to the fearful prospect as to a famine in the cotton production of the world.

The VICE PRESIDENT. Without objection, the cablegram will be printed in the RECORD.

The matter referred to is as follows:

BRITISH COTTON EXPERTS SKEPTICAL OVER REPORTS—SAID TO BE FRIGHTENED OVER CROP DANGER FROM RAVAGES OF BOLL WEEVIL.

(By Hiram K. Moderwell.)

[By cable to the Star and Chicago Daily News. Copyright, 1922.]

LONDON, July 12.—British business men are thoroughly frightened over the danger that the American cotton crop will be below world needs because of the ravages of the boll weevil, which is reported here to have ruined one-third of last year's crop. Experts here are frankly skeptical as to the latest rather optimistic report by the American Government Bureau of Crop Statistics, which estimates 11,000,000 bales as the crop this year, as against 8,000,000 last year.

It is asserted by experts here that this hope is entirely unjustified. So unreliable have been the American cotton statistics in the past that many interested persons here believe them to have been faked to influence the markets. John Todd, an eminent statistician, denies this, but criticizes American statistical methods.

British textile manufacturing, which is one of Great Britain's three great export industries, depends largely upon the American crop. A 9,000,000-bale crop, which the British fear will be the maximum this year, would be disastrous to the British trade. It is feared that the American cotton growers refuse to take the risk of planting cotton because of the ravages of the boll weevil and are adopting other crops.

For the hundreds of thousands of persons employed in the textile trade the most important spot in the universe is a certain laboratory in Washington where chemists are searching for adequate poison against the boll weevil, but as yet unsuccessfully. A terrible and long-expected report has been received here—that the weevil has appeared in northern Egypt, despite extraordinary measures to debar him. This tiny worm, which is a native of Brazil and was discovered 15 years ago, is now sweeping over the world destroying like Atilla. A movement is on here to subsidize the cotton planters in uninfected British colonies.

Mr. SMITH. I send the resolution to the desk and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The resolution will be read for the information of the Senate.

The resolution (S. Res. 320) was read, as follows:

Whereas the boll weevil has covered practically the entire cotton belt; and

Whereas its ravages have a decided effect in the ultimate production of the cotton crop: Therefore be it

Resolved, That the Secretary of Agriculture is authorized and directed, through the Crop Reporting Bureau, to ascertain from State agricultural commissioners and county agents, together with the forces now employed by the bureau, the total area now infested by the weevil, and the estimated damage to the crop caused by the weevil, such area and estimated damage to be given by States, as is now done in giving the condition of the growing crop, and to publish the same in the next monthly (August) report.

Mr. JONES of Washington. Mr. President, has not the Secretary of Agriculture authority now to obtain the information?

Mr. SMITH. No; he has no authority under the law to make a separate report. It will cost nothing more, and under this authority he can make it. He has no authority under the law except just to give the aggregate condition.

Mr. ROBINSON. Mr. President, I express the hope that the resolution may pass. It undoubtedly will present some difficulties so far as procuring complete and accurate information is concerned; but the information called for is very important, and I hope the resolution may pass.

The VICE PRESIDENT. Is there objection to the immediate consideration of the resolution?

The resolution was considered by unanimous consent and agreed to.

LYNCHING IN WAYNE COUNTY, GA.

Mr. CALDER. Mr. President, I ask unanimous consent to have printed in the RECORD a short article from the New York Times concerning the lynching of two negro boys in Georgia.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

[From the New York Times of Monday, July 10, 1922.]

SAYS THEY AIDED LYNCHERS—GEORGIA MINISTER ACCUSES OFFICIALS IN CHARGE OF TWO PRISONERS.

(Special to the New York Times.)

ATLANTA, GA., July 9.—That the lynching of two negroes in Wayne County, after they had been reprieved for 30 days by Governor Hardwick, will not go unpunished seems assured by recent developments at the executive offices. Governor Hardwick has offered the highest reward in his power for the arrest of the lynchers, has denounced the crime, and has announced that mob rule will not be allowed in this State so long as he is governor.

The Rev. P. T. Holloway has practically charged in a sermon that officials of the county connived at the lynching, and had practically invited it. "The morning after the unlawful executions," he said, "I heard two men talking about a lynching, and one of them was an officer who took charge of the victims purposely to take them to Savannah. The general public wants to know why they should have been taken away from Jesup, and especially why they should have been taken away in a Ford car when there were fast passenger trains going straight through to Savannah making no stop. We demand to know how a mob of men 70 miles away could find out when these prisoners were taken from the county jail, and where they got their information of the route taken. The general public would like to know why the officers who had these prisoners in charge stopped at Lanes Bridge 30 minutes and told the guard that if anybody came along to tell them they were going to Savannah and would probably have car trouble.

"The public wants to know why two men, whose names I could call, went to a citizen's house on Thursday and said: 'Let's get these two negroes and lynch them. The sheriff said it would be all right; that he would offer no resistance.'"

EXECUTIVE SESSION.

Mr. LODGE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

NATIONAL HOME FOR JEWISH PEOPLE.

Mr. LODGE. I report back favorably from the Committee on Foreign Relations, with an amendment striking out the preamble, the joint resolution (H. J. Res. 322) favoring the establishment in Palestine of a national home for the Jewish people. This joint resolution is identical with the one which I introduced and which was reported from the Committee on Foreign Relations, passed by the Senate, and sent to the House. I ask unanimous consent for the present consideration of the joint resolution.

There being no objection, the joint resolution was considered as in Committee of the Whole, and it was read, as follows:

Resolved, etc., That the United States of America favors the establishment in Palestine of a national home for the Jewish people, it being clearly understood that nothing shall be done which may prejudice the civil and religious rights of Christian and all other non-Jewish communities in Palestine, and that the holy places and religious buildings and sites in Palestine shall be adequately protected.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

The VICE PRESIDENT. The committee reports to strike out the preamble. Without objection, the preamble will be stricken out.

RECESS.

Mr. LODGE. I move that the Senate take a recess, the recess being, under the unanimous-consent agreement, until to-morrow at 11 o'clock a. m.

The motion was agreed to; and (at 5 o'clock and 40 minutes p. m.) the Senate, under the order previously made, took a recess until to-morrow, Thursday, July 13, 1922, at 11 o'clock a. m.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 12 (legislative day of April 20), 1922.

ASSISTANT DIRECTOR OF FOREIGN AND DOMESTIC COMMERCE.

Thomas R. Taylor to be assistant director, Bureau of Foreign and Domestic Commerce.

COLLECTOR OF CUSTOMS.

Fred A. Bradley to be collector of customs at Buffalo, N. Y.

POSTMASTERS.

CALIFORNIA.

Dwight R. Jackson, Glendale.
Etta L. Miller, Stratford.

SOUTH CAROLINA.

Joseph G. Holland, Edgefield.

SENATE.

THURSDAY, *July 13, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

THE PETROLEUM INDUSTRY IN WYOMING AND MONTANA (S. DOC. NO. 233).

The VICE PRESIDENT laid before the Senate a communication from the chairman of the Federal Trade Commission, transmitting, pursuant to law, a report of the commission on conditions in the petroleum trade in Wyoming and Montana, which was referred to the Committee on the Judiciary, ordered to be printed, and to be printed in the RECORD, as follows:

FEDERAL TRADE COMMISSION,
Washington, July 13, 1922.

To the PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIRS: I have the honor to transmit herewith a report of the Federal Trade Commission on conditions in the petroleum trade in Wyoming and Montana.

This report is submitted to Congress pursuant to the provisions of section 6, paragraph (f), of the Federal Trade Commission act approved September 26, 1914.

Yours very truly,

NELSON B. GASKILL,
Chairman.

FEDERAL TRADE COMMISSION,
Washington, July 13, 1922.

To the PRESIDENT OF THE UNITED STATES SENATE AND
THE SPEAKER OF THE HOUSE OF REPRESENTATIVES,
Washington, D. C.

DEAR SIRS: The Federal Trade Commission submits to Congress the following report on conditions in the petroleum trade in Wyoming and Montana. This report was prepared by the commission in order to bring to the attention of Congress a situation, developed in the usual course of administrative procedure, which appears to call for legislative action.

Early in 1921 the prices of crude petroleum were radically reduced in all of the oil fields east of the Rocky Mountains. The prices of gasoline declined somewhat tardily and unequally in different sections of the country, but as a rule they were not decreased in the same proportion as crude prices. This situation gave rise to complaints on the part of consumers, particularly in the State of Montana. The conditions in Montana and adjoining States were called to the attention of the Federal Trade Commission by the Montana Railway Commission. The Federal Trade Commission made an inquiry into the Montana situation and the principal facts disclosed thereby were as follows:

1. The prices of gasoline in Montana and adjoining States were considerably higher in 1921 than in States nearer the mid-continent oil field. There were at many points wide margins between the wholesale and retail prices of gasoline amounting in some cases to from 5 to 10 cents per gallon. These large margins were in all cases obtained by the smaller retailers selling petroleum products within the State. The large marketing companies selling petroleum products in interstate commerce, on the other hand, maintain a uniform margin of 2 cents per gallon between their wholesale and retail prices.

2. Although during 1921 the prices of high-grade crude petroleum were much lower in Montana and Wyoming than in any other States, the f. o. b. refinery prices of gasoline and kerosene of the Midwest Refining Co. (which produces more than 90 per cent of these products refined in the Rocky Mountain territory) were much higher than at mid-continent refineries.

3. The prices of the large marketing companies selling petroleum products in interstate commerce were usually identical at towns taking the same freight rates. For these companies also the prices at competing points were generally the same, and price changes were made by the different concerns at practically the same time. No evidence was secured, however, indicating a conspiracy between these companies to fix prices. As stated in a former report, discussing the whole country:

"Price initiative to-day seems to be left generally to the Standard companies, and competition is apparently more directed to developing facilities for getting business than in seeking to obtain it by underselling."

4. The bulk of the gasoline sold by the marketing companies engaged in interstate commerce in Montana is purchased from the Midwest Refining Co. f. o. b. refineries. The Midwest Co. bases its sales prices upon prices at Tulsa, Okla., and charges higher f. o. b. refinery prices for gasoline sold in Montana and adjoining States than for that sold in territory nearer Tulsa.

5. The petroleum industry of Montana and of the entire Rocky Mountain region is dominated by Standard Oil interests. This monopoly was perfected in 1920 and 1921, when the Standard Oil Co. (Indiana) obtained control of the Midwest Refining Co. The acquisition of this company gave the Standard interests practically complete control of the producing, transporting (pipe lines), refining, and marketing branches of the petroleum business of that entire section. The more important Standard companies engaged in the various branches of the petroleum industry in that region includes: The Ohio Oil Co., the Carter Oil Co., the Midwest Refining Co. and its subsidiaries and affiliated companies, the Kasoming Oil Co., the Illinois Pipe Line Co., the Utah Oil Refining Co., the United Oil Co., and the Continental Oil Co. In addition to these companies the Sinclair interests market in the Rocky Mountain territory and have recently organized a producing company to develop the Teapot Dome in Wyoming. In 1921 the Standard Oil Co. (Indiana) purchased one-half interest in the Sinclair Pipe Line Co., and in conjunction with Sinclair interests organized the Sinclair Crude Oil Producing Co., in which the Standard Oil Co. (Indiana) holds one-half interest. The Sinclair Crude Oil Purchasing Co., which, up to the present time, has only operated in the mid-continent oil field, purchases and stores crude petroleum, and according to the 1921 annual report of H. F. Sinclair, chairman of the board of directors, made April 27, 1922, this company had at that time 18,000,000 barrels of crude petroleum in storage. A large proportion of this crude was purchased when the price was low. According to current reports this latter company is now planning to purchase and store Wyoming crude, which it is planned will be shipped through the proposed new pipe lines of the Sinclair Pipe Line Co., which when built are to connect with its own lines and with those of the Prairie Pipe Line Co. (another Standard concern) in the vicinity of Kansas City, Mo. Prior to the acquisition of the Midwest Refining Co. by the Standard Oil Co. (Indiana), the Ohio Oil Co. (Standard) was the largest producer in that section. The Illinois Pipe Line Co. owned the greatest pipe-line mileage, the Midwest Refining Co. was the most important refiner, and the Continental Oil Co. was the chief marketer. These companies are now all members of the Standard group.

6. At the present time the Midwest Refining Co. and the Ohio Oil Co., the principal purchasers of crude petroleum, fix the price paid to the consumer at about 60 cents per barrel less than the price of similar quality mid-continent crude, while, as already stated, in the sale of its gasoline f. o. b. refinery the Midwest charges a higher price for shipments into Montana and a lower price for sales destined for territories where it must meet competition from the mid-continent field. In other words, in the purchase of crude and in sale of gasoline Standard interests take advantage of the cost of rail transportation to and from that section. The producer of crude petroleum and the consumer of gasoline are both at the mercy of the Standard interests. The crude petroleum supply and demand conditions were such in Wyoming during 1921 that had there been free competition the refinery prices of gasoline and other products apparently would have been as low as or lower than those in the mid-continent field.

7. While the inquiry proved that prices of gasoline were higher in Montana than in many other States, and that prices were much higher at some points within the State than at others, the Federal Trade Commission can not effectually remedy this situation. As already pointed out, the fundamental cause of the unsatisfactory situation in Montana is due to the monopolistic control of the petroleum industry of that region by the Standard Oil Cos. This monopoly is made possible by the terms of the Standard Oil dissolution decree. Under that decree the different units of the Standard Oil group are, for legal purposes, supposed to be strangers to each other; but there is, as is generally known, an interlocking stock ownership in the different organizations which has perpetuated the very monopolistic control which the court sought to terminate. To-day the whole country is divided into 11 gasoline-marketing territories, in each of which a Standard company is the dominating factor, and in which there is no real competition between the various Standard units, while in Wyoming the contemplated entrance of Standard-Sinclair interests promises to increase the monopolistic control of that industry.

The commission is of the opinion that this situation can not be effectually remedied by existing laws and that adequate relief can only be secured through additional legislation. With a view of remedying the situation in Montana and throughout the United States, the commission therefore reiterates a recommendation previously made to Congress, namely, "Abolition, by legislation, of common-stock ownership in corporations which have been members of a combination dissolved under the Sherman law." The foregoing proposition is stated in a concise and general form, in order to show more clearly the fundamental idea, but in actually framing legislation it would be necessary, of course, to express this idea with great care in order to prevent evasion of the intended prohibition. A suggested draft is appended to this report. The merit of this remedy is that it appears to offer the only prompt and effective means hitherto suggested of terminating monopolistic control in cases like that presented by the Standard Oil group.

Respectfully,

NELSON B. GASKILL, *Chairman.*
VICTOR MURDOCK.
HUSTON THOMPSON.

A bill to prevent evasions of the antitrust laws.

Be it enacted, etc., That from and after one year from the date of the approval of this act the ownership or control, direct or indirect, by any person, partnership, association, or corporation of any shares of stock or other property interest in more than one association or corporation engaged in commerce among the States or with foreign nations which has been a member of a combination dissolved pursuant to a judicial proceeding under an act entitled "An act to protect trade and commerce against unlawful restraints and monopolies, approved July 2, 1890," or which has acquired the possession or control of any of the works, plants, or other operating property or patents or brands of such a combination or any constituent element thereof is hereby prohibited.

SEC. 2. Any person or any representative of any person, partnership, or corporation violating, or causing to be violated, the provisions of section 1 of this act shall be fined in a sum not to exceed $5,000 and imprisoned not more than two years.

SEC. 3. Authority to enforce compliance with section 1 of this act by the persons, partnerships, associations, or corporations subject thereto is hereby vested in the Federal Trade Commission, to be exercised in the manner prescribed by section 11 of an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914.

PROHIBITION ENFORCEMENT.

Mr. STERLING. Mr. President, I have here a letter inclosing a statement made by the board of bishops of the Methodist Episcopal Church, which I ask may be read by the Secretary at the desk, first reading the letter.

The VICE PRESIDENT. Without objection, the letter will be read as requested.

The reading clerk read as follows:

COMMITTEE ON CONSERVATION AND ADVANCE
OF THE COUNCIL OF BOARDS OF BENEVOLENCE,
METHODIST EPISCOPAL CHURCH,
Chicago, July 11, 1922.

Hon. THOMAS STERLING,
Washington, D. C.

DEAR SENATOR STERLING: I am inclosing you a statement by the board of bishops of the Methodist Episcopal Church which I wish you could have read in Congress and reproduced in the CONGRESSIONAL RECORD.

Very sincerely yours,

J. T. B. SMITH.
Department of Publicity.

Mr. STERLING. I am glad to comply with the request contained in the letter, and as the statement is not very long, consisting of only two pages, I ask unanimous consent that it may be read.

The VICE PRESIDENT. The Chair hears no objection, and the Secretary will read as requested.

The reading clerk read as follows:

COMMITTEE ON CONSERVATION AND ADVANCE
OF THE METHODIST EPISCOPAL CHURCH,
Chicago, Ill.

The following statement was unanimously adopted at a meeting of the board of bishops of the Methodist Episcopal Church:

BISHOPS SAY DRY LAW GREATEST UNITED STATES REFORM—LAW MUST BE ENFORCED.

The bishops of the Methodist Episcopal Church have noted the present discussion of the Volstead Act and the eighteenth amendment to our Constitution. Such discussion was to be expected. Ingenuity would be exhausted to discover or invent reasons for the repeal of the laws. Allowing that all the results anticipated have not been realized that fact lies not against the law but against those who have failed in its enforcement and against those who have encouraged the betrayal of administrative trust. When all has been said the accomplishment in the writing of these particular laws makes the greatest chapter in America's story of moral reform. It has attracted the attention of the world. It has given to our industrial life an advantage recognized by economists everywhere.

The relation of the drink traffic to crime has long been familiar. We need to see that the disrespectful treatment of prohibitory laws is not a mere academic impropriety. The great objectives of civilization can not be gained where lawlessness goes unpunished and unrebuked. Mob violence is to-day a menace which demands most careful thought and wisest treatment. The ability to suppress or prevent

disorder which jeopardizes the right of property and life is one of the ultimate tests of civilization.

Obedience to law is not an elective to be rendered or refused on the basis of individual or group choice. This we believe. But it is inconsistent to inveigh against the spirit of lawlessness on other fields if in our attitude toward the prohibitory enactment we encourage contempt of law. Those who make public opinion must be held accountable for the total result when inconsiderate criticism of laws induces insult to laws. The press of this country must be made to see its responsibility inescapable if its persistent caricature of so-called temperance laws lead the immature to believe that law itself belongs really and only in the comic supplement.

Where present legislation seems inadequate let it be perfected. Where the law is ineffectual find the cause and as quickly as may be remedy it. Let us insist upon it that those who are sworn to uphold the Constitution deal with occasion not as propagandists of personal judgment but as defenders of the law.

Let us choose for office those only who have by word or act established their right of recognition as the friends of prohibitory reform, and saying this we would record appreciation of the help given to this cause by the President of the United States and by the Chief Justice, and we would pay tribute to those in the House of Representatives and in the Senate of the United States and to those in other places of public trust who have taken and held their place on the side of national morality.

For the sake of the Nation and the world, in the interest of industrial prosperity as of peace and order, for the promotion of all the ends of education and religion, we accept for ourselves and urge upon all our people the solemn obligation to guard sacredly the results already gained and to complete the work upon which so many lovers of mankind have wrought, anticipating with confidence the day when, despite the cupidity of some and the treasonable intrigue of others, the life of the Nation shall be lifted to the level of its laws.

BOARD OF BISHOPS OF THE METHODIST EPISCOPAL CHURCH,
BISHOP L. B. WILSON, *Secretary*.

PETITIONS.

Mr. WILLIS presented petitions of the Smith-Kasson Co., and sundry citizens of Cincinnati, Ohio, praying for inclusion in the pending tariff bill of only a moderate rate of duty on light-weight gloves, which were referred to the Committee on Finance.

REPORTS OF COMMITTEES.

Mr. LADD, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 2866) authorizing the Secretary of the Interior to sell and patent to parties named herein certain lands in Louisiana, reported it without amendment and submitted a report (No. 815) thereon.

Mr. CAPPER, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (S. 3754) for the relief of Louis Leavitt (Rept. No. 816); and

A bill (S. 3780) authorizing a credit in certain accounts of the Treasurer of the United States (Rept. No. 817).

Mr. McNARY, from the Committee on Agriculture and Forestry, to which was referred the joint resolution (S. J. Res. 219) creating a joint commission to investigate the subject of crop insurance, reported it without amendment.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CURTIS:

A bill (S. 3817) for the relief of William H. Gage (with accompanying papers); to the Committee on Military Affairs.

A bill (S. 3818) granting a pension to Samanda Sweazy (with accompanying papers);

A bill (S. 3819) granting an increase of pension to Margaret Hamilton (with accompanying papers);

A bill (S. 3820) granting a pension to Aggie Isince (with accompanying papers);

A bill (S. 3821) granting a pension to Anna Taggart (with accompanying papers); and

A bill (S. 3822) granting a pension to Sarah Cowman (with accompanying papers); to the Committee on Pensions.

By Mr. TRAMMELL:

A bill (S. 3823) for the relief of M. E. Gillett & Son; to the Committee on Claims.

By Mr. BURSUM:

A bill (S. 3824) for the relief of John F. Walker; to the Committee on Military Affairs.

PUBLICATION OF EXTRANEOUS MATTER IN RECORD.

Mr. DIAL. Mr. President, the practice has grown up in the Senate of putting a great deal of extraneous matter in the RECORD. I have hesitated to object, but I want to serve notice that from now on I propose to object to a good deal of this matter going into the RECORD. We are about to make a yellow journal out of it.

Yesterday afternoon the Senator from New York [Mr. CALDER] had inserted in the RECORD an article from some northern paper about a lynching in Georgia. At that time neither of the Georgia Senators were present and I thought to object, but the article not having reference to my State I did not. I do not approve of lynching either in the North or in the South, in the East or in the West, but I do not think that any section of the country has much advantage over any other section when we come to consider the lawless acts of the people of the United States. There is too much lawlessness going on. The law ought to be enforced, and ought to be enforced rigidly, by the courts of the country. I think the courts have been too lenient along that line.

Some time ago a Senator had inserted in the RECORD in my absence an article from some newspaper somewhat misrepresenting me. I knew nothing about it until a few days afterwards. While it did not directly reflect, yet it tended to depreciate a proposition which I advocated. It does seem to me that fair play, honesty, and courtesy would suggest that if a Senator proposes to insert in the RECORD an article from any newspaper reflecting upon some Senator or that Senator's section of the country, he should be ethical enough to give notice beforehand to that Senator.

I merely want to say this in order that no one need take any particular offense, because I am going to object to any of this matter going into the RECORD and try to have here a publication representing the sentiment of the Senate and representing the best sentiments of the United States, and not have published in it what any muckraker may say of some particular section of the country.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The VICE PRESIDENT. The Secretary will report the pending amendment.

The READING CLERK. The next amendment of the Committee on Finance is in paragraph 901, page 121, line 4, where the committee proposes to strike out "one-fifth" and insert "one-fourth," so as to make the proviso read:

Provided, That none of the foregoing, of numbers not exceeding No. 100, shall pay less duty than 5 per cent ad valorem and, in addition thereto, for each number, one-fourth of 1 per cent ad valorem, etc.

Mr. SIMMONS. Mr. President, I make the point of no quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Ernst	Lodge	Ransdell
Ball	Gooding	McCormick	Sheppard
Borah	Hale	McKinley	Simmons
Bursum	Harris	McLean	Smith
Calder	Harrison	McNary	Smoot
Cameron	Reflin	Moses	Spencer
Capper	Johnson	Nelson	Sterling
Caraway	Jones, N. Mex.	New	Trammell
Culberson	Jones, Wash.	Newberry	Walsh, Mass.
Cummins	Kendrick	Norris	Walsh, Mont.
Curtis	Keyes	Oddie	Watson, Ind.
Dial	Ladd	Overman	Willis
du Pont	Lenroot	Pepper	

Mr. HARRISON. I wish to announce that the Senator from Nevada [Mr. PITTMAN] is detained on account of illness in his family. I ask that this announcement may stand for the day.

Mr. HARRIS. My colleague [Mr. WATSON of Georgia] is absent on account of illness. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Fifty-one Senators have answered to their names. A quorum is present.

Mr. SMOOT. Mr. President, I had intended at the beginning of the consideration of Schedule 9, which is known as the cotton schedule, to address the Senate at length, explaining in detail every paragraph in the schedule and every proposed amendment to the rates therein which has been reported by the Senate committee to the bill as it came from the other House, and make a comparison between the rates now proposed and the rates of the existing Underwood tariff law, as well as the rates provided on similar articles in the Payne-Aldrich law. I think, however, the time has arrived, Mr. President, when every Senator is desirous to conclude the work of the session, and I therefore am not going to take any more of the time of the Senate than is absolutely necessary in order to explain the reason for the rates provided for in the schedule and in the amendments which have been offered by the committee, and to state their real object. I have therefore decided, Mr. President, whenever a paragraph is reached that I shall make a brief statement explanatory of the changes in the particular paragraph.

I should like also to express the hope at this time that we may have as many Senators as possible present in the Chamber, in order that they may get what I will term a bird's-eye view

of the rates proposed and the reason for their imposition. With a large attendance of Senators I think we should have less discussion of the bill, and we might get through with the debate a great deal sooner than we shall by a continuation of the present practice of Senators coming into the Chamber and asking questions which have already, perhaps, been answered more than once.

Mr. President, paragraph 901, which is the paragraph we are now considering, divides cotton yarns into such as are not bleached, dyed, colored, combed, or piled and such as are bleached, dyed, colored, combed, or piled, each with its progressive rate of duty.

In passing I wish to say to the Senate that this bill to-day proposes progressive rates of duty, all based upon the numbers of yarns, and as the condition is advanced from the yarn itself into the manufactured cloth there is one straight progressive duty; so that any change which may be made in any rate proposed by the committee will necessarily require changes all along the line. So it is very necessary that we begin with paragraph 901 and establish the rates in that paragraph, for those rates have been carried through every paragraph in the schedule.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. SMOOT. I yield.

Mr. LENROOT. I should like to ask the Senator whether he is prepared, in view of this new scheme of rates, to give to the Senate comparisons as he goes along with the Underwood law and the Payne-Aldrich law?

Mr. SMOOT. I will say I have them in detail, and, while the Senator is here and there are a number of other Senators in the Chamber——

Mr. LENROOT. The Senator from Wisconsin is going to stay here during this discussion.

Mr. SMOOT. I did not mean to intimate that the Senator was not, but while other Senators are here, I want to say a word in relation to the comparisons of the equivalent ad valorem rates which have been made and prepared by certain members of the Tariff Commission between the rates proposed by the committee and the rates in the Payne-Aldrich law. I will say to the Senator that the rates proposed by the committee are less than the rates in the Payne-Aldrich law all the way through. Furthermore, certain comparisons which have been made and which have come under the observation of members of the committee are very unfair, for the reason that the prices of cotton goods in 1913 have been taken and the equivalent ad valorem duty arrived at on the basis of those prices under the rates of the Payne-Aldrich bill, and when it comes to calculating the equivalent ad valorem duty under the provisions of this bill the prices of cotton goods of to-day are not taken but the prices of cotton goods in 1913.

That is unfair. When we come to the comparison of those equivalent ad valorem rates, I want to call attention to why they are unfair, and I will show in every case where I think it is necessary how "deceptive"—I do not want to use the word "deceptive," but I do not know of any other word to use—they are.

Mr. LODGE. Misleading.

Mr. SMOOT. Yes.

Mr. LENROOT. There is one other question I should like to ask the Senator. In making those comparisons is he going to compare not only the specific rates but apply the ad valorem minimum or maximum, as the case may be?

Mr. SMOOT. In every case, and then I will also before we get through with the cloth paragraphs show the average equivalent ad valorem of all of the cloths that were imported into the United States under the Payne-Aldrich law and of all similar cloths imported under the existing law.

I will frankly admit, as I want the Senate to know, that under the provisions of paragraph 905a as at first reported to the Senate, known as the cumulative duties provision, the rates on the finer grade of goods—that is, goods which are woven by the swivel, dobby, or jacquard processes—were raised considerably above the Payne-Aldrich rates, but an amendment will be offered to the effect that in no case shall any rate in the cotton schedule exceed 45 per cent.

Mr. LENROOT. I should like to ask one other question. Have the proposed amendments been printed?

Mr. SMOOT. They have; and the Senator can get them by sending a page to the table.

Mr. LENROOT. I knew they were in typewritten form, but I did not know whether they were printed or not. So that all of those which affect the cotton schedule have been printed?

Mr. SMOOT. They have.

Mr. SMITH. Does the Senator mean to say that in every paragraph in the schedule the rate which shall be effective shall in no case exceed 45 per cent?

Mr. SMOOT. Yes; I say that.

Mr. SMITH. I shall listen with interest to the Senator's explanation of the different paragraphs as he goes on, glancing at the amendments he proposes, to see just how he will adjust that.

Mr. SMOOT. It is adjusted by providing that no rate shall be greater than 45 per cent.

Right in this connection I want to say this: It is rather difficult to compare in some instances the equivalent ad valorem rates of the Payne-Aldrich law and the present bill, because of the fact that the basis of imposing the duty has been changed; but the only place that I can find where there is a duty that is higher in the proposed amendments to this schedule offered by the committee, if adopted, is where there was a change of a bracket as to the values provided in the Payne-Aldrich law. That happens in every tariff bill that is ever written. In other words, if the goods cost half a cent more per yard than the highest value named in a bracket, they fall under a higher rate, and as the first increase in the advanced-price bracket, whether the value be half a cent or a cent per yard more, necessarily fall in the higher-rate bracket. When the equivalent ad valorem is worked out it is shown to be higher than the existing law, simply because we have adopted a different method of imposing the duty; but the practice, as everybody knows, is that wherever such brackets are provided the goods are made so as to fall just under the value of the higher bracket rather than just over the lower bracket. That is understood by everybody; and therefore what few rates there are that will be shown to carry a little higher equivalent ad valorem than that provided in the Payne-Aldrich law—and there are only a few of them—come about for the reason that I have just stated.

The first class refers to yarns in the gray, singles and carded. The second class refers to those advanced in manufacture beyond the first class. The rates are levied, as in preceding acts, on the number of the yarn—that is, the number of 840-yard hanks that weigh 1 pound—with the result that the duty increases progressively with the yarn number. The higher the number the finer the yarn and the greater the length per pound, and the higher the percentage of labor costs; so that a duty increasing progressively with the yarn number is the most equitable tax that it is possible to impose. Therefore the committee has fixed rates of duty dependent upon yarn count, increasing in uniform ratio as the number of the cotton yarn increases, but interrupted at the point of 40 for specific rates. The change in the rate of progression on both the basic and advanced yarns at No. 40 is made because that number marks the normal ring-spinning limit of yarns made from short-staple upland cotton not over 1⅛ inches in length.

Above No. 120 there is rarely any domestic yarn made for sale. It is so infinitesimal in amount and used in luxury goods that a rate of 45 per cent is not excessive. The stoppage of the advance in duties at this point should stimulate the production of articles which require extra high-count yarns not produced in this country.

Under present price conditions it is probable that the maximum ad valorem rates will apply to practically all imported yarns. These rates progress on cotton yarn, carded single and in the gray, from 5¼ per cent ad valorem in steps of one-fourth of 1 per cent ad valorem for each number until the No. 100 is reached, where the rate is maintained at 30 per cent ad valorem on all yarns finer than No. 100; and in the case of cotton yarns, plied, colored, or combed, from 10½ per cent, advancing at the rate of one-fourth of 1 per cent ad valorem per number until No. 100 is reached, where the rate is maintained at 35 per cent ad valorem.

Mr. CUMMINS. Mr. President, will the Senator answer a question, purely for information?

Mr. SMOOT. Certainly.

Mr. CUMMINS. There are no compensatory duties in the cotton schedule, are there?

Mr. SMOOT. There are compensatory duties on yarns and on cloths made from long-staple cotton; yes.

Mr. CUMMINS. That was made necessary by the amendment which the Senate adopted yesterday of 7 cents a pound on long-staple cotton?

Mr. SMOOT. Absolutely; and I will say to the Senator that taking it on all classes of goods the yarn number of which is over 60, because it is difficult and in some cases unprofitable to spin a yarn over 60's with short-staple cotton, such duty amounts to about 10 cents a pound—a pound, not a yard—on the finished cloth.

Mr. CUMMINS. But the great volume of the cotton product of the country comes from short-staple cotton, does it not?

Mr. SMOOT. Oh, yes; the great volume; and in dollars and cents as well as in yardage.

Mr. CUMMINS. So large a proportion that the other becomes almost negligible. If so, then we dismiss compensatory duties with regard to the great volume of the production.

Mr. SMOOT. Yes. I may say to the Senator that wherever long-staple cotton is used it is for the purpose of spinning a fine thread, and I can show the Senator samples of cloths that are classed mostly as luxuries, outside of tire fabrics, that to make them requires the strength and fineness of fiber of the long-staple cotton.

Mr. SMITH. Mr. President, if the Senator will allow me, under the compensatory duties that must necessarily apply as growing out of the action of the Senate yesterday, practically 80 per cent of the cloths and yarns imported would bear this additional duty by virtue of the action of the Senate yesterday.

Mr. SMOOT. More than that of the importations, I will say to the Senator.

Mr. SMITH. Well, I will use that as a basis.

Mr. SMOOT. It is more than that.

Mr. SMITH. You must remember, however, that there is a tremendous volume of cotton produced in the Gulf and South Atlantic States that would come under the classification of this 1⅛ staple; perhaps a million or more bales under the improved cultivation resulting in this fiber. Therefore you would have in your domestic production a compensatory duty that might include almost the entire cotton production of this country, because if it is composed wholly or in part of this you will pay this additional duty.

Mr. CUMMINS. Mr. President, I am asking whether the bill does contain compensatory duties upon any very large part of the cotton product of the country.

Mr. SMOOT. It contains it on the importations; and the Senator has forgotten, I suppose, the amendment that is offered on page 125, line 19, to insert after the period a new sentence, to read as follows:

In no case shall the duty or duties imposed upon cotton cloth in paragraphs 903 or 905–a exceed 45 per cent ad valorem.

So there is a limit there. It makes no difference about the count, and it applies to those two paragraphs.

Mr. SMITH. Without going any further into the details, even where you provide that the duty shall not exceed 45 per cent, there are paragraphs here where advantage could be taken of that in such a way as to put even that duty and the range of the duties underneath there out of all proportion to the necessity for that duty. This applies to cotton cloths; but on cotton yarns, the higher count that we import into this country, the range is still unlimited, and the duty that we imposed yesterday by virtue of the long-staple cotton will put a large per cent of the cloths manufactured in this country from domestic cotton as well as those imported up to the 45 per cent where the condition does not justify it.

Mr. CUMMINS. That may be true. I do not know.

Mr. SMOOT. I do not want the Senator from Iowa to think that the Senator from Utah agrees with that statement.

Mr. CUMMINS. No; I understand that the Senator from Utah dissents from that conclusion, but I come back to the information that I really want. We have it admitted, and everybody knows, that a very large proportion, an overwhelming proportion, of the cotton product of the United States—I am speaking now of the finished product—is not made of long-staple cotton. It is made of the ordinary grades of upland cotton. Now, my question is this: Does the manufacturer, whether of yarn or of cloth, in the United States pay as much for his cotton as his rival in Great Britain or Germany or France?

Mr. SMOOT. The Senator means for ordinary cotton?

Mr. CUMMINS. For ordinary cotton.

Mr. SMOOT. He pays the Liverpool price.

Mr. CUMMINS. Is that admitted everywhere—that the people of this country must pay the Liverpool price for cotton that is produced and sold in the United States?

Mr. SMOOT. I think I have heard the Senator from South Carolina [Mr. SMITH] say it many, many times upon this floor.

Mr. CUMMINS. Why is that?

Mr. SMOOT. Because Liverpool regulates the price of the cotton of the world.

Mr. CUMMINS. But it would seem to me that the cotton that is produced in the United States, baled, transported to the seashore, and then carried across the ocean, ought to cost a little more than cotton that is delivered at the approximate point of manufacture in the United States. Then the answer is that the cotton that is used by the home manufacturer costs the same as the cotton used abroad?

Mr. SMOOT. If he buys it at the same time.

Mr. CUMMINS. Is there any other material which enters into the finished product that costs more in the United States than it costs abroad?

Mr. SMOOT. Yes; nearly every other item of cost. There would be some cotton goods with silk threads, for instance, but I suppose——

Mr. CUMMINS. I am speaking of pure cotton goods. There is no material that is used by the American manufacturer that costs any more than that material used abroad.

Mr. SMOOT. Oh, yes; there is. I might say with safety every other item of cost of manufacture, such as dyes, repairs to machinery, buildings, and labor costs more.

Mr. CUMMINS. I am speaking of material, not labor. I am trying to get down to the question of labor, if I can, by eliminating as many of the other elements as can be properly eliminated.

Mr. SMITH. If the Senator will allow me, the Senator from Utah must admit that the raw material necessarily is cheaper on the market in this country than it is abroad, on account of the additional freight which must be paid in sending it abroad, because we sell in this country on the price fixed in Liverpool, f. o. b. here. I have a table of the transportation charges, which I will put in the RECORD. I put one table along that line in the RECORD yesterday. There is the freight and the insurance and whatever damage there may be. That is counted out in what is known as the c. i. f. and 6 contract. There is practically no foreign manufacturer of cotton competing with America who gets his cotton as cheaply as the American purchaser gets his raw material.

Mr. SMOOT. The manufacturer in England gets long-staple cotton cheaper than the American manufacturer, and always has and as cheap ordinary upland cotton as cheap as the eastern manufacturer, but as cheap as the cotton manufacturer of the South.

Mr. CUMMINS. There seems to be a difference of opinion. I am seeking information. The Senator from Utah has just answered that the American manufacturer must pay just as much for his raw cotton as the English manufacturer or the German manufacturer or the French manufacturer.

Mr. SMITH. Any paper you may pick up this morning quotes the price current on the Liverpool exchange, and it runs from 2½ to 3 cents a pound above the American price for the like cotton. That is to take care of the freight. Of course, it is expressed in pounds sterling, but it is very easily reducible to our money.

Mr. CUMMINS. Does the Senator from Utah agree with the Senator from South Carolina on that point?

Mr. SMITH. I just submit the tables taken from the current reports.

Mr. SMOOT. If Germany buys cotton from Liverpool, Germany buys that cotton from Liverpool at the price quoted in Liverpool and pays the freight on that cotton. There is no doubt of that. When the eastern manufacturer buys cotton at the Liverpool price he pays the freight from the point in the South whence the cotton is shipped to his mill, but he pays the Liverpool price.

Mr. SMITH. Mr. President, there can be no controversy whatever. I have been in the cotton business all my life, and under our flat rate the cotton of the American mills, including both the New England and the southern mills, sells at a price less the freight from here to Liverpool. In other words, the southern manufacturer can get his cotton for from 2 to 3 cents cheaper than the Liverpool man can get his. He can get the wagon cotton without paying any freight whatever. The foreigner pays all incidental expenses. It is monstrous to say that the foreigner gets his cotton delivered at his mill door at the same price the American pays. What becomes of all that added oceanic freight and insurance, the stevedorage, and the compression? A large proportion of the cotton of the American spinner is not even compressed, and in order to conserve space on the vessel and in the cars they have concentration points for export, compress the cotton, and then ship it abroad. That cost ranges anywhere from 2 to 3 cents a pound. During the war the difference between what it cost the American mills and the English mills to get cotton went as high as 6 and 7 cents a pound. I will submit the figures in tabulated form, so that the Senator can have no doubt. It will be information from authoritative and official sources.

Mr. SMOOT. There is no doubt that the southern mills have every advantage in the world over the eastern mills and the mills in the foreign countries in the purchase of American cotton. In respect of the lower-grade cotton goods, perhaps we could get along without any or little protective duty. The southern mills have the cotton right at their door. It is delivered to them there. It is quite different where the freight

rates are paid from here to England, or from the South to New England.

Mr. McLEAN. In the Tariff Commission Survey, page 105, it is said that the cost of freight on Egyptian cotton imported into this country——

Mr. CUMMINS. I am not talking about Egyptian cotton.

Mr. McLEAN. I know that, but it would be more, if anything, than the freight to England.

Mr. SMOOT. Oh, yes; twice as much.

Mr. McLEAN. I think the comparison will show that the freight on our cotton to England would not exceed half a cent a pound.

Mr. SMOOT. It is just about that.

Mr. McLEAN. Including the marine insurance, fumigation, and all expenses, the freight would be a cent and a half a pound from Egypt.

Mr. SMOOT. I will say to the Senator from Iowa that I was speaking of the eastern mills, not the cotton mills where the cotton is delivered at the door, and the local rail freight from Texas to an eastern mill is almost as high, if not higher—I think it is higher—than it is to Liverpool.

Mr. McLEAN. It is higher.

Mr. CUMMINS. Shipped from where?

Mr. SMOOT. From New Orleans.

Mr. CUMMINS. That seems very strange to me.

Mr. MOSES. The rate is absolutely higher.

Mr. CUMMINS. I will accept that as a doubtful proposition. There may be a maladjustment of freight rates with regard to that, but it seems very strange to me that cotton can not be shipped from Savannah, Ga., to New York or New England more cheaply than it can be shipped from Savannah, Ga., to Liverpool. But let us assume that the material, so far as raw cotton is concerned, costs the American manufacturer the same as it costs the foreign manufacturer.

Mr. MOSES. Mr. President, even that assumption is not fair. I can say to the Senator that it costs more to ship a bale of cotton from Birmingham, Ala., to Manchester, N. H., than to ship it from Birmingham, Ala., to Manchester, England.

Mr. CUMMINS. There seems to be a very great difference of opinion upon that point. I do not know just how to settle it.

Mr. MOSES. That is absolutely correct.

Mr. SMOOT. I know that when I used to buy cotton in Texas, I had to pay $1.60 a hundred to get it from Texas up to Provo, Utah, and I could have shipped the cotton clear to Liverpool for about one-half the rate.

Mr. CUMMINS. Then, it seems to me that, instead of curing that obvious injustice by a duty on the manufactured product, we ought to cure it by readjusting the rates of transportation.

Mr. SMOOT. There is no duty given to make up for any difference in the cost of cotton in any part of the world. But I want to say to the Senator that Egyptian cotton costs the American manufacturer more, and that is the cotton which goes into all finer goods.

Mr. CUMMINS. I understood the Senator from Utah to say that the great bulk of the cotton goods is not affected by the duty we put upon the long-staple cotton.

Mr. SMOOT. There is no doubt about that as to American-made goods.

Mr. CUMMINS. Therefore we are not bothered with Egyptian cotton, so far as that is concerned. There should be no compensatory duty for those manufacturers who do not use the long-staple cotton, and that will cover a very large proportion of the product. The home manufacturer I have no doubt pays higher wages for his repairs, for whatever work is done, either in repair or in the actual manufacture. We are dealing in this paragraph with gray yarn. Nothing has been done to that particular product except to spin it, after scouring it. How much more does it cost to spin the yarn in the gray in this country than it does in England? That is what I want to know.

Mr. SMOOT. I will say to the Senator that that all depends on the size of the yarn. If you take the lower counts of yarn, you can spin it in this country as cheaply as you can in England, but the investment is greater.

Mr. CUMMINS. Will the Senator explain to me the process? Whether it is spun into coarse yarn or into fine yarn, is it largely a mechanical process; is it done largely by machinery?

Mr. SMOOT. Yes; but not all machinery can produce the finer styles of cloth, and not all workmen can perform the work required.

Mr. CUMMINS. Why does it cost proportionately any more to spin fine yarn in the United States than in Great Britain?

Mr. SMOOT. In the first place, I perhaps could explain to the Senator in this way: A No. 1 yarn means that, taking 1 pound of cotton, you have to draw the cotton out into a thread 840 yards long. To make No. 100 cotton, that has to be drawn one hundred times longer, and whenever you get above 60, the loss is greater, and it takes a much longer time. Between a No. 1 and a No. 100, the mule has to go in and out one hundred times as many times, and it all requires a highest type of labor to do the handwork required. The difference has been so much, I will say to the Senator, that we have never undertaken to make in this country certain lines of goods.

Mr. CUMMINS. I understand it costs a great deal more to spin fine yarns—No. 100, for instance, if they ever get up to that number. I do not know whether they do or not——

Mr. SMOOT. Yes; they do.

Mr. CUMMINS. Than a No. 1; but it costs proportionately just as much more to do it in a foreign country as it does to do it in this country. Is not that true?

Mr. SMOOT. It costs proportionately more on the rate of wage which may be paid in both countries. If you got $1 here, and the difference between the costs of conversion in this country and abroad is 10 per cent, of course the difference is 10 cents; but if that identical thing costs a hundred times $1 the difference is $10.

Mr. CUMMINS. I think the Senator's mathematics are absolutely perfect, so far as that is concerned; but it increases in the same proportion abroad and at home. The duty, I quite agree, ought to be higher upon the finer grades of yarn than upon the lower grades.

Mr. SMOOT. I think the answer to the Senator is this, that about all of our importations are of the finer goods, with a higher rate.

Mr. CUMMINS. Then why do you put any duties upon the lower grades?

Mr. SMOOT. Mr. President, I think there ought to be a duty for many reasons, and they apply more to cloth than yarns, for, with the modern machinery being adopted in Europe, Europe can make goods cheaper than we can in this country.

Mr. CUMMINS. We sell a great many cotton goods abroad, do we not, of the lower grades?

Mr. SMOOT. Yes; the special lines which go to China and which go to Canada, because she is our neighbor and can buy her goods as she needs them, and Cuba, the Philippines, Porto Rico, all with a lower tariff to America than the balance of the world. We export but few fine goods. The goods we export are generally special lines and plain fabrics, which count of yarn is generally under 40.

Mr. CUMMINS. One final question is whether the schedule is made up on the theory that the committee is covering the difference in the cost of production of the various kinds of goods in this country and abroad. Is that the basis upon which it has been done?

Mr. SMOOT. Just as nearly as we can get it, I will say to the Senator. Of course, the Senator will understand that our overhead cost of building a mill in the United States, beginning with the first stone that is laid in the foundation and up until it is finished, including every piece of machinery that goes into it, represents the capital that is invested in the industry at a higher price than in European countries. That has a great deal to do with the cost of production. We pay taxes upon that increased cost and the overhead is a great deal higher, and all of that has to be taken into consideration in arriving at the difference in production cost in this country and in the foreign land.

Mr. CUMMINS. My question was simply whether the committee adopted that basis and attempted to adjust the schedule upon the difference in the cost of production at home and abroad.

Mr. SMOOT. Yes. I want to say to the Senator that we took into consideration the importations, and we have taken into consideration what the price is in this country and in the foreign country. We adopted the principle—it seems to me the only one that could be adopted—in order to protect the line of goods that must be protected in this country and have an absolutely fair and just progressive rate according to counts in the yarn or cloth.

Mr. CUMMINS. We do not import any low-grade cotton yarns?

Mr. SMOOT. Very little in comparison to our production. I will say to the Senator that if America were producing only the class of goods that is produced in the Southern States today, with the advantage they have, I think we could get along without protection, or at least very little protection. We have two classes of cotton goods made in this country, and the line of demarcation is getting more marked every year. The Southern States are taking the making of most of the plain cotton goods away from the Eastern States manufacturer. They are being made there entirely, I was going to say, but I will not go that far. I do not know just what the percentage is, but

it is very small. I am speaking now of the cheaper grades of goods. Thus they have forced the eastern manufacture to create a market for the finer goods. It is remarkable what they have accomplished in the last 10 years along this line and educating the workmen to make fine, fancy styles cotton goods. In fact, I have samples here that, it seems to me, are nothing more or less than competitive with silk goods. They are luxuries of the highest type. They must receive protection. I will say to the Senator that even on that class of goods we put into the bill a provision that in no case shall any of them receive a protective rate of over 45 per cent.

Mr. CUMMINS. It seems to me, however, that the Senator from Utah has practically said now that the schedule contains duties upon some cotton goods that are not necessary and that ought not to be put in it.

Mr. SMOOT. I could not say anything else in referring to a certain line of cotton goods.

Mr. LENROOT. I would like to ask the Senator from Utah why it is that upon these low counts of cotton cloth such rates have been provided as the committee proposes, in view of the admission the Senator makes?

Mr. SMOOT. There is only one reason why that I know of outside of the increased investment. There are years when the styles change, that the most fashionable goods are made of a low-numbered cotton, but the finish and the weave is just as expensive as some of the very finest of goods with the exception that there is not the number of picks in the square inch, but the time required to make them is as great. They can not be made like the ordinary cotton goods that run on automatic looms. One loom is all an operator can tend, and the finish of the goods is a large part of the cost.

Mr. LENROOT. I would like to ask the Senator if he thinks a tariff bill should be built upon the exceptional case rather than the ordinary case?

Mr. SMOOT. I think it is the only way to do it in order to make progressive provision, step by step, in every manufacture of cotton. We either have to eliminate all protection and say that hereafter we will not have the class of goods referred to made in the United States, or else we have to build the rates as we have them here.

Mr. LENROOT. Now, one other question. The Senator states, and I agree with the Senator, that upon the higher counts a fairly higher rate of duty is necessary, but in the bill and the amendments which are now proposed the rate starts in at 8 cents a pound on a 40-count thread, speaking now of the paragraph under consideration, and that 8 cents is carried through to every count, and, in addition to that, when we have the higher count there is added enough to cover the difference in the cost of production of the higher count in this country and that same count abroad, and, in addition to that, the committee have put on 8 cents a pound, which the Senator admits is not necessary. How can that be defended?

Mr. SMOOT. Of course, it would be necessary in certain styles of cloth. It will not be necessary as to the ordinary cotton cloth, but there are goods that need all the protection provided in the schedule. For instance, take a mercerized yarn when the styles call for a No. 9 thread made out of Egyptian cotton, and necessarily so, because you could not otherwise get the finish. It is to take care of that class of goods as well as the ones I have before mentioned.

Mr. LENROOT. And at the same time, in so far as this rate is carried to the consumer in order to take care of 1 per cent, you have added 8 cents a pound upon 99 per cent of the consumption. I say in so far as the rates are carried to the consumer that is true. It is true, is it not, in so far as they are carried to the consumer?

Mr. SMOOT. If the rates were carried on to the consumer that would be true, but the competition here in these goods is so close, I will say to the Senator, that I do not think it is carried on to the consumer.

Mr. McLEAN. There are very few importations.

Mr. SMOOT. The importations are negligible.

Mr. LENROOT. If the importations are negligible, then what reason is there for a duty on the lower count at all?

Mr. SMOOT. The only reason I can give is the class of goods involved.

Mr. LENROOT. But the Senator said none is coming in of any consequence.

Mr. SMOOT. I mean of the ordinary common cloth.

Mr. LENROOT. I am speaking now of the yarn.

Mr. SMOOT. If we did not have the rate on the yarn, then of course yarns would be shipped in here and made into cloth.

Mr. LENROOT. Would the yarns be shipped in? Taking counts lower than 40, there is none being shipped in now under the present rate of duty.

Mr. SMOOT. Not of the ordinary yarn. They would not be shipped in.

Mr. LENROOT. No; certainly not; and yet it is proposed, taking No. 40, to impose a duty of 8 cents a pound upon that yarn with a minimum ad valorem as well.

I want to ask the Senator another question, because I did not quite understand. To what extent and where are the compensatory duties carried into this schedule by reason of the action of the Senate yesterday?

Mr. SMOOT. The Senator will find them in paragraph 905b.

Mr. LENROOT. Is that the only place where the compensatory duties are carried into the schedule?

Mr. SMOOT. I will say to the Senator there is another compensatory duty of 4 per cent.

Mr. LENROOT. I mean by reason of the Egyptian cotton.

Mr. SMOOT. That is the only place, and it is limited. It will be paragraph 905b when the amendment I have offered is agreed to.

Mr. SMITH. If the Senator will look at page 125, at the last paragraph, he will see that the duty imposed yesterday on the long-staple cotton will cover practically every form of yarn and cloth imported into the country above a certain count of yarn.

Mr. SMOOT. Provided it is long-staple cotton.

Mr. LENROOT. I want to ask the Senator to what extent yarns above the count of 60 are made of Egyptian cotton?

Mr. SMOOT. Practically all of them.

Mr. LENROOT. That is what I wanted to know.

Mr. SMOOT. It is very difficult, I will say to the Senator, to take the ordinary upland cotton and spin a thread above 60. It can be done, but whenever undertaken the losses are more than you could make by using the long-staple cotton.

Mr. CUMMINS. What is the production of long-staple cotton as compared with upland cotton?

Mr. SMOOT. Very small; in this country. I think not more than 5 per cent.

Mr. SIMMONS. Last year there were 8,000,000 bales produced, while ordinarily there are between 12,000,000 and 14,000,000 bales. The normal crop is somewhere around 13,000,000 or 14,000,000 bales. My impression is that all the long-staple cotton, not including that raised in California and Arizona, would not equal 200,000 bales.

Mr. SMITH. I think the percentage covered by this duty on 1⅛-inch staple would be very small.

Mr. SIMMONS. That would not amount to 200,000 bales.

Mr. CUMMINS. Then not more than 3 per cent of the output of the final product can be of this material?

Mr. SIMMONS. No.

Mr. CUMMINS. Then 97 per cent——

Mr. SMOOT. Oh, no. The Senator is speaking of goods manufactured in this country and not importations.

Mr. CUMMINS. What are the importations of the Egyptian or long-staple cotton?

Mr. SMOOT. I mean in the form of cloth.

Mr. CUMMINS. How much is produced in Egypt of the kind now called long staple?

Mr. SMOOT. Between 700,000 and 800,000 bales.

Mr. CUMMINS. And we produce 14,000,000 or 15,000,000 bales?

Mr. SIMMONS. In the normal years we produce between 14,000,000 and 15,000,000 bales.

Mr. SMOOT. That is of ordinary cotton.

Mr. CUMMINS. Then it is perfectly plain that the compensatory duties ought to begin where the long-staple cotton begins and not until then.

Mr. SMOOT. That is all we do. I have some samples here of the cotton used, if the Senator wants to look at them.

Mr. LENROOT. Mr. President, I want to ask the Senator another question.

Mr. SMOOT. I want to make a correction, if the Senator will wait just a moment.

Mr. LENROOT. Certainly.

Mr. SMOOT. I made a statement to the effect, Mr. President, that importations of cotton yarn under 40's amounted to but little. My attention, however, has been called to the fact that there were under the Payne-Aldrich law considerable quantities imported. I merely wish to make that correction for the RECORD.

Mr. OVERMAN. I did not hear what the Senator said. Did the Senator refer to importation of yarns under 40's?

Mr. SMOOT. Yes. I made a correction of my statement as to importations of cotton yarns under 40's.

Mr. OVERMAN. What is the amount of the importations?

Mr. SMOOT. I do not have before me the exact amount.

Mr. LENROOT. It is small.

Mr. SMOOT. Of the total production it is small.

Mr. LENROOT. I want to ask the Senator a question. Speaking of the compensatory duties, I should like to inquire what paragraph 905a means? Do I understand that if cloth comes in containing 10 per cent of yarns higher than No. 60 the entire cloth will take a compensatory duty of 10 cents a pound additional, which would be equal to a compensatory duty of about a dollar a pound upon Egyptian cotton? Is that correct?

Mr. SMOOT. The Senator may figure it in that way, but——

Mr. LENROOT. That is true, is it not?

Mr. SMOOT. But cloth will never be made in that way.

Mr. LENROOT. Why not?

Mr. SMOOT. I will tell the Senator why the committee provided the 10 per cent limitation. If there were not a 10 per cent limitation, then the manufacturers could put one or two threads of Egyptian cotton in the selvage and in that way claim the duty. Something similar to that has happened, as the Senator knows, under Schedule K, where if there was a thread of yarn——

Mr. LENROOT. I am not complaining of the 10 per cent, except that it is too low and not too high.

Mr. SMOOT. I want to say to the Senator that the 10 per cent——

Mr. LENROOT. Or 10 cents?

Mr. SMOOT. No; it is 10 per cent.

Mr. LENROOT. It is 10 cents per pound if finer yarns than No. 60 constitute more than 10 per cent of the cloth.

Mr. SMOOT. Yes; and I am speaking now of cases where finer yarns than 60's constitute more than 10 per cent of the cloth. I can not conceive that a manufacturer could ever mix 10 per cent of yarns finer than 60's with all of the other cotton and make a good piece of cloth. It may be possible to do that, but I hardly think it is possible.

Mr. LENROOT. If that be true, then how was the 10 per cent arrived at?

Mr. SMOOT. We were not going to provide that the use of long-staple cotton in the selvage, we will say, which does not affect the cloth at all, should necessitate the extra duty upon the whole cloth. The selvage, as the Senator knows, is only about one-thirtieth of the width of the goods. So we put it high enough in the bill to prevent such a thing occurring.

Mr. LENROOT. Why should that not be taken care of by an ad valorem instead of, as in the illustration which I gave, imposing a duty of $1 a pound compensatory where the rates upon the cotton itself is 7 cents a pound? I do not see why that could not be taken care of by an ad valorem duty rather than this alleged compensatory duty, which may be seven times or eight times the actual amount of compensation that would be proper.

Mr. SMOOT. Let me read the second clause of paragraph 905a:

> In addition to the duties imposed in paragraphs 901, 902, 903, and 905, there shall be paid on all yarns finer than No. 60, and on all yarns finer than No. 60 contained in threads and cloth, if constituting more than 10 per cent in weight of such threads or cloth, 10 cents per pound; all laps, sliver, and roving, and on all yarns coarser than No. 60, and on all yarns coarser—

We are going to amend that so as to read "not finer"—

> than No. 60 contained in threads and cloth, if containing cotton of 1⅛-inch staple or longer, 10 cents per pound.

Mr. President, of course I will say to the Senate that it was assumed that no long-staple cotton would be used in threads unless they were No. 60, and the provision here was limited to threads No. 60.

Mr. LENROOT. I understand that; but if it is desired to adjust the compensation it is necessary to arrive at the percentage of the finer thread in the cloth, and why should there not be imposed a compensatory duty upon the proportion of the finer cloth instead of upon all of the cloth?

Mr. SMOOT. If a thread is finer than 60 it has got to be of long-staple cotton.

Mr. LENROOT. But under this provision the customs officers must determine the question. For instance, if a cloth comes in, 10 per cent of the weight of which cloth has a yarn finer than 60, the compensatory duty would be 1 cent a pound, would it not, upon the whole cloth?

Mr. McLEAN. Yes; but the foreign manufacturer would not make any of that kind of cloth. He is not going to multiply his duty by 10.

Mr. LENROOT. I am speaking of the principle that is adopted in imposing the compensatory duty. Why is there not imposed a compensatory duty upon the content of finer thread rather than upon the total weight of the cloth?

Mr. SMOOT. That would be impossible, I will say to the Senator.

Mr. LENROOT. The fact has to be determined.

Mr. SMOOT. Yes; it has to be determined; but it is not necessary to determine that there is just 10 per cent. If the provision were not in here the selvage could be used as I have indicated.

Mr. LENROOT. It is necessary to determine whether there is more than 10 per cent or less than 10 per cent.

Mr. SMOOT. The answer is that the cloth can not be made in that way. If the yarn is over 60's, it is long-staple cotton.

Mr. LENROOT. Well, suppose it is 50 per cent?

Mr. SMOOT. The manufacturers could go to work and have a cloth made of ordinary cotton, and, perhaps, spin the 60 yarn; then have a selvage put in of the long-staple cotton, and then, without the limitation here, they could claim the whole duty.

Mr. LENROOT. Let me ask the Senator this: Does cloth which has 50 per cent of finer thread come in?

Mr. SMOOT. What does the Senator mean by "finer thread?"

Mr. LENROOT. Thread higher than No. 60.

Mr. SMOOT. I do not think it does. We assume such threads are made of long-staple cotton.

Mr. LENROOT. Does the Senator mean that no cloth comes in with a part of the thread higher than 60 and a part lower than 60?

Mr. SMOOT. Not a piece of such cloth comes in that I know of. Such a thing could happen, but I do not know how it could be made to pay.

Mr. LENROOT. Is it not very common? I do not pretend, however, to be an expert.

Mr. SMOOT. I will say to the Senator that it would involve more expense to the manufacturer of the cloth than he would get out of the duty under this provision. All the provision is for. I will say to the Senator, is as I have already stated.

Mr. President, a comparison between the rates provided by the Senate bill and the rate of the act of 1909 is difficult, inasmuch as the method of levying duties is not the same. The Payne-Aldrich bill fixes progressive rates of duty dependent upon the number in groups different from the Senate bill and the equivalent ad valorem rates shown in the "Statistics of Imports and Duties, 1908 to 1918, Inclusive," are of groups of 10 numbers rather than according to the rate of each number of yarn.

In the following comparison of rates the equivalent ad valorem of the specific rates under the act of 1909, as shown in "Statistics of Imports and Duties, 1908 to 1918, Inclusive," on pages 197 to 199 and 214 to 217, has been used as the equivalent ad valorem of the specific rate of the average number of each group. In other words, Mr. President, if there are, say, 10's and up to 20's, the only way by which any kind of a calculation can be arrived at is to take the average of the two, which would be 15. As I have already explained to the Senate, that is the reason why some of the equivalent ad valorem rates of the bill on their face are a little higher than the Payne-Aldrich rates.

Mr. President, I will not take the time to read to the Senate this comparison of cotton yarns, single grays and carded, but ask that they may be printed in the RECORD without reading.

The PRESIDING OFFICER (Mr. STERLING in the chair). Without objection, it is so ordered.

The comparison referred to is as follows:

Comparison of cotton yarns—singles, gray, and carded.

Number.	Specific rates per pound.		Senate minimum ad valorem.	1913	1909 equivalent ad valorem imports, 1913.
	Senate.	Act of 1909.			
	Cents.	*Cents.*	*Per cent.*	*Per cent.*	*Per cent.*
8	1¾	2½	7	5	16.09
25	5	4¼	11¼	10	16.05
35	7	7	13½	10	20.13
45	9¼	9	16¼	15	25.47
55	11½	11	18½	17½	(1)
65	14½	13	21½	20	20.94
75	16½	15	23½	20	(1)
85	19½	17	26½	22½	(1)
105	24½	21	30	25	(1)
115	26½	23	30	25	(1)
125	28	25	30	25	(1)
135	28	27	30	25	(1)
145	28	29	30	25	(1)
155	28	31	30	25	31.72
165	28	33	30	25	(1)
175	28	35	30	25	43.32

Comparison of yarns—bleached, dyed, colored, combed, or plied.

Number.	Specific rates per pound.		Senate minimum ad valorem.	1913		1909
	Senate.	Act of 1909.		Plied, carded, and gray.	Bleached, colored, or combed.	Equivalent ad valorem imports, 1913.
	Cents.	*Cents.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
15	4½	6	13¾	7½	10	22.26
35	10½	8¾	18¾	10	12½	24.80
45	14	11½	21½	15	17½	29.02
55	18	13¾	23¾	17½	20	29.91
65	22	16½	26½	20	22½	30.50
75	26	18¾	28¾	20	22½	34.39
85	30	25½	31½	22½	25	30.45
95	34	28¾	33¾	22½	25	38.22
105	38	31½	35	25	27½	47.88
115	42	34½	35	25	27½	43.05
125	44	37½	35	25	27½	41.33
135	44	40½	35	25	27½	40.63
145	44	43½	35	25	27½	37.95
155	44	46½	35	25	27½	38.15
165	44	49½	35	25	27½	35.04
175	44	52½	35	25	27½	34.57
185	44	55½	35	25	27½	28.59
195	44	58½	35	25	27½	30.18

Mr. SMOOT. Mr. President, the Reynolds report, page 147, gives the cost of foreign yarns and the price of the competing domestic yarns. Taking these prices as the basis and adding to the foreign cost 2 cents a pound for landing charges and 15 per cent for gross profits, the differential required to equalize competing conditions of price, and the committee rate is as follows. I ask that the table may be printed in the RECORD without reading.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table referred to is as follows:

Number.	Rate required to equalize.	Committee rate.
39-2 ply, gassed combed	17 per cent	19¾ per cent.
48-2 ply, gassed combed	28 per cent	22 per cent.
58-2 ply, gassed carded	25.3 cents per pound.	19.2 cents per pound.
78-2 ply, gassed carded	39.7 cents per pound.	27.2 cents per pound.
98-2 ply, gassed combed	57 per cent	34½ per cent.

Mr. LENROOT. Will the Senator, in that connection, give the imports, and let us see whether the imports justify the figures given?

Mr. SMOOT. If the Senator will just wait, I will put those in the RECORD.

Mr. LENROOT. I should like to have them in the same connection, because they go right together.

Mr. SMOOT. After a brief statement, I will put them in the RECORD.

The compensatory duties on cotton yarns provided for in paragraph 905b and last proviso of paragraph 901, have not been considered in computing rates of duty shown by any of the tables herewith submitted. They could not be considered; it would not be fair to do so; but I will say to the Senate that I have them worked out here, and as to any particular case that any Senator wants to know, I will submit them.

Mr. SMITH. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from South Carolina?

Mr. SMOOT. I yield.

Mr. SMITH. Mr. President, I should be glad if the Senator would occupy some position where those of us who are interested in what he is saying might hear him, for when he turns his back it is impossible to hear him.

Mr. SMOOT. I apologize to the Senator. It must be evident that the same difference between foreign and domestic costs will be maintained; as the compensatory duty does no more than absorb the duty paid by the domestic manufacturer on raw material.

Does the Senator want me to read the table which follows, or shall I put it in the RECORD without reading?

Mr. LENROOT. I should like to have the figures as to importations.

Mr. SMOOT. I have some figures here, and if the Senator desires I will read them to the Senate.

Mr. LENROOT. I should like to have them read.

Mr. SMOOT. The imports and exports and the United States production of yarns are as follows——

Mr. LENROOT. Has the Senator the figures by counts? That is what I want.

Mr. SMOOT. No; I have got them as a whole.

Mr. LENROOT. I should like to have the figures by counts.

Mr. SMOOT. I will ask that the matter to which I have referred may be printed in the RECORD without reading.

Mr. LENROOT. Has the Senator no information as to the imports by counts? I mean the recent importations.

Mr. SMITH. Mr. President, I have a table here furnished by the Tariff Commission showing the importations of different counts of yarn.

Mr. SMOOT. I ask that the table to which I have referred may go into the RECORD without reading.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table referred to is, as follows:

Imports, exports, and United States production.

	Fiscal year 1910.	Calendar year 1914.	Calendar year 1921.
Imports	[1] 8,809,174 [$4,289,058	[1] 6,582,588 $3,948,872	[1] 3,398,275 $4,479,091
Exports	$463,404	$909,934	[1] 14,294,176 [$5,679,075
			Calendar year 1919.
United States production		[1] 497,987,000	[1] 625,071,000
For sale only		$127,364,000	$469,479,000

[1] Pounds.

Mr. LENROOT. Are the figures of the Senator from South Carolina recent ones?

Mr. SMITH. Yes; they give the imports of different counts of yarn. I will give the figures. There were 330,177 pounds under 40's imported, 3,068,098 over 40's, and 1,763,673 pounds over 60's.

Mr. LENROOT. For what period?

Mr. SMITH. The figures are furnished as of April, 1921. I have had them worked out in percentages. Yarns under 40's amounted to 10 per cent——

Mr. LENROOT. Ten per cent of what?

Mr. SMITH. Of the entire importations. Over 40's to 90 per cent, and over 60's to 50 per cent.

Mr. LENROOT. That is the information I wanted.

Mr. SMOOT. The Senator says that 90 per cent were above 40's and 50 per cent above 60's. The Senator must be wrong as to that.

Mr. SMITH. No; 90 per cent are above 40's, but 50 per cent are above 60's.

Mr. SMOOT. I misunderstood the Senator. That is about correct.

Mr. LENROOT. Now, has the Senator the domestic production of the same counts from the Tariff Commission?

Mr. SMITH. The expert says that 93 per cent of the domestic production is 40's and under.

Mr. SMOOT. That is the statement that I made the other day. I stated that I was quite sure that it was 93 per cent, and I thought it was 95 per cent.

Mr. SIMMONS. Mr. President, will the Senator from Utah let me put in the RECORD at this point an official statement with reference to the cotton production of this country?

Mr. SMOOT. Will not the Senator wait until I get through? I shall be through with this paragraph in a few minutes.

Mr. SIMMONS. I was just going to do it because the Senator from Iowa [Mr. CUMMINS] wanted some information a little while ago.

Mr. SMOOT. I have just handed that information to the Senator from Iowa, and I thought he had read it; but the Senator can do it if he wants to.

Mr. SIMMONS. It will take only a minute.

Mr. SMOOT. Very well; go on.

Mr. SIMMONS. The Senator from Iowa [Mr. CUMMINS] was discussing a little while ago the question of the proportion of long-staple and short-staple cotton produced in this country. I have here the official statement. This is for the year 1921. There were produced in this country in that year 13,366,000 bales of 500 pounds each. Of that amount 205,000 bales were of the long-staple variety, produced in this country. There is a note to this by the Tariff Commission which says:

The amount included having a staple of 1⅛ inches or over is not known, but probably did not exceed 100,000 bales.

That is to say, of the 205,000 bales of what is commonly spoken of as long-staple cotton, not more than 100,000 bales were of the length of 1⅛ inches and over, as fixed in the bill.

That is the situation with reference to the long-staple and the short-staple cotton. With reference to the so-called American-Egyptian cotton, it appears that in 1919 we produced 40,000 bales of that cotton; in 1920, 92,000 bales, in round numbers, of that cotton; in 1921, 37,000 bales of the Arizona and California type of cotton.

With reference to the imports from Egypt, starting with 1913 and ending with July 31, 1921, the average number of bales of cotton imported from Egypt to this country in those years was 213,275 bales; but in 1921 we imported from Egypt only 87,000 bales. Of these importations of 213,275 bales, the expert tells me that only about one-half was of the long-staple variety. I suppose that very nearly all the importations last year, however, were of the long-staple variety—not all of them, but a larger proportion than one-half.

Mr. CUMMINS. Mr. President, has the Senator there the statistics which will show the entire production of Egyptian cotton?

Mr. SMOOT. In the world?

Mr. CUMMINS. Yes.

Mr. SIMMONS. I have not, but I can say this to the Senator——

Mr. SMITH. Mr. President, I have those figures here. There are about 1,125,000 bales, computed in running bales of 500 pounds each. The Egyptians put up their cotton in a standard package of about 760 pounds. Reduced to American bales, in 1913, their maximum year of production, they produced 958,883 bales, but it decreased rapidly. In 1921 the total Egyptian production was 379,842 bales, and it fluctuated along; but the production of that year, 1921, was the lowest production since 1913.

Mr. CUMMINS. Mr. President, the Senator from North Carolina says that about 50 per cent of the Egyptian production would come within the terms of the duty which we imposed yesterday.

Mr. SMITH. That is a very liberal count, I should think, because my information is to the effect that a very great amount of the Egyptian cotton would not come to 1⅛ inches. I will have it looked up. I think 50 per cent would be very liberal.

Mr. SIMMONS. There are certain sections of Egypt where they do not raise the long-staple cotton.

Mr. SMITH. Oh, yes; they do not raise it.

Mr. SIMMONS. About one-half, I am told.

Mr. SMOOT. We do not import that.

Mr. SIMMONS. We have imported some of that, but I do not think we are doing it now.

Mr. SMOOT. Oh, no; not now.

Mr. SIMMONS. But of the total Egyptian output something like one-half is short staple.

Mr. SMITH. Of the total Egyptian crop of 1921 we imported into America just about 12 per cent. England imported for her use 56 per cent of the Egyptian crop.

Mr. SMOOT. Mr. President, a few years ago the sea-island cotton came into this market very freely. The boll weevil has virtually destroyed the sea-island cotton. It cuts no figure now in the cotton production of the world.

Mr. President, I think I have covered all that there is in paragraph 901, with the exception of cotton waste.

The exports of cotton yarns are mainly of the coarser counts, as I have already stated. The duty on cotton waste, manufactured or otherwise advanced in value, under the committee amendment is 10 per cent ad valorem. Under the act of 1913 it is 5 per cent. Under the act of 1909 it was 20 per cent. The imports are small. In the fiscal year 1910 there were only 128,530 pounds, valued at $5,264. The domestic production for 1919 was 64,467,000 pounds.

Mr. LENROOT. Mr. President, I should like to ask the Senator a question there. While it is a small matter, what justification is there for any increase over the present duty, when there are no imports, upon a subject like cotton waste? With the domestic production as the Senator states it is, what justification can there be for doubling the present rate?

Mr. SMOOT. Mr. President, I do not know that it is absolutely necessary to do it. The committee decided to cut the Payne-Aldrich rate in two, and I think the amount of waste that comes in here will come in anyhow, and if there is anything gained it will be simply a gain to the Treasury of the United States as a revenue measure. It is not any protection at all.

The duty on cotton card laps, sliver, and roving under the committee amendment is 10 per cent; under the act of 1913 it is 5 per cent, and under the act of 1909 it is 35 per cent.

Mr. President, at this time I shall not say anything further about the rates in paragraph 901. There is one other amendment in that paragraph about which, when it is reached, I shall make a short statement and state just why the committee has agreed to it.

The PRESIDING OFFICER (Mr. STERLING in the chair). The question is on the amendment of the committee, which will be stated.

The ASSISTANT SECRETARY. On page 121, line 4, the committee proposes to strike out "one-fifth" and in lieu thereof to insert "one-fourth," so that it will read:

Provided, That none of the foregoing, of numbers not exceeding No. 100, shall pay less duty than 5 per cent ad valorem and, in addition thereto, for each number, one-fourth of 1 per cent ad valorem.

Mr. LENROOT. Mr. President, I should like to ask the Senator from Utah as to what the proviso applies to, in his judgment:

That none of the foregoing, of numbers not exceeding No. 100—

And so forth.

Mr. SMOOT. I will say to the Senator that that applies to nearly all the yarns that are imported at the present time, and to them only.

Mr. LENROOT. Yes; but how is that reconciled with the very first part of the paragraph, that numbers not exceeding 40 shall pay one-fifth of 1 cent per number per pound?

Mr. SMOOT. This says "of numbers not exceeding No. 100." Of course, those are lower rates—a great deal lower—than 30 per cent ad valorem.

Mr. LENROOT. No; but the paragraph starts in by providing a specific duty of one-fifth of 1 cent per number per pound on numbers from 40 down. That is true; is it not?

Mr. SMOOT. It says:

None of the foregoing, of numbers not exceeding No. 100—

It is from 100 down.

Mr. LENROOT. That will include all numbers below 40; will it not?

Mr. SMOOT. I thought the Senator was referring to another part of the paragraph. It begins:

Cotton yarn, including warps, in any form, not bleached, dyed, colored, combed, or plied, of numbers not exceeding No. 40, one-fifth of 1 cent per number per pound.

Mr. LENROOT. How does the proviso affect that rate? That is what I want to know.

Mr. SMITH. It is cumulative. It is in addition thereto.

Mr. SMOOT. It says that the minimum rate, whatever it may be, will apply here, and in addition thereto, for each number, one-fourth of 1 per cent ad valorem. The minimum rate will apply in every case. I can not tell the Senator just what it would be, but there is a minimum rate of 5 per cent ad valorem.

Mr. LENROOT. Plus one-fourth of 1 per cent ad valorem for each number.

Mr. SMOOT. Yes.

Mr. LENROOT. Which would be, on No. 40, 10 per cent; would it not?

Mr. SMOOT. Ten per cent.

Mr. LENROOT. Which would make on the No. 40 count not less than 15 per cent ad valorem.

Mr. SMOOT. Not less than 15 per cent ad valorem.

Mr. LENROOT. How can the Senator justify any such rate with the imports and exports that we have?

Mr. SMOOT. I have tried to tell the Senator what kind of yarns would be imported under that provision; and unless we have those rates for that class of yarns that I speak of, the yarns would come in here instead of the cloth made of those yarns.

Mr. LENROOT. But the Senator said that was a very exceptional case. Now, with 99 per cent of the production, he proposes to load this bill with a rate which he himself admits is not necessary from the standpoint of protection and which is three times the present rate, so far as the low-count yarns are concerned. I think the present rate on the low-count yarns is 5 per cent ad valorem.

Mr. SMOOT. It is 5 per cent.

Mr. SMITH. The present rate is 5 per cent.

Mr. LENROOT. That is what I thought.

Mr. SMITH. Under this bill it is 10 per cent, with the additions to which the Senator has called attention.

Mr. LENROOT. That can not be justified on these low-count yarns. I am unwilling, and I should think the committee would be unwilling, to impose rates in the bill of this kind, where the committee itself can not defend the rate. Of course, there is no opportunity, until we get to the stage of individual amendments, to correct it and get the rate down to where I think it ought to be, from a Republican standpoint, but we can at least vote down

this committee amendment, which proposes to increase the rate from one-fifth to one-fourth.

Mr. SMITH. Mr. President, if the Senator will allow me, it might be interesting just here to call his attention to the fact that our imports of cotton yarns for 1914 were 6,853,235 pounds. Our production was about 625,071,000 pounds. Those figures were on yarn for sale only. That should be multiplied, the experts tell me, by four. So we would have something like 2,000,000,000 pounds, as opposed to 3,000,000 pounds. In other words, the amount we import is practically negligible, and about 93 or 94 per cent is produced in this country. The figures as to the exports also are illuminating. Our exports were larger than our imports. We exported 14,294,000 pounds, as against about 6,000,000 pounds, showing that not only did we supply ourselves but we had a surplus which more than overbalanced the amount imported into this country. Yet we double the rate and add these additional duties on the counts, of which we have a practical monopoly.

Mr. LENROOT. The committee repeatedly refers to the Tariff Commission, and quotes it as authority for the action taken by the committee; but the committee can find no authority in the report of the Tariff Commission for the increases it here proposes to make. The Senator from South Carolina stated, as I understood him, that the imports were less than 5 per cent of the total consumption. The Tariff Commission say that the imports are less than one-half of 1 per cent of the total consumption in this country.

Mr. SMOOT. They are.

Mr. LENROOT. The Tariff Commission further says of this paragraph as a whole that the tariff plays a very minor part in this trade, and that imports are supplemental rather than competitive, and as the domestic industry develops the average count imported steadily tends upward.

Then, with reference to the imports of all the yarns in that paragraph—because they are not separated—it says that in 1920 the total imports were 9,992,073 pounds, valued at $23,000,000; in 1921, for the nine-month period, the imports were 2,236,000 pounds, valued at $3,120,000, when during the same period our exports of yarns were 24,099,000 pounds, valued at $20,014,000. Our exports were eight times our imports.

Mr. UNDERWOOD. Mr. President, if the Senator will allow me to make a suggestion, is not the real question before the Senate not the question of raising the rates in the present law but why the Finance Committee did not cut the rates in the pending bill?

Mr. LENROOT. I think that is the question, and I want to say at this point—and the Senator from Alabama will remember—that when the present law was passed, he and I were both Members of the House. I took the position then that some of the rates upon these lower counts in fact, all of the rates on the lower counts, were too high in the Underwood law, that they were in fact prohibitive. The results have shown I was right. I am not criticizing, but that is the fact.

Mr. UNDERWOOD. I understand the Senator's attitude. I am glad to have the Senator make the statement, because I think the light should be thrown on these questions. I recall the incident, and I will say to the Senator candidly that when the bill was before me for consideration in the committee I realized that the American manufacturer was competing in the world's markets in these lower counts of yarns and cloth, and that he practically had no competition here. I was making a drastic cut from existing law, and the only thing I had in view was that we had better go slowly and be on the safe side, rather than be so radical that we might bring about a reaction. Although it has been nearly 10 years ago, I think I remember correctly the conversation which occurred between the Senator and myself in the House of Representatives, and I think that what I said to him at that time was in entire accord with what I say to him now. I did not dispute the assertion that the rates were higher than probably were needed, but I said that, as it was a great, radical cut, we had better cut safely the first time. Therefore this rate having been tried for 10 years, and it having been demonstrated that these rates are practically prohibitive now—because any rate that excludes all except one-half of 1 per cent is prohibitive—it seems to me the committee should have come before the Senate and told us why they did not cut the present rate, rather than come in with an enormous increase in the present rate.

Mr. SMOOT. Mr. President, I want to ask the Senator from South Carolina where he gets his authority for the statement that No. 40 yarns under the present law pay 5 per cent? He said that the rate on the No. 40 yarn to-day is 5 per cent.

Mr. SMITH. Oh, no.

Mr. SMOOT. I understood the Senator from Wisconsin to ask what the present rate was on these No. 40 yarns.

Mr. LENROOT. I said on the lowest count yarns it was 5 per cent. It runs from 5 per cent up.

Mr. SMOOT. Under the existing law No. 40 count yarns bear 15 per cent.

Mr. LENROOT. No. 39 bears 10 per cent.

Mr. SMOOT. But the rate on No. 40 is 15 per cent, under the existing law.

Mr. LENROOT. And that rate is prohibitive on those lower count yarns. The Senator from Utah has himself admitted this morning that the United States can compete with the world in those low count yarns, and is doing it. Yet the committee comes in here with an increase. Is it any wonder that the country believes that this bill is full of unjustifiable rates, when the committee itself brings in a rate of this kind, which the committee can not defend, and which the figures will not justify?

Mr. SMOOT. The committee can defend the rates on certain classes of yarns, as I have already said.

Mr. LENROOT. I am very sure the Senator would not take the position that if some particular character of a commodity constituted an infinitesimal proportion of the total production, he would build a tariff bill based upon that little fraction. Of course he would not. Yet that is the only justification the Senator makes for this rate.

Mr. President, this committee increase certainly should be voted down, in my judgment, and when the time comes when individual amendments may be offered, I hope the rates on the counts below 40 may be further decreased, and that the decrease will affect the cotton cloth as well.

I admit that upon the higher count yarn a higher duty is necessary than some of the duties in the present law, but I do say, from the examination I have made of this schedule, that I do not believe there are more than two paragraphs where there can be found any justification for increasing the rates as proposed by the House; yet the committee has increased rates in nearly every paragraph.

Mr. SMOOT. Of course, the Senator knows that the House rates were based on the American valuation.

Mr. LENROOT. I understand they were based upon the American valuation, and the House rates based upon the American valuation were perfectly outrageous.

Mr. SMOOT. That was the difference between the Senate and the House.

Mr. LENROOT. I understand that, but what I am stating now is based on the foreign valuation. The House rates, as a general rule, are protective on the foreign valuation, but with the increases proposed by the committee they have not justified this increase, and I undertake to say that when we come to cotton cloths, with the same low count, they will be met with the same difficulties they have been met with here, that they can not justify them except to say that occasionally there may be some form of cotton cloth that would require this high duty. But no member of the committee will admit or say that they should build a schedule based upon the exceptional rather than the ordinary.

Mr. President, a few weeks ago I had a conversation with a very large cotton manufacturer. I shall not undertake to give his name. He stated to me that he was not in sympathy with the demands his associates were making for rates in this bill; that he knew they were not necessary; and he is a Republican and a protectionist.

It is just such things as these which will give our friends across the aisle the opportunity between now and November to attack this bill and attack the Republican Party, and justly so, when rates are proposed which can not be justified, and are not justified by the committee itself.

I hope that this increase, which is the only one we will have an opportunity of voting upon now, will be voted down.

Mr. SMITH. Mr. President, if the Senator will allow me, I would like to answer the question the Senator from Utah asked me a moment ago, as to where I got the authority for saying that under the Underwood tariff law the rate on the No. 40 yarn was 5 per cent.

As worked out under the Underwood tariff, the application of these ad valorem percentages is as follows: Up to No. 9 basic yarn, the rate was 5 per cent; from 10 to 19, 7½ per cent; from 20 to 39, 10 per cent; from 40 to 49, 15 per cent; from 50 to 59, 17½ per cent; and the increase up to where they went over 99, to 25 per cent. It was upon the lower count of yarn that I made the statement that the duty under the Underwood law was 5 per cent. On the highest count we have here from 5 to 35 per cent. The Underwood law, as the Senator from Wisconsin has pointed out, acted almost as a prohibitive duty, and yet now we have an increase proposed on the same character of goods.

Mr. SMOOT. Mr. President, I put in the RECORD just what the present rates are on yarn. I rather think, in view of the statement made by the Senator, that I had better call attention to them now as compared with the existing law. In fact, the manufacturers of certain yarns in the United States say they would a thousand times prefer the Underwood law than to have the rates provided for in the pending bill. But that we are not discussing. All of them would not feel that way, of course.

On No. 8 the Senate committee rate is 7 per cent and the existing law 5 per cent; up to 25, the Senate committee rate is 11¼ per cent as against 10 per cent; 26 to 35, 13¾ per cent as against 10 per cent; 36 to 45, 16½ per cent as against 15 per cent; 46 and above, 18¾ per cent as against 17½ per cent; 65 and above, 21¼ per cent as against 20 per cent; 75 and above, 23¾ per cent as against 20 per cent; 85 and above, 26¼ per cent as against, 22½ per cent; and all above 105 is 30 per cent in the pending bill, and all above 105 is 25 per cent under the Underwood law. That is the situation with reference to the yarn schedule.

Mr. LENROOT. May I ask the Senator at what price of cotton that is figured on? Is it figured on the imports, or what is the basis of the percentage?

Mr. SMOOT. Does the Senator mean the values?

Mr. LENROOT. Yes.

Mr. SMOOT. I think those values were taken on to-day's prices, but on the rates under the 1909 and 1913 laws.

Mr. LENROOT. On to-day's prices?

Mr. SMOOT. Yes. The cloth is not that way, but I shall call attention to that when we reach it.

Mr. HEFLIN. Mr. President, in order that the record may be kept straight I desire to correct the impression that seems to prevail amongst some Senators on the other side of the aisle that the cotton spinners of the South can produce only coarse goods. I have on my desk some very fine cotton goods—women's wearing apparel—manufactured by the Russell Manufacturing Co., at Alexandria City, Ala. These goods are made from the raw cotton into the finished product. The time was when we did not manufacture anything except very coarse goods, but we are now manufacturing some very fine goods, fine as well as coarse, cheap as well as high-priced goods.

Mr. President, I want to see the manufacturer of cotton goods, whether he manufactures coarse goods or fine goods, enjoy prosperity. I want to see every legitimate concern in our country prosper. While we are talking about the finished product or the manufactured cloth I want to put in the RECORD at this time a portion of an editorial from the Wall Street Journal entitled "In the day of adversity." Cotton and the business of the cotton producer are discussed in this editorial. Among other things the editorial said:

Cotton is a fundamental of civilization and furnishes the world with one of its greatest industries. That there should be a well-grounded fear of a shortage in the raw material does not speak well for our methods of handling the crop. It is true that the weevil is the menace of to-day, but it need not have been. Cotton, the Maud Muller of agriculture, can look back upon the past and say "It might have been."

Back of all that cotton represents—the world's clothing, millions of capital invested, and wages paid—is the planter. Should he fall down, the whole industry would topple. And yet there is no other producer in America so little considered as he, and none has been forced to toil for so small a return that often can not be distinguished from a loss. Because of this the cotton planter has not been able to use the best methods of cultivation. By improved cultivation methods and scientific plant breeding, the weevil could have been controlled, and the yield of cotton per acre increased.

Mr. President, the high price of fertilizer to-day is a great handicap to the farmers of the South. The cost of fertilizers must be reduced. Mr. Henry Ford, through his chief engineer, says that he would make it for half the present price if he got the Muscle Shoals, and we could then produce more cotton per acre and there would not be the danger which confronts us to-day of a cotton famine.

The editorial continues—

But this could not be done without a proper remuneration to the producer. In consequence, the world now faces the danger of a shortage, and possibly a famine, in the cotton supply.

Is not this indeed a very serious situation?

Mr. President, a cotton spinner of the South told me a few days ago that we are face to face with a cotton famine, and yet I bring the deplorable news to this Congress and to the people of the country that the cotton producers of the United States are being forced to sell their cotton below the cost of production. Thousands of farmers have been driven from the farms by deflation and have gone to industrial centers under conditions created by deflation. They say that they can not make a living on the farm. They can not make a living producing cotton at the prices that have obtained for months and that now obtain. The ravages of the boll weevil and the high price of fertilizers add to the burden and difficulties of the cotton producers of the South, and to-day the United States, blessed under the providence of God with a monopoly in the production of short-staple white cotton, is face to face with a cotton famine because the producer was sandbagged and robbed by deflation in 1920 and 1921. Some were driven from the production of cotton altogether and others forced by the low price to curtail the yield. The spinners of the country are admitting that they are face to face with a cotton shortage which amounts to a cotton famine.

There is no better authority—

The editorial continues—

on cotton to-day than Sir Charles W. Macara, of Manchester.

He is the head of the cotton-spinning industry of England.

In a letter to Harvie Jordan, of the American Cotton Association, he says, in part:

"One would think it would be the first concern of anyone engaged in business to see that his raw material was placed beyond the possibility of doubt. But those who spin cotton seem to have little anxiety as to the supplies upon which their existence depends. A fatal inertia exists, and I see nothing but some great upheaval that is likely to bring people to their senses. The state of things existing in the cotton fields of America must give rise to the gravest anxiety in the mind of anyone who has the welfare of his trade and his fellowmen at heart."

After referring to the conditions existing in our Civil War days, and once later when Lancashire had to curtail production one-third and spread wages over 12 months, Sir Charles further says:

"We shall have to get the spinners of the world to view the cotton industry on comprehensive lines. * * * The planter must be regarded as of same importance as others who touch cotton, and his rewards will have to be considered just as much as spinner, manufacturer, finisher, middleman, merchant, or shipper. All are indispensable to the production of the finished article and all must be sufficiently compensated.

"If America is obliged to go out of business as a cotton producer, where will the world get its future supplies?"

These are but short extracts from his statement, but they are serious and weighty words, and should be considered now.

Mr. President, these solemn suggestions, coming as they do from the head of the spinner's association of England, are worthy of the utmost consideration by those in authority in our country. Think of it! One of our best customers dependent upon us for her cotton supply—I mean England—expressing fear through the head of her great association of spinners that America may be driven out of the cotton-producing business.

Mr. President, is not that a woeful situation? Here we are, a Republic less than 150 years old, the richest Government in all the world, with nearly half of the gold supply of the earth, with people out of work numbering between 6,000,000 and 7,000,000; the farming classes of the whole country, not only the cotton producer, hard pressed to make a living. Ours is a country which can produce the short-staple white cotton that can not be produced anywhere else in the world, and that fact alone, it seems, would guarantee to these people a prosperous industry. But the situation is so manipulated, the currency and credit system so handled, that the farmer to-day in the cotton-growing States can not get the money to hold the cotton that he produced last year until the price will cover the cost of production.

Mr. President, if that situation existed regarding the bankers there would be such a storm of protest and such concerted action that the Government would have to halt everything until it righted the situation and gave relief. If the manufacturers of America faced such an awful condition there would be such an effort made upon their part, powerful and potential, that favorable results would come. But the farming industry—and agriculture is the corner stone upon which all other industries rest—faces ruin to-day in the United States.

While we are discussing manufactured articles, the stuff made out of the raw material, I want to call the attention of the Congress and of the country to the fact that the man who produces the wherewith to clothe the world is having a hard struggle to live. He is eking out a miserable existence under the conditions which exist to-day.

Mr. President, it is admitted by many of the cotton spinners of the United States that we are facing a cotton famine; the head of the greatest cotton spinning country in the world outside of our own, Great Britain, admits that we are face to face with a cotton famine; the Government reports show that the cotton supply is short and is liable to be exhausted before the next crop comes in; and yet, in the face of that condition, the man who raises cotton is forced to put it on the market, whether the price is adequate or not. If one goes into a store and wishes to buy any article which is made out of cotton, the storekeeper will quote the price which he proposes to demand for it, and if the prospective purchaser says anything about that being an exorbitant price, the storekeeper will tell him that it cost so much; that the freight on it was so much; that he is in business; that his business must be made a paying business; and he must have that price which will yield him a certain profit in order to carry on a successful business; and the customer may

take the article or let it alone; but when the farmer goes into the market place he is told that the prices quoted and fixed on the exchange in New York are such-and-such figures. He says, "Well, I can not come out at that," meaning that he can not make a profit if he is forced to take that price. So he says, "Cotton is selling at 21 and 22 cents a pound; it costs me 28 or 29 cents a pound to produce it, and I must hold it until I can get at least the cost of production." Then the buyer asks, "How are you going to hold it?" "Why," he says, "I will go down to the bank; I will present my cotton warehouse receipt, and I will say, 'I want to borrow a little money on that,' and I will hold my cotton until the price does advance to a point where the crop will yield me a profit." Then the buyer reminds him of what happened in the spring of 1920 when the deflation drive was ordered by a resolution which was passed through this body, couched in language calculated to conceal its real intent and purpose. "Why," he will say, "do you not know that transactions of that kind were dispensed with then? Do you not know that the farmer has been pressed to the wall and denied currency and credit with which to carry on his business? Have you not learned that yet?" You are forced to sell your cotton at the price offered.

Oh, Mr. President, such conditions can not continue. Yet some people wonder why there are Bolsheviks in this country. Mr. President, we can not have a happy, contented people when governmental instrumentalities are so used as to deprive a large part of the population of the necessities of life and of a share in the prosperity enjoyed to-day by a favored few who are blessed and benefited by those in control of the money supply of the country. It never was intended by the founders of this Republic that that condition should prevail, but it does prevail to-day.

It is a sad spectacle to see a man who is able-bodied and who has sense enough to work and who wants to work asking for work in this Republic of the west and be told that there is no work for him. How can we expect that man to be a happy, contented, and enthusiastic American citizen?

Mr. President, the money lords of the United States who control the Money Trust undertake to teach the people that periods of depression must come; that it is natural for them to come every 5 or 10 years. I wish to assert again on this floor that that doctrine is false; it is not true. It is just as possible for this Government with its genius and resources to have in circulation a medium of exchange and a measure of value sufficient to meet all the needs of all the people all the time as it is for the sources that supply the ocean with a water supply sufficient at all times to fulfill the purposes for which it was created. There is not any reason for the claim that there must be periods of depression, but the money lords say to us, "This is a matter very hard to understand; it is a very complicated subject; do not worry your brain with it. Leave it to us."

We were told by them for a long time that about every five years these periods of business depression would come. I assert, however, that these periods of depression came because they are ordered. Those profiting by them plan them. They carry on a propaganda intended to bring them about, and when they come they make their millions. They shear the people then as the shepherd shears his sheep. He says, "It is time to shear those sheep out there in the pasture." So the sheep are brought in and they are sheared. In somewhat similar manner the money lords of the United States so manipulate the currency and the credits of the country that when they find the people enjoying a degree of prosperity, they look out and ask, "Are they ready for the shearing process?" They are answered, "Yes." "All right," they reply, "then shear them; touch the button; put the screws to them; bring them in, deflate, curtail credits, contract the currency; go on with your shearing process." And they make their millions during that shearing period. There never was a time when Wall Street made so much money in the same period as it made out of the South and West in the years 1920 and 1921 under the deflation policy carried out in this country, and that is exactly the way it was carried on.

I recall the time, and you, Mr. President (Mr. STERLING in the chair), likewise do, when I was upon the stump, as you yourself and others were, urging people to buy Liberty bonds; telling them they owed it to the country to buy them; that they would never be pressed for payment; that they could pay upon the installment plan; that the bond was as good as gold; and that it would always be worth 100 cents on the dollar. Hundreds of thousands of people were induced to buy the bonds who were not able to buy them. The people stinted themselves in order to respond to that patriotic demand of their country. Then what happened? When the deflation drive commenced the money lords went with a drag net through the South and West and dragged these bonds into Wall Street, and the Wall Street sharks stood there as this murderous process went on, saying, like the old sexton in the cemetery, "I gather them in; I gather them in." What did they do? They bought those bonds at $80 on the hundred. They have them now. At what price are the bonds now? Are they below par? Certainly not; they are back above par. The bond is the finest investment and gilt-edged security now in the world.

How different, however, it was in 1920 and 1921, when the farmer needed money in order to carry on his business or suffer tremendous losses. When the farmer went down to the bank and said, "I want to borrow some money on my cotton," the banker replied, "I can not let you have it; the Federal Reserve Board has sent word down the line to collect debts; to call loans; to liquidate debts which were contracted when money was plentiful, and force payment now when money is made scarce, credits are deflated, and currency contracted." The farmer asked, "Can you not let me have money on my cotton?" The banker replied, "I wish I could, but I can not." Then he asked, "Can you not let me have money on my grain?" The banker replied, "No." He further asked, "Can you not let me have it on my cattle; that is, my breeding herd from which I am to produce meat in order to feed the people of the United States in the future?" The banker replied, "I can not let you have it on that, either." The farmer then said, "I know what I will do. I bought a thousand dollar Liberty bond during the war, I will bring that down here and they will have to loan money on a Government bond. The farmer went back and brought his Liberty bond and laid it down. The banker folded his arms and looked at him and said, "We are very sorry, but we have been instructed not to lend money on bonds, and we can not accommodate you."

Then the man who had stood out in the audience, frequently with tears running down his face under the touching appeal of men and women who were begging people to buy bonds in order to help save the boys who were on the battle front in France, and who had been told that the bonds would always be as good as gold, walked out of the bank with his Government bond in his hand, having been refused a loan on it of the coin of the realm. He went back home. Then he saw his produce driven to the market and sold under the hammer at low and destructive prices, and the debt which he had incurred when money was plentiful was still hanging over him. Having been forced to sell all that he had to repay what little he could, a debt was still hanging over him that it will take four more years to liquidate. And yet some talk about having a prosperous and happy people!

Mr. President, I would that every Member of this Congress would get a book written by Col. George W. Armstrong, of Fort Worth, Tex. He is a very wealthy man. He is a big cattleman and a big cotton producer. He has written a book on deflation in this country; it is called "The Crime of '20." I would that every Senator in this body would read it, read the story as he has written it, and then see what sort of an impression they have about the conduct of deflation in the United States.

Not long ago I had a letter from the president of the Bankers' Reform League of London, asking me to send him a dozen copies of my speech on deflation, saying that he had read a copy of it sent to him by Col. George W. Armstrong, the author of this book—The Crime of '20. This man in London said to me in his letter:

> Is it not strange that the United States, one of the big allied countries, and England should deflate following the war, and our people made to suffer more than anybody else, except those of Russia, when there was no occasion for it?

The deflation process was applied, Mr. President, and our people have paid the penalty, and from one end of the South to-day to the other and around through the West there is distress among the farmers and business men. These patriotic men, with their happy families—happy and prosperous up to the late spring of 1920—were stricken down as though some pestilence or plague had been sent upon them to curse them, and they are suffering under the conditions that exist; and to-day there is a propaganda going on through the Federal reserve banks—some of them. Officials appointed by Governor Harding to lucrative positions, men drawing $18,000, $25,000, $30,000, and $50,000 per year, are working on people who are dependent upon them for currency and credit accommodations to indorse Governor Harding for reappointment.

Oh, Mr. President, what a terrible and a dangerous coercive power for our Government to permit these banks to use. The men who have been mistreated, the men who have been outraged, the men who have been made to suffer practical financial ruin, are called upon and made to believe that this man is going to be reappointed, and signatures are being obtained to request

the reappointment of this man from men who detest and distrust him.

Mr. President, would it not be glorious if President Harding should now display some of the traits that Old Hickory Jackson displayed when the money lords of his day went into politics and undertook to direct the whole course of the business and politics of the country? Would it not be a happy thing if he should rise up and say, "I will clean out this nest," and begin now by removing the head of the Federal Reserve Board?

We see editorials, high-sounding, full of pleasing platitudes, many of them, on the duty of the American patriot.

Mr. President, I yield to no man in devotion to that flag, and to no man in the matter of having whole-hearted devotion for my country; but I am telling the Senate and seeking to tell the President and the country that you can not have whole-hearted allegiance from a people when they believe that the instrumentalities of the Government are being used to bring about their undoing and produce suffering amongst them and their families.

We are discussing the tariff, and there never has been such a monstrous piece of legislation submitted by any party in all the tides of time. I want to remind the Senate and the country again that the livest issue now before the people—the livest issue always before the people, if the people but knew it—is the relation of the currency and the credit of the country to the business of the country. How is it being handled? You can write your tariff bill, you can grant your ship subsidies, you can do other things, but as long as you permit a few men to dam up the money supply and prevent it from circulating out among the people and answering the business needs of the people, you will produce prosperity only among a favored few, and you will produce impoverishment among the masses, the many.

We have seen that. You have it now. I have received letters from all over the United States; there is not a State in the Union from which I have not received letters indorsing the fight that I have made, from men who are thinking seriously upon this question and who are wondering whither we are drifting. The other day I received a letter from a young man out in Oregon, a captain who saw service in the great World War and was recommended for one of the honor medals for heroic service. He wrote me a letter, and a portion of the letter read like this:

> Sometimes I do not know just what the common man is to do. It seems that there are a few people who have control of these instrumentalities that you speak of.

Then he commended me for the fight I was making, and said he hoped I would continue to make this fight, and to let the CONGRESSIONAL RECORD at least show what was going on or taking place at the Capitol.

Mr. President, I have spoken longer than I intended to speak to-day; but I wanted to say a few words about the cotton producer, how he has suffered since the late spring of 1920, how he is suffering now, how the debts have accumulated over his head, and how long it will take to remove them. I have spoken of the farmers and the cattlemen of the West. I reminded the Senate here on Saturday that a cattleman in my State, a man who had 500 head of the finest cattle in the country, could not borrow any money on them, and he said to me: "You know, a few years ago we had a fine prospect with our cattle in Alabama, and Alabama is one of the best cattle sections in the whole country. We can not get the money we need."

One other thought, Mr. President, and then I will not detain the Senate longer to-day.

There never has been a time when the bond gambler of Wall Street could not get every dollar he wanted. There never has been an hour when the stock-exchange speculator could not get every dollar that he wanted. There never has been a day when the grain speculators of Chicago and the cotton speculators of New York could not get all the money they wanted to beat down the prices of these products in the hands of the producer, and then get money to hold them until the price went back up, and they made the money that ought to have gone to the cotton producer and the grain grower and the cattleman of the West and the South; but they, by the aid of the Government, got the money that they needed to beat down the price and produce this condition. Did the consumer get any benefit from that? Not a bit. What happened? Why, after they beat down the price, and the product was forced out of the hands of the producer, they held it, and then turned their speculation on the other side and ran the price up and up until they made a killing in the market, as they call it. Then what happened to the consumer? He paid even a higher price than he would have paid if the farmer had been permitted to hold it for a fair figure and a reasonable profit.

So, Mr. President, I want the men and women of this country, when they come to vote this fall, to think of the vital issue, the all-important issue, the issue as to who shall be at the head of this great banking system, the greatest ever constructed in all the history of the world. I have spoken upon that subject in this Chamber some thirty or forty times, and shall probably speak of it that many more times if I live unless conditions improve. But, Mr. President, I challenge any Member of this body and any man or woman in the country to show one thing that I have ever said against the Federal reserve banking system. I have talked about how it has been maladministered; I have talked about how the Federal Reserve Board governor and some of its members have been discredited, and deserved to be, but I have never said anything against the system. I have said that they perverted it from the ends of its institution, but I have never criticized the system, and yet the Federal Reserve Board's publicity bureau—which is a mysterious, hidden thing somewhere—frequently sends out articles from this Capital saying that "Senator HEFLIN, an enemy of the system, made an attack upon it to-day."

I have never said one word against the system—not one. I helped to create the system. So did some of you; but I have confined my remarks and criticisms to the deflation policy conducted by the governor of the Federal Reserve Board and those on the board with him when they used to hold secret sessions, and would not permit John Skelton Williams to be present, though he was a member of the board, Comptroller of the Currency, entitled to be present and to know what was going on. Meetings were held and orders were made without his knowledge or consent, and without any notice from them that the meetings would be held, and then they say that I have attacked the system! I have attacked the crooked conduct of those who have maladministered the system.

Mr. President, I have had a few men come to me and tell me that I ought to let up on them; that I might hurt myself politically.

Mr. President, would any man fit to serve in this body be moved by such a motive? Take the case of the soldier on the firing line in France, holding a particular point, pouring terror into the ranks of the enemy, the enemy of his country, of right, and of civilization. If somebody went up to him and told him to move on and let the enemy come through, that he was liable to get hurt or seriously wounded in the conflict, what would you think of him if he were to give up the fight and let the enemy pass without a struggle? You would brand him as a coward. You would place upon his brow the scarlet letter of disloyalty to his country. You would stamp him all over with the mark of a pusillanimous coward, and that is what ought to be done.

Mr. President, they do a lot of that sort of business here. Men who have been in public life a long time at this Capitol realize how these things are sought to be worked out, how insidious influences are brought to bear, how they sneak around in various ways. They try to frighten some men off the trail. They try to flatter others to get them off the trail.

They try various plans and methods; but what is the duty of a man worthy to be a member of this body who lifts his hand to God and swears that he will defend the Constitution against all enemies, both foreign and domestic? What is he to do but fight when he sees the enemy approach? It makes no difference whether he is a small crook, in the common walks of life, or a big crook, in a high place, with tremendous power in his hands.

I realize that I have attacked a big power. I have seen editorials written in every town where there is a Federal reserve bank, attacking me. I knew who inspired them. They were throwing off on the efforts I was making, the purpose of it being to intimidate me and coerce me into silence. Some of those editorials have been reproduced in one or two papers in my own State. For what purpose? To injure me, or to frighten me into silence, and cause me to desert the fight that I am making in the interest of honest banking in the United States.

I come back again to the question. Whose country is this? Why did we ever organize the banking system? Did we organize it in order to make the banker rich? No. We want him to prosper; we want him to do well. We organized the banking system and gave sanction to its birth by the Congress of the country for the purpose of having it serve the business needs of all the people—of the men and women of the whole country. That is what we organized it for. We never intended that the day should come when a few men would get control of the currents through which go the money and the credit to answer the needs of the people, and that a few people would become so powerful financially, so powerful by reason of their posi-

tion, that they could absolutely control the lifeblood of the business of the country.

Mr. President, money and credit constitute the life-giving force of the business of the country. If you interfere with their circulation, you interfere with the business of the country. If you withdraw circulation of these life-giving forces to any great extent, you impair, weaken, and, it may be, paralyze the body of business. When you paralyze the body, business ceases, stagnation comes, bankruptcies follow, and ruin is spread all around.

I am fighting against such conditions. Should I be helped in this fight, or be criticized by newspapers whose editorials are inspired by some banking official appointed to his position by the governor of the Federal Reserve Board? What are you going to do about that, Senators? I am anxiously waiting to see.

If the name of the present governor of the Federal Reserve Board is sent up to this body you will hear some remarks upon the subject from me, at least, and then the people of the South and West will have an opportunity to know who they are who will put the stamp of their approval upon his deadly, murderous deflation policy. They will have an opportunity to see that, and the President will have an opportunity to show to the country whether or not he approves that policy.

It has been charged that these influences kept Governor Harding in. It has been charged that these influences are powerful enough to force his reappointment. I do not believe that the President will reappoint him. I want to state again in public I have reason to believe that the President will not appoint him. If his name does come here the Senate and the country will know, and this RECORD will contain for all time to come my reasons for saying that to-day.

One word more. The price of cotton is up around 22 cents now. This is July. Only a handful of farmers have any cotton. Last fall, when they had to sell, the price was down to 15 or 16 cents—away below the cost of production. Now, since it has gone out of the hands of the producer, it has climbed up around 22 cents—still 6 or 8 cents below the cost of production.

The farmers of the country are suffering. The cotton producers of the country are almost impoverished. The cattlemen of the West and the grain growers of the West are practically in the same boat, and I am pleading for a loosening up of the money supply. Let this money go where the business needs of the people are calling it. That is what it was created for. Let it go and you will see prosperity come. But you will not have that prosperity until those conditions are changed, and there is nothing in the world that the President could do to-day that would do more to restore hope and confidence in the average business man and banker and the farmers of the whole country than to decline to reappoint the present governor of the Federal Reserve Board.

MOB VIOLENCE.

Mr. HARRIS. Mr. President, the Senator from South Carolina [Mr. DIAL] referred to a news article from Atlanta in the New York Times which the junior Senator from New York [Mr. CALDER] had placed in the RECORD during my absence from the Chamber late yesterday afternoon. The junior Senator from New York and I have a general pair. I have the very greatest respect for and the kindliest feelings toward him; we are and have been and were even before my election to the Senate the best of friends. I regret very much that the Senator should provoke a discussion on this matter and it seems to me the time has come when there should be a stop to the making of the negro question a political one. The people of the North have their problems, and the South sympathizes with them. We know they are doing their utmost to solve them in a just manner and we make no criticism. We have our problems in the South much more difficult and we are doing our best to solve them in a just manner, and it seems to me we should have the sympathy and cooperation of those in other sections which are not burdened with the race problem.

In this article which the Senator placed in the RECORD, purely for political purposes, this statement is made:

> That the lynching of two negroes in Wayne County, after they had been reprieved for 30 days by Governor Hardwick, will not go unpunished seems assured by recent developments at the executive offices. Governor Hardwick has offered the highest reward in his power for the arrest of the lynchers, has denounced the crime, and has announced that mob rule will not be allowed in this State so long as he is governor.

Mr. President, you, sir (Mr. TRAMMELL in the chair), remember that Governor Hardwick's predecessor, Governor Dorsey, made a national reputation for trying to stop lynching in our State just as Governor Hardwick is doing, and, so far as I know, every governor since the Civil War has done. The southern people do not approve of lynching; they are opposed to it, and would like to prevent it. If we could prevent one crime, that of rape, there would be fewer lynchings in the South than any other section of our country. If the real friends of the negro in the North would devote their efforts to trying to prevent this crime instead of denouncing lynching for this crime, they would help us in the South to reduce the number of lynchings, which we are trying hard to do.

The Senator from New York sought to advertise my State as a lawless one in placing that article in the RECORD. So I glanced at three pages of the New York Herald this morning to see if there was lawlessness in his State and section. I knew there was more lawlessness in New York City, the Senator's home, in a week than there is in the whole State of Georgia in a year. In that city, the greatest city in this country, there are certain places where it is dangerous to go even in the broad, open daylight. That is not true of my section.

It is quite plain the Senator's reference to negroes was for political reasons. I noticed in the New York Herald of to-day that a 5-year-old Italian had been killed by five men. The Senator from New York forgot all about that, and he is trying to advertise my State as being a lawless State. The Jews of New York are voters and good citizens, some of them leading men of our country, and the Senator ought to look after the Jews as well as the negroes. Here is another statement in the Herald:

> Charles M. Powell, of Camden, killed "Honest John" Brunen, owner of the mighty Doris Carnival Show.

He was not a Jew. That is the next article in the paper. There is so much about crimes in this paper I am not going to put them all in the RECORD. The accounts of court trials and of lawlessness in just one day's happenings around New York, the Senator's home, would fill a large part of the RECORD. I was about to overlook another reference in the Herald where the Governor of New York denied clemency to a man convicted of slaying a Japanese compatriot. I have never known of a Japanese being killed in my State, but I am not blaming the people of New York or the governor, who, I am sure, is doing his full duty most conscientiously.

Here is another article in the Herald about a Jew who was killed. It refers to the Governor of New York, saying that too many young men are murderers now. The governor is trying to stop it. I honor him for it, and I know he has the cooperation of the good people of that great State. This man was found guilty of the murder of Dr. Winifred Kotlov, a Jewish theologian, in Queens County, right next door to the home of the Senator from New York.

Another article in the Herald tells of the slaying of a 12-year-old girl. If there is anything horrible in this world, it is the slaying of an innocent 12-year-old girl for the purpose for which this was done. There are other horrible crimes referred to in this paper, but I am not going to take the time of the Senate to place them in the RECORD, and I have no desire to try to advertise the people of New York and that section as lawless people when I know they are less so in that great city than any other large city in the world, but it is well known that there is more crime in New York and other large cities than there is in the agricultural States of the South and West, and that the negro question should, it seems to me, be allowed to rest with the South to solve. The late Theodore Roosevelt, after his return from a visit to Africa, said that no race had ever made such progress as the negroes who were brought from the jungles of Africa to America and the South. Many negroes have gone from the South to the North in the past few years; some of them have gotten good treatment and some of them have not. The manager of a large mill in the North told me that he discharged the negroes in his plant first, when they had to reduce the labor after the war, because he said they were the poorest and least efficient laborers they had; they gave preference to foreigners who could not even speak the English language. There has been more suffering among the negroes who went to the North in the past few years than there has been among the negroes who remained in the South. We are doing the very best we can by them, and we are going to continue to do so, in spite of those who for political or other purposes make our task more difficult. Any negro in the South can at any time get the money to go North, and he would not be molested; but he is told by negroes who go back South from the North that he gets more consideration and better treatment in the South than anywhere else. As a rule, men from the North who go South to live have less patience with the negroes; they expect too much of them, while those of us accustomed to them know their shortcomings and do not expect too much of them.

I have not since I have been a Member of the Senate, and shall not as long as I am in the Senate, ever utter one word to bring about strained relations between the North and the South or the East and the West. This is one great country and our people fought together before and twice since the Civil War to save this country, and it will be so as long as the world lasts. It is the greatest country in the world, and I wish our friends in the North would let us settle this question alone, just as they have in not interfering with the race problem of the Pacific Coast States. We are doing our very best to solve it in the right way, and if the junior Senator from New York [Mr. CALDER] or any other citizens of the North will go South and remain long enough to study our difficult problem they will sympathize with us rather than condemn our treatment of the negro.

Mr. SHIELDS. I would like to ask the Senator if he received a copy of a resolution passed by the council of the city of Chicago a day or two ago in regard to the proposed anti-lynching b'll?

Mr. HARRIS. Mr. President, I have received a great many, but since the Senator has referred to that, in the same edition of the New York Herald this morning, among other things I did not read, is this headline:

Truce was a trick in Herrin massacre—White flag bearer tells of men shot down after surrender—Cripple is tortured—One-legged superintendent, unable to run, was beaten by the mob—Forced to doff hats.

And so on.

Mr. President, I sympathize with the good people of the North, East, or West when they have their troubles like these, and they do not approve of lawlessness and crime, including lynchings, in their section any more than the good people of the South approve such crimes in the South.

Mr. President, there are serious problems confronting this Government at this time in which we should all be united.

There is so much bad in the best of us
And so much good in the worst of us,
It hardly behooves any of us
To say anything about the rest of us.

Mr. SHIELDS. Mr. President, I was struck with the resolution com ng from the city council of Chicago. While it did not mention the South or the negro, yet the language of the several paragraphs of it unmistakably show that it was entirely leveled at the Southern States. It spoke of 11 lynchings having occurred in certain sections within the last six months.

Yet there was the greatest and the most monstrous lynching that ever occurred in the United States, a massacre which was perpetrated almost in the shadow of the city hall where this resolution was passed, at Herrin, Ill., where many men were killed, there being varying accounts of the number, some saying 29, others fixing the number even as high as 40. But certainly 16 were killed, whose names were unknown, and who were buried as unknown. They were lynched by 5,000 people after they had surrendered and raised the white flag, lynched not because they had committed any crime but because they were trying to make an honest living. The city council of Chicago was right there within hearing. Yet with that knowledge the various officers of Williamson County, where the killings occurred, said, "Let the matter blow over and say noth'ng about it," and no attempt has been made to punish the guilty men. The sheriff of the county refused to have anything to do with it. It is to the credit of the attorney general of the State that in the last day or two he has offered a reward of a thousand dollars for any information leading to the detection and conviction of the criminals in that case. But the city council utterly ignored certainly 16 deaths by mob violence within "hollering" distance, as we say down in Tennessee, but spoke of 11 that occurred down South.

ADDRESS BY SENATOR POMERENE.

Mr. HARRISON. Mr. President, the senior Senator from Ohio [Mr. POMERENE] on the 12th day of May delivered a very able address to the Democratic women voters of Ohio. It is a most interesting address and should be read by every woman, not only of Ohio but of the entire country. I desire to have the address incorporated in the RECORD in 8-point type.

There being no objection, the address was ordered to be printed in the RECORD in 8-point type, as follows:

ADDRESS OF SENATOR ATLEE POMERENE AT A MEETING OF OHIO DEMOCRATIC WOMEN VOTERS, SOUTHERN HOTEL, COLUMBUS, OHIO, MAY 12, 1922.

Senator POMERENE spoke as follows:

"Madam Chairman, ladies, and gentlemen, there was a time when there was a difference of opinion in the United States whether or not women should have the right to vote. That is purely an academic question now. I do not look upon the right of suffrage as a privilege. I look upon it as an obligation. It is just as much your duty and my duty to take an interest—intelligent as well as active—in the affairs of state as it is for the good wives and mothers to take such an interest in their household affairs, or for men and women to take such an interest in their business affairs. The Government of the United States is the household of Uncle Sam's people, and every man and woman must take a real interest in Uncle Sam's housekeeping; otherwise they will fall short of doing their full duty.

THE BIG QUESTION.

"The vast majority of all parties are good people, men and women. If we get the wrong kind of men or women on our ticket, it is as a rule because the good men and women have not taken the interest in political affairs they ought to take. There can be no question about that. Our Government is just as good as its people, and no better. Our Government serves the people to the extent they take an active and intelligent interest in it. It is for this reason every God-fearing man and woman ought to take a very real interest in our Government. And let me say to you, my friends, the vicious men and women, almost without exception, will be found active during campaigns and at the polls on election day. The question for us to determine for ourselves is, 'Are we going to shirk our duty, or are we going to do it with the same intensity of purpose they do what they conceive to be their duty?'

TWO KINDS OF SIN.

"There are two kinds of sin. One is the sin of commission. One is the sin of omission. When men and women go to the polls and knowingly vote for the wrong candidates they are guilty of the sin of commission. When men and women fail to take an active and an intelligent interest in the affairs of government, and do not go to the polls, they are guilty of the sin of omission. In my judgment they are equally culpable with those guilty of the sin of commission. I want to appeal to the good men and women of Ohio to take such an interest in the affairs of our Government as they never have before in their lives.

"I have heard a suggestion that because two years ago the State of Ohio, being under something of a delusion, cast a majority of 400,000 votes for the Republican ticket, our cause is hopeless. Why, we can not find 400,000 people in the State of Ohio who will admit they voted the Republican ticket in 1920. I submit to you that more Republicans will vote the Democratic ticket in 1922 than there were Democrats who voted the Republican ticket in 1920.

REPUBLICAN LEADERS MAKING ISSUES.

"You ask me what the campaign issues are. I haven't time to tell you all of them. You will know them all in due time, and I assure you they are going to be discussed in a way every voter in Ohio will understand. The Republican leaders in Washington are making campaign issues for us just as rapidly as they can. The more laws they write into the statute books the more issues we are going to have.

OUTSTANDING DEMOCRATIC ACHIEVEMENTS.

"I was glad to hear this splendid message read, which you have instructed your chairman to send to Woodrow Wilson. It will be heartening to him in his sick room. I am proud of Democracy's record. During the eight years of Woodrow Wilson's administration more was done for the American people than was done during the 16 years of Republican rule under McKinley, Roosevelt, and Taft. The Republican leaders found fault with us, and with what we did—except some of the war legislation, properly so called—but they have not dared to repeal a single one of the major civil measures approved by the Woodrow Wilson administration. And they will not dare to repeal a single one.

FEDERAL RESERVE ACT.

"When the Democrats in Congress were about to vote for the Federal reserve act the Republicans, with few exceptions, voted against it. Yet everybody recognizes to-day that except for our Federal reserve system we would have had the worst panic in our history at the outset of the World War. The Federal reserve act made it possible not only to prevent a panic but to finance the most costly war in the world's history and to loan our allies $10,000,000,000. To-day it is recognized as the greatest financial legislative achievement in the civilized world. Republican leaders talked for a generation about revising our financial system. The Democrats revised it in less than a year after they came into power.

FEDERAL FARM LOAN ACT.

"We provided a system of Federal farm loans, and though this system has been in existence but a short time, already more than $400,000,000 have been loaned to farmers on long time and

at short rates of interest. Of this sum $40,000,000 have been loaned in the fourth district—Ohio, Indiana, Kentucky, and Tennessee. Republican lawmakers have given the farmers nothing to compare with it.

FEDERAL TRADE COMMISSION.

"We created a Federal Trade Commission to bring about a better understanding between buyers and sellers and to work out plans to lessen, in so far as possible, the evil effects of unfair competition. This is a most important commission. Much of its work is of a more or less technical nature. There is every reason to believe the Federal Trade Commission will continue to be a potent factor for good in the business world.

TARIFF COMMISSION ACT.

"We created a nonpartisan, nonpolitical Tariff Commission during Wilson's first term. The Republican leaders talked about it for years, introduced a bill providing for it in Taft's administration, but could not muster the votes to pass it in the Senate, though they had a majority. I was one of two Democratic Senators who voted for it, having gone on record in favor of such a commission prior to my election to the Senate in 1910. That the Republican leaders now in control at Washington are not yet ready to approve taking politics out of the tariff is shown by the bill they are now attempting to force through Congress. It is partisan and political, unscientific, and contrary to the spirit of the Tariff Commission idea. But the Tariff Commission created by the Wilson administration is here to stay, and eventually we shall have a tariff based on justice and right rather than upon special favors for the few.

GOOD ROADS LAW.

"We gave the country in 1916 the most scientific and the most generous good roads law in the history of our country. It provided for aid by the Federal Government to the States in excess of $72,500,000 on a 50–50 basis; that is, each State was required to give an amount equal to the amount received from the Federal Government. Ohio received Federal aid in excess of $2,500,000 under this law. It gave the good roads movement a nation-wide boost, and its beneficial results will be in evidence more and more year after year. Thanks to this Democratic achievement it is no longer a question whether we are to have a permanent good roads movement along systematic lines. The only question now is how much shall we spend from year to year for construction and maintenance of good roads. The law of 1916 has been amended and extended and appropriations handsomely increased. Ohio is one of the chief beneficiaries.

EXPORT TRADE LAW.

"Recognizing the fact that we can not live unto ourselves alone as a nation any more than we can live unto ourselves alone as individuals, we enacted the export trade law for the development of our foreign trade. The law already has justified the expectations of its friends. It has proved a boon to all those who do an export trade business. It is bound to play a most important part in our business relations with the entire civilized world by enlarging present markets and developing new markets abroad. It gives to wide-awake American business men who have initiative and push the golden opportunity to build up foreign trade they looked for in vain under Republican rule.

"The basic reason for the export trade law grew out of this fact: German buyers organized large cartels; French and other buyers large combinations to make their purchases of food and other agricultural products, copper and other commodities. American dealers in farm and other commodities, it was believed, were not permitted under the Sherman antitrust law to combine in making sales to the foreign trade. The result was American sellers always were competing with one another while foreign buyers were combining so that in each country there was substantially one buyer. The foreigners, therefore, could compel bidders to compete with one another, but American sellers were limited to very few purchases. As a result, Americans suffered in their foreign trade.

"The export trade law permits these sellers to form associations solely for the export trade, thereby enabling them to deal on an equal footing with the foreign buyers, and to get better prices for the American products.

DEMOCRATS COURT COMPARISON.

"There are many other legislative achievements of the Wilson administration and they all will be explained to the voters as the campaign progresses. We court a comparison of Democratic and Republican achievements. In fact, we are going to insist on such a comparison.

THE BUDGET SYSTEM.

"The Republican leaders and spellbinders claim credit for the Budget system, and they deserve some credit for it, but it is a matter of public record that it was urged by President Wilson, indorsed by Democrats and Republicans generally, and a bill creating it in the latter part of his administration was vetoed by him because the Republican leaders sought to deprive the Executive of the power to remove the controlling officer, the Budget Director, in case of misfeasance or nonfeasance in office, and vest that authority in the Congress. That would have been a violation of the constitutional authority of the President. Except for that it would have been both passed and signed while Woodrow Wilson was President. The Budget law was enacted early in the present administration, and the Republican leaders left the removal power vested in the President—just as President Wilson insisted it had to be under the Constitution.

THE NEW REVENUE LAW.

"Now, we have had lately, they tell us, some revenue legislation and some tariff legislation, and on day before yesterday Senator MCCUMBER on the floor of the Senate vigorously attacked the Democrats, charging they were filibustering against the pending tariff bill. The Democrats lost the Congress in the 1918 elections, and in December of that year when Chairman FORDNEY, of the Ways and Means Committee, returned to Washington, he said he would call the Republican members of the committee together to prepare revenue legislation and tariff legislation, so they would be ready to act at once when Congress convened in special session.

"Well, President Wilson called the Republican Congress together May 20, 1919, and we have been in almost continuous session from that date until the present time—three years. Think of it! And the tariff bill not yet enacted into law. We have a new revenue law, but we did not get it until last November—30 months after the Republicans gained control of Congress. The Republican leaders and spellbinders and editors had much to say during the campaign of 1920 about relieving the taxpayers of the burdens of heavy taxation, but they certainly have been taking their time to grant such relief. They have furnished us with a perfect illustration of masterly inactivity. As 'wigglers and wobblers' they have set a new record.

HELPING THOSE WHO HAVE.

"And just what did the Republican Congress undertake to do by the revenue measure? They sought to relieve all high incomes in excess of $68,000—there were a few more than 11,000 such taxpayers—from all revenue taxes in excess of 32 per cent. You will agree with me that the rank and file, the bone and sinew of our American people, are those who have incomes ranging from less than $1,000 up to $68,000, and yet little relief was granted to these more than 5,000,000 taxpayers upon whose activities we depend for our industrial, our commercial, our farming, our mining, and our manufacturing life. That is the kind of relief given by this Republican revenue measure. The Democrats in the Senate, with the aid of a few Republicans, insisted that the graduated rates should continue up to 50 per cent over and above $300,000 incomes. And that view finally prevailed, over the protest of the so-called old guard.

HISTORY OF PENDING TARIFF BILL.

"Now, let me call your attention briefly to the history of the tariff legislation. Chairman Fordney, of the House Ways and Means Committee, had made the promise already referred to. The elections of 1920 came on. The times seemed to be out of joint. The Republicans won in the House by more than two to one. They won a majority of 24 in the Senate. They had had absolute control of all the committees and up until March 4, 1921, they enacted no tariff legislation whatever. Even that pious protection fraud, the so-called emergency tariff law, was not enacted until May, 1921. But to go back. Hearings on the pending tariff bill began January 6, 1921. They ended in February, 1921, and the Ways and Means Committee began the original draft of the bill. In June, 1921, the committee reported its bill to the House. On July 21, 1921, the House passed the bill, after having written into it over 200 amendments. The bill was messaged to the Senate on July 22, 1921, and referred to the Committee on Finance. Hearings were begun July 25, 1921, and continued to and including August 31, 1921. Then the tariff bill was laid aside temporarily and attention given to the internal revenue bill. Hearings on the tariff bill were resumed November 3, 1921, and completed January 9, 1922. Upon completion of the hearings the committee began the preparation of the bill and continued its labors until April 11, 1922, when the bill was reported to the Senate.

DEMOCRATS DENIED USUAL COURTESY.

"Right here let me explain the attitude assumed by the Republican members of the Finance Committee toward the Democratic members. When the committee went into executive ses-

sion the Republican members did not invite the Democrats to sit with them while they were framing the law. I am not finding fault with that. It has been the custom when a tariff measure is under consideration for the majority party members to sit and prepare their bill, agree as to its premises, and as they agree to refer them to the minority members. During the sitting of the Ways and Means Committee of the House under Chairman UNDERWOOD, and later during the sitting of the Senate Committee on Finance under Chairman SIMMONS, when the Underwood-Simmons bill was under consideration, as soon as an item was agreed upon, straightway the Democratic Members notified the Republican minority members so they could have it for consideration.

"No such courtesy was extended Democratic minority members on either committee by Republican majority members in the consideration of the pending tariff bill. In fact, the Democratic minority of the Senate Finance Committee was given a copy of the bill, as agreed upon by the Republican majority, not to exceed two days before the bill was reported, April 11. The bill was on the calendar nine days before Chairman McCUMBER, of the Finance Committee, called it up for consideration and made a speech in support of it. That was on April 20, 1922. If you are interested in reading a swan song do not fail to read this speech by Senator McCUMBER. I may say in passing, the Republican members of the Senate Finance Committee added over 2,000 amendments to the bill as it passed the House.

HOLLOW FILIBUSTER CHARGE.

"Now, then! After the Republican Members of Congress had worked on the pending bill from January 6, 1921, until April 11, 1922—except from September till November, when the revenue bill was under consideration—a full year, Chairman McCUMBER charged the Democrats with filibustering. May 10, 1922, just 20 days after he called the tariff bill up in the Senate and made his initial speech upon it. I could not resist the temptation to call his attention and the attention of the Senate to the history of this tariff legislation as I have recited it to you. If any Republican challenges the correctness of my statement of facts let him or her speak.

"Now, with this legislation affecting as it does every man, woman, and child, with more than 2,200 amendments to consider in connection with the bill proper, and with all its vast importance to economic conditions, I have insisted that while I would oppose filibustering I felt it the duty of every Senator to discuss this bill thoroughly in order that the public may be enlightened as to its provisions. And I still so insist.

REPUBLICAN LEADERS DISAGREE.

"We have made some progress with it. We have pointed out some of its inconsistencies. I want to call your attention to a few. If I were to ask the hundred and more ladies assembled here this afternoon whose business it is to enact legislation the unanimous answer would be that it is the business of the Congress of the United States. Right. But under this tariff bill the House has adopted what was called the American valuation plan. Chairman FORDNEY says that plan must go into the bill or we stay in Washington until the snow flies. But here, again, our Republican leaders are at sea, without chart or compass. The Republican members of the Senate Finance Committee, 10 of them, by a vote of 7 to 3, repudiated the American valuation plan, and approved the foreign valuation plan, which we have had continuously from the beginning of our tariff history. Senator SMOOT, of the Finance Committee, made a speech on the floor of the Senate, April 24, 1922, showing the American valuation plan, as indorsed by Chairman FORDNEY, to be wholly impracticable.

WOULD PROTECT PROFITEERS.

"Bear in mind, in your consideration of the pending tariff bill, the protective theory is that we want a tariff that covers the difference in cost between what is the cost in this country and what it is in foreign countries. The Republican leaders want to change that now. They want our new tariff to cover the difference between the competitive cost in our country and in foreign countries plus a high profit. This is the first time in the history of the Republican Party its leaders ever had the brazen effrontery to suggest the protection of the profiteers, and I am ready to go to the country on that issue with them, confident that the rank and file of their own party will decline to follow their leadership. There are none so blind as those who will not see.

REPUBLICAN LEADERS AT FAULT.

"I do not want to be misunderstood. I have no quarrel with the rank and file of the Republican Party. The average Republican, like the average Democrat, wants only what is just and right. The trouble with our Republican friends is they are being misled by their leaders. My quarrel is with those leaders.

"What do they do? They provide in the pending tariff bill that if there is any difference between the competitive conditions detrimental to the interests of our country the President shall have power—

"First. To change from the foreign-valuation plan to the American-valuation plan.

"Second. To change from specific duty to ad valorem duty.

"Third. To change from ad valorem duty to specific duty.

"Fourth. To add to or subtract from rates contained in the bill 50 per cent of such rates; in other words, to raise them 50 per cent or lower them 50 per cent.

"It is the first time in our history such discretion has been lodged in the President of the United States. It is too much power to place in the hands of any man. It is fundamentally wrong for the reason it delegates legislative power to the executive branch of our Government.

"Now, I do not want to be unfair—I think it would be unconstitutional to do it—but if our shifty Republican leaders would lodge all their legislative power with the President, they would have this consolation: It would shift responsibility from this Republican Congress, and for that the American people would be duly thankful.

$3 WHEAT AND 40-CENT COTTON.

"I do not know very much about ladies' pocketbooks, but I know that men's pocketbooks are not as full as they were during our Democratic administration. Republican leaders and spokesmen told us if they were returned to power in 1920 we would have prosperous times. They were quite sure about that. They were going to give the farmer $3 a bushel for his wheat. They were going to give the cotton planter 40 cents a pound for his cotton. The voters took them at their word. The Democratic administration, under which producers as well as consumers had waxed fat, was kicked out of power, and the Republican Party was put in power. Wheat went down, down, down, until it sold for little more than $1 a bushel. Cotton went down, down, down, until it sold for 12 cents and 15 cents a pound. And the farmers in the wheat-growing belt and the planters in the cotton-growing belt are still holding the bag. What a rude awakening they have had!

WOMEN AND THE PENDING TARIFF.

"Our contention is that if the pending tariff bill is enacted into law it will add to the price of everything you have to buy—for your wearing apparel, the family's wearing apparel, and for your household. Why, ladies and gentlemen, the sponsors for this bill admit it will advance prices!

"Yesterday, within an hour before I boarded the train for Columbus, I went to one of the experts employed by the Democratic members of the Finance Committee to get a few figures I thought would be of interest to the women of Ohio, and I was given the following statement comparing the rates as fixed in the Underwood-Simmons law, which has been in effect since 1913, and the proposed rates in the pending bill:

"Cotton fabrics: Average rate under Underwood-Simmons law, 22.6 per cent; under pending bill, 40 per cent. This includes all fabrics, such as ginghams, calicos, organdies, and similar materials, used exclusively for women for house wear, making dresses, and so forth, for children.

"Laces: Average rate under Underwood-Simmons law, 60 per cent; under pending bill, 90 per cent. At the present time women are able to buy in the 5-cent and 10-cent stores many kinds of cotton laces used as trimmings for garments. It is believed if the proposed rate, 90 per cent, becomes effective this will no longer be possible.

"Cotton hosiery: Average rate under Underwood-Simmons law, 37 per cent; under pending bill, 68 per cent. If the latter rate becomes effective it will no longer be possible to buy children's cotton hose for 25 cents.

"Cotton corsets: Average rate under the Underwood-Simmons law, 30 per cent; under the pending bill, 64 per cent. As corsets for women's wear are again coming into style, it will be seen what will happen to the price of ladies' corsets if the proposed rate becomes effective.

"Silks: Average rate under the Underwood-Simmons law, 60 per cent; under the pending bill, 90 per cent. On silk pongee, used extensively by women for dresses and shirt waists, proposed rates average as high as 230 per cent. Under such rates it will be absolutely impossible for women to obtain this popular fabric. On Japanese habutai silk, commonly referred to as China silk or wash silk, the proposed rates are practically double the rates in the Underwood-Simmons law. This habutai is a fabric very popular with the women in the making of undergarments.

"Wool fabrics: Average rate under the Underwood-Simmons law, 35 per cent; under the pending bill, 74 per cent. Imported woolen fabrics, commonly used by women for street dresses and tailored suits, are selling in the United States under the present law for more than domestic woolens. The proposed rate is designed to exclude the importation of a good class of woolen cloth.

"Leather gloves: Average rate under the Underwood-Simmons law, 14 per cent; under pending law, 37½ per cent. Under the proposed rate it will be impossible to import ladies' kid gloves. On a 16-button kid glove the proposed rate amounts to 83 cents per pair. Under the Underwood-Simmons law the duty on the same glove is 41 cents a pair. If the proposed change is made, it will force women to buy cotton gloves.

"Cotton gloves: The duty on cotton gloves has been advanced from 35 per cent under the Underwood-Simmons law to over 100 per cent in the pending bill. For example, on a 16-inch button glove costing $4 per dozen the duty under the Underwood-Simmons law would be $1.40 per dozen, while under the pending bill the rate is $3 per dozen for gloves up to 11 inches long and 10 cents extra for every inch over 11 inches. Sixteen-button gloves measure 23 inches, or 12 inches longer than the ordinary 11-inch glove, making the duty on this glove under the pending bill $4.20, or 105 per cent.

"The duty on all articles of household utility are very much increased under the pending bill.

Table cutlery has been increased from 30 per cent under the Underwood-Simmons law to the equivalent ad valorem rate of 130 per cent maximum.

"Hardware has been increased from 20 per cent under the Underwood-Simmons law to 40 per cent under the pending bill.

"Toys for children have been increased from 35 per cent to 70 per cent; parasols, 35 per cent to 50 per cent.

"Buttons have been increased from an average rate of 35 per cent under the Underwood-Simmons law to an average rate of 96 per cent under the pending bill.

WOMEN BUYERS, TAKE NOTICE.

"It is estimated that under the stimulus of the high rates proposed in the pending bill the women of the United States will be forced to pay approximately $1,000,000,000 more for clothing than they pay now under the Underwood-Simmons law. This includes all articles of women's wearing apparel from lace to hair nets.

"The pending tariff bill is one of our issues, and I welcome it.

M'KINLEY'S ADVICE APPLICABLE NOW.

"Now, let me call your attention briefly to another situation: European countries to-day owe our Government and our nationals, for loans and credits extended $18,000,000,000, almost three-fourths as much as our total national debt. How is Europe going to pay this unprecedented debt? She can not pay it in gold, because she does not have the gold. She can not pay it in her depreciated currency, because we will not take it. There is only one way out, both for Europe and for the United States, and that is by some system of barter and trade, under proper conditions, so Europe can buy from us what she needs, and we can buy from her what we want. In this way, and only in this way, can Europe pay us what she owes us.

"Let me remind you of the time when the McKinley bill was before the Congress in 1890. I remember it as well as if it were yesterday. James G. Blaine, then Secretary of State, said with reference to that bill: 'If the bill passes in the form it now is'—and that was before the reciprocity provisions were added to it—'it will not furnish a market for one pound of pork or for one barrel of flour.' The McKinley bill was changed. I say to you if the pending bill passes in its present form it will not furnish a market for one ounce of pork or for one pound of flour.

"Let me go further—Mrs. Margaret Allman from my home city is here. She knew as I knew the late lamented President McKinley. If there ever was a man who was sincerely a protectionist at heart it was William McKinley. In the last speech he made at Buffalo, just before the assassin's bullet struck him low, he said: 'America can not always expect to sell and never to buy.' And if Republican leaders in Washington are going to build a tariff wall around the United States as high as the pending bill provides, the men and women of America will read in letters of flame across the sky McKinley's warning at Buffalo: 'You can not always expect to sell and never to buy.'

MUST HAVE FOREIGN MARKETS.

"Let me say to you, so you will realize more fully the vital importance of President McKinley's warning:

"In 1870 the agricultural products of our country amounted to $50 per capita; in 1920 they had increased to $112 per capita.

"In 1870 the manufacturing products of our country amounted to $110 per capita; in 1920 they had increased to $563 per capita.

"It follows that our need for a foreign market now is greater than it was in 1870.

"We are a producing rather than a consuming country. Our prosperity is bound up in our producing and selling, and we must give heed to the demands of the farmers of the country, and the manufacturers, and the producers everywhere, for the foreign market as well as the home market. We can not live unto ourselves alone, either as individuals or as a Nation.

"My friends, in conclusion, I want you to enlist in our cause as you never enlisted in anything before in your lives. We are facing a rising sun, not a setting sun. And if there ever was a time we should take pride in the fact we are Democrats that time is right now.

A RECORD OF WHICH TO BE PROUD.

"Major legislative achievements of the Wilson administration when Democrats were in control of all three branches of the Government include:

"(1) Federal reserve act—December 23, 1913.
"(2) Alaskan railroad act—March 12, 1914.
"(3) Federal Trade Commission act—September 26, 1914.
"(4) Federal farm loan act—July 17, 1916.
"(5) Federal Tariff Commission act—September 8, 1916.
"(6) Federal aid road act—July 11, 1916. (Amended and extended February 28, 1919. Ohio's quota under original act more than $2,500,000. Total quota for all States $72,500,000. States must take initiative and each State must match its Federal quota.)
"(7) Clayton Antitrust Act—October 15, 1914.
"(8) Employees' compensation act—September 7, 1916.
"(9) Act to declare purpose of United States toward the Philippines and to provide a more autonomous government for those islands—August 29, 1916.
"(10) Immigration act—February 5, 1917.
"(11) Bill of lading act—January 1, 1917.
"(12) Vocational educational training act—February 23, 1917.
"(13) War finance corporation act—April 5, 1918.
"(14) Export trade law—April 10, 1918.
"(15) Naturalization law—May 9, 1918.
"(16) War risk insurance; soldiers' compensation; soldiers' and sailors' civil rights acts (17 in number)—September 2, 1914; August 6, 1919.
"(17) Thirty peace treaties between the United States and as many different countries were inaugurated and ratified by the Wilson administration while Mr. Bryan was Secretary of State."

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The PRESIDING OFFICER (Mr. TRAMMELL in the chair). The question is on the adoption of the amendment of the committee on page 121, in line 4, where the committee proposes to strike out "one-fifth" and insert "one-fourth," so as to read "one-fourth of 1 per cent ad valorem."

Mr. SMOOT. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. HARRISON (when his name was called). I transfer my general pair with the junior Senator from West Virginia [Mr. ELKINS] to the senior Senator from Missouri [Mr. REED] and vote "nay."

Mr. JONES of Washington (when his name was called). The senior Senator from Virginia [Mr. SWANSON] is necessarily absent this afternoon. I promised to pair with him in his absence. I find that I can transfer that pair to the junior Senator from Oregon [Mr. STANFIELD], which I do, and I vote "nay."

Mr. ROBINSON (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the Senator from Rhode Island [Mr. GERRY] and vote "nay."

Mr. WALSH of Montana (when his name was called). I transfer my pair with the Senator from New Jersey [Mr. FRELINGHUYSEN] to the Senator from Nebraska [Mr. HITCHCOCK] and vote "nay."

Mr. WATSON of Indiana (when his name was called). Transferring my general pair with the senior Senator from Missis-

sippi [Mr. WILLIAMS] to the junior Senator from Washington [Mr. POINDEXTER], I vote "yea."

The roll call was concluded.

Mr. STERLING. I have a general pair with the Senator from South Carolina [Mr. SMITH], but I am informed that if present he would vote on this question as I shall vote, and I am, therefore, at liberty to vote. I vote "nay."

Mr. NEW. I transfer my pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from Vermont [Mr. PAGE] and vote "nay."

Mr. OVERMAN. I transfer my pair with the Senator from Wyoming [Mr. WARREN] to the Senator from Nevada [Mr. PITTMAN] and vote "nay."

Mr. JONES of New Mexico (after having voted in the negative). I transfer my pair with the Senator from Maine [Mr. FERNALD] to the Senator from Montana [Mr. MYERS] and permit my vote to stand.

The PRESIDING OFFICER (Mr. TRAMMELL). I transfer my pair with the Senator from Rhode Island [Mr. COLT] to the junior Senator from Massachusetts [Mr. WALSH] and vote "nay."

Mr. CURTIS. I wish to announce that the Senator from North Dakota [Mr. MCCUMBER] is absent on official business. He is paired with the junior Senator from Utah [Mr. KING].

I also wish to announce that the Senator from New Jersey [Mr. EDGE] has a general pair with the Senator from Oklahoma [Mr. OWEN] and that the Senator from Vermont [Mr. DILLINGHAM] has a general pair with the Senator from Virginia [Mr. GLASS].

The result was announced—yeas 24, nays 32, as follows:

YEAS—24.

Ball	Gooding	McLean	Ransdell
Calder	Hale	McNary	Shortridge
Curtis	Keyes	Moses	Smoot
du Pont	Ladd	Newberry	Spencer
Ernst	Lodge	Pepper	Wadsworth
France	McKinley	Phipps	Watson, Ind.

NAYS—32.

Ashurst	Harris	Nelson	Simmons
Borah	Harrison	New	Stanley
Capper	Heflin	Norbeck	Sterling
Caraway	Jones, N. Mex.	Overman	Townsend
Culberson	Jones, Wash.	Pomerene	Trammell
Cummins	Kendrick	Robinson	Underwood
Dial	Lenroot	Sheppard	Walsh, Mont.
Fletcher	McCormick	Shields	Willis

NOT VOTING—40.

Brandegee	Frelinghuysen	McKellar	Reed
Broussard	Gerry	Myers	Smith
Bursum	Glass	Nicholson	Stanfield
Cameron	Harreld	Norris	Sutherland
Colt	Hitchcock	Oddie	Swanson
Crow	Johnson	Owen	Walsh, Mass.
Dillingham	Kellogg	Page	Warren
Edge	King	Pittman	Watson, Ga.
Elkins	La Follette	Poindexter	Weller
Fernald	McCumber	Rawson	Williams

So the amendment of the committee was rejected.

The PRESIDING OFFICER. The next amendment will be stated.

The READING CLERK. In paragraph 901, page 121, line 5, the committee proposes to strike out "25" and insert "30," so as to read:

Nor of numbers exceeding 100, less than 30 per cent ad valorem.

Mr. SIMMONS. Mr. President, I had not expected to take any part in the discussion, but on account of the temporary absence of the Senator from South Carolina [Mr. SMITH], who is looking after the matter, I give my attention to it.

The proposed increase from a minimum of 25 per cent, as fixed in the House bill, to 30 per cent ad valorem in my judgment is utterly indefensible. Of course, all the arguments that have been made by the Senator from South Carolina [Mr. SMITH] and the Senator from Wisconsin [Mr. LENROOT] against an increase in the amendment upon which we have just voted apply with equal force to this increase. That amendment proposed an increase upon the House rate on the lower grades of cotton yarns and the pending amendment proposes an increase in the rate upon the higher grades of cotton yarns.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Ohio?

Mr. SIMMONS. I yield.

Mr. POMERENE. The Senator, of course, has been very diligent in his attendance upon the hearings. Can he tell me who asked for the increase?

Mr. SIMMONS. My understanding is that the cotton manufacturers generally have not asked for it. I suppose Mr. Lippitt asked for it, but I do not know. I understand he was asking for a great many things with reference to increased rates.

Mr. SMOOT. Mr. President, we can not hear a word the Senator says.

Mr. SIMMONS. The Senator from Ohio asked me who it was that asked for the increase provided in this particular paragraph. I replied that I did not know, that I had not heard of any manufacturer from my section of the country, or generally from any other section of the country, asking for it, but supposed that Mr. Lippitt, who was here representing certain cotton interests, had asked for it. I do not know. The Senator from Utah can answer that question better than I can.

Mr. POMERENE. Is it not true that all the manufacturers of these yarns have been very prosperous in the last few years under the Underwood law?

Mr. SIMMONS. Beyond the dreams of avarice, in many instances. As has been conclusively shown here, they have not now and have not had at any time since the Underwood law was enacted, some eight or nine years ago, any competition worth speaking of in the particular yarns dealt with in this paragraph.

Mr. POMERENE. Mr. President, I have not any detailed or specific information in reference to this subject, but I remember that during the last three or four years it has come to my ears constantly that very large dividends were being paid by these different mills.

Mr. SIMMONS. So large that in some instances one even hesitates to state the amount. However, Mr. President, it is not necessary for me to repeat the statistical information which has been given to the Senate this morning and so forcefully commented upon by both the Senator from South Carolina [Mr. SMITH] and the Senator from Wisconsin [Mr. LENROOT], showing beyond peradventure that the production in this country is enormous; that it is absolutely sufficient to supply the domestic requirements; that the importations are so insignificant that they may be dismissed as being of no consequence whatsoever, while the exportations are, I think it was stated, at least ten times the small amount of the imports. So the Underwood rate has been practically prohibitive; it is too high; it ought to be reduced. The great author of that law, who now sits to my right, has made the statement practically, by implication at least, that instead of discussing here the question of raising the Underwood rates upon this particular product we ought to be discussing the question of reducing those rates, because they have proved, to all intents and purposes, I will say, absolutely prohibitive; and yet, notwithstanding that, it is proposed to increase those rates.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Utah?

Mr. SIMMONS. I yield.

Mr. SMOOT. The Senator from North Carolina, I think inadvertently, stated that everything which the Senator from Wisconsin said in relation to the previous amendment would apply to the pending amendment in the same way.

Mr. SIMMONS. Probably that was a little too broad.

Mr. SMOOT. Yes; it is entirely too broad, because, I wish to say to the Senator from Ohio [Mr. POMERENE], that the existing rate upon yarns over 100 counts is 27½ per cent, while this rate is 30 per cent.

Mr. POMERENE. Over what?

Mr. SMOOT. Over 100 counts. The existing law imposes a duty of 27½ per cent. I do not think that 3 per cent of all the yarns produced in the country run over a hundred counts.

Mr. UNDERWOOD. Will the Senator from North Carolina yield to me?

Mr. SIMMONS. I yield to the Senator from Alabama.

Mr. UNDERWOOD. I wish to confirm what the Senator from North Carolina has just said in reference to my statement. As to the statement of the Senator from Utah that the existing rate on these yarns is 27½ per cent and the Committee on Finance proposed to increase it only to 30 per cent, that is no justification for the increased rate.

Mr. SMOOT. I did not say it was a justification for the increase.

Mr. UNDERWOOD. Anyone who knows anything about this matter and will give consideration to the actual trial of the present rates must realize that there can be no justification for the increase. The Senator must understand that the previous rate was more than double that of the existing law; but nine years ago the Ways and Means Committee cut the rate, and nine years' trial has proven that 27½ per cent tax on this class of yarn is prohibitive. There can not be any question about that. It is practically prohibitive. How any committee that has in view at all the idea of allowing a little revenue to creep into the Treasury can consider the question of raising what is practically a prohibitive rate I can not comprehend.

for when it is stated that less than 1 per cent of the product of the American industry is imported it is admitted that the rate is prohibitive.

Mr. SMOOT. But that does not apply to this particular line of materials.

Mr. UNDERWOOD. It does if there is less than 1 per cent of these yarns imported.

Mr. SMOOT. But of this kind of yarns, as compared with the amount produced in this country, there is a greater percentage of imports. I think more than one-half of the consumption in the United States of certain kinds of the yarn falling under this paragraph is imported into the United States.

Mr. UNDERWOOD. Some particular thread of some particular make that is not produced in the United States may be brought in, but the test is the average, for if the domestic manufacturers can make these 100-count yarns, the run of the mill yarn, and they can not be imported, the fact that some fancy yarn of some particular make happens to creep over the border because an American manufacturer is not making it is no justification for an increase of rates all along the line.

Mr. SMOOT. I will take occasion, I will say to the Senator, to ascertain the amount of importations of this class of yarns and put the figures into the RECORD.

Mr. POMERENE. I should be very glad to be informed on that subject; but let me ask the Senator from Utah now, since he is on the floor, the question which I put to the Senator from North Carolina [Mr. SIMMONS]. Generally speaking, it would seem from the course the discussion has taken here that the manufacturers are more than satisfied with the present conditions; that the manufacturers are not asking for these increases. Who was it who asked for these increases?

Mr. SMOOT. The Senator from Ohio is entirely wrong. I will say to him that the representatives of the manufacturers say that they would rather take the Underwood tariff law, so far as yarns are concerned, than the pending bill, if we will give them long-staple cotton free, as the Underwood law does.

Mr. POMERENE. As I understand—and I have not taken the time thus far to make the comparison—the Underwood rates are lower than are the rates provided in the pending bill.

Mr. SMOOT. Some of them are and some of them are not, I will say to the Senator from Ohio.

Mr. UNDERWOOD. Most of them are.

Mr. SIMMONS. Mr. President, they all are, so far as unbleached yarns are concerned. I am not talking about bleached yarns now. The Senator from Utah [Mr. SMOOT] a minute ago referred to the 27½ per cent rate of the Underwood law. That rate applies to bleached yarns. I am discussing the amendment that applies to unbleached yarns now. I am discussing the amendment on line 5, page 121.

Mr. SMOOT. I am aware of that.

Mr. SIMMONS. And that does not apply to bleached yarns.

Mr. SMOOT. That is 25 per cent in the Underwood law.

Mr. SIMMONS. And the Committee on Finance proposes to raise it to 30 per cent. That is what I was discussing, and that is all I was discussing. I was saying that the importations, it had been shown, were very small. That is not quite as accurate a statement when made with reference to the finer counts above 100 as it is when made with reference to the coarser counts which we were discussing this morning at the time the statistics to which I referred were given to the Senate, but I find that of the finer counts of unbleached yarns the importations are only about 12,000 pounds. That is their extent.

Mr. WALSH of Montana. Mr. President——

Mr. SIMMONS. While that is a larger proportion than the importations of the coarser yarns, it still is not a considerable amount.

Mr. POMERENE. Mr. President, may I ask in that connection just one question?

Mr. WALSH of Montana. I merely desired to say that I understood the Senator from Utah was going to answer the question addressed to him by the Senator from Ohio with respect to the particular amendment which is now before us. The question was, Who asked that the rate on yarns be increased from 25 per cent to 30 per cent?

Mr. SIMMONS. I will be very glad to have the Senator from Utah answer that question.

Mr. SMOOT. I did not hear the question.

Mr. SIMMONS. The Senator from Ohio persists that he have an answer to the question which he asked at the time he interrupted me. I referred him to the Senator from Utah, because I could not answer the question.

Mr. POMERENE. Early in the colloquy I put that question to the Senator from North Carolina [Mr. SIMMONS].

Mr. SIMMONS. And I did not answer it.

Mr. POMERENE. The Senator from North Carolina did not know that anybody had asked for the increased rates unless it was former Senator Lippitt. I put the question to the Senator from Utah then, and, as I understood, he expected to answer it later.

Mr. SMOOT. I think the only one that I know anything about who was particularly interested in this section was Mr. Cramer, the representative of the yarn manufacturers in the United States.

Mr. POMERENE. I think it is unfortunate that the Finance Committee did not hear some representatives of the consumer class on the subject.

Mr. SMOOT. The Finance Committee did have such representatives before it. Every Senator who wanted to come before the committee had an opportunity of appearing there. I deny the charge which has been made upon this floor so often that nobody but manufacturers appeared before the committee. That is not true.

Mr. POMERENE. Then very little attention was paid to the others.

Mr. SMOOT. I want to say that a great many more importers came before the committee than manufacturers.

Mr. POMERENE. I am not referring now to importers.

Mr. SMOOT. They are the ones who are most deeply interested in it.

Mr. POMERENE. There are many people out in Ohio who are consumers and understand as much about this subject as do the members of the Finance Committee, people who have studied it, and who are protesting against this proposed legislation.

Mr. SMOOT. Of course, at the special solicitation of the propaganda of the importers of New York.

Mr. POMERENE. Unless the Senator is endowed with special knowledge which enables him to look into the hearts of the people to whom I refer, I deny that emphatically.

Mr. SMOOT. I want to say to the Senator that I can show him hundreds and thousands of such protests by retail merchants in the United States which are alike, word for word, and many of the protests are printed in identical language, although signed by various protestants.

Mr. POMERENE. There is not any doubt about that; but the statement comes to me from merchants out in Ohio who are just as patriotic as is the distinguished Senator from Utah, and who know just as much about this subject, perhaps.

Mr. SMOOT. Perhaps more.

Mr. POMERENE. Probably so; I think they do.

Mr. SMOOT. And they may be even more patriotic; I have not said a word as to that. That, however, does not make a particle of difference as to the rate.

The PRESIDING OFFICER. The Senator from North Carolina has the floor.

Mr. SIMMONS. Mr. President, I do not know whether the importers had anything to do with the making of this bill or not. I am rather inclined to think that they did not have anything to do with it. If I understand the Senator from Utah, he contends that the importers were demanding lower rates, while in this case the rate is higher than that of the present law. Therefore it is not to be presumed that the importers asked for it, but it is to be presumed that somebody who expected to profit by this duty asked for it. The question is, Did any cotton-manufacturing interest in this country demand this increase?

Mr. SMOOT. I have told the Senator as to that.

Mr. SIMMONS. I say to the Senator that, so far as the cotton manufacturers of my section of the country are concerned—and I believe they constitute about one-half of the cotton manufacturers of this country—I do not believe that they have desired this increase, or that they have asked for this increase; on the contrary, it is my impression that the cotton manufacturers of my State think that the rates in the Underwood law are amply protective, so far as they are concerned, and not one of them has asked me to support a higher rate than is provided in the Underwood law.

Mr. SMOOT. There is no manufacturer in the South who makes a thread over 100.

Mr. UNDERWOOD. The Senator is wrong about that.

Mr. SIMMONS. I think the Senator is wrong as to that. We are making very fine goods in the South.

Mr. SMOOT. Will the Senator tell me one single cotton manufacturer in the South who makes a thread over 100?

Mr. SIMMONS. I am told that the Separk Gray Cotton Manufacturing Mills, at Gastonia, in the State of North Carolina, makes 120's; and I want to tell the Senator, whether he knows it or not, that we are beginning to make as fine goods in North Carolina as they make in Massachusetts.

Mr. SMOOT. You are beginning?

Mr. SIMMONS. Yes.

Mr. SMOOT. I want to say to the Senator that you have not gotten even one step along the road—not one step.

Mr. SIMMONS. The Senator speaks more ex cathedra than any other Senator in this Chamber, and I suppose more so than any other Senator who ever appeared in this Chamber, because he thinks he knows all things, and that his knowledge with respect to them is absolutely the final word. I tell the Senator he is mistaken. We are making fine cotton goods in the South. The Senator asked me to name one instance, and I named it. Now, I want to ask the Senator whether any southern manufacturer came up here and asked for these increases in rates?

Mr. SMOOT. Stuart W. Cramer, of Charlotte, N. C. Does the Senator know him?

Mr. SIMMONS. Yes; I know him, and I have a letter from him about it, in which he said that he thought the cotton people of the South were entirely satisfied.

Mr. SMOOT. Let us see what he said to the committee. I will not have to take the word of the Senator about this. Not only that but I want to say to the Senator that he was in my office not two weeks ago complaining about the rates.

Mr. SIMMONS. He has not so complained to me. I will hear what the Senator has to say, however.

Mr. SMOOT. Mr. Cramer appeared before the committee, and this is what he stated he advocated:

Cotton yarns, including warps, in any form, bleached, dyed, colored, combed, or plied, of numbers not exceeding No. 40, four-tenths of 1 cent per number per pound; exceeding No. 40 and not exceeding No. 120, 16 cents per pound, and in addition thereto, fifty-five one hundredths of 1 cent per number per pound for every number in excess of No. 40; exceeding No. 120, 60 cents per pound: *Provided*, That none of the foregoing, of numbers not exceeding No. 100, shall pay less duty than 7 per cent ad valorem and in addition thereto for each number one-fifth of 1 per cent ad valorem; nor of numbers exceeding No. 100, less than 27 per cent ad valorem—

On the American valuation.

Mr. SIMMONS. Is the Senator talking about bleached yarns?

Mr. SMOOT. No; I am not. I am talking about just what we are talking about here.

Mr. SIMMONS. Was not Mr. Cramer talking about the bleached, dyed, and colored yarns?

Mr. SMOOT. Yes.

Mr. SIMMONS. And he was demanding what—27½ per cent?

Mr. SMOOT. He was demanding this:

Nor of numbers exceeding No. 100, less than 27 per cent ad valorem—

on American valuation.

Mr. SIMMONS. How much was he demanding?

Mr. SMOOT. Twenty-seven per cent on American valuation.

Mr. SIMMONS. And you give him 35 per cent.

Mr. SMOOT. We are not giving him 35 per cent.

Mr. SIMMONS. You did on bleached yarn.

Mr. SMOOT. But that is on the American valuation.

Mr. SIMMONS. Twenty-seven per cent is the House rate, and 27½ per cent was the Underwood rate.

Mr. SMOOT. If the Senator wants me to do so, I can go through some more of the testimony here from the South.

Mr. SIMMONS. I did not hear the Senator read anything that showed that he was asking that upon the American valuation when he was appearing before your committee, and he knew your committee was not going to impose the American valuation.

Mr. SMOOT. There is another thing that the Senator is wrong in again.

Mr. WALSH of Montana. Mr. President, I have before me here a summary of Mr. Cramer's testimony, and it appears that he was talking about the second paragraph of paragraph 901, and not the first paragraph at all. The first paragraph deals with the unbleached and undyed yarn.

Mr. SMOOT. The Senator from North Carolina stated that no one from the South appeared here and asked for advanced duties, and this is an advanced duty.

Mr. WALSH of Montana. The Senator from Ohio [Mr. POMERENE]—and I reenforced the inquiry—wanted to know from the Senator from Utah who it was asked for the increase now under consideration, an increase of 25 to 30 per cent on the unbleached yarns containing numbers exceeding 100, and the answer was that Mr. Cramer did. Mr. Cramer's summary is before me, and he was dealing entirely with the paragraph at which we have not yet arrived.

Mr. SMOOT. If the Senator knew anything about the workings of a tariff bill on cotton cloths, he would know that there is a differential between bleached and unbleached.

Mr. WALSH of Montana. Exactly.

Mr. SMOOT. And if he is asking for it on bleached, he will have to have it on unbleached.

Mr. WALSH of Montana. Yes; but he was not asking for it on unbleached.

Mr. SMOOT. But the Senator knows that if we gave it on bleached we would have to give it on unbleached.

Mr. WALSH of Montana. Exactly; but he was not asking for it on the unbleached.

Mr. SMOOT. But he asked for an increase.

Mr. WALSH of Montana. On the bleached.

Mr. SMOOT. Yes. That is exactly what I stated.

Mr. WALSH of Montana. But we have not come to that yet. The question that we address to the Senator now——

Mr. SMOOT. Oh, no; the Senator said, "No rates in this bill."

Mr. WALSH of Montana. Let me ask the Senator a question. Who asked for the increase on which we are now called upon to vote—namely, the increase on unbleached and undyed yarns of numbers exceeding 100 from 25 to 30 per cent?

Mr. SMOOT. Mr. President, if the Senator will just wait until I go through this pamphlet entitled "Revised Charts and Suggestions for Rates from Consolidated Tariff Committee on Cotton Yarns and Countable Cotton Cloths," signed by Stuart W. Cramer, I think I can answer him.

Mr. WALSH of Montana. I have before me a summary of what the Senator has.

Mr. SMOOT. Well, that is the testimony.

Mr. WALSH of Montana. Mr. Cramer was the only man who appeared, except an importer, and apparently he did not talk about this paragraph at all.

Mr. OVERMAN. Mr. Cramer is the president of the National Council of American Cotton Manufacturers.

Mr. SIMMONS. I want to say that in my judgment, from the information I have from Mr. Cramer, he is entirely satisfied with the Underwood rates.

Mr. SMOOT. The Senator also said that he did not know whether Mr. Cramer was asking for rates based on the American valuation or not.

Mr. SIMMONS. I do not know.

Mr. SMOOT. Mr. Cramer says that these rates are based on American valuation. That is what he says in his brief that he filed before the committee.

Mr. SIMMONS. I will ask the Senator if there is any very great difference between the American and the foreign valuation of these goods? Is not the fact that they are not imported here to any considerable extent sufficient evidence that the American and the foreign valuations of this particular article are very nearly if not practically the same?

Mr. SMOOT. Mr. President, on the Senator's own theory it is going to cost the amount of the duty more, and therefore there will be a duty upon that duty. That is what the Senator has contended right along.

Mr. SIMMONS. Of course, that is absolutely true; but outside of the duty there is but very little difference between the American valuation and the foreign valuation, and the Senator does not mean to tell the Senate that in adopting the American valuation plan he would add a duty to it and then put another duty on that duty. I assume that the American valuation plan is not as absurd as that.

Mr. SMOOT. That is exactly what the American valuation plan means.

Mr. SIMMONS. Then it is more absurd than I thought it was.

Mr. SMOOT. If the Senator had listened to what I said about it, he would know that I objected to it. I do not believe in it. I criticized it upon the floor of the Senate and did everything in my power to have the Finance Committee eliminate it from the House bill.

Mr. SIMMONS. I congratulate the Senator for his work in that particular. I know the Senator did, and I know the Senator has no more respect for that method of valuation than I have; but I say in reference to this particular article that there is not any substantial difference between the American valuation and the foreign valuation, except that in case you are going to add the duty that makes a difference.

Mr. SMOOT. There is also in this kind of yarn a difference. I stated to the Senator from Wisconsin [Mr. LENROOT] that in low counts I did not think there was very much difference, but when you get up to 100 thread and above there is a difference, and there is no question about it. There is not a manufacturer who ever manufactured an ounce of it but knows that there is.

Mr. SIMMONS. Mr. President, I was diverted by the inquiry made by the Senator from Ohio, which I passed on to the Senator from Utah. I undertand that the Senator from Utah answered that question by saying that Mr. Cramer, of

North Carolina, asked for these increases. We do not have any information that anybody else asked for them except Mr. Cramer, of North Carolina, and I say that I think Mr. Cramer does not want the increase that we are discussing now. That increase applies to unbleached yarns, numbering above 100. The House rate is 25 per cent and the Senate minimum rate is fixed at 30 per cent.

Now, Mr. President, I want to call attention to one significant fact with reference to this matter, and it runs all through this bill. I am told that it applies to practically every schedule. We have a lot of specific duties here upon cotton yarns, starting with the coarse grades and going up until they reach, I believe, yarns above 100. Then the specific rates start at one-fifth of 1 per cent, and they go on up until they reach 28 cents a pound. Those are the specific rates. Then we have this proviso, and I say you will find a similar proviso in nearly all of the paragraphs dealing with these specific articles:

Provided, That none of the foregoing, of numbers not exceeding No. 100, shall pay less duty than 5 per cent ad valorem and, in addition thereto, for each number, one-fourth of 1 per cent ad valorem; nor of numbers exceeding No. 100, less than 30 per cent ad valorem.

That is the Senate amendment—30 per cent. That means that if the specific rate is less than 30 per cent, the specific rate shall become inoperative and the 30 per cent rate shall apply. That is what it means. Is not that true?

Mr. SMOOT. I will say to the Senator that the minimum rate applies in every case to-day, and I think Mr. Clark, sitting by the Senator, will say so.

Mr. SIMMONS. I think Mr. Clark, sitting by me, will not say so. There is where we differ.

Mr. SMOOT. He can tell the Senator whether he will or will not.

Mr. LENROOT. The Senator means the minimum ad valorem rate will apply.

Mr. SIMMONS. That is what I intended, of course.

Mr. SMOOT. That is just what I stated.

Mr. LENROOT. In no case will the specific rate obtain then, because the minimum ad valorem rate will be higher than the specific rate.

Mr. SIMMONS. Now I want to state—and I state it upon the authority of experts, not only of the expert at my right but of other experts upon whom I absolutely rely—that in three-fourths of the cases this minimum ad valorem rate will apply, and not the specific rate.

Mr. SMOOT. It will apply, I think, in more than three-fourths of the cases.

Mr. SIMMONS. And therefore the meaning of that is that by reason of imposing this 30 per cent ad valorem minimum rate you really increase the specific rate.

Mr. SMOOT. That is the minimum rate; and at the prices of yarns to-day there is no question that in every case the minimum rate will apply.

Mr. SIMMONS. The specific rate becomes inoperative, and the minimum rate applies. Therefore the specific rate is misleading.

Mr. SMOOT. It is not misleading. The price may decline, and no doubt it will. I have the figures as to the price of yarns at the peak in 1920, and of yarns as they are quoted in the market to-day, and the differences in the prices are really remarkable.

Mr. SIMMONS. I do not know what is going to happen to-morrow, and I do not know how long the condition of to-morrow will continue. I have no way of determining a thing except by the conditions of to-day, and what I am saying is that, taking the conditions of to-day, this minimum ad valorem rate attached to the end of this paragraph will become operative and the specific rates will be inoperative as to importations coming here now or which will come here, until there is a change in the market conditions.

Mr. SMOOT. On all yarns above 100.

Mr. SIMMONS. This is a case of increasing the Underwood rates, which I think have been satisfactory to the great bulk, at least, of the manufacturers of this country, which have kept out foreign imports to a very large extent. I want to say in this connection that in my judgment it is not in the interest of the development and the growth and expansion of the cotton-mill industry in this country, nor is it in the interest of efficiency in production in this industry, that we should entirely eliminate foreign competition. I think that some reasonable amount of foreign importations is helpful in practically any and all industries, and I do not subscribe to the policy of exclusion under any conditions whatsoever.

The kind of goods which are coming here in this particular industry are to a very large extent a character of goods not produced in this country. Many of the fine yarns that will be covered by this section of this paragraph are such as we do not produce in this country, I imagine. When we do not produce a thing in this country, when there is no competition between this country and the foreign producer, why should we seek to burden that product with a duty to be paid by the consumer? It accomplishes no good purpose, unless, of course, the purpose is to raise revenue, and I have not understood that gentlemen were levying the duties under the cotton schedule for revenue purposes. They are levying them for protection purposes.

As a duty for protection purposes, I see no justification for it, first, because there are practically no importations, or the importations are very small, not to say negligible. I would not go that far, but they are very, very small. Secondly, because most of the things which come in of this higher grade, either of yarns or of fabrics, are things we do not produce, or do not produce in sufficient quantities to supply the American demand.

I do not wish to prolong the discussion, and I am perfectly willing that we may have a vote upon this amendment.

Mr. SMOOT. Mr. President, I want to say just a word about this. When we produce nearly all of the yarns in this country, the Senator does not think there ought to be any duty. When we do not produce them in this country, he does not think there should be any duty on them. Therefore, he thinks that all yarns should come in free.

That is not the theory on which this bill is framed. This bill is a protective bill. This is a duty only upon fine yarns, those exceeding 100. It is a 30 per cent duty. The House gave 25 per cent on the American valuation, which would be more than the 30 per cent on the foreign valuation. The rate in existing law is 25 per cent. I think I put in the RECORD this morning figures showing the amount of importations and the amount produced in this country, touching all of the different grades in this paragraph.

I do not want to prolong the discussion as to who appeared before the committee, and as to no person from the South asking for increased rates. No good could come from that.

We have tried to make this a balanced bill, beginning with the lowest count yarn and continuing until we reach the highest count yarn made into cloth, and I think if the amendments which have been offered are agreed to, the bill will be a balanced bill. Therefore, I hope this amendment will be agreed to. It is upon luxuries mostly, or yarns which go into luxuries. As the Senator from North Carolina [Mr. SIMMONS] said, I do not want to prolong the discussion, and I am perfectly willing to have a vote.

Mr. UNDERWOOD. Mr. President, I want to say something about this schedule before the debate closes. Although I have it not in charge, I do not want the schedule to be voted on finally without saying a word in reference to it.

To begin with, nine years ago, when the Ways and Means Committee of the House of Representatives were considering rewriting the Payne-Aldrich law, and came to the cotton schedule, they came to the highest rates that had ever been written in a cotton schedule up to that time. They were so high that they shocked the sense of honesty in the American people's minds. They repudiated it at the polls. There was nobody at that time who could justify the rate of taxation then imposed on the American people in this schedule.

Of course, when a new committee started to revise the rates, they were going out into the region of the unknown, because you can never tell with mathematical accuracy the point of competition in world trade until you have tried it, and, as I have said many times, the Ways and Means Committee of the House of Representatives, in originally writing the present law, determined to seriously cut the existing rate of taxation, and they cut it more than half. But they also determined that if they erred they would err on the conservative side.

We have no commission to destroy American industry, and when you are making rates which affect competition, you must give men and business an opportunity to adjust themselves to the new conditions. Therefore, the rates which were written in this cotton schedule were not radical cuts; they were conservative cuts.

The result of nine years' trial has demonstrated beyond peradventure of a doubt that it was an overconservative estimate. In fact, the rates on most of the yarns should be cut more than they were in the existing law, if you are not going to build a protective wall around the United States in reference to these cotton yarns which will practically drive out competition.

In the face of nine years' trial and in face of the fact that the great mass of the men engaged in this industry themselves have not pleaded or asked for higher rates, the Finance Committee comes before the Senate and recommends an increase of rates, and in most cases raises them to a point as high as they were 10 years ago in the Payne-Aldrich law when the

American people spewed them out from their mouths as a thing that should be spat upon for lack of honesty. The Senator justified his rates in this bill because Mr. Cramer asked for them.

Mr. SMOOT. Oh, no.

Mr. UNDERWOOD. I am talking about the justification the Senator has given on the floor. If he has other justifications I have not heard them.

Mr. SMOOT. We did not give what Mr. Cramer asked. Mr. Cramer wanted more than we gave.

Mr. UNDERWOOD. I understand, and I am coming to that. The Senator justifies his rate because Mr. Cramer, the head of a cotton manufacturers' association in the United States, filed a brief asking for higher rates.

The Senator must know, as I know, that there never has been a time since the system of protection was invented that the representative heads of the great associations which wanted protection did not uniformly file petitions away out of all reason as to what they wanted. They always go on the basis that if they ask for exactly what they want somebody will say they ought to have less. So, to be on the safe side they have their head men file petitions for something they never expect to get. That does not relate only to the cotton industry. With few exceptions, it is the universal principle on which the protected manufacturer approaches the tariff-making committee, and everybody knows that to be the case.

When the Senator from North Carolina stated that there was no demand on the part of the American manufacturer for a change of these rates, he was right. This question of Mr. Cramer asking for something, filing a petition, means nothing. The Senator from Utah knows, as well as I do, that when these classes of people want something they do not content themselves with filing briefs. They write articles for the newspapers, they come to Senators' offices, they have Senators' constituents write to them and say what they want and why they want it. There has been an absolute dearth of that kind of propaganda in reference to this cotton schedule from beginning to end, because those men know perfectly well that they do not need any higher rates than are given in the present law, and I know perfectly well that the present law gives them higher rates than they are entitled to.

That is the real condition which confronts the American people, and when the Senator is asked why the Committee on Finance brought in these higher rates it is a very pertinent proposition. He has not justified himself or his committee in saying that Mr. Cramer filed a brief. He can not justify that before the American people. As a matter of fact, no one in charge of tax legislation can justify the levying of a tax on the theory that the man who is going to get the benefit of the tax wanted it.

Mr. SMOOT. Mr. President, I hope the Senator will not charge me with saying that that is the reason why we put the rates in. The only reason why I referred to Mr. Cramer was because the Senator from North Carolina [Mr. SIMMONS] asked if any man from the South had requested an increased rate. I did not mention Mr. Cramer's name.

Mr. UNDERWOOD. I understand, but I have sat here and listened, and I speak of it so far as I have heard. I do not say the Senator made that statement to justify the rate. He made it because he was challenged to do so, and in answering the challenge Mr. Cramer's brief was the only thing he could put his hands on. He was challenged to justify his committee in putting a prohibitive rate on this class of cotton goods.

Now, the real fact in the case is that the higher grades of goods that are made in the United States are mostly made in the New England States, but there are some of the larger cotton mills of the South which are beginning to make high-class cotton goods. But in the production of yarns, taking the industry in the United States as a whole, as has been said here on the floor, and the Senator from Utah himself said it, there is only 7 per cent of the entire production that is above No. 40. Ninety-three per cent of the production of yarn is below No. 40.

Mr. POMERENE. Below No. 40?

Mr. UNDERWOOD. Yes. Ninety-three per cent of the production of yarns in the United States is of yarns that grade at or below No. 40 yarn. There is a very small proportion of the 7 per cent above 120 yarns. So, to say that these increases affect the great cotton industry of the United States is to challenge substantial facts which nobody can deny. Of course, we all recognize and we all know that the American cotton industry has never made the highest grades of yarns, and probably on account of climatic conditions, as well as generation of trained labor abroad, in the very high-grade cotton yarns we can never equal the British production.

I know, Mr. President, what the committee are trying to do. It is not cotton cloth or cotton yarns that are made here for which they are trying to increase this rate. They know that just as well as I do. They are camouflaging the whole situation to take care of a particular item. They are blowing a smoke cloud before the American people and allowing them to think there is some reason why this increased tax should be put on them, but they are looking at one thing alone, and that is the lace industry of America. That is the yarn which the Senator from Utah has in mind, as I told him awhile ago. He wants to put a tax on all this class of yarns and make it prohibitive in order to tax a very few, less than 12,000 in singles and, I think, 600,000 in doubles of importations, a very infinitesimal proportion of the production of the total yarns in America. He is doing it, because he has not named the man. I do not know who the man is, I have not seen him, I do not know from where the impulse comes, but I do know that back in the woods somewhere, either publicly before the committee or privately, somebody is interested in making yarns for the lace industry of the country and this tax is being based on that theory.

Mr. SMOOT. That is news to me.

Mr. UNDERWOOD. Can the Senator tell me any other class of yarns that is coming in that is material, except those yarns used in the lace industry? If he can, I should like to know it.

Now, of course, miracles do happen. It is said that a streak of lightning once jumped down from a clear sky when there was not a cloud around, and, of course, it may be that intuitively the Committee on Finance know that somebody wanted to make these yarns in the lace industry, and so they put up the rates all along the line.

That may have happened, just like the streak of lightning which it is said in the ancient fable jumped out of a clear sky when there was no cloud visible. But, of course, we do not believe that. We ordinary, common people do not believe that. We think, when there is an item in the bill, it is to take care of just one set of men, to let them get rich, and that those men must have pleaded for the item. They may not have done so. I can not prove that they did. They may never have come before the committee, but that is all there is in the reason why this rate was increased, and I know it. I know that is the only reason why the committee raised the rate. I do not know who the man is that is going to get the money out of it. He may never have come within a thousand miles of the committee, but the American people are going to think that somebody came and asked for this extraordinary increase where it is not necessary at all.

Mr. President, this schedule is just like other schedules in the bill. There are some high-grade cotton yarns and cotton goods that are competitive. They are mostly competitive as contained in this schedule, because the American mills do not make any other or, if they have just entered into the manufacture of that class of goods, they make so few that they can not yet supply the American public. But as to 90 per cent of the productive capacity of the American mills, the cotton schedule which the committee have brought before the Senate is prohibitive. It is not put here to raise revenue. It is not put here to protect the American manufacturer or the American industry or the American laborer. It is put here to build a prohibitive wall behind which men may water their stock, issue fictitious bonds, and then ask protection for the profits they make, which include the interest on the watered bonds and watered stocks.

Mr. POMERENE. In other words, Mr. President, the Senator means that the purpose is to have a complete embargo?

Mr. UNDERWOOD. Absolutely; to make money for men by process of law and not by process of honest labor. That is what the bill means. The Senator from Wisconsin [Mr. LENROOT] was right when he said this morning that there is no justification for a single increase in the schedule. The only question the committee should be required to answer is why they have not reduced existing rates instead of raising them. The Senator from Wisconsin also said to the members of the Finance Committee that "the American people have your number," and they have. They want to know why, and they are going to know why, and unless the United States Senate in its honesty repudiates the schedule substantially in whole, it will stand as a scent in the nostrils of the American people when the Republican Party goes before the people to ask for a justification of its conduct at the polls.

The PRESIDING OFFICER. The question is on the adoption of the committee amendment on page 121, line 5, where the

committee proposes to strike out "25" and insert "30," so as to read:

Nor of numbers exceeding No. 100, less than 30 per cent ad valorem.

Mr. UNDERWOOD. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. JONES of Washington (when his name was called). Making the same announcement with reference to my pair and its transfer, I vote "nay."

Mr. NEW (when his name was called). Making the same announcement as on the previous vote concerning the transfer of my pair, I vote "yea."

Mr. OVERMAN (when his name was called). Making the same announcement as on the previous vote, I vote "nay."

Mr. ROBINSON (when his name was called). Transferring my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the Senator from Massachusetts [Mr. WALSH], I vote "nay."

Mr. STERLING (when his name was called). I understand that the Senator from South Carolina [Mr. SMITH], with whom I am paired, would, if present, vote as I shall vote on this question. I am, therefore, at liberty to vote. I vote "nay."

Mr. TRAMMELL (when his name was called). I transfer my pair with the senior Senator from Rhode Island [Mr. COLT] to the senior Senator from Texas [Mr. CULBERSON] and vote "nay."

Mr. WALSH of Montana (when his name was called). Transferring my pair with the Senator from New Jersey [Mr. FRELINGHUYSEN] to the Senator from Nebraska [Mr. HITCHCOCK], I vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "yea."

The roll call was concluded.

Mr. HALE. I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Maryland [Mr. WELLER] and vote "yea."

Mr. JONES of New Mexico. Making the same announcement as before regarding my pair and its transfer, I vote "nay."

Mr. HARRISON. Making the same announcement as before, I vote "nay."

Mr. HARRIS. I wish to announce that my colleague [Mr. WATSON of Georgia] is absent on account of illness.

Mr. WALSH of Massachusetts. On this question I am paired with the senior Senator from West Virginia [Mr. SUTHERLAND]. I transfer that pair to the senior Senator from South Carolina [Mr. SMITH] and vote "nay."

Mr. BALL. I transfer my pair with the senior Senator from Florida [Mr. FLETCHER] to the junior Senator from Colorado [Mr. NICHOLSON] and vote "yea."

Mr. DIAL. I desire to announce that my colleague [Mr. SMITH] is detained on official business. He is paired on this vote with the Senator from West Virginia [Mr. SUTHEBLAND]. If my colleague were present, he would vote "nay."

Mr. CURTIS. I wish to announce the following general pairs:

The Senator from North Dakota [Mr. MCCUMBER] with the junior Senator from Utah [Mr. KING];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS]; and

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN].

The result was announced—yeas 28, nays 28, as follows:

YEAS—28.

Ball	Gooding	McKinley	Pepper
Bursum	Hale	McLean	Phipps
Calder	Johnson	McNary	Shortridge
Cummins	Kendrick	Moses	Smoot
Curtis	Keyes	New	Spencer
du Pont	Ladd	Newberry	Wadsworth
Ernst	Lodge	Oddie	Watson, Ind.

NAYS—28.

Borah	Heflin	Overman	Sterling
Capper	Jones, N. Mex.	Pomerene	Townsend
Caraway	Jones, Wash.	Ransdell	Trammell
Dial	Kellogg	Robinson	Underwood
Gerry	Lenroot	Sheppard	Walsh, Mass.
Harris	McCormick	Simmons	Walsh, Mont.
Harrison	Nelson	Stanley	Willis

NOT VOTING—40.

Ashurst	Fernald	McKellar	Reed
Brandegee	Fletcher	Myers	Shields
Broussard	France	Nicholson	Smith
Cameron	Frelinghuysen	Norbeck	Stanfield
Colt	Glass	Norris	Sutherland
Crow	Harreld	Owen	Swanson
Culberson	Hitchcock	Page	Warren
Dillingham	King	Pittman	Watson, Ga.
Edge	La Follette	Poindexter	Weller
Elkins	McCumber	Rawson	Williams

So the amendment of the committee was rejected.

The PRESIDING OFFICER (Mr. WILLIS in the chair). The Secretary will state the next committee amendment.

The next amendment of the Committee on Finance was, on page 121, line 8, after the word "colored," to insert the word "combed."

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 121, line 9, before the words "of 1 cent," to strike out "one-fourth" and to insert "three-tenths," so as to read:

Cotton yarn, including warps, in any form, bleached, dyed, colored, combed, or plied, of numbers not exceeding No. 40, three-tenths of 1 cent per number per pound.

Mr. LENROOT. Mr. President, all that has been said with reference to the amendment in the first part of paragraph 901, covering low-count yarns, applies to this amendment; and if the Senate will be consistent it will disagree to this amendment as it did to the other amendment.

The PRESIDING OFFICER. The question is on the committee amendment.

Mr. LENROOT. I ask for the yeas and nays on the amendment, Mr. President.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. BALL (when his name was called). Making the same announcement as before in reference to my pair and its transfer, I vote "yea."

Mr. HALE (when his name was called). Making the same announcement as on the previous vote relative to my pair and its transfer, I vote "yea."

Mr. HARRISON (when his name was called). Making the same announcement as before as to my pair and its transfer, I vote "nay."

Mr. JONES of Washington (when his name was called). Making the same announcement as to my pair and its transfer as on the previous vote, I vote "nay."

Mr. NEW (when his name was called). Making the same announcement as upon the previous vote as to the transfer of my pair, I vote "yea."

Mr. OVERMAN (when his name was called). Making the same announcement of the transfer of my pair as on the former vote, I vote "nay."

Mr. ROBINSON (when his name was called). Transferring my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the Senator from Arizona [Mr. ASHURST], I vote "nay."

Mr. STERLING (when his name was called). Making the same announcement as on the last vote regarding my pair and its transfer, I vote "nay."

Mr. TRAMMELL (when his name was called). Making the same announcement as on the last vote regarding my pair and its transfer, I vote "nay."

Mr. WALSH of Montana (when his name was called). Transferring my pair as announced on the previous vote, I vote "nay."

Mr. WATSON of Indiana (when his name was called). Transferring my pair as before, I vote "yea."

The roll call was concluded.

Mr. DIAL. I desire to announce that my colleague, the senior Senator from South Carolina [Mr. SMITH], is detained from the Chamber on official business. If he were present, he would vote "nay." He is paired with the senior Senator from Vermont [Mr. DILLINGHAM].

Mr. JONES of New Mexico. Making the same announcement as before regarding my pair and its transfer, I vote "nay."

Mr. GLASS. I transfer my general pair with the senior Senator from Vermont [Mr. DILLINGHAM] to the Senator from South Carolina [Mr. SMITH], and vote "nay."

Mr. ERNST (after having voted in the affirmative). I have a general pair with the senior Senator from Kentucky [Mr. STANLEY]. I transfer that pair to the senior Senator from Pennsylvania [Mr. CROW], and will permit my vote to stand.

Mr. CURTIS. I am requested to announce the following pairs:

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from North Dakota [Mr. MCCUMBER] with the junior Senator from Utah [Mr. KING].

The result was announced—yeas 26, nays 29, as follows:

YEAS—26.

Ball	Hale	McNary	Smoot
Bursum	Johnson	Moses	Spencer
Calder	Keyes	New	Townsend
Curtis	Ladd	Newberry	Wadsworth
du Pont	Lodge	Oddie	Watson, Ind.
Ernst	McKinley	Pepper	
Gooding	McLean	Phipps	

NAYS—29.

Borah	Harrison	Nelson	Trammell
Capper	Heflin	Overman	Underwood
Caraway	Jones, N. Mex.	Pomerene	Walsh, Mass.
Cummins	Jones, Wash.	Ransdell	Walsh, Mont.
Dial	Kellogg	Robinson	Willis
Gerry	Kendrick	Sheppard	
Glass	Lenroot	Simmons	
Harris	McCormick	Sterling	

NOT VOTING—41.

Ashurst	Fletcher	Norbeck	Stanfield
Brandegee	France	Norris	Stanley
Broussard	Frelinghuysen	Owen	Sutherland
Cameron	Harreld	Page	Swanson
Colt	Hitchcock	Pittman	Warren
Crow	King	Poindexter	Watson, Ga.
Culberson	La Follette	Rawson	Weller
Dillingham	McCumber	Reed	Williams
Edge	McKellar	Shields	
Elkins	Myers	Shortridge	
Fernald	Nicholson	Smith	

So the committee amendment was rejected.

The PRESIDING OFFICER. The Secretary will state the next amendment.

The ASSISTANT SECRETARY. The next amendment will be found on line 11, page 121, where it is proposed to strike out "10" and insert "12," so that, if amended, it will read:

Exceeding No. 40 and not exceeding No. 120, 12 cents per pound, and, in addition thereto—

And so forth.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. LENROOT. Mr. President, I should like to ask the Senator from Utah, in view of the fact that the Senate has rejected the other committee amendment, whether he is now in favor of this amendment of 12 cents a pound?

Mr. SMOOT. I will say to the Senator frankly that if the Senate wants to conform its action on this amendment with that already taken it had better vote against all of the other amendments in this paragraph with the exception of the last one.

Mr. LENROOT. Exactly.

Mr. SMOOT. I will say why I think the last one ought to be agreed to.

Mr. LENROOT. Very well; but, to be consistent, these should be rejected.

Mr. SMOOT. Yes; to make the bill balance as it ought to be balanced according to the number of threads and the whole system of the bill. The Senate has already expressed itself on the unbleached yarns, and to make the bill consistent it ought to express itself in the same way on the rest of the amendments in this paragraph.

Mr. LENROOT. I hope that may be done without the necessity of taking the time for a yea-and-nay vote, and yet if it is to be resisted I shall be compelled to call for a yea-and-nay vote.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was rejected.

The ASSISTANT SECRETARY. On line 11, at the end of the line, it is proposed to strike out "three-tenths" and to insert in lieu thereof "four-tenths," so as to read:

And, in addition thereto, four-tenths of 1 cent per number per pound for every number in excess of No. 40.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was rejected.

Mr. SMOOT. Mr. President, just for the RECORD, the Senator from North Carolina [Mr. SIMMONS] stated that no person from the South had come here and asked for increased rates of duty. I want the Senate to know what Mr. Stuart W. Cramer, president of the National Council of American Cotton Manufacturers, who lives at Charlotte, N. C., and represents all of the cotton manufacturers of the United States, asked the committee to do in this paragraph:

Not exceeding No. 10, 4 cents a pound—straight, mind you. That means a compensatory duty of three-tenths of a cent for No. 1 and 3 cents for No. 10. In other words, I should have said, the Senate rate is three-tenths of a cent on No. 1, and Mr. Cramer asked the committee for 3 cents, or nine times what the committee recommended.

On No. 40 he asked for 4 cents, plus forty one-hundredths of a cent for each number above No. 10. The committee, on No. 40, reported 12 cents. Mr. Cramer asked for 16 cents a pound.

On No 120, Mr. Cramer asked for 60 cents, and the committee reported 44 cents.

I simply want that to go in the RECORD in answer to what the Senator from North Carolina said; and I say again that there is not any question but that in view of the action the Senate has already taken, these committee amendments ought to be rejected or else the bill will be unbalanced.

Mr. HARRISON. Mr. President, the Senator has suggested that certain matters should go into the RECORD. Is it not appropriate that it should go into the RECORD that none of the members of the Finance Committee, on the last two votes, voted to retain the rates recommended by the committee; they voted to change them and make them lower?

Mr. SMOOT. I do not understand what the Senator says.

Mr. HARRISON. The Senator can read it to-morrow morning.

Mr. SMOOT. If the Senator does not want any answer, I will wait until to-morrow morning.

The PRESIDING OFFICER. The Secretary will state the next amendment of the committee.

The ASSISTANT SECRETARY. On line 13, the committee proposes to strike out "34" and in lieu thereof to insert "44," so as to read:

Exceeding No. 120, 44 cents per pound.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was rejected.

The ASSISTANT SECRETARY. On line 15, at the end of the line, it is proposed to strike out "7" and insert "10," so as to read:

Provided, That none of the foregoing, of numbers not exceeding No. 100, shall pay less duty than 10 per cent ad valorem and, in addition thereto—

And so forth.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was rejected.

The ASSISTANT SECRETARY. On line 17, it is proposed to strike out "one-fifth" and in lieu thereof to insert "one-fourth," so as to read:

And, in addition thereto, for each number, one-fourth of 1 per cent ad valorem.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was rejected.

The ASSISTANT SECRETARY. On line 18, it is proposed to strike out "27" and to insert "35," so as to read:

Nor of numbers exceeding No. 100, less than 35 per cent ad valorem.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was rejected.

The ASSISTANT SECRETARY. On line 19 it is proposed to strike out the words "ad valorem" and to insert the same words with a colon and the following proviso:

Provided further, That when any of the foregoing yarns are printed, dyed, or colored with vat dyes there shall be paid a duty of 5 per cent ad valorem in addition to the above duties.

Mr. SMOOT. Mr. President, the committee desires to strike out "5" and insert "4."

The PRESIDING OFFICER. The committee has a right to modify its proposed amendment.

Mr. POMERENE. Mr. President, will the Senator yield for a question?

Mr. SMOOT. Yes.

Mr. POMERENE. What is the purpose of this amendment?

Mr. SMOOT. I was just going to tell the Senator.

Mr. President, this is a compensatory duty. The Senator knows that in this bill a duty of 7 cents a pound and 60 per cent ad valorem has been imposed upon dyes for vat dyeing, and under existing law there is an entire embargo on their importation into the United States. The only way they can be gotten in at all is to have permission to get them in here.

Mr. POMERENE. That embargo is to last until such time as this bill becomes a law.

Mr. SMOOT. Oh, the embargo in this bill provides for an extension of one year, and then gives the President power——

Mr. POMERENE. I thought the Senator was referring to the present law.

Mr. SMOOT. Oh, yes; but it is extended.

Mr. POMERENE. I understand that; but it simply continues until this bill goes into effect, and this continues the embargo for another year.

Mr. SMOOT. That is true; but the rates of duty that the committee provided upon dyes were such that they can only be sustained because of the fact that the industry is sometimes called a key industry, and it is absolutely necessary that it should be maintained in the United States.

Mr. POMERENE. The Senator means the dye industry?

Mr. SMOOT. The dye industry.

Mr. President, in 1909 there were a few of us who wanted to establish a dye industry in the United States. We wanted to

give a fair rate of duty upon dyes made in the United States, a fairly protective duty, a duty that we thought at that time would have established the industry in the United States, and in my opinion no doubt would have established it in the United States; but it was not to be. The users of the dye in this country objected. All that we did was to allow the intermediates to come into the United States free, and the only industry in the United States consisted of taking those intermediates and mixing them into dyes. We tried to place a duty upon the intermediates, which are the basis of all dyes, but no; that must not be done.

I want to be fair to all, and I must admit that the Senate of the United States agreed with that thought, and we put a duty of 10 per cent on the intermediates, and a compensatory duty of that amount over and above the protective duty to establish a dye industry in the United States; and if our policy had been carried out we would not have had, when the war came on, the trouble in which the United States Government found itself. That industry would have been established in the United States, and at a lower rate than is provided in this bill; but as long as we have given the rate provided for in this bill upon the vat dyes, we have to give a compensatory duty upon the yarns and the cloth which is dyed with that particular class of dyes. They are the only dyes that certain goods can be dyed with that will stand up under the washing and the acids that may be used in cleaning the cloths and will also stand sunshine; and nothing that is known yet, unless it be an absolute acid that would eat them up, can affect the color at all.

Mr. POMERENE. That is a very interesting statement; but, tell me, how are the woolen and the cotton and the silk and the paint industries going to get away from the same difficulty under the embargo provisions of this bill?

Mr. SMOOT. They have not the trouble in the other industries with the vat dyes, the vat dying of wool.

Mr. POMERENE. They do have with some of the dyes.

Mr. SMOOT. No; not with those. They are not used. For instance, with wool, the alizarins are used entirely. Formerly the aniline dyes were used, but they would not stand the washing, nor would they stand the sunlight, in years past; but they have been completely displaced by alizarin dyes, which do stand the washing and sunlight.

Mr. POMERENE. Mr. President, I can give a concrete case. When we were down in Haiti and the Dominican Republic——

Mr. MOSES. Will the Senator permit me to interrupt a moment to ask a question of the Senator from Utah?

Mr. POMERENE. I am going to make a statement of just a sentence or two, and then I will yield. When we were in Haiti and the Dominican Republic we found all of our marines down there in these faded uniforms.

Mr. SMOOT. That should not be, and I can not understand it.

Mr. POMERENE. It was, nevertheless.

Mr. SMOOT. If it is so, the Government has been imposed upon.

Mr. POMERENE. It is true. I saw them, and I know.

Mr. SMOOT. I do not doubt but what it is true, but I was going to say to the Senator that the Government has been imposed upon, and whoever passed the goods did not do his duty.

Mr. POMERENE. In the RECORD there are two letters, which I introduced, from the former consul general, Eaton W. Harris, showing that that very fact is being used against the sale of our American cloths now, in the South and elsewhere.

Mr. SMOOT. An alizarin dye is just as fast as any dye that was ever made in all the world, if it is put on properly. There never has been a dye known that was any faster and stood up better against sunshine and washing than alizarin dye.

Mr. POMERENE. I have in mind also an American who engaged in the dye industry right after some of the dye acts were passed during the war, or thereabouts—I have forgotten the dates—and he talked to me very enthusiastically within a year after he had gone into the business, said that their stock had doubled in value, and so forth. About a year after that I asked him about it, and he said, "Well, we got along splendidly until hot weather began and people began to perspire under the arms."

Mr. MOSES. Mr. President, I would like to ask the Senator from Utah, in charge of the bill, if it is not agreed that the remaining dye sections of the bill—that is, the embargo sections—are to be taken up to-morrow?

Mr. SMOOT. They are to be taken up to-morrow.

Mr. MOSES. I have in mind to offer some remarks which bear upon the portion of the bill now under consideration. I do not want to take the time of the Senate twice on the same matter, and what I have to say I will save until to-morrow, even though what I say may be rendered ex post facto by the vote of the Senate this afternoon.

Mr. SMOOT. No matter whether we vote out the embargo or whether we retain the embargo, this provision will have to be in the bill, because of the duties which are imposed in the dye schedule, 7 cents a pound and 60 per cent ad valorem.

Mr. MOSES. That being the case, I can well reserve what I have to say until the embargo matter comes up to-morrow.

Mr. SMOOT. Four cents a pound simply compensates the American manufacturer of yarns which must of necessity be dyed with that dye.

Mr. LENROOT. Just for information, I would like to know what forms of dyes there are other than vat dyes.

Mr. SMOOT. All aniline dyes, all colors, blacks and blues, colors of all kinds. Vat dye is a very disagreeable form of dye. It is very costly. No dyer likes to use it.

Mr. LENROOT. What I meant to ask is whether all dyes are used in vats?

Mr. SMOOT. No; they are not all used in vats. The vat the Senator is thinking of I suppose is the old vat in which they used to dye when they used to dye with indigo blue. All that is done away with. Alizarin dyes took the place of indigo blue. No one wants to dye with indigo, because of the fact that that is a vat dye. Wherever they use it they have to use it as a vat dye, and it is so designated. A shirting colored other than by the vat dye process will not stand the sunshine or washing. If your colored shirt begins to fade, you may know that the color was not dyed in a vat dye; or if it was, it was dyed by somebody who did not know how to dye.

All the 4-cent duty means is that we have figured the additional rates given in the dye schedule; that is, they are increased to 7 cents a pound and 60 per cent ad valorem, and we figure just how many pounds it takes of each of the vat dyes to dye 100 pounds of yarn, and then we have divided that so as to determine the rates that will be necessary upon the cloth to cover that additional rate on dye.

Mr. POMERENE. Mr. President, the Senator has stated that this is a sort of a compensatory duty. Is there anything in the present law similar to this particular duty?

Mr. SMOOT. No; there is not.

Mr. POMERENE. How was that situation met under the Underwood law?

Mr. SMOOT. The situation has changed in this way: Under the existing law those dyes come in at a very much lower rate. This bill provides, as I said, 7 cents a pound and 60 per cent ad valorem, and under existing law the rate is 35 per cent, as I remember. It is less than half the proposed rate. No doubt the Senator from New Hampshire and others will discuss the rates provided in the bill on these dye items. I will admit to the Senator that under existing conditions the present rate on those dyes is not sufficient, if we are going to maintain the industry in the United States. As far as I am concerned, I voted for the high rate of 7 cents a pound and 60 per cent ad valorem because I wanted them protected without any embargo whatever. I want the embargo defeated, and I shall vote against it.

Mr. POMERENE. Will that duty operate as an embargo?

Mr. SMOOT. No; in many cases it will not. In fact, I will say that in the majority of cases it will not.

The VICE PRESIDENT. The question is on agreeing to the amendment as modified.

Mr. LODGE. Mr. President, I am not prepared to go into the details of this particular proviso, but it is a compensatory duty, as the Senator from Utah [Mr. SMOOT] has already pointed out, and very important to the industry.

The Senate has seen fit to reject the committee amendment. I am afraid that may have a very serious effect upon the industry, but certainly there ought to be no question whatever about giving compensation in some form, even with these reduced rates, to the cotton industry, because the rates on dyes, whatever form may be finally adopted, are extremely heavy.

The State of Massachusetts, according to the last figures I have been able to get, has 11,206,855 spindles. The next States are South Carolina, with 4,949,000, and North Carolina, with 4,622,000. Massachusetts alone has more spindles than both those States. It is therefore an industry of immense importance to the people of my State, for many thousands are employed in it. It is one of the great industries of the United States, and I feel that in this bill, in which we have given very large and generous protection to all the agricultural interests, certainly these great textile industries ought to have a fair recognition.

It is impossible to have a protective bill of any kind unless there is protection for all. We can not have protection for one class of industry or production and not have it for others. We must have either free trade for all or protection for all. I have

been endeavoring to give what seems to me suitable protection and to stand by the committee in their efforts to do so.

I now find that it seems to be determined by the Senate to cut this great industry very severely indeed, and I sincerely hope that they will not carry it so far as to deprive us of even a compensatory duty for the heavily dutied dyes used.

I shall find occasion to say something further about the other rates when the bill gets into the Senate.

Mr. WALSH of Montana. Mr. President, I do not see the Senator from Utah [Mr. SMOOT] here, but I wish somebody would tell me what vat dyes are, as distinguished from other dyes, and why there should be a compensatory rate as to vat dyes and no compensatory rate as to dyes that are not vat dyes. I would like to be able to vote intelligently on this amendment.

Mr. LODGE. I am not an expert on the question of dyes, but I think these apply only to yarns.

Mr. WALSH of Montana. Yes; the paragraph deals with yarns.

Mr. LODGE. I think the Senator will find the question of the fine dyes taken up when we come to the rates on cloth. But the Senator from Utah can reply to the question much better than I can, which is, Why should we give compensatory duties for vat dyes and not for other dyes, and at this stage it seemed to me they were not involved?

Mr. SMOOT. They are involved in this amendment.

Mr. WALSH of Montana. The amendment reads:

That when any of the foregoing yarns are printed, dyed, or colored with vat dyes, there shall be paid a duty of 5 per cent ad valorem in addition to the above duties.

Of course, that means that if they are dyed with dyes other than vat dyes they shall not carry that duty. What I want to know is why there should be a compensatory duty in the case of vat dyes and not a compensatory duty in the case of dyes of another character.

Mr. SMOOT. I have just taken 15 minutes of the time of the Senate to explain that.

Mr. WALSH of Montana. I was following the Senator quite closely in what he said, but I had no answer to that inquiry.

Mr. SMOOT. If you will take an aniline dye, all you have to do is to have hot water in your dye washer, and it runs through rollers just as fast as the cloth can be taken through a roller, and it runs around and around until it collects dye enough to make it the color desired. You put in, generally, a string of eight pieces, and during the day you can dye, perhaps, an aniline red four or five strings in one of the machines. But when you come to a vat dye, you have to sour it; it has to lie there for days and days, and you have to get it out, and when you get it out you have to treat it in an entirely different manner. The work with a vat dye compared with the work with an aniline dye is like giving 10 days to 1 in dyeing exactly the same number of yards.

Mr. LODGE. It is a much more elaborate process.

Mr. SMOOT. Very much more; and a dirty process, besides.

Mr. WALSH of Montana. The explanation is not very illuminating or else I am exceedingly dull. However, that is neither here nor there.

Mr. LODGE. That is not the fault of the Senator from Utah.

Mr. WALSH of Montana. No; he is not in any sense responsible for it, either one way or the other. But that is not the question. The aniline dyes go in, no matter what the process. If it is the rolled process, the aniline dyes are used. If it is the vat process, aniline dyes are used. There is no more labor, according to the statement of the senior Senator from Utah, involved in the use of the vat dyes in the process. It has not been disclosed, however, that the compensatory duty, if it is a compensatory duty, so far as dyes are concerned, is not just as much needed in the one process as it is in the other.

Mr. SMOOT. The existing rate on these dyes I have not looked up lately, but I think it is 35 per cent. Under the pending bill it is 7 cents a pound and 60 per cent ad valorem.

Mr. UNDERWOOD. I did not gather from the Senator's explanation about the vat dyes anything to show that there is any very material difference in the cost of making yarns by the vat process in England and in the United States.

Mr. SMOOT. But England does not have to pay a duty on the dyes.

Mr. UNDERWOOD. We may not, either.

Mr. SMOOT. I think we will. I will say to the Senator that if the rate provided for in paragraph 26 of the bill is not agreed to and these rates are not increased above what they are to-day, there will be no necessity for this rate at all, and we shall ask that the vote by which that rate was agreed to be reconsidered and then ask that it be disagreed to.

Mr. WALSH of Montana. Did the Senator say they do not pay any duty on dyes in Great Britain?

Mr. SMOOT. They may pay some duty now, but they have not in the past been paying any duty.

Mr. WALSH of Montana. They have practically an embargo.

Mr. SMOOT. Just as we have an embargo here, but they do not make the vat dyes in England, they have to get them from Germany.

Mr. WALSH of Montana. I was not speaking of that; I was calling attention to the statement of the Senator that they do not pay a duty on dyes in Great Britain.

Mr. SMOOT. There is an embargo, but when they get what they want there they are not compelled to pay any duty. They can not ship any goods into England unless they get permission.

Mr. WALSH of Montana. I was just directing attention to the statement of the Senator from Utah that they do not pay any duty on dyes in Great Britain.

Mr. SIMMONS. Mr. President, I want to ask the Senator from Utah a question. It seems that if vat dyes are used for coloring the yarns mentioned here, instead of some other dyes, 5 per cent ad valorem is added to the duty.

Mr. SMOOT. Four per cent.

Mr. SIMMONS. Five per cent as proposed by the House, and it is proposed by the committee to make it 4 per cent. I would like to ask the Senator what per cent of the entire cost of the cloth or yarn is in the cost of the dye ordinarily used?

Mr. SMOOT. Of the vat dyes?

Mr. SIMMONS. Yes.

Mr. SMOOT. In some cases it is as high as 15 per cent, but generally it is about 12½ per cent of the whole cost of the goods.

Mr. SIMMONS. The Senator thinks, then, that the cost of the vat dye, if it is used, would not be 5 per cent ad valorem of the value of the product, but might be more than 5 per cent?

Mr. SMOOT. I know it is more than 5 per cent, but all we are doing here, I will say to the Senator, is to give a compensatory duty on the increase of the rate of duty that is imposed upon the vat dyes. There is no duty on the vat dyes that Germany makes or in Germany.

Mr. SIMMONS. I was rather inclined to think the Senator had given more than the full value of the dyes.

Mr. SMOOT. I will say to the Senator it is 4.2 in the compensatory duty, taking the average of the cost of all the colors.

Mr. SIMMONS. I was advised that 3 to 4 per cent would cover the value of the dyes.

Mr. SMOOT. Four and two-tenths per cent, and we made it 4 per cent.

The VICE PRESIDENT. The question is on agreeing to the committee amendment as modified.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 121, after line 22, to strike out:

Any of the foregoing yarns, if combed, shall pay in addition to the rates of duty provided in the preceding paragraph, if exceeding No. 9 and not exceeding No. 40, 1 cent per pound; if exceeding No. 40, 2 cents per pound.

Mr. SMOOT. Mr. President, may I offer just a word of explanation? I am sure no one will object to the amendment. It provides for an additional duty on combed yarn. If the Senate will notice, we added that in paragraph 901, after the word "colored," so as to make the duty apply to combed just the same as colored, and give them no extra duty.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The next amendment was, on page 122, line 4, before the words "per cent," to strike out the figure "5" and to insert "10," so as to read:

Cotton waste, manufactured or otherwise advanced in value, cotton card laps, sliver, and roving, 10 per cent ad valorem.

Mr. LENROOT. Mr. President, this is a very small matter, but of cotton waste the imports, under the present duty of 5 per cent, in 1920 amounted to 500 pounds, and yet the committee proposes to double the rate. Of course, the committee can not justify it. It must have been on the theory that "we are making increases; so let us increase everything." As I said, cotton waste is not a very important matter, but I would not like the fact to go before the country that the committee had doubled a rate where there are no importations and where it is admitted there is no need for any protective duty.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. LENROOT. I yield.

Mr. SMOOT. I think the Senator is right. This only refers to cotton waste, but that is not all the duty applies to. Cotton waste does not amount to anything at all. All the importations do not amount to anything, even if we had the present 5 per cent rate; but card laps, sliver, and roving do amount to something, because all they would have to do would be to import the rovings and the sliver and the laps into this country, particularly the first two named, and just put them on a spinning jenny and spin them into yarn and they would have the yarn.

Mr. LENROOT. I spoke of cotton waste. Now let us take the laps, sliver, and roving that the Senator mentioned. What were the importations of laps, sliver and roving under the present 5 per cent duty? The Tariff Information Survey shows no imports in 1921. In 1920, while the domestic production was 4,260,000 pounds, valued at $1,956,000, the imports of all those products amounted to only 100,000 pounds with a value of $31,000. Does the Senator think that makes a showing for increasing any duty or doubling the present rate?

Mr. SMOOT. With the rates of duty that are now existing we have just about the same as the present law and in some cases, I think, much less. When we take into consideration the duty upon long-staple cotton I do not know whether it could come in or not.

Mr. UNDERWOOD. If the Senator will allow me, he said several times that these rates would affect all long-staple cotton. There is a comparatively small portion of the rates here that are affected by long-staple cotton.

Mr. SMOOT. I am not saying how many, and I do not want the Senator to think that I did.

Mr. UNDERWOOD. The rates on these particular things are not affected by long-staple cotton at all. These are waste products.

Mr. SMOOT. So far as that is concerned, sliver and roving and laps could be of long-staple cotton just as well as any other kind.

Mr. UNDERWOOD. It is not a question of cotton. These are waste products.

Mr. SMOOT. Oh, no; card laps and sliver and roving are not waste products.

Mr. UNDERWOOD. Oh, yes; they are.

Mr. SMOOT. Oh, no; not at all.

Mr. LODGE. Roving is not a waste product.

Mr. UNDERWOOD. Cotton waste is a waste product and the others are in that class except that they can be spun and cotton waste can not.

Mr. SMOOT. I want to state to the Senator from Wisconsin what the difference is between the cotton and the sliver and the roving and the laps. That means that the cotton itself has passed through the cards and the loss that comes through the cards and the various processes, such as breakdowns, from the beginning to the last, and there is always a waste involved. I would a thousand times prefer, as a manufacturer, to allow roving and sliver to come in than the cotton itself. When the stage of roving or sliver is arrived at, or when the stage of laps is arrived at, all the waste I have mentioned is eliminated. All they have to do is to have the size of spool that would fit the mule in this country and take the spool with roving upon it and put it upon the mule and begin to sp'n it into yarn.

Mr. LENROOT. Then why does it not come in under the 5 per cent rate?

Mr. SMOOT. I do not know why it does not come in.

Mr. LENROOT. The Senator knows the Tariff Commission made the statement that laps, sliver, and roving ordinarily are not articles of commerce at all owing to the difficulty of handling them; so they do not come in and they are not coming in, and yet it is proposed to double the duty.

Mr. LODGE. Certainly we propose to do that, because we do not want to make it worth while to make imports in that roundabout way. Let them bring it in in the finished form.

Mr. LENROOT. But they are not coming in.

Mr. LODGE. That has nothing to do with it.

Mr. SMOOT. They could not come in since the rates of freight from the foreign countries over here have been as high as they have been since the war. They could not have come in under those circumstances. On these very items the Payne-Aldrich rate is 20 per cent.

Mr. LENROOT. The rates of freight in 1921 were half what they were during the war, and there were not enough of these products came in to be described under the report of imports for 1921.

Mr. SIMMONS. Mr. President, I suggest to the Senator from Wisconsin that the 100,000 pounds to which he referred a little while ago came from the Philippine Islands.

Mr. LENROOT. Yes; every pound of it came from the Philippine Islands.

Mr. SMOOT. I want to call attention to another matter. We have now a duty upon the long-staple cotton. They can make laps and roving and sliver from the long-staple cotton. Remember, too, they have 7 cents a pound on the long-staple cotton.

Mr. LENROOT. In 1921 we had a duty on long-staple cotton of 7 cents a pound, and yet none came in.

Mr. President, I wish to vote for rates that are protective, but I do not propose to vote for such increases as these, which are not justified by any member of the committee and which can not be justified by the quantity of imports that are coming in. Instead of such rates as this being something to the credit of the Republican Party, they will tend to damn the Republican Party if they are put into the bill.

Mr. POMERENE. Mr. President, will the Senator yield for a question?

Mr. LENROOT. Yes; I yield.

Mr. POMERENE. It would seem from the course of this debate that nothing can be gained by way of protection from an increase in this rate?

Mr. LENROOT. Nothing.

Mr. POMERENE. And that nothing can be gained by way of revenue by reason of this increased rate?

Mr. LENROOT. Nothing.

Mr. POMERENE. Then, what is the reason for it and who asked for it?

Mr. LENROOT. I do not know.

The VICE PRESIDENT. The question is on the committee amendment.

Mr. LENROOT. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. HARRISON (when his name was called). Making the same announcement as before in reference to my pair and its transfer, I vote "nay."

Mr. JONES of Washington (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. STERLING (when his name was called). Making the same announcement as before relative to my pair and its transfer, I vote "nay."

Mr. WALSH of Montana (when his name was called). Transferring my pair with the Senator from New Jersey [Mr. FRELINGHUYSEN] as on the previous vote, I vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before as to my pair and its transfer, I vote "yea."

The roll call was concluded.

Mr. CAMERON. I have a pair with the junior Senator from Georgia [Mr. WATSON]. I transfer that pair to the senior Senator from Connecticut [Mr. BRANDEGEE] and vote "yea."

Mr. McKINLEY. Making the same announcement as before with reference to my pair and its transfer, I vote "yea."

Mr. HALE. Making the same announcement as before with reference to my pair and its transfer, I vote "yea."

Mr. TRAMMELL. Transferring my pair with the Senator from Rhode Island [Mr. COLT] to the Senator from Texas [Mr. CULBERSON], I vote "nay."

Mr. JONES of New Mexico. Making the same announcement as on the previous vote in reference to my pair and its transfer, I vote "nay."

Mr. ROBINSON. Transferring my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the senior Senator from Arizona [Mr. ASHURST], I vote "nay."

Mr. NEW. Repeating the announcement which I made on the previous ballots to-day in reference to the transfer of my pair, I vote "yea."

Mr. CURTIS. I am requested to announce the following pairs:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from North Dakota [Mr. McCUMBER] with the Senator from Utah [Mr. KING].

The result was announced—yeas 25, nays 28, as follows:

YEAS—25.

Bursum	Curtis	Hale	Keyes
Calder	Ernst	Johnson	Ladd
Cameron	Gooding	Kendrick	Lodge

McKinley	New	Smoot	Willis
McLean	Newberry	Spencer	
McNary	Oddie	Warren	
Moses	Phipps	Watson, Ind.	

NAYS—28.

Borah	Harrison	Overman	Stanley
Capper	Heflin	Pomerene	Sterling
Caraway	Jones, N. Mex.	Ransdell	Trammell
Cummins	Jones, Wash.	Robinson	Underwood
Dial	Kellogg	Sheppard	Wadsworth
Gerry	Lenroot	Simmons	Walsh, Mass.
Harris	McCormick	Smith	Walsh, Mont.

NOT VOTING—43.

Ashurst	Fernald	Myers	Reed
Ball	Fletcher	Nelson	Shields
Brandegee	France	Nicholson	Shortridge
Broussard	Frelinghuysen	Norbeck	Stanfield
Colt	Glass	Norris	Sutherland
Crow	Harreld	Owen	Swanson
Culberson	Hitchcock	Page	Townsend
Dillingham	King	Pepper	Watson, Ga.
du Pont	La Follette	Pittman	Weller
Edge	McCumber	Poindexter	Williams
Elkins	McKellar	Rawson	

So the committee amendment was rejected.

Mr. SMOOT. Mr. President, I ask unanimous consent that when the Senate concludes its session to-day it recess until to-morrow at 11 o'clock a. m.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered. The Secretary will state the next committee amendment.

The next amendment of the Committee on Finance was, on page 122, paragraph 902, line 6, after the word "sewing," to strike out the word "thread" and to insert "thread, one-half of 1 cent per hundred yards," so as to read:

PAR. 902. Cotton sewing thread, one-half of 1 cent per hundred yards.

Mr. SMITH. Mr. President, before the vote is taken on this committee amendment, I desire to submit some observations in regard to the sewing-thread schedule. I do not think that the Senate generally understands the situation.

The production in the United States of cotton sewing thread increased from 26,507,000 pounds, valued at $22,917,000, in 1914, to 58,096,000 pounds, valued at $57,125,000, in 1919. The industry, therefore, more than doubled its output in the course of five years.

Exports of cotton sewing thread are considerably larger than imports. This can not be shown precisely, owing to the fact that in both export and import statistics cotton sewing thread is lumped together with crochet, darning, and embroidery cottons. Inclusive exports in 1921 were valued at $2,055,328, as compared with $1,920,125 for imports. Exports, however, are mainly of sewing thread, and imports of crochet, darning, and embroidery cottons. The American manufacturer of cotton sewing thread is therefore a substantial exporter and has practically no competition from abroad. In the face of these facts, is an increase in duty justified?

The duty on cotton sewing thread in the act of 1913 is 15 per cent ad valorem. In the Senate bill it is proposed to increase it to 25 per cent ad valorem.

It may be noted that the Senate rate amounts to a straight 25 per cent ad valorem. The specific rates will not apply under present or pre-war prices, and the maximum ad valorem, stated as 45 per cent, is just an extra flourish that means nothing, as it can never come into operation.

In 1914 cotton sewing thread was generally put up on 200-yard spools; these were wholesaled at 55 cents a dozen, less 12½ per cent, less 2½ per cent, equal to 3.92 cents net per spool; this 200-yard spool retailed at 5 cents. Starting with August, 1917, cotton sewing thread has been generally put up on 150-yard spools, and in 1922 these are being wholesaled at 60 cents a dozen, less 12½ per cent, less 2½ per cent, or 4.29 cents net per spool; this 150-yard spool now retails at 5 cents. In other words, you are getting about 33⅓ per cent less thread at the same price than you got before this innovation went into effect; that is to say, cotton sewing thread was being sold at wholesale in this country in 1914 at 1.96 cents per 100 yards and in 1922 at 2.86 cents per 100 yards.

A duty of one-half cent per 100 yards, with a minimum of 25 per cent and a maximum of 45 per cent ad valorem, means that sewing thread invoiced at 1.11 cents or less per 100 yards would pay 45 per cent ad valorem; valued at 1.12 to 1.99 cents per 100 yards, it would pay one-half cent per 100 yards; valued at 2 cents or more per 100 yards, it would pay 25 per cent ad valorem.

Mr. SMOOT. Mr. President, of course the Senator knows that the committee is going to move, when it gets a chance, to insert "35" instead of "45" per cent.

Mr. SMITH. Mr. President, in reply to that I will say that a close study of the cost of this thread and the manner in which it is retailed shows that 35 per cent would mean as complete a monopoly as 45 per cent does now, because the specific and the ad valorem duty would result in the straight 25 per cent, for the reason that there is none sold at a price that would justify the 45 per cent.

Mr. SMOOT. I admit, of course, that 25 per cent is the minimum rate, and they will all fall under that rate.

Mr. SMITH. Why, to be sure; that is what it all means; but I want this to go into the RECORD, anyway.

Mr. SMOOT. I wanted, as far as I was concerned, to have a maximum because of the fact that if the price all went to pieces at some time we did not want a higher rate than 35 per cent; but to-day, of course, they will all fall within the 25 per cent.

Mr. SMITH. To be sure; and under the monopoly that exists it is hardly probable that the price will go to pieces.

Since no sewing thread is imported as low as 2 cents per 100 yards, most of it being around 3 cents per 100 yards, it is clear that paragraph 902 imposes a duty of 25 per cent ad valorem straight. Why, then, the superfluous wording?

No. 24 six-cord cotton sewing thread, a typical count, is made of 50's cotton yarn and measures 6,760 yards per pound. The American wholesale price of this variety was therefore 3.92 multiplied by 6,760 and divided by 200, which would be equal to $1.325 in 1914, and 4.29 multiplied by 6,760 and divided by 150, which would equal to $1.934, in 1922. At these prices it would seem that manufacturers ought to be able to make a substantial profit, and the fact that the English thread trust—J. & P. Coats—has built mills in this country shows that the domestic situation is favorable to such profits; and yet it is proposed to increase the rates under which the industry has developed to a point where it exports several times as much as it imports.

This increase in rates of duty, shown to be unnecessary for cotton sewing thread, can not be justified on the ground that the paragraph also includes the special soft-spun yarns, used for handwork, known as crochet, darning, and embroidery cottons. Imports of the latter are mainly "D. M. C. cottons," made by the Dolfuss-Meig Co., of Mulhausen, Alsace, and invariably sell at a higher price than the nearest comparable domestic "cottons."

During the life of the act of 1909 the duty on cotton sewing thread and "cottons" averaged 23.38 per cent ad valorem on an average unit value of 2.65 cents per 100 yards. The minimum rate of 25 per cent ad valorem in the Senate bill is an increase over the unnecessarily high rates of the Payne tariff.

Now the Senator proposes to offer an amendment. I will wait to see just what effect his proposed amendment will have.

Mr. SMOOT. Mr. President, on page 122, line 12, I move to strike out "45" and insert "35."

The VICE PRESIDENT. That point in the bill has not yet been reached.

Mr. SMOOT. That is true. I want that amendment pending, however, because of the fact that the Senator referred to the maximum rate of 45 per cent, and that 45 per cent will be decreased to 35 per cent. I want to say to the Senator that in no case will the specific duties named here apply, but the minimum rate of 25 per cent will apply.

If I followed the Senator from South Carolina correctly, I think the exports he gave in the case of thread were absolutely correct. The comparison of rates is as follows:

The Senate bill, providing for one-half of 1 cent per 100 yards, has also a provision with a minimum of 25 per cent and a maximum of 35 per cent. The 35 per cent was put in there at my request because if the price of thread did decrease as low as it was before the war I would want some maximum rate—not only a minimum rate but a maximum rate—and that is why I thought it ought to be at least 35 per cent.

Mr. SMITH. Mr. President, may I ask the Senator from Utah a question? Under the straight ad valorem of 15 per cent under the tariff act of 1913, this business, according to the Tariff Commission's report and the history of the business, prospered greatly. To-day it is a notorious fact that the manufacture of sewing thread is absolutely in the hands of a monopoly, and they have built factories in this country, though the parent factories are in foreign countries, and under the 15 per cent ad valorem the business grew and prospered, and they are exporting abroad from this country more than they are importing. They not only have done that, but they have reduced the count—that is, the number of yards to the spool—to a point where 33⅓ per cent less thread is sold for 5 cents now than under the previous method of merchandising this article.

Mr. SMOOT. That does not make any difference with this bill.

Mr. SMITH. I know it makes no difference.

Mr. SMOOT. This bill is based upon 100 yards. I do not care whether they only put in 80 yards or not.

Mr. SMITH. But it does do this, and this is the point I make: Under the control of the monopoly they are getting as much for 150 yards as they had previously gotten for 200 yards, and there was no competition to force them back to selling 200 yards for 5 cents. With their notorious prosperity under the 15 per cent rate, what justification is there now for imposing a rate of 25 per cent with a maximum of 35, when the record shows that there perhaps was not a more prosperous business than the sewing-thread business under the 15 per cent rate?

Mr. STERLING. Mr. President——

Mr. SMOOT. Just a moment, Mr. President. I want to say that not only was the thread manufacturer in this country prosperous under the 15 per cent rate during the war but every cotton manufacturer was exceedingly prosperous, as was nearly every other business in the United States, as far as that is concerned. If you take the peak price of cotton goods in April of 1920—that is the month when the peak price was reached—and compare it with the price on May 22, 1922, you will find that in many cases to-day's prices are not one-quarter of what they were in April of 1920.

Mr. SMITH. But the Senator knows that the prices now are even higher than the pre-war prices, and the amount that they sell for a given price is 33⅓ per cent less.

Mr. SMOOT. Oh, yes, Mr. President; and so is cotton higher. Cotton to-day is 22 cents a pound, and at the time the war broke out they were begging to sell it for 9 and 10 cents, and when the war broke out we had a propaganda from one end of this country to the other: "Buy a bale of cotton at 6 cents a pound." It started with the President of the United States.

Mr. SMITH. Yes, Mr. President; and that was because the producers of cotton had no way of controlling their price prior to that terrible break, and were without any resources. Had they had a monopoly of it, and the privilege of fixing the price, as these gentlemen have, they would have had the resources back of them to tide over any depreciation in price; and if they had had the power to fix the price, as these people do, we would not have had the "buy a bale" movement. From the record of this company it is shown that from its inception it has been prosperous, and it has met every change in prices by cutting the quantity, and letting a given spool with 33⅓ per cent less cotton on it sell for the same price as the original 200-yard spool.

Mr. JONES of New Mexico. Mr. President——

Mr. SMOOT. The statement just made by the Senator from South Carolina has no reference whatever to what I had in mind or what I said, and in saying it I do not want it to be understood that I justify the price of cotton after the war broke out, when it was being sold at 6 cents a pound. I am only answering the Senator's statement that this concern was prosperous by calling attention to the fact that not only was this concern prosperous but all of the other concerns were prosperous; but some of the very prosperous concerns during the war, that put back into their property all that they had and borrowed money besides, find themselves in a very unhappy condition to-day. I stood upon the floor of the Senate and called attention to the fact that when the war was over they would find that the brick and mortar and the machinery that they had bought there with those exceedingly high profits, and no doubt paid the income tax and the excess-profits tax upon them, would be a heavy load for them to carry after normal conditions returned, and it has turned out just that way.

Mr. JONES of New Mexico. Mr. President, the Senator from Utah referred to the present high price of cotton. The Senator certainly does not mean that that should affect the amount of duty upon this manufactured thread, does he? Does not the foreigner have to pay the increased price for his materials just the same as the American manufacturer? And, after all, is it not simply a question of the difference in cost of manufacture pure and simple, the foreigner being penalized with transportation rates upon the raw material, and the American manufacturer having that advantage?

Mr. SMOOT. I will say to the Senator from New Mexico that we thrashed that out here this morning, and I do not want to take the time of the Senate now to go all over it. I do not think there is any necessity for doing it.

Mr. JONES of New Mexico. The Senator a while ago referred to the fact, in this connection, that the price of cotton was higher now than it was at some prior time, and the Senator evidently mentioned that in connection with this proposed increase in duty; and I am asking the Senator how he reasons out that that has anything to do with it.

Mr. SMOOT. The Senator did not hear what was said and the reason I gave or he would not make that statement. The Senator from South Carolina said that these people were very prosperous. I referred to what the price was at the peak, in 1920, and what the prices were to-day, and did not say anything in regard to the duty. The Senator then remarked that the prices were less to-day than they were, but that they were not as high as they were before the war. In answer to that I said, "No; and the cotton is higher than it was before the war." The rate of duty was not involved in it at all.

Mr. STERLING. Mr. President, I want to ask the Senator from Utah a question. I have compared this with the duty imposed by the act of 1909, the Payne-Aldrich Act, and it would appear that while the specific duty is the same, the minimum ad valorem is higher in this bill than it was under the Payne-Aldrich Act.

Mr. SMOOT. The rate in the Underwood law was 15 per cent. The Senate committee bill has a minimum of 25 per cent, and that will be the rate that will apply in every case. Under the act of 1909 thread on spools, rolls, or balls was taxed at 6 cents a dozen, where the spools did not exceed 100 yards, with a minimum of 20 yards, and the equivalent ad valorem was 43 per cent.

Mr. STERLING. It also provides:

Provided further, That none of the foregoing shall pay a less rate of duty than 20 per cent ad valorem.

Whereas the minimum is 25 per cent, as now proposed.

Mr. SMOOT. But at that time 6 cents a dozen on 100 yards was a great deal more than 20 per cent. The equivalent ad valorem is 43 per cent.

Mr. STERLING. If the Senator will permit me, it seems to me the specific duty is exactly the same in each case. The act of 1909 provides:

Spool thread of cotton, crochet, darning, and embroidery cotton on spools, reels, or balls, containing on each spool, reel, or ball not exceeding 100 yards of thread, 6 cents per dozen.

That is the equivalent, certainly, of cotton, sewing thread, and so forth, one-half of 1 cent per hundred yards.

Mr. SMOOT. The reason we made the ad valorem duty higher in 1909 was because of the fact that prices were very much less, and the specific duty then, considering the lower price, made the equivalent ad valorem very much higher.

I do not think there is anything further I have to say in regard to this question.

Mr. LENROOT. I would like to ask the Senator if he has any information as to the proportion of the thread imported of No. 60 and over?

Mr. SMOOT. I do not know whether I have that or not. All spool thread is made from the long-staple cotton.

Mr. LENROOT. It will all take the compensatory duty.

Mr. SMOOT. All of it will take the compensatory duty, because of the fact that this thread itself is a very fine thread, and it is spun and twisted into a thread that is used in everyday life.

Mr. LENROOT. I notice that of the imports of thread only about half, under the present law, get the compensatory duty. Can the Senator explain why?

Mr. SMOOT. Then I suppose it is all the other kind, such as embroidery thread, and special kinds of thread which come in.

Mr. LENROOT. Cotton sewing thread, crochet, darning, embroidery, and knitting cotton do not take the compensatory duty?

Mr. SMOOT. In many cases they will not.

Mr. LENROOT. On spools, rolls, or balls. Most of that seems to have taken the duty.

Mr. SMOOT. All the thread used on spools in everyday life takes it, but some of them are the coarser threads, entirely different from that put on the spools. Spool thread is generally for home use.

Mr. LENROOT. The imports in 1921 of these threads figured roughly about half; about half take the compensatory duty and half do not.

Mr. SMOOT. I should say that would be about right. But this thread is made in the United States. American production, of course, takes in all of the finer kinds, even No. 8, the coarser used in the home.

Mr. LENROOT. Why?

Mr. SMOOT. Because that is not one thread. It is at least six ply, and they are twisted together. There are, of course, few threads that are coarser.

Mr. LENROOT. I find from the tables of imports and exports for 1921 that while we imported only about $1,700,000 worth of threads of all classes covered by this paragraph, which

includes the compensatory duty of 7 cents a pound for about one-half of it, at the same time we exported abroad $2,053,000 worth of this thread. In the face of that, I would like to ask the Senator from Utah how the increase in duty could be justified, where we are exporting a great deal more than we are importing under the present tariff law.

Mr. SMOOT. I expected the Senator from New Jersey to be here with a detailed statement as to this particular item. I will say right now that I have not a detailed statement of the cost, and why the committee put the rate at a minimum of 25 per cent.

Mr. LENROOT. It will be remembered that it is not this rate alone that applies, but the compensatory duty which will be provided in paragraph 905b will add 10 cents a pound to every pound of this thread that is made out of long-staple cotton. In view of that fact, it does not seem to me that this increase is justified. The present rate is 15 per cent, and if made out of long-staple cotton, 7 cents a pound is added as a specific duty. It is now proposed to raise it to 25 per cent, plus 10 cents a pound, the compensatory duty, when made out of long-staple cotton.

Mr. SMITH. May I suggest to the Senator from Wisconsin that the expert has worked it out upon the basis of the duty now existing, and the 10 cents a pound will add an additional 5 per cent, which, added to the 25 per cent, will make 30 per cent, just exactly double the present duty.

Mr. LENROOT. On what theory, may I ask the Senator from Utah, is this increase justified, in the face of these figures?

Mr. SMOOT. There were presented before the committee the invoices of this yarn coming from a foreign country. It was not a sworn statement as to cost, but there was a statement made through a committee of the manufacturers themselves as to what it really cost to make it in this country, and pay the 7 cents a pound duty upon the long-staple cotton and upon the basis of a dollar a pound it required this rate to make the differential.

Mr. McLEAN. I think the Senator from Utah is right in his statement that the testimony which was presented to the Finance Committee showed very clearly that this rate on thread was justified. As he has stated, the Senator from New Jersey has prepared himself to present for the committee the reason why we fixed this rate. I want to call the attention of the Senator from Wisconsin to the fact that we have not increased the specific rate.

Mr. LENROOT. The specific rates amount to nothing under present prices.

Mr. McLEAN. That may be so, and for that reason it is probable that the ad valorem is justified. I hope this paragraph may go over until to-morrow. It is a very important item. I know the Senator from New Jersey [Mr. FRELINGHUYSEN] is deeply interested in it, and I think that the rate is just fied. It is not a high rate. This thread is made from high-priced long-staple cotton, and the labor item is an important item. The ad valorem of 45 per cent, I think, is justified.

Mr. LENROOT. The rate contained in the paragraph is 45 per cent.

Mr. SMOOT. It is cut to 35 per cent.

Mr. LENROOT. The Senator stated 45 per cent.

Mr. SMOOT. I have already offered an amendment to cut it.

Mr. LENROOT. I am going to offer an amendment to reduce the rate of 25 per cent to 20 per cent. That would be an increase over the present rate of 33⅓ per cent. I think the committee amendment, however, is pending.

Mr. McLEAN. I ask the Senator from Utah if he has any objection to postponing a vote on this paragraph until to-morrow?

Mr. SMITH. I could not hear the request that was made.

Mr. McLEAN. I asked that the vote on this paragraph be postponed until to-morrow, because I know that other Senators who are not here are deeply interested in it.

Mr. SMOOT. Mr. President, the time has arrived in the consideration of this bill when no item can be put over, and Senators who are interested in schedules and paragraphs must be present when they are reached. I do not know that that notice has been given, but so far as I am concerned, as a member of the committee, I want it distinctly understood that from now on we are going right on with the schedules, and there will be no putting off because somebody is out of the city. But I will say to the Senator that I agree with him; the Senator from New Jersey has not received notice, and he wanted to be present when this schedule was taken up, and for that reason I have no objection to letting this item go over until to-morrow.

Mr. LENROOT. I withdraw my amendment for the present, then.

Mr. SMOOT. I will allow my amendment to be pending.

The PRESIDING OFFICER. The pending amendment is on line 6.

Mr. SMOOT. I thought that amendment had been agreed to, but it has not. So all amendments to that paragraph may go over until to-morrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

The next amendment of the committee was in paragraph 903, page 122, line 19, under the item "cotton cloth," to strike out the word "pound," the comma, and to insert the word "pound."

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment.

The READING CLERK. On page 122, line 24, the Senator from Utah proposes to strike out "100" and to insert "80."

The amendment was agreed to.

The next amendment of the committee was, on page 122, line 24, to strike out "9" and to insert in lieu thereof "15," so as to read:

Provided, That none of the foregoing, when containing yarns the average number of which does not exceed No. 80, shall pay less duty than 15 per cent ad valorem.

Mr. SMITH. Mr. President, I see no reason why we should increase that duty to 15 per cent.

Mr. SMOOT. Of course, I think it is due the Senate for me to make a statement and give the reason. The Senator says it is an increase. These changes are made so as to provide a scientific, straightforward increase as to number, and in every case there is a decrease in the ad valorem rate as reported by the committee.

Mr. SMITH. The Senator overlooks the fact that the action of the Senate this afternoon has been to lower all the previous counts and all the previous duties laid, and therefore to maintain the decrease in this paragraph will throw it out of line with the action of the Senate up to the present time. According to the pro rata that has been established, I propose that in place of the 15 per cent rate proposed it be reduced to 5 per cent.

Mr. SMOOT. Of course, that would throw it out of balance even worse than the Senator said it would be otherwise. Nine per cent would be the rate per pound that would equalize steps that have already been taken, and not 5 per cent.

Mr. SMITH. I will not offer an amendment in order to keep the exact ratio that the Senate has stood for, but will ask that the Senate committee amendment be rejected. That will leave the House rate of 9 per cent, which is in exact conformity with what we have done up to the present.

Mr. SMOOT. Mr. President, I want to make a brief statement to the Senate. It is one thing to decrease the rates on coarse yarns, but it is quite another thing to decrease rates on the paragraph now under consideration. I want to call attention now to the reasons why this rate was proposed. We do not want to be stampeded.

Paragraph 903 divides countable cotton cloth for dutiable purposes into classes according to condition, namely, in the gray and not woven figured; bleached; printed, dyed, colored, or woven figured. Progressive rates are provided for each class.

Certain countable cotton cloths representing the highest type of manufacture and entailing considerable labor expense in their production are provided with an additional rate under the provisions of paragraph 905a.

The present system of levying duties according to the average yarn count on cotton cloth is continued. The percentage of labor cost as compared to the total cost increases as the yarn contained becomes finer. The weave, the weight, the width, the yarn count, and the number of ends and picks per square inch, all affect the cost, but the average yarn count is in most instances the primary cost-determining factor, except in cases where the production of the cloth requires special or additional processes.

The specific rates will ordinarily not apply to present price conditions. I want the Senators to remember this statement, that the specific rates will ordinarily not apply to present price conditions, whether it be 15 per cent or whether it be 9 per cent. In this paragraph Senators will note that the rate is not to be less than 35 per cent ad valorem.

Specific rates will ordinarily not apply under present price conditions. At present and until more normal prices obtain

the minimum ad valorem rates will be imposed on imports. Now, just keep that in mind.

A direct comparison of the rates in this bill and act of 1909 is impossible. The basis for levying duties under the act of 1909 was according to thread count per square inch and weight per square yard, or according to the value per square yard, the average yarn count, the basis for assessment of duty under this bill, in no way controlling the rate of duty. The rates generally in paragraph 903 are lower than the rates applying to cotton cloth under the act of 1909.

I explained the reasons for these few differences where the rate was higher, because of the fact that the price within the bracket named, taking the higher rate in a few cases, the price just over the value of a half cent or cent brought it a little higher than the 1909 law.

In some instances, through the addition of the rate provided in paragraph 905a, the rates of duty under this bill will be higher than the rates of the act of 1909. But, of course, that is entirely on account of the duty of 7 cents per pound that has been agreed to upon long-staple cotton.

To contrast the duties on cotton cloth under the act of 1909, 1913, and the Senate bill, the Tariff Commission has prepared a table of 100 typical cotton cloths imported into the United States using maximum invoice prices of 1920.

I have here the samples selected by the Tariff Commission, the 100 samples referred to. The average rate of duty of these 100 samples is as follows:

	Per cent.
Act of 1909	37.26
Act of 1913	21.92
Senate bill	35.88

Now, Mr. President, in order that there may be no mistake I want to call attention again as I did this morning to the fact that these equivalent ad valorems are based upon the prices of 1920. If they had been based upon the prices of 1913, the equivalent ad valorems would have been very different. For instance, I call attention to the fact that the equivalent ad valorem under the Payne-Aldrich act on 1913 prices was 44.82 per cent. That is, on the 100 samples which I have just shown the equivalent ad valorem duty under the Payne-Aldrich law based on the prices of 1913 would have been 44.82 per cent, while under the proposed rates, on the same samples, with the prices of to-day, the equivalent ad valorem rate would be only 35.88 per cent. So we see that there is an actual decrease in ad valorem duty of 9 per cent. That does not mean 9 per cent of the rate. It means 9 per cent equivalent ad valorem duty—that is, the difference between 44.82 and 35.88, and it can be plainly seen that it is a decrease of 20 per cent.

Mr. SMITH. Does the Senator include in the average which he gave, of 35.88 per cent, the compensatory duties that enter into the cloths?

Mr. SMOOT. I do not. Why should I include it?

Mr. SMITH. Because most of the cloths imported include cloths made out of thread that would bear a compensatory duty.

Mr. SMOOT. If the Senator wants to know just what was the equivalent ad valorem duty under the 10 cent per pound imposed on long-staple cotton on the cloths, I could figure it out for him. I have not figured it out, but I can take every step in the whole schedule and tell what it is.

The effect of the rate in the present bill can be seen by the following statistics. I think I shall take the time of the Senate to call attention to these statistics and show by them what is happening under existing rates to-day in the importation of cloth.

Gray and not woven-figured, for the fiscal year 1910, there were imported 4,965,980 square yards, at a value of $494,927. For the calendar year 1914 there were 3,374,679 square yards, at a value of $448,902. For the calendar year 1921 there were 18,000,000—not 3,000,000—but 18,625,545 square yards, or an increase of almost 600 per cent, at a value of $3,835,105. That is only the gray and not woven-figured.

Of the bleached, in 1910 there were 19,033,718 square yards, valued at $2,363,690. In 1914 there were 15,617,374 square yards, valued at $2,783,262. In 1921 there were 19,471,545 square yards, valued at $5,287,299.

Colored or woven figured. Now we are coming into dress goods. We are getting into the class of goods that the eastern mills have to meet. These are not common goods made out of common yarn. These are the fancy woven goods. In 1910, for the fiscal year, there were imported 37,683,944 square yards, valued at $5,944,262. In 1914 there were 39,551,027 square yards, valued at $7,331,013. In 1921 the importations were 74,241,096 square yards, valued at $24,601,504, or an increase over and above the value in 1910 of nearly 500 per cent.

Mr. STERLING. Mr. President, the Senator now refers to imports. What were our exports of the same quality of goods? Has he the figures in regard to that matter?

Mr. SMOOT. Of the same quality?

Mr. STERLING. Yes.

Mr. SMOOT. We export but little of this quality of goods. There may be some exported to Canada, the Philippines, and Cuba. These are the finest goods, and here is where competition comes from foreign lands. We can ship ordinary common sheetings, as I said this morning, to China and to South America. We can ship them into Canada, but we do not export any considerable quantity of the kind to which I have been referring.

Mr. STERLING. Our competition, then, is mostly with Great Britain.

Mr. SMOOT. Mostly with Great Britain, France, and Germany.

Now, Mr. President, that is not all. I want the Senate now to consider these figures: During the calendar year 1921 there was an increase of nearly 500 per cent in the value of importations. What was it for the first four months of 1922? Let us see if there was any competition. Let us see what the present rates are doing to the American mills and American laboring men.

In January, 1922, for the one month, there were imported 16,086,754 square yards, valued at $4,346,869—16,000,000 yards imported—more than were imported during the whole year of 1914, and at a value of nearly twice as much. Is there no competition? In February, 1922, 17,529,305 square yards were imported, valued at $4,777,415.

Mr. LENROOT. Will the Senator yield to me?

The PRESIDING OFFICER (Mr. LADD in the chair). Does the Senator from Utah yield to the Senator from Wisconsin?

Mr. SMOOT. Yes.

Mr. LENROOT. Does the Senator know the numbers of the counts of the cloth?

Mr. SMOOT. No; I have not the numbers, but I will say to the Senator that they would all be of the higher count, as I stated to the Senator from South Dakota [Mr. STERLING]. Are importations dropping off? Let us see what happened in March, 1922. During that month there were imported 20,070,606 square yards, valued at $5,702,277.

Mr. STERLING. Mr. President, I wonder if the Senator from Utah has the figures showing the production in this country of that kind of cloth?

Mr. SMOOT. I can not tell, because the figures as to the production which I have include all kinds of cloth. I do not think the census differentiates as to particular kinds of cloth; but as to imports, the various classes are segregated according to the rate of duty, and the figures have to be recorded at the port of entry.

In April, 1922—we are getting right up to date—there were imported 12,144,302 square yards, valued at $3,479,723. For the four months of 1922 of this class of goods there have been imported 65,830,967 square yards, of a value of $18,306,264. Is that competition?

Mr. President, suppose the importations keep up at the same rate for the remainder of the year?

Now, I want to say that according to reports which I have received from buyers in France and in England and in Germany, if the purchases made by them are delivered this year the imports during the year of 1922 will be almost ten times what they have been in any previous year. It may be that the imports will fall off during the remainder of the eight months, but I do not know why they should do so.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from North Dakota?

Mr. SMOOT. I yield.

Mr. McCUMBER. The question of the Senator from South Dakota [Mr. STERLING] intimated, at least, either that we were not producing that class of goods which were so lavishly imported during the last few months or that we could not produce them; and I should like to have the Senator's statement as to that.

Mr. STERLING. Oh, no.

Mr. McCUMBER. I desire to have the Senator from Utah make it clear that those importations are competitive, and that we can produce those goods and do produce them.

Mr. STERLING. I will say to the Senator from North Dakota that I did not mean to imply any such thing. I understand clearly that we are manufacturing in this country the grade of goods referred to by the Senator from Utah [Mr. SMOOT].

Mr. SMOOT. I stated that these goods were being manufactured in New England, and they did not consist of plain woven cloth, and the importations are competitive.

Mr. McCUMBER. The question of the Senator from South Dakota was whether we manufactured the same kind of goods.

Mr. STERLING. No; I wanted to know what the production in this country was. I did not intimate that we did not manufacture them; but I wanted to compare the annual production in this country with the importations; that was all.

Mr. McCUMBER. Mr. President, it is quite clear that to the extent the foreign manufacturer supplies the domestic market the output of the product in the United States must be diminished.

Mr. SMITH. Mr. President, I think the information desired is obtainable by any Senator who will take the time to interrogate the Tariff Commission, that a great many of the kind of cloths of which the Senator from Utah [Mr. SMOOT] has spoken are not produced in this country.

Mr. SMOOT. Oh, well——

Mr. SMITH. Here [exhibiting] is a sample furnished by the Tariff Commission. It is a specimen of dotted Swiss. There is not a mill in America that is adapted to the production of that kind of cloth. That is also true of some of the other forms of goods of fine weave and of a certain form of lining that is made by Japanese mills. There is a certain gloss which is put on some of the finer goods by the mills abroad, constituting a field which we are not attempting at all to enter.

Mr. McCUMBER. Why are we not attempting it, let me ask the Senator from South Carolina?

Mr. SMITH. Because we find it more profitable to engage in the manufacture of some other form of goods.

Mr. McCUMBER. In other words, that means that we find it unprofitable to engage in the manufacture of these particular goods?

Mr. SMITH. The fact of the matter is, to answer the Senator from North Dakota, that with a protective duty there has not been any attempt on the part of our American manufacturers to enter this domain. They found it more profitable to engage in the manufacture of other forms of cotton cloth, not because the particular class of cloth is manufactured so cheaply abroad but merely because it is not profitable to set up the machinery in this country for its production.

Mr. McCUMBER. If the Senator from Utah will allow me, of course when a concern by reason of the lack of protection on the goods which it is manufacturing finds it unprofitable to continue their manufacture, it has to manufacture goods which are more profitable and it has to drop the manufacture of that class of goods which is unprofitable. That is the reason for the cessation of any particular line of manufacture.

Mr. SMITH. No; I think the Senator will find that the Swiss people have a process under which goods are produced which satisfy the trade better than the goods manufactured either in England or in America. In those instances we find that it is not profitable to set up the machinery to manufacture the quantity of goods required to meet the demand, and therefore the duty is paid and the goods are imported and sold in the American market without our mills having even attempted to enter that domain.

Mr. SMOOT. Mr. President, I can answer the Senator very quickly. What is the use of talking about dotted swiss coming in here in a few pieces. A few years ago every lady in the United States wore dotted swiss, but now dotted swiss is out of style. There may be a few pieces of dotted swiss used in various portions of the United States, but it is not very extensively used to-day. The Senator from South Carolina says we can not manufacture dotted swiss in the United States.

Mr. SMITH. We never have done so.

Mr. SMOOT. Yes; we have manufactured it.

Mr. SMITH. That is beyond my knowledge.

Mr. SMOOT. I know we have produced it in the United States.

Mr. POMERENE. Mr. President, I recognize the expert knowledge the distinguished Senator from Utah has on many subjects, but when did he become an expert on style?

Mr. SMOOT. I do not profess to be an expert on style, but I can tell when a particular class of goods is in vogue. I wish to say to the Senator right now that he will not find the wife of a Senator wearing dotted swiss. This class of goods [exhibiting] is being made in America, and it is this class of goods the Senator's wife, perhaps, is wearing. All these samples [exhibiting] are made in America.

Mr. SMITH. The Senator from North Dakota asked a moment ago why it was that American mills did not enter this domain. Perhaps, as to these fancy products, the fluctuation of style is what makes it unprofitable for the American mills to set up special machinery to make them. However, when the particular goods become the style again, they are imported, because we can not afford to set up the machinery and let it wait during the time that the cloth is out of style.

I think perhaps the Senator from Utah has hit upon the very reason why the American mills do not find it profitable to set up machinery to make a certain class of goods, in that, according to the Senator, they go out of style. It does not pay us to set up machinery to supply fluctuating and uncertain demands.

I shall later put into the RECORD some statistics as to countable cotton cloth, showing the domestic production, the exports, and the imports, which I think will be illuminating to the Senate. I refer to cloths which do not go out of style, which are used for garments that are usually invisible, although, according to present-day fashions, there are very few of them which are not visible. That is the kind of goods the sensible American manufacturer is producing, and in that line he has preempted the markets of the world and driven out competition. He is not foolish enough to set up a lot of fine machinery to satisfy styles that do not last.

Mr. SMOOT. Mr. President, it is all right for the Senator from South Carolina, in whose State no cotton cloth except plain cloth is made, to talk about the character of goods, but we have machinery in the United States to make any kind of cloth that is made anywhere in the world.

I call the Senator's attention to the fact that all of these goods [exhibiting] are made in America; and if we have machinery to make that kind of cloth we have machinery to make any kind of cloth that is needed.

Mr. SMITH. Mr. President, just let me read right now some figures in reference to countable cloth, if the Senator will allow me. The Senate seems to be interested in that branch of the subject. In 1921 the imports amounted to 112,340,000 square yards, of a value of $33,000,000; in 1919, the last year for which production figures in this country are available, of countable cloth we produced 1,134,374,000 square yards, the value of which was $5,628,858,000. We imported in that year, as I have said, 112,000,000 square yards, while we exported 551,000,000 square yards, of a value of $71,573,000. In other words, we exported nearly five times as much as we imported, and we produced and sold in this country over ten times as much as we imported.

Mr. SMOOT. Mr. President, what is the use of trying to present a situation here when the facts in the case, when presented, will place an entirely different construction on it? What classes of goods were exported, and where did they go, and why did they go? They went to the Philippine Islands, they went to Cuba, they went to Porto Rico. Does the Senator think that any other country can successfully ship into those countries cotton goods, with the special rates that we enjoy in those countries, and free in two of them?

Mr. SMITH. Mr. President, the Senator must admit that a vast quantity of these very cloths went into Canada in competition with the English goods.

Mr. SMOOT. Mr. President, the Senator has said time and time again that the plain cloths woven here go to Canada. The manufacturer in the South has the cotton right at his door. He takes it right from the farmer into his place. America has automatic looms in a greater degree than any other country in the world. There is no question about that. But we are not discussing that class of goods.

Mr. SMITH. But the Senator has raised the duty even on those goods almost twice as much as on the others.

Mr. SMOOT. No; as far as that is concerned, you can not raise them by specifically stating what kind of cloth can come in. You have got to specify the number of picks per square inch, or else you have got to take the size of the yarn, and we took the size of the yarn; and I want to say to the Senator, just in passing, that that is exactly what the Democrats did in the act of 1913, and I think it was right.

Mr. President, as I have said, the importations for the first four months of 1922 amount to 65,830,967 square yards. If they are continued at the same rate during the year 1922, the importations of that kind of cloth alone into the United States will be 197,492,901 square yards.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. SMOOT. Yes.

Mr. LENROOT. Will the Senator give us the average rate of duty imposed on those importations?

Mr. SMOOT. The highest possible rate under the bill when it is amended——

Mr. LENROOT. No; I mean under the present law. What rate of duty are they paying now on those importations?

Mr. SMOOT. About 25 per cent. The imports of 1921 show an increase in yardage over the imports for the year 1914 of 53,795,189 square yards, or 91 per cent increase in imports.

Estimating the possible imports for 1922 from the first four months, the increase in yardage over the year 1914 will be 138,949,821 square yards, or an increase of 237 per cent. Mr. President, if that continues, how are the laboring men in New England in these cotton mills to be employed? Who would prefer to have importers bring into this country 197,000,000 square yards of these cloths in a year, rather than to allow the American laboring man to make them in this country?

Senators note this: Imports for 1921 show an increase in yardage over imports for the year 1910 of 80,654,625 square yards, or an increase of 82 per cent. Estimated imports for 1922 based on imports for the first four months show an increase in yardage over imports for the year 1910 of 135,809,259 square yards, or 220 per cent increase.

Comparison of imports, exports, and United States production:

Imports, fiscal year 1910, 61,683,642 square yards, valued at $8,802,879.

The exports were 309,000,000 square yards, valued at $19,971,491.

Mr. President, this is a long list, and I am going to ask that it may be printed in the RECORD without reading.

The PRESIDING OFFICER. Without objection, it will be so ordered. The Chair hears no objection.

The matter referred to is as follows:

	Imports.		Exports.		United States production.	
	Square yards.	Value.	Square yards.	Value.	Square yards.	Value.
Fiscal year 1910	61,683,642	$8,802,879	309,921,304	$19,971,491	.....	.....
Calendar year 1914	58,543,080	10,563,177	326,477,879	23,635,599	6,383,796,000	$440,574,000
Calendar year 1921	112,338,267	33,723,908	551,512,942	71,573,975	[1] 5,628,858,000	[1] 1,131,374,000

[1] Calendar year 1919.

January, February, March, April, 1922, 65,830,967 square yards; $18,306,284.

The effects of the rates in the present bill can be seen by the following statistics:

Imports—Countable cotton cloths.

	Fiscal year, 1910.		Calendar year, 1914.		Calendar year, 1921.	
	Square yards.	Value.	Square yards.	Value.	Square yards.	Value.
Gray and not woven, figured	4,965,980	$494,927	3,374,679	$448,902	18,625,545	$3,835,105
Bleached	19,033,718	2,363,690	15,617,374	2,783,262	19,471,545	5,287,299
Colored or woven, figured	37,683,944	5,944,262	39,551,027	7,331,013	74,241,096	24,601,504
Total	61,683,642	8,802,879	58,543,080	10,563,177	112,338,267	33,723,908

	Square yards.	Value.
January, 1922	16,086,754	$4,346,869
February, 1922	17,529,305	4,777,415
March, 1922	20,070,606	5,702,277
April, 1922	12,144,302	3,479,723
For 4 months, 1922	65,830,967	18,306,284

Or at the rate of 197,492,901 square yards for the year.

Imports of 1921 show an increase in yardage over imports for the year 1914 of 53,795,187, or 91 per cent.

Estimating the probable imports for 1922 from the first four months the increase in yardage over the year 1914 will be 138,949,821, or 237 per cent.

Imports of 1921 show an increase in yardage over imports for the year 1910 of 50,654,625, or 82 per cent.

Estimated imports for 1922, based on imports for the first four months, show an increase in yardage over imports for the year 1910 of 135,809,259, or 220 per cent.

Mr. SMOOT. Mr. President, I have had worked out the equivalent ad valorems of these 100 samples of cloth selected by the Tariff Commission of all grades and nearly all styles, showing what the equivalent ad valorems are, not only under the Payne-Aldrich Act but under the act of 1913 and under the bill as reported and the amendments that I have already offered, which I have no doubt will be adopted by the Senate, because they are all very great decreases. I also have here the equivalent ad valorems not taking into consideration the 7 cents a pound imposed upon long-staple cotton, that everybody must admit the manufacturer must be compensated for. This statement is too long for me to read, but when we take up the rates in this paragraph no doubt numerous questions will be asked, and at that time I shall be glad to answer anything that is asked as to the equivalent ad valorem rates, either in the act of 1909, the act of 1913, or this bill as reported, with my amendments; also what the difference is in each of the ad valorem rates on account of the 7 cents a pound on long-staple cotton.

Mr. President, it is all very well to slash the duties on yarns, and I do not say that in a critical way at all. I will say right now to the Senator from Wisconsin [Mr. LENROOT] that I suppose in 90 per cent of the cases the changes that have been made in the rates on yarn to-day are not going to affect importations very much; but I want to say to the Senator in all seriousness, now, when you are getting into these high-count yarns made into the fanciest and the most expensive goods, take care that you do not cut those rates so that we will destroy a most important industry now established in this country.

Another thing: Let us take into consideration the fact that nearly all of the goods referred to this afternoon are luxuries, just the same as silks could be described as luxuries. It is not the same as buying a huck towel, or a cotton sheet, or a cotton bag for the farmer, or a plain piece of cotton cloth of any kind. I want to say that in these goods the brain of the American inventor, the brain of the American manufacturer, the designer of these goods, plays a most important part; and in late years the trade as far as the eastern mills are concerned has been almost entirely transferred to this line of work.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. SMOOT. Yes; I yield.

Mr. LENROOT. I wish to say to the Senator that I do not at all object to a very liberal duty upon the high-count cloths, nor did I object to a very liberal duty upon the high-count yarns. What I have objected to and what I do object to—and it applies to the cloth schedule as well as to the yarn schedule—is that upon the low-count yarns and cloths, where there are no importations, where we are exporting to every country in the world, the committee nevertheless insists upon a very considerable duty. That is my objection.

Mr. SMOOT. The Senator stated it very frankly this morning and I stated, I think, just as frankly to the Senator, why there was any excuse whatever for it. I could not offer any other excuse than I did this morning, and I have not anything further to say as to the action of the committee taken along that line affecting the rates that have already been voted upon.

Mr. SIMMONS. Mr. President, something has been said to-day about the position of Mr. Stuart W. Cramer, of my State, with reference to the duty on ply yarns and plain cloth. I have examined my records, showing correspondence between Mr. Cramer and myself, and documents filed by him with me, and I am satisfied from that and from other information I have received as to Mr. Cramer's attitude that Mr. Cramer's representations to the committee were with a view to bringing about a parity of treatment between the duties imposed upon ply yarns and those imposed upon plain gray cloth. This, I think, about states Mr. Cramer's position as I understand it.

In the Underwood bill the duty is precisely the same on ply yarns as on plain gray cloth, which is a just arrangement, because the market price is the same. In the Senate bill the rate on plain cloth has been raised above the rate on ply yarns. Mr. Cramer is a spinner, not a weaver. This change was regarded by Mr. Cramer as unjust, giving weavers greater protection than that accorded spinners. For this reason he advocated an increase of the proposed rates on ply yarns, in order to bring them nearer to the rates that the committee had decided on for plain cloth.

That is what I understand to be Mr. Cramer's position about this matter. Of course, I do not mean to say that that absolutely reflects his position, but it is the best that I can understand it; and from reading his letters to me I think that is his position and that was his objective, and his only objective. The committee had changed the rates on plain cloths, and he wanted the rates on ply yarns adjusted so as to maintain the parity that theretofore had existed.

I do not want to go into any further discussion of this matter, and I am perfectly willing to have it rest with this statement.

Mr. SMOOT. Mr. President, I want to do Mr. Cramer absolute justice. Mr. Cramer told me himself that he thought the rates on yarn ought to be just exactly the same as on the gray

cloth. That is exactly what he said, what he claimed. There was no question about it. No bill that has ever been drawn has had that same rate. This is what he asked for. I want it distinctly understood that this is his brief, and what he wanted the Senate to put into the bill was as follows:

Cotton yarn, including warps, in any form, bleached, dyed, colored, combed, or plied, of numbers not exceeding No. 10, 4 cents per pound; exceeding No. 10 and not exceeding No. 40, 4 cents per pound, and, in addition thereto, forty one-hundredths of 1 cent per number per pound.

Mr. SIMMONS. I do not think Mr. Cramer would have made any objection to the rates on plied yarns remaining the same as in the Underwood bill, unless you had changed the rate on plain cloth, but when you did that he wanted the rates on yarns readjusted so as to comply with the rates on cloths.

I want to say this—and I am then going to let the Senator from Utah say what he pleases—so far as I now can recall, I have not received a single communication from the cotton mill people of North Carolina—and I have been in very close touch with them; they have been my friends, and I am their friend—asking me to exert my efforts or influence, if I have any, to secure higher rates than those which now obtain, and my impression has been, from their conduct in the matter, their silence, and some things which have been said to me by cotton manufacturers of the State, that they were entirely satisfied with the present rates. If I have misinterpreted their views about it, they have not made their views plain to me.

Mr. SMOOT. Evidently they have not made their views plain to the Senator. I could read the membership of this organization.

Mr. SIMMONS. The Senator from South Carolina [Mr. SMITH] tells me he has not received a single letter from any of the manufacturers of the great State which he represents, his State and my State being the two leading cotton manufacturing States of the South, being about equal in the amount of their spindles and looms with the great State of Massachusetts, or very nearly equal.

Mr. SMOOT. I find names here from South Carolina. They may not have written to the Senator, and if he says so, I take his word; but I find their names here as officers of the national council of the American Cotton Manufacturers. I find a good many names of men from South Carolina, and also some from North Carolina, and they are asking for the rates I have stated.

Mr. SIMMONS. Through Mr. Cramer, and only Mr. Cramer?

Mr. SMOOT. I will not say only through Mr. Cramer, but Mr. Cramer represented the organization.

Mr. SIMMONS. Who else besides Mr. Cramer appeared representing any southern cotton association?

Mr. SMOOT. I really can not remember the names.

Mr. SIMMONS. Does the Senator say that southern cotton-mill men, outside of Mr. Cramer, whose brief I have here and whose brief, I think, does not justify anything more than what I have said, have appeared before the committee asking for an increase in the rates?

Mr. SMOOT. I can not call to mind.

Mr. SIMMONS. I attended the general hearings and I have no recollection of any cotton men from the South appearing there. Of course, I did not attend the hearings before the majority members of the committee, and I do not know who appeared before them, because their meetings were in executive session.

Mr. SMOOT. I want to say frankly to the Senator that it makes no difference to me whether they were all from South Carolina or all from North Carolina; they are American citizens, and had a perfect right to come and appear before the committee.

Mr. SIMMONS. I am not questioning their right, and I am absolutely certain that if the cotton manufacturers of North Carolina or of South Carolina wanted an increase in rates, they would have been here, and their representatives would have known they were here. They would have called on their representatives, because they have confidence in their representatives, which they have shown in the past, as they continue to show it up to the present time. None of them have been to see me, and if they have been here I know nothing about it.

Mr. SMOOT. Does the Senator mean that Mr. Cramer, as chairman of this national council, would file here with the committee——

Mr. SIMMONS. I did not deny that Mr. Cramer appeared before the committee, and I did not deny he filed a brief. I have his brief here, and I say that this brief, so far as I read it, interpreted in the light of the letters I have had from him, bears out the statement I made, that his chief complaint was to the point that the parity between these two things, one produced largely in the South, and produced in part by him, had been destroyed by the Senate rate, and he wanted that parity restored.

Mr. SMOOT. These are the rates he wanted restored: On numbers not exceeding 10 he wanted 4 cents a pound.

Mr. SIMMONS. That is yarn.

Mr. SMOOT. That is yarn. The committee rate is three-tenths of a cent for No. 1 and 3 cents for No. 10. From No. 10, not exceeding up to No. 40, he wanted 4 cents a pound, and exceeding No. 40 and not exceeding 120, 16 cents per pound. The committee recommends 12 cents a pound.

Mr. SIMMONS. Did he not want that increase to conform the rate to the duties which you had written upon cloth?

Mr. SMOOT. No; he did not know what rates we had written upon the cloth when he sent this in. Not only that but all of these ad valorem rates he advocated were on the American valuation. Here is his brief.

Mr. SIMMONS. As to that American valuation, I understand that on a great many of the things covered by this the English price, when the article comes here, is higher than the American price. The American valuation does not apply. But I went over that this morning, and I am not going over it again. The Senator is just reviewing what we went over this morning. I did not want to renew the whole controversy of the morning by making the simple statement I made.

Mr. SMOOT. I have no objection to the Senator making any statement he wants to in order to clear himself with his constituency.

Mr. SIMMONS. Mr. Stuart W. Cramer uses this language:

What we wish given us is the same rate on advanced yarn as on plain cloth in the Simmons-Underwood tariff bill.

Mr. SMITH. As I understand, he simply wanted the parity to be maintained in this bill, and not an increase.

Mr. SMOOT. He did not want that parity at all. He wanted the same rates on yarn that are given on gray cloth.

The PRESIDING OFFICER (Mr. MCKINLEY in the chair). The question is on agreeing to the committee amendment.

Mr. SMITH. If it is agreeable to the Senator from Utah, as we have made considerable progress on this schedule, let us pass over this paragraph until to-morrow.

Mr. SMOOT. Very well; we will stop for to-night and take it up the first thing in the morning.

Mr. MCCUMBER. I understand the Senator from New Mexico [Mr. BURSUM] has a bill that he desires to present.

LAND IN MUSCATINE COUNTY, IOWA.

Mr. BURSUM. From the Committee on Public Lands and Surveys I report back favorably without amendment the bill (H. R. 11233) authorizing the Secretary of Commerce to convey certain land to the county of Muscatine, Iowa, and I submit a report (No. 818) thereon. This is a local bill in which the senior Senator from Iowa [Mr. CUMMINS] is very much interested, and at his request I ask unanimous consent for its immediate consideration. It proposes to give to the county of Muscatine, Iowa, nine-tenths of 1 acre for highway purposes. That is all there is to the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered as in Committee of the Whole, and it was read, as follows:

Be it enacted, etc., That the Secretary of Commerce is authorized to convey to the county of Muscatine, Iowa, the following-described land, now a part of the biological station at Fairport, Iowa: A corner of land in the southwest quarter of the southwest quarter of section 30, township 77 north, range 1 east, fifth principal meridian, described as follows: Beginning at a point on the southerly line of a 66-foot public road, as now located, where said southerly line intersects the westerly boundary of tract owned by the United States of America; thence south 19° 30′ east along said westerly boundary of said tract a distance of 56 feet; thence north 36° 30′ east a distance of 174 feet; thence south 55° west a distance of 150 feet to point of beginning, containing ninety-two one-thousandths of an acre: *Provided*, That the land authorized to be conveyed hereunder shall be used for the construction of and be maintained as a public highway free of any expense to the United States, and all work thereon shall be such as not to interfere with the operations and efficiency of the biological station and in a manner satisfactory to the Secretary of Commerce: *Provided further*, That in the event of the discontinuance by the county of Muscatine of the use of the above-described property as a public highway or the failure to maintain same in a manner satisfactory to the Secretary of Commerce the title to said land shall revert to the United States.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

RECESS.

Mr. MCCUMBER. I move that the Senate take a recess, the recess being until to-morrow at 11 o'clock.

The motion was agreed to, and (at 5 o'clock and 55 minutes p. m.) the Senate, under the order previously made, took a recess until to-morrow, Friday, July 14, 1922, at 11 o'clock a. m.

SENATE.

FRIDAY, *July 14, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

PROPOSED DUTY ON RAW WOOL.

Mr. CALDER. Mr. President, I am in receipt of a letter from the New York Clothing Trade Association, of New York City, in which they complain of the duty proposed on wool in the pending tariff bill. I referred the letter to the Tariff Commission, who made a careful examination of the whole subject and have submitted their findings to me. Their report is so illuminating that not only the Senate, but the country, should have the information. I ask, therefore, that the letter from the New York Clothing Trade Association to me, my reply, and the Tariff Commission's memorandum be printed in the RECORD in regular RECORD type.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

NEW YORK, *June 8, 1922.*

Senator WILLIAM M. CALDER,
Senate Building, Washington, D. C.

ESTEEMED SENATOR: The members of the New York Clothing Trade Association view the proposed tariff of 33 cents on raw wool as pernicious and not in the public interest, and take this means of registering its opposition to the passage of that legislation.

The imposition of prohibitive tariffs on necessaries can only be justified when dictated by dire and urgent exigency. Such condition does not exist. The burden of the proposed wool tariff will fall mainly on the masses. The members of the Finance Committee well know that the woolgrowing industry is concentrated in the hands of but a few large growers. The approximate total production of raw wool by these growers is about $65,000,000.

The tariff proposed is, in round numbers, to yield, as variously estimated, between $310,000,000 and $360,000,000. The increased price the farmers, who sell to the large growers, would receive for their raw wool would hardly compensate them for the advanced prices of wearing apparel. The working classes, on the other hand, would principally suffer by the increase in prices of clothes. This exorbitant proposed tariff could only inure to the benefit of the few large woolgrowers and manufacturers of woolens. The latter, in anticipation of the proposed legislation, are now raising prices, and the press is teeming with news items of the increased prices the public will have to pay for clothing this coming fall. While prima facie the proposed tariff is only 33 per cent on the raw wool, by the time the spinners, weavers, and manufacturers are compensated for their increased costs it is estimated by experts the proposed tariff on wool will mean an increase in the price of a suit of clothes of $5 and in the price of an overcoat $7. This estimate applies particularly to popular-priced clothing. The higher-grade goods will not be affected proportionately in the same degree.

If revenue must be raised, it should not be saddled on the class least able to shoulder it. If the small woolgrowing industry must be helped, let the Government subsidize it by bounty or otherwise. Moreover, increased prices in apparel will induce a false spirit of economy and we will again witness a nation in tatters.

On May 23, 1922, the members and directors of our association passed a resolution protesting against the aforesaid pernicious proposed tariff on raw wool, and we herewith inclose a true copy thereof.

Trusting this communication will receive your consideration, we are.

Respectfully yours,
NEW YORK CLOTHING TRADE ASSOCIATION,
By WM. A. BANDLER.

—

UNITED STATES SENATE,
COMMITTEE TO AUDIT AND CONTROL THE CONTINGENT EXPENSES OF THE SENATE,
July 6, 1922.

Mr. WILLIAM A. BANDLER,
New York Clothing Trade Association,
347 Fifth Avenue, New York City.

MY DEAR MR. BANDLER: You wrote me on June 8 concerning the proposed duty of 33 cents on clean content of raw wool, indicating that this would tend to increase the price of a suit of clothes approximately $5 and an overcoat $7. You state that this estimate applies particularly to popular-priced clothing.

I have inquired into the matter most carefully and have discussed the situation with the Treasury experts and representatives of the Tariff Commission, who have made a most exhaustive study of the whole subject.

The Fordney-McCumber bill fixed a rate on wool which is substantially the same, if not less, than the duty imposed under the present emergency tariff law, which is now in effect, dependent upon the percentage of shrinkage. I believe you are in error when you state that the proposed duty will increase the price of all clothing; and I presume in making this statement you have in mind the rates provided in the present law and the fact that wool was admitted free under the Underwood law, which was in operation previous to the emergency tariff act.

As an evidence of the fact that your understanding is not correct, I am pleased to submit for your consideration a memorandum prepared for me by the United States Tariff Commission on June 29.

Recently I purchased some clothing from one of our large and well-known clothing establishments, and I am convinced from my own experience that suits and overcoats can be purchased at a cheaper price to-day under the emergency tariff act than they could in the spring of 1921, when we were operating under the Underwood law, which admitted wool free of duty. May I call your attention particularly to the table incorporated in the Tariff Commission's memorandum, which demonstrates that the raw-wool duty in a suit of clothes weighing 2⅞ pounds, exclusive of the merchandising cost, is about 92 cents, while the duty on an overcoat, exclusive of the merchandising costs, would be approximately $1.71. These figures have been carefully prepared and are authentic, and I believe that if you go into the matter again you will be convinced that your understanding is in error, even though the duty of 33 cents a pound clean content has been augmented by the several handlers' gross profits. It is no doubt that this duty when carried through to the ultimate consumer will be increased to a degree. It is estimated by the Tariff Commission that the original duty of 49 cents per pound will finally cost the consumer 93 cents per pound, as indicated in the table of costs incorporated in the Tariff Commission memorandum.

Sincerely yours,

WILLIAM M. CALDER.

—

JUNE 29, 1922.

Memorandum to Senator CALDER relative to a communication of the New York Clothing Trade Association in regard to the duty on raw wool.

The main question raised in the statement of the New York Clothing Trade Association is whether the proposed duty of 33 cents on raw wool, clean content—shown in their statement as 33 per cent, but presumably intended as 33 cents, since this is the actual basic rate proposed—will necessitate an increase of $5 in the price of a suit of clothes and $7 in the price of an overcoat.

It is impossible for anyone to state with certainty how much a duty of 33 cents per clean pound will enhance the price of a suit or an overcoat, even when assuming a standard specification of each article. That such a duty will tend to increase and certainly to check a decrease in the price of these articles seems inevitable, but no exact calculation can be made because of the variable factors involved. It is to be borne in mind that the price of wool may not be enhanced by the full amount of the duty. To be sure, the compensatory duties on the tops, yarn, and cloth are based on the assumption that the duty on the raw material will be fully effective, and if there were no competition in the domestic industry the failure of wool prices to rise by the full amount of the duty would make no difference in the price to the public. But since the duty is competitive, it may be prevented from reaping the full advantage of the compensatory duties under these conditions, except in periods of marked business activity. In such periods the duty on raw wool is likely to be fully effective. In estimating, therefore, the effect of the duty on the price of a suit or overcoat the assumption that the 33-cent duty per pound of clean wool will enhance the cost to the weaver, and hence necessitate an increase of his price by the full amount of the compensatory duty—that is, 49 cents—is open to some qualification.

Another set of variable factors arises in connection with the pyramiding of the duty as the wool passes from the raw state through the various manufacturing and distributing stages to reach the consumer in the form of wearing apparel. Considerable latitude must be allowed in estimating such pyramiding. One result may be arrived at by adding to the compensatory

duty of 49 cents the percentage of overhead and profit, respectively, of the wool dealer, the top maker, the spinner, the weaver, the cloth jobber, the clothing manufacturer, and the retailer. Or a different conclusion may be had by assuming that the wool passes through fewer hands; that all operations from the purchase of the raw material to the weaving of the cloth are integrated in the same establishment; that the margin for overhead and profit are therefore less than the aggregate margins of the specialized establishments; and that no cloth jobber intervenes between the weaver and the clothing manufacturer. Again, there may be some difference of opinion as to what margin for overhead and profit may be regarded as typical in certain instances.

The best method of making the calculation seems to be to assume that the duty will be fully effective and to add a conservative margin in each instance to cover the overhead and profit of the clothing manufacturer and the retailer, then to make such adjustments as may be deemed necessary to cover variable factors. These selling margins may be taken, respectively, as 10, 15, and 50 per cent. A margin of 10 per cent to the cloth maker—say, 6 per cent for profit and 4 per cent for selling expense—would appear to be a very conservative estimate. A margin of 15 per cent to the clothing manufacturer accords with the average conditions shown in the 1916 report of the Department of Commerce entitled "The Men's Factory-Made Clothing Industry." A margin of 50 per cent to the retailer on his purchase price—equivalent to 33⅓ per cent of his selling price—was taken as typical. In the report, "Retail prices are taken as 50 per cent more than the net wholesale price, which the board considers a fair estimate of the lowest figures at which such garments are sold." An effective duty on clean wool of 33 cents per pound is equivalent to 49 cents per pound on all-wool cloth. Pyramiding 49 cents by 10, 15, and 50 per cent, respectively, gives 93 cents per pound of cloth in the garment.

Parenthetically, attention should be directed to the possible criticism that the various "middlemen" are not justified in adding their normal margin to that portion of their costs attributable to the duty, and that when competition is keen they will be unable to do so. Upon reflection it becomes clear that the addition of this margin rests upon a firmer basis than the mere custom of adding a fixed percentage. The enhancement in the cost of the cloth or clothing, as the case may be, resulting from the duty, involves an immediate increase in such expenses as interest charges, taxes, insurance, and an ultimate increase in wages. Fundamentally, it is difficult to differentiate an increase by reason of the duty from an increase in costs attributable to other causes.

The following table shows how a cost of 93 cents per pound of cloth would work out on suits and overcoats of the specifications shown. Additional columns, deducting 10 and 20 per cent, respectively, from the 93-cent computation, to make allowance for possible failure of the duty to pyramid to 93 cents, are also shown. Among the garments listed, suits made of 12-ounce cloth and overcoats of ordinary weight can probably be regarded as most typical. Each garment is, of course, assumed to consist wholly of virgin wool:

	Weight of cloth per linear yard (54–56 inches wide).	Linear yards required.	Weight of cloth in article.	Cost of duty per article.		
				Based on 93 [1] cents per pound of cloth.	Based on 93 [1] cents less 10 per cent.	Based on 93 [1] cents less 20 per cent.
	Ounces.		*Pounds.*			
Suits	10	3½	2 1/16	$2.03	$1.83	$1.62
	12	3½	2⅛	2.44	2.20	1.95
	14	3½	3 1/16	2.85	2.56	2.28
Overcoats:						
Ordinary style—						
Lined	20	2¾	3 1/16	3.20	2.88	2.56
Unlined	20	3	3⅛	3.49	3.14	2.79
Heavy ulsters—						
Lined	28	3½	5 1/16	5.29	4.76	4.23
Unlined	28	3½	6⅛	5.70	5.13	4.56

[1] 93 cents includes merchandising costs and profit.

REPORTS OF THE COMMITTEE ON CLAIMS.

Mr. CAPPER, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

A bill (H. R. 513) for the relief of George R. Campbell, Milton B. Germond, and Walter D. Long (Rept. No. 819);

A bill (H. R. 862) for the relief of Vivian Hood (Rept. No. 820);

A bill (H. R. 8073) for the relief of the Kineo Trust Co. (Rept. No. 821);

A bill (H. R. 8143) for the relief of Fitzcharles Dry Goods Co. (Rept. No. 822);

A bill (H. R. 9472) for the relief of the Canadian Pacific Railway Co. (Rept. No. 823); and

A bill (H. R. 10544) for the relief of Louis Cayet (Rept. No. 824).

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WALSH of Montana:

A bill (S. 3825) to prevent evasions of the antitrust laws; to the Committee on the Judiciary.

By Mr. SHORTRIDGE:

A bill (S. 3826) for the relief of Gordon G. MacDonald; to the Committee on Naval Affairs.

By Mr. BURSUM:

A bill (S. 3827) granting an increase of pension to Sarah E. Roberts; to the Committee on Pensions.

By Mr. HARRELD (by request):

A bill (S. 3828) to authorize the Secretary of the Interior to issue oil and gas permits and leases to persons equitably entitled thereto, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. TOWNSEND:

A joint resolution (S. J. Res. 224) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McCUMBER. I ask that the Senate now proceed to the consideration of section 321, on page 286. This is in pursuance of the general understanding that the dye embargo provision would be taken up to-day.

The amendment of the Committee on Finance was, on page 286, after line 16, to insert a new section, as follows:

SEC. 321. That the dye and chemical control act, 1921, approved May 27, 1921, as amended, shall continue in force for one year after the date of the passage of this act.

Mr. HEFLIN. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Glass	McCormick	Smith
Borah	Gooding	McCumber	Smoot
Bursum	Hale	McKinley	Spencer
Calder	Harris	McLean	Stanley
Cameron	Harrison	McNary	Sterling
Capper	Heflin	Moses	Townsend
Caraway	Johnson	Nelson	Trammell
Cummins	Jones, Wash.	Norbeck	Underwood
Curtis	Kellogg	Oddie	Walsh, Mass.
Dial	Kendrick	Overman	Walsh, Mont.
du Pont	Keyes	Ransdell	Warren
Ernst	King	Rawson	Watson, Ind.
France	Ladd	Robinson	Willis
Frelinghuysen	Lenroot	Sheppard	
Gerry	Lodge	Simmons	

Mr. HARRIS. I wish to announce that my colleague [Mr. WATSON of Georgia] is absent on account of illness. I ask that this announcement may stand for the day.

Mr. GERRY. I wish to announce that the Senator from Nevada [Mr. PITTMAN] is absent on account of illness in his family. I ask that the announcement may stand for the day.

The PRESIDENT pro tempore. Fifty-eight Senators have answered to their names. A quorum is present.

Mr. MOSES obtained the floor.

Mr. WATSON of Indiana. Mr. President, will the Senator yield to me that I may make a brief statement?

Mr. MOSES. I hope it will not be long.

Mr. WATSON of Indiana. Five minutes.

Mr. MOSES. I yield for that purpose.

Mr. WATSON of Indiana. Mr. President, the figures have just been completed showing estimated imports for the first 12 months under the bill as reported by the committee and the duties collected for the calendar year 1920 on the 14 schedules. I ask unanimous consent to submit this table for printing in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Schedule number.	Duty collected calendar year 1920.	Estimated imports first 12 months under new act.	Estimated duty collected first 12 months under new act.
I	$14,582,617	$56,980,713	$21,265,851
II	9,245,116	24,319,045	10,979,468
III	16,583,723	164,445,106	18,016,578
IV	1,986,621	8,925,410	2,278,585
V	79,542,124	220,475,100	129,667,239
VI	33,685,904	56,217,325	29,079,050
VII	24,599,207	130,220,576	33,301,057
VIII	1,157,492	3,734,100	3,314,950
IX	21,261,983	107,656,525	30,434,385
X	13,441,411	57,066,700	18,267,370
XI	16,637,350	38,662,650	23,576,410
XII	22,327,408	25,210,500	14,751,875
XIII	1,758,347	50,550,645	4,125,208
XIV	68,425,327	184,079,760	69,161,192
Free list	1,321,954	1,927,406,650	
Total	326,556,584	[1] 1,128,544,155	408,219,228
Duty collected calendar year 1920			326,556,584
Increase			81,662,644
Total (including free list)		3,055,950,805	

[1] Dutiable.

Mr. WATSON of Indiana. The estimated imports for 12 months under the bill as it left the committee, with its alleged high rates, total $3,055,950,805. Of that amount of estimated imports $1,128,544,155 are dutiable and $1,927,406,650 on the free list; or, of the total estimated imports under the provisions of the bill as it left the committee 63 per cent will come in free and only 37 per cent will come in dutiable, with both specific and ad valorem duties. This is much the highest per cent of free imports under any tariff bill ever proposed by the Republican Party and but slightly less than for the last five years under the Underwood tariff law.

The duties collected for the calendar year 1920 total $326,556,584. The estimated duties under the pending bill amount to $408,219,288, or an increase of $81,662,644 in revenue collected.

I shall not go into the items, because the Senator from New Hampshire [Mr. MOSES] is anxious to proceed with his speech, but in addition to what I have already stated and for the information of the Senate I want to have printed in the RECORD a statement of the duties collected and the average ad valorem rates paid under the several tariff acts since 1890, showing the amount of revenues and the average ad valorem dutiable, and free, and dutiable. The table shows that in the fiscal year 1891 the average dutiable rates amounted to 46.26; in 1893, 49.56; in 1895, 41.75; in 1899, 52.07; in 1907, 42.56; in 1909, 43.15; in 1911, 41.22; in 1913, 40.05; in 1914, 37.60; for the calendar year 1920, 16.40; and for the calendar year 1921, 29.45; while under the pending bill it is estimated that it would amount to 36.17, or a much lower average duty on imports on the dutiable list than under any previous Republican law.

The average ad valorem on both the free and dutiable lists for 1891 was 25.65; for 1893, 23.79; for 1895, 20.44; for 1899, 29.48; for 1907, 23.28; for 1909, 22.99; for 1911, 20.29; for 1913, 17.69; and for 1914, 14.88; while for the calendar year 1920 it was 6.38 and for the calendar year 1921, 11.44. Under the pending bill it would be only 13.36, but 2 per cent more than last year under the joint operation of the Underwood law plus the emergency tariff act; or, in other words, a much lower ad valorem rate on both free and dutiable goods than under any Republican law ever proposed.

I submit these figures and ask unanimous consent that they be published in the RECORD for the information of the Senate.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The table is as follows:

Duties collected and average ad valorem rates of duty paid under the several tariff acts since 1890.

	Revenue.	Average ad valorem.	
		Dutiable.	Free and dutiable.
Fiscal years:		*Per cent.*	*Per cent.*
1891	$216,885,701	46.26	25.65
1893	199,141,678	49.56	23.79
1895	149,450,608	41.75	20.44
1899	202,072,050	52.07	29.48
1907	329,489,048	42.56	23.28
1909	294,667,054	43.15	22.99
1911	309,965,692	41.22	20.29
1913	$312,509,948	40.05	17.69
1914	283,511,564	37.60	14.88
Calendar years:			
1920	325,645,565	16.40	6.38
1921	292,396,752	29.45	11.44
Estimated, pending act	408,219,228	36.17	13.36

Duties collected and average ad valorem rates of duty paid under the several tariff acts since 1890—Continued.

Mr. DIAL. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New Hampshire yield to the Senator from South Carolina?

Mr. MOSES. May I ask for what purpose?

Mr. DIAL. Will the Senator kindly yield to me in order that I may make a statement?

Mr. MOSES. Does the Senator expect to occupy much time in doing so?

Mr. DIAL. No; I never occupy much time.

Mr. MOSES. I yield to the Senator, because I expect to occupy considerable time, and I do not wish to be interrupted after I begin my speech.

AMENDMENT OF COTTON FUTURES ACT.

Mr. DIAL. Mr. President, since I have been a Member of this body I have occupied as little time as possible in addressing the Senate; in fact, I have refrained from speaking on many occasions when perhaps I should have said something in behalf of my constituents. It is now opportune, while we are considering the tariff bill, to consider another matter which is closely connected with it, and more particularly while we are on the cotton schedule.

We have in this country almost come to a point when there is about to be a failure in the production of cotton. The great trouble from now on is going to be to obtain cotton with which to run the mills for another year. On April 21 of last year I introduced a bill—Senate bill 385—proposing to amend the cotton futures contract law. On February 3 of this year I proposed a substitute amendment to that bill. That bill and the proposed substitute, Senate bill 3146, were referred to the Committee on Agriculture and Forestry of the Senate. That committee has had those measures before it for consideration, but has failed to make a report thereon.

Some time ago I appealed to the committee to make a favorable report, if it were willing to do so, and, if it were not inclined to do that, then to report the bill without recommendation, or, if they would not do that, then to report the bill unfavorably, and I would undertake to take care of the measure on the floor of the Senate. The committee, however, has not acted at all. Some time after making my appeal to the committee for action I served notice that, unless action were taken, I would move to discharge the committee from the further consideration of the measure; and I rise now to say that, beginning on Monday morning next, I am going to take up as much time as is necessary, and I am going to make as many motions as I may be allowed to make, under the obsolete rules of this body, in order to try to bring the matter before the Senate.

I introduced the amendment to which I have referred in good faith, and I have begged the committee, in season and out of season, to make some kind of a report thereon. I think it is due me, representing as I do in part a great cotton State, that the committee should make some kind of a report and let this body act upon the subject. I feel that there can be no fair-minded man in the United States who can oppose the amendment which I have proposed to the existing law. If any Senator here has any better proposition to make to help the people of my section, let him propose it, and I will tear up my measure and throw it into the wastebasket.

According to my view, under the operation of the present law the people of the South are deprived of many hundreds of thousands of dollars each year. We have now come to a time when we have about collapsed in the production of cotton. Our people can not stand the present situation; they can not exist under it any longer. I predict that next year many mills in the world will be shut down for many months in the year by reason of a lack of the raw material.

There has been talk about proper labor, but there is no labor which is treated as are the laboring people in the South who are trying to raise cotton. If we in that section of the country

were out of debt I should be glad if we did not plant another seed of cotton until Congress corrected the present unjust law.

Mr. President, I hope the members of the Committee on Agriculture and Forestry will be here on Monday morning next, for I am going to move as soon as I may properly do so under parliamentary procedure to discharge that committee from the consideration of my bill and amendment and endeavor to bring the measure on the floor of the Senate. I am glad the matter is now up, so that while we are considering the iniquitous cotton schedule of the pending tariff bill the Senate may consider along with it the interests of the producers of the cotton.

Some time ago I sent to every Senator a copy of a speech which I made on the 3d day of February of this year, and if any Senator cares to look into the matter and spend merely a few moments of time in doing so I shall be glad to send him another copy of the speech, not because I made it but because it contains irrefutable facts which have been collated by the Agricultural Department and which are undisputed. I thank the Senator from New Hampshire.

Mr. HEFLIN. Mr. President——

Mr. MOSES. Mr. President, I have already yielded 20 minutes of my time. Only two days were set aside by agreement to deal with the pending question in the tariff bill, and I can not yield further.

Mr. HEFLIN. Then I will wait until the Senator shall have concluded.

DISTRIBUTION OF SPEECHES BY FEDERAL RESERVE BANKS.

The VICE PRESIDENT laid before the Senate a communication from the governor of the Federal Reserve Board, transmitting, pursuant to Senate Resolution 308, a letter from the Federal Reserve Bank of New York relative to the circulation of a speech of Senator GLASS on the Federal reserve system, which was ordered to lie on the table.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. MOSES. Mr. President, the dye and chemical industries are plainly the spoiled children of the Finance Committee. Like most spoiled children they are both greedy and impudent; but dye is the special darling of the pair, while his chemical sister serves chiefly to furnish pseudo-scientific scenic setting for the tragic farce which has been played for eight years before the American public, and which now reaches its climax in an insolent demand for continued special privilege.

Beginning with paragraph 25 of the bill before us, we find these products increased from 30 to 50 per cent in their ad valorem rates; in paragraph 26 their rates are increased from 35 to 60 per cent; and but for an outcry too vigorous to be disregarded the same paragraph would have contained a further provision putting into the hands of a few highly favored, privileged producers the right to deprive the invalids of America of remedies which their physicians might deem desirable or even vital in the care of the sick.

In paragraphs 901 and 903, and again in paragraphs 1205 and 1206, occur another provision, ostensibly designed to enhance the protection to be afforded to textiles, but in effect adding even more to the high favor already shown to the dye manufacturers.

Under Title III, in section 321, will be found the so-called dye-embargo provision which is immediatey before us, while four pages earlier, in section 315, paragraph (d), will be found a provision authorizing the President, upon a showing which no one doubts will be attempted, to double the length of the embargo period later provided for.

I will not comment, Mr. President, upon the peculiar manner in which these items of dye protection have been developed in this bill. They present no continuity nor coherence. If designed purposely to mislead, they could hardly be better arranged to attain that end; yet through them all runs the certain purpose to afford inordinate favor to an industry which neither merits nor requires it.

SIX ITEMS OF TARIFF PROTECTION.

Let me enumerate, Mr. President, the separate items which this bill contains for the delight of the dye makers: First, the fixed rates of duty which the bill establishes; second, the President's authority to increase these duties by 50 per cent for cause shown; third, the additional duty inserted in paragraphs 901 and 903 and 1205 and 1206 and providing a special levy upon certain fabrics when dyed with vat colors; fourth, an absolute embargo for one year; fifth, a provision for the possible extension of this embargo for another like period; sixth, on presidential investigation the duty may be based on the American selling price; seventh, it is provided especially that coal-tar products, which may be considered similar, and so forth—in other words, substitutes—shall by presidential proclamation be embargoed under the dye and chemical control act of 1921.

I am convinced, Mr. President, that the duties carried by this bill upon dyestuffs granting 60 per cent ad valorem in addition to 7 cents a pound specific duty provide in themselves all the protection which the industry needs. This is, however, by no means all the direct protection which the bill gives. In paragraph 26 there are two provisos the effect of which will be to largely increase the protection afforded by the specific rate of 7 cents per pound.

These provisions require that the specific rate of 7 cents per pound shall be imposed according to standards of strength established by the Secretary of the Treasury, and that 7 cents shall be applied only to the lowest commercial strength in which coal-tar dyes were bought and sold in the United States on July 1, 1914. In the event that importations shall be of higher strength than the lowest commercial strength on that date, the specific duty of 7 cents per pound shall be computed upon the weight the dye would have if it were diluted to the standard strength which the Secretary shall establish. In other words, if the lowest commercial strength of a particular dye on July 1, 1914, was 20 per cent, and an importation of this particular dye shall hereafter arrive at an American port of entry at a strength of 100 per cent, the customs officials under this bill will impose upon this shipment a duty of 60 per cent ad valorem, and will then multiply the 7 cents per pound rating by 5, since the importation is five times the established strength of July, 1914. In this case the dye would be dutiable at 60 per cent ad valorem and 35 cents per pound.

These two provisions will be found in paragraph 26 of the bill, lines 7 to 18, inclusive, on page 12; lines 23 to 25, inclusive, on page 13; lines 1 to 10, inclusive, on page 14. They are as follows:

1. *Provided*, That the specific duty of 7 cents per pound herein provided for on colors, dyes, or stains, whether soluble or not in water, color acids, color bases, color lakes, leuco compounds, indoxyl, and indoxyl compounds, shall be based on standards of strength which shall be established by the Secretary of the Treasury, and that upon all importations of such articles which exceed such standards of strength the specific duty of 7 cents per pound shall be computed on the weight which the article would have if it were diluted to the standard strength, but in no case shall any such articles of whatever strength pay a specific duty of less than 7 cents per pound. * * *

2. *Provided further*, That in the enforcement of the foregoing provisions in this paragraph, the Secretary of the Treasury shall adopt a standard of strength for each dye or other article which shall conform as nearly as practicable to the commercial strength in ordinary use in the United States prior to July 1, 1914; that if a dye or other article has been introduced into commercial use since said date, then the standard of strength for such dye or other article shall conform as nearly as practicable to the commercial strength in ordinary use; that if a dye or other article was or is ordinarily used in more than one commercial strength, then the lowest commercial strength shall be adopted as the standard of strength for such dye or other article.

The general commercial practice in the United States on July 1, 1914, and prior thereto, was that dyes imported or bought and sold here were generally to be found in strengths of less than 100 per cent, because the custom of the trade demanded it. For example, practically all indigo was bought and sold as a paste of 20 per cent strength, the reason for using this dye in such weak concentration being due to the fact that it could thus be more easily handled in the dye vats. It is well known, even to the layman, that indigo in powder form is extremely light and flocculent and is exceedingly difficult either to put into solution or to hold in suspension. Naturally, the importers of indigo regarded it as commercially feasible and logical to pay both ocean and domestic freight upon 80 per cent of water to avoid the necessary difficulty and labor costs in putting solid indigo into solution or in suspension. Assuming 20 per cent indigo paste to be standard strength, it will be imported into this country under the bill at the rate of 60 per cent ad valorem and 7 cents a pound. But, in the event that these provisions continue in the bill, an importation of solid indigo entering this country would pay a rate of 60 per cent ad valorem and 35 cents a pound. It is well known commercially that solid indigo alone furnishes the base of color material for ink manufacturers and manufacturers of carpets and many branches of the heavier textile-fabric trade.

WATER TAXED AS DYE.

These provisions, Mr. President, are a complete innovation in tariff legislation. In effect they levy a duty upon water as if it were a dye. In other words, that chemical known as H_2O, necessary for all forms of animal and plant life, which covers three-quarters of the globe, and which Mr. VOLSTEAD would make even more universal in its application, must pay a duty of 7 cents a pound when mixed with any dyes coming within the purview of paragraph 26 of the pending tariff bill. Such

provisions have never before been embodied in a tariff bill, nor were they ever before proposed. They are contrary to the fundamental principle upon which specific rates of duty are framed. The Republican Party has always advocated specific rates of duty, upon the contention that they can be assessed correctly and expeditiously. But neither the consumer nor the importer can possibly foresee what will be the specific rates of duty on dyes coming within the provisions of this section. These specific rates, it should be noted, are to be based upon findings of fact made by the Secretary of the Treasury as to the lowest commercial standard of strength for dyes on a date more than eight years ago. Five thousand different brands of dye enter into international trade, and virtually all of these dyes are bought and sold in at least two strengths and some in five and six strengths, depending upon the working conditions under which they are employed. Consumers of dyes themselves have their own ideas of practices as to the strength of dyes which they use. One manufacturer, for example, may use a certain dye in 50 per cent strength, while another may use the same dye in a 10 or 20 per cent strength; and it is easy to foresee the numerous difficulties which will be encountered by the Secretary of the Treasury in determining the lowest commercial strength as existing on July 1, 1914. He would have trouble enough, Mr. President, indeed his task would be almost impossible, if he had to ascertain the same information as of to-day; but in attempting to ascertain and establish these standards of strength as of a time eight years ago he will undoubtedly encounter so many difficulties that these provisions will be a prolific source of customs litigation.

Furthermore, in the administration of these provisions the Secretary of the Treasury must decide as to the minimum portion of the domestic consumption of a dye that can be regarded as representing that dye commercially. In other words, if practically the entire consumption of a particular dye in this country on July 1, 1914, was in the 50 per cent strength, would a single sale of that dye on that date, in a 10 per cent strength, and in a small lot, justify the conclusion that the lowest commercial strength of this dye on that date was 10 per cent?

I am well aware, Mr. President, that the reason assigned in support of these provisions is that they will prevent the importation of dyes in unusually high concentration and thus evade the protection afforded by the specific rate of 7 cents per pound. It is true that dyes of high concentration were brought over from Germany in 1916 in submarines, and this isolated instance has caused dye manufacturers of this country to insist upon these novel provisions in the pending bill. But the fact is that the standard commercial practice will be resumed whenever normalcy of trade is reestablished, that there are insurmountable difficulties in the administration of these provisions, that they place water upon the dutiable list for the first time, and that neither importers nor consumers can ever know in advance the rate of duties at which dyes should be brought in.

THE AMERICAN DYE INDUSTRY.

Prior to 1909 no serious effort had been made to develop the dye industry in this country. Various plants, for the production of vegetable colors chiefly, had long been in existence, and a few enterprising manufacturers had engaged in the production of the more simply obtained colors from coal-tar intermediates. But it was fully conceded that the German chemical establishments, with their larger experience, their more highly trained staffs, and their inexhaustible patience, had secured dominance in this field of commercial production. It is alleged—and by some the allegation is now made an excuse—that the textile manufacturers, especially those of New England, were enabled to exclude from the tariff bill of 1909 any adequate protective provision for the American dye industry. In 1913, however, the Underwood bill adopted the dye duties carried in the Payne-Aldrich bill. One year later, upon the outbreak of the World War, with its consequent prohibition upon our receipt of foreign dyestuffs, the dye industry of the United States procured its first firm foothold in the home market; and in 1916 its representatives came to Congress and made a showing upon which they were granted tariff protection which they said would be adequate for all time.

Their language, as quoted to the Senate on the 3d of May, 1920, by the then senior Senator from Colorado, Mr. Thomas, was as follows:

> If you will give us this rate of duty within three or four years, we will be able to supply the American market with 80 per cent of its consumption, and when we have the industry thus far advanced we will fear neither God nor devil; we can beat Germany in her own market; we shall make ourselves the great dye industry of the world under this line of duties.

And they added:

> We agree, if we produce 60 per cent of the home demand for dyestuffs, to the reduction of the specific duties which we now ask, graded through a term of years.

These men were taken at their word. In the act of September 8, 1916, they were granted special duties in addition to those provided by the Underwood bill in a sum of 2½ cents a pound upon certain products and of 5 cents a pound upon others. There was also inserted in this act a provision to the effect that after five years of its operation these special duties would be annually reduced by 20 per cent.

This bill remained operative for three years, but within seven months from the date of its passage we ourselves had entered the war. I need not dwell, Mr. President, upon the sordid chapter of greed and profiteering which that era of our history produced. But it is significant that immediately following the armistice the dye makers of America, engulfed in the golden flood of profits which they had secured, took steps to continue their stranglehold upon the consumers of the country.

By that time A. Mitchell Palmer had become Alien Property Custodian. In that capacity he had seized and held all German-owned patents in this country, among them, of course, being the varied formulas for the production of coal-tar dyes. Associated with Mr. Palmer in his office as head of the Bureau of Investigation was Francis P. Garvan, who himself became Mr. Palmer's successor when the latter was translated to the office of Attorney General. Mr. Palmer was originally acting under the so-called "trading with the enemy act," by the terms of which the use of enemy patents was to be exercised under license from the Federal Trade Commission, a Government agency. Later, through an amendment to the trading with the enemy act, procured November 4, 1918, the origin of which is still shrouded in mystery, provision was made for the selling of enemy property which the Alien Property Custodian supposedly held in trust.

SENATOR KNOX'S OPINION.

At this point, Mr. President, I digress only long enough to point out that the late Senator from Pennsylvania, although a most ardent, as he was the most intelligent, advocate of the dye embargo, never failed to inveigh against this policy where by congressional action the Government of the United States became recreant to its trust. Speaking in this body on June 30, 1921, Mr. Knox said:

> I hope the day is not far away when we shall come back to the traditions of the American people that the right upon land of private property belonging to an alien enemy is a sacred right; that such property may be taken into custody only for the purpose of conservation; and that at the end of a war there shall be a strict accounting to the owners of that property by the Government of the United States, which may take it temporarily into its possession. That is one of the principles for which this country has contended for 100 years. While, as Chief Justice Marshall said, "the Congress may have the power to provide that the private property of alien enemies may be taken during a war, it can only do so by putting upon itself a moral turpitude of which we ought to be ashamed."

LAND PIRACY.

But this land piracy had already taken place. In the agile mind of Mr. Garvan there had arisen a "clear vision," as Mr. Palmer subsequently described it, of the vast advantage to be obtained by concentrating these alien patents in the hands of private owners, and with "indefatigable industry," if I may again use Mr. Palmer's laudatory words, Mr. Garvan worked out the plan. He sought first the American Dyes Institute and the American Manufacturing Chemists' Association to aid in the conspiracy.

The Dyes Institute, again using Mr. Palmer's words, gave "instant and enthusiastic approval," and as a result a corporation was organized, to be known as the Chemical Foundation. The first contribution to the Foundation was made in January, 1919, when practically $10,000 was advanced by the Dyes Institute for the purpose of searching the Patent Office records. This search revealed nearly 5,000 alien-owned patents, formulas, and trade-marks, covering not only dye and chemical processes but metallurgical, scientific, and industrial formulas and patents in great number and wide variety. The mere enumeration of them in fine type occupies 102 pages of the report which Col. Thomas W. Miller, the present Alien Property Custodian, has lately submitted to Congress. And I hope I shall not violate the ethics of the hour, Mr. President, if I add that Mr. Garvan during his entire term as Alien Property Custodian never made a report of any character whatever.

I repeat, Mr. President, that Mr. Garvan never made a report; and in the Miller report to which I have just alluded, it is shown that Mr. Garvan expended $173,757.50 for the services of expert auditors and accountants to prepare material for a report which died aborning.

MR. GARVAN'S VERSATILITY.

It is possible that Mr. Garvan may be excused for this dereliction because of the fact that he was simultaneously Alien Property Custodian and President of the Chemical Foundation, while during the same period he had been named and confirmed as Assistant Attorney General after his superior, Mr. Palmer, went to the Department of Justice. It is clear, therefore, that

Mr. Garvan, in these three capacities, was constantly in a position to entrap all critics, both going and coming.

The Chemical Foundation is now before the courts, and I have no desire to prejudice its case. Its president, as I have said, is Francis P. Garvan. Its board of trustees, in the first instance, comprised the advisory sales committee of the Alien Property Custodian's office—which committee passed upon and approved the sale of the patents to Mr. Garvan and themselves. Mr. Joseph H. Choate, jr., is counsel for the Chemical Foundation. He had been a dollar-a-year man in the Alien Property Custodian's office, but his connection with the Chemical Foundation has been much more profitable, inasmuch as his fees from that organization have already amounted to some $20,000.

This should not be confused, Mr. President, with the further sum of $52,524 paid to Mr. Choate, or his law firm, by the American Dyes Institute, of which sum $29,999 went to Mr. Choate, personally, for fees and traveling expenses to Paris.

Associated with Mr. Choate in the Chemical Foundation is Mr. Ramsay Hoguet, who was also a dollar-a-year man under Messrs. Palmer and Garvan, but who has received from the Chemical Foundation more than $50,000 in fees.

The Chemical Foundation paid for the 4,767 patents which it bought the sum of $250,000—an amount less than that required for their mere recording; and while the president of the Chemical Foundation sets forth in splendid language a patriotic, educational, and eleemosynary motive, the foundation's financial statement shows that it has not been wholly unmindful of more material things. Up to December 31, 1921, the Chemical Foundation had collected in royalties and license fees $407,378, a tidy return indeed for a profit in less than three years upon an initial investment of $250,000. With sublime effrontery, it has brought suit, making the Treasurer of the United States a defendant, to recover $356,089, representing accrued royalties and license fees collected by the Federal Trade Commission under the trading with the enemy act. This sum, taken in connection with the latest financial statement of the Chemical Foundation, shows that within less than three years from the date of its organization the foundation has received or is seeking to obtain an income of nearly $1,000,000, or four times its original investment. This income, Mr. President, has been obtained from the use of only a few of the 4,700 patents which the Chemical Foundation holds; and upon the wholly fair assumption that these patents will average at least 10 years more of life, it is readily deducible that the Chemical Foundation, had the President permitted it to go unchecked, would have taken at least $3,000,000 more from the American consumer under the plea of patriotism and education.

MUSCLE SHOALS UNDER TRIBUTE.

In this connection I wish to point out that among the patents thus held by the Chemical Foundation and upon which in a small way it has already collected its royalties is the so-called Haber process for the fixation of nitrates. It is this process which will be used at Muscle Shoals if that ambitious project shall ever be carried to completion, and I wish particularly to call the attention of the junior Senator from North Dakota and others who support Mr. Henry Ford's proposal to the fact that the farmers of the country have been thus marked for tribute by the Chemical Foundation, and that a vote by them to retain the dye embargo provision in this bill is a vote to sustain the abhorrent program against which I am speaking.

I have called attention to the fact that this bill contains a duty on water. All Senators will remember that we have placed a duty upon sand. In the particular matter which I am now discussing, the Chemical Foundation will levy a tax upon the air. Thus, Mr. President, we shall find all the elements of the universe, the air, the water, and the solid earth, placed under tribute.

Mr. President, the figures which I have just quoted in part are contained in detail in a tabulation furnished to me by the Federal Trade Commission, and I ask permission at this point that that table and the accompanying letter from Chairman Gaskill, of the commission, may be inserted in my remarks without reading.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

FEDERAL TRADE COMMISSION,
OFFICE OF THE CHAIRMAN,
Washington, July 7, 1922.

Hon. GEORGE H. MOSES,
United States Senate, Washington, D. C.

MY DEAR SENATOR MOSES: I am responding to your letter of June 26 in which you ask to be furnished with a list of the products of manufacturers under patents sold by the Alien Property Custodian to the Chemical Foundation (Inc.) and the amounts of royalties received by the Federal Trade Commission thereon.

The Federal Trade Commission has never received any royalties, since under the statute such royalties are payable to the Alien Property Custodian. The Federal Trade Commission has, however, audited the books of its licensees and the payments made to the Alien Property Custodian for the purpose of ascertaining whether the proper amounts have been paid, and, of course, has kept itself informed as to the making of proper payments as a prerequisite to the cancellation of any licenses issued by it.

Accompanying this letter you will find a tabulation showing the name of the licensee, the product, the total royalty accrued both prior and subsequent to the transfer of the patents to the Chemical Foundation. These figures do not represent and must not be confused with aggregate royalties accruing under all licenses of the same nature or otherwise, as these figures refer only to such patents as have been assigned to the Chemical Foundation.

The figures do not in every instance show the full amount involved as of a closing of the books on this date because a number of reports covering the semiannual accounting period ended July 1, 1922, have not yet been received, and are not herein included.

I trust that this is the information which you desire, and that it will serve your present purposes. If not the commission will be very glad to furnish you such other information which you may desire as is in its possession.

Cordially yours,

NELSON B. GASKILL, *Chairman.*

Royalties accrued under Federal Trade Commission licensees covering patents transferred to Chemical Foundation (Inc.).

Licensee.	Product.	Total royalty accrued.	Accrued prior to transfer to foundation.
The Dermatological Research Laboratories, Philadelphia, Pa.	Arsphenamine and Neo (introduced as "Salvarsan" and "Neo-Salvarsan," respectively.	$87,975.39	$35,447.73
Takamine Laboratory (Inc.), New York City.	.....do.....	8,321.31	1,574.92
Farbwerke-Hoechst Co., New York City.	Arsphenamine (introduced as "Salvarsan").	6,203.23	6,203.23
Do.....	Neo-Arsphenamine (introduced as "Neo-Salvarsan").	None.	None.
Do.....	Procaine (introduced as "Novocain").	3,812.88	3,812.88
Rector Chemical Co., New York City.	.....do.....	8,355.22	5,756.77
Pacific Flush Tank Co., Chicago, Ill.	Sewage treatment (Imhoff)..	12,954.20	7,842.80
Diarsenol Co. (Inc.), Buffalo, N. Y.	Arsphenamine and Neo (introduced as "Salvarsan" and "Neo-Salvarsan," respectively).	31,852.35	17,008.61
The Abbott Laboratories, Chicago, Ill.	Procaine (introduced as "Novocain").	3,946.52	1,638.20
Lembeke, von Bernuth Co. (Inc.), (now Bernuth Lembcke Co. (Inc.), New York City.	Impregnation of wood (Rüping).	47,178.92	21,603.73
Calco Chemical Co. (Inc.), Bound Brook, N. J.	Procaine (introduced as "Novocain").	107.49	None.
French Battery & Carbon Co., Madison, Wis.	Galvanic cells.....	None.	None.
The Abbott Laboratories, Chicago, Ill.	Phenyl cinchoninic acid.....	9,064.48	138.83
E. I. du Pont de Nemours & Co., Wilmington, Del.	Anthracene dyes.....	10,103.88	None.
Do.....	Solid hydrosulfites.....	None.	None.
Do.....	Indigo.....	61,884.98	None.
Do.....	Sulphur dyes.....	None.	None.
Do.....	Azo dyes.....	None.	None.
Albert B. Moses, Seattle, Wash.	Artificial milk.....	1.10	None.
F. L. Smith & Co., New York City.	Ball mill.....	None.	None.
E. C. Klipstein & Sons Co...	Solid hydrosulfites.....	26.42	21.81
National Aniline & Chemical Co., New York City.	Anthracene dyes.....	88.62	None.
Do.....	Indigo.....	None.	None.
Do.....	Sulphur dyes.....	17.11	None.
Do.....	Azo dyes.....	4,284.80	146.29
The Stearns-Roger Manufacturing Co., Denver, Colo.	Drying cylinder.....	None.	None.
Merrimac Chemical Co., Boston, Mass.	Solid hydrosulfites.....	382.27	None.
H. A. Metz Laboratories (Inc.), New York City.	Arsphenamine (introduced as "Salvarsan").	31,684.81	13,408.59
Do.....	Neo-Arsphenamine (introduced as "Neo-Salvarsan").	102,826.97	3,659.63
Do.....	Procaine (introduced as "Novocain").	21,097.82	7,901.30
General Ceramics Co., New York City.	Absorption tower.....	953.03	202.39
E. C. Klipstein & Sons Co., New York City.	Tanning agents.....	7,921.77	3,221.20
Merck & Co., New York City	Digitalis extract.....	6,928.61	77.88
The Draeger Oxygen Apparatus Co. (now American Atmos Corporation) Wilkinsburg, Pa.	Artificial breathing apparatus, method causing artificial respiration.	382.88	246.50
Do.....	Resuscitating device.....	661.25	504.50
Do.....	Battery for absorbing carbonic acid, such as used in breathing apparatus.	3,570.67	2,661.83
Do.....	Portable breathing apparatus universal coupling.	36.06	7.28
Do.....	"Pulmotor" (trade-mark)..	300.00	35.00

Royalties accrued under Federal Trade Commission licensees, etc.—Con.

Licensee.	Product.	Total royalty accrued.	Accrued prior to transfer to foundation.
Reinschild Chemical Co., Manhattan, N. Y.	Agar-Agar cascara product; Agar-Agar cascara product and process of making same.	$10,678.21	$1,728.34
Arma Engineering Co., New York City.	Gyroscopic compasses	None.	None.
The Ault & Wiborg Co. (transferred to Cincinnati Chemical Works (Inc.)), Cincinnati, Ohio.	Red azo lake	3,254.34	712.06
Central Dyestuff and Chemical Co., Newark, N. J.	Red azo lake and process of making same.	None.	None.
Ultro chemical corporation, New York City.	Blue red lake and process of making same.	3,946.44	192.47
Consolidated Color and Chemical Co., New York City.	Vat dyestuff	None.	None.
Do	Blue vat dyestuff, and process of making same.	None.	None.
Do	Red violet dye, and process of making same.	None.	None.
Do	Red vat dye	None.	None.
Do	Vat dye and process of making same.	None.	None.
Do	Violet blue vat dyestuffs	None.	None.
Do	Vat dyeing coloring matter	None.	None.
Division of Laboratories and Research of New York State Department of Health, Albany, N. Y.	Arsphenamine (introduced as "Salvarsan").	291.03	None
Semet-Solvay Co., Solvay, N. Y.	Manufacture of ammonia	None.	None.
Massachusetts State Department of Health, Boston, Mass.	Arsphenamine (introduced as "Salvarsan").	762.64	11.14
Horatio Nelson Fraser (transferred to Chemical Refining Syndicate), Brooklyn, N. Y.	Process of preparing camphor.	None.	None.
Green & Bauer, Hartford, Conn.	Process and apparatus for producing Roentgen rays, Roentgen ray tube.	None.	None.
The Sperry Gyroscope Co., Brooklyn, N. Y.	Gyroscopic compasses	None.	None.
Total		491,855.70	135,765.91

SUMMARY.

Aggregate accrued under licenses	$491,855.70
Total accrued prior to transfer to foundation	135,765.91
Total accrued since foundation took title	356,089.79

[NOTE.—The above figures do not represent full amount involved as a number of reports are not yet in for the semiannual accounting period ending July 1, 1922.]

Mr. MOSES. Mr. President, whatever the result of the Government proceedings against the Chemical Foundation, I shall always believe that it was conceived in conspiracy and fostered by falsehood. The conspiracy, as I believe, was formed by Mr. Garvan, his associates in the office of the Alien Property Custodian, and certain of the dye manufacturers of this country. It is most improbable that Mr. Garvan, being chief of the bureau of investigation in the Alien Property Custodian's office, should not have had considerable knowledge of the value of the patents which he sold to himself. As a matter of fact, Mr. President, Mr. Garvan's coconspirator, Mr. Choate, testified before the House Committee on Ways and Means, with regard to the subject of the dye embargo, that, by virtue of the positions which they held, both he and Mr. Garvan had knowledge of the large profits which had been made by the alien owners of these patents.

Mr. Garvan must have known also that on December 12, 1918, four months prior to the sale of these patents to the Chemical Foundation, but only a month prior to the search of the Patent Office to which I have referred, the Alien Property Custodian had sold 1,200 dye and pharmaceutical patents which had belonged to the Bayer Co. to the Sterling Products Co., of West Virginia, and to the Grasselli Co., of Ohio, for the not inconsiderable sum of $5,310,000, or more than twenty times what Mr. Garvan paid to himself for four times that number of patents.

Nor could Mr. Garvan have been ignorant of the sale of the stock and rights of the Heyden Chemical Works, which Mr. Palmer first bargained to dispose of to the Monsanto Chemical Works, of St. Louis, for $605,000—a sum so absurdly low that even the pliable advisory sales committee refused to approve it—and the property was later sold to Allen A. Ryan, of New York, for more than $1,000,000. It may be relevant to add, Mr. President, that the Monsanto Chemical Works which had been thus favored was a member of the American Dyes Institute and a contributor to its funds; and it may be pertinent to say further that this company has been on both sides of the dye embargo question, but finally landed firmly on the side where its larger material obligation lay. It is also a member of the Chemical Foundation.

Mr. President, I now turn to the orgy of falsehood with which the Chemical Foundation camouflaged its real purpose.

The Chemical Foundation was organized in the winter of 1919. On April 10 of that year it took its first title to the patents upon which have been collected nearly $1,000,000 in royalties. On February 26 the papers which had been carefully prepared for his signature were executed by Acting Secretary of State Polk, and one week later Mr. Garvan became Alien Property Custodian. As such, on April 10, he sold to himself for $250,000 property whose earning capacity thus far disclosed indicates it to have been worth many millions.

THE VALUE OF THE PATENTS.

In fact, Mr. President, the total value of patents and trademarks controlled by the Chemical Foundation can hardly be less than $20,000,000. These patents cover many lines of production, chief among them being:

Vat and other dyes, salvarsan and other medicinals, optical and therapeutic instruments, nitrogen products, tanning materials, synthetic camphor, alloys, and cellulose products.

There are also hundreds of miscellaneous patents covering nonchemical products which unquestionably are valuable, but of which there is no definite knowledge, except that Mr. Choate testified that the profits from them were very large.

According to the financial statement of the Chemical Foundation which was filed by Mr. Garvan with the Shortridge committee, the foundation, up to January 1, 1922, had collected royalties amounting to $407,000. The Federal Trade Commission advises, in the letter which I have already presented, that the Alien Property Custodian has received royalties as of July 1, 1922, amounting to $491,855.70 under licenses covering the patents controlled by the foundation. It is thus evident that $898,000 has been paid in royalties on German dye and chemical patents since the passage of the trading with the enemy act, or during the past four years. Since very few licensees were able to manufacture in any appreciable quantity during the first year of the trading with the enemy act, it is evident that practically this entire amount of $900,000 was collected within the last three years. It follows, therefore, that the Alien Property Custodian and the Chemical Foundation have obtained approximately $300,000 a year as royalties from licenses issued under the patents now controlled by the foundation, or an annual income greater than the whole purchase price, which was only $250,000.

The royalties collected under these patents have increased each year, and they soon will undoubtedly considerably exceed the $300,000 per year now received, though this sum represents a handsome return on an investment of at least $5,000,000. Under date of July 5, 1922, the Journal of Commerce published an interview with former Alien Property Custodian A. Mitchell Palmer, in which he was reported to say: "We could have sold at least one of those patents for $10,000,000 if we had wanted to revert back to the same conditions as when Germany held control." Royalties amounting to $276,000 have been collected under the salvarsan patents, indicating total sales of over $5,000,000 of this well-known medicinal agent. The royalties under this one patent alone have exceeded the purchase price of the entire 4,700 dye and chemical and other patents. Licenses for the manufacture of novocain, a well-known local anæsthetic, have yielded royalties of $37,000, indicating sales of $700,000. One concern alone paid $5,000 royalties on atophan, and another firm $9,000 on this same coal-tar medicinal product. The return of $5,000 was based on a license fee of 2½ per cent of the total sales of atophan; but a fee of 5 per cent was charged by the Chemical Foundation on salvarsan, the only recognized cure for the most deadly scourge of mankind.

It may be pertinent to interject that atophan is a cure for gout, and perhaps the projectors of the Chemical Foundation sought to favor themselves by the lower license fee which they placed upon that remedy.

The foundation has generally demanded royalties ranging from 2 to 5 per cent on products made in this country under patents which it controls, and at the same time it has collected royalties of 10 per cent on imported products covered by the same patents. This policy of charging a royalty two to five times larger on imported products than on those of domestic manufacture has been applied to medicinal preparations regardless of the fact that this royalty unquestionably is paid by the ultimate consumer—the poor and the sick.

WRITES ITS OWN TARIFFS.

The foundation charges a license fee of $100 for the use of any trade-mark to which it claims ownership and an additional royalty of 1 per cent of the total business in the product sold under such trade-mark. The foundation has a fixed royalty

charge of 1 per cent for the use of trade-marks on products of domestic manufacture, but its royalty charges are many times greater than this on imported products—no doubt as much as the traffic will bear—so that we have here an instance where a private corporation is enabled to write and enforce tariff rates at its own sweet will.

I know of at least one instance where the Chemical Foundation imposed an import royalty for the use of a trade-mark on a well-known medicinal agent which was twenty times higher than the royalty for the domestic manufacturer of the same product. And this, Mr. President, in the name of philanthropy and amidst a flow of crocodile tears for the sick who are to be benefited by the Chemical Foundation's activities, activities carried on, I may add, under well-established and extremely lucrative royalty payments.

These royalties have been imposed upon all imported products coming under patents which the foundation controls regardless of the nature of the product or the ultimate consumer. Not only has the foundation collected its royalty of 10 per cent on the importation of medicinal products but it has exacted the same royalty on optical and therapeutic instruments, even though imported specifically for the use of hospitals, institutions for the care of the poor and the sick, laboratories, scientists, and institutions of learning. How alluring, Mr. President, may education and philanthropy become when, as in the case of the Chemical Foundation, they are supplemented by an air-tight royalty.

It should be borne in mind, Mr. President, that the sums represented in the income figures which I have quoted have been derived from only 68 of the 4,700 patents which Mr. Garvan is trying defiantly to withhold from the Government. Is it not pertinent to ask how much the other 4,632 will produce? Other details of the conspiracy I leave to be developed by the Department of Justice, which, I am confident, is not to be pulled off its task by any sort of pressure.

I now beg leave, Mr. President, to read the substance of a conversation had with a former Federal official whose name I do not intend to disclose at this time, but whose testimony in full will undoubtedly be used by the Government when the Chemical Foundation case is heard in court:

The trading with the enemy act conferred upon the Federal Trade Commission authority to license the use of all enemy patents seized under the authority of that act. About April, 1919, the Federal Trade Commission began receiving letters from time to time asking permission to cancel licenses running from the commission and explaining that the writers desired to take licenses with the Chemical Foundation. This caused the officers of the Federal Trade Commission to investigate in order to determine just what the Chemical Foundation was. Up to that time they had no definite information except that it was some sort of a private corporation which claimed to be organized for a beneficial purpose.

Before the investigation had proceeded very far the commission was surprised to learn that the licensees who had applied for permission to cancel their licenses were being informed by officers of the Chemical Foundation that the Federal Trade Commission was acting in accord with the Chemical Foundation, and that the cancellation of the licenses as proposed would be acquiesced in by the Federal Trade Commission. Further inquiry brought out a letter which had been sent to these licensees, over the signature of Ramsay Hoguet, who was special patent counsel for the Chemical Foundation, in which he advised licensees of the Federal Trade Commission that the commission approved of what he was doing and that it was entirely agreeable to the Federal Trade Commission to have the licensees cancel their licenses and execute new licenses to the Chemical Foundation.

This letter of Mr. Hoguet created great surprise in the Federal Trade Commission, as no one had given him any such authority and the statements he had made were untrue. Thereupon, Mr. Hoguet was asked to come to Washington, and, after an interview with one of the officers of the Federal Trade Commission, admitted he had acted hastily and upon insufficient information in thus writing to licensees of the Federal Trade Commission, and he agreed to recall the letters and withdraw the statements. Whether he did so or not is not known.

WAS POLK DECEIVED?

Subsequently, when it became necessary for the Chemical Foundation to secure an Executive order approving its course, the Federal Trade Commission learned that Frank L. Polk, Acting Secretary of State (in the absence of Secretary Lansing and President Wilson in Europe), had signed an executive order prepared by the Chemical Foundation and submitted to him by it. Inquiry of Mr. Polk, propounded by one of the officers of the Federal Trade Commission at the request of Mr. Houston Thompson, a member of the commission, elicited the fact that the same misrepresentations had been made to Mr. Polk by the Chemical Foundation as had been made to the licensees of the Federal Trade Commission regarding the attitude of the commission toward the foundation. Mr. Polk explained that he signed the executive order after a hurried reading of it, upon an assurance that the action to be taken was with the full approval of the Federal Trade Commission—a statement which was untrue. Mr. Polk seemed very much disturbed and held several conferences with Federal Trade Commission officers over the telephone and finally intimated very strongly that he had been made the victim of false representations to induce his signature to the executive order—an order, it must be remembered, prepared by the Chemical Foundation.

It is well known that there were many clashes between the Federal Trade Commission and the Chemical Foundation. The commission always insisted that the action of the foundation in acquiring valuable industrial patents, such as improvements upon the gyroscope and other patents of that sort, was entirely foreign to the avowed purpose of the organization, inasmuch as these patents had no relation to the chemical industry.

In the course of its investigation the Federal Trade Commission learned that the Chemical Foundation had made other representations to licensees to induce them to cancel their licenses running to the commission and to take licenses from the foundation. Among these representations was that made by Mr. Hoguet that the Chemical Foundation could render a service to foundation licensees which the Government could not render, in that they stood ready to defend any action brought in the courts by the former German owners against licensees on account of the use of the patents. This statement was a surprise to the Federal Trade Commission, which has a staff of law officers and to which the Department of Justice would be available in a matter of that kind. Apparently, Mr. Hoguet saw an opportunity to offer his professional services for this gigantic undertaking, and it would appear that the Chemical Foundation was not overscrupulous about the representations it made in order to break up the arrangement between the Federal Trade Commission and its licensees and to take over the business for the Chemical Foundation.

In corroboration of the memorandum of conversation which I have just read I now present a copy of a letter written in June, 1919, by an officer of the Chemical Foundation:

You are now the holder of certain licenses from the Federal Trade Commission under letters patent which have been seized by the Alien Property Custodian and sold to the Chemical Foundation (Inc.). The Chemical Foundation thus becomes entitled to receive the royalties paid for the use of such patents.

In order to make the record clear, we have arranged with the Federal Trade Commission to accept a surrender of your license from the Federal Trade Commission and to issue you a license on the same terms from the Chemical Foundation (Inc.). It may be that the Chemical Foundation will be able to issue you a license at a later date in the uniform form which it proposes to issue to all of its licensees instead of that you now hold.

I may add that, aside from regularizing the situation, there are advantages in surrendering your Federal Trade Commission license in that the royalties paid under a license from the Chemical Foundation (Inc.) are not subject to review by a court, as in the case of a license granted by the Federal Trade Commission, and royalties paid by you will go to the advancement of the chemical industry instead of being held for the benefit of the enemy.

The surrender of your license may be in the form of a letter addressed to the Federal Trade Commission, Washington, D. C., attention of Mr. Francis M. Phelps. If you will notify me when you have made the surrender, I will proceed to have a license issued by the Chemical Foundation (Inc.) immediately.

The licensee to whom this letter was addressed immediately communicated with the Federal Trade Commission, and under date of June 26, 1919, the Hon. Victor Murdock, of Kansas, acting chairman of the commission, made reply as follows. The subheads in the letter are Mr. Murdock's and not mine.

A number of those holding licenses with the Federal Trade Commission by virtue of the authority vested in the commission under the trading with the enemy act and the Executive order of October 12, 1917, in re enemy-owned patents, etc., have notified the commission that they have been requested by the Chemical Foundation (Inc.) to relinquish the said licenses and in lieu thereof to accept licenses from the Chemical Foundation (Inc.). The Chemical Foundation (Inc.), through its attorney and representative, Mr. Hoguet, has appeared in person before the commission and asked for an expression from the commission as to its disposition in this matter. In response to these inquiries the commission makes the following statement for your consideration:

LICENSE GRANTED BY THE COMMISSION.

By virtue of the authority vested in it by the act of Congress approved October 6, 1917, known as the trading with the enemy act, and the Executive order of October 12, 1917, vesting it with authority to administer said act, the Federal Trade Commission granted licenses thereunder for the life of the patent, unless otherwise stated, and upon payment to the Alien Property Custodian of a certain royalty. Under said license the commission reserved the power to terminate and cancel the license in whole or in part. It is this license that the Chemical Foundation now requests you to surrender, and in lieu thereof to apply for one to be issued by it.

THE CHEMICAL FOUNDATION (INC.).

At the suggestion of the commission, the Hon. Ramsay Hoguet, counsel for the Chemical Foundation (Inc.), has made the following statement of the objects and purposes of the said foundation:

"The Chemical Foundation is a corporation to which the Alien Property Custodian, acting under the authority of the President, has sold all of the formerly enemy-owned patents relating to dyes, chemicals, and related subjects. The stock of the Chemical Foundation is divided into $400,000 of preferred nonvoting stock, which it is expected will be redeemed within a very short time, and $100,000 worth of common stock, the dividends on which are limited to 6 per cent. This stock is sold in very small lots and is as widely distributed as possible throughout the industries affected by the patents. In order to prevent control falling into the hands of any one group, the stock is made nontransferable except by leave of the board of directors, and is placed in a voting trust for a period of 17 years. The voting trustees are the gentlemen who have been serving as the advisory sales committee to the Alien Property Custodian—Otto T. Barnard, Esq. (chairman the New York Trust Co., New York); Hon. George L. Ingraham (late presiding justice appellate division, first department, New York Supreme Court); Cleveland H. Dodge, Esq.; B. Howell Griswold, jr., Esq. (of Alexander Brown & Sons, Baltimore); Ralph Stone, Esq. (president Detroit Trust Co., Detroit, Mich.). The officers and directors of the foundation are as follows: President, Mr. Francis P. Garvan (the Alien Property Custodian); vice president, Col. Douglas I. McKay (late colonel, General Staff, vice president of J. G. White & Co. and deputy police commissioner of the city of New York under Mayors Gaynor, Kline, and Mitchel); treasurer and secretary, Mr. George J. Corbett (assistant secretary Central Union Trust Co.).

"It is the purpose of the Chemical Foundation to issue nonexclusive licenses on equal terms to all properly qualified American manufacturers and to enforce the patents against infringement by the importation and sale of the patented product made abroad. The royalties charged are to be fixed after consideration of all the facts surrounding the manufacture of the patented product, and will be at a reasonable rate. The

royalties will be used to retire the preferred stock and for the encouragement of chemical industry in the United States. Directors of the Chemical Foundation hope to make it a central body and point of contact for the entire chemical industry and the means of conducting research for the benefit of the industry as a whole.

"The sale to the Chemical Foundation by the Alien Property Custodian having been made unconditionally, no rights are reserved to the former enemy owner of the patents, and under section 7 (c) of the trading with the enemy act as amended November 4, 1918, his only recourse appears to be against the proceeds of the sale from the Alien Property Custodian to the Chemical Foundation. It is the opinion of counsel for the Chemical Foundation that the alien enemy has no right of action whatever against the licensee under a license issued by the Chemical Foundation.

"The Chemical Foundation will issue licenses at the rate of royalty now paid to all licensees of the Federal Trade Commission who apply to the commission for a surrender of their licenses, and the surrender of whose licenses is accepted by the commission."

The commission is informed that on July 1, 1919, the Alien Property Custodian will cease to be a member of the Chemical Foundation (Inc.); that thereafter there will be no connection whatsoever with the United States Government, and that its licensees will be governed by the terms of the license issued by it.

LICENSE OF THE CHEMICAL FOUNDATION (INC.).

There is herewith inclosed a copy of the form of license of the Chemical Foundation (Inc.). A comparison of the form of license of the Chemical Foundation (Inc.) and that of the Federal Trade Commission will reveal a number of differences, several of which are herewith referred to.

According to section 2 thereof, the licensee will not be permitted to import into the United States from any country "any product which is covered by any of said patents or sell in the United States, its Territories or dependencies, any such product made outside of the United States."

By section 13 of said form of license there is reposed in the foundation the exclusive discretion of determining not only whether the licensee has lived up to the terms of the license but the foundation also reserves to itself the right to judge of the qualifications of the licensee at the time of the application and at all times after granting the same, according to the several sections of the said form of license.

ALTERNATIVES OFFERED TO LICENSEE.

The licensee has the privilege of electing one of the following three alternatives:

(a) The licensee may retain its Federal Trade Commission license and operate thereunder for the life of the patent unless otherwise specified, subject to the powers of revocation provided by the Federal Trade Commission license. Or

(b) The licensee may retain its license with the Federal Trade Commission and at the same time apply for one from the Chemical Foundation (Inc.). Should the latter be granted, the licensee may operate under both of said licenses, but subject to either the Federal Trade Commission or the Chemical Foundation (Inc.), or both, according to the terms of the respective licenses. Or

(c) The licensee may surrender its Federal Trade Commission license and thereby withdraw from the protection of the trading with the enemy act and apply for a license from the Chemical Foundation (Inc.), and in the event of issuance of the same operate thereafter under the control of the said foundation as a private corporation, according to the terms of the license issued.

A surrender of license will not be acted upon by the Federal Trade Commission where the licensee is a corporation until a written request is addressed to it by the properly authorized officers of the licensee, together with a resolution of the board of directors authorizing the said request. In the case of licensees not incorporated the request must be in writing, signed by the proper parties. The cancellation of a license will not take place until the commission has acted upon the request and informed the licensee of its action.

Attention is called to the fact that the commission does not have knowledge at this time of the effect of the treaty of peace now being negotiated at Paris upon the same patents or sales or licenses there under. It therefore points out that until the treaty of peace is executed and the effect thereof on patents and licenses is known the licensee may well consider whether he shall surrender the Federal Trade Commission license.

By direction of the commission:

VICTOR MURDOCK,
Acting Chairman.

Mr. McCORMICK. Mr. President, will the Senator give us the date of the letter he has just read?

Mr. MOSES. June 26, 1919. I gave the date at the beginning of the reading of the letter.

Mr. McCORMICK. What was the date of the organization of the Chemical Foundation?

Mr. MOSES. It took title to its patents April 10, 1919.

Acting upon this counsel, and in view of the falsehood with which the Chemical Foundation had thus inaugurated its career, many of these licensees have continued production under the thoroughly legal licenses issued by the Federal Trade Commission and have continued paying to the Alien Property Custodian the royalties and license fees which the Chemical Foundation is now suing the Government to recover.

In pursuance of the educational purpose which the Chemical Foundation so unctuously advertises it is to follow, it has expended nearly $300,000; the sole intention of which was to bolster the propaganda for the dye embargo which we are now considering. Pamphlets, beautifully printed upon expensive paper and bound in rich and costly fashion, have swept over the land like a wave of the poison gas regarding which the dye makers of America have loudly declaimed but a pound of which they never produced, and which the United States has made illegal by solemn treaty engagements. Nearly 60,000 copies of a strikingly interesting book entitled "Creative Chemistry" were distributed to members of women's clubs, the American Legion, to newspapers, to colleges, to agricultural agents, to dye consumers, to authors, to scout masters of boy scouts, and to what Mr. Joseph H. Choate, jr., euphemistically calls "prominent men," but who, in the form letter which accompanied each of these 60,000 books, were designated as "millionaires." I suppose, Mr. President, I may interpolate the suggestion that, in the minds of the great dye makers and the avaricious Chemical Foundation, no man can be prominent unless he possesses a million dollars.

NOT A GOVERNMENT AGENCY.

In each of these letters appears in one form or another the false statement that the Chemical Foundation is a Government agency. Thus, in the letter to women's clubs, it is asserted that "the Chemical Foundation is a quasi-public corporation formed by the Government;" in the letter to the American Legion, keyed in the foundation lists as the "dough-boy" letter, it is asserted that "the Chemical Foundation was formed by the Government;" in the letter to consumers, keyed as "textile form," it is declared that "the Chemical Foundation is formed at the suggestion of the Government;" in the letter to consumers, keyed as "club form," the Chemical Foundation is again held up as a "quasi-public corporation formed at the suggestion of the Government;" in the letter to scout masters of the Boy Scouts, the function of the foundation is described as "simply to lay before you the facts in America's critical chemical situation to-day;" while, in the letter to the millionaires, the foundation resumes its more familiar form of "a quasi-public corporation formed by the Government." In addition these letters, particularly that addressed to club women, stress the "necessity" for the foundation, but no letter contains any reference to the necessities of Mr. Garvan and his coconspirators. The letter to manufacturers in both forms begins with the assertion that at the request of the foundation, "The United States Tariff Commission is sending" a report bearing upon the subjects dear to the foundation's heart. This statement, evidently designed to bolster the original falsehood of the foundation's governmental character, is wholly untrue. I read from a letter under date of June 29, 1922, signed by Hon. Thomas O. Marvin, chairman of the United States Tariff Commission:

A careful search of our files fails to uncover any letter received by the Tariff Commission from the Chemical Foundation (Inc.), of 81 Fulton Street, New York City, containing a request that the Tariff Commission send to a list of names suggested by the foundation, copies of our census of dyes and coal-tar chemicals, 1920.

It is, of course, possible that the Chemical Foundation sent to the trade a letter in which they state: "At our request the United States Tariff Commission is sending to you copy of its report showing the progress of the American coal-tar industry up to June 30, 1920." We are, of course, in no way responsible for this statement. No such request was made of the Tariff Commission, and your letter gives us the first intimation in regard to it.

In the letter to millionaires, Mr. Garvan asserts that he is the president of the Chemical Foundation, and that "Thomas W. Miller, Alien Property Custodian, is its vice president;" and a letterhead of the foundation upon which is written a letter under date of May 18, 1921, carried Mr. Miller's name as such officer. Having known Colonel Miller intimately and affectionately for many years, and having a thorough knowledge of his high character and of his personal and public probity, I knew also that he would lend neither his character, his name, nor his official position to a scheme like the Chemical Foundation; and in confirmation of my belief, I read now a letter written by Colonel Miller:

To whom it may concern:

At no time was I an officer or director, or did I have any interest, own or control any stocks, bonds, or other evidence of interest or ownership in the Chemical Foundation (Inc.), nor have I at any time been officially or unofficially connected in any manner with this corporation. I was informed that the board of directors of the Chemical Foundation (Inc.) had elected me an official and that my name appeared on the door of the New York office as one of its vice presidents. When first informed of this action I requested the removal of my name from the door and asked that the board of directors rescind the action taken. I am reliably informed that my request was immediately complied with.

THOMAS W. MILLER.

ASSAULTING THE YOUTHFUL MIND.

More insidious, however, Mr. President, than the attempt thus made to mislead the millionaires of the country was the Chemical Foundation's onslaught upon the minds of America's children as represented in the membership of the Boy Scouts. To the scout masters of the country, numbering 16,796, and in a position to influence the minds of hundreds of thousands of the rising generation, the foundation sent not only copies of "Creative Chemistry," but a pamphlet which they described as "the latest publication of the United States Bureau of Education," entitled "Treasure Hunting of To-day," a title, I may interpolate, suited to the Chemical Foundation, whose chase for treasure has been persistent.

Wishing to know to what extent the Chemical Foundation had wound its tentacles about the educational system of the country, I wrote on June 26, 1922, to the Commissioner of Education, as follows:

Some time during the month of May, 1921, the Chemical Foundation, with offices at 81 Fulton Street, New York City, distributed a certain pamphlet prepared by the United States Bureau of Education. I do not know the subject matter contained in this pamphlet, but inasmuch as it was very widely distributed I assume you will have no difficulty in identifying it. I am writing to ask if you will not be good enough to send me a copy of the document.

This led to an interesting correspondence, for on June 29, 1922, Commissioner Tigert replied to me as follows:

In reply to your letter of June 26, I take pleasure in sending herewith a copy each of two pamphlets, entitled, respectively, "Treasure Hunting of To-day and Chemistry in Our Schools" and "The Education of the Research Chemist," both of which were prepared by Mr. Robert E. Rose. I believe that one of these is the publication to which you refer.

This was the first intimation I had received of the existence of the pamphlet, "The Education of the Research Chemist," and it interested me greatly. From it I learned that its author was R. E. Rose, of the "chemical department of the E. I. du Pont de Nemours Co., Wilmington, Del." The pamphlet was further adorned with Mr. Rose's portrait, and stamped upon it in a manner to indicate that it was an official publication of the department were the words "Department of the Interior, Bureau of Education." Accordingly I again wrote to Commissioner Tigert, as follows:

I thank you for your prompt reply to my letter of June 26 and for the copies of "Treasure Hunting of To-day and Chemistry in Our Schools" and "The Education of the Research Chemist," which you inclosed.

In connection with the publication and distribution of these two pamphlets there is certain information I would like to have. Will you please advise me how the pamphlet entitled "The Education of the Research Chemist" happens to be in your bureau for distribution, how many copies of the pamphlet were sent to you, where it was printed, and who paid for the printing. I note the cover page has the following thereon:

DEPARTMENT OF THE INTERIOR,
Bureau of Education.

[Reprinted from the Journal of Industrial and Engineering Chemistry, vol. 12, No. 10, p. 947, October, 1920.]

THE EDUCATION OF THE RESEARCH CHEMIST.

(By Robert E. Rose.)

Anybody receiving a copy of this pamphlet would naturally think it was reprinted by the Department of the Interior, Bureau of Education. I assume you must have in your files copies of whatever correspondence you have had in connection with the receipt and distribution of this pamphlet, and I would greatly appreciate it if you would send me a copy of same, together with a copy of the mailing list, if any, that was used for the distribution of this pamphlet.

Will you also advise me how the manuscript of the pamphlet entitled "Treasure Hunting of To-day and Chemistry in our Schools" came into the possession of the Bureau of Education, and at whose suggestion it was printed as a Federal publication? I would also like to know the number of copies of this pamphlet that you have sent out; the name of the party or organization suggesting said distribution, and the mailing list used in connection therewith.

Will you also advise me as to whether Robert E. Rose is now or ever has been connected with the United States Bureau of Education?

On July 5, 1922, the Acting Commissioner of Education, Mr. Kalbach, answered the foregoing letter, as follows:

All the correspondence relating to the distribution of the document "Treasure Hunting of To-day and Chemistry in our Schools" appears to be in the files of this bureau. The arrangements were made, however, very largely in personal conferences between Dr. P. P. Claxton, who was then Commissioner of Education, and Mr. Keohan and Mr. Mead, who represented the Chemical Foundation. Doctor Claxton seems to have "outlined" the pamphlet, which was actually written by Robert E. Rose, formerly assistant professor of chemistry in the University of Washington, but at that time in the chemical department of E. I. du Pont de Nemours & Co. He was never employed in the Bureau of Education.

The whole purpose of the pamphlet was to stimulate the study of chemistry in this country. It appears from memoranda and letters in the files that chemists of high standing were consulted in regard to the matter. Among these were Dr. Charles Parsons, of the Bureau of Mines; Dr. Treat B. Johnson, of the Sheffield Scientific School of Yale University; and Doctor Howe, of the National Research Council. A letter urging the publication was received from Doctor Johnson, but the recommendations of Doctor Parsons and Doctor Howe, if there were any, were made orally.

It is evident that Doctor Claxton was convinced of the desirability of issuing the document, for it was printed with the "Department of the Interior, Bureau of Education," on the title-page, and it was mailed from the Bureau of Education under the bureau's penalty envelopes. It was not printed by the bureau, but 30,000 copies were received from the Chemical Foundation, and they were sent to the following mailing lists:

State superintendents of public instruction.
County and township superintendents of schools.
Superintendents of city schools.
Principals of public high schools.
Principals of private secondary schools.
Principals of normal schools (four copies to each).
Presidents of universities and colleges (five copies to each).

The pamphlet was very favorably received, for a considerable number of requests came later from persons who desired from 25 to 100 copies each. These were supplied from stock which remained from the 30,000 copies after the main distribution. A few copies still remain in the office.

With reference to the pamphlet, "The Education of the Research Chemist," the correspondence on file shows that 300 copies were sent to this bureau by the author and that they were mailed to the libraries of the larger universities and colleges under Doctor Claxton's instructions. The pamphlet was not reprinted by this bureau. The 300 copies were donated to the bureau, and after they were received here "Department of the Interior, Bureau of Education," was stamped on each copy to show that it was the property of the bureau. I do not know where it was printed or who paid for the printing.

For your information I am sending herewith copies of all correspondence in our files relating to the two pamphlets referred to. I am sending also a copy of Commissioner Claxton's letter that was sent with the pamphlet, "Treasure Hunting of To-day."

Mr. President, at this point it may be interesting briefly to describe the gentlemen named by the Acting Commissioner of Education. Mr. Keohan is the Washington manager of the Chemical Foundation and was Mr. Garvan's handy man during the Garvan administration of the Alien Property Custodian's office. Mr. Mead is a vice president of the E. I. du Pont de Nemours Co. and is president of the Manufacturing Chemists' Association, which is the first of the associations of such character so generously spawned under the auspices of the Du Pont Co. and one of the organizations to whom, as I have already pointed out, Messrs. Palmer and Garvan took their precious scheme to organize the Chemical Foundation. Rose is of the staff of the technical laboratory in the chemical department of the Du Pont Co. Doctor Parsons is secretary of the American Chemical Society, which has been actively interested in promoting the dye embargo; he was consulting chemist of the General Chemical Co., a subsidiary of the Allied Dye & Chemical Co., which will be one of the chief beneficiaries of the embargo if it stands; and he is an active member of a group now contesting with Henry Ford for possession of the Muscle Shoals power plant. Doctor Howe is the editor of the Journal of Industrial and Chemical Engineering, in which Mr. Rose's original article, "The education of the research chemist," first appeared. Doctor Claxton is a former Commissioner of Education, and Mr. Garvan has already been sufficiently identified.

It appears, Mr. President, from the letters which I hold in my hand, and which I shall ask to have printed in full as a part of my remarks, that Mr. Garvan wrote to Commissioner Claxton to say:

Mr. Keohan and Mr. Mead have told me of your very kind offer to help in the educational efforts of the Chemical Foundation by personally sending to various educational heads a pamphlet prepared along lines suggested by you.

It might be valuable to know, Mr. President, whether Doctor Claxton's "very kind offer" and the "lines suggested" by him were in any way implanted in his receptive mind by the dulcet diplomacy of Mr. Keohan and Mr. Mead. However that may be, Mr. Garvan goes on to say:

This appeals to me as a very valuable and effective means of conveying our message to the younger generation in this country.

In consequence, Mr. Garvan added, they would make efforts to secure the best talent available and to prepare the suggested pamphlet, and as soon as it had reached final form it would be laid before Doctor Claxton for approval and criticism. And, not to be outdone in the courtesy of the occasion, Mr. Garvan concluded his letter by asking Doctor Claxton to accept "hearty thanks for his patriotic and generous offer of cooperation in his field."

A NEW OCCUPATION.

This, Mr. President, seems to open a new avenue of activity for Government departments and bureaus, and I doubt not that many other equally anxious corporations who clothe their aims in the garb of education and patriotism will be seeking out other Government agencies for like cooperation.

These letters to which I refer, Mr. President, are as follows, and I ask that they may be here inserted without reading.

The VICE PRESIDENT. Without objection, it is so ordered.

The letters are as follows:

THE CHEMICAL FOUNDATION,
New York City, November 19, 1920.

Hon. PHILANDER P. CLAXTON,
Commissioner Bureau of Education,
Pension Office Building, Washington, D. C.

MY DEAR COMMISSIONER CLAXTON: Mr. Keohan and Mr. Mead have told me of your very kind offer to help in the educational efforts of the Chemical Foundation by personally sending to various educational heads a pamphlet prepared along lines suggested by you. This appeals to me as a most valuable and effective means of conveying our message to the younger generation in this country as well as of acquainting its young men and women with the possibilities of a career in chemistry.

I am, consequently, making efforts to secure the very best talent among chemical authorities to prepare data for such a pamphlet as you outline. Just as soon as we have this matter in some sort of final form Mr. Keohan or Mr. Mead will lay it before you for your approval and criticism.

Please accept our hearty thanks for your patriotic and generous offer of cooperation in your field.

Very sincerely yours,

FRANCIS P. GARVAN, *President.*

E. I. DU PONT DE NEMOURS & CO. (INC.),
CHEMICAL DEPARTMENT,
Wilmington, Del., January 3, 1921.

Mr. PHILANDER P. CLAXTON,
Commissioner of Education, Washington, D. C.

DEAR MR. COMMISSIONER: When we were discussing the letter which you propose sending out with the pamphlets on chemistry you said you would like to have some definite figures showing the number of chemists

employed in the different industries, which might serve as an indication of the possibilities open to the youth of the country.

I have made a very earnest effort to obtain such statistics for you, but I find that there is no record of the kind anywhere in the country and there is obviously no means of getting the figures directly.

Under the circumstances it would seem that there is no way open to give a more definite characterization to the nature of chemical employment than that which you have already embodied in your letter.

If I can be of any possible service to you in getting other information to take the place of that which I was unable to obtain, please call upon me.

Very truly yours, R. E. ROSE.

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DEPARTMENT OF THE INTERIOR,
BUREAU OF EDUCATION,
Washington, January 4, 1921.

Dr. R. E. ROSE,
Chemical Department, E. I. du Pont de Nemours & Co.,
Wilmington, Del.

MY DEAR DOCTOR ROSE: I wish to thank you for your note of January 3. I am sorry that it is impossible to get any adequate estimate of the number of chemists that will probably be needed in the near future. This quantitative side would be very helpful to me, but I can understand the difficulty.

Yours sincerely, P. P. CLAXTON, *Commissioner.*

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DEPARTMENT OF THE INTERIOR,
BUREAU OF EDUCATION,
Washington, January 14, 1921.

Mr. CHARLES PARSONS,
Bureau of Mines, Department of the Interior.

MY DEAR MR. PARSONS: I am sending you herewith the article about which I spoke to you a day or two ago. The purpose of the article is to inspire boys and girls in high school to study elementary sciences, and particularly chemistry, with a view to continuing the study in college for the purpose of becoming professional chemists. I wish you would tell me very frankly what you think about it.

Yours sincerely,

P. P. CLAXTON, *Commissioner.*

—

SHEFFIELD CHEMICAL LABORATORY,
SHEFFIELD SCIENTIFIC SCHOOL OF YALE UNIVERSITY,
New Haven, Conn., January 20, 1921.

Mr. PHILANDER P. CLAXTON,
United States Commissioner of Education,
Washington, D. C.

DEAR MR. CLAXTON: Mr. Francis P. Garvan, president of the Chemical Foundation (Inc.), has recently brought to my attention a proposed plan of stimulating interest in chemistry in this country. As I understand the proposition, it is one of cooperation between you and the Chemical Foundation in the circulation of literature or a pamphlet concerning a career in chemistry among school superintendents and other educational officials throughout the country. I think this would be an admirable undertaking, and I trust nothing will develop which will interfere with the carrying out of the same.

Mr. Garvan informed me, however, that you are very insistent that there be incorporated in such a pamphlet some definite figures or statistics on the opening for young chemists in the various industries. To make a census of such activities would be an extremely difficult matter at this time, and I doubt very much whether it would be of great value if it could be obtained. It would not be at all accurate, owing to the changing state of our science and industry to-day, and it is my opinion any such compilation would be useless for practical purposes. I think we should get this matter before the public just as soon as possible, and I sincerely hope that the Chemical Foundation will be supported in every way possible in this educational work.

Very truly yours,

TREAT B. JOHNSON,
Professor of Organic Chemistry.

—

ALIEN PROPERTY CUSTODIAN,
Washington, D. C., March 2, 1921.

The Hon. P. P. CLAXTON,
Commissioner of Education, Washington, D. C.

MY DEAR COMMISSIONER: I am sending you herewith a number of booklets on chemistry which the Chemical Foundation prepared and which you were kind enough to offer to distribute to the school superintendents of the country.

As you know, the purpose of this booklet is to encourage the study of chemistry in our schools, and I am quite sure that your kind assistance in their distribution will have an extremely beneficial effect.

Thanking you for your sincere interest in the promotion of the study of chemistry, I am,

Very truly yours, W. F. KEOHAN.

—

DEPARTMENT OF THE INTERIOR,
BUREAU OF EDUCATION,
Washington, March 5, 1921.

Mr. W. F. KEOHAN,
Office Alien Property Custodian,
Sixteenth and P Streets NW., Washington, D. C.

MY DEAR MR. KEOHAN: Your letter of March 2 is found on my desk on my return to the office. I am glad to have the copies of the booklet, I will take steps at once for sending them out.

Yours sincerely,

P. P. CLAXTON, *Commissioner.*

—

DEPARTMENT OF THE INTERIOR,
BUREAU OF EDUCATION,
Washington, March 9, 1921.

DEAR SIR: I am sending you herewith a copy of "Treasure Hunting of To-day," which has been written at my request for the purpose of calling the attention of boys and girls to some of the things of interest in science as a study in school and college, and particularly to the important part which chemistry is beginning to play in our industrial and economic life—a part which will no doubt become much larger in the near future. The demand for technical chemists is constantly increasing, and the more we learn of chemistry the greater and more numerous are the possibilities of important new discoveries.

I wish to suggest to principals of high schools and presidents of normal schools that they read or have this leaflet read to their students in one or more daily assemblies or otherwise.

To colleges and universities and normal schools a sufficient number of copies is being sent for distribution among the various departments and for the tables of reading rooms and libraries.

Yours sincerely, P. P. CLAXTON, *Commissioner.*

—

NOVEMBER 23, 1920.

Mr. PHILANDER P. CLAXTON,
Commissioner of Education,
Department of the Interior, Washington, D. C.

DEAR SIR: At a time when the question of education is receiving such intense attention, both with regard to the supply of teachers and the nature of the courses followed, it may be of interest to you to know the opinion of one who has been both a teacher and a member of a corporation employing a great many research men.

The statement that the future of this country is dependent for its success on the quality of the research work done here and that the research work is in turn primarily dependent on the instruction furnished in our grade schools is not expressing the case too forcibly.

The paper which I inclose is far too brief to do justice to the importance of the subject, but it has served to arouse comment which may ultimately result in constructive efforts being made which will play some small part in the future development of educational methods in this country.

Yours very truly, ROBERT E. ROSE.

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DEPARTMENT OF THE INTERIOR,
BUREAU OF EDUCATION,
Washington, D. C., November 24, 1920.

Mr. ROBERT E. ROSE,
Chemical Department,
E. I. du Pont de Nemours & Co., Wilmington, Del.

DEAR MR. ROSE: I have your letter of November 23 and a copy of your pamphlet, "The Education of the Research Chemist." This will be called to Commissioner Claxton's attention as soon as he has the time to give it.

Sincerely yours, J. F. ABEL, *Chief Clerk.*

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DEPARTMENT OF THE INTERIOR,
BUREAU OF EDUCATION,
Washington, D. C., November 7, 1921.

Mr. ROBERT E. ROSE,
Care E. I. du Pont de Nemours & Co., Wilmington, Del.

MY DEAR MR. ROSE: I have just this morning read the reprint of your article, "The Education of the Research Chemist," which you were kind enough to send me some time ago. I have read it with very great pleasure, and am in full accord with your position in almost every part of it. I wish this could get to a very large number of educators—principals of high schools and presidents of colleges and universities. How many reprints did you have made? Would it be possible for this bureau, without cost to it, to have 15,000 or 20,000 copies for distribution?

Yours sincerely, P. P. CLAXTON, *Commissioner.*

—

E. I. DU PONT DE NEMOURS & CO.,
DYESTUFFS SALES DEPARTMENT, TECHNICAL LABORATORY,
P. O. Box 518, Wilmington, Del., March 17, 1921.

Mr. PHILANDER P. CLAXTON,
Commissioner of Education, Washington, D. C.

DEAR MR. COMMISSIONER: I was very much pleased to have your opinion of my little article on the "Education of the research chemist" and to know that you feel that it would be an advantage to have this given wider publicity.

I am looking into the matter of obtaining sufficient reprints to supply your needs, and will let you know if I can manage to obtain them. I could let you have 300 copies at once, if you could make use of them.

With kind regards, I am,

Yours sincerely, R. E. ROSE.

—

DEPARTMENT OF THE INTERIOR,
BUREAU OF EDUCATION,
Washington, March 21, 1921.

Mr. R. E. ROSE,
P. O. Box 518, Wilmington, Del.

DEAR SIR: In the absence of Commissioner Claxton, who is in the Middle West, I am acknowledging your letter of March 17. Doctor Claxton will be back in Washington at the end of this week, and I will submit your letter to him at the first opportunity.

In the meantime I would suggest your sending the 300 copies of your article which you say you can spare, as I am sure he can make good use of them.

Yours sincerely, THEO. HONOUR,
Secretary to the Commissioner.

—

E. I. DU PONT DE NEMOURS & CO., DYESTUFFS DEPARTMENT,
SALES DIVISION TECHNICAL LABORATORY,
Post-office box 518, Wilmington, Del., May 11, 1921.

Mr. PHILANDER P. CLAXTON,
Commissioner of Education, Washington, D. C.

MY DEAR COMMISSIONER: Under separate cover I forwarded to you 300 reprints of my article on the "Education of the research chemist" which you were kind enough to say you thought you could use to good advantage.

I have not yet been able to make arrangements to have a larger number printed, but I have not lost hope of being able to do so.

Yours very truly,

R. E. ROSE.

—

DEPARTMENT OF THE INTERIOR,
BUREAU OF EDUCATION,
Washington, May 13, 1921.

Mr. R. E. ROSE,
P. O. Box 518, Technical Laboratory,
E. I. du Pont de Nemours & Co., Wilmington, Del.

MY DEAR MR. ROSE: I wish to thank you for the 300 reprints of the article "Education of the research chemist." Have these been sent to

the libraries of the better colleges and universities? If not, it occurs to me that this would be the best use to make of them.

Yours sincerely,

P. P. CLAXTON, *Commissioner.*

—

E. I. DU PONT DE NEMOURS & Co., DYESTUFFS DEPARTMENT,
SALES DIVISION, TECHNICAL LABORATORY,
Post-office box 518, Wilmington, Del., May 17, 1921.

Mr. PHILANDER P. CLAXTON,
Commissioner of Education, Washington, D. C.

DEAR MR. COMMISSIONER: With regard to the reprints of the article "The education of the research chemist," I have to inform you that these have not been sent to the libraries of the better colleges and universities. It seems to me that this would be a very excellent way of making use of them.

Yours sincerely,

R. E. ROSE.

—

DEPARTMENT OF THE INTERIOR,
BUREAU OF EDUCATION,
Washington, May 28, 1921.

Mr. R. E. ROSE,
Post-office box 518, Wilmington, Del.

DEAR MR. ROSE: I take pleasure in advising you that we are now mailing the 300 copies of your article on "The education of the research chemist" to the libraries of the more important universities and colleges in the United States.

Yours sincerely,

L. A. KALBACH, *Chief Clerk.*

Mr. MOSES. It is, perhaps, not without interest to note that of the eight letters written to the Bureau of Education by way of seducing it into this scheme five came from the Du Pont Co., one from the Chemical Foundation, one from the Alien Property Custodian, and one from Yale College.

Mr. KING. Mr. President, I did not hear to whom those letters were sent.

Mr. MOSES. These eight letters were addressed to the Bureau of Education.

FIVE DOLLARS FOR A SENATOR.

As another example of the manner in which the dye makers have been able to hoodwink the public and to make use of governmental agencies for their private purpose, I desire to advert to the chemical industrial exhibit which occupied the boards at Rochester, N. Y.; Springfield, Mass.; Du Pont Hotel, Wilmington, Del.; Chicago; and Philadelphia, which found temporary shelter in both the Senate and House Office Buildings, which is now permanently installed at the National Museum, and which, in a condensed and highly idealized form, was paraded before the Shortridge committee. The exhibit as it appeared in this last-named place, Mr. President, constituted a demonstration of scientific processes such as never was on land or sea; and in one or more of the various forms in which this peripatetic pageant of plutocracy held sway in Washington its drawing power was so scant that professional pullers-in were employed to find sightseers at a price per head ranging as high as $5 apiece for a Senator—prices for Representatives and other public officials not quoted. I may add that I have in my possession an affidavit to this effect.

The origin of this exhibit, Mr. President, is shrouded in some mystery. The first authentic reference to it which I have been able to find is contained in a letter from O. E. Roberts, jr., captain in the Chemical Warfare Service and head of the chemical relations section. Writing under date of January 16, 1920, to an officer of the National Aniline & Chemical Co., Captain Roberts refers to plans for an exhibit which he says are "rather up in the air," the Chief of Staff having refused to sanction the project as originally proposed. Captain Roberts, however, was hopeful, and promised to take the matter up again with a view to modifying his request for funds so that the general plan might be adopted. It appears, Mr. President, from the photostat copies of official correspondence which I have before me, that the higher ups in the War Department were wary in their use of public money for private propaganda; but, since no question of money has ever yet served to check the dye propagandists in their work, that obstacle was readily overcome. Funds were provided from various sources; and, in a later letter from Captain Roberts addressed to the chemical department of the Du Pont Co., he voiced his appreciation of "heartfelt cooperation" which he had received from that benevolent institution. Still later, writing to the secretary of the American Dyes Institute, Captain Roberts requested the approval of the institute and its authority—presumably meaning its funds—for the purpose of commencing the preparation of the second exhibit to be sent to Philadelphia; and on the same day, in order to emphasize the urgency of the situation, he telegraphed to Doctor Isermann, of the Chemical Co. of America, and to an official of the Du Pont Co., requesting like "authority." It is evident, Mr. President, that Captain Roberts is a resourceful person who believes in having more than one string to his bow.

Later, writing to an officer of the Calco Chemical Co., Captain Roberts expressed the workings of his mind in connection with this exhibit. Indicating that since he did not know what agency would "stage" it in Philadelphia, he admitted a prejudice in the matter and a feeling—

that the Chemical Warfare Service is by all means fitted to stage such an exhibit.

He argued that—

the publicity thus gained is not considered in the light of propaganda and would be received by the general public in a better spirit than if it was staged as an exhibit of the dyes institute.

Five days after this artful suggestion, Captain Roberts again took his ready pen in hand once more to write to the secretary of the dyes institute, and said:

We have gone ahead with the preparation of this exhibit and have obligated ourselves for several thousand dollars. It is therefore requested that as soon as convenient you mail a check to cover the amount of the exhibit, as stated to your committee for our use—

And, of course, Mr. President, he thanked his correspondent for an early reply.

Mr. President, we thus see the Bureau of Education and the War Department, two great agents of the Government, victimized by the dye makers of the country, and our public agencies turned to use in private propaganda. Small wonder that many well-meaning and impulsive people, including Senators, have been duped by what they thought to be their own Government advocating this vicious legislation; though the proof is here clear that it was merely the work of a corrupt and unscrupulous group of monopolistic profiteers.

Mr. President, if we turn now to the Summary of Tariff Information, so well thumbed by Senators who have taken part in the debate on this bill, on page 79 we may read:

Previous to the war the domestic synthetic dye industry was restricted to assembling a limited number of dyes from intermediates imported from Germany. In 1914, 6,619,729 pounds of coal-tar dyes, valued at $2,470,096, were made from imported intermediates (aniline in part excepted).

During the war the failure of the foreign supply and the great needs of the domestic consumer, combined with great initiative on the part of the dye makers, gave rise to the rapid development of dye manufacturing. In 1917, 45,977,246 pounds were produced, increasing to 88,263,776 pounds in 1920.

According to the same authority, Mr. President, our production in 1914 was only 6,619,729 pounds, with a value of $2,470,096, whereas in 1920 the production, which I have named, was valued at $95,613,749. In other words, both production and value have risen together. In 1914 the importation and production combined were slightly less than 53,000,000 pounds, and their value about $13,000,000, or an average price of less than 25 cents per pound. In 1920 production and importation had risen to 92,000,000 pounds, in round numbers, with a value of more than $100,000,000, or about $1 per pound. During the same period our exports in all classes of dyes have risen to nearly $30,000,000, or an amount three times the value of our total importations from Germany prior to the war. These figures, Mr. President, show that the dye industry in this country has far transcended the 60 per cent of total consumption which the dye makers in 1916 set for themselves as the limit at which they would begin to reduce their demand for protection; yet in spite of this, sir, we find them here impudently demanding a total embargo against all competition from abroad at a time when the chief members of the group are in a position to strangle equally all competition at home.

IS THERE A MONOPOLY?

This latter fact is evident, Mr. President, from the undisputed assertion made before the Shortridge committee that two dye makers in America to-day produce substantially 70 per cent of the total American dye output. These two producers are the National Aniline & Chemical Co., whose output, admitted by itself, is substantially 40 per cent of the total American production; and the Du Pont Co., whose output is more nebulously stated by its president to be about one-sixth of the total production. These per cents combined, Mr. President, account for nearly 60 per cent of the total American production; and it is significant that neither producer saw fit to dispute the assertion of the junior Senator from Utah that the two companies combined handle 70 per cent of the American dye output.

Mr. President, I do not need to argue from this that monopoly exists in the dye business in America; the figures speak for themselves. And they are strengthened each day in Washington by the close correlation and cooperation of the energetic lobbies of these two concerns in a manner to indicate something at least as strong as a gentleman's agreement.

I shall speak in detail of but one of these companies. The E. I. du Pont de Nemours Co. possessed a long and honorable record in American industry up to 20 years ago, at which time

the copartnerships and corporate forms under which its business had been conducted were taken over by a new corporation, which so speedily wandered into evil ways and so soon found itself upon evil days that in 1907 it was proceeded against by the Federal Government and dissolved as a corporation existing in violation of the antitrust law. Having been told then by the courts what they could not do, the Du Ponts have since found able counsel to tell them what they may do. And as a result to-day we find them not only in the manufacture of explosives, which have made the Du Pont name famous, but engaged in the production of dyes to an extent substantially monopolistic, and having a dominant position in such widely varied fields of enterprise as phonographs, automobiles, artificial leather, hard fiber, celluloid, moving-picture films, artificial silks, paints, varnishes—and politics.

At the outbreak of the war, and I quote now, Mr. President, from an article appearing in The Nation's Business for October, 1921, written by Pierre S. du Pont, chairman of the Du Pont Co., its capital assets were about $80,000,000, and its annual business amounted to about $26,000,000. It has since expanded, according to the same authority, to a business of over $300,000,000 a year, and to an investment "in factories for the production of special military explosives of $220,000,000." Its total net profits in six recent years have amounted to $257,000,000, as shown by a computation of figures taken from Moody's Manual.

WHERE DID THEY GET IT?

The reluctant Mr. du Pont will probably never tell in what manner his company was permitted thus to swell its assets and its profits. May I in some small measure, Mr. President, supply his omission?

I have here a tabulation drawn from official sources showing that, beginning with January 10, 1918, and running through to a latest date of February 11, 1919, the Du Pont Co. and two of its subsidiaries secured advances from the Federal Treasury in the gross sum of $99,250,552.80. This money, Mr. President, was paid for the purpose of creating huge establishments which bear the Du Pont name and which were devoted to furnishing supplies to the Government during the war. Thus the people of the United States not only financed the Du Ponts in the tremendous extension of their business but were also mulcted by the Du Ponts to an extent which enabled the company to increase its plant value to an admitted $220,000,000, while at the same time taking out net profits which in one year amounted to $129,000,000.

THE LUCKY DU PONTS.

The Du Ponts still hold, as of July 1, 1922, $35,121,066.02 of Government funds unaccounted for, although the war ended almost four years ago. On practically none of this $100,000,000 of public money advanced to them did the Du Ponts pay interest; and the only security they ever gave for any portion of this huge sum of the public's funds was their own notes or bonds. Lucky, indeed, Mr. President, is that company which, desiring to extend its business, can float its issues of securities through the Federal Treasury, and luckiest of all are the Du Pont companies.

I ask that the table to which I refer may here be printed in my remarks without reading, so that Senators who doubt my conclusions may study the figures from the RECORD to-morrow at their leisure.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Advance payments made by War Department to the Du Pont interests, 1918–19.

THROUGH WAR CREDITS BOARD.

Company.	Amount advanced.	Date.	Interest.	Security.
E. I. du Pont de Nemours.	$750,000.00	Jan. 10, 1918	None.....	Demand note, $27,484,264.29; endorsed P. S. Du Pont, J. J. Raskob.
Do.....	26,734,264.29	.....do.....	.....do.....	Do.
Du Pont Engineering Co.	1,556,250.00	Apr. 24, 1918	7 and 6 per cent.	Bond, $2,000,000, Du Pont de Nemours.
Do.....	713,800.00	May 23, 1918	.....do.....	Bond, $725,000, Du Pont de Nemours.
Do.....	1,000,000.00	Aug. 16, 1918	.....do.....	2 bonds, $800,000 each, Du Pont de Nemours.
Total advanced through War Credits Board.	30,754,314.29			

Advance payments made by War Department to the Du Pont interests, 1918–19—Continued.

THROUGH SECRETARY OR ASSISTANT SECRETARY OF WAR.

Company.	Amount advanced.	Date.	Interest.	Security.
E. I. du Pont de Nemours.	$1,237,500.00	Aug. 22, 1918	None.....	None of record.
Do.....	8,413,600.00	Sept. 25, 1918	.....do.....	Bond of company.
Do.....	2,888,361.00	Oct. 18, 1918	.....do.....	Do.
Do.....	1,652,777.51	Oct. 28, 1918	.....do.....	Do.
Do.....	1,150,944.26	.....do.....	.....do.....	Do.
Do.....	5,849,055.74	Feb. 11, 1919	.....do.....	Do.
	21,192,238.51			
Du Pont Engineering Co.	18,750,000.00	Mar. 29, 1918	.....do.....	None of record.
Do.....	6,318,000.00	May 24, 1918	.....do.....	Bond of company.
Do.....	6,318,000.00	Sept. 15, 1918	.....do.....	Do.
Do.....	4,200,000.00	Oct. 9, 1918	.....do.....	Do.
Do.....	2,000,000.00	Dec. 23, 1918	.....do.....	Do.
Do.....	4,318,000.00	Dec. 26, 1918	.....do.....	Do.
	41,904,000.00			
Du Pont American Industries.	5,400,000.00	Jan. 15, 1919	.....do.....	Do.

RECAPITULATION.

Advances made through War Credits Board:	
To E. I. du Pont de Nemours & Co	$27,484,264.29
To Du Pont Engineering Co	3,270,050.00
Advances made through Secretary or Assistant Secretary of War:	
To E. I. du Pont de Nemours & Co	21,192,238.51
To Du Pont Engineering Co	41,904,000.00
To Du Pont American Industries Co	5,400,000.00
Total of advances made	99,250,552.80

[NOTE.—Of the total amount advanced, $99,250,552.80, there remained unrecouped as at July 1, 1922, $35,121,066.02, not including interest due on advances to Du Pont Engineering Co., as authorized by War Credits Board.]

Mr. MOSES. It must not be forgotten, Mr. President, that in addition to these millions of proceeds which were derived from our Liberty loan drives, and which were paid direct to the Du Ponts from the American people's own Treasury, the Du Ponts received what probably will be found to be an even larger number of millions of American money, similarly derived and paid from the loans which we made to the foreign Governments and which we are now trying to recover. To the senior Senator from Utah, being a member of the commission which has this matter in hand, I commend the task of endeavoring to find how many of the American taxpayers' dollars flowed into the coffers of the Du Ponts through foreign channels.

I assume, Mr. President, that Senators who vote for this proposed embargo can do so only upon the theory that the largess of the American people to the Du Ponts is not yet sufficient and that it should be supplemented by the gift contained in the outrageous legislation which they demand in this bill.

The Du Ponts entered the dye business in 1917, its beautifully printed announcement bearing date of July of that year. It started, as the announcement reads, with four organized factors to insure success—the necessary raw materials; a splendid chemical and engineering organization; unequaled plant and laboratory facilities; and an adequate commercial organization.

SEEKING TO DIVIDE THE WHOLE WORLD.

To this they should have added a fifth, comprising the contract which they had made seven months earlier with Levinstein (Ltd.), a British corporation, with whom they sought to divide the world, Levinstein to have Great Britain and its possessions, except Canada, a portion of Europe and other countries, except those in which the Du Ponts had exclusive rights, while the Du Ponts were to have the United States and all its possessions, Mexico, Central and South America, and nonexclusive rights throughout all the world except where Levinstein could preempt them. This contract came to light through the breach of a second contract entered into by the Du Ponts and one Edgar Levinstein, of Boston, who sued the Du Ponts for $1,000,000 in litigation filed in the Federal courts in May, 1920. This suit was never brought to trial. It was settled out of court, but no one knows the terms of settlement. I hope it is no injustice to suppose that the Levinstein contract still exists and that Levinstein and the Du Ponts still are monarchs of all they survey.

In the three years of this dye discussion we have heard much, Mr. President, about the German cartel, and especially about the Badische Co., which, as everyone knows, is the chief German producer of dyestuffs. The cartel and the Badische have been held up before us as the bogie men of the dye world. And we have been repeatedly and solemnly warned to have no traffic or communication with them or to permit them an approach to our shores within the limit of the 3 maritime miles within which the Volstead Act is operative.

A PROPOSED DEAL WITH THE GERMANS.

Nevertheless, we find—and I have here an affidavit in proof of the disclosure—that on the 21st of November, 1919, there gathered in Zurich, Switzerland, Mr. Mead, a vice president of the Du Pont Co.; Mr. Laffey, an attorney for the Du Ponts; Mr. Morris Poucher, whose name is redolent of all that smells of Du Pont; Mr. Eysten Berg, and Dr. E. C. Kuntz, neither of whom I can sufficiently identify. They had journeyed to Zurich for the purpose of conferring with Dr. Carl Bosch, Dr. R. Bohn, two directors of the Badische Co., and Dr. Ernst Schwartz, another representative of the same malignant organization. The object of their travels was to procure the adoption of a plan, proposed by Mr. Poucher and aiming at a trade arrangement between the German works and the Du Ponts. The Badische declined to enter into the arrangement.

CHINA, TOO.

Undismayed by the disaster which had overtaken their monopolistic contract with Levinstein and undaunted by the rebuff received from the Badische Co., the Du Ponts continued to seek new worlds to conquer, and on June 24, 1921, the Republic of China issued a bulletin announcing that the Du Ponts were planning to form a dye company in China in connection with Doctor Wang and Mr. Nieh. This step was taken subsequent to an earlier proposal submitted by the Du Ponts to the American trade counsel in China, and by him reported on March 5, 1921, that his office should attempt to effect an arrangement whereby the Chinese Government would confiscate 18,000 trade-marks held by the Germans for dyes marketed in China and form a joint Chinese company or an American-British company to license these trade-marks from the Chinese Government. We thus see, Mr. President, how the beneficent, educational, patriotic, and eleemosynary principle of the Chemical Foundation was to be imposed upon the patient and long-suffering Chinese.

Mr. SHORTRIDGE. Would not the establishment of such a company over in China have been very beneficial to America?

Mr. MOSES. I am not so clear about that. At any rate, I decline to enter into that now, because I am reciting history.

On May 21, 1921, a memorandum on the dye industry in China was submitted to the British, French, and American Chambers of Commerce, the Du Pont representative modestly signing in last place on behalf of America, and recommending that the Reparation Commission be given authority, after consultation with the principal dye firms of the allied nations, to impose an export duty on dyes from Germany which would be high enough to protect the firms in the least favored of the allied nations as regards exchange—meaning America—and thus to enable the Du Ponts to secure a firm foothold from which to seize the lion's share of the dye business in China.

For more than a year now, Mr. President, I have heard nothing of the imperialistic plans of the Du Ponts in Europe or in the Orient. It is probable that both schemes have crashed to the ground; a probability strongly reinforced by the pressure which the Du Ponts are now making to secure for themselves an embargo in the American market in order that they may mulct from American consumers the sums which they have found themselves unable to take from war-stricken Europeans or the simple-minded orientals.

Mr. President, I now ask to have inserted at this point as a portion of my remarks without reading certain exhibits, which at my written request were admitted as evidence before the Shortridge committee. These exhibits, and indeed the entire testimony taken by the Shortridge committee, are unavailable for the general use of Senators or others interested, because the proceedings before that committee have not yet been printed, and I say this in extenuation of the voluminous documents which I here submit.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

TREATY OF VERSAILLES, PART VIII, ANNEX VI.

1. Germany accords to the Reparation Commission an option to require as part of reparation the delivery by Germany of such quantities and kind of dyestuffs and chemical drugs as the commission may designate not exceeding 50 per cent of the total stock of each and every kind of dyestuff and chemical drug in Germany or under German control at the date of the coming into force of the present treaty. This option shall be exercised within 60 days of the receipt by the commission of such particulars as to stocks as may be considered necessary by the commission.

2. Germany further accords to the Reparation Commission an option to require delivery during the period from the date of the coming into force of the present treaty until January 1, 1920, and during each period of six months thereafter until January 1, 1925, of any specified kind of dyestuff and chemical drug up to an amount not exceeding 25 per cent of the German production of such dyestuff and chemical drugs during the previous six months' period. If in any case the production during such previous six months was, in the opinion of the commission, less than normal, the amount required may be 25 per cent of the normal production. Such option shall be exercised within four weeks after the receipt of such particulars as to production and in such form as may be considered necessary by the commission; these particulars shall be furnished by the German Government immediately after the expiration of each six months' period.

3. For dyestuffs and chemical drugs delivered under paragraph 1 the price shall be fixed by the commission, having regard to pre-war net export prices and to subsequent increases of cost. For dyestuffs and chemical drugs delivered under paragraph 2 the price shall be fixed by the commission, having regard to pre-war net export prices and subsequent variations of cost or the lowest net selling price of similar dyestuffs and chemical drugs to any other purchaser.

4. All details, including mode and times of exercising the options and making delivery and all other questions arising under this arrangement, shall be determined by the Reparation Commission; the German Government will furnish to the commission all necessary information and other assistance which it may require.

5. The above expression "dyestuffs and chemical drugs" includes all synthetic dyes and drugs and intermediates or other products used in connection with dyeing so far as they are manufactured for sale. The present arrangement shall also apply to cinchona bark and salts of quinine.

—

SEPTEMBER 29, 1919.

A. M. PATTERSON, Esq.,
President Textile Alliance (Inc.), New York City.

DEAR SIR: Negotiations are now being carried on in Paris by the representatives of the allied and associated Governments for the purpose of securing the early delivery of German dyes at prices similar to those described in Annex VI of Part VIII of the treaty of peace with Germany. For your convenience, there is inclosed herewith a copy of War Trade Board Ruling 819, in which the provisions of Annex VI are set forth in detail.

The War Trade Board Section of the Department of State has determined to permit the importation of vat dyes from Germany in quantities sufficient to supply the requirements of the consumers in the United States for a six months' period, October 1, 1919, to April 1, 1920, and it may be desirable that manufacturers in the United States are enabled to avail themselves of the benefit of such plan as may result from the current negotiations in securing the above-mentioned quantities of vat dyes. To bring this about it would be necessary to designate a central agency to act as an intermediary between the consumers of dyes in the United States and the allied authorities from or through whom the dyes are to be secured. The Department of State would be prepared to designate the Textile Alliance (Inc.) as such agency to perform the following services under the terms and conditions hereinbelow set forth:

(1) The War Trade Board Section of the Department of State will issue allocation certificates to consumers in the United States, stating that said consumers are entitled to secure the importation from Germany of the vat dyes specified in such certificates.

(2) The War Trade Board Section of the Department of State will advise consumers of such arrangements as may result from the current negotiations and will also inform them that the Textile Alliance (Inc.) has been designated to act in the capacity described in this letter.

(3) The Textile Alliance (Inc.) will accept from consumers holding the above-mentioned allocation certificates orders for vat dyes in amounts not exceeding the amounts specified in such certificates.

(4) The prices to be paid for the dyes so ordered will be the prices agreed upon in Paris and communicated to the Textile Alliance (Inc.) by its representatives in Paris, hereinafter mentioned in paragraph (5). The terms and method of payment for all dyes ordered through the Textile Alliance (Inc.) will be prescribed by the Textile Alliance (Inc.) to accord with such arrangements as may result from the pending negotiations, and they will be subject to the approval of the War Trade Board Section, and subject also to the conditions hereinbelow in paragraph (6) contained.

(5) The Textile Alliance (Inc.) will send a representative to Paris. Said representative will receive by cablegram from the Textile Alliance (Inc.) complete information as to the dyes which have been ordered through the alliance as described above, and he will place these orders with or through the allied authorities and will attend to all the details connected with the acquisition of and payment for the dyes and their shipment to the Textile Alliance (Inc.) for distribution to the consumers who have ordered them. In all these matters the representative of the alliance will receive the cooperation and advice of Dr. Charles H. Herty, who is now in Paris as a representative of the War Trade Board Section.

(6) The Textile Alliance (Inc.) will be entitled to charge a commission for the services rendered by it, which commission shall be sufficient to defray all expenses incurred in carrying out the plan and performing the acts described in this letter; but it is to be understood that the alliance will not retain any profits arising out of this transaction and that any overplus remaining out of commissions collected, after the payment of all expenses, will be distributed pro rata among the consumers by whom such commissions shall have been paid.

The department desires to be advised at an early date whether the Textile Alliance (Inc.) would be willing to perform the services described in this letter, provided the situation would seem to make such an arrangement desirable.

Very truly yours,

WILLIAM PHILLIPS,
Acting Secretary.

—

(Copy to F. A. Fleisch, vice president Textile Alliance (Inc.), 45 East Seventeenth Street, New York City.)

WAR TRADE BOARD,
Washington, October 10, 1919.

IMPORTATION OF GERMAN VAT DYES.

SIRS: 1. Referring to paragraph 7 of our circular letter of October 1, 1919, the War Trade Board Section is now able to advise you that negotiations referred to in said paragraph have resulted in the adoption of a plan under which a substantial portion of the German vat dyes, covered by the vat-dye certificates issued by the War Trade Board Section on the date above mentioned, may be secured at prices agreed upon by the interallied authorities at Paris.

2. The Textile Alliance (Inc.), of 45 East Seventeenth Street, New York City, has been designated as the sole official agency to administer the provisions of the above-mentioned plan and to import and distribute the dyes which will be secured thereunder.

3. Holders of allocation certificates who desire to avail themselves of the provisions of said plan should immediately assign and forward their vat-dye certificates to the Textile Alliance (Inc.).

4. It is impossible at the present time to state definitely the exact amount of vat dyes which will be immediately available under the

above-mentioned plan. A determination of the amounts which may be secured by the holders of vat-dye certificates can not be made until the Textile Alliance (Inc.) has been advised of the exact quantities desired to be purchased by certificate holders. Accordingly, holders of certificates, when forwarding the same, should advise the Textile Alliance (Inc.) of the amounts of vat dyes (not exceeding, however, the amounts allocated to them) which they wish to secure through the Textile Alliance (Inc.) and authorize the Textile Alliance (Inc.) to purchase the same for their account, it being understood that the Textile Alliance (Inc.) shall be entitled, in the event it should prove impossible to secure the entire amounts of the various dyes so applied for, to sell and deliver to each certificate holder his pro rata share of the total amount obtainable.

5. All holders of vat-dye certificates who desire to participate in the above-mentioned plan must deliver their certificates to, and place their orders through, the Textile Alliance (Inc.), as provided in the foregoing paragraphs 3 and 4, on or before October 31, 1919.

6. The Textile Alliance (Inc.) will be prepared within the next few days to inform certificate holders of the further details of the plan herein described, including the prices of various vat dyes, the terms of payment, and the time and manner of delivery.

7. The purchase, importation, and distribution of all vat dyes acquired under the above-mentioned plan will be effected at cost and without profit to the Textile Alliance (Inc.), and, accordingly, it is hereby prescribed as a condition of participation in said plan that all persons participating therein shall release and hold harmless the Textile Alliance (Inc.) and its officers, agents, and employees from any and all claims or liability arising in connection with any importations, sales, or deliveries of the vat dyes hereinabove referred to.

Very truly yours,

WAR TRADE BOARD SECTION,
BUREAU OF IMPORTS.

WAR TRADE BOARD,
Washington, D. C., November 26, 1919.

IMPORTATION OF GERMAN DYES OTHER THAN VAT DYES.

SIRS: (1) The War Trade Board section has issued to you and transmits herewith "nonvat-dye allocation certificate," stating that the War Trade Board section will issue a license for the importation, for your use, of the amount of German nonvat dyes stipulated in the inclosed certificate for consumption in your plant during the six months' period November 15, 1919, to May 15, 1920. The War Trade Board section is now prepared to issue licenses for the importation of the above-mentioned dyes in accordance with the regulations hereinafter set forth.

(2) All nonvat-dye allocation certificates are issued by the War Trade Board section upon the express condition that the consumers to whom they have been issued shall file with the War Trade Board section, on the dates hereinafter specified, statements of the following character, to wit:

(a) On or before March 1, 1920, a sworn statement showing that the dyes covered by said certificates have been actually delivered to said consumers, or the reasons why such delivery has not been made.

(b) On or before June 1, 1920, a sworn statement showing, respectively, the amounts of said dyes which have been actually consumed during the above-mentioned six months' period, and the amount thereof remaining in the hands of said consumers on said date.

The acceptance of a nonvat-dye allocation certificate will be held to constitute an agreement by the consumer to whom said certificate has been issued to file with the War Trade Board section the statements hereinabove described.

(3) Licenses for the importation of German nonvat dyes will be issued only when the applications for import licenses are accompanied by nonvat-dye allocation certificates issued by the War Trade Board section.

(4) If the application for import license is to be made by an importer or any person other than the person to whom such certificate has been issued, the holder of such certificate must assign the same to the applicant for the import license by executing the authorization appended to the certificate. The assignment of such certificate will be permitted only upon the express condition that the assignee of such certificate shall file with the War Trade Board section the sworn statement described in paragraph (a) or part (2) of these regulations, and the acceptance of such assignment will be held to constitute an agreement by said assignee to file such sworn statement with the War Trade Board section.

(5) A separate application for import license must be filed for each allocation certificate. For your convenience there is inclosed herewith copy of application Form "M."

(6) With respect to all applications for import licenses filed pursuant to these regulations, the War Trade Board section has waived the requirements that such applications must be accompanied by the supplemental information sheets heretofore prescribed to be used in connection with the importation of dyes. (See W. T. B. R. 825, issued August 15, 1919.)

(7) In this connection the War Trade Board section advises you that as the result of certain recent negotiations between the representatives of the allied and associated Governments and of the German Government a substantial portion of the German nonvat dyes covered by the nonvat-dye certificates, which have been issued by the War Trade Board section to satisfy the requirements of consumers for the six months' period November 15, 1919, to May 15, 1920, has been made available to consumers in the United States at prices agreed upon by the interallied authorities at Paris.

(8) The Textile Alliance (Inc.), of 45 East Seventeenth Street, New York City, has been designated as the sole official agency to import, on behalf of consumers, such part of the total allocation of nonvat dyes as has been made available as the result of the negotiations referred to above, and to the extent to which consumers may desire to obtain a part of their requirements from that source. Importation through the Textile Alliance (Inc.) is optional with the consumer and not mandatory, but consumers who desire to import dyes which have been made available as the result of the negotiations referred to above must do so exclusively through the Textile Alliance (Inc.).

(9) Holders of allocation certificates, who desire to import through the Textile Alliance (Inc.) from the official source referred to above, should assign and forward their nonvat dye certificates to the Textile Alliance (Inc.).

(10) It is impossible at the present time to state definitely the exact amount of nonvat dyes which will be immediately available to each consumer from the official source referred to above. A determination of the amounts which may be secured by the holders of nonvat dye certificates can not be made until the Textile Alliance (Inc.) has been advised of the exact quantities desired to be purchased by certificate holders. Accordingly, holders of certificates, when forwarding the same, should advise the Textile Alliance (Inc.) of the amounts of nonvat dyes (not exceeding, however, the amounts allocated to them) which they wish to secure through the Textile Alliance (Inc.), and authorize the Textile Alliance (Inc.) to purchase the same for their account, it being understood that the Textile Alliance (Inc.) shall be entitled, in the event it should prove impossible to secure the entire amounts of the various dyes so applied for, to sell and deliver to each certificate holder his pro rata share of the total amount obtainable.

(11) All holders of nonvat dye allocation certificates who desire to import through the Textile Alliance (Inc.), must assign and deliver their certificates to and place their orders through the Textile Alliance (Inc.) as provided for in the foregoing paragraphs 9 and 10, not more certificate herein described.

(12) The Textile Alliance (Inc.) is prepared to inform certificate holders of details in relation to prices, terms of payment, and time and manner of delivery.

(13) The purchase, importation, and distribution of all nonvat dyes acquired under the above-mentioned plan will be effected at cost and without profit to the Textile Alliance (Inc.) and, accordingly, it is hereby prescribed as a condition of participation in said plan that all persons participating therein shall release and hold harmless the Textile Alliance (Inc.) and its officers, agents, and employees from any and all claims or liability arising in connection with any importations, sales, or deliveries of the nonvat dyes hereinabove referred to.

Very truly yours,

WAR TRADE BOARD SECTION,
BUREAU OF IMPORTS.

APRIL 10, 1920.

In reply refer to Ta.

THE TEXTILE ALLIANCE (INC.),
New York City.

GENTLEMEN: I beg to refer to conferences held recently between Mr. Van S. Merle-Smith, of this department, and a representative of your company with regard to the purchase of 1,200 tons of German dyes, available under option to the United States.

By agreement entered into in connection with the peace negotiations the German Government gave to the allied and associated powers a right of option to dyes from impounded stocks as well as from subsequent production of German manufacturers. Inventories were furnished by the German authorities covering impounded stocks as of August 4, 1919. These inventories contained also the prices at which Germany desired to receive credit for these dyes on account of the claims of the allied and associated powers. These prices were stated in German marks, upon the understanding that credit would be given for the marks at the rate of exchange current on the date of delivery of the dyes by the shippers to the transportation company, as evidenced by the bill of lading.

The total amount of dyes covered by the inventories was approximately 20,000 metric tons, of which the allied and associated powers were entitled to receive not to exceed 50 per cent.

Thus far there has been but a partial allocation of these impounded dyes among the allied and associated powers. The apportionment amounted in all to 5,200 metric tons, of which the United States was given the right to take, at the prices above referred to, an amount up to 1,500 metric tons, without restriction as to colors, except that the amount taken of any one color was limited to 10.22 per cent of the total stock of that particular color, as covered by the inventories above referred to.

American consumers were informed of this 1,500 tons of German dyes available from this source and were given an opportunity to order therefrom through the Textile Alliance (Inc.) such colors and amounts as were permitted to be imported under governmental regulations. Only 300 tons were so ordered. There remain approximately 1,200 tons still available to the United States at the prices above referred to. Such dyes may be acquired at a price far below the present market value, and therefore present an exceedingly valuable asset, whether for internal use or for resale on foreign markets to which this country is entitled. We are informed that unless arrangements can be made allowing further time to the United States in which to exercise its option an order, with full specifications, must be given to the proper authorities in Paris, not later than April 15, 1920, by the United States or its nominee. In default of such order these 1,200 tons of dyes will revert to their source for reapportionment among the allied and associated powers and will be for the most part lost to this country, with detriment to American interests.

While recognizing the loss that would result if these dyes were allowed to revert, the department can not take upon itself the commercial function of purchase and sale. The Textile Alliance (Inc.), of New York, therefore, provided the necessity arises, is authorized to purchase in its private capacity in the interest of the people of the United States those 1,200 tons of dyes upon the following conditions:

1. The Textile Alliance (Inc.) will select such colors and may make trades with other nations during allocation of the colors as in its judgment may seem desirable and are approved by representatives of the Department of State. The alliance will fully cooperate with the proper officials of this Government in arranging the details of this transaction.

(a) The Textile Alliance (Inc.) will undertake to furnish to the proper authorities in Paris, not later than April 8, 1920, a formal order, together with specifications for these dyes not exceeding in all 1,200 tons, such order being conditional on the dyes being of standard quality and available at prices similar to those referred to in the second paragraph of this letter, and with the additional provision that the alliance shall not be required to pay for any of these dyes until delivery is accepted and receipted for by the alliance or a transportation company acting as its agent.

(b) The Department of State will in due course advise the Textile Alliance (Inc.) to whom the purchase price of these dyes is payable, and in what manner.

2. The following conditions shall apply to the importation and sale of these dyes by the alliance:

(a) The Textile Alliance (Inc.) will not import dyes into this country except in accordance with governmental regulations as to their entry into this country.

(b) In the sale of dyes which may be imported the Textile Alliance (Inc.) will not charge prices considered unreasonable by the Department of State. It shall conform with advices as to the policy of the War Trade Board or its successors, which shall be given for the purpose of protecting generally the interests of dye consumers and manufacturers,

and it shall discriminate in no way by price or otherwise between consumers that wish to purchase such dyes.

(c) The Textile Alliance (Inc.) may sell the dye abroad with the approval of the Department of State. The following considerations shall govern such approval by the Department of State:

"The retention for a reasonable period by the Textile Alliance (Inc.) of such dyes as may be necessary for import into the United States under governmental regulations; the prevention of 'dumping,'—dyes to be sold at reasonable market prices; the arrangement of sales so that as far as reasonably possible the marketing of these dyes will not compete with the sale of dyes exported from the United States."

3. It is recommended that until imported into this country for sale as provided above, the dyes shall be kept stored outside of this country.

4. The net profits accruing from the sale of these dyes by the Textile Alliance (Inc.) shall be paid into the Treasury on such conditions as shall be authorized by the Secretary of State and the Secretary of the Treasury: *Provided, however,* That the Textile Alliance (Inc.) may retain as a reserve fund to meet accruing expenditures such sums as may be agreed upon between the alliance and the proper officials of the State and Treasury Departments.

I am, gentlemen,

Your obedient servant (for the Secretary of State),

FRANK L. POLK,
Undersecretary.

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JUNE 30, 1920.

The TEXTILE ALLIANCE (INC.),
New York City.

GENTLEMEN: By agreements entered into in connection with the peace negotiations, the German Government has given the allied and associated powers options upon certain dyes of German manufacture, which options the United States Government has not yet exercised upon the following:

(a) Dyes herein referred to as Option A, being the final apportionment of impounded stocks covered by inventories of the German manufacturers as of August 30, September 5, 19, and 27, 1919. This option will expire August 10, 1920, if the United States does not by that date notify the Reparation Commission of its intention to exercise the option and specify the kinds and amounts of dyes wanted and furnish shipping directions to the German factories not later than September 1, 1920. You are in possession of the inventories referred to, containing prices, also lists showing the amount of each dye to be apportioned and this country's share. These inventories and lists will be identified for the purpose of any undertaking that may be entered into.

(b) Dyes herein referred to as Option B, being the present existing stocks manufactured between the dates of February 1, 1920, and June 30, 1920, both inclusive. Lists with prices are furnished by the Germans of dyes manufactured monthly. The option upon such dyes expires 90 days after each list is furnished to and approved by the Reparation Commission. None is yet approved. You are in possession of certain of these lists and others are to be furnished you in due course, all of which will be identified for the purpose of any undertaking that may be entered into. An agreement of similar nature is in contemplation whereby the United States shall have an option upon specified portions of the following:

(c) Dyes herein referred to as Option C, being the amount that may be produced by German manufacturers during the period of about five years, beginning with July 1, 1920, which amount it is said may be substantially the entire dye production of the German manufacturers in excess of the quantity required for current domestic consumption in Germany. It appears that in order to participate in Option C the United States must shortly express its intention of doing so without, however, committing itself to order, take or pay for any dyes whatsoever, but nevertheless preserving its right to such kinds and amounts within the limits of the option as it may from time to time desire after the dyes have been produced and definite prices established, which shall not exceed the lowest prices at which the Germans currently sell the same dyes to any purchaser, German or the other. There are known to be available under Options A and B appreciable amounts of colors now needed by American consumers and other colors which are quite certain to be badly needed a little later. It is reasonably certain that if Option C is not availed of consumers in this country will be at a serious disadvantage with foreign competitors. The Department of State, therefore, deems it essential that this option be exercised and that a suitable concern be found or forced to undertake the matter. Through previous similar undertakings the Textile Alliance has become experienced in these matters, and its services have been satisfactory to this department.

In view of all the foregoing circumstances the Department of State desires and requests and hereby authorizes the Textile Alliance to undertake upon the following terms and conditions, under Option A and Option B and also, if later found to be necessary, under Option C, the purchase of such available dyes as may be necessary for American consumption, or, in discretion of the Textile Alliance for foreign resale, as hereinafter provided:

1. It is understood the obligations to purchase on the part of the Textile Alliance pertain only to dyes of standard or pre-war quality. The State Department will render such assistance as may be proper to obtain redress in cases of dyes delivered being of inferior quality.

2. The prices to be paid by the Textile Alliance for all dyes that it may order under Options A and B shall be the price in marks that are quoted in the lists referred to, but payment shall be in dollars at the average rate of exchange established by the Federal reserve bank in New York for the week prior to the date of the bill of lading from point of origin.

3. No dyes shall be ordered for domestic consumption unless requested of the Textile Alliance (Inc.) by consumers or selected by the Textile Alliance and approved by the Department of State.

It shall be within the discretion of the Textile Alliance to order under Options A and B whatever dyes it may deem advisable for sale or exchange abroad, which sale or exchange shall be such as the Textile Alliance may deem to be satisfactory and without prejudice to the interests of American consumers and producers of dyes, it being understood that the Textile Alliance shall use its utmost endeavor to secure for American consumers the maximum amount of dyes wanted that are not produced in this country.

It shall be within the province of the Textile Alliance (Inc.) to negotiate for the sale of stocks of dyes included in Options A and B held through purchase or exchange by the Textile Alliance other than those dyes listed as importable by the Department of State, and to sell the same for consumption abroad to any firm, corporation, or individual in any country in the world, including the United States, its possessions and protectorates, providing the price charged by the Textile Alliance (Inc.) will in its judgment be fair and reasonable and not so low that such sale or sales might be considered as "dumping" of the dyes, or that when goods are dyed therewith the sale price of the dyes would allow foreign manufacturers of finished products to compete with American goods at a price impossible for American manufacturers to meet, or that so far as is reasonably possible the marketing of these dyes will not compete disadvantageously with the sale of dyes exported from the United States.

4. There shall be no obligations upon the Textile Alliance to receive or pay for any dye whatever excepting such kind and amount as it may order, and no obligation, excepting in the case of Option A, to order any dye until it shall have been manufactured, the price, rate of exchange, and terms definitely fixed, and a firm order received from consumer with suitable provision for payment. Both the Department of State and the Textile Alliance (Inc.) each reserve the right to abrogate at any time this agreement with respect to Option C dyes, without prejudice to anything to which the Textile Alliance or the Department of State shall at that time be committed.

5. No dyes shall be imported into the United States for domestic consumption without the approval of the Department of State or its nominee.

6. There shall be no discrimination in the sale of imported dyes in favor of or against any consumer in the United States, and the prices at which dyes are offered or sold for consumption in the United States shall be subjected to the approval of the Department of State or its nominee.

7. Upon the conclusion of the operations under this agreement by the Textile Alliance, the surplus moneys, if any, after the payment of all other expenses, shall be disposed of in the following manner to meet the conditions of underwriting which the Textile Alliance feels obliged to secure for its protection in connection with these operations:

"One-half to be paid into the United States Treasury. One-half to be retained by the Textile Alliance as a revolving fund so long as need may appear for funds to carry on other work upon request of the Department of State, and when such need shall have passed, the Textile Alliance shall devote one-half of the said revolving fund to educational and scientific institutions conducted for public benefit and not for profit; the remainder to be paid into the United States Treasury. Moneys paid into the Treasury shall be disposed of as Congress may direct. The Secretary of State, however, will make recommendations to Congress that said moneys paid into the Treasury be appropriated for educational and scientific purposes."

If any liabilities appear to exist upon the conclusion of operations, the Department of State will allow sufficient funds to be retained by the Textile Alliance (Inc.) to cover such liabilities.

It is contemplated settlements shall be made upon the conclusion of each operation if practicable.

8. Upon the acceptance of these undertakings by the Textile Alliance the Department of State shall instruct the embassy at Paris to notify the Reparation Commission, the German Government, and the German manufacturers that the Department of State has empowered the Textile Alliance (Inc.) to order and receive any or all of the dyes in question within the limits of the options on the understanding that the dyes so ordered shall be of standard quality and that all directions pertaining thereto will be given by the Textile Alliance direct to the German manufacturers or to the Reparation Commission through the proper American representatives.

9. The Department of State shall in due course advise the Textile Alliance to whom and in what manner the cost of the dyes shall be paid. The Textile Alliance shall not be obliged to pay for dyes until shipped and until the receipt of a bill therefor, nor shall it in the event of a deferred bill be obliged to pay more than the agreed prices with such interest, if any, as the Textile Alliance may have received thereon subsequent to the date of shipment.

10. At intervals of three months, or at such other times as the department may designate, the Textile Alliance shall render reports to the Department of State indicating the dyes that have been ordered, showing how disposed of, and at what prices. The Department of State shall have a right to audit the accounts covering transactions under this agreement if desired. Should the transactions of the Textile Alliance as evidenced by these reports or audits be unsatisfactory to the Department of State it shall have the right to require such changes as it may desire with respect to future transactions.

11. The Department of State will extend whatever assistance it may consistently offer in overcoming any obstacles the Textile Alliance may encounter in marketing dyes ordered under Option A.

I am, gentlemen,

Your obedient servant (for the Secretary of State),

NORMAN H. DAVIS,
Undersecretary.

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(Statement to the press for release in the ——— papers of September 8, 1920.)

WAR TRADE BOARD SECTION,
DEPARTMENT OF STATE.

GERMAN DYESTUFFS.

The United States Government, through the War Trade Board section of the Department of State has, in the interest of the people of the United States, authorized the Textile Alliance (Inc.), of New York City, to undertake, without profit to itself, the following action in connection with reparation dyes:

(1) To purchase certain dyes, being the final apportionment of impounded stocks covered by inventories of German manufacturers as of August 30, September 5, 19, and 27, 1919; in order that certain dyes which are not manufactured in this country and which are included in these impounded stocks might not be lost to the United States with detriment to American interests.

(2) To purchase dyes from the present existing stocks manufactured by Germany between the dates of February 1, 1920, and June 30, 1920, both inclusive, in order that certain dyes which are not manufactured in this country and which are included in these stocks might not be lost to the United States with detriment to American interests.

(3) If found to be necessary and advisable to purchase such dyes as may be required and ordered through it by American consumers from future daily production of German manufacturers for the four and one-half year period commencing July 1, 1920.

(4) The authority of the Textile Alliance (Inc.) to resell to American consumers the dyes acquired as above provided is subject to strict provisions regarding selling price and manner of sale, for the purpose of insuring fair and equal treatment to all consumers who may wish to avail themselves of the opportunity offered.

The Government has decided to exercise its option upon German impounded stocks and has authorized the Textile Alliance (Inc.) to pur-

chase these stocks in the interest of the American consumer. Under existing regulations of the War Trade Board section no dyes from these stocks may be imported by the Textile Alliance (Inc.) which are either manufactured here or for which suitable substitutes are manufactured here on reasonable terms as to price, quality, and production. No consumer will be allowed to receive more than a six months' supply of any dye at any one period from this source. Practically the same understanding is in effect regarding the daily production of the German factories from February 1 to July 30, 1920.

Regarding the subject of future daily production, the Department of State has received information which would indicate that for some time to come the German factories will not be in a position to supply all expected requirements of the allied and associated countries and to fill Government orders emanating from these sources. If these indications are correct, it would appear that unless this Government indicated a desire to exercise its option on future daily production and should render available machinery which would make it possible for American consumers, if they so desire, to obtain colors from this source, the American consumer might not be able to get such German dyes as he required. The consumer should clearly understand that he is not obligated or even advised to place orders through the machinery made available by the Government. If he believes that German dyes may be obtained from unofficial sources, he may, subject to the then existing import regulations, either order such dyes as he needs direct from the German manufacturer or through such agent or agency as he may designate.

If the consumer, however, can not obtain, or believes he can not obtain, dyes by other means, the Government can exercise its option on the subsequent daily production of the German factories and the Textile Alliance (Inc.) can transmit his orders for purchase from official sources.

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REPORT OF E. S. CHAPIN, PARIS REPRESENTATIVE OF THE TEXTILE ALLIANCE (INC.), WHO RETURNED TO NEW YORK SEPTEMBER 27, TO THE DYE ADVISORY COMMITTEE OF THE STATE DEPARTMENT, SEPTEMBER 29, 1920.

I will divide the report into four parts: First, the Herty option colors; second, the reparation colors from the impounded stocks; third, German daily production and the future; and fourth, general comments.

HERTY OPTION.

The orders placed with the cartel by the Textile Alliance from assignments to them of licenses under the first six months' allocation amounted to 1,700,000 pounds. Up to September 7 the cartel had delivered or were preparing to ship 1,200,000 pounds, approximately 70 per cent of the total orders. Of this, 374,000 pounds have been shipped from reparation sources, and 800,000 pounds, or 400 tons, have been shipped under the Herty option. There have been 124,000 pounds of cancellations, about 7 per cent of the total orders, leaving 397,000 pounds—that is, about 23 per cent—still to be delivered.

Orders placed were divided into vats and nonvats; 460,000 pounds of vats and 1,240,000 pounds of nonvats. The vat color orders are of especial interest. Of these, 83 per cent have been delivered. The cancellations of vat colors were practically negligible—that is, only 3,000 pounds—about two-thirds of 1 per cent. Of the 385,000 pounds of vat colors delivered 134,000 pounds have come from reparation and 251,000 pounds have been shipped under the Herty option.

The most notable aspect of the delivery of colors under the Herty option is the change in the attitude of the Germans from apparent hostility to active cooperation with the Textile Alliance. In February and early March they had offered against the Herty option the small sum of 192,000 pounds and gave little promise or encouragement of being able speedily to deliver further quantities. In the last four or five months, however, they have been able to deliver an additional 600,000 pounds.

As regards the vat colors, in March they stated that they could deliver about 40,000 pounds and held out no promise nor encouragement of being able to ship large quantities in the future, but since then they have shipped 210,000 pounds.

The record of the Badische Co. is especially interesting in connection with this change of attitude and improvement in performance by the Germans. The Badische Co. received 43 per cent of the orders placed; that is, 732,000 pounds out of 1,700,000 pounds; and of the vat colors 70 per cent of the orders; that is, 318,000 pounds out of 360,000 pounds. To date the Badische have delivered 625,000 pounds; that is, 85 per cent of their total orders; and of the vat colors they have delivered 280,000 pounds; that is, 89 per cent.

For months in letters and personal interviews various representatives of the cartel have insisted upon the "bonne velonte" of the cartel and their desire to do everything possible to cooperate with the Textile Alliance and to send their colors to the consumers in America.

Some comparisons are at times interesting and to the point. I was told by a British authority that Great Britain had secured on the free market up to August 1, 200 tons of German dyes. This should be compared with our figures of 400 tons as of September 7 plus the unknown quantity imported into the United States under license through other channels. It is quite evident that the cartel have made unusual efforts to send a large proportion of their free production to the United States. That they are anxious to sell to the United States came out quite strongly during my last trip to Germany. The representative of one of the factories asked me if they could not secure some more Herty option orders. I was in Frankfort on the 1st of September when the cartel was holding a special meeting and had at that time several interviews with representatives of different factories in which they showed the greatest desire to cooperate in numerous ways to place their colors in America.

REPARATION COLORS FROM THE IMPOUNDED STOCKS.

In the first place, we must note that the impounded stocks were not so large in tonnage as was currently believed last fall. Erroneous information then placed the impounded stocks at 40,000 tons, of which one-half—that is, 20,000 tons—was to be divided among the Allies. As a matter of fact, the total of the August 15 inventory of impounded stocks was 20,000 tons, of which 50 per cent—that is, 10,000 tons—was to be distributed among the Allies. There were in the impounded stocks 13,000 different types of colors.

The distribution of the impounded stocks among the Allies was done in two divisions: First, a division of 5,200 tons, commonly known as the 5,200-ton agreement, or the protocol of November 4. According to this arrangement the different allies were permitted to select certain colors not to exceed a certain percentage of each color and a certain gross tonnage; that is to say, the United States was allowed to choose 10.22 per cent of any color in the impounded stocks not to exceed a gross tonnage of 1,500 tons. France, for instance, was allowed to select 15 per cent of any color, not to exceed 1,000 tons, etc. Great Britain had the same allocation as the United States.

The United States allocation of 1,500 tons was taken in two different lots, known respectively as the 300-ton lot and the 1,200-ton lot. The 300-ton lot included the 374,000 pounds above mentioned as having been shipped against the first six months' allocation orders. It also included 76 tons of indigo paste, 20 per cent, which were given by the United States representatives in Paris last winter to Belgium. The balance of the 1,500 tons has been called the 1,200-ton lot.

The cause of the division of the 1,500 tons into two lots, ordered at different periods, was the method of providing payment. The Textile Alliance received, as is well known, the money for the 374,000 pounds of reparation dyes applied against the first six months' allocation orders before placing orders with the cartel, but for the balance of the 1,500-ton lot had neither orders nor money. Further sound policy required that money must be in hand, or underwriting guaranties of payment, before the dyes should be ordered. In this emergency, in the interest of the United States and of American consumers, a few individuals, with the support of your underwriting committee, came forward and, by providing underwriting, saved the balance due the United States from the 5,200-ton agreement.

The balance of the stocks was divided among the Allies according to a different system. The dyes were divided into 13 groups, according to their nature; that is to say, whether alizarin red, vat color, indigo paste, direct cotton, or acid, and so on. These different classes were divided among the Allies according to their different percentages, roughly corresponding to the needs for home consumption of the Allies. Thus the percentage of the United States for indigo paste was 5 per cent, because this product was not needed in the United States, whereas for indanthrene blue GCD, which was needed, the percentage was 55 per cent.

The second division, known as the pool, that is to say, the balance of the impounded stocks, amounted roughly to 5,000 tons. Here again we were confronted with the financial difficulty of the necessity of providing funds or underwriting before we could place orders for our allocated portion of dyes from the pool; again the difficulty was solved by the underwriting already mentioned. The pool contained many types in very small amounts and also many types and mixtures that it was not desirable to order. The gross of our orders after the New York office and the Paris office of the Textile Alliance had scanned the figures of the pool amounted to approximately 500 tons.

To summarize: The total of our orders from the impounded reparation stocks amounts to 2,000 gross tons, or, to be exact, 4,435,635 pounds.

Of these 2,000 tons, 190 tons have been applied to fill orders under the first six months' allocation, approximately another 100 tons of importable colors have been sold to consumers in the United States; 76 tons of indigo paste were given by our representatives in Paris last winter to Belgium, and 450 tons of indigo paste have been sold to China. The balance is about 1,200 tons.

The Textile Alliance has rented a warehouse in Antwerp in which these 1,200 tons are now stored or to which they are in process of shipment. Of the 1,200 tons in the warehouse about one-half can be classed as colors that may be imported into the United States. We have thus approximately 600 tons of nonimportable colors.

Early realizing that the amount of nonimportable colors from the impounded stocks would be considerable, on my first trip to Germany in May I took up with the Frankfort people the matter of exchanging nonimportable colors for importable colors. At that time the answer was that they had nothing to give in exchange. On my last trip, however, I found a different state of affairs. The manufacture of the factories had increased considerably during the summer and there was a willingness to make trades.

I have also taken up with our various allies the matter of exchanging our nonimportable colors for importable colors and this is still in process of negotiation.

By securing all of the colors from the impounded stocks that were of value and to which the United States had the right we have thus built up a reserve of products which can be used either directly for the benefit of the consumers of the United States or else indirectly by exchanging the nonimportable for the importables. After making all the exchanges possible of nonimportable for importable colors we are preparing to sell the balance of nonimportable colors.

I have already compared the 400 tons of dyes the United States has received under the Herty option with the 200 tons received by Great Britain from the free market. In this matter of the shipment of reparation dyes a brief statement of what our allies have been doing will be interesting. The British found considerable difficulty in distributing the reparation dyes allocated to them. Doctor Philippi, of the Cassella Color Co., made a trip to England in August in order to assist in facilitating the distribution and avoiding further delay. Last April Herr von Weinberg and his secretary, Director Molner, made a trip to Italy, in the course of which they assisted the Italians similarly in distributing their dyes and avoiding the difficulties found in dealing with such a complicated matter. The French Government distributed colors very actively among French consumers but nevertheless there was considerable complaint. Belgium's problem was simpler because of the small amount of colors received and they appear to have been dealt with quite successfully. None of the above-mentioned countries have had to contend with the most serious problems which faced the United States, namely, the Rotterdam strike and the distance from Germany.

GERMAN DAILY PRODUCTION AND THE FUTURE.

The treaty provides that the Allies may exercise an option on 25 per cent of the daily production of the German factories for the period specified in the treaty. It further provides that in the event that this production is below the normal the Allies may require 25 per cent of the normal production.

The question of just what "normal production" means has not yet been settled by the Reparation Commission. In the meanwhile the Reparation Commission has exercised this option and is accepting 25 per cent of the actual production of the German factories. This daily production it has been arranged to divide among the Allies very much in accordance with the scheme by which the pool was divided among the Allies, that is to say, the different colors produced are divided into classes according to their nature, and the classes divided among the Allies according to different percentages corresponding approximately to the estimated needs of the various Allies.

During last winter the various Allies exercised very stringent supervision over the activities of the German factories. In order to break this control the Germans came forward in January and offered to supply all the needs of the Allies irrespective of the treaty stipulations, provided control was lifted from the factories. This proposition was

accepted, and in February and March the different Allies were busy in preparing a list of the requirements to be submitted to the Germans.

Our representatives were not in accord with the proposal, but as the French, Belgium, and Italian Governments were insistent on their needs of the dyestuffs, and that the proposal should be accepted, our representatives did not feel that they could negative an offer on the part of the Germans to supply to the Allies all their requirements. Accordingly, in May, after much discussion and many meetings, the lists of the requirements of the different Allies were forwarded to the Germans. This proved unacceptable to the Germans, and this first proposal accordingly fell to the ground. Since then a new protocol has been drafted by the Dyestuff Bureau of the Reparation Commission. This new arrangement has not yet been discussed with the Germans and indeed has not yet been put into final shape by the Dyestuff Bureau of the Reparation Commission. It is expected that in late October the new protocol will be discussed by the various bodies of the Reparation Commission and will be ready for discussion with the Germans in November.

In the meanwhile the Germans are putting aside 25 per cent of their daily production, and this is allocated to the Allies in accordance with class and percentage. In order that the Allies may know what the Germans are making, on the 15th of each month the Germans submit a statement of the 25 per cent due the Allies from their production of the previous month. This includes every color produced, a statement of 25 per cent of the amount produced, and the price to the Allies, which according to the arrangement is the lowest price quoted during the month of production to any buyer, German or otherwise. A brief analysis of the quantitative and qualitative production of the German factories for the past six months will be of interest.

The total production of the German factories in the month of February, the first month for which a daily production list was submitted, was 1,600 tons, approximately 10 per cent of their pre-war capacity. This production has steadily increased—2,400 tons in March, 3,300 tons in April, 3,800 tons in May, 4,800 tons in June, and 5,500 tons in July—thus, from approximately 10 per cent of their pre-war capacity in the course of six months to 33⅓ per cent.

From the standpoint of consumers of dyestuffs in the United States this rapidly increasing production on the part of the German factories is not so satisfactory as might at first appear, for a large part of the increase in production is not the Herty Option colors, the colors desired by the consumers in the United States, but the big bulk colors, the colors that are being made by American manufacturers.

Take the three months—May, June, and July. The total production by all the German factories of vat colors and fast alizarin colors, which are especially desired by consumers in the United States, was approximately 800 tons. During the same period the production of indigo 20 per cent paste, direct cotton colors, acid colors, and sulphur colors amounted to 8,600 tons; that is to say, eleven times as much as the production of vat colors and fast alizarin colors.

Further, while the production of the vat and alizarin type dye is increasing slowly from 228 tons in May to 261 tons in June and 272 tons in July, the production of the type dyes made in the United States is increasing by leaps and bounds from 2,400 tons in May to 2,800 tons in June and 3,800 tons in July.

The large German production of dyes of the same type as are being made in the United States is evidence of the necessity of special protection for the American industry. The relatively small German production of dyes of the Herty Option type explains the 25 per cent of the first six months' allocation orders still to be delivered.

The question naturally arises whether the Germans can not produce more of the special colors desired by the United States. The arrangement which is being considered by the Reparation Commission aims to effect this purpose. The Germans do not like the necessity of putting aside 25 per cent of every color which they make during the month for the Allies, and especially dislike the necessity of holding this 25 per cent against future orders, more or less problematical. Accordingly, the Germans are inclined to consider a permanent proposition which will do away with the necessity of their putting aside 25 per cent of their daily production. The future of the supply of German colors to the United States is linked up with this permanent proposal. According to all indications when I left Europe it seemed almost certain that the permanent proposal would be adopted in the course of a few months.

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REPORT OF EDWARD S. CHAPIN, PARIS REPRESENTATIVE OF THE TEXTILE ALLIANCE (INC.), TO THE DYE ADVISORY COMMITTEE OF THE STATE DEPARTMENT, SEPTEMBER 22, 1921.

A new protocol governing the delivery of dyes has recently been adopted by the Reparation Commission. The provisions of this protocol bid fair to revolutionize the situation as regards German dyes in allied countries.

Before considering this protocol it will be necessary to review briefly the steps leading to its adoption and, in particular, significant developments in the work of the Textile Alliance since the report before this committee made last year, September 29, 1920.

Annex VI of the treaty of Versailles accorded the Reparation Commission an option on 50 per cent of the existing stocks of dyes in Germany and an option on 25 per cent of the German daily production.

The option on the existing stocks was exercised based on an inventory taken August 15, 1919. The inventoried stocks amounted to 20,000 tons; the 10,000 tons due the Reparation Commission was distributed among the allied and associated powers. The United States has taken 2,000 tons.

In my report of last year to this committee on September 29 I stated that 800 tons of this 2,000 had been distributed, certain lots of importables to America, indigo to Belgium and China, and that the 1,200 tons which remained were being warehoused at Antwerp; that of these 1,200 tons approximately half were importable; and that the nonimportables we were preparing to sell on the export market or to exchange.

Of the 600 tons considered importable only about 75 tons have been imported. This was due to the depression of last fall and winter and the tightening of control at home. The selling of the balance on the export market was investigated, and it was decided—first, that only a fraction could be marketed to advantage; and second, that it was unwise to make export resales of reparation stocks on the European or Far Eastern markets. In lieu we have exchanged about 1,000 tons with the German color works for special and importable types. We turned back these 1,000 tons to the German color works at approximately four times their cost to us and received in exchange 264 tons of special types for which we paid prices ranging from Herty price to Herty price less 20 per cent. There remain of the original stocks about 125 tons, 96 tons of intermediates, which the Germans have refused to take back and dyes from smaller factories that have not been able to offer suitable types in exchange.

The option on 25 per cent of the German daily production was exercised by the Reparation Commission in February, 1920. The United States has ordered from daily production only importable types. The amounts available have been relatively small, and accordingly our total orders for the past year and a half from daily production have amounted to only about 180 tons.

The question arises, Why did the United States take such large quantities of nonimportables from the inventoried stocks? This was because due to the rapid fall in German exchange in the fall and winter of 1919–20 these were remarkably cheap, and, offered with a minimum of financial risk, a means of indirectly securing increased quantities of desired types, i. e., by exchange.

With daily production no such possibility had existed. The color works early in 1920 began to raise prices. Accordingly we have ordered from daily production only such products as could be freely imported and sold at home.

German daily production in February, 1920, was 1,600 tons and increased rapidly to 5,500 tons in July, 1920. This monthly production was maintained despite the general trade depression until December, 1920, when a 10 per cent reduction occurred. In February, 1920, there was a sharp drop to 3,600 tons, due in part to a strike at the Bayer plant and in part to general curtailment. Since February the monthly production has averaged 4,000 tons.

Let us consider the production of specialties, the vat and the alizarin colors. Taking the high point month of July, 1920, for comparison, the proportion of vat colors to total production has steadily increased from 2.88 per cent in July, 1920, to 4.35 per cent April to July, 1921. The proportion of alizarin colors, on the other hand, after a sharp rise, declined greatly—from 2.09 per cent in July, 1920, the proportion rose in September, 1920, to 3.02 per cent, then steadily declined to 0.75 per cent in March, 1921. Combining the percentages of the two groups, there has been an increase in the past year from 4.97 per cent in July, 1920, to 6.18 per cent in July, 1921, and these latter figures compare favorably with the proportional pre-war production of these products.

The question arises, Why, then, has the Textile Alliance had so much difficulty during the past year in securing from daily production supplies of these types? For three reasons: First, the Reparation Commission has an option on only 25 per cent of the German daily production, and this 25 per cent is divided among five powers. The percentage of the 25 per cent reservation of these types accorded the United States is large, 40 per cent; but even this only gives 10 per cent of the German daily production. Second, measurable quantities of the dyes produced have been types not demanded by the American trade. Third, allocations to the various powers are only reserved for three months from the approval of the monthly lists, after which unordered quantities may be taken freely by any of the Allies entitled to receive reparation dyes. This includes not only Great Britain, France, Italy, and Belgium, but also Japan, Greece, Rumania, and the Yugoslovakian State. Consequently where the United States has not ordered its allocation within the prescribed three months these quantities have frequently been absorbed by other powers.

The total of 180 tons secured by the Textile Alliance (Inc.) from the daily production of the past year and a half is inadequate to the needs of the American consumers.

This would seem to defeat the purpose of Annex VI, which aimed to supply allied consumers, through the Reparation Commission, with sufficient quantities of desired types. A strict interpretation of the provisions of the treaty would have gone far to remedy the situation, but this the Reparation Commission has declined to do.

One of the reasons for exchanging rather than selling the Antwerp stocks was the fact that this would give increased supplies of special types. By the exchange of the Antwerp stocks we have secured in the past three months 264 tons of special types, more than the entire amount secured from the daily production of the past year and a half; further, these types were secured at very advantageous prices.

Exchange of stocks has for the time being given increased supplies of required types, ready for immediate delivery; but it was recognized that these would soon be exhausted and that the old, unsatisfactory situation would continue unless a new arrangement could be worked out which would give larger supplies of required types. Such an arrangement is the new protocol which has just been negotiated between the Reparation Commission and the Imperial Government.

The new protocol provides that the Germans shall deliver such quantities as may be ordered by the Allies, irrespective of whether the amounts demanded exceed 25 per cent of their production. The only limits are the capacity of the Germans to produce and the domestic requirements of the Allies. Orders are to be placed in advance, once every three months. The low reparation price will apply to an amount of each of the dyes to be determined by common agreement between the Reparation Commission and the Imperial Government. For the quantities superior to this amount the price will be the lowest price quoted any buyer in the country receiving the dyes the month preceding or the month of delivery.

In short, the Germans agree, as far as possible, to accept and fill the orders of the Allies and to deliver at prices lower than to agents outside reparation.

The new protocol insures—

First, that dyes needed to supplement the manufactures of domestic producers can actually be secured.

Second, it places the control of the importation and distribution of these dyes in the hands of friends of American producers.

The new protocol places no limit on the quantities that may be ordered by the Allies, except the capacity of the Germans and the domestic requirements of the Allies. The Allies may even exhaust the entire German manufacture of any desired type. The Textile Alliance can even order the entire American requirements.

It was an appreciation of these facts that caused the Germans to resist long and tenaciously the protocol. Why did they sign? For two reasons principally: First, they wanted orders. The world-wide depression had affected their business. Under the old arrangement orders through the Reparation Commission were relatively small. The new protocol promised increased orders. Second, it was a case of must. The German Government agreed in May, 1921, to pay the Reparation Commission for the ensuing year 2 milliards of gold marks plus a sum equal to 26 per cent of the German exports. The memorandum of the German Government outlining how these payments will be made includes an item of pharmaceuticals and dyes to the amount of 43,000,000 gold marks.

According to the new protocol, it will be necessary to order in advance. I have canvassed the home situation with the New York office of the alliance and with Mr. Moorhouse, and we have prepared a modest list of 90 tons, which we suggest should be ordered as a preliminary trial of the advantages of the new protocol. We estimate that about 55

per cent of this list will be at the low reparation price and 45 per cent will be at the American export price, the price quoted other importers. Under the present conditions of exchange the reparation price is one-third to one-quarter the American export price.

The alliance would be thus reasonably safe against market declines. First, because such a large proportion of the orders would be at low reparation prices, and, second, because the price for the quantities delivered at the American export price would always be the lowest price charged to any buyer in the United States the month preceding or the month of delivery.

This brings us to the question of distribution. Little avails the new protocol if distribution in America fails. If the German agents reach the consumer and the alliance does not, things continue as before.

An illustration of this fact is happily at hand. Bulletin No. 39 has just been issued to the trade. This bulletin comprises the exchange quantities and various reliquats from previous lots. Except from one customer, the orders which have been received are small; the total orders amount to about one-fifth of the quantity offered.

To insure that the largest circle of consumers shall have the benefit of the dyes listed in Bulletin No. 39, the preliminary offering through the bulletin should be supplemented by personal calls on the trade by a representative of the alliance. It can scarcely be doubted that such calls would result in the early distribution of the great part of the quantities offered.

Many consumers hesitate to order through the alliance because they are not sure of regular supplies. No mill wishes to start using a dye if presently supplies are not available. A representative of the alliance calling on consumers and explaining the possibilities from the new protocol would perform a genuine service. He would be able to find out the bona fide requirements of consumers to supplement the products furnished by American producers. Their requirements could be immediately put together into a program of manufacture to be submitted to the Germans. In this way consumers could be assured of regular supplies through the alliance, and the distribution problem would be solved.

I might even suggest that this be carried a step further. Some few months ago, when the lists of dyes were being prepared for the exchange transaction, certain quantities of certain types were declared importable, but when those quantities reached America American manufacture rendered them nonimportable. A posting of the alliance by producers of the dates when they expect to bring on the market new types would enable the alliance to avoid in the future ordering such products.

The new protocol leads inevitably to the lodging of all the business in German dyes in America in the hands of the Textile Alliance; it serves alike the interests of producers and consumers; it gives added protection of the American industry, in conjunction with the embargo control at home; and makes available to consumers the widest latitude in the choice of dyes.

Let us consider briefly the situation if the embargo control is given up:

This would open the American market to accumulated stores of reparation dyes and dyes of foreign manufacture which are now nonimportable.

Reparation dyes in considerable quantities are being held by various of the Allies. The head of the French Union informed me the other day that they had on hand 1,320 tons. I understand that Great Britain has between 1,500 and 2,000 tons. No figures have been received from Italy, but inasmuch as Italy has taken in gross tonnage nearly as much as Great Britain, and in actual value more, with a smaller domestic consumption, it is possible that Italy has on hand as great a tonnage as Great Britain, i. e., about 2,000 tons. Belgium appears to have cleaned up well on her takings. Japan has a considerable reliquat of unsold reparation dyes. Other powers receiving reparation dyes have small balances. All told, the total of reparation dyes in the hands of the various powers amounts to assuredly not less than 5,000 tons.

The explanation of these unsold balances in the hands of our allies comes from the fact that in an endeavor to swell their reparation accounts they ordered freely both from the inventoried stocks and from daily production, and far in excess of the domestic requirements. During the past year various of the Allies sought to realize on these dyes by export resale, hence the Italian sales to various importers not only in the United States but also in France. The Belgians complained, and, by a curious coincidence, also the Italians, that their home markets were being disturbed by export resales of reparation dyes by the other powers. France complained that not only the home but also the neutral markets were being disturbed. Fortunate indeed was it for the United States for the success of more important affairs that we refrained from such sales in the markets of the Allies.

For the past five months the question of export resales has been before the commission. A strong resolution was passed in July, in which all the Allies concurred, to prevent the resale of products ordered in the future. The great difficulty has been with the old stocks, which were sold to the respective Allies with no strings attached. A recent far-reaching decision of the commission, due largely to the insistence of the American delegation, bids fair to decrease and even to prevent dumping resale of stocks. According to this decision the most efficient measures are to be formulated so that deliveries of dyestuffs to the Allies on reparation account should not have the effect of injuring nascent industries in the allied and associated countries by undue disturbance of world markets.

Among the measures contemplated is the stipulation that each Government shall offer these stocks to the other allied Government organizations.

These reparation dyes in the hands of the Allies constitute only a small part of the stores of dyes that on the raising of control would become importable.

Eleven thousand tons are known to be in the German factories, consisting of that portion of the 25 per cent reservation of the past year which has not been ordered by the Allies. This is reverting to the Germans. Large as these quantities are they must be increased by the unsold portion of the free 75 per cent of the German daily production and the surplus of British, French, Swiss, Italian, and Japanese manufacture. Further, there are measurable quantities of dyes purchased by our allies on the free market from Germany which remain unsold. Thus in 1920 the British bought freely at virtually Herty prices. I have been told by two British authorities that they now have left 300 to 400 tons, which cost approximately $2,000,000. This should be compared with our record for the original 850 tons ordered in February, 1920. Of this quantity 84 per cent was delivered, and of the vat color 96 per cent.

The situation is thus set for the demoralization of the home market by dumping. In this situation the rights that come from relationship with the Reparation Commission would enable the alliance to stabilize the market. By the purchase of reparation stocks, either from allied organizations at low prices or by the purchase of a certain quantity of types made in America under the terms of the new protocol, the alliance would have an advantage over any other importer. This would discourage price disturbances. To effect this it would not be desirable nor necessary to order large quantities of the types made in America—a certain minimum should suffice.

The new protocol promises even more if carried to its logical conclusion. This will not come without considerable constructive work both in Paris and in America. The new protocol was consummated as a result of two years of endeavor. The tabulations on the table give some idea of the data that it was necessary to assemble for the final negotiations of the new protocol. These data were prepared for the dyestuff bureau of the Reparation Commission by the Textile Alliance organization. The new protocol provides for future developments on the request of the Reparation Commission. Before working for further developments it will be first necessary to try out the advantages of the present protocol.

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SEPTEMBER 9, 1919.

TEXTILE ALLIANCE (INC.),
45 East Seventeenth Street, New York.

GENTLEMEN: The advisory committee on dyes of the War Trade Board section of the State Department has been asked to advise the section as to what method should be adopted in disposing of the importations of German dyestuffs which are to be secured from the existing supplies controlled by the Reparations Commission.

The functions of the War Trade Board section will, of course, continue only until the ratification of the peace treaty, but the intention is to bring about immediate importation of a few months' supply of dyestuffs which are particularly needed and which are not now obtainable from domestic sources. The committee's view is that your organization is quite the most suitable for the purpose of bringing those dyestuffs into the United States and appropriately distributing them to bona fide American consumers upon the order of such consumers; that both the importation and distribution can be handled very much as your organization handled imports during the war.

With that end in view and subject, of course, to the approval of the War Trade Board section of the State Department, this letter is written on behalf of the committee to ask whether or not it is feasible for you to undertake the entire control and disposition of such importation, as you did the various articles which were brought in by you during the war.

The suggestion which we have to make is as follows:

In order to relieve your board of the work which would be involved by this undertaking, we suggest the appointment by your board of a subcommittee consisting of the following gentlemen, who would assume entire charge of the work:

Mr. Manton B. Metcalf, Mr. Frank D. Cheney, and Mr. Andrew C. Imbrie.

If you could put at the disposal of this committee such portion of your offices and office force as may be necessary, the salaries and other expenses connected with the work would be paid out of the proceeds of the undertaking.

As the proposed enterprise is certain to be temporary and might in case of prompt ratification of the treaty fall through altogether, we should expect to pay liberal salaries and agree to give such employees as were engaged in the work 90 days' notice, if necessary.

The members of the committee would also expect to guarantee the Textile Alliance against any liability in connection with the undertaking.

If the Textile Alliance would be willing to act in accordance with this suggestion in case the War Trade Board section of the State Department should approve it, I should be obliged if we may notify the War Trade Board section.

Yours very truly,

HENRY B. THOMPSON, *Chairman.*

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THE ADVISORY COMMITTEE ON DYES,
WAR TRADE BOARD SECTION OF THE STATE DEPARTMENT,
September 15, 1919.

Mr. HENRY P. THOMPSON,
Chairman Advisory Committee on Dyes,
War Trade Board Section of the State Department,
320 Broadway, New York.

DEAR MR. THOMPSON: I submitted your letter of September 9 by mail to the other members of the executive committee of the Textile Alliance, who have, in writing, authorized me to make an arrangement with your committee such as you suggest.

At the next meeting of the committee the arrangement between us will be ratified, but will become effective only when approved by the War Trade Board Section of the State Department.

The Textile Alliance will undertake the entire control and disposition of dyestuffs and chemicals subject to the jurisdiction of the War Trade Board, and has appointed for that purpose a committee consisting of—

Mr. Manton B. Metcalf, Mr. Frank D. Cheney, and Mr. Andrew C. Imbrie, who shall have full authority on behalf of the Textile Alliance, subject to its board of directors and executive committee, to deal with the matter.

The Textile Alliance will place at the disposal of this committee its equipment and employees with the exception of Mr. Frank A. Fleisch, vice president. Rent is $1,300 per annum. Telephone service is $900 per annum. The force consists of—

Mr. William B. Denton, secretary and treasurer, salary $4,000 per annum.

Mr. B. R. Price, chief clerk, salary $3,600 per annum, which in view of increased responsibilities should be somewhat raised.

One bookkeeper—salary to be determined, as our last bookkeeper has just left. Two stenographers, file clerks, telephone operator and office boy. We estimate that two additional bookkeepers and one additional stenographer will probably be necessary to deal with the volume of business that you indicate.

The force above indicated is competent to deal with all legal, transportation, and insurance questions. Mr. Denton is a member of the New York bar and has had a large experience in the legal matters of the Textile Alliance. Should outside consultation be necessary we should expect the committee to consult Messrs. Coudert Bros., and to pay for their services.

It is necessary for the alliance to continue the existing organization for its protection, and the expenses thereof are to be defrayed from the income of the present reserve fund. The alliance will make such additions to its force as may be necessary. It is proposed that in return

for the use of the organization and of the alliance's name and the advice of the executive committee and officers of the alliance the dyestuff committee shall pay to the alliance from its receipts all of the alliance's out-of-pockets plus 50 per cent. The money thus paid is to be used for the corporate purposes of the alliance, which, generally speaking, means the good of the textile trades.

The dyestuff committee is to hold the Textile Alliance harmless against all losses or liabilities in connection with the undertaking. The alliance will lend the committee what funds are needed to start up to $50,000 at 6 per cent interest. Ninety days' notice is to be given to the alliance at the termination of this arrangement.

Yours very truly,

TEXTILE ALLIANCE (INC.).

SEPTEMBER 16, 1919.

MR. A. M. PATTERSON,
President Textile Alliance (Inc.),
45 East Seventeenth Street, New York City.

DEAR SIR: I acknowledge the receipt of your letter of September 15 and have had sent copies of it to the members of the dye advisory committee, as well as to Mr. Bennett, secretary of the War Trade Board section of the State Department.

When the plan proposed has received the approval of the War Trade Board our committee will be ready to act.

Yours faithfully,

HENRY P. THOMPSON,
Chairman Advisory Committee on Dyes, War Trade Board.

OCTOBER 2, 1919.

WILLIAM PHILLIPS, Esq.,
Acting Secretary of State, State Department,
Washington, D. C.

SIR: I beg to acknowledge receipt of your letter of September 29 in the matter of German dyes and the proposed connection of the Textile Alliance therewith.

I am pleased to advise that the directors of the Textile Alliance have already authorized me to make such arrangements as are set forth in your letter with a single exception, and I feel confident that the committee will withdraw that objection in the event that the Textile Alliance is definitely asked to undertake the work.

We are sending our Mr. F. A. Fleisch, vice president and general manager, to Paris at once, and he will, upon arrival, put himself in touch with Dr. Charles H. Herty. Mr. Fleisch is thoroughly familiar with the workings of the Textile Alliance, but is not a dye expert, and it is suggested that a dye expert should be sent to Paris as soon as possible after the arrangements have been decided upon. May we suggest that you communicate also with Mr. Henry B. Thompson, chairman advisory committee on dyes, War Trade Board, in regard to the matter in general and with regard to the selection of the dye expert?

A committee of the trade has also been formed to advise with the Textile Alliance in the matter of dye importations.

Yours very truly,

TEXTILE ALLIANCE (INC.).

THE TEXTILE ALLIANCE (INC.),
45 East Seventeenth Street, New York City.

GENTLEMEN: Referring to the department's letter of September 29 setting forth the proposal that the Textile Alliance (Inc.) should be designated as the agency to effect the importation and distribution of German dyes proposed to be secured as the result of negotiations then being conducted in Paris, and referring also to your letter of October 2, in which you informed the department that the Textile Alliance (Inc.) was prepared to act in the capacity aforesaid (subject to an exception which has since been withdrawn), the plan outlined in the first-mentioned letter has been finally completed in all substantial respects; and, accordingly, the Textile Alliance (Inc.) is hereby designated as the agency to effect the importation and distribution of German dyes under the conditions set forth in the above-mentioned letter of September 29, 1919.

The supervision of the operation of the above-mentioned plan will be conducted for the department by the War Trade Board Section, and you are requested to consult with the chief of said section with respect to all further arrangements necessary for the consummation of the purchase, importation, and distribution of the dyes which will be secured under said plan.

I am, gentlemen,

Your obedient servant (for the Secretary of State),

WILLIAM PHILLIPS,
Assistant Secretary.

ACTING CHIEF OF WAR TRADE BOARD SECTION,
October 10, 1919.

Plan described last paragraph our circular October 1 has been completed. Textile Alliance (Inc.), 45 East Seventeenth Street, New York City, has been designated as sole official agency to administer provisions of plan. Persons desiring to secure dyes under plan should assign allocation certificates to Textile Alliance. Letter follows.

WAR TRADE BOARD SECTION.

OCTOBER 13, 1919.

MR. A. M. PATTERSON,
President Textile Alliance (Inc.),
45 East Seventeenth Street, New York City.

DEAR MR. PATTERSON: May I ask that you be kind enough to consider this letter as being confidential?

Mr. Price will have advised you that at the eleventh hour, after we had worked out quite satisfactorily the details of the plan under which the Textile Alliance (Inc.) will handle, on behalf of consumers, the importation of certain dyes from official sources, this section received a letter from the Grasselli Chemical Co., stating that it would insist on the rights which accrued to them as purchasers from the Alien Property Custodian of certain German-owned American patent rights relating to dyestuffs. It may be that the Chemical Foundation (Inc.), likewise the purchaser of similar patent rights from the Alien Property Custodian, will seek to safeguard those patents. Were it not that the Department of State had designated the Textile Alliance (Inc.) as an official agency for facilitating the importation of certain quantities of German dyes from official sources the department would not concern itself at all of the manner in which those patent rights would be administered or protected by the owners. But for obvious reasons the Department of State can not establish an official agency for the importation of German dyes from an official source, which, although obtainable in part from such official source, may also be obtained from private German sources, if the Grasselli Chemical Co. and the Chemical Foundation (Inc.) will seize upon this opportunity and for the purpose of eliminating certain importers, accord to the Textile Alliance (Inc.) greater privileges of selling or using imported dyes of German origin which come within the scope of the dye patents now owned by the Chemical Foundation (Inc.) and the Grasselli Chemical Co. than would be accorded to any other private importer of American citizenship.

In view of these circumstances, two letters were mailed this morning, signed by the Secretary of State, one to the Grasselli Chemical Co. and the other to the Chemical Foundation (Inc.). I am inclosing for your confidential information copy of letter to the Chemical Foundation (Inc.), letter to the Grasselli Chemical Co. being identical, mutadis mutandis.

Unless the Grasselli Chemical Co. and the Chemical Foundation (Inc.) will give the Department of State assurances that the Textile Alliance (Inc.) will receive at the hands of the Grasselli Chemical Co. and the Chemical Foundation (Inc.), as patent owners, no greater privileges than will be accorded by those patent owners to any other individual American importer, I fear that we will have to abandon the plan to which you have been kind enough to lend your support.

I am hoping that such assurances will be given.

Meantime, inasmuch as holders of allocation certificates for the importation of vat dyes have been advised both by telegram and by letter that they may select the Textile Alliance (Inc.) as an importing agency for obtaining part of their requirements from an official source, I think it would be inexpedient to convey the foregoing information to them at this time. Inasmuch as we have already issued a large number of licenses covering much the greater part of the allocation, it is not likely that the Textile Alliance (Inc.) will receive many allocation certificates. In the event that it becomes necessary to abandon the plan, I think that we will be able to prepare a statement which will be satisfactory.

The incident referred to above is unfortunate, inasmuch as we had expected and had already, to a certain extent, been given to understand that if we designated the Textile Alliance (Inc.) it would not be selected as the recipient of greater privileges than would be extended by patent owners to other American importing agencies.

I should like very much to have an expression of your views in connection with the foregoing.

Of course, even though the department should receive the assurances referred to above, it is not likely that, in view of the large number of licenses already issued for vat dyes, the Textile Alliance (Inc.) will be called upon to import a very appreciable quantity of vat dyes. However, the plan was instituted not only to take care of the importation of vat dyes from official sources but also to facilitate the importation from such official sources of German dyes other than vat dyes.

I am inclosing herewith a copy of a circular letter which we mailed on October 8. A large part of the quantity of dyes which will be allocated as a result of this circular letter will likewise be obtainable from an official source, and it was especially with reference to the forthcoming allocation that the plan was devised.

Very truly yours,

ST. JOHN PERRET,
Acting Chief War Trade Board Section.

OCTOBER 11, 1919.

THE CHEMICAL FOUNDATION (INC.),
81 Fulton Street, New York City.

GENTLEMEN: There is inclosed herewith a copy of ruling No. 825, issued by the War Trade Board section of this department on August 15, 1919. The dyes, dyestuffs, and related chemicals which are enumerated in paragraph 4 thereof are excluded from the scope of the general or blanket import license described in the ruling, and accordingly such commodities may be imported into the United States only upon issuance of such individual import licenses. When the commodities enumerated in the said paragraph 4 are of German origin the issuance of such individual import licenses is made dependent upon the need in this country of the commodities so licensed.

An urgent need in this country of certain quantities of dyes of German origin having been made manifest, the War Trade Board section has determined to issue individual import licenses authorizing the importation of such quantities of dyes of German origin as will satisfy the requirements of consumers for a six months' period. As the result of certain recent negotiations between the representatives of the allied and associated Governments and of the German Government, a substantial portion of the amount of such dyes as will be needed to satisfy the six months' requirements will be made available to consumers in this country.

The obtainment by consumers of the dyes which have thus been made available from an official source can be effected only through the establishment of an official agency in this country, and, accordingly, this department has designated the Textile Alliance (Inc.), 45 East Seventeenth Street, New York City, as such sole official agency to import and distribute, on behalf of such consumers as might wish to avail themselves of the opportunity of obtaining a part of their requirements from such official source, the dyes which will be secured as the result of the negotiations hereinabove referred to. Consumers who desire to import German dyes from such official sources must do so exclusively through the Textile Alliance (Inc.). Consumers who do not wish to import dyes from such official source may do so through any other American channel of importation.

This department is informed that the Chemical Foundation (Inc.) and the Grasselli Chemical Co. are the sole purchasers, from the Alien Property Custodian, of certain German-owned American patent rights relating to dyestuffs which had theretofore been seized by the Alien Property Custodian pursuant to authority derived from the trading with the enemy act. This department is likewise informed that the importation of certain dyes of German origin, which are included among those which will be licensed for importation to satisfy the six months' requirements of American consumers, may possibly constitute an infringement of certain of those patents which were purchased by the Chemical Foundation (Inc.) and the Grasselli Chemical Co., from the Alien Property Custodian. Accordingly, this department requests the Chemical Foundation (Inc.) to inform it on the following points:

1. In view of the present needs of American consumers for certain dyes which are not obtainable from American sources, will the Chemical Foundation (Inc.) administer the rights which may accrue to it as

purchaser of the patents referred to above, in such manner as will insure that all consumers in the United States will be accorded by the Chemical Foundation (Inc.), in all respects, the same treatment irrespective of whether such consumers obtain their six months' requirements through the Textile Alliance (Inc.), or through other private American channels of importation?

2. If the Chemical Foundation (Inc.) has determined to charge a royalty for such sale or use of imported German dyes (required by consumers for a six months' period) as might otherwise constitute an infringement of the patent rights now owned by the Chemical Foundation (Inc.), will these royalties be nominal or substantial, and will the rate of royalty be made uniform for, and the privilege of paying the same be extended to, all consumers irrespective of whether they obtain their supplies through the Textile Alliance (Inc.) or through any other American channel of importation?

3. Will the Textile Alliance (Inc.) and all other American importers of dyes of German origin be accorded by the Chemical Foundation (Inc.) uniform treatment with respect to any action which the Chemical Foundation (Inc.) may take as patent owner in relation to the sale or use of dyes licensed for importation from Germany to satisfy the six months' requirements of consumers?

This department, of course, recognizes in the Chemical Foundation (Inc.) an independence to exercise such patent rights and privileges as it may have, and accordingly this department seeks from the Chemical Foundation (Inc.) no dispensation from the possible infringement of patents owned by the Chemical Foundation (Inc.), either on behalf of the Textile Alliance (Inc.) or of private importers or consumers. However, it must be clear to the Chemical Foundation (Inc.) that the Department of State could not place itself in the position of becoming a party to any action by the Chemical Foundation (Inc.) which might result in a denial of equal rights to all American citizens in the matter of the sale or use of dyes imported from Germany.

Therefore this department would be disposed to proceed with the plan of partial importation from official sources through the Textile Alliance (Inc.) if assurances were given to the department that both the Chemical Foundation (Inc.) and the Grasselli Chemical Co. will accord the same treatment and extend the same privileges to both the Textile Alliance (Inc.) and to all other importers of American citizenship, as well as to all consumers irrespective of the channels of importation through which such consumers effect their importations. In the absence of such assurances this department would consider the advisability of recalling its designation of an official agency for obtaining on behalf of consumers such portion of German dyes as have been made available as the result of the negotiations between the representatives of the allied and associated Governments and of the German Government.

The Department of State solicits the promptest expression of the views of the Chemical Foundation (Inc.) with reference to the foregoing.

I am, gentlemen,
Your obedient servant,

MINUTES OF MEETING OF THE DYE ADVISORY COMMITTEE OF THE TEXTILE ALLIANCE (INC.), HELD AT THE MANHATTAN CLUB, 1 P. M., OCTOBER 20, 1919.

Present: Messrs. Patterson and Price, of the Textile Alliance (Inc.); Messrs. Metcalf and Cheney, dye advisory committee of the Textile Alliance (Inc.); Mr. St. John Perret, Acting Chief of War Trade Board Section, Department of State; Mr. Henry B. Thompson, chairman of the advisory committee on dyes, War Trade Board Section, Department of State; Mr. Joseph Choate, jr., representing the Alien Property Custodian and the Chemical Foundation (Inc.); Dr. J. Merritt Matthews, representing the Grasselli Chemical Co.

Mr. Patterson notified those present of the appointment of a dye advisory committee, being composed of Mr. Manton B. Metcalf, Metcalf Bros., 45 East Seventeenth Street, New York; Mr. Frank D. Cheney, Cheney Bros., South Manchester, Conn.; Mr. Andrew C. Imbrie, United States Finishing Co., 320 Broadway, New York, N. Y. The duties of this dye advisory committee were then outlined, they to have full authority to deal with the matter on behalf of the Textile Alliance (Inc.), subject to its board of directors and executive committee.

The attention of the committee was then called to the necessity of indemnifying the directors of the Textile Alliance in connection with possible expenses and liabilities that might be incurred in taking on this work. That portion of the letter of September 9 from Mr. Henry B. Thompson, chairman of the advisory committee on dyes of the War Trade Board section of the State Department, was read into the records, i. e., "The members of the committee also expect to guarantee the Textile Alliance against any liability in connection with the undertaking." The proposed indemnification and agreement to be executed by the advisory committee on dyes, War Trade Board section, prepared by Messrs. Coudert Bros., was presented to Mr. Thompson, their chairman, who signified his unwillingness to execute same. The proposition was then put forward that arrangements be completed with either a surety or insurance company to give such indemnification to the directors of the Textile Alliance (Inc.), as was acceptable to Messrs. Coudert Bros., our attorneys, and it was proposed that Mr. Thompson handle this feature with Mr. Frederic Coudert.

The committee having failed to organize, no further minutes were taken of the conversation which took place in relation to the importation under the supervision of the State Department, War Trade Board section, and the manner in which they might be affected by contract and patent rights.

In closing, Mr. Perret expressed the desire that a statement from him, which follows, be read into the minutes.

He stated that at the close of business October 18, 1919, the War Trade Board had issued to importers other than the Textile Alliance (Inc.) 195 import licenses covering 609,344 pounds of vat dyes. He further stated that the total allocations of vat dyes made by the War Trade Board October 1, 1919, was 1,093,397 pounds; that the total quantity of vat dyes which would be available from official sources would approximate 30 per cent of the entire allocations. He continued with the statement that the War Trade Board in approximately 10 days' time would make allocations to the consumers for six months' requirements of dyes other than vat dyes and that the War Trade Board contemplated asking the Textile Alliance (Inc.) to handle such part of that allocation as was made from official sources in a like manner as they propose to handle the vat dyes.

Mr. Perret requested the Textile Alliance (Inc.) to state whether it was disposed to proceed with the plan mentioned above in connection with the dyes other than vat dyes, as well as the handling of the vat dyes regarding which there was an exchange of correspondence between Mr. Phillips, Acting Secretary of State (his letter of September 29, 1919, Mr. Patterson's letter of October 2, and Mr. Phillips's without date but which was handed to the writer in Washington on October 10).

B. R. PRICE, Jr.,
Acting Secretary.

OCTOBER 20, 1919.

SECRETARY OF STATE,
Washington, D. C.

SIR: I have the honor to inclose herewith copy of memorandum dictated by Mr. Perret, representing the War Trade Board section, at a meeting to-day at the Manhattan Club.

The meeting included:

1. The representative of the War Trade Board section.
2. Mr. Henry B. Thompson, representing the War Trade Board advisory committee on dyestuffs.
3. Messrs. Manton B. Metcalf and Frank B. Cheney, representing the Textile Alliance (Inc.) committee on dyestuffs.
4. Messrs. A. M. Patterson, president, and B. R. Price, jr., representing the Textile Alliance (Inc.).

In response to Mr. Perret's request as to the Textile Alliance's willingness to proceed I beg to submit that in a letter dated September 15, 1919, to Mr. Henry B. Thompson, chairman advisory committee on dyestuffs, War Trade Board section, it was stipulated: "The dyestuffs committee is to hold the Textile Alliance (Inc.) harmless against all losses or liabilities in connection with the undertaking." This provision was inserted in the letter in accordance with the instructions of the executive committee of the Textile Alliance (Inc.).

Mr. Thompson's letter in reply, September 9, said:

"The members of committee would also expect to guarantee the Textile Alliance (Inc.) against any liability in connection with the undertaking."

At the meeting to-day it appeared that the guaranty proposed by the Textile Alliance (Inc.) was not such as met with the approval of the members of the advisory committee present, and the alliance is unable definitely to proceed with the matter until satisfactory indemnification shall have been arranged, for which Mr. Thompson is now in process of negotiation. As soon as this shall have been provided the Textile Alliance (Inc.) will be prepared to proceed with the plan mentioned by Mr. Perret in connection with all dyes and chemicals as well as vat dyes, as the authority received from the executive committee is not limited in this respect.

I have also to inform you that the representatives of the Grasselli Chemical Co. and the Chemical Foundation (Inc.) present at the meeting appear not to be in agreement with each other or with the War Trade Board section of the State Department in respect to royalties upon importations and as to the eligibility of certain classes of importers. Until this difference of opinion can be satisfactorily arranged, the Textile Alliance (Inc.) can not proceed and the difference would appear to affect equally all other importers.

The Textile Alliance (Inc.) has received certificates from persons desiring to import vat dyes to the amount of 36,000 pounds. It is our intention to hold these certificates for a few days in order that opportunity may be given to complete the necessary arrangements and upon Mr. Perret's statement that, if necessary, the time fixed for importation, namely, October 31, 1919, as stated in his letter of October 10, would be extended.

We think, however, we should return these certificates not later than Saturday, October 25, if no satisfactory settlement is reached.

It was my intention to leave town to-day, to be absent until next Monday, but in view of the circumstances which have arisen I am remaining here and am at the service of the department in case of necessity.

Respectfully,

TEXTILE ALLIANCE (INC.)

OCTOBER 24, 1919.

To MR. FLEISCH, *Paris:*

For Fleisch, care Dr. Charles H. Herty, War Trade Board representative. Due to complications in connection with assessment of royalties claimed under patents held by the Chemical Foundation and Grasselli Chemical Co., also failure to date to compel entire importations through this organization, dyestuffs situation at standstill until Tuesday, when we shall be able to cable you outcome. If successful conclusion is reached by then will advise you as to financial arrangements and particulars as to each consumer's requirements, giving description of dye and Schultz publication, 1914 edition, reference number, specifying whether paste or powder form, as well as quantity. It is understood here that quantity for distribution by reparation committee represents only one-third of requirements and plan provided for distribution of this portion to consumers pro rata. Question of accepting Cartel's offer of remaining quantity will be settled Tuesday. Our contemplated arrangements with importers for handling these dyestuffs are identical with your suggestions. For your information, Holland-American Line quotes freight rate per 1,000 kilograms, Rotterdam to New York, 80 guilders on aniline and alizarine dry. On aniline and alizarine paste, 50 guilders. Above quotations subject to their handling exclusively entire movement. Red Star Line quote per 1,000 kilograms, from Antwerp to New York, aniline or alizarine dry fr. 94.50, aniline or alizarine paste fr. 84. Quotations based on present rate exchange. Account competition, probably more favorable freight rates available at your end. Insurance rates quoted in my cable 20th were marine rates. War risk rate prevailing, 7½ cents per $100. Have you received our cable of the 20th, sent you care Coudert?

OCTOBER 25, 1919.

MR. A. M. PATTERSON,
Care of Textile Alliance (Inc.), 45 East Seventeenth Street, New York City.

MY DEAR MR. PATTERSON: I am pleased to advise you that we were successful this morning in reaching an agreement with the Chemical Foundation (Inc.) and the Grasselli Chemical Co., the terms of which were perpetuated in a memorandum, copy of which I am inclosing for your confidential information.

You will note that the Chemical Foundation (Inc.) and the Grasselli Chemical Co. have given to the Department of State the assurances asked for in the department's letter of October 11. Those patent owners will, I understand, charge a substantial royalty for the same or use of the German dyes covered by their patents, but these royalties will be

made uniform to all consumers irrespective of whether they obtain their supplies through the Textile Alliance or through any other American channel of importation. I have requested the Grasselli Chemical Co. and the Chemical Foundation (Inc.) to advise the Textile Alliance immediately of the rate of royalty in order that the alliance might be in a position to give the necessary information to those consumers on behalf of whom the alliance will function.

The department has agreed to advise all American importers that if those importers desire to supply their customers with dyes from the official source that the department will interpose no objection to such importation by the importers provided that the importation is effected through the Textile Alliance on behalf of these importers but for the ultimate benefit of the consumers, the right being reserved to the importers to sell these dyes, after having purchased the same through the alliance, to their customers at any price.

This statement to the importers will not be made until the alliance has issued its bulletin and opportunity shall have thus been given to allocation certificate holders to assign their certificates to the Textile Alliance.

This statement to the importers will be thus postponed for the following reasons:

The Textile Alliance will give preference to all of the orders placed with it as the result of direct assignments of allocation certificates by consumers to the alliance and will import from the official sources on behalf of importers such quantities as will be available after those preferential orders have been filled. The alliance will therefore not be in a position to tell the importers of the amount which will be available for their customers until the alliance has received all the outstanding allocation certificates which are intended to be assigned directly to the alliance.

When the foregoing statement shall have been made to the importers, and if those importers decide to avail themselves of the Textile Alliance, we will be able to determine whether the cartel offer should be accepted. If the importers decide to import all of their dyes through the alliance, the alliance may then accept the cartel offer in toto. If the importers decide to import only a part of their customers' requirements through the Textile Alliance, it may be that the available quantity from the official source will be sufficient. If not, it will be necessary for us to ascertain whether the cartel offer may be accepted in part. To the extent to which the cartel offer may be accepted the Textile Alliance, in filling orders from that source, will treat all consumers alike, irrespective of whether the allocation certificates have been directly assigned to the Textile Alliance or to a private importer.

I am sending to-day under separate cover to Mr. Price the draft of the alliance bulletin, which has been slightly modified by us to an extent to which Mr. Price has agreed. I spoke to Mr. Price over the phone to-day and he told me that he would probably be in a position to issue this bulletin not later than Tuesday evening. I strongly recommend that this be done; that copies of the same be distributed in the most catholic manner; and that it be given due publicity in the press.

In view of the agreement which has been reached with the Chemical Foundation (Inc.) and with the Grasselli Chemical Co., I assume that you will have no misgivings on the matter of restraint of trade. Indeed, I understood from Mr. Price that on Mr. Coudert's advice the alliance has decided not to seek to obtain from a private insurance company any indemnity against such risk. The Department of State is much pleased to be advised of your decision in this regard, inasmuch as the department would have been loathe to see its agent seek an indemnity against any possible liability incurred by that agent for having entered into a contract in restraint of trade while performing functions within the scope of the authority delegated to it by the Government.

In view of the foregoing, the success of the plan now appears certain; the opportunity for discrimination has been eradicated, dyes will be immediately available for consumers, and the rights of private importers have been preserved.

May I take this opportunity to apologize for my laches in not thanking you earlier for the very enjoyable luncheon?

Very cordially yours,

_____,
Acting Chief War Trade Board Section.

The Chemical Foundation (Inc.) and the Grasselli Chemical Co. agree to give to the Department of State the assurance asked for in the department's letter of October 11.

The department will make every effort consistent with its policy to bring about that the private importers shall utilize the machinery of the Textile Alliance for their imports, to the end that the entire importation may be brought about through one channel.

The department will instruct the Textile Alliance (Inc.) to fill the orders of those consumers who have consigned their allocation certificates directly to the Textile Alliance first, and the department will instruct the Textile Alliance that it may, after having filled those orders, import on behalf of private importers but for the ultimate benefit of allocation-certificate holders such quantities from the official sources as will be available from the official sources after the previous orders have been filled.

If it shall be deemed desirable to accept the cartel offer, the department will instruct the Textile Alliance (Inc.) to treat all consumers alike in filling orders from that source, irrespective of whether the allocation certificates have been directly assigned to the Textile Alliance or to private importers.

OCTOBER 16, 1919.

Mr. ST. JOHN PERRET,
Acting Chief War Trade Board Section,
Washington, D. C.

DEAR SIR: This will acknowledge receipt of yours of the 13th inclosing further list of German dye firms located in unoccupied Germany, which you have just received from Doctor Herty.

It would appear to be of the utmost importance to have the question of the rate of exchange settled at least before Monday, when our advisory committee will meet at the Manhattan Club. I hope that you will succeed in getting something definite from Doctor Herty in this connection.

Could you also cable Doctor Herty and inquire of him as to whether the sources through which they are to be procured guarantee them as to quality, strength, or shade, or that they conform in every particular to the Schultz type? Undoubtedly some arrangement has been made by the other allied Governments for securing a guaranty of this character in connection with the dyes that they are securing, and we feel that the sellers should be pressed for a similar guaranty in connection with the dyes that are coming here. I understand from the trade that there are always differences of this character coming up, and we feel that it would be rather a revolutionary practice to ignore this feature entirely. I feel that it will come up at our meeting on Monday; and if so, would appreciate your handling by cable with Doctor Herty with view of seeing what can be done in this connection.

We have not as yet received from you the complete particulars of the allocation certificates thus far granted in connection with vat dyes, nor have we received the contract form which you suggest we use in connection with same. I am specially anxious to get both of these, as there is considerable preliminary work to be done before we can go ahead should the scheme go through. Will you endeavor to get both of them to me by Saturday morning at the latest?

I noticed the attached clipping from the Daily News Record in connection with the importation of dyes other than vat dyes. If it should be contemplated that this organization handle this character of dye, could it possibly be arranged whereby the issuance of the vat dye allocation certificates would be withheld until such time as we were able to place in the hands of each individual consumer the bulletin as well as the other form? This is a suggestion that would possibly avoid the confusion that existed in connection with the vat dye allocation certificates.

I certainly hope you can arrange to stay over for the meeting Monday, as everyone will be present at that time and we can clean up the whole situation.

Yours very truly, TEXTILE ALLIANCE (INC.).

[Bulletin No. 35.]

TEXTILE ALLIANCE (INC.),
45 EAST SEVENTEENTH STREET,
New York, October 28, 1919.

1. COMMODITY SUBJECT TO THIS BULLETIN.

The information contained in this bulletin pertains to the purchase, importation, and distribution of vat dyes from Germany to consumers at prices agreed upon by the interallied authorities at Paris.

2. WAR TRADE BOARD AUTHORIZATION AND INSTRUCTIONS.

On October 1, 1919, the War Trade Board section of the Department of State began to issue to consumers of dyes in the United States allocation certificates for the purpose of enabling those consumers to import from Germany such quantities of vat dyes as would be necessary to satisfy their requirements for the six months' period October 15, 1919, to April 15, 1920.

As the result of certain recent negotiations between the representatives of the allied and associated Governments and the German Government, a substantial portion of the amount of such dyes as may be needed to satisfy the six months' requirements of consumers has been made available to consumers in this country.

The War Trade Board section of the Department of State has designated the Textile Alliance (Inc.) as the sole official agency to import on behalf of consumers such portion of the total allocation of dyes as has been made available as the result of those negotiations.

Accordingly, the Textile Alliance (Inc.) will perform the following services in connection with the importation of vat dyes from the official sources referred to above.

(a) To accept from the consumer vat dye certificates issued by the War Trade Board for vat dyes in amounts not exceeding the amounts specified in such certificates.

(b) To file all applications for licenses for vat dyes secured through this source and covered by such allocation certificates as have been indorsed to the Textile Alliance (Inc.).

(c) To attend to all the details connected with the acquisition of and terms of payment for the above-mentioned vat dyes and their shipment to the Textile Alliance (Inc.) and to arrange for distribution to the respective consumers who have ordered them through this source.

3. PROCEDURE.

(a) The consumer indorses and delivers allocation certificates to the Textile Alliance (Inc.), at the same time executing and forwarding the order (Form No. D–1) stating the amount of dyes (not exceeding, however, the amount allocated to him) which he desires to purchase under this arrangement.

(b) On receipt of the above an application for an import license will be filed by the Textile Alliance (Inc.) with the War Trade Board.

(c) At the same time a pro forma invoice will be rendered to the consumer, same to be based on figures available at that time representing approximately the cost (including all charges incidental to complete delivery on a c. i. f. New York basis) of the dyes so ordered. A check (New York funds) in favor of the Textile Alliance (Inc.) for the amount of the pro forma invoice must be sent to this office immediately. On receipt of same the order will be cabled to the representative of the Textile Alliance (Inc.), in Paris, who will proceed with the purchase.

(d) In the event that it should prove impossible to secure the entire amount of the various dyes applied for, it is understood that the Textile Alliance (Inc.) shall be entitled to procure for and deliver to each certificate holder his pro rata share of the total amount obtainable.

(e) On arrival of the merchandise invoice will be rendered showing the charges so far as then ascertained and settlement must be made at that time, subject to correction.

4. TEXTILE ALLIANCE (INC.) CHARGES.

The purchase, importation, and distribution of all vat dyes acquired under the above-mentioned plan will be effected at cost and without profit to the Textile Alliance (Inc.). To meet the estimated expenses of this organization in conducting this work a charge of 15 per cent will be made upon the amount of each purchase, computed upon the delivered cost including duty. Any unexpended balance of the funds remitted for the expenses of the Textile Alliance (Inc.) will be returned pro rata.

5. LIABILITY.

All purchasers ordering vat dyes under this plan must indemnify and agree to hold harmless the Textile Alliance (Inc.) and its officers, agents, and employees from any and all claims or liabilities arising in connection with any importations, sales, or deliveries of the vat dyes covered by this bulletin.

Importations after arrival will be at owners' risk and expense.

ORGANIZATION.

The Textile Alliance (Inc.) was organized February 24, 1914, as a membership corporation under the laws of the State of New York. It has no capital stock and is legally incapable of either making or retaining a profit.

The affairs of the alliance are under the general supervision of an executive committee, consisting of the following:
Mr. H. D. Cooper, Mr. Arthur E. Gill, and Mr. A. M. Patterson.
All matters relating to dyes and chemicals have been referred with power to a committee consisting of the following:
Mr. Frank D. Cheney, Mr. Franklin W. Hobbs, Mr. August Merz, Mr. M. R. Poucher, Mr. H. B. Thompson, Mr. W. H. Watkins, and Dr. Charles H. Herty, with the following as a subcommittee: Mr. Frank B. Cheney, Mr. A. C. Imbrie, and Mr. Manton B. Metcalf.

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CONTRACT AND ORDER FROM TEXTILE ALLIANCE (INC.).

(Order No. —.)

TO TEXTILE ALLIANCE (INC.),
45 East Seventeenth Street, New York.

GENTLEMEN: We inclose herewith vat-dye certificates issued on our behalf by the War Trade Board Section of the Department of State, and in accordance with their instructions of October 10, 1919, we herewith place order with you for the following quantity of vat dyes covered by the inclosed certificates:

Vat-dye certificate No.	Date of issuance.	Designation of dye.	Schultz number.[1]	Pounds desired.	Name and address of producer abroad.

[1] If number is not found in Schultz's Dye Table, 1914 edition, classify if possible under proper group as given by Schultz.

This order is subject to the following terms and conditions:
(a) This order is subject to acceptance and confirmation by the Textile Alliance (Inc.).
(b) Dyestuffs covered therein sold on a c. i. f. New York basis, the Textile Alliance (Inc.) to complete customs formalities.
(c) The undersigned acknowledges receipt of Bulletin No. 35 of the Textile Alliance (Inc.) and agrees to conform to the requirements, regulations, and provisions set forth therein and any changes, amendments, and reissues which may be made therein or thereof hereafter.
(d) Further, the undersigned will indemnify and hold harmless the Textile Alliance (Inc.), and/or its officers, agents, and employees individually and/or collectively from and against any and all claims or liability arising or which may arise in connection with any importations, sales, or deliveries of the vat dyes hereinbefore mentioned.

——— ———.
(Name of corporation, firm, or individual.)
——— ———.
(Name of officer authorized to act for applicant.)
——— ———.
(Address.)

Witness: ——— ———.
Date: ———.

—

(Order No. —.)

To ——— ———,
——— ———.

DEAR SIR: We beg to confirm the acceptance of this order.
Yours truly,
TEXTILE ALLIANCE (INC.).
Per ——— ———.
Date: ———.

—

MINUTES OF THE MEETING OF THE ADVISORY COMMITTEE ON DYES OF THE WAR TRADE BOARD HELD AT THE MERCHANTS' CLUB ON OCTOBER 27, 1919, AT 1 P. M.

Present: Mr. H. B. Thompson, chairman; Mr. Frank D. Cheney, Mr. W. H. Watkins, Mr. August Merz, Mr. Franklin W. Hobbs, Mr. M. R. Poucher (Mr. E. V. Patterson alternating), Mr. A. M. Patterson, Mr. A. C. Imbrie, Mr. Joseph H. Choate, jr.
A communication, dated October 25, 1919, from the State Department to Mr. A. M. Patterson was read and explained by Mr. Choate. A letter to be written by the chairman was drafted and approved, as follows:

OCTOBER 27, 1919.

Mr. ST. JOHN PERRET,
Acting Chief War Trade Board Section,
State Department, Washington, D. C.

DEAR SIR: The Advisory Committee on Dyes of the War Trade Board section of the State Department at a meeting to-day discussed informally the proposed import of dyes other than vat dyes from Germany. The committee was unanimous in reaching several conclusions, which they asked me to state to you, as follows:
1. The proposed importation, unless limited to dyes really necessary, will endanger the American dye industry to an alarming extent, since the dyes which are desired are not, like the vat dyes, of a class with which no American product competes, but are in many cases in direct competition with domestic goods. Many dyes not made here do precisely the work of other dyes which are made here.
2. Unless the policy of the department is determined with a full and expert knowledge of the real needs of the dye-consuming industries, and the execution of that policy in the actual decision on applications for license is handled by a body similarly informed, the gravest damage may be done.
3. Therefore the department's policy ought not to be formulated without the approval of somebody having such expert knowledge, nor should any licenses be issued without like approval.
4. The present committee was intended to furnish such knowledge; and if it is now deemed lacking therein, can be expanded to meet the department's requirements.
5. In view of the dangers of the proposed imports and of the probability of protective legislation the department's actions should not under any consideration be hurried. The task should be undertaken with all possible deliberation.
6. Conforming to the methods that have obtained during the past five months we suggest that Doctor Penniman or any other representative of your board acting in collaboration with our committee shall make all decisions as to the importation of these dyes.

Yours faithfully,
H. B. THOMPSON,
Chairman Advisory Committee on Dyes, War Trade Board Section.

Mr. W. R. Morehouse, of the National Aniline & Chemical Co., and Mr. R. S. Lunt, of E. I. du Pont de Nemours & Co. (Inc.), were then appointed to act as technical experts to the Textile Alliance (Inc.), and it was suggested that they arrange an appointment with Mr. Price on Wednesday morning, October 29.
A letter from the State Department to Textile Alliance, dated October 26, was read. Mr. Patterson said that counsel had intimated that such a letter, coupled with releases from importers doing business with Textile Alliance, would be sufficient protection against suits. Letter from Coudert Bros. of October 28, in confirmation as follows, was read and ordered into the record:

OCTOBER 28, 1919.

Mr. A. M. PATTERSON,
President Textile Alliance (Inc.),
45 East Seventeenth Street, New York.

MY DEAR MR. PATTERSON: Referring to our conversation of yesterday and your request for an opinion upon the question whether the undertaking by the alliance to act as requested by the State Department in handling the importation of dyes obtained through the Reparation Commission would possibly be obnoxious to the antitrust laws, we would say:
The alliance, in undertaking the work which the State Department has requested of it, would be in fact acting as the agent of such department and really in a public or quasi public manner itself, and, moreover, the State Department so construes the relationship created by the acceptance of the alliance, for in its letter of October 25 it speaks of the alliance in this connection as "its agent."
Under these circumstances we advise you that the antitrust laws have no application, as they do not embrace within their scope governmental action undertaken for public ends by duly constituted departments or organs of the Federal Government.
Regarding any legal liabilities which might arise in carrying on the work of importation and distribution of German dyestuffs, we would say that the alliance must obtain from each consumer for whom the dyes are procured and to whom they are delivered a contract completely releasing the alliance from all liability on the part of the alliance or its officers, acting within the scope of their authority, that could arise, and under these circumstances we advise you that there is no legal obstacle in the way of your undertaking this work for the State Department. Moreover, it is a work of great public importance, and you are to be congratulated in having so useful a rôle assigned to you by the Government.
Believe me, my dear Mr. Patterson, with assurance of sincere regards,
Faithfully yours,
FREDERIC R. COUDERT.

The alliance was therefore ready to proceed with the proposed arrangement as to dyes covered by its letter of September 15 to Mr. H. B. Thompson and letter of October 2 to the State Department, and the State Department's letter of September 29 and October 10.
Mr. Patterson stated that he would appoint, subject to the approval of the executive committee of the Textile Alliance, the members of the advisory committee on dyes for the War Trade Board as a dye committee for the Textile Alliance, with power, retaining as a subcommittee in the capacity for which they were originally appointed Mr. F. D. Cheney, of Cheney Bros.; Mr. A. C. Imbrie, of United States Finishing Co.; and Mr. Manton B. Metcalf, of Metcalf Bros. & Co. The committee approved and accepted the offer.
Mr. Price was requested to obtain from the customs a ruling as to rate of exchange on marks used as a basis for assessment of duties.
The proposed Textile Alliance (Inc.) Bulletin No. 35 was approved, with the following changes:
Paragraph 4, second sentence, reading: "To meet the actual expense of this organization," etc., and corrected to read: "The estimated expenses of this organization," etc.
And changing the rate to be assessed for alliance charges (see par. 4 of Bulletin 35) from 5 per cent to 15 per cent, to be computed upon the delivered cost, including duty.

B. R. PRICE, Jr.,
Acting Secretary.

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RÉSUMÉ OF MINUTES OF MEETING OF THE ADVISORY COMMITTEE OF THE TEXTILE ALLIANCE (INC.), HELD AT THE MERCHANTS CLUB, 1 P. M., OCTOBER 28, 1919.

Present: Messrs. Henry B. Thompson, Frank D. Cheney, Manton B. Metcalf, Andrew C. Imbrie, A. M. Patterson, and B. R. Price, jr. (acting secretary).
In view of the recent individual indemnifications from purchasers and the appointment of the alliance as an agent for the War Trade Board section of the State Department in connection with these dyestuffs matters on advice of counsel, it would appear that no further indemnification or agreement by either the department or the Advisory Commission on Dyestuffs to the War Trade Board is necessary.
Acceptance of Bulletin 35 and contract order, Form D I.
The basis of our charges established at 15 per cent of each purchase, computed on delivery cost, including duty.
Resolution to the effect that dyestuffs account shall take over the organization of the Textile Alliance (Inc.) from October 1, 1919, until the conclusion of this arrangement, and its operating expenses to be paid out of this fund, realizing income from investment to be applied as the executive committee may direct.
Advancement of $25,000 out of regular funds of the Textile Alliance (Inc.) for establishment as of November 1 of a special dyestuffs account, against which all operating charges shall be directly deductible. Interest rate on this loan, 6 per cent, to be repaid as directed by dyestuffs committee.
Authorization Chemical National Bank, New York, as official depository.
Accounts appointed: Barrow, Wade & Guthrie Co.
Approval of Mr. Fleisch's trip abroad.
Approval of Mr. W. R. Morehouse, of the National Aniline & Chemical Co., and Mr. R. E. Lunt, of E. I. Du Pont de Nemours & Co. (Inc.), to act as technical experts to the Textile Alliance (Inc.) in New York; Mr. W. H. Cady, of the United States Finishing Co., as alternate.

Memorandum of matters discussed and agreed upon between Capt. Reginald Norris, of the committee on organization of the Reparation Commission, and Mr. E. A. Fleisch, of the Textile Alliance (Inc.), of New York and Paris, November 4, 1919, on the subject of German dyes.

(1) REPARATION DYES.

(a) Where reference is made in these notes to reparation dyes it is understood to mean those dyes that are available to the United States from reparation stocks as per inventories of August 15, 1919, rendered by the Germans and certified by them to be complete and correct.

(b) The dyes have thus far been only partially apportioned between the countries entitled to receive them. Of this partial apportionment the United States' share is 1,500 tons, all or any part of which the United States is free to accept at any time without being committed in any way to take any portion not wanted.

NOTE 1: The total stocks of dyes in German factories on August 15, 1919, is roughly estimated at 40,000 tons, of which one-half, say 20,000 tons, will be available to the allied and associated powers. Of these 20,000 tons only 5,200 tons have thus far been apportioned, as follows:

	Tons.
United States	1,500
Great Britain	1,500
France	1,000
Italy	700
Belgium	500
Total	5,200

The above apportionment merely indicates aggregate metric tons and does not represent the apportionment of each individual dye that each country is to receive.

The proportion of each dye that each country is to receive out of the quantity available to the allied and associated powers has thus far been fixed as follows:

	Per cent.
United States	22.44
Great Britain	20.44
France	15
Italy	10
Belgium	5
Total	70.88

This leaves 29.12 per cent to be divided among the allied and associated powers when peace comes into force. How this 29.12 per cent may be divided can not now be stated.

When peace comes into force there will remain, say, 14,800 tons to be apportioned between the allied and associated powers, being the difference between 5,200 tons already apportioned and the total of, say, 20,000 tons. Whether or not the United States will accept an apportionment either of the 29.12 per cent or of the 14,800 tons is not yet ascertainable.

NONREPARATION DYES.

(c) Where reference is made in these notes to nonreparation dyes it is understood to mean dyes upon which the United States Government has no claim and which may be secured only by direct treaty between intending purchasers and the German manufacturers under an option given on October 4, 1919, to Dr. Charles H. Herty by Dr. C. von Weinberg, head of the German cartel. The option was good "until further notice, at least four weeks." No notice has been received, but in anticipation thereof Doctor Herty asked the Germans for an extension of the option, which has not yet been received.

NOTE 2: The question as to whether the option of October 4, 1919, on nonreparation dyes is accepted, rejected, extended, or altered does not involve the United States authorities nor does it involve the question as to whether or not the Textile Alliance will be the medium of importation into the United States for any or all of these dyes. If the option is lost and importation of nonreparation dyes is permitted through the Textile Alliance and also direct by importers and consumers, it would seem that the Textile Alliance will have to negotiate with the Germans direct for prices on what they will order.

(2) COMMITTEE OF ORGANIZATION OF THE REPARATION COMMISSION'S POSITION.

(a) Col. J. A. Logan, jr., Paris, will notify the German authorities that the United States Government has designated the Textile Alliance (Inc.), of New York, as its "accredited representative" with full authority in all matters (with the exception of withdrawal licenses) pertaining to dyes to be supplied to the United States from reparation stocks and will request that the German authorities direct the several German dye manufacturers to honor instructions they may receive either direct or through Dr. C. von Weinberg, head of the German cartel, from the Textile Alliance (Inc.).

(3) WAR TRADE BOARD'S POSITION.

REPARATION DYES.

(a) The War Trade Board gives allocation certificates to consumers only.

NONREPARATION DYES.

(b) It is not clear whether the Textile Alliance will have any participation in the nonreparation dyes. It is possible, however, that allocation certificates will be issued by the War Trade Board under the Textile Alliance arrangement to such consumers as may desire to obtain their nonreparation dyes through the alliance.

(c) It now appears certain that both the consumers and importers may obtain nonreparation dyes independently of the Textile Alliance if they so desire.

(4) TEXTILE ALLIANCE (INC.) POSITION.

REPARATION DYES.

(a) The Textile Alliance (Inc.) has exclusive access to the reparation dyes and apparently deals with consumers only and not with importers.

(b) The consumers assign their allocation certificates to the Textile Alliance.

(c) The consumers place their orders in contract form with the Textile Alliance.

(d) The Textile Alliance secures import licenses in its own name.

(e) The Textile Alliance sends the orders to its Paris representative, who proceeds as indicated in section (5).

NONREPARATION DYES.

(a) Mr. A. M. Patterson, the president of the Textile Alliance, states in a cable received in Paris October 31, 1919: "Importers have access to dyes from manufacturers through regular commercial channels" and "acceptance cartel's offer hinges on developments next 10 days." From this it appears:

(i) That consumers may be given the option of obtaining nonreparation dyes either through the Textile Alliance or not as they may prefer.

(ii) That if such orders are placed through the Textile Alliance the process will be the same as in the case of reparation dyes, except that no documents will be sent to the United States authorities for nonreparation dyes.

(5) ORDERS—PROCESS REGARDING.

FOR REPARATION DYES.

(a) Consumers in the United States will place orders with the Textile Alliance, New York, not exceeding the amounts covered by each consumer's allocation certificate.

(b) The Textile Alliance, New York, will send orders in duplicate by separate mails to their representative in Paris.

(c) The Textile Alliance Paris representative will send the original of each order to Dr. C. von Weinberg, head of the German cartel, who will distribute the orders among the several German manufacturers.

(d) Whenever the amount of any one dye due the United States from reparation stock is insufficient to fill all orders placed by consumers through the Textile Alliance for such dye, each order is to be reduced pro rata.

FOR NONREPARATION DYES.

(a) In case consumers are given the option of obtaining nonreparation dyes through the Textile Alliance the procedure will be the same as for reparation dyes except:

(i) Withdrawal licenses may be unnecessary.

(ii) No documents will be sent the United States authorities.

(iii) Payment will be arranged between the Textile Alliance and the German manufacturers.

NOTES.

(1) It appears orders are now being made out in the United States for reparation vat dyes, and that orders for reparation nonvat dyes will be made out shortly.

(2) The Textile Alliance, New York, is expected to inform its Paris representative shortly the particulars as to consumers' requirements, giving description of dye and "Schultz" publication, 1914 edition reference, stating whether paste or powder form as well as quantity.

(6) PACKING.

FOR BOTH REPARATION AND NONREPARATION DYES.

(a) Each individual order covered by a different number must be separately packed.

(7) SHIPPING DIRECTIONS.

(a) These will be made out in Paris on forms which Mr. Fleisch will prepare.

(b) A copy of the form filled out will accompany each individual order. The filling out of these forms may be done by whoever is intrusted with the work upon Mr. Fleisch's departure.

(c) There will be one form of directions for reparation dyes, and another form for nonreparation dyes, but the two will be alike except in a few particulars.

(8) DOCUMENTS.

(a) Shipping directions accompanying each order will state the kind and number of documents to be furnished and to whom.

(b) The manufacturers are to supply separate documents for each individual order bearing a different number.

(c) The documents are to be dispatched as soon as possible after shipments are made.

(d) Every copy of every invoice and packing list must show the number of the individual order which will in each case be designated as T. A. I. Order No. —.

(e) The following documents are to be supplied for each order:

(i) For reparation dyes: Invoices, 3 certified copies and 2 plain copies; packing lists, 5 copies; bills of lading from factory to seaport, 1 original and 2 certified copies; consular invoices, 1 original and 1 duplicate.

(ii) For nonreparation dyes: Plain invoices, 3; packing lists, 3; bill of lading to seaport, 1 original and 1 plain copy; consular invoices, 1 original and 1 duplicate.

(f) All of the above-named documents, both for reparation and nonreparation dyes, are to be sent by the manufacturers to the Textile Alliance (Inc.) at their Paris address, which will be given the manufacturers, except that in case of reparation dyes the manufacturers are to furnish the United States officer in control of withdrawals the two certified copies of each bill of lading. The shipments are not to pass the control officer until these two certified copies of each bill of lading are furnished him. These bills of lading must show the shipments to be consigned to the steamship company at a seaport "for reshipment" to the Textile Alliance (Inc.), New York, for illustration:

Consigned to the Holland-American Steamship Co., Rotterdam, Holland, for reshipment to the Textile Alliance (Inc.), New York. Destined for John Jones.

NOTES.

(1) The control officer is to retain one of these certified bills of lading and send the other to the Textile Alliance, Paris office, numbered consecutively.

(2) It is assumed that the United States visé of the consular invoices may be obtained in Germany, probably from the Spanish consulates. Captain Norris has telegraphed Mr. Noyes at Coblenz for this information.

(9) LICENSES FOR THE WITHDRAWAL OF DYES FROM GERMAN FACTORIES.

(a) The Inter-Allied Rhineland Commission will at once issue a license for the 1,500 tons of dyes that are available to the United States from reparation stocks. This license will be available only to the Textile Alliance (Inc.) as the "accredited governmental representative."

NOTES.

(1) This license will be honored upon the withdrawal of shipments of reparation dyes up to the total of 1,500 tons, even though the system of issuing withdrawal licenses may be discontinued when the peace treaty comes into force.

(2) It is understood that when peace comes into force a new system of control is to be established to prevent the Germans from removing the dyes from the present occupied territory in violation of agreements.

(10) INSURANCE.

(a) On all shipments through the Textile Alliance, whether reparation or nonreparation dyes, the insurance will be covered by the Textile Alliance from the German factory through to final destination.

(11) PRICES AND PAYMENT.

(a) For reparation dyes it is understood prices are to be as per inventories of August 15, 1919, at factories in full packages with additional charges for smaller packages.

(b) For nonreparation dyes the prices at factories in United States dollars for full packages are as per option given by Dr. C. von Weinberg to Dr. Chas. H. Herty, October 4, 1919, assuming that the Germans do not give notice of change or that the option will be extended.

(c) The Textile Alliance, New York, will in all cases collect the approximate c. i. f. amount of each order from the party who places it with them at the time it is placed.

(d) The funds will be deposited with the Chemical National Bank of New York.

(e) For nonreparation dyes the matter of payment must be arranged direct with the Germans by the Textile Alliance or whoever else may place the orders, as the United States Government is not concerned therewith.

(f) For reparation dyes the following is agreed:

(i) On the 1st and 15th of each month the Paris representative of the Textile Alliance will furnish the C. O. R. C., Paris, in duplicate a summary of invoices received during the preceding two weeks with an acknowledgment that the documents evidencing shipment have been received. To these summaries will be attached certified copies of the invoices.

(ii) The C. O. R. C. will transmit to the German delegate a copy of the summary with a note that the reparation account has been credited.

(iii) As no payment is to be made Germany for reparation dyes, it is desired that the Textile Alliance defer payment until the dyes have reached destination and proven satisfactory, and that some time thereafter the United States authorities will indicate to the Textile Alliance of New York when, how, and to whom payment is to be made. Captain Norris has kindly agreed to have the question raised with the proper United States authorities to ascertain whether such payment will be satisfactory to them.

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COBLENZ, *November 6, 1919.*

AMMISSION, *Paris:*

Reference your wire November 3 and 4, time 4.10 p. m. Spanish Consul Dusseldorf supplied with American consular invoices and is at present consulating for American shipments.

NOYES.

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SEPTEMBER 27, 1919—4 P. M.

AMMISSION, *Paris:*

Your (4270) Septemper 19, 1 p. m.

1. The department concurs in your opinion that the resolution adopted on September 18 by the London committee is in substance an attempt to avail of the provisions of annex 6 to that treaty. The department is, however, willing to approve the plan in view of the wishes of the other delegates and of the advantages of the lower prices, although we are advised that so far as the prospective shipment of vat dyes is concerned the question of price is not as vital to our consumers as it appears to be to the French.

2. The outstanding feature of our situation is the pressing need for immediate supplies of vat dyes. Although it is desirable to secure these dyes otherwise than through the old German agencies, this consideration as well as the question of price is subordinate to the need of prompt delivery.

3. As stated in department 3062, September 8, 8 p. m., we are now withholding import license awaiting the outcome of the current negotiations in Paris, and your recent cablegrams create the impression that these negotiations may not result in a satisfactory and practicable plan for some time to come. One month has already elapsed since we announced to the consumers our decision to permit the early importation of a six months' supply of vat dyes, and you state in your 4270 that it is the universal opinion that the Germans will not consent to the plan of the committee and that then the only remaining solution will be to anticipate the treaty option. On this point the department is now entirely willing to agree in principle to such anticipation. On the other hand, however, as stated above, time is of the very essence and we are beginning to doubt whether arrangements to secure our six months' supply of vat dyes through such anticipation could become operative soon enough to fulfill our pledges to the consumers. We are much embarrassed at present and can not defer much longer the issuance of import licenses.

4. In view of the foregoing it is of the utmost importance that we be advised immediately when it will be possible to actually secure the delivery of dyes under a plan to anticipate the treaty provisions; we should have advices which will warrant our informing the consumers. If this will not be possible in the very near future we will be compelled to adopt the second alternative mentioned in your 4270. In this connection the following are certain practical considerations which should be taken into account:

(A) The consumers in this country have applied for and we have allowed allocations aggregating 977,019 pounds of vat dyes for consumption during the six months' period beginning October 1.

(B) Under the plan to anticipate the treaty it will be necessary to designate some single agency to act as an intermediary between the consumers and the sellers. The department is prepared to designate the Textile Alliance as such agency to accept orders from the consumers in this country and to place these with or through the Reparation Commission under such plans as may be devised. It will be necessary for the Textile Alliance to send a representative to Paris to handle the details connected with the purchase of and payment for the dyes and their shipment to this country.

(C) As stated in department's 3061m, September 8, 8 p. m., we do not see upon what ground we can deny consumers the right to import through the old German agencies. At best we can only make it optional with the consumers whether they will avail themselves of an anticipation of the treaty provisions. The only possible ground in denying the right to import through the old German agencies would be that purely from the point of view of reparation. It is desirable for all American dye requirements to come through the Reparation Commission, so that the value thereof may be credited to the reparation account. It is therefore urged that you send your views on this point.

(D) We have not yet decided to permit the importation of any dyes other than a six months' supply of vat dyes. If the provisions of the treaty are anticipated to the extent of securing for us these particular dyes, will that be regarded as only a partial exercise of the option, leaving it open to us to secure such additional amounts of the other dyes as we may decide are needed by our consumers? Or will the Germans insist that the option be regarded as completely exercised to meet the pressing demands of the American consumers? We are considering the immediate issuance of allocation certificates which will entitle importers or their nominees to secure import licenses from us. At the same time we wish to announce the possibility or probability of being able to secure these dyes at treaty prices, and the consumers could either proceed immediately to order dyes through old agencies or arrange to purchase under the contemplated plan to anticipate the treaty. Please consult Herty and wire us immediately your views on this proposal. (3262.)

PHILLIPS, *Acting.*

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(3279) SEPTEMBER 29—4 p. m.

AMMISSION, *Paris.*

For Herty from War Trade Board. The following is a complete list to date of the aggregate amounts of the vat dyes which our consumers wish to import, and whose importation we have decided to permit under one of the two alternative plans referred to in Mission's 4270, September 19, 1 p. m. The figures preceded by the letter "S" denote the Schultz number of the dye, and the figures which follow denote the quantities in pounds: S. 748, 117,950; S. 759, 1,400; S. 760, 12,900; S. 761, 36,370; S. 762, 75; S. 763, 5,920; S. 765, 24,150; S. 765A, 400; S. 766, 870; S. 767, 39,075; S. 768A, 47,450; S. 791, 10; S. 795, 100; S. 810, 3,400; S. 810A, 100; S. 811A, 200; S. 812, 95; S. 813, 50; S. 814, 100; S. 815, 575; S. 816, 1,100; S. 817, 2,050; S. 818, 1,150; S. 819, 7,975; S. 820, 11,325; S. 821, 1,320; S. 822, 1,000; S. 824, 400; S. 825, 5,200; S. 827, 2,500; S. 828, 570; S. 829, 50; S. 830, 1,000; S. 831, 7,895; S. 832, 10,100; S. 833, 550; S. 834, 750; S. 836, 800; S. 838, 8,500; S. 839, 275; S. 840, 550; S. 841, 3,000; S. 842, 355,450; S. 843, 400; S. 844, 2,850; S. 845, 50; S. 847, 2,200; S. 848, 625; S. 849, 72,784; S. 850, 1,500; S. 867, 2,310; S. 869, 150; S. 869A, 2,300; S. 870, 600; S. 873, 100; S. 873B, 9,500; S. 873D, 670; S. 880, 100; S. 881, 7,200; S. 882, 30; S. 883, 3,075; S. 885, 4,000; S. 887, 1,500; S. 891, 100; S. 892, 1,520; S. 893, 3,500; S. 895, 4,200; S. 896, 350; S. 896A, 800; S. 901, 100; S. 902, 2,200; S. 904, 6,990; S. 904A, 500; S. 907, 4,250; S. 910, 54,760; S. 912, 2,000; S. 913, 2,495; S. 913A, 2,000; S. 914, 275; S. 915, 3,800; S. 916, 1,625; S. 917, 1,855; S. 918, 13,270; S. 919, 50; S. 920, 18,905; S. 921, 500.

Please advise us at once whether the lists of stocks which have been submitted indicate that we will be able to secure the foregoing amounts of the various dyes specified.

We wish to take this occasion again to impress upon you that prompt delivery is so vital a factor in our domestic situation that we should be informed at the earliest possible date what prospects there are for securing an early delivery of the official dyes through plan mentioned in paragraph 4 of 4388, on anticipation of treaty provisions. (3279.)

PHILLIPS, *Acting.*

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(4474) OCTOBER 1—11 P. M.

SECSTATE, *Washington.*

(Department's (3262), September 27, 4 p. m.)

One. On September 25 a letter was addressed to the German representative at Versailles by the interim Reparation Committee, stating that the committee had decided (a) to take immediate delivery of 2,200 tons of dyes for France, Italy, and Belgium; (b) that this amount might be increased to 5,200 tons to provide for the reservation of 1,500 tons each for the United States and Great Britain; (c) that the prices should not exceed those of German lists of August 15; (d) that this decision shall not prejudice in any way the ultimate decisions of the Reparation Commission as to the option it holds under the treaty terms upon half of the dye stocks in Germany. On the contrary, this decision is entirely independent of the treaty rights given to the Reparation Commission, which rights are not affected in any manner by this arrangement; (e) that the tender of the lists of August 15, 1919, is not to be considered a beginning of the execution of annex 6 of part 8 of the treaty. The letter explains, however, (f) that such immediate deliveries would be a charge against the amounts to be delivered in accordance with the option in case the option should be later accepted; (g) that Germany was to be allowed under the arrangement to dispose freely of an amount of each dye equaling that delivered under the present decision.

Two. The arrangements proposed by this letter will be considered at an interallied meeting on October 1, and meeting with the German representatives at Versailles has been called for October 2. In view of the department's assent to anticipating the option, which will not, however, be made use of unless found necessary, it is now believed that a satisfactory result may be attained.

Three. The need for prompt deliveries is fully understood, and this will be insisted on as an essential factor in all discussions with the Germans.

Four. As only approximately 500 tons of vat dyes are required, the 1,000 tons remaining of total American reservation could be used for supplying such needs of American consumers as were developed by your questionnaire to consumers in general last summer.

Five. While a representative of the Textile Alliance would be welcomed and given every facility Ammission is of opinion that Herty is entirely competent to handle situation. In any case, it seems unnecessary to delay until arrival of Textile Alliance representative before arranging for vat dye shipments, as copies of all German lists of August 15 were forwarded you on September 22 giving prices, quantities, factory designations, concentrations, etc.

Six. It is strongly urged that no license shall be issued except for dyes secured through interallied action, the proceeds of which transactions will go into reparation fund. According to understanding of Ammission the granting of licenses for dyes is exceptional and is waiver by the President of the prohibition established under the powers conferred on him by the trading with the enemy act. The peace treaty provides for a specific method of securing the requirements of the allied and associated powers for dyes, and unquestionably contemplates that so far as possible the reparation fund shall have the benefit of these transactions. If licenses are granted for purchase through American agents of German manufacturers, the reparation fund will be deprived proportionally of the intended benefit. Such action would undoubtedly create unfortunate impression on our allies, especially as stocks at German plants are ready for delivery, prices are low, and the meeting with the Germans is nearly at hand.

Seven. Referring Ammission's 4270, September 19, 1 p. m., last paragraph but two, Noyes states that he has personally ascertained that not 1 pound of dyestuffs can leave the Bayer plant without permission of the Rhineland Commission. This plant is covered by 3 officers and 50 soldiers in charge; states that leaks are impossible. Noyes further states that he is informed that in the Bayer plant 700 tons of dyestuffs are on hand in excess of the quantity existing on January 15. He will report later after personal investigation on other plants. 4474.

POLK, *Ammission.*

OCTOBER 6, 1919.

SECSTATE, *Washington.*

(C. H. Herty. For Garvan from Herty):

At meeting with Germans, October 4, Allies accepted German lists of August 15, both as to stocks and prices in marks at current exchange rates on day of delivery at factory. Stock and process guaranteed by German Government. For each kilo of dye taken by Allies from stocks on the lists a kilo of same dye is released to Germans for free sale.

Under interallied London agreement of September 15, made in advance of my reaching London, we are entitled in present distribution to 10.225 per cent of total stocks of each item on lists of August 15, up to 1,500 tons. Allied lists are to be filed with committee on organization this week. However, we reserved the right to file a supplementary list somewhat later if we desire to do so. Committee on organization will forward lists to German manufacturers.

Our share of present distribution of stocks is only approximately 30 per cent of total amount of available dyes listed in Wartrabord's 3279 of September 29, 4 p. m. This because of Wartrabord's desire for specific vat dyes and limitation of our percentage of each dye in the distribution.

After the general meeting with the Germans I had a conference with Von Weinberg, present head of cartel, and his associates regarding direct purchase from plants of dyes needed to complete our requirements. Von Weinberg gave me in writing an offer to fill such balances at following scale of prices: (1) For vat dyes per kilo, divide price in marks on lists of August 15 by 4 and quotient equals price per kilo in dollars; (2) for general colors, divide by 5.

Thus a vat dye listed at 10 marks per kilo would cost us at factory $2.50 per kilo, while a general color listed at 10 marks would cost us $2 per kilo. Terms, cash, in dollars, on delivery of dyes at plant. This offer holds for at least four weeks.

These prices represent at German factory, without including tariff duties, slightly less than current American prices on dyes now manufactured in America. French, Belgians, and Italians inform me that these prices conform to those they paid under previous authorization to purchase from German stocks at open-market prices.

Effort to gain consent of Allies to increase our percentage of present distribution unsuccessful, as all are in need of vat dyes.

Vat dyes of the present distribution are so cheap that we should place immediately with committee on organization application for immediate delivery of our full share of each dye listed in Wartrabords 3279.

Decision of Wartrabord outlines in No. 3325, October 3, 11 a. m., is incredible, taken as it was just while negotiations with Germans were actually in progress here, although department's 3262, September 27, 4 p. m., stated that import licenses were being withheld "awaiting the outcome of the current negotiations in Paris." Furthermore, I stated in Washington in presence of Mr. Bennett, of Wartrabord, that I would not undertake mission to Paris under any such policy as has now been decided upon, because I was unwilling to engage in a matter of competition with German agents.

Wartrabord's announcement that "negotiations have been instituted with a view to securing German dyes at prices similar to those contemplated in annex 6 of part 8 of the peace treaty with Germany" is very unfortunate, in view of my repeated statements as to extremely low prices of peace-treaty dyes. Department's 3262, September 27, 4 p. m., paragraph 2, emphasized that "price is subordinate to the need of prompt delivery."

Wartrabord in No. 3325 questions accuracy of my statements as to prices of dyes under peace-treaty distribution. This information was, of course, given correctly in my No. 4298, September 20, 8 p. m., and was confirmed in my 4507, October 3, to you. Germans on October 4 accepted without hesitation this basis of settlement on current exchange rates in terms of marks. I again repeat the statement. Von Weinberg informed me that stocks on August 15 were listed at these very low prices in order to conclude as quickly as possible this part of treaty. British inform me that Germans were required to submit prices in marks instead of Swiss francs, as in lists of April 5.

Please cable quickly instructions as to peace-treaty dyes. If they are desired, to whom shall consignment be made, from whom will committee on organization receive payment, etc. In view of Wartrabord's action as to distribution of import authorizations my presence here no longer required. Offer of Germans regarding needs above distribution share holds good for at least four weeks and an order can be cabled direct to Von Weinberg, in care of Leopold Cassella & Co., Frankfort, by Textile Alliance or whatever body may handle the matter. Of course, there is the possibility that Germans may decline to comply with terms of their offer to me in view of the fact that the offer was made for the total balance of our needs over and above our peace treaty distribution share. As soon as I hear regarding wishes as to peace-treaty dyes I will return.

AMMISSION.

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(O urgent 3361.)

OCTOBER 7—2 P. M.

AMMISSION, *Paris:*

Your (4474) October 1, 11 p. m.

One. Please explain what is meant by the provision "That such immediate deliveries would be a charge against the amounts to be delivered in accordance with the option should it be later exercised further."

Two. Does the plan now contemplated still contain the provision that the quantities secured shall not consist of more than 30 per cent of the amounts under option of any particular dye; and if so, will such provision prevent our securing the various quantities of the different vat dyes mentioned in department's 3279, September 29, 4 p. m.?

Three. It is our understanding that the London conference recommended only a two months' supply for France, Italy, and Belgium. Is it expected that we will be granted a six months' supply of vat dyes? Or is the reserve, 1,500 tons for the United States, intended to provide only a two months' supply of various dyes?

Four. The department does not understand exactly the practical steps you contemplate if the pending proposal is accepted by the German delegates. Neither Herty or department has any authority to make a commitment on behalf of this Government to purchase or pay for any dyes. As stated in paragraph B of section 4 of department's 3262, September 27, 4 p. m., it is our view that such purchase and commitment can be made only by some agency, such as the Textile Alliance, and then only to the extent that orders are actually placed with it and payment guaranteed by the consumers. The application referred to in department's 3262 and department's 3279 are merely indicative of the amounts which consumers wish to import and which we will permit them to import. Advise us of any change. Do not constitute any firm commitment by them to take these dyes and to pay for them. We do not understand how Herty can request or take delivery of any specified dyestuffs simply on the faith that he would probably be able to dispose of them in this country. It is our view that he can do no more at present than state that our requirements will be approximately the amounts indicated in department's 3279, leaving it to the Textile Alliance, after receiving guaranteed orders, to state the exact figures and to make such commitments or arrangements for payment as may be necessary under the provisions of the plan. It is therefore important that we be advised as soon as possible what the conditions of payment will be for the dyes which our consumers secure.

Five. We agree that arrangements should not be delayed until the arrival of the Textile Alliance representative, but the alliance will have a distinct responsibility in the matter, and we feel that they should send a representative abroad if they desire. Mr. F. A. Fleisch, vice president of the alliance, has just left for Europe on other business, and it will be convenient for him to attend to the dye matter at the same time. He will arrive at Paris about October 15.

Six. Referring to paragraph 6 of your 4474. Since the resumption of general trade with Germany on July 14 our control over dye imports has assumed in substance the character of purely protective measure to safeguard our domestic dye industry against the influence of competing German dyestuffs. This attitude was clearly stated in department's 2632, July 25, 4 p. m., in reply to Ammission's 3166, July 15, 1 p. m. Under present conditions it is the restrictions which are exceptional rather than the reverse.

Seven. Very confidential. The department is unable to assent to your conclusion in your 4474, paragraph 6, that the treaty gives rise to any obligation on the part of this Government to compel our citizens to secure their dyes only through the Reparation Commission. The language of the treaty merely accords an option so to secure them, and the adoption of your view would prove most embarrassing, because upon the ratification of peace there will be no statutory authority to give it effect. The issue bill does not grant authority but on the contrary makes it expressly mandatory upon the commission to issue licenses immediately for the importation of all dyes not obtainable in this country. Dulles, who participated in the drafting, has advised us that there is no obligation of any kind on the United States to insure the utilization of the Reparation Commission in the purchase of dyestuffs, and that in fact it was understood in Paris that the United States would not avail itself of the option accorded by annex 6. The department is willing to continue to protect the domestic industry by restricting importations to limited quantities of dyestuffs not obtainable here, but we are not prepared to dictate to consumers the prices at which, or the channels through which, they shall purchase these commodities. We feel that we have gone as far as warranted in assenting to a plan to anticipate the option leaving it optional with the consumers whether they will avail themselves of such, having admitted the pressing need of vat dyes in the United States. It seemed clear that an adherence to the policy expressed above, together with the pressure brought to bear upon the War Trade Board Section by the consumers, demanded immediate action of the character described in the department's 3325, October 3, 12 a. m. Furthermore, we had assumed, in view of the declaration secured by Dulles, referred to in Ammission's 4173, September 12, 8 p. m., that there would be no objection to our permitting our citizens to secure a limited supply of German dyes through ordinary commercial purchases. Please show to Herty.

LANSING.

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(4572) OCTOBER 8—1 P. M.

SECSTATE, *Washington:*

Referring Herty's cable to Garvan, sent by Ammission's (4551), October 6, 9 p. m., the letter mentioned in Ammission's (4774), October 1, 11 p. m., was accepted in full by Germans at meeting of October 4. The option, therefore, was not involved, except as diminishing the quantity of stocks on which it will operate. A proposition made by the American delegates that the Germans should hold 50 per cent or 25 per cent of stocks on hand between August 15 and the date of the coming into force of the treaty was not insisted on, as the general opinion was that it would be impolitic to attempt to enforce too severe restrictions.

In accordance with the suggestion of the Belgian delegation the lists of the requirements of the allied and associated powers will be sent promptly to the Rhineland Commission, who will then discuss with the German representatives the means of filling the orders as expeditiously as possible with regard to choice of factories, details of shipment, etc.

This appears the most feasible agreement, as the Rhineland Commission is conversant with the whole situation.

Ammission agrees with Herty in considering Wartrabord's action in issuing permits freely licensing consumers to secure dyes through any commercial channels on the very date before negotiations were concluded with the Germans as exceedingly unfortunate for the following reasons:

1. From the information at hand the German agencies concerned will perpetuate the old methods, for the existence of which there is no real necessity.

2. The action will infallibly handicap us in our relations on this matter with our allies.

3. It is embarrassing to Herty, who on the day following the issue of licenses made an adequate arrangement, subject to approval from America, with the head of the German dyestuff experts for the purchase of the balance of the needs of American consumers.

4. The method initiated by the Wartrabord's decision will diminish appreciably the amounts to be paid in the way of reparation.

5. While control is still being maintained, as stated in Ammission's (4474), paragraph 7, it is inadvisable to offer inducements to unauthorized diminutions of the stocks under co—— [word not entirely printed].

The decision comes just at the moment when what appears to be a thoroughly satisfactory agreement had been reached with the Germans and also a complete understanding had been attained with our allies.

AMMISSION.

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(3383) OCTOBER 9—3 P. M.

AMMISSION,
Paris (urgent).

Your (4551) October 6, 9 p. m. (Garvan from Herty):

First. In reference to the "Incredible decision of the War Trade Board, outlined in the department's 3325, October 3," and referred to

in your cable, please inform Mr. Herty that the decision of the War Trade Board was directed by the Department of State for certain important reasons here, but if dyes can be obtained promptly through the Reparation Commission it is the opinion of the department that practically all the dyes licensed to be imported will be purchased through the channel of the Reparation Commission.

Second. Concerning Mr. Herty's reference to the War Trade Board in No. 3325 as questioning the accuracy of his statements as to price of dyes under peace treaty distribution, please inform Herty, Dresel, and Rathbone of the following:

The War Trade Board had no intention of questioning Herty's understanding of agreement with the Germans, but both the board and Department of State were doubtful of the ratification of the Reparation Commission of such a proposition. Norman Davis, Dulles, and others handling reparation matters in the department feel there is grave danger in doing anything which will establish a precedent that the value of commodities handed over by Germany as part of reparation should be credited to her against the reparations bill at a depreciated rate. The money paid for the dyes will go to the credit of the reparation account. It is felt that the rate of exchange between Germany's mark and American dollars, for instance, is due to abnormal conditions of foreign trade, etc., and that the value of the dyes in dollars at the current rate of exchange is not a fair credit to the reparations fund. Exhaustive study is being made of this general matter in the Treasury and State Departments at the present time and it is felt of utmost importance that until a conclusion is reached the American representative on the Reparation Commission, if consent is given at all to such a policy in reference to dyes, will make it clearly understood that the action taken in reference to the dyes will in no way stand as a precedent or effect the adoption of a definite policy as regards credits in reparations. We realize the amount involved in respect to the dyes is small, and if decision has been taken already in this matter by the Reparation Commission no objection will be made by the department, provided reservation is made as outlined above. It is important that you let us know as soon as possible whether the Reparation Commission has ratified the basis of settlement on current exchange rates.

Third. Please explain to Herty the department's appreciation of his efficient work, and that it considers of great importance Mr. Herty's presence in Paris as a dye expert. It is felt inadvisable that Mr. Herty, a Government employee, should, for himself or the Government, take the responsibility of the details of the commercial transaction of actual buying the dyes. The handling of this matter by the Textile Alliance will probably relieve the Government of a great deal of the responsibility and obnoxious detail in the matter. The arrangement for treaty dyes should be pushed rapidly to its conclusion; representative of the Textile Alliance should be on the spot in a few days to arrange the details, with power to take the dyes and pay for them.

Fourth. As regards offer of Germany regarding needs above distribution share, we see no objection to the Textile Alliance closing with Von Weinberg for the dyes it will need to supply consumers ordering dyes through them. It will seem wise, however, that this transaction should be considered a private commercial transaction on the part of the Textile Alliance. There would appear to be no real difficulty in the Textile Alliance prorating the dyes and the different prices.

Fifth. This cable approved by A. P. C. 3383.

LANSING.

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(4633) OCTOBER 12—11 P. M.

SECSTATE, *Washington.*

W. L. DRESEL: Your (3361) October 7, p. m. Answering your paragraph 1, concluding word "further," quoted as contained in Ammissions 3262, September 27, 4 p. m., paragraph 1, is not in that cable as sent. The stocks given in the list of August 15 constitute by agreement the basis for a final settlement. Advanced withdrawals from these stocks as arranged October 4 will diminish by corresponding extent amount of each dye available for final exercise of peace treaty option.

Your paragraph 2: Plan agreed on with Germans provides that France, Belgium, and Italy together may in present partial distribution secure not more than 30 per cent of the 50 per cent option on each item of stocks listed—that is, 15 per cent of total weight of each item—provided such withdrawals shall not aggregate more than 2,200 tons. Under London agreement of September 15 United States and Great Britain together have privilege of withdrawing not more than 40.9 per cent of the 50 per cent option on each item of stocks listed—that is, 20.45 per cent of the total weight of each item—provided such withdrawals shall not aggregate more than 3,000 tons. As United States and Great Britain are placed under an equal basis under the London agreement, United States are entitled to withdraw 10.2 to 5 per cent of total weight of each item listed, provided that total weight does not exceed 1,500 tons. On this basis it will be impossible to secure the full amount desired by consumers of all dyes specified in No. 3279, September 29, 4 p. m.

Your paragraph 3. These preliminary withdrawals from stocks are not based on a supply for a definite number of months. Definite tonnage allotments have been made regardless of time requirements. If, as is expected, the peace treaty will soon become effective, a prompt exercise of the option on the remainder of stocks as of August 15 may be looked for.

Your paragraph 4. Neither Ammission nor Herty have ever considered a commitment of our Government to a purchase of dyes or payment therefor, but it was the understanding that either the consumers' association, referred to in your 3062, September 8, 8 p. m., or the Textile Alliance, referred to in your 3262, September 27, 4 p. m., would be able to advise promptly as to what dyes should be applied for under the terms of the treaty. It was presumed that, on account of the very favorable terms indicated by the lists furnished by the Germans, a guaranty or specific statement would be forthcoming which would make it possible to state definitely the American requirements. This was strengthened by the authority conferred by department 3262, September 27, 4 p. m., to anticipate the option. Such anticipation even though partial would of necessity entail at least a moral obligation toward our allies to make ourselves responsible for a definite quantity, and though it was agreed that it was not necessary, under the arrangements actually made, to anticipate the option, it is evidently equally unsatisfactory in that case to make only a noncommittal estimate of what the consumers' needs may be. In your 3262 you state that it is. The other powers have, in each case, definitely stated what amounts they are willing to take up, and it is difficult to see how they can be expected to reserve stocks for us until the consumers have made up their minds how much they wish to obtain by benefit of the treaty clauses and how much from outside sources. It is obviously impossible to make the amount ordered from the Germans in pursuance of the present arrangements a varying quantity. However, in view of your paragraph 4, distinct statements will be made that we are not authorized to take up any specific quantity, but must await definite orders from the consumers.

Outside of the treaty provisions and in order to cover the shortage of dyes resulting from the small percentage allotted under the London agreement, Herty obtained an offer from the Germans to complete the amounts of each item in your 3279 of September 29, 4 p. m. He has never, however, contemplated taking delivery of any specific dyes except on authorization of the consumers' association or the Textile Alliance, and the offer of the Germans committed us to nothing, but afforded a means of quickly filling American needs.

Your paragraph 7. Ammission has never been of opinion that the treaty in any way compels American citizens to secure their dyes only through Reparation Commission, but has been in entire agreement with the language of your 3622, in which you state that it is desirable that all American dye requirements should come through the Reparation Commission, so that the value thereof may be credited to the reparation account. It has been felt that our citizens would naturally prefer that, as far as possible, funds arising from dye purchases should go to the reparation funds rather than to individual German manufacturers and agents.

POLK, *Ammission.*

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(4651) OCTOBER 14—9 P. M.

SECSTATE, *Washington.*

E. L. DRESEL: Referring Ammissions 4572 October 8, 1 p. m., German Government has by letter signed by president of German delegation, guaranteed the accuracy of the lists of dyestuffs stock as handed over to interim reparation committee.

The latter has expressed its willingness to examine the possibility to render less severe the control now being exercised on dyestuffs factories in the occupied territory if the German Government gives the following guaranty: "It is further guaranteed that the stocks existing August 15, 1919, will be strictly maintained until the expiration of the delay of the option with the sole exception of the quantities mentioned in the letter bearing the number 796 and dated September 25, 1919 (this is the letter mentioned in Ammissions 4474, October 2, 11 p. m.), and that all necessary measures will be taken so that the allied and associated powers can begin as soon as the treaty is ratified proceedings under the option and exercise within the stipulated term the option on the production, as provided for by paragraph 2 of annex 6 of title 8."

Interim Reparation Commission has communicated to the Interallied Rhineland Commission the agreement arrived at with the Germans and this commission has been requested, first, to assure the execution of the agreement; and, second, to give its opinion as to the measures which can be taken to render control less severe in case the German delegation should give the above guaranty.

Your 3383, October 9, second paragraph memorandum for next meeting of Interim Reparation Committee has been prepared and covering statement will be made in accordance with your views.

POLK, *Ammission.*

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(3471) OCTOBER 17, 6 P. M.

AMMISSION, *Paris:*

Mission's 4651, October 14, 1 p. m.: Please refer to department's 3383, October 9, and advise immediately whether Reparation Commission has approved of purchase of German dyes which have been made available as result of the recent negotiations at current rate of exchange. If so, will such current rate for American purchases be Paris rate *of* United States rate? (*or* United States rate?).

Referring your Garvan from Herty, 4551, October 6, 9 p. m., and in modification paragraph 4 of department's 3383, October 9, department is now of opinion that Von Weinberg offer to Herty, because of its official character, should be handled by Textile Alliance as official. It is not likely that this offer will be availed of, because War Trade Board has already issued to private importers licenses covering the greater part of the vat dye allocation. Unless these importers agree to participate in acceptance through Textile Alliance of Von Weinberg offer, its acceptance may not be necessary.

War Trade Board will cable to Herty fully Saturday or Monday. Show this to Herty. 3471.

ADEE, *Acting.*

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NOVEMBER 12, 1919.

Hon. STEPHEN G. PORTER,
House of Representatives.

SIR: I have the honor to acknowledge the receipt of your letter of October 31, 1919, addressed to Mr. Lay, acting foreign trade adviser, making inquiry relative to the status of dyestuffs, and your subsequent letter of November 7, 1919, in regard to the same matter.

The War Trade Board (by Executive order of the President now the War Trade Board Section of the Department of State), so far as the control of imports is concerned, derives its authority from section 2 of the trading with the enemy act. It had always been the opinion of the War Trade Board, and it is now the opinion of this department, that the trading with the enemy act was enacted purely as a war measure. Accordingly, it has always been believed that the War Trade Board should function solely as a war agency. For this reason import restrictions were imposed during the war primarily for the purpose of conserving tonnage to divert it to war usages. The necessity for such conservation having disappeared after the signing of the armistice of November 11, 1918, the War Trade Board began to remove those restrictions as rapidly as possible. Since the conclusion of the armistice there have been presented to the War Trade Board numerous requests that import restrictions be maintained or instituted for the purpose of protecting industries and stabilizing prices.

Consistently with the belief expressed above, these requests were not acceded to on the theory that the enactment of such protective measures appeared to be the exclusive prerogative of the Congress, and that to maintain or impose restrictions in such cases would be a clear case of supererogation on the part of the War Trade Board.

The control over the importation of dyes, dyestuffs, and related chemicals of German origin was maintained as an exception to the above-stated policy because of the peculiar and special circumstances which were involved. The War Trade Board were advised that a bill had been introduced in Congress for the purpose of protecting the American dye industry because of its relation to the problem of national defense. The War Trade Board was urgently requested to maintain the control as an interim measure against the day when the introduced legislation would become a law or would fail. Accordingly the War Trade Board agreed to make the exception because of the emergencies of the

case and to maintain the control temporarily, not for the purpose of protecting the industry for its own sake but because of its relation to the problem of national defense.

In order that the control thus maintained might be properly administered the War Trade Board appointed an advisory committee on dyes, on which consumers and manufacturers have equal expert representation. Inasmuch as the War Trade Board was exercising the control as an interim measure against the possibility of legislation already introduced, the War Trade Board believed that, in formulating their policies in relation to the control, every effort should be made to conform to, and not to exceed, the control contemplated by the legislation. Accordingly the War Trade Board limited its control to the very dyes, dyestuffs, and related chemicals which were enumerated in the Longworth bill. The War Trade Board also borrowed textually the language of that bill in adopting the policy of authorizing the importation of the controlled commodities when the same are not obtainable from United States sources, or, if obtainable from those sources, when they are not obtainable on reasonable terms as to price, quality, and delivery.

In the early part of September, 1919, a need of certain quantities of vat dyes of German origin having been made manifest in this country, the dye advisory committee informed the War Trade Board section ti at those dyes were not obtainable from United States sources, and recommended that importations of quantities sufficient to meet the requirements of consumers for a six months' period should be permitted. The dye advisory committee also recommended to the War Trade Board section that, in authorizing the importation of the aforesaid quantities of dyes, consumers should be required to import the same exclusively through a designated official agency.

The purpose of this recommendation was, avowedly, to bring about the elimination as agencies of importation of the former American agents of German dye manufacturers. The dye advisory committee as well as a large number of manufacturers stated to the War Trade Board Section that in their opinion any substantial importation through those agencies would endanger the American industry. I instructed the War Trade Board Section to accede to the recommendation of the advisory committee to the extent of permitting importations to satisfy the six months' requirements of consumers, but to inform the committee that the department, howsoever much it desired to protect the American industry for reasons of national defense, could not compel consumers to effect their importations exclusively through a designated official agency; that the designation of such official agency would partake of the nature of an exclusive monopoly, and that such exclusive monopoly would be repugnant in that it would be a discrimination against American citizens who were engaged in the business of importing.

Accordingly, an allocation of license privileges to import a six months' supply of vat dyes of German origin into this country was made among consumers on October 1, and consumers were advised that they themselves or their assignees of the allocation certificates could apply to the War Trade Board Section and obtain, upon surrender of the certificates, licenses authorizing the importation of the quantities stipulated in the certificates.

In the latter part of September the need of certain quantities of dyes of German origin, other than vat dyes, having been made manifest in this country the dye advisory committee recommended to the War Trade Board Section that importation of quantities sufficient to meet the requirements of consumers for a six months' period should be permitted. In this connection the dye advisory committee informed the War Trade Board Section that vat dyes are not produced in this country. Accordingly when the War Trade Board Section, on October 8, advised consumers to file their applications for allocation certificates the War Trade Board Section, mindful of the provisions of section 503(b) of the Longworth bill, advised consumers as follows:

"Allocations will be made only when the articles desired to be imported are unobtainable from United States sources, or, though obtainable from United States sources, are unobtainable on reasonable terms as to prices, quality, and delivery."

The applications which have been received will be considered by the advisory committee at a meeting to be held on November 10, and at that meeting an allocation of license privileges will be made among the consumers. As in the case of vat dyes, and for the same reasons of policy that prevailed then, consumers, upon receipt of their allocation certificates, will be advised that they themselves or their assignees of the certificates may apply to the War Trade Board Section and obtain, upon surrender of the certificates, licenses authorizing the importation of the quantities stipulated in the certificates.

The dye advisory committee upon being informed of the policy of this department, as stated above in relation to the forthcoming allocation, informed the War Trade Board section that many dyes made in this country will do the same work as other dyes not produced in this country, and that accordingly allocation certificates should be denied in every case where an equivalent or substitute dye which is produced in this country will do the same work as the dye sought to be imported.

On instructions from me the committee has been advised by the War Trade Board section that the stated policy of this department in connection with the forthcoming allocation was to permit the issuance of allocation certificates in all cases when the articles sought to be imported are unobtainable from United States sources, or though obtainable from United States sources are unobtainable on reasonable terms as to prices, quality, and delivery.

I appreciate that the substitutions which the committee recommends may be of appreciable benefit to the American industry, but I have deemed it expedient to instruct the War Trade Board section that substitutes and equivalents, howsoever satisfactory, should not be forced upon unwilling consumers. In issuing these instructions I was moved by the following considerations:

In the first place, as stated above, the present control of the War Trade Board section should not, I believe, go beyond that which is contemplated in the pending legislation. The Longworth bill does not, in my opinion, authorize substitutes and equivalents.

In the second place, I fear that the dye advisory committee and the War Trade Board section will find it extremely difficult to decide upon a formula of reasonableness for price, quality, and delivery which, after being defined, must be applied to the application. In adopting this formula, howsoever accurate it might be, the dye advisory committee and the War Trade Board section, in my belief, will invite criticism on the part of many consumers. However, the administrative difficulties which the dye advisory committee and the War Trade Board section will experience in establishing the formula referred to above are difficulties which the legislation itself suggests, and to that extent the control does not extend beyond that which is contemplated in the present legislation. However, the legislation does not authorize substitutes and equivalents, and I feel that if I should give my sanction thereto the War Trade Board section and the dye advisory committee would find it more difficult to suffer the criticism of unwilling consumers, because in that case the control would have been carried far beyond that which the legislation contemplates.

I have instructed the War Trade Board section, however, to inform the dye advisory committee that if the committee agrees unanimously that a substitute or an equivalent will do the same work as the dye sought to be imported I will agree that the decision of the committee should be referred to the consumer, and that if the consumer refuses to accept the recommendations of the committee, then an allocation certificate will be issued to such consumer entitling him to import the very dye he has applied for.

You will conclude from the foregoing that, having agreed to maintain the precost control as an interim measure of protection against the day when the present legislation shall either fail or be adopted, it has been the policy of the War Trade Board and of the Department of State to go no further than the legislation itself. The Longworth bill permits of no discrimination in the matter of importation and authorizes no substitution in the dyes themselves. When the need for the controlled product has been ascertained the act makes the issuance of the license mandatory. In my judgment the extension of the present control beyond the scope of the contemplated legislation, for the very purpose of discriminating between importers and of forcing substitutes upon unwilling consumers, would be not only impolitic but the very clearest case of supererogation of congressional authority by this department.

I have the honor to be, sir, your obedient servant,

ROBERT LANSING.

Mr. SHORTRIDGE. It may be of interest to the Senator to know that the testimony is being printed, and we are promised that it will be finished within two or three days.

THE REPARATION DYES.

Mr. MOSES. We here enter, Mr. President, upon the extended and thickly undergrown field of operations wherein figure the so-called German reparation dyes and the Textile Alliance. This organization was established in 1913 for the chief purpose of eliminating the unfair practices existing in the textile trades through the intense competition of dye merchants and importers. That work was performed by the Textile Alliance with marked success, and upon its completion the alliance contemplated relapsing into inactivity. An occasion arose, however, for the exercise of its functions in connection with certain necessary manufacturing materials upon which the British Government had set an embargo at the beginning of the war, and this task was also performed to the ready acceptance of American manufacturers. It was only when the alliance stained its hands with the dyes which have corruptly tinctured substantially the entire fabric of American commerce that it departed from its original purpose of stamping out unfair practices and itself resorted to the most unfair business practices of which there is record and of which the documents I have just asked to be printed contain ample proof.

From these documents, Mr. President, we learn first of all that the State Department throughout has pursued an honorable course, seeking in no instance to lay burdens upon the American consumers of dyes and standing vigorously on every occasion for the perfect freedom of every individual American importer or consumer of dyestuffs to have free access to such foreign market as has been afforded us.

The alliance committed its dye interests to a committee of seven members, six of whom were supposedly representative of the dye manufacturing and consuming interests, with the seventh supposedly neutral. This neutral member proves, however, to be none other than Dr. Charles H. Herty, who, in his testimony before the Shortridge committee, admitted himself to have been an active and vigorous propagandist for the dye embargo from the very beginning of the agitation. Another member was Mr. Morris Poucher, whose identification with the Du Pont interests I set forth completely in an earlier speech in the Senate on this subject, and another was Mr. W. H. Watkins, representing the National Aniline. Thus the two concerns, the Du Ponts and the National Aniline, who constitute the monopolistic features of the dye industry in this country, have had constant representation in everything that has been done concerning the German reparation dyes, and Mr. Watkins is even now assisting Mr. Edward S. Chapin in the office of the Textile Alliance at Paris. It may not be without further significance, Mr. President, that on certain occasions, as these documents show, when this committee met, Mr. Joseph H. Choate, jr., was also in the company.

This committee of the Textile Alliance was constituted, in addition, as the advisory committee on dyes for the War Trade Board, and since it is fair to assume from the record of their transactions that the members of the War Trade Board were wholly ignorant of the dye industry, it is no stretch of the imagination to conclude that the dye consumers were thus sewn up in a bag provided by the Textile Alliance, and as still further indicating the strangle hold which the great dye interests of this country were enabled to exercise upon the War

Trade Board, which was a Government agency, I point out that there were named as its experts Mr. W. R. Morehouse, of the National Aniline, and Mr. R. S. Lunt, of the Du Pont Co.

ACCESS TO GOVERNMENT SECRETS.

The importance of enabling these two great domestic dye manufacturers to have access to a government agency's private information need not be emphasized. It has been a constant source of unfavorable comment by dye consumers in this country and doubtless accounts in part for their expressed desire to revert to normalcy in the process of securing necessary dyestuffs from abroad—as indicated by a petition recently filed with the State Department, signed by more than 300 of the leading consumers of dyestuffs in this country and protesting against a continuance of the practices which are now in vogue and which are sought to be perpetuated by the embargo portion of this bill.

It was in September, 1919, Mr. President, that the Textile Alliance began operations in the field of dyes, but it was not until October that any arrangement was entered into between the alliance and our Government. Its function was supposed to be solely that of an intermediary for the procurement and distribution of German reparation dyes for all American consumers who might wish to avail themselves of its services. Although its charter prohibits it from earning profits, it has, in less than three years of operation, accumulated undivided earnings amounting to nearly $2,000,000, which are held in its treasury, though it was expressly stipulated, as these documents show, that its surplus, over and above necessary and legitimate expenses, should be divided pro rata among the consumers who had availed themselves of its services.

Its activities speedily spread from the limited scope afforded by the reparation dyes to the wider field opened by the opportunity to import other dyes; and, if we may judge from the declarations contained in the annual reports of their European representative, which I have here submitted, and from statements made by its president before the Shortridge committee, whose record is not yet available, it is a fair conclusion that their activities have been chiefly, if not solely, in the interests of the two great American dye producers, the Du Ponts and the National Aniline, whose representatives the alliance thrust into the councils of the War Trade Board.

Although designed, as I have said, to function only in connection with the reparation dyes, the Textile Alliance speedily undertook to force American consumers who sought nonreparation dyes to transact their business through the alliance agency. This they were enabled to accomplish primarily because they alone had access to the low-price reparation dyes, and with this weapon were enabled to cut prices and generally to resort to the unfair trade practices which the Textile Alliance was originally organized to stamp out. The alliance was not content with the use of this weapon alone, and it appears from a letter of October 25, 1919, addressed to the president of the Textile Alliance by the acting chief of the War Trade Board, that arrangements had been made to force American consumers holding allocation certificates for German dyes to assign these certificates direct to the Textile Alliance or otherwise to be shut out from any participation in importations of low-priced dyes or to share equitably in any surplus remaining after the allocation certificates had been filled.

ANTITRUST LAWS DO NOT APPLY.

There can be no doubt, Mr. President, that one purpose in the back of the alliance's head from the beginning of its operations was to establish a monopoly, because its counsel, under date of October 8, 1919, advised the alliance that "the antitrust laws have no application."

Under these circumstances the alliance continued its activities until December 14, 1921, when Secretary Hughes terminated the arrangement upon the ground that no legal authority existed therefor. Since then, however, the State Department has notified the Reparations Commission, through our unofficial delegate upon that body, that this Government has no objection to the continuance of the arrangement whereby the Textile Alliance received and distributed the reparation dyes, and the alliance, under this nebulous authority, is still in operation.

There is but one essential fact in this connection yet to be adduced: Whereas the reparation dyes are delivered to the representatives of other countries without cash payment and are credited upon the reparations account, the United States is compelled to pay cash for its dyes from this source and more American money is thus being pocketed by those who already owe us billions, while the profits on the transaction go into the treasury of the Textile Alliance, and already amount to substantially $2,000,000.

It will be noted, Mr. President, that I have dealt with only three of the actors in the gigantic fraud which I am opposing—the Du Ponts, the Chemical Foundation, and the Textile Alliance. There are many others, a discussion of which would occupy hours and even days to outline. These three, however, are significantly interlocked in their related personnel and in their activities; and it is they whose subsidiaries, officers, stockholders, lobbyists, paid propagandists, and faked and kept organizations have been the most aggressive, avaricious, and insolent of all the profiteering crew who pertinaciously push this legislation.

Since August, 1914, an embargo on dyestuffs has been effective in the United States—part of the time through operation of war and part of the time through operation of law—and since the proposal which I am now discussing looks to a continuance of that condition of affairs it may be interesting, Mr. President, to inform the Senate and the country exactly how it works.

THE NEW COLOR, "ELEPHANT'S BREATH."

May I preface this portion of my remarks, sir, with a few observations upon the dye industry in general? While substantially every leading industry in the country is compelled to use colors, it is the textile industry which offers the chief field for the consumption of dyestuffs, and the textile industry thrives almost wholly upon the fickleness of fashion. Fashions, I may add, rarely originate on this side of the Atlantic. It thus happens, Mr. President, that if the Sisters Caillot should determine that the fashionable shade for autumn wear in this year of grace 1922 shall be a new color to which is given the enticing name of "elephant's breath" or some other appellation equally alluring, textile manufacturers everywhere will rush to produce cloths in the "elephant's breath" tint, and their first impulse will be to seek the dye makers for the shade which fashion decrees. It may happen, it always has happened, and it probably will continue to happen, that this shade has first been produced in a European dye factory. Imitations, of course, will everywhere spring up; but the American manufacturer, wishing to be sure of his trade, will naturally seek an authentic source of supply for his color.

What happens under the embargo as existing and as proposed to be continued? The manufacturer applies to the Federal authority for a license to import the color he seeks. The Federal authority promptly notifies the American dye manufacturers that John Smith, a weaver at Fall River, wishes to buy a thousand pounds of "elephant's breath." An agent from an American dye manufacturer promptly appears in John Smith's office and offers him a color which he avers to be "equally as good" and for which he intends to charge a much higher price than the European product will command. Mr. Smith, after making sample dyeings, discovers that the substituted color which is offered him is proof against neither the sun, the rain, nor the laundry, and after a long delay and the use of much emphatic language he establishes these facts before the Federal authority. Permission is then given him to make the desired importation and he places his order. This is a condition, Mr. President, which Secretary Lansing foresaw in his letter which I have above presented, written to Representative PORTER, and in which the Secretary predicted that the extension and continuance of embargo control could be only "for the very purpose of discriminating between importers and of forcing substitutes upon unwilling consumers," and by the time the importation reaches this country the delay has been so great that the season is past and Mr. Smith, of Fall River, is unable to make and market his goods.

HOW IT WORKS IN FACT.

Lest, Mr. President, I shall be deemed in this supposititious instance to have overstated the facts, I desire to refer at this point to a letter from Joseph Bancroft & Sons Co., doing business, it may seem strange to add, at Wilmington, Del., who complain of "the delays and holdups in getting dyes" which they had ordered from the Textile Alliance, with whom they placed an order for a certain shade of brown on the 27th of January of this year. On the 22d of April they had received nothing but excuses, and they then endeavored to procure the color through a private agency. In this they were unsuccessful, because none of the color was made or was stocked in this country; and both the consumer and the importer were compelled to go through the interminable process of a circumlocution office in a Federal department in Washington, while the man in Wilmington, Del., lost his order.

Another instance with which I happen to be even more familiar arose in November of last year, when a manufacturer in my State sought to import a quantity of dye known as Idanthrene Blue B C S. This consumer obtained from the Federal Government a consumer's license for this importation only after exhaustive representations and tests proving that this particular dye was less sensitive to lime, faster to chlorine,

and in every way superior to the domestic product which the Du Ponts attempted to thrust upon him. After many weeks' delay, to wit, on January 16 of this year, 11,000 pounds of this color were entered at the customhouse in New York for the New Hampshire consumer, entry was granted, and the dye was shipped to New Hampshire. It was received at the mill on January 20, and was immediately put in process in the fulfillment of a large order which the manufacturer had two months before received for that particular color of goods; yet five days later a Government demand was made for the return of this color, already in the vats and partly in the cloth, because the American producer had been able to secure the attentive ear of the bureau at Washington. This ridiculous demand, of course, could not be complied with; and it was only after the most energetic of representations on my part, fortified by actual samples of the two colors, imported and domestic, as shown by sample dyeings in the yarn and in the fabric, that the absurdity of the situation was made apparent and the order rescinded. And in this connection, Mr. President, I wish to add only that among the American experts from whom the Government bureau sought an opinion regarding this color was the Du Pont Dye Works, whose opinion, as might be expected, was in their own interest and contrary to that of the textile schools at Lowell and Philadelphia, upon whose judgment the Government bureau finally acted.

Another example of the delays occasioned by the dye embargo is that of an order entered by the United States Worsted Co., of Lawrence, Mass., for 200 pounds of Alizarine Blue Sky. This order was placed on October 20, 1921, and the merchandise was not received in this country until March 20, 1922, five months later. An interval of five months between the date of an order for a dye and its receipt unquestionably interferes with the proper conduct of the business of any dye consumer, and it happened in this case that market conditions had so changed that the American manufacturer could not afford to pay the price for this dye which was stipulated in the order.

Another instance of a like nature is to be found in a case arising from the endeavor of the Pacific Mills, whose plants are located in New Hampshire, Massachusetts, and South Carolina, to obtain a license for the importation of 6,000 pounds of Indanthrene Yellow R. This dye had been offered from abroad at $1.85 per pound. The pre-war selling price of this color in America was 60 cents per pound, yet the Federal authorities refused to issue the desired license upon the ground that the price of $3.75 per pound charged by the Du Pont Co. was reasonable, and this decision was maintained in the face of a protest lodged by the Pacific Mills in the following terms:

1. The difference between the market price of the imported dye and the market price of the domestic dye constitutes the equivalent of approximately one-half a cent per yard upon the goods to be manufactured, which represents in some of the lines more than the entire margin of profit.
2. Such a condition would force the plant to supplement this dye with inferior dyes at the expense of quality and to the detriment of the mill's reputation.
3. The domestic price of this dye was based on the cost of a small production, and the dye consumer was penalized and his business jeopardized because of this small production.
4. Figuring upon their present consumption of this dye over a period of 12 months the mill concluded that owing to this price difference they would pay the Du Pont Co. a premium of $75,000 per year.

The condition set forth in paragraph 3 of the foregoing argument, Mr. President, contains the iniquitous heart of the entire dye embargo proposal. The dye manufacturers of America, realizing that for certain shades there is small demand and knowing that these shades are difficult to produce, have predicated their embargo demand upon all colors in the list, including those which are produced in tonnage proportion.

Another instance of how the embargo works and will continue to work in practice, an incident evidently of the erroneous information furnished to dye consumers by the Federal authority, is shown in the attempt made by the Merrimac Manufacturing Co., of Lowell, Mass., to obtain a license for the importation of only 100 pounds of a color known as Rhoduline Yellow 6 G T. On November 4, 1919, more than three weeks later, this concern made application for a license for this importation. On November 26 they were advised by the Government authority that their application had been referred to the advisory committee on dyes, whose personnel I have already commented upon. This committee reported that 50 per cent of the quantity of color desired could be obtained from a domestic manufacturer, and on December 8 the Merrimac Co. was advised that the names of these manufacturers could be obtained from the American Dyes Institute, this being the organization, Mr. President, whose lavish expenditures in lobbying in behalf of the proposed dye embargo I commented upon in detail in my speech in the Senate of May 9, 1921. The Dyes Institute, however, declared that it knew of no manufacturer of this color, but that the dye producers of America would be circularized to secure the information. After some days of delay the Merrimac Co. was advised to communicate with three American dye makers, and after spending more than two months in an unsuccessful effort to obtain only 50 pounds of color the company canceled this order and lost the business dependent upon obtaining this dye.

THE REAL OBJECTION.

The correspondence in this case is to be found in full in the record of the Shortridge committee, and the witness before that committee who adduced this incident summarized the practical objections to the embargo in operation. His language is so clear and succinct that I venture to repeat it here.

Mr. Thoron said:

First. There were the delays in obtaining the dyes owing to the fact that they must be imported after obtaining the license.

Second. The delays in obtaining the license for dyes where questions of quality, price, and delivery were involved.

Now, the third objection is the impossibility of testing out substitutes satisfactorily. We believe that laboratory tests are dangerous, and proper running tests involving delays will require frequently larger samples for comparison than can be obtained in a reasonable time, and, taking only the question of fastness to light, in many cases to get a proper test it might require waiting for a summer sun, and it would be practically impossible.

Now, the fastness to light in certain kinds of product is a very important one. There are certain plain light fabrics which women make shirt waists out of that unless they can stand the summer sun or the beach sun, why they won't touch, and one may have had the experience of manufacturing with a foreign dye which had those qualities and then an American dye is produced which is claimed to have those qualities. You can not take the risk of adopting the American dye, even though its chemical composition is apparently the same, without testing to see whether it really does, because you may ruin the reputation of the fabric.

The fourth point was the reasonableness of price, which I have considered at some length. And we think that that is impossible, because beyond a certain point the consumer can not stand more than a certain price, and as long as the competing product is not embargoed out of the country, we ought to be given a chance, we ought not to have it at the same price as the foreign country, but we do think that double is the limit that we can stand.

Then, fifth, there is the hardship of carrying large supplies of chemicals. Certain people it does not fall very heavily on, because they have got ample capital. It is a serious matter with small people, and they will go without rather than be put to that. That simply means that the product will probably become gradually poorer.

Then there is the difficulty of the loss which one suffers from carrying large supplies of chemicals in case the use of them should become obsolete. Fashions change.

Now, the sixth point, and a very important one in my mind, is the lack of opportunity, or the difficulty of availing one's self of the opportunity, in keeping up with the best progress in textile dyeing, for many of the reasons already pointed out. This is particularly serious owing to the fact that no tariff protects dye textiles in the matter of quality. And textile manufacturers in this country for the home market are in competition with foreign textile manufacturers who have better opportunities to progress in their art and in their industry. Our dye industry will be busy catching up with the foreign dye industry. The foreign dye industry will be busy going ahead. If we are limited to easily obtaining only what our own industry is producing, we will always be a mile or two behind our foreign competitors, who are following those that are making further advances.

And in the seventh is an intangible but very demoralizing element—a feeling that everybody knows one's business. You write your necessities to the customhouse, and the customhouse refers your necessities to the dyes institute, and before long everybody knows what you are after, and that is not fair to the manufacturer who is trying to catch the market by being a little cleverer, a little more ingenious—disclosing what is running through his mind to everybody. I am not suggesting that they intentionally make any use of it, but the thing demoralizes you. You don't know—there is something about it that discourages you; and that is serious.

In addition, Mr. Thoron presented to the Shortridge committee a statement showing the period of time which elapsed between the date of application made by his company to the Federal bureau at Washington for a license to import and the date of the arrival of the importation at the port of New York. In no instance, Mr. President, was he able to secure his dyes in less than one month; in one instance it took three months, in three instances it took two months, in two instances it took three months, in three instances it took four months, and in three instances it took six months to procure his colors. I believe, Mr. President, that any person having any knowledge of conditions in the textile business would know that a delay of this character would utterly destroy the market for goods in process of manufacture.

MANY STATES INTERESTED.

Mr. President, at various times in the progress of this controversy I have been accused of opposing the dye embargo because of the textile interests of my own State. It is true, sir, that the largest individual consumer of dyestuffs in the world is my constituent; but I do not speak for him alone. The few instances which I have to-day adduced cover textile establishments not only in my own State but in the States of Massachusetts, Delaware, and South Carolina; and the Shortridge committee received other instances of a like character to show the hardship worked upon manufacturers in the States

of Pennsylvania, Michigan, Illinois, Wisconsin, New York, Rhode Island, and Maine.

Mr. President, only the other day, in the course of a discussion regarding the duty to be levied upon soya-bean oil, the senior Senator from New Jersey presented to the Senate what I then regarded and still regard as an irrefutably logical statement of a real protectionist's position. He said that he desired to give adequate protection to all, but that he did not wish to load upon the producer a tariff burden upon his raw material which would unnaturally increase the cost of the manufactured product. Yet, Mr. President, that is exactly what has happened to the dye consumers of the United States under the embargo as it exists and as it is now proposed to continue it.

On February 10, 1922, the United States Tariff Commission addressed the following letter to a woolen manufacturer of Massachusetts:

> Please let us know, in regard to your last fiscal year, the total value, weight, and square yards of your sales of dyed or colored wool goods, also the total weight and value of the dyestuffs used by you during the same period. These data, in connection with data from other mills, will be used in ascertaining the average cost of dyestuff per yard and per pound of cloth, and the percentage that the dyestuff cost bears to the wholesale market price of the cloth.
>
> This information, which will be held confidential, is needed in connection with proposed tariff changes now under consideration, and a prompt reply will be appreciated.

Replying promptly, the Massachusetts manufacturer said:

> In reply to your letter of the 10th instant, asking for costs of coloring wool goods, which you require to enable you to ascertain the average cost of dyeing per yard and pound of cloth, and the percentage that the dyestuff bears to the market price of the cloth, we have selected one of our leading fabrics of large production, viz, blue serge, and give you herewith the actual cost of dyestuffs used per pound, no labor or any other items included, on 1,000,000 pounds of cloth, for the years 1921 and 1914, for comparison:
>
> "1921 cost of dyestuff per pound—1,000,000 pounds of cloth, at 7½ cents per pound, $75,000. (Approximately 1,250,000 yards, 6 cents per yard.)
>
> "1914 cost of dyestuff per pound—1,000,000 pounds of cloth, at 1¢ cents per pound, $12,500. (Approximately 1,250,000 yards, at 1 cent per yard.)
>
> "This shows the cost for actual dyestuffs in 1921 for our blue serge was six times pre-war cost. The selling price of the cloth referred to was $2 per yard.
>
> "Dye used in 1914 was imported, identical dye, used in 1921, of domestic manufacture."

Yet the Senator from New Jersey has been one of the most industrious and successful advocates of legislation which would heap such costs as these upon the dye consumers of the country in contravention of his theories of protection as applied to the soap manufacturers of New Jersey.

Mr. President, at the outset of these remarks I enumerated the elements of tariff protection which this bill gives to the American dye manufacturer. At the risk of redundancy I here repeat them:

(1) A duty of 60 per cent ad valorem, plus a specific duty of 7 cents per pound.

(2) A method of computation of the specific duty which will, in most cases, multiply this 7 cents many times.

(3) A provision that the President may increase these duties 50 per cent upon proper showing.

(4) A provision that the President may apply such rate of duty as he decides upon to the American instead of the foreign valuation.

(5) A special countervailing duty of 5 per cent upon fabrics dyed with 40 per cent of vat dyes.

IT IS ORGANIZED GREED.

I submit that these items of straight tariff protection are ample for an industry which is already so firmly established that it produces $88,000,000 of the $92,000,000 worth of dyes annually traded in in this country. I will never consent to the embargo, which is contrary to every principle of true protectionism. It is not mentioned in Hamilton's famous report on manufactures; it appears nowhere in Clay's discussion of the American system; it was undreamed of by Morrill, McKinley, Dingley, Payne, or Aldrich. It is un-American, un-Republican, and un-Democratic. It is merely an expression of organized greed.

With the senior Senator from New Jersey I insist that adequate protection shall be given to every essential American interest; but unlike him, Mr. President, I insist that this protection shall be given in the form to which we have become accustomed in a long line of our fiscal legislation, that it shall be given in the form of tariff duties, and that it shall not be given so as to create a nesting place for monopoly. I can see no reason why the dye industry shall be dealt with differently from the woolen industry, or the cotton industry, or the tin-plate industry. In 1890 no tin plate was made in this country; yet following the enactment of the McKinley tariff bill, with its tin-plate duties, we saw the American tin-plate manufacturer moving forward to supply substantially all the needs of the American market and even to export tin plate as against foreign competition.

The dyestuffs industry is no puny infant to-day. It has enjoyed eight years of full embargo, either through war or by statute. It produces at least 90 per cent of the total domestic consumption, and its exports are already large and growing. There is no reason why the embargo should be continued for its benefit; no reason why this embarrassment should longer be laid upon the American dye consumer; and there is especially no reason, Mr. President, why this unusual gratuity should be given to an industry whose chief beneficiaries have enriched themselves through the use of capital advanced from the Federal Treasury, without interest and without proper security; whose subsidiaries, after three and a half years, continue to withhold an accounting for $35,000,000 of public money; whose agencies have penetrated the inner precincts of the executive departments; whose propaganda has been one of extravagance, both in money and statement; and whose chief activities have been devoted not to the development of the dye industry but to besieging Congress with a demand for extraordinary privilege. The President of the United States has already directed action which has been begun, both civil and criminal, against one of the chief offenders in this whole program. Is it to be, Mr. President, that the Senate of the United States will flout the Executive and, in defiance of the positive stand already taken by the House of Representatives, and in the face of the vote had here the other day upon a proposed embargo on fish, now vote to extend this special privilege to the partners in the offense against whom the Department of Justice has not yet taken action?

To give this privilege to the dye makers of the country means to empower them to levy tribute upon every woolen mill, every cotton mill, every knitting mill in America; it means to grant them license for extortion from every tanner, every ink maker, every paint manufacturer, every printer, every hat maker and milliner, every paper mill, every lithographer in the land; it means their authorization to exact toll from every citizen; to take their tithes from every workingman's blouse; to get their bit from every farmer's overalls; and to reach their hands into every washtub in the country.

I have scant sympathy with the onslaughts made upon this bill from the other side of the Chamber. They have been confined to an attack upon tariff duties alone, and they may be taken as representing only the expressions of a divergent school of economic belief. But, sir, if this dye embargo remains in the bill, color—and I intend no pun, Mr. President—color will be given to all of the accusations leveled against this measure, and we shall go before the country convicted of surrendering to an iniquitous, impudent, and avaricious monopoly.

Mr. SMOOT. Mr. President, let the Secretary report the pending amendment.

The PRESIDING OFFICER (Mr. WADSWORTH in the chair). The Secretary will state the pending amendment.

The READING CLERK. On page 286, after line 17, the committee proposes to insert a new section, as follows:

> SEC. 321. That the dye and chemical control act, 1921, approved May 27, 1921, as amended, shall continue in force for one year after the date of the passage of this act.

Mr. SMOOT. As it is about luncheon time, when many Senators are out of the Chamber, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ashurst	Hale	McKinley	Robinson
Bursum	Harreld	McLean	Sheppard
Calder	Harris	McNary	Shields
Cameron	Heflin	Moses	Shortridge
Capper	Johnson	Nelson	Smith
Culberson	Jones, N. Mex.	New	Smoot
Cummins	Jones, Wash.	Nicholson	Spencer
Curtis	Kellogg	Norbeck	Stanley
Dial	Kendrick	Norris	Sterling
du Pont	Keyes	Oddie	Townsend
Edge	King	Overman	Trammell
Ernst	Ladd	Pepper	Underwood
Fletcher	Lenroot	Phipps	Wadsworth
France	Lodge	Pomerene	Walsh, Mont.
Frelinghuysen	McCormick	Ransdell	Willis
Glass	McCumber	Rawson	

The PRESIDING OFFICER (Mr. LADD in the chair). Sixty-three Senators having answered to their names, a quorum is present. The question is on agreeing to the committee amendment.

Mr. McCUMBER. Mr. President, if it should be found, on a most careful examination, that there was a contract made during the war that was not a fraud upon the American people, I should be glad to have the investigation made, and to have it

demonstrated that one out of the thousands and hundreds of thousands of contracts was made in good faith and was made with the idea of protecting the Government of the United States.

I have no doubt that all through the war there were contracts made with favored individuals and for their benefit. But, notwithstanding that fact, I desire to say now that I do not think the Senate of the United States is the proper tribunal to try any one of the charges made. Under the direction of the President of the United States, Colonel Miller, the Alien Property Custodian, has been directed to demand the return of the patents which were sold to the Chemical Foundation, and to forbid any further transfer of patents. I presume that is done with the idea that the Attorney General will institute the proper proceedings, and in the trial a court will determine whether or not the patents should be returned. The court will determine whether or not a fraud was perpetrated. I assume that the case may be a jury trial, but I am absolutely certain that there is not a Senator in this Chamber who could qualify as a juror; every one of us would be excluded upon the ground of prejudice. That being the case, inasmuch as we could not qualify as jurors, I am a little inclined to believe that we should leave to the court the determination of the cause which is about to be instituted.

The only question before the Senate is the question of the embargo upon dyestuffs. On that subject there was a disagreement in the committee itself. One thing we do know, that prior to 1914 a foreign nation, a foreign people, furnished practically all the dyestuffs for American manufacturers.

Another thing we do know is that after we were engaged in the war we found ourselves entirely cut off, or almost entirely cut off, from the dye products. We found, in addition, that we had to pay many times the pre-war value of our dye products. We then came to the conclusion that it was necessary to develop the dye industry in the United States. The previous administration inaugurated the idea of the use of the licensing system for the development of the dye industry. We followed along that pathway and along the previous idea of the Democratic administration, and in our emergency tariff law we provided for an embargo. How long the embargo should continue is, after all, a question to be determined by the Senate. We agreed that it should be continued for another year. We know that as a rule, notwithstanding the embargo, the prices of dyes have gradually gone down from the highest peak until now they are only about 50 per cent of the high prices of 1917.

It may be, with the protection we have given them, the dye people will be able to continue to produce; but, Mr. President, I think in some instances they will not be enabled to continue the production without the embargo for a brief length of time. That, after all, is the only question before the Senate to-day, not the trial of the Chemical Foundation but the determination whether or not we desire to continue the dye industry in the United States and whether or not the duties that we imposed are sufficient, and if not sufficient, for a space of one year whether we had better maintain the present embargo. To that subject I wish we could direct our attention rather than to be misled and drawn away from the real question by a trial of a matter which is not before the Senate.

Mr. FRELINGHUYSEN. Mr. President, I had no intention of speaking on this question until those who are opposed to the dye embargo should have been heard. I had hoped that those Senators who wished to attack the provision might have spoken first, but in view of the fact that the question involves a matter of national policy and also a question of industrial policy it might be well for me briefly to express my views on the question at this time. I have no prepared speech—prepared by some one entirely familiar with these technical questions. I have no exhibits to show the Senate of supposed corruption or fraud, attacking an American industry. I know no corruption exists. I do not intend to make any attack, individually or personally, on anyone in the industry or to question the motives of anyone.

This is not a question of policy as to whether the Chemical Foundation is a proper agency to license these patent rights and privileges which the United States Government seized. The ethics of that question I am not going to discuss. The Government of the United States undoubtedly will protect the rights of all who are involved in that controversy.

This is a question as to whether an existing provision of law shall be continued, whether the Senate shall provide for an embargo on the importation of dyes under the selective license system which Congress imposed as a protection for American industry against the domination of a foreign country when it was thought that to throw open our markets to that foreign country would be a menace to our national defense. The question is whether we shall continue that policy or not.

We have the example of England, France, and Italy, who have embargoed importations of German dyes. In one instance we have a national subsidy, as in the case of Japan, in order to establish a dye industry.

These governments have found it necessary, from the standpoint of national defense, to embargo German dyes and to encourage the building up of the dye and coal-tar industry in their own countries. The question before the Senate is whether an independent American dye industry is to be maintained or whether, after eight years of respite from German domination, we are to destroy this American industry by our action here and turn it back to German control. I stand on the American side. There are advocates, able advocates, of Germany's interests. The Senator from New Hampshire [Mr. MOSES] has spoken of the propaganda of the Chemical Foundation, a propaganda which was utilized to educate the people of the country to the necessity of having an independent dye and chemical industry for national defense and the possibilities of the expansion of the organic chemical industry. But the eloquent Senator from New Hampshire failed to say anything about the insidious propaganda that has been going on throughout the country, German propaganda, designed to secure again the control of our markets.

As to the necessity of maintaining this industry in the United States as a national policy through an embargo, so that it may have time for development and expansion, and so that our chemists may make the necessary research and experimentation, I am going to call to the witness stand certain important officials and prominent men in this country to bear testimony.

The Senator from New Hampshire [Mr. MOSES] stated that I had gone far beyond the protective system in asking for an embargo; that I had deserted that system. That is not true. I believe in the protective system, but I also believe in an embargo on dyes and coal-tar products, for the reason that we are protecting ourselves against the superior knowledge and experience of the German chemists, who, fostered by the German Government, through 30 years of research have prepared themselves in such way that we can not meet their competition, and no tariff duties can protect us against that. We have not yet the men of extended experience, training, or knowledge to accomplish this. Therefore, the chemists who are employed by these great American industries to develop this field must have the time for research and experimentation, and that is the reason why we need the embargo.

Now, this is not a small, trifling question with which we are dealing. It concerns a great principle, the question of national preparedness; and when we recall what the industries on the Rhine and the German chemists did to our boys at Ypres with their poison gas, the frantic efforts which we made to manufacture enough of the toxic gases to counteract this new weapon of warfare, we realize how important it is from the standpoint of national protection to make this country independent of any other nation in Europe, because at Ypres, if the Germans had followed up their gas attacks, they would have gassed their way to the channel ports.

We have built up an industry in this country. Prior to the war there was a very small amount of capital employed, only $3,000,000, I believe. When the war broke out and we found we had none of the acids and chemicals necessary to manufacture explosives, or dyes to dye the goods we were manufacturing in our textile industries, the textile men came to the Congress and asked that protective measures be proposed, and we did place a tariff on dyes, which, according to present prices and comparative costs, is not sufficient. The textile men then asked for more support. They asked Congress to do something in order that they might keep their industrial workers employed, in order that there might be a dye industry stimulated in this country, so they could secure the colors which the war had embargoed and which previously they had obtained from Germany. So the captains of industry, the chemists, the workingmen, went forth with unparalleled energy and genius to build up a dye chemical industry in this country, the capital investment of which amounts to $174,000,000, paying salaries and wages of $35,000,000, manufacturing products valued at $135,000,000, and employing 15,000 wage earners. But in addition to that, the chemical industry, oils, paints, and all related products provided for under Schedule 1, to-day has a capital employed of $2,539,000,000; wages paid, $297,000,000; value of products, $3,234,000,000. This great organization, established during the war, of which we are justly proud, is about to be destroyed. Therefore, Senators, the position we are in with regard to the chemical and dye industry is whether we are going to maintain it, first, from the standpoint of the right of this country to protect itself against foreign competition, and, second, and

more imporant, so that we may never be in the position we were in when the war broke out, absolutely crippled and unable to meet the domestic need for these products, but more particularly in order that our country may never be menaced by the danger of 1917.

I said I was going to call some witnesses to the stand to testify as to the wisdom, from the standpoint of statesmanship, of maintaining this embargo. I refer first to a message of a former President of the United States, Mr. Wilson, of May 20, 1919. From it I read, in part, as follows:

> There are parts of our tariff system which need prompt attention. The experiences of the war have made it plain that in some cases too great reliance on foreign supply is dangerous, and that in determining certain parts of our tariff policy domestic considerations must be borne in mind which are political as well as economic. Among the industries to which special consideration should be given is that of the manufacture of dyestuffs and related chemicals. Our complete dependence upon German supplies before the war made the interruption of trade a cause of exceptional economic disturbance. The close relation between the manufacturer of dyestuffs on the one hand and of explosives and poisonous gases on the other, moreover, has given the industry an exceptional significance and value. Although the United States will gladly and unhesitatingly join in the program of international disarmament, it will, nevertheless, be a policy of obvious prudence to make certain of the successful maintenance of many strong and well-equipped chemical plants. The German chemical industry, with which we will be brought into competition, was, and may well be again, a thoroughly knit monopoly capable of exercising a competition of a peculiarly insidious and dangerous kind.

After that, on December 2, President Wilson again called the attention of Congress to the matter in the following language:

> In the matter of tariff legislation, I beg to call your attention to the statements contained in my last message urging legislation with reference to the establishment of the chemical and dyestuffs industry in America:
>
> "Among the industries to which special consideration should be given is that of the manufacture of dyestuffs and related chemicals. Our complete dependence upon German supplies before the war made the interruption of trade a cause of exceptional economic disturbance. The close relation between the manufacture of dyestuffs, on the one hand, and of explosives and poisonous gases, on the other, moreover, has given the industry an exceptional significance and value. Although the United States will gladly and unhesitatingly join in the program of international disarmament, it will, nevertheless, be a policy of obvious prudence to make certain of the successful maintenance of many strong and well-equipped chemical plants." * * *

Now I call to the witness stand the senior Senator from North Carolina [Mr. SIMMONS], who, in his speech on May 11, 1921, in answer to the Senator from Utah, said:

> Mr. President, I think it is the sense of this country that we have not yet reached that point in the development of the dye industry in this country where it is able adequately to meet the requirements of preparedness in case of war; so that, as I regard it and as I think it ought to be regarded, this is a mere extension of a provision necessary to the national defense until we can have reasonable time to develop that industry to the point of making it adequate to supply our demands in case of hostilities between this country and some other country in the world. It is important that we are prepared for all eventualities and that we propose to continue that state of preparedness.

The late Senator Knox, of Pennsylvania, in arguing the necessity of an embargo in the emergency tariff bill——

Mr. SIMMONS. Mr. President——

Mr. FRELINGHUYSEN. I yield to the Senator.

Mr. SIMMONS. The Senator from New Jersey knows perfectly well that, as chairman of the Finance Committee, I gave hearty support to the bill that we then passed providing greatly increased tariff rates upon dyestuffs. The Senator also knows that later after we had enacted the embargo and when it became necessary to extend it I voted for that extension. I think there was a second extension, and I voted for that. As I recall the speech from which the Senator has read was a speech which I made at the time of the second extension of the embargo. A majority of the Senators on this side of the Chamber voted against that extension, but I voted for it. It was perfectly well understood, and I so stated at the time—the Senator has read only a part of my speech—that my position was that as soon as we were able to revise the tariff and adopt a permanent tariff law there ought to be no further extension of the embargo provision with reference to dyestuffs, and that the party in power should provide for the dyestuff industry by the imposition of such rates of tariff protection as it might under the circumstances think the industry justly entitled to receive. I shall therefore, Mr. President, have no hesitation in voting against a further extension of the embargo upon dyestuffs. In doing that I shall be exactly carrying out the purpose I expressed and declared when I favored the last extension of the embargo that was made by the Congress.

Mr. FRELINGHUYSEN. Mr. President, I should like to ask the Senator a question.

Mr. SIMMONS. The Senator from New Jersey will probably remember, although I do not recall whether or not he was a member of the Finance Committee at the time we were having hearings upon the dyestuff industry, having become, as he did, a member of the committee rather late in the year, that in the hearings before the Finance Committee I took exactly the position I have just stated, and notwithstanding the fact that I had voted for all the former propositions to increase the rates of duty and for the embargo, and had voted for the extension of the embargo, I insisted that there should be no further embargo and that the Senator's party should deal with the matter by the imposition of tariff duties.

Mr. FRELINGHUYSEN. At the time to which I have referred the Senator from North Carolina said:

> I think it is the sense of the country that we have not yet reached that point in the development of the dye industry in this country where it is able adequately to meet the requirements of preparedness in case of war; so that, as I regard it and as I think it ought to be regarded, this is a mere extension of a provision necessary to the national defense.

The Senator from North Carolina made that statement on May 11, 1921. May I ask him if he believes the dye industry at the present time has reached a point of development which is sufficient to meet the necessities of this country in case of war?

Mr. SIMMONS. The Senator can find nothing in that quotation that is inconsistent with my position as I now express it. I will say to the Senator that I am not at all prepared to say even now that the dyestuff industry should not be given certain preferential consideration in connection with the fixing of tariff rates. Whether such a preference should be extended to all branches of the industry is another question and one that I think should be very thoroughly worked out. I think it was the duty of the committee in connection with revising the tariff and in imposing these dyestuff duties for protection purposes to have made a very thorough study of the dye situation, and wherever they found that any particular dye was being produced in this country in anything like adequate quantities and that any branch of the industry had attained a position where it was self-sustaining and no longer needed the assistance of the Government, or, if it needed it, not to the extent originally extended, they should have reduced the rates accordingly. On the other hand, if it found that some particular dyestuff was in a stronger position, so far as the necessity for further fostering on the part of the Government was concerned, they should have considered that in connection with the revision and should not have brought in here now in a permament tariff bill a wholesale, all-embracing embargo provision. In other words, I think the committee in dealing with this question from a protective tariff standpoint—and that, of course, is the standpoint from which the committee were dealing with it—should have taken into consideration, in fixing the rates, the question of adequacy based on the application of their principles, and they should have entered into a very thorough study of the dyestuff industry in this country and should have regulated the tariff rates according to what appear to be the real necessities of that industry.

Mr. President, so far as my speech from which the Senator has quoted is concerned, that was made in May, 1921, something over a year ago. It was made in connection with the proposition further to extend the embargo until we might pass a permanent tariff bill and deal effectively with the dyestuffs question. When we originally passed the measure increasing the duties upon dyestuffs in order to enable the dye industry to function in a manner commensurate with the requirements of the situation that presented itself to us in 1916, we put in that bill—and we put it in there with the consent of the representatives of the dyestuffs industry—a provision limiting the time during which the rates should apply. We provided that if at the end of five years, as I now recall, the industry or any branches of the industry were able to produce 60 per cent of the American requirements, or substantially so—I do not recall the exact figures—that the duties then provided should cease.

It has been demonstrated, I think—and the able speech of the Senator from New Hampshire [Mr. MOSES] further demonstrated it, although there was sufficient demonstration without it—that with respect to most of these dyes, although probably not as to all of them, we are producing to-day in the United States fully 60 per cent of the domestic requirements.

Mr. FRELINGHUYSEN. Mr. President——

The PRESIDING OFFICER (Mr. ODDIE in the chair). Does the Senator yield?

Mr. SIMMONS. I am speaking in the Senator's time; he yielded to me.

Mr. FRELINGHUYSEN. I want to be courteous to the Senator.

Mr. SIMMONS. I want to say to the Senator very frankly that I have been a very great friend of the dyestuff industry; I have believed in it; I have fully appreciated the importance—the transcendent importance—to the United States of providing

itself with the products of that industry, and especially with its derivatives, which are so essential to the national defense and which ramify and touch to such large extent all the industries of the country.

I have felt the vital importance of it, and I have voted every time I conscientiously could to give the dyestuffs people everything that I thought in good conscience they were entitled to; and I say to the Senator now, to-day, that while I will not vote for an embargo, I think his party is justified in dealing out tariff protection to this industry if it can find that in any case the industry is not yet able to stand upon its own feet and needs further help from the Government, and if he regulates his tariff scientifically and measures it by the actual facts and necessities of the situation.

Mr. FRELINGHUYSEN. Then, Mr. President, the Senator believes that if we could not impose a rate of duty high enough to protect our markets against German invasion and the destruction of the American dye industry that further measures should be taken to protect ourselves against that invasion for national defense, or else the Senator has deserted the principle which he enunciated in May, 1921.

Mr. SIMMONS. Mr. President, the Senator may think that, but I think in view of my record upon this matter and my statements made heretofore and my votes heretofore and my statement to-day, the Senator from New Jersey is the only Senator in this Chamber who will think that I have deserted my position or that I am in any way inconsistent. He is welcome to whatever comfort he finds in the expression of that view. I am satisfied now that a great many of these dyes can be made as cheaply here as elsewhere. I am satisfied that with respect to many of these dyes our industry is in a position where it is absolutely self-sustaining as against Germany or anybody else. As to the dye industry or any other industry, so far as that is concerned, Mr. President, which is in that position, I can not consent to giving them the high rates that are proposed; certainly I shall not consent to giving them an embargo; but if the Senator is able to show that there is any particular dye industry in this country that is still struggling under difficulties, that is not able to protect itself with a reasonable tariff duty such as he proposes to place upon that industry, then the Senator may deal with that in any way he pleases. That is an exception; but an embargo, such as we adopted during the war, when we had practically no dyestuff industry in America, is all-embracing and covers everything, whether it is able to stand on its own feet or whether it is still in swaddling clothes and unable to protect itself. I shall oppose it to the end.

Mr. FRELINGHUYSEN. Notwithstanding the Senator's lengthy statement, the situation resolves itself to this: The Senator from North Carolina was willing to support an embargo under a Democratic administration, but he is not willing to support it under a Republican administration.

Mr. SIMMONS. Why, Mr. President——

Mr. FRELINGHUYSEN. Mr. President, I refuse to yield further.

Mr. SIMMONS. That is an absurd statement, in view of the fact——

Mr. FRELINGHUYSEN. Mr. President, I refuse to yield.

Mr. SIMMONS. Mr. President, I ought to be permitted to answer that.

Mr. FRELINGHUYSEN. All right.

Mr. SIMMONS. I say the Senator's statement is absurd, in view of the fact that the last time I voted for the extension the Republican Party was in complete control of both Houses of Congress and had its own President in the White House. The Senator ought to be more careful of his facts before making a statement of that nature.

Mr. FRELINGHUYSEN. But the Senator has stated that he voted for it simply until we could enact a permanent tariff law. Now he deserts the principle, and yet there is no evidence that this industry has been developed as he desired so that our national defense could be secure. He has no evidence of that, and yet that was the reason for his voting for it before. He deserts the principle of national defense.

Mr. SIMMONS. Mr. President, the Senator did not hear the able speech of his colleague the Senator from New Hampshire [Mr. MOSES] this morning, or he would not make that statement.

Mr. FRELINGHUYSEN. Mr. President, I heard that speech and I reiterate my statement. A great deal has been said about the rates of duty being sufficient to protect the American dye industry against Germany. The Tariff Commission, after an exhaustive study of the entire dyestuffs and coal-tar chemical industry, states as follows, on page 24 of a report on "Dyes and related coal-tar chemicals":

> What rate of duty would protect all branches that now show any growth and will guarantee the development of those that are missing? To this the Tariff Commission is bound to answer that this end apparently can not be accomplished by any rate of duty familiar in American tariff legislation. This conclusion is inevitable when a comparison is made of what is known of domestic costs with the pre-war prices of German dyes, or even with the very recent prices at which those dyes were offered in exchange for food.

Further on this report states:

> Again, deceptive advertising and misleading propaganda can be protracted by many shrewd devices long enough to demoralize a market in spite of any law that has thus far been enacted.

And further:

> A law that would be effective against German dumping of dyestuffs will be difficult to draw, for the usual test of dumping can hardly be applied. A comparison of their export with their domestic prices will have little meaning, because both are fixed by a monopoly and may be adjusted at will, and because private contract prices may easily be made to vary widely from published quotations.

In order to show the efforts of the German importers and their agents during the consideration by the committee of this question I want to refer to a bill which was submitted by certain German importers, who prepared it and sent it to a United States Senator. This bill was prepared by the lawyer of a prominent textile industry in this country and another man representing one of the German importers. It was a new method of imposing duties by identifying according to Schultz numbers; but in the bill there was what was afterwards found to be a joker, a provision that dyes invoiced by the manufacturer or his agents in the country should have a certain low rate of duty, but a higher rate of 90 per cent was imposed on all dyes invoiced by any person other than the manufacturer or his agent. When the Tariff Commission made their report this is what they said:

> PREFERENTIAL RATES ACCORDING TO WHO IS THE SHIPPER.
>
> The provision in paragraph 26 and paragraph 27 which specifies a certain rate of duty on dyes invoiced by the manufacturer or his agents in the country of origin, and a higher rate (90 per cent) on all dyes invoiced by any person other than the manufacturer or his agent, is a type of preferential rate legislation which would result in a complete domination and control of all imported dyes by agents of the foreign manufacturer. This also violates the policy of the United States in regard to preferential tariff treatment. Instead of granting preferential duties to any one country, it grants preferential treatment to a group of exporters or individuals.

That outrageous proposition was actually proposed by these German importers and sent to the Tariff Commission, who fortunately discovered this joker in its provisions, and reported to the committee against it, outlining the menace to the American industry if that system should be imposed.

Mr. President, I stated that there was a great deal of activity among the German importers in this country. The two great firms that imported dyes were the Hochst Co., represented by Herman Metz, and the Badische Anilin Dye & Soda Fabrik Co., represented by Kuttroff, Pickardt & Co. Their agents have been in this country and in this Capitol assiduously making this fight against the embargo. Germany wants to secure the American market for her dyes. She will go to any extent to accomplish this purpose. I think Germany will surrender her commerce in fabrics, metals, and toys if she can only control again this dye industry.

Chemicals formed a large part of the materials used in the war. I think the late Senator Knox spoke of the large German dumps that were discovered after the armistice, where over 50 per cent of the shells contained poison gases. This war was largely fought with chemicals. The next war will be fought entirely with chemicals—in the air with chemical bombs; from the land with high-explosive projectiles.

The Senator from New Hampshire [Mr. MOSES] spoke of the fact that we had engaged in a treaty prohibiting chemical warfare. It is true that we have engaged in a treaty prohibiting chemical warfare, but that treaty is not made with Germany; and while to-day we might observe its conditions, if to-morrow we were attacked by Germany, with her tremendous resources in these great chemical industries on the Rhine that gassed our boys before—300,000 of them were affected by that gas—if those industries to-morrow were turned from peace pursuits to war activities they could supply an army at once with the necessary chemicals and explosives with which to attack, notwithstanding the fact that we have entered into an agreement not to use chemicals and poison gas with other countries.

As a question of national policy I quoted President Wilson's indorsement of the dye embargo; I spoke of Senator Knox's great speech when the dye embargo was placed in the emergency tariff; I have here President Harding's indorsement of it, dated August 10, 1921; that of Secretary Weeks, dated July 26, 1921; Secretary Denby, dated July 27, 1921; General Pershing, dated July 15, 1921; General Fries, of the Chemical Warfare Service;

and so I might go on, showing the absolute necessity from the standpoint of national defense of maintaining independently this chemical industry in this country.

The question is, Shall we continue this policy of an embargo? For what purpose? Have they not had time enough in the two years to establish their facilities, to understand the processes and secrets of these German patents, to supply the American market and the American manufacturer with the necessary dyes? No. Our national policy has been a fast-and-loose policy for the last two years, a short three-months embargo, and then an emergency embargo, and the new industry had no means of knowing whether this was a permanent policy or not.

The time necessary for research and experimentation has been too short. To-day there are building great extensions to these dye plants. Chemists are making researches. I understand a great college is willing to erect a laboratory for further research in dye and chemical science. This industry is all in a state of initial development, but if, as the Tariff Commission says, we can not impose a duty high enough to properly protect, it is necessary that we go further and close the doors to those dyes which can be manufactured here, and which can be and will be imported from abroad, opening the door only wide enough to admit those dyes which we have not been able to manufacture as yet, and closing it gradually as they develop, through research, the knowledge of making these dyes which at the present time are not made here.

I say this policy is established. It is a question of protecting a great industry created during the war; but it is more than that; it is a question of the national policy of preparedness and of defense, and no one dare desert the safety of his country, with the knowledge that he has of the history of the recent war. During the war no one would have dared make the speeches which have been made in this body during the last three months, encouraging Germany's commerce and production in the dye industry, practically defending Germany's interests. There would have been a united protest in this body.

But we have forgotten. Time blots from our memories the heinous offense of Germany when she launched her first gas attack on the helpless soldiers of Canada and France, and there was no means known by those armies to counteract it until we invented the gas mask to protect our soldiers from the suffering caused by that heinous method of warfare.

The secret gases were known to the chemists of those industries on the Rhine. It was not known to our chemists here, because with lack of vision and lack of statesmanship we had always yielded to the lobby of the German interests, and had failed to protect our dye industry and establish it firmly on an independent basis in this country. We had no industry and practically had to build it during the war.

Mr. McCUMBER. The Senator has just intimated that we invented the gas mask. In fact, we did not even do that. It was invented by foreign chemists rather than American chemists.

Mr. FRELINGHUYSEN. If I said "we," I was referring more generally to the Allies and those associated with us.

Mr. McCUMBER. I simply wanted to go further and state, in justification of what the Senator is saying, that the chemical industry was not sufficiently established in this country so that we could even invent a defense against the gas attack.

Mr. FRELINGHUYSEN. I thank the Senator very much. I know that we made large quantities of gas masks in this country, but I did not know where the gas mask was invented. I simply wished to show how helpless we were, our ignorance of this method of warfare, and how lacking the whole world, except Germany, was in knowledge of the technical science necessary to make this gas.

I desire to introduce, at this point, a partial list of 12 poison gases manufactured from coal tar, and the output, naming the factories, of finished poison gases for the "I. G."—that is, the Interessen Gemeinschaft of Germany—a detailed statement that has been prepared, showing the gases that were manufactured during the war in certain dye plants, to counter the statement which has been made that they were not made in dye factories.

There being no objection, the matter was ordered to be inserted in the RECORD, as follows:

A PARTIAL LIST OF 12 POISON GASES MANUFACTURED FROM COAL TAR.

Chlorpicrin (United States capacity, 1,500 tons per month), brombenzyl-cyanid (one of the four gases produced on large scale in the United States), di-phenyl-chlor-arsine, phenyl-di-chlor-arsine, xylyl bromide, benzyl bromide, phenyl carbylamine chloride, benzoyl bromide, chloracetophenone, bromacetophenone, benzyl chloride, benzoyl chloride.

There are dozens or maybe hundreds of coal-tar chemicals already worked out suitable for toxic and poison gases, and there are possibilities for thousands of others.

A PARTIAL LIST OF COAL-TAR EXPLOSIVES.

Picric acid, tri-nitro-toluol (T. N. T.), tetra-nitro-methyl-anilin, trinitroxylol.

A number of other coal-tar explosives have been manufactured and the future will bring forth a great many more, but the above named are the principal ones used during the last war.

Chief organic chemicals used as war gases by Germany (all these were made in the plants of the Interessen Gemeinschaft).

OUTPUT OF FINISHED POISON GASES.

(From various works.)

Gases.	Factory.	Monthly output in metric tons.		Total production in metric tons (if known).	Manufacture began.
		Average.	Maximum.		
Chlorine	Leverkusen	600	.....	28,000	Prior to war.
	Höchst	240	.....	.....	Do.
	Ludwigshafen	860	1,261	38,600	Do.
Phosgene	Leverkusen	.....	30	1,450	Do.
	Ludwigshafen	288	621	10,682	Do.
Diphosgene	Leverkusen	.....	300	5,000–10,000	June, 1915.
	Höchst	139	266	3,616	September, 1916.
Chlorpicrin	Leverkusen	.....	200	.....	July, 1916.
	Höchst	45	101	1,127	August, 1916.
Xylyl bromide	Leverkusen	.....	60	500	March, 1915.
Bromacetone	do	.....	20	.....	Early in 1916.
Bromacetone. Bromethylmethylketone.	Höchst	19	45	685	April, 1915.
Phenyl carbylamine chloride.	Höchst	65	124	721	March, 1917.
B. dichlorethylsulphide (mustard gas).	Leverkusen and one other factory.	.....	300	[1] 4,500	Before July, 1917.
Diphenylchlorarsine Diphenylcyanarsine.	Höchst	150	300	3,000	[3] May, 1917.
	A. G. F. A.	.....	.....	[2] 4,400	
Ethyldichlorarsine	Höchst	78	50	1,092	August, 1917.
Dichlormethylether	do	26	51	233	September, 1917.
Dibrommethylether	do	7	29	69	April, 1917.

[1] Estimated from capacity of plant. Probably the same quantity was produced at some other factory as the output of thiodiglycol would suffice for this.
[2] Estimated from Leverkusen output of diphenylarsinic acid.
[3] Diphenylchlorarsine was first produced in May, 1917, and from February, 1918, onward itwas converted to diphenylcyanarsine.

High explosives and intermediates, in metric tons per week.

[Quantities of intermediates are shown only where not converted to finished explosives in the producing works.]

Factory.	Amm. nitrate.	Dinitrobenzene.	Dinitrotoluene.	Trinitrotoluene.	Mononitronaphthalene.	Dinitronaphthalene.	Dinitrochlorbenzene.	Dinitrophenol.	Picric acid.	Trinitroanisol.	Dinitrodiphenylamine.	Hexanitrodiphenylamine.
Leverkusen	.....	250	.....	250	.....	150	40	.....	.....	[1] 3	.....	.....
Dormagen	.....	.....	.....	.....	.....	.....	.....	.....	600	.....	.....	.....
Urdingen	.....	60	.....	75	Small.	.....	.....	.....	.....	.....	.....	.....
Höchst	500	140	.....	200	.....	.....	.....	.....	.....	30	.....	[1] 1½
Ludwigshafen	.....	25	50	.....	.....	15	200	35	.....	.....	[2] 25	.....
Oppau	200	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Merseburg	(?)	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Wiesdorf	.....	.....	.....	120	.....	.....	.....	.....	.....	.....	.....	.....
Schlebusch	100	.....	.....	150	.....	.....	.....	.....	.....	.....	.....	.....

[1] For 3 months only.
[2] For 1 year.

Other intermediates: Ludwigshafen, Sodium benzene sulphonate, 100 tons per week.
Other explosives: Schlebusch, Hexanitrodiphenyl sulphide, 15 tons per week.

Output of intermediate products for poison-gas manufacture.

Finished gas.	Intermediate products.	Total output (metric tons).	Place of production.	Destination of intermediate products.
Phenyl carbylamine dichloride.	Phenyl (mustard oil).	(1)	Kalle.....	Höchst.
BB-dichlorethyl sulphide (mustard gas).	Thiodiglycol..	7,026	Ludwigshafen	Leverkusen and one other factory.
Diphenylchlorarsine....	Phenyl arsinic acid.	1,600	Ludwigshafen	Unknown.[3]
	Diphenyl arsinic acid.	1,200 [3] 4,800	Kalle. Leverkusen...	Do.[2] Probably A. G. F. A. Berlin.
Ethyldichlorarsine.....	Ethyl arsenious oxide.	840	Ludwigshafen	Höchst.

[1] Not obtained.
[2] Probably Leverkusen.
[3] Estimated from capacity of plant.

NOTE.—In addition Höchst produced 3,000 tons of diphenyl chlor and cyanarsines from own intermediates.

Mr. FRELINGHUYSEN. I also ask leave to insert, at the end of my remarks, a statement of the extent of the chemical industry in this country as developed before, during, and since the war, and a statement of the dye industry as developed during the war. (See appendix.)

I want to read, for the benefit of the Senate, a part of the speech the late Senator Knox delivered during the debate on the emergency tariff bill, on the necessity for an embargo. He followed the Senator from New Hampshire [Mr. MOSES] in his previous speech on this subject, and said:

I have listened with great attention, some amusement, and some astonishment to the combination of logic, eloquence, doggerel, and prejudice which have been emitted by my distinguished friend the Senator from New Hampshire [Mr. MOSES]. It is not my purpose to approach the consideration of the amendment to this bill for which I am responsible from the standpoint of a profit and loss account of a Dolly Varden calico mill in New England, but from the standpoint of the roster of the dead who have died in this Great War, from the standpoint of the list of casualties, and I make my appeal to the men who have followed the history of this war and learned the lessons it has taught. It will require but a few moments, Mr. President, to justify this amendment, explain its purpose, and satisfy thoughtful men of its wisdom.

When the Great War with Germany broke out, 99 per cent, perhaps, of all the projectiles that were flung against the allied forces were filled with high explosives, high explosives which France and Great Britain could not and did not produce, but which eventually were produced by the United States. In the last great retreat an examination of the huge ammunition dumps of the German Army showed that over 50 per cent of their projectiles, instead of being charged with high explosives which merely exploded the projectile and scattered its fragments, were filled with poisonous gases which mingled in the air and asphyxiated and destroyed thousands, even though not within their immediate range.

What does that lesson teach? It teaches that from practically a negligible quantity of projectiles charged with poisonous gases during the war there developed fully 50 per cent so charged, and if the war had continued two years longer and America had not made the progress which enabled us to meet these people upon common ground the story of the war would have been different.

* * * * * * *

Mr. President, to-day perhaps the noblest call to man is the dissipation of the possibility of future war, and perhaps one of the strongest arguments that can be put up to governments is that to avoid war we must disarm. But what profits it, Mr. President, if we shall destroy our battleships, if we shall destroy our arsenals, if we shall cease to cast guns and swords and bayonets, if we leave the world's productive capacity of organic chemistry in the hands of Germany, which enables her to turn out instantly, with the flexibility of her plants, the most deadly weapon that human ingenuity has yet devised? You may sink every German battleship to the most remote cave of the sea, you may reduce to dust her proudest fortresses, you may blow the great Krupp plant to hades, and you may cast the big Berthas into plowshares and pruning hooks, but if you leave the dye industry in the possession of Germany she has the world by the throat.

There are 55 chemical plants in my State, and, I think, over 200 throughout the country. Those chemical plants, with the exception of one or two, have no relation to the great Du Pont interests. The dye industry is only a part of their great production, a small part, and I think the value of their production as related to the entire production of dyes in this country is some 15 per cent. I have no interest whatsoever in that factory or its future prosperity, although it is within my State. I am interested in the general proposition that these great plants, and the facilities of these great plants, should be maintained for national protection.

Two days ago I crossed the Delaware River from Wilmington to Penns Grove. There was a great town which had been created during the war, where two large powder plants had been established. They had schools, electric lights, splendid water facilities, fine homes. Half of those homes were closed; the other half were occupied by men who formerly worked in those powder plants but are now working in a dye industry located there.

Six years ago I stood before 5,000 men working in those plants. They were making powder for our allies and for ourselves to fight the great war of civilization against Germany, and I said to those men that I hoped the time would come when that great war industry could be turned to commercial uses and peaceful pursuits. One man in the audience said, "What will you do if you get to the Senate to protect us?" I said, "There is only one availability for a plant of this character, and that is to manufacture dyes. I will do everything in my power to see that a dye industry is established in this country and properly protected."

I never expected we would have the experience we had during the war; I have learned a great deal by it; but I would rather stand here to-day with an embargo, obnoxious as it seems to be to the tastes of some men in this body, than desert those men working in that factory who worked so patriotically for this country during the war. If the proper protection is given that great plant, it will not be long, in my opinion, before that entire city will be restored and rehabilitated.

But I said the influences were here. Already it is expected by these German interests that this dye embargo will be defeated.

Mr. WILLIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Ohio?

Mr. FRELINGHUYSEN. I yield.

Mr. WILLIS. The Senator knows that I am a profound believer in the protective policy. He knows that I am interested in the maintenance in this country of the dye industry, because I believe it to be a key industry, vitally important. What I should like to hear the Senator explain is why an embargo, the thing which the Senator has just said is something obnoxious, is necessary in this particular industry when we rely upon the general idea of a protective tariff in other industries?

Mr. FRELINGHUYSEN. That is a very fair question. The Senator was not here when I read from the Tariff Commission's report an official statement to the effect that no rate could be imposed which would protect us against Germany's connection. I shall be glad to read it again to the Senator.

Mr. WILLIS. But what I can not understand is why there can not be a rate imposed which will afford protection.

Mr. FRELINGHUYSEN. In the first place, the cost of production in Germany is so low, compared with the cost of production here, that we can not impose a rate which will be high enough to properly protect us against that differential. Second, Germany's method heretofore, through private contracts and through substitution of markets, has been such that she would evade any protective law that we can lay down. Furthermore, Germany will ship her goods in here for nothing in order to regain the market and get the trade back again. To show that she is expecting to secure this business again, I wish to read, for the information of the Senate, a letter from Kuttroff, Pickhardt & Co., of 128 Duane Street, New York, representing the great Badische Analin Co. It is as follows:

NEW YORK, *July 1, 1922.*

DEAR SIRS: We beg to offer you our services for the importation of coal-tar dyes, including indanthrene and other vat dyes, manufactured by the Badische Anilin & Soda-Fabrik and by other makers. We have the assurance of the manufacturers that they will give prompt attention to our orders. The prices will be as low as can be made and, we have every reason to believe, will be found satisfactory by you.

It is to be hoped that the embargo and license provisions which were eliminated from the tariff bill by the House of Representatives will not be put back. It is also to be hoped that these same provisions now in force under the terms of the emergency tariff bill will be repealed. The removal of these restrictions on importations of coal-tar dyes would enable us to carry in stock all the dyes needed and to fill your orders promptly at current prices. It would permit us to bring in samples of new products as soon as they are put on the market as well as to provide quantities sufficient for your practical trials. Thus you would be in a position to adopt improvements as quickly as the foreign-dye consumer.

Soliciting your favors, we remain,
Yours truly,

KUTTROFF, PICKHARDT & CO. (INC.).

Mr. President, the industries of my State are flooded with similar circulars.

Mr. BURSUM. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from New Mexico?

Mr. FRELINGHUYSEN. I yield.

Mr. BURSUM. I wish to ask the Senator from New Jersey if it is not true that Germany, France, England, and Italy all have embargoes which prohibit the importation of dyes into those countries?

Mr. FRELINGHUYSEN. Yes. Even Germany embargoes against our dyes.

Mr. BURSUM. Japan has guaranteed an 8 per cent return to her dye manufacturers. Connected with the policy of creating an embargo on behalf of those countries is a policy in behalf of the national defense of those countries in case of war. The natural policy for Germany to pursue would be to control the dye industry of the world. If she could control the dye industry of the world, it would place her in a superior position so far as having a controversy with any other country is concerned.

The primary reason for the embargo which is sought for this country is to guarantee an adequate national defense in case of trouble. Notwithstanding the fact that we all hope there will be no further war, and that agreements have been entered into between many of the countries to maintain peace, the fact that countries like Germany, England, Italy, Japan, and France have created embargoes in order to maintain the industry in those respective countries, thus giving them the tools with which to create war, indicates that it would be unsafe for this country, as long as the embargoes are maintained by foreign countries, to leave the bars down for importations and thus destroy our industry here.

Mr. FRELINGHUYSEN. The Senator is absolutely correct in his statement. If Germany regains her domination of the world's dye and chemical markets, and in my opinion she is all-powerful, every nation which does not protect itself by an independent dye industry would be at her mercy.

Mr. President, before closing I want to read a letter which was sent to me by a chemist in my State who built a small factory during the war. He manufactured only one color and put all the money he had saved into the one little plant. He made a little money. He expanded that plant. To-day all the money he has is invested in that plant and it is closed. He is not manufacturing because he is uncertain as to the policy of the Government and as to what permanent policy it is going to establish in regard to the independent dye industry. He writes me this letter, which quotes from a friend of his who has just returned from Germany, as follows:

"The wage agreement of May 26, mentioned at the close of Mr. Payne's report, fixes an average rate of 23 marks per hour, or 4,585 marks per month, exclusive of family allowances, pay for overtime, etc. Although this wage level is extremely low when expressed in gold, yet the German laborer is more favorably situated than the figures seem to indicate, due to the higher purchasing power of the paper mark within Germany and to Government subsidies, chief among which are the bread subsidy and the rent restrictions act."

The figures as to the subsidies, etc., are interesting and have a bearing on the question of protection for the American chemical industry, but of surpassing interest is the situation in a nutshell as given in the extract above.

Twenty-three marks per hour amounts to approximately 8 cents in American gold. The American importer uses identically the same yellow metal that we manufacturers use as standard of value. He buys an hour's chemical labor in Germany for 8 cents. We buy an hour's American labor at an average of just about six times that amount. Let us suppose that he has a 60 per cent duty to pay and it costs him 13 cents against our 48 cents. It is the same old yellow metal in both cases. We have to have our profits on top of the cost; so does he. Question: Where would we get off even with 100 or 200 per cent protective duty?

Mr. President, a great deal has been said about the Du Pont concern. The statement of the Senator from New Hampshire [Mr. MOSES] as to corruption and fraud may or may not be true. I do not know his object in attacking that corporation. It is an American corporation doing business in America and employing American labor. The Du Pont concern is only one of over 200 concerns engaged in the manufacture of coal-tar products. If that concern has been guilty of any fraud or of any dishonesty of purpose there are adequate laws to punish it.

But their services during the war appealed to many as patriotic and as efficient. I think a French officer stated in one of the hearings before the Committee on Military Affairs that if it had not been for the genius and ability of this great powder-making concern, with its century of history, the war could not have been won. I like to think of the good things about men and about business. But because they make chemicals and dyes and desire protection the same as their competitors, stating that the only assurance on which they can go forward is the pledge of the Government that the embargo will be continued, I do not believe that is criminal on their part. I have a statement of some of the activities of the Du Pont Co. during the war, prepared by the Ordnance Department. I ask that it be inserted in the RECORD as an appendix to my remarks. It is quite lengthy and I shall not take the time to read it.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Appendix A.)

Mr. FRELINGHUYSEN. Mr. President, to support my contention regarding German wages and the differential between German and American wages I wish to insert in the RECORD, as an appendix to my remarks, the report of the United States Department of Commerce, a special report on labor costs in the German chemical industry.

The PRESIDING OFFICER. Without objection, permission is granted.

(See Appendix B.)

Mr. FRELINGHUYSEN. Mr. President, my fight for a dye embargo and my insistence upon its continuance is based upon two motives—first, to protect and continue the industry in my State; and, secondly, because I believe it is absolutely essential for the national defense, as I read the history of the war and what was accomplished by Germany by reason of her advanced position in chemical manufacture. This is a great question for the Senate to decide at this time. The only harm that will come from a dye embargo is to the German industries—the German cartel that furnished Germany with all her chemicals and ammunition during the war. If we make a mistake now and lift this embargo, it may destroy, and probably will destroy, this great industry, which was created during the war by the men of energy and genius who had the courage and the ability quickly to provide our armies with the necessary materials with which to meet the onslaught of Germany.

There is just one question involved. Inasmuch as the former President of the United States, Mr. Wilson, recommended the embargo, since President Harding has recommended its continuance, and every Cabinet officer and military officer who is familiar with the situation and every man who has studied it makes similar recommendations, the question which we have to decide as to its continuance is whether we are going to stand for America first or for "Deutschland uber Alles."

APPENDIX A.

MEMORANDUM ON THE WORK OF THE DU PONT CO. FOR THE ORDNANCE DEPARTMENT.

1. During the early years of the World War—1914, 1915, and 1916—when the Du Pont Co. was furnishing smokeless powder to foreign Governments at prices ranging from $1 to 80 cents per pound, it continued to fill all powder requirements of the United States Army and Navy, aggregating probably in excess of 10,000,000 pounds at prices ranging from 50 to 53 cents per pound.

2. The initial price of $1 per pound to foreign governments can not be considered as particularly excessive when the enormous expansion of plant capacities necessary is considered, together with increased costs of labor and raw materials. Furthermore, most foreign contracts were for powder for small arms and field guns, and pre-war prices to the trade for such granulations had not been much lower—about 80 cents per pound.

3. In April, 1917, the Du Pont Co. announced its readiness to manufacture all of the estimated joint requirement of the United States Army and Navy for the year 1917 of 115,000,000 pounds of smokeless powder at 47½ cents for cannon powders and 62 cents for small-arms powder. This price was lower than that of any other manufacturer, and 5½ cents less than the maximum price of 53 cents per pound fixed by Congress in 1913 to be paid to manufacturers of cannon powder for the United States Government. In its operation of the Old Hickory Plant the Du Pont Co. produced smokeless powder for as little as 38 cents per pound.

4. At the beginning of the war, in 1914, the total capacity of the three smokeless-powder plants of the Du Pont Co. was only 1,000,000 pounds of cannon and rifle powder per month. In April, 1917, the combined capacity of these three plants was 33,000,000 pounds per month, and in the last month before the armistice the total capacity of these plants, combined with that of the Government plant at Old Hickory, built and operating by the Du Pont Co., was 52,000,000 pounds per month.

5. The Old Hickory Plant, at Nashville, Tenn., was built by the Du Pont Engineering Co. to manufacture 900,000 pounds per day. Its cost was estimated at $90,000,000.

According to contract requirements it was to be in operation within eight months. Powder was actually being produced within five months after construction was started and nearly 20,000,000 pounds were manufactured prior to November 11, 1918, or about 8,000,000 pounds in excess of contract requirements, while construction was 96 days ahead of schedule time, the plant being 93 per cent completed. This plant was the largest smokeless-powder plant ever constructed in the world. It covered an area of 4,706 acres, including a village for housing nearly 30,000 people, and was complete in all respects with units for purification of cotton and manufacture of nitric acid, sulphuric acid, diphenylamine, and other materials used in the manufacture of powder.

6. Prior to the war the high explosives manufacturing capacity of the Du Pont Co. was about 600,000 pounds of crude T. N. T. and 60,000 pounds of mercury fulminate per month. No capacity existed for the manufacture of tetryl, picric acid, ammonium picrate, and other high explosives. By November, 1918, the capacity of the Du Pont T. N. T. plant had been increased to 6,000,000 pounds per month and construction on an additional plant started. A monthly capacity for 150,000 pounds of tetryl and 250,000 pounds of ammonium picrate, together with 700,000 pounds of ammonal and 65,000 pounds of T. N. T. blocks for the Engineer Corps had been reached.

7. Prior to the war T. N. T. sold for about 20 cents per pound, with toluene at about 19 cents per gallon. In 1915 and 1916 the price of toluene rose rapidly to as high as $7 per gallon, and T. N. T. was sold at prices from $1 to $1.50 per pound. The Du Pont price on foreign contracts did not exceed $1, while its price to the United States Army varied from 64 cents to as low as 35 cents. New contracts were being made shortly before the armistice on a base price of 26½ cents per pound.

8. The technical organization of the Du Pont Co. was enlarged to meet all requirements. In addition to the enlargements of its existing plants mentioned above, it constructed the Old Hickory smokeless powder plant, the guncotton plant at Hopewell, Va., which actually produced over 1,000,000,000 pounds of guncotton for the Allies, the large shell and booster loading plant at Penniman, Va., loading plants for smokeless powder, airplane bombs, etc.

9. The research and chemical organizations of the Du Pont Co. cooperated to the fullest extent with the Ordnance Department and under

took to the fullest extent to aid in solving any problems which presented themselves.

10. Since the armistice the Ordnance Department has continued its efforts to develop improved smokeless powder and high explosives. The Du Pont Co. agreed to undertake the development of flashless, nonhygroscopic smokeless power for both cannon and small arms. This development work has been conducted at the company's own expense, the Ordnance Department conducting firing tests of all samples submitted. The expense to which the Du Pont Co. has gone in this work is indicated by the fact that in the course of the past year a total of about 375 experimental samples of various compositions and granulations have been made, varying from a few pounds to 100 pounds in weight—mostly about 10 to 20 pounds each. Ninety-six of these have been given firing tests at the Aberdeen Proving Ground, and this development work is still in progress.

11. As a result of this work an improved flashless, nonhygroscopic, smokeless powder for the 75-millimeter gun has been developed and an order for an experimental lot of 50,000 pounds given the Du Pont Co. at the remarkably low price, considering the great cost of the development work, of 60½ cents per pound. No assurances whatever have been given the Du Pont Co. as to the quantity of this powder to be ordered if it is finally approved for use.

12. As a further result of the same line of development the Du Pont Co. has developed improved powders for both .30 caliber and .50 caliber armor-piercing ammunition, which are practically flashless, nonhygroscopic and smokeless and give improved ballistic results. Orders have been placed with them for 100,000 pounds of the .30 caliber powder and 10,000 pounds of the .50 caliber powder at 65½ cents per pound and 87½ cents per pound, respectively.

13. The prices being paid to the Du Pont Co. on the contracts for improved powders mentioned above, are considerably lower than the bids submitted by Picatinny for supplying powders developed at that arsenal to meet the same requirements.

SUPPORTING DATA IN CONNECTION WITH MEMORANDUM ON THE WORK OF THE DU PONT CO. FOR THE ORDNANCE DEPARTMENT.

PARAGRAPH 1. In 1913 Congress fixed the maximum price of 53 cents per pound to be paid to manufacturers of cannon powder for the United States Government. The figure for the quantity supplied to the United States during 1914, 1915, and 1916 is obtained from reports of the Du Pont Co.

PAR. 2. The increase in costs of labor and materials is a matter of common knowledge. The figure for the pre-war price of powder furnished to the trade is taken from the Du Pont report.

PAR. 3. It is apparent from the following figures that all of the powder supplied to the Ordnance Department by the Du Pont Co. in 1917 and 1918 was not furnished at the fixed price of 47½ cents, but it will be noted that the price on all of the contracts listed is below 53 cents.

Prices on Du Pont contracts for smokeless powder.

Contract number.	Amount.	Price.	Deliveries.
GE 151	$10,382,500	$0.47½	December, 1917.
	18,117,500	.49½	September, 1918.
GE 152	13,500,000	.47½	August, 1917–May, 1918.
GE 167	4,000,000	.52	June–October, 1918.
G 616–311 E	14,000,000	.49½	November, 1917–February, 1918.
G 628–312 E	40,500,000	.49½	April–December, 1918.
G 674–314 E	100,440,000	.49½	June–December, 1918.
P 14585–1389 E	15,350,000	.49½	November, 1918.
P 15386–1441 E	122,160,000	.43½	January, 1919.
	54,000,000	.4505	
	18,000,000	.46½	June, 1919.

The above are the largest of the Du Pont contracts for cannon powder.

Paragraph 4: The actual production of smokeless powder at Du Pont plants in October, 1919, is given in Ordnance Department records as follows:

Plant.	Cannon powder.	Small arms powder.	Total.
Carneys Point	21,041,992	3,184,685	24,226,677
Parlin	6,097,995	.....	6,097,995
Haskell [1]	.....	.....	.....
Old Hickory	9,474,794	(2)	9,474,794
Total	36,614,781	3,184,685	39,799,466

[1] Figures not available. [2] Not started.

It is believed that the figure given for the total capacity of 52,000,000 pounds is not excessive.

Paragraph 5; Old Hickory plant: See History of Propellants Section, Explosives, Chemical, and Loading Division, December 15, 1918. Part 3, pages 10–12; also "America's Munitions," 1917–18, By Benedict Crowell.

Original expenditure of $75,000,000 increased by $15,000,000.

Month.	Contract requirements.	Actual production.
	Pounds.	*Pounds.*
July	.....	1,297,291
August	1,300,000	2,873,754
September	3,900,000	6,180,042
October	6,500,000	9,474,794
Total	11,700,000	19,795,880

Paragraph 6: The figures given in this paragraph for T. N. T. capacities are verified in the History of the Explosives Section, Explosives, Chemical, and Loading Division, part 2, volume 6, while the figures for the tetryl capacity of 150,000 pounds per month is found in part 2, volume 7, of the same history.

Paragraph 7: The following figures have been obtained regarding the principal Du Pont contracts for T. N. T.:

Prices on Du Pont contracts for T. N. T.

Contract No.	Amount.	Price.
GE 154	$29,232,000	$0.50
G 1123–404E	5,250,000	.35
G 1251–415E	10,000,000	.64
P 3603–769E	10,000,000	.50
P 15092–1423E	28,800,000	.36

ASSOCIATION OF THE DU PONT CO. WITH THE UNITED STATES GOVERNMENT.

The Du Pont Co. was organized early in the nineteenth century for the purpose of providing the United States Government with a satisfactory war powder, and has continued to supply the same since its organization, approximately in 1802. During that period they have produced a great many million pounds of military propellants and explosives, to such an extent that the Government has always looked on the Du Pont Co. as a dependable branch of the supply service of the United States Government. In this period of time great progress has been made in improving both propellants and high explosives, and the Government has always been able to depend on the Du Pont Co. in keeping up with the progress of the world, giving the benefits of all improvements to the United States Government and supplying material at a fair price. The greatest improvements have been made since the advent of smokeless powder, and when the Du Pont Co. undertook to manufacture a satisfactory powder for the United States Government a great deal of money was spent before the same could be produced, but eventually a powder second to none in the world was the result. All developments in connection with this powder were turned over to the Government by the Du Pont Co. without charge other than the nominal payment of $1 per year in some cases, and in other cases merely a letter of thanks.

When the United States Army decided to have its own powder plant at Dover, N. J., now called Picatinny Arsenal, the officials of the Du Pont Co. assisted in every way possible in the location and construction of this plant, allowing the engineers and draftsmen of the Government free access to all plans of the engineering department of the Du Pont Co., and further than that, allowing the use of Du Pont machinery, so that to-day both Picatinny Arsenal and Indianhead are manufacturing powder by the Du Pont process with machinery of the Du Pont type. In the equipment used are such important items as the dehydration process, alcohol recovery, and such equipment as a centrifugal wringer, mechanical dipper, etc., which are devices or machines patented and the patents owned by the Du Pont Co. In the matter of alcohol recovery alone the Du Pont Co. has been the means of the saving of a great many dollars to the United States Government.

When the European war came along the Du Pont Co. prepared plans for the plant at Charlestown, W. Va., called "Nitro," bought the land and advanced the money to pay for the land. They also provided the Government with cost data relating to labor and salaries to be paid. They built the old Hickory plant, near Nashville, for the manufacture of smokeless powder and were ready to begin construction on another plant to be located near Louisville, Ky., for the same purpose. They extended their plant at Barksdale to the limit of the land and were constructing a T. N. T. plant near Racine, Wis. They built and operated a plant at Penniman, Va., for the loading of high explosive shell and boosters, and assembling of complete rounds of ammunition. At the urgent request of the Ordnance Department they undertook the operation of two bag-loading plants, one at Seven Pines, Va., and the other at Tullytown, Pa., and also assisted the Remington people in their operation at the Woodbury bag-loading plant. When the Government urgently needed special small-arms ammunition, such as tracer and incendiary, they undertook this work although the field was new to them. They produced smoke boxes for the Navy, as well as smoke funnels. With a shortage of silk for silk bags for powder charges, they developed a nitrotite container to take the place of the silk. With a shortage of T. N. T. they developed for the Navy a substitute explosive called "T. N. X." for use in submarine mines, and for the Army two explosives called "Lyconite" and "Starite" for use in drop bombs and hand grenades, respectively.

They did any experimental work the Government requested of them whether or not it was work ultimately to be done by the Du Pont Co., and all information in connection with the same was turned over to the Government for whatever disposition they might see fit. When the German submarine began to menace the Atlantic coast in the summer of 1918 they loaded several hundred drop bombs and got them to New York in time for the emergency, while they did not expect to get into production on drop bombs. They took T. N. T. directly from the melting kettles and loaded it into submarine mines for the Navy in order to expedite the preparation of mines for the North Sea barrage.

In purchasing cotton, Mr. F. L. Connable, of the Du Pont Co., practically handled all purchases of cotton for the United States Government, and as the Du Pont Co. had developed a means for utilizing hull fiber as well as cotton linters these were also purchased. Had the war continued the project of utilizing wood pulp and wood cellulose mixed with cotton cellulose for the production of smokeless powder was all ready to put into operation. Mr. J. B. D. Edge, of the Du Pont Co., handled the purchase of nitrate for the United States Government.

In the conservation of raw materials during the war, which was more important than money, the Du Pont Co. was able to increase the yields from the amount of raw material used, and the methods by which this material was conserved were turned over to the United States Government, as well as to other manufacturers.

During the war the Du Pont Co. produced ——— pounds of T. N. T. for the United States Government. At the time the first proposals for supplying powder to the United States Army were discussed and when it was fully expected that the old congressional price of 53 cents would be the minimum the Du Pont Co. came in with a proposition of 47½ cents for water-dried powder and 49½ cents for air-dried. The water-drying process was a development of the Du Pont Co., which expedited the deliveries of powder by shortening the drying period. The number of pounds of smokeless powder produced by the United States Government during the European war was ——— ———. When it is realized that at the time the 53-cent price was set by Congress as a fair one for smokeless powder the cost of the ingredients in powder were 18 cents less than they were in 1917, on the same basis a fair price for smokeless powder could readily have been understood to mean

71 cents; but the benefit of all the saving and economies in manufacture were given the Government in the price of 47½ cents.

The construction of the shell-loading plant at Penniman, Va., the smokeless-powder plant at Old Hickory, and the T. N. T. plant at Racine was on the basis of cost plus $1.

Since the European war the Du Pont Co., continuing its policy since organization, has undertaken experimental work at its own expense for the development of flashless and nonhygroscopic powder, and has made an agreement whereby this powder will be sold to the United States Government without any charge being made for royalties on any patents owned by the company or taken out by employees of the company, and, further, that in time of war other manufacturers of powder can make the same powder under similar terms.

As in all wars since 1802, the Du Pont Co. cooperated in every way possible with the Government in the late World War.

The Du Pont Nitrate Co., for instance, put at the disposal of the Government its experience and knowledge of the nitrate business in Chile and this country, its facilities for purchasing nitrate of soda, and the shipping of it to this country.

In August, 1917, Mr. Bernard M. Baruch, chairman of the War Industries Board, called Messrs. Tallman and Edge to Washington to discuss the nitrate situation. After receiving their offer to cooperate, Mr. Baruch called the other importers of nitrate of soda, namely, W. R. Grace & Co.; Wessel, Duval & Co., and H. J. Baker & Bro. Co., together in October, 1917, and informed them that the allied Governments had decided to form a pool for the purchase of all nitrate of soda in Chile. This was agreed to, and the nitrate committee of the United States was formed with headquarters in New York City, with Mr. H. Ray Paige, of the War Industries Board, as director of the committee representing the United States Government.

Under this arrangement Du Pont Nitrate Co. brought up at cost for the Army and Navy a total of 218,654 tons nitrate of soda from July 2, 1918, to January 30, 1919. The Government, through the nitrate committee, assigned the boats to the company to load this nitrate, and it was loaded and discharged under the supervision of the Du Pont men. In addition, from January 2, 1918, to December 27, 1918, the company brought up 558,045 tons to be used at its plants in the making of munitions for the Government. The other importers also brought up nitrate for the Army and Navy and for their own account, but they sold their nitrate for various purposes, its uses not being confined to munition plants.

In cooperating with the Government to the above extent the company was consequently in touch with Navy and Army officials, including Hon. Josephus Daniels, Secretary of Navy, Washington, D. C.; Commander C. C. Grimes, Bureau of Supplies and Accounts, Navy Department, Washington, D. C.; General Wheeler, Acting Chief of the Ordnance Department, Washington, D. C.; Samuel McGowan, Paymaster General of the Navy; Roy L. Lowman, lieutenant commander, Navy Department, Bureau of Orders; Maj. Myron S. Falk, Procurement Division, War Department, Washington, D. C.; and Charles H. MacDowell, Chemical and Explosives Division, War Industries Board, Washington, D. C.

The Du Pont Nitrate Co. also cooperated with the finance division at Washington and New York and the nitrate committee of the United States at New York in arranging for proper settlement of nitrate brought up for the Army and Navy, such as suggesting forms and accounting methods to pursue in keeping these records.

At the close of the war the Du Pont Nitrate Co. received letters from all the departments thanking them for their splendid cooperation. One sent to the nitrate committee, of which we were a member, is attached.

UNITED STATES WAR INDUSTRIES BOARD,
OFFICE OF THE CHAIRMAN,
Washington, December 15, 1918.

Mr. GEORGE DUVAL,
Chairman Nitrate Committee of the United States,
50 Broad Street, New York, N. Y.

DEAR SIR: At the close of the activities of the War Industries Board it is but simple justice to express our appreciation and gratitude for the loyal support given us by the industries of the Nation.

As chairman of the board I offer on behalf of my associates and myself a tribute of thanks to the patriotism and devotion shown by the entire commercial body of America. Its members have made service, and not profit, their rule. They have shown a desire to subordinate self and exalt public interest, and to this readiness to make sacrifices in the common cause has largely been due whatever success we may have been able to attain. I would be doing the industries in America an injustice if I did not make this acknowledgment.

May I express the hope that this same spirit may continue in times of peace, so that problems affecting all may be approached in the same spirit of helpful cooperation that has prevailed during the period of the war.

May I, through you, send this message of gratitude to you and to your loyal coworkers in the great industry which you have so ably represented.

Sincerely yours, BERNARD M. BARUCH.

Boats brought up for Army and Navy.

	Pounds.
Rangoon Maru	14, 865, 217
Sverre	12, 677, 343
Tosa Maru	13, 721, 792
Penang Maru	15, 746, 005
Tsurugisan Maru	11, 229, 800
Ancon	22, 182, 900
Chebaulit	15, 016, 347
Luise Nielsen	17, 875, 675
Christobal	22, 335, 446
Western Spirit	17, 562, 736
Sutherland	14, 980, 748
Guaro	9, 566, 147
West Gatomska	17, 769, 516
Leersum	11, 297, 050
Western Maid	17, 746, 015
Kronborg	11, 995, 400
Kunajiri Maru	11, 926, 630
West Hobonac	17, 833, 027
Melderskin	13, 839, 862
Arnold Maersk	6, 631, 682
General O. H. Ernst	9, 251, 521
Otterstad	9, 763, 012
Nippon	14, 373, 192
Zirkel	18, 866, 551
Terrier	18, 139, 344
Challenge	23, 564, 777
Wallowa	7, 810, 702
Garabaldi	9, 448, 514
Biloxi	6, 721, 748
Santa Clara	8, 168, 177
Kickapoo	6, 735, 179
Herakles	18, 152, 249
Pontoppidan	8, 538, 921
Jungshoved	4, 172, 483
Vittorio Emanuele	16, 491, 952
In storage	12, 789, 124
	489, 786, 784

APPENDIX B.

SPECIAL REPORT ON LABOR COSTS IN GERMAN CHEMICAL INDUSTRY END OF 1921.

UNITED STATES DEPARTMENT OF COMMERCE,
BUREAU OF FOREIGN AND DOMESTIC COMMERCE.
(Received April 26, 1922–7–3.)

TRADE COMMISSIONER.

BUDAPESTERSTRASSE 21,
Berlin, W. 8, February 14, 1922.

The DIRECTOR BUREAU OF FOREIGN AND DOMESTIC COMMERCE,
Department of Commerce, Washington, D. C.

Subject: Submitting special report.

DEAR SIR: Herewith I beg to submit my special report, No. 4, on the subject of "Labor costs in the German chemical industry in 1921." The data contained in this report was obtained from the Arbeitsgemeinschaft Freier Angestelltenverbände, Zentralverband der Angestellten, and the Verband der Fabrikarbeiter Deutschlands.

I am attaching herewith a list of the chemical companies who have agreed to the wages and allowances set forth in the report.

Very truly yours, O. S. PAYNE,
Assistant Trade Commissioner.

COSTS OF LABOR IN THE GERMAN CHEMICAL INDUSTRY IN 1921.

Labor costs in the chemical industry are divided into three general classifications:

(a) General workers, such as factory hands, transport workers, boiler men and machinists, hand workers, coppersmiths, and apprentices.

(b) Technical workers, such as laboratory workers, workers without technical school training, workers with technical school training, construction engineers, chemists (nongraduate), pharmacists (nongraduate), dye chemists, etc.

(c) Office workers, such as shipping clerks, registrars, statisticians, typists, telephone operators, bookkeepers, cashiers, etc.

Each of these three classes is organized under a trades union. Of the total number of 350,000 employees in the chemical industry, 90 per cent are said to be organized.

The labor agreement made between the employees' association of the chemical industry and the trades union of factory workers covers employees under the first class (a) for Greater Berlin and the Province of Brandenburg. This territory is divided into four districts in which different rates of pay prevail. These districts are comprised as follows, each district coming in its order from A, having maximum rates, to D, having minimum rates:

A. Greater Berlin, Aldershof, Ridow, Koepenick, Friedrichshagen, Erkner, Gruenau, Wildau, Koenigswusterhausen, Oranienburg, Spandau, Staaken.

B. Lautawerk, Lonzawerk, Berman, Heiligensee, Nowawes, Spremberg, Velten.

C. Brandehburg/H. Cottbus, Doebenitz, Eberswalde, Forst i. h., Frankfurt/O. Kuerstrin, Premnitz, Vordamm, Michendorf, Werder.

D. Finkenheerd, Liebenwalde, Perleberg, Rheinsberg, Schniebuchen, Arnswalde.

The table given below shows the maximum wages paid in class A at the beginning and at the end of 1921 and also the average wage for the year.

Hourly labor wage rate, Berlin district.

(Wages per hour.)

	Beginning 1921.		End of 1921.	
	In marks.	In dollars.	In marks.	In dollars.
Factory hands:				
Men	6.40	0.094	8.50	0.045
Women	4.25	.055	5.75	.03
Transport workers:				
Chauffeurs	6.76	.104	9.35	.05
Drivers	6.54	.101	9.13	.048
Elevator and stable men	6.43	.099	8.96	.047
Boiler men and machinists	6.45	.099	9.00	.048
Helpers	6.25	.096	8.65	.046
Hand workers:				
Skilled	6.55	.101	9.10	.048
Partly skilled	6.30	.097	8.70	.046
Coppersmiths	6.75	.104	9.30	.049
Apprentices:				
First year	0.90	.014	1.50	.008
Fourth year	2.35	.036	4.00	.021

Marks converted to dollars at (German) Federal Statistical Bureau's (Statistiches Reichsamt) average exchange rates as follows:
For January, 1920, marks 64.92 per $1.
For December, 1921, marks 188.67 per $1.

LIST OF MEMBERS OF THE EMPLOYERS' ASSOCIATION OF THE GERMAN CHEMICAL INDUSTRY.

FIRMS.

Akten-Ges. fur Anilinfabrikation, Farbenfabric, 4000 Besch., Wolfen, Kreis Bitterfeld, I.

Akton-Ges. fur Anilinfabrikation, Filmfabrik, 4000 Besch., Wolfen, Kreis Bitterfeld, I.

Aetherische Oele, Richter, Mier & Krutz, Magdeburg, III.
Asphalt-und Dachpappenfabrik, P. Wiertel, 2 Arb., Horringen-Helme, IV.
Arzberger, Schopff & Co., Farbenfabrik, Eisenach, III.
Badische Anilin-und Sodafabrik, Ammoniakwerk Merseburg, 18000 Besch., Leunawerk Kreis Merseburg, I.
Badische Anilin-und Sodafabrik, Gipswerk, 20 Angest., 350 Besch., Niedersachswerfen/Harz, II.
Bernburger Teerprodukte & Dachpappenfabrik, Dr. Hans Philipp & Co., 25 Arb., Bernburg, IV.
Heinrich Boll & Sohn, 18–2, Arnstadt, III.
Wilhelm Brauns, G. m. b. H., 215–50, Quedlinburg, III.
Byk-Guldenwerke Chem. Fabr., A. G., 340–30, Piesteritz bei Wittenberg, II.
Chemische Fabrik Buckau, 300–50, Ammendorf, II.
Chemische Fabrik Dessau, G. m. b. H., Dessau, III.
Chemische Fabrik Erfurt, G. m. b. H., 2, Erfurt-Nord, III.
Chemische Fabrik Halle-Ammendorf Gebr. Hartmann, 40–10, Dessau-Saalkreis, III.
Chemische Fabrik A. G. Hessler & Hermann, 21 Arb., Raguhn/Anhalt, III.
Chemische Fabrik Zacherndort, G. m. b. H., 8 Ang., Bitterfeld, II.
Dampftalgeschmelze der verein. Fleischermeister, G. m. b. H., 70–12, Eilenburg, II.
Deutsche Celluloid-Fabrik, 1200 Arb., Eilenburg, II.
Deutsche Claus-Schwefelgesellsch, G. m. b. H., 140–26, Bernburg a. d. Custenaerstr., III.
Deutsche Erdol-Akt. Ges., 1300 Besch., Rositz S. Altenburg, I.
Deutsche Solvayworks, A. G., Bernburg, II.
Deutsche Sorengstoff, A. G., Gusen-Bahnhof, Bez. Magdeburg, IV.
Elektrotechnische Werke, G. m. b. H., Bitterfeld, I.
Elektroschmelze, G. m. b. H., Werk Zschornewitz, Zschornewitz Bez. Halle, I.
Freysold & Ruscher, Lack-und Firnissfabrik, Magdeburg-W Hassdorferstr. 5a, III.
Gelatinewerke Meissner & Co., Komm. Ges., 85, Stadtilm Schw./R. Aeussere Weimarische Strasse, IV.
Griesheim Elektron, Chem. Fabrik Werk II, Bitterfeld, I.
Griesheim-Elektron, Chem. Fabrik Werk I, Bitterfeld, I.
Gummiwerke, Elbe, A. G., 350–28, Piesteritz bei Wittenberg, II.
Hammer Munitionswerk, B. Hampfe, 150–60, Heimarb., Wallendorg S. M., III.
Fr. Hertzer jun. Seifenfabrik, Nordhausen, III.
Hochstetter & Banse, Bitterfeld, III.
Hoppe & Roehming, Halle/S., III.
Kriegschemikalien A. G., 573, Walbeck Post, Weferlingen, III.
Otto Kunstmann, Dachpappen-und Teerproduktenfabrik, 3, Gero-R. Poene, rstr. 3, III.
Carl Kuhrmeyer & Sohn, 20 Arb., Magdeburg-N., III.
Griesheim-Elektron, Chem. Fabrik Abt. Maintal, Bitterfeld, I.
Griesheim-Elektron, Chem. Fabrik Saurefabrik, Bitterfeld, I.
Kursachs. Braunkehlen Gas-und Kraft, G. m. b. H., 22 Arb., Lutzkendorf bei Merseburg, II.
Landwirtschaftl. Vorsuchsstation an der Universitat Agrikultur Chem. Abt., Jena, (?).
Hugo Leussen, 70 Arb., Zeitz Deissen bei Zeitz, III.
Montanwachs, G. m. b. H., Heimann & Co., Halle/S. Marienstr. 10, III.
C. M. Nachtigall, Schkolen, Kr. Weissenfels, IV.
Oelwerk Phonix, 35, Kossnitz bei Possneck, IV.
Reichsstickstoffwerks, Piesteritz bei Wittenberg, I.
Dr. A. Rieche & Co., G. m. b. H., 18, Bernburg, IV.
Rhein. Dynamitfabrik Koln, 115–12, Leinbach (Mansfeld), II.
Saalfelder Farbwerke, vorm. Dohn & Lindemann, G. m. b. H., Sallfeld/Saale, IV.
Salineverwaltung Neusulza, Ober-Neusulza bei Bad Sulza, IV.
Salzbergwerk Neustassfurt, 600 Besch. Teilnehmer, Neustassfurt bei Bitterfeld, I.
Sauerstoffwerk Erfurt d. Ges. fur Lindes Eismaschinen, A. G. 40, Erfurt Nord, Langestr. 28. II.
Paul Schutte, Seifenfabrik, Stendal, IV.
Friedrich Speitel, Neustadt am Rennsteig, III.
Tetralin, G. m. b. H., 650–80, Berlin W. 8. Behrenstr. 5, II.
Verinigte Aluminum-Werke A. G., Bitterfeld, I.
Torgauer Zundwerke, G. m. b. H., vorm. Rabitz, Torgau/Elbe, Eilenburgerstr., IV.
Westfalisch/Anhalt. Sprengstoff A. G., Coswig/Anhalt, III.
Westf. Anh. Sprengstoff A. G., 950, Reinsdorf, II.
Zundholzfabrik Aken, Dr. Fritz Rose, 145, Dessau/Anhalt, Antoinettenstr. 10, III.
Thiele & Gunsterm, Verein Galania Handschlauch, Magdeburg, II.
Dr. A. Helf, Nachf. Muller & Wohlfahrt, 3, Blankenburg/Thur., IV.
B. Pollack, Akt. Gummiwaren, Waltershausen/Gotha, III.

MITGLIEDER.

NR. I.

1. P. J. Happ, Aschersleben, IV.
2. Anh. Firnis-, Lack-und Farbenwerke, H. Teichgraber & Co., Bernburg, III.
3. Chem. Fabrik Bernburg, Dr. Wagner, Bernburg, III.
4. Jos. Gastrich, Bernburg, IV.
5. Mundt & Mylius, Bitterfeld, III.
6. W. Schrodter, Bitterfeld, III.
7. Chem. Fabrik Stockel, Burg, IV.
8. I. F. Hilger, Calbe, IV.
9. Chemische Fabrik Schlagel, Corbetha, IV.
10. Chem. Fabrik Coswig, Coswig, III.
11. Ges. fur chemische Industrie, Dr. Claudius, Coswig, III.
12. Chemische Fabrik Cothen, Cothen, III.
13. Otto Mogk, Cothen, III.
14. Verein chem. Fabriken Zeitz, A. G. Werk Dedendorf, Dedendorf, III.
15. Ernst Freyberg, Delitzch, IV.
16. Verein chem. Fabriken Zeitz, A. G. Werk Dodendorf, Dodendorf, IV.
17. Zachimmer & Schwarz, Dolau, III.
18. Chem. Fabrik Draschwitz-Rheuden, Weise & Co., Draschwitz-Rheuden, III.
19. I. M. Lotze, Erfurt, III.
20. Scheidemandel, A. G., Frohse, III.
21. Harkotsche Bergwerke, Gotha, III.
22. A. Schraube, Halberstadt, III.
23. Caesar & Loretz, Halle, II.
24. Th. Franz & Co., Halle, II.
25. Hallesche Tintenfabrik, Thieme & Co., Halle, III.
26. Wilhelm Kathe, Halle, III.
27. Laboratorium Walther, Halle, III.
28. E. Lattermann, Halle, III.
29. Chem. Fabrik Goldschmieden, Halle-Trotha, III.
30. Harkotsche Bergwerke, Heinrichshall, III.
31. Chem. Fabrik Oschersleben, Magdeburg-Oschensleben, III.
32. Chemische Fabrik, Buckau, II.
33. I. I. Glorius, Magdeburg, II.
34. David Jansen, Magdeburg, II.
35. Dr. Kulenkampff & Co., Magdeburg, III.
36. Conr. Friedrich Muller, Magdeburg, III.
37. Metallhutte G. m. b. H., Magdeburg, III.

NR. II.

38. Scaherinfabrik A. G., Magdeburg, III.
39. Ferd. Dietrich, Merseburg, III.
40. Hoffmanns Waschpalverfabrik G. n. b. H., Muhlhausen/Th., III.
41. Chem. Werke vorm. Romer & Co., Nienburg/Saale, II.
42. Julius Grosse, Oscheraleben, III.
43. G. R. Duwe Sohn, Osterwieck, IV.
44. Otto Schmid, Raguhn, IV.
45. Verein chem. Fabriken Zeitz, A. G./Werk Rehmsdorf, Rehmsdorf, III.
46. G. Neukranz, Salzwedel, IV.
47. Hermania A. G., Schonebeck, II.
48. Merk'sche Guano- und Phosphatwerke A. G., Schonebeck, III.
49. Oberschles. Sprengstoff A. G., Schonebeck, II.
50. Ammoniaksodafabrik d. chem. Fabrik Bichau, Stassfurt, II.
51. Chem. Fabrik Harburg-Stassfurt, Stassfurt, II.
52. Leim- und Knochenmehlfabrik, Trebbichau, Trebbichau, IV.
53. Huth & Richter, Wormlitz, III.
54. Verein chem. Fabriken Zeitz A. C., Zeitz, III..

With the exception of the coppersmiths and apprentices, all these workers start at a wage averaging 4.6 per cent less than the rates given above, which are reached after a two months' probationary period. District D rates average 33 per cent less than those paid in District A, this difference being due to the higher cost of living which exists in the latter district. The before-mentioned agreement likewise makes the following supplementary provisions:

A family allowance of 14.40 marks per week will be allowed for—

(a) A dependent wife.

(b) Every child under 14 years, or if attending school until 18 years old. Illegitimate children are to be regarded as equal to legitimate children when belonging to the same household.

(c) A dependent person in the home of the employee and whom he is bound to support, either because of legal or moral obligations.

In case the employee is taken ill, the family allowance will be paid for the week in which he is taken sick and for the following week, independent of the payment of his wages.

Women employees whose husbands are capable of earning their living have no claim to the family allowance.

It is agreed by the parties to this agreement that all questions arising regarding the family allowance shall be decided by an impartial commission.

If an employee is absent from work through his own fault more than two days per week, he loses his right to the family allowance.

Working outside the fixed working hours for pay for another employer is not permitted and an infraction will result in immediate dismissal.

The wages paid in 1921 to the technical workers listed under Classification B above are shown in the following table. These figures, which cover the districts of Berlin, Leipzig, Cologne, Bavaria, central Germany, and Silesia-Posen, give the minimum, maximum, and average wages for the beginning and the end of the year. By the minimum wage is meant the beginning wage, while the maximum wage is that paid workers with 11 years' experience:

Average monthly technical workers' wage rate in German chemical industry.

PERIOD—BEGINNING AND END OF 1921.

District.	Period.	Untrained technical workers, draftsmen and helpers, assistant photographers, and laboratory assistants.		Workers with technical education, but no practical training, chemists, assistant chemists, and analytical chemists.		Technical workers with trade school training, construction chemists, special construction engineers, and chemists.		Managers and holders of administrative positions, industrial engineers, etc.	
		In marks.	In dollars.	In marks.	In dollars.	In marks.	In dollars.	In marks.	In dollars.
Berlin	Beginning, 1921	1,100.00	16.94	1,250.00	19.25	1,500.00	23.11	2,050.00	31.58
	End, 1921	1,310.00	6.94	1,495.00	7.92	1,800.00	9.54	2,600.00	13.78
Leipzig	Beginning, 1921	840.00	12.94	1,175.00	18.10	1,365.50	21.03	[1]	[1]
	End, 1921	1,092.00	5.79	1,521.00	8.06	1,774.50	9.41		
Cologne	Beginning, 1921	1,073.50	16.54	1,430.00	22.03	1,625.00	25.03	[1]	[1]
	End, 1921	1,890.47	10.02	1,890.47	10.02	2,542.85	3.48		

[1] Open agreement.

Average monthly technical workers' wage rate in German chemical industry—Continued.

PERIOD—BEGINNING AND END OF 1921—Continued.

District.	Period.	Untrained technical workers, draftsmen and helpers, assistant photographers, and laboratory assistants.		Workers with technical education, but no practical training, chemists, assistant chemists, and analytical chemists.		Technical workers with trade school training, construction chemists, special construction engineers, and chemists.		Managers and holders of administrative positions, industrial engineers, etc.	
		In marks.	In dollars.	In marks.	In dollars.	In marks.	In dollars.	In marks.	In dollars.
Bavaria	Beginning, 1921	840.00	12.94	972.00	14.97	1,125.00	17.33	(1)	(1)
	End, 1921	1,275.00	6.76	1,500.00	7.95	1,650.00	8.75		
Central Germany	Beginning, 1921	837.50	12.90	1,110.00	17.10	1,327.50	20.45	1,900 00	29.27
	End, 1921	1,185.00	6.28	1,498.50	7.94	1,792.10	9.50	2,565.00	13.60
Silesia-Posen	Beginning, 1921	757.50	11.67	967.00	14.90	1,080.00	16.64	1,302.50	20.06
	End, 1921	1,192.00	6.32	1,548.00	8.20	1,728.00	9.16	2,084.00	11.05
	Average monthly rate beginning, 1921		14.16		17.73		20.60		26.97
	Average monthly rate end, 1921		7.02		8.35		9.97		12.81

[1] Open agreement.

Marks converted to dollars at (German) Federal Statistical Bureau's (Statistiches Reichsamt) average exchange rate as follows: For January, 1920, marks 64.92 per $1; for December, 1921, marks 188.67 per $1.

Average monthly office workers' wage rate in German chemical industry.

PERIOD—BEGINNING AND END OF 1921.

District.	Period.	Assistant bookkeepers, statisticians, registrars, recorders, typists, telephone operators, stock bookkeepers.		Trained employees, such as registrars, stenographers, statisticians, bookkeepers, stock-room keepers, accountants, etc.		Employees with personal responsibility, such as cashiers, secretaries, stenographers, statisticians, travelers, etc.		Employees with administrative positions, such as head cashiers, accountants, correspondents, purchasing agents, and traveling representatives.	
		In marks.	In dollars.	In marks.	In dollars.	In marks.	In dollars.	In marks.	In dollars.
Berlin	Begin 1921	1,100.00	16.94	1,250.00	19.25	1,500.00	23.11	1,700.00	26.19
	End 1921	1,310.00	6.94	1,495.00	7.92	1,800.00	9.54	2,110.00	11.18
Leipzig	Begin 1921	840.00	12.94	1,175.00	18.10	1,365.00	21.03	1,485.00	22.87
	End 1921	1,092.00	5.79	1,521.00	8.06	1,774.50	9.41	1,920.50	10.18
Cologne	Begin 1921	1,001.25	15.42	1,145.00	17.64	1,426.25	21.97	2,007.50	30.92
	End 1921								
Central Germany	Begin 1921	837.50	12.90	967.50	14.90	1,525.00	23.49	1,672.50	25.76
	End 1921	1,117.75	5.92	1,292.10	6.85	2,030.75	10.76	2,227.85	11.81
Silesia-Posen	Begin 1921	867.25	13.36	960.57	14.80	1,002.50	15.44	1,135.00	17.48
	End 1921	1,228.00	6.51	1,372.00	7.27	1,338.37	7.09	1,606.50	18.51
	Average monthly rate beginning 1921		14.31		16.94		21.01		24.64
	Average monthly rate end 1921		6.29		7.53		9.20		10.42

Marks converted to dollars at (German) Federal Statistical Bureau's (Statistiches Reichsamt) average exchange rates as follows: For January, 1920, M. 64.92 per $1; for December, 1921, M. 188.67 per $1.

The agreement covering the conditions of labor of the technical and office employees in the greater Berlin district comprises the following:

Employees in these branches of the chemical industry are paid according to length of service. Starting with the first year the rates increase to the maximum with the eleventh year.

The regular weekly working time is 46 hours. Ordinarily, work stops at 2 p. m. Saturdays and at 1 p. m. on the days before Christmas, New Year's, Easter, and Whitsunday.

Overtime is restricted to occasions of extraordinary necessity. For overtime between the ordinary closing time and 7 p. m. one two-hundredths of the monthly wage plus 25 per cent is paid per hour. Between 7 p. m. and 6 a. m. and also Sundays and legal holidays this rate is increased to 50 per cent.

After six months' employment holidays are allowed according to the following schedule:

21–25 years of age, 12 workdays per year.
25–30 years of age, 15 workdays per year.
30–35 years of age, 18 workdays per year.
35–40 years of age, 21 workdays per year.
Over 40 years of age, 24 workdays per year.

In cases of sickness the employee is entitled to his wages for 6 weeks, which is increased to 13 weeks after 9 years' service. When the sickness lasts more than 3 days the employee, upon the request of the employer and at his expense, must furnish a certificate of sickness from an official doctor.

The following extra compensation is allowed:

1. For married men, 100 marks monthly.
2. For each child, 100 marks monthly.
3. For women workers with dependents, 10 per cent less than the above.

All disputes arising out of the agreement signed by the employees' and employers' representatives shall be settled by a deliberation between the delegates of both sides. In case of a settlement not being arrived at the matter is to be brought before a tribunal established by law and consisting of members of both parties to the dispute.

The agreement for the district of Leipzig comprises the following:

Working time, 8 hours per day, 48 hours per week.

Overtime receives one two-hundredths of the monthly wage plus 25 per cent per hour for the first two hours, which is increased to 50 per cent for all other overtime, including Sundays and holidays:

Vacations are allowed as follows:

After 1 year of service, 6 working days.
After 3 years of service, 12 working days.
After 6 years of service, 18 working days.
Workers 30 years old have a right to at least 12 days.
Workers 35 years old have a right to at least 18 days.

Apprentices receive a monthly expense allowance of 75 marks the first year, 100 marks the second year, and 125 marks the third year.

Wages of female employees, except those between 15 and 19 years old, can be reduced up to 15 per cent.

The agreement for the district of Cologne provides for:

1. An allowance for married men at the beginning of 1921 of 100 marks monthly and 300 marks monthly at the end of 1921.
2. An allowance for each child at the beginning of 1921 of 50 marks monthly and 150 marks monthly at the end of 1921.
3. Women employees with dependents receive 10 per cent less than the above.

The agreement for Bavaria provides:

Working time, 46 hours per week; and the daily working hours to be between 7 a. m. and 7 p. m. On Saturdays and the days before Christmas and New Year's the offices and laboratories to close at 1 p. m.

Overtime between closing and 10 p. m. receives 25 per cent extra. Sundays and holidays 50 per cent extra, while Christmas, Easter, Whitsunday, and May 1, 100 per cent extra.

In case of sickness the salary is paid for six weeks and after three years' service for three months. In case of death the dependent relations are entitled to a settlement of three months' salary.

Vacation with pay are allowed on a basis of 6 week days after one year's service, increasing to 18 days after eight years' service. Employees 25 years old get in addition 3 days, those 30 years old get 6 days, and so on to its maximum of 18 days. Absence from work of more than 6 days can be counted on the vacation time.

Employees reserve the right to organize and can not be persecuted or reduced in salary because of belonging to a trades-union. They, however, are not allowed to carry on political or union propaganda during working hours.

A special daily allowance of 15 per cent is given for work abroad supplementary to traveling expenses.

A married man's allowance of 10 to 15 per cent of the monthly salary is granted.

Women employees with dependents get 10 per cent less.

All disputes arising out of the agreement will be passed upon by a commission consisting of two members of each side. In case of a deadlock the four members will elect an impartial presiding judge.

The agreement for middle Germany—Saxony, Anholt, and Thuringia—is as follows:

Weekly working time, 45 hours.

Employees working 48 hours per week are entitled to two half holidays per month, while those working 56 hours get the same and one one-hundred-and-seventieth of the monthly wage for each hour over 48.

Overtime is paid by 25 per cent extra for the first two hours, while all other overtime, including that on Sundays and holidays, receives one one-hundred-and-seventieth of the monthly salary plus 50 per cent per hour extra.

In case of sickness the salary is paid for 6 weeks and after 10 years' service for 3 months.

A yearly vacation with pay is allowed, which is determined according to the age or length of service of the employee.

An agreement by which an employer binds other employers not to hire an employee who is or has been in his service is forbidden.

The same provision applies for the settlement of disputes as is in effect in the Berlin district.

A wage commission is provided for on which both sides are to have equal representation. Appeals may be made to the regular labor tribunal provided for by law.

An allowance of 100–200 marks per month is made to employees having children.

The labor agreement for Silesia-Posen provides: For the same working time as that in force in the Leipzig district, except that employees averaging 56 hours per week are allowed two half holidays in every four weeks. Overtime is likewise paid the same, except that on Christmas, Easter, and Whitsunday 100 per cent extra per hour is allowed.

Notice of termination of employment must be given six weeks before the termination of the quarter, and after five years' uninterrupted service three months before the ending of the quarter. Notice can not be given to a sick employee during the first six weeks of his illness.

Vacation is allowed as follows after six months' service: Up to 20 years old, 8 workdays per year; over 20 years old, 12 workdays per year, increasing 1 day each year to a maximum of 18 workdays.

In case of disputes not settled by negotiation they will be brought for decision before an impartial commission made up of three representatives of each side.

Apprentices get the following expense allowances: First year, 80 marks monthly; second year, 150 marks monthly; third year, 120 marks monthly; fourth year, two-thirds of wage of minor employees over 17 years old.

In comparing the foregoing labor costs with those of the costs in the chemical industry in the United States the average value of the mark in terms of dollars for each month will be of assistance. The following figures are those issued by the federal statistical bureau (Statisches Reichsamt):

Average for 1921:	
January	64.90
February	61.30
March	62.45
April	63.53
May	62.30
June	69.38
July	76.67
August	84.31
September	104.91
October	150.20
November	260.96
December	192.00

As an indication of how the cost of living has risen in conjunction with the depreciation of the mark and the increase in wages during the year, the following index numbers for the first 11 months of 1921 are of interest. These index numbers which are issued by the Statisches Reichsamt cover only food, heat, light, and housing:

1913–14	100
1921:	
January	944
February	901
March	901
April	894
May	880
June	896
July	963
August	1045
September	1062
October	1146
November	1397

Owing to the recent extraordinary rise in the cost of clothing, the above figures do not give an accurate conception of the increased cost of living, unless taken in conjunction with the following index figures on clothing costs in the Berlin and Ludwigshafen districts:

Berlin.

February, 1914	100
April, 1921	1,077
July, 1921	1,077
October, 1921	1,436
November, 1921	2,188

Ludwigshafen.

June, 1914	100
April, 1921	1,642
July, 1921	1,638
October, 1921	1,882
November, 1921	2,187

APPENDIX C.

Coal-tar products—1919 census of manufactures.

Number of firms	183
Capital	$174,991,835
Salary and wages	$35,235,209
Value of products	$135,482,161
Number of wage earners	15,663

UNITED STATES CHEMICAL INDUSTRY.

MAY 2, 1922.

In order that the Senate may be correctly informed as to the amount of capital actually invested in the various branches of the chemical industry which are covered by Schedule 1, Chemicals, oils, and paints, of this bill, I have had prepared from the Summary of Census of Manufactures, by Industries, for the United States, 1919, compiled for the use of the Committee on Finance, United States Senate, by the Bureau of the Census, Department of Commerce, a table showing the total number of establishments in each branch of the industry, the capital invested, and the amount of wages paid to wage earners, which does not include salaries of officers of corporations, superintendents and managers, and clerks, stenographers, and salesmen, but simply the wage paid to ordinary laborers. This table also shows the total value of the products of that industry for the year 1919:

Industry.	Number of establishments.	Wage earners.	Capital.	Wages paid to wage earners (laborers).	Value of products, 1919.
United States, all industries	290,105	.....	$44,688,093,771	$10,531,600,340	$62,418,078,773
Blacking, stains, and dressings	220	2,455	13,080,901	2,109,103	25,284,072
Bone, carbon and lampblack	35	675	9,790,167	808,332	6,186,204
Charcoal, not including production in the lumber and wood distillation industries	41	209	518,762	156,072	589,418
Chemicals	598	55,586	484,488,412	72,848,324	438,658,869
Cleansing and polishing preparations	499	1,955	12,979,414	1,898,447	26,703,109
Coal-tar products	183	15,663	174,991,835	23,402,140	135,482,161
Drug grinding	31	1,347	14,991,135	1,526,137	16,937,698
Druggists' preparations	524	15,568	102,129,257	12,161,925	114,593,486
Dyestuffs and extracts, natural	144	4,342	38,689,058	4,734,614	53,744,283
Explosives	118	9,249	133,247,684	12,504,986	92,474,813
Fertilizers	600	26,296	311,633,259	25,363,132	281,143,587
Flavoring extracts	453	2,188	13,561,337	1,665,285	30,116,932
Glue, not elsewhere specified	62	4,264	27,237,123	4,776,724	32,134,067
Ink, printing	90	1,988	18,702,523	2,574,920	26,244,470
Ink, writing	61	702	4,803,485	596,168	6,433,941
Oil and cake, cottonseed	711	26,766	203,457,371	20,615,193	581,244,798
Oil, essential	78	321	6,379,910	391,213	5,698,403
Oil, linseed	26	2,173	73,954,065	3,052,269	120,638,100
Oil, not elsewhere specified	280	5,930	91,475,009	6,141,145	156,479,654
Paints	601	17,485	177,314,815	19,550,371	256,714,379
Patent medicines and compounds	2,467	17,444	143,498,611	13,748,813	212,162,255
Perfumery and cosmetics	569	5,405	32,666,633	3,983,016	59,613,391
Salt	86	6,495	47,725,231	7,353,420	37,513,821
Soap	348	20,436	212,416,866	21,228,063	316,740,115
Sulphuric, nitric, and mixed acids	39	4,961	51,160,004	7,916,531	31,470,480
Turpentine and rosin	1,191	28,067	33,595,986	16,972,881	53,051,294
Varnishes	229	4,022	62,461,021	4,567,788	83,632,424
Wood distillation	115	4,946	42,334,503	5,309,689	32,545,314
Total of all chemical industries	.....	287,958	2,539,284,377	297,956,701	3,234,231,538

APPENDIX D.

WAR DEPARTMENT,
OFFICE CHIEF OF CHEMICAL WARFARE SERVICE,
Washington, D. C., June 9, 1922.

Hon. JOSEPH S. FRELINGHUYSEN,
United States Senate, Washington, D. C.

MY DEAR SENATOR: Replying to your letter of June 6 regarding the testimony of Mr. Earl J. W. Ragsdale, formerly lieutenant colonel, Ordnance Corps of the Army, before the Senate Finance Committee on the dye and chemical schedule, I desire to say that I have read over this testimony carefully.

It will be noted that Colonel Ragsdale did not state definitely that high explosives and war gases are not made in war plants. For instance, in one case he stated, "As for the dyestuff industry being regarded as a potential military strength, it unquestionably is." He stated at another time, "I will grant you that the training of a chemist in the dye industry is a severe one, and one which fits him to undertake the research work which is so essential to the improvement of existing chemical weapons or the invention of new ones."

However, I have observed that in his letter published in the American Economist, November 18, 1921, he endeavored to make it appear that high explosives and war gases were made in general chemical plants other than dye plants. In that he is in error, both as regards Germany, our allies, and the United States itself. For instance, mention is made in the report of the allied mission to study chemical plants in the occupied territory that one dye plant was changed over from the making of dyes to the manufacture of 250 tons of T. N. T. per month in six weeks' time.

The same report states that the German sneeze gas was manufactured in the plants of Kalle & Co., Biebrich, and the Bayer Co., at Leverkusen, with equipment which is being used to-day for the production of azo dyes. Furthermore, the latter firm, namely, Bayer & Co., manufactured the war gas phosgene, as well as the high-explosive T. N. T. with the same equipment that was used prior to the war for the production of dye intermediates. The firm of Meister Lucius & Bruning, at Hochst, manufactured a large part of their most important war gases in apparatus which existed before the war, principally for the production of dyes.

Furthermore, the first successful manufacture of mustard gas by the French was in the plant of the Usine du Rhone Co., which was making dyes and similar chemicals prior to the war. Likewise, the first and most successful method of manufacturing mustard gas in England was in the plants of Mr. Levenstein, who manufactures dyes and similar chemicals.

Even in the United States, where the dye industry was in its infancy prior to the war, practically the only war gases made outside the Government plant at Edgewood were in plants of companies making dyes or similar organic chemical products. For instance, it was the American Synthetic Color Co., at Stamford, Conn., that produced nearly 3,000,000 pounds of chloropicrin after December 13, 1917. The Dow Chemical Co., manufacturers of dyes and other chemicals, was the only concern that actually made mustard gas outside of the Government plant at Edgewood Arsenal.

The National Aniline & Chemical Co., of Buffalo, N. Y., had a mustard-gas plant 50 per cent completed at the close of the war for the manufacture of 50 tons of mustard gas per day. A similar 50-ton mustard-gas plant was 95 per cent complete at the organic chemical plant of Zinsser & Co., Hastings-on-Hudson, N. Y. Likewise, the Newport Chemical Co., a dye-making concern, at Carrollsville, Wis., had plans under way when the armistice was signed for producing a large quantity of the gas D. A., one of the war gases. Finally the Federal Dye & Chemical Co., Kingsport, Tenn., was actually making brombenzylcyanide, a war gas, at the close of the war.

Phosgene, one of the most important war gases, was made in quantity outside of the Government plant at Edgewood Arsenal only in the works of the Frank Hemingway Co. in New Jersey. Frank Hemingway had made small quantities of phosgene prior to the war and had done considerable work in organic chemicals.

I might add that during the past year a Chemical Warfare Service officer was detailed to George Washington University for the purpose of studying the relation between the manufacture of dyes and other organic chemicals and war gases. In connection with this study he made an extensive tour of observation of four of the largest dye plants in the country. His report shows not only that these dye plants are potential arsenals but that many parts of them can be converted into the manufacture of war gases in a very short time.

Colonel Ragsdale was head of the Trench Warfare Section of the Ordnance Department in the war. The manufacture of gases and other chemical warfare materials was a small part of his work. In the very beginning Edgewood was put under a Lieutenant Colonel Chance, who started the work in the fall of 1917. Later Col. William H. Walker, professor of chemical engineering in the Massachusetts Institute of Technology, was put in entire charge of chemical warfare gases and other materials, with station in Baltimore. He had charge not only of Edgewood Arsenal but of all outlying plants manufacturing war gases of any kind.

This work in May, 1918, passed under the control of the newly created Chemical Warfare Service, with Maj. Gen. W. L. Sibert in charge in the United States. Thus Colonel Ragsdale, with his many other duties in trench warfare, had but very little time to give to chemical warfare in the beginning, while the entire work passed out of his hands before we made any real headway in the production of gas.

Very sincerely,

AMOS A. FRIES,
Brigadier General, United States Army,
Chief Chemical Warfare Service.

Mr. KING addressed the Senate. After having spoken with interruptions for two hours and a half,

Mr. McCUMBER. May I ask the Senator if he is especially desirous of closing his argument before we take a recess?

Mr. KING. I would prefer, if it suits the pleasure of the Senator, to go on in the morning.

Mr. McCUMBER. That is entirely satisfactory.

Mr. McCUMBER. I ask unanimous consent that when the Senate closes its session this calendar day it take a recess until to-morrow at 11 o'clock.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Is there objection to the request of the Senator from North Dakota? The Chair hears none, and it is so ordered.

EXECUTIVE SESSION.

Mr. McCUMBER. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 6 o'clock and 5 minutes p. m.) the Senate, under the order previously made, took a recess until to-morrow, Saturday, July 15, 1922, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate July 14 (legislative day of April 20), 1922.

MEMBER OF FEDERAL BOARD FOR VOCATIONAL EDUCATION.

C. F. McIntosh, of Indiana, to be a member of the Federal Board for Vocational Education for a term of three years from July 17, 1922. (A reappointment.)

APPRAISER OF MERCHANDISE.

George O'Brien, of Philadelphia, Pa., to be appraiser of merchandise in customs collection district No. 11, with headquarters at Philadelphia, Pa., in place of Albert L. Moise, resigned.

ASSISTANT APPRAISER OF MERCHANDISE.

Laid Curtin, of Philipsburg, Pa., to be assistant appraiser of merchandise in customs collection district No. 11, with headquarters at Philadelphia, Pa., in place of George O'Brien.

UNITED STATES MARSHAL.

Andrew J. Russell, of Arkansas, to be United States marshal, western district of Arkansas, vice John H. Parker, resigned.

PROMOTION IN THE REGULAR ARMY.

MEDICAL CORPS.

To be captain.

First Lieut. Thomas Franklin Weldon, Medical Corps, from July 11, 1922.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY.

AIR SERVICE.

Capt. Dudley Blanchard Howard, Infantry, with rank from July 1, 1920.

First Lieut. John Dean Barriger, Field Artillery, with rank from July 1, 1920.

APPOINTMENTS IN THE OFFICERS' RESERVE CORPS OF THE ARMY.

To be brigadier generals.

Col. George Edmund de Schweinitz, in the Medical Officers' Reserve Corps.

Col. Clinton Goodloe Edgar, in the Signal Officers' Reserve Corps.

Col. William Barclay Parsons, in the Engineer Officers' Reserve Corps.

Col. Burke Haddan Sinclair, in the Field Artillery Officers' Reserve Corps.

PROMOTIONS IN THE NAVY.

The following-named chaplains of the United States Naval Reserve Force to be chaplains in the Navy, with the rank of commander, from the 1st day of July, 1922, in accordance with a provision contained in the act of Congress approved that date:

Edwin B. Niver.

John J. Brokenshire.

POSTMASTERS.

ALABAMA.

James W. Fincher to be postmaster at Theodore, Ala. Office became presidential April 1, 1922.

John L. Shotts to be postmaster at Hamilton, Ala., in place of C. E. Mitchell. Incumbent's commission expired March 16, 1921.

Charley N. Thompson to be postmaster at Piedmont, Ala., in place of H. B. Ralls. Incumbent's commission expired July 21, 1921.

Lillian R. Maugans to be postmaster at Eufaula, Ala., in place of C. S. McDowell. Incumbent's commission expired January 24, 1922.

ARKANSAS.

Jacob Y. Sayre to be postmaster at Stuttgart, Ark., in place of L. K. Buerkle. Incumbent's commission expired January 24, 1922.

CALIFORNIA.

Oliver N. Thornton to be postmaster at Brea, Calif., in place of W. M. Smith, resigned.

James E. Pharr to be postmaster at Scotia, Calif., in place of George Gribble, resigned.

COLORADO.

Will J. Wood to be postmaster at Crawford, Colo. Office became presidential January 1, 1921.

CONNECTICUT.

Louis E. Chaffee to be postmaster at Stafford Springs, Conn., in place of L. E. Chaffee. Incumbent's commission expired May 20, 1922.

FLORIDA.

Urban P. Eytchison to be postmaster at Marianna, Fla., in place of E. C. Lewis. Incumbent's commission expired August 1, 1921.

GEORGIA.

Herbert J. Knowles to be postmaster at Cuthbert, Ga., in place of A. B. Bussey. Incumbent's commission expired February 18, 1922.

Robert W. Graves to be postmaster at Toccoa, Ga., in place of H. F. Gilmer. Incumbent's commission expired August 7, 1921.

Paul L. Smith to be postmaster at Athens, Ga., in place of J. H. Rucker, resigned.

HAWAII.

Arcenio H. Silva, jr., to be postmaster at Kahului, Hawaii, in place of A. H. Silva, jr. Incumbent's commission expired July 21, 1921.

Antone F. Costa to be postmaster at Wailuku, Hawaii, in place of A. F. Costa. Incumbent's commission expired July 21, 1921.

ILLINOIS.

Hugo L. Schneider to be postmaster at Highland Park, Ill., in place of W. M. Dolley. Incumbent's commission expired February 4, 1922.

Samuel J. Davis to be postmaster at Mooseheart, Ill., in place of J. F. Petit. Incumbent's commission expired March 16, 1921.

Leo H. Borgelt to be postmaster at Havana, Ill., in place of Matthew Bollan. Incumbent's commission expired February 4, 1922.

Edward A. Catour to be postmaster at Atkinson, Ill., in place of Edward Johnston. Incumbent's commission expired February 4, 1922.

Allie M. Reineke to be postmaster at Perry, Ill. Office became presidential January 1, 1921.

Charles W. Russell to be postmaster at Hurst, Ill. Office became presidential April 1, 1922.

Bert R. Johnson to be postmaster at Kewanee, Ill., in place of J. H. Mulligan, removed.

INDIANA.

Shad R. Young to be postmaster at Cicero, Ind., in place of C. F. Bardonner. Incumbent's commission expired July 21, 1921.

John E. Ward to be postmaster at Gas City, Ind., in place of W. D. Hunt. Incumbent's commission expired July 21, 1921.

Calvin Ulrey to be postmaster at North Manchester, Ind., in place of Charles Wright. Incumbent's commission expired January 24, 1922.

Thomas C. Dodd to be postmaster at Gosport, Ind., in place of E. A. Smith, resigned.

Homer E. Wright to be postmaster at Crandall, Ind. Office became presidential July 1, 1922.

IOWA.

Benjamin S. Borwey to be postmaster at Eagle Grove, Iowa, in place of H. A. Cooke. Incumbent's commission expires July 24, 1922.

Alfred G. Rigby to be postmaster at Independence, Iowa, in place of A. T. O'Brien. Incumbent's commission expired January 24, 1922.

George Banger to be postmaster at La Porte City, Iowa, in place of E. R. Ashley. Incumbent's commission expired January 24, 1922.

Janette E. Gilliland to be postmaster at Melbourne, Iowa, in place of Josephine McMahon. Incumbent's commission expired March 16, 1921.

Flossie K. Pfeiff to be postmaster at West Burlington, Iowa, in place of K. A. Schwarz. Incumbent's commission expired January 24, 1922.

Frank K. Hahn to be postmaster at Cedar Rapids, Iowa, in place of C. D. Huston. Incumbent's commission expired January 24, 1922.

Phillip T. Serrurier to be postmaster at Sabula, Iowa, in place of J. F. Goos. Incumbent's commission expired January 24, 1922.

KENTUCKY.

Eddie E. Shelton to be postmaster at Clay, Ky., in place of James Stiman, removed.

Fountain S. Aynes to be postmaster at Pleasureville, Ky. Office became presidential April 1, 1921.

MASSACHUSETTS.

Burton D. Webber to be postmaster at Fiskdale, Mass., in place of H. L. Upham, deceased.

John P. Brown to be postmaster at Bass River, Mass. Office became presidential July 1, 1922.

MICHIGAN.

Otis J. Cliffe to be postmaster at Lakeview, Mich., in place of S. F. Kennedy, deceased.

Natalie G. Noble to be postmaster at Elk Rapids, Mich., in place of E. S. Noble. Incumbent's commission expired January 24, 1922.

Ward R. Rice to be postmaster at Galesburg, Mich., in place of H. L. Shirley. Incumbent's commission expired January 24, 1922.

Victor H. Sisson to be postmaster at Freeport, Mich. Office became presidential July 1, 1922.

MINNESOTA.

Fritz von Ohlen to be postmaster at Henning, Minn., in place of Fred von Ohlen. Incumbent's commission expired August 7, 1921.

Kenneth S. Keller to be postmaster at Kasson, Minn., in place of E. R. Brown, deceased.

Charles A. Allen to be postmaster at Milaca, Minn., in place of C. A. Allen. Incumbent's commission expired July 24, 1920.

Peter G. Peterson to be postmaster at Villard, Minn. Office became presidential October 1, 1920.

MISSOURI.

Charles E. Bedell to be postmaster at Hale, Mo., in place of Lee Jones. Incumbent's commission expired January 24, 1922.

John T. Garner to be postmaster at Carrollton, Mo., in place of William Arterburn, resigned.

George E. Richars to be postmaster at Lilbourn, Mo., in place of F. A. Hearn, appointee not commissioned.

NEBRASKA.

Hugh E. Mallory to be postmaster at Litchfield, Nebr., in place of Orren Slote. Incumbent's commission expired February 4, 1922.

Clyde S. Burkerd to be postmaster at Shelton, Nebr., in place of John Conroy, deceased.

NEW YORK.

Pearla S. Kling to be postmaster at Albany, N. Y., in place of W. H. Murray, deceased.

Ruth M. Marleau to be postmaster at Big Moose, N. Y., in place of F. B. Peck, removed.

Harry M. Barrett to be postmaster at Mahopac, N. Y., in place of E. A. Jennings, declined.

George M. Edsall to be postmaster at Nanuet, N. Y., in place of H. M. Fisher. Incumbent's commission expired July 21, 1921.

Earl W. Kostenbader to be postmaster at Groton, N. Y., in place of A. J. McMahon, removed.

George A. Gardner to be postmaster at Newfield, N. Y. Office became presidential January 1, 1921.

Jay E. Davis to be postmaster at Deansboro, N. Y. Office became presidential July 1, 1922.

NORTH CAROLINA.

Walter F. Long, jr., to be postmaster at Rockingham, N. C., in place of W. S. Thomas, resigned.

OHIO.

Ross H. Hartsock to be postmaster at Waynesville, Ohio, in place of J. P. Cummings. Incumbent's commission expired April 16, 1922.

Brice H. Murphy to be postmaster at Maynard, Ohio. Office became presidential July 1, 1920.

OKLAHOMA.

John W. Bishop to be postmaster at Fairview, Okla., in place of J. B. Wilson. Incumbent's commission expired February 4, 1922.

Bessie A. Porter to be postmaster at Buffalo, Okla., in place of G. H. Overbeck, resigned.

Henry L. Wallace to be postmaster at Calvin, Okla., in place of E. B. Logan, resigned.

OREGON.

James Henderson to be postmaster at Cascade Locks, Oreg. Office became presidential January 1, 1921.

Henrietta Sandry to be postmaster at Rogue River, Oreg. Office became presidential July 1, 1920.

Charles H. Watzek to be postmaster at Wauna, Oreg. Office became presidential October 1, 1920.

PENNSYLVANIA.

Elmer G. Cornwell to be postmaster at Mansfield, Pa., in place of R. E. Urell. Incumbent's commission expired February 4, 1922.

Richard C. Jockers to be postmaster at Jenkintown, Pa., in place of T. J. Barry, removed.

Benard Peters to be postmaster at Brackenridge, Pa., in place of C. O. Wherry. Incumbent's commission expired July 24, 1920.

William S. Tomlinson to be postmaster at Newtown, Pa., in place of J. H. Mitchell. Incumbent's commission expired August 7, 1921.

Malcolm F. Clark to be postmaster at Coudersport, Pa., in place of W. A. Shear. Incumbent's commission expired February 4, 1922.

Edward R. Dissinger to be postmaster at Mount Gretna, Pa. Incumbent's commission expired October 1, 1920.

Frederick C. Patten to be postmaster at Narberth, Pa., in place of E. S. Haws. Incumbent's commission expired February 5, 1922.

SOUTH CAROLINA.

Alice Singletary to be postmaster at Bowman, S. C. Office became presidential October 1, 1920.

SOUTH DAKOTA.

Signora Hjermstad to be postmaster at Wallace, S. Dak. Office became presidential April 1, 1921.

TEXAS.

Robert E. Johnson to be postmaster at Pecos, Tex., in place of H. N. McKellar. Incumbent's commission expired May 20, 1922.

Mary Lovely to be postmaster at Weslaco, Tex., in place of J. B. Christner, declined.

Leo I. Steiner to be postmaster at Columbus, Tex., in place of A. P. Hinton. Incumbent's commission expired July 14, 1920.

Sallie P. Lunday to be postmaster at Naples, Tex., in place of S. P. Lunday. Incumbent's commission expired March 8, 1922.

Lotta E. Turney to be postmaster at Smithville, Tex., in place of J. K. Barry. Incumbent's commission expired April 6, 1922.

VIRGINIA.

Lula E. Northington to be postmaster at Lacrosse, Va. Office became presidential April 1, 1920.

WASHINGTON.

Herman S. Reed to be postmaster at Redmond, Wash. Office became presidential January 1, 1921.

Otto F. Reinig to be postmaster at Snoqualmie, Wash. Office became presidential January 1, 1921.

Gladys Jacobs to be postmaster at Vashon, Wash. Office became presidential January 1, 1921.

WEST VIRGINIA.

Katherine E. Ruttencutter to be postmaster at Parkersburg, W. Va., in place of W. E. Stout, resigned.

Flavius E. Strickling to be postmaster at West Union, W. Va., in place of H. T. Davis. Incumbent's commission expired January 24, 1922.

WISCONSIN.

Otto C. Nienas to be postmaster at Camp Douglas, Wis., in place of E. D. Singleton. Incumbent's commission expired January 24, 1922.

Gilbert J. Grell to be postmaster at Johnson Creek, Wis., in place of P. R. Stiehm. Incumbent's commission expired January 24, 1922.

William Reuschlein to be postmaster at Plain, Wis. Office became presidential April 1, 1922.

Clytie Geiger to be postmaster at Rothschild, Wis. Office became presidential April 1, 1921.

Alice M. Clinton to be postmaster at Sullivan, Wis. Office became presidential October 1, 1920.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 14 (legislative day of April 20), 1922.

DIPLOMATIC AND CONSULAR SERVICE.

Gordon Paddock to be secretary of embassy or legation, class 2.

NAVAL OFFICER OF CUSTOMS.

Joseph W. Pascoe to be naval officer of customs, customs collection district No. 11, Philadelphia, Pa.

SENATE.

SATURDAY, *July 15, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Ashurst	France	McCormick	Ransdell
Ball	Frelinghuysen	McCumber	Rawson
Borah	Gooding	McKinley	Robinson
Brandegee	Hale	McLean	Sheppard
Cameron	Harreld	McNary	Shortridge
Capper	Harris	Moses	Simmons
Caraway	Harrison	Nelson	Smith
Culberson	Heflin	New	Smoot
Cummins	Johnson	Nicholson	Sterling
Curtis	Jones, Wash.	Norbeck	Trammell
Dial	Kendrick	Oddie	Walsh, Mass.
du Pont	Keyes	Overman	Walsh, Mont.
Edge	King	Pepper	Warren
Ernst	Ladd	Phipps	Watson, Ind.
Fernald	Lodge	Pomerene	Willis

Mr. HARRISON. I desire to state that the Senator from Nevada [Mr. PITTMAN] is absent on account of illness in his family. I ask that this announcement may stand for the day.

Mr. HARRIS. I wish to announce that my colleague [Mr. WATSON of Georgia] is absent by reason of illness. I ask that this announcement stand for the day.

The VICE PRESIDENT. Sixty Senators have answered to their names. There is a quorum present.

THE LEAGUE OF NATIONS.

Mr. BRANDEGEE. Mr. President, I ask unanimous consent to have inserted in the RECORD in 8-point type two short dispatches which I find, one in the Washington Post of this morning and the other in the New York Herald of to-day, in relation to a letter which is said to have been written by the Secretary of State, Mr. Hughes, to Mr. Hamilton Holt, replying to certain questions which Mr. Holt had asked him in relation to the League of Nations. I ask that the dispatches may be printed in the RECORD. If I had a copy of the entire letter written by the Secretary of State, I should ask to have that inserted; and I may do that later, if I have the good fortune to get the letter.

There being no objection, the matter referred to was ordered to be printed in the RECORD in 8-point type, as follows:

[From the Washington Post of July 15, 1922.]

SEES WORLD COURT TREATY AS UNLIKELY—PARTICIPATION BY UNITED STATES MUST BE OTHER THAN THROUGH LEAGUE OF NATIONS, HUGHES SAYS—REPLIES TO HOLT LETTER—DENIES ASSERTION THAT HE BLOCKED MOVING HEALTH CENTER FROM PARIS TO GENEVA.

(By the Associated Press.)

Secretary Hughes, replying yesterday to a letter recently addressed to him by Hamilton Holt, president of the Woodrow Wilson Foundation, of New York, said he could see no prospect for any treaty or convention by which the United States Government should share in the maintenance of the permanent court of international justice until some provision is made by which, without membership in the League of Nations, the American Government could be able to have an appropriate voice in the election of the court's judges.

HUGHES REPLIES IN DETAIL.

The Secretary of State replied in detail to Mr. Holt's letter, which brought up a number of points with respect to relations of the United States and the League of Nations.

Declaring that "there had been much fruitless talk about answering communications from the league," Mr. Hughes said that "it may be pointed out that a large number of these are of a purely formal nature for the purpose of giving information," and that he had endeavored to deal with all communications courteously and appropriately, and reports to the contrary are evidently based on inadequate information."

The United States has had appropriate representation at health conferences, the Secretary added, denying Mr. Holt's assertion that he had "blocked the moving of the world health center from Paris to Geneva, where it was to be put under the jurisdiction of the League of Nations."

HOLT AGAIN IN ERROR.

The Secretary likewise told Mr. Holt he was in error in saying that the State Department had "prevented the American Hague judges from sending in nominations for the permanent court of international justice of the league," adding that "the American Hague judges had acted in accordance with their own views of propriety."

Mr. Hughes further said he could not agree with Mr. Holt's statement that the results of the recent arms conference could have been accomplished sooner and better had the United States been a member of the League of Nations, and added:

"My own view is that the important results of the conference were made possible because it was a limited conference, held in Washington, by the nations immediately concerned and was not associated with other enterprises."

Denial also was made by the Secretary that the United States abandoned the Allies in making a separate treaty of peace with Germany.

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[From New York Herald of July 15, 1922.]

HUGHES DENIES STRIKING AT LEAGUE—DEFENDS SEPARATE PEACE TREATY WITH GERMANY IN LETTER TO HAMILTON HOLT.

(Special dispatch to the New York Herald.)

NEW YORK HERALD BUREAU,
Washington, D. C., July 14.

A strong rejoinder to the criticism of the international policies of the Harding administration coming from the supporters of the League of Nations and lieutenants of Woodrow Wilson was offered by Secretary of State Hughes in a letter made public to-day, which he addressed yesterday to Hamilton Holt, of New York, president of the Woodrow Wilson democracy.

Secretary Hughes's letter was an answer to a communication sent to him on July 7 by Mr. Holt, in which he contended that the United States was in various ways interfering with the activities of the League of Nations. The charge, Secretary Hughes declared, was without foundation.

In his letter the Secretary made clear the relations of this country to the League of Nations, the treaty of Versailles, and

defended the action of the United States in making a separate peace with Germany, declaring that this was service to allied powers rather than an abandonment, as Mr. Holt contended.

Referring to the contention of Mr. Holt that the League of Nations could have obtained the results achieved at the Washington conference, Secretary Hughes said that the important results of the conference was due to the fact that it was a limited body gathered in Washington and composed of the nations immediately concerned.

"I do not agree with your comment," he said, "that the results of the recent Conference on the Limitation of Armament could have been accomplished or the work could have been better done and long ago had the United States been a member of the league. I do not care to discuss matters which are obviously subjects of conjecture, but my own view is that the important results of the conference were made possible because it was a limited conference, held in Washington by the nations immediately concerned, and was not associated with other enterprises."

Speaking of the separate peace, Secretary Hughes said: "I regret that you should permit yourself in your zeal for the course you have espoused to say that I had abandoned our late allies in making a separate peace with Germany. Such observations will do your cause no good. The separate peace with Germany was concluded for the sufficient reason that it became perfectly clear, after the most careful consideration, that the resubmission of the treaty of Versailles with suggested reservations would have no other result than the renewal of the former controversy and its continuance for an indefinite time."

Secretary Hughes flatly declined to comply with Mr. Holt's request for a discussion of governmental policies, adding that these would be the subject of official announcement from time to time.

There is no truth in insinuations that the United States has been discourteous to the League of Nations or took communications from it in an offhand manner, Mr. Hughes said.

PETITIONS AND MEMORIALS.

Mr. HARRIS presented a joint resolution of the Legislature of Georgia, which was referred to the Committee on Agriculture and Forestry, as follows:

Whereas there is now idle the magnificent property of the United States Government at Muscle Shoals; and

Whereas it would be for the best interests of the United States and for the South that Muscle Shoals should be fully developed; and

Whereas there continues in the South a great army of unemployed; and

Whereas the best offer for the shoals has been made by Mr. Henry Ford: Now, therefore, be it

Resolved, That the General Assembly of Georgia hereby urges the Congress of the United States to accept the offer for Muscle Shoals as made by Mr. Henry Ford, and we urge Members of Congress from Georgia to use their influence to this end; be it further

Resolved, That a copy of this resolution be sent to each Member of Congress from Georgia.

Mr. KENDRICK. Mr. President, I present a copy of a resolution passed by the Public Service Commission of the State of Wyoming, which has to do with the decision of the Supreme Court of the United States in connection with the ownership and control of the Central Pacific Railway. It is a short resolution and of very great importance to my State, and I ask that it may be read by the Secretary.

There being no objection, the resolution was read and referred to the Committee on Interstate Commerce, as follows:

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF WYOMING.

Resolution adopted at a meeting of the commission held July 12, 1922.

1. Whereas the Supreme Court has held that the holding of the Central Pacific by the Southern Pacific Co. constitutes an unlawful monopoly; and,

2. Whereas plans are being made to set aside the court's ruling by congressional action; and

3. Whereas the Central Pacific was built under laws of the United States as a part of a central system of transportation to and from California, and was intended to function as a part of such central system of transportation, and was not built or intended as a part of a southern system of transportation, and is not a part of any southern system of transportation; and

4. Whereas the shipping public between Ogden and Chicago are able to secure a large part of their transportation service by reason of the movement along their railroad lines of transcontinental shipments, and the returns on such shipments greatly assist in maintaining their railroads, and the future needs of such shipping public make necessary the full development of such railroads: Therefore be it

Resolved by the Public Service Commission of the State of Wyoming, That the commission recognizes the wisdom and justice of the decision of the Supreme Court freeing the Central Pacific Railroad from the control of the Southern Pacific Co., and that this body recognizes the harm which would result to the interests of Wyoming if the separation is not carried out in accordance with the opinion of the Supreme Court; and be it further

Resolved, That the commission is opposed to all attempts to nullify the decision of the Supreme Court and to the Southern Pacific Co. having the power to impede or obstruct traffic over the short direct transcontinental route when obstructing that traffic would be to its advantage; and be it further

Resolved, That Wyoming representatives in Congress be urged to take such steps as may be necessary to prevent the passage of any legislation which might set aside the decision of the Supreme Court.

By the Public Service Commission of the State of Wyoming.

Dated at Cheyenne, Wyo., this 12th day of July, A. D. 1922.

CLAUDE L. DRAPER, *Chairman.*
[SEAL.] MAURICE GROSHON, *Commissioner.*
H. M. HUNTINGTON, *Commissioner.*
Attest: E. W. CROWLEY, *Secretary.*

Mr. WARREN subsequently said: Mr. President, I wish to have printed in full in the RECORD—it is a matter of only a page—resolutions of the Public Service Commission of the State of Wyoming opposing the enactment of any legislation that might tend to nullify the decision of the United States Supreme Court which resulted in the dismemberment of the Southern Pacific and the Central Pacific Railroads.

The VICE PRESIDENT. The Senator from Wyoming [Mr. KENDRICK] presented the same resolutions to-day, and they were ordered to be printed in the RECORD.

Mr. WARREN. Very well.

The VICE PRESIDENT. The resolutions will be referred to the Committee on Interstate Commerce.

PUBLIC LANDS IN LOUISIANA.

Mr. PHIPPS (for Mr. NORBECK), from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 10361) authorizing the sale and patent of certain alleged public lands in Louisiana, reported it without amendment and submitted a report (No. 827) thereon.

FRANCES MACK MANN.

Mr. PHIPPS. Mr. President, from the Committee on Public Lands I report back favorably without amendment the bill (H. R. 8244) permitting Frances Mack Mann to purchase certain public lands, and I submit a report (No. 825) thereon. I ask for the present consideration of the bill.

I will state that a similar measure passed the Senate during a previous Congress, but was not acted upon in the House by reason of adjournment. The bill has now passed the House. All it does is to permit the purchase of 73 and a fraction acres of forest land which had been improperly surveyed and upon which improvements have been erected by the occupant.

Mr. ROBINSON. Does the Senator ask unanimous consent for the present consideration of the bill?

Mr. PHIPPS. I do.

Mr. ROBINSON. I tried to hear the statement which he just made and which I take it was in explanation of the bill, but on account of conversations about me I could not hear a word he said. Will the Senator repeat his statement?

Mr. PHIPPS. A similar bill was previously passed by the Senate, but was not reached in the House before final adjournment. The bill has now been passed by the House. It permits the sale of 73 and a fraction acres of forest land which have been built upon and paid for originally by the present occupant, but which fell outside of the survey and therefore was covered back into the forest lands.

Mr. ROBINSON. Upon that statement I think the bill ought to be passed.

There being no objection, the bill was considered as in Committee of the Whole, and it was read as follows:

Be it enacted, etc., That Frances Mack Mann be permitted to purchase lot 11, comprising 3.70 acres; lot 12, comprising 1.58 acres; lot 13, comprising 28.38 acres; lot 16, comprising 39.67 acres; all situate in the east half of the northwest quarter of section 6, township 2 south, range 72 west of the sixth principal meridian, containing 73.33 acres, in the State of Colorado, at $1.50 per acre: *Provided*, That all coal and minerals contained therein are hereby reserved to the United States. That said coal and minerals shall be for sale or disposal of the United States under the coal and mineral land laws, and entrymen shall have the right to enter upon said lands for the purpose of prospecting for and mining such deposits.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

SURPLUS POWER IN SALT RIVER RECLAMATION PROJECT.

Mr. CAMERON. From the Committee on Irrigation and Reclamation I report back favorably with amendments the bill (H. R. 10248) authorizing the sale of surplus power developed under the Salt River reclamation project, Arizona, and I submit a report (No. 826) thereon. I ask for the present consideration of the bill. It has passed the House and is recommended by the committee and the Interior Department. It provides for the leasing of surplus power developed under the Salt River reclamation project in Arizona.

Mr. SIMMONS. Mr. President, what is the request?

The VICE PRESIDENT. For unanimous consent for the present consideration of the bill.

Mr. ROBINSON. I ask that the bill be read.

The VICE PRESIDENT. The bill will be read for the information of the Senate.

The Assistant Secretary read the bill.

Mr. CAMERON. There are several amendments to the bill to change the word "sale" to the word "lease," wherever the former word occurs in the bill.

Mr. ROBINSON. I inquire of the Senator from Arizona whether the bill was referred to the Interior Department?

Mr. CAMERON. Yes, sir; and it has been recommended by that department. The recommendation of that department is contained in the House committee report on the bill. The bill has been considered by and is now reported from the Committee on Irrigation and Reclamation of the Senate. It simply provides for an extension of time in connection with privileges which already exist.

Mr. ROBINSON. I have no objection to the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Irrigation and Reclamation of Arid Lands with amendments.

The amendments were, on page 1, line 9, after the word "the," to strike out "sale" and insert "lease"; in line 10, after the word "such," to strike out "sales" and insert "leases"; in line 15, after the words "for the," to strike out "sale" and insert "lease"; and on page 2, line 7, after the words "for the," to strike out "sale" and insert "lease," so as to make the bill read:

Be it enacted, etc., That whenever a development of power is necessary for the irrigation of lands under the Salt River reclamation project, Arizona, or an opportunity is afforded for the development of power under said project, the Secretary of the Interior is authorized, giving preference to municipal purposes, to enter into contracts for a period not exceeding 50 years for the lease of any surplus power so developed, and the money derived from such leases shall be placed to the credit of said project for disposal as provided in the contract between the United States of America and the Salt River Valley Water Users' Association, approved September 6, 1917: *Provided*, That no contract shall be made for the lease of such surplus power which will impair the efficiency of said project: *Provided, however*, That no such contract shall be made without the approval of the legally organized water users' association or irrigation district which has contracted with the United States to repay the cost of said project: *Provided further*, That the charge for power may be readjusted at the end of 5, 10, or 20 year periods after the beginning of any contract for the lease of power in a manner to be described in the contract.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act authorizing the lease of surplus power developed under the Salt River reclamation project, Arizona."

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HARRIS:

A bill (S. 3829) to establish the Benning National Forest in the State of Georgia; to the Committee on Public Lands and Surveys.

By Mr. McNARY:

A bill (S. 3830) granting a pension to Mary J. Baldwin; to the Committee on Pensions.

By Mr. FERNALD:

A bill (S. 3831) granting a pension to Isabell Guptill (with accompanying papers); to the Committee on Pensions.

By Mr. JONES of Washington:

A bill (S. 3832) providing for officers' retirement under certain conditions; to the Committee on Military Affairs.

By Mr. DU PONT:

A bill (S. 3833) granting an increase of pension to Frances Henrietta Bubb; to the Committee on Pensions.

By Mr. WATSON of Indiana:

A bill (S. 3834) to authorize the Chicago, Lake Shore & Eastern Railway Co. to construct a bridge across the Grand Calumet River in the State of Indiana; to the Committee on Commerce.

By Mr. UNDERWOOD:

A bill (S. 3835) for the relief of William B. Minor; to the Committee on Claims.

By Mr. FRELINGHUYSEN:

A bill (S. 3836) conferring jurisdiction upon the Court of Claims to hear and determine claims of the International Arms & Fuze Co.; to the Committee on Claims.

By Mr. KING:

A bill (S. 3837) to unify and improve the street car service in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. HARRISON:

A bill (S. 3838) for the relief of the Cleveland State Bank, of Cleveland, Miss.; to the Committee on Claims.

AMENDMENT TO GRAIN FUTURES BILL.

Mr. NELSON submitted an amendment intended to be proposed by him to the bill (H. R. 11843) for the prevention and removal of obstructions and burdens upon interstate commerce in grain, by regulating transactions on grain future exchanges, and for other purposes, which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

CONSTITUTIONAL POWERS OF THE SUPREME COURT (S. DOC. NO. 234).

Mr. HARRELD. Mr. President, inasmuch as the question of the constitutional powers of the Supreme Court of the United States has recently been the subject of considerable acrimonious discussion in the Senate and outside, I desire unanimous consent to print in the CONGRESSIONAL RECORD and also as a Senate document an article written by Judge Preston A. Shinn, of Pawhuska, Okla., a constituent of mine, the article being entitled "The Constitution is the higher law—An answer to articles written by Hon. Walter Clark, of the North Carolina Supreme Court." The article by Judge Shinn is a very able one and throws much light on the subject.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The article referred to is as follows:

THE CONSTITUTION IS THE HIGHER LAW—AN ANSWER TO ARTICLES WRITTEN BY HON. WALTER CLARK, OF THE NORTH CAROLINA SUPREME COURT.

Hon. Walter Clark, of the North Carolina Supreme Court, has written several articles, which have been made public documents of the United States Senate, denying the authority of the United States Supreme Court to declare acts of Congress unconstitutional—"Government by judges"; "Some myths of the law"; "Some defects in the Constitution of the United States"; "Back to the Constitution." The question has recently been and is now before the Senate of the United States, and the articles of Justice Clark are receiving a generous circulation. It is evident from the documents that Justice Clark favors a Government not republican in form, but a democracy. Because of the very high position of Justice Clark, being the head of one of the great judicial bodies of the country, these articles will have very great weight with the public and may be expected to do the cause of constitutional government great injury.

The justice builds his structure on erroneous facts and history, fans the embers of prejudice until the castle is in flames, and then calls on the guests to save themselves by jumping from a tenth-story window. He says that the delegates who drafted and the people who adopted the Constitution of the United States did not know that the court would have authority to declare acts of Congress void, nor did they intend that the court have such authority; that the instrument itself fails to supply the authority.

The corner stone of his structure has been condemned by every master builder to whom it has been presented. He thus states it: "This is in accordance with the theory of our Government, which is that the lawmaking body is one of restrictions."

That is, that it represents the people and has all power that is not denied it by the organic law, whereas the executive and judicial are grants of power and have no authority except that conferred by the Constitution. This is the statement made by Black and sums up correctly the analysis of our State and Federal Constitutions as they are written. (Back to the Constitution, p. 3.) This statement is probably true as to the State constitutions, but no basic error could be greater than the above statement that Congress "has all power that is not denied it by the organic law," when applied to the Federal Constitution. The States were 13 years old when the Federal Government was born, and the States, or the people, created the Federal Government by delegating to it certain authority belonging to the State and its people, retaining in the State and its people all the remaining powers and authority which it then had. Nothing in the science of our Government is more firmly established than that the United States is a Government of delegated powers and authority—that we look to its Constitution to determine what the Congress can do; that the State constitutions are a limitation upon authority, and the legislature can enact all laws, except wherein it is forbidden. It is because of the fact that the Federal Constitution is an instrument of delegation that it becomes necessary for the people to have a tribunal, other than the Congress, to protect the States and the people from the encroachments of Congress.

"The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively or to the people." (Tenth amendment to United States Constitution.)

The convention that drafted the Constitution met in 1787 and was in session for more than six months. Justice Clark devotes much space to the convention and says:

"Even in such a convention, thus composed and thus secluded from the influence of public opinion, the persistent effort to grant the judges such power was repeatedly and overwhelmingly denied. The proposition was made, as we now know, from Mr. Madison's journal, that 'the judges should pass upon the constitutionality of acts of Congress.' This was defeated June 4, receiving the votes of only two States. It was renewed no less than three times, i. e., on June 6, July 21, and finally again, for the fourth time, on August 15, it was brought forward, and though it had the powerful support of James Madison, afterwards President Madison, and James Wilson, afterwards a justice of the United States Supreme Court, the proposition at no time received the votes of more than three States. On this last occasion, August 15, Mr. Mercer thus summed up the thought of the convention, as evidenced by its vote: 'He disapproved of the doctrine that the judges, as expositors of the Constitution, should have authority to declare a law void. He thought the laws ought to be well and cautiously made, and then to be incontrovertible.' (Government by Judges, p. 9.)

It is the intention of Justice Clark to say that the convention voted on this question: "The judges should pass upon the constitutionality of the acts of Congress," and he attempts to prove that Mr. Mercer expressed the thought of the convention by quoting a part of the speech of Mr. Mercer, as reported in Mr. Madison's Journal of the Proceedings of the Convention. I have examined three editions of Madison's Journal, and the convention did not have this question before it on August

15 nor on any other day. (Documentary History of United States Constitution, published by State Department, vol. 3; Scott's Madison's Journal; and Elliot's Debates, vol. 5.)

The Virginia delegation in the convention, by Governor Randolph, presented a set of resolutions to the convention, as a plan or basis for a constitution. The eighth resolution provided for a "council on revision" of the acts of Congress composed of the Executive and a convenient number of the Supreme Judiciary, and if this "council on revision" failed to agree with Congress on the policy of the proposed law, it then would become necessary for Congress to pass the same over the veto of the "council on revision" by a —— vote of Congress.

This number was left blank, same to be filled in by a vote of the convention. The debates of the convention conclusively prove that the object of having this "council on revision" was to pass upon the policy of enacting the proposed law, and it was what we know to-day as the veto power of the President. This question was before the convention several times, and each time practically in the same form. On August 15, the last time, Mr. Madison moved "that all acts before they become laws should be submitted both to the Executive and Supreme Judiciary Departments, that if either of these should object, two-thirds of each House, if both should object, three-fourths of each House, should be necessary to overrule the objections and give to the acts the force of law." (The three editions of Madison's Journal, August 15, 1787.) This motion was seconded by Mr. Wilson.

"Mr. Pinckney opposed the interference of the judges in the legislative business: It will involve them in parties and give a previous tincture to their opinions." (Madison's Journal, August 15, vol. 3, Doc. Hist. Con., 537.)

"Mr. Mercer heartily approved the motion. It is an axiom that the judiciary ought to be separate from the legislative: but equally so that it ought to be independent of that department. The true policy of the axiom is that the legislative usurpation and oppression may be obviated. He disapproved of the doctrine that the judges as expositors of the Constitution should have authority to declare a law void. He thought laws ought to be well and cautiously made and then to be uncontrollable [incontrovertible]." (Madison's Journal, August 15, vol. 3, Doc. Hist. Con., 537.)

"Mr. GERRY. This motion comes to the same thing with what has been already negatived." (Madison's Journal, August 15, vol. 3, Doc. Hist. Con. 537.)

Mr. Mercer, who had only been in the convention since August 6, had evidently been informed as to the previous attitude of the delegates on the right of the Supreme Court to declare laws of Congress unconstitutional, and he was opposed to this "doctrine" and favored the judges participating with the Executive in the veto power. But the convention voted against the view of Mr. Mercer by a vote of 8 States to 3. (Madison's Journal, August 15, vol. 3, Doc. Hist. Con. 537.) Mr. Mercer was with the minority and not the majority, as stated by Justice Clark, supra.

"Mr. Dickenson was strongly impressed with the remark of Mr. Mercer as to the power of the judges to set aside the law. He thought no such power ought to exist. He was at the same time at a loss what expedient to substitute." (Madison's Journal, August 15, vol. 33, Doc. Hist. Con. 538.)

Thus we find Mr. Dickenson supporting the position of Mr. Mercer, but admitting that some plan or "expedient" was necessary to hold the Congress in check. Delaware, the State of Mr. Dickenson, and Maryland, the State of Mr. Mercer, were of the three States that voted for the motion. The question had been settled in the minds of the delegates, as evidenced by their former proceedings, and they refused to concur in the view of Mr. Mercer, and he did not express the "thought of the convention, as evidenced by its vote."

The question was first before the convention on June 4 in this form: "*Resolved*, That the Executive and a convenient number of the national judiciary ought to compose a council of revision," being the first clause of Randolph's eighth resolution. (Madison's Journal, June 4, vol. 3, Doc. Hist. Con. 18, 54.)

"Mr. Gerry doubts whether the judiciary ought to form a part of it, as they will have a sufficient check against encroachments on their own department by their exposition of the laws, which involved a power of deciding on their constitutionality. In some States the judges had actually set aside laws as being against the Constitution. This was done, too, with general approbation. It was quite foreign from the nature of the office to make them judges of the policy of public measures. He moves to postpone clause in order to propose 'that the National Executive shall have a right to negative any legislative act which shall not be afterwards passed by —— parts of each branch of the National Legislature.'" (Madison's Journal, June 4, vol. 3, Doc. Hist. Con. 54.)

"Mr. King seconds the motion, observing that the judges ought to be able to expound the law as it should come before them, free from the bias of having participated in its formation. (Madison's Journal, June 4, vol. 3, Doc. Hist. Con. 55.) The Gerry motion carried and the question was not further considered until the 6th, when the question was the same as on the 4th. On the 6th Mr. Madison said: 'An association of the judges in this revisionary function would both double the advantage and diminish the danger. It would also enable the Judiciary Department the better to defend itself against legislative encroachments. Two objections had been made—first, that the judges ought not to be subject to the bias which a participation in the making of laws might give in the exposition of them; secondly, that the Judiciary Department ought to be separate and distinct from the other great departments. The first objection had some weight.'" (Madison's Journal, June 6, vol. 3, Doc. Hist. Con. 77.) He then goes on in explanation of these objections. Others spoke on the question, but the motion to join the judiciary with the Executive in the veto power was defeated.

The same question, upon motion by Mr. Wilson, was fully debated by the convention on July 21. It is somewhat strange that Justice Clark thought best not to advise the public of what was said in the debates on the 21st and the other days when this question was being considered. He mentions a very small part of the speech of Mr. Mercer on August 15, and then brushes the question aside as being settled by his own statement, that the convention did not intend that the court have this authority. Because of his high public position, the public is expected to consider the question as settled. On the 21st, Mr. Wilson moved as an amendment to the tenth resolution, "that the supreme national judiciary should be associated with the Executive in the revisionary power."

Mr. Wilson said:

"This proposition had been before made and failed; but he was so confirmed by reflection in the opinion of its utility that he thought it incumbent on him to make another effort. The judiciary ought to have an opportunity of remonstrating against projected encroachments on the people as well as on themselves. It had been said that the judges, as expositors of the laws; would have an opportunity of defending their constitutional rights. There was weight in this observation; but this power of the judges did not go far enough. Laws may be unjust, may be unwise, may be dangerous, may be destructive; and yet may not be so unconstitutional as to justify the judges in refusing to give them effect. Let them have a share in the revisionary power, and they will have an opportunity of taking notice of those characters of a law, and of counteracting, by the weight of their opinions, the improper views of the legislature." (Madison's Journal, July 21, vol. 3, Doc. Hist. Con. 390.)

Mr. Gorham did not see the advantage of employing the judges in this way. As judges they are not to be presumed to possess any peculiar knowledge of the mere policy of public measures. Nor can it be necessary as a security for their constitutional rights. (Madison's Journal, July 21, vol. 3, doc. Hist. Con. 391.)

Mr. Gerry did not expect to see this point, which had undergone full discussion, again revived. The object be conceived of the revisionary power was merely to secure the executive department against legislative encroachment. The Executive, therefore, who will best know and be ready to defend his rights ought alone to have the defense of them. (Madison's Journal, July 21, vol. 3, Doc. Con. 393.)

Mr. Strong thought, with Mr. Gerry, that the power of making ought to be kept distinct from that of expounding the laws. No maxim was better established. The judges in exercising the function of expositors might be influenced by the part they had taken in passing the laws. (Madison's Journal, July 21, vol. 3, Doc. Hist. Con., 393.)

Mr. L. Martiff considered the association of the judges with the Executive as a dangerous innovation, as well as one that could not produce the particular advantage expected from it. A knowledge of mankind and of legislative affairs can not be presumed to belong in a higher degree to the judges than to the legislature. And as to the constitutionality of laws, that point will come before the judges in their official character. In this character they have a negative on the laws. Join them with the Executive in the revision, and they will have a double negative. (Madison's Journal, July 21, vol. 3, Doc. Hist. Con. 395).

Colonel Mason observed that the defense of the Executive was not the sole object of the revisionary power. He expected even greater advantages from it. Notwithstanding the precaution taken in the constitution of the legislature, it would still so much resemble that of the individual States that it must be expected frequently to pass unjust, pernicious laws. This restraining power was therefore essentially necessary. It would have the effect not only of hindering the final passage of such laws but would discourage demagogues from attempting to get them passed. It has been said (by Mr. L. Martin) that if the judges were joined in this check on the laws they would have a double negative, since in their expository capacity of judges they would have one negative. He would reply that in this capacity they could impede, in one case only, the operation of the laws. They could declare an unconstitutional law void. But with regard to every law, however unjust, oppressive, or pernicious, that did not come plainly under this description, they would be under the necessity, as judges, to give it a free course. He wished the further use to be made of the judges of giving aid in preventing every improper law. (Madison's Journal, July 21, vol. 3, Doc. Hist. Con. 396.)

"Mr. Rutledge thought the judges, of all men, the most unfit to be concerned in the revisionary council. The judges ought never to give their opinion on a law till it comes before them. He thought it equally unnecessary. The Executive could advise with the officers of state, as of war, finance, etc., and avail himself of their information and opinions." (Madison's Journal, July 21, vol. 3, Doc. Hist. Con. 399.)

The motion of Mr. Wilson to join the judiciary with the Executive as a council of revision failed, and it was left as the convention had already decided, with the Executive, whose title at that time had not been fixed by the convention, but was afterwards termed "the President." He retains this authority to-day, and it requires a two-thirds vote to pass the act over the veto of the President. From the above debate it will appear that it was generally considered by the convention that under the Constitution the Supreme Court would have authority to declare void laws unconstitutional. Many of the speakers so declared, and in no instance was there a member who denied the right. It will be noticed from the debates, supra, that each speaker considered the council on revision only for the purpose of passing on the policy or advisability of enacting the proposed law, and not as suggested by Justice Clark, supra.

The mind of the convention was expressed incidentally on other occasions. It was urged in the convention that Congress have authority to negative any law of a State which might conflict with the Federal laws.

"Mr. Sherman thought it unnecessary, as the courts of the States would not consider as valid any law contravening the authority of the Union." (Madison's Journal, July 17, vol. 3, Doc. Hist. Con. 351.)

On August 22 the question of ex post facto laws was before the convention, and Mr. Williamson said:

"Such a prohibitory clause is in the constitution of North Carolina, and though it had been violated it has done much good there, and may do good here," because the judges can take hold of it. (Madison's Journal, August 22, vol. 3, Doc. Hist. Con. 593.)

And again on August 28 we find:

"Mr. MADISON. Is not that already done by the prohibition of ex post facto laws, which will oblige the judges to declare interferences null and void?" (Madison's Journal, August 28, vol. 3, Doc. Hist. Con. 631.)

So, if Madison's Journal, cited by Justice Clark, and the letters written by members of the convention are to be given their proper weight, there can be no doubt as to the intention of the convention to confer in the Constitution authority upon the Supreme Court to declare void acts of Congress unconstitutional. When the history of the Constitution is studied step by step we can not doubt but that the language of the Constitution confers the authority. On August 26 the present section 2 of Article III read:

"The judicial power shall extend to all cases, in law and equity, arising under the laws of the United States * * *."

On August 27 Doctor Johnson moved to insert the words "this Constitution and the" before the word "laws." (Madison's Journal, August 27, vol. 3, Doc. Hist. Con. 626.)

"Mr. Madison doubted whether it was not going too far to extend the jurisdiction of the court generally to cases arising under the Constitution, and whether it ought not to be limited to cases of a judiciary nature. The right of expounding the Constitution in cases not of this

nature ought not to be given to that department." (Madison's Journal, August 27, vol. 3, Doc. Hist. Con. 626.)

"The motion of Doctor Johnson was agreed to nem. con., it being generally supposed that the jurisdiction given was constructively limited to cases of a judiciary nature." (Madison's Journal, Aug. 27, vol. 3, Doc. Hist. Con. 626.)

Section 2 of Article III now reads: "The judicial power shall extend to all cases, in law and equity, arising under this Constitution, the laws of the United States * * *." No one will doubt but that the Constitution is an instrument of greater authority than congressional acts, and Article VI of the Constitution, wherein it says: "This Constitution, and the laws of the United States which shall be made in pursuance thereof * * * shall be the supreme law of the land," is conclusive on this point. The judicial power extends to all cases arising under the Constitution and the laws of the United States which shall be made in pursuance thereof—then, is it not necessary for the court, when the question is properly raised, to say whether or not the act of Congress is authorized by, or in "pursuance" of, the Constitution?

Justice Clark in each of his articles says that Jefferson, Jackson, and Lincoln criticized the Supreme Court, intending, no doubt, to leave the impression that each of them questioned the authority of the court to choose between the Constitution and the acts of Congress. Some of these men were on several sides of many questions—let them speak for themselves. Shortly after the election of Mr. Jefferson to the Presidency the Legislature of Rhode Island presented him with a congratulatory address soliciting an expression of his views on the Federal Constitution, and in his reply thereto Mr. Jefferson said:

"The Constitution shall be administered by me according to the safe and honest meaning contemplated by the plain understanding of the people at the time of its adoption—a meaning to be found in the explanations of those who advocated, not those who opposed it. These explanations are preserved in the publications of the time." (Elliot's Debates, vol. 4, p. 446.)

What were the publications of the time? After the convention had concluded its labors the proposed Constitution was submitted to the people of the States for adoption. Not to the legislatures of the States, as suggested by Justice Clark, but to the people through their chosen delegates, for that purpose. (Elliot's Debates, vol. 1, pp. 319, 335, Article VII of Constitution.) In many of the States there was great opposition to the adoption of the Constitution, both by speeches and through the press. Its enemies raised every conceivable objection to its adoption. That the Congress had too much power; that the President would become a king; and that too much authority had been given to the Federal courts. The friends of the Constitution did not deny that great power had been given to the courts, and that it would be the duty of the Supreme Court to declare void acts of Congress unconstitutional, but defended the same, both by public speeches and through the press.

Hamilton, one of the most active members of the Constitutional Convention, and Madison, also a member of the convention, known as the "father of the Constitution," with John Jay, published a series of articles under the name of "Publius" defending and expounding the meaning of the Constitution. These articles were copied by the press in most of the States where there was a contest, and were published in pamphlet form and given very wide circulation, becoming known as the "Federalist." Six of these articles are devoted to the judiciary, and they are most instructive. No doubt Mr. Jefferson had the Federalist in mind when he wrote to the Legislature of Rhode Island. In No. LXXVIII—and everyone should read the entire paper—Mr. Hamilton said:

"The complete independence of the courts of justice is peculiarly essential in a limited constitution. By a limited constitution I understand one which contains certain specified exceptions to the legislative authority; such, for instance, as that it shall pass no bills of attainder, no ex post facto laws, and the like. Limitations of this kind can be preserved in practice no other way than through the medium of the courts of justice, whose duty it must be to declare all acts contrary to the manifest tenor of the Constitution void. Without this, all the reservations of particular rights or privileges would amount to nothing.

"Some perplexity respecting the rights of the courts to pronounce legislative acts void because contrary to the Constitution has arisen from an imagination that the doctrine would imply a superiority of the judiciary to the legislative power. It is urged that the authority which can declare the acts of another void must necessarily be superior to the one whose acts must be declared void. As this doctrine is of great importance in all the American constitutions, a brief discussion of the ground on which it rests can not be unacceptable.

"There is no position which depends on clearer principles than every act of delegated authority, contrary to the tenor of the commission under which it is exercised, is void. No legislative act, therefore, contrary to the Constitution can be valid. To deny this would be to affirm that the deputy is greater than his principal; that the servant is above his master; that the representatives of the people are superior to the people themselves; that men acting by virtue of powers may do not only what their powers do not authorize but what they forbid.

"A constitution is, in fact, and must be regarded by the judges as a fundamental law. It therefore belongs to them to ascertain its meaning, as well as the meaning of any particular act proceeding from the legislative body. If there should happen to be an irreconcilable variance between the two, that which has the superior obligation and validity ought, of course, to be preferred; or, in other words, the Constitution ought to be preferred to the statute, the intention of the people to the intention of their agents.

"Nor does this conclusion by any means suppose a superiority of the judicial to the legislative power. It only supposes that the power of the people is superior to both; and that where the will of the legislature, declared in its statutes, stands in opposition to that of the people, declared in the Constitution, the judges ought to be governed by the latter rather than the former. They ought to regulate their decisions by the fundamental laws rather than by those which are not fundamental."

Can argument be more convincing than the above from Hamilton? John Marshall was one of the delegates to the Virginia convention which adopted the Constitution. The Constitution was most bitterly fought in that convention. Patrick Henry with all the force of his great eloquence led the fight against its adoption, and did not overlook the Supreme Court of the United States. In reply Mr. Marshall said in part:

"These, sir, are the points of Federal jurisdiction to which he objects, with a few exceptions. Let us examine each of them with a supposition that the same impartiality will be observed there as in other courts, and then see if any mischief will result from them. With respect to its cognizance in all cases arising under the Constitution and the laws of the United States, he says that the laws of the United States being paramount to the laws of the particular States, there is no case but what this will extend to. Has the Government of the United States power to make laws on every subject? Does he understand it so? Can they make laws affecting the mode of transferring property, or contracts, or claims, between citizens of the same State? Can they go beyond the delegated powers? If they were to make a law not warranted by any of the powers enumerated, it would be considered by the judges as an infringement of the Constitution which they are to guard. They would not consider such a law as coming under their jurisdiction. They would declare it void." (Elliot's Debates, vol. 3, p. 553.)

Patrick Henry, among other things, said:

"When Congress, by virtue of this sweeping clause, will organize these courts, they can not depart from the Constitution, and their laws in opposition to the Constitution would be void. If Congress, under the specious pretense of pursuing this clause, altered it and prohibited appeals as to fact, the Federal judges, if they spoke the sentiments of independent men, would declare their prohibition nugatory and void." (Elliot's Debates, vol. 3, pp. 540, 541.)

Wilson and others in Pennsylvania, Ellsworth and Sherman in Connecticut, and delegates in all the conventions where the question was raised, admitted that the Constitution gave the authority to the Supreme Court, and defended it. President Adams, knowing John Marshall's avowedly strong views on the authority of the court in this regard, appointed him in 1801 Chief Justice of the court, saying, "This is the greatest act of my administration." Luther Martin, a delegate from Maryland to the Constitutional Convention, refused to sign the instrument, and wrote a letter to the people of Maryland in which he called attention to the many things which he considered defects in the new Constitution, and urged the people not to adopt it, had this to say of the court:

"Whether, therefore, any laws or regulations of the Congress, any acts of its President or other officers, are contrary to or not warranted by the Constitution rests only with the judges who are appointed by Congress to determine; by whose determination every State must be bound." (Elliott's Debates, vol. 1, p. 380.)

For several years after the adoption of the Constitution there sat in Congress many of the men who had been active in the Constitutional Convention, and the debates of the early sessions of Congress throw much light on the meaning of the instrument. In the Senate, in January, 1800, Mr. Mason said:

"It will be found that the people, in forming their Constitution, meant to make the judges as independent of the legislature as of the Executive, because the duties they have to perform call upon them to expound not only the laws but the Constitution also, in which is involved the power of checking the legislature, in case it should pass any laws in violation of the Constitution. For this reason it was more important that the judges in this country should be placed beyond the control of the legislature than in other countries, where no such power attaches to them.

"He knew that they might pass unconstitutional laws, and that the judges, sworn to support the Constitution, would refuse to carry them into effect; and he knew that the legislature might contend for the execution of their statutes. Hence the necessity of placing the judges above the influence of these passions; and for these reasons the Constitution had put them out of the power of the legislature." (Elliot's Debates, vol. 4, p. 442.)

The celebrated "Virginia resolutions" of 1798, pronouncing certain alien and sedition laws unconstitutional and calling on the other States to join Virginia in resisting them, received a cold shoulder from most of the States; and the reply of Rhode Island is somewhat typical of the answers received by Virginia:

"In General Assembly, February, A. D. 1799.

"Certain resolutions of the Legislature of Virginia, passed on 21st of December last, being communicated to this assembly:

"1. *Resolved*, That, in the opinion of this legislature, the second section of the third article of the Constitution of the United States, in these words, to wit, 'The judicial power shall extend to all cases arising under the laws of the United States,' vests in the Federal courts exclusively and in the Supreme Court of the United States ultimately the authority of deciding on the constitutionality of any law of the Congress of the United States." (Elliot's Debates, vol. 4, p. 533.)

It is generally known that Webster had no doubts as to the authority of the court; and in the famous debate in the Senate in 1830 between Mr. Webster and Mr. Hayne, with which most schoolboys are familiar, Mr. Hayne said:

"But there is one point of view in which this matter presents itself to my mind with irresistible force. The Supreme Court, it is admitted, may nullify an act of Congress by declaring it to be unconstitutional. Can Congress after such a nullification proceed to enforce the law, even if they should differ in opinion from the court?" (Elliott's Debates, vol. 4, p. 514.)

Justice Clark says that Jackson had denied the authority of the Supreme Court in this respect. In November, 1832, South Carolina passed an ordinance touching the tariff laws of the United States which, had the State been permitted to carry out, would have taken the State out of the Union. President Jackson issued a proclamation to the State, which had the desired effect, wherein he said:

"If it should be said that public opinion is a sufficient check against the abuse of this power, it may be asked why it is not deemed a sufficient guard against the passage of an unconstitutional act by Congress. There is, however, a restraint in this last case which makes the assumed power of a State more indefensible, and which does not exist in the other. There are two appeals from an unconstitutional act passed by Congress—one to the judiciary, the other to the people and the States." (Elliot's Debates, vol. 4, p. 584.)

Lincoln exercised the right to criticize the court, but he never denied the right of the court to declare void acts unconstitutional. In a speech in Springfield, Ill., he said:

"We believe as much as Judge Douglas, perhaps more, in obedience to and respect for the judicial department of government. We think its decisions on constitutional questions, when fully settled, should control not only the particular case decided but the general policy of the country, subject to be disturbed only by amendments to the Constitution as provided in that instrument itself. More than this would be revolution." (Reply to Douglas, June 26, 1857; Centenary Edition of Lincoln's Speeches.)

History does not support, and for that reason I can not agree with the statement that "Judge Marshall recognized this in Marbury *v.* Madison, in which case in an obiter opinion he had asserted the power

to declare an act of Congress unconstitutional, for he wound up by refusing the logical result, the issuing of the mandamus sought, because Congress had not conferred jurisdiction upon the Supreme Court to issue it." (Some Defects in the Constitution, p. 14.) Marbury v. Madison, as to the point in question, was in no sense of that word an obiter opinion, as it was a necessary part of the court's opinion.

The people in the Constitution had established the original jurisdiction of the Supreme Court, but left it to Congress to regulate the appellate jurisdiction. The Congress in 1789, among other things, attempted to confer original jurisdiction on the court in mandamus. Upon the application of Marbury the court, under the act of 1789, granted the "rule" requiring the Secretary of State, Mr. Madison, to show cause why a mandamus should not issue compelling him to issue to Marbury his commission as a justice of the peace in the District of Columbia. When the case came on for hearing before the court its jurisdiction to issue the writ of mandamus was questioned. Every lawyer knows that the court's first duty was to decide that question, and the decision of that question could not be obiter, it being absolutely necessary. The court said:

"Congress can not confer on this court any original jurisdiction.

"When the Constitution and an act of Congress are in conflict the Constitution must govern the case to which they both apply.

"An act of Congress repugnant to the Constitution is not law.

"To issue a writ of mandamus requiring a Secretary of State to deliver a paper would be an exercise of original jurisdiction not conferrable by Congress and not conferred by the Constitution on this court." (Marshall's Constitutional Decisions (Dillon), 2.)

So instead of holding out for greater authority, the court refused to accept of authority, which the people in their Constitution had not conferred upon the court. The writ of mandamus was refused, not because "Congress had not conferred jurisdiction," but because Congress was acting without jurisdiction, as the people had already acted when they adopted the Constitution.

The court may have used obiter on another question in this case, but, if so, its words will sound very sweet to the readers of Mr. Clark. Keep in mind that it was the Secretary of State, a great Cabinet officer, whose acts were in question in this case. The court says:

"The very essence of civil liberty certainly consists in the right of every individual to claim the protection of the laws whenever he receives an injury. One of the first duties of government is to afford that protection. In Great Britain the King himself is sued in the respectful form of a petition, but he never fails to comply with the judgment of his court.

"The Government of the United States has been emphatically termed a government of laws and not of men. It will certainly cease to deserve this high appellation if the laws furnish no remedy for the violation of a vested right.

"Questions in their nature political or which are by the Constitution and laws submitted to the Executive can never be made in this court.

"But if this be not such a question, if so far from being an intrusion into the secrets of the Cabinet it respects a paper which according to law is upon record and to a copy of which the law gives a right on the payment of 10 cents, if it be no intermeddling with a subject over which the Executive can be considered as having exercised any control, what is there in the exalted station of the officer which shall bar a citizen from asserting in a court of justice his legal rights or shall forbid a court to listen to the claim or to issue a mandamus directing the performance of a duty not depending on Executive discretion but on particular acts of Congress and the general principles of law?

"If one of the heads of departments commit any illegal act under color of his office by which an individual sustains an injury, it can not be pretended that his office alone exempts him from being sued in the ordinary mode of proceeding and being compelled to obey the judgment of the law."

The court held that Marbury had a right of action against the Secretary of State to compel him to deliver his commission, but that he was in the wrong court, as the Constitution had not conferred original jurisdiction on the Supreme Court to issue mandamus.

Among the many criticisms of the Supreme Court made by Justice Clark he has this to say concerning the fourteenth amendment:

"Aware of this defect, the court since the war has sought to found its jurisdiction to nullify legislative action upon the fourteenth amendment. It has been well said that that amendment, which was intended for the protection of the Negro, had failed entirely in that purpose, but has become a very tower of strength to the great aggregations of wealth. Not only no force can be justly given to the construction placed by the Supreme Court upon the fourteenth amendment from the knowledge of the history of its adoption, but the words used can not fairly be interpreted as they have been. 'Due process of law' means the orderly proceeding of the courts and the 'equal protection of the laws' was never intended to give to the Federal courts irreviewable supremacy over Congress and the President. (Back to the Constitution (Clark), 11.)

That section of the fourteenth amendment referred to by Mr. Clark is an inhibition against the States, and confers no rights upon Congress other than to enforce the inhibition: "No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws." Shortly after the Civil War Congress passed laws which came before the court, and the attorney for the United States contended that they were authorized by the fourteenth amendment.

The court held that the language of the acts did not bring them within the fourteenth amendment and that the acts were repugnant to the tenth amendment, supra. I doubt if there can be found a single opinion by the Supreme Court that warrants the attack of Mr. Clark. The court has consistently held that the fourteenth amendment applies only to the States, acting by their authorized agents, as the legislature, the courts, etc., and that it does not inhibit the citizens of a State, except where they represent and speak for the State.

Many other statements of Mr. Clark are not supported by the facts, for instance, that the income tax law of 1894 was passed by "the lower House unanimously, and I believe there were only one or two votes against it in the Senate. The President, who was a good lawyer, approved it" (Government by Judges (Clark), 12), and then it was declared unconstitutional by "five elderly lawyers, selected by influences naturally antagonistic to the laboring classes." (Defects in Con. of U. S. (Cark), 13.) The facts are that the law passed the House not unanimously but by a vote of 204 for to 140 against it. In the Senate the vote was 39 for and 34 against, with 12 Members refusing to vote, and President Cleveland refused to approve of the bill and allowed it to become a law by holding it for 10 days. (Senate Document 547, p. 13, of Sixtieth Congress, second session.) It is more than likely that the ability of the minority who opposed the act and of the "President, who was a good lawyer," who refused to approve the same, was greater than the ability of those who "unanimously" passed the law. Read and study the lives of the "elderly lawyers" who compose the Supreme Court now, or at any time prior, and decide for yourself if there is any reason why they should be "antagonistic to the laboring classes." Read the opinions of the Supreme Court for the past 20 years and see if these "elderly lawyers" have not by obiter blazed the way for much of the progressive legislation during that period. Read the recent opinion of the court on the Adamson law and you will be able to make a pretty good guess as to the character of railroad legislation we have a right to expect within a reasonably short period.

The words of Lincoln in 1860 seem quite pertinent at this time. Senator Douglas, without going into the facts, declared to his people that his position on the question of slavery was the position of the "fathers." Lincoln, in a speech in 1960 in Cooper Union replied to the assertion of Douglas as to the position of the "fathers," using these words:

"But he [Douglas] has no right to mislead others who have less access to history and less leisure to study it into false beliefs that our fathers, who framed the Government under which we live, were of the same opinion, thus substituting falsehood and deception for truthful evidence and fair argument."

PRESTON A. SHINN.

PAWHUSKA, OKLA.

THE COAL SITUATION.

Mr. WALSH of Massachusetts. Mr. President, I ask unanimous consent to have printed in the RECORD a communication from the Governor of Massachusetts, Hon. Channing H. Cox, addressed to the members of the Massachusetts delegation in Congress in reference to the coal situation in Massachusetts and throughout New England.

There being no objection, the communication was ordered to be printed in the RECORD, as follows:

THE COMMONWEALTH OF MASSACHUSETTS,
EXECUTIVE DEPARTMENT.

To the Members of the Massachusetts Delegation in Congress:

The people of Massachusetts and New England view with the greatest concern the present serious condition caused by the prolonged strike in the coal mines. It is generally known that our people could not resist the rigors of our winter climate without coal, that coal is necessary for the conduct of our public utilities, and that industry and commerce in this section would be destroyed without an ample supply of cheap coal. It is doubtful if the actual conditions with reference to our supply of coal at present are known, and I therefore feel it my duty to present these conditions to you, as they have been determined by Mr. Hultman, the Massachusetts fuel administrator, and I urge that in any way possible action be taken which may insure to our people a supply of coal for the winter.

The troubles of the two branches of the coal industry are diametrically opposite. In the anthracite industry the trouble is due to underproduction made possible by natural monopolistic conditions; on the other hand, the bituminous industry is in trouble from overproduction. The production of anthracite is not capable of expanding in an emergency as is the case of bituminous. The demand for anthracite does not materially fluctuate, while the demand for bituminous is dependent upon industrial and commercial activities.

It is an interesting fact that the total yearly production of anthracite coal is less than the annual fluctuation in the production of bituminous coal.

So complete is our dependency upon coal for mechanical power and heat that the public health and welfare is seriously threatened by selfish quarrels in the coal industry between capital and labor. When such a menace confronts the people it is unquestionably the duty of the Government to act.

The proper time for the Government to intervene and the action that should be taken are matters of great importance and must be sanely and impartially considered by those who are responsible for the administration of our Government.

The people have a right to expect their Government to protect their rights. If relief from a menace can not be secured by methods of conciliation and arbitration, suitable action must be taken, either by the President or Congress, that will safeguard the welfare and health of the people.

1. ANTHRACITE COAL.

I would be remiss in my duty if I did not advise the people of Massachusetts in regard to the deplorable and dangerous situation that may confront householders who are dependent or rely upon anthracite coal for their domestic fuel next winter.

Resumption in mining of anthracite coal must be commenced without delay; otherwise the householders of Massachusetts will not be able to secure an ample supply of anthracite coal for domestic needs. This condition will exist in the entire eastern and northeastern sections of the country, with the exception of Pennsylvania.

2. BITUMINOUS COAL.

There is at present no shortage in the supply of bituminous coal available to Massachusetts and the other eastern and northeastern States of the country. While the future is uncertain in regard to our bituminous coal supply no trouble is as yet apprehended.

Below are the principal facts and figures on which the above conclusions are based.

ANTHRACITE COAL.

PRODUCTION.

On April 1 the anthracite miners officially "suspended production" and on June 26 the anthracite miners authorized the union officials to declare that a "strike" existed. The union leaders have as yet made no strike announcement. However, from April 1 to July 1, 1922, the production of anthracite coal has been about 140,000 net tons, mostly dredged from river bottoms and consisting of steam sizes not commonly

used for domestic purposes. During the same period last year approximately 23,000,000 tons, all sizes, were produced.

Since 1913 the annual production of anthracite coal, which is found and mined only in a small section of the State of Pennsylvania, has been:

	Net tons.
1913	91,525,000
1914	90,822,000
1915	88,995,000
1916	87,578,000
1917	99,612,000
1918	98,826,000
1919	88,092,000
1920	89,598,000
1921	90,473,000

About 65 per cent of the above is domestic sizes, the balance steam sizes.

From the foregoing figures it is evident that even war-time demand and high price for anthracite stimulated production less than 10 per cent. Included in this increased production were vast culm bank recoveries, which coal contained so much rock and bone that the increased production of coal was more apparent than real and resulted in producing what has been described as fire-proof coal.

Excluding Sundays and holidays, the anthracite mines have been obliged to operate at practically full time throughout the entire year to produce the above tonnage.

For more than a month there has been practically no domestic sizes except pea coal available for shipment from storage piles.

The production loss to date this year of approximately 23,000,000 tons can not be made up, and each month the anthracite strike continues will increase this deficit by approximately 7,500,000 tons.

CONSUMPTION, RECEIPTS, AND STOCKS OF ANTHRACITE COAL IN MASSACHUSETTS.

Anthracite coal of domestic sizes, i. e., broken egg, stove, chestnut, and pea, is the principal source of heating the homes of this Commonwealth. We consume about 5,500,000 tons of the domestic sizes each year.

On April 1 when the present coal strike began Massachusetts retail dealers had on hand 726,611 tons. Receipts during April, May, and June, although production at the mines had practically ceased, amounted to 419,824 tons, making the total available coal supply of the dealers from April 1 to July 1 of 1,146,435 tons. During April, May, and June 837,560 tons were delivered by the dealers, leaving a stock on hand in the dealers' yards July 1 of 308,875 tons.

Deliveries for April, May, and June, 1921, were 1,366,521 tons against deliveries for the same months this year of 837,560 tons.

Another matter to be considered is stocks in house cellars carried over from last coal-burning season. Business conditions in this section, together with the people convinced that the price of coal, which is twice as high as in 1913, is sure to be reduced, caused subnormal amounts to be carried over. This assumption is borne out by reports from the dealers that spring deliveries this year included a very large number of 1-ton and one-half-ton orders.

Although anthracite coal was not in any way connected with the recent establishment on May 30 of a "maximum price" for bituminous, the demand for anthracite was immediately stimulated by this action, and it is evident from the dealers' reports that during June the demand for domestic anthracite has been greater than during the same period last year while stocks on hand are rapidly shrinking.

FUTURE OUTLOOK.

In the thickly settled eastern and northeastern sections of our country the householders have allowed themselves to become dependent upon anthracite coal for domestic purposes. The existing strike in the bituminous regions, the unreasonable prejudice of many people against the use of this coal, the construction of the present heating apparatus, especially kitchen ranges, causes me to regard with apprehension the conditions that will probably be foisted upon householders of limited means this fall and winter.

The production of anthracite coal has not been flexible or in any way seasonal during the last 10 years, as has been the case in the bituminous industry. It is a climatic necessity for New England to accumulate large stocks of both anthracite and bituminous coal before winter sets in. This fact, together with the seasonal demand for cars for moving crops and other purposes, may again cause an acute transportation crisis.

The real trouble will come in the fall, when householders find that there is no anthracite coal available or only at prohibitive prices. Such conditions may enable coal "exploiters" to repeat their performance of 1920, when the price of poor quality coal at the mine reached $15 a ton in many cases. This tendency is already showing itself in the anthracite trade by the fact that dealers here are being solicited to buy now at an advance of $2 per ton over the April 1 prices.

The fact remains the anthracite operators and labor union officials have been in conference since March 15 without success. Production, which has been stopped since April 1, must be resumed without delay, or the anthracite-burning population in about 25 States will suffer unwarranted hardship and expense in obtaining an adequate amount of fuel to heat their homes next winter.

BITUMINOUS COAL.

PRODUCTION.

Production from the nonunion mines since April 1 has averaged about 5,000,000 tons weekly. Comparative production tables are shown below:

Bituminous coal production in the United States.

	January, February and March.	April, May, and June.	Total.
1919	106,772,000	106,765,000	213,537,000
1920	135,702,000	122,046,000	257,748,000
1921	101,513,000	94,664,000	196,177,000
1922	129,282,000	57,718,000	187,000,000

CONSUMPTION, RECEIPTS, AND STOCKS OF BITUMINOUS COAL IN NEW ENGLAND.

In considering the local aspects of the bituminous-coal situation it is necessary to consider New England as a unit.

The consumption of bituminous coal fluctuates with industrial and commercial activities, and bituminous-coal receipt figures may be regarded as a good barometer of business conditions.

New England tide and rail bituminous-coal receipts.

	Net tons.
1919	18,182,000
1920	22,434,000
1921	17,188,000

Another important factor in New England's fuel problem is the tremendous growth in the use of fuel oil. In three years the displacement of bituminous coal by fuel oil in New England has grown from 500,000 to 4,000,000 tons. The economic effect of fuel-oil competition upon the price and consumption of bituminous coal in New England is of inestimable value in safeguarding our industrial welfare.

From an examination of the monthly receipts of bituminous coal into New England and comparison with previous years there does not appear to be an abnormal shrinkage caused by the strike to date:

New England bituminous coal receipts (net tons).

	1919	1920	1921	1922
January	1,392,000	1,477,000	1,688,000	1,337,000
February	1,210,000	1,366,000	1,265,000	1,834,000
March	1,070,000	1,765,000	1,335,000	2,285,000
April	1,447,000	1,394,000	1,190,000	1,258,000
May	1,566,000	1,793,000	1,237,000	948,000
June	1,566,000	1,663,000	1,558,000	950,000
Total	8,241,000	9,428,000	8,273,000	8,613,000

The Associated Industries of Massachusetts, at the request of the Fuel Administrator, made a survey of the bituminous coal stocks in the hands of their members as of June 1, 1922, which is quoted in part below:

"From a summary of the questionnaires which we sent out to our members it does not look to us as if the situation was at all alarming at the present time.

"Concerns having annual requirements of 5,000 tons and over generally have a good supply on hand, running from two to six months.

"Concerns having requirements of from 500 to 5,000 tons have supplies to carry them 45 days on an average. The greater part of these concerns are not using coal now, but will be in the market for urgent requirements before December 1.

"Concerns having requirements of less than 500 tons either have very low stocks on hand or enough to carry them for from four to eight months, the former being true of about 60 per cent of this class."

FUTURE OUTLOOK.

Foreign demand for coal is about one-fifth as strong as during the 1919–20 strike emergency period, when exports were totaling about 1,250,000 tons a month compared with about 250,000 tons a month this year. In fact, there is a potential supply of soft coal available for import, and already small shipments have been received from Novia Scotia and England. The foreign demand for coal at any cost was one of the principal causes for the 1919–20 price orgy.

Therefore the only real competition that New England will experience in getting a supply of bituminous coal from the nonunion field, which is its principal source of supply, will come from other sections of the country normally supplied by the so-called union field. So far there has been no governmental diversion of this coal to meet shortage in the West, and natural competition has hardly absorbed the amount produced in excess of the eastern demand as is evidenced by the accumulating stocks of bituminous coal at Hampton Roads.

CHANNING H. COX.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The VICE PRESIDENT. The pending amendment will be stated.

The ASSISTANT SECRETARY. The pending amendment is on page 286, after line 16, where the Committee on Finance proposes to insert the following new section:

SEC. 321. That the dye and chemical control act, 1921, approved May 27, 1921, as amended, shall continue in force for one year after the date of the passage of this act.

Mr. McLEAN. Mr. President, I was expecting to address the Senate for a very few moments this morning in support of section 321, but I am informed that there has been a general understanding that all debate has been closed and that the vote is to be taken immediately. Of course, I do not wish to disturb an understanding of that sort, although I am deeply interested in this subject. I will, however, ask unanimous consent to have printed in the RECORD the views of leading chemists and others printed in the Yale Alumni Weekly of April 29, 1921, and May 12, 1922.

Yale University about a year ago adopted plans for the construction of one of the finest and best equipped chemical laboratories in the world and that institution is deeply interested in the subject involved in this amendment. I should like to call the attention of the Senate to the vast importance of sustaining chemical research in every legitimate way, but, under the circumstances, I shall desist, it not being my habit ever to interfere here with the taking of a vote.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

[Extracts from article entitled "Chemistry's Call," by Francis P. Garvan, president of the Chemical Foundation—Yale Alumni Weekly, April 29, 1921.]

The chemist is constantly laboring to make almost everything that we all eat, wear, buy, sell, and use a great deal better, cheaper, and more serviceable. If our chemical science and industry is destroyed by any foreign power, our chemists will be reduced to an unsupported minority or supplanted by foreign chemists whose heads and hearts turn toward the country whose invading forces they really represent. Not many years ago almost every American business man was obliged to depend upon German chemical experts, who spied on his plant for their Kaiser and betrayed its secrets to their country's competitive business forces. Americans must stand on guard at these key points in every business in the future.

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Three shiploads of selected dyestuffs from Germany—upon which she will glady pay as high a tariff as can be imposed—can supply our whole country's dye needs for a year and serve to ruin every one of our drug, dye, and chemical plants, from the smallest to the very largest.

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As our chemists lead the way to the higher civilization ahead, every man, woman, and child in America must push on behind them. To every hundred struggling chemists in this country Germany counts her tens of thousands of trained laboratory workers backed by tremendous financial, social, and governmental support, organized as only Germany can organize her most powerful cohorts, and entrenched behind an experience of a quarter century acquired before the rest of the world awoke to the vital need of systematic chemical research and industrial progress. To take her share in the promised land of creative chemistry America must mass an army of young, keen, and patient recruits behind her leaders in the science of chemistry. In every other nation the mustering of boys and girls for the promising career of chemistry is already well under way, all about their secondary schools, colleges, and universities. Shall our country fail, shall Yale fail to rally for this all-important call of chemistry?

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[Extract from article entitled "The four-year course in chemistry," by Arthur J. Hill, assistant professor of organic chemistry—Yale Alumni Weekly, April 29, 1921.]

This brief survey would be incomplete without some statement relative to the type of men it is hoped that this training will produce. The underlying purpose of the course is thoroughly to acquaint the student, through theory and practice, with the fundamental concepts of the important branches of chemistry without attempt at specialization. Thus equipped the student should be capable of entering the industrial or educational field or continue his scientific training in graduate schools of chemistry, where he may specialize in the field which makes the greatest appeal to him. There is a pressing need of men capable and well trained for undertaking original chemical work, and it is the purpose of the department to foster and stimulate in every student an aptitude for independent chemical thought, and to encourage those men showing especial promise to undertake graduate work which will prepare them for a professional career in some branch of chemistry.

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[Extract from article entitled "The course of industrial and engineering chemistry," by Harold Hibbert, associate professor of applied chemistry—Yale Alumni Weekly, April 29, 1921.]

The object of the four-year course in industrial and engineering chemistry recently organized in the Sheffield Scientific School is to give a student a broad training in chemistry accompanied by special instruction in such fundamental subjects as mathematics, physics, languages, machine design, kinematics, thermodynamics, power and electrical engineering, economics, and business finance. In the sophomore year the student of engineering chemistry will devote the greater part of his time to the study of physics, mathematics, languages, English, and drawing.

Commencing with the junior year, he will specialize more in chemistry, taking, in addition to the quantitative analysis, courses in physical and organic chemistry. During the same period considerable time will be devoted to special phases of mechanical engineering such as machine design, kinematics, thermodynamics, heat engines, etc., and he will still receive adequate instruction in English.

In the senior year the student's energies will be concentrated on the technical application of chemistry, the study of which will be much facilitated by the attention to be given during the same period to power and electrical engineering. The new course in chemical technology and the special courses in economics and business finance will, it is anticipated, serve to widen his outlook and to provide him with a well-balanced commercial judgment. A feature of this year's work is a two-hour period throughout the year which is devoted to seminar work in engineering chemistry.

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[Extract from article entitled "Chemical research in the graduate school," by Treat B. Johnson, professor of organic chemistry—Yale Alumni Weekly, April 29, 1921.]

Along what lines we may expect the most important developments in chemistry in the next 20 years is very difficult to predict, and it is probable that no two men would agree to-day in their answer to this question. It is also probable that any chemist would give you a different answer if this question were put to him at an interval of five years. Chemistry is a progressive and intensely practical science, and has never received so much attention and advanced so rapidly in this country as at the present time, as is evident from the recent literature and increased activity in industrial and scientific research organizations. In its relations to other sciences, however, it is agreed by all who have knowledge of the facts that chemistry will always occupy a fundamental position. The two branches which promise to contribute the most to our general welfare in the future are organic and general or physical chemistry.

Chemistry may be defined as a study of all properties and changes of matter depending on the nature of the substances concerned. Geology is the study of the chemistry of the earth. In biology we are dealing with chemical changes taking place in living organisms. Normal growth and the internal and external structures of plants and animals are all the result of a series of chemical changes. It is the use of the scientific method and the application of the principles of chemistry and physics that has brought about the vast development of medicine within the past century. In this field of research physiology, with the aid of chemistry, has undoubtedly contributed more of practical value than any other subject except bacteriology, with which it is closely linked. Engineering, which is the art of making structural properties of matter useful to man, has reached the plane of a science through a knowledge of the chemical and physical properties of iron, copper, concrete, organic products, etc., and other engineering materials used in construction. Chemistry, therefore, occupies a strategical position in our educational program, and the time has come not only for a more aggressive concern with the nature and ideals of our advanced courses of instruction in this subject but also for greater emphasis on our new opportunities for advancing our knowledge of this science and for applying its fundamental principles to the many problems of industry.

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The trend of therapeutics to-day is to limit the amount and number of drugs and supply hygienic and dietetic measures in the treatment of disease. It is undoubtedly true that the future discoveries in the field of biochemistry hold out promise of positive and far-reaching results of great benefit to mankind. It is through a concerted attack by chemists, physicists, biologists, and medical men that we may anticipate a final solution of such important problems in medicine as the cause of cancer, control of tuberculosis, cure of epilepsy, and relief of nutritional diseases.

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[Extract from article entitled "Scientific cooperation between chemists and bacteriologist," by Leo F. Rettger, professor of bacteriology—Yale Alumni Weekly, April 29, 1922.]

It must be apparent to everyone that for an ultimate solution of some of these problems the cooperation of investigators from different fields is necessary. Few, if any, scientists can become masters of more than one of these fields. The well-trained chemist may have acquired some of the principles of bacteriology, and may even be familiar with much of the ordinary technique of the bacteriological laboratory, but his chief interest is in the science of chemistry, and his grasp of problems, even chemical, which lie well within the domain of bacteriology must of necessity be limited. Conversely, the bacteriologist, even though he may have had thorough instruction in the various branches of chemistry, is far from being qualified to conduct researches in biochemical problems related to bacteria which demand the most extensive chemical training and experience on the part of the investigator. It can not be denied that for the successful prosecution of any fundamental research cooperation between different departments of branches of study is indeed necessary.

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[Extract from article entitled "Yale's pioneer chemist—Benjamin Silliman," by Edgar Fahs Smith, professor of chemistry in the University of Pennsylvania, and president of the American Chemical Society—Yale Alumni Weekly, May 12, 1922.]

The marvelous discoveries in chemistry during its entire history, but particularly during the recent decades, lead to the thought that training in this science should be a part of the business of every intelligent individual; further, that acquaintance with its achievements and epoch-making progress should extend to every class of men.

Medicine, through chemistry, will alleviate disease and suffering as never before. It is not alone in material comforts but in the things affecting life and health that chemistry has advanced by leaps and bounds. It brings riches, power, and uplift to nations giving it a real place among their activities.

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[Extracts from article entitled "The impressions of a European with respect to the status of chemical research in America," by Prof. Oskar Baudisch, research associate in biochemistry in the graduate school—Yale Alumni Weekly, May 12, 1922.]

Every educated American knows that organic and physiological chemistry have been cared for and developed during decades in other countries much more intensively than in America. I had never thought much about this matter in my early life until my interest was aroused somewhat recently by a professor of chemistry at an English university, who asked me shortly before my departure for America the following question: "Can you tell me why, from so many American universities, only a few first-class researches in organic chemistry are carried out?"

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There are naturally young chemists with the true spirit of research in America also, but their idealism will never be so strong and reach so far as to induce them to work several years without pay, because the title of professor is not so brilliant a goal for them to reach as it is to the academician of the Old World. To see his name printed in a publication is indeed a certain incentive to scientific work, but even that is no consolation for depriving oneself of the comforts of life, especially if he is going to be looked upon as a freak at the same time.

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[Extracts from article entitled "Opportunities for the chemist in industry," by Herbert R. Moody, professor of chemistry in the College of the City of New York and chairman of Chemists' Club Employment Bureau, New York City—Yale Alumni Weekly, May 12, 1922.]

The research chemist solves the perplexities of hitches in the even tenor of production; he answers the complaints of consumers by the removal of conditions that give them rise; he introduces efficiency in manufacturing procedure by his ever constant study for its improvement; he finds new uses for old products, and by raising the commercial dignity of humble things he endows with value what formerly was worthless.

* * * * * * *

The chemical engineer is a plant man of administrative capacity. He knows how to handle help, to maintain discipline, to develop loyalty, to reduce costs of production by the introduction of those conditions, whether of equipment, apparatus, or the disposition of labor, whereby the maximum output may carry the minimum burden of manufacturing cost.

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The demand for specially trained men is hard to fill. Students are advised to "major" along certain lines. It is with the greater difficulty that the bureau can find men to take positions involving working control of heavy acids, wood products, coke-oven by-products, textiles, dyes, rubber, soap, uncommon pharmaceuticals, perfumes, essential oils, storage and dry batteries, electrochemical products, hydrogen peroxide, etc.

[Extract from article entitled "The educational advantages of the national exposition of chemical industries," by Charles F. Roth, manager of National Exposition of Chemical Industries, New York City—Yale Alumni Weekly, May 12, 1922.]

In 1915 there were seven concerns making dyes in this country whose product amounted to about 7,000,000 pounds, having a value of $3,596,795. In 1920 there were 90 such concerns producing 88,263,778 pounds of dyes having a value of $95,613,749. The entire coal-tar chemical industry developed 183 concerns during this period whose products were valued at $135,482,100 in 1919.

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[Extract from article entitled "Petroleum research," by Carl O. Johns, director research division, development department, Standard Oil Co. of New York—Yale Alumni Weekly, May 12, 1922.]

Since the days of Silliman, petroleum research has lagged woefully behind the rapidly growing industry. The many technical problems arising in the refinery give the chemist but little opportunity for research of a fundamental nature. Most of our knowledge of the chemistry of petroleum is due to the efforts of German and Russian chemists and to a small scattered group in the United States, among whom is Prof. Charles F. Mabery, who for many years has devoted much of his time to the isolation of individual compounds from petroleum.

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[Article entitled "The chemist's part in the development of the cotton industry of the South," by David Wesson, technical director, the Southern Cotton Oil Co.—Yale Alumni Weekly, May 12, 1922.]

The average cotton crop of this country is normally about 12,000,000 bales of 500 pounds each. The fiber removes nothing from the soil, but in order to produce the fiber, which is attached to the seed, it is necessary to grow one ton of seed for every two bales of cotton. The seed, besides carrying 20 per cent of oil more or less, is rich in protein and carries considerable phosphoric acid and potash, which have to be replaced by fertilizer in some form. The demands of the cotton fields, together with discoveries of the large phosphate deposits of the South, have been responsible for building up the large fertilizer industry of that section of the country.

As late as 1875, most of the cotton seed was either composted for fertilizer or thrown away. Prior to 1860 laws were passed in some of the States imposing fines for throwing the seed into the watercourses. It was a nuisance, especially if left in piles until decomposition set in. About 1830 one or two small mills started up, and there were several in operation about 1860, but it was not until 1870 that the industry began to grow.

In 1879 the chemist appeared on the scene. He analyzed the seed and showed its value in oil and protein. He also analyzed the cake and meal, which were used for cattle food, and the ashes of the hulls, which were burned under the boilers in those days, and showed their value in phosphoric acid and potash for use in fertilizer. His chief work was in refining the oil and attempting to rationalize the rule-of-thumb method of adding caustic soda, which besides removing the impurities from the crude oil converted much of it into soap. The "foots," as the residue was called, was almost worthless, but methods were found to wash out the impurities with alkali and salt, and convert the fatty matter into a useful soap, suitable for laundry and scouring purposes and for use in washing powders.

Converting the dark red crude oil into a yellow oil was not sufficient greatly to extend its use. According to the quality of the crude, the yellow oil was sometimes sweet, sometimes rank in flavor, and attempts to utilize it for domestic purposes succeeded only in creating strong prejudices against cottonseed oil in general. The chemist found that filtering with fuller's earth removed most of the color, but left behind what is known as an earthy flavor. This put a limit on the use of the oil in any great quantities for food, though a great deal found its way into the soap kettle.

About 1893 it was found that by treating this oil with superheated steam most of the bad flavor was removed and the oil greatly improved for edible purposes. In 1899 the discovery of the Wesson process, which converted all kinds of cottonseed oil into a tasteless and odorless product, put cottonseed oil strictly into the edible class and removed it from the soap kettle. Cottonseed oil is now used mostly for salads and cooking and for the manufacture of vegetable shortenings. It is in the production of the latter that the chemist has shown his greatest skill.

About 1880 refined cottonseed oil was used in small quantities as an adulterant of lard. As refining methods improved as much as 40 per cent was used in the compound, to which beef stearin was added to offset the softening effect of the oil. About 1887 Congress started an investigation to find out why more lard was shipped from Chicago than could possibly be made from the hogs slaughtered there, and found the cause in the cottonseed oil used. The product was then branded "lard compound." When deodorizing was discovered in 1893 it became possible to leave out the hog lard and use only cottonseed oil and beef fat. The use of oil made by the Wesson process greatly improved the quality of the product and raised the standard. In 1910 the introduction of the hydrogenation process made it possible to eliminate beef fat, so the leading shortenings of to-day are strictly vegetable, and their popularity is so great they use up 70 per cent of the entire oil production.

In 1887 the first systematic chemical analysis of seed and mill products was started in Chicago. This laid the foundation of chemical control of the oil-mill business and saved the industry millions of dollars every year by increasing the efficiency of millwork. In the early days of the industry the products were sold on looks, smell, and taste. Now they are handled on chemical analysis. The cottonseed soap stock is now used for the distillation of fatty acids and the production of a special pitch largely used in the manufacture of paints and roofing.

As previously indicated, the cottonseed hulls used to be burned under the boilers of the oil mills. To-day it is the practice to remove from 2 to 10 per cent of short fiber from the seed before separating the hulls. The better qualities of fiber are used for batting, upholstery, etc., while the shorter fiber is being used in paper instead of rags. The cake and meal are very concentrated cattle food, and researches now being made seem to indicate that they may be developed into a valuable human food. During the crop year 1921–22, with only 8,000,000 instead of 12,000,000 bales, the seed added, at current price of $40 per ton, about $160,000,000 to the value of the cotton crop.

In the milling of the seed and the manufacture and selling of its various products employment is given to 20,000 workers and 5,000 officers and salaried employees. This development has been largely due to the activities of the chemist in supplying daily necessities from a waste product, and thereby adding to our national wealth and furnishing means of livelihood to thousands of people.

[Extract from article entitled "The future methods of manufacturing organic chemicals, by Dr. E. K. Strachan, chemical engineer, Buffalo, N. Y.—Yale Alumni Weekly, May 12, 1922.]

I imagine that the future industrial organic chemistry of America will depend on plant breeding and culture, bacterial action, catalysis, electrochemistry, and new chemical machinery. Those chemical processes afford promise of future greatness which are most conservative of power and material and labor. The most conspicuous of such processes are the life processes; it is they that are the most efficient. Why not grow our chemicals? Plant breeding has yielded a variety of corn rich in starch, also a variety rich in oil. The sugar beet, as everyone knows, was developed years ago to yield many times the amount of sugar that it did in its natural state. Plant breeding of indigo has recently improved natural indigo to a point where perhaps it will compete with manufactured indigo in shade and price. These performances are all tame compared to the achievements of Burbank. Organic chemistry needs a chemical Burbank.

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[Extract from article entitled "A message from a southern university," by J. R. Bailey, professor of organic chemistry, the University of Texas—Yale Alumni Weekly, May 12, 1922.]

There is no denying the fact that many of the important problems in medicine awaiting solution demand talent of extensive training in the fundamental sciences and require a technique in the methods of research such as only post-graduate work in pure science offers. Chemistry at Yale, in cooperation with physiological chemistry, pathology, bacteriology, and pharmacology can in many ways contribute to the alleviation of human suffering, but their greatest combined service lies in turning into medical research men qualified for such a difficult task. It is one of the higher duties calling the universities to real service to train to the highest point of efficiency scientists to enter the fight against the ravages of cancer, tuberculosis, and other malignant diseases that to-day baffle medical skill.

The VICE PRESIDENT. The question is on agreeing to section 321 as reported by the Committee on Finance.

Mr. KING. I ask for the yeas and nays, Mr. President.

The yeas and nays were ordered.

Mr. KING. A parliamentary inquiry. A vote "yea" is a vote for the embargo?

The VICE PRESIDENT. A vote "yea" would be for the section reported by the Committee on Finance, the question being on agreeing to the amendment to insert section 321.

The Assistant Secretary proceeded to call the roll.

Mr. EDGE (when his name was called). I transfer my general pair with the senior Senator from Oklahoma [Mr. OWEN] to the junior Senator from Vermont [Mr. PAGE] and vote "yea."

Mr. HARRISON (when his name was called). I transfer my general pair with the junior Senator from West Virginia [Mr. ELKINS] to the senior Senator from Missouri [Mr. REED] and vote "nay."

Mr. MOSES (when his name was called). I have a general pair with the junior Senator from Louisiana [Mr. BROUSSARD]. He being absent, I transfer that pair to the senior Senator from Wisconsin [Mr. LA FOLLETTE] and vote "nay."

Mr. NEW (when his name was called). I transfer my pair with the senior Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from Michigan [Mr. NEWBERRY] and vote "yea."

Mr. ROBINSON (when his name was called). I have a pair with the senior Senator from West Virginia [Mr. SUTHERLAND], which I transfer to the senior Senator from Nebraska [Mr. HITCHCOCK], and vote "nay."

Mr. SHIELDS (when his name was called). I transfer my pair on this question from the junior Senator from Missouri [Mr. SPENCER] to the Senator from Montana [Mr. MYERS], and vote "nay."

Mr. SMITH (when his name was called). On this vote I have a pair with the Senator from New York [Mr. WADSWORTH]. I transfer that pair to the Senator from Nevada [Mr. PITTMAN], and vote "nay."

Mr. TRAMMELL (when his name was called). I transfer my pair with the senior Senator from Rhode Island [Mr. COLT] to the junior Senator from Rhode Island [Mr. GERRY], and vote "nay."

Mr. WATSON of Indiana (when his name was called). I transfer my pair with the Senator from Mississippi [Mr. WILLIAMS] to the senior Senator from Pennsylvania [Mr. CROW], and vote "yea."

The roll call was concluded.

Mr. SIMMONS. I wish to announce that if the Senator from Missouri [Mr. REED] were present he would vote "nay."

Mr. FERNALD. I transfer my pair with the senior Senator from New Mexico [Mr. JONES] to the Senator from Maryland [Mr. WELLER], and vote "yea."

Mr. MCNARY. My colleague [Mr. STANFIELD] is temporarily absent from the city. He is paired on this vote with the junior Senator from Washington [Mr. POINDEXTER]. If my colleague were present he would vote "yea," and the Senator from Washington would vote "nay."

Mr. CAMERON. I have a pair with the junior Senator from Georgia [Mr. WATSON], and, being unable to secure a transfer,

I am compelled to withhold my vote. If permitted to vote, I should vote "yea."

Mr. HARRIS. My colleague [Mr. WATSON of Georgia] is absent on account of illness. If present, he would vote "nay."

Mr. CURTIS. I wish to announce that the Senator from Vermont [Mr. DILLINGHAM] is paired with the Senator from Virginia [Mr. GLASS].

The result was announced—yeas 32, nays 38, as follows:

YEAS—32.

Ball	Fernald	Lodge	Phipps
Brandegee	France	McCumber	Rawson
Bursum	Frelinghuysen	McKinley	Shortridge
Calder	Gooding	McLean	Sterling
Curtis	Hale	McNary	Townsend
du Pont	Jones, Wash.	New	Warren
Edge	Ladd	Oddie	Watson, Ind.
Ernst	Lenroot	Pepper	Willis

NAYS—38.

Ashurst	Harrison	Nicholson	Smith
Borah	Heflin	Norbeck	Smoot
Capper	Johnson	Norris	Stanley
Caraway	Kellogg	Overman	Swanson
Culberson	Kendrick	Pomerene	Trammell
Cummins	Keyes	Ransdell	Underwood
Dial	King	Robinson	Walsh, Mass.
Fletcher	McCormick	Sheppard	Walsh, Mont.
Harreld	Moses	Shields	
Harris	Nelson	Simmons	

NOT VOTING—26.

Broussard	Glass	Owen	Sutherland
Cameron	Hitchcock	Page	Wadsworth
Colt	Jones, N. Mex.	Pittman	Watson, Ga.
Crow	La Follette	Poindexter	Weller
Dillingham	McKellar	Reed	Williams
Elkins	Myers	Spencer	
Gerry	Newberry	Stanfield	

So the amendment of the committee was rejected.

Mr. McCUMBER. Mr. President, to conform other sections of the bill to the action of the Senate, I move that the Senate reject paragraph (d) on page 275, down to paragraph (e) on page 276. That is the paragraph providing for the additional year.

The VICE PRESIDENT. The amendment will be stated.

The ASSISTANT SECRETARY. The committee proposed to insert on page 275 a subdivision, (d), beginning with line 11 on page 275, down to and including line 6 on page 276.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was rejected.

Mr. LENROOT. Mr. President, before the vote was taken I intended to ask to have placed in the RECORD a letter from the president of the Newport Chemical Works, which has a large dye plant in Wisconsin, involving an investment of upward, I think, of $6,000,000. Before arriving at my conclusion as to how I should vote upon this question, I was anxious to know whether that company was in any way connected with any other company and as to the existence of any monopoly within the United States. I have this letter from the president of the company, denying any connection whatever with any other company; and I ask unanimous consent to have it printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The letter is as follows:

NEWPORT CHEMICAL WORKS (INC.),
Passaic, N. J., June 6, 1922.

Hon. IRVING L. LENROOT,
United States Senate, Washington, D. C.

DEAR SENATOR LENROOT: I am writing this letter in confirmation of my verbal advice to you Saturday that neither the Newport Co. nor the Newport Chemical Works has the slightest connection in any way, shape, or manner with any other dyestuff or dyestuff intermediate manufacturing concern.

As I explained to you, the recent newspaper reports of the transfer of the holdings of some of the Schlesinger heirs has not effected an alliance with any other chemical manufacturing concern but was simply an exchange of ownership of some of the stock in the company, which has not affected the direction of the company's affairs in any way.

If there is any additional or more specific information you desire in connection with any of our operations I shall be glad to furnish it.

So far as any charges of there being a monopoly in the organic chemical industry in this country are concerned, they are utterly unfounded. Competition is very keen among all manufacturers.

Yours respectfully,

C. N. TURNER, *President.*

Mr. McCUMBER. Mr. President, I now desire to return to paragraph 902, on page 122.

The VICE PRESIDENT. The amendment will be stated.

The ASSISTANT SECRETARY. On page 122, paragraph 902, cotton and sewing thread, on line 6 the committee proposes to strike out the word "thread" and to insert the same word with a comma and the following words:

One-half of 1 cent per hundred yards.

Mr. SHORTRIDGE. Mr. President, I had intended to make a few remarks in regard to the item which has just been disposed of. There has been so much misstatement of facts, so many feeble attempts at sarcasm and irony and epigrammatic expression, there has been so much distortion of the facts in relation to this American industry that later during the session, when the bill comes before the Senate, if for no other reason than to spread the facts upon the record, I propose under the rules, and I hope in proper fashion, to lay something before the Senate in respect of matters which are of great importance to the American people. I propose to lay before the Senate sworn testimony of honorable, patriotic American citizens in respect of the question of a trust in this industry, and I propose to lay before the Senate and the country sworn testimony as to each and every step taken by the various companies or organizations or foundations which have been referred to during the discussion which has gone on here during the last day or two.

I say this not in anger; I say it with regret, because I feel that certain Senators who have voted upon this proposition have not been and are not fully advised. I am persuaded they have not had opportunity to ascertain the facts, which should be known. Perhaps I myself am somewhat to blame. As Senators will recall, there was a committee appointed to investigate this matter. That committee was charged with the duty of inquiring, first, whether there was or is a monopoly in the dye or chemical industry in America; second, of inquiring into the activities, legal or illegal, of anyone interested in that supposed or alleged monopoly; third, of inquiring as to the activities, legal or illegal, of any resident or foreign person interested in a monopoly or in bringing about special legislation in aid of any monopoly or any private interest, and generally to investigate the dye and chemical industries of the United States, with a view of recommending legislation. That committee took a great deal of testimony, and I wish to advise Senators now that there was not one witness—not one—who testified that there was or is anything approaching a monopoly in this industry. Upon the contrary, each and every witness, though differing, it may be, upon other matters, testified that there was active, and, as they termed it, cut-throat competition.

Mr. FLETCHER. Mr. President, may I inquire of the Senator whether the committee has ever reported that testimony, or made any formal report of its findings?

Mr. SHORTRIDGE. I answer categorically, no. The testimony is being printed and will be in the hands of Senators within a few days, possibly by Monday.

Mr. FLETCHER. I asked because I had never seen a report, and did not know what the fact was in that regard.

Mr. SHORTRIDGE. It was my intention to make some remarks on the subject matter, remarks somewhat in the nature of an oral report, a written one, hereafter to be submitted, but I deferred to the suggestion of others. I have now troubled you too much. I rose merely to say that in the interest of the facts the work of the committee should be made very clearly known to the Senate; and even at the expense of time, if others do not do so, I shall ask the indulgence of the Senate to submit something in the nature of a report, supported by a considerable portion of the sworn testimony that was taken by this committee. Senators are aware of the law, I assume, that witnesses appearing before a congressional committee are granted certain immunities, certain privileges; and out of abundance of caution these several witnesses were specifically asked to waive any privilege or any immunity which the statute gave, and to be sworn to testify. They severally waived any immunity or privilege which the statute gives, were sworn, and testified. They were open to direct and to cross examination, all of which will be made to appear very fully later on.

Mr. FRELINGHUYSEN. Mr. President, although I know it is not necessary to give notice, I feel at this time that it might be proper for me to state that I shall offer these amendments in the Senate, feeling that when some Senators who have opposed the embargo realize the effect that it will have not only on the industry but also upon our policy of national preparedness, they may change their viewpoint. I therefore give notice that the two amendments which have been voted down to-day will be reoffered in the Senate.

Mr. KING. Mr. President, I am not surprised at the action of the able Senator from New Jersey [Mr. FRELINGHUYSEN] in signifying his intention to again present the question of an embargo upon dyes, medicines, chemicals, and other products to the Senate, but I venture to assert that no greater success will attend his efforts than he has met with to-day. I believe that as Senators study the questions involved, the more satisfied they will be with the action just taken by the Senate upon this subject. I also am firmly convinced that the more the public become acquainted with the vice and evils of the proposed embargo, the greater will be their opposition to it, and the

greater will be their satisfaction at the refusal of the House to grant an embargo, and the position just taken by this body.

The junior Senator from California [Mr. SHORTRIDGE] has just indulged in criticism of those who have opposed the embargo. Of course, I can not state with accuracy who are included within the circle of his condemnation, but I presume he particularly referred to the Senator from New Hampshire [Mr. MOSES] and to myself, because we are the only two who have spoken against the embargo proposal since it was presented for consideration yesterday morning. If I understood the Senator from California, he entertains the view that the presentation made by the Senator from New Hampshire and myself, if not others, was inaccurate.

Let me say to the Senator from California that in my opinion the junior Senator from New Hampshire can support the statements which he made, and I shall be ready at all times to vindicate the position which I have taken in respect to this measure and to offer competent evidence in support of the facts submitted.

The Senator may take such position as he pleases regarding the matter and may make such observations as he feels impelled. I am familiar with the questions involved in the dye embargo, and know the facts concerning the organizations which have sought legislation and particularly have endeavored to procure an embargo not only upon dyes but upon medicines, pharmaceuticals, drugs, and various chemical products. I have no doubt as to the correctness of the position which the Senator from New Hampshire has taken, and I am entirely satisfied with my opposition to what I regard as an un-American and as a very improper and unwise policy.

The question of whether there is a Dye Trust is important, but it is not the paramount or the controlling question presented in the proposal to establish an embargo not only upon dyes but upon all synthetic organic chemicals. Of course, the Senator from California is entitled to his views, and I have no quarrel with him because of his opinions, political, economical, or otherwise. He may believe, from what investigation he has made, that there is no monopoly or that an embargo is a proper thing.

I, upon the other hand, believe, after careful investigation, that through the Dyes Institute and other organizations, as well as the activities of various domestic dye corporations producing dyes, medicinal, pharmaceutical, and other products, that there is a monopoly, or at least such monopolistic control of the dye industry as to constitute a monopoly in fact. Undoubtedly various organizations, such as the Dyes Institute, the Chemical Foundation, the Textile Alliance, and other organizations and associations, including the domestic dye manufacturers, have united and confederated together and have mobilized all possible forces to secure the enactment of an embargo law. Hundreds of thousands of dollars have been expended in an extensive propaganda to put over this embargo scheme, and no forces or interests seeking legislation have ever been so persistent and determined as those back of this embargo measure.

The Senator from California advises us that he will tell us what the facts are in regard to the dye industry and all cognate questions. We shall, of course, be delighted to hear him and will welcome any facts not brought to the attention of the Senate. May I add in conclusion that other Senators will undoubtedly, when the Senator has concluded, seek opportunity to present facts, not fancies, to the Senate. I think, however, that the vote just taken discloses that a majority of the Senate are familiar with the facts and need no further enlightenment.

Mr. SHORTRIDGE. Mr. President, I will state the facts from the sworn evidence. I will not rely upon rumor; I will not draw upon my imagination. I will confine myself to the sworn testimony of men presumed to speak the truth, and as to whose character or general reputation nothing truthful can be said impeaching. The testimony was very elaborate. It may be that the smiling Senator from Utah read it, and, reading it, understood it. I shall not rely upon my statement of facts but upon sworn evidence. There I let the matter rest.

Mr. SIMMONS. Mr. President, I rise for the purpose of reading a very short letter. I am going to read this letter because I have contended, with respect to the pending measure, as have those who agree with me, that the effect of these tariff rates, if they should be adopted, would be to increase the prices of the products upon which they are imposed, thereby increasing the cost of living.

Every day we are getting information which corroborates that prediction, and I have a letter from a large concern in my own State this morning with reference to plate glass, which I want to put into the RECORD. This letter is from the secretary-treasurer of the National Furniture Co., of Mount Airy, N. C., manufacturers of furniture. It is dated July 12, 1922, and reads:

NATIONAL FURNITURE CO.,
Mount Airy, N. C., July 12, 1922.

Hon. F. M. SIMMONS,
Washington, D. C.

MY DEAR SENATOR: I thought best to write you and give you some information and experience we are having to-day in the way of buying glass. The plate-glass people have advanced their product to such an extent that it has amounted to 10 to 15 cents on the foot. This is an unreasonable advance, and they will not sell a piece of glass to-day or take an order for it, except subject to prices prevailing at date of shipment. They claim that the demand and scarcity of glass and the cost forces the price up. Still there are several glass plants closed down now.

We have been informed by good authority that their whole demand on prices is the cost of freight and raw material. Now, the freight has been reduced, and nothing they use in manufacturing plate glass has advanced. Their labor has been cut. Still they have advanced their prices. We are of the opinion that the man who pays the highest price for glass to-day gets it.

We do not believe there is any justice in protecting these people with this high tariff and letting them control prices and impose on the people of our country. Glass is getting to such a price that it will be almost impossible for furniture dealers to use it, but they are forced to use it, and it is still going up. We do believe the Government should go to these plate-glass people, investigate them, and see how they are imposing on the people.

We are aware that you will have a hard time fighting this tariff. However, we believe you are in position to show the facts to the Government and expose these plate-glass people. We wish you could give us some information and protect the people of our country on the high price of glass.

Thanking you in advance for your kindness in this matter, we are,
Yours truly,

NATIONAL FURNITURE CO.,
A. E. SMITH, *Secretary and Treasurer.*

Mr. SMOOT. Mr. President, I ask unanimous consent that when the Senate recess to-day it shall recess until 11 o'clock on Monday.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. SMITH. Mr. President, the paragraph now under consideration is that pertaining to cotton sewing thread. The Senate committee proposes an amendment in reference to cotton sewing thread, to make the duty one-half of 1 cent per 100 yards. They make a distinction between the sewing thread and the crochet, darning, embroidery, and knitting cotton.

I am quite sure that in arranging these schedules the Senate desires to be informed definitely as to just what their effect will be upon the public generally. The effect of this amendment proposed by the Senate committee will be to exactly double the duty now imposed. The present rate of duty is 15 per cent. Under the compensatory duty provided for by virtue of the adoption of the amendment putting a duty of 7 cents a pound on Arizona cotton about 5 per cent will be added. That, added to the proposed rate, will make it, as worked out by the tariff experts, about 30 per cent, or just about double the present rate.

Mr. President, I want to submit some facts, not gathered from this country alone but from abroad as well, because all are aware that the manufacturers of this cotton sewing thread have their plants in the Old World and the new, and in reference to this particular article I have an extract from the Textile Mercury, of Manchester, England, dated November 13, 1920. The article is headed "Trusts and combines," and the subject discussed is "The future trend of industry." I quote now from this article:

Mr. Robert Donald, formerly editor of the Daily Chronicle and now managing director of the Yorkshire Observer and other papers, gave a lecture before the Bradford Textile Society on Monday, November 8, on the subject of "Trusts and Combines." Mr. Ward Parkinson presided.

Mr. Donald said this was a subject which he had studied for more than 30 years. The movement toward trusts and combines in England had received a great impetus during and since the war. We were at present living in a phase of industrial evolution which led to big businesses and combines and the creation of self-contained firms. He thought the next step would be some kind of State control for the limitation of the profits of trusts and combines and the protection of consumers.

SEWING COTTON.

After reviewing the causes which led to the formation of combines and citing among them the menace of nationalization, guild socialism, and syndicalism, Mr. Donald reviewed briefly various types of combines, taking as his text the reports of the Government standing committee on trusts. With regard to sewing cotton, he said Coats now controlled an international trust which gave the parent company a profit of £4,000,000 a year after paying income tax and excess-profit duty. Exclusive of investments unconnected with the general business, it earned a net return of 17½ per cent on its capital. Over 80 per cent of its trade was for export, and from the evidence given before the committee one might be led to suppose that it carried on a semiphilanthropic business in this country. There was no means of testing the company's claim to generosity in this respect, because it did not allow competitors to get a chance to show what they could do. Coats defied tariffs by getting behind them. The reel of cotton encircled the globe. The only way to break down such a monopoly would be for several of the large drapers to become their own manufacturers. There were many big combines of

drapers in the country, and they were the people who could fight a trust like this by manufacturing for themselves. Although Coats's profit on the capital was 17½ per cent, it was actually 40 per cent when account was taken of the capitalization of reserve, and so on.

Mr. POMERENE. The article the Senator has just read refers to the "parent company." Does that mean the parent company in the United States or the parent company in Great Britain?

Mr. SMITH. The parent company in Great Britain. It has its subsidiaries in this country.

I now read a short article from the Journal of Commerce:

[From the Journal of Commerce.]

POINTED QUESTION ASKED ABOUT PRICE OF THREAD—HUGE MILL PROFITS AFTER PAYMENT OF HEAVY TAXES.

In the House of Commons recently it was stated by Mr. McCurdy, "We mean to find out why a reel of cotton costs 7½d." Apropos of this text, the London Chronicle publishes the following concerning recent showings:

"Housewives all over the country will learn with interest that J. & P. Coats, the huge Paisley cotton and thread manufacturers, have disclosed the fact that in their last year's trading they made a profit of close upon £4,000,000.

"This profit was made after paying excess profits duty, which probably runs into hundreds of thousands of pounds.

"The following table shows the profits earned and dividends paid during the past three years and those for the last complete year before the war:

Years.	Profit.	Dividend.
		Per cent.
1918–19	£3,399,400	40
1917–18	3,171,800	30
1916–17	3,360,950	30
1913–14	2,634,400	30

"In addition to providing for dividends, the directors propose to place £750,000 to war contingencies fund, £150,000 to marine and fire underwriting account, and £250,000 to pensions fund to form the basis of an enlarged scheme for workers. Even then there is only a slight reduction in the large carry forward at £2,299,400.

"Apart from this carry forward and the pension fund, J. & P. Coats now have various reserves amounting to over eleven millions sterling. A portion of this sum is to be capitalized and it is generally expected in the city that holders of ordinary shares will get a 100 per cent share bonus."

So much for the J. & P. Coats Co. In our own country, from the American Wool and Cotton Reporter, Boston, New York, and Philadelphia, February 16, 1922, we find the following very enlightening facts in regard to this poor, struggling industry, which needs a doubling of duty to 30 per cent. I want to read something about what they made under the Payne-Aldrich rates and under the Underwood-Simmons rates, none of which were as high as the proposed amendment offered by the Senate committee. I quote now from the American Wool and Cotton Reporter. I want to put into the RECORD a brief statement with reference to the American Thread Co. and what they did on a capital stock of $6,000,000. They were incorporated March 10, 1898, in New Jersey, combining previously independent thread plants located at Fall River and Westerly, R. I., and Willimantic and Glasgo, Conn. The plants just mentioned are now in operation. The others taken over were abandoned. I shall have incorporated in the RECORD without reading the names of all that were taken over and incorporated in this way with a capital stock of $6,000,000.

These are the earnings made by this company on an investment of $6,000,000. I will state in passing that in 1920 they enlarged their capital stock to $12,000,000, but the figures I am quoting are upon their investment of $6,000,000. Income record covering nine years, beginning with 1920—I wish there were more Senators present to hear these facts as I state them.

Mr. STANLEY. Mr. President, I regard this statement as very important. I wish the Senator would yield to me to suggest the absence of a quorum.

Mr. SMITH. Oh, no; I do not think it is necessary. The statement will go into the RECORD. My observation is that when a Senator suggests the absence of a quorum it simply takes time, because Senators come in and answer to their names and vanish.

Senators will bear in mind that these are profits based on a capital investment of $6,000,000.

For 1920 the profits were $4,587,282; dividends, $1,594,524; reserves, $2,100,000.

For 1919 profits were $3,024,478. I am just going to read the profits and will have the figures complete inserted in the RECORD.

Mr. SMOOT. Mr. President, has the Senator the profits for 1921?

Mr. SMITH. No.

Mr. SMOOT. There would be quite a difference shown.

Mr. SMITH. I do not think they needed any profits in 1921. I do not think they will ever need any more profits. I think they could make sewing thread for the balance of the natural life of the world and live on the profits they have already made. Just listen to this:

Profits in 1919, $3,024,478; 1918, $5,008,823; 11 months in 1917—I do not know why they put that, but I am reading from the record—$2,169,000; profits in 1916, $2,311,593; in 1915, $1,531,377; in 1914, $2,086,115; in 1913, $1,683,463; in 1912, $1,366,775—and all this upon an invested capital of $6,000,000. The aggregate is startling. No wonder that they propose to enlarge their business by investing another $6,000,000 in the business out of profits and then mulct the people who have to buy thread with a profit upon the profits.

After having read the article that I have emanating from a foreign source, showing what the J. & P. Coats people have made, I want to finish the comparison by turning to our own American concerns, where we find that in the way of profits and in the way of tremendous reserves and dividends they duplicate their English associates. Against whom do we propose to protect ourselves? They are entrenched in Europe and entrenched in America. As the letter said which I just read, they are an international trust. When you put your tariff on, against whom are you protecting yourselves? There are no competitors; they are all practically in one combination. Raise your tariff or lower your tariff, they dictate the price to the world. As the article said which I read from the Manchester Mercury, we do not know what would be the result if we had any competition, but we have no competition.

Now I want to read from the same publication as to the J. & P. Coats people. I am quoting now from the same American authority in reference to the J. & P. Coats people, as follows:

The thread firm of J. & P. Coats (Ltd.), of England, has announced that its profits for the year ending June 30, 1919, amounted to $18,976,372, compared with $15,435,540 in the previous financial year and $12,820,249 in 1913–14. The dividend now announced is 40 per cent, against 30 per cent in the two periods mentioned. During the war a contingency fund has been formed aggregating $13,382,875, including $3,649,875 added this year, while $1,216,650 has been set aside as a basis for an enlarged pension scheme. In June, 1914, the undivided profits carried forward amounted to $4,946,763; this has now been increased to $11,189,972.

* * * * * * *

I want to have this entire matter placed in the RECORD in connection with my remarks, if I may have permission.

The VICE PRESIDENT. Without objection, permission is granted.

The matter referred to is as follows:

American Thread Co.: Incorporated March 10, 1898, in New Jersey, combining previously independent thread and yarn plants located at Fall River, Mass.; Holyoke, Mass.; Westerly, R. I.; Willimantic and Glasgo, Conn. The above plants are now in operation. Others taken over were abandoned.

New York, N. Y. Robert C. Kerr, president; F. E. Kaley, E. Martin Philippi, Charles E. Barlow, vice presidents; J. G. Wylie, treasurer and secretary; A. L. Zimmerman, comptroller.

Directors: Charles E. Barlow, Frank E. Kaley, Robert C. Kerr, E. Martin Philippi.

Mills as follows: Glasgo Mills, Glasgo, Conn.; Willimantic Mills, Willimantic, Conn.; Kerr Mills, Fall River, Mass.; Hadley Mills, Holyoke, Mass.; Merrick Mills, Holyoke, Mass.; William Clark Mills, Westerly, R. I. Selling agents: The Thread Agency and The Yarn Agency, 260 West Broadway, N. Y.; Albany Building, Boston; 1015 Filbert Street, Philadelphia; 600 West Jackson Boulevard, Chicago; 1718 Washington Avenue, St. Louis; 57 Sansome Street, San Francisco.

Coats, J. & P. (Ltd.), of England, registered as a limited corporation in England, August 6, 1890, acquiring the cotton-thread business of a company of the same name at Paisley, Scotland; Pawtucket, R. I., and other manufacturing and selling establishments throughout the world. The title to the plant at Pawtucket is held by the Conant Thread Co., a Rhode Island corporation. In July, 1896, control was acquired of Clark & Co., with plants in Newark, N. J.; Jonas Brooks Bros.; and James Chadwick & Bros. These acquired concerns had plants in this country and in Great Britain. J. & P. Coats (Ltd.) were in control of the so-called Thread Trust, dominating the thread business of the world. By a legal decision in 1914 this company was required to dispose of, before January 1, 1915, any interest it held in the American Thread Co. and the English Sewing Cotton Co.

Capital stock, £2,500,000 cumulative preferred shares of £10 each, entitled to 6 per cent dividends, payable semiannually, December 31 and June 30; £3,000,000 preferred ordinary stock entitled to non-cumulative dividends of 20 per cent per annum, payable quarterly, December 31, etc.; £4,500,000 ordinary or common share of £1 each. Dividends on the preferred shares have been paid since issued and on the common share in recent years at the rate of 20 per cent in 1901 through 1905; 1906, 20 per cent and 5 per cent extra; 1907, 20 per cent and 10 per cent extra; 1908, 30 per cent; 1909 through 1913, 30 per cent annually, with 5 per cent extra each year.

Dividends in 1914, on the preferred stock, 6 per cent; on the preferred ordinary stock, 20 per cent; on the ordinary, 30 per cent, with a bonus of 5 per cent extra on the ordinary shares in 1914.

Mr. SMITH. Further on in the article, and I wish to call particular attention to this, it is said:

It is now proposed to capitalize further reserves and to increase the capital of the company to $98,546,600 by means of issuing to ordinary shareholders 4,500,000 ordinary share of $4.86 each.

I think I have read enough and stated enough to convince the people who buy thread, the women who have to purchase at

the stores, and the clothiers of the country, the ordinary work-aday people, dependent in civilization on cotton sewing thread, the millions and millions of people from the lowest to the highest who are compelled to use this article.

We are proposing here to increase their 40 per cent dividends, to increase their startling surplus and profits, by doubling the tariff and giving them an excuse to cut down the number of yards on a spool and increase the price on the decreased amount of thread.

Mr. POMERENE. Mr. President, as I understand, under the present law the duty is 15 per cent ad valorem.

Mr. SMITH. Yes.

Mr. POMERENE. That has been increased under the pending bill so that, according to the schedule I have here, the minimum duty is 25 per cent and the maximum 45 per cent.

Mr. SMITH. Precisely, and when we take into consideration that under the compensatory duty which will be necessary, by virtue of the fact that we put 7 cents a pound on the long-staple cotton—and this thread is made from the long-staple cotton—there will be added 5 per cent to that, making it 30 per cent minimum and 50 per cent maximum.

Mr. SMOOT. Mr. President, I want to say to the Senator from Ohio that I intend to offer an amendment to reduce 25 per cent to 20, and that will mean simply an increase of 5 per cent above the present rate. Of course, no Senator is going to say that they are going to impose a duty of 7 cents a pound on long-staple cotton, with all of this yarn made out of it, and not give them a compensatory duty. The increase that will be made over existing law will be 5 per cent and the specific rates named will not reach the 20 per cent.

Mr. SIMMONS. Is that an illustration of about how much the 7 per cent duty on Egyptian cotton is going to result in increasing the rates on manufactured cotton?

Mr. SMOOT. I do not know to what the Senator is referring.

Mr. SIMMONS. I understood the Senator to say that he was going to move to add a certain amount as a compensatory duty on account of the duty imposed on raw Egyptian cotton.

Mr. SMOOT. Yes; it will be 10 cents a pound on finished cloth.

Mr. SIMMONS. The Senator is proposing to make that increase on this particular item as a compensatory duty; and I am asking the Senator if that is a fair illustration of the increases that will have to be made throughout the cotton schedule by reason of the imposition of a duty of 7 cents a pound on Egyptian cotton?

Mr. SMOOT. There is no doubt of it. On the manufactured articles it is proposed that there shall be a compensatory duty of 10 cents a pound, and it is required. If the Senator wishes me to figure it out, I can tell him just how it will apply.

Mr. SIMMONS. I do not wish the Senator to figure it out. I was simply asking for information whether this was representative of the increases that would have to be made in the rates on cotton goods, cloths, threads, yarns, and things of that sort by reason of the duty that is imposed on raw Egyptian cotton.

Mr. STANLEY. Mr. President——

Mr. POMERENE. Mr. President, if the Senator from Kentucky will permit me, while the Senator from Utah is on his feet, I merely wish to ask another question.

Mr. SMITH. I yield to the Senator from Ohio for that purpose.

Mr. POMERENE. This schedule indicates that there is a minimum duty of 25 per cent and a maximum of 45 per cent. The Senator from Utah has stated that he expected to move to reduce the 25 per cent rate to 20 per cent. What reduction will he propose, if any, in the maximum rate of 45 per cent?

Mr. SMOOT. My proposed amendment will reduce it to 35 per cent.

Mr. POMERENE. The Senator did not state that.

Mr. SMOOT. I want to say that naturally the manufacturers would like to have it without any maximum at all; they would like to have no limit; but supposing thread should fall in price to what it was, we will say, in 1906 and 1907, then the specific duties would apply, and the equivalent ad valorem would amount, as it did in 1910, to 43 per cent.

Mr. POMERENE. I have not analyzed that at all.

Mr. SMOOT. The maximum is a limitation. On these articles in 1910 the equivalent ad valorem was 43 per cent under the Payne-Aldrich law, but I do not want it to ever go above 35 per cent for the future.

Mr. POMERENE. The duty, then, was specific duty?

Mr. SMOOT. Yes.

Mr. POMERENE. And in terms of present-day prices, it would mean an ad valorem of 43 per cent?

Mr. SMOOT. It was 43 per cent on the prices of that date, but not on the prices of to-day.

Mr. POMERENE. What would it be on the prices of to-day?

Mr. SMOOT. That I should have to figure out, and it would take some little time to do that.

Mr. POMERENE. I am not asking the Senator to do that now.

Mr. SMOOT. But the maximum rate is imposed, so that if the prices should go down to the same point as in 1910 the rate shall not exceed 35 per cent. Unless a stop is provided, or a maximum, they would go above 35 per cent, and in no case does the committee want them to go above 35 per cent. I have called attention to the fact that in 1910 the equivalent ad valorem was 43 per cent.

Mr. SIMMONS. Mr. President, under the Payne-Aldrich Act the duty was a half cent a yard specific, with a minimum of 20 per cent.

Mr. SMOOT. But there was no maximum.

Mr. SIMMONS. Of course there was not.

Mr. SMOOT. And the equivalent ad valorem went to 43 per cent.

Mr. SIMMONS. The point that I want to make is that the actual duty collected amounted to 26.3 per cent. We start out now with 25 per cent, for even when the duty is reduced to 20 per cent the compensatory duty of 5 per cent makes it 25 per cent. Then, if the maximum is fixed at 30 per cent the compensatory duty of 5 per cent added would make it 35 per cent, so that the present rate of duty under which these ungodly and enormous profits have been made is more than doubled.

Mr. SMOOT. The Senator certainly is mistaken. The Senator will admit—I think he must admit—that the specific duties will not take effect, but the minimum of 20 per cent will be in effect in every case; there is no question about that. To-day the rates are 15 per cent, so that the committee proposal represents an increase of 5 per cent. About the only reason why I wish to insert the amendment providing a maximum of 35 per cent is this: If the conditions in the industry should be such that the prices of cotton thread should decline to the point they reached in 1910, 35 per cent is all they shall ever get instead of 43 per cent, as was the case in 1910.

The Senator referred to 26 per cent, but that was on skeins and tubes and combs.

Mr. SMITH. No.

Mr. SMOOT. If the Senator will look again closely—I do not know who prepared his tables for him—he will find that what I have stated is the fact.

Mr. STANLEY. Mr. President——

Mr. SMITH. I yield.

Mr. STANLEY. The Senator from South Carolina has very justly expressed regret that there is not greater interest in so vital a matter as an increase in the cost of sewing thread to the sewing women, to say nothing of the factories and mills of the country. The woman who is compelled to earn her livelihood with her needle has commanded the commiseration of mankind since Hood pictured her—

> In poverty, hunger, and dirt,
> Sewing at once with a double thread a shroud as well as a shirt.

That woman still sits in unwomanly rags, in poverty, hunger, and dirt, but these money-mad grabbers in the Imperial Valley after Federal plunder can not see her; they can not see her behind the Roosevelt Dam, and they can not see her in the cotton mills of Coats & Co.

The Senator from South Carolina is perhaps the best-informed man on all that pertains to cotton in or out of the Senate, and his contribution to the subject, vital and practical, is supported by his learning and his wealth of statistical information. I can assure him that if the Senate is indifferent the country is not, the sewing women are not, the press is not, the conscience and the intelligence of the American people are not indifferent to the fight which he is so gallantly making.

Think of it, Mr. President. It is proposed to impose a duty of 7 cents a pound upon long-staple cotton produced in one county in Arizona and in a little spot in southern California. One thousand six hundred and fifty bales of the long-staple cotton of American production is all that it utilized for thread purposes, while there are 40,938 bales of Egyptian imported cotton used for the same purpose; in other words, every time we give to the Salt River planter or the Imperial Valley planter 7 cents a pound on a bale of cotton we take 40 times 7 cents from the thread users of the United States.

Well may the New York World characterize such legislation as "piling up the abominations." I send to the Secretary's desk a short editorial from the New York World on this very subject, which I ask unanimous consent may be read.

The VICE PRESIDENT. Without objection, the Secretary will read as requested.

The Assistant Secretary read as follows:

PILING UP THE ABOMINATIONS.

Southwestward the course of tariff gouge and bunco takes its way on long-staple cotton. The sea islands of the Middle South used to hold, or try to hold, this place at the tariff swill trough, and Democrats from that region in Congress were not lacking who would sell their political birthright for this mess of pottage. But now the larger growth of the staple, minutely small against the bulk of American cotton production, which no tariff can possibly protect, has passed to Arizona and southern California, whose Senators of either party are showing greater power to jam their way into this line of porkers.

They have failed to get a duty of 15 or 10 cents a pound on such cotton, but they have won a duty of 7 cents, and this will suffice, as Senator STANLEY, of Kentucky, figures it, to take about $10,000,000 out of the pockets of the American people and hand over $600,000 or more to the growers working on land reclaimed by the Government at enormous cost. Nor is this reckoning unreasonable. A duty on long-staple cotton against Egyptian competition calls for compensatory duties on all cotton goods using long-staple fiber, after the manner of the iniquitous woolen schedule.

This action of the Senate is probably not calculated to make the tariff of abominations any more acceptable to the increasing number of insurrectionists on the Republican side of the Chamber. But if the country can not make itself heard loudly enough to stop this outrage where it is something is likely to drop at the polls next November which the responsible party will not only hear but feel.

Mr. SMITH. Mr. President, it is hardly necessary for me to add anything more to the figures which I have given as to the profits realized by the concerns engaged in this business.

Mr. SIMMONS. Mr. President, if the Senator will allow me, at the beginning of his remarks when he was stating the annual profits made by one of the big concerns engaged in manufacturing thread, the Senator from Utah asked him if he had the profits for the last year, I think.

Mr. SMOOT. I did not have the figures for the last year.

Mr. SIMMONS. The Senator from South Carolina stated that he did not have the figures as to profits for the last year. I do not know whether or not the Senator from Utah meant by that question that the profits of the last year had been greatly reduced as compared with the profits of the year before, which the Senator gave. I have no information about it.

Mr. SMITH. I have no information, Mr. President.

Mr. SIMMONS. But I have this, if the Senator will pardon me——

Mr. SMITH. Yes.

Mr. SIMMONS. I do not imagine there has been any falling off in profits, because we have heard so much in the newspapers recently, a sort of political propaganda, that everything was beginning to boom, business was on the upward grade, and so on, that I was a little surprised to hear even an intimation by implication that a live concern like this was making less profits now than it did last year; but what I wanted to call the Senator's attention to was that certainly there is absolutely nothing in the import situation with regard to these articles that would indicate any falling off in profits from competition.

I was just running over out of curiosity the last report for January, 1922; and I discover that for the seven months ending in January, 1922, the total imports of manufactures of thread and yarn on beams, in skeins, spool thread, crochet, darning, and embroidery cotton amounted to $3,650,065, as against $13,220,201 for the same period for 1921; so that the imports for 1922 have fallen off enormously from 1921. That is where the tariff connects itself with this proposition. There is nothing in the imports, therefore, that would furnish any ground for apprehension, of a falling off of the profits. The Senator from Utah may have some information upon that subject, and I shall be very glad to have him enlighten the Senate with regard to it if he has.

Mr. SMOOT. Mr. President, there is not a man in the United States but what knows that the high peak of profits was in the year 1920. All I have to do is to hand to the Senator this price list of goods at the time of the high peak of prices in May, 1920, and compare the prices of cotton goods of every kind with the prices on May 22 of this year and the Senator will see that in many cases they were not one-quarter the amount. They fell from the high peak many times to a third, sometimes to a half, and in instance after instance to a quarter of the price of the same goods in 1920.

Mr. SIMMONS. Mr. President, 1920 was the high peak with respect to certain industries in this country. That was true of all industries during the first 6 months, probably, of 1920. During the last 6 months of 1920 certain industries in this country had the most disastrous slump that has ever taken place in the history of this country. So far as an industry of this kind is concerned, I do not think there has been a very great recession from the high peak of 1920. Of course, there have been some reductions all along the line; but wherever we find an industry that, in itself, possesses the power to fix and maintain its prices, we have not found that there has been any great recession from the war-time prices.

Mr. SMITH. Mr. President, right at that point, I have from the Tariff Commission the very figures that we want.

Mr. SIMMONS. That is what I wanted to bring out.

Mr. SMITH. In 1914, the Tariff Commission report shows that 200 yards of cotton sewing thread was selling at wholesale for 3.92 cents. It retailed at 5 cents. In 1922, 120 yards wholesaled at 4.29 cents.

Mr. SIMMONS. 1922?

Mr. SMITH. 1922; so that you have 33⅓ per cent less thread at about a third of a cent higher for the spool.

Mr. SIMMONS. It is infinitely worse than I thought it was.

Mr. SMOOT. Oh, well; the Senator must stop now——

Mr. SIMMONS. I must not stop because the Senator from Utah tells me to stop. I had stopped, but the Senator from Utah must not command me.

Mr. SMOOT. The Senator puts a wrong construction upon the word "stop," and how it was said.

Mr. SIMMONS. Yes; I know it was said good-naturedly.

Mr. SMOOT. The Senator knows this——

Mr. SMITH. Mr. President, I yield to the Senator from Utah.

Mr. SMOOT. The Senator knows that the reason of that increase was the price of cotton. Now, we want to be reasonable; we do not want to go off here on a tangent; and the Senator from South Carolina knows that in 1914 the price of cotton was lower in comparison than the yarn itself, compared to those prices.

Mr. SMITH. Yes; but, Mr. President, the Senator must not forget that in 1920 cotton went lower than it did in 1913 or 1914.

Mr. SMOOT. I am not talking about 1920. The Senator quoted 1914, and then quoted 1922.

Mr. SMITH. Yes.

Mr. SMOOT. Nineteen hundred and twenty was not mentioned at all; and the price of cotton in 1922 was more than double what it was in 1914.

Mr. SMITH. Mr. President, the price of the character of the cotton that enters into the manufacture of this thread—I will get the table and submit the figures—was not appreciably higher than the average price of like cotton for a great number of years. I will get the tables and submit them. It must be remembered that this thread is made from the long-staple or extra-staple cotton.

Mr. SMOOT. I have said it a good many times.

Mr. SMITH. All right. I will get the prices and submit them here, showing that there is no such percentage of increase as you find where the price is increased from 3.92 cents to 4.29 cents, a reduction of 33⅓ per cent in the amount offered and an increase of about 25 per cent in the price obtained.

It is certainly evident that the increase in the price of thread can in no sense be justified by any such variation in the price of cotton. Let me state to the Senator, and he knows, that there is nothing that fluctuates as violently as cotton fluctuates; and here you have nine years of the record of this concern, with cotton varying anywhere, as every man at all familiar with the cotton business knows, from $5 to $50 a bale in a season.

Mr. SMOOT. And of course the wholesale prices which the Senator quoted vary, too?

Mr. SMITH. The wholesale prices of these trust goods were put up to a point where, in spite of any variation, they never made less than $2,000,000 a year profit on an investment of $6,000,000. They have put their margin so far beyond the ordinary fluctuations of the price of the raw material that they do not appreciably affect the tremendous dividends that they make.

I am going to have figured out the amount of cotton used in sewing thread, to see what per cent of the long-staple cotton crop of the world is converted into cotton sewing thread. I will venture a guess that it is not one one-hundredth part of the cotton crop.

Mr. SMOOT. Whatever it may be, it is all long-staple cotton.

Mr. SMITH. Exactly; and yet, as will be shown by the tables I am having computed now, the amount of money made on this little, infinitesimal part of the long-staple cotton crop is almost 10 per cent of the value of the entire cotton crop.

Mr. SIMMONS. The Senator gave the profits they made in 1920.

Mr. SMITH. Yes.

Mr. SIMMONS. The Senator from Utah says that cotton was exceedingly high in 1920.

Mr. SMOOT. No; I said the price of goods was exceedingly high. I had nothing to say about cotton.

Mr. SMITH. All right. Let us take 1918 and 1919. There can be no question about the peak of prices being in those two

years. Let us take them and compare them with 1920, 1916, and 1917.

The profits in 1920 were $4,587,000.
In 1919 they were $3,024,000.
In 1918 they were $5,008,000.
In 1917 they were $2,169,000.
In 1916 they were $2,311,000.

Then the other pre-war years maintain about the same parity—about $2,000,000 profit made each year upon an investment of $6,000,000.

Mr. SMOOT. With the reserves.

Mr. SMITH. The reserves were made out of the business.

Mr. SMOOT. Certainly.

Mr. SMITH. Of course, they were.

Mr. SMOOT. If the Senator makes, out of raising cotton, a certain amount of money and invests it in some stock that year because that stock pays a dividend, why should he next year charge the dividend up to the raising of cotton?

Mr. SMITH. You are simply capitalizing your profits and compounding your interest——

Mr. SMOOT. So does the Senator compound his interest every time he makes an investment from his savings.

Mr. SMITH. It is not a question of investment.

Mr. SMOOT. It is a question of investment. Instead of investing in some stock or other, they invest in the business that they are in.

Mr. SMITH. They duplicated their stock. There is no evidence here that there was any great enlargement of the business out of the capital paid, because part of the time the J. & P. Coats people declared profits of 40 per cent and the rest of the time 30 per cent.

Mr. SMOOT. J. & P. Coats & Co. are in another country, not in the United States.

Mr. SMITH. They have their branches here. They have their connections here.

Mr. SMOOT. They sell their goods here.

Mr. SMITH. Yes; and they have their manufacturing establishments here, too.

Mr. SMOOT. And, of course, if we had no duty whatever upon the product, J. & P. Coats would control the market here.

Mr. SMITH. I am glad the Senator made that observation. It is a very significant and curious fact that all the sewing thread made by the American Thread Co. and the J. & P. Coats people has the same amount of cotton to the spool and is sold at identically the same price in this country and abroad.

Mr. President, I have given these facts to the public. Now the Senate proposes, without going any further into this matter, to amend the House proposition by putting on sewing thread a tax of one-half of 1 cent per 100 yards and then making it the beneficiary of the duty of that paragraph to the extent of not less than 25 per cent as a minimum or 45 per cent as a maximum, instead of 17 to 33⅓ per cent as the House bill provided. Why the committee put in the maximum of 45 per cent, knowing that cotton thread is never going to go down to a point where the maximum of 45 per cent would apply, I do not know. The average under the Dingley Act and through all the history of it was only 26.3 per cent, and why put that extra flourish there?

Mr. SMOOT. Does the Senator want the maximum to go out entirely?

Mr. SMITH. I want the maximum to go out and a 15 per cent duty put in. That covered it before; it will cover it now. The fact of the business is that I believe, from the showing made by the thread people, both American and foreign, that we would be justified in calculating just what would be a good revenue duty, based on the amount of thread which comes here, and I would apply that and no more. They have a monopoly of the thread business of the world, and if the duty were raised it would only encourage them to raise the price. They have an absolute monopoly of the thread business of the world, and, as this English writer says, until we break the stranglehold of this trust on the people of the world by Government interference in the form of nationalizing the business and taking it over, which is contrary to the genius of our Government, there will be no hope of any redress. What will be the effect of a duty under such circumstances? Recognizing that they have a monopoly of the world's production of sewing thread, they can at their own sweet will demand any price, without fear of competition or without fear of any interference. When you raise the duty, what effect does it have? It simply has the effect of giving them an excuse to raise the price still higher and reduce the number of yards on the spool. Therefore, we, as sensible men, should legislate here in the face of the actual facts and not on theory; on an actual condition, recognized by England and America, that we are in the grip of the most perfect monopoly known to the world. We perhaps may raise the duty and give them an excuse to still further mulct the people of the world who need this article.

It is up to the Senate. Here are the figures, produced by the friends of the industry, or at least from impartial reports, the American wool and cotton reports. Here are the letters I put in the RECORD from the patriotic men of England, unanimous in their denunciation of this absolute trust. Yet in this tariff bill we double the former rate of duty under which they made these profits. You encourage them to still further increase their predatory prices to the people.

Mr. SMOOT. We have heard about doubling the rate of duty so many times that it seems to me it is perfectly useless to try to answer that statement any further than we have already answered it. There is no doubling of the rate of duty; no such thing is intended; no such result will happen if the amendments proposed by the committee are agreed to. The maximum ad valorem provided for in this bill is 25 per cent, as reported to the Senate. I have already announced twice during the discussion that the committee will propose at the proper time to reduce that 25 per cent to 20 per cent.

In the act of 1909 there was imposed a duty of 6 cents per dozen on spools, rolls, or balls not exceeding 100 yards and a minimum of 20 per cent. The minimum cut no figure at all because of the fact that the ad valorem equivalent of the specific rates was 43 per cent. That was in the year 1910.

Mr. POMERENE. Mr. President, this question has no direct bearing on this subject, but can the Senator tell me why that rate was made as high as 43 per cent?

Mr. SMOOT. In the case of the rate of 6 cents a dozen, the specific rate, when reduced to the equivalent ad valorem, amounted to 43 per cent, according to the price of 1910.

Mr. POMERENE. I understand that thoroughly, but I am asking why it was made so high at that time? What reason could be urged in favor of a duty so high as that?

Mr. SMOOT. It was at that time supposed to be required for protection. The Senator from South Carolina says there is but one company making thread in the United States. I have here a list of 55 of them. I am not going to put it into the RECORD, but I have it here on my desk.

If the committee amendments are agreed to, the minimum rate will be 20 per cent, and I say that, without a question of doubt, no specific rate will apply, but the minimum of 20 per cent will apply, on to-day's prices. I insisted, as a member of the Finance Committee, on the amendment putting a maximum rate in the bill, because if there was no maximum rate, but only a minimum rate, and the prices declined to what they were in 1910, the equivalent ad valorem would have amounted to 43 per cent again, and I did not want that to happen. Therefore, the committee provides that there shall be a maximum of 35 per cent, not 45 per cent.

A few days ago the senior Senator from Wisconsin read to the Senate a statement of the wonderful profits which had been made by the cotton mills in the United States. The same thing was announced in 1909, and we have heard it a great deal during the discussion of this tariff measure. They do not point to the mills which fail, but they take the companies which are the best managed and the most successful and compare the profits of all the other companies in the United States with the profits of those particular companies.

The Senator from North Carolina I think made a statement that the profits of all of these cotton manufacturers were beyond the dreams of avarice.

Mr. SIMMONS. Mr. President, I did not mean that every mill manufacturing cotton had made those enormous profits. I was speaking, of course, of the average run in the industry.

Mr. SMOOT. Of course, I may have misunderstood the Senator, but I do not think he qualified it. I take his word now that he meant only the average.

In 1914, right after the passage of the Underwood tariff bill, the Parker Cotton Mills of South Carolina, with 515,000 spindles and 13,000 looms, failed for nearly $6,000,000.

Some two years ago the Parker-Hargraves Mills, at Fall River and Warren, with 227,000 spindles, 5,400 looms, and $3,200,000 of capital, was unable to meet its obligations, and after having been closed for several months was reorganized and the original stockholders got substantially nothing.

Mr. POMERENE. Mr. President, I want to submit to my good friend from Utah that that is hardly a fair argument.

Mr. SMOOT. If the Senator had just waited, I was about to say that it is not a good argument, but it is exactly the same argument that was used in presenting the other side of the question.

Mr. POMERENE. Failures were even known to occur during the operation of the McKinley tariff law, the Dingley tariff law, and the Payne-Aldrich tariff law. A lot of people go into

business who perhaps do not understand the business, where a dozen and one things might cause failure. This tariff bill in its present form would not be a panacea for that kind of ills, I dare say.

Mr. SMITH. Mr. President, if the Senator will allow me a moment, some of the failures to which the Senator refers, together with failures in other businesses, could not be chargeable to a profit when the business was properly managed, because some of these mills, like some of our railroads, failed and went into the hands of receivers, not because they did not have the proper patronage, but because there was a manipulation of their affairs looking to the getting of stock—high finance wrecking roads and wrecking mills.

Mr. SMOOT. The Senator from South Carolina need not tell me that; I know it. I am not pointing to these facts now as an argument for free trade or against free trade. Failures, as the Senator from Ohio has said, would occur, no matter what the rate may be, or whether they had no rate at all; more, of course, in the latter case than in the former case. But I wanted the Senate to understand that when a broad statement is made, and a few of the most profitable concerns are pointed out as making profits in that line of business because of the passage of the tariff act, there is another side to the question.

I am not going to take the time to put in this long list of failures in the cotton business, some very serious failures, which have affected thousands and thousands of people, not only stockholders, but employees as well. For instance, I think there was an impression made on the Senate the other day, when the senior Senator from Wisconsin referred, on page 10082 of the RECORD, to the Whitman mills, and stated that what cost an investor $3,800 in 1895 would have brought him, at the time he was speaking, $8,034.

Senators just hearing the statement made probably would not realize that if the stockholders in the Whitman Mills had in 1895 taken the same amount of money which they invested in the mills and deposited it in a savings bank, drawing 4 per cent, they would have had just a little more than the $8,034 mentioned by the Senator from Wisconsin as the price which could have been obtained for the stock at the time he was speaking.

I do not want to repeat what I said when this schedule was up day before yesterday, and I do not know that it would make any particular difference in the vote. But with the changes made, I see no reason why the paragraph should not be agreed to by the Senate.

Mr. SIMMONS. Mr. President, I want to refer to one phase of this matter. I see here in the Tariff Commission report that in 1919 the production of cotton thread amounted to 58 096,000 pounds, valued at $57,000,000, in round numbers.

In the nine months of 1921 the imports of these cotton threads were only $1,392,000, a mere bagatelle. Now, the Senator from South Carolina has stated that one great concern controlled the output of this product in Great Britain and that the same concern controls the output in this country. That does not mean that they manufacture all of it in Great Britain or that they manufacture all of it in this country, but that they are the dominant figure; they control the trade and fix the prices, the other or smaller concerns following their lead. Here we have a minimum of imports, and we also have the fact—I take it that it is admitted—that our competitor in this line of business is Great Britain.

Now the Senator from South Carolina asks the very pertinent question. Against whom will we protect the chief producer, the dominant producer, in this country by these rates? He asserted, answering his own question, that we will practically protect him against himself, and that would seem to be the situation. But let us assume that is not the case, and that we are merely by these duties protecting the American producer against the British producer.

I ask the Senator if his committee is able to furnish the Senate any information showing the difference in the cost of producing this particular article in Great Britain and the cost of producing it in this country. Can he furnish the Senate the difference in the selling price of the article in the foreign country and in this country?

I am asking the Senator these questions because unless there is a difference a duty can not be justified and if there is a difference a duty can not be justified that would more than measure that difference. Now, if the Senator will pardon me just a little further, I am not sure about it, but my impression is that in this particular case the raw material is Egyptian cotton and the cost of production in the English mill would be that much less than the cost of production in the American mill.

Mr. SMOOT. There would be a disadvantage to the American manufacturer unless he had a compensatory duty to take care of it. The Senator knows that these threads are made of the very highest grades of yarn.

Mr. SIMMONS. That is the reason why he should have a compensatory duty to take care of the difference in cost when his competitor gets the raw material without paying that cost.

Mr. SMOOT. That is the very reason why. If I can buy my cotton 7 cents a pound cheaper than the Senator from North Carolina can buy his and make exactly the same goods I know that I can produce my goods much more cheaply than the Senator from North Carolina and can sell them for less than he can sell his goods.

Mr. SIMMONS. Why should there be any duty except that which measures the difference growing out of the fact that the American, after the bill is enacted into law, will have to pay a higher price for his raw material?

Mr. SMOOT. The 7 cents is on the raw cotton, and by the time that cotton is combed and spun and made into cloth, particularly the fine counts of yarn that go into spool thread, there is a loss of at least 42 per cent. That is why they are given 10 cents a pound instead of 7 cents on the finished product.

I want to say to the Senator that there never has been a tariff bill written, including the one of which he was partly the author, which did not impose a duty upon the yarn according to the count of the yarn, and the finer the yarn the higher the duty. That is given for the purpose of covering the difference in the cost of producing those yarns in England and in the United States.

Mr. SIMMONS. Now, I understand the Senator to say that 10 per cent of the rates which he proposes here——

Mr. SMOOT. Oh, no; the Senator did not understand me. I will say to the Senator that the 10 cents a pound is about equivalent to 5 per cent ad valorem.

Mr. SIMMONS. But that has been added in another section?

Mr. SMOOT. Yes.

Mr. SIMMONS. That is provided for in another section?

Mr. SMOOT. Yes. All we have done is this: The rate under the existing law is 15 per cent, and we add 5 per cent to that, making a 20 per cent duty on these yarns.

Mr. SIMMONS. Then in another section the committee have provided for the compensatory duty?

Mr. SMOOT. Yes.

Mr. SIMMONS. It is proposed to cut the 45 per cent maximum down to 35 per cent?

Mr. SMOOT. Yes.

Mr. SIMMONS. And it is proposed then to compensate for this difference by imposing a duty of 35 per cent. Now, the question I want the Senator to answer is whether he can enlighten the Senate as to the actual difference in the cost of producing this product in Great Britain, our only competitor practically, and in this country; and if he has not that data, then will he give the Senate information as to the difference in the foreign selling price of this product and the American selling price—I mean the manufacturer's price and with no wholesaler's profits added in either case?

Mr. SMITH. Mr. President——

The PRESIDING OFFICER (Mr. NICHOLSON in the chair). Does the Senator from Utah yield to the Senator from South Carolina?

Mr. SMOOT. I yield.

Mr. SMITH. I want to call attention to the curious or interesting fact that under the emergency tariff on the Arizona cotton, exactly the same that we have put now in the present bill, the kind of cotton used to make this grade, according to the monograph of the Tariff Commission, that with the duty the Egyptian cotton was selling higher in this country than its competitor, the Arizona cotton, and without the duty it was selling higher than even when they paid the duty. So that the result is that we do not get any Egyptian cotton at a lower price than the American cotton. I mean the American cotton does not rise to the Egyptian price. The Egyptian cotton is selling with the duty or without the duty higher than the American cotton sells for here. So that the only result will be, not encouragement to the American but the imposition of that total amount on the manufactures and the things that we import. If the Egyptian cotton were to come in here at an even price with the Arizona cotton by virtue of the tariff, there might be some excuse, but even with the duty or without the duty it sells at a higher price than the Arizona cotton.

Mr. SMOOT. The Senate has already decided to put 7 cents a pound on long-staple cotton. Whether it is right or whether it is wrong, that is the decision of the Senate. I want to say to the Senator from South Carolina that there is not a single

cotton manufacturer in all the United States who wanted 7 cents a pound on long-staple cotton.

Mr. SMITH. I want to make a prophecy—and a year from to-day, if this bill shall be enacted into law and go into effect, I shall have the opportunity of knowing whether my prophecy is justified or not. The Senator says no manufacturer wanted the 7 cents a pound on Arizona cotton. I make the prediction now that not a single Arizona cotton producer will get the 7 cents a pound either.

Mr. SMOOT. I do not agree with the Senator at all. I stated the other day, when the question came up as to whether the Arizona cotton was as good as the Egyptian cotton, that for some purposes it was. When it is desired to make automobile tires it is as good, but the finer grade of Egyptian cotton can only be grown in one kind of climate, and that climate is not in America.

That climate makes the fiber the finest of any in all the world, Arizona never will be able to raise it, and no other country than the country in which it is now raised. But that only applies to cotton that is required to make the finer yarns. That is the difference. There are certain grades of Egyptian cotton that are not any better than the Arizona cotton and some not as good. There is no doubt about that at all. Arizona cotton does not bring the same price as the finer Egyptian cotton, because the Arizona cotton can not be used for making as fine a thread. But Arizona cotton is just as good as any cotton that was ever grown in the world for the making of tire fabrics and all classes of cotton goods, with the single exception of goods requiring the very finest of threads.

As I said, Mr. President, no cotton manufacturer in the United States wants this duty of 7 cents a pound, but a majority of the Senate said they want to undertake to protect that industry and see if Egyptian cotton through that protection can not be grown in this country and we not have to depend upon a foreign country for it. That is all there is to it. But there is no Senator who will not admit, as long as we do impose a duty of 7 cents on the raw cotton, that we must have a compensatory duty upon the yarns and cloths or threads into which that cotton enters.

Mr. SIMMONS. The Senator has not answered the question I asked him. I would be very glad to have him answer that question.

Mr. HARRIS. Mr. President, I desire to place in the RECORD a letter from the Wood Flong Corporation in regard to dry mats for stereotyping.

The bill reported to the Senate by the Finance Committee recommends a rate of 35 per cent ad valorem on stereotype-matrix mat or board, appearing in paragraph 1313, line 22, page 177 of the bill. The House bill provided a rate of 28 per cent under the American valuation plan. The Underwood law provides a duty of 25 per cent ad valorem. It is my information that the larger metropolitan newspapers do not now use the dry mats, their use being confined to the smaller dailies. Their use is becoming more general. The dry mats are composed largely of wood products, and they are used to make the impression of the type, upon which the stereotype metal is poured to make the page from which the paper is printed.

Chemical ground wood pulp, which was on the free list in the House bill, is given a rate of 5 per cent ad valorem. It is said that chemical wood pulp is used in making newsprint paper to the extent of about 20 per cent. Standard newsprint paper and mechanically ground wood pulp under the bill reported to the Senate is on the free list, but this bill takes chemical wood pulp from the free list, where it was in the House bill, and imposes a duty of 5 per cent ad valorem.

All of the articles should be on the free list, as the present cost is already a burden to newspaper production. I wish to quote from that letter, and the other letters I will also place in the RECORD. However, this letter to me states:

> It will be necessary for upward of 350 newspapers which now use our dry mats exclusively for all work to entirely reequip their plants at great expense and to largely increase their consumption of print paper by returning to the old wet-mat process.

The letter then enumerates certain newspapers in Georgia which will be affected; and states that there are 350 newspapers in the United States which will be affected. Mr. President, this is similar to much of the propaganda which is being carried on. This is a monopoly; it is the only corporation of this kind in the United States. If we raise the tariff rate, which they are trying to do, it will simply put a tax on the newspapers.

In this connection I wish to refer to another matter. I hope the Senate will not place the proposed 5 per cent duty on chemical wood pulp, for the paper mills in this country can not get the wood though the Canadian mills can obtain it, and such action would simply be putting a premium on Canadian manufactures and injuring the manufacturers in this country. I ask that these letters all be published in the RECORD. I thank the Senator from Utah.

Mr. SMOOT. I have no objection to the letters referred to by the Senator from Georgia being placed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letters referred to are as follows:

WOOD FLONG CORPORATION,
New York, June 21, 1922.

H. R. bill 7456, Schedule 13, paragraph 1313.

Hon. WILLIAM J. HARRIS,
United States Senate, Washington, D. C.

DEAR SENATOR HARRIS: Unless stereotype dry mats, included in paragraph 1313 of the tariff bill now under consideration, are granted a rate of at least 50 per cent this company will be compelled to immediately go out of business, and the industry will be totally destroyed in the United States. It will be necessary for upwards of 350 newspapers that now use our dry mats exclusively for all work to entirely reequip their plants at great expense and to largely increase their consumption of print paper by returning to the old wet-mat process.

The following are Georgia newspapers which already depend upon dry mats and will suffer if the altogether inadequate 35 per cent rate at present recommended by the Finance Committee is not increased: Atlanta Constitution, Atlanta Journal, Macon News, Macon Telegraph, Augusta Herald, Rome News, Albany Herald.

Trusting this matter will receive your earnest thought and immediate attention in the interest of these newspapers and this new American industry, I am,

Yours very truly, BENJAMIN WOOD, *President.*

Memorandum in behalf of American Newspaper Publishers' Association.

WHY DRY MATS SHOULD BE PLACED ON THE FREE LIST.

The flong, or dry mat, employed by many small newspapers, but seldom by the larger publications, is a sheet composed largely of wood products, used to convey the impression of the type to the stereotype metal used on the printing press.

The Underwood tariff provides a duty of 25 per cent ad valorem on dry mats, or $0.019275 per mat.

The Fordney Act, paragraph 1313, Schedule 13, provides a duty of 28 per cent ad valorem, American valuation of $0.0504.

There is but one American manufacturer of dry mats, the Wood Flong Corporation, of New York, whose present price is 18 cents per mat to all newspapers which use its mats exclusively in lots of 500 or more. Its price to occasional users is higher. During June, 1921, its price to occasional users in lots of 500 was 30 cents each, and in lots of 100, 35 cents each.

All dry mats used in this country, other than those of the Wood Flong Corporation, are imported from Germany, which enforces an export price of 25 cents per square meter of $0.0771 per mat.

We are informed there are but two importers of dry mats, the W. B. Wheeler Corporation and H. Reeve Angel & Co., both of New York.

The former states its cost, delivered in the warehouse, is $0.1046, or, including selling cost, $0.1433, exclusive of overhead; the latter stated its cost, under the present 25 per cent ad valorem duty, delivered New York, is approximately 11 cents, or, including overhead and selling cost, approximately 14 cents.

We are informed by these importers that they are unable to secure the price of 18 cents now paid for the American mat, and that therefore they must operate on a very close margin of profit to secure sales, and that only by largely increasing such sales, and thus decreasing the overhead average, may they secure even a fair profit under the present tariff.

Should the present duty of approximately 2 cents per mat be increased as provided by paragraph 1313, Schedule 13, of the Fordney Act to $0.0504, increasing the present cost by 3 cents, or should the present duty of approximately 2 cents be replaced by 4 cents, imports would cease, and the smaller newspapers, the main users of such mats, would be forced to purchase from the one domestic source of supply.

It is obvious that the present duty results in the 18-cent price now charged for the domestic mat. It is also obvious that every argument in favor of the free entry of newsprint and wood pulp applies equally to the free entry of dry mats.

We therefore ask that the flong, or dry mat, be placed on the free list. Attached are explanatory letters from the importers referred to above.

Respectfully submitted.

AMERICAN NEWSPAPER PUBLISHERS' ASSOCIATION,
L. B. PALMER, *Manager.*

MARCH 16, 1922.

NEW YORK CITY, *March 16, 1922.*

Mr. L. B. PALMER,
The American Newspaper Publishers' Association,
World Building, New York City.

DEAR SIR: Pursuant to your request for an expression of our opinion as to the effect of the proposed new duty of 50 per cent on dry mats, or flong, we may say that such a tariff will make it impossible for us to continue the importation of flong. This will be regretted by the many publishers whom we have had the pleasure of serving and who are very satisfied with the performance of our mats.

Under the present tariff—that is, 25 per cent ad valorem—flong costs us approximately 11 cents each, duty paid New York; or, including overhead and selling cost, approximately 14 cents. The initial selling cost is high, because of the technical nature of the application of the mats, but we have been satisfied with a very close margin of profit, on the assumption that the selling cost would be materially reduced as our sales increased.

If our cost is increased 2 cents per mat by higher duty, making the total approximate cost 16 cents, obviously we shall be unable to compete with the sole American manufacturer, if they maintain their present price of 18 cents each, as they naturally enjoy many advantages, regardless of the price. We know of but one other concern importing these mats. Any increase in the duty would wipe out our profit. Although our mat sales represent but a small part of our business, and but a small percentage of the total consumption, the result of a higher

duty, in so far as our customers are concerned, will force them to the only American manufacturer for their supplies.

We hold the opinion that the most serious aspect of a higher duty is the effect it will have in this country in retarding mechanical development of the stereotype process.

As you know, the American dry mats, also our own, are used chiefly by newspapers of relatively small circulation, as they are not suitable for the large metropolitan papers, which require from 16 casts upward from each mat.

Although many of the large publishers seem opposed to the use of dry mats, they do not deny the possibility of their ultimate general use. The publishers are not unmindful of the general use abroad of dry mats, and the large savings effected thereby.

For many sound technical reasons, the possibility of the manufacture of such mats in this country is very remote. For years, French and English manufacturers have tried, without success, to manufacture mats suitable for making a large number of casts, equal to the German mats. The fact that most of the leading French and English publications of large circulation insist upon the German mat speaks for itself.

This quality of mat, which will make upward of 50 casts, costs approximately five times that of the ordinary mat made in America. Consequently the duty, even at 25 per cent, is a serious handicap to the American publisher, and is one reason for their hesitancy to commence their use. You can well imagine that under a 50 per cent tariff the opportunity for development of the stereotype process in this country would be seriously handicapped.

The interest and importance of this subject is evidenced by the fact that during the last two years several American publishers have sent their representatives to Europe to investigate this matter.

Very truly yours,

H. REEVE ANGEL & Co. (INC.),
E. CHILD, *President*.

[W. B. Wheeler Corporation, foreign manufacturers' representatives, representing H. Albert von Bary & Co., Hamburg-Berlin.]

NEW YORK, *March 16, 1922.*

Mr. L. B. PALMER,
Care The A. N. P. A., 63 Park Row, New York City.

DEAR SIR: In confirmation of certain facts and figures in connection with the importation of dry mats from Germany, we call your attention to the fact that in our experience the average costs for mats of 20 by 24 inches have been as follows:

F. o. b. Hamburg	$0.0771
Ocean freight and insurance, duty and delivery to warehouse and insurance in warehouse	.0275
Delivered in warehouse, duty paid	.1046

In addition overhead expenses for selling mats on account of the technical nature of the product and its use has approximated 37 per cent.

At the present rate of duty the importation of dry mats has been unprofitable for us, and if the tariff were to be increased importation of dry mats would be entirely impossible.

Very truly yours,

W. B. WHEELER CORPORATION,
By A. B. BRADIE.

THE MACON NEWS,
Macon, Ga., July 5, 1922.

Hon. W. J. HARRIS,
United States Senate, Washington, D. C.

DEAR SENATOR HARRIS: It has been called to my attention that the Wood Flong Corporation are still pursuing their efforts to get a high tariff placed on imported mats, and that a communication has been addressed to the United States Senators naming a number of newspapers who are using their product, and that the importance of the high tariff being placed on foreign mats was "in the interest of these newspapers."

This letter is simply written for the purpose of reiterating my former position regarding tariff on foreign mats, as I feel that they should be placed on the free list if possible.

Having written you relative to this matter previously, you are no doubt familiar with all the details in connection with this matter, and I am not unmindful of the kind assurance you gave me regarding your position in the premises. As the News was no doubt one of the papers named by the Wood Flong Corporation in their communication to you, I simply wanted to restate my position in order that no misunderstanding may exist.

With kindest personal regards, I am,

Respectfully yours,

R. L. MCKENNEY.

THE MACON DAILY TELEGRAPH,
July 7, 1922.

Hon. WILLIAM J. HARRIS,
United States Senate, Washington, D. C.

DEAR MR. HARRIS: I have carbon copy of letter from Benjamin Wood, president of the Wood Flong Corporation, addressed to you under date of June 21, with reference to the horrible condition of the dry-mat industry that will occur in this country in the event the United States Government does not protect that industry with a 50 per cent protective tariff on foreign mats. I am asked to write you my views on this subject.

I feel that the Wood Flong people are endeavoring to build up a monopoly in this country, and if they can protect their industry with the tariff that is already prohibitive, as a newspaper publisher I am in favor of going out of business, as far as dry mats are concerned. The Wood Flong product is no better than the imported mat, and if we afford them the protection they want it means the newspapers in this country will be compelled to pay from 4 cents to 6 cents more than these mats are actually worth. I desire to enter my protest against any additional tariff on these mats.

In addition to the efforts these people have made to influence Congress in giving them undue protection, they have actually written to the stereotypers in the various newspapers asking that they refuse to handle any imported mats. I feel that this part of their propaganda is entirely out of order and seeks to destroy the newspaper business itself, rather than to protect their industry.

Very truly yours,

P. T. ANDERSON,
General Manager.

THE ALBANY HERALD,
Albany, Ga., July 3, 1922.

Hon. WILLIAM J. HARRIS,
United States Senate, Washington, D. C.

DEAR SIR: * * * I have received copy of a letter addressed to you by the Wood Flong Corporation, manufacturers of dry mats, in which it is stated that unless stereotype dry mats, included in paragraph 1313 of the tariff bill now pending in Congress, are granted a protective rate of at least 50 per cent that company will have to go out of business, and the industry be destroyed in the United States. It is further urged that it will be necessary for upward of 350 newspapers that now use dry mats exclusively to entirely reequip their plants at great expense, etc.

As one of the newspapers using the dry mats, the Herald is willing to let the Wood Flong concern, already a monopoly with a protective tariff of 35 per cent, go out of business rather than have its power as a monopoly increased by giving it the additional tariff rate it is now asking for.

This corporation induced newspaper publishers to put in the necessary equipment for using their mats, representing to us that it would be a permanent saving. Now that they have 350 or more of us hooked they seek a tariff protection that would enable them to increase the cost of their mats to more than what that of the wet-mat system was. It is unfair to those of us who have gone to the expense of equipping our plants for the use of the dry mats, and is in keeping with the general policy of monopolies in this country that are fostered by the iniquitous protective tariff system.

* * * * * * *

As one of the seven newspapers in Georgia now using the mats of the Wood Flong Corporation we say let them go out of business, as they threaten to do, unless they can get a tariff rate of 50 per cent. Their demand is unreasonable.

* * * * * * *

Yours very truly,

H. M. MCINTOSH,
President Herald Publishing Co.

Mr. SMOOT. I wish to say to the Senator from Georgia that these dry mats are not made in Canada; they are made in Germany.

Mr. HARRIS. The wood pulp I refer to is that coming from Canada.

Mr. SMOOT. I thought the Senator had reference to dry mats. Wood pulp is on the free list in the pending bill.

Mr. HARRIS. It is proposed to put a duty of 5 per cent on chemical wood pulp.

Mr. SMOOT. That is, on the chemical wood pulp.

Mr. HARRIS. Twenty per cent of that which goes into the manufacture of paper is chemical wood pulp.

Mr. WALSH of Montana. The Senator from Utah does not intend to say that wood pulp is on the free list?

Mr. SMOOT. Yes; I say ground wood pulp is free.

Mr. WALSH of Montana. But the Senator did not say that. I thought he had reference to chemical wood pulp.

Mr. SMOOT. I just stated to the Senator from Georgia [Mr. HARRIS] that the duty on chemical wood pulp is 5 per cent.

Mr. WALSH of Montana. I thought the Senator said that wood pulp was on the free list, and I am sure it was an inadvertence.

Mr. SMOOT. It was an inadvertence on my part, if I said so.

Mr. WALSH of Montana. Of course, the Senator meant to say ground wood pulp.

Mr. SMOOT. I stated to the Senator from Georgia [Mr. HARRIS] that chemical wood pulp was not on the free list.

Mr. HARRIS. Mr. President, I also wish to insert in the RECORD an article by Mr. John T. Hearn, a retired newspaper man of my State.

There being no objection, the article was ordered printed in the RECORD, as follows:

THE TAYLORS OF TENNESSEE; THE WAR OF THE ROSES.

[By John Tevis Hearn, formerly editor of the Knoxville Daily Sentinel, and now a resident of Bowden, Ga.]

Alfred Alexander Taylor, a lifelong Republican, has been governor of the Democratic State of Tennessee for more than a year. This statement of a remarkable fact brings to mind the famous campaign of 1884, in which Bob and Alf Taylor were candidates for governor, the political struggle being dubbed "the War of the Roses." During the campaign a lady had presented each of the two candidates with a bouquet of roses, one white, the other red. Bob took the white bouquet and Alf the red, and "the war of the roses" began. Many incidents of this remarkable political campaign are recalled that throw a pleasant sidelight upon the famous fraternal contention. That two young men should go out from the parental home as candidates for the governorship of a great State, one a Democrat, the other a Republican, was a strange departure from the trodden paths of politicians. The State of Tennessee was wrought up with excitement and the whole country watched with interest this brotherly rivalry.

When starting out upon the campaign the mother of the Taylor boys made them promise that they would not forget they were brothers, and that they would always treat each other with courtesy and kindness. It is related that at one of the early meetings Alf became warmed up politically and not only scored the Democratic Party severely but criticized Bob for belonging to such a party. At their hotel that night Bob announced that he was going home and would not speak any more; asked for an explanation, he reminded Alf of the promise made to their mother. Alf acknowledged his dereliction and promised that he would not again violate their agreement, and the campaign was conducted with due regard to the pledge made to their mother.

Upon one occasion some boisterous young Democrats began heckling Alf, using rude expressions. Bob advanced to the front of the platform and said: "The man who insults my brother insults me." There was no more trouble after that.

Robert Love Taylor, who was appropriately born in Happy Valley, Tenn., by his personal magnetism and his political sagacity won more honors than usually fall to the lot of the most aspiring politician. Elected to Congress in 1878, he was three times elected governor and closed his political career and his life in the United States Senate.

The third time Bob Taylor ran for governor it was over his protest. He was making more money on the lecture platform than would come to him from the governor's salary. Besides, the applause of delighted audiences was more grateful than the routine drudgery incident to the office of the State's chief executive. He yielded reluctantly to the urgent arguments of his friends, who claimed that "Our Bob" was the only Democrat who could be elected at that time, the Democratic candidate of the last election having won by a very narrow margin.

Gov. Alfred Taylor in his inaugural address paid this appreciative and touching tribute to his Democratic brother:

"I cherish no higher ambition than that by your sympathetic cooperation I may become as acceptable a governor as a brother predecessor, whose face I looked on for the last time in this very hall and whose spirit worked so effectively to aid in securing my elevation to this exalted position."

Although not as noted a platform speaker as his brother, Alf Taylor's addresses were characterized by both eloquence and wisdom.

A life-long Republican elected governor of a Democratic State—what higher honor could come to mortal man?

Happy Valley is happy indeed in giving to the Volunteer State these two notable brothers, Bob and Alf Taylor.

Mr. SHIELDS. Will the Senator yield to me for about five minutes, if I am not asking too much of the Senator? The discussion in which he is now engaged is likely to proceed for some time, and I have some business outside the Chamber.

Mr. SMOOT. I will yield to the Senator.

SENATOR JAMES A. REED.

Mr. SHIELDS. Mr. President, the Senate has now had under consideration the Fordney-McCumber tariff bill, an administration measure, since April 20, or nearly three months, and there is yet much of it to be considered. The embarrassment of the opponents of the bill has not been in finding objections to it but in determining what are the most important and objectionable of its multitudinous iniquities and provisions fraught with injustice to the plain people of the United States to which they should devote their attention. The Democratic members of the Finance Committee and other leading Senators upon this side of the Chamber have conducted the assault upon this unjust bill ably and courageously, and their efforts have been crowned with the success they hoped for. They did not, on account of the Republican majority, expect to succeed in defeating the greater part of its unjust provisions, but they did expect to expose its iniquities to the people of the United States, and in this effort they have succeeded beyond measure. They have torn the mask from its repulsive countenance and exposed its injustice to the people in all its hideous nakedness. They have brought about a general condemnation of it by the great press of the country, including both the Republican and Democratic papers, and there is every evidence that the great body of the American people fully realize the extortion to be perpetrated upon them for the benefit of special interests.

Mr. President, there has been necessarily absent during this long discussion one of the ablest Members of this body, a Senator who has always been in the forefront of the battle lines of his party, whose absence all good and true Democrats desiring the success of their party regret, but which rejoices all Republicans who, when the principles of democracy were at stake, have heard his fierce war cry and felt the force of his logic and eloquence.

All the Senators in this Chamber know of whom I speak, and it is not necessary for me to pronounce the name of JAMES A. REED, the senior Senator from the State of Missouri.

I have been led to refer to the absence of the senior Senator from Missouri [Mr. REED] by a statement made by his colleague, the junior Senator from Missouri [Mr. SPENCER], and commented on in an editorial appearing in the News Scimitar, an able paper published at Memphis, Tenn., and having a large circulation in southwestern Missouri. The editorial was written by Mr. George Morris, one of the ablest editorial writers and most loyal Democrats of the country. I wish to read it:

[Editorial from the News Scimitar, of Memphis, Tenn.]

SPENCER TAKES A HAND.

Senator SPENCER, Republican, of Missouri, has issued a statement in Washington in which he says Senator REED will be defeated by Breckenridge Long for the Democratic nomination.

At first glance it might appear that the fight in Missouri between REED and Long is one with which the Republicans have no concern. As a matter of fact it is of vital concern to them. Around the result revolves the question of whether Missouri is to have a Democratic Senator or two Republican Senators.

The observation of persons familiar with the Missouri situation for some weeks has been that the nomination of REED means his election, and the nomination of Long means his defeat. The Republicans know how easy it will be to defeat Long. No one knows better than SPENCER how very easy it is to defeat Long. He defeated Long two years ago, and there is no doubt that almost any candidate the Republicans put out against him this year will defeat him again.

There is more than a party reason for Senator SPENCER'S interest in Long's nomination. If there is to be a Democrat in the Senate from Missouri, the Republicans prefer anybody to REED. He has about succeeded in demolishing SPENCER, and if REED is in the Senate to bombard SPENCER for the remainder of his term the voters of Missouri undoubtedly will throw him into the discard.

It was SPENCER who led the fight to seat NEWBERRY, and it was REED who chastised his colleague with a speech that will sting SPENCER whenever he shows his head in Missouri politics. With a man of the caliber of Long in the Senate, even if he should be elected, he would be as harmless from the Republican point of view as he would be useless to the Democrats.

If the SPENCER statement has any influence with the Democrats of Missouri, it ought to be to convince them of the fallacy of selecting a candidate satisfactory to the Republicans. It is not often that a candidate has the privilege of selecting his adversary, and when he does it is no compliment to the opponent. The Republicans have tried Long once as an opposition candidate, and he met the full measure of their requirement.

I do not read this editorial in criticism of the junior senator from Missouri. I do not understand it was intended as a personal criticism of him. If I did, I would not put it in the RECORD. It concerns his political activities, along with those of other members of the Republican Party, all of whom are within their rights, and of whom I do not complain.

The able junior Senator from Missouri is always alert to advance the interest of his party in and out of this Chamber and to disintegrate and weaken the Democratic Party, and he may do so by strategy, as in his statement attempted, as well as by fierce assault.

Mr. President, I have nothing to do with primary contests in the State of Missouri, and it is not my intention to interfere with them. I do not believe it proper for me as an outsider to do so. I wish only to say a few words about the record of our colleague, the senior Senator from Missouri [JAMES A. REED], in order to explain why the junior Senator from Missouri wants him defeated.

I am not surprised that Republicans should desire his defeat. For the 10 years I have known him in this body he has ably and fearlessly upheld and defended the great principles of Democracy and the rights of the common people as taught by Jefferson and Jackson and others of the great founders of the party.

I have never known a man more loyal to his party and its principles. In every important debate where these great principles were under fire or were sought to be advanced he has been in the forefront of the fight, and his loyalty to those principles and to the interest of his party are amply proven by the great addresses which are recorded in the CONGRESSIONAL RECORD. His speeches are an enduring monument to his ability and to his Democracy that will last so long as our Government lasts. They place him in that brilliant constellation of Democratic Senators and patriots who have preceded him from his State, such as Benton, Vest, Cockrell, and Stone, along with whom also is to be included his friend, that great leader of Democracy and champion of the common people, Champ Clark.

I do not know what is in store for Senator REED, but I do know if his services in this body should be cut short the great Democratic Party will lose one of its ablest and most courageous champions in this Chamber, and the Republicans will rejoice in their hearts that one of their most formidable foes is gone.

Mr. SIMMONS. Mr. President, will the Senator from Utah permit me to make a brief statement?

Mr. SMOOT. I yield.

Mr. SIMMONS. Mr. President, the senior Senator from Missouri [Mr. REED] is a member of the Finance Committee. I know that he has deeply regretted, and, of course, as a member of that committee, I have regretted as much as has the senior Senator from Missouri, his inability to be present and to assist us in the discussion.

No man who has been in the United States Senate since I have been here is more capable of discussing such questions as those with which we are now dealing. His analytical powers, his tireless energy, his great ability would have been of vast help to us if he could have been here.

I say this much merely because the senior Senator from Missouri has asked me to let his colleagues understand how deeply he regretted his inability to be present with us during the consideration of the pending bill.

Mr. SMOOT. Mr. President, I want to say before answering the question of the Senator from North Carolina that I, too, have served with the Senator from Missouri [Mr. REED] on the Finance Committee. I know that he is an untiring worker, and if there is one thing that I admire above all else in a public man it is courage, honesty, and the ability and the willingness to express what is actually in his heart; and I want

to say that I know of no man I have served with in the Senate who has followed that course more than the Senator from Missouri [Mr. REED].

Mr. KING. Will my colleague yield to me for a moment?

Mr. SMOOT. Yes.

Mr. KING. The Senator from Tennessee [Mr. SHIELDS], the Senator from North Carolina [Mr. SIMMONS], and the senior Senator from Utah [Mr. SMOOT] have referred to the senior Senator from Missouri [Mr. REED]. When I saw him last he expressed his keen disappointment at being unable to be in attendance in the Senate during the entire period when the pending tariff bill was under consideration. The Senator from Missouri is a member of the Finance Committee, and his wide knowledge of public affairs and his profound study of the tariff and of economic questions make him an invaluable member of that important committee. His absence from the Senate at this time is a great loss to his party and to the country.

The able Senator from North Carolina [Mr. SIMMONS] has in a most brilliant manner presented the views of the Democratic Party upon the pending bill and has rendered services of inestimable value. His hands would have been greatly strengthened if the senior Senator from Missouri had been present, because there are few men in this body or elsewhere better qualified to discuss the schedules and provisions of this bill and the fundamental principles of the tariff than the Senator from Missouri. There is genuine regret upon this side of the Chamber that thus far in the debate we have not had the powerful support of the senior Senator from Missouri. It is to be hoped that he will be able to return in time to discuss some features of the pending bill and show to the country its many inequalities and injustices.

A tariff bill involves the consideration of constitutional questions. So long as we have a Constitution and support the theory of the relation of the States to the Federal Government, which the fathers of the Republic recognized, one of the vital issues will be as to the limitations upon the Federal Government. The Democratic Party has always contended for the inviolability of the States and their maintenance in all of their vigor and power. That issue can not be obscured, and it is presented in an acute form to the American people to-day. Shall the States be preserved? Shall the right of local self-government be maintained? Shall the rights of the individuals be respected? In other words, shall we have a democratic Government rather than a bureaucratic and a paternalistic one? These questions are involved in the pending bill, and it is, as I have stated, a serious loss to the country that the Senator from Missouri is not able to be here to aid in the fight which the Democratic Party is making against the selfish interests and the greed and avarice of protected interests.

I agree with the Senator from Tennessee that neither the Senate nor organizations outside of the State of Missouri have any right to interfere with the people of that sovereign State. They have the right to determine for themselves what political course to pursue and whom they will name to represent them. The Democrats of Missouri are competent to deal with their own political problems, and they will deal with those problems in a proper and satisfactory manner.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. SMOOT. Mr. President, to come back to cotton, the Senator from South Carolina [Mr. SMITH], as well as everyone else who has studied the question of the manufacture of cotton goods, must admit without a doubt that the laborer in England is just as proficient as the laborer in the United States. There can not be any more proficient labor in the manufacture of cotton or woolen goods than is found in England. The mere fact of a weaver or a woolen manufacturer from England making application to me for a position in a woolen mill was sufficient for me to say: "Why, of course I will give you a position in the mill if there is one to fill."

Mr. President, the laborer in England, both in the manufacture of cotton and in the manufacture of woolen goods, is born to the trade. His father did nothing else, and in 8 cases out of 10 his mother never did any work outside of that class of work except what she was compelled to do in the discharge of her household duties. They are adepts at it. You can not find people anywhere in all the world who are equal to them in certain lines.

I will say to the Senator from North Carolina that the committee had the wage scale paid in England and the wage scale paid in the United States, and there is not a question but that the difference in the wage scale will justify the rates that we are asking in this paragraph.

If there is a world monopoly in this product, and if J. & P. Coats & Co. fix the price at which this cotton thread shall be sold, and if the American manufacturers follow that price, then I want at least to collect a little money for the Treasury of the United States out of the goods that are shipped into this country. I can not believe, however, that there is a world-wide monopoly in this product.

The Senator from South Carolina referred to the fact that there must be a world-wide monopoly because of the fact that the number of yards per spool of thread was changed in this country to the same number and at the same time that it was changed in England. War conditions upset everything in the world. Prices went sky-high. There was scarcely a limit to the advances in this country, and the peak was reached in 1920. If Senators will take occasion to examine into the prices of cotton goods of every character, and compare them as of April 1, 1920, with the prices of May 22, 1922, I think they will find that the average decline has been over one-half. In the case of many items, as I said before, the decline has been three-fourths, and as I look at the prices quoted upon these goods I wonder what profits were made in 1920. Either they were excessive profits or else the mills to-day are making little profit; and there are a good many mills, as I pointed out, that are making nothing.

So, Mr. President, the rates have been reduced—I will not take the time to go over them—and when the time comes to offer an amendment for a further reduction I am authorized to do it, and that rate will be only 5 per cent higher than the existing law.

Mr. SIMMONS. Mr. President, I asked the Senator from Utah if he could give the Senate some information sufficiently definite to be of assistance to us, showing the difference, if any, between the cost of production of these items in the cloth schedule between this country and Great Britain, our chief competitor. The Senator answers that by saying that the English laborer is just as efficient as the American laborer, and that there is a difference in the wages paid the English laborer.

Mr. President, the Senator from Wisconsin [Mr. LA FOLLETTE], in the great speech which he delivered a few days ago upon the cotton schedule, made it perfectly clear that even if there was equal efficiency, on account of certain rules and regulations with regard to the number of men that may be employed upon one machine, and other regulations dictated largely by the labor unions of Great Britain which do not obtain in this country, there is quite a difference in the output of the efforts of one man in that country as compared with the output of the efforts of one man in this country. That, I think, is pretty well understood, and that would account for a slight difference in the wages paid in the two countries. But, Mr. President, the fatal trouble about all this business is that the committee has sought to measure difference in cost of production by difference in wages paid, not taking into account at all the fact that the wage paid does not measure the cost of production. Where there is absolute equality of conditions, efficiency, machinery, and methods of manufacture it would; but that does not obtain as between this country and Great Britain, even if there is equal efficiency. I do not know how that is. I do not know that the British laborer is as efficient; but I do know that the British laborer in the cotton mills does not turn out as much work as the American laborer, because of certain rules and regulations that have been established and are maintained there that do not apply here but that tend to curtail the output of the single man. The more we do a certain kind of work with automatic machinery or semiautomatic machinery, the less the price paid to the laborer who operates that machinery has to do with the cost of production.

Mr. SMOOT. Mr. President, no automatic machines are used in this kind of manufacture.

Mr. SIMMONS. I do not know how that is; but I think that is a very bad way and a very unsafe and a very unsound way of attempting to measure the difference in the labor cost in different countries, because we know that the conditions of machinery and the conditions of hours of labor and the other restrictions that obtain in one country may not obtain in the other country.

Mr. SMOOT. Does the Senator from North Carolina think for a moment that the laborers in the cotton mills in England are not as efficient as those in this country?

Mr. SIMMONS. I said I did not know whether the labor was as efficient or not, but I said that there were certain rules and regulations with reference to the number of men required to operate a machine, as compared with the number of men who would operate a similar machine in this country, which affect the labor cost, if you measure it by wages paid, very fundamentally.

But that was not the object of what I was saying. I was simply criticizing the rule by which the committee in this case, according to the statement of the Senator from Utah, as in many other cases we have had before us, have attempted to measure the difference in the cost of production here and abroad. It might operate very well in some cases, but it seems from the discussions we have had that that has been the rule of measurement in the cases of practically all the rates the committee has written, where it has considered any rule of measurement at all.

But let us get down to the hard facts as to whether these threads produced in Great Britain do actually bring a higher or lower price at wholesale or at retail than those produced in this country. I have here an expert statement with regard to this particular item, which reads as follows:

ENGLISH PRICES OF J. & P. COATS (LTD.).

Retail prices of 200-yard spool: 1914, 1½d.; 1919, 4d.; 1922, 6d.
Retail prices of 400-yard spool: 1914, 3d.; 1919, 7½d.; 1922, 10d.
In December, 1919, Coats, when advancing prices, stated that their wholesale price was 5.729d. for 400-yard reel (spool) retailing at 7½d. If same ratio applies to the 10d. retail price their wholesale price is now 7.64d. per 400 yards (equal to 7.64×2×0.80 (exchange) divided by 4, or 4.08 cents per 100 yards). This would tend to show that wholesale and retail prices of cotton sewing thread are higher in England than in the United States.

That, I take it, has been very carefully, very accurately, and very technically worked out by the expert of the Tariff Commission. His conclusion is, taking this data given by Mr. Coats himself, that the retail and the wholesale prices of these threads are higher in England than they are in the United States. If that be true, in heaven's name upon what ground can we justify imposing a 35 per cent maximum rate and a minimum duty of 20 per cent, which I understand is the figure to which the Senator has now agreed to reduce it, under pressure, probably, from the other side of the Chamber. Thirty-five per cent is a reduction from 45 per cent which was originally proposed.

The very fact that before this pressure was brought to bear upon it, when it was acting on this in the same way in which it was acting on other paragraphs in this schedule, the committee fixed the maximum rate at 45 per cent in the face of such a situation as I have disclosed in these figures, based upon Mr. Coats's own statement, shows the recklessness with which these rates have been made. If 45 per cent was too much under those conditions, 35 per cent is equally too much now. If a minimum rate of 25 per cent was too much, a 20 per cent minimum is equally too much now. It will not do to say that the 20 per cent minimum is only 5 per cent higher than the present rate. The provision in the present law has no minimum and maximum. It is just a flat rate of 15 per cent. But with an output of cotton thread of nearly $60,000,000, with an import of only $1,000,000, threads selling in England at retail and at wholesale higher than in this country, they propose to raise the present rate. If these facts prove anything, they prove that although the existing rate might have been justified in 1913, when they were adopted, the developments in this industry in this country since that time as compared with Great Britain have changed the conditions and the situation which existed there, and the facts of this development show conclusively that the 15 per cent rate would not be justified now—that is, if justified then, it is not justified now.

I think the rates are entirely too high. It is true, concessions have been made to the other side which are accepted as meaning something, but which to my mind mean absolutely nothing. The substitute rates of the committee, substituted under the duress of opposition on the other side of the Chamber, have led to some reductions, but they are reductions which signify nothing to the American people, who are to pay these taxes.

If a nominal duty is all that is justified, then these reductions they are making for the purpose of securing support over there and saving themselves from another crushing defeat, if they amount to something from a political standpoint, may help in securing support which would otherwise not have been given on the other side, and may enable the committee to save its face; but so far as the American people are concerned, the reductions do not amount to a snap of the finger.

THE FEDERAL RESERVE BOARD GOVERNOR.

Mr. HEFLIN. Mr. President, I want to bring again to the attention of the Senate and the country the fact that a great propaganda for the reappointment of Governor Harding is being carried on by some of the agents and officials of the Federal reserve banks. But the people out in the States are beginning to wake up upon this question. The York Republican, a Republican paper published in the State of Nebraska, in the city of York, on June 29 of this year contained an article from which I read as follows:

Early in 1920 an edict was issued by the Federal Reserve Board that liquidation must take place, and I know of several cases where regional banks absolutely refused to renew paper of borrowing banks and demanded that a large element of their borrowing must be liquidated. In several cases the banks were unable to meet their liabilities and the Federal reserve bank charged them to the account of the borrowing bank, making an overdraft and compelling them to liquidate. So there was nothing left for the local banks to do but to compel their borrowers to put their stock on the market immatured. At the same time the men who usually buy cattle for feeding purposes were unable to get money to buy the stock. The result was the stock in many cases went to the slaughter far in advance of maturity. Over 65 per cent of the cattlemen and about 75 per cent of the tenant farmers of the country are insolvent.

* * * * * * *

I want to say to Senators and Representatives from Nebraska that I am voicing the sentiments of 95 per cent of their constituents when I say they should offer all the support they can to Senator HEFLIN and the farm bloc to defeat the reappointment of Governor Harding.

I am going to read an excerpt from a letter written by the president of a city national bank in a Southern State to another Senator in this body. I have not conferred with the other Senator, and I will not use his name. The president of that bank says this in the beginning of his letter:

MY DEAR SENATOR: Unless something is done to check the extravagance and gross mismanagement which has been and is still being displayed in the administration of our Federal reserve system, of which I have been an ardent supporter, I fear the system will be doomed. There is a real danger that the people will rise in their wrath and not only throw out the men responsible for its mismanagement, but may also try to do away with the system itself, unless abuses are corrected.

Mr. President, for nearly two years I have defended this system. I have striven to keep it out of politics and to have it honestly and fairly administered. I have stated on this floor two or three times that I, as well as other Senators, have received letters from bankers complaining of the deflation policy of the Federal Reserve Board and asking me and asking them not to use their names.

The time is fast approaching when the President of the United States must name a successor to Gov. W. P. G. Harding. The Manufacturers' Record has told the country how an indorsement was secured of him in a bankers' convention in New Jersey at the very close of the session, when nearly all the delegates were gone, all but about 15. Under those circumstances a resolution was gotten through asking for the reappointment of Governor Harding.

The Manufacturers' Record has pointed out that wherever a bankers' convention is held, whether by a district or by a State, somebody representing the Federal Reserve Board, with all its power, with all its control over the distribution of the currency and credits of the whole country, is on hand to handle and manipulate the situation so as to bring about an indorsement of Governor Harding.

Mr. President, the President of the United States ought not to tolerate that sort of thing. The President of the United States ought to put his foot down upon such reprehensible and dangerous conduct. Think of the governor of the Federal Reserve Board, coming up for reappointment, calling upon the men he has appointed to office in the various Federal reserve banks to use their influence upon bankers who must come to the Federal reserve banks to get their accommodations in currency and credits, to indorse this man for reappointment.

In this fashion our great Federal reserve banking system is being dragged into politics. The old national bankers in Hickory Jackson's day were rebuked and punished for less political activity. I do not believe there is an official in any one of these banks, except New York, who, if he were let alone, would drag the system into politics or would undertake to use the bank's influence for political purposes. The governor of the Federal Reserve Board is up for reappointment, and the man at the head of each bank, holding his position by appointment of Governor Harding, is influenced through this governor to call upon the bankers dependent upon him or the bank under his control for supplies, to indorse Governor Harding. What a dangerous and deadly power it is that he is using.

Mr. President, it was the purpose of myself and others who had to do with creating this banking system to keep it out of politics, to have it honestly administered, so as to meet the needs of business everywhere. It did that very thing until the late spring of 1920.

After that time, under the edict of the Wall Street bunch, it commenced the work of destruction to rob, literally rob, through deflation, the South and West of many billions of dollars. Now, of course, those people want Governor Harding re-

appointed. Of course they are using their power to have him reappointed, but I want the President to know and the country to know that indorsements are being secured through improper influences and under coercion and intimidation, and that men who fear and distrust him are being influenced to indorse him and ask for his reappointment.

Mr. President, in conclusion I wish to make a cross statement and I want the press to carry it to the country. A Republican Senator in this body told me day before yesterday that the bankers in convention in his State were induced to indorse Governor Harding for reappointment, and that since that time the bankers had been writing him personal letters, expressing the wish and the hope that he be not reappointed. What a horrible condition that presents. Bankers sitting in convention, with an agent of the great Federal reserve bank, with all its power and influence standing amongst them asking for an indorsement of Governor Harding, whispering it around that he is going to be reappointed anyway, and suggesting that they had better go on and indorse him and thus secure indorsements from men who as soon as they can express their real feelings write their Senators to ask the President not to reappoint him.

I do not intend that these requests and indorsements shall go to the President without him knowing how they are obtained. Go and ask the editor of the Manufacturers' Record about the information that is pouring into him from all over the country about how these indorsements are obtained. Talk to Senators on this floor. One of them told me this morning about a man writing him a letter asking him to indorse Governor Harding for reappointment. I said that man either belongs to the interests that have fed and fattened upon the substance of the people, wrung from them by deflation under the leadership of Governor Harding, or he does not understand what it is that deflation has done to millions of our people.

Mr. President, I would love to see the President of the United States come out and say that if he caught these bankers trying to influence other bankers that are to be served by them in their district to indorse this man, who, if let alone, they would bitterly oppose, that he would see to it that they were removed from office. But, Mr. President, what a dangerous power it is to permit a man to get on that board and then to pick out the men for positions in these banks and appoint them to office, place them under obligation to him, and then make them use their influence to keep him in office. Mr. President, if that is permited, what we sought to do when we established this system has been defeated. The banking system that we set up on a hill far removed from wirepulling and political chicanery has been dragged into the mud and mire of dangerous political activity.

Danger signals are going up. Here is a great banker in the South writing a letter to a Senator, who is sitting on this floor now, and saying unless this system is changed, this mismanagement stopped, the whole system is in danger. I have been here pleading day after day through the months that are gone in favor of keeping this great banking system true to the purposes for which it was created. These Federal Reserve Board members, or some members of it, have their publicity bureau; they have wires which they can pull reaching out into the Federal reserve districts wherever the Federal reserve banks are located; and they have had their press agents pouncing upon me, criticizing me, and trying to destroy my efforts to get the truth about the crime of deflation to the people.

Mr. President, are we going to permit that to go on in this country? I am going to have something to say in a day or two about another gentleman who has been very active in this work and who is on the pay roll of the Federal reserve system now. Little by little I hope to make some interesting revelations to the Senate and the country between now and the 1st of August.

Mr. President, I want to repeat, for the benefit of some Senators who perhaps did not hear my statement a moment ago. The editor of the Manufacturers Record tells us that a member of a bankers' convention wrote him that the governor of the Federal Reserve Board was indorsed when nearly all the delegates had gone. I want to repeat to my brother Senators that a Republican Senator told me that bankers in a convention in his State, who were induced to indorse Governor Harding, have since that time been writing him letters expressing the wish and the hope that he would not be reappointed.

Right here in the Capital of the Nation this great banking system, perverted from the ends of its institution, is made a veritable political machine. It ought to be free from political activities and ought to give service whole-heartedly to the business needs of the country, and yet it is using every influence possible to get indorsements to overwhelm the President and convince the President that the people want him reappointed. This ought not to be permitted, Senators. Mr. President, if the people of the United States—men and women old enough to vote—could vote to-morrow upon the question of whether Governor Harding should be reappointed or rejected and we should poll 30,000,000 votes, I do not believe he would poll 500,000 votes. I believe that 29,500,000 would be cast to remove him. And yet this propaganda is going on, persistent and insistent, in the effort to deceive the President into believing that the people want him reappointed. Senators are getting letters from their constituents asking them to fight his confirmation if he is reappointed. I believe that the President has already received indorsements that were obtained exactly in the way the Senator told me the bankers of his State indorsed this fellow or permitted him to be indorsed.

Mr. President, this is a horrible and deplorable situation to my mind. Suppose we assemble 100 bankers in a hall and a man comes in there from the Federal reserve system and every one of them look at him and say, "We have to go to that system for our money supply," and he stands up amongst them and says, "Gentlemen, I want you to indorse Governor Harding for reappointment. Just between us, I think he is going to be reappointed anyway, and it will be better for us to go ahead and indorse him, so I hope you will pass the following resolution."

The presiding officer says, "Those in favor say 'aye,'" and about a dozen say "aye," and eighty-odd of them sit there with their eyes upon the floor and say nothing. Why do they not oppose it? For the reason that they have written to me and written to other Senators: "Do not use my name. If you do, they have too many ways in which they will make me suffer and injure my business." Here is the man from a bank called upon to indorse this man, and he sits there and says to himself, "Well, I have to go over there next week to see if I can not get a little money to carry on my business. I guess I had better not antagonize them."

It is a horrible situation, Mr. President.

I do not believe that they can fool the President with the tactics that they are now employing to secure the reappointment of Governor Harding.

DISTRIBUTION OF SPEECHES BY FEDERAL RESERVE BANKS.

The PRESIDING OFFICER (Mr. STERLING in the chair) laid before the Senate a communication from the governor of the Federal Reserve Board, transmitting, pursuant to Senate Resolution 308, a letter from the Federal Reserve Bank of Boston relative to the circulation of a speech of Senator GLASS on the Federal reserve system, which was ordered to lie on the table.

LANDS IN MOHAVE COUNTY, ARIZ.

Mr. CAMERON. Mr. President, I ask unanimous consent for the present consideration of House bill 9257, which has passed the House and has been reported favorably to the Senate. It is for the transfer of lieu lands which have been selected by the Santa Fe Railroad Co., and gives them the right of selection of other Government lands. A survey was made, and I should like to have the bill passed.

The PRESIDING OFFICER (Mr. WILLIS in the chair). The Senator from Arizona asks unanimous consent for the present consideration of a bill, which will be read by title.

The ASSISTANT SECRETARY. A bill (H. R. 9257) to permit adjustment of conflicting claims to certain lands in Mohave County, Ariz.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. SIMMONS. Mr. President, what is the bill?

Mr. KING. The bill is all right, may I say to my colleague?

Mr. SIMMONS. Mr. President, knowing the wise and safe views that the Senator from Utah [Mr. KING] has wherever there is a trade in question, and upon his assurance that this is a mere trade as to lands, I shall not make any objection.

Mr. SMOOT. We have passed hundreds of such bills.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and empowered, in his discretion, to accept a relinquishment from the owners of the odd-numbered sections of land falling within townships 16, 16½, and 17 north of range 13 west, Arizona, and permit said owners to select and receive in exchange therefor patents of an equal area of vacant surveyed, nonmineral, nontimbered public land of the United States in the county of Mohave, State of Arizona.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. FLETCHER. Mr. President, I want to submit very briefly two propositions. In the first place, under existing tariff laws the amount of revenue derived through the customhouses is greater than it ever has been under any law, under the Payne-Aldrich tariff or any other. In other words, the existing law is serving the needs of the country in raising revenue. Then I propose to show that, so far as the manufacturers are concerned, there is no need for legislation to further protect them and their interests.

The first proposition is borne out by a statement which appears in the Washington Post of June 22, last, which states:

Customs receipts for the fiscal year ending June 30 will reach the highest figure in the history of the Government. On June 19 the receipts had exceeded the highest previous record, that of 1910, when the Payne-Aldrich tariff law was in effect. In that year the customs receipts were $333,000,000, while on June 19 they had reached $341,000,000, and probably will approximate $350,000,000 at the end of the fiscal year.

There has been a very great increase in the customs receipts over last year, when they were $298,000,000. The increase is said by Treasury officials to be due in large measure to the importation of large quantities of materials, the stocks of which were depleted during the war period, and also to the reorganization of the customs service under the present administration.

Internal revenue receipts will show a material decrease from last year. Income tax returns alone decreased more than $1,000,000,000. This year's income tax receipts up to June 19 were $1,949,120,809, as compared with $2,956,171,191 last year.

In view of those facts, where is there any crying need for a permanent revision of the tariff laws of the country, and especially under existing conditions, and especially also a revision such as is proposed here, which will result in increasing very vastly existing duties, imposing enormous tax burdens, shutting out imports, and, in my judgment, decreasing the revenue?

The article on this subject, which I desire to place in the RECORD without reading, appears in the Manufacturers News of Chicago of July 6, 1922, and is headed "The growth of United States manufactures—Government's fourteenth industrial census shows an increase of nearly 15,000 plants in five years."

This article gives the number of establishments in the important industries, such as food and food products, textiles and kindred products, iron and steel and their products, lumber and remanufactures, leather and finished products, paper and printing, liquors and beverages, chemicals and allied products, stone, clay, and glass products, metals and metal products, tobacco manufactures, vehicles for land transportation, railroad repair shops, and miscellaneous industries. The article shows the number of establishments in 1919 and the number of establishments in 1914 in these various industries. It shows a tremendous growth in the manufactures of the country under the existing tariff law.

In view of that statement, which is taken from the census of the Government, and, of course, is authoritative and may be depended upon, where is there any need for further protection of the manufacturers of this country? If we take the pending bill and analyze the various schedules we shall find that the bill proposes to increase the duties on the ordinary necessities of life very greatly over existing law and over any other previous tariff legislation. We shall find that under the provisions of this bill with respect to the ordinary daily requirements of the family, which all the people must have, it will take $1 to get 4 cents into the Treasury; that the consumers will have to pay more than twenty-six times the amount which the Government will receive as revenue.

Under many of these schedules the Government will receive as revenue less than 4 cents on the dollar of what the tariff will cost the people.

An examination of the data will show that the American manufacturers are shipping abroad, paying freight, and selling in the open markets of the world 7 per cent of their products, and that they are selling abroad more than four times as much as the foreigner is selling in this market; and with a duty of from 15 to 80 per cent, these industries pay their workmen only about 20 per cent of the value of their product.

It is preposterous for anyone to claim that the effect of imposing the high duties carried in this bill will be other than to restrict and limit our foreign trade and reduce exports as well as largely prohibit imports.

In view of those facts, I again insist that this is no time and there is no warrant or justification to press for higher duties and to repeal the existing tariff law of 1913 and enact a permanent law, increasing the burdens of the people by the excessive duties which are proposed in the pending measure. I ask to have the statement from the Manufacturers News printed in the RECORD.

The PRESIDING OFFICER (Mr. STERLING in the chair). Without objection, it is so ordered.

The statement is as follows:

Industrial establishments increased in the United States 14,314 from 1914 to 1919, according to the fourteenth annual census of manufactures, which has been completed by Eugene F. Hartley, chief statistician of manufactures for the Government. The average number of wage earners increased more than 2,000,000, while invested capital increased $21,778,613,834 and wages $6,455,067,907. The cost of materials used by the 14 groups of industries covered by the census increased $22,998,291,452, and the value of products went from $24,246,434,724 to $62,418,078,773, an increase of $38,171,644,049. The value added by manufacturing increased in the five years $15,163,352,597.

The manufacture of vehicles for land transportation led all the other industrial groups in growth. In 1914 there were 9,909 such establishments in the United States, but the number in 1919 was 21,152, an increase of more than 11,000 plants and shops, while the increase in invested capital in vehicle manufacture jumped more than $1,500,000,000. The number of persons employed in vehicle manufacture more than doubled and the pay roll increased nearly $500,000,000. The cost of materials used was nearly $2,500,000,000, the actual increase being $1,911,555,411. The increased value ran well over $3,000,000,000.

The number of plants manufacturing leather and leather products decreased 361; paper and printing plants decreased 793, and more than 2,000 establishments producing stone, clay, and glass products disappeared from the industrial field, either entirely or as the result of mergers. Tobacco manufacturing plants decreased by 3,660 and chemicals and allied products plants were reduced by 150. These increases and decreases undoubtedly have changed since 1919, but the census at least shows the remarkable industrial changes during the five years from 1914 to 1919. The following table shows the comparisons of the 14 groups and the comparisons in grand totals:

Statement showing growth of United States manufactures.

GRAND TOTAL FOR 14 GROUPS OF INDUSTRIES.

Year.	Number of establishments.	Average number wage earners.	Capital.	Wages.	Cost of materials.	Value of products.	Value added by manufacture.	Primary horsepower.
1919	290,105	9,096,372	$44,569,593,771	$10,533,400,340	$37,376,380,283	$62,418,078,773	$25,041,698,490	29,507,117
1914	275,791	7,036,247	22,790,979,937	4,078,332,433	14,368,088,831	24,246,434,724	9,878,345,893	22,470,872

FOOD AND FOOD PRODUCTS.

1919	61,312	684,672	$4,635,149,885	$722,539,843	$10,111,546,824	$12,438,890,851	$2,327,344,027	2,571,257
1914	59,317	496,234	2,174,386,295	278,009,375	3,828,511,989	4,816,709,664	988,197,675	1,994,983

TEXTILES AND KINDRED PRODUCTS.

1919	28,552	1,611,309	$6,096,161,183	$1,482,326,820	$5,382,079,303	$9,216,102,814	$3,834,023,511	3,274,090
1914	23,463	1,507,374	2,836,279,203	676,459,736	2,015,501,950	3,447,997,219	1,432,495,269	2,752,051

IRON AND STEEL AND THEIR PRODUCTS.

1919	20,120	1,585,712	$8,711,843,201	$2,193,203,301	$4,815,885,004	$9,403,634,265	$4,587,749,261	8,082,692
1914	17,719	1,061,058	4,281,997,816	723,162,595	1,762,312,126	3,223,142,260	1,460,830,134	5,537,842

Statement showing growth of United States manufactures—Continued.

LUMBER AND REMANUFACTURES.

Year.	Number of establishments.	Average number wage earners.	Capital.	Wages.	Cost of materials.	Value of products.	Value added by manufacture.	Primary horsepower.
1919	39,955	839,008	$2,590,045,756	$847,031,570	$1,359,998,567	$3,070,072,813	$1,710,074,246	3,417,941
1914	42,036	833,529	1,723,454,491	440,308,223	762,351,252	1,599,711,856	837,360,604	3,185,861

LEATHER AND FINISHED PRODUCTS.

1919	6,397	349,362	$1,554,502,458	$363,453,419	$1,713,807,336	$2,610,230,727	$896,423,391	389,130
1914	6,758	307,060	743,347,171	169,357,560	753,135,354	1,104,594,557	351,459,203	317,887

PAPER AND PRINTING.

1919	36,403	509,875	$2,423,400,111	$564,509,917	$1,306,717,793	$3,012,583,990	$1,705,866,197	2,351,224
1914	37,196	452,900	1,433,176,595	296,491,824	580,717,205	1,456,046,889	875,329,684	2,051,984

LIQUORS AND BEVERAGES.

1919	6,354	55,442	$781,571,615	$66,139,716	$222,776,314	$603,895,215	$381,118,901	415,361
1914	7,562	88,152	1,015,714,498	69,123,819	246,189,012	772,079,978	525,890,966	525,769

CHEMICALS AND ALLIED PRODUCTS.

1919	12,224	427,008	$5,617,738,265	$493,744,382	$3,747,674,883	$5,610,299,073	$1,862,624,190	2,043,525
1914	12,374	299,569	3,034,208,965	167,494,367	1,289,346,253	2,001,634,881	712,288,628	1,497,831

STONE, CLAY, AND GLASS PRODUCTS.

1919	12,529	298,659	$1,262,211,569	$328,559,462	$408,570,822	$1,085,528,926	$676,958,104	1,569,719
1914	14,747	334,612	987,330,674	205,419,894	238,734,726	614,161,879	375,427,153	1,490,975

METALS AND METAL PRODUCTS.

1919	10,667	339,469	$1,796,669,418	$394,627,827	$1,910,034,506	$2,760,293,568	$850,259,062	988,688
1914	10,023	262,154	1,013,631,954	166,894,654	1,023,353,386	1,417,042,907	393,689,521	575,025

TOBACCO MANUFACTURES.

1919	10,291	157,097	$604,839,572	$123,988,084	$483,567,754	$1,012,933,213	$529,365,459	43,397
1914	13,951	178,872	303,840,252	77,856,100	207,133,584	490,165,222	283,031,638	38,737

VEHICLES FOR LAND TRANSPORTATION.

1919	21,152	495,939	$2,423,239,470	$689,475,462	$2,498,225,514	$4,058,911,515	$1,560,686,001	880,496
1914	9,909	263,076	803,495,818	197,077,133	586,670,103	1,034,497,001	447,826,898	454,921

RAILROAD REPAIR SHOPS.

1919	2,368	515,709	$776,844,315	$726,690,466	$547,828,694	$1,354,446,094	$806,617,400	648,345
1914	2,011	365,902	417,706,110	253,149,943	261,438,181	552,617,790	291,179,609	478,983

MISCELLANEOUS INDUSTRIES.

1919	21,781	1,227,111	$5,295,376,953	$1,537,110,071	$2,867,666,969	$6,180,255,709	$3,312,588,740	2,831,252
1914	18,725	585,755	2,022,410,095	357,527,210	812,693,710	1,716,032,621	903,338,911	1,568,020

New York City's factories produce one-twelfth the value of all manufactured goods in the United States. They turn out more than twice and a half as much as Philadelphia and 45 per cent more than Chicago, says the Review of Industry. The city has 32,590 factories employing 825,056 workers, and producing annually goods valued at $5,260,707,577. These factories pay $2,800,000,000 a year for raw materials, more than $1,000,000,000 in salaries and wages, and the average pay per person is $1,372.02 a year. The city manufactures about 90 per cent of the country's lapidary work, 80 per cent of its pipes and tobacco, 54 per cent of its pens, one-third of its lithographing, approximately a third of its mirrors and jewelry, over 29 per cent of its pianos, 23 per cent of its professional and scientific instruments, 17 per cent of its ivory, shell, and bone work, 13.5 per cent of its coffee and spices, 12.9 per cent of its wooden-boat building, and 10 per cent of its knit goods. By groups the apparel industries lead, with a total of $1,822,785,577. Food products come second, with a total of $602,649,499. Metal industries with $435,930,943, leather products with $123,280,584, and paper products with $104,897,317.

THE MUSCLE SHOALS PROJECT.

Mr. CARAWAY. Mr. President, some rather peculiar things happen in the United States Senate. Contrary to expectations, the dye monopoly failed to receive an indorsement. No one yet seems to be able to figure out how it missed its calculations. That, however, is not quite so remarkable as an occurrence which took place in the Committee on Agriculture and Forestry this morning, on which I wish briefly to comment. How it is that the dye monopoly should lose and the Fertilizer Trust win is one of the things that I presume we shall know after awhile; but in the Committee on Agriculture and Forestry, where the question was to be determined whether the great natural asset which the Government has at Muscle Shoals should be utilized in order to help the agricultural interests of the country, or should be stifled in its development in order that the Fertilizer Trust should continue to take an unrighteous profit from the American farmer, was determined in favor of the Fertilizer Trust. That a committee which was presumed to be sympathetic toward the needs of farmers—and I am not criticizing the members of the committee individually—should have refused by a number of record votes, which

it was agreed should be made public—and therefore I may discuss the action of the committee—to prevent any kind of development of Muscle Shoals, is more than I can understand.

If the committee had been in favor of some concrete plan, something that looked toward the final utilization of Muscle Shoals, I could understand that, whatever the conclusion might be; but that a committee, after having heard testimony for seven or eight months, all of which agreed that some use should be made of this great power dam, should then refuse to make any use of it, is something for which I shall wait for an explanation.

The peculiar thing about it, however, was that, under an agreement as to absent Senators and how their votes should be cast, if permitted to be cast at all, under the ruling of the Chair a proxy was permitted to be voted to determine whether it was a proxy or not. It was as illogical as to permit the defendant to sit on the jury to determine whether he was guilty of the charge upon which he was being tried.

Under that kind of parliamentary ruling it was determined to do nothing with this great natural resource. It was determined by a very narrow margin to permit the Fertilizer Trust for years to come to take toll of every farmer in America, and, incidentally, after the farmer has been robbed, to a certain extent at least, this charge will be passed on to the consumer.

I think every American man, woman, and child were interested, directly or indirectly, in what we did this morning. I think the great majority of them wanted the Congress to do something with Muscle Shoals; but, to the astonishment of everyone, the committee decided to do nothing, and voted down every proposition offered. Senators after saying they wanted something done with Muscle Shoals voted against every offer made. They voted against a lease to Ford; they voted against a lease to the Alabama Power Co.; they voted against Government development. What reasons actuated them I shall of course leave for them to say, but I am sure that they are going to find it necessary to give to the American farmer, at least some explanation.

Notwithstanding what I shall read—because I shall make no application of it—on appeal the one from whose ruling the appeal was taken voted to sustain his own ruling, and, as I have said, a proxy, whether it should be counted as a proxy or not, was voted in favor of the proxy. If anybody can figure out how that should happen, of course I shall leave it for him to say.

In Jefferson's Manual, which I understand has been to a large extent accepted as a sound exposition of parliamentary usage, I find this:

> Where the private interests of a Member are concerned in a bill or question he is to withdraw. And where such an interest has appeared his voice has been disallowed, even after a division. In a case so contrary, not only to the laws of decency but to the fundamental principle of the social compact which denies to any man to be a judge in his own cause, it is for the honor of the House that this rule of immemorial observance should be strictly adhered to.

The application I shall not make, because it will be apparent a little later. I know that there was an absent Senator who sent a telegram here on Tuesday of this week saying that he did not know enough about the matter to record his vote on either side, and, without any opportunity to know anything more about it to-day than he knew then, a telegram, without directing how he should be voted, but permitting another Senator to vote for him, was sent, and he was voted against every proposition that had any possibility of succeeding. He was made to appear to be so inconsistent as knowing nothing Tuesday about the matter at all, but to-day being voted against everything that looked to any development of this great project.

It is more than just a local matter. Everybody who has taken the time to study it knows that the so-called Fertilizer Trust has every agriculturist in America at its mercy. I say "mercy" only in the sense of in its power, because it has been disclosed that it has no mercy. It is known—I do not care what excuse may be offered—that the development of a supply of nitrogen is absolutely necessary if the farmers are to be relieved from this exorbitant, unrighteous tax that has been levied upon them; and yet a committee made up of men every one of whom expressed a desire to be helpful voted down every proposition that was offered, and makes us appear in the very ridiculous attitude of saying that "We want to do something, but whatever we want to do you can not guess, and we will not tell."

A little bit later I am really going to say something about it. Now it is sufficient to suggest that the combination in the committee was to defeat the Ford offer, which is the only real offer to release the farmer which was before the committee.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee, which will be stated.

The ASSISTANT SECRETARY. On page 122, line 6, it is proposed to strike out the word "thread" and to insert the same word with a comma and the following words:

> One-half of 1 cent per hundred yards.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The ASSISTANT SECRETARY. On line 9, it is proposed to strike out the word "yards" with a semicolon following it, and to insert the same word with a comma.

The amendment was agreed to.

The ASSISTANT SECRETARY. On line 11, the committee proposes to strike out "17 nor more than 33⅓," and to insert "20 nor more than 35," so that, if amended, it will read:

> *Provided*, That none of the foregoing shall pay a less rate of duty than 20 nor more than 35 per cent ad valorem.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee as modified.

Mr. LENROOT. Mr. President, when the Senate last considered this paragraph, day before yesterday, I offered an amendment to it. The committee has now proposed an amendment similar to that which I offered, making the minimum ad valorem 20 per cent, instead of 25 as originally proposed and 17 as proposed in the House bill, the 17, however, being upon the American valuation and the 20 being upon the foreign valuation; and I shall now support the committee amendment.

I want to say in this connection that it is very clear that it is the 20 per cent that will apply to the rates in this paragraph; and I do not believe that the time will ever come so long as this bill shall be in operation when a higher rate than 20 per cent will apply, although the paragraph does contain a maximum of 35.

I may say in this connection that during the year 1921 the imports and exports very nearly balanced, the imports being in value $1,980,000, and the exports being $2,055,000. I think I ought to say in this connection, too, that more than half of these imports came from France during 1921, evidently being the high embroidery threads. While personally I should have preferred to see the House rate remain, I am not inclined to make any contest over a difference of 3 per cent, and I shall support the committee amendment.

Mr. SIMMONS. Mr. President, may I ask the Senator a question? The Senator says, and probably correctly, that the minimum rate is the only one that probably will be operative. That being so, does the Senator see any reason why we should have any maximum rate?

Mr. LENROOT. I am very frank to say that in this particular paragraph I do not think the maximum rate means anything.

Mr. SIMMONS. Why should it not be stricken out, then?

Mr. LENROOT. It can do no possible harm, however.

Mr. SIMMONS. A condition might arise where the maximum rate might possibly take effect. I do not know.

Mr. LENROOT. That could not be, because if the specific rate went over 35 and the 35 were stricken out, it would take the higher rate, so the only effect of the maximum would be that if by any possibility the price of this thread should go so low as to make a higher rate apply, here would be a maximum. It can do no possible harm, but I am very frank to say that I do not think it ever will apply.

Mr. SIMMONS. I want to say that while the committee have imposed this maximum rate that is not the rule generally adopted. They have generally imposed a minimum rate. Why did you impose both a minimum and a maximum rate in this particular case and not in other cases?

Mr. SMOOT. Mr. President, there are some other cases in the bill; but I will repeat what I have already said, that I wanted a maximum rate, because if the price of cotton declines to the price that prevailed in 1910 the equivalent ad valorem would be 43 per cent, and I do not want it at any time any higher than 35 per cent. It is a limitation.

Mr. LENROOT. It can do no possible harm, and the 35 per cent can by no possibility increase the duty in any event.

Mr. SIMMONS. I do not know, Mr. President, that it can do any harm. I do not think it can do any good. I should very much prefer that we had one rate; but, of course, the

committee have fixed it that way, and I think probably they have had an understanding on the other side of the Chamber to accept these amendments, and as a result of that understanding it probably would be futile for us to call for a yea-and-nay vote. Unless the Senator from South Carolina desires to ask for a yea-and-nay vote, I shall not myself ask for it.

Mr. SMITH. Mr. President, I do not think it will be necessary. I think it would be a futile thing. We have made our protest here. I think the Senator from Wisconsin is absolutely right when he says that the House provisions ought to prevail—that is, that the Senate ought to be willing to accept the House provisions, in view of the showing that has been made here as to the intrenchment of the manufacturers producing this article. I am perfectly willing, however, for the other side to take the responsibility, in view of the showing that was made here, and content myself with voting against it. I am on record in what I have had to say.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The ASSISTANT SECRETARY. Two amendments have already been agreed to in paragraph 903. On line 19, the comma has been removed after the word "pound," and on line 24 the numerals "100" have been changed to "80."

On line 24, the committee proposes to strike out "9" and to insert "15," so that, if amended, it will read:

Provided, That none of the foregoing, when containing yarns the average number of which does not exceed No. 80, shall pay less duty than 15 per cent ad valorem.

Mr. LENROOT. Mr. President, exactly the same argument applies to this item so far as the threads of lower count are concerned that applies to the controversy that we had with reference to yarns; and I can find no justification anywhere in the reports of the Tariff Commission or in an examination of a table of imports and exports for the increase that is proposed by the committee. Taking a count of 40, if the increases proposed by the committee shall be adopted it will mean a 25 per cent ad valorem rate imposed upon all cloths with a count of 40.

What are the facts with reference to imports and exports, and what are the facts that justify any such increase as is proposed by the committee?

I want to take a little time—I shall not take very much—in calling attention to the reports of the Tariff Commission with reference to certain of the cloths that are included in this paragraph. In one of their information surveys they divide the cloths in this paragraph into three groups:

Group I, average yarns, 40s to 80s.
Group II, average yarns, 80s to 120s.
Group III, average yarns, 120s to 250s.

I am speaking of Group I, which is the one now under consideration. They say:

This group contains all the long cloths, the heavier typewriter cambrics, coarser nainsooks, and ordinary lawns. The domestic industry dominates the home market, exporting in increasing quantities, by virtue of large-scale production. The normal imports are negligible compared to those of Groups II and III, and are confined to cloths of special finish or textures, as organdy or typewriter cambric. The abnormal postwar demand in combination with price conditions temporarily broke down the normal limits of competition, allowing the importation of cloths of this group in quantities far beyond the normal.

Mr. President, the importations in 1920 were very large, but the Tariff Commission reports, as a reason for those imports being very large, that the demand was greater than our own mills could supply.

Now, as to these cloths—and remember, these cover only the unbleached cloths, not printed, dyed, colored, and so forth—let us see what the imports were.

In 1921 the total imports of all cloths under this paragraph amounted to $3,800,000, in round numbers, while at the same time we exported to the value of $19,609,000. In other words, our exports were six times our imports, and yet it is proposed by this amendment to increase the duty to 25 per cent ad valorem. This, again, is one of the instances where it seems to me the committee can not justify the increase in the rate that is proposed. The rate on the unbleached, under the Underwood law, runs from 7½ per cent to 27½ per cent. The average ad valorem on the unbleached, not made of long staple cotton, was 23 per cent, based upon the 1921 imports, and that includes all counts, of course. Most of them are the higher counts, as I think the Senator from Utah will acknowledge. That is to say, the very large majority of the imports which come in under the entire paragraph are of the high counts, and the imports of the low counts are negligible and nominal.

I shall not take the time of the Senate this afternoon to go into a discussion of the occasion for such imports as there are of these lower counts, but the Tariff Commission explains them very fully, and gives as a reason for the imports of these lower counts, and why there are any, in view of our very large exports, the fact that where there is a very limited demand for a certain design, where some one wants a limited quantity of the design furnished by him, the American manufacturer will not take the order unless the purchaser is willing to give an order for not less than 8,000 square yards, while the English manufacturer will take an order for any amount, and make his price. The American manufacturer depends upon quantity production and low cost, with his automatic looms, and has no desire to deal in very small orders, whereas in England they will take any kind of an order, which accounts in large part for the amount of imports which do come in.

I am not going to take further time in discussing this question, unless there be something to reply to later on; but the rate in the present law is practically prohibitive, and that being so, and this being an article of universal consumption in the United States, I can not and shall not vote for an increase in the rate such as is proposed by the committee.

Mr. SMITH. Mr. President, it seems to me that the position taken by the Senator from Wisconsin [Mr. LENROOT] is aside from the argument that these rates are inexcusably high and that we must keep the parity between the yarn that enters into the cloth and the cloth which is made out of the yarn. The Senate has restored the House rates in practically all of the yarn paragraphs. The relation of the yarn counts which enter into the cloth to be manufactured was scientifically adjusted, and the Senate in amending started with the yarns, and then, when they reached the cloth paragraphs, they amended them in a like manner. Therefore, as the Senate has acted upon the yarn paragraphs, if they leave this cloth paragraph as it is they will have the rates out of all proportion; in other words, they will have a higher protective duty on the cloth made out of a given yarn than they will have on the yarn out of which the cloth is made.

I have from the Tariff Commission a diagram showing the relative schedules of the yarns and the cloth made out of the yarns, and the gradation is scientifically exact. In making these amendments the Senate adjusted the matter by raising the lowest count yarn and then made a like raise in the cloth made from that yarn. Now we have arrived at the cloth paragraph, and the House provision should obtain.

But before we take a vote on this amendment, I want to read into the record a statement covering the very point the Senator has mentioned.

The Senate Finance Committee has used as a basis the progressive system of specific and ad valorem rates of duty that were placed by the House in paragraph 903—

Senators will notice that this is the same progression found in the yarn—

but not satisfied with these high rates, they have added to them by four different methods.

I want to call the attention of the Senate to these specific ways of gerrymandering:

First, they have, in paragraph 903 itself, added 5 per cent ad valorem for cloths of which as much as 40 per cent of the surface is vat dyed.

Second, they have, in the last sentence of paragraph 904, changed the method of determination of the average yarn count, thereby incidentally destroying the comparability of import statistics, so that the average yarn count of any cloth will become 5 per cent higher than what it is now worked out under the Underwood bill.

That is, by abandoning the yarn count, and counting the length of the thread when woven into the cloth, making it 800 in place of 840.

Mr. SMOOT. That has been disagreed to.

Mr. SMITH. Has it been disagreed to in these two paragraphs?

Mr. SMOOT. That was a provision in the bill which applies to all these paragraphs and the committee have disagreed to it. Therefore, there is no need to discuss that provision, because, as I stated day before yesterday, I think the committee has disagreed to it, and I have offered an amendment to strike that provision of the bill out.

Mr. SMITH. I am very glad to know that even that little mite is saved. I read further from this statement:

Third. They have added, in paragraph 905a, cumulative rates of 12 per cent ad valorem on coarse cloths and 15 per cent ad valorem on medium and fine cloths, when made with eight or more harness, or with drop boxes, Jacquards, lappets, or swivels. These cumulative rates will apply to at least a third, possibly a half, of the total imports of countable cotton cloth. There are no swivel looms in the American cotton industry, and the object in adding 15 per cent ad valorem to noncompetitive cloths, such as the dotted Swisses that are worn for summer dresses, has not been explained by the committee.

Just at this point I want to say that the Senator from Utah stated the other day that the dotted Swiss cloth had gone out of style. I dislike to think that as up-to-date a Senator as the

Senator from Utah has indicated the women of his country with being out of date. I do not know that he does as some people do—not to say that I do—walk on F Street sometimes and see the vast array of American beauty. Most of it is wonderfully enhanced by being clothed in dotted Swiss. I think if the Senator will just take a promenade up and down F Street at the proper hour of the day or evening he will be convinced of the fact that our American beauty is wonderfully enhanced by dotted Swiss.

Mr. SMOOT. Evidently the Senator from South Carolina has not been on F Street in the last eight months, because the style in dotted Swiss went out, and the importations now do not amount to anything. If the Senator were up to date, I am quite sure he would say that is true. I ask him to go on Connecticut Avenue or Massachusetts Avenue to-morrow, if he can, on the Sabbath Day, and see how many dotted Swiss dresses he will find.

Mr. SMITH. I will admit that my sight is not as good as it used to be, and it may be I was so taken up with the faces that I was not looking particularly at the dresses.

Mr. POMERENE. It is quite evident that both the Senator from South Carolina and the Senator from Utah have an eye for the beautiful.

Mr. SMITH. And it is so wonderfully enhanced, and the modern method of dressing is so enticing, that one is inclined to see just what manner of cloth is used in the dresses. But I am persuaded to believe, according to the actual figures of the imports, that the Senator from Utah is absolutely wrong in his statement as to the imports of these goods. I read further from the statement:

> Drop-box fabrics, such as ginghams and checks, also do not need any special rate inasmuch as the larger part of such fabrics is made here cheaper than abroad and imports consist almost entirely of goods, such as the fine Scotch ginghams, that are made of finer yarns and sell here at higher prices than the nearest comparable domestic fabric.

The Senator from Wisconsin covered the identical point I intended to emphasize. I have here the figures of the Cotton Manufacturers' Interests of the United States, the Harvard series, and they dwell on the specializing of the English manufacturers in producing a small quantity of anything which any customer may want, any particular form, whereas in America we have practically standardized our goods, just as Mr. Henry Ford has standardized his car, and the public are taking those standardized goods in volume, and at prices with which the world can not compete.

One reason why the American manufacturer is not competed with by these Englishmen is that he does not care to go to the expense and trouble of changing his loom or his machinery to adapt himself to the changing whims of fashion. On the other hand, those goods we import are imported here at a higher price than the American manufacturer can make those goods for.

Mr. SMOOT. I want to say to the Senator that the reason why England does that is because of the fact that she has the world's trade, and she can make a class of goods larger in quantity, even though they be specialties, than can the United States, because of the fact that we do not export them. That is exactly the same as the making of a piece of goods of any kind in the United States. One mill can not go to work and make a few pieces of cloth, no matter what price may be paid for it, but if they can have a wide trade within the United States, in different sections of the country, which will take enough to justify them making any one special line, they are only too glad to do it.

Mr. SMITH. But the fact remains, and the Senator can not gainsay it, that in spite of the Payne-Aldrich law, the Dingley law, and all the other protective tariff provisions we have had, our mills have not engaged in the production of this kind of goods.

Mr. SMOOT. I can not agree with the Senator.

Mr. SMITH. The figures of the imports and exports show it. We do not produce the goods.

Mr. SMOOT. I can not agree with the Senator. We do produce these higher-priced cotton goods, just as fine as are produced, with the exception of ginghams, and there is no spot in the world which produces them better and finer except one place, and that is Scotland. But that is only one kind of goods, and a plain kind at that, as to the pattern.

Mr. SMITH. Mr. President, before we are through with this schedule I shall have inserted a statement from those who have made a study of this, showing that we do not engage in that manufacture because it does not suit the particular genius of American manufacturers, and in spite of the protection we did not take advantage of it, because we were more profitably engaged in manufacturing another line of standardized cotton goods. Of course, the tariff on those goods tends to enhance the price all along the line.

Mr. LENROOT. Mr. President, will the Senator yield to me a moment?

Mr. SMITH. Certainly.

Mr. LENROOT. With reference to what the Senator is saying now, I thought I had at hand when I had the floor corroboration of the statement that I made with reference to quantity of production and the foreign manufacturer being willing to produce in very small quantities. I find in the Tariff Information Survey the following statement:

> Real competition between domestic and imported ginghams exists only in a small section of the domestic gingham trade, and is confined to ginghams above 40's actual average yarn count and above 140 threads to the square inch. These divide naturally into two classes, "shirting ginghams," with a fairly constant demand, and "dress ginghams," with a varying demand. * * * The marketing of new or novelty patterns, so necessary in keeping ginghams popular, is hazardous, especially in large quantities. Should the pattern not be acceptable to the buying public the goods would have to be sacrificed, and must, therefore, be tried out in small quantities of any particular pattern and color. Domestic manufacturers, because they are organized for large-scale production, can not afford to produce in this manner. Foreign manufacturers on the other hand have always produced in small quantities of any one pattern and color. The minimum amount which the domestic manufacturer will produce, if he is willing to accept special orders at all, is 8,000 yards of a pattern and color, and he will not give exclusive pattern rights. Foreign manufacturers will weave to special order, giving exclusive rights on a pattern and color combination as low as 300 yards.

Mr. SMITH. May I ask the Senator a question? Is not that, then, a question of trade policy rather than tariff?

Mr. LENROOT. Exactly.

Mr. SMOOT. Oh, Mr. President, I do not want the Senator to make that statement, because the reason for that is that England has a trade that enables her to take an order for 300 yards from one person, but that does not mean that she only makes 300 yards of that kind of goods. She has the world market.

Mr. LENROOT. The only point I wished to make is that a very considerable portion of the imports that do come in constitute the special orders that our own manufacturers would not take.

Mr. SMITH. They would not take them, because they do not have the ability to handle them or the desire to accept such small orders.

Mr. SMOOT. They can not afford to take them, nor could a woolen mill go to work and make a new pattern cloth for a 300-yard order; they can not do it. They can not make cotton cloth in that way. But England has the markets of the world. She does not make 300 yards only of a certain pattern of cloth and sell it to one buyer in one State of the United States, or in South America, or in Canada, or in Australia. She makes not only that 300 yards but, having the world for a market, she will make a thousand times that number of yards.

Mr. LENROOT. So do we.

Mr. SMOOT. Oh, no; not of this kind of goods.

Mr. LENROOT. I am speaking of the coarser goods.

Mr. SMOOT. But these are not the coarse goods.

Mr. LENROOT. They are the coarser ginghams.

Mr. SMOOT. Ginghams of the kind here are the Scotch ginghams. They are made in Scotland. They do not make them in this country.

Mr. LENROOT. The point I wish to make is that it is not an injury to the American manufacturer to have the special orders go over to England for a given pattern and come back here in small quantities, because if that pattern then becomes popular in the United States and there is a demand for a large quantity in the United States, the American manufacturer will then manufacture that pattern in large quantities.

Mr. SMOOT. But the patterns change every year.

Mr. LENROOT. Of course.

Mr. SMOOT. Samples that are shown are made perhaps six months before a piece of goods is delivered to any industry in this country or anywhere else, and it is only during one year that that particular pattern would be in vogue. The American manufacturer has got to make the goods and offer samples to select from the same year that they are made by the foreign country or he can find no purchasers.

Mr. LENROOT. Of course, the Senator is an expert in woolens and I am not, except that I have studied the question through two tariff revisions. I ask the Senator whether it is not true that there are patterns which are novelties in the beginning and which run through cycles of two or three or four years with very large demand?

Mr. SMOOT. I will say to the Senator that this paragraph has nothing whatever to do with that class of gingham. It applies to bleached and unbleached cloths. It is not figured cloths at all. There is nothing fancy involved, so far as the two paragraphs of the section are concerned.

Mr. LENROOT. That is true.

Mr. SMITH. Mr. President, this controversy got off into the question of these extra designs.

Mr. SMOOT. Dotted Swiss?

Mr. SMITH. Yes, of which the Senator says we do not partake.

Now, resuming the statement from which I was reading:

Drop-box fabrics, such as ginghams and checks, also do not need any special rate inasmuch as the larger part of such fabrics is made here cheaper than abroad and imports consist almost entirely of goods, such as the fine Scotch ginghams, that are made of finer yarns and sell here at higher prices than the nearest comparable domestic fabric.

Jacquard fabrics are imported in negligible quantities so the additional duties on such goods is not a matter of any importance. The additional rates on fabrics woven with eight or more harnesses, however, cover the largest item of import, the cotton venetian lining, and eight harness sateens intended to be finished into such linings. The production of such fabrics in the United States has largely increased since 1914 and imports have been confined more and more to the finest qualities so that the Underwood duty appears ample. This provision for fabrics, woven with eight or more harnesses, also cover dobby cloths, of which there is a substantial import, but one which is very small as compared with domestic production.

The cumulative rates of paragraph 905a appear totally unnecessary on top of the increase in rates in paragraph 903 itself. It should be remembered that the great bulk of imported cotton cloths sell on the American market at higher prices than the nearest comparable domestic fabric, because imports are mainly due to superiority, or at least difference from the domestic in quality, finish, or fineness of yarn count.

Fourth. They have given a compensatory duty of 10 cents a pound, to be tacked on to all the other duties mentioned, to cloths containing cotton of 1⅜ inches or longer. This is because a totally unnecessary duty of 7 cents a pound has been imposed on such cotton in paragraph 900. As shown in the report just issued by the Tariff Commission, entitled "The emergency tariff act and long-staple cotton," the imported "Sakellarides" cotton from Egypt does not undersell the American-Egyptian cotton known as "Pima." No. 2 Pima cotton is selling to-day at about 37 cents, about the same price as when the so-called emergency tariff act was passed, but the landed price, without duty, of fully good Sakellarides has gone up from about 36 cents to about 47 cents, due to world demand. The imported cotton was therefore selling on the American market at a higher price than Pima before the emergency act went into force and, even without the duty, is now selling at a considerable higher margin. The only result of this duty, and the compensatory duty entailed thereby, is to increase the cost to the American people of goods made of such long-staple cotton, and to retard the development in this country of the weaving and export of such fine cloths.

The system of duties worked out in paragraph 903 appears to be based on a logical and coordinated plan, even though the rates inserted in the ad valorem sections are inordinately high, but, having worked out such a system and inserted rates of duty, why has the Finance Committee attempted to edge up its own rates here and there and there and there by four different devices? It would appear as if these patches must have been put on by manufacturers, especially gingham and venetian manufacturers, against the wish of the committee, for otherwise they would have been incorporated in a single set of logically adjusted rates that would apply equally to all.

Taking this paragraph, the whole subject involved has already been decided in the votes on yarn. It is not necessary for us to repeat the vast amount of cloths produced in this country in excess of any importations. The only importations that we ever have that amount to anything are the cloths that have been shown here by the Senator from Wisconsin [Mr. LENROOT] and by excerpts from standard writers to be those that our manufacturers do not engage in the production of at all—novelties and specialties; as to the foreigners, they are willing to take a chance on creating the machinery and going to the trouble of producing—and which sell higher in this country when imported than any comparable fabric that we have here. Yet we impose a duty here that runs the whole gamut of cotton cloths, in the manufacture of 80 per cent of which we have not a competitor in the world. We can manufacture and undersell any manufacturer in any part of the world.

I want to repeat, just as I said the other day in opening the debate on the cotton schedule, that we must not forget that 90 per cent of the spinnable cotton of the world is produced in America, and 70 per cent of all the kinds of cotton produced in the world are produced in America. That cotton is produced by American labor. The land is owned by American citizens. The whole world has to come to America to get its raw material. I submit to the Senate and to the American people that it is an indictment against the common sense, the common business sense of the country. We have a monopoly of the raw material, and the only competitor of whom we have any fear at all is the United Kingdom, Great Britain, whose civilization is on a par with ours, if not in some respects, as to education, superior, whose labor unions are in advance of ours, whose living conditions are as highly civilized as ours. They have to come 3,000 miles across the ocean to buy their raw material from us, transport it, convert it into the finished cloths, and yet we stand here declaring that we must erect a tariff wall against English competition when we have a monopoly of the very raw material out of which she is to spin her finished products.

It is true that practically all that is imported into this country, or the greater per cent of it, comes made out of cotton not produced in America, and which we could, until the action of the Senate the other day, get as cheaply as or cheaper than England could get the same identical Egyptian cotton. So that any imports which come into the country are made of Egyptian cotton, and we stand on a parity in getting the raw material. We have the advantage in the volume of goods produced per man, because in this very volume which I hold in my hand here, written by Mr. Copeland, of the Harvard University Series, he says the American manufacturer and the American mill operator produce more per man than in any place in the world; that the machinery is of the very latest design; and the output per man greater than in any mill in the world. Having a monopoly of the raw material, having more than an advantage in the output per man, having an inventive genius in this country equal or superior to any, having every natural facility and advantage in the world, together with monopoly of the raw material, we are erecting a tariff wall to keep Great Britain and civilized Europe from competing with us in the manufacture of goods out of our own materials on our own soil.

I say to you, Mr. President, that I can not see why we should have these duties on cotton cloths that we ought to admit we can make more cheaply and as to which we have no competition. We produce millions and millions of yards, and we preempt the markets of the world with these standardized cotton cloths, and yet in these paragraphs we have practically a prohibitive duty on importations. I sincerely hope that the Senate in voting upon this paragraph will reject the amendment proposed on the part of the Senate committee.

Mr. SMOOT. Mr. President, I simply wish to say that the junior Senator from Wisconsin [Mr. LENROOT] has made a statement that the duties on unbleached cotton cloth and cotton cloth not printed are not now in conformity with the yarn schedule which was adoped on yesterday by the Senate.

Mr. SMITH. If the Senator will pardon me, I should like to hear the statement which he has just made.

Mr. SMOOT. I say that I agree with the statement of the junior Senator from Wisconsin that the duties imposed in the first section of paragraph 903 on "cotton cloth, not bleached, printed, dyed, colored, or woven-figured," do not conform to the action of the Senate yesterday in reducing the rates on the lower-count yarns. Therefore I am going to offer amendments as the items are reached so as to conform to the action taken in relation to cotton cloth yarns on yesterday.

Mr. SMITH. On what line does the Senator from Utah intend to offer an amendment?

Mr. SMOOT. If the Senator will follow me, I will tell him what changes will be made. On page 122, at the beginning of line 24, it has been agreed to strike out "100" and to insert "80." Then, in the same line, where the language reads "shall pay less duty than 15 per cent ad valorem," it is proposed to change 15 per cent to 10 per cent; and where the language continues, "and in addition thereto, for each number," it is proposed to retain "one-fourth"; in other words, the minimum rate will be 10 per cent ad valorem and one-fourth of 1 per cent for each number, which on 80's will be 20 per cent. The total is equivalent to 30 per cent ad valorem.

Mr. SMITH. Does the Senator insist on the one-fourth instead of the one-fifth?

Mr. SMOOT. The Senator will see that on page 122, line 24, the House has fixed the rate at "9 per centum ad valorem, and in addition thereto for each number one-fifth of 1 per centum." That made 29 per cent ad valorem. Now, I propose to change that 9 per cent to 10 per cent, and then to strike out "one-fifth" and insert "one-fourth." On 80's that would make the rate 30 per cent. The committee propose to reduce the 40 per cent, in line 2, on page 123, to 30 per cent, which will make the paragraph conform to the action already taken according to the number of yarns in the cloth.

The PRESIDING OFFICER. Then does the Senator from Utah move——

Mr. SMITH. Just one moment, Mr. President; I wish to figure this out, so as to ascertain just what the changes are. It has been agreed, as I understand, to reduce the number of the yarn from 100 to 80, and the ad valorem rate to 10 per cent.

The PRESIDING OFFICER (Mr. WILLIS in the chair). The question is on agreeing to the amendment offered by the Senator from Utah on behalf of the committee, which will be stated.

The ASSISTANT SECRETARY. On page 122, line 24, the committee proposes to strike out "9" and insert "10."

Mr. SMITH. Mr. President, it is very evident, of course, that the amendment proposed constitutes a material reduction, but, according to the contention made by the Senator from Wisconsin and as I attempted to explain, the amendments suggested will not keep the yarns and the cloth upon the same parity. If we reduce the 100 to 80 and the ad valorem to 10 per cent and then

leave the one-fourth and put the maximum at 30, the rate on the cloth will be from 3½ to 4 per cent out of line with the rate on the yarn that enters into the cloth. To keep the exact parallel where the rate is based upon 80 counts in place of 100 counts, 27 per cent should be the maximum rather than 30. The House rate was 29 per cent based upon 100 counts, at 9 per cent, with one-fifth per cent for each additional number, so that if worked out according to the percentages, the rate should be about 26 per cent instead of 30 per cent.

Mr. SMOOT. Mr. President, the object of the amendments is to provide a rate of 30 per cent on the unbleached cloth, 35 per cent on the bleached, and then 45 per cent on cotton cloth that is printed, dyed, colored or woven, containing above 80 counts. We do not want to impose a higher duty than 40 per cent on cotton cloth coming into this country, and that is what we have provided for—on unbleached cloth 30 per cent, on bleached 35 per cent, and on the fancy, high-priced novelties and luxuries 45 per cent. I hope the Senate will agree to the amendment.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. SMOOT. Yes.

Mr. LENROOT. It seems to me that to make the rates harmonize, assuming that the House progressive rate was on a correct basis, we should retain the one-fifth and provide 10 per cent ad valorem and one-fifth of 1 per cent for each additional thread.

Mr. SMITH. That would just about be correct.

Mr. LENROOT. That would make 26 per cent up to 80 counts, and would leave 30 per cent for cloth over 80 counts.

Mr. SMOOT. I want to say to the Senator that I do not believe when we get up to cloth of 80 threads that 30 per cent will be any too much. When the cloth is above 80 threads it gets in the class of very fine goods.

Mr. LENROOT. I agree with the Senator as to that, but the Senator himself only proposes 30 per cent on cloth containing in excess of 80 counts.

Mr. SMOOT. And that is ample.

Mr. LENROOT. Very well; but it is on the higher counts that the highest ad valorem should prevail.

Mr. SMOOT. But I do not want it reduced down to 26 per cent.

Mr. LENROOT. I do not suggest that it be reduced down to that point on counts over 80, but under 80 is where I suggest that we make the additional rate one-fifth instead of one-fourth, which would bring it to 26 per cent.

Mr. SMOOT. Of course, Mr. President, that would make the duty on 80 thread 26 per cent and on 81 thread 30 per cent, and that would hardly be right.

Mr. SMITH. Mr. President, if action could be taken whereby "100" would be retained and the remainder of the House provision, the contention the Senator is making would be met.

Mr. SMOOT. We have got to provide for counts between 80 and 100; there is no question about that.

Mr. SMITH. I suggest that the Senate recede from the amendment substituting "80" for "100," and then the paragraph would be in conformity with the action taken up to the present time, and that would take care of the very point for which the Senator is contending.

Mr. SMOOT. I will say to the Senator from Wisconsin if we do that then we will have imported a great quantity of fancy yarns up to 79; they will not be made up to 80, but will stop just under that mark. What we want to do is to take care of the goods that we know come in here in sharp competition with the American goods in great quantity.

Mr. SMITH. The parity will be preserved by leaving in "one-fifth" instead of "one-fourth."

Mr. SMOOT. I do not care whether a straight line drawn is maintained or not.

Mr. SMITH. It is not a question of a straight line, but we are trying to reduce the rates of duty to the point where they would have some semblance of science and equity.

Mr. SMOOT. They have that now, Mr. President, with the amendments which I have proposed.

Mr. SMITH. I was simply trying to show that a diagram would portray the accomplishment of just the thing we are trying to avoid.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as modified.

Mr. SMOOT. What is the pending amendment?

The PRESIDING OFFICER. The pending amendment will be stated.

The ASSISTANT SECRETARY. On page 122, line 24, it is proposed to strike out "9" and insert "10."

Mr. SMOOT. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as modified.

The amendment as modified was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment.

The ASSISTANT SECRETARY. On page 122, line 25, it is proposed to strike out "one-fifth" and insert in lieu thereof "one-fourth."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. LENROOT. Mr. President, on a 40-count cloth, if this amendment is adopted, we will still be imposing a tariff of 20 per cent ad valorem. I very much wish we might upon these lower counts at least preserve this one-fifth. I am very sorry that the committee have not seen fit to make one additional grouping, so as to cover the lower counts. That they have not done. They run from 1 to 80——

Mr. SMOOT. The Senator will notice that the House gave 29 per cent.

Mr. LENROOT. Yes; in excess of 100.

Mr. SMOOT. In excess of 100.

Mr. LENROOT. I am not objecting to the 30 per cent in excess of 100—not at all—but we are imposing an excessively high rate on the counts below 60. That is my point. Can we not let this go over until Monday? I do not think there is very much difference between us here.

Mr. SMOOT. Does the Senator mean also the next bracket of cloth bleached, and so forth?

Mr. LENROOT. Mr. President, if the Senator will give assurance that in conference this matter will be worked out so that there will be a proper relation on the lower counts, I would have no objection to adopting this amendment now; but I do not like to have the amendment adopted imposing——

Mr. SMOOT. I will say to the Senator that in conference if 100 is agreed to instead of 80, of course, then it will fall naturally, as the Senator says.

Mr. LENROOT. That would be true; yes.

Mr. SMOOT. But really, I want to say to the Senator, the keenest competition comes between 80's and 100's.

Mr. LENROOT. I agree with the Senator upon that.

Mr. SIMMONS. Mr. President, I think it would be better to let it go over and work it out. Of course, the Senator intends to do this and that in conference, but he may not be able to do it.

Mr. SMOOT. I did not say that I could do it, but I say it is in conference.

Mr. SIMMONS. Oh, it is in conference, but I do not think it is very good policy to rely upon a conference taking care of things of that sort. I suggest that we let it go over until Monday and see if we can not adjust it.

Mr. President, the little controversy that is going on between Senators on the other side of the Chamber with reference to the adjustment of this rate so as to make it satisfactory to the other side of the Chamber is taking up some time; and to help them out I am going to put into the RECORD a letter which I received shortly after the 22d day of June, and which I ought to have put into the RECORD before, but I failed to do so. It is a letter from the managing director of the National Retail Dry Goods Association. It seems that the executive committee of the National Retail Dry Goods Association entered into a careful consideration of certain charges that were made by the Senator from North Dakota [Mr. MCCUMBER] and placed in the CONGRESSIONAL RECORD with reference to profiteering. This letter was addressed to the Senator from North Dakota [Mr. MCCUMBER], but never by him, I think, put in the RECORD. It is as follows:

NEW YORK, *June 22, 1922.*

Hon. PORTER J. MCCUMBER,
Chairman Senate Finance Committee,
Washington, D. C.

DEAR SIR: The executive committee of the National Retail Dry Goods Association, after having given careful consideration to certain charges made by you, as reported in the CONGRESSIONAL RECORD of June 14 (p. 8709), have unanimously adopted the following statement and directed me to send it to you:

The CONGRESSIONAL RECORD reports you to have said—

1. "The great metropolitan newspapers to-day are attacking the McCumber tariff bill because their prosperity for the moment depends upon the prosperity of their advertisers. With every metropolitan paper the mouthpiece of the importer who buys its advertising pages, the very foundation of the temple of protection is being undermined by this insidious propaganda.

2. "* * * And their advertisers are making fortunes, buying cheaply abroad and selling at tremendously high prices to the American consumer."

The answer to charge No. 1, in effect that the great metropolitan newspares are venal and corrupt, should more properly come from the newspapers; but we desire to record our belief that this charge is untrue and unsupportable and unworthy of the chairman of a com-

mittee as important and responsible as is the Senate Finance Committee. For the good of our American institutions this assertion should either be proven or withdrawn.

We consider it fitting that the National Retail Dry Goods Association should answer your second charge, that of "profiteering," as our membership includes about 2,000 stores, both large and small, situated from the Atlantic to the Pacific, from the Canadian border to the Rio Grande, doing a net business yearly of more than $2,000,000,000. We shall refute this charge, not by mere assertion but by actual published figures determined by the investigations of one responsible, independent organization and by three important Government commissions and agencies.

You base your charge on the presentation of a number of imported articles, such as a cuckoo clock, imitation pearl necklace, kitchen table knife, barber's clipper, linen napkin, electric-light bulb, silver-backed watch, lady's glove, shears, razor, curling iron, paper thermos bottle, English straw hat, cane, carving set, pocketknife, decorated plate, flapjack turner, briar pipe, and smoothing iron. You designate the "spread" between the foreign cost and the retail price of each of the articles of your exhibit as the "profit," as follows: (p. 8711). "Here is a little watch, silver-backed, I think. I do not know whether it is bought by the gross or by the piece. The foreign cost is a dollar, and it is retailed in this country for $9.45. The spread, therefore, is $8.45 and the profit, of course, would be 845 per cent." Without questioning the accuracy of the cost and selling figures presented, or your method of computing them, or whether they are due to depreciation of exchange, the truth as to the "profit" is, of course, entirely different from your statement, because to the foreign cost must be added the cost of foreign buying, inland freight abroad, consular fees, freight, and insurance, duty to the United States Government, customhouse charges, general overhead, the cost of doing business in this country, and Federal and other taxes. The spread between the cost so determined and the price at which the goods are sold is the true profit. Thus it is apparent that every percentage of "profit" of importer and retailer stated by you "in some cases to be upward of 2,000 per cent" is incorrect and misleading. It appears that you have made the error of designating as "profit" the difference between the first cost of the merchandise and its marked retail selling price. How profitable all business would be if there were no expenses!

As to the articles selected to create this impression it can fairly be said that they are not important items or representative of the imports which come into America, nor do they reflect the general condition of the trade. It has been stated on the floor of the Senate that the annual production of clocks in the United States is about $230,000,000, of which there is exported almost $5,000,000 in free competition with the clocks of other countries, while but $500,000, or about two-tenths of 1 per cent, is imported annually in competition with our own clocks. Of electric-light bulbs there was imported in 1921 into the United States about $250,000 worth, there was exported $4,000,000 worth, and there was manufactured in this country about $60,000,000 worth, imports thus being less than one-tenth of 1 per cent. Other examples given are similar.

The truth about the so-called "profiteering" by department stores has been authoritatively proven to be at complete variance with your assertions. In 1920 the United States Department of Justice completed, under the Lever Act, a searching investigation into the charges of retail "profiteering" so widely circulated in the press at that time. Their agents visited practically every big store in this country, called for invoices and statistics of every sort, which were freely supplied by the stores. To the best of our knowledge and belief, out of thousands of department stores investigated, profiteering was found in practically no cases. It is interesting, in view of your charges that the newspapers are controlled by their large advertisers, to note that for a period of six or eight months the press of this country at that time carried on the hue and cry against the retail stores, although the members of our trade were large users of their advertising columns. The investigation by the Department of Justice convinced the press that the charges were unfounded, and the campaign was not only in fairness discontinued but hundreds of papers apologized editorially for the publicity which the newspapers had given to the unwarranted and unsupported charge of "profiteering."

The Bureau of Business Research of the Graduate School of Business Administration of Harvard University conducted an inquiry into the cost of operation in retail dry goods and department stores throughout the United States. We quote from their report:

"Profit and loss statements for the year 1920 were obtained from 305 stores located in 39 States, with aggregate net sales of $535,193,000, varying per store from $71,000 to $29,000,000. The average net profit was shown to be .018 per cent of sales."

In other words, out of each $1 of sales one and eight-tenths cents was retained as profit. Certainly a net profit of one and eight-tenths cents would not be regarded as satisfactory by even the most bitter critic of the retailer.

Nineteen hundred and eighteen was a more profitable year for retailers, as the published figures show. These figures were compiled for the United States Department of Justice by a committee of store controllers representing the National Retail Dry Goods Association. They covered 120 large stores doing an aggregate business of $203,451,000—from $34,000 to $21,000,000 each—and showed an average net profit of five and seventy-one one hundredths per cent before Federal taxes.

The final record about the so-called department store "profiteering" has just been written by the Joint Congressional Commission of Agricultural inquiry appointed to investigate the prices of food, clothing, etc., for the purpose of finding out whether profiteering was going on or whether the spread between the cost of producing and what consumers have to pay was due to other causes. The complete report has not yet been made public, but the commission's findings relating to dry goods and clothing were announced by its chairman on June 14, 1922. Chairman SYDNEY ANDERSON, forecasting the section of the report dealing with retail dry goods stores, says: "Retail dry goods profits are found to have averaged .053 per cent for the nine-year period from 1913 to 1921. From this profit must be deducted such items as shrinkage in inventory value of merchandise, Federal taxes, and stock-moving reductions in response to price declines or movement of stock accumulation."

Thus it is apparent that after the deduction of Federal taxes and merchandise reductions the actual final net profit of department stores for the last nine-year period must have been considerably less than 5 per cent.

The results of these authoritative investigations, three of which were conducted by agencies of the United States Government, establish how untrue and unfair have always been and now are the oft-repeated charges of "profiteering" by department stores, and should suggest the justice of ending such unwarranted attacks against the department stores of this country.

There is no monopoly or combination among the thousands of storekeepers that enables them to charge exorbitant prices. As a matter of fact, competition is probably keener and more unrestricted than in any other line or trade in the country.

We understand the traditional Republican tariff policy to be of sufficient protection for American labor and the American manufacturer to offset the difference in the cost of production here and abroad. The American retail merchant strongly favors such protection, but is convinced that no American manufacturer can honestly ask for more.

That the importance of imported merchandise to retail stores lies in quite another direction than "profits" was shown in the brief which the National Retail Dry Goods Association submitted to the Senate Finance Committee on January 17, 1922, after the committee had denied us a hearing on the tariff bill. In that brief it was stated, "Of the entire membership of the association, a very small proportion only do any direct importing and the total amount of imported commodities, whether directly imported or otherwise, sold in the stores which support the organization has been estimated as probably less than 5 per cent of the entire volume of goods handled by such stores," thus proving conclusively that the department stores are not dependent on imported merchandise for their livelihood. The importance of imported merchandise to the retailer and to the consumer lies in the competition which it gives to domestic manufacturers to hold down prices. Having this in mind, it seems against the public interest to write the tariff duties so high as to eliminate foreign competition and so high as to raise prices to the consumer.

The opposition manifested by retailers and by the country at large to the proposed tariff bill is quite understandable and is based on the necessity of lower and not higher prices for all the necessities of life. When the public refuses to pay the bill all industries are adversely affected. We record again our conviction that the consuming public will not stand for higher prices. As expressed by the Comptroller of the Currency, D. R. Crissinger, before the Maine Bankers' Association, June 17, at Augusta, Me., "The great buying and consuming public is not going to be brought into the market by asking it to pay higher prices when it has already proved unable to pay lower ones."

The National Retail Dry Goods Association is opposed to the proposed tariff because its rates have not been constructed in a scientific, nonpartisan, nonpolitical manner, because it carries higher rates on most finished products than a sound, protective principle requires; because it will tend to raise prices to the consumer; because it will tend to restrict imports necessary to the international commerce of the United States, and in so doing will damage the interests of all those on whose exportable surplus the international price has a vital and direct influence, namely, the farmer, the cotton grower, the producer of metals, the exporting manufacturer, etc.

Inasmuch as your charges against department stores were made openly on the floor of the Senate and printed in the CONGRESSIONAL RECORD, we respectfully request that this entire statement also be printed in the RECORD.

As your charges were given wide publicity in the newspapers, copies of this statement are being given to the press.

Respectfully yours,

NATIONAL RETAIL DRY GOODS ASSOCIATION,
LEW HAHN, *Managing Director.*

That letter, I think, has never been published in the RECORD. It came to me probably about the 24th of June, and I should have put it in at that time; but I put it in my desk and did not find it until a short time ago, and it occurred to me that the hiatus created by this little diversion was a good time to put it in without infringing upon the time of the Senate.

Mr. SMOOT. I think there is one statement in the letter that is altogether too broad. They say they were denied a hearing by the Finance Committee.

Mr. SIMMONS. I do not know anything about that.

Mr. SMOOT. The committee had hearings on the American valuation, as the Senator knows, because he was in the committee when we spent days and weeks upon the American valuation, and, as I remember, after that subject had been closed, and after repetition after repetition had been made by the witnesses on that subject, there was a request made by the retailers' association to open that subject up again, and, of course, the committee refused to do so. I think now they are very well satisfied that they did not, because when the final vote was taken it was shown that there were seven votes in the committee against and three for, and if the committee had given them a week or a month longer on the question of the American valuation it could not have come out differently from the way it did come out, and from the way they wanted it to come out.

Mr. SIMMONS. Does the Senator state that they only asked to be heard on the American valuation? I infer from this letter that they desired to be heard generally in opposition to the bill.

Mr. SMOOT. They were heard generally, but, as I remember now, they wanted to open up the question of the American valuation again, thinking that the committee had not determined just what they were going to do, and of course it had not been given out, because it was one of the very last things determined by the committee. I thought it was only fair to make that statement. It may be that they made an application at some other time, or for some other purpose; but that is all that came before the committee.

Mr. SIMMONS. The letter was not directed to me. It was sent to me in a letter inclosing it, saying it had been sent to the

chairman of the Finance Committee. I think there was a request that I put it in the CONGRESSIONAL RECORD.

Mr. SMOOT. I am not complaining because the Senator has done that.

Mr. SIMMONS. I did not put it in on account of that statement. I think that is of minor importance. But I was glad to read the latter part of it, because it seemed to me a particularly strong and vigorous statement in opposition to the bill.

Mr. SMOOT. I wanted to make the statement because the Finance Committee gave everybody a chance to be heard who wanted to be heard. That kept us there weeks and weeks. Every Representative who came was admitted into the committee, no matter whether we had settled upon the rates or not, and was allowed to make a statement and to bring whomever he wanted. Every Senator who wanted to be heard, even on paragraphs we had passed upon, was allowed to come before the committee. I do not want the impression to go abroad that the committee tried to choke off any hearings.

Mr. SIMMONS. I did not want to create that impression. I am rather inclined to think that in those general hearings anybody who wanted to be heard could be heard. I care nothing about that statement. The letter was not read for the purpose of bringing that out, but I read the letter for the purpose of emphasizing the fact that the retailers of this country, speaking through their authorized agents, declare emphatically and unequivocally that these rates will tend to raise prices at a time when the country expects and demands lower prices.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The VICE PRESIDENT. The Secretary will state the next amendment.

The ASSISTANT SECRETARY. On page 123, line 2, the Senator from Utah has sent to the desk and proposed an amendment, in the paragraph covering cotton cloth, not bleached, to strike out "100" and to insert in lieu thereof "80," so as to read:

Nor when exceeding No. 80, etc.

The amendment was agreed to.

Mr. SMOOT. The next amendment is on line 21, page 123. Instead of "35," the rate I sent to the desk, I move to strike out "40." as originally proposed by the committee, and to insert in lieu thereof "30," so as to read:

Nor when exceeding No. 80, less than 30 per cent ad valorem.

The VICE PRESIDENT. The question is on agreeing to the amendment as modified.

The amendment as modified was agreed to.

The VICE PRESIDENT. The Secretary will state the next amendment.

The ASSISTANT SECRETARY. On page 123, line 10, under cotton cloth, bleached. the Senator from Utah moves to strike out "100" and insert in lieu thereof "80," so as to read:

When containing yarns the average number of which does not exceed 80, etc.

The amendment was agreed to.

The next amendment of the committee was on page 123, line 11, to strike out "13" and to insert in lieu thereof "15," so as to read:

Provided, That none of the foregoing, when containing yarns the average number of which does not exceed No. 80, shall pay less duty than 15 per cent ad valorem.

Mr. LENROOT. Will the Senator from Utah state the justification for a higher ad valorem on bleached cotton cloth than upon cotton cloth not bleached?

Mr. SMOOT. Every manufacturer who appeared said that the 5 per cent was not sufficient. Everything they use bears a tax in the bill, and not only that, but the differential between the labor costs in this country and other countries, with the extra cost of the items used in the bleaching and dyeing, justifies at least 5 per cent.

Mr. LENROOT. We are taking care of vat dyeing.

Mr. SMOOT. I did not say vat dyeing; I said dyeing. The vat dyeing is taken care of.

Mr. LENROOT. The Senator is aware, is he not, that the Tariff Commission finds that bleaching costs less in the United States than in England?

Mr. SMOOT. That is denied.

Mr. LENROOT. Denied by whom?

Mr. SMOOT. By every man who is compelled to bleach cloth in this country.

Mr. LENROOT. In this Tariff Commission survey the Tariff Commission has taken occasion at least three times to discuss this very question, and on each occasion they have stated most emphatically that dyeing and bleaching costs less in the United States than in England. The Senator admits that that statement is made by the Tariff Commission, does he not?

Mr. SMOOT. Yes; they make that statement, but I can not see upon what basis it is made.

Mr. LENROOT. Why not?

Mr. SMOOT. Because the same mode of dyeing is used in England and foreign countries as is used here. We have a duty upon the dyestuffs, in paragraph 26, and also on the intermediates, in paragraph 25, which we have never had the like before.

Mr. LENROOT. I understand that; I am not referring to that.

Mr. SMOOT. I am not speaking of vat dyes. I am speaking of the great mass of coal-tar dyes.

Mr. LENROOT. What I want to know is whether there is any justification for any increase in the ad valorem other than by way of the compensatory duty imposed because of the duty imposed upon dyes?

Mr. SMOOT. It is very small, indeed.

Mr. LENROOT. How does the committee arrive at this 5 per cent—for it amounts to 5 per cent?

Mr. SMOOT. Yes; it amounts to 5 per cent.

Mr. LENROOT. Upon what basis do they arrive at 5 per cent; by reason of the additional cost of the dyes?

Mr. SMOOT. If these goods were worth, say, $1 a pound, that would be only a difference of 5 cents, and we have a duty on those goods of 7 cents a pound and 60 per cent ad valorem. Outside of the common different wood extracts, every coal-tar product in this bill, in paragraph 26, carries a duty of 7 cents a pound and 60 per cent ad valorem. I stated frankly the other day that those rates were put in this bill so that it would not be necessary to put an embargo upon those very goods.

Mr. LENROOT. What articles enter into the bleaching? It is just bleaching we are talking about now.

Mr. SMOOT. Of course, if it is just white yarn, they would use sulphur or specially prepared acids.

Mr. LENROOT. That is the only paragraph we are discussing now.

Mr. SMOOT. It depends on the kind of cloth to be bleached. No bill has ever been written that I know of where there was not a differential between the cloth in gray and the cloth bleached.

Mr. LENROOT. Of course, the committee recommends a larger differential than the House did.

Mr. SMOOT. I do not think so.

Mr. LENROOT. The committee recommends a differential of 5 per cent, and the House made one of 4.

Mr. SMOOT. That is on account of our beginning at No. 80 instead of No. 100. In fact, there is not as much difference in this as in the unbleached, because in the unbleached the House gave them 29 and we gave them 30, and here the House gave them 33 and we give them 35; and the 29 and 33 was on the American valuation.

Mr. LENROOT. The committee proposes no reduction whatever in the lower counts of bleached cloth?

Mr. SMOOT. No; not in the lower counts of bleached cloth.

Mr. LENROOT. But it does propose a reduction in the higher counts of bleached cloth?

Mr. SMOOT. Yes.

Mr. LENROOT. Does the Senator think that is consistent?

Mr. SMOOT. It is consistent with the rates the House provided. That is the way the House wrote it.

Mr. LENROOT. If we are going to have a reduction in the higher counts, does not the Senator agree with me that we ought to have a reduction in the lower counts, if the committee was correct in its basis in the first instance? Will the Senator not accept the House rate of 13 per cent there?

Mr. SMITH. Let me understand the Senator from Wisconsin. He is contending that as we have reduced the number from 100 to 80, then the normal reduction would be from the 15 to the 13?

Mr. LENROOT. The committee brought in a minimum of 40 per cent on the higher counts. I have said many times that it is the higher counts which justify a liberal duty. Now the committee comes in and proposes, very properly—I am not criticizing it—a substantial reduction in the higher counts, but proposes no reduction in the lower counts. If the committee was right in the first instance, they have not the progressive rate here which ought to apply when they reduce the minimum of the high counts to 35 and make no reduction on the low counts. Here again, I may say, it is upon these low-count bleached cottons that our imports are only a small fraction of our exports.

Mr. SMOOT. The class of goods falling in the class of bleached is altogether a different class of goods from the unbleached. There are so many of them which are sold even without bleaching.

Mr. LENROOT. Do plain white goods come in under this paragraph?

Mr. SMOOT. Yes; but generally, where they are plain and bleached, they carry a fine thread, particularly the importations.

Mr. LENROOT. I think that is true; but that merely emphasizes what I have been saying many times, that we are exporting in large quantities the low counts, and we are importing, what we do import, of the high counts, and I do insist that when the committee comes in and proposes a reduction in the high counts there ought to be a reduction in the lower counts as well.

Mr. SMOOT. I have not figured out just what change it would make.

Mr. LENROOT. I suggest we disagree to the amendment, leaving it 13 per cent, and it can be taken up afterwards and harmonized.

Mr. SMOOT. Why not let it go at 15 per cent, and then let that be figured up?

Mr. LENROOT. The Senator very well understands the difference between the committee bringing in an amendment later on and having it adopted, and an individual trying to open it up. It would be very simple for the committee to do it if it is found necessary to do it. I ask that this amendment be disagreed to.

Mr. SMOOT. I will agree to disagree to the amendment. I want to see just how it brings the relativity between the yarn and the cloth, and if there is that difference I shall want to ask that it be reconsidered.

Mr. SMITH. Let me understand the two Senators who have had this argument. On line 10 we reduce to 80, and disagree to the Senate proposition of 15 per cent on line 11.

Mr. SMOOT. And then disagree to the amendment.

Mr. SMITH. We disagree to 100 and leave it 80, and disagree to 40 and leave it 33.

Mr. SMOOT. Yes; disagree to the amendment and leave it 33 per cent ad valorem.

Mr. SMITH. All right; I am ready for a vote.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was rejected.

The ASSISTANT SECRETARY. The next amendment is, on page 123, in line 12, to strike out "one-fifth" and insert "one-fourth."

The amendment was agreed to.

The ASSISTANT SECRETARY. The Senator from Utah [Mr. SMOOT] has sent to the desk and proposes an amendment, on line 13, to strike out "100" and insert "80."

The amendment was agreed to.

Mr. SMOOT. I now ask that the committee amendment be disagreed to in the next line.

The ASSISTANT SECRETARY. In line 13 the committee proposes to strike out "33" and insert "40."

The amendment was rejected.

The ASSISTANT SECRETARY. In line 23, in the next paragraph, paragraph 903, the Senator from Utah sends to the desk a proposed amendment to strike out "100" in the House text and to insert "80."

The amendment was agreed to.

The ASSISTANT SECRETARY. On page 123, line 23, the committee proposes to strike out "13" and to insert "15," with the modification proposed to change "15" to "20."

Mr. LENROOT. Mr. President——

Mr. SMOOT. I will say to the Senator that when this is done I shall ask that three-tenths be reduced to one-fourth, so it will make it 40 per cent instead of 45.

Mr. LENROOT. I did not quite understand the Assistant Secretary with reference to the committee amendment. When it does not exceed 100, is it to be 20 per cent ad valorem?

Mr. SMOOT. It reads:

When containing yarns the average number of which does not exceed 80, shall pay a less duty——

Mr. LENROOT. The Senator can not mean that.

Mr. SMOOT. Yes; that is right. The rate is 20 per cent ad valorem and one-fourth of 1 per cent ad valorem for each additional count. One-fourth of 80 is 20, which would make 40 per cent instead of 45 as reported by the committee. These are all higher numbers.

Mr. LENROOT. No; they are lower numbers.

Mr. SMOOT. They are above 40. They are exceeding 40, 22 per cent.

Mr. LENROOT. But it reads "none of the foregoing," and that excludes all below 40.

Mr. SMOOT. If the Senator will read the language, he will see that it reads:

Cotton cloth, printed, dyed, colored, or woven figured, containing yarns the average number of which does not exceed No. 40, forty-five one-hundredths of 1 per cent average number per pound; exceeding No. 40, 22 cents per pound, and, in addition thereto, sixty-five one-hundredths of 1 per cent average number per pound for every number in excess of 40: *Provided*——

Mr. LENROOT. Then the Senator's 20 per cent will apply to the 20 count or the 40 count. It will make 30 per cent ad valorem on a 40 count.

Mr. SMOOT. Then I suppose the best way to make it will be to leave the 15 per cent as it is, and then for each number add five-sixteenths of 1 per cent, which makes the 40 per cent.

Mr. LENROOT. Whatever increase there is should be by ad valorem per number, because otherwise we will carry the highest rate to the lowest count.

Mr. SMOOT. It will figure exactly the same in the end with the exception of those on the lower count. I ask that "15" be agreed to instead of "20."

The ASSISTANT SECRETARY. On page 103, in line 23, the committee proposes to strike out "13" and to insert "15."

The amendment was agreed to.

The ASSISTANT SECRETARY. The next amendment is in line 24, where the committee proposes to strike out "one-fifth" and insert "five-sixteenths."

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. SMITH. If we want to keep the parity with what we have just done, in place of one-fifth, certainly one-fourth would be high enough.

Mr. SMOOT. No; one-fourth would be 27½ per cent. Fifteen per cent is 15 per cent on those lower than 80, and above 80 it would be 15 per cent and five-sixteenths. Five-sixteenths of 80 is 25 per cent, and 25 and 15 is 40 per cent on the higher count.

Mr. LENROOT. Is the Senator striking out 100 and inserting 80?

Mr. SMOOT. Yes; and striking out 45 and inserting 40.

Mr. WALSH of Montana. So the duty on the count of 80 will be 40 per cent?

Mr. SMOOT. Yes. Those are the finest goods that are made.

Mr. SMITH. If the Senator reduces that to one-fourth in place of five-sixteenths——

Mr. SMOOT. Then we would only have 35 per cent.

Mr. SMITH. And the House only had 33 per cent on the higher count.

Mr. SMOOT. That is on the American valuation.

Mr. SMITH. But 33 per cent even when restricted to the higher count, and now you have lowered the count and raised the rate of duty.

Mr. SMOOT. Because of the very fact that the goods that we have to protect are goods the count of which is over 80.

Mr. WALSH of Montana. I inquire of the Senator if I have it accurately now? The House proposed 33 per cent and one-fifth. Assuming the count is 80, one-fifth would be 16, and plus 13 would be 29 per cent under the House rate. We propose to make it 15 per cent.

Mr. SMOOT. But the House had up to 100, which would be 13, and one-fifth of 20.

Mr. WALSH of Montana. The rate would then be one-fifth of 80, which would be 16, and plus 13 would be 29. As we have it, we have 15 per cent and three-tenths. Three-tenths would be 24 and plus 15 would be 39. The House proposed 29 and we raise it to 39. Are my figures correct? Five-sixteenths is 25. Twenty-five and 15 are 40, but the House rate practically figured 29 per cent.

Mr. SMOOT. No; the House rate figured it up to 80, but 100 up to 33.

Mr. WALSH of Montana. But we are figuring on the basis of not to exceed 80. Figured on that basis the House rate was 29 and the Senate committee rate is 40.

Mr. SMOOT. That is correct on the one particular number.

Mr. WALSH of Montana. That is, those that do not exceed 80.

Mr. SMOOT. That is on the one particular number if it were 80, American valuation.

Mr. SMITH. The present rate of duty, figuring on a count of 80 and above, is 27½. Now, we propose to add to that the difference between 27½ and 40, or a 12½ per cent increase on that character of goods.

Mr. SMOOT. Yes; and these are the very character of goods that ought to have the increase.

Mr. SMITH. It seems to me that on the imports and exports of the kind of goods here described, reducing the count down to 80, a 12½ per cent raise is absolutely unjustifiable, even taking the American valuation. As we have already agreed to the 15

per cent, if we want to keep a parity, in place of making it five-sixteenths we should make it one-fourth, and then it works out 35 per cent, which is an increase of 7½ per cent over the Underwood rate over the present tariff duty, and it seems to me that in all conscience is sufficient.

Mr. SMOOT. On these very goods the importations for the year 1910 were 37,000,000 square yards, in round numbers; in 1914, 39,000,000 square yards, in round numbers; in 1921, 74,000,000 square yards; and for January, February, March, and April of 1922 are greatly increased over the period of 1921; in other words, if the same rate of importations continues during 1922 as for the first four months of 1922, there will be 197,830,967 square yards imported into the United States. If there is any count of yarn or any class of goods which needs protection, it is the very class that we are discussing at this time. They are just as much of a novelty as the silks are.

Mr. SMITH. The exports of cotton goods in 1921 were 419,501,808 yards. For the nine months ending March 31, 1922, the exports were 432,281,567.

Mr. SMOOT. Where does the Senator get those figures?

Mr. SMITH. From the Commerce Reports for May 1, 1922.

Mr. SMOOT. Then I have copied them wrong.

Mr. SMITH. I have the report itself. There were 419,501,808 yards exported in 1921, and for the nine months ending March 1, 1922, there were 432,281,557 yards exported.

Mr. SMOOT. I have no such figures, I will say to the Senator.

Mr. SMITH. It is stated here as follows:

> The most convincing indication that the United States export trade in cotton goods has passed the post-war periods of overbuying and depression and that a period of normal expansion in foreign markets has set in is found in the statistics for the nine months ending March, 1922. After declining from its 1920 yearly total of 799,156,000 yards to 544,121,400 yards in the calendar year 1921, an actual increase from 419,501,800 yards for the three-quarter-year period ending March, 1921, to 432,281,600 yards for the corresponding period ending March, 1922, is registered.

Mr. SMOOT. All I can say is that I hold in my hand the Monthly Summary of Foreign Commerce of the United States, part 1, and I find this to be the fact as to cotton cloths: For the 11 months ending with May of this year there were exported of cotton cloths 102,620,544 square yards.

That is what this report states. The value of those exports was $18,027,709.

Mr. SMITH. The table which was furnished by the Tariff Commission and which, I think, all Senators have——

Mr. SMOOT. I will hand this report to the Senator if he wishes to see it. It is from the department.

Mr. SMITH. Shows that for the calendar year 1921 the quantity of cotton cloth imported was 112,340,259 square yards.

Mr. SMOOT. That is true.

Mr. SMITH. The exports for the same period—that is, for 1921—were 551,512,942 square yards.

Mr. SMOOT. That is correct.

Mr. SMITH. That is the information furnished as to the exports in 1921.

Mr. SMOOT. Yes; but when we come to 1922, instead of there being 551,512,942 yards exported, there were only 102,000,000 yards exported.

Mr. SMITH. That was only for 9 months.

Mr. SMOOT. That was for 11 months.

Mr. SMITH. The figures which I have read are the figures furnished by the Commerce Reports for 9 months.

Mr. SMOOT. The exports for 11 months ending May, 1922, were 102,620,544 square yards, as against 551,512,942 square yards for the calendar year 1921—not one-fifth of the amount. That is where we are drifting.

Then, take the imports; just think of the imports into the United States. Here they are: In 1910 there were imported 61,000,000 square yards—I am not going to give the odd figures; in 1914, 59,000,000 square yards; in 1921 imports jumped to 112,000,000 square yards; and then, when we come to the first four months of 1922, there were nearly 66,000,000 square yards imported. In other words, during the entire year, on that same basis, there will be 197,000,000 square yards imported. I should think the Senate could see the direction in which we are going. As I have stated, if a duty is required for the protection of any industry in the United States it is for this very industry. We are only proposing to increase the duty from 27½ per cent, which is the existing law, and under which these importations are coming in, to 40 per cent.

Mr. WALSH of Montana. Mr. President, I have followed the figures, and the increase over the present rate on the particular commodity we are now considering is 45.45 per cent, almost a 50 per cent increase on that particular class of goods. If any such increase were necessary, of course, there would have been no production whatever of those goods in this country. As a matter of fact, if an increase of 50 per cent over the present rate is required in order to give it protection, the industry would have been destroyed in this country.

Mr. SMOOT. It is a 50 per cent in the ad valorem rate, but not a 50 per cent rate increase.

Mr. WALSH of Montana. The rate proposed constitutes a 50 per cent increase over the existing rate.

Mr. SMOOT. Yes; it is about 45 per cent of the ad valorem rate.

Mr. WALSH of Montana. That is the minimum, and the bill provides that the specific rate shall never be less than that.

Mr. SMOOT. I did not want the Senator's statement to go in such a form as that it would be misunderstood. Under the Senator's statement as to an increase of 50 per cent it might appear to some that instead of the rate being 27½ per cent it would be 77½ per cent.

Mr. WALSH of Montana. This matter is so simple that there ought not to be any possibility of mistake about it. There is an existing ad valorem rate upon this class of goods of 27½ per cent. In place of the ad valorem rate, the pending bill carries certain specific rates; but it is provided that those rates shall never be less than a certain per cent, which we have figured out to be 40 per cent, if the count of the goods does not exceed 80, which is an increase from 27½ per cent ad valorem to 40 per cent ad valorem, and it may be higher than that.

Mr. SMOOT. Oh, no.

Mr. WALSH of Montana. The specific rate may go higher, but it can not be lower than that, because, if the specific rate goes lower than that, the ad valorem rate, which is a 40 per cent rate, goes into effect. The increase, therefore, of the ad valorem rate or its equivalent being from 27½ per cent, the existing rate, to 40 per cent, it is an increase of 45.45 per cent over existing law; in other words, it is practically a 50 per cent increase upon this particular class of commodity.

Mr. SMOOT. The 27½ per cent is practically the same as the existing law, and I admit, and everybody else admits, that the minimum rate will apply just the same as it applies to-day.

Mr. LENROOT. Will the Senator from Utah yield to me?

Mr. SMOOT. Yes.

Mr. LENROOT. Is not the Senator from Montana [Mr. WALSH] mistaken in the statement that the existing Underwood rate maximum is 27½ per cent? It is 30 per cent. As fixed in that law, the duty on cotton cloth exceeding 99 threads is 30 per cent ad valorem.

Mr. SMOOT. That is true as to dyed cloths.

Mr. LENROOT. And those are included in the figures of exports and imports.

Mr. SMOOT. What the Senator from Wisconsin states is true; in the Underwood law the duty on this cloth was 30 per cent. I was mistaken.

Mr. SMITH. I want to put in the RECORD at this time figures showing the total quantity of countable cloth produced in this country. In 1919 we produced 5,628,858,000 square yards, valued at $1,131,374,000. In the Tariff Information Summary it is shown that of countable cotton cloth the imports are less than 1 per cent of our production. Yet it is proposed to lower the count to 80 and increase the duty 45 per cent over the present rate of duty.

Mr. SMOOT. Mr. President, of course the Senator does not want to create any erroneous impression as to the production here. The great bulk of it, I think 85 per cent of it, does not consist of the class of goods which we are now discussing at all, but consists of the ordinary common cloth that falls under a lower rate. That is not the kind of cloth we want to base the tariff rate on in this particular instance. We are dealing here with a certain grade of cotton cloth; we have passed the paragraph dealing with the great bulk of cotton-cloth production, and we are dealing now with specialties. I have not the figures as to the importations of that particular class of cloth, but I think it must be in the neighborhood of from 15 to 20 per cent of our total consumption, and if the importations continue as they have been coming in recently, the percentage will be even higher than that, and some of the mills in the United States will absolutely be closed.

Mr. WALSH of Montana. Mr. President, I will respond to the suggestion of the Senator from Wisconsin and put in the RECORD the actual rates of the Underwood law. It is there provided that on cotton cloth containing yarns the average number of which exceeds 79 but does not exceed 99 the duty shall be 27½ per cent ad valorem. If cloth contains 80 threads, therefore it bears under the Underwood law a duty of 27½ per cent. If it contains less than 79 and more than 59, it bears only 25 per cent; that is to say, if it contains anywhere

between 59 and 79 it bears 25 per cent duty and if it contains from 79 to 99 threads it carries a 27½ per cent duty.

Mr. LENROOT. And over 99?

Mr. WALSH of Montana. Over 99 it carries 30 per cent. But the commodity which we are now considering does not contain threads in excess of 80.

Mr. LENROOT. It includes 80 and over.

Mr. SMOOT. The manufacturers could put in number 79 threads, and the cloth would then fall in the lower bracket.

Mr. LENROOT. The 40 per cent rate, as I understand, applies on cloth exceeding 80 counts.

Mr. SMOOT. Exceeding 80.

Mr. LENROOT. That is not the language of the bill. The bill provides—

that none of the foregoing when containing yarns the average number of which does not exceed 80—

When the average number does not exceed 80.

On the next page the Senator will find that where not exceeding 100—which, perhaps, will be changed—a higher rate, 45 per cent, is proposed.

Mr. LENROOT. The committee has changed that to 40. That is what we are discussing.

Mr. SMOOT. That is what we are discussing.

Mr. WALSH of Montana. That was not the amendment which I understood was under consideration.

Mr. SMOOT. When the cloth reaches that count, as I have said right along, the minimum rate will prevail, and that is 40 per cent.

Mr. WALSH of Montana. I thought that I had figured this out to the entire satisfaction of the Senator from Utah a little while ago.

Mr. SMOOT. But the Senator did not go far enough.

Mr. WALSH of Montana. I was figuring out with the Senator the rates found at the bottom of page 123, and I figured them out as compared with the rate of 27½ per cent in the Underwood law.

Mr. SMOOT. But these goods will be manufactured in such a way that they will always fall under the minimum rate, and that will be 40 per cent, if the Senate agrees to the committee amendment, instead of 45 per cent.

Mr. WALSH of Montana. It is a matter of no consequence, as a specific rate is fixed here, but it is provided that that specific rate shall never be less than a certain amount; that is to say, that it may amount to more than the ad valorem rate, but it never will be less than the ad valorem rate. That is plainly what is meant.

Mr. SMOOT. If cotton goods were to fall in price to perhaps a quarter of the price for which they sell to-day, that would take effect, but it will not take effect unless they do.

Mr. SIMMONS. Mr. President, I want to make the general facts about this matter clear in the RECORD. We need not muddy the waters by too many technicalities. The Tariff Commission has considered the provision in the House bill and has given us a statement with reference to the international traffic in these cloths, with reference to the production here, and the imports and exports, and I think we can reasonably rely upon it. Certainly the other side of the Chamber ought not seriously to object to it, because I think there is no doubt that a majority of the members of the commission are in sympathy with the protective policy.

Some general statements have been made with reference to production and importations, but certain very important things stated by the Tariff Commission have not been developed. I want them to go into the RECORD, because I think they throw a flood of light upon this subject.

The Tariff Commission, in its survey, says:

Production in 1914 of woven goods, including plain, figured, and pile fabrics (but excluding narrow fabrics of 12 inches and under), amounted to 6,813,540,681 square yards, valued at $489,985,277, from 672,754 looms, of which 30.9 per cent were automatic. Corresponding statistics for 1919 were 6,232,842,000 square yards (1,819,980,000 pounds), valued at $1,487,723,000, produced on 691,738 looms, of which 51.3 per cent were automatic. The United States has more automatic looms than are contained in all other countries.

I want to call special attention to that statement because it is well understood that the labor cost of producing a product is very much less where the automatic machine has displaced the old process. The automatic machine is used for the purpose of greatly curtailing labor costs, and it appears that the United States has more automatic machines engaged in the manufacture of these cotton cloths than all the rest of the world combined. With that general statement there must go the implication that in the United States we do reduce and curtail and, to a large extent, eliminate labor costs that have to be incurred in the processes used more largely in competing countries.

The main cotton-cloth producing States are Massachusetts, South Carolina, North Carolina, Rhode Island, and Georgia.

Imports of countable cotton cloth—

That is the subject we are dealing with in this paragraph—countable cotton cloths. That is the kind of cloth of which I have just been giving the American production, 51 per cent of it being produced with automatic machinery.

Imports of countable cotton cloth are less than 1 per cent of domestic consumption. Annual imports during the 30 fiscal years ended June 30, 1920, averaged 53,916,530 square yards, valued at $9,310,321. Imports in 1914 were 58,621,496 pounds, valued at $11,523,829. The United Kingdom has always supplied the bulk of such cotton cloths as were required from abroad, particularly dyed linings (including venetions); fine, plain white goods, such as muslins, cambrics, lawns, and volles; high-grade ginghams; piques; and fancy shirtings and dress goods. Switzerland supplies fine white goods, such as lawns, organdies, and dotted Swiss; and France supplies principally plain and novelty dress goods. Imports from Germany are mainly novelty dress goods. Imports from Japan are chiefly of the specialty known as "Japanese crêpe."

Imports of cotton cloths—

I wish to call especial attention to this. This is dealing with the whole subject of this paragraph.

Imports of cotton cloths are supplementary, rather than directly competitive, and are confined largely to goods of a quality or finish different from the domestic. Investigation by the Tariff Commission shows that the bulk of the imported cloths are sold on the American market at higher prices than are obtained for the nearest comparable and competitive domestic cloths. Certain cloths, such as dotted Swisses and transparent organdies of extremely fine yarn count, are not made here at all.

So that, Mr. President, with reference to this particular paragraph upon which these absurdly high rates are to be imposed, we have the statement of the Tariff Commission dealing directly with that paragraph that 50 per cent of these goods are made with automatic machinery, that only 1 per cent of the domestic production is imported, that the goods imported are generally of such kinds as are not made in this country at all, and that the importations are supplementary and not competitive. In addition to that, we have the statement that such goods as are imported into the United States sell at a higher price than the comparable domestic product, where any such can be found.

If there ever was a case where the facts negatived the necessity of high rates of duty, this is the case; but what have we, Mr. President? The Senator from South Carolina [Mr. SMITH] has told us that the rates proposed here would be 12½ cents higher than the rates of the present law.

Mr. President, under the present law the conditions which the Tariff Commission discloses in this survey have come about. They have been practically prohibitive as to all of these cloths that are produced in America. Such as have come in have sold for higher prices than the domestic product, showing that there was no necessity for duties; but it is proposed, notwithstanding that—which, I think, shows that the present rates are unnecessarily high—to raise them up to 40 cents.

But it does not stop there, Mr. President. What have we here? Fixing these rates at 40 cents, as I understand—I have not examined them——

Mr. SMITH. Mr. President, let me explain it to the Senator. The Underwood rate was 27½ cents.

Mr. SIMMONS. Yes.

Mr. SMITH. We now propose to raise it to 40 cents, which is a 45 per cent increase on the Underwood rate.

Mr. SIMMONS. Very well; that is what I understood the Senator to say—and it makes a 45 per cent increase. Mr. President, that gets it up to a percentage of 40 cents upon these manufactured goods. It does not stop there, Mr. President. We have to consider what taxes the American people will have to pay upon these novelties, these products that we do not produce here. The American people not only have to pay the 40 cents levied in this paragraph, but, if you will go to the end of the paragraph, you will see that there is another tax imposed. This does not end the tax that is imposed. At the end of that very paragraph is this proviso:

Provided further, That when not less than 40 per cent of the cloth is printed, dyed, or colored with vat dyes, there shall be paid a duty of 5 per cent ad valorem in addition to the above duties.

That is on account of the dyestuffs that go into these cloths. That has to be added to the 40 cents. If you will go to another paragraph you will find that 10 cents a pound more has to be added because of the duty which has been imposed upon Egyptian cotton. So that we have superadded to the duty of 40 cents 5 per cent for the dyes that are in the cloth and 10 cents a pound for the Egyptian cotton that happens to be in it.

Mr. SMOOT. Mr. President, of course, the Senator knows——

Mr. SIMMONS. Oh, I know that they are compensatory, but I am talking about what the American people have to pay on these goods.

Mr. SMOOT. That is not what I was going to say to the Senator. As far as the 5 per cent for dye is concerned—it should be 4 per cent—that applies only to an infinitesimal amount of the goods imported into this country.

Mr. SIMMONS. It applies when not less than 40 per cent of the cloth is printed, dyed, or colored with vat dyes.

Mr. SMOOT. That refers only to the shirtings that are imported here.

Mr. SIMMONS. Oh, well, it is part of these very things.

Mr. SMOOT. But, I say, it is so small a part.

Mr. SIMMONS. Mr. President, we have that constantly—"it is so small." I say to the Senator from Utah that an outrageous and an oppressive and a plundering tax against the American people can not be justified upon the ground that it is small; and that is what you have here, Mr. President, in addition——

Mr. SMOOT. I was speaking of duty; I was speaking of the small amount of goods that are dyed with vat dyes.

Mr. SIMMONS. Very well. It does not make any difference whether the Senator was speaking about the duty or about the amount of goods to which the duty would apply.

Mr. SMOOT. The duty can be justified.

Mr. SIMMONS. You can no more defend putting an outrageous and a plundering duty upon a small amount of imports than you can defend putting such a duty upon a large amounts of imports. In either case you raise the price to be paid by the people on the entire American consumption.

Mr. SMITH. Mr. President, if the Senator will allow me, the argument which has been made heretofore, and made by all parties on both sides, was that if the amount imported was small it was evidence of the fact that the duty ought to be low, because it was not jeopardizing, but if the imports were tremendous, then it was jeopardizing American manufacturers and the duty ought to be raised. Therefore the Senator from North Carolina is correct.

Mr. SIMMONS. Mr. President, we are getting away from the point I wish particularly to present. I do not want to elaborate it. I think I have already pretty well explained what I wished to get before the Senate, though not perhaps as clearly and forcefully as I could desire. Here, Mr. President, we are dealing with a class of imports which are not competitive, according to the statements of the Tariff Commission, which are merely supplementary to the American production, which sell for more than the American product sells for, and which, therefore, can require no duty.

We are dealing with that class of goods here, and yet it is sought by the majority to impose a tax on the American people with respect to these imports, things the people must have, and which in the main are not produced by our own manufacturers. We are asked to impose a tax upon them of 40 cents, and to that must be added, of course, these other fancy taxes which are provided, and which will have to be added to practically all the cotton goods consumed in this country, 5 per cent on account of the excessive duty you are putting upon dyestuffs and 10 cents a pound on account of the absurd and unnecessary duties you are placing upon Egyptian cotton. When you add up all these duties, the duty you impose upon the manufactured product, the duty you impose upon the dye the manufacturer puts in it, the duty you impose upon the raw cotton he buys from Egypt, you have the American consumer in this country loaded down with a duty of something over 600 per cent, largely upon goods not produced in the United States, and not competitive with goods produced in this country, and which already sell in the markets of America at higher prices than the American goods command.

Mr. SMOOT. Of course there is a provision that no rate shall be more than 45 per cent. The Senator has forgotten that.

The VICE PRESIDENT. The question is on agreeing to the committee amendment as modified.

The amendment as modified was agreed to.

The VICE PRESIDENT. The Secretary will state the next amendment.

The ASSISTANT SECRETARY. The Senator from Utah sends to the desk and proposes an amendment to the House text, on page 124, line 1, to strike out "100" and insert in lieu thereof "80," in the paragraph on cotton cloth, printed, so as to read:

Nor when exceeding No. 80, etc.

The amendment was agreed to.

The next amendment of the committee was, on page 124, line 1, to strike out "33" and to insert in lieu thereof "45," so as to read:

Nor when exceeding No. 80, less than 45 per cent ad valorem.

The amendment was agreed to.

The VICE PRESIDENT. The Secretary will state the next amendment.

The ASSISTANT SECRETARY. On page 124, line 1, the committee proposes to strike out "ad valorem" and to insert the following:

ad valorem: *Provided further*, That when not less than 40 per cent of the cloth is printed, dyed, or colored with vat dyes, there shall be paid a duty of 5 per cent ad valorem in addition to the above duties.

Mr. SMOOT. In line 4 I move to insert "4" instead of "5."

The ASSISTANT SECRETARY. On line 4, to strike out "5" and insert in lieu thereof "4."

Mr. SMITH. This is put in to provide a compensatory duty for the duty we are laying upon the imported dyes?

Mr. SMOOT. The vat dyes.

Mr. SMITH. To take care of the dyestuffs we bring in?

Mr. SMOOT. The Senator knows those dyes are carrying a very high rate of duty, and we did the same with yarn.

Mr. SMITH. It is getting late, and I would like to ask the Senator to take a recess at this point.

Mr. SMOOT. Let us pass this amendment and then the one at the bottom of page 124.

Mr. SMITH. In what paragraph is that?

Mr. SMOOT. In paragraph 904. That will take us up to paragraph 905, the cloth paragraph.

Mr. SMITH. Does the Senator intend to strike that language out?

Mr. SMOOT. I want to strike that out entirely.

Mr. SMITH. I have no objection to that.

Mr. SMOOT. That will clean it up, and then I shall ask for an executive session.

Mr. WALSH of Montana. Mr. President, I had not intended to say anything further about this, but inasmuch as the Senator has repeated the statement made in respect to this particular amendment which he made in connection with one like it touching yarns, I desire again to say that I have been unable to understand the statement that this is a compensatory duty. I have been looking into the subject of vat dyes a little myself, and I discovered that vat dyes are dyes that are insoluble to water. It may be that the coloring of cloths by vat dyes is a more expensive process than coloring cloths with dyes that are not vat dyes—that is, dyes that are soluble in water—and it may be that a higher rate of duty is justifiable for that reason on cloths dyed with vat dyes than on cloths dyed with dyes of other qualities. But when you talk about a compensatory duty, I am utterly unable to understand it. Dyes, either soluble or insoluble in water, carry just exactly the same rate of duty.

Mr. SMOOT. I will say to the Senator that there are wood extracts which do not carry the same rate.

Mr. WALSH of Montana. I mean coal-tar products; all colors—dyes or stains—whether soluble or not in water.

Mr. SMOOT. That is true.

Mr. WALSH of Montana. If it is true, then it is also true that vat dyes, which are insoluble in water, carry exactly the same rate of duty as dyes which are soluble in water, because this expressly provides for both of them.

Mr. SMOOT. That is, providing they are in paragraph 26; but there are dyes outside of paragraph 26. Those are only the coal-tar products.

Mr. WALSH of Montana. But there is no reason for supposing that vat dyes are not included. Vat dyes are included in paragraph 26, because vat dyes are dyes that are insoluble in water.

Mr. SMOOT. There is no doubt about that.

Mr. WALSH of Montana. And this paragraph covers vat dyes.

Mr. SMOOT. There is no question about it.

Mr. WALSH of Montana. If the cloth is dyed with an insoluble dye mentioned in paragraph 26, it will carry 5 per cent additional——

Mr. SMOOT. Yes; but the cloth——

Mr. WALSH of Montana. Just a moment. If it is dyed with a dye soluble in water, mentioned in paragraph 26, it will not carry the 5 per cent extra duty. So far as compensation is concerned, the dye, whether it is soluble in water or insoluble in water, carries the duty provided in paragraph 26.

Mr. SMOOT. Provided it is a coal-tar dye.

Mr. WALSH of Montana. Are they not all coal-tar dyes?

Mr. SMOOT. No.

Mr. WALSH of Montana. But the vat dyes are coal-tar dyes, and they fall under paragraph 26.

Mr. SMOOT. Nobody has denied it, and nobody has even thought of denying it.

Mr. WALSH of Montana. All right; I will not follow any controversy with the Senator. I will state my position with respect to the matter, and we will let it go at that.

Mr. SMOOT. Very well.

Mr. WALSH of Montana. Vat dyes are those that are insoluble in water, and dyes that are insoluble in water carry exactly the same rate of duty, under paragraph 26, which dyes soluble in water carry, so that if you give a compensatory duty on cloth dyed with vat dyes you must also give a compensatory duty on cloth dyed with dyes that are not vat dyes, because they both carry exactly the same rate of duty if they fall under paragraph 26. So this is not a compensatory duty at all. It is a duty imposed for some reason other than to compensate for a duty which is imposed upon dyes.

Mr. SMOOT. I do not know that I want to take any further time of the Senate, as it is Saturday afternoon and late, but I think I could convince the Senator that there are other dyes besides those found in paragraph 26 which do not carry this duty.

Mr. WALSH of Montana. The Senator need not take that trouble, because I am sure of that.

Mr. SMITH. The point the Senator from Montana makes is one which should be considered. He has made the point that the cloths which are dyed with vat dyes carry a duty of 5 per cent. The paragraph to which he refers has provided for a scope of dyes upon which a duty is laid. You have picked out a part of those and imposed a duty, not a compensatory duty, but a duty on the part of the dyes included in paragraph 26 and left the others out. Therefore it is not a compensatory duty. You have selected only those dyes which would be denominated as vat dyes. So it is imposed for some specific, definite reason other than as a mere compensatory duty.

Mr. SMOOT. The dyes falling in paragraph 26 are acid dyes, and there are the direct cotton dyes, and there are the vat dyes. I tried to tell the Senate the other day that there is an immense difference in the method of putting the dyes upon the cloth, but we do not want them to have a 4 per cent duty if they are other dyes than vat dyes. We do not impose it because of the fact that the duties provided will take care of it. What we want to come into the country is a dye that has to be put upon the cloth through the dye-vat process, none other. Therefore we limit it to that kind of a dye and that kind of a process.

Mr. SMITH. But you have the same duty on all the dyes in paragraph 26.

Mr. SMOOT. But we are not giving a compensatory duty in this item for that purpose. That is only upon the cloths which shall be dyed by the vat-dye process.

Mr. SMITH. I am looking for information. My attention was not called to this until the Senator from Montana raised the question as to why that particular process of dyeing was selected and was given an advantage over the others when they all bear the same rate of duty.

Mr. SMOOT. The vat-dye process is the most expensive process of dyeing. You can dye with all the other dyes which fall in paragraph 26, and in comparison with the vat-dye process I do not think they would cost more than one-tenth in labor as compared with vat dyeing. That is the reason for the difference.

The VICE PRESIDENT. The question is on agreeing to the amendment as modified.

The amendment as modified was agreed to.

The next amendment of the committee was, on page 124, line 24, after the word "process," to insert:

> The average number of the yarn in cotton cloth shall be based on the weight and length as above determined, and shall be the number of 800-yard lengths that weigh 1 pound.

Mr. SMOOT. I ask that that amendment be disagreed to.

The amendment was rejected.

Mr. SMITH. I ask the Senator from Utah if by disagreeing to the last lines on page 124, striking out the innovation of 800 yards in place of the ordinary 840, we restore the count of 840?

Mr. SMOOT. It restores the count of 840, so that the statistics hereafter will have the same basis, and can be compared. It restores the number that has been in every tariff bill since we began to make tariff bills.

Mr. SMITH. If the Senator is agreeable, I suggest that we lay the bill aside at this point.

Mr. SMOOT. That is what I rose to ask.

Mr. BURSUM. Mr. President——

The VICE PRESIDENT. Without objection, the bill will be informally laid aside.

MATTIE ALEXANDER.

Mr. BURSUM. Mr. President, from the Committee on Public Lands and Surveys I report back favorably without amendment the bill (H. R. 8845) for the relief of Mattie Alexander. The purpose of the bill is to clarify the title to 79 acres of land in Alabama to Mattie Alexander. The report of the House committee shows that the land was surveyed in 1825, and that the survey then made does not conform to the survey on the ground at this time. The bill is recommended by the department and has passed the House. I ask unanimous consent for its present consideration.

There being no objection, the bill was considered as in Committee of the Whole, and was read, as follows:

> *Be it enacted, etc.*, That the Secretary of the Interior is authorized and directed to issue a patent to Mattie Alexander for the north half of the northeast quarter of fractional section 35, township 17 north, range 14 east, St. Stevens meridian, survey in Alabama.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

EMMETT OTTO COONEY.

Mr. BURSUM. From the Committee on Public Lands and Surveys I report back favorably without amendment the bill (H. R. 9746) for the relief of Emmett Otto Cooney, and I submit a report (No. 828) thereon. The bill authorizes the Secretary of the Interior to grant a patent to certain land. I ask unanimous consent for its present consideration. The bill has passed the House.

Mr. SMOOT. Is there a favorable report from the committee?

Mr. BURSUM. I am authorized by the committee to report it favorably.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. WALSH of Montana. Mr. President, I do not like to object to these bills brought forward by the Senator from New Mexico, but——

Mr. BURSUM. Was not the Senator present in the committee when we passed on the bill?

Mr. WALSH of Montana. No. I have endeavored to be present at all sessions of the Committee on Public Lands, but the bill seems to have been considered in my absence.

I venture to suggest that unless there is some urgency about measures it is scarcely fair to ask for their consideration at an hour as late as this on Saturday afternoon. The measure before us is perhaps not of very much public interest, and yet I do not like to see it passed without an opportunity to examine it.

Mr. BURSUM. I desire to say to the Senator that the bill may not be of large public interest but it is of vital concern to the homesteader, who has a mortgage on his land for $4,000. If he does not receive this patent very soon he will be bankrupt. These facts are shown by the report of the Secretary of the Interior. The man has lived on his land for five years and placed improvements on it, and while it is not an important matter, so far as the public is concerned, it is a very important matter to the individual concerned.

Mr. WALSH of Montana. If the Senator will say that there is any urgency about the measure or that the homesteader is liable to lose his land unless immediate consideration is given to the measure, I shall interpose no objection.

Mr. BURSUM. I not only say that, but the Secretary of the Interior has said it in his report.

Mr. WALSH of Montana. I suppose that some time soon we shall have a call of the calendar when we can take up such measures for disposition; but if the Senator says it is a matter of urgency I shall not object. However, I submit it is hardly fair to ask that these bills be considered in this way at such a late hour.

There being no objection, the bill was considered as in Committee of the Whole, and it was read as follows:

> *Be it enacted, etc.*, That the Secretary of the Interior be, and he is hereby, authorized and directed to issue patent to Emmett Otto Cooney for the southeast quarter of the southeast quarter, section 34, east half of the east half, south half of the southwest quarter and southwest quarter of the southeast quarter, section 35, township 4 south, range 21 east, Willamette meridian, being the land embraced in his homestead entries 013424 and 015142, The Dalles, Oreg., land district, upon which he has submitted satisfactory proof of compliance with the provisions of the homestead law.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

EXECUTIVE SESSION.

Mr. LODGE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened and (at 5 o'clock and 10 minutes p. m.) the Senate, under the order previously entered, took a recess until Monday, July 17, 1922, at 11 o'clock a. m.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 15 (legislative day of April 20), 1922.

ASSISTANT DIRECTOR BUREAU OF FOREIGN AND DOMESTIC COMMERCE.

Louis Domeratzky to be assistant director Bureau of Foreign and Domestic Commerce.

REGISTERS OF THE LAND OFFICE.

Louis W. Burford to be register of the land office at Del Norte, Colo.

Charles R. Smith to be register of the land office at Durango, Colo.

Edgar T. Conquest to be register of the land office at Sterling, Colo.

PROMOTIONS IN THE ARMY.

William LeRoy Thompson to be captain, Medical Corps.

Donald Frank Stace to be first lieutenant, Air Service.

Joe David Moss to be first lieutenant, Coast Artillery Corps.

Clarence Francis Hofstetter to be captain, Ordnance Department.

Joshua Ashley Stansell to be captain, Signal Corps.

SENATE.

MONDAY, *July 17, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Fletcher	McCumber	Sheppard
Ball	Glass	McKinley	Shields
Borah	Gooding	McLean	Simmons
Brandegee	Hale	McNary	Smith
Broussard	Harreld	Moses	Smoot
Calder	Johnson	Nelson	Spencer
Capper	Jones, N. Mex.	New	Sterling
Caraway	Jones, Wash.	Nicholson	Trammell
Culberson	Kellogg	Oddie	Underwood
Cummins	Kendrick	Overman	Walsh, Mass.
Curtis	Keyes	Phipps	Walsh, Mont.
Dial	King	Pomerene	Warren
Edge	Ladd	Ransdell	Willis
Ernst	Lodge	Rawson	

Mr. SHEPPARD. I desire to announce that the Senator from Georgia [Mr. WATSON] is absent on account of illness, and that the Senator from Nevada [Mr. PITTMAN] is absent on account of illness in his family.

The VICE PRESIDENT. Fifty-five Senators have answered to their names. A quorum is present.

THE LEAGUE OF NATIONS.

Mr. BRANDEGEE. Mr. President, I ask unanimous consent that there may be printed in the RECORD in 8-point type an interview carried in the New York Times of to-day entitled "League unhampered by us on mandates, declares Hughes."

It is an interview given by Secretary of State Hughes to the correspondent of the New York Times in relation to his responding to communications received from the League of Nations, and in refutation of the intimation that the course adopted by this Government had hampered the administration of the mandates by the League of Nations.

There being no objection, the article was ordered to be printed in the RECORD in 8-point type, as follows:

[From the New York Times of Monday, July 17, 1922.]

LEAGUE UNHAMPERED BY US ON MANDATES, DECLARES HUGHES—SECRETARY CONTRADICTS FOSDICK, WHO CHARGED THAT WE "NEARLY WRECKED" LEAGUE PROGRAM—EXPLAINS DELAY ON REPLIES—SAYS RECORDS SHOW WILSON ADMINISTRATION ANSWERED ONLY 15 OUT OF 33 NOTES—INTENDS COURTESY ALWAYS—COOPERATION IN HEALTH WORK CERTAIN, HE TELLS NEW YORK TIMES CORRESPONDENT.

[Special to the New York Times.]

WASHINGTON, July 16.—Secretary Hughes defended to-day, in an interview obtained by the New York Times correspondent, his course in dealing with the League of Nations, and answered criticisms that he had been discourteous to the league and had hampered it in its work. These criticisms were voiced yesterday in a statement issued by Raymond B. Fosdick, former undersecretary general of the league.

Mr. Hughes was seen by the correspondent at Greystones, his suburban residence, near Rock Creek Park. When his attention was called to Mr. Fosdick's comment he made an exception to the general practice of Secretaries of State and talked freely, with the understanding that what he said might be published.

One of the statements made in his interview was that in the last 14 months of the Wilson administration 18 communications out of 33 from the League of Nations had not been answered. This was shown by an examination of the files of the State Department, the Secretary said. One of the charges against Mr. Hughes by advocates of the league has been that he failed to respond to its communications, and Mr. Fosdick repeated the charge in his statement published to-day.

The Secretary made public on Friday his answer to Hamilton Holt, president of the Woodrow Wilson Democracy of New York City, who asked whether it was not time for the Harding administration to give the people an unequivocal statement of its position regarding the League of Nations.

In his statement, as printed in the New York Times to-day, Mr. Fosdick said that Mr. Hughes's response to Mr. Holt "is interesting for what it omits," and he cited several instances of alleged shortcomings of this Government in dealing with the league. He ended the statement by saying:

"Do we have to treat the league with contempt just to prove we do not belong to it? Nonmembership is one question; open hostility is another."

DENIES HAMPERING MANDATES.

The first statement by Mr. Fosdick to which Secretary Hughes called attention was "that the attitude of the State Department on the league's program of mandates nearly wrecked the whole plan." To this Mr. Fosdick added:

"For over a year the mandate situation has been blocked, and the vast territories involved have been deprived of international supervision, which was one of the most forward-looking principles laid down in the covenant of the league."

Mr. Hughes said that he was "surprised and deeply regretted that such a statement had been made." He felt obliged, he said, to characterize it as "seriously misleading." He thought it a pity that those who were so keenly interested in the work of the League of Nations should not endeavor at least to be fair to their own Government.

It was contrary to the fact, said Mr. Hughes, to state that the attitude of the State Department with respect to the mandates had "nearly wrecked the whole plan" or that "for over a year the mandate situation has been blocked" through the State Department.

The Secretary said that the facts were these:

There were three classes of mandates—the A, B, and C mandates. The C mandates related to the former German islands in the Pacific Ocean and to territory in Southwest Africa. Instead of the program being blocked by any attitude of this Government, the other powers had gone ahead and, in December, 1920, issued mandates without waiting for a treaty with this Government.

Secretary Hughes recalled the fact that soon after he came into office he addressed identical notes to the powers relating to the mandates, and especially with reference to Yap. The result was, he added, that the propriety of the position of this Government was recognized and a treaty had been made with Japan relating to the administration of the mandate for the Pacific islands north of the Equator, on terms to conserve American interests.

There had been no treaty yet, he went on, with respect to the islands south of the Equator or the territory in Southwest Africa, but mandates had been issued. So far from the attitude of the American Government, in asking assurances for the protection of American interests, blocking the way, administration under the mandates had actually gone on, he said.

The A mandates, Mr. Hughes stated, related to former territories of Turkey. These, it was recognized by the powers, could not be issued until there was a treaty of peace with Turkey. The United States, he pointed out, did not go to war with Turkey, and had in no way delayed the consummation of a treaty that would furnish a basis for issue of mandates.

POINTS OUT ALLIES' DELAYS IN REPLYING.

Secretary Hughes said that after stating in April, 1921, the general attitude of the United States on the subject of mandates, he sent in August notes to all the powers concerned, stating specifically the provisions that were deemed necessary to protect the United States in the case of both A and B mandates.

It should be remembered, he added, that the guaranties of these mandates ran only to the members of the League of Nations and their nationals. The United States simply sought fair and equal opportunity and the same rights for the United States and its nationals that members of the league would have in the territories acquired by the Allies as a result of the vic-

tory to which the United States contributed. The other powers concerned recognized this as a reasonable position, he said. It was also necessary, Mr. Hughes stated, to have assurance of protection for our missionaries and educational institutions.

Mr. Hughes said he had no desire to criticize the action of any of the powers, but in view of Mr. Fosdick's criticism of the State Department, it was fair to say that there had been no reply to the notes of August, 1921, on the A and B mandates until the latter part of December. Even then, the reply with respect to the Mesopotamia mandate was specifically postponed, and, as to that mandate, the Secretary said that he was still awaiting a reply from the British Government.

Mr. Hughes told the Times correspondent that following the notes, received in December, he had interviews during the Washington conference, in January, with Lord Balfour (then Arthur J. Balfour) regarding the Palestine mandate. After the conference this matter was the subject of a formal communication in April. Within the last two or three weeks, Mr. Hughes said, he had received further communications on this subject and had promptly replied.

So far as the Syrian mandate was concerned, the Secretary said that he received no answer from the French Government to the proposals in his note of August until three or four weeks ago. The matter had then been promptly taken up, and he believed that an agreement had been substantially reached between this Government and France with regard to the terms of that mandate.

The Secretary again called attention to the fact that none of these A mandates could actually issue until the treaty with Turkey had been arranged.

The B mandates relate to former German territories in East Africa, Togoland, and the Cameroons, the mandates to be held by the British and French. Secretary Hughes said that he made his suggestions as to the provisions for the protection of American interests in his note of August and the answers in December related to these. The matter was taken up again after the Washington conference. Three or four weeks ago he received the text of the proposed conventions as to the mandates and replied at once so that the subject could be dealt with at the coming meeting in London.

It would thus be seen, the Secretary stated, that the attitude of the United States had not delayed matters in connection with the C mandates or the A mandates, while, so far as the B mandates were concerned, the attitude of the United States, which he held was entirely reasonable and had been met by the other powers, was fully explained in August, and, so far as the United States was concerned, could have been disposed of then. Secretary Hughes was glad to say, he remarked, that the conventions, now virtually agreed upon, were the same as those he had proposed in August.

AS TO NOT ANSWERING LEAGUE.

Mr. Hughes said that he was pleased to note that Mr. Fosdick's reference to alleged neglect to answer communications from the league apparently related to a period prior to August, 1921. Certainly, since that time, the Secretary said, he had been most solicitous to see that all communications were dealt with, as he said in his letter to Mr. Holt, courteously and appropriately.

With regard to the period prior to August, 1921, Secretary Hughes made it clear that he did not regard himself as personally responsible for any delay that had occurred. He said that he did not think it accurate to say that no communications had been answered prior to August, but certainly, when he found out what had not been answered or acknowledged, he had directed that the whole matter should be taken up and that suitable acknowledgments should be made.

Mr. Hughes added that he had been advised, as a result of an examination of the department files, that in the last 14 months of the preceding administration 33 communications were received from the League of Nations, of which only 15 had been answered. When he came into office he did not know of this accumulation and he dealt with the matter when it was brought to his attention.

So far as the white-slave traffic is concerned, the Secretary said that, as he had pointed out, there was nothing new in the attitude of this Government. The United States had refused to adhere to the convention of 1910 for the reason that it involved provisions relating to matters which, under our system of government, fell exclusively within the control of the States. Our recent attitude, he added, was in conformity with this position. The Secretary said that this had been made clear to the other Governments inquiring, and, he was quite sure, to the secretary general of the League of Nations as well. The United States, of course, he said, was doing its share by Federal and State legislation to combat the evils involved.

So far as the international health bureau is concerned, Mr. Hughes answered that he could only repeat what he had said in his letter to Mr. Holt, that he was advised that the interests of health had not suffered by maintaining the international office at Paris intact, and he was assured that there had been established a proper degree of cooperation between that office and the league office. This Government, said Mr. Hughes, desired to do all in its power and is constantly acting to promote the cause of health.

At the end of the interview Secretary Hughes said that while the United States had none of the obligations of members of the league, he, of course, always desires to recognize the obligations of courtesy.

PETITIONS.

Mr. CAPPER presented resolutions of the Chambers of Commerce of Concordia, Hill City, and Atchison, all in the State of Kansas, favoring full enforcement of the decree of the United States Supreme Court ordering divorcement of the Central Pacific Railway from the Southern Pacific Co., etc., which were referred to the Committee on Interstate Commerce.

Mr. TOWNSEND presented a petition of sundry citizens of Adrian, Mich., praying for the enactment of legislation to prohibit transmission through the mails of information giving odds, bets, and tips on horse races, prize fights, etc., which was referred to the Committee on Post Offices and Post Roads.

He also presented a resolution unanimously adopted by the China Farmers' Club, of St. Clair County, Mich., favoring the passage of the so-called French-Capper truth in fabric bill, which was referred to the Committee on Interstate Commerce.

He also presented resolutions of the city council of the city of Chicago, Ill., protesting against the lynching and burning of human beings and favoring the passage of the so-called Dyer antilynching bill, which were referred to the Committee on the Judiciary.

He also presented resolutions unanimously adopted by the Pensacola (Fla.) Chamber of Commerce, favoring the passage of the bill (H. R. 10159) to protect interstate and foreign commerce against bribery and other corrupt trade practices, which were referred to the Committee on Interstate Commerce.

BILL AND JOINT RESOLUTION INTRODUCED.

A bill and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHIELDS:

A bill (S. 3839) granting a pension to Sallie E. Pyle (with accompanying papers); to the Committee on Pensions.

By Mr. KING:

A joint resolution (S. J. Res. 225) supplementing the trading with the enemy act; to the Committee on the Judiciary.

AMENDMENT OF COTTON FUTURES ACT.

Mr. DIAL. Mr. President, on April 21, 1921, I introduced the bill (S. 385) to amend section 5 of the United States cotton futures act, approved August 11, 1916, as amended. On February 13 of the present year I introduced the bill (S. 3146) to amend section 5 of the United States cotton futures act, that being intended as a substitute for the former bill which I had introduced. The bills were referred to the Committee on Agriculture and Forestry, which appointed a subcommittee, and various hearings were had. Some time since the subcommittee reported to the full committee, but the full committee has made no report to the Senate. Several days since I gave notice that I would move this morning to discharge the Committee on Agriculture and Forestry from the further consideration of Senate bill 3146. I now ask unanimous consent to call up that motion.

The VICE PRESIDENT. Is there objection?

Mr. DIAL. I hope there will not be any discussion at all.

Mr. McCUMBER. I do not know how much time will be required or what debate will be indulged in.

Mr. DIAL. I could not hear the Senator's statement.

Mr. McCUMBER. I am not informed as to what extent the debate will be protracted upon the motion. I do not wish to consent to laying aside the tariff bill to take up anything else unless it is something that we can dispose of right away.

Mr. DIAL. I hope there will be no objection at all.

Mr. RANSDELL. Mr. President——

Mr. SMOOT. The Chairman of the Committee on Agriculture and Forestry is not present.

Mr. RANSDELL. I was just about to say that the chairman of the committee is not present. I am tremendously interested in the subject, and if it is taken up I shall feel obliged to discuss it. I do not care to discuss it now. I would be compelled to take some time, however, to discuss the measure if it is proposed to discharge the great Committee on Agriculture and

Forestry from its care of one of the most important measures ever submitted to it, when the committee has been working on it, to my certain knowledge, very laboriously and has not yet reached a definite conclusion. If it is desired to discharge that committee, which in a way is a reflection on it, I certainly would be obliged to have something to say in defense of the committee before that action is taken, and it would require a good deal of time.

Mr. McCUMBER. In view of the probable time that would be taken, I hope the Senator suggesting the motion will talk to the chairman of the Committee on Agriculture and Forestry and see if he can not get an agreement to take up the matter and dispose of it with very short debate. I do not feel like consenting now to laying aside the tariff bill to discuss another subject.

Mr. DIAL. I do not mean, of course, to cast any reflection on the Committee on Agriculture and Forestry, although I think there has been unnecessary delay. I have a telegram which I received from the Senator from Louisiana [Mr. RANSDELL] in June, 1921, asking me to postpone the matter then until he returned. The matter has been delayed unnecessarily. Of course, I make no reflection whatever upon the committee, but I understand they are hopelessly divided. I think I am entitled to a hearing on the bill. So far as the chairman of the committee is concerned, I gave notice on Friday that I expected to move this morning to take up the bill. I am sorry the chairman is not here. The fact is that some time ago the chairman of the committee, the Senator from Nebraska [Mr. NORRIS], told me to make the motion and that he would join in asking that the matter be brought before the Senate.

Mr. SMOOT. Does the Senator ask for action at this time?

Mr. DIAL. Not action on the bill. I merely ask leave to call up the motion.

Mr. SMOOT. I shall have to object.

Mr. DIAL. I hope there will be no discussion of it. I merely desire to take up the motion in order to get the bill on the calendar.

Mr. SMOOT. I object.

Mr. BORAH. Mr. President, I want to ask the Senator from South Carolina a question, if I may do so.

Mr. DIAL. I yield to the Senator from Idaho.

Mr. BORAH. How long has the bill been before the committee?

Mr. DIAL. The first bill was referred to the committee on April 21, 1921.

Mr. RANSDELL. May I ask the Senator when the last bill to which he referred was presented?

Mr. DIAL. On February 13, 1922, it was introduced and referred to the committee, but I may say that the two bills are very similar.

Mr. BORAH. As I understand, the chairman of the committee does not object to this matter coming up to-day?

Mr. DIAL. He told me he would join in the motion.

Mr. SMOOT. I object if it is going to lead to any discussion, and I am sure it will do so at this time. I have no objection to the Senator from South Carolina making his motion at some time when it will not interfere with the consideration of the tariff bill.

Mr. DIAL. Mr. President, the bill for which I desire consideration is the most important, according to my mind, which could possibly be passed for the protection of the growers of cotton of the South. It is not merely a local matter, but it is a national matter. Under present conditions, in all probability there will not be enough cotton raised this year to supply the mills of the world next year; and in all probability many mills in the United States will be shut down next year. The time for the sale of this year's cotton is already approaching; indeed, some of the present crop is now on the market. If the bill which I desire considered shall not be passed pretty soon, it will not afford any relief for the sale of the present crop. I have been extremely patient. So far as objecting to the consideration of this bill is concerned, of course, Senators have a right to object; but I propose to discuss the bill many times, if it is necessary to do so in order to get action upon it, for I think I am entitled to a vote of the Senate on the proposition.

I wish to repeat to all Senators here that this proposed legislation is not a local matter but is a national matter, and other Senators are as much interested in this subject as am I. I am going to appeal particularly to Senators from the South to join me in helping to get the bill passed. I do not believe it will meet any serious objection; in fact, I know of but one Senator on the floor who objects to the bill on its merits, but dilatory tactics have been applied all of the time to prevent its consideration. I desire the matter disposed of.

Mr. BORAH. Could not the Senator offer his bill as an amendment to the pending tariff bill?

Mr. DIAL. I am going to offer it as an amendment to the tariff bill and to every possible proposition that I can under parliamentary law, and I will thank the Senator from Idaho for helping me.

Mr. OVERMAN. Mr. President, I should like to inquire of the Senator from Louisiana why some kind of a report can not be made on the bill. I think the bill should be reported either adversely or favorably, or without prejudice. The bill has been here for over six months, and I do not see why the committee does not make some sort of a report on it.

Mr. RANSDELL. Mr. President, in answer to the question of the Senator from North Carolina, I will say that I should be delighted to have an adverse report made on the bill; I do not object to that at all. I wish, however, to make just a very brief statement in reference to the measure.

Several years ago we had considerable debate in regard to cotton futures legislation.

Mr. SMOOT. Mr. President, if we are going to discuss the question, we might just as well let it come up now, and have it disposed of, rather than have time occupied three or four different times by debate and discussion.

Mr. RANSDELL. I will say to the Senator from Utah that I want to help him to make all the progress he can with the tariff bill, and I am not going to make a speech now. I am merely going to say a few words more.

Legislation in regard to cotton futures was threshed out here ad nauseam several years ago, and a law was passed making several substantial changes in the existing legislation, as the Senator from Utah will recollect. That law, known as the Smith-Lever cotton futures bill, corrected a number of alleged evils at that time. If there are any other evils now, we would like to correct them, but the measure of the Senator from South Carolina, in the opinion of the subcommittee which examined it, and in the opinion of the Committee on Agriculture, will not correct those evils. I am prepared to explain the matter fully at any time, but I am not going to take up the time of the Senate now to do so. The legislation proposed by the Senator from South Carolina does not afford the correction of the evil which the Senator desires.

I am a cotton grower; I am not a cotton manufacturer; I am interested in getting the best price possible for cotton. I assure the Senator from South Carolina that I will join my colleagues on the Committee on Agriculture in reporting his bill back to the Senate with an unfavorable report to-morrow, but not with a favorable report. If that will satisfy the Senator from South Carolina, I will gladly join the committee in taking such action.

Mr. DIAL. That would be perfectly satisfactory to me. All I ask the committee to do is to make some kind of a report on the bill.

Mr. RANSDELL. I will try to get that done, I will say to the Senator from South Carolina.

Mr. DIAL. I thank the Senator. On June 11, 1921, the Senator from Louisiana sent me the following telegram:

LAKE PROVIDENCE, LA., *June 11, 1921.*

Senator DIAL,
Washington, D. C.:

Please do not press action on your cotton-futures amendment until I return on 19th. Friends insist your amendment will destroy the exchanges, and I agree with them; therefore it should receive closest consideration. Am detained here by very important business.

JOS. E. RANSDELL.

The Senator says he is a cotton grower; so am I, and what I want to do is to secure the enactment of a law which will help the growers of cotton. I am glad to know that the Senator will consent to have the bill reported, even though the report be without recommendation, and I will leave it to the Senate to say whether or not my amendment does not cure the defects of which complaint is made.

I deny that the law now on the statute books was discussed ad nauseam several years ago. I do not think any such designation could be applied to the discussion which took place on the present law. That law corrected many evils which had grown up under the old custom, and it has saved our people millions and hundreds of millions of dollars every year, but it needs some amendment now.

Mr. CARAWAY. Mr. President, I rather imagine the Senator from Utah himself wanted me to make a speech, because he looked at me and smiled. I dislike to join with him in a filibuster against the tariff bill, although I have done so once or twice, as I thought, at his invitation. However, I should like to make a brief statement.

Long before the Senator from South Carolina [Mr. DIAL] introduced his bill to regulate the cotton exchanges I intro-

duced a real, genuine farmers' bill to protect the farmers against the extortions and robberies of those who sell what they do not own and never expect to own. The committee is considering it. I do not want to be critical of the committee, but I myself think that they ought to have reported that bill, and I think they ought to have reported it favorably, and I believe that even the Senator from South Carolina will join with me in voting for its passage, because I am sure when he discovers that his bill will outlaw the lower grades of cotton and be a fine spinners' bill but a poor farmers' bill that he will not press it.

Of course, the Senator from Louisiana will join in adverse reports on both of them. He is one of those farmers who is designated in my section of the country as a "shade-tree" farmer. I seriously doubt if he would know a cow from a horse if the cow were dehorned, but he honestly thinks he is a farmer and is for the farmer. I never expect to be able to convince him of his error, but I expect to find every other Member of the Senate agreeing with us and against his view.

I want to say now seriously that the situation does require consideration. It requires an amendment of the law which permits people to sell what they never owned and never expect to own and other people to buy what they do not expect to receive and do not want to receive. It seems to me indefensible that we should say that gambling is morally wrong and forbid it when the gambling is done with cards or dice, and yet permit gambling in the prime necessities of life, thereby destroying almost to a certainty the producer and very largely burdening the consuming public of America. The man who plays poker and loses money loses what he owns and the man who wins from him gets what the other man owns; they hurt each other and also hurt society; but the man who gambles in the products of the farm, who gambles in that which he does not own, and, if he loses, loses that which he does not possess, hurts the consuming public and destroys the farmers. I have seen the future market cost the producers of cotton in my State in half a day a million dollars when there was not a bale of spot cotton involved in the transaction and the men who sold and the men who bought neither owned nor expected to own the products they sold. That sort of a situation, Mr. President, I do not believe the Senate is going to allow to continue.

I want the Committee on Agriculture, of which I am a member, to report out a genuine farmer's bill. I do not mean that in the sense that the farmer is entitled to particular consideration, but I mean a bill which will prevent people who never farm and who never expect to farm from destroying the man who does farm by wholesale gambling in the farmer's products and selling those products long before they are produced. If I had the money I could go on the cotton exchange and sell or buy, as the case might be, 50,000,000 bales of cotton in any season, before a single acre was planted and when no man living could know whether there would be 10,000 000 bales grown or 15,000,000 or only 6,000 000 bales, and when no man could know what the demand would be. Yet men thrive, they grow rich, by selling this product in amounts which exceed the most optimistic dreams of actual production.

I know it is true, Mr. President, that a man who deals in that which he does not own and sells that which he knows he can not deliver is either a fool or he has some means of controlling the price of the product when settlement day shall come; and since the gamblers in cotton are able to make money by their gambling, I take it that that negatives the statement that they are fools. It then becomes apparent that, by some process, they are able to control the price of the product in which they gamble, otherwise they could not afford to gamble in that product. No man could afford to sell a thing that he does not own and knows he never can own and agree to pay the man to whom he sells the difference between what it is really worth and the fictitious value which he has placed upon it by reason of his bargain in the futures market, unless he has some way to control that market.

I know; I have watched the operation; I have produced cotton and I have sold cotton, and I know that the people who sell cotton on the New York and New Orleans exchanges have each year taken hundreds of millions of dollars from the farmers and given them nothing in exchange. I want some bill enacted to correct that situation. The bill I have introduced will do that.

Mr. POMERENE obtained the floor.

Mr. RANSDELL. Mr. President, will the Senator from Ohio yield to me for a few moments. I wish to say just a few words, inasmuch as I have been called a farmer who did not know a cow from a horse. If I did not, I am quite sure that my friend from Arkansas could inform me thoroughly in regard to both cows and horses, and, of course, everything else that is known on the farm.

Mr. CARAWAY. I think the Senator knows as much about cows and horses as he does about the cotton futures exchange act.

Mr. RANSDELL. Now, Mr. President, just a word about this bill. I am going to quote very briefly from a distinguished gentleman from the city of Little Rock, Ark., a constituent of the Senator who has just taken his seat. I refer to Mr. S. Y. West, of Little Rock, who is said to be a cotton buyer and exporter.

Mr. CARAWAY. Yes; he deals in futures. I know him very well. It is a very excellent business, and so long as that business continues legal, I presume he has a perfect right to engage in it, but that is his business, and I know him intimately well.

Mr. RANSDELL. He says he is a cotton buyer and exporter; he speaks for himself and the Little Rock Cotton Exchange and the Arkansas Cotton Trade Association, and says that he is not a member of any futures exchange. I say for him that he appeared before the subcommittee of which the Senator from New Hampshire [Mr. KEYES] is chairman and gave testimony there very fully, and I never heard a more intelligent man testify before a committee of any House of Congress than he during the 23 years in which I have been a Member. He may deal in futures; I believe he does. Here are some of the things he says:

> I have very little to add to the wisdom of these gentlemen who have been speaking here this morning.

Let me say, Mr. President and Senators, that this subcommittee, composed of the Senator from New Hampshire [Mr. KEYES], who does not live in a cotton region, the Senator from South Dakota [Mr. NORBECK], who does not live in a cotton region, and the Senator from South Carolina [Mr. SMITH], who is a cotton grower, summoned witnesses from various sections. They took all the testimony they could get. They heard the Senator from South Carolina [Mr. DIAL] and the Senator from Arkansas [Mr. CARAWAY]. They heard everybody who wanted to testify in regard to the matter. I have here a document of 175 pages of this testimony. They heard people from the various sections of the South where cotton is raised, and they were not convinced that there was anything very far wrong.

Mr. CARAWAY. Mr. President, may I interrupt the Senator?

Mr. RANSDELL. I yield to the Senator.

Mr. CARAWAY. Is it the impression of the Senator that this subcommittee is not going to report some kind of a bill to change the present system?

Mr. RANSDELL. I understand that the subcommittee reported back the Dial bill to the full committee without recommendation. I do not understand that they have reported back the bill of the Senator from Arkansas at all, pro or con.

Mr. CARAWAY. If the Senator will stay here a little while, he will understand that they will.

Mr. RANSDELL. All right; I will stay here just as long as the Senator from Arkansas will, or anyone else.

Now, I want to go on and read just a little bit from the testimony of this witness; and I refer to page 42 of the hearings before the subcommittee on Senate bill 385, Senate bill 399, Senate bill 3146, and Senate bill 2231. Mr. West says:

> A number of years ago, before we had marine insurance, people who shipped stuff around the world had to make much larger profits than they do to-day, when we can, for a very small premium, have our marine risks insured. The cotton people, under the present system, have price insurance.

I call that to the attention of Senators. This future business is a price insurance.

Mr. CARAWAY. May I ask the Senator another question? It insures the price to the speculator and the dealer, but who insures the farmer that he is going to get anything from it?

Mr. RANSDELL. One gets the same insurance that the other does.

Mr. CARAWAY. Does the Senator contend that the man who buys cotton takes out a guaranty that the farmer shall get a certain price for it?

Mr. RANSDELL. If the result of this speculation causes the price to go up, as it is very apt to do and in many instances does, then the farmer who owns the cotton will get the benefit of the increased price.

Mr. CARAWAY. Nobody will live long enough to see him get it.

Mr. RANSDELL. I shall be very glad to answer the Senator's questions, but I am not going to be deterred from presenting this evidence:

> The cotton people, under the present system, have price insurance, and it would be much better if these exchanges were called price-insurance associations, as Lloyd's is called an insurance, than if they were really called futures.

He goes on:

Lloyd's is not an incorporation, as an insurance company is in this country, at all. It is just a meeting place where these underwriters get together, this terrible speculating that we hear so much about. We have underwriters of marine risk, underwriters of fire, underwriters of credit insurance, underwriters of all sorts of insurance. They are speculators, if you please. That is just exactly what they are, speculators, as much so as in the cotton business. In the cotton business there is a price underwriter. He bets it is going up or down, just like if I have insured a home in Little Rock, the insurance company will bet me a hundred dollars to two that it will not burn up this year. That is all it amounts to.

Then I asked Mr. West:

And the ultimate buyer in this country is the spinner?

I am not representing spinners. I am trying to represent the producers. Mr. West replied:

Yes, sir; he is the spinner. I am a buyer this minute and a seller the next. I am one of those horrible middlemen, and maybe I should be eliminated, and I will be whenever there is a cheaper way of handling the cotton crop than the present one; I will go by the board, and ought to go by the board.

Now, I want Senators to listen especially to this sentence:

The spinners, being much wealthier men, commanding much greater credit than any conceivable combination of farmers that I can think of, if we have no futures markets, the spinners could get together and make a combination of credits and would not pay very much for the commodity which they were trying to buy, because the speculator would not be in there. Maybe some man in India believes cotton is selling too cheap in the United States and he buys a lot of cotton here. That helps to stabilize the price. It helps the spinner because it gives the farmer enough money so that he won't starve to death.

Mr. President, we had this bill up in a pretty lively form a year or so ago, when the Senator from Alabama, Mr. Comer, was here. He was tremendously interested in it, and in the course of that debate he admitted that he and his family owned about 200,000 spindles. I do not know whether or not that influenced him, but it is natural for a man to be influenced by self-interest. There is nobody in the Senate growing cotton, so far as I know, who is so tremendously interested in this Dial bill.

I asked Mr. West this question:

Suppose the spinners were the only buyers, Mr. West, and they chose to get out of the market for a few weeks; what would happen then?

The spinners, mind you, are the men who use the cotton. They are the only people who use it. We can not use cotton in its raw form. We must use it as cloth. It has to be converted into thread or into cloth before it can be used, and the spinners are the people who convert it. They are the people who use it.

Mr. West replied:

It would be just like it was in 1914. There would be no bottom to it.

The Senator from New Hampshire [Mr. KEYES] said:

Then I understand your position to be that they are really a protection to the grower?

Mr. West answered:

Positively.

Senator KEYES. It is a fact that they do not buy through the exchanges?

Mr. WEST. I should say that 98 per cent of the spinners, or 99 per cent of them, never take up a bale through the exchange, Senator. The exchange is simply an insurance association. It is a body politic. The cotton exchanges do not make money at all; just like you might belong to a church or something of that kind. It is just a trading place.

Mr. CARAWAY. Mr. President, will the Senator let me interrupt him?

Mr. RANSDELL. I shall be delighted to have the Senator do so.

Mr. CARAWAY. The Senator spoke of insuring a house against fire. Do you ever insure a house until there is a house to insure?

Mr. RANSDELL. No; I do not believe you do.

Mr. CARAWAY. They sell cotton when there is no cotton, do they not? If that is so, the Senator's analogy about the insurance is absolutely inapplicable.

Mr. RANSDELL. I have known people to sell lumber that was not cut, either—to take it on future contract to be delivered at a certain time.

Mr. CARAWAY. We are not talking about that.

Mr. RANSDELL. That is an analogous case.

Mr. CARAWAY. No. The man who sells the lumber expects to produce the lumber and deliver it; but there were 100,000,000 bales of cotton sold last year that were not in evidence, were they?

Mr. RANSDELL. There were a good many sold, and there were a great many bales of cotton insured which are not in existence. Now let me read you, right in that connection——

Mr. CARAWAY. Mr. President——

Mr. RANSDELL. Hold on now; I have the floor.

Mr. CARAWAY. Yes; I know that.

Mr. RANSDELL. All right, sir. I will answer the Senator politely, but when he asks a question I am going to answer it before I let him ask another one. Then I will let him ask another, and 40 of them if he wishes.

Mr. CARAWAY. I will wait until I can get the floor.

Mr. RANSDELL. All right.

The Senator asked about the 100,000,000 bales. Here is what his constitutent, Mr. West, says about that:

Then we are attacked about this 100,000,000 bales traded in when only 10,000,000 bales are raised. You take the matter of fire insurance on that same number of bales, you will find it relatively about the same number as the 100,000,000 they speak of being traded in on the future exchanges, because every time I move a bale of cotton from one warehouse to another—buy it, for instance—when it is moved out of the warehouse that insurance policy is canceled out and when it gets to my warehouse my policy covers it. When it gets to the depot my policy is canceled out and another one takes effect when it gets on the railroad. Then when it arrives at the compress at Little Rock the railroad policy is canceled out and the other policy takes effect at Little Rock. Then when I sell that cotton, if it goes on the railroad again, I cancel my Little Rock insurance and another policy takes it up, and so on, and it is carried right through. Each bale of cotton is insured, on an average, against—

Bear that in mind—

against fire about six different times. There are 10,000,000 bales of cotton and there are at least 60,000,000 bales insured against fire.

If that is not an analogous case to the 100,000,000 bales traded on in the futures market, where, as every man knows, the future market is used as a hedge, I should like to know what is an analogous case.

Mr. SIMMONS. Mr. President——

Mr. RANSDELL. I yield to the Senator from North Carolina.

Mr. SIMMONS. I know that the Senator is discussing a very important question, and one in which southern Senators are deeply interested, but I wish the Senator might let us go on with the bill before the Senate. This matter will all have to be gone over again.

Mr. RANSDELL. Mr. President, I think that request of the Senator is very reasonable. If the Senator will just allow me to put into the RECORD one or two additional brief paragraphs here—and I am entirely willing to put them in without reading—I will yield the floor and let the tariff debate go ahead.

I ask that I may put in, on pages 43, 44, and 45 of the hearings before the subcommittee the testimony of Mr. West. If I may be permitted to put that in the RECORD now, I will yield the floor, provided, of course, that we are not going to have this debate in extenso. If so, I shall have to speak in reply.

Mr. SIMMONS. I rose to ask Senators on this side if they could not withhold their discussion of this matter until the bill comes before the Senate.

Mr. RANSDELL. I gladly yield.

Mr. SIMMONS. I understand that one speech provokes another speech. I hope that we may all agree to drop the subject until the bill comes before the Senate.

Mr. CARAWAY. Mr. President, may I interrupt the Senator? I am perfectly willing to let it go on. The Senator from Louisiana is something like the lady who was testifying, who was asked by an attorney if she had told all she knew about the matter in controversy, and she said, "Yes; she thought a little the rise."

Mr. RANSDELL. I have no doubt the Senator thinks I have told more than I know about it, but Senators will probably find that I know just a little bit more—not half as much as the Senator from Arkansas knows, of course. No one could know as much on any subject as he knows on all, but I will try to say a little bit more about it when the proper time comes.

Mr. SIMMONS. I think we all agree that that is one of the senatorial infirmities. We are very apt to talk a great deal about subjects that we do not know much about.

The PRESIDING OFFICER (Mr. ODDIE in the chair). Without objection, the matter referred to by the Senator from Louisiana will be inserted in the RECORD.

The matter referred to is as follows:

STATEMENT OF MR. S. Y. WEST, LITTLE ROCK, ARK.

Senator RANSDELL. Will you please give your name, Mr. West, your residence, and your business?

Mr. WEST. S. Y. West, cotton buyer and exporter, speaking for myself and the Little Rock Cotton Exchange and the Arkansas Cotton Trade Association, not a member of any futures exchange.

I have very little to add to the wisdom of these gentlemen who have been speaking here this morning, but, boiled down very briefly, the thing looks to me like it comes to this: A number of years ago, before we had marine insurance, people who shipped stuff around the world had to make much larger profits than they do to-day, when we can, for a very small premium, have our marine risks insured. The cotton people, under the present system, have price insurance, and it would be much better if these exchanges were called price insurance associations, as Lloyd's is called an insurance, than if they were really called futures.

Senator RANSDELL. They are really price insurance?

Mr. WEST. They are really price insurance associations. They are not themselves companies. It is simply a place for people to meet.

Senator RANSDELL. It is very much like Lloyd's in that respect, is it not?

Mr. WEST. Yes; it is, exactly. Lloyd's is not an incorporation, as an insurance company is in this country at all. It is just a meeting place where these underwriters get together, this terrible speculating that we hear so much about. We have underwriters of marine risk, underwriters of fire, underwriters of credit insurance, underwriters of all sorts of insurance. They are speculators, if you please. That is just exactly what they are, speculators, as much so as in the cotton business. In the cotton business there is a price underwriter. He bets it is going up or down, just like if I have insured a home in Little Rock, the insurance company will bet me a hundred dollars to two that it will not burn up this year. That is all it amounts to.

Any changes, as we know, upset confidence. I am from a farm State. The exchange that I represent there, of which I happen to have been president, 60 per cent of its membership are farmers, and we do not know a lot about the technical side of these things, but we do know this: We know what happened to us there in our State. I am also interested in a little bank. Futures went up very high in 1919 and 1920, during the winter of 1920, and then the next fall they were very cheap, and still kept getting cheaper. The man who had taken price insurance—and they were forced to do it in my town of Little Rock, because the banks would not loan them any money—was able to pay off his bank, and there was not a dollar lost by a bank in Little Rock on a cotton man. In other sections of Arkansas, where they are not quite so conservative, cotton shippers and merchants, the banks do not understand the economic functions of the futures, they did, or lots of them, and I will say they are in a poor condition. I don't mean that any of the banks are going to bust down there, but they are not flourishing with money.

Here is a buyer and here is a seller. Their interests are diametrically opposed. They have got very little in common. The buyer wishes to buy as cheaply as possible always, and the seller wishes to sell at the highest price obtainabe all the time.

Senator RANSDELL. And the ultimate buyer in this country is the spinner?

Mr. WEST. Yes, sir; he is the spinner. I am a buyer this minute and a seller the next. I am one of those horrible middlemen, and maybe I should be eliminated, and I will be whenever there is a cheaper way of handling the cotton crop than the present one; I will go by the board, and ought to go by the board. The spinners, being much wealthier men, commanding much greater credit than any conceivable combination of farmers that I can think of—if we have no futures markets, the spinners could get together and make a combination of credits and would not pay very much for the commodity which they were trying to buy, because the speculator would not be in there. Maybe some man in India believes cotton is selling too cheap in the United States and he buys a lot of cotton here. That helps to stabilize the price. It helps the spinner, because it gives the farmer enough money so that he won't starve to death.

Senator RANSDELL. Suppose the spinners were the only buyers, Mr. West, and they chose to get out of the market for a few weeks. What would happen then?

Mr. WEST. It would be just like it was in 1914. There would be no bottom to it.

Senator RANSDELL. Just like some other agricultural commodities—no bottom?

Senator KEYES. Then, I understand your position to be that they are really a protection to the grower?

Mr. WEST. Positively.

Senator KEYES. It is a fact that they do not buy through the exchanges?

Mr. WEST. I should say that 98 per cent of the spinners, or 99 per cent of them, never take up a bale through the exchange, Senator. The exchange is simply an insurance association. It is a body politic. The cotton exchanges do not make money at all, just like you might belong to a church, or something of that kind. It is just a trading place.

Senator RANSDELL. The spinners do use the exchange as an insurance to hedge? When a spinner wants a thousand bales of spot cotton six months in advance he will go on the exchange and buy a thousand bales of future cotton for the time?

Mr. WEST. That is right.

Senator RANSDELL. To insure that he is going to get his spots at the price?

Mr. WEST. Mr. Chairman, I did not mean that the spinners did not use the exchanges as price insurance, but for the actual acquisition of their spot cotton which they spin they do not use it.

Senator KEYES. Yes; that is what I understood.

Mr. WEST. That is the way I understood your question.

Senator DIAL'S bill, the one that he withdrew and the one that he now wishes passed, I believe that is the thing we are talking particularly to-day——

Senator KEYES. Yes; also a bill introduced by Mr. CARAWAY.

Mr. WEST. Well, I was going to come to that, too.

Senator DIAL'S bill would have the same effect upon the marketing of cotton as if insurance companies with whom I have my fire insurance policies would say to me, "I will only insure certain qualities of your cotton against fire." Immediately my financial backers, my bankers, would want to know, "Well, what part of that cotton is insured? That is the cotton that we want to loan money on. We won't loan you any money on this other cotton that you can not get fire insurance on." That is, the whole thing is a question of insurance. A great many people don't believe in insurance. I think Senator CARAWAY does not believe in insurance. He told me that yesterday afternoon—that he had practically no insurance. We are able to get this price insurance to handle cotton on about as close a profit as possible, 1½ to 2 per cent, and out of that we have to pay everything. If I handle 50,000 bales of cotton in a year, at $2 a bale, and do $5,000,000 worth of business, if I make $50,000 a year on my business I am delighted and have done very well. People in the wholesale dry-goods business, wholesale jobbers and grocers who handle $5,000,000 worth of business, if they don't clear pretty near a million they feel like they have got a very hard deal. That is true in the State of Arkansas. I don't know about any place else. Without price insurance it would be impossible for us to do business on so small a margin.

Senator DIAL misunderstands the functions of the future exchanges, I believe. He wishes to force everybody to trade on a modified form of section 10 of the Smith-Lever bill. Now, I am from the country, and before the passage of this Smith-Lever bill I felt that people in my position were at a very serious disadvantage many times. Under the present system I have just as much protection as anybody. The Government functions in this matter just as in any other law for the protection of the farmer, and the Smith-Lever bill is as much a protection for the farmer as for the cotton exchanges.

Mr. CARAWAY wishes in his bill to eliminate the speculator.

Senator RANSDELL. That would destroy the exchanges?

Mr. WEST. That would destroy the price-underwriting feature of the cotton exchanges just as if you said to any insurance underwriter they could not any longer underwrite. To-day you get credit insurance from Lloyd's. It costs you pretty big, but you can get it. In 12 months' time they will guarantee the bank against loss under certain conditions.

Then we are attacked about this 100,000,000 bales traded in when only 10,000,000 bales are raised. You take the matter of fire insurance on that same number of bales; you will find it relatively about the same number as the 100,000,000 they speak of being traded in on the future exchanges, because every time I move a bale of cotton from one warehouse to another—buy it, for instance—when it is moved out of the warehouse that insurance policy is canceled out, and when it gets to my warehouse my policy covers it. When it gets to the depot my policy is canceled out, and another one takes effect when it gets on the railroad. Then, when it arrives at the compress at Little Rock, the railroad policy is canceled out and the other policy takes effect at Little Rock. Then, when I sell that cotton, if it goes on the railroad again, I cancel my Little Rock insurance and another policy takes it up, and so on, and it is carried right through. Each bale of cotton is insured on an average against fire about six different times. There are 10,000,000 bales of cotton, and there are at least 60,000,000 bales insured against fire.

Senator RANSDELL. That is a very interesting fact. I did not realize that, but I see the truth of it.

Mr. WEST. Mr. Chairman, you asked for suggestions that would better the situation.

Senator KEYES. Yes. We would certainly be very glad to have them if you have any.

Mr. WEST. No. I must frankly admit that I am not intelligent enough to offer any constructive suggestions on this subject, unless it would be to increase the number of grades deliverable on a contract rather than to decrease them. That is the interest of my State, because we are pretty far north and our growing season is short. Our cotton is generally of poorer grade than the rest of the people's, with the exception of western Tennessee, Missouri, and northern Mississippi, possibly. That is the only suggestion I could make of that nature.

Another thing. We all know that uncertainty upsets confidence, and we have had this Smith-Lever bill as an excellent thing, but this business of putting a law in that changes your price insurance policy over night is very destructive of confidence in values. I think one thing that is the matter with the markets now—it has been sluggish for six weeks or more—one thing is the fear on the part of a lot of us that something drastic will be done in regard to futures, and our ability to get price insurance will be destroyed or so badly impaired that we won't be able to finance our business.

The head of the Arkansas Bankers' Association, president of one of the biggest banks in that State, told me that if this law passes there was not a firm that would do business in Arkansas in the cotton business that his bank would be willing to loan more than 40 per cent of the value of cotton or any other commodity which could not get price insurance which in a very short time would concentrate the cotton business into the hands of a very powerful, rich firm. People working way back in the woods, willing to work for a small profit, sort of keep the thing from getting into the hands of a very few people.

Senator RANSDELL. Mr. West, do you know of any very well-defined sentiment in your State for the passage of this Caraway bill or the Dial bill?

Mr. WEST. The only sentiment in my State is in opposition to both bills. I have heard no favorable expression about either.

Senator RANSDELL. But there is a decided opposition to them?

Mr. WEST. The very fact that I am here, sent here by my exchange to fight this thing——

Senator RANSDELL. Which is not a futures exchange at all?

Mr. WEST. Not at all.

Senator RANSDELL. And you are not a member of any futures exchange?

Mr. WEST. Not at all. There is only one man a member of our spot exchange in Little Rock, Ark., that is a member of any futures exchange, and I think he is the only member of any futures exchange in the State of Arkansas.

Senator KEYES. He is a member, as I understand it, as an individual?

Mr. WEST. As an individual; yes, sir.

Senator KEYES. Not representing your exchange?

Mr. WEST. Not representing our exchange at all. Now, as I told you, 60 per cent of our membership are farmers.

Senator RANSDELL. That is, cotton farmers; men who produce cotton themselves?

Mr. WEST. Yes, siree.

Senator KEYES. Mr. West, do you agree with the previous witness that the passage of the proposed legislation, instead of benefiting the grower, would actually injure him?

Mr. WEST. Yes, sir. I think he would be very much in the same predicament that he was in 1914, when there was no futures market. With price insurance I am ready to buy cotton every day at a pretty fair value, based on that price insurance, and without it I could not.

Senator RANSDELL. And there are a great many other people in your position, sir, ready to buy cotton every day, thereby furnishing buyers for the commodity?

Mr. WEST. Yes, sir.

Senator RANSDELL. And without these exchanges you would not be buying?

Mr. WEST. I would not.

Senator RANSDELL. So there would be no people in the market purchasing the commodity, and without purchasers it would naturally go down, wouldn't it?

Mr. WEST. Yes, sir. I agree thoroughly with the other witnesses in that respect. I think it is much better for the farmer. He gets a better price. He can market and does market, I believe, 60 or 75 per cent of his cotton in a very few months out of the year. The mills do not buy anything like that amount of cotton from the farmer at that time. Somebody must take up that slack. They must carry that stock of cotton just as a wholesaler carries a stock of dry goods, or whatever business he may be in. The reason he carries it is because he is convenient to the market, for his retailers to come in and buy from him. The farmer is selling from 60 to 70 per cent of his product in 90 days, and the world is using 1,000 per cent, or about 100 per cent of his product, in 12 months. You can readily see what would happen to him without a lot of people taking up that slack in that time.

Senator KEYES. Is there anything more, Senator RANSDELL?
Senator RANSDELL. No more from this witness. I have one or two more witnesses. Are you willing to go on?
Senator KEYES. Yes; for a while.
Senator RANSDELL. I now wish to produce Mr. Evans, of Houston, Tex.

Mr. DIAL. Mr. President, just one word, and then I will stop. The Senator from Arkansas said that my amendment would interfere with the marketing of low-grade cotton. I do not desire to interfere with the 10 grades tenderable under the law as fixed now, but I have no objection to joining the Senator from Arkansas or the other Senators in making a greater number of grades tenderable, if that is thought advisable. That is not the object of my amendment at all.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The PRESIDING OFFICER. The Secretary will state the pending amendment.

The READING CLERK. In paragraph 905, page 125, the committee proposes to strike out lines 3 to 9, inclusive, as follows:

PAR. 905. Cotton cloth with extra threads introduced by means of the lappet or swivel shall be dutiable at the rate on the basic cloth and, in addition thereto, 7½ per cent ad valorem.
Cotton sateens, woven with eight or more harness, shall pay, in addition to the rate on cotton cloth, 10 per cent ad valorem.

Mr. LENROOT. I would like to have the Senator from Utah explain that amendment. Is paragraph 905a intended to take the place of it?

Mr. SMOOT. It is.

Mr. LENROOT. Then I think before we vote on the pending amendment there ought to be an explanation both of the part that is proposed to be stricken out and of the paragraph proposed to be inserted.

Mr. SIMMONS. The Senator from Utah does not propose to strike out all of paragraph 905?

Mr. SMOOT. No; just the part which has been read. I do not propose to strike out that part reading:

Tire fabric or fabric for use in pneumatic tires, including cord fabric, 25 per cent ad valorem.

In my original remarks I called attention to this particular paragraph, and I will repeat my statement briefly. The part of paragraph 905 proposed to be stricken out by the committee reads as follows:

PAR. 905. Cotton cloth with extra threads introduced by means of the lappet or swivel shall be dutiable at the rate on the basic cloth and, in addition thereto, 7½ per cent ad valorem.
Cotton sateens, woven with eight or more harness, shall pay, in addition to the rate on cotton cloths, 10 per cent ad valorem.

Paragraph 905a is to take the place of that part of paragraph 905 which I have just read, and it will read as follows:

PAR. 905a. In addition to the duty or duties imposed upon cotton cloth, there shall be paid the following duties, namely: On all cotton cloths woven with eight or more harnesses, or with Jacquard motions, or with drop boxes, or with lappet or swivel attachments, 12 per cent ad valorem.

Then the committee have offered an amendment to strike out of the committee amendment, following what I have just read, these words:

For cloths containing yarns the average number of which does not exceed No. 30; exceeding No. 30, 15 per cent ad valorem.

That is to be stricken out, and this proviso will be inserted following the words "ad valorem", on line 16:

In no case shall the duty or duties imposed upon cotton cloth in paragraph 903 or 905a exceed 45 per cent ad valorem.

In other words, as I have so often stated upon the floor, taking into account the rates upon cloth found in paragraph 903, and all the cumulative duties of any name or nature, the rate shall not exceed 45 per cent ad valorem.

Mr. LENROOT. Do I understand, then, that with the proposed committee amendment there will be imposed a flat rate of 12 per cent ad valorem, with 45 per cent as the maximum on all cotton cloths woven in this way?

Mr. SMOOT. The weaves are very difficult, and it takes one person to each loom. One person can not run more than one loom in manufacturing this class of goods.

Mr. LENROOT. How did the committee arrive at 12 per cent as being the proper addition?

Mr. SMOOT. It is always understood by every manufacturer that it costs from 10 to 15 per cent more, depending on the class of loom that is being run. The running of the loom in making that class of goods costs at least 15 per cent more, with the Jacquard weave, and some of the eight harness weaves, I suppose, run 10 per cent, and with the swivel even more than that, and 12 per cent was the rate the House agreed upon.

Mr. LENROOT. Do I understand that the Senator's statement is that it costs from 10 to 15 per cent more to manufacture this cloth than to manufacture the plain cloth? Is that the statement?

Mr. SMOOT. Not the labor cost alone, but taking the cost of the article itself into consideration.

Mr. LENROOT. How much additional does the article itself cost on account of putting in these figures?

Mr. SMOOT. Ten to fifteen per cent.

Mr. LENROOT. If that is true, is not the committee adding as a tariff rate the entire cost?

Mr. SMOOT. I took particular pains to say to the Senator that it was not only the labor cost alone but it was upon the article itself.

Mr. LENROOT. The Senator says now that it costs from 10 to 15 per cent ad valorem upon the entire article to make this figure. That is what the Senator said.

Mr. SMOOT. I did not mean to state it as broadly as that. I meant that it cost 10 to 15 per cent more on the goods itself to manufacture this line of goods in this country than it does in foreign lands.

Mr. LENROOT. If that is the statement, what basis did the Senator have? I can not find any information upon the subject. In the hearings the Senator himself seemed to seriously question that.

Mr. SMOOT. I rather thought it was too high; but taking the cost of the goods and the labor cost in foreign countries and in this country into consideration, it was demonstrated to the committee that 12 per cent was necessary. The Senator will notice that the House put in a provision that, exceeding No. 30, the rate should be 15 per cent ad valorem, and the Senate committee struck that out. I thought the 15 per cent ad valorem was too high, and so stated before the committee, and we decided upon the 12 per cent on all sizes of yarns, taking the lowest rate that the House had put in.

Mr. LENROOT. Taking the lowest rate that the House had put in?

Mr. SMOOT. Yes; the House put in 12 per cent ad valorem for cloths containing yarns, the average number of which does not exceed 30, and then exceeding 30, 15 per cent ad valorem. That was the provision the House put in.

Mr. LENROOT. The House?

Mr. SMOOT. No; I am mistaken about that. That was what the Senate committee first proposed.

Mr. LENROOT. It is a very substantial increase.

Mr. SMOOT. That is true. If the Senator will look at the equivalent ad valorem in the act of 1909, he will see that without that limit the tax would have run up to 60 and 65 per cent, but the committee thought that in no case should it run above 45 per cent. This does not say "less than 45"; it changes it so that it will state that it shall not be more than 45 per cent. So the very fancy goods—I do not care what they are, how they are woven, upon what loom they are woven, if they are cotton—can not carry a heavier rate of duty than 45 per cent. I want to state frankly to the Senator that this is one of the amendments which many of the manufacturers think is a very drastic provision.

Mr. LENROOT. This amendment was proposed by Mr. Lippitt himself.

Mr. SMOOT. Oh, no; it was not proposed by Mr. Lippitt himself in the form it is presented. Mr. Lippitt proposed that the rate should be not less than 45 per cent.

Mr. LENROOT. I mean the original committee amendment.

Mr. SMOOT. There is quite a difference, if you figure the equivalent ad valorem. This is a limit upon the rates on the fine goods, I say to the Senator now, which is just as low as it is possible to give with safety.

Mr. LENROOT. The amendment as originally reported by the committee is word for word the amendment proposed by Mr. Lippitt himself. Is not that true?

Mr. SMOOT. Mr. Lippitt does not propose that in no case shall the rate be more than 45 per cent.

Mr. LENROOT. I understand that.

Mr. SMOOT. I will say to the Senator that, without any limitation, in many cases it would go to 60 or 65 per cent. That is why I insisted that there should be a limitation, and that limitation is put in covering the cloths in paragraphs 903 and 905a.

Mr. SMITH. Mr. President, I would like to call attention to the fact that we are striking out that part of paragraph 905 through which the lines are drawn, but the Senate on Saturday, in place of lowering the duty on these dyed and figured cloths, raised it. The Senate has lowered the duties proposed for single gray yarn and for advanced yarns. It has also, to a less

extent, lowered the duties on plain gray cloths and on plain bleached cloths.

I desire to call your attention to the fact that on advanced cloths, including printed, dyed, colored, or woven figured, the Senate has increased the duties up to 80s by reason of substituting a rate of advance of five-sixteenths instead of three-tenths of 1 per cent ad valorem per number. Under the House rates the minimum ad valorem at 80s would have been 29 per cent American valuation; the Senate bill carried 39 per cent foreign valuation, and this has been increased to 40 per cent foreign valuation. The Senate has slightly reduced the rate on advanced cloths above 80s average yarn count, but as imports of this particular class are most largely under 80s, it should be noted that such cloths have now a wider differential over gray and bleached cloths and a much wider differential over the yarns from which they are made than was intended in either the House or the Senate bill.

In other words, by substituting five-sixteenths we have raised it to 40. With the addition of a compensatory duty it will run it up to in the neighborhood of 45, and then on all woven cloth with eight or more harnesses, with Jacquard motions, or with drop boxes, you have added an additional 12 per cent. It is true the Senator has offered an amendment that the rate shall not exceed 45 per cent.

Mr. SMOOT. That is true.

Mr. SMITH. But you start out practically with a 45 per cent rate on this kind of cloth. You have kept the parity on the plain gray yarns and cloths, but when you get to this paragraph you have increased it from about 25 per cent up to 45 per cent.

Mr. SMOOT. Mr. President, we have passed over all those paragraphs, and there is no question as to what the rates are. The highest rate that is given is on cloth above No. 80. The rate is not less than 15 per cent ad valorem, and for each number above 80, five-sixteenths of 1 per cent ad valorem; and 45 per cent is the highest rate that can possibly be given on the finest goods in paragraph 903.

Mr. SMITH. Let us take imported gingham. Under the Underwood Act the importers pay 20 per cent, and under paragraph 903 they will pay 30 per cent. The committee adds an additional 12 per cent under paragraph 905a, which raises the duty to 42 per cent above the other cloths. This is in addition to what we have already provided for in paragraph 903. We have amply taken care of that under paragraph 905a, in that we have given gingham a differential of about 10 per cent over the plain cloths already. In other words, the plain gray and the ordinary run of cloth pay 30 per cent under the modification in regard to these figured cloths, and you have raised that to 40, and now you add an additional rate by virtue of the so-called Jacquard motions and drop boxes. Anyone familiar with the Jacquard process knows that in standard figures the cards are made by the millions. After the machine is set up any kind of a weaver has no more trouble in producing the figures than he does on the ordinary loom.

Mr. SMOOT. No; he does not have any more trouble in producing the figure if it runs all right, but he has to have more knowledge to run the loom, and he can work only one loom.

Mr. SMITH. The Senator knows that in the use of the Jacquard machine it is an attachment to the loom and practically adds no additional expense except the overhead charge for fixing the machine, and it becomes as standard and permanent as the loom itself.

Mr. SMOOT. The Senator also knows that he can take a plain loom and run a plain piece of cloth, and almost any weaver can run it; but almost any weaver can not run a difficult pattern that is woven on a Jacquard loom.

Mr. SMITH. It takes not a particle more experience to run a loom with the Jacquard attachment than to make a piece of brown cloth, for the machine is automatic. The attachment is as automatic as the loom itself, and when it is a standard fissure the cards are printed by the millions. All manufacturers who use standard patterns use the standard Jacquard machine, and they draw their threads through the dies at particular places, and when the machine starts it is automatic. That is familiar to anyone who knows anything about cotton-cloth weaving.

Mr. SMOOT. The Senator gives a description of what the loom boss does who fixes the loom ready for some one to operate, but then he tries to make us believe that whenever any thread breaks a novice can fix it, for almost any novice who knows anything about it can run a plain piece of cloth, because the loom will run itself when it is once set. But I have seen the time when 50 or 100 threads would break through some accident. Who would put them through the holes in the card in a case like that? Does the Senator think a novice can do it? If he does, he is greatly mistaken.

Mr. SMITH. The Senator knows that on the Jacquard loom the Jacquard thread when it breaks indicates itself where it is broken as much as it does in the ordinary plain cotton weave.

Mr. SMOOT. That is not what the Senator from Utah said at all. The Senator from Utah has seen as many as 100 and sometimes 200 threads break at once, and they stop just as quickly as when one thread breaks.

Mr. SMITH. But these are different. They are put through as quickly as any one thread, for the reason that when they break they indicate where they came from.

Mr. SMOOT. I learned to weave and I know what it is to weave a plain piece of cloth. I know that I could not have gone from a plain piece cloth loom over to a Crompton loom and drawn the threads in the Crompton harness correctly without having had experience in that kind of work. I do not care what the Senator said; I know that to be true.

Mr. SMITH. As a matter of course this is a mere question of opinion, but I would like to have some authority. If I had thought anyone would question the fact that the standard Jacquard process was any different from the ordinary process when the machine was set up I would have been delighted to bring along some authorities to show that when the machine is set up any man in the factory can operate it. The same is true of the drop box, in which we have the colored yarn that automatically is fed into the warp just as the ordinary thread when the loom is installed with that process.

Mr. SMOOT. The drop box is quite different from the Jacquard.

Mr. SMITH. It is no more difficult to work the drop box than it is the Jacquard.

Mr. SMOOT. The Senator is talking about something with which he never had any experience; I know what I am talking about.

Mr. SMITH. But that is a mere difference of opinion.

Mr. SIMMONS. Mr. President, I would suggest that these are the two great cotton experts of the Senate and it seems they can not agree at all. I am afraid Mr. Lippitt has rather confused somebody, and that we need arbitration here.

Mr. SMOOT. I am not an expert on the raising of cotton. I never did that; I never have taken any interest in how it is raised; but I do know, after the cotton gets into the mill, what has to be done with it. I do not think the Senator from South Carolina has ever worked a day in a mill. I have worked in the mill. I have used cotton with woolens; I have used cotton mixed with wool, and the process is exactly the same.

Mr. SMITH. I doubt if they had the Jacquard machine when the Senator was in the mill.

Mr. SMOOT. Oh, yes; they had the Jacquard machines. We have had them for 40 years or more.

Mr. SMITH. What I desire to state is that the Senator's opinion on this matter or my opinion on the matter does not change the fact. The fact is open to any Senator. I assert, and will risk my reputation on this particular article, that the cost is practically negligible, after the machines are installed, when it comes to the question of operating the machine.

Mr. SMOOT. I want to call the Senator's attention to the fact that there never has been a tariff bill written, including the existing law, which made more than a 10 per cent difference in the Jacquard weave and the plain woven cloth.

Mr. SMITH. But that does not justify it. If the facts had been known when the other laws were being written, as Senators ought to know the facts now, they would not have written it then and they would not write it now.

Mr. SMOOT. Any Senator knows that where we have to take one man to run the loom, or one good, experienced weaver, whether it be a man or woman, it costs more to produce goods than it does where we can take an automatic machine and one person can tend 10 or 12 or even 16 of them. There is no need of arguing that.

Mr. SIMMONS. Then I would suggest to the Senator that he do not argue it.

Mr. SMOOT. It is an absolute certainty, as I view it.

Mr. LENROOT. Mr. President, the Senator from Utah just stated that there was no law, which would include the present Underwood law, where there was not a difference of 10 per cent or more between the Jacquard woven goods and the ordinary goods. Did I correctly understand the Senator to say that under the present Underwood law there is a difference of 10 per cent or more for this particular class of goods?

Mr. SMOOT. I am speaking of the Jacquard cloths under the Underwood law, which run as high as 40 per cent.

Mr. LENROOT. Covered by this paragraph?

Mr. SMOOT. Oh, no; not covered by this paragraph.

Mr. LENROOT. That is confined to upholstery.

Mr. SMOOT. It is the same principle exactly that is used in the other.

Mr. LENROOT. Under the Underwood law many of these goods are coming in under the rate for woven goods, are they not?

Mr. SMOOT. The drop-box goods would come in as woven goods.

Mr. LENROOT. Certainly.

Mr. SMOOT. And the drop-box ginghams about which we have been talking are the highest price ginghams and higher in price than the American ginghams.

Mr. LENROOT. But they are coming in now, and the Senator stated there was a difference under the present law of 10 per cent or more for the Jacquard woven goods. Now, the Senator does not mean that, when the Jacquard woven goods come within this class of cloth?

Mr. SMOOT. Take, for instance, the damask cloth under the Underwood law to-day. Has the Senator the rates there under the Underwood law on damask cloth?

Mr. LENROOT. I believe I have.

Mr. SMOOT. They are all made by the Jacquard loom. I think the rate is 25 per cent. As the Senator will notice on the building-up rates of the existing law, they were built why? Because of the kind of loom that has been used. Tapestries are all the same way, the upholstery cloths are the same way, and I know there is a special rate in the existing law.

Mr. LENROOT. Only upon upholstery goods.

Mr. SMOOT. And tapestries and cotton damask.

Mr. LENROOT. Not upon table damask.

Mr. SMOOT. Table damask is only 25 per cent.

Mr. LENROOT. Yes; but there is no special provision for it as there is for the Jacquard. Is it not true, I ask the Senator, that under the Payne-Aldrich law there was a specific cumulative rate given for Jacquard woven goods, with a maximum per cent per square yard?

Mr. SMOOT. No; it was not a maximum.

Mr. LENROOT. That is my recollection.

Mr. SMOOT. I think the Senator is in error when he speaks of 2 cents a yard. There is an additional rate given on all cotton cloth in which other than the ordinary warp and threads are used.

Mr. LENROOT. Now, can the Senator turn to the provision of the Payne-Aldrich law covering Jacquard woven goods? There is no special provision for it except for upholstery.

Mr. SMOOT. For special goods?

Mr. LENROOT. Was that in the Payne-Aldrich law? There is no differential, I believe.

Mr. SMOOT. But the rate provided in the Payne-Aldrich law, the equivalent ad valorem provided, is higher than the cumulative rates added in the pending bill with a limit of 45 per cent ad valorem.

Mr. LENROOT. Let us see whether that is so or not. Of course we have no classification and there are no figures upon it unless the Senator has them.

Mr. SMOOT. I have the figures.

Mr. LENROOT. Will the Senator read them?

Mr. SMOOT. The average under the Payne-Aldrich law was 44.82 per cent, and under the present bill it is 35.88 on the samples that we had at the time.

Mr. LENROOT. But take the actual imports.

Mr. SMOOT. Those are the actual imports.

Mr. LENROOT. Under the Underwood classification they all come in under woven figures and tapestry and upholstery.

Mr. SMOOT. I want to say, before the Senator proceeds further, that the changes we have made will bring the rate down considerably lower than 35.88.

Mr. LENROOT. Let us see. The import price of printed, dyed, colored, or woven figures, all four together, was 34 cents a yard on the imports of 1921. The Senator does not question that, of course. That would add, even at that rate, 4 cents a yard additional duty by reason of those processes. The Payne-Aldrich law did not add more than 2 cents per square yard. Is not that true?

Mr. SMOOT. I can not say what the average was, I will say to the Senator.

Mr. LENROOT. I was just reading the figures of the imports. Is not that double the rate under the Payne-Aldrich law?

Mr. SMOOT. If that is the case, there is a higher class of goods coming in and the prices have been higher. There is no doubt about that. The equivalent protection would be no more. As I said, this shows that the prices existing in 1910, when the equivalent rates upon these importations amounted to 44.82 per cent, at to-day's prices are only 35.88 per cent; but what would they be if the price was down to what it was in 1910? Therefore, I say that under the pending bill we ought to limit it so that no rate shall be more than 45 per cent. I want to say to the Senator that it is claimed that this rate is a hardship upon the eastern manufacturers.

Mr. LENROOT. The difficulty again arises. The committee is making a limitation of 45 per cent which will apply upon the very high quality goods, the very high count goods. Of course it will not apply upon the other goods, and the effect of the paragraph is to very greatly increase the duty upon the lower goods, because the maximum will not apply.

Mr. SMOOT. No manufacturer can afford to make goods upon the Jacquard loom unless they are specialties, and this paragraph applies to that character of goods. No manufacturer can afford to run a swivel loom to make ordinary common goods. Even if the rate were 100 per cent, they would not undertake it; it could not be done. This rate only applies to a certain variety of goods which are woven in a special way. It does not apply to articles which are ordinarily used by the great mass of the people of the United States. They, of course, use bedspreads and also tablecloths, but we have those classified by themselves. By the way, I wish to say that we are going to cut the rate on table damask to 30 per cent, and by the time we get through with the cotton schedule I do not believe anybody in the United States ought object to it. The only thing we could do would be to cut the rates on low-count yarns and upon plain goods. I have tried to support a consistent protective tariff bill, I do not care to what part of the country it may apply. I think that is the only proper way to legislate.

Criticism is being offered here because a duty of 7 cents a pound having been imposed on long-staple cotton, it is proposed to give a compensatory duty. As I stated on Saturday, there is no manufacturer who desires the imposition of a duty of 7 cents on long-staple cotton; they do not want to be charged up with the compensatory duty which that action makes necessary, but the Senate in its wisdom has decided to try to establish a long-staple cotton industry in the United States. If there is anything to which it may be charged, it is to that and nothing else.

Mr. LENROOT. Will the Senator at that point yield, for I should like some information?

Mr. SMOOT. I yield.

Mr. LENROOT. As I understand, according to the statistics, cotton cloths made of long-staple cotton are imported at a less price than are the cotton cloths which are made of the ordinary southern cotton, are they not?

Mr. SMOOT. I will say to the Senator that happened, as was explained the other day, in the case of cloth of very low-count yarns. That is why we took out and put by themselves, with only a 25 per cent rate, cotton tire fabrics made wholly of long-staple cotton. Such cloth is made of low-count threads, and therefore the necessity does not exist as it does when a piece of cloth is made of a fine cotton thread. I know the Senator understands that.

Mr. LENROOT. I wondered why it was that imports of cotton cloths made from long-staple cotton come in at a less price than other cotton cloth.

Mr. SMOOT. That is why it is. I will say further to the Senator from Wisconsin that there is one great defect in this bill. As I said the other day, in view of the reduction which has been made in the low count yarns, at some time when such low count yarns are made into fancy cloths we are going to suffer through importations of that particular cloth in a particular year. That will not happen, perhaps, in many years, I will say to the Senator, but such importations will come in, for there will be fancy cloths woven of low-number yarns and finished to take the place of the finer cloths. That involves a most difficult process and it is not every manufacturer who can manufacture such goods.

Mr. LODGE. Mr. President——

Mr. SMITH. I should like to call the attention of the Senator from Utah to the third clause of paragraph 503, which relates to "cotton cloth, printed, dyed, colored, or woven-figured, containing" certain yarns. On Saturday we increased the differential on these particular kinds of cloth, which includes the Jacquard weave, 10 per cent, whereas under the present law the differential is only 2½ per cent. In addition to that, in paragraph 905a there is an additional duty imposed on identically the same goods of 12 per cent, which gives 22 per cent differential on this kind of cloth as against the other cloth.

Mr. SMOOT. Mr. President, these are dobby cloths, and whenever in a tariff bill an article is specifically named, of course it always takes the rate applicable to it over and above

the rate on articles which are not specifically named, but which may be construed to be the same class of goods. There will not be any question as to the rate if the goods are woven on the Jacquard loom or by the swivel process.

Mr. LENROOT. Does the Senator mean to say that there are no imports of woven cloth coming in under the countable cloth paragraph?

Mr. SMOOT. Yes; I should think there are.

Mr. LENROOT. When they come in under these provisions, in addition to the increase that we made in the countable cloth paragraph, they will bear a duty of 12 per cent ad valorem.

Mr. SMOOT. But we give them, as the Senator understands, an extra per cent not because of the fact that they are woven but because they are printed, dyed, or colored.

Mr. LENROOT. They are woven also.

Mr. SMOOT. Certainly; but that does not make the difference, unless it should be some kind of figured woven cloth or dyed or colored.

Mr. LODGE. Mr. President, I wish to say in connection with what the Senator from Wisconsin [Mr. LENROOT] has stated that I have found great difficulty in securing figures as to the different classifications. The statistics are given for cotton cloths, but it is almost impossible to tell what are ginghams and what are fine goods; in fact, I know of no way of getting that information. Therefore the statistics are very unsatisfactory. If I can get the floor, I wish to say something about that matter.

Mr. SMITH. Mr. President, what is the use of paragraph 905a when the same cloth has been covered in paragraph 903, with a differential of 10 per cent? That is 8 per cent over the differential existing under present law. Then, the committee selects certain specific woven figured goods and adds 12 per cent. What is the use of section 903 if the committee is going to take care of that with an additional section—905a? There is already a differential of 10 per cent provided to protect this identical kind of cloth.

Mr. LODGE. Mr. President, I will leave it to the Senator from Utah [Mr. SMOOT] later to answer the last question of the Senator from South Carolina. I should like to say something in general about this part of the schedule, because it is of such vast importance to the State which I have the honor in part to represent.

When I heard the Senator from South Carolina talking about the Jacquard loom, which, by the way, was invented in 1835——

Mr. SMITH. And by a Frenchman.

Mr. LODGE. It reminded me of a story of Rufus Choate. He had a patent case involving a loom invention, and his junior counsel brought to him the client, who wished an interview with him. The client sat down, and said, "Of course, Mr. Choate, you understand the principle of the Jacquard loom." Mr. Choate replied, "Of course, of course; but assume for the moment I do not understand the principle of the Jacquard loom, and expound it to me." As I have listened to this debate it has seemed to me that an exposition of the Jacquard loom would not be out of place.

Mr. President, I did not mean to discuss that question; but the State which I have the honor in part to represent has 11,206,855 spindles, equal to the number of spindles of both North Carolina and South Carolina, which are the two next States in order. The total number of spindles in New England is 17,542,926. Spindles, perhaps, do not give a very good idea of the point I wish to emphasize; but there are employed in the State of Massachusetts in the cotton-textile industries 124,000 persons. That probably means that at least 300,000 people in my State derive their living from the cotton-textile industry. As we have a population of nearly 4,000,000, the Senate can understand what a very serious matter anything affecting the cotton industry is to Massachusetts.

I may add that the figures which I have just obtained from the census show that those 124,000 people were employed 93 per cent of the time during the year.

I merely mention this to impress upon the Senate the very great gravity of the cotton schedule to the people of Massachusetts and of New England. The number of people employed in 1913 in the whole cotton goods industry of the country was 430,000. It is, therefore, a very large and very important industry.

I have said nothing about the question of the yarns or the coarse goods, but this matter of the fine goods is of vital importance to us. The great development of the cotton textile industry in the South, in which everybody must rejoice, has, of course, limited the field, so far as the coarser cotton goods are concerned, and their place in New England has been filled, or we are attempting to fill it, by the manufacture of finer goods which we can make in our climate, but which can not be made in all climates, the temperature and humidity both being important.

I wish in this connection to speak briefly about the cotton schedule as it was reported to the Senate. I have not worked out all the changes which the Senate committee has made, but there are certain general propositions which I think ought to be considered.

In order to understand thoroughly the cotton schedule reported to the Senate, it ought to be considered in its relation to the other two great textiles—woolens and silks—and to previous tariffs. In all previous Republican protective tariffs the three great textile products—cotton, silk, and woolen cloths—were in a general way protected alike. That is, the rates were from 40 to 60 per cent, roughly averaging perhaps 50 per cent.

The average rate of duty on importations of cotton cloth under the Dingley and McKinley laws was about 42 per cent, with maximum rates on such importations of from 55 to 60 per cent. That, of course, applies to all cotton cloths and does not make an exception in favor of the fine goods. If it were possible to find the average rate that applied to all cotton goods for consumption, both domestic and imported, the rate probably would have been about 50 per cent.

This general equality of treatment between cottons, silks, and woolens was entirely abandoned for the first time in the Underwood law. That law gave a flat rate of 45 per cent on silk cloth, 35 per cent on woolen cloth, and on cotton cloth gave rates that varied from 9 per cent to 30 per cent, the average rate on importations in 1920 being 22 per cent, which is about one-half the silk rate and only a little more than one-half the woolen rate, and yet the difficulties of the industry are quite equal.

The present bill as it came from the House retained this discrimination, the rates on cotton cloth being very much below previous Republican tariffs and not much higher than the Underwood rate. These rates were only slightly raised by the Finance Committee as applied to cotton cloth in general. For instance, on colored cloth made from No. 40 yarn the Underwood rate is 20 per cent, the committee rate 27 per cent. On colored cloth made from No. 50 yarn the Underwood rate is 22½ per cent, the committee rate 30 per cent.

The principal items of the cotton schedule consist of the duties on cotton yarns, on cotton cloth, and those that are applied especially to a few particular fabrics, such as upholstery, blankets, and so forth.

The principal change that has been made by the Senate committee as compared to the House bill is in the duty upon cloths, where paragraph 905a has put additional duties of 12 and 15 per cent upon certain classes of fancy woven cloths. The committee has further amended that proposed paragraph, fixing the rate at 12 per cent throughout, and providing that it shall not at any point exceed 45 per cent. The reason for the change is because the bill as reported from the House made a variation in cotton-cloth duties that depended solely upon the fineness of the yarns of which those cloths were composed, the duty being higher as the yarn became finer. This, of course, is a legitimate cause for variation, as the conversion cost—that is, the cost other than the cost of cotton—increases as the yarns become finer; but this is not the only cause of increased conversion cost. An equal or greater variation in weaving costs results from the ornamentation of the fabric with various kinds of checks, figures, and patterns in what are generally described as fancy woven cloths.

The effect of the omission of the House bill to give consideration to this factor of costs results in the more artistic and difficult fabrics, requiring the most skill to produce, actually having a lower rate of duty than the simple, ordinary, and most easily woven fabrics. The result is, of course, unjust and undesirable, as, instead of encouraging the development of the higher branches of cotton manufacturing, it puts a premium upon their importation.

The House rates not only gave no consideration to these artistic productions of the loom, but the rates of duty that were proposed for the cotton schedule were far below those proposed for the sister industries of silks and woolens, and also far below those of any previous Republican cotton-cloth schedule.

I have here a table showing the Underwood rates, the Finance Committee rates on ordinary bleached cloths, the Finance Committee rates on fancy cloths as affected by paragraph 905a, the Finance Committee rates on woolens and silks, and the Payne-Aldrich and Dingley rates on cotton. I ask to have the whole table printed at this point in my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

Average yarn.	Underwood ad valorem rate.	Committee ad valorem, not fancy.	Committee fancy woven.	Committee woolens.	Committee silk.	Payne-Aldrich and Dingley.
	Per ct.	*Per ct.*	*Per ct.*			
20	15	20	32	40 to 55 per cent.	Not less than 55 per cent.	Average imports about 42 per cent; maximum over 60 per cent.
30	15	22.5	34.5			
40	20	25	37			
50	22.5	27.5	39.5			
60	25	30	42			
70	25	32.5	44.5			
80	27.5	35	47			
90	27.5	35	47			
100	30	35	47			

Mr. LODGE. They show the difference. For instance, on the average yarn No. 20 the Underwood rate is 15 per cent; the committee rate on not fancy, 20 per cent; the committee rate on fancy woven, 32 per cent—not at all a serious increase. This goes all through until you get to No. 100, where the Underwood rate was 30 per cent, the committee rate on not fancy 35 per cent, and the committee rate on fancy woven 47 per cent.

The rates on colored cloth as covered, as I understand, by the recent committee amendment, are about 5 per cent higher than the rates on these bleached cloths, the maximum being 40 per cent for plain cloth and 52 per cent for the highly decorated fancy woven fabrics.

By reference to this table it is possible to see how far below either the committee's woolen and silk rates or the Payne-Aldrich and Dingley cotton rates the committee's proposed basic rates for ordinary cotton cloths are. The Payne-Aldrich and the Dingley rates applied alike both to ordinary and to fancy woven fabrics, but were made high enough to give reasonable protection to the ornamental and artistic weaves. This made in many cases rather high rates on ordinary weaves, practically none of which were imported. The intense domestic competition that has always existed in the cotton manufacturing industry, however, reduced all fabrics to a similar basis of profit, ordinary cotton fabrics always selling materially below the parity of foreign fabrics plus the duty, so that in this industry, at least, the height of the duty is by no means a measure of the cost of such duty to the consumer.

The table also shows the duties that will apply to the fancy woven cloths. The great bulk of these cloths are made of yarns from 20s to 50s, the duties on which will run from 32 to 39.5 per cent. As will be seen, even these are materially below the Payne-Aldrich and Dingley rates, or the minimum woolen and silk rates of the present bill. It is not until we reach fancy cloths made from No. 80 yarn, where the duty will be 47 per cent, that we approach the woolen and silk duties, and the quantity of such fabrics is practically negligible. Of course now we have put in the limitation of 45 per cent, so that it will not even reach the 47 per cent as proposed in the original committee report.

It seems to me—and I have given some attention to the matter—that the cotton schedule as presented to the Senate, and still more so since the amendments have been offered, is extremely low. The committee rates for cloths of ordinary weaves made of yarns below 50 probably do not average one-half as high as the Payne-Aldrich and Dingley rates, and these cloths comprise a very large percentage of the total cloths made. They have been estimated to make up fully 75 per cent of that total. Even with the extra rates, the duties on fancy woven goods will still be materially under the rates of previous Republican tariffs.

The cotton industry consider this schedule a great experiment. They know of no reason in the relative conversion costs of turning silk, wool, and cotton into cloth why one material should be treated radically different from the others. All three industries are carried on under similar conditions, with the same general types of machinery, in the same locations, and the workers in one branch frequently change to the others. The cotton schedule may perhaps be high enough to retain the industry that has already been developed here. It may open the door to great inroads by foreign manufacturers. No one can speak positively on that point, as sufficient data do not exist.

The Underwood bill has resulted in great increases of importations of cotton cloth, from which the industry is now suffering badly. The argument we have heard so much of here about there being no importation does not apply to this schedule. The importations for the last two years of the Payne-Aldrich law of what is classified as cotton cloth in the Department of Commerce reports upon imports vary materially from previous years, but were, for the fiscal year 1912, $7,638,631; for the fiscal year 1913, $7,717,809. The average rate of duty in the latter year was 40.97 per cent. The average rate of duty in this bill, as I understand, is 35 per cent. The importations under the Underwood law for the calendar year 1920 were $44,802,000, and for the calendar year 1921 $29,426,000.

To show further what a disaster the Underwood rates would be to the cotton-manufacturing industry of New England if they or anything like them are allowed to continue, I am going to submit a table showing monthly importations of cotton fabrics classified as cotton cloth from January, 1921, up to and including March, 1922, these being only a portion of the importations that are made under the cotton schedule, which shows an increase from $1,724,710 for the first month to $5,702,277 for March of this year, the latter being at the rate of $68,427,324 per annum, of importations in this one branch of cotton manufacturing alone, as against less than $8,000,000 annually under the Payne-Aldrich law.

The PRESIDING OFFICER. Without objection, the table will be printed in the RECORD.

The table referred to is as follows:

Importations classified as cotton cloth.

January, 1921	$1,724,710
February, 1921	1,615,046
March, 1921	2,747,976
April, 1921	2,392,746
May, 1921	2,452,723
June, 1921	1,719,795
July, 1921	1,965,943
August, 1921	1,756,607
September, 1921	2,338,193
October, 1921	2,874,197
November, 1921	3,358,779
December, 1921	4,479,534
January, 1922	4,346,869
February, 1922	4,777,415
March, 1922	5,702,277

Mr. GOODING. Mr. President, I should like to ask the Senator from what country the imports come? Does the table show that?

Mr. LODGE. I have not looked at the countries of export. They are all given here.

Mr. GOODING. I wish to say that any imports we receive from countries with depreciated currency are very much greater when the gold value is added to them. That is, there is a greater volume coming in with a depreciated currency.

Mr. LODGE. In reply to the Senator's first question, the principal imports come from Switzerland—this is colored cloths, but it gives the source—5,094,000 square yards. Great Britain—England, 7,790,000 square yards; Scotland, 2,954,000 square yards. The other importations, except from Japan, are comparatively small. From Japan we got 1,874,000 square yards of colored cloth.

Mr. GOODING. The point I wanted to make is that the figures of the imports from countries where they have a depreciated currency, which imports come in on the foreign valuation, do not show the real, true amount of imports, as far as volume is concerned, coming from those countries.

Mr. LODGE. That is true.

Mr. GOODING. They are even very much greater than what they seem, measured by the volume which comes in, which, of course, has the effect of the displacement of labor in this country.

Mr. LODGE. The currencies of Switzerland, Great Britain, and Japan are less affected than those of other countries.

Mr. GOODING. Yes; that is true.

Mr. LODGE. Mr. President, I have here the schedules showing the steady growth of these importations of cotton cloths from January, 1921, when they amounted to $1,724,000, to March, 1922, when they amounted to $5,702,000. They are steadily going up.

That means that the mills of New England, which are especially equipped to make these fine goods, are being deprived of business at the rate of about $60,000,000 a year, according to the present figures, and it would be almost disastrous if we should not give these fine goods some additional protection over the coarse goods. Of course, it is to duties on these articles to which the importers of foreign goods particularly are opposed. They are fancy goods; they have not a popular sale; and they are in the nature of a luxury. They are a perfectly reasonable subject for a revenue duty.

During the war the foreign cotton manufacturing industry was, of course, greatly disorganized, as all the industries of the European countries especially were; but it is getting back to normal in the countries I mentioned, and they are now making these large importations into this country.

It must be remembered that fancy cotton goods require a great deal of labor. Labor is a more important portion of the expenditure in the manufacture of cotton goods than in other goods. As the Senator from Utah said a little while ago,

where a man can run only one loom it is very much more expensive to make those goods than where one man can run 16 mules.

The samples to meet fashions have to be prepared and submitted to customers, and the actual cloth is only made as orders are received, so it frequently takes several months, perhaps the better part of a year, to start such a business. It is now getting established, and if the duties, which have been cut down by the committee already, are cut still further it will have a most disastrous effect on what constitutes a very valuable part of the New England industry of cotton spinning. I want to repeat what I began with, that there are about 124,000 people earning their living in the cotton mills of Massachusetts. That means that at least 300,000 people are dependent for their daily bread on the work of those mills.

I also want to repeat that those mills have run 93 per cent of the time, and employment has been given for that period, on the average, through the year, and if this were cut any lower than the committee proposes it would produce results in Massachusetts, and in New England generally, of the most serious kind. I have asked for no increases. So far as I am concerned, I have submitted to the reductions of the committee; but I do hope the Senate will not cut these duties any further, especially on the expensive, fine goods, which can perfectly well afford to pay the duties, and which are of enormous importance to the maintenance of the entire industry in the United States.

Mr. SMITH. Mr. President, I want to submit for the RECORD the total amount of imports and the consumption of cotton cloth for the calendar year 1921, giving the count of the yarns used in the composition of the cloth.

Figuring these imports in relation to American production, we import less than 1 per cent of the American production of all counts, and of the imports into this country less than 15 per cent are of the fine class of figured woven goods. This is a table gotten up by the Tariff Commission.

Mr. LODGE. If the Senator will allow me, he does not assume that the fine goods are made exclusively of fine yarns?

Mr. SMITH. I did not say anything of the kind. I gave the count of the yarns.

Mr. LODGE. It is almost impossible to get a proper classification of these things. I have been trying for some time to get it and to know just what composes the $60,000,000 worth of goods which have been imported from January, 1921, to March, 1922, and to find just what constitutes the $60,000,000 of imports is very difficult.

Mr. SMITH. At the customs, of course, under the provisions of our law, they have to take into account the count of the yarn.

Mr. LODGE. I know that, of course.

Mr. SMITH. According to these tables, it will be found that less than 15 per cent of the total is the woven, figured goods, and the total will figure out less than 1 per cent of the American production of cotton cloth. I ask to have the statement printed in the RECORD in connection with what the Senator from Massachusetts has said.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Imports for consumption of cotton cloth for calendar year 1921 (in square yards).

NOT WOVEN FIGURED.

	Unbleached.	Bleached.	Dyed.	Printed.	Colored.	Total.
Nos. up to 9...	94,837	194,806	56,216	36,642	9,440	391,941
Nos. 10 to 19...	383,724	716,086	881,333	1,021,170	366,779	3,369,092
Nos. 20 to 39...	847,678	1,396,900	13,103,659	1,816,461	4,613,550	21,778,248
Nos. 40 to 49...	550,905	515,891	5,198,644	1,033,305	2,572,118	9,870,863
Nos. 50 to 59...	728,748	421,796	1,996,479	323,170	456,682	3,926,875
Nos. 60 to 79...	3,706,606	1,422,677	2,099,168	220,228	641,732	8,090,411
Nos. 80 to 99...	6,718,991	2,367,777	2,453,620	460,834	863,300	12,854,522
Nos. above 99..	5,594,048	12,435,693	12,637,455	551,915	2,382,877	33,601,988
Total....	18,625,537	19,471,626	38,426,574	5,463,725	11,906,478	93,893,940

WOVEN FIGURED.

Nos. up to 9...	18,321	14,982	28,985	28,920	5,281	96,490
Nos. 10 to 19...	7,738	125,379	294,342	653,549	197,168	1,278,176
Nos. 20 to 39...	89,356	133,249	569,476	606,740	1,791,139	3,189,960
Nos. 40 to 49...	45,249	54,352	732,216	903,441	1,779,990	3,515,248
Nos. 50 to 59...	122,454	256,516	180,823	202,881	477,584	1,240,258
Nos. 60 to 79...	57,842	357,937	870,271	262,553	1,452,451	3,001,054
Nos. 80 to 99...	193,857	164,527	161,174	852,968	405,540	1,779,066
Nos. above 99..	192,875	1,114,501	1,016,414	549,021	1,473,256	4,346,067
Total....	727,692	2,221,443	3,853,702	4,060,073	7,583,409	18,445,319

Imports for consumption of cotton cloth for calendar year 1921 (in square yards)—Continued.

TOTALS.

	Unbleached.	Bleached.	Dyed.	Printed.	Colored.	Totals.
Nos. up to 9...	113,158	209,788	85,202	65,562	14,721	488,431
Nos. 10 to 19...	391,462	841,465	1,175,675	1,674,719	563,947	4,647,248
Nos. 20 to 39...	937,034	1,530,149	13,673,135	2,423,201	6,404,689	24,968,208
Nos. 40 to 49...	596,154	570,243	5,930,860	1,936,743	4,352,108	13,386,111
Nos. 50 to 59...	851,202	678,312	2,177,302	523,051	934,236	5,167,133
Nos. 60 to 79...	3,764,448	1,780,614	2,969,439	482,781	2,094,183	11,091,455
Nos. 80 to 99...	6,912,848	2,532,304	2,614,794	1,313,802	1,269,840	14,643,588
Nos. above 99..	5,786,923	13,550,194	13,653,869	1,100,936	3,855,133	37,948,055
Total....	19,353,229	21,693,069	42,280,276	9,523,798	19,489,887	112,340,259

Mr. LODGE. I am very glad to have that table printed. Of course, $60,000,000 of importations of cotton cloths, I have no doubt, seems trifling to the Senator from South Carolina in comparison with the total manufacture, but taking $60,000,000 worth of cotton cloth from the manufacture of American mills is a very serious thing indeed.

Mr. SMITH. Mr. President, I do not care to enter into any discussion of the point made by the Senator from Massachusetts save to make one remark. The larger per cent of cloths which are imported, of the finer grade, are manufactured from cotton which we do not produce in this country. They are manufactured from the Egyptian cotton. Therefore the American manufacturer is hardly handicapped in that respect, because he has practically the same access to the supply of the raw material that the foreigner has. For the same reason, the American manufacturer has found it more profitable to manufacture the standard American type of goods, and he is preempting the markets of the world; and these finer goods, as was brought out the other day, are more of novelties and specialties than of any standard varieties.

The only effect of the imposition of this higher rate on cloths of that kind will be to raise the rate on approximately comparable goods in this country, for which we have no competitor in the world. I do not think any duty we might impose, or the absence of any duty, would affect the importation of the kind of goods of which the Senator from Massachusetts has spoken, because in any event we would have to let in free of duty the Egyptian cotton. We have seen fit to impose a duty upon that cotton, with a totally inadequate supply in this country, so that we shall have to pay a duty upon the importation of the cotton we desire to weave in competition with England, handicapping the American manufacturer to that extent, even if he desired to import the finer Egyptian cotton, and making it more difficult for him to meet the competition if he were in the field in that kind of goods.

My information is to the effect that these novelties and fine specialties are better prepared, and the fact is, perhaps, there is more profit in our manufacturing the other forms which take up practically all the spindles.

Mr. LENROOT. Mr. President, it seems very clear to me that the duty now proposed is illogical. It does not give any protection to the higher counts, and gives an excessive protection to the yarns of the lower counts. The Senator from Utah will correct me if I am wrong in the statement that if a cloth that is woven is dyed with vat dyes that cloth would not get a penny of protection under the amendment if it were No. 80. It would not receive one penny of benefit under this amendment. Am I correct or not?

Mr. SMOOT. No; with the maximum of 45 per cent it would not.

Mr. LENROOT. It would not get a penny of protection, but when we come down to a cloth of No. 55 it would get the full benefit of the 12 per cent. How can the Senator defend such a proposition as that?

Mr. SMOOT. I thought I showed the Senator that that is absolutely necessary.

Mr. LENROOT. How can the Senator defend giving an additional rate to a cloth of a low count and giving no additional rate whatever to a cloth of a higher count?

Mr. SMOOT. The Senator must know that they must be woven on a certain loom and in a certain way before that applies to them at all, and they are all novelties, no matter whether they are 40's or 60's or 80's. Many times novelties have a fine warp, and of course filling. Some of the very low counts of yarns are the most difficult goods to make. Nothing will be covered by this provision unless it has been woven in a certain way, and all these goods are novelties or specialties.

Mr. LENROOT. That is true, and if woven in a certain way, and if the count is as high as 80, the industry will get no benefit from this paragraph. If the count is as low as 60, it will get practically the full 12 per cent.

Mr. SMOOT. That comes from providing a maximum rate.

Mr. LENROOT. Certainly it does.

Mr. SMOOT. And the committee thought that a maximum rate ought to apply. In some of these counts, 120's and 160's, without the maximum rate the tax would run away above 45 per cent.

Mr. LENROOT. That is true, but if the cloth with a count of 80 does not need the protection, then a cloth of 60 does not need the protection. That is my point.

Mr. SMOOT. That would be true, but the count of 80 does.

Mr. LENROOT. But it does not get it under the amendment.

Mr. SMOOT. It will just about get it.

Mr. LENROOT. No; it does not get it at all under the amendment, if it happens to be vat dyed, and if it is not vat dyed the utmost it would get would be 5 per cent.

Mr. SMOOT. Yes; under my proposed amendment.

Mr. LENROOT. Not under the Senator's amendment.

Mr. SMOOT. Oh, yes.

Mr. LENROOT. I think if the Senator will read it he will see that it is not.

Mr. SMOOT. Oh, yes, it is.

Mr. LENROOT. Will the Senator read the amendment and see whether it is?

Mr. SMOOT. It reads as follows:

In addition to the duties imposed in paragraph 903, there shall be paid the following duties, namely: On all cotton cloths woven with 8 or more harnesses, or with Jaquard motions, or with drop boxes, or with lappet or swivel attachments, 12 per cent ad valorem for cloths containing yarns the average number of which does not exceed No. 30; exceeding No. 30, 15 per cent ad valorem. In no case shall the duty or duties imposed upon cotton cloth in paragraphs 903 or 905a exceed 45 per cent ad valorem.

Mr. LENROOT. The vat dyes are in paragraph 903.

Mr. SMOOT. But in the vat-dye provision it is named there as the addition.

Mr. LENROOT. I have it—

That when not less than 40 per cent of the cloth is printed, dyed, or colored with vat dyes, there shall be paid a duty of 5 per cent ad valorem in addition to the above duties.

That is not taken care of.

Mr. STERLING. Mr. President, where does the Senator from Wisconsin find the language which he just read?

Mr. LENROOT. At the top of page 124. As the amendment now stands, I insist that a cloth with a count of 80 will not receive one single penny under the committee amendment, but if it has a count of 60 it will get eleven and a fraction per cent, almost the full benefit of the amendment. That can not be justified. It is not logical, because if there is any additional duty that can be justified at all, it is justified upon the higher counts rather than the lower counts.

Mr. SMOOT. I do not know what more I can say in relation to these fancy cloths than I have already stated. I will assure the Senator of one thing, that as to some of the lower count yarns made in the fancy goods, they can not be woven unless woven by the dobby process or by a Jacquard loom, because of the fact that the twist in the thread is not sufficient and the thread not strong enough, on account of the soft twist, to be woven in the ordinary way. They have to be spun loosely when woven into certain cloth, because of the fact it would be impossible to get the finish otherwise. Those goods are included and are given a 45 per cent duty. I think they need it just as much as the higher count yarns in that particular class of goods.

Mr. LENROOT. The amendment is based on the additional cost for this kind of weaving, but does the Senator say a lower count needs it and that if the Jacquard weaving is a count of 80 it does not need it?

Mr. SMOOT. No, I would not say that; but so far as the higher counts are concerned if there was not a limitation the rate would be higher than 45 per cent and the committee decided 45 per cent ought to be as high as the rate should go.

Mr. LENROOT. That is just the point.

Mr. SMOOT. But the goods the Senator complains of, if the maximum was not put in, would reach about 45 per cent.

Mr. LENROOT. I took the count of 60. I got it from the Senator's expert that with the count of 60 it would just about absorb the 12 per cent, but on the count of 80 it would not get one penny of the 12 per cent.

Mr. SMOOT. I am aware of that. It would actually amount to 45¾ on the 60, but, of course, the limit would take off the three-fourths of 1 per cent on the 60 count. After that there would be no more than the 45 per cent straight duty upon the balance of the cloth in that paragraph.

Mr. LENROOT. That is why I insist that if the manufacturer of cloths with a count of 80 does not need or is not to receive any benefit from this paragraph, the manufacturer of the lower count ought not to receive any benefit from it. There ought not to be any such discrimination as is proposed by the committee amendment.

Mr. SMOOT. I want to say again that as to the class of goods woven in this way with the low count yarns, they are quite different on the low count yarns woven into a plain piece of goods. The finish is different; it is more difficult to finish them than it is with the hard twist thread, no matter whether it be 80 or 100. Forty-five per cent is not too much and I think it is as high as we ought to go on any kinds of goods, whether 100 or 120 count.

Mr. LENROOT. I am not objecting to making it 45 per cent, but it should be graded down so as to have a logical progressive rate.

Mr. SMOOT. With our proposed amendment the 120 yarn does not receive a particle more protection than the 80 yarn.

Mr. LENROOT. I understand that.

Mr. SMOOT. So we think that 45 per cent will perhaps cover everything. In fact, we should not have a higher rate, in my opinion, than 45 per cent, although the manufacturers differ with me on that point.

Mr. LENROOT. Mr. President, I insist again that upon the higher-count cloth, where it is admitted and insisted through the whole debate that a very liberal duty is justified upon the finer counts, the committee now takes the position that no additional protection shall be given upon the finer counts, but a very great and substantial increase shall be given upon the lower counts. That is the position in which the committee finds itself.

Now, Mr. President, it seems to me that if the Senator from Utah would be logical, or if the committee would be logical, they might exclude the vat dyes from the maximum and then give 5 per cent all the way through, which would give a 5 per cent protection upon the finer count yarns and a 5 per cent protection upon the lower-count yarns in addition to the rate upon the countable cloth. Whenever it is proper to do so I shall offer an amendment to that effect, reducing the rate from 12 to 5 per cent. However, I understand the amendment has not been formally proposed.

Mr. SMITH. Then, would the Senator propose to strike out "vat dyes" where the words occur at the top of page 124?

Mr. LENROOT. That is merely a suggestion to the Senator from Utah. I shall let him take care of that as he sees fit.

Mr. SMOOT. I hope the Senator will not do that. I will say frankly that in my opinion it would be unjust to do it. Our competition is entirely between sixties and eighties. That is where the competition of goods comes in. Those are the numbers of goods that come in here and which have shown the immense increase in the last four months. It is not the low-count ordinary goods, but it is the goods between sixties and eighties.

Mr. LENROOT. We have increased the duties upon counts in the countable-cloth paragraph upon that very basis and because of that situation.

Mr. SMOOT. That is the situation, I will say to the Senator.

Mr. LENROOT. I understand that.

Mr. SMOOT. And whatever change is made would be hitting the very goods that are coming in here in great quantities now. If they continue for the balance of the year as they came in during the first four months of this year, there will 197,000,000 square yards come in during the calendar year 1922.

Mr. LENROOT. When we see, as we do in the bill, that upon those counts over 80 the rate shall not be less than 40, or not less than 45 if dyed with vat dyes, it seems to me that we have gone pretty far and as far as can be justified in the matter of protection.

Now, Mr. President, I want to say a word with reference to what the Tariff Commission said about the whole subject. It is the only authority that I have. I do not pretend to have any personal knowledge of this matter except such knowledge as I have gained through two tariff revisions upon the cotton schedule. I have paid a good deal of attention to this schedule whenever we have had a tariff revision. I have relied necessarily upon reports from the Tariff Commission. I want to read just a paragraph from the report of the commission upon the Jacquard woven fabrics. The Tariff Commission in its survey upon this subject said:

In fancy weaving the dobby attachment is widely used, but its range is limited, since it works with harnesses, and all threads governed by a harness must rise or fall at the same time. The utmost limit is possibly 40 harness, thus dividing the total warp threads into not more than 40 groups. In practice the dobby is rarely used for work requiring more than 24 harness, and in recent years the Jac-

quard has become such a common attachment that it is often employed for typical dobby fabrics of less than 24 harness construction. One reason for its use on "dobby goods" is that its method of operation puts less strain on the yarn. Jacquard looms producing the most elaborate designs have to be operated very slowly, but on less elaborate designs they can be run at good speeds and produce about as cheaply as the dobby.

This is the important point:

There is, therefore, to-day not much object in having, as has sometimes been suggested, a differential on Jacquard-woven fabrics as distinguished from the general run of woven-figured fabrics.

That is what the Tariff Commission said about it, and of course that is why I take it for granted that the House made no special provision for a cumulative duty upon this class of woven fabric. We find from the hearings that the suggestion came, and all the information that the committee had concerning it apparently came, from Mr. Lippitt, who drafted the provision. I want to correct, however, what I stated some time ago to the effect that the committee adopted it exactly. They did eliminate the "more than one color" proposition and the "more than one number" proposition.

Mr. SMOOT. That is all Mr. Lippitt was really fighting for, and if there was any joker at all that is what it was.

Mr. LENROOT. If that is all Mr. Lippitt ever intended to have, then I want to suggest that under Mr. Lippitt's theory the paragraph is not necessary.

Mr. SMOOT. I want to say it was all, with what follows: Of course, when that provision was stricken out, then there was nothing to the proposition at all. The Senator knows the House provided for a high duty upon cloths woven with eight or more harness.

Mr. LENROOT. Yes; on certain cotton sateens. No such provision as this has been found in any previous tariff law. It was not found in the Payne-Aldrich law. The additional duty that would be imposed, so far as I can figure it from such figures as we have—and we can not tell exactly, because these are not stated in the present Underwood law——

Mr. SMOOT. The Senator, however, must know that under the Payne-Aldrich law it was not necessary, because under that law there was a progressive value per yard.

Mr. LENROOT. That is just the point I was coming to.

Mr. SMOOT. That has been cut out of this bill, and I think more than likely that it is the best way to handle the cotton schedule. I do not see any other way. I think it is better to cut out the value per square yard and put it in upon the classes of goods as to their weave than to try to take it on the basis of value per square yard.

Mr. LENROOT. Can the Senator tell me what he thinks is the average value per square yard of this weave that is imported?

Mr. SMOOT. Does the Senator mean the cost per square yard for weaving?

Mr. LENROOT. No; I mean the value of the imported goods of this character. What will it run?

Mr. SMOOT. It would be an absolute guess on my part. I could not say.

Mr. LENROOT. The only information I have is where they are all put together, the woven and the dyed and the printed. If the Senator has any information as to what that value runs, I would like to have it.

Mr. SMOOT. I can tell the Senator what it was per pound, but I do not know about the rate per square yard, although I could give some estimate if the Senator wants that. In fact, I can take the samples and tell the Senator about what certain samples run that we have.

Mr. LENROOT. All right; let us have that on the low count.

Mr. SMOOT. On No. 44 it was $1.51 per pound. Under the Payne-Aldrich law it was only 53 cents a pound. It runs all the way in that group from sample 44 down to sample 56, and sample 56 is $4.74 a pound.

Mr. LENROOT. Is there anything by the yard?

Mr. SMOOT. I am sorry to say to the Senator that that information has not been furnished.

Mr. LENROOT. I will not trouble the Senator further. I will simply say that, taking the classification as it comes in, which includes all woven goods of the character here proposed to be affected, the average rate was 34 per cent per square yard in 1921. That would mean a specific additional rate of 4 cents per square yard. Under the committee amendment the rate per square yard is double that imposed by the Payne-Aldrich law. That was the only point which I wanted to make.

Mr. SMOOT. And I think the price also is more than double.

Mr. LENROOT. It may be, but I am simply stating the facts.

Mr. SMOOT. I am quite sure that the price is more than double.

Mr. LENROOT. Mr. President, I have examined the hearings and there is not one word of information which I can find recorded therein concerning the difference between cost of production at home and abroad for this additional weave.

Mr. SMOOT. I am handed a compiled statement as to these cloths; and the price of the cloth which I referred to, I will say to the Senator, is 77.51 cents per yard.

Mr. LENROOT. Very well. The 77.51 cents per square yard would mean, under the proposed committee amendment, an additional duty, then, of about 9 cents per square yard, which is more than four times the rate per square yard which is imposed by the Payne-Aldrich law.

However, Mr. President, I am not going to discuss the matter further. The committee admits that the higher count yarns, an 80-count yarn, for instance, will receive no benefit whatever from this paragraph, but when it comes to the lower counts they will get the full benefit of it. It has been admitted all the way through the debate that it was the higher counts which needed protection.

As I have stated, I shall, when the opportunity offers, move to reduce the proposed rate from 12 per cent to 5 per cent; and I am not at all satisfied, Mr. President, that we should on these cloths have any duty.

Mr. SIMMONS. Mr. President, I do not wish to enter into any technical discussion of this matter, but I think section 905a is one of the most ingeniously constructed paragraphs that ever crept into a tariff bill with purpose to extort a high rate of protection upon articles which are consumed by the people. The first clause of that paragraph adds 12 per cent to the standard duty already imposed upon cotton cloth if it is of a coarse number, and if it is of finer number it adds 15 per cent ad valorem. The paragraph provides that the additional rates, which in themselves are very high duties, shall be added to the standard duty in the case of "all cotton cloths woven with eight or more harnesses, or with Jacquard motions, or with drop boxes, or with lappet or swivel attachments."

So you will get it going and coming; and it will be very difficult to escape these additional duties, because every process by which cloths may be artificially embellished or slightly changed from the standard method of making is embraced in these several provisions; and practically I think this language would apply to more than half the cloths which are manufactured, because the provision is so arranged that it catches the coarse grade and the fine grade alike, the only difference being that on the coarser grades the additional duty is 12 per cent and on the finer grades the additional duty is 15 per cent. Somebody most skilled in the drafting of highly technical provisions must have drafted that. It is stated that Mr. Lippitt drafted it. Well, I suppose there is hardly a more skillful draftsman of technical provisions designed more or less to screen the real intent than Mr. Lippitt.

Mr. President, the next clause of the paragraph is also very ingeniously constructed. The additional rates, amounting to 10 per cent in each case, relate to different characters of cloth, to different manufactures. First the language reads:

There shall be paid on all yarns finer than No. 60—

That is, this additional sum is to be paid on the yarns—

and on all yarns finer than No. 60 contained in threads and cloth—

The committee provides not only for the duty on yarns where the yarn has been worked up into cloth, but they follow it into the cloth and impose a duty on yarns in the cloth or the threads—

if constituting more than 10 per cent in weight of such threads or cloth, 10 cents per pound.

That is, if these fine yarns constitute more than 10 per cent in weight, then this extra duty is to be imposed. Ordinarily when an extra duty has been imposed for some specific reason, having relation to the raw material in the finished product, it has been referred to as the "component material of chief value"; but we do not use that language in this case.

Mr. SMOOT. The Senator does not quite understand the language or else his argument does not apply to it.

Mr. SIMMONS. I think I understand what I am talking about, and I do not require any information from the Senator from Utah. The Senator from Utah may not understand my argument; probably he does not.

Mr. SMOOT. That may be; but I want to state to the Senator that unless there is 10 per cent in weight of such threads the duty does not apply and if there is 10 per cent and over it applies only to the amounts that are contained in the cloths.

Mr. SIMMONS. The provision reads:

If constituting more than 10 per cent in weight of such threads or cloth——

Mr. SMOOT. If they are less than that, no account is taken of them at all.

Mr. SIMMONS. Oh, certainly, that may be so; but I am not concerned so much about that. I was merely calling attention to it as a very remarkable illustration of the windings in and windings out of these two provisions, but always winding in or winding out so as to catch the victim, who is the consumer of the product. Then the clause adds:

And on all laps, sliver, and roving—

Mr. President, after imposing outrageous duties upon the plain cloth, if there is anything unusual in it because of the process of manufacture or in the materials of warp or filling an extra duty has to be paid. If there happens to be in it a little Egyptian cotton it will have to pay an extra duty; if there happen to be some dyes in it, it has got to pay an extra duty; if it is manufactured with an automatic motion or Jacquard motion it has got to pay an extra duty; if it is woven with eight or more harnesses it has got to pay an extra duty; if it uses the drop-box attachment, which I understand is a very simple process and one which is used extensively, it has got to pay an additional duty. If a lappet or swivel attachment has been employed, the cloth has to pay an extra duty. These are ordinary processes. Jacquard motions, drop boxes, and all that are ordinary machines. A duty has to be paid on the cotton cloth when it is made out of our short-staple cotton—our own short-staple cotton, which is grown down in the South and which is the finest cotton in all the world, Mr. President; not the finest fiber, but the best material for the manufacture of cloth; and if it has anything in it besides that pure cotton, whether it is dye or some other coloring matter, it has to pay an extra duty; and then for every little attachment that may be used in its manufacture in supplementing the regular machinery out of which this cotton is manufactured you propose to attach an additional duty of 12 or 15 per cent.

We have in this country probably the finest cotton machinery in the world. All of these different processes of manufacturing that are referred to here, and the use of which is made the excuse for adding 12 and 15 per cent duty to the cotton, have been in use for many years. According to the Senator from Massachusetts the Jacquard process has been in use since 1835.

The drop-box process has been in use from time immemorial. They have the machinery. The labor is not increased. The duty is added simply because they use these additional attachments that they have always used and have been using almost from time immemorial. I suppose it is for the wear and tear on these little attachments that they want the consumer to pay an additional duty of 12 or 15 per cent. Nobody has said that it requires any extra labor cost. Just because they use an ordinary, old Jacquard attachment that has been in use in this country since 1835, according to the Senator from Massachusetts, or the drop-box process, they must pay 12 or 15 per cent additional.

Again, Mr. President, here are laps, slivers, and rovings:

On all laps, sliver, and roving, and on all yarns coarser than No. 60—

After you have imposed duties on all these kinds of cotton, why is it necessary to go back and pick out the laps and the rovings and the slivers and put on an extra tax of 10 cents on account of that? That is what has been done, however.

On all laps, sliver, and roving—

That includes all the laps and the slivers and the rovings, all of them, whatever the quality may be—

and on all yarns coarser than No. 60 contained in threads and cloth, if containing cotton of 1⅛-inch staple or longer, 10 cents per pound.

Think about that. In the case of those cloths and those coarse yarns, coarser than No. 60, according to this, if there happens to be a fraction of 1 pound either of Egyptian cotton or of American long-staple cotton of a staple measuring 1⅛ inches or longer, there is an additional duty of 10 cents per pound. The Senator from Utah nods his head. It reads:

On all yarns coarser than No. 60 contained in threads and cloth, if containing cotton of 1⅛-inch staple or longer, 10 cents per pound.

Does the Senator mean to say that it is all made out of that? If so, then he ought to change the language.

Mr. SMOOT. No; the Senator does not have to change the language. The Senator says that unless there is 10 per cent of it they do not get anything, and if there is more than 10 per cent they pay whatever there is in it.

Mr. SIMMONS. There is no limitation there as to 10 per cent as there is in the other part of the section. There is a limitation in the first part reading as follows:

If constituting more than 10 per cent in weight of such threads or cloth, 10 cents per pound.

But that does not relate to the second section as it does to the first section of that paragraph.

Mr. SMOOT. Then it will have to be all——

Mr. SIMMONS. The Senator is not going to put anything over on me. I will tell him that. If he thinks it means that, let him add it to his bill. I say it does not mean that. I say it means that if there is any cotton of this staple in there, 10 per cent additional tax is imposed.

Mr. President, I had not intended to enter into any elaborate discussion. The Senator from Wisconsin [Mr. LENROOT] has read what the Tariff Commission says of the Jacquard loom. It is just about what cotton manufacturers in my State have said to me, that there is absolutely no justification for adding these duties on account of the use of the Jacquard process or these other processes. The Tariff Commission is right. It is just another excuse for getting more duty and subsidy. It was thought to be entirely out of reason to demand a duty of 47 per cent or 49 per cent on these cotton goods, and hence they have cast about to see by what devices and by what ingenious schemes, worked out by the best brain among that crowd in the industry, they could by hook or crook get their protection increased away beyond the point of necessity. It is not because they need it to protect themselves against competition, because in many instances there is no competition at present. The present duties are sufficient to protect them against foreign competition. It is because they want to increase their prices, and they can not increase their prices above the present high level without inviting foreign competition unless they can by hook or crook get some more duty. It does not mean anything but more profits. That is what they are after, higher prices, and they are being aided by the committee in these schemes to obtain additional tariff duties which they do not need to protect them against any importation under present conditions, but that are designed to protect them against the danger of foreign competition in case they should further raise their prices.

Mr. President, I have taken the duty on ginghams. That is an average, I believe, of 48 per cent. The initial duty would be 30 per cent. Under this section the duty added would be 12 per cent. That is 42 per cent. Then add the dye duty, and you have 5 per cent more. That would raise it above the maximum. It could not go higher than 45 per cent; but the compensatory duty on account of the Egyptian cotton is not embraced in that limitation, and the compensatory duty according to the calculation that I have here, made by the expert, would amount to 4 per cent if there was Egyptian cotton used in the cloth, which, added to the 45 per cent, would make 49 per cent, as against 20 per cent under the present law.

Mr. President, how can such a duty as that be defended upon the coarse and upon the fine cotton goods alike that are produced here, in view of the fact that three-fourths of all the cotton that we use in this country is not imported at all? The importation is confined to about one-fourth of the cotton that we produce in this country, and it has never been overwhelming as to that.

In these circumstances, Mr. President, there can be no excuse for putting these high duties upon cotton cloths and cotton yarns. Cotton cloths are used more extensively by the people of this country than any other fabrics known. They are used in the clothing worn by all of the people, the young and the old. Nobody is exempt from the necessity of using cotton cloths for the purpose of clothing his body, and they are used in the home in all sorts of ways. The use of wools and the use of silks and the use of linens are merely supplementary. The staple, fundamental fabric upon which the people of the United States rely to meet their daily needs for clothing and for household purposes is cotton fabric. We make cotton goods in this country cheaper than they are or can be made anywhere else upon the face of the earth. We have the raw material; we have the machinery; we have skilled laborers; we have an efficiency not surpassed in the world, and we are not surpassed in price anywhere in the world for the classes of goods that we produce and the most of these goods that we are importing; and those imports which are made the excuse for imposing these high duties upon all cotton goods are novelties or classes of goods that are not produced in this country at all.

There is no excuse for it, Mr. President. It is an outrage upon the people of America; and it illustrates the fact that all that some man of commanding influence in the industry—like Mr. Lippitt in the case of cotton or Mr. Wood in the case of wool or Mr. Littauer in the case of gloves—has to do is to come down here and make a demand, and his demand is met. It is met in a way which in my judgment the people of the United States are not going to stand for and ought not to stand for.

If Senators on the other side could have gotten this bill through quickly, Mr. President, as they thought they would when they first brought it in here, when we were told that they

were ready to vote without talking, the people never would have discovered what was in it, and they might have suffered and borne the burden of it for years without realizing just how and the extent to which they were being taxed. But we have advised them, and we are advising them now from day to day, and we are going to continue to advise them until we get through with these schedules, especially those which relate to the necessities of the people, things which protect the people against the cold and saves them from starvation. The people are going to be advised about it, and when they are advised about it, if this bill passes carrying these high rates the Republican Party is going to hear from it, and hear from it in a very emphatic way.

Mr. President, the majority have not been able to do this thing as quickly as they wanted to, as quickly as they had calculated upon, before the people found out what they were doing to them, and what they were putting over on them. They have not been able to get it through so quickly. This is a sort of a "get-there-quick" administration. They were going to "get there quick" in the passage of this tariff bill before the people found out much about it. They were going to "get there quick" about the passage of the ship subsidy bill, and all that sort of thing. It is a "get-there-quick" administration, with apparently no capacity to get anywhere except in the mud.

The PRESIDING OFFICER. The question is on agreeing to the amendment, on page 125, to strike out lines 3 to 9, inclusive, in paragraph 905.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment.

The READING CLERK. The next amendment is, in paragraph 905a, page 125, line 12. The committee proposes to modify the amendment by inserting, in line 13 after the word "cloth" and before the comma, the words "in paragraph 903," so that it will read:

In addition to the duties imposed upon cotton cloth in paragraph 903 there shall be paid the following duties—

And so forth.

Mr. SMITH. Mr. President, the Senator from Wisconsin [Mr. LENROOT] intimated to me that he has an amendment he desired to offer to the amendment, and before the vote is taken I think he ought to be notified. I call attention to it because he made the argument upon the ground that you do have a duty in paragraph 905 on these identical cloths, a differential in favor thereof of 10 per cent.

Mr. SMOOT. The Senator from Wisconsin gave notice that he wanted to move to strike out "12" in line 16 and to insert "5." I suppose he is down at his lunch, or he may be detained from the Senate by some other cause. I suggest the absence of a quorum. That will give him time to get into the Chamber.

The PRESIDING OFFICER. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ashurst	Hale	McKinley	Shields
Ball	Heflin	McLean	Simmons
Broussard	Hitchcock	McNary	Smith
Bursum	Johnson	Moses	Smoot
Calder	Jones, N. Mex.	New	Spencer
Capper	Jones, Wash.	Nicholson	Stanley
Caraway	Kellogg	Oddie	Sterling
Curtis	Kendrick	Overman	Townsend
Dial	Keyes	Pepper	Trammell
Edge	King	Phipps	Underwood
Ernst	Ladd	Pomerene	Walsh, Mont.
Fernald	Lenroot	Ransdell	Warren
Glass	Lodge	Rawson	
Gooding	McCumber	Sheppard	

The PRESIDING OFFICER. Fifty-four Senators having answered to their names, a quorum is present. The Secretary will state the next amendment.

The READING CLERK. The next modification appears in paragraph 905a, where the committee proposes to modify the amendment on lines 16, 17, 18, and 19 by striking out, beginning with the word "for" in line 16, the following words:

For cloths containing yarns the average number of which does not exceed No. 30; exceeding No. 30, 15 per cent ad valorem.

And inserting—

In no case shall the duty or duties imposed upon cotton cloth in paragraph 903 or 905a exceed 45 per cent ad valorem.

Mr. LENROOT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his inquiry.

Mr. LENROOT. May I ask what was disagreed to? I thought the first two paragraphs in paragraph 905 were pending.

Mr. SMOOT. They have been stricken out.

Mr. LENROOT. Paragraph 905a has not been touched except as by the amendment now reported?

Mr. SMOOT. Except the amendment just agreed to, inserting the provision in regard to paragraph 903.

Mr. SIMMONS. What is the pending amendment?

Mr. SMOOT. The pending amendment is to strike out on line 16, after the words "ad valorem," down to and including the words "ad valorem," on line 19, reading as follows:

For cloths containing yarns the average number of which does not exceed No. 30; exceeding No. 30, 15 per cent ad valorem.

And to insert the following:

In no case shall the duty or duties imposed upon cotton cloth in paragraphs 903 and 905a exceed 45 per cent ad valorem.

That would leave it open, so that if the Senator from Wisconsin desires to offer an amendment to strike out "12" and insert "5," he can offer it.

SENATOR JAMES A. REED.

Mr. STANLEY. Mr. President, I am troubled in heart, I am sore grieved, at a grave act of injustice done—I say in all tenderness, not in anger, but in regret—by the press of the United States, which means to be just; by the Senate of the United States, which means to be fair; possibly by the people of this country, whose impulses are always wholesome and square and disingenuous—to the amiable junior Senator from Missouri [Mr. SPENCER]. He has been charged with sinister motives in his ardent advocacy of a Democratic candidate in a Democratic primary.

Of course many may urge that, having defeated his opponent, having demonstrated his opponent's inability to win—though not against the most formidable of Republican adversaries—he might assume that his proved incapacity to win was the best assurance of his certainty to lose in subsequent elections. Nevertheless, there has been an attempt made to charge him with selfish and sinister motives. In that he is absolutely innocent. I never knew a more innocent statesman. There is not a more ladylike Senator on this floor than the junior Senator from Missouri—kindly, eminently respectable, always proper—oh, this cruel criticism of the junior Senator from Missouri grieves me sorely.

In what I say I am not inspired by any hostility to Mr. Breckenridge Long. I feel very kindly toward any scion of the race of Breckenridge. Were it not for the fact that the most vital interests of the Democratic Party and of the Nation intervened I should be still, because the very name of Breckenridge is sacred in Kentucky. The greatest Presbyterian divine in that great denomination is of the family of Breckenridge. The greatest soldier Kentucky ever sent to glory or to death, an Adonis, a Solon in council, a Mars in war, was John C. Breckenridge, a Senator from Kentucky and Vice President of the United States. His name is enshrined in the hearts of every Kentuckian. The most versatile statesman Kentucky ever produced, he who adorned the world of letters, of art, of law, and of statesmanship, was William Cabell Preston Breckenridge, the silver-tongued orator of Kentucky, the worthy successor of Henry Clay. The name of Breckenridge is one to charm in Kentucky. Mr. Long comes of a race interwoven with the proudest tradition, the social, religious, and martial life of the Commonwealth. There is no part of it it has not touched, and, touching, has not adorned.

And yet I am here, Mr. President, to speak the simple truth. The Senate knows and the country knows that since the days of Benton and Cockrell and Vest there has appeared in this Senate no more towering figure than that of JAMES A. REED, of Missouri. It is recorded that after the Battle of Chancellorsville, when Stonewall Jackson fell, shot through by his own forces, there was rejoicing in the Federal camp; and justly so, for they said, "In the death of Stonewall Jackson we are more blessed than if Lee had lost a division." To-day there is not a secret caucus in the Republican Party, there is not a time when one Republican meets another, that he does not say, "My brother, is REED defeated?" When these protectionists go down on their knees to a protectionist god they say, "O Lord, keep REED out of the Senate."

There is not a doubt that this guileless, innocent, somewhat blundering junior Senator from Missouri simply expresses the wish of all his colleagues that the god of protectionism, the god of Republicanism, the genius of all that is mistaken in politics, will smite this mighty champion of the truth in Missouri hip and thigh. It is unkind, it is unjust, it is cruel in the press to blame the poor junior Senator from Missouri for saying what every Republican thinks and wishes and prays.

I speak from no personal interest in JAMES A. REED. I never voted with him in any of his differences with the President.

There are not a baker's dozen here who have followed Woodrow Wilson with the same devoutness that I have. I never voted against a Wilson policy in my life. Whether I was right or wrong, it remains for history to say, but it is the truth. I have followed him. I have followed him when I thought he was right and I have followed him sometimes when I was not so certain about it, because I had absolute trust in the disinterestedness of his patriotism and the transcendent brilliancy of his genius. Be that as it may, no man can question my loyalty to the President of the United States, but I shall never agree that any mortal man, be he inspired, shall say to a Senator, "You shall do as I say, and not as your conscience and not as the interests of your constituents may dictate." Whenever we give to the President of the United States the power to vote for Senators, we have destroyed this Government, we have made a scrap of paper of the Constitution of the United States, we have established an absolute autocracy which President Wilson would abhor as much as I do. Every Senator here, as an ambassador from a sovereign State, has a right to express his opinion as God, as his conscience, as his people's interest dictate.

I wish to say here and now that when I learn that Wilbur R. Crafts, a known Republican from Pennsylvania, has invaded the State of Missouri to assail JAMES A. REED, when a Senator on this floor as a Republican expresses a sincere desire that the Republican Party may be benefited by the destruction of JAMES A. REED, I rise in my place to say that the national democracy has an interest, that if that towering figure shall be stricken down it is not only the loss of Missouri, it is the loss of democracy, the national democracy.

There is not on either side of this Chamber a greater lawyer, a more profound scholar, a more dauntless advocate of the truth, a quicker or a doughtier champion of those things for which Jefferson stood. There was never a day nor an hour from the time he entered this body when the most of us were not impressed with the consciousness that few, indeed, could bend the bow of Ulysses. He is, as was Benton and Cockrell, Clark and Vest and Stone, a tall man from an imperial State, such as Missouri can produce, full of vigor and courage, with the truth of Jeffersonian democracy in his big heart, a champion of the great cause for which we stand, without fear and without reproach. I say to the junior Senator from Missouri that he may, jackallike, nibble at his heels, send Crafts and his kind to do their bidding, but there is not power enough in the secret and sinister conspiracy of Republicanism on the other side of the Chamber to down or to damn the brave and dauntless JAMES A. REED, of Missouri.

Mr. SPENCER. Mr. President, I was not in the Senate on Saturday when the senior Senator from Tennessee [Mr. SHIELDS] made some reference to me, of which he notified me last Friday, and I just entered the Chamber a moment ago as the senior Senator from Kentucky [Mr. STANLEY] was making some reference to me. So far as personal allusions are concerned, I have nothing to say. I shall not even attempt to reply in the same vein in which the senior Senator from Kentucky was pleased to speak. But I do want to say what the fact is in connection with the senior Senator from Missouri [Mr. REED]. I have never upon the floor of the Senate said one word about Senator REED's candidacy in Missouri until this moment. I do not propose to discuss it now. It is a Democratic primary. The Democratic voters of Missouri will settle it among themselves. It is not the business of the Republicans.

I did have in mind a real curiosity to know how the people in the Democratic Party of Missouri were feeling about the primary election, which occurs on the 1st day of August next. Therefore I sent to every county in the State of Missouri a personal inquiry, directed to leading Republicans in the county, asking what, in their judgment, was a fair statement of the condition in the Democratic Party in Missouri in regard to Senator REED and Mr. Long. I did not express any preference one way or the other. I asked for a survey of the situation and asked for it because, mainly from the other side of the Chamber, and also from this side of the Chamber, there had come to me repeated inquiries, "What is going to be done in Missouri? What will be the result of the Democratic primary? Who will win out, Senator REED or Mr. Long?

I could have given an expression of personal opinion, as I did frequently, but I did not have the foundation of facts back of it. So I had a query sent to every one of the 114 counties in Missouri asking what the general situation was. I received answers from about 110 of those counties. By those answers it was shown that 65 counties were in favor of Mr. Long, that 20 counties were in favor of Senator REED, and that the rest of the counties were either undecided or were about 50–50. I have, as inquiries were made of me, given the result of this survey. So far as Republicans are concerned it does not matter which of the Democratic contestants wins in the primary. Either will be defeated in November.

Mr. STANLEY. Mr. President, it is worse than I thought it was. The confession of guilt on the part of the junior Senator from Missouri is simply appalling. Think of it. The junior Senator from Missouri, with his own business to attend to, his own party to look after, his own affairs to concern him, makes a survey of Missouri. Why a survey of Missouri? Why should a Republican Senator make a poll of the Democratic vote in Missouri? Why go to all the trouble and all the time and all the expense of making the wires hot between Republican headquarters in Washington and Republican headquarters in St. Louis, except that he knew, as does every Republican in the Senate, that he had better defeat 10 ordinary men than to let JIM REED get back here to damn the Republican delinquencies with the eloquence of the traditional Missouri Senator and with the courage of a southern hero? The junior Senator from Missouri knew, as the rest of his kind know, that it was a dangerous and a most unfortunate thing, that it spelt disaster in the midst of their blunders, to have that clear intellect, that burning eloquence, turned upon their shattered columns and their multiplied iniquities, and yet he did, neglecting his own legitimate business, make, as he now confesses, a survey of the whole State of Missouri to find what were the chances of defeating JIM REED.

Oh, it is perfectly plain; it is perfectly manifest. They sent for Crafts, a nigger-equality Republican from Pennsylvania, and shipped him into Missouri, and then sent for the junior Senator from Missouri to use all the multitudinous means of information and put his organization into a Democratic primary, and to my utter amazement without a blush, the debonnaire and innocent junior Senator from Missouri confesses his iniquitous, damnable, and pernicious interference in the Democratic primary. Every self-respecting Democrat in Missouri should resent it. It should be posted everywhere that the Republican Senator from Missouri is making a survey of the Democratic situation.

The Missouri that followed Benton in the days of Jackson, the Missouri that thrilled with pride when Champ Clark was almost President; the Missouri that treasures the memory of Cockrell and Vest will remember the pernicious activities of the junior Senator from Missouri; and that same Missouri will remember that JIM REED measures up in eloquence, in learning, in courage, in disinterested devotion to the principles of Jeffersonian democracy with all his titanic predecessors.

Shakespeare tells the story of how—

> A falcon, towering in his pride of place,
> Was by a mousing owl hawk'd at and killed.

May history not record the pathetic story that the stalwart REED was by the malicious junior Senator from Missouri "hawk'd at and killed?"

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The PRESIDING OFFICER (Mr. STERLING in the chair). The question is on the committee amendment in paragraph 905a, which the Secretary will state.

The READING CLERK. The Committee on Finance proposes to modify the committee amendment on page 125, paragraph 905a, line 16, after the words "ad valorem," by striking out "for cloths containing yarns the average number of which does not exceed No. 30; exceeding No. 30, 15 per cent ad valorem," and in lieu thereof inserting: "In no case shall the duty or duties imposed upon cotton cloth in paragraphs 903 or 905a exceed 45 per cent ad valorem."

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Utah to the committee amendment.

The amendment to the committee amendment was agreed to.

Mr. LENROOT. I now move to amend the committee amendment on page 125, paragraph 905a, line 16, before the words "per cent," by striking out the numeral "12" and inserting the numeral "5."

Just a word in explanation of the amendment. If my amendment to the amendment shall be adopted, it will leave the rate upon cloths of 80 count and over exactly the same as the rates proposed by the committee, but it will lower the rate upon cloths of a lower count.

Mr. SIMMONS. I ask for the yeas and nays upon the amendment proposed by the Senator from Wisconsin to the committee amendment.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. CALDER (when his name was called). I have a general pair with the senior Senator from Georgia [Mr. HARRIS]. I transfer that pair to the senior Senator from Pennsylvania [Mr. CROW], and vote "nay."

Mr. NEW (when his name was called). Transferring my pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from Vermont [Mr. PAGE], I vote "nay."

Mr. POMERENE (when his name was called). I am paired for the afternoon with my colleague [Mr. WILLIS]. I transfer that pair to the Senator from Rhode Island [Mr. GERRY], and will vote. I vote "yea."

Mr. SMITH (when his name was called). I have a general pair with the Senator from New York [Mr. WADSWORTH] on this question. I transfer that pair to the Senator from Montana [Mr. MYERS], and vote "yea."

Mr. WALSH of Montana (when his name was called). I transfer my pair with the Senator from New Jersey [Mr. FRELINGHUYSEN] to the Senator from Missouri [Mr. REED], and vote "yea."

The roll call was concluded.

Mr. GLASS. I have a general pair with the senior Senator from Vermont [Mr. DILLINGHAM] which I transfer to the Senator from Nevada [Mr. PITTMAN] and will vote. I vote "yea."

Mr. BALL (after having voted in the negative). I inquire if the senior Senator from Florida [Mr. FLETCHER] has voted?

The PRESIDING OFFICER. The Chair is informed that the senior Senator from Florida has not voted.

Mr. BALL. I transfer my pair with that Senator to my colleague the junior Senator from Delaware [Mr. DU PONT] and allow my vote to stand.

Mr. EDGE. I transfer my pair with the senior Senator from Oklahoma [Mr. OWEN] to the junior Senator from Oregon [Mr. STANFIELD] and vote "nay."

Mr. JONES of Washington (after having voted in the negative). I notice that the senior Senator from Virginia [Mr. SWANSON] has not voted. That Senator is necessarily absent, and I promised to pair with him for the afternoon. I find, however, that I can transfer that pair to the junior Senator from Maryland [Mr. WELLER]. I do so and allow my vote to stand.

Mr. CURTIS. I wish to announce the following pairs:

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from West Virginia [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. ROBINSON]; and

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS].

The result was announced—yeas 24, nays 33, as follows:

YEAS—24.

Ashurst	Glass	Lenroot	Shields
Borah	Heflin	Nelson	Simmons
Capper	Hitchcock	Overman	Smith
Caraway	Jones, N. Mex.	Pomerene	Underwood
Culberson	Kellogg	Ransdell	Walsh, Mass.
Dial	King	Sheppard	Walsh, Mont.

NAYS—33.

Ball	Hale	McKinley	Shortridge
Broussard	Harreld	McLean	Smoot
Bursum	Johnson	McNary	Spencer
Calder	Jones, Wash.	Moses	Sterling
Curtis	Kendrick	New	Townsend
Edge	Keyes	Nicholson	Warren
Ernst	Ladd	Oddie	
Fernald	Lodge	Pepper	
Gooding	McCumber	Phipps	

NOT VOTING—39.

Brandegee	Frelinghuysen	Norris	Sutherland
Cameron	Gerry	Owen	Swanson
Colt	Harris	Page	Trammell
Crow	Harrison	Pittman	Wadsworth
Cummins	La Follette	Poindexter	Watson, Ga.
Dillingham	McCormick	Rawson	Watson, Ind.
du Pont	McKellar	Reed	Weller
Elkins	Myers	Robinson	Williams
Fletcher	Newberry	Stanfield	Willis
France	Norbeck	Stanley	

So Mr. LENROOT'S amendment to the committee amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. SMITH. Mr. President, before the vote is taken I wish merely to call the attention of the Senate to the fact that we have up to the present maintained a parity between yarns and cloth. Now we have come to that character of goods of which it is claimed more are imported than of any other kind of cotton goods. I wish to call the attention of the Senate to the fact that there never was a more outrageous piece of legislation perpetrated than we are now about to confirm, if we shall vote to accept the amendment of the committee as it is now proposed. Cotton cloth provided for in paragraph 903, according to the amendment that is inserted in that paragraph, already bears a differential of 10 per cent. Identically the same cloths are included in paragraph 903 that are included in this. They bear 10 per cent, and then, in addition, there are separated certain kinds of goods on which an additional 12 per cent is imposed, which would, unless the limitation intended to be proposed by the Senator from Utah, as I understand, is agreed to—to the effect that the maximum rate shall not exceed 45 per cent—by the accumulation of these different duties, run the total rate up to the neighborhood of 50 per cent. Although we practically do not compete in this character of cloths with the imported article—they are specialties and novelties that are made out of cotton not produced in America and imported into this country and are sold at higher prices than the nearest comparable domestic cloth—we are adding a duty which will reflect itself and be compensatory throughout the entire scale of cotton goods. It is absolutely uncalled for. The Senator from Wisconsin [Mr. LENROOT] offered an amendment to reduce it to 5 per cent, which, according to that, would have brought it up to the 45 per cent, just by the addition of the cumulative duties, so that the maximum would obtain all the time; and there is absolutely no excuse whatever for the imposition of this additional duty, in view of the fact that it is taken care of by a differential of 10 per cent.

I call for the yeas and nays on the adoption of the committee amendment as modified.

Mr. SMOOT. Mr. President, I join the Senator from South Carolina in asking for the yeas and nays. If there is any one thing in this whole cotton schedule that has been limited so that the duty on the finest and the most costly goods coming into this country shall be limited to 45 per cent ad valorem, it is this very paragraph.

I want to say that in the first four months of 1922 the importations into this country have been 67,000,000 square yards, and yet the Senator says that there is no competition! If that is carried on through the year, there will be 197,000,000 square yards coming into this country, and yet the Senator says there is no competition! I say that the limit of 45 per cent is put here because the committee felt that they did not want the duty in all the cotton schedules to be less than 45 per cent.

Mr. LENROOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Wisconsin?

Mr. SMOOT. I yield.

Mr. LENROOT. Where does the Senator get his information that there are 67,000,000 square yards of this kind of goods coming in?

Mr. SMOOT. I say it is cotton goods, and the Senator knows very well that they are not the common, ordinary goods.

Mr. LENROOT. Oh, but they are not this kind of goods. They cover all goods in the cotton paragraphs.

Mr. LODGE. Mr. President, if the Senator will allow me one moment, they do not cover all goods in the cotton paragraphs. They cover only cotton cloths.

Mr. LENROOT. Well, that is cotton cloths.

Mr. LODGE. That is not all goods in the cotton paragraphs.

Mr. SMOOT. There is no need of trying to camouflage the thing. This additional duty is given upon a certain kind of goods that are woven upon certain looms. They are all fancy weaves, and they are all luxuries of the highest type; and, notwithstanding that, the committee says that there shall not be a duty of more than 45 per cent ad valorem, and that is what we are voting upon.

I call for the yeas and nays.

Mr. SMITH. I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as modified. Upon that question the yeas and nays have been called for and ordered. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. BALL (when his name was called). Making the same transfer as before, I vote "yea."

Mr. GLASS (when his name was called). Making the same announcement as on the previous roll call, I vote "nay."

Mr. POMERENE (when his name was called). Again announcing my pair with my colleague [Mr. WILLIS], I transfer that pair to the Senator from Rhode Island [Mr. GERRY] and will vote. I vote "nay."

Mr. SMITH (when his name was called). Making the same announcement as to my pair and its transfer, I vote "nay."

Mr. WALSH of Montana (when his name was called). Transferring my pair as announced on the preceding roll call, I vote "nay."

The roll call was concluded.

Mr. EDGE. Making the same announcement as before, I vote "yea."

Mr. JONES of Washington. Making the same announcement as before with respect to my pair and its transfer, I vote "yea."

Mr. CALDER. Making the same announcement as before, I vote "yea."

Mr. ROBINSON. I have a pair with the Senator from West Virginia [Mr. SUTHERLAND]. Being unable to obtain a transfer, I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON]; and

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS].

The result was announced—yeas 34, nays 24, as follows:

YEAS—34.

Ball	Gooding	McCumber	Phipps
Broussard	Hale	McKinley	Shortridge
Bursum	Harreld	McLean	Smoot
Calder	Johnson	McNary	Spencer
Curtis	Jones, Wash.	Moses	Sterling
Edge	Kendrick	Nelson	Townsend
Ernst	Keyes	Nicholson	Warren
Fernald	Ladd	Oddie	
France	Lodge	Pepper	

NAYS—24.

Ashurst	Glass	Lenroot	Simmons
Borah	Heflin	Overman	Smith
Capper	Hitchcock	Pomerene	Stanley
Caraway	Jones, N. Mex.	Ransdell	Underwood
Culberson	Kellogg	Sheppard	Walsh, Mass.
Dial	King	Shields	Walsh, Mont.

NOT VOTING—38.

Brandegee	Gerry	Norris	Swanson
Cameron	Harris	Owen	Trammell
Colt	Harrison	Page	Wadsworth
Crow	La Follette	Pittman	Watson, Ga.
Cummins	McCormick	Poindexter	Watson, Ind.
Dillingham	McKellar	Rawson	Weller
du Pont	Myers	Reed	Williams
Elkins	New	Robinson	Willis
Fletcher	Newberry	Stanfield	
Frelinghuysen	Norbeck	Sutherland	

So the committee amendment as modified was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The ASSISTANT SECRETARY. The committee proposes to insert a new paragraph, in which it suggests the following changes:

In the first place, begin line 20 with the numerals "905b"; in line 21, strike out the word "and" between the numerals "903" and "905"; after the numerals "905" insert "and 905a"; on line 25, strike out the word "coarser" and insert the words "not finer"; and on page 126, line 1, strike out the word "coarser" and insert the words "not finer," so that the paragraph will read as follows:

PAR. 905b. In addition to the duties imposed in paragraphs 901, 902, 903, 905, and 905a, there shall be paid on all yarns finer than No. 60, and on all yarns finer than No. 60 contained in threads and cloth, if constituting more than 10 per cent in weight of such threads or cloth, 10 cents per pound; and on all laps, sliver, and roving, and on all yarns not finer than No. 60, and on all yarns not finer than No. 60 contained in threads and cloth, if containing cotton of 1⅜-inch staple or longer, 10 cents per pound.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as modified.

Mr. SMITH. Mr. President, it is only necessary to call attention to the fact that this paragraph is incorporated here for the purpose of taking care of the 7 per cent duty that was placed on the Arizona cotton; and, as has been contended here, it means that in order to take care of this small percentage of Arizona cotton the American people will be compelled to pay perhaps four or five times the value of all the cotton grown in Arizona. It means that in order to protect this small part of the cotton production of the country the American people consuming the imported cloth that contains any cotton having a length of staple equal to that shall pay this additional duty of 10 cents per pound.

Mr. POMERENE. Mr. President——

Mr. SMITH. I yield.

Mr. POMERENE. Can the Senator from South Carolina give us a statement as to the imports of this long-staple cotton as well as the imports of fabrics and other articles manufactured out of it?

Mr. SMITH. I can not give those figures, Mr. President; but at least 75 per cent of the goods imported into this country are made out of long-staple cotton.

You must understand that the wording in this paragraph is "composed wholly or in part." If you should have in an importation of goods a percentage of cotton of this character, those goods would carry this duty. It is the old idea of saying that if there is one thread of silk in goods, they take the silk duty. The paragraph covers goods containing cotton 10 per cent in weight.

If there were any justification for duties at all in a protective sense, surely on this character of goods there is no justification whatever. There might be a justification of a duty for revenue, because our mills produce hardly a yard of this character of goods. It comes in almost without any competition. We have no comparable cloths produced in this country. Yet we are putting this duty up, not for the purpose of obtaining protection but for the purpose, if possible, of shutting out a kind of goods our mills do not care to go to the expense and trouble to produce, but leaving the American market to such goods as the American mills do produce. The consequence is that for certain fabrics our people have to pay this fabulous unheard-of price.

Mr. POMERENE. Mr. President, the Senator has given a great deal of attention to the study of this subject, and I have not gone into the details of it. He has just made the statement that under the phraseology of this paragraph, if a fabric were made up wholly or in part of long-staple cotton it would have to pay these compensatory duties.

Mr. SMITH. Certainly.

Mr. POMERENE. Are those compensatory duties based upon the long-staple cotton or on the long and short cotton which may be in vogue?

Mr. SMITH. We have two kinds covered here. There is the extra duty by reason of the Jacquard figure. There is the extra duty by virtue of paragraph 903, which takes the vat dyes, and the specification that "All cloths printed, dyed, colored, woven, or figured," carry 10 per cent. In addition to that, this particular paragraph puts on the duty of 12 per cent, and now we come to the compensatory duty of 10 cents a pound for all that contain any yarns of 1⅜ inches.

Mr. POMERENE. What amount of imports of cotton fabrics are made partly of short staple and partly of long staple?

Mr. SMITH. So far as imports of that kind are concerned, they are negligible. But it must be remembered that our own manufacturers can take advantage of this paragraph, and with a minimum of 1⅜-inch cotton, put into the ordinary standard, it would take this duty, and they would get behind it in order that they might raise the price. One can see at a glance that with practically a handful of 1⅜-inch staple, woven into any cloth in this coutnry in the per cent indicated in this paragraph, the goods carry these duties.

As a matter of course, I want it definitely understood that, coming from a State which up to 1920 derived the greater portion of its income from the production of raw cotton, I stand here and plead for such a condition in our financial arrangements that we may be able to spin in American mills every yard of cotton goods made in America. We do not need any duty whatever to reach that happy condition. We have the raw cotton. Ninety per cent of the spinnable cotton of the world is produced on American soil. We may speak about the freight rate from here to Europe being no greater than the rate from Galveston to Boston. That calls for our correction. It does not take a very great strain of our imaginations to picture the condition if this present crop, which promises not to exceed 8,000,000 bales of cotton, is consumed by American mills, as at the peak of consumption in 1919 the American mills consumed 7,000,000 bales of American cotton. If the American cotton crop did not exceed the supply for American spindles, and no cotton were shipped abroad to be converted into the foreign goods and shipped back, what need would there be for a duty on cotton?

We have 90 per cent of the raw material, and if the American cotton crop produced only enough to supply American spindles, we would not have a competitor on the globe. Outside of a small percentage of cotton known as Egyptian cotton, spun into the very finest kinds of yarn, American cotton furnishes the stuff out of which all of the European and oriental manufactures make their ordinary cotton cloths.

Let us suppose what is within the range of probability, that this year the American cotton crop should not exceed the demand of the American spindles; on what ground could a duty on cotton cloth be justified? Nobody outside of America could

get the supply of the raw material; no foreign manufacturer could convert it, and therefore we would not have a competitor. Why should we have a competitor now?

As I started to say a moment ago, though the freight rate has been so manipulated and gerrymandered that the rate from American fields of production to the American mills in the New England States may be exactly equal to the rate to foreign countries, no man can deny that time and distance are the principal elements of the cost in transportation. You can remit the rate, you can rebate it, but you can not eliminate the elements of time and space, and 3,000 miles across the ocean is farther than 700 or 800 miles to New England.

Who has brought this about? It is to the benefit of the American spinner to have American cotton shipped abroad, because he gets the advantage of a duty he could not stand up and ask for otherwise. If no American cotton were shipped abroad there would be practically no reason for any duty on cotton cloth, because we would have a monopoly of the world's production of cotton goods, except the small amount produced out of Egyptian cotton. Yet, with a monopoly of the raw material, with the machinery and the skilled labor to convert this stuff into the finished product, from the coarsest yarns to the finest, we are imposing a duty which would spell the difference between the pauper labor of Europe and the American labor, when American labor produces every pound of cotton, and the only competitor we have is England, whose civilization is equal to ours, and whose wage is practically equal to ours. Then why this duty? It is simply a subterfuge behind which the manufacturer can demand a price from the consumer which he could not justify otherwise.

When you come to the question of Egyptian cotton, the American manufacturer stands on all fours with the English and other European manufacturers, because he can get his Egyptian cotton laid down in America for just about the same it brings laid down in Europe. So that even there we need no protection. The cost of the raw material is the same, and the processes of conversion are as perfect in America, and when it comes to the output of the product per man, it is greater in America than elsewhere. Therefore, aside from the revenue, there is no justification for any duty on American cotton goods.

These are facts of which any man who will take the time to study must be convinced. I do not believe we should open our doors to the influx of European goods without the payment of a duty. I believe the magnificent market we have built up, and the splendid civilized population we have, in a country which is such an inviting field for commerce for those who desire to come here and enjoy the benefits of our market, demand that the foreigners should at least pay their proportionate share in keeping up the machinery to perpetuate that market. But I shall never vote to take money from the pockets of the American people, who civilization and decency decree shall wear clothes, by the imposition of a high duty in a case like this. The great article par excellence out of which the teeming millions of the earth make their clothes is cotton, and, thank God, the southeastern part of North America, under the decree of God, is given a monopoly of the raw material out of which the clothing of 900,000,000 people is made.

We need no tariff to protect us in that gift of God. He has provided a tariff, through seasons and climate, which no man can break down or take away. The imposition upon the American people of these duties is an open declaration that you desire to lay a duty and an impost upon those who toil and desire to be clothed for the benefit of a few. We can spin every pound of American cotton on American soil, and the difference between the freight on the raw material shipped abroad and on the finished product is enough security for the American spinner.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as modified.

Mr. SMOOT. Mr. President, for the RECORD I want to make a somewhat different statement in regard to this matter from that which has already been made. The Senator from North Carolina and also the Senator from South Carolina have made the statement that if there were a few threads of this yarn in a piece of cloth there would be a duty of 10 cents a pound on the whole amount. Both the Senators are mistaken.

There must be a number assumed which will mark the dividing line between cloth made out of short-staple and that made out of long-staple cotton. That is about a 60, and this amendment does not apply to a yarn finer than 60. We provide that the cotton must constitute a minimum of 10 per cent of the cloth in order to take the duty, so that if there were two broad selvidges of long-staple cotton and the balance of it made of short-staple cotton the cloth would not bear the extra amount of duty.

There are two reasons why long-staple cotton is used. One is that a thread may be spun finer than the short-staple cotton can produce. The other is that the cloth can be finished only by Egyptian cotton and can not be finished by short-staple cotton. The committee have guarded that, so that no mistake can be made.

Mr. POMERENE. Do I understand the Senator correctly that it is his position that there must be 10 per cent of the long-staple cotton in the fabric before it would be subject to the additional tax?

Mr. SMOOT. It is said that—

> If constituting more than 10 per cent in weight of such threads or cloth.

Mr. POMERENE. That is the Senator's construction?

Mr. SMOOT. Certainly; it says so in the amendment. Not only that, but I want the Senator to understand that language is put in there—and I would not care if it were the law now—so that they can not bring in a piece of fancy cloth with a plaid of 2 or 3 or 4 inches and in the markings of the plaid have the long-staple cotton and the balance of the cotton short staple, and draw the extra 10 cents a pound on all of the cloth. When it comes to the cloth that is woven straight out, so that there is a plain cotton warp of the short-staple cotton and the long-staple cotton, no manufacturer would ever think of doing it in the world. This will take care of every situation that can be thought of by the experts and by men who pass upon the goods at the ports of entry.

I simply rose to say this much, Mr. President, and I am now ready for a vote upon the amendment.

Mr. KING. Mr. President, will my colleague yield?

Mr. SMOOT. Certainly.

Mr. KING. I understood the Senator from South Carolina to state that the provision was in the nature of a compensatory rate occasioned by the tariff which was granted to the long-staple cotton from Arizona.

Mr. SMOOT. That is true.

Mr. KING. Does the Senator assent to that?

Mr. SMOOT. Absolutely. There is no question about it at all.

Mr. KING. Has the Senator determined how much this compensatory duty will add to the cost of the products which will be formed out of long-staple cotton?

Mr. SMOOT. Taking the class of goods as a whole into which the long-staple cotton enters, it will amount to an ad valorem duty of between 4 and 5 per cent. Take spool cotton, for instance, because that is perhaps the most extreme case I can think of now. That is 2 cents a pound to-day. The cotton is used in that. If it is 10 cents a pound, 5 per cent on $2 would be 10 cents, and it is 5 per cent upon that. I could take some other threads not so fine as that, and it would not amount to that, but I want to say to the Senator that the Senate having imposed a 7-cent duty upon long-staple cotton, which no manufacturer in the United States wanted, they must be compensated for it in the manufacture of these goods.

Mr. KING. I wish to ask the Senator approximately the aggregate value of the goods and textiles produced in the United States and sold in the United States or imported into the United States that would get the benefit of this compensatory duty?

Mr. SMOOT. On the goods that are produced in the United States it would not be a very large per cent, but of the goods that are imported in the United States I think there would be about 75 per cent of them that would fall under the provisions of this amendment.

Mr. KING. So, then, of course it would add materially to the cost of the imported article.

Mr. SMOOT. It would.

Mr. KING. And it would add materially to the cost of the domestically produced article?

Mr. SMOOT. No; I do not think it will, because that is given as a compensatory duty, although if they did not have the compensatory duty they could sell it for that percentage less. I first had in mind the profits to the manufacturers rather than the cost to the American consumer.

Mr. KING. What I was trying to elicit, if I may be pardoned for taking a moment's further time, was the approximate number of yards, or the value of the yards that would be affected by this duty, with a view to determining approximately the additional cost to the American people in order to afford the protection to this limited number of pounds of long-staple cotton produced in Arizona.

Mr. SMOOT. I will say to the Senator that if there is imported into the United States the same proportion for the balance of the year 1922 as has been imported for the first four months of this year, it will apply to at least 75 per cent of 197,000,000 yards of cloth. I do not want to be exact as to

75 per cent, but I think I am well within the figures when I say that.

Mr. LENROOT. Mr. President, I can give the Senator the figures under the present compensatory duty provision for the imports of 1921, but it is to be remembered that that applies to the cotton where the long-staple cotton is the component article of chief value. Under that provision in 1921——

Mr. SMOOT. It is not the same rate.

Mr. LENROOT. The Senator is very much mistaken in his 75 per cent, if that is true, because the countable cotton cloth not bleached of the short staple was 10,331,000 yards and of the long staple 1,294,000 yards; of the bleached, 12,240 short staple and 7,223 long staple; of the printed, dyed, and so forth, of short-staple cotton 52,000,000 and of long-staple cotton 22,000,000—about 33 to 40 per cent.

Mr. SMOOT. I say that those figures are under the present rate of duty. This is how it would figure out on the higher classes of goods that perhaps carry more of the long-staple cotton than otherwise. It will not be higher than 75 per cent, and perhaps lower.

Mr. POMERENE. Mr. President, I would like to ask the Senator from Utah a question. If I am wrong in my figures, I want to be set right. I am told that the production of long-staple cotton in this country amounts to about 5,000,000 pounds. Those are the figures given by the experts. On page 864 of the Tariff Commission Survey I find that the production in 1919 of tire duck was 121,745,000 square yards, or 128,174,000 pounds, valued at $143,086,000; and of other tire fabrics 36,806,000 square yards, or 29,917,000 pounds, valued at $32,602,000. The United States produces over 80 per cent of the automobile tires of the world and a corresponding amount of tire fabric. Now, this is long-staple cotton, and a large part of it is used for the making of these fabrics.

Mr. SMOOT. That is true.

Mr. POMERENE. I know that our tire manufacturers are planting some of this cotton down in Arizona. It would seem that while 80 per cent of the automobile tires are produced here, at the same time we are only producing about 5,000,000 pounds of that cotton.

Mr. SMITH. I think that should be 50,000,000 pounds.

Mr. SMOOT. I was going to suggest to the Senator that should be multiplied by 10. It should be 50,000,000. It is a mistake in the computation.

Mr. POMERENE. What I am trying to find out, if I can, is how much this duty of 7 cents a pound on long-staple cotton is going to cost the industries of this country?

Mr. SMOOT. I think no one could say that right offhand; but, of course, it will not be 5 per cent, because that is on very high-priced goods.

Mr. SMITH. It would be very nearly 5 per cent.

Mr. SMOOT. No; not on that tire fabric.

Mr. SMITH. Yes; it would on that character of goods.

Mr. SMOOT. I will say to the Senator that the expert, Mr. Clark, of the Tariff Commission, advises me that the value is about $1 a pound. So if that were the case the 10 cents would be about 10 per cent ad valorem on the cloth if it weighs 1 pound to the yard, but I doubt whether the tire fabric weighs a pound to the yard. I would not want to give a definite answer until I could look it up further.

Mr. POMERENE. I was misled in the early part of my inquiry by the statement as to the amount produced, but, of course, the long-staple cotton is used for many other purposes.

Mr. SMOOT. Yes; it is.

Mr. POMERENE. It would seem, however, that we were producing probably as much long-staple cotton as would be necessary for the automobile business if it were all used for that purpose. I would like to know, if I may, just what this is going to mean in cost to the entire industrial and consuming public of the country.

Mr. SMOOT. If I knew, I would be glad to tell the Senator just what it is, but I do not think I can give the exact figures.

Mr. POMERENE. I would like to have one of the experts take up that subject and advise us. I would like to know something about it if it is possible to get the information.

Mr. SMITH. One thing is very certain, and that is that all the fabric made out of Egyptian cotton, or the fabric that is made of cotton of that length, all cloths imported that have this cotton in it, up to 10 per cent and above, all mercerized silk, all forms of finer goods, all such that is imported into this country that has above 10 per cent of long-staple cotton, including the 150,000,000 pounds produced here and what we import, would be affected by this duty. It is difficult to figure out just what proportion of our cotton fabric is of this character of goods.

Mr. POMERENE. It rather seems to me we could afford to take all the long-staple cotton producers and board them at the Waldorf-Astoria Hotel for the balance of their lives rather than pay this amount of duty.

Mr. McCUMBER. Mr. President, if we were to take the imports of 1921, after the emergency tariff law went into effect, which gave 7 cents a pound duty, there would be about 37,559,000 square yards. For a year at the same rate it would be equivalent to about 66,000,000 square yards. There are on the average about 5 square yards, I am informed, to a pound of cloth. That would give us about 11,000,000 pounds. Eleven million pounds at 10 cents a pound would be $1,100,000. That would give us at least something of an estimate of what it would cost provided it was always added to the cost of the goods.

Mr. POMERENE. Do I understand the Senator from North Dakota now to be referring solely to tire fabrics?

Mr. McCUMBER. No; I was referring to the importation of cloth which came in under that provision which allows 10 per cent where the cloth is composed of cotton of 1⅛-inch length of fiber.

Mr. SMOOT. I will say to the Senator from Ohio that tire-fabric cloth weighs a great deal more than cloth that is referred to by the Senator. It is true that of ordinary dress cloths there are about 5 square yards to the pound, but there is not nearly so much in the case of tire fabrics; in fact, I think they do not exceed 2 yards to the pound, and some say not that much. If they average 2 yards, with a foreign valuation of a dollar, then there would be 5 per cent added.

Mr. POMERENE. As I understand, then, the effect of this provision, according to the figures which have been given by the Senator from North Dakota—and I do not think he means to say that they are entirely accurate—this would be in addition to other duties which these fabrics must pay when they come in?

Mr. McCUMBER. Yes; I had reference simply to the different kinds of cloth embraced in the paragraphs we have just mentioned, and on which a duty of 10 cents per pound is imposed to cover the duty on long-staple cotton.

Mr. POMERENE. That 10 cents is in addition to all the other duties.

Mr. McCUMBER. Certainly; and it is to cover the 7 cents per pound duty on the imported long-staple cotton, the waste, and so forth.

Mr. LENROOT. I should like to ask the Senator from Utah why a change is made in the provision of the present emergency tariff law in providing for this compensatory duty? Why was it necessary? Why was it done? The present law seems to work out satisfactorily. Why did not the committee continue the compensatory duty that is provided in the emergency tariff act?

Mr. SMOOT. I will say to the Senator that it has been found very difficult to administer the provision of the emergency tariff act, and in order to clarify it these words were suggested so that the administration of the law would be very much more simple.

Mr. LENROOT. The administration of the law might be very much more simple, and yet the provision which the committee has incorporated in the bill might give a very great advantage to the cotton manufacturers of this country.

Mr. SMOOT. No. If a manufacturer should try to make a thread above 60 out of short-staple cotton he would lose more than he would gain. It would be just like trying to make a fine thread of wool out of a coarse piece of wool. It might be done, but it would cost more than it would to buy the fine wool and make the finer thread from it. So it is in this case. Therefore the committee fixed 60 as the minimum.

Mr. LENROOT. The Senator says that the provision does not apply to anything under 60.

Mr. SMOOT. Yes; in the first part of the paragraph.

Mr. LENROOT. What about the second part?

Mr. SMOOT. The manufacturers will never attempt to make yarn of a mixture of long-staple and short-staple cotton; no manufacturer will do that.

Mr. LENROOT. Is not the thread in the cloth just the same? And is not the same language used?

Mr. SMOOT. The same language is used as to all yarn finer than No. 60.

Mr. LENROOT. Does not the paragraph impose a duty of 10 cents a pound on the total weight of the cloth?

Mr. SMOOT. It would on shoe threads, for instance, which are all made of that kind of yarn, and which are not computed in yards at all. Shoe threads are all made of long-staple cotton; they are not computed in square yards; so we have got to make the computation by the pound. It is to take care of in-

stances of that kind. As another illustration, take cotton heddles. Where a heddle breaks during the weaving of the cloth the only way that situation can be taken care of is to use the very finest piece of cotton in place of the wire that has been broken. Therefore the strongest possible cotton has to be used, and it comes not in yards but by the pound.

Mr. LENROOT. Would it be possible—the Senator is personally familiar with this question—to have the warp of long-staple cotton and the woof of threads of short-staple cotton?

Mr. SMOOT. The cloth would have a very different finish, I will say to the Senator.

Mr. LENROOT. Why?

Mr. SMOOT. Because one finishes entirely different than the other; there is more luster in one than in the other.

Mr. SMITH. But the Senator will not pretend to say that the warp could not be of one and the filling of the other.

Mr. SMOOT. I did not say that could not be done; but who is going to do it?

Mr. LENROOT. Does the Senator say that there is no cloth of that kind made?

Mr. SMITH. It is done, just as cloth is made with a cotton warp and a wool filling; of course it is done.

Mr. SMOOT. The same as cloth is made of a cotton warp and a wool filling?

Mr. SMITH. Yes.

Mr. SMOOT. Not at all.

Mr. LENROOT. Does the Senator say there is no cloth of that kind?

Mr. SMOOT. I would not say that there is not, but I can not conceive of much of it ever being used.

Mr. LENROOT. If that is true, why did not the committee retain the language "component material of chief value," and then apply the numbers as they have been applied? That would have taken care of the administrative feature, and yet it would not have permitted, if it is possible to have cloth of which 15 per cent is long staple and 85 per cent of short staple, to have a duty of 10 cents a pound imposed upon the whole fabric.

Mr. SMITH. I am informed there is considerable India lawn where the warp is 60's, made of 1⅛ staple, and the filling is 100's, made of 1⅛ staple.

Mr. SMOOT. The warp is made of one kind of cotton?

Mr. SMITH. Yes; and the filling made of another kind, just as there may be a cotton warp and a wool filling. The finish appears in the filling.

Mr. SMOOT. Possibly such a cloth may be woven.

Mr. SMITH. As a matter of course, the filling is what appears as the cloth; the other is the material that holds it together, just as in the case of a Brussels carpet, the threads which bind it together are made out of one kind of material and the carpet is made out of another.

Mr. SMOOT. The filling holds the cloth together just as much as does the warp. The filling holds it when it is stretched one way and the warp holds it when it is stretched the other way.

Mr. SMITH. That may be true; but the appearance is given by the filling, and it sells on the basis of the filling.

Mr. LENROOT. One other question. This seems to be the only compensation provided for in the bill on account of the duty on long-staple cotton. Why is it provided for in the case of cotton cloth and not provided for in the case of other cotton articles?

Mr. SMOOT. For instance, I will take plushes. We know that they can not be made of anything else than long-staple cotton. I have seen cotton plushes made with 400 picks to the inch, and no cotton but long-staple cotton can be used for such material. We provide for a direct rate upon such goods; compensatory duties are not mentioned; but in the rate that is provided as to all plushes the duty on long-staple cotton has been taken into consideration.

Mr. LENROOT. That is to say, on all other articles in this schedule other than cloth, in fixing the rates the committee took into consideration the compensatory duty.

Mr. SMOOT. Wherever the long-staple cotton is used. I say again that the Arizona cotton can not make the kind of thread that goes into plushes; it can not be drawn that fine. I thought there was a mistake when a witness said that there were 400 picks to the inch, but I took the plush myself and counted them, and there happened to be not quite 400 to the inch but there were 377 to the inch.

Mr. HITCHCOCK. I did not quite understand the Senator's reply to the Senator from Wisconsin. The Senator from Wisconsin asked when the yarn in cloth containing one-tenth of the long-staple cotton was included whether the duty of 10 cents a pound was applied to the whole article?

Mr. SMOOT. The limitation has been put in so that the manufacturers could not put in a few threads of the long-staple cotton or put in a selvage of such material and then claim the duty. As to the finish of the cloth, it does not make any difference whether the selvage is cotton or hemp or anything else, for it is not a part of the cloth. So that without the limitation of 10 per cent they could put finer yarns in the selvages and claim the whole duty. We put that limitation in so that it would not apply, as it applied in the Payne-Aldrich law in the event one such thread was used in the fabric. I will say to the Senator now that this applies as to all laces, and when we reach that schedule, if the question comes up again, I will go into it in detail.

Mr. HITCHCOCK. As I understand, then, the 10 cents a pound applies to all cloth in which at least 10 per cent of long-staple cotton is used?

Mr. SMOOT. Absolutely; and if any less than that has been used, the 10 cents a pound rate does not apply. For instance, as I have already explained and while the Senator was out, the manufacturers could make a fancy piece of cloth, say a 4-inch plaid, with only two or three threads constituting the plaid, and then claim the duty, unless we provided a minimum.

Mr. HITCHCOCK. What object would an importer or a foreign manufacturer have in doing that?

Mr. SMOOT. To get the duty of 10 cents a pound on the cloth.

Mr. HITCHCOCK. Is the Senator referring to the importer or the foreign manufacturer?

Mr. SMOOT. Yes; or anyone else who may want to sell the goods. It might be the importer or it might be the manufacturer.

Mr. HITCHCOCK. What object could the foreign manufacturer or the importer possibly have in desiring to increase the duty?

Mr. SMOOT. It would be the manufacturer in this country who would complain against a practice of that kind.

Mr. HITCHCOCK. Then, in fact, the duty of 10 cents a pound on an article having only 10 per cent of long-staple cotton in it is a 100 per cent duty?

Mr. SMOOT. No; because it will never operate.

Mr. HITCHCOCK. I mean, taking it just as it reads here, it is equivalent to a duty of $1 a pound on the long-staple cotton.

Mr. SMOOT. Yes; providing the goods could be made with only 10 per cent of the long-staple cotton, and then claim the full amount of duty.

Mr. HITCHCOCK. In that case it amounts to $1 a pound.

Mr. SMOOT. It would in such a case, but there can be no such case.

Mr. LENROOT. If there be none, why did not the committee confine it, as the custom and general practice has been, so as to make it read "the component material of chief value"? Then the situation would have been fully taken care of, would it not?

Mr. SIMMONS. That expression runs all through the wool schedule. Where the material is made partly of wool and partly of something else, the duty is imposed on the basis of "the component material of chief value." Why was not that done here?

Mr. SMOOT. Because of the difficulty of administration of the law. The provision which has been inserted here is a provision which the department asked for, and so the committee put it in.

Mr. SIMMONS. The 10-cent duty provided in this instance is upon the entire weight of the cloth, although it may not contain in weight one-half of long-staple cotton.

Mr. SMOOT. There are no such cases.

Mr. SIMMONS. I wish to say to the Senator from Utah that I think he is mistaken.

Mr. SMOOT. Of course the Senator is entitled to his opinion.

Mr. SIMMONS. Egyptian cotton is brought in and used, as our long-staple cotton is used, mostly in conjunction with short-staple cotton.

Mr. SMOOT. Oh, no.

Mr. SIMMONS. In the manufacture of cotton goods.

Mr. SMOOT. This paragraph applies only to No. 60 and finer yarns; it does not apply to anything under 60's.

Mr. SIMMONS. The Senator does not mean to say, if it is above 60, that the cloth is made entirely of long-staple cotton?

Mr. SMOOT. Does the Senator mean threads made of long-staple cotton?

Mr. SIMMONS. Yes; yarns or cloth.

Mr. SMOOT. I want to say that it does not pay very well to try to make a finer thread than No. 60 of shorter staple cotton.

Mr. SIMMONS. Not altogether with short staple, but it would pay to mix the two.

Mr. SMOOT. Oh, no; it would not.

Mr. SIMMONS. I am quite sure that is done.

Mr. SMOOT. That is not done.

Mr. SIMMONS. I am quite sure it is done.

Mr. SMITH. The Senator from Utah will admit that the great dividing line between the long and short staple—that is, between 1⅛ and that which is shorter—is 80.

Mr. SMOOT. No; I will admit that the very longest cotton that falls under the 1⅛ can be spun to 80's and has been spun in a few cases to 80's, but it never pays; the loss is too heavy.

Mr. SMITH. When you get up to 1¼ you can make 60's.

Mr. SMOOT. Yes; you can make the 60's very comfortably.

Mr. SMITH. And you can make the 70's. You have a leeway there of 20 ounces into which cotton of a staple other than 1⅛ will enter. I will submit that to any reputable millman in America. Any reputable spinner will tell you that he can use shorter staple up to 80's. With cotton below 1⅛ you can make up to 80's, but when you get up to that very fine twist in 80's you will have too much loss and too much breakage; but from 60's to 80's you have 20 counts in which you can use a shorter staple than 1⅛.

Mr. SMOOT. But what is the practice? They do not use it; that is all. There may be a bale of cotton picked out here and there or sold specially that would run very close to 1⅛ where they could go above 60's, but they do not try it, because it is just like taking cotswold and trying to make a 30 thread out of it. You can do it; there is not any doubt about it; you can do it, but in doing it the loss is so great that it never pays.

Mr. SMITH. The experience of the spinning mills throughout this country is that in the bulk of the yarn spun up to, I should say, 70's they use very little of the 1⅛-inch staple, because they have not got it. You have a tremendous amount of 60's; but, of course, when you get up to 80's you have entered the domain of the longer staple cotton. Your amendment here drops the count down to 60's, and there is no telling what amount of cotton of a staple less than 1⅛ is coming under that.

Mr. SMOOT. Suppose all that the Senator says is the fact. Let me read this to him: It is simply the threads that are contained in it; it is not the whole of it.

Mr. SMITH. Oh, I recognize that.

Mr. SMOOT. The Senator from North Carolina [Mr. SIMMONS] did not recognize it.

Mr. SMITH. It is in the last paragraph, not in the first. Read it from the beginning.

Mr. SMOOT. That is exactly what I say. The first part reads:

There shall be paid on all yarns finer than No. 60, and on all yarns finer than No. 60 contained in threads and cloth—

The yarns, not the cloth—

if constituting more than 10 per cent in weight of such threads or cloth, 10 cents per pound.

Even the threads in the cloth will not be taken into consideration unless they are 10 per cent of the whole number of threads in the cloth. Even then that 10 cents a pound will not be imposed.

Then it says here:

And on all yarns not finer than No. 60, and on all yarns not finer than No. 60 contained in threads and cloth—

If there are any threads there in which it is not contained, it does not take the duty of 10 cents a pound.

Mr. SMITH. Mr. President, does not the Senator from Utah think that he has given a leeway there to the manufacturers that is not justified by the practice when he has lowered to 60s the count below which, of course, this duty does not apply?

Mr. SMOOT. No; I will say to the Senator that I do not. If all the threads have this cotton in them they ought to have the duty of 10 cents a pound. If 5 per cent of them have it, they will not get anything for it. If 9 per cent of them have it, they will not get anything for it. It has to be 10 per cent before they get anything, and when they get anything it is for the threads that are in the cloth and the cotton that is contained therein.

Mr. SMITH. Yes; but you have lowered your count to a point where you have taken in a lot that is not 1⅛. That is the most liberal concessions to a manufacturer that was ever written into a bill. You have 20 counts there in which he can employ any other cotton and get the duty on a staple of 1⅛ inches.

Mr. SMOOT. He can not do it. It will not pay him to do it.

Mr. LENROOT. Mr. President, do I understand from the Senator from Utah that no yarns of 60 or upward are made of ordinary cotton—that they are all made of this long-staple cotton?

Mr. SMOOT. I stated that with picked cotton with a staple of a little less than 1⅛ inches they have been able to spin up to 80, but it is so small that it amounts to hardly anything. Every manufacturer will tell you that the dividing line is 60's, and therefore we did not take into consideration anything outside of 60's.

Mr. LENROOT. Why should not the first part of this paragraph have the same provision as the latter part—

if containing cotton of 1⅛-inch staple or longer?

It is as easy to determine that in one case as it is in the other, is it not? In the yarn referred to in the first part of the paragraph there does not need to be one particle of this long-staple cotton, and yet it will carry 10 cents a pound compensatory duty. I do not know why in the second part of the paragraph it is provided that if any part of that coarser yarn has long-staple cotton in it it shall take the duty, but there is no reference at all in the first part of the paragraph to long-staple cotton.

Mr. SMITH. Not a bit.

Mr. LENROOT. And the pretense is, or the purpose is, to make this a compensatory duty.

Mr. SMOOT. I would not care if you wanted to put it at 70's, but all of the people who came before the committee agreed that 60's was the dividing line, and it was suggested by the appraisers themselves that there was the place to put it. I do not want to pay them a single penny more than absolutely necessary in the shape of a compensatory duty for long-staple cotton.

Mr. SMITH. Mr. President, the bulk of the American yarns or threads are made up to and including 40's, from 40's down.

Mr. SMOOT. Ninety-three per cent.

Mr. SMITH. After you get above 40's you enter the domain of what is known as staple cotton—that is, 1 inch and above. You get 1 inch, 1⅛, 1¼, 1⅜——

Mr. SMOOT. One and one-eighth.

Mr. SMITH. One and one-eighth, and then you get up to about the longest that is produced in America, 1⅜, of that kind of cotton—sea-island cotton—but when you leave 40's, up to at least 70's, you have a domain there in which the South Atlantic States, the Gulf States, Mississippi and Texas, all produce cotton that is longer than an inch in staple. You have an inch and a sixteenth, and that can be spun into 60's; and when you get up to an inch and an eighth, or an inch and a quarter, you have a tremendous amount of North Carolina cotton and South Carolina cotton that would come in under that first paragraph.

Mr. SMOOT. If you want 70, take 70. I do not care about it. As I have already said, I do not want to give one penny in the way of compensation to which they are not entitled. I say again that everyone that appeared before the committee stated that the dividing line is 60, and I am quite sure that that is the practice; but if the Senator from Wisconsin desires to increase that to 70, I have not any objection at all.

Mr. LENROOT. It will still take care of it, because the latter part of the paragraph takes care of less than 70. Then suppose we change them both to 70.

Mr. SMOOT. That is what I say. If you change one, you should change the other.

Mr. LENROOT. Certainly.

Mr. SMITH. Just change them both to 70.

Mr. SMOOT. Then I ask that "70" be inserted instead of "60" in two places on line 22 and in two places on line 1 of page 126. There are four places where the number "60" applies in that amendment. I desire that each one be changed to "70."

The VICE PRESIDENT. The question is on the committee amendment as modified, which will be stated.

The ASSISTANT SECRETARY. On line 22, page 125, it is proposed to change "60" to "70," and on line 1, page 126, it is proposed to change "60" to "70."

Mr. SMOOT. In both places.

Mr. POMERENE. Mr. President, I want to ask the Senator from Utah another question. Of course, this provision here, which reads "if constituting more than 10 per cent in weight of such threads or cloth, 10 cents per pound," means that if 10 pounds in weight come in, and one pound of it, or 10 per cent, is long-staple cotton, then the duty of 10 cents per pound would be $1 on the entire amount?

Mr. SMOOT. In practice it means that if they try to put long-staple cotton in a selvage and try to get it in here, the 10 per cent is more than the selvage would be, and therefore they will not get any compensation for the cloth.

Mr. POMERENE. That does not quite answer the question.

Mr. SMOOT. The other way, with 70's, it is impossible to do it. Does that answer the Senator's question?

Mr. POMERENE. No; I think not.

Mr. SMOOT. Then I do not know how to answer it.

Mr. POMERENE. Just let me state my position. Suppose we have a fabric coming in here that weighs 10 pounds and 10 per cent of it in weight is long-staple cotton. Then the 10 cents per pound applies to the entire 10 pounds, or $1.

Mr. SMOOT. If there was "such an animal"; but I want to say to the Senator——

Mr. POMERENE. You have assumed that there was "such an animal"; otherwise, you would not have phrased this as it is.

Mr. SMOOT. No; I will say to the Senator that that is not what this means, either. If the Senator will follow this, he will see that it reads:

There shall be paid on all yarns finer than No. 60 and on all yarns finer than No. 60 contained in threads and cloth—

So, if it is not contained there, it does not pay anything——

Mr. POMERENE. Of course not.

Mr. SMOOT. No matter what it is. If it is 10 per cent, or 20 per cent, or 30 per cent, it will be just what is contained in the cloth. Ten per cent is the limit. So they will not pay them anything if 9 per cent of the cloth contains these threads. They will not pay them anything if 5 per cent of the cloth contains these threads. It has to be over 10 per cent, and when it is 10 per cent they pay it upon the amount contained in the thread or cloth.

Mr. POMERENE. Then the Senator's construction of this language is, to use the illustration which I have used, that they would pay only 10 cents on the 10 pounds?

Mr. SMOOT. It could not be otherwise.

Mr. POMERENE. That answers my question.

Mr. SMOOT. On any part of the 10 pounds they would pay the proper proportion of the 10 cents a pound, with the single exception that unless there is at least 1 pound of it, they do not pay anything. If there are only 14 ounces of that 10 pounds, they will not get any compensation whatever.

The VICE PRESIDENT. The question is on agreeing to the committee amendment as modified.

Mr. SMITH. Is that on paragraph 905a?

Mr. SMOOT. It is.

Mr. SMITH. That is, the question is on the paragraph as amended?

Mr. SMOOT. It is.

Mr. SMITH. It is the final vote on the paragraph, and I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. POMERENE (when his name was called). I have a general pair with my colleague [Mr. WILLIS]. Not being able to obtain a transfer, I withhold my vote. If at liberty to vote I would vote "nay."

Mr. ROBINSON (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the Senator from Missouri [Mr. REED] and vote "nay."

Mr. SMITH (when his name was called). Transferring my pair with the Senator from New York [Mr. WADSWORTH] to the Senator from Texas [Mr. CULBERSON], I vote "nay."

Mr. TRAMMELL (when his name was called). In the absence of my pair, the Senator from Rhode Island [Mr. COLT], and being unable to get a transfer, I withhold my vote. If permitted to vote, I would vote "nay."

The roll call was concluded.

Mr. EDGE. Making the same announcement as before as to the transfer of my pair, I vote "yea."

Mr. CURTIS. I wish to announce the following pairs:

The Senator from New York [Mr. CALDER] with the Senator from Georgia [Mr. HARRIS];

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH];

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS]; and

The Senator from Missouri [Mr. SPENCER] with the Senator from Montana [Mr. MYERS].

Mr. NEW. Transferring my pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from Vermont [Mr. PAGE], I vote "yea."

Mr. GLASS. Making the same announcement as on the previous vote, I vote "nay."

Mr. LODGE (after having voted in the affirmative). The senior Senator from Alabama [Mr. UNDERWOOD] has not voted, and I therefore transfer my pair with that Senator to the Senator from Maryland [Mr. WELLER] and allow my vote to stand.

The result was announced—yeas 32, nays 22, as follows:

YEAS—32.

Ball	France	Lodge	Oddie
Brandegee	Gooding	McCumber	Pepper
Broussard	Hale	McKinley	Phipps
Capper	Harreld	McLean	Shortridge
Curtis	Johnson	McNary	Smoot
Edge	Jones, Wash.	Moses	Sterling
Ernst	Kendrick	Nelson	Townsend
Fernald	Keyes	New	Warren

NAYS—22.

Ashurst	Glass	Lenroot	Smith
Borah	Heflin	Overman	Stanley
Caraway	Hitchcock	Robinson	Swanson
Dial	Jones, N. Mex.	Sheppard	Walsh, Mass.
Fletcher	Kellogg	Shields	
Gerry	King	Simmons	

NOT VOTING—42.

Bursum	Harris	Owen	Trammell
Calder	Harrison	Page	Underwood
Cameron	Ladd	Pittman	Wadsworth
Colt	La Follette	Poindexter	Walsh, Mont.
Crow	McCormick	Pomerene	Watson, Ga.
Culberson	McKellar	Ransdell	Watson, Ind.
Cummins	Myers	Rawson	Weller
Dillingham	Newberry	Reed	Williams
du Pont	Nicholson	Spencer	Willis
Elkins	Norbeck	Stanfield	
Frelinghuysen	Norris	Sutherland	

So the committee amendment as modified was agreed to.

The VICE PRESIDENT. The Secretary will state the next amendment.

The READING CLERK. The next amendment is, in paragraph 906, the paragraph covering tracing cloth, page 126, line 4, to strike out "17" and insert "20" before the words "per cent ad valorem."

Mr. SMOOT. I rose to say just a few words for the RECORD, but if Senators are ready to vote I will not say anything. Does the Senator from South Carolina desire to say anything on the amendment?

Mr. SMITH. I think, taking into consideration the difference in the American and foreign valuations, the rate as adopted by the House and the Senate committee are about the same, and it is about equal to the rate of duty in the present law.

Mr. SMOOT. The rate of duty upon tracing cloth is within 1 per cent of the rate in the Underwood law.

The amendment was agreed to.

The next amendment was, in paragraph 906, on page 126, line 8, to strike out "17" and insert "20."

Mr. SMOOT. The same explanation applies to that amendment.

The amendment was agreed to.

The next amendment was, on line 11, to strike out "20" and insert "30."

Mr. SMITH. I think the Senator will agree with me that that rate is too high.

Mr. SMOOT. The Senator has reference to waterproof cloth?

Mr. SMITH. Yes. The rate in the present law is 25 per cent, and this rate amounts to about 37 per cent. So it is an increase of 12 per cent, when the waterproof cloth, of which I have a sample here, is nothing but very heavy, tight-woven cloth. It is not waterproofed; it is just waterproof cloth. Any mill can make it. I am informed that the value of the imports for 1921 was only $63,000, whereas the amount we use is something like $10,000,000 worth. I would suggest to the Senator that we reduce that rate to the House rate. That would about take care of the situation.

Mr. SMOOT. The Underwood Act places a duty of 25 per cent on this article, and the equivalent duty provided for by the amendment is only 37 per cent. The Payne-Aldrich duty was 50 per cent. Perhaps if this waterproof cloth were just single cloth, it would be enough to impose a duty of 30 per cent, but sometimes it is composed of threefold or twofold cloth, and an immense amount of expensive work is required to make it. This duty is put on to take care of that kind of cloth, and I can not see why it should be reduced below 37 per cent.

Mr. SMITH. The equivalent ad valorem under the Payne-Aldrich law, calculated upon the valuation of the cloth now, would be 34 and a fraction per cent, and under this amendment it is 37.09 per cent.

Mr. SMOOT. It is unfortunate that that statement has so often been taken by a number of Senators as being a just statement. There is no one who does not know that at this time cotton cloths of all kinds are double the prices they brought in 1910. It is true that if you take those prices of 1910, with this ad valorem duty, the rate would be about 34 per cent; but the

prices of cloth are not the same to-day as they were in 1910, and it is unfair to compare the equivalent ad valorem. Under the Payne-Aldrich law in 1910 the import duty was 50 per cent.

Mr. SMITH. It was 49.7.

Mr. SMOOT. It was practically 50 per cent, and with the prices of cloth as they are to-day this rate is the equivalent of 37.09 per cent. That is the difference. In other words, it is a reduction from the Payne-Aldrich rate of 12½ per cent.

Mr. SMITH. Oh, no; it is not fair to bring in the Payne-Aldrich law.

Mr. SMOOT. We can not go back and take the price of 1910. Taking the price of to-day the equivalent ad valorem is 37.09.

Mr. SMITH. Under this bill?

Mr. SMOOT. Yes; and the equivalent ad valorem under the Payne-Aldrich law was 50.

Mr. SMITH. It was 34.17.

Mr. SMOOT. No; that is, provided the price was as of to-day; but I am speaking of the price to which the Payne-Aldrich law was applied.

Mr. SMITH. Yes; and it amounted to 49.73.

Mr. SMOOT. Yes; I said 50.

Mr. SMITH. This fabric is made out of very coarse yarn. It is whole woven. It is just a very tight weave, made for automobile covers.

Mr. SMOOT. That is one type. I just stated that we could get along with the one-ply type, but we have the three ply and the two ply, and we have to protect them.

Mr. SMITH. The Senator knows the character of this cloth even where it is of more plies or where it is waterproofed, where rubber is compressed into it, and any mill may perform that act, but he can not claim that these goods are of a very highly technical composition.

Mr. SMOOT. Not of the one ply, but it is of the two ply and three ply.

Mr. SMITH. Even in the other plies it is very easily woven. I do not see why we should add to the already exorbitant cost of the ordinary automobile by putting a duty that is from 10 to 15 or 20 per cent higher on the covers of the cars, when we are importing practically none and are furnishing more than our own people can consume.

The House had a duty, whether or not in part of India rubber, of 5 cents per square yard and 20 per cent.

Mr. SMOOT. That was the American valuation.

Mr. SMITH. Yes; I will admit that it was American valuation. The Senate committee changed it to 5 cents per square yard and 30 per cent, but it seems to me that 5 cents a yard and 20 per cent ad valorem would be adequate to protect.

Mr. HITCHCOCK. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. EDGE in the chair). Does the Senator from South Carolina yield to the Senator from Nebraska?

Mr. SMITH. I yield.

Mr. HITCHCOCK. I would like to inquire, combining the 5 cents per square yard with the 30 per cent ad valorem, what total ad valorem protection is given?

Mr. SMITH. Under the present bill it is 37.09 on the cloth.

Mr. HITCHCOCK. It is something, of course, that is made by machinery here just as well as elsewhere?

Mr. SMITH. Certainly. We imported practically none. The Senator has some idea of the number of automobiles in the country that have been covered with this kind of cloth. I have not the exact figures, but 99 per cent of the cloth that we have used of this kind is produced in this country.

Mr. HITCHCOCK. Does the Senator from Utah concede that the imports are practically negligible?

Mr. SMOOT. The imports for 1921 were negligible, but there were $63,898 worth.

Mr. HITCHCOCK. How were they for 1920 and other years?

Mr. SMOOT. I have not the figures here.

Mr. HITCHCOCK. I mean under the Underwood-Simmons tariff law have they ever amounted to much?

Mr. SMOOT. No; I do not think they have been heavy.

Mr. HITCHCOCK. Then why increase the duty?

Mr. SIMMONS. I have the figures. In 1914 the importations were $88,427. Since then they have increased. In 1918 they were $191,000; in 1919, $139,000; in 1920, $121,000; and for the first nine months of 1922 they were $73,000.

Mr. SMITH. The Tariff Information Survey on waterproofed cotton and other vegetable waterproofed fiber contains a table beginning with the year 1899. It reached its maximum in 1909. It then dropped off rapidly down to 1914, when the war interfered and importations were practically shut off. Then in 1914–15 it went back to 151,000 square yards and reached its maximum in 1917, and has declined since until we have about 133,000 square yards. But, taking any year, the number of yards is absolutely negligible measured by the millions of yards used in the country.

Mr. SIMMONS. That shows that the present rate is practically a prohibitory rate.

Mr. SMITH. That is true. The importations from 1913 up to the present would indicate that the present rate of duty is not only a protective duty but practically a prohibitory duty.

Mr. SMOOT. I admit that on the singles it is.

Mr. SMITH. It is on all of them.

Mr. SMOOT. I know that, but almost all of the European importations are twofold and threefold.

Mr. SIMMONS. Then, if we want to make the tariff higher to cover these highly specialized articles, why not differentiate? Why impose it upon all characters of waterproofed cloth when it is admitted that there are no importations of certain characters of cloth?

Mr. SMOOT. As long as goods do not come in under the rate we have to-day, why go to work and take account of all those goods? We could write a tariff here a thousand miles long if we undertook to separate every type within a class. That has never been done that I know of in the history of tariff making.

Mr. SMITH. I am of the impression that three-quarters of the importations are of the single ply.

Mr. SMOOT. I do not so understand it.

Mr. SIMMONS. Why not separate it, as I have suggested? The 20 per cent duty has been absolutely prohibitory as to probably 95 or 96 per cent of all of the cloth coming into the country. Now, the Senator has said there is a special variety that this does not exclude. Why not describe that variety and increase the rate as to that particular variety?

Mr. SMITH. Taking all that is imported, it was negligible. That being true and the evidence being to the effect that they have not sent in enough to seriously interfere with the manufacture of that kind of cloth, I see no reason in the world why the rates of duty should be raised.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee on page 126, line 11.

The amendment was agreed to.

Mr. SMOOT. In the next paragraph I want to submit an amendment. I will submit it at this time before the first amendment is agreed to, so that Senators can see just what the amendment will provide.

On page 126, in line 15, beginning with the word "less," strike out the balance of the paragraph and insert "rate of duty of more than 45 per cent ad valorem," so as to read:

Provided, That none of the foregoing shall pay a rate of duty of more than 45 per cent ad valorem.

The House provided that it shall not pay a less duty, and the committee decided that in this case they did not want to impose a duty upon these cotton cloths containing silk and artificial silk higher than the fancy cloths that we have provided for in paragraph 905a. The object of the amendment is to make it conform to that paragraph. They are all specialties

Mr. SMITH. The showing on cloths containing silk is worse than as to the imports of fine cotton cloths, because our imports of cotton cloths containing silk were only $79,882 in value. The quantity was 297,000 square yards. The domestic production was $29,759 worth. The quantity produced was 81,591 square yards. We have no statistics showing the exports, because these were not differentiated in our exports from other cloths, but, according to the experts, the amount that we imported into this country is practically negligible, showing that the present rate of duty on these cloths has acted more prohibitorily and has had more restraint than it had even on the cotton cloths. Yet it is proposed to increase the rate of duty, when we practically have imported none under the present rate of duty and where it appears that these cloths that are imported into this country have no competition.

The Senator from Utah proposed in effect to amend by striking out "less" and inserting the word "more" between the words "duty" and "than," and in place of "33" to insert "45." Does the Senator propose to adhere to the "25" as against the "17"?

Mr. SMOOT. Yes; because the specific duty, in case these goods went down in price, of course might be altogether too high, and therefore we limit it to 45 per cent, the same as we limited the fancy cloths in paragraph 905a. Of course, there is not nearly the amount of these goods used as of the other goods. There is very little comparison as to the amount of yardage or value, but the committee desired to limit it to 45 per cent. The Payne-Aldrich law has a minimum of 50 per cent, no matter what the equivalent ad valorem was, taking the specific and the given ad valorem together, and with that minimum ad valorem

under the prices existing in 1910 the equivalent ad valorem was 58 per cent. But the committee now say that in no case, no matter whether prices go back to the 1910 basis or not, shall the rate be more than 45 per cent.

Mr. SMITH. But under the present law the duty is 30 per cent. As it now stands proposed by the committee it would be 54.77 per cent, which shows that when we say it "shall not be more than," it means a straight duty of 45 per cent.

Mr. SMOOT. Yes; with the prices as of to-day. But suppose the prices fall, then, of course, the maximum of 45 per cent would apply. It would apply to-day. There is no doubt about that. When the rates of the Dingley law applied the equivalent ad valorem was 58 per cent, and now it can not be more than 45 per cent, the way the committee have changed it. The House reported it just the same as it was under the Payne-Aldrich law, expressed in American valuation instead of foreign valuation, for they said "a less rate of duty than 33½ per cent ad valorem" and under the transposition of American valuation into foreign valuation it amounted to 50 per cent.

Mr. SMITH. The point I am making is that we have just raised the rate on this article 15 per cent—from 30 per cent to 45 per cent.

Mr. SMOOT. That is true under the prices of to-day. There is no doubt about that.

Mr. SMITH. But the importations are negligible. If the Senator thinks that so large a duty should be imposed on goods, which are composed in part of silk, with such a minimum importation and such a vast volume of them being used in this country, the consumption amounting to $29,000,000 worth as against only $79,000 worth imported, I think we ought to have a roll call on the proposition, in order that Senators may go on record as to whether or not, despite the fact that there are no importations, the people of this country who buy cotton goods in which there is an admixture of silk shall be compelled to pay an increased duty of about 45 or 50 per cent.

Mr. SMOOT. I want to say one thing more and then I am through. Unless we provide a rate the same as that which is fixed in paragraph 905, there will be nothing otherwise to prevent putting in one thread of artificial silk in any part of the goods and then having them fall under this paragraph. We do not want to leave that loophole, Mr. President. It seems to me as to this class of cotton goods containing silk and artificial silk, that anybody who wants to buy any particular style which is not made in America should not object to paying the 45 per cent duty.

Mr. SMITH. Though the figures as to the different classes can not be separated, because of the fact that our exports of these particular goods are covered in the general statistics with reference to the export of cotton cloths, I am informed by those who know, by experts, that of these cotton-silk shirtings we export a great deal more than we import, showing that under the present rate of duty the industry is not only amply protected but really that the present law operates as an embargo, in that we are underselling manufacturers of like goods in Europe.

The PRESIDING OFFICER. The question is on the committee amendment.

Mr. SMITH. In that paragraph, I move that the House rate——

Mr. SMOOT. If the Senator from South Carolina wishes to adjust the matter, the only way to do so is to move that the maximum rate of 45 per cent, which is provided by the amendment which I have just offered, be decreased.

Mr. SMITH. I recognize that the Senator has his percentages a little out of line in stating that their relation is 17 to 25. As I figure it out, the difference between the foreign valuation and American valuation would be 17 to 20. That would be about their relation.

Mr. SMOOT. That would all depend upon the price of the goods, because this is a compound duty.

Mr. SMITH. I know; but that is the general percentage.

Mr. SMOOT. The only way the Senator can change it would be to substitute a lower rate than 45 per cent for the maximum rate to be charged for the goods falling in that paragraph.

Mr. SMITH. I accept the Senator's wording. I move to amend the paragraph so that it will read:

That none of the foregoing shall pay a rate of duty more than 30 per cent.

Mr. SMOOT. That would be the rate provided for in the existing Underwood tariff law.

Mr. SMITH. I move to change the rate of 45 per cent to 30 per cent. That reduces the duty 15 per cent and maintains the parity.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from South Carolina [Mr. SMITH] to the amendment of the committee.

Mr. LENROOT. Mr. President, I merely wanted to ask the Senator from Utah [Mr. SMOOT] one question. The Senator contends that unless this rate is made 45 per cent all the other cloths for which we have provided a maximum duty of 45 per cent might come in under this rate?

Mr. SMOOT. It is the other way, I will say to the Senator from Wisconsin. I have spoken the way I have in justification of the committee amendment.

Mr. LENROOT. I understand.

Mr. SMOOT. If we did not have the 45 per cent duty in this case, if we made it 50 per cent, I will say, with one thread of silk in the goods, they could be brought in under a less rate of duty.

Mr. LENROOT. It is upon the highest counts where the 45 per cent applies. Are shirtings and goods of that kind of higher or lower counts?

Mr. SMOOT. I will say to the Senator that most of the shirtings, I think, run about 65, 66, 68, and 70.

Mr. LENROOT. Does not the Senator think that the rate could be made 40 per cent, in view of the fact that 30 per cent is now practically prohibitive? Would not that still harmonize with what we have done?

Mr. SMOOT. I would not want to do that unless I had examined the samples, I will say to the Senator from Wisconsin.

Mr. SMITH. I think an examination of the samples even of the finer grades of shirting will disclose that they are made out of counts which contain as low as 30 threads.

Mr. LENROOT. I think the Senator from Utah could well accept 40 per cent instead of 45 per cent.

Mr. SMOOT. Mr. President, without any further examination of the matter I could not do so.

Mr. LENROOT. Upon the face of the figures, there are no imports.

Mr. SMOOT. If the Senator wants the paragraph to go over, I am perfectly willing that it shall go over in order that it may be examined; but it is not now a question of imports particularly.

Mr. LENROOT. We merely want a proper relationship.

Mr. SMOOT. I want this balanced up so that goods properly falling in some other paragraph can not come in under this paragraph.

Mr. LENROOT. Very well, but the Senator will understand that if these goods come in of a lower count they will not take a rate of 40 per cent, because in the lower counts the manufacturers would still prefer that they should come in under the countable paragraphs.

Mr. SMOOT. I wish to be sure of that before I agree to the Senator's proposition.

Mr. SMITH. I think when the Senator from Utah investigates the matter he will find that by far the greater quantity of silk and cotton shirtings are of the lower count; and I think that a duty of 30 per cent would be ample to take care of the situation because we are selling these goods in Manchester, England. I think an investigation by the Tariff Commission will show that to be the fact.

Mr. SMOOT. The Senator from Arizona [Mr. ASHURST] the other day showed samples of cloths which were made in southern mills in this country with 120 counts of yarn; and, by the way, I will say to the Senator that as to shirtings—I am not positive of it, but my information is—they come in here of 64, 66, 68, and 70 counts.

Mr. LENROOT. They must be of lower counts, because I find the average value in 1921 is only 21.3 cents per yard.

Mr. McLEAN. That may be so, but I suggest to the Senator from Utah that under this paragraph cloth, no matter how fine, could be brought in if it contained a thread of silk.

Mr. SMOOT. Silk or artificial silk.

I ask that this paragraph go over in order that we may ascertain just what the counts are. I notice here by an examination of the compilation of samples selected by the Tariff Commission that there are no goods mentioned falling under this paragraph, and so I should like to have the matter investigated.

Mr. SMITH. Very well.

The PRESIDING OFFICER. Is there objection to passing over the committee amendment as modified? The Chair hears no objection. The Secretary will state the next amendment.

Mr. SMOOT. Paragraph 908 covers tapestries and other Jacquard woven unholstery cloth, Jacquard woven blankets, and Jacquard woven napped cloths. I move that 45 per cent be substituted for 50 per cent in line 20.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. The Senator from Utah proposes to amend the committee amendment by striking out "50" and inserting "45," so as to read "45 per cent ad valorem."

Mr. SMITH. Mr. President, just a moment. I desire to see if the amendment conforms to the amendment which the Senator is going to propose in paragraph 907.

Mr. SMOOT. That is a straight 45 per cent ad valorem duty.

Mr. SMITH. Does the Senator do that to conform with the amendments in the preceding paragraph?

Mr. SMOOT. Yes; with the Jacquard woven cloth provided for in the preceding paragraph. In this instance a straight 45 per cent ad valorem duty is proposed.

Mr. LENROOT. The present rate is 35 per cent, and there are large imports.

Mr. SMOOT. Yes; there are large imports.

The READING CLERK. On page 126, line 17, after the word "cloths" and the comma, it is proposed to insert "Jacquard woven blankets and Jacquard woven napped cloths, all the foregoing," so as to read:

PAR. 908. Tapestries, and other Jacquard woven upholstery cloths, Jacquard woven blankets and Jacquard woven napped cloths, all the foregoing, in the piece or otherwise, composed wholly or in chief value of cotton or other vegetable fiber——

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

Mr. SMITH. I find that the duty on the class of goods covered by the paragraph is 10 per cent higher than the present rate.

Mr. SMOOT. Yes; but the Senator must know that of Jacquard figured upholstery goods there have been imported 63,573,872 square yards. The paragraph also covers tapestry piece goods, of which there have been 4,013,687 square yards imported.

Further I wish to say to the Senate that under a recent decision of the Treasury Department the Jacquard woven netting falls under this paragraph also.

Mr. SMITH. I am informed that lace curtains were formerly included but under the decision of the Treasury Department or the court they were eliminated, and therefore the amount of importations under this paragraph would be correspondingly reduced. I have not the table before me showing exactly what the importations into the country were.

Mr. SMOOT. The elimination of the lace curtains could not reduce the figures as to the importation of tapestry and piece goods.

Mr. SMITH. It did include curtains until it was decided they did not fall within the paragraph.

Mr. SMOOT. Yes; nets and nettings.

Mr. SMITH. Mr. President, in view of the action taken by the Senate on the preceding paragraph, I shall let that go.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment will be stated.

The READING CLERK. On page 126, line 20, in lieu of the amendment proposed by the committee, "50," it is proposed to insert "45," so that it will read:

Composed wholly or in chief value of cotton or other vegetable fiber, 45 per cent ad valorem.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment, as modified, was agreed to.

The READING CLERK. The next amendment is in paragraph 909.

Mr. SMOOT. Mr. President, in that paragraph I desire to substitute "50" for "55" on line 25.

The PRESIDING OFFICER. The amendment, as modified, will be stated.

The READING CLERK. In lieu of the figures proposed by the committee, "55," it is proposed to insert "50," so that it will read:

Pile fabrics, composed wholly or in chief value of cotton, including plush and velvet ribbons, cut or uncut, whether or not the pile covers the whole surface, and manufactures, in any form, made or cut from cotton pile fabrics, 50 per cent ad valorem.

Mr. SMOOT. Mr. President, this applies to plushes and velvet ribbons, cut or uncut, and pile covers and pile cloths of all sorts. They are very difficult articles to manufacture. It is like manufacturing a double cloth, and then they have to cut the pile in two. It is very difficult work, and it runs all the way from 200 picks to 400 picks to the inch, according to the fineness of the face.

Mr. SMITH. Mr. President, under the present rate of duty our imports have steadily decreased, until in 1921 we imported to the value of $270,788.

Mr. SMOOT. I will say to the Senator that my opinion is that that is due to style more than anything else.

Mr. SMITH. We ourselves manufactured 72,255,000 square yards, of a value of $51,251,000. In 1914 we had imports of a value of $1,945,000; in 1910, $518,000; but in 1921 we only had $270,788 worth, or 210,954 square yards.

Mr. SMOOT. Does the Senator know that in 1919, I think, and along in 1917 and 1918, these cotton velvets, so called, were worn by ladies as dresses of luxury, and no lady's wardrobe was complete without one? I suppose now you could go to any gathering and you would not find a lady there dressed in a cotton velvet or a silk dress, either. They are out of fashion. This is one style of goods that comes into fashion just so often, and when they come in all the ladies wear them, and when they go out none of them do; and you can not tell by the imports, nor can you tell by the production each year, just what is used in the United States.

Mr. SMITH. Mr. President, regardless of any style or the change of any style, the imports from 1891 to 1920 have steadily decreased. For instance, the quantity in 1902 was 9,659,[illegible]08 square yards. In 1904 it was 6,978,000 square yards. In 1905 it was 5,211,000 square yards. In 1906 it was 3,577,000 square yards. In 1907 it was 3,218,000 square yards. In 1909 it was 1,122,000 square yards. I will skip the next few years, because it gradually goes down. In 1919 it was 533,000 square yards. In 1920 it was 832,000 square yards. These figures show that the importations of all those kinds of fabrics steadily decreased. That was under a 40 per cent duty, showing that it was practically prohibitive. Now, why increase it? Why is not that ample? Why do we propose to increase the rate when the present rate is wholly effective, not as a protection but it seems to be acting as an embargo against the importation of these goods?

I am taking the Senator and his party at their word, that what they want to do is to measure the difference in cost abroad and at home, not in theory but in actual practice, and testing it out when they find that they are satisfied with it. The facts are that under a 40 per cent duty you have practically shut out these goods. What excuse is there for raising the duty? These goods do not come under the classification of any that have preceded them. In view of this plain proof of the adequacy of the present rate of duty, why is it desired to raise it?

I have done my best to help expedite this bill, and I have tried to help Senators on the other side to whip it into some kind of shape, because everybody here recognizes that this thing is something like the Bible said about Melchizedek, "Having neither beginning of days nor end of life." It is a hodgepodge. Whoever composed this bill, as Paul said about the Jews, had "a zeal of God, but not according to knowledge." They had a zeal to put all the duty they could rake and scrape into every nook and corner, without any regard to the scientific structure of the bill. Your own theory is that all you want to do is to measure the difference between the cost abroad and at home. I take you at your word and ask you to apply your own doctrine, and you will not do it.

Mr. SIMMONS. We have no information at all as to the cost of production abroad and at home.

Mr. SMOOT. Oh, no; I know we have not. The Senator does not think that we have given any time at all to it; but I want to call the attention of the Senator from South Carolina to the fact that in the rate we give here is included the compensatory duty for long-staple cotton. If you take the price of these goods, and take the 40 per cent that is in the Underwood-Simmons bill, and figure the cost of these goods to-day, and give them the compensatory duty for the 7 cents a pound on long-staple cotton, I want to tell you that there is very little difference between the rate imposed under this bill and that imposed in the existing law. We are not asking for a compensatory duty in this paragraph for long-staple cotton, but we know that long-staple cotton is what is used in the manufacture of these goods.

Mr. LENROOT. Mr. President, will the Senator yield at that point?

Mr. SMITH. If the Senator will allow me, I have those figures right here. If the Senator has them, I should be glad to have him insert them in the RECORD.

Mr. LENROOT. About one-eighth of the imports in 1921 were of long-staple cotton and seven-eighths were not of long-staple cotton, and therefore did not carry the compensatory duty.

Mr. SMOOT. That may be on the cheaper lines, of course.

Mr. LENROOT. That is all the imports of pile fabrics.

Mr. SMOOT. Then those are the ones that came in.

Mr. LENROOT. The average was $1.26 per square yard for the ordinary cottons and $1.56 per square yard for long-staple cotton.

Mr. SMOOT. Yes; but I want to say to the Senator that they run up as high as $4 and $5 a yard. Those are the cheaper lines of goods.

Mr. SMITH. Mr. President, this bears out the contention that was made by the Senator from North Carolina [Mr. SIMMONS] and others here that you are going to penalize the great bulk of cotton goods by virtue of the compensatory duty on the Arizona cotton. Here is an illustration of that fact.

Mr. SMOOT. Oh, no.

Mr. SMITH. Well, read the language of it. It says here:

In any form, made or cut from cotton-pile fabrics, 45 per cent ad valorem.

You do not say whether composed of 1⅛-inch cotton or not. You say "all these fabrics," and the Senator from Wisconsin [Mr. LENROOT] has shown that about one-eighth of them are composed of that kind of cotton, and yet you impose a compensatory duty upon the whole business.

Mr. SMOOT. Yes; and to-day, under the existing law, all kinds of these fabrics carry a duty of 40 per cent, and there is no duty upon long-staple cotton.

Mr. LENROOT. Mr. President, will the Senator yield? I wish to make a correction. The expert calls my attention to the fact that the imports that I read of the first five months did not carry a compensatory duty.

Mr. SMOOT. Mr. President, the question of policy came up as to whether we should undertake to enumerate all of these tapestries and pile fabrics of all kinds, and in each case put on a compensatory duty according to the amount of cotton used in the goods; and it was decided to apply it to paragraphs 903 and 905a only and provide the rates to take care of that outside. The House gave a duty of 45 per cent on foreign valuation, 30 per cent on American valuation. That meant 45 per cent. That is one-third off. At that time they had no rate of duty upon long-staple cotton, so we have cut the rate by whatever amount the duty upon long-staple cotton may affect the price of those goods. That, of course, is 10 cents a pound upon every pound of it that goes into the pile fabrics, and it is a large decrease from the House rate.

The PRESIDING OFFICER. The question is upon agreeing to the amendment of the committee, as modified.

The amendment, as modified, was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The READING CLERK. On page 127, line 2, it is proposed to strike out "25" and insert "40," so as to read:

terry-woven fabrics, composed wholly or in chief value of cotton, and manufactures, in any form, made or cut from terry-woven fabrics, 40 per cent ad valorem.

Mr. SMOOT. In that case we gave just exactly the duty provided by the present law.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. SMOOT. Mr. President, in paragraph 910, I want to modify the 40 per cent ad valorem to 30 per cent ad valorem.

The PRESIDING OFFICER. The question is upon agreeing to the committee amendment as modified, which the Secretary will state.

The READING CLERK. In paragraph 910, page 127, line 6, the Senator from Utah proposes to strike out "28" and to insert in lieu thereof "30," so as to read:

PAR. 910. Table damask, composed wholly or in chief value of cotton, and manufactures, in any form, composed wholly or in chief value of such damask, 30 per cent ad valorem.

Mr. SMITH. Of course, I will have another chance at that. I will let the vote be taken.

The amendment as modified was agreed to.

The next amendment of the committee was, in paragraph 911, page 127, line 8, after the words "bedspreads," to insert the words "in the piece or otherwise," and a comma.

Mr. SIMMONS. Mr. President——

Mr. SMOOT. This is just to correct the wording.

Mr. SIMMONS. I have no objection to that amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment.

The READING CLERK. The next amendment is, on page 127, line 11, where the Senator from Utah [Mr. SMOOT] proposes to strike out "30" and insert in lieu thereof "40," in lieu of the 45 per cent proposed by the committee.

Mr. SMITH. The present rate is 25 per cent.

Mr. SMOOT. No; it is 30 per cent.

Mr. SMITH. The maximum was 30 per cent. I see that the present law makes a distinction between bedspreads and quilts.

Mr. SMOOT. No; they both bear a rate of 30 per cent.

Mr. SMITH. One is under paragraph 264, and the other is under paragraph 266. One is 30 per cent, and the other is 25 per cent.

Mr. SMOOT. If the Senator will notice, on the other quilts—bedspreads, wholly or in chief value of cotton—I propose to amend by striking out "30" and inserting "25." The rate in the existing law is 30 per cent. This proposed rate is 5 per cent less than the rate in existing law.

Mr. SMITH. I did not quite catch that.

Mr. SMOOT. The Senator was speaking of other quilts or bedspreads, in line 12, wholly or in chief value of cotton. I have offered an amendment to substitute "25" for the 30 per cent ad valorem, and if the Senator will look up the existing law he will find that the rate is 30 per cent. In other words, the rate in the amendment is 5 per cent lower than the rate in existing law.

Mr. SMITH. Let us take the facts in reference to the quilts and blankets.

Mr. SMOOT. That is quilts and bedspreads woven of two or more sets of warp threads or of two or more sets of filling threads. On that we propose a duty of 40 per cent. The rate in existing law is 30 per cent, and the Payne-Aldrich rate was 45 per cent. When we come to other quilts or bedspreads, the second part of this paragraph——

Mr. SMITH. The present law does not separate them. It gives them together, and the imports into this country were valued at $230,000, whereas the domestic production in value was $42,000,000. The production of quilts alone amounted to $10,000,000, and of blankets to $32,000,000, whereas the value of the imports was $230,000, against a combined production of $42,000,000. We have the very same difference in this as we had in the other paragraph to which I called the Senator's attention. A 25 per cent for one and 30 per cent for the other acted as a practical prohibition. On what ground does the Senator raise this duty?

Mr. SMOOT. It was a typographical error, I see, which led me to say that the rate of duty on other quilts and bedspreads under existing law is 30 per cent. It is 25 per cent, just as we propose to make this rate 25 per cent. But the production the Senator speaks of is for all quilts, of every name and nature.

Mr. SMITH. Under the Senator's proposed arrangement he will have the latter classification exactly as it is now, and dividing them, as you do, the other classification would be 15 per cent higher, so that your average would be possibly 10 per cent higher than the present.

Mr. SMOOT. The existing rate is 30 per cent on the quilts and bedspreads woven of two or more sets of warp threads or of two or more sets of filling threads.

Mr. SMITH. It is 30 per cent, and you propose to make it 40 per cent.

Mr. SMOOT. And 25 per cent.

Mr. SMITH. Then, if they were evenly divided you would have 30 per cent and 25 per cent, and your 45 per cent and 25 per cent would be 70 per cent, and you would have 20 per cent additional on the two, when, under the report of the Tariff Commission, you have no imports to speak of. Why the raise? I am simply taking your theory of protection.

Mr. SMOOT. I do not know what the Senator means by 20 per cent more.

Mr. SMITH. You take 25 per cent and 30 per cent. Those are the minimum and maximum under the present law. Add them together, and divide them by 2, and you would have the average.

Mr. SMOOT. That would be 27½ per cent.

Mr. SMITH. The rates under this amendment are 45 per cent and 30 per cent, which would make 75 per cent. The average would be 37½.

Mr. SMOOT. As against 27½.

Mr. SMITH. That would be exactly 10 per cent difference.

Mr. SMOOT. Yes; but that is not the way to take an average.

Mr. SMITH That is the nearest we can approximate it with the figures now before us. In view of the fact that you have all the protection you could ask for in the world, why do you want to increase the rate?

Mr. SMOOT. We are not increasing it.

Mr. SMITH. You are increasing it 15 per cent—that is, you are adding that much more—whereas the present rate of duty seems to be absolutely ample.

Mr. SMOOT. The present rate of duty is ample on other quilts and bedspreads, other than those woven of two or more sets of warp threads or two or more sets of filling thread.

Mr. SMITH. But the Senator has no more statistics than I have to show that the double woven comes in in any greater quantity than the single woven. There are no figures here to show it; so that we must take them all in the same category. The total amount coming in is absolutely negligible in comparison with the domestic production and consumption. So, why add the 10 per cent?

It is not a question of protection. This proves the fact that what you are driving at is to enable the manufacturers of this country to raise their own prices, because under the present rate you are shutting out importations. There is no competition. Why do you add to the rate which seems to be so effective? The only answer can be that you want to give the manufacturers an excuse for adding that much to the prices.

I am going to put into the RECORD the average dividends made by the standard and organized mills of this country, and let the people know what manufacturers need along these lines, as compared with those who have to take their chances with the seasons and with the boll weevil and demoralized finance, and go out and fight with nature to see whether they will make any crop, and when they have made a crop stand at the mercy of the gamblers as to whether they will get anything for it or not. But we sit down and build a wall around those who manufacture the stuff, and impose rates which will compel the American people to pay more than is justified by any doctrine of tariff whatsoever.

Those are the facts I want the American people to know, and I am glad this is going into the RECORD. Here are the figures of the imports, showing that the present rate is not only protective but almost prohibitory. Yet we are asked to add 10 per cent to it.

Mr. SIMMONS. Mr. President, this is one case where I think the facts ought to be fully set out in the RECORD, and I wish to set them out as fully as I can.

This paragraph divides itself into a number of separate articles, and the Tariff Commission in its report has dealt with each one of those separate articles in the statistics as to production, imports, and exports. It appears that the production of bedspreads and quilts in 1919 was valued at $10,250,000. That is the first thing dealt with in the paragraph.

Next is sheets and pillowcases. The production was valued at $3,369,000.

The production of cotton blankets of all kinds was valued at $32,640,000.

The production of towels, toweling, and bath mats, wiping and polishing cloths, was valued at $16,000,000.

The production of dimity, and so forth, is not recorded.

Adding up the value of the production of the several articles provided for in the paragraph, you have something around $60,000,000. That represents the production of the articles covered by this paragraph, which are practically all household cotton products used in connection with the furnishing of the house, quilts for the beds, towels, pillowcases, cotton blankets, mats, and so forth.

Fortunately the Tariff Commission, in dealing with the importations of these articles, divides them up into four parts, just as they divided up the production. First, they give the importations of cotton blankets and quilts, and I find that in the nine months of 1921 the value of the imports of these articles was only $147,433.

Next, they segregate and give the importations of cotton sheets and pillowcases for nine months in 1921, the value being $21,042.

Third, they give the figures as to cotton towels and mats, stating that the imports for the nine months of 1921 were valued at $48,513.

Then we have cotton cloths for polishing, mop cloths, and wash cloths, imports for 1921, $28,378. That would amount in all to around $250,000. In other words, $60,000,000 production and $250,000 imports.

They also, fortunately, in the same way and making the same divisions, give the exportations. They are not all recorded. The exports are not recorded, but are substantial. Their volume is indicated by Canadian statistics, which show imports from the United States for the fiscal year—and this is to Canada—March 31, 1921, valued as follows: Bed quilts and spreads, $235,932; sheets and pillowcases, $125,595; blankets, $257,632; also toweling, $285,995, the greater part of which, however, may have been the Turkish toweling. That gives a total of something over $1,000,000. It seems to be confined to our exports to Canada.

It is a very remarkable thing that we are able to export to Canada about four times as much of these products in value as we imported from all the world. Canada, which is a Dominion of Great Britain, which has a preferential tariff with Great Britain, is able or prefers to buy our products instead of buying the British products. Of course, the tariff, being preferential in favor of the mother country, is lower upon the British products than it is upon the American products, and yet Canada buys from us, which indicates that we can sell for less than Great Britain, who is our great competitor in these products. Then we have the additional fact that while we produce $60,000,000 of these necessary household articles, which have to be used in the humblest home as well as in the palaces of the rich, we are able to supply our domestic demands and supply the domestic demands of our next-door neighbor, and probably, although the facts are not given about it, we export larger quantities to other countries than to Canada.

Of course, if these quilts, blankets, pillowcases, sheets, and towels could be produced more cheaply in Europe than they are here, if the present rate of duty were not sufficient to keep them out of this country, we would have, considering the large use of the products in this country, a larger importation than $250,000 in one year. That is about the total amount of our importations. If there is any object of taxation which we have had to discuss since we have taken up the cotton schedule that would seem to me to be fully protected by the present duty, it would be these particular products.

The Canadian exportations show very conclusively to my mind that we must be making these products, even if there were no duty upon them, at a price that would enable us to hold our markets against Great Britain without a duty, because we do hold and supply the Canadian market with a preferential tariff in favor of Great Britain.

I do not care to haggle with the Senator from Utah about the increase that he wants to make, but I do think that the committee ought to be satisfied with the rates of the present law in the face of the facts furnished us by the Tariff Commission, especially when it is remembered that we are asked, in the face of those fundamental facts with reference to production, export, and import, to increase the rate which seems not to be required, without any information being given to us even so much as tending to show that any greater protection is required in order to equalize the differences in cost of production here and abroad, or in order to harmonize prices here and abroad, and produce a competitive condition in this market.

In other words—and I can not repeat it too often—it is a very remarkable thing to me that Senators come here and say, "We are proposing to pass a protective measure and we are proposing to give the American producer a protection equal to the difference in the cost of production here and abroad, or a protection which will bring selling prices upon a basis of competition," and yet do not offer us a single line of evidence to show that there is any difference in the cost of production here and abroad, or that there is any difference in the selling price of the product here and in the competing market, if there is any competing market. I say that the facts show that there is no competing market. When we are consuming $60,000,000 worth of the products in this country and only importing $250,000 worth of them from abroad, I say that the facts show that there is no competition between this country and any other country in the world under the present rate of duty.

I asked Senators on the other side, when we began the discussions, to give us some evidence when they proposed a duty, either an original duty or an increase in duty, that the duty was warranted by the principles upon which they say they are operating and the principles upon which they say they have a commission from the people to impose taxes upon them. The people have not authorized them to come here and propose taxes at will or to suit the producers of these products in the country. The people have not authorized them to come here and give to Mr. Lippitt or Mr. Wood or Mr. Littauer whatever they ask. The people have only commissioned them to act in the premises when they find that there are conditions which, according to the platform and the claims of the Republican orators when they were discussing the protective tariff before the people, would justify the rates. Yet they come here day after day, jacking up these rates and giving us not one particle of evidence to show that the facts justify the increase according to the authority which the people have given them. It has been days and days since we have had a word of explanation as to any difference in the cost of production here and abroad or the selling prices of the domestic and the foreign products. We are told that "somebody wants a little more duty and we think the present rates ought to be raised somewhat, or we think there ought to be a compensatory duty here and there to cover dyestuffs or cotton or something else," and that is the end of their statement.

Now, here we are confronted with a case where we have an enormous production, equal to our entire consumption, with

heavy exports to our neighbor, Canada, which has a preferential rate with England, our only competitor, and which country is still buying our goods, with American importations that do not amount to a bagatelle, not worth mentioning, not as many goods as would be consumed in a little village of 10,000 people in one year. Yet the majority want the whole 110,000,000 people in the United States to pay an additional tax upon a thing that we produced to the extent of $60,000,000, the full requirements of the country, because $250,000 worth of goods of the same character come in from somewhere else, without any evidence whatsoever to show that there is any justification for their action in the principle upon which they operate and upon which alone they have authority from the people to act.

Mr. President, I rather feel that I should beg the pardon of the Senate when I discuss a situation of this sort. It rather causes me to lose patience and show unwonted heat. What the majority proposes is so absurd!

Mr. SMOOT. Mr. President, quilts and bedspreads other than those woven of two or more sets of warp or fillings of threads carry exactly the same rates as in the existing law, and as the other quilts cost about four or five times the amount to make and as there is three times the amount of labor in them that there is in the particular quilts mentioned at 25 per cent, the committee have asked that the rates be reduced from 45 per cent to 40 per cent. The existing rate is 30 per cent on these high-grade quilts, which are very costly to make.

Mr. SMITH. Mr. President, I had said all that I wanted to say on this item, and still I do not want the statement the Senator from Utah just made to go into the RECORD without the additional statement that no matter what may be the cost, the proof is that it did not go sufficiently high in this country to cause importations to come in. It does not make any difference whether the double weave costs more than or twice as much as the single weave. The fact is that the statistics show that we exported more than we imported, and the domestic production was infinitely greater, being in the millions, while the importation was only in the thousands. Yet, notwithstanding that fact, because one character of article costs a little more than the other, it is now proposed to increase the duty on the higher-priced goods, when the present duty is prohibitory so far as competition from abroad is concerned. I am willing now that a vote may be taken on the amendment.

Mr. SIMMONS. Let us have a yea-and-nay vote on it.

Mr. SMITH. We shall have to have a yea-and-nay vote on these articles, for the reason that they are articles in such universal and common use. The American people are entitled to have some of the burdens which are placed upon them now removed. They have to bear the income tax; they have to pay the interest on $26,000,000,000 of Government obligations; they have to pay higher freight rates and a higher general average of wages, and local taxes are piling up. Organized society is costing much more than ever before, and yet on top of all that it is now proposed to impose this intolerable burden for the benefit of those who notoriously pay less taxes because their investments so often are largely in Government securities which are nontaxable, while those who are not so fortunate must in the last analysis pay all of this additional cost.

Mr. SMOOT. Mr. President, the manufacturers pay this duty, and, with all these added burdens of which the Senator from South Carolina has spoken, he is now insisting that the rate of protection shall be reduced.

Mr. McCUMBER. Mr. President, if the Senator from Utah will yield to me——

Mr. SMOOT. I yield.

Mr. McCUMBER. I ask unanimous consent that when the Senate concludes its session on this calendar day it take a recess until to-morrow at 11 o'clock a. m.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered. The question is on the committee amendment.

Mr. SMITH. I believe the first committee amendment we have agreed to.

Mr. SMOOT. The first committee amendment has been agreed to.

Mr. SMITH. The next amendment is to reduce the rate from 45 per cent to 40 per cent, and on that I think we should have a yea-and-nay vote.

The VICE PRESIDENT. The amendment will be stated.

The ASSISTANT SECRETARY. On page 127, paragraph 911, line 11, before the words "per cent," the Senator from Utah, on behalf of the committee, proposes to modify the amendment of the committee by striking out the numeral "45" and inserting in lieu thereof the numeral "40."

Mr. SMITH. I have asked for the yeas and nays on the amendment as modified because I shall take the vote thereon as a test vote of the Senate as to whether, without any justification at all in the statistics furnished by the Tariff Commission, it is proposed to impose an additional tax on these prime necessities of the household.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. LODGE (when his name was called). I have a general pair with the Senator from Alabama. I transfer that pair to the junior Senator from Maryland [Mr. WELLER] and vote "yea."

Mr. NEW (when his name was called). Repeating the announcement made on previous ballots this day as to the transfer of my pair, I vote "yea."

Mr. POMERENE (when his name was called). I have a pair for the day with my colleague [Mr. WILLIS]. I am not able to secure a transfer. I do not know how my colleague would vote if present. If I were permitted to vote, I should vote "nay."

Mr. ROBINSON (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the Senator from Missouri [Mr. REED] and vote "nay."

Mr. SMITH (when his name was called). Making the same announcement as previously with regard to the transfer of my pair, I vote "nay."

Mr. WALSH of Montana (when his name was called). I have a general pair with the Senator from New Jersey [Mr. FRELINGHUYSEN]. In his absence, being unable to secure a transfer, I withhold my vote. If at liberty to vote, I should vote "nay."

The roll call was concluded.

Mr. BALL. Transferring my general pair with the senior Senator from Florida [Mr. FLETCHER] to my colleague, the junior Senator from Delaware (Mr. DU PONT), I vote "yea."

Mr. EDGE. Making the same announcement as heretofore with regard to the transfer of my pair, I vote "yea."

Mr. OVERMAN (after having voted in the negative). Noticing that my pair, the senior Senator from Wyoming [Mr. WARREN], has not voted, I am compelled to withdraw my vote.

Mr. GLASS. Repeating the announcement that I made on previous votes as to my pair and its transfer, I vote "nay."

Mr. McCUMBER (after having voted in the affirmative). I transfer my pair with the junior Senator from Utah [Mr. KING] to the senior Senator from Pennsylvania [Mr. CROW] and allow my vote to stand.

Mr. JONES of New Mexico. I am unable to secure a transfer of my general pair, and therefore withhold my vote. If I were permitted to vote, I should vote "nay."

The result was announced—yeas 29, nays 14, as follows:

YEAS—29.

Ball	Hale	McCumber	Phipps
Brandegee	Johnson	McKinley	Shortridge
Broussard	Jones, Wash.	McNary	Smoot
Bursum	Kellogg	Moses	Sterling
Capper	Kendrick	Nelson	Townsend
Curtis	Keyes	New	
Edge	Lenroot	Oddie	
Ernst	Lodge	Pepper	

NAYS—14.

Caraway	Heflin	Sheppard	Swanson
Dial	Hitchcock	Shields	Walsh, Mass.
Gerry	Ransdell	Simmons	
Glass	Robinson	Smith	

NOT VOTING—53.

Ashurst	Frelinghuysen	Nicholson	Sutherland
Borah	Gooding	Norbeck	Trammell
Calder	Harreld	Norris	Underwood
Cameron	Harris	Overman	Wadsworth
Colt	Harrison	Owen	Walsh, Mont.
Crow	Jones, N. Mex.	Page	Warren
Culberson	King	Pittman	Watson, Ga.
Cummins	Ladd	Poindexter	Watson, Ind.
Dillingham	La Follette	Pomerene	Weller
du Pont	McCormick	Rawson	Williams
Elkins	McKellar	Reed	Willis
Fernald	McLean	Spencer	
Fletcher	Myers	Stanfield	
France	Newberry	Stanley	

The VICE PRESIDENT. A quorum not having voted, the Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ball	Dial	Hitchcock	McKinley
Borah	Edge	Jones, N. Mex.	McNary
Brandegee	Ernst	Jones, Wash.	Moses
Broussard	Gerry	Kellogg	Nelson
Bursum	Glass	Kendrick	New
Capper	Gooding	Keyes	Nicholson
Caraway	Hale	Lenroot	Oddie
Cummins	Harreld	Lodge	Overman
Curtis	Heflin	McCumber	Pepper

Phipps	Sheppard	Smoot	Walsh, Mass.
Pomerene	Shortridge	Sterling	Walsh, Mont.
Ransdell	Simmons	Swanson	Warren
Robinson	Smith	Townsend	

The VICE PRESIDENT. Fifty-one Senators have answered to their names. A quorum is present. The Secretary will call the roll on the amendment of the committee as modified.

The reading clerk proceeded to call the roll.

Mr. BALL (when his name was called). Making the same announcement as before as to the transfer of my pair, I vote "yea."

Mr. SMITH. Mr. President, a parliamentary inquiry. We are now voting on the same proposition that we had before us when we had no quorum?

The VICE PRESIDENT. Yes; on the committee amendment as modified.

Mr. EDGE (when his name was called.) Making the same announcement as before, I vote "yea."

Mr. ERNST (when his name was called). I transfer my general pair with the senior Senator from Kentucky [Mr. STANLEY] to the junior Senator from Michigan [Mr. NEWBERRY] and will vote. I vote "yea."

Mr. GLASS (when his name was called). Making the same announcement as before, I vote "nay."

Mr. JONES of New Mexico (when his name was called). Making the same announcement as on the previous roll call, I withhold my vote.

Mr. LODGE (when his name was called). Making the same announcement as before as to my pair, I vote "yea."

Mr. McCUMBER (when his name was called). Transferring my pair as on the last vote, I vote "yea."

Mr. NEW (when his name was called). Repeating the announcement as to the transfer of my pair, I vote "yea."

Mr. POMERENE (when his name was called). Announcing my pair as on the previous vote with my colleague [Mr. WILLIS], I find that I can transfer that pair to the senior Senator from Arizona [Mr. ASHURST]. I do so, and will vote. I vote "nay."

Mr. ROBINSON (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the Senator from Missouri [Mr. REED], and will vote. I vote "nay."

Mr. SMITH (when his name was called). I have a general pair with the Senator from New York [Mr. WADSWORTH]. I transfer that pair to the Senator from Texas [Mr. CULBERSON], and will vote. I vote "nay."

Mr. WALSH of Montana (when his name was called). I transfer my pair with the Senator from New Jersey [Mr. FRELINGHUYSEN] to the Senator from Louisiana [Mr. RANSDELL], and will vote. I vote "nay."

The roll call was concluded.

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from New York [Mr. CALDER] with the Senator from Georgia [Mr. HARRIS];

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES];

The Senator from Missouri [Mr. SPENCER] with the Senator from Montana [Mr. MYERS]; and

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS].

The result was announced—yeas 33, nays 17, as follows:

YEAS—33.

Ball	Gooding	McCumber	Phipps
Brandegee	Hale	McKinley	Shortridge
Broussard	Harreld	McNary	Smoot
Bursum	Jones, Wash.	Moses	Sterling
Capper	Kellogg	Nelson	Townsend
Cummins	Kendrick	New	Warren
Curtis	Keyes	Nicholson	
Edge	Lenroot	Oddie	
Ernst	Lodge	Pepper	

NAYS—17.

Borah	Heflin	Sheppard	Walsh, Mass.
Caraway	Hitchcock	Shields	Walsh, Mont.
Dial	Overman	Simmons	
Gerry	Pomerene	Smith	
Glass	Robinson	Swanson	

NOT VOTING—46.

Ashurst	Culberson	Fletcher	Johnson
Calder	Dillingham	France	Jones, N. Mex.
Cameron	du Pont	Frelinghuysen	King
Colt	Elkins	Harris	Ladd
Crow	Fernald	Harrison	La Follette
McCormick	Owen	Spencer	Watson, Ga.
McKellar	Page	Stanfield	Watson, Ind.
McLean	Pittman	Stanley	Weller
Myers	Poindexter	Sutherland	Williams
Newberry	Ransdell	Trammell	Willis
Norbeck	Rawson	Underwood	
Norris	Reed	Wadsworth	

So the amendment of the committee as modified was agreed to.

Mr. SMOOT. On line 12, I ask to substitute "25" for "30." That is the existing rate in the Underwood law.

The VICE PRESIDENT. The amendment as modified will be stated.

The READING CLERK. On page 127, line 12, it is proposed to strike out "20" and insert "25," so as to read:

Other quilts or bedspreads, wholly or in chief value of cotton, 25 per cent ad valorem.

The amendment as modified was agreed to.

Mr. SMOOT. On line 17, I ask to substitute "25" for "30."

The VICE PRESIDENT. The amendment as modified will be stated.

The READING CLERK. On page 127, line 17, it is proposed to strike out "20" and insert "25," so as to read:

Sheets, pillowcases, blankets, towels, polishing cloths, dust cloths, and mop cloths, composed wholly or in chief value of cotton, not Jacquard figured or terry woven, nor made of pile fabrics, and not specially provided for, 25 per cent ad valorem.

The amendment as modified was agreed to.

The READING CLERK. On line 20 of the same page——

Mr. SMOOT. I ask to substitute "30" for "35."

The VICE PRESIDENT. The amendment as modified will be stated.

The READING CLERK. On page 127, line 20, it is proposed to strike out "23" and insert "30," so as to read:

Table and bureau covers, centerpieces, runners, scarfs, napkins, and doilies, made of plain-woven cotton cloth and not specially provided for, 30 per cent ad valorem.

The amendment as modified was agreed to.

Mr. SMOOT. Mr. President, on line 1, page 128, I move to substitute "35" for "40."

The VICE PRESIDENT. The amendment as modified will be stated.

The READING CLERK. On page 128, line 1, it is proposed to strike out "25" and insert "35," so as to read:

Fabrics with fast edges not exceeding 12 inches in width, and articles made therefrom; tubings, garters, suspenders, braces, cords, tassels, and cords and tassels; all the foregoing composed wholly or in chief value of cotton or of cotton and india rubber, and not specially provided for, 35 per cent ad valorem.

Mr. SMITH. Mr. President, I should like to put in the RECORD the fact that the total value of articles of this kind produced in this country was $15,104,000, as against a value of imports of $350,000. The present rate of duty is 25 per cent. The proposed rate is 35 per cent, an increase of 10 per cent. The same argument would apply to this that applied to the rest of them.

Mr. SMOOT. The Payne-Aldrich rate was 60 per cent.

Mr. SMITH. That is true.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee as modified.

The amendment as modified was agreed to.

The READING CLERK. On the same page, page 128, line 3, it is proposed to strike out "12½" and insert "15," so as to read:

Spindle banding, and lamp, stove, or candle wicking, made of cotton or other vegetable fiber, 10 cents per pound and 15 per cent ad valorem.

Mr. SMOOT. I ask that that amendment be rejected, so as to leave it 12½ per cent.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was rejected.

Mr. SMOOT. In paragraph 912, page 128, line 10, I move to strike out "50 cents per pound and 20 per cent ad valorem" and insert "60 per cent ad valorem."

Mr. SMITH. The Senator has passed over an amendment on line 5.

Mr. SMOOT. That is true.

The VICE PRESIDENT. The Secretary will state the amendment in line 5.

The READING CLERK. On page 128, line 5, the committee proposes to strike out "12½" and to insert in lieu thereof "20," so as to read:

Boot, shoe, or corset lacings, made of cotton or other vegetable fiber, 15 cents per pound and 20 per cent ad valorem.

Mr. SMITH. Does the Senator wish to amend that?

Mr. SMOOT. There is no amendment of that amendment, because that is the duty on corset laces, and I will say to the Senator that the manufacturers have asked for about three times that rate. From the testimony produced before the committee there is no question but that it is a small business, but

as long as we have it in this country we must at least give it protection.

Mr. SMITH. Very well; let us vote on it.

The amendment was agreed to.

The next amendment of the committee was, on page 128, line 8, to strike out "20" before "per cent" and insert in lieu thereof "25," so as to read:

Loom harness, healds, and collets, made wholly or in chief value of cotton or other vegetable fiber, 25 cents per pound and 25 per cent ad valorem.

The amendment was agreed to.

The VICE PRESIDENT. The Secretary will state the next amendment.

The READING CLERK. On page 128, line 10, the Senator from Utah proposes to strike from the House text "50 cents per pound and."

Mr. SMOOT. I will state briefly that that applies to labels in which the name or the advertisement of whatever is made is woven into the cloth. In fact, they can weave a figure or any name right into the cloth, and those are used as labels, on very costly goods, generally, with the name of the maker and the article itself.

Mr. SIMMONS. That is a duty on labels for garments or other articles composed of cotton or other vegetable fiber——

Mr. SMOOT. Fifty cents per pound and 25 per cent ad valorem, as proposed by the committee originally. This is 60 per cent—a reduction.

Mr. SIMMONS. I am just in receipt of a telegram which I wish to read to the Senate. It is from Pitts & Kitts Manufacturing & Supply Co., of New York. I do not know anything about them. They say:

To-day's papers report Senate's committee recommendations tariff section 912 on labels, 60 per cent ad valorem. This represents 140 per cent increase over present schedules and 90 per cent over original Senate Finance Committee report. Rates absolutely unfair, confiscatory, and prohibitive.

PITTS & KITTS MANUFACTURING & SUPPLY CO.

I have not had time since I got that telegram to look into this matter, and I will ask the Senator from Utah to let the amendment go over. I want to look into the item, unless the Senator from South Carolina has already investigated it. That is a startling statement.

Mr. SMITH. I would like to state that our imports are about $36,000 and our domestic production $624,000. A good portion of the imports were by our Government for Army purposes, under the urge of the war, and this is an increase. The label covered by it is just a simple device, a figure woven into the cloth. The amount imported, outside of our war emergency, was practically negligible, and by this we increase it——

Mr. SIMMONS. This firm says 140 per cent.

Mr. SMOOT. I am perfectly willing that it shall go over.

Mr. SIMMONS. I would like to look into it.

Mr. SMOOT. Taking it as a whole—that is, all widths, and whether it be closely woven, or only a name without anything else—it is an increase. On certain lines it is not an increase, but the average equivalent ad valorem, taking them all together, is 49 per cent, and this is an increase from 49 over what the House gave.

Mr. SMITH. In the particular form in which it is stated here, eo nomine, the rate is 25 per cent, and now it is proposed to make it 60 per cent.

Mr. SIMMONS. No; it was 50 cents a pound and 25 per cent ad valorem.

Mr. SMOOT. The Senator means the rate in the present act.

Mr. SMITH. I mean in comparison with the present law.

Mr. SMOOT. These goods are just beginning to come here from Germany. This is one of the articles Germany always made, and they are made now in Germany. If the invoices which were shown to the committee are correct, the prices for which they can sell the goods will absolutely prohibit the making of very many of these goods in the United States. Whether those invoices are correct or not, I do not know. All I can say is that the examiners at the port of entry at New York say they are coming in at those prices to-day, and they are very much worried over the industry in the United States. It is a small matter. It does not amount to anything in a suit of clothes, and the manufacturers say that unless they get this rate they will be virtually put out of business. But the amendment may go over.

The VICE PRESIDENT. The amendment will be passed over.

The next amendment of the committee was, on page 128, line 13, to strike out "20" and insert in lieu thereof "30," so as to read:

Belting for machinery, composed wholly or in chief value of cotton or other vegetable fiber, or cotton or other vegetable fiber and india rubber, 30 per cent ad valorem.

The amendment was agreed to.

Mr. SMOOT. That is as far as we will ask the Senate to go to-night.

Mr. SMITH. I understand that the bill will lie over until to-morrow.

Mr. SMOOT. Until to-morrow.

EXECUTIVE SESSION.

Mr. McCUMBER. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened and (at 5 o'clock and 55 minutes p. m.) the Senate, under the order previously made, took a recess until to-morrow, Tuesday, July 18, 1922, at 11 o'clock a. m.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 17 (legislative day of April 20), 1922.

APPRAISER OF MERCHANDISE.

George O'Brien to be appraiser of merchandise at Philadelphia, Pa.

POSTMASTERS.

COLORADO.

Will J. Wood, Crawford.

CONNECTICUT.

Louis E. Chaffee, Stafford Springs.

FLORIDA.

Add Joyce, Cedar Keys.
Gillian A. Sandifer, Lake Helen.
John W. Philip, Sarasota.

INDIANA.

Shad R. Young, Cicero.
Homer E. Wright, Crandall.
Thomas C. Dodd, Gosport.
Calvin Ulrey, North Manchester.

MASSACHUSETTS.

John P. Brown, Bass River.
Burton D. Webber, Fiskdale.

MICHIGAN.

Natalie G. Noble, Elk Rapids.
Victor H. Sisson, Freeport.
Ward R. Rice, Galesburg.
Otis J. Cliffe, Lakeview.

MINNESOTA.

Fritz Von Ohlen, Henning.
Kenneth S. Keller, Kasson.
Charles A. Allen, Milaca.
Peter G. Peterson, Villard.

SOUTH CAROLINA.

Alice Singletary, Bowman.

SOUTH DAKOTA.

Signora Hjermstad, Wallace.

SENATE.

TUESDAY, *July 18, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

DISTRIBUTION OF SPEECHES BY FEDERAL RESERVE BANK.

The PRESIDENT pro tempore. The Chair lays before the Senate a communication from the governor of the Federal Reserve Board, transmitting, pursuant to Senate Resolution 308, a letter from the Federal Reserve Bank of San Francisco, relative to the circulation of a speech delivered by Senator GLASS on the Federal reserve system. The communication and accompanying letter will lie on the table for the present.

PERSONAL PRIVILEGE—MUSCLE SHOALS PROJECT.

Mr. NORRIS. Mr. President, I rise to a question of personal privilege. On Saturday last the Senator from Arkansas [Mr. CARAWAY] made some remarks in regard to what happened in the Committee on Agriculture and Forestry, which I feel justify me in taking the floor as a matter of privilege.

In the first place, I want to absolve entirely the Senator from Arkansas from any intention of putting me in a false attitude. I think under the circumstances it was not to be wondered that any member of the committee might have a

misunderstanding of what occurred, and some of the things which he said happened there I am not going to deny. The Senator from Arkansas is entirely mistaken on the one thing that causes me to say anything on the subject, because it has direct reference to myself. I was not present when the Senator spoke, but I saw the Senator shortly after he spoke on Saturday afternoon and he told me in substance what he had said.

It was stated by the Senator from Arkansas in his remarks that the chairman of the Committee on Agriculture and Forestry, which, of course, could refer to no one but myself, decided that the Senator from Vermont [Mr. PAGE] was entitled to vote on the question as to whether that Senator had a right to vote. In that respect the Senator from Arkansas was entirely mistaken. The chairman of the committee never made such a decision. I do not believe that such a decision would be right. When the Senator from Arkansas told me what he had understood, I said that would of course be erroneous, and I would not make such a decision. I do not believe that would be a proper decision to make. I never did, as a matter of fact, make such a decision.

The Senator from Arkansas stated to me at the same time that on the question as to whether Senator PAGE had a right to have his vote recorded, Senator PAGE had voted. I did not know that at the time I talked with him, but I told him at that time that if that were true it was wrong, of course. I looked up the record immediately after I had my conversation with the Senator from Arkansas and I found that in that respect the Senator from Arkansas was right; that the Senator from Vermont was recorded as voting on that proposition. I agree with the Senator from Arkansas that that was wrong. If that had ever been called to my attention I would have so ruled. It never was called to my attention. On the other hand, if that vote would have made a difference in the result I would have felt in honor bound immediately to call a meeting of the Committee on Agriculture and Forestry in order that we might rectify it.

I went back and had the clerk of the committee show me the roll calls and found that on the vote to determine whether Senator PAGE's vote should be counted, the result was 10 to 6 in favor of counting it. Therefore, eliminating the vote that I concede was wrong, Senator PAGE's vote, the result would have been 9 to 6, and hence no wrong was in fact done, although I concede that the vote ought not to have been counted.

The question came up in the committee when the vote was being taken on the Ford offer. When the name of Senator PAGE was reached, the Senator from New Hampshire [Mr. KEYES] announced that he was authorized to cast the vote of Senator PAGE, and he read a telegram which he deemed sufficient to give him that authority.

I ought to pause here to say that at a previous meeting it had been agreed by unanimous consent of the committee that at the meeting on Saturday the vote on the bids should be taken without further debate; and that no absent member of the committee could be voted unless he had given authority in writing to some member of the committee to vote him. Unfortunately, as to just what that unanimous-consent agreement was, there was a misunderstanding on Saturday, it appears, and while I can not see how there could be any misunderstanding, I concede to those who think otherwise a perfectly conscientious and honorable motive in reaching their conclusions.

Senator KEYES read the telegram from Senator PAGE, the telegram which I now have in my possession and which I now read to the Senate, as follows:

HYDE PARK, VT., *July 14, 1922.*

Hon. HENRY W. KEYES,
Senate Chamber, Washington, D. C.:

You are authorized to vote for me on Muscle Shoals proposal at meeting of Committee on Agriculture to-morrow morning.

C. S. PAGE.

The point was made when the telegram was read that under our unanimous-consent agreement it did not give Senator KEYES authority to cast that vote. Upon that point the chair held that it did give the proper authority and that Senator KEYES was authorized under the telegram and under our unanimous-consent agreement to cast the vote of Senator PAGE, and he did cast it when the roll was finally completed. But at that point the roll call was interrupted by the other motion which was made, when the chair held that the telegram was sufficient authority. An appeal was taken from the decision of the chair or the question was submitted by the chair to the committee—I think both things occurred—and the roll was called upon that question.

When the name of Senator PAGE was reached, I presume from the roll call, Senator KEYES voted him and the clerk so recorded him, and in that way Senator PAGE did vote on the question of his own right to vote which, as I have said, was in my judgment absolutely wrong, and which, if it had been a vote that would have changed the result, would have caused me to feel in honor compelled to call the committee together in order to rectify it. Upon that vote the result was 10 to 6, showing that at least one of the Ford adherents believed that under the telegram Senator KEYES had a right to cast the vote of Senator PAGE.

We had those two roll calls, one interrupting the other. When the roll was partly called on the question of the acceptance or rejection of Henry Ford's bid it was interrupted by the other roll call as to whether Senator KEYES had a right to cast the vote of Senator PAGE. So there were two rolls, one interlocking in the other. The chair did decide, and still adheres to it and still believes he was right, that Senator KEYES did have the authority to cast the vote of Senator PAGE. As to whether he had the right to cast his vote on that particular roll call there never was a point raised. It is easy to understand how Senators, these two things interlocking and coming together, would get them mixed, because as a matter of fact it was rather a tempestuous meeting and it often occurred that everybody was talking and nobody was listening.

So, Mr. President, I want to say most emphatically that as chairman of that meeting I did not decide and I never have made such a decision—it would have been contrary to every idea of mine as to what was right—that upon the vote to determine whether or not Senator KEYES had a right to vote Senator PAGE, Senator PAGE could vote. When that roll call was completed, which, as I said, resulted in agreeing that Senator KEYES did have the authority to vote for Senator PAGE, the roll call being 10 to 6, which would have been 9 to 6 if the vote had been properly recorded, then the other roll call was completed on the bid of Henry Ford, which roll call had been interrupted by this parliamentary proceeding. It was on that question or any other question pertaining to Muscle Shoals that the chair would have held that Senator KEYES had a right to cast the vote of Senator PAGE. Upon that roll call the result was 9 to 7 against the bid of Henry Ford.

Another point that the Senator from Arkansas made, and which I concede is correct, was that upon an appeal from the decision of the chairman of the committee and the roll call being had, the chair voted. That is true. The chair did vote. I contend now that the chair had a right to vote. It was not questioned then. I believe that anyone who will examine the logic of the situation or the decisions and precedents must reach that conclusion. A committee is in session and a point comes up and the chair decides the point of order of procedure and an appeal is taken from the decision of the chair. The clerk calls the roll and the chairman votes just the same as everybody else on the committee. Otherwise, Mr. President, the chairman would be deprived of a right which, under the Constitution of the United States, he has as a member of the committee, and that is to vote on every question coming before the committee where he has no personal or financial interest in the result.

If the other theory be right, it would mean that the control of the committee by the majority would be turned over to the minority in every case where that majority did not exceed more than one, because it would exclude the chairman from voting and would always leave the minority in control. So that, as a matter of fact, if it is followed out to its logical conclusion, if we had a committee composed of eight of the majority and seven of the minority and we deprived the chairman of the right to vote, the minority could absolutely control the committee and always would.

Mr. CARAWAY. Mr. President, may I interrupt the Senator?

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Arkansas?

Mr. NORRIS. I yield.

Mr. CARAWAY. The rule touching appeals from the decision of the chair never could arise upon the merits of legislation, and therefore the fault of the Senator's reasoning is there. It lies only upon rulings that the chair may have made as to questions of parliamentary procedure. In that there are not presumed to be any majorities or any minorities, because the parliamentary rules are for the government of both. The Senator seems to think we might deprive the chairman of his right to vote upon legislative matters pending. That never could be, because the question of an appeal is the only parliamentary ruling which the chairman as chairman may make. He participates as any other member of the committee on legislative matters, and from his participation therein no question could arise from which an appeal could lie.

Mr. NORRIS. If the Senator's theory is right, it would not be a difficult thing for anyone with ordinary knowledge of parliamentary law to get the decisions on a legislative question. Every Member of the Senate realizes that upon a main question there may be hundreds of subsidiary questions and often there are questions of procedure. It would be possible to present a most objectionable method in that way and carry it through in order to prevent the chairman from voting.

Mr. President, I have not been able adequately to look up the authorities but I have made a slight examination. This is the only place where I think such a question was ever raised. I have been on committees of the Senate for a good many years, but I have never yet heard the objection raised that the chairman is not entitled to vote. That objection was not made in this case in the committee; it was made the first time on the floor of the Senate. Hinds' Precedents, volume 4, page 930, section 4569, reads as follows:

On an appeal from a decision of the chairman in a committee the chair voted to sustain his ruling, thereby producing a tie, and so the decision was sustained.

Mr. President, on the main proposition—for instance, on the vote in regard to the Ford offer—if the chair had been overruled and it had been held that the junior Senator from New Hampshire [Mr. KEYES] had no authority to cast the vote of the junior Senator from Vermont [Mr. PAGE] and the vote had been excluded, there would, after all, have been no difference in the result of the vote; for the vote would merely have been 8 to 7, instead of 9 to 7.

Mr. President, as to what actually occurred, whether I am right or whether I am wrong, I do not have any desire to conceal the facts; I want it all known. I did not feel, however, that I could permit to go unchallenged the statement that I had made a certain decision when in fact I had not made it, although, as I said when I decided that the Senator from Vermont had a right to vote in the committee, since both of the roll calls interlocked with each other, it is not surprising at all that a Senator should be mistaken, as I am confident that the junior Senator from Arkansas [Mr. CARAWAY] was mistaken on that proposition.

That is the only thing which the Senator said to which I felt I had a right to take exception. Although I do not agree with other statements he has made, what he has said which corresponded with my idea of the record I have frankly admitted. I thought I was right, and I think so yet; but on that one point I desire to be emphatic; I can not be mistaken about it, because the very idea of doing such a thing would be abhorrent to me; I would not do it, and I can not be put in the attitude of doing it, although, as I have said, under all the circumstances which surrounded that meeting of the committee it is not surprising that any Senator should get such an idea.

However, the clerk of the committee has all the roll calls, and I have looked at all of them so as to be positive as to whether or not such a thing occurred; and there was no such roll call.

So far as I was concerned, the fact was absolutely unnoticed; I did not know that it had occurred, and that that vote had been recorded, as I have stated, at least until the Senator from Arkansas told me so on Saturday afternoon. Then I looked the matter up and found that the vote had been actually recorded. It ought not to have been recorded; but the fact that it was recorded did not change the result; it had no effect on the proceedings.

Mr. CARAWAY. Mr. President, I am always willing to concede that those who differ from me are honest; I am not raising that question; but I am certain that the Senator from Nebraska, the chairman of the Committee on Agriculture, does not know all that took place in the committee room on the occasion to which reference is now made. As he suggested, all Senators were talking at once, and, without any disrespect to him, I rather think that the chairman of the committee talked as much as any other of the 15 members present. I am going to say now, for I know that the Senator from Nebraska will always tell the truth, that what I say I do not want him to think is a reflection upon him. I know that I called attention to the matter when the vote was about to be taken to sustain the contention as to the validity of the proxy of the Senator from Vermont, but my suggestion evidently did not reach the chairman, and I am not surprised. There was much confusion.

What happened was this: I am informed that the absent Senator had sent a telegram to some member of the committee—I was told it was to the chairman of the committee—on Tuesday stating that he knew nothing about the matters in controversy or did not think——

Mr. NORRIS. Now, let me correct the Senator, if he will allow an interruption.

Mr. CARAWAY. I yield.

Mr. NORRIS. The Senator from Vermont sent no such telegram. I never had a telegram from that Senator.

Mr. CARAWAY. Did the Senator from Nebraska ever see such a telegram?

Mr. NORRIS. I did not.

Mr. CARAWAY. Does the Senator from Nebraska know whether or not such a telegram was sent?

Mr. NORRIS. I never saw it. I heard the same rumor the Senator from Arkansas has heard, but I never received a telegram, although I did send a telegram to the Senator from Vermont and suggested that he wire some Senator authority to vote him in reference to the Muscle Shoals proposition; but I never had an answer to my telegram, and I never saw any answer.

Mr. CARAWAY. I am going to say that I have heard it stated—and I think it is true, although I say now, as I have said before, that I never saw the telegram—that the Senator from Vermont disclaimed having sufficient information to vote intelligently upon the matters involved. Senators who were very vitally opposed to Ford's offer were not willing for a vote to be taken on Tuesday. I am not complaining about that. I think that every member of the committee ought to have had an opportunity to have his vote recorded.

It went over until Saturday, and then a telegram was produced by the Senator from New Hampshire [Mr. KEYES] and read to the committee, as it was read here. It was the understanding of every member of the committee with whom I have talked that the proxy should direct how the absent Senator wished his vote cast. There was insistence that there should be no agreement that an absent Senator should vote until the committee should have met on Saturday. I did not agree with that contention, because I realized it did not give Senators a chance to be notified, and I thought they ought to be notified; but, to show just what the unanimous consent really was, the Senator from Louisiana [Mr. RANSDELL] argued that the Senator from Vermont ought to have a right to vote under certain circumstances, and he called attention to the form of a proxy which he thought ought to be adopted. He said that he himself had recently authorized the Senator from North Carolina [Mr. SIMMONS] to vote him for the acquisition of the Dismal Swamp and Cape Cod Canals. It was my understanding, and it was the understanding of every member of the committee with whom I have talked—and there were several—that if any Senator were absent he should send his proxy to some other member of the committee directing how his vote should be cast. I know the question of whether he might telephone his instructions was discussed, and it was decided that he should not do that, but that, in such an important matter, he should direct in writing or by telegram how his vote was to be cast. That question arose. I myself first suggested when the telegram from Senator PAGE was read that it did not correspond with the agreement entered into on Tuesday.

The chair—and I concede him what he concedes to me that he is absolutely honest in his recollection of the matter—thought differently. He thought that that telegram was in compliance with the agreement we entered into on Tuesday with reference to absent Senators, and so held. An appeal was taken from the chair's holding that that proxy was in compliance with the agreement, and on the vote on the appeal from the ruling of the chair the chair himself voted that his ruling was correct, and the proxy of the Senator from Vermont was voted that the proxy was valid.

Mr. NORRIS. Mr. President, will the Senator permit an interruption there?

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from Nebraska?

Mr. CARAWAY. Yes, sir.

Mr. NORRIS. If the Senator will eliminate the vote of the Senator from Vermont, which I concede ought to be eliminated, and also eliminate my vote, still authority was left to cast the vote; there was still a majority in favor of it.

Mr. CARAWAY. That may be true, Mr. President, but the question of whether it is correct or not is not determined by whether it was a success or a failure. I am complaining now in rather good humor, although all of us had just as well be frank about it and admit that everyone of us was angry on Saturday. The chair was just as angry as I was, and I was as angry as the chair. It may not have changed the result, but I am going to say, because I am now absolutely without any feeling concerning it, that for the chairman I have the very highest regard, and I am satisfied he did what he thought was

right; but I think every ruling he made was wrong, except one, and everybody else with whom I have talked went away with the same opinion.

The chairman has correctly stated the situation. He has said that everybody talked at once, and that is true. It was impossible to get any kind of a conception of what was going on, because members of the committee could not get the attention of the chair and the chair could not get the attention of the committee. The parliamentary situation was as I have described it. I am not criticizing the chairman for his rulings. He frankly says now that the voting of the proxy of the Senator from Vermont—that the proxy was a good proxy; or, in other words, that a proxy might vote to sustain itself—would not have been counted if called to his attention. I tried to call it to the chair's attention, but he did not hear me. It struck me as absolutely abhorrent that, a man's right to vote being challenged, he himself had a right to determine that he had a right to vote. As I suggested the other day, it would be as consistent to put the accused on the jury and let him vote upon the question of whether he was guilty or innocent as to say that a man who is trying to vote by proxy shall have his proxy voted to determine that his proxy is a legal and correct proxy. That is what I said about it Saturday, and that is what I am reiterating about it to-day.

I am not falling out with the chairman. He told me—and I know he does not object to the conversation being repeated because he repeated a part of it himself—on Saturday, standing right there in his place, that he did not think Senator PAGE's proxy had been voted, and he said, if it had been, it was wrong, but he knew that no such thing could have happened. Now, he finds that it did happen, because the roll call shows it, and I am sure that if there had not been so much confusion—I will put it in that way—the chair would not have made two or three of the rulings which he did make. I do not know that any of the rulings changed the result. I thought at the time they did. I have not examined the roll calls since, but it was my impression that the rulings of the chair changed the result of the voting. Evidently in that my memory has not served me well. I thought that at the most it would have been a tie vote. However, that is a matter that the roll call itself will disclose, and I have not had any opportunity to examine it.

I want to say, as I said in the beginning, that I am not criticizing the chairman. I think that he made his rulings under rather tempestuous circumstances.

SOUTHERN PACIFIC-CENTRAL PACIFIC SYSTEM.

Mr. SHORTRIDGE. Mr. President, I ask the indulgence of the Senate and the attention of Senators for a moment only.

On May 29, 1922, the Supreme Court of the United States handed down its decision in the case of United States of America, appellant, against Southern Pacific Co., Central Pacific Railway Co., Union Trust Co. of New York, and others. The opinion of the court was delivered by Mr. Justice Day. Neither Mr. Justice McReynolds nor Mr. Justice Brandeis took any part in the consideration or decision of the case. Mr. Justice McKenna dissented, filing his reasons for so doing.

The decision, which reverses the decree of the District Court of the United States for the District of Utah, has far-reaching consequences. It very naturally has interested the people from the Atlantic to the Pacific seaboards, particularly, perhaps, those of the intermediate and the far Western States.

I hold in my hand two telegrams addressed to me by Mr. Wallace M. Alexander, one signed by him as president of the San Francisco Chamber of Commerce and the other signed by him as chairman of the State-wide Committee Against Dismemberment of the Southern Pacific-Central Pacific System. I shall not consume the time of the Senate in reading them, but, in order that Senators and others may know their contents, I respectfully ask that they may be printed in the RECORD.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

SAN FRANCISCO, CALIF., *July 15, 1922.*

Hon. SAMUEL M. SHORTRIDGE,
United States Senate, Senate Office Building, Washington, D. C.:

The Chamber of Commerce of San Francisco greatly appreciates having presented as matter of record to the Senate the following resolutions adopted by the chamber, and putting that body strongly on record against the dismemberment of the Southern Pacific-Central Pacific System. In presenting this matter, I assure you that you will be performing a service for the shippers and general public of the State, who have very generally indorsed the stand of the San Francisco Chamber of Commerce.

Resolutions of the San Francisco Chamber of Commerce:

"Whereas by decree of the United States Supreme Court under the Sherman antitrust law, it has been ordered that the Central Pacific-Southern Pacific Railroads be placed under separate ownership; and

"Whereas the San Francisco Chamber of Commerce has been on record for a period of years protesting against any change in the unified operation of these roads, recognizing the disaster and calamity to the public interest if these two roads be divorced; and

"Whereas this chamber recognizes the value to California and the Pacific coast territory of the possession of a strong, powerful, unified, and comprehensive transportation system which serves symmetrically and proportionately tributary territory to San Francisco; and

"Whereas, while respecting to the fullest degree the authority and decision of the United States Supreme Court, we believe that the Interstate Commerce Commission, under the transportation act of 1920, has full power consistent with the decision of the Supreme Court and in the public interest to authorize the operation of these two roads as a unit: Therefore be it

"*Resolved*, That the San Francisco Chamber of Commerce request the Attorney General of the United States to acquaint himself fully with the facts showing the disaster to service and to the interests of the Pacific coast from any segregation of such parts of said railway system, and that he have these matters in mind in carrying out the details of the enforcement of the Supreme Court decision; and that the chamber request the Interstate Commerce Commission to hold necessary hearings to the end that the Southern Pacific and the Central Pacific be continued in operation as a unit, and that said railway system be so considered in whatever grouping of roads shall be deemed necessary to conduct the transportation system of the country in the public interest; that this chamber secure the expressions of opinion of the shippers, not only in its membership but throughout this territory, and that a strong state-wide committee be appointed, and that cooperation be given to all public and shipping organizations, to the end that the necessary facts of the disaster and calamity involved in the dismemberment of these roads be brought to the attention of the Federal authorities."

WALLACE M. ALEXANDER,
President San Francisco Chamber of Commerce.

SAN FRANCISCO, CALIF., *July 15, 1922.*

Hon. SAMUEL M. SHORTRIDGE,
Senate Office Building, Washington, D. C.:

In view of the efforts being made by certain inspired interests in Washington to becloud the issue regarding the recent decision ordering the unmerger of the Southern Pacific-Central Pacific system, and that the attitude of California shippers, as represented by the state-wide committee against dismemberment, of which I am chairman, and also the attitude of the San Francisco Chamber of Commerce in this matter may be made clearer, I would greatly appreciate having the following statement made a matter of record before the Senate:

STATEMENT BY WALLACE M. ALEXANDER, CHAIRMAN OF THE STATE-WIDE COMMITTEE AGAINST SOUTHERN PACIFIC-CENTRAL PACIFIC DISMEMBERMENT.

"My attention is called to press dispatches from Washington asserting that 'on behalf of producers and shippers of the Pacific coast' the Department of Justice has been asked to take cognizance of certain alleged activities of the Southern Pacific system.

"Of these alleged Southern Pacific activities I am not informed, but of the shippers and growers of the Pacific coast and their views I necessarily know a great deal, because the state-wide committee, of which I am chairman, represents to-day the expressed views and sentiments of a very high percentage of all organized shippers and growers in this State, and the record of these great organizations is to date unanimously in favor of action by the Interstate Commerce Commission that will continue the unified operation of this system as a unit. The supposed protest can not represent, for instance, the state-wide committee of about 100 large shippers, of which I have the honor to be chairman; it can not represent the Chambers of Commerce of San Francisco, Los Angeles, Sacramento, Fresno, San Jose, Oakland, Berkeley, Bakersfield, San Diego, and a hundred or so other cities of California, since these also have gone on record of their own volition supporting the state-wide committee in its lawful appeal to the Interstate Commerce Commission to maintain the unified operation of this great system, because, in their judgment, the people of the State will be hurt by its dismemberment; nor can this alleged protest represent the agricultural interests, such as the California Vegetable Union, the Canning & Peach Growers' Association, the California Pear Growers' Association, the California Cooperative Canners, the California Walnut Growers' Association, the California Almond Growers' Association, all of which, with others, are on record supporting the action of the state-wide committee, as are the California Development Association, with a state-wide membership of 35 chambers of commerce and more than 1,500 individual shippers, the Los Angeles Jobbers' Association, the California Manufacturers' Association, the Northern California Counties Association, the United Chambers of Commerce of the Sacramento Valley, the California Fruit Distributers' Association, and a great many individual wholesale and retail shippers.

"Any intimation or suggestion that the supposed organization in Washington stands in any way for the views and judgments of California and Pacific coast shippers and producers is, in the face of the above evidence, an outrageous perversion of the truth. Leading shippers, intimately connected with growers and manufacturers' associations for years, are unable to tell me who, if anyone, these people represent. The correspondent of the Portland Oregonian telegraphed his paper that he had inquired at the Washington offices of this supposed organization to find out who sponsors the flood of press releases being sent out from there. He reported in the Sunday Oregonian, of July 2, as follows:

"'The person in charge of the office, one of the most successful publicity men in Washington, apologized for not being able to disclose any of the personnel of the association which he pretended to represent. He said he expected to be able to give some information of that character within the next few days.'

"Here we have the amazing spectacle of an organization in Washington appealing to the Department of Justice in the name of the California and Pacific coast shippers, when its Washington representative can not or will not give the name of a single man or organization it purports to represent. I challenge this organization to publish its officers and membership. I challenge it to show what organizations or men, if any, have gone on record in its support as against the many thousands of shippers, growers, and merchants who have come into the open on their own initiative and at the request of the state-wide committee against dismemberment; and I respectfully urge my fellow citizens throughout California and the Pacific coast to continue placing themselves on record against the dismemberment of the Southern Pacific-Central Pacific system, to the end that there shall be no possible

misunderstanding of our position as shippers, growers, merchants, and citizens. In doing this we hold no brief for any railroad, and represent only the public interest."

WALLACE M. ALEXANDER,
Chairman State-wide Committee Against Dismemberment of the Southern Pacific-Central Pacific System.

PETITIONS.

Mr. CAPPER presented resolutions of the Chambers of Commerce of Ellsworth, Clyde, Wamego, and Salina, and the Plainville Commercial Club, all in the State of Kansas, favoring enforcement of the United States Supreme Court decree ordering divorcement of the Central Pacific Railway from the Southern Pacific Co., etc., which were referred to the Committee on Interstate Commerce.

REPORTS OF COMMITTEE ON PUBLIC LANDS AND SURVEYS.

Mr. BURSUM, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 7967) granting certain lands to Escambia County, Fla., for a public park, reported it with an amendment and submitted a report (No. 829) thereon.

He also, from the same committee, to which was referred the bill (S. 3702) providing for the acquirement by the United States of privately owned lands situated within certain townships in the Lincoln National Forest, in the State of New Mexico, by exchanging therefor lands on the public domain also within such State, reported it with amendments and submitted a report (No. 830) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McLEAN:

A bill (S. 3840) to amend section 5147 of the Revised Statutes; to the Committee on Banking and Currency.

By Mr. NORRIS:

A bill (S. 3841) granting a pension to Maggie E. Campbell; to the Committee on Pensions.

By Mr. SPENCER:

A bill (S. 3842) granting a pension to Essie Buckley Killgore (with accompanying papers); to the Committee on Pensions.

By Mr. LENROOT:

A bill (S. 3843) for the relief of the owners of the steamship *Kin-Dave;* to the Committee on Claims.

TARIFF BILL AMENDMENTS.

Mr. DIAL and Mr. SHIELDS each submitted an amendment intended to be proposed by them to House bill 7456, the tariff bill, which were ordered to lie on the table and to be printed.

AMENDMENT TO RIVER AND HARBOR BILL.

Mr. SHIELDS submitted an amendment providing that such portion of available funds deemed advisable by the Secretary of War, heretofore appropriated and allotted for improvement of the Tennessee River above Chattanooga and from Chattanooga to Riverton, may be expended on a survey of the river recommended in House Document No. 319, Sixty-seventh Congress, second session, intended to be proposed by him to House bill 10766, the river and harbor authorization bill, which was ordered to lie on the table and to be printed.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. DIAL. I offer an amendment to the pending bill, which I ask to have printed and lie on the table.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SMOOT. Mr. President, I ask now that we return to paragraph 907, on page 126. I send to the desk an amendment to paragraph 907, and ask that it be read.

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. On page 126, it is proposed to strike out lines 12 to 15, both inclusive, and to insert in lieu thereof the following:

PAR. 907. Cloth in chief value of cotton containing silk or artificial silk shall be classified for duty as cotton cloth under paragraphs 903, 904, 905a, and 905b, and in addition thereto there shall be paid on all such cloth 5 per cent ad valorem: *Provided*, That none of the foregoing shall pay a rate of duty of more than 45 per cent ad valorem.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment offered by the Senator from Utah in lieu of the amendment of the committee.

Mr. SMITH. Mr. President, I understand that this is to bring this paragraph in line with and under the same rate of duty that the Senate has already provided shall obtain in the paragraphs referred to.

Mr. SMOOT. That is the case, Mr. President. I will say to the Senator that the only reason why we put paragraph 904 in this amendment is so that the same definition as to the term "cotton cloth" shall apply in this that applies in all other parts of the schedule. It is only a matter of safety. It may be done, but we do not want any question at all about it.

Mr. SMITH. Mr. President, before the vote is taken I desire to say that under the paragraphs referred to here we have raised the duty to 45 per cent where there is specified the count of the yarn. Under this provision the count of the yarn is not specified, and there is a lower count of yarn obtaining in this paragraph; and I take it that we are putting it under the higher rate by virtue of the fact that a component part of it, per cent not stated, is silk. I presume that is the reason why, in spite of the fact that the cotton element might be of a less count of yarn than the other paragraphs that have the higher rate of duty, yet, by virtue of the fact that it was combined with silk, putting it into a class distinct to itself, the committee thought it should bear this rate of duty.

Mr. SMOOT. No; the Senator will notice that we take in paragraph 903, and this is to be classified for duty as cotton cloth under paragraph 903. It makes no difference what the count of the yarn is; it shall be as provided for in paragraph 903, the low counts as well as the high, but in no case shall it be higher than 45 per cent—the same provision that we have in paragraph 905a.

Mr. SMITH. Let me understand this clearly. Where we say "thread or yarn," and the yarn is in the cloth, it would apply to this paragraph, would it?

Mr. SMOOT. In the case of the lower counts in paragraph 903 it would apply to this paragraph; and if they put silk in it, then there would be 5 per cent additional duty, provided it fell under 45 per cent.

Mr. SMITH. I see. The Senator means to say that in case the count of the yarn did not justify, as it does in some of the paragraphs, the 45 per cent, then it would take the rate that that count of yarn would come under?

Mr. SMOOT. Yes; plus 5 per cent if there was silk in it, and that, of course, in many cases of the lower-count yarns would not amount to 45 per cent; but we put the maximum at 45, which would be on the finer yarns, just the same as we did in paragraph 905a.

Mr. SMITH. I am ready for a vote, Mr. President.

Mr. LENROOT. Mr. President, I want to say just a word to congratulate the committee upon presenting this amendment, because on certain varieties it is a very substantial reduction from the original amendment; and I think it is a logical provision as it now stands, which it was not as originally proposed.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Utah in lieu of the amendment of the committee.

The amendment was agreed to.

Mr. SMOOT. Now, Mr. President, I desire to refer to paragraph 912, the amendment that was passed over last night, on line 10, page 128; and I desire to modify the amendment in accordance with the wording which I send to the desk. I will say that this refers to labels for garments. The Senator from North Carolina referred to it last night.

The PRESIDENT pro tempore. The Secretary will state the committee amendment as now modified.

The READING CLERK. On page 128, line 10, it is proposed to modify the committee amendment as follows: Strike out "50 cents per pound and 20," and insert in lieu thereof "50."

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the committee as modified.

Mr. SIMMONS. Mr. President, I did not expect the Senator to call up this amendment just at this second. I am endeavoring to get some further information about the matter.

Mr. SMOOT. If the Senator wants it to go over, I will ask that it go over.

Mr. SIMMONS. I should like to have that done. I am trying to get some information about it.

Mr. SMOOT. I will ask, then, that the amendment go over for future consideration.

The PRESIDENT pro tempore. Without objection, the amendment will be passed over.

Mr. SMITH. Mr. President, before it goes over, I understand that the proposition of the Senator from Utah is that we make it a straight 50 per cent ad valorem.

Mr. SMOOT. That is correct.

Mr. SIMMONS. That might be higher than the rate we have.

Mr. SMOOT. Sixty per cent.

Mr. SMITH. Mr. President, I have here a table which I will ask to have inserted in the RECORD at this point.

There being no objection, the table referred to was ordered to be printed in the RECORD, as follows:

Labels for garments and other articles.

Calendar years.	Rates of duty.	Values.	Duties collected.	Actual and computed ad valorem rate.
				Per cent.
1914 [1]	25 per cent	$23,378	$5,844	25.00
1915 [2]	do	15,292	3,823	25.00
1916 [2]	do	2,787	697	25.00
1917 [2]	do	8,736	2,184	25.00
1918 [2]	do	8,278	2,070	25.00
1918 [3]	do	5,477	1,369	25.00
1919 [4]	do	5,831	1,458	25.00
1920 [4]	do	35,466	8,867	25.00
1921 [4]	[5]	38,304	10,020	26.16
Annual average [6]		17,399	4,404	25.13

[1] Oct. 4, 1913, to June 30, 1914, inclusive.
[2] Fiscal year ending June 30.
[3] July 1, 1918, to Dec. 31, 1918, inclusive.
[4] Calendar year.
[5] Twenty-five per cent plus 7 cents per pound for cotton having a staple of 1⅛ inches or more in length.
[6] Annual average, 8¼ year period.

Domestic production in 1919, $624,000.

The PRESIDENT pro tempore. The Senator from North Carolina has asked that the provision may be passed over.

Mr. SMITH. I know, but I wanted to inform the Senator from North Carolina that the value of our importations has been practically negligible. In 1914 it was only $33,000; in 1915, $15,000; in 1916, $2,000; in 1917, $8,000; in the fiscal year 1918, $8,000; in the last six months of the calendar year 1918, $5,000; in the calendar year 1919, $5,000; in 1920, $35,000; in 1921, $38,000. The annual average was $17,000, against a domestic production of $624,000, with an average ad valorem rate, actual and computed, of 25.13 per cent. I can not see what justification there would be for raising the rate arbitrarily and flatly 100 per cent.

The PRESIDENT pro tempore. The Chair understands, then, that the Senator from South Carolina objects to passing over this amendment.

Mr. McCUMBER. Mr. President——

Mr. SIMMONS. Mr. President, in view of the fact that the Senator from South Carolina has been discussing the matter, I will withdraw the objection and let it go on now. I had objected simply because I wanted to get some information as to what the domestic product was selling for.

Mr. SMITH. All right; we will let it go over.

The PRESIDENT pro tempore. The proposed amendment is passed over.

Mr. McCUMBER. Mr. President, I simply wanted to ask the Senator if he considered that a fair method of arriving at an average, when he takes most of his figures from war years, in which, of course, almost nothing came in?

Mr. SMOOT. Mr. President, I will ask the Senator now to let the amendment go over.

Mr. SMITH. Certainly.

Mr. SMOOT. I merely want to say for the record that when it is up for consideration we shall want to show that in one month of 1922 there have been more imports of these goods than there have been in two or three years combined in the past; and if there is one thing that needs protection, if the imports are correct beginning with February of this year, it is this very article; but it has gone over now.

The PRESIDENT pro tempore. The Secretary will state the next amendment of the committee.

The READING CLERK. In paragraph 913, page 128, line 16, it is proposed to strike out "35" and insert in lieu thereof "60."

Mr. SMOOT. I am compelled to ask that this paragraph be passed over on account of the absence of one Senator who is very anxious to be present when it is considered.

The PRESIDENT pro tempore. The paragraph will be passed over.

Mr. SMOOT. I make the same request in regard to paragraph 914. Two Senators who are deeply interested in that paragraph are not present, and on the request of those Senators I ask that it may go over.

The PRESIDENT pro tempore. Without objection, paragraph 914 will be passed over.

Mr. POMERENE. Does the Senator expect to take up paragraph 914 during the session to-day?

Mr. SMOOT. No; I do not expect to take it up until to-morrow. In paragraph 915, the hosiery paragraph, I move to strike out all after the word "hand" and the comma in line 8——

The PRESIDENT pro tempore. The Chair calls the attention of the Senator from Utah to the fact that there is an amendment in that paragraph which has not been agreed to preceding the line to which he refers.

Mr. SMOOT. I do not think there is any objection to that amendment.

The PRESIDENT pro tempore. The Secretary will report the amendment.

The READING CLERK. On page 129, line 5, after the word "half hose" and the comma, insert the word "selvaged" and a comma.

Mr. SMITH. I do not know that there will be any objection to including that word. It is simply an addition to a part of these goods, which practically would mean nothing.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment.

The amendment was agreed to.

Mr. SIMMONS. Mr. President, if I understand the Senator from Utah, I understand that after the word "hand," on line 8, he moves to strike out the balance of that paragraph.

Mr. SMOOT. Yes; and to offer an amendment from that point down.

Mr. SIMMONS. What will be the nature of the amendment?

Mr. SMOOT. "Fifty per cent ad valorem, if such hose or half hose contains cotton wholly or in chief value of 1⅛ inches staple or longer, 10 cents per pound and 50 per cent ad valorem."

Mr. SIMMONS. If the Senator will pardon me, I want a little information. The rates in that paragraph as now written start with 70 cents per dozen pairs, then 80 cents per dozen pairs, 90 cents per dozen pairs, $1.20 per dozen pairs, and so on. The Senator is seeking to change that to an ad valorem, and I assume he has made the calculations. Can the Senator tell me what reduction that would be? The method of taxing is entirely different, and I can not without taking time ascertain the difference, but I assume the Senator can tell us.

Mr. SMOOT. In some of the cases it is a reduction of a great deal over one-half. For instance, take the first class, valued at not more than $1 per dozen pairs, 70 cents per dozen pairs. That is 70 cents on the high bracket. If they were 50 cents, it would be 140 per cent, and valued at more than $1 and not more than $1.50 it would be 80 per cent.

Mr. POMERENE. In order that I may be able to follow the Senator, do I understand that the amendment will be a reduction of practically 50 per cent on the rates in the committee amendment as proposed?

Mr. SMOOT. No; I would not say all the way through, but practically that.

Mr. SIMMONS. The Senator means that the reduction made by his amendment from the rates originally proposed by the committee would be something like 50 per cent?

Mr. SMOOT. Practically that. In some cases not that, of course, and in other cases more than that.

Mr. POMERENE. What would be the maximum and minimum?

Mr. SMOOT. When hosiery was valued at 50 cents a dozen it would be 140 per cent. That is the outside limit I could think of under the House provision. When it gets down to hose of $5, of course then it would be about eighty-odd per cent.

Mr. POMERENE. Then the higher rates would be continued on all of the low-grade goods, according to the statement the Senator has just made.

Mr. SMOOT. The rates on the low-grade goods were higher in the bill as reported from the House, but now we will have a 50 per cent rate on all hosiery, no matter what the value of it may be.

Mr. SMITH. This would be very easily computed, because I have some facts I want to submit. After naming the kind of goods, hose and half hose, and so forth, where does the Senator propose to insert his amendment?

Mr. SMOOT. After the word "hand," on line 8.

Mr. SMITH. That is what I thought. The Senator proposes to strike out all the balance, the 50 per cent and the 10 cents.

Mr. SMOOT. In case it is used in the yarn. Will the Senator allow me to present the amendment and have it read into the RECORD?

Mr. SMITH. Certainly.

Mr. SMOOT. I offer the following amendment.

The PRESIDENT pro tempore. The Secretary will state the amendment offered by the Senator from Utah.

The READING CLERK. It is proposed, in paragraph 915, page 129, line 8, beginning with the word "valued," after the comma, to strike out the remainder of the paragraph, down to and including the words "ad valorem," on line 18, as follows:

valued at not more than $1 per dozen pairs, 35 cents per dozen pairs; valued at more than $1 and not more than $1.50 per dozen pairs, 45 cents per dozen pairs; valued at more than $1.50 and not more than

$2 per dozen pairs, 65 cents per dozen pairs; valued at more than $2 and not more than $3 per dozen pairs, $1.20 per dozen pairs; valued at more than $3 and not more than $5 per dozen pairs, $2 per dozen pairs; and, in addition thereto, on all of the foregoing, 12½ per cent ad valorem; valued at more than $5 per dozen pairs, 35 per cent ad valorem.

And to insert in lieu thereof the following words:

50 per cent ad valorem, if such hose or half-hose contains cotton wholly or in chief value of 1⅜ inches staple or longer 10 cents per pound and 50 per cent ad valorem.

So as to make the paragraph read:

PAR. 915. Hose and half-hose, selvedged, fashioned, seamless, or mock-seamed, finished or unfinished, composed of cotton or other vegetable fiber, made wholly or in part on knitting machines, or knit by hand, 50 per cent ad valorem if such hose or half-hose contains, etc.

Mr. SMOOT. There is very little long-staple cotton used in hosiery. It is mostly all made of the ordinary cotton; but there is some hosiery which requires a certain finish, and in cases where they want a particular strength the long-staple cotton is used. The Senate will notice that we have provided that, in addition thereto, there shall be 10 cents a pound imposed if such hose or half-hose contains cotton wholly or in chief value of 1⅜-inch staple and longer.

Mr. SMITH. I am informed that that would involve a destructive analysis; that is, that you would have to destroy the cotton and give the fiber a microscopic test to see whether it did contain that kind of cotton or not.

Mr. SMOOT. There is so little of it used that perhaps we could even take that out altogether as to hosiery, but it is not safe to do it, as there are yarns used in hosiery made of the long-staple cotton.

Mr. SMITH. When it comes to the administration of this provision it would be practically impossible to tell which did contain and which did not contain the long staple, and then to whom would the benefit of the doubt go?

Mr. LENROOT. Will the Senator from Utah yield?

Mr. SMOOT. I yield.

Mr. LENROOT. I would like to say that there is a similar provision in the present law, and there is no difficulty in its administration. The figures of imports show the hosiery which contains long-staple cotton and that which does not. That which contains the long-staple cotton is a very substantial amount.

Mr. SMOOT. I will say to the Senator that our investigators in a foreign country always know when the long-staple cotton is used in those articles. What the Senator says is true, that if it were necessary in the case of every shipment to determine the fact, it could only be determined by a microscopic investigation of the hosiery itself.

Mr. SMITH. My information is to the effect that even under the present administration of the law there is more guesswork than an actual knowledge of the contents of the goods.

Mr. SMOOT. That is not what our examiners at the port of New York say. I did not want to give any compensatory duty on long-staple cotton unless it actually went into the yarn making the hose, and when it does of course it ought to be compensated for, and that is what we have provided. We have guarded it, I think, just as carefully as we can.

Mr. SMITH. I want to say in this connection that in the light of the facts furnished me by the Commerce Reports and the investigation of the Tariff Commission, I do not hesitate to say that even the present rate of duty is more than a protective duty. The figures will disclose the fact that our importations have gradually decreased. But I am going to read to the Senate what our Department of Commerce has to say in reference to this matter. I have a sheet here from the Commerce Reports which reads:

In the shrinkage of United States exports of cotton knit goods from a total value of $54,500,000 in the peak year 1920 to $10,250,000 in 1921 it is apparent that this export trade is now readjusted on a basis of complete liquidation. Ordinarily somewhat over two-thirds of this trade is in hosiery exported to a great number of markets throughout the world. In recent years the United Kingdom, France, Argentina, Cuba, and Australia have been the leading buyers of American knit goods.

March exports of cotton hosiery exceeded 375,000 dozen pairs, a total considerably more than double the shipments of the same month a year ago, and 50 per cent greater than those of January or February this year. The value of March hosiery exports was in excess of $816,000, by far the largest monthly value for more than a year. The principal markets to which these goods have recently been going are Argentina, United Kingdom, and Canada. The Australian market, which has been very large, seems of late to have curtailed purchases greatly.

Although not apparent in the export figures, large manufacturers and exporters report that they have recently been receiving substantial orders for cotton hosiery from several of the world's chief consuming countries, namely, Belgium, France, Great Britain, Netherlands, and Mexico.

The department gives a table, and says:

From the following table exports of cotton hosiery for the years 1920 and 1921 and for the first quarter of 1922, by principal countries of destination, may be ascertained:

Countries of destination.	1920		1921		First quarter, 1922.	
	Dozen pairs.	Value.	Dozen pairs.	Value.	Dozen pairs.	Value.
Belgium	151,062	$447,968	14,276	$28,820	2,600	$3,037
Denmark	293,943	1,013,612	36,362	132,279	1,280	4,139
France	905,817	2,685,521	16,121	52,771	4,576	19,762
Greece	197,412	660,286	30,284	77,753	342	409
Italy	243,112	754,765	9,980	28,650	2	3
Netherlands	198,386	689,388	17,914	49,434	1,087	4,222
Norway	168,469	524,636	1,926	8,294	136	708
Sweden	314,331	1,168,687	5,580	19,669	.....	.....
United Kingdom	2,251,711	8,242,580	564,476	1,792,203	206,714	494,591
Other Europe	[1] 450,630	1,284,345	[2] 144,668	268,655	4,497	9,196
Canada	309,343	864,372	272,365	443,143	158,133	204,282
Mexico	132,609	483,887	181,083	481,708	29,265	78,262
Panama	63,727	224,136	29,645	55,101	10,850	19,939
Other Central America	164,867	478,064	68,493	127,339	25,073	43,457
Cuba	1,320,746	4,633,222	175,827	349,314	74,650	101,420
Other West Indies	290,390	723,964	124,765	195,657	42,278	63,030
Argentina	501,857	2,213,633	340,845	969,988	168,152	491,692
Brazil	60,723	307,119	3,153	15,432	187	849
Chile	317,803	978,512	30,322	85,161	4,657	11,940
Colombia	209,933	595,451	12,874	24,868	7,350	14,518
Peru	239,093	646,876	30,923	64,247	7,830	11,654
Uruguay	196,628	604,924	22,129	72,696	22,267	46,266
Venezuela	115,175	347,213	28,401	44,513	11,809	16,572
Other South America	107,796	296,253	30,769	54,564	12,492	17,960
British India	154,039	665,912	7,887	23,067	1,369	3,124
China	10,104	50,354	1,525	5,164	230	822
Philippines	149,856	416,909	22,785	74,548	7,321	16,501
Australia	1,283,170	3,539,562	140,440	334,367	23,177	38,977
New Zealand	71,448	261,371	12,239	39,532	907	3,710
Other Asia and Oceania	222,882	619,238	47,882	117,669	3,258	7,514
British South Africa	237,232	758,576	40,644	104,922	8,844	17,536
Other countries	[3] 241,361	698,331	41,675	90,670	14,003	29,266
Total	11,575,655	37,879,665	2,508,258	6,232,198	855,256	1,775,458

[1] Includes Turkey in Europe, 230,454 dozen pairs.
[2] Includes Poland and Danzig, 65,774 dozen pairs.
[3] Includes Egypt, 169,284 dozen pairs.

This table bears out the facts I have just presented. I continue reading:

Trend in underwear exports—

Which is comprised in this knit-goods proposition.

Mr. SMOOT. That is the next paragraph.

Mr. SMITH. I know it is, but I will take occasion now to show what the Department of Commerce thinks of this knit-goods proposition, including hosiery. I continue reading:

Knit underwear exports in 1921 were valued at $3,600,000, a substantial decrease from the 1920 total of $14,000,000. However, February and March shipments of this year have exceeded in value those of the corresponding months a year ago by nearly 100 per cent, the March totals alone approximating 300 per cent of the March shipments last year.

Despite this recent tendency to increase, the total value of these exports for the nine months ending March, 1922, was slightly under $3,000,000, while for the corresponding period a year ago it approximated $8,000,000. For the calendar years 1920 and 1921 and the first quarter of 1922 exports of American cotton knit underwear had the following values.

It is very interesting to analyze this table carefully. I ask that the table may be inserted in the RECORD without reading.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The table is as follows:

United States exports of cotton and knit underwear.

Countries of destination.	1920	1921	First quarter, 1922.
Esthonia	.....	[1] $66,100	$1,768
Netherlands	$394,741	224,150	15,066
Poland and Danzig	82,832	231,161	.....
England	1,906,037	706,846	211,010
Scotland	228,513	51,894	9,914
Ireland	247,265	92,076	7,283
Other Europe	1,955,178	86,999	6,261
Canada	449,449	458,629	114,499
Mexico	138,277	96,913	16,429
Other North America	107,786	67,256	32,676
Panama	162,486	65,856	7,779
Other Central America	314,988	41,570	18,633
Cuba	1,601,448	139,871	23,931
Other West Indies	480,816	91,438	24,421
Argentina	1,363,401	406,547	324,781
Uruguay	532,523	152,611	102,174
Other South America	1,470,647	147,794	24,573
Asia	[2] 589,765	52,785	11,680
East Indies	120,584	12,618	731
Australia	1,096,668	236,736	68,150
Philippine Islands	403,228	55,219	13,450
Other Oceania	86,111	33,299	4,654
British South Africa	256,804	73,709	44,132
Other Africa	78,292	10,443	162
Total	14,067,839	3,602,493	1,084,157

[1] July 1 to Dec. 31 only. [2] Includes Russia in Asia, $282,549.

Mr. SMITH. I continue reading from the Commerce Reports, as follows:

IMPORTS OF COTTON HOSIERY.

A marked expansion in the imports of cotton knit goods, particularly stockings, has been anticipated, due to the large pre-war hosiery imports from Germany. Other foreign sources of hosiery were negligible. In an average pre-war year about 2,227,000 dozen pairs of stockings, hose, and half-hose, valued at approximately $2,785,000, entered the United States from all countries, while the total for the calendar year 1921 was but 756,000 dozen pair, valued at $1,358,000, figures which fail to substantiate current market impression that present-day imports of German hosiery are abnormally large.

Mr. SIMMONS. Is that the declaration of the Tariff Commission?

Mr. SMITH. This is from the Commerce Reports issued by the Department of Commerce.

In the first quarter of this year imports of cotton hosiery have amounted to 420,000 dozen pairs, valued at $447,000, totals considerably larger than those a year ago, yet still far below pre-war imports.

In view of this calm, dispassionate, unbiased statement on the part of our Department of Commerce, which is charged with giving us trade information, and further, in view of the fact that we export such a vast volume and import such a comparatively small quantity, and the American production for home consumption is so enormous, I can not see any reason why we should raise the rate on this character of goods.

As I said last evening, the Republican Party is committed to the doctrine of protection. The tables I have submitted show that the present rate not only gives ample protection but really borders, in the general trend of these goods, on prohibition. Now, on what ground do they propose to raise the rate of duty above that existing when we are informed that the bugaboo of German importation has not materialized?

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. SMITH. Certainly.

Mr. LENROOT. I would like to know if I understand the amendment. If I understand the amendment correctly, the rate will not be raised over the rates contained in the Underwood law on all hose valued at over $1.20 per dozen pairs.

Mr. SMOOT. It is the same rate as in the old law.

Mr. SMITH. I was calling attention to the fact that the Senator from Wisconsin had stated that the goods which come in, containing a dutiable percentage of the 1⅜-inch staple, were in considerable quantity.

Mr. LENROOT. Upon that article the present rate is 50 per cent plus 7 cents a pound.

Mr. SMITH. I was calling attention to the fact that that duty imposing 10 cents as a compensatory duty upon long-staple cotton is, according to my information, very difficult of administration, and it is largely guesswork. I have no objection to a vote on the paragraph under the amendment proposed by the Senator from Utah.

I ask permission to have inserted in the RECORD in connection with my remarks two tables from the Tariff Information Survey on cotton knit goods, relating to cotton hosiery and showing the total imports for consumption and the revenue.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The tables are as follows:

TABLE 5.—*Cotton hosiery—Total imports for consumption—Revenue.*

Fiscal year.	Rate of duty.	Quantity.	Value.	Duty collected.	Value per unit of quantity.	Actual and computed ad valorem rate.
		Dozen pairs.				*Per cent.*
1891		2,627,098	[1] $5,648,878	[1] $3,250,237	$2.15	57.54
1892		4,893,840	5,176,537	3,567,445	1.06	68.92
1893		5,365,029	5,752,710	3,953,614	1.07	68.73
1894		2,476,936	3,670,858	2,513,161	1.06	68.46
1895		5,921,503	6,135,777	3,113,740	1.04	50.75
1896		5,215,281	5,623,737	2,808,169	1.08	49.93
1897		5,402,180	5,491,061	2,744,425	1.02	49.98
1898		3,100,832	3,583,331	2,258,662	1.16	63.03
1899		3,328,209	3,895,911	2,489,785	1.17	63.91
1900		3,488,106	4,207,755	2,658,213	1.21	63.17
1901		3,519,723	4,799,106	2,885,185	1.36	60.12
1902		3,519,925	4,786,413	2,882,266	1.36	60.22
1903		3,814,058	5,247,383	3,149,861	1.38	60.03
1904		4,119,784	5,430,914	3,264,088	1.32	60.10
1905		4,232,031	5,431,063	3,287,522	1.28	60.53
1906		4,690,759	6,119,196	3,675,230	1.30	60.06
1907		5,128,730	7,035,398	4,138,742	1.37	58.83
1908		4,829,125	6,855,080	3,994,827	1.42	58.28
1909		5,068,004	6,390,923	3,860,419	1.26	60.40
1910		4,477,783	5,825,100	4,141,689	1.30	71.10
1911		2,933,129	3,824,970	2,803,950	1.30	73.31
1912		2,349,663	2,912,430	2,116,086	1.24	72.66
1913		2,028,988	2,553,928	1,792,592	1.26	70.19

[1] Includes hosiery (quantity not given) valued at $2,158,398.22, on which $862,626.89 duty was assessed.

TABLE 5.—*Cotton hosiery—Total imports for consumption—Revenue*—Continued.

Fiscal year.	Rate of duty.	Quantity.	Value.	Duty collected.	Value per unit of quantity.	Actual and computed ad valorem rate.
		Dozen pairs.				*Per cent.*
1914		2,194,371	$2,949,678	$1,407,112	$1.34	47.70
1915		1,364,757	1,705,347	747,151	1.25	43.81
1916		218,760	368,765	175,284	1.69	47.53
1917		63,084	147,281	71,581	2.32	48.60
1918		117,056	142,136	60,521	1.21	42.58
1919		60,686	120,282	53,472	1.98	44.46
1920		75,283	193,802	91,789	2.57	47.36
Annual average		3,220,840	4,067,525	2,465,227	1.26	60.61

TABLE 6.—*Cotton hosiery—"Cut"—Imports for consumption—Revenue.*

[Par. 259.]

Fiscal year.	Rate of duty.	Quantity.	Value.	Duty collected.	Value per unit of quantity.	Actual and computed ad valorem rate.
		Doz. pairs.				*Per cent.*
1891 [1]	35 per cent.	49,757	$37,622	$13,168	$0.750	35.00
1892	...do	144,298	82,259	28,790	.570	35.00
1893	...do	104,602	58,068	20,324	.560	35.00
1894	...do	69,184	37,113	12,990	.540	35.00
1895	...do	4,847	2,560	896	.530	35.00
1895	30 per cent.	96,012	39,844	11,953	.410	30.00
1896	...do	33,774	18,495	5,549	.550	30.00
1897	...do	13,927	6,179	1,854	.440	30.00
1898	...do	20,736	16,254	4,876	.784	30.00
1899	...do	21,055	13,038	3,911	.619	30.00
1900	...do	8,619	5,109	1,533	.593	30.00
1901	...do	6,966	3,039	911	.436	30.00
1902	...do	23,191	11,485	3,445	.495	30.00
1903	...do	22,938	10,126	3,037	.441	30.00
1904	...do	22,213	7,925	2,377	.357	30.00
1905	...do	14,159	7,134	2,140	.504	30.00
1906	...do	31,436	15,619	4,685	.497	30.00
1907	...do	27,140	16,001	4,800	.59	30.00
1908	...do	25,789	18,090	5,427	.711	30.00
1909	...do	23,933	16,947	5,084	.708	30.00
1910	...do	134,890	78,382	23,514	.581	30.00
1911	...do	229,016	128,506	38,552	.561	30.00
1912	...do	318,743	174,788	52,436	.548	30.00
1913	...do	350,658	178,264	53,479	.508	30.00
1914	...do	13,212	8,495	2,548	.643	30.00
1914	20 per cent.	334,296	170,402	34,080	.510	20.00
1915	...do	244,092	124,231	24,846	.508	20.00
1916	...do	9,944	4,881	976	.490	20.00
1917	...do	4,922	2,731	546	.554	20.00
1918	...do	6,903	3,752	750	.543	20.00
1919	...do	18,192	12,723	2,544	.699	20.00
1920	...do	1,248	1,693	338	1.360	20.00

[1] From Oct. 6, 1890, to June 30, 1891.

Mr. POMERENE. Mr. President, I would like to ask the Senator a question. Some reference was made a moment ago by the Senator from Wisconsin to the rate under the Underwood law. These duties seem to vary from a certain percentage ad valorem plus 7 cents a pound under the Underwood bill. The Senator has proposed to change that to a flat 50 per cent ad valorem rate?

Mr. SMOOT. Yes.

Mr. POMERENE. I wanted to ask in that connection two questions. Is the 50 per cent higher or lower than the rates contained in the House bill as it came over to the Senate, and, again, are they higher or lower than the average rates contained in the Underwood law, and, if so, how much?

Mr. SMOOT. They are lower than the rates reported from the House.

Mr. POMERENE. Approximately how much?

Mr. SMOOT. Approximately one-third, I will say. I am quite safe in saying one-third.

Mr. POMERENE. Keeping in mind the two plans of valuation?

Mr. SMOOT. Yes; keeping that in mind, of course. I want to say to the Senator as to the existing law that whenever the hose is valued at more than $1.20 the rate provided here is exactly the same as in the existing law.

Mr. POMERENE. Per dozen?

Mr. SMOOT. Yes. The ad valorem rate is exactly the same as existing law. I want the record to show that the rate on hose valued at more than $1 per dozen under the Payne-Aldrich law was 70 cents per dozen and 50 per cent ad valorem, and the equivalent ad valorem was 91 per cent. That was the equivalent ad valorem on that class of goods under the Payne-Aldrich law. The amendment just offered is 50 per cent. In

the year 1910 under that extreme rate, so called, there were imported into the United States 3,252,621 dozen pairs of hose.

I want to be perfectly frank with the Senate and say that I do not believe the 50 per cent rate is going to take care of certain hose, particularly children's hose, shipped into the United States, if the wage rate in the industry is maintained as it is to-day. I expect that the wage will have to be decreased. I do not know whether it is true or not, but I am told that the manufacturers are paying as high as $105 a week for knitters. There has been a strike once or twice and they have maintained the wage. I do not know how the manufacturers are going to make this class of goods with that wage paid and live. I frankly admit it. I told the manufacturers here the other day that I did not see how they were going to make that class of goods and pay that wage. Then they replied, "We can not do anything other than pay it, or close up our factories." That is the situation. All I am afraid of is that under existing conditions the rate of 50 per cent is going to interfere greatly with one class of hosiery manufactured in the United States.

Mr. POMERENE. I have not analyzed the cost and I am not prepared to express myself on that subject, but I do know that there has been a wave of protest against these very high rates on hosiery coming from retail dealers and people generally throughout the country who have studied the question. It is not as a result of propaganda alone, but because some of these people have gone very scientifically into an analysis of the costs themselves.

Mr. SMOOT. I will admit to the Senator that the way the bill was reported to the House, where the value of hose was 50 cents a dozen foreign valuation and up to $1 a dozen, and they gave 70 cents duty per dozen pairs, that meant 140 per cent rate of duty. That I admitted before, but now there is no hose of any kind here with a rate of 50 per cent, unless it contains the long-staple cotton, and then we only give the compensatory duty wherever that is used.

Mr. POMERENE. I am very glad the Senator from Utah and the committee have seen fit to offer the amendment to the Finance Committee amendment. I think it is a very good move.

Mr. SIMMONS. Mr. President, I, like the Senator from Ohio, am appreciative of this very substantial reduction which the committee has made. The Senate committee rate is very much higher than the House rate; in one instance it is nearly double.

Mr. SMOOT. But that is on the American valuation plan.

Mr. SIMMONS. I am not discussing that phase of it. I am just saying that the rate as written in the bill by the Senate committee is higher than the House rate. I do not know anything about the difference that may result between the American valuation and the foreign valuation. Probably if we take that into consideration, if the difference is as much as contended by Senators on the other side of the Chamber, they might be something like equal.

My own judgment, from information I have received and statistics I have with reference to knit goods and gloves and hosiery, is that the difference to-day between the American valuation and the foreign valuation is nothing like that upon which the Senate committee based their rate. The Senate committee based their rate, in going from the American valuation to the foreign valuation, upon the selling price of the foreign products as of the 1st of August, 1921. Admitting that the data which they then had as to rates of duty were accurate, they are wholly out of line as to the present time, because there have been very radical advances, heavy advances in the foreign article, and decreases in the American article, reducing the differentiation at both ends of the line.

But the proposed rate is a substantial reduction. The Senator said it is something like a 50 per cent reduction, and I am inclined to think he is not far from right. I am glad the light is dawning upon the committee and that they are seeing that the rates which they proposed and against which we have so vigorously protested in the interest of the consumers of the country and in the interest of fair dealing and justice were not warranted. I am glad they have come to that realization and have acted upon it in this paragraph.

The PRESIDENT pro tempore. The question is upon agreeing to the committee amendment as modified.

The amendment as modified was agreed to.

The PRESIDENT pro tempore. The Secretary will state the next amendment.

The ASSISTANT SECRETARY. On page 129, line 21, the committee proposed to strike out "23" and to insert "45," and now proposes to modify the amendment by striking out "45" and inserting "30," so as to read:

Hose and half-hose, finished or unfinished, made or cut from knitted fabric composed of cotton or other vegetable fiber, and not specially provided for, 30 per cent ad valorem.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee as modified.

The amendment as modified was agreed to.

Mr. SMOOT. Mr. President, I have here a telegram from Hon. Henry F. Lippitt, which he is desirous that I read into the RECORD, and I shall do so at this time. It is as follows:

PAWTUCKET, R. I., *July 17, 1922.*

Senator REED SMOOT,
Washington, D. C.:

Am informed that in reply to question of Senator LENROOT you stated to-day that paragraph 905a was proposed by me. The hearings on cotton schedule show that this paragraph was first proposed by Arthur H. Lowe, as chairman of Consolidated Tariff Committee of Cotton Manufacturers, consisting of both northern and southern representatives, and was subsequently advocated by me. The reason only Mr. Lowe and myself appeared for the general industry was because your committee specifically requested that testimony should be limited to as few witnesses as possible. For the sake of accuracy think this correction should appear in the RECORD. HENRY F. LIPPITT.

Of course the Senator from Wisconsin [Mr. LENROOT] knows that I called attention to the fact that there had been a material change in the paragraph as recommended by Mr. Lippitt and also as recommended by Mr. Lowe. We discussed the question of the effect of the inclusion of one thread, but, that clause being entirely eliminated, the whole result of the proposed amendment was changed. The newspaper reporters, however, can not always follow these details, it being a complicated question, and I am not complaining that they made the mistake; but Mr. Lippitt desired his telegram to appear in the RECORD, and I have read it in order that the matter may be made clear.

Mr. LENROOT. Mr. President, just a word in connection with what the Senator from Utah has said in reference to the statement I made. I was reading the hearings of the testimony of Mr. Lippitt where this particular amendment was placed in the record, proposed as a substitute for paragraph 905. It is true that I originally stated that the paragraph as reported by the committee was word for word as suggested by Mr. Lippitt. The Senator from Utah, however, later called my attention to the fact that there was one phrase that was omitted, and later in the day I made the correction.

Mr. SMOOT. There is no doubt about that, but the newspapers did not carry the correction, that was all, and I have merely read Mr. Lippitt's telegram for the record.

The PRESIDENT pro tempore. The Secretary will state the next committee amendment.

The ASSISTANT SECRETARY. On page 130, paragraph 916, beginning with the word "valued," in line 2, the Committee on Finance propose to strike out down to and including the words "ad valorem," at the end of line 13, as follows:

valued at not more than $1.50 per dozen, 40 cents per dozen and 12½ per cent ad valorem; valued at more than $1.50 and not more than $3 per dozen, 70 cents per dozen and 12½ per cent ad valorem; valued at more than $3 and not more than $5 per dozen, $1.20 per dozen and 20 per cent ad valorem; valued at more than $5 and not more than $7 per dozen, $1.40 per dozen and 25 per cent ad valorem; valued at more than $7 and not more than $12 per dozen, $2.25 per dozen and 25 per cent ad valorem; valued at more than $12 and not more than $20 per dozen, $4 per dozen and 28 per cent ad valorem; valued at more than $20 per dozen, 40 per cent ad valorem.

And in lieu thereof to insert "50 per cent ad valorem," so as to make the paragraph read:

PAR. 916. Underwear and all other wearing apparel of every description, finished or unfinished, composed of cotton or other vegetable fiber, made wholly or in part on knitting machines, or knit by hand, and not specially provided for, 50 per cent ad valorem.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

Mr. SIMMONS. Mr. President, I think it will go without saying that to those who take the same view of the object and purpose of tariff taxation that I do the rates proposed in the House bill as proposed to be amended by the Senate committee are wholly unwarranted. These knit goods, underwear and other wearing apparel, which are composed of cotton or other fiber, constitute such a large part of the cotton goods which are consumed in this country that the importance of the product to the taxpayer and to the people generally is so apparent that it need not be stated or discussed.

The rates proposed by the committee in this instance have probably reached the peak of the rates of this bill. I doubt very much whether any other paragraph in the bill carries higher rates than the paragraph we have just disposed of and the paragraph we have now taken up for consideration. I want, for the purpose of having it go in the RECORD, Mr. President, to read the remainder of the paragraph showing the rates which the Finance Committee originally proposed as compared with the rate they are now graciously, very much to my delight, offering to substitute.

After mentioning the goods—

Underwear and all other wearing apparel of every description, finished or unfinished, composed of cotton or other vegetable fiber, made wholly or in part on knitting machines, or knit by hand, and not specially provided for—

Then follow the rates as the committee proposed them originally—

valued at not more than $1.50 per dozen, 40 cents per dozen and 12½ per cent ad valorem; valued at more than $1.50 and not more than $3 per dozen, 70 cents per dozen and 12½ per cent ad valorem; valued at more than $3 and not more than $5 per dozen, $1.20 per dozen and 20 per cent ad valorem; valued at more than $5 and not more than $7 per dozen, $1.40 per dozen and 25 per cent ad valorem; valued at more than $7 and not more than $12 per dozen, $2.25 per dozen and 25 per cent ad valorem; valued at more than $12 and not more than $20 per dozen, $4 per dozen and 28 per cent ad valorem; valued at more than $20 per dozen, 40 per cent ad valorem.

I do not know what would be the ad valorem equivalent of those rates. I imagine—and I should like to ask the Senator from Utah if I am correct—that it would be over a hundred per cent.

Mr. SMOOT. The rates on what particular goods?

Mr. SIMMONS. The ad valorem equivalent of the various rates on knit underwear and other goods provided for in the paragraph as originally written in the bill by the Committee on Finance.

Mr. SMOOT. Taking goods valued, say, at a dollar, the specific duty of 40 cents per dozen would be equivalent to 40 per cent, and adding 12½ per cent would give a total equivalent ad valorem of 52½ per cent in that bracket.

If the goods were valued at $2, the specific duty of 70 cents per dozen would be equivalent to 35 per cent, and 12½ per cent added would be 47½ per cent.

On goods costing $3 the specific duty of $1.20 would be equivalent to 40 per cent, and the 20 per cent ad valorem additional would give a total equivalent ad valorem of 60 per cent. But the committee has proposed to amend the paragraph by making the rate 50 per cent clear through.

Mr. SIMMONS. I understand that, but I was asking the Senator what would be the average ad valorem equivalent on all the items in the paragraph.

Mr. SMOOT. The equivalent ad valorem as provided for by the House bill?

Mr. SIMMONS. Yes; the average equivalent ad valorem.

Mr. SMOOT. It would of course depend upon the valuation of the goods imported, but I should think it would be above 50 per cent.

Mr. SIMMONS. And the Senator is now proposing to reduce it to 50 per cent.

Mr. SMOOT. To 50 per cent. I will say to the Senator that in the Payne-Aldrich law——

Mr. SIMMONS. The Senator must be mistaken in saying the ad valorem equivalent of the rates now written in the bill will average but slightly more than 50 per cent, because some of them bear in addition to the specific rate per dozen as high as 28 per cent ad valorem additional.

Mr. SMOOT. The 28 per cent ad valorem applies on goods valued at more than $12 but not more than $20.

Mr. SIMMONS. Yes; and in addition there is a specific duty of $4 a dozen.

Mr. SMOOT. On goods valued at $12, $4 a dozen would be equivalent to 33⅓ per cent, and the additional 28 per cent would make a total ad valorem duty of 61⅓ per cent.

Mr. McCUMBER. Mr. President, may I correct the Senator from Utah? The Senator is basing those ad valorems upon the foreign valuation. As a matter of fact, in the House bill they were based on the American valuation. The equivalent ad valorem on the House rates based on the American valuation will run as high as 70 or 80 per cent.

Mr. SIMMONS. Yes; but what would it be, estimated upon the foreign valuation?

Mr. SMOOT. I think a little over 50 per cent.

Mr. McCUMBER. Under the amendment now proposed by the committee the rate will be 50 per cent.

Mr. SMOOT. It will be 50 per cent under the rate now proposed.

Mr. SIMMONS. I am not speaking about the amendment now proposed, but I am speaking of the paragraph as the committee reported it to the Senate. I am trying to find out, I will say to the Senator from North Dakota, what is the amount of the reduction that is proposed now by the new amendment which has just been offered. An amendment has just been offered to fix a flat 50 per cent ad valorem rate, and I am trying to find out what the reduction involved in that change amounts to as compared to the rates in the bill as it was reported to the Senate by the Finance Committee.

Mr. McCUMBER. The expert says that the rate now proposed is about 10 per cent less than the original rates; that the original rates were about 60 per cent, and it is now proposed to reduce them to 50 per cent.

I wish to call attention to the fact that under the Payne-Aldrich law the rates ranged from 57 to 64 per cent. So the rates now proposed by the committee are a very considerable reduction below the rates carried in the act of 1909.

Mr. POMERENE. Mr. President, I notice that the duty on this class of goods under the Underwood bill—and there are some few exceptions to what I am stating now—was practically 30 per cent. The total production in 1919 was $143,687,000; the total imports for that year were $296,734; the exports during 1919 of cotton knit underwear were $8,602,293; the exports of other cotton knit goods for that year were $1,508,995.

Mr. SIMMONS. Mr. President, where is the Senator reading from?

Mr. POMERENE. Page 892 of the Tariff Summary. For the year 1920 the exports of cotton knit underwear were $14,067,839, and of other cotton knit goods $2,510,558. For nine months of 1921 the exports of cotton knit underwear were $2,535,434, and of other cotton knit goods $340,024. We have had all of this export business, and very modest imports, as I have indicated.

Mr. SMOOT. Mr. President, if the Senator had the imports up to date, they would show quite a different state of affairs.

Mr. POMERENE. I do not have them. I assume that there has been some increase, but what I am trying to get at now is this: Certainly 1920 and perhaps 1921 more nearly approached normal conditions than the present time. I say that in view of the pendency of the present bill. If we had these large exports and these comparatively small imports during that more or less normal period under the Underwood rates of 30 per cent, I do not quite see the reason for increasing this rate to 50 per cent. I have been informed, too, that latterly there have been substantial increases; but I dare say——

Mr. SMOOT. Mr. President, for the first five months of this year there has been imported over twenty times the amount that was imported in the year 1921.

Mr. LENROOT. Mr. President, will the Senator give the amount?

Mr. SMOOT. Three million eighty-four thousand six hundred and three dollars.

Mr. LENROOT. For five months?

Mr. SMOOT. That is five months, less the $160,342. In other words, for the first five months of 1922 there has been imported into the United States twenty times all that was imported in the year 1921.

Mr. POMERENE. Mr. President, I have been shown here the copy of the Monthly Summary of Foreign Commerce for May, 1922, and this gives the imports of knit goods, all others except gloves and stockings, as $84,849. That is for the 11 months ending May 30.

Mr. SMOOT. That is $3,084,603.

Mr. POMERENE. No; I am advised by the expert sitting by me here that the item to which the Senator refers, and which reads "all other wearing apparel," does not include underwear at all.

Mr. SMOOT. It says "knit goods," and these are knit goods, and it then says "gloves and stockings and all others." That is the wearing apparel.

Mr. POMERENE. I have no personal knowledge of the matter; but the record here shows that the imports of knit goods amounted to $84,849, and the expert here advises me that that includes the underwear, and that the other item is something else.

The exports of knit goods—I read now from page 40 of the Monthly Summary of Foreign Commerce—for 11 months ending May 30, 1922, were $3,604,694, and in the case of the other knitted wear—sweaters, shawls, and other knit goods—the exports were $298,745 for the same 11 months.

Mr. SIMMONS. Mr. President, I call the attention of the Senator to the fact that in line 25 of page 129, in this paragraph, the underwear and other wearing apparel referred to is limited to that "made wholly or in part on knitting machines, or knit by hand," so that he is correct about it.

Mr. POMERENE. Mr. President, if these figures are correct—and they seem to me to be—I confess that I do not see the reason for increasing this duty from 30 per cent ad valorem to 50 per cent ad valorem, particularly as I am advised that during recent months there has been considerable increase in the wages in Germany and to some extent a reduction in wages in this country. It has been pointed out here repeatedly that the raw material comes from this country. I deplore these larger increases of duties, particularly at this time and for this reason:

We are having very, very serious wage troubles now. Some of them may be justified; but when it comes to the matter of a reduction of wage scales, whether in mining or in the railroads, one of the objections to these decreases now is based

upon the fact that there has not been a corresponding reduction in the cost of living. I have not analyzed that problem, and I am not expressing any opinion about it; but when the Congress of the United States is passing a tariff law here which adds materially to the cost of many articles of food, to the cost of many articles of wearing apparel, the cost of many of the articles of necessity which enter into all of the households of the country, it seems to me that it adds to the feeling of unrest which we have everywhere.

I am not disposed to do anything here, and do not want anything done, that is going to injure any line of activity; but I know, as Senators all know if they will be frank with one another, that a tariff bill never comes up here, no matter what the rates are, but that somebody comes in here and says: "Oh, we must have higher rates, because we can not do business under the pending rates," and so forth. That is nothing new. We hear it on every side.

If I may illustrate, some months ago I had a conversation with a very distinguished manufacturer from my own State. He was insisting upon the American-valuation plan as his only security against closing his factories because of the importations of his product that were coming from other countries. I was interested a little later in a statement which he had made in the first conversation, in which he said that Italian-made goods were coming into this country and selling at 90 per cent off list price; but he was very careful in his letter not to tell me what the list price was or what his own price was, and insisted that as the result of these sales he must close down his plant. Within three or four months after that conversation the local papers announced that he was running his plant at nearly full capacity, and had just given an increase of 10 per cent in wages to his men. I suspect, if we were to go into the details of many of these articles of manufacture, that we would find substantially the same condition.

I know that the Finance Committee have had very great difficulty in ascertaining what the cost of manufacture is, because this cost has been changing from time to time, due in part to changing economic conditions abroad, due in part to the difference in the cost of exchange. I understand that fully; but it does seem to me that we ought to be equally careful lest we place too great burdens upon those who must buy as well as upon those who may perhaps be producing and selling.

I am glad to know that this reduction has been submitted by the committee, but it does seem to me that the rate of duty proposed by the revised amendment is still entirely too high.

Mr. McCUMBER. Mr. President, I think it opportune at this time to put in the RECORD a statement of the conditions of cost of living as compared with wage costs in the United States, because it meets the inquiry made by the Senator from Ohio [Mr. POMERENE].

As a matter of fact, there is no excuse in many instances, in my judgment, for the present high price of many commodities. They are simply held up to the full price that the sellers can obtain, and the profits, I think, are very heavy along certain lines; but, notwithstanding all this, the cost of living has gone down very materially below that of the cost of labor, and the wholesale costs of commodities have gone down very much more than the average retail costs of the same commodities.

I ask permission to introduce into the RECORD a statement on this matter that I obtained from the Department of Labor but a few days ago.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Index numbers of wholesale prices of commodities, by groups, and of union wage rates per hour of labor in the United States.

(1913=100.)

Commodities.	1914	1915	1916	1917	1918	1919	1920	1921	
								Year.	December.
Wholesale prices:									
Farm products	103	104	123	190	218	231	218	124	120
Foods	102	105	121	167	188	207	220	144	136
Cloths and clothing	98	98	127	175	228	253	295	180	180
Fuel and lighting	93	88	126	169	170	181	241	199	199
Metals and metal products	85	99	162	231	187	162	192	129	113
Building materials	92	94	120	157	172	201	284	165	158
Chemicals and drugs	101	134	181	202	215	169	200	136	127
House furnishings	100	100	106	125	153	184	254	195	178
Miscellaneous	95	95	121	148	156	175	196	128	121
All commodities	98	101	127	177	194	206	226	147	140
Union wages	102	103	107	114	133	155	199	205	.....

Mr. McCUMBER. It will be seen from this table that they take 1913 as the basis. That is 100. The wholesale price of farm products in 1914 was 103, or 3 per cent above 1913. In 1921, for the year, it was 124, or 24 per cent higher than in 1913. Taking the month of December, 1921, it was 120, or 20 per cent higher than in 1913.

Mr. POMERENE. Is the Senator speaking of wholesale prices now?

Mr. McCUMBER. I am speaking of wholesale prices of farm products. That is all we can go by, because it is almost impossible to get the average retail prices.

Now, I will give the statistics as to foods, starting with 1913 at 100. In 1914 it was 102; in December, 1921, it was 136.

Clothes and clothing, 100 in 1913; it dropped to 98 in 1914 and went up to 180 in December, 1921.

Fuel and lighting, which was the highest, 100 in 1913, 93 in 1914, and 199 in 1921.

Metals and metal products were 85 in 1914—all being 100 in 1913—and 113 in December, 1921. There was less rise in that than in any other article.

In building material it was 92 in 1914 and 158 in December, 1921. Chemicals and drugs were 101 in 1914 and 127 in December, 1921. House furnishings were 100 in 1914 and 178 in December, 1921. All other, miscellaneous, 95 in 1914 and 121 in December, 1921. Taking all commodities together, they were 98 in 1914 and 140 in December, 1921. The union wage scale was 100 in 1913, 102 in 1914, and 205 in 1921.

Mr. POMERENE. Let me ask the Senator, again, when he is speaking of the rise in the price of house furnishings and clothing, is he speaking of wholesale prices?

Mr. McCUMBER. Wholesale prices. I have stated that the retail prices have not gone down to the same extent that wholesale prices have. I had a statement a short time ago upon retail prices which I have not with me to-day and, therefore, will not take any chances in misquoting. They have gone down quite considerably, but nothing in comparison with the wholesale prices.

Mr. POMERENE. I think I agree with the Senator from North Dakota in the statement that the wholesale prices have gone down relatively very much lower than the retail prices, and that is regrettable; but I am satisfied from conversations I have had with leading retail merchants in Ohio, as well as from correspondence I have had with them, that there has been a very determined effort to bring down the retail prices. They have had their embarrassments as well, because many of the goods they have on their shelves they have had to pay for at excessively high wholesale prices. That is a problem which every business man has to deal with. I had not expected to talk upon this subject to-day, but I may later. One of the most strenuous objections they make is that while many of them are exerting themselves to reduce these prices, which is what the Senator from North Dakota and I both want, they come here and say to me and to others that with these increased tariff rates there is coming an excuse to add to the wholesale price, to the manufacturer's cost, and necessarily to the retailer's cost, and they fear that there is going to be just what there was a year or two ago, another buyers' strike; and if so, what are they to do, looking at it from their own selfish standpoint? It is going to mean financial embarrassment to them, and with a buyers' strike comes the inability of the breadwinner to buy the articles of clothing and of food which he would like to have for his family, but which he feels he can not buy because of the increase in prices. That is the difficulty about it, and, bringing my thought down so as to apply it to the pending amendment, we have here confessedly an increase from 30 per cent ad valorem, under the Underwood Act, to 50 per cent under the pending bill. In other words, you are almost doubling this duty; and when I turn to the records I find that our imports of these knit goods are relatively small, compared with the exports from our country, and the fact that we are exporting any substantial amounts would indicate that we are selling in competition in the foreign markets, and we are doing all of that under the Underwood tariff of 30 per cent ad valorem, or thereabouts. For that reason why should we be increasing this duty to 50 per cent, or nearly doubling it?

I do not believe it is going to redound to the good of the manufacturers, and certainly it is not going to aid the struggling masses, who are now having difficulty in paying their grocery bills and their clothing bills.

Mr. McCUMBER. Mr. President, I want to answer a suggestion just made by the Senator from Ohio, and I want to answer it because he and other Senators have referred to the same thing, that is, that since we are exporting a certain line of goods such imports should be credited against our exports,

even though the class of articles imported are not exported at all.

We seldom import and export the same thing or a comparable thing. We manufacture certain lines of articles. Many of these paragraphs have a large number of brackets. The imports of the articles included in 10 or 12 of those brackets may be heavy, and in the case of the article covered by the next one, it may be that there are no imports at all, or they may be very unimportant, if there are any whatever. We may be exporting to Cuba, where we have a differential, or we may be exporting to other countries, in South America, for instance, a very considerable amount of those things which are not imported. Certainly we could not import and export the same thing. We could not get a sufficient profit to pay the duty and then reexport, and I think in most cases the Senator will not find any comparison between the imported article and the exported article if he will examine carefully into the statistics of the goods which are coming in and those which we export. In some instances there may be some, but as a rule we export different articles, although they come under the general schedule.

Mr. POMERENE. Mr. President, I very candidly admit that my good friend from North Dakota may be in part right in that statement, but I think also he is part wrong in what he is trying to do. It may be that at the port of New York we could import. It may be that at the port of San Francisco we could export these very articles. When the Senator says that we export under certain brackets and import under certain other brackets, I assume that is true, but the Senator comes here and insists upon a duty of 50 per cent upon all these articles, whether they come in or are exported in the one bracket or the other bracket. That is the vice of this bill in part.

Mr. McCUMBER. Just let me say there, there are sometimes peculiar reasons why we are not importing certain articles at a certain time, and yet, if we place no duty upon them whatever, the conditions might almost instantly change and change very suddenly the whole course of commerce. Therefore we have to guard against, not that possibility, but that probability.

Mr. POMERENE. Of course, circumstances alter conditions. I can conceive that if there were to be a revolution in Germany—and I hope there will not be—it might necessitate some additional changes in our financial legislation, or, if it did not necessitate changes, at least it might render them advisable. We all understand that. But I hope the distinguished chairman and his associates on the Finance Committee can see their way clear to leave this rate at least where it was under the Underwood law, as applied to these knit fabrics.

Mr. McCUMBER. If we wanted to surrender our market in the future, of course I would favor such a proposition. I differ with the Senator in his thought that there is no danger of the future, because we have not suffered materially in the last two years. If the Senator were in the channel of the river above Niagara Falls, he would not wait until he got into the rapids before he would pull for the shore. It would be no answer for him to say: "I am gliding along smoothly now. I do not feel any particular danger." He might continue until he got to the brink, and even a third of the way down, and he might say, "I am not suffering even yet. I will wait until I get to the bottom." The Senator would not do that, and when I see the capability of production in a given line, and recall what they could do, I think it is safe to look ahead and guard against probabilities, although we need not go to the extent of guarding against mere possibilities.

Mr. POMERENE. Mr. President, the only difficulty with the Senator's illustration is that if I were in the river above Niagara Falls I would know, as a matter of fact, that there were falls there; but when he fancies that there is a fall or catastrophe ahead of us in our manufacturing industry he must reflect that Congress is going to be in session, and that Congress can meet that situation when we have a Niagara Falls in our industrial life, and we will meet it.

Mr. McCUMBER. The country might not be able to meet it, however, after it got over the brink, even though we had a succeeding Congress.

Now, I want to answer another suggestion made by the Senator upon the retail prices. I stated in opening the discussion upon the tariff bill that we could not expect the retailers to reduce very materially their prices until at least they had gotten rid of the old stock of goods on which they had paid very heavy additional costs over previous years. Now, I think they have had about time enough to get rid of most of it, and they ought to begin to make a showing in their reductions. I appreciate, with new conditions, in which clerks are limited to so many hours per day and under which they must open their stores at 9 or a quarter after 9 and then be careful that they do not keep a woman clerk longer than eight hours or longer than so many hours per week, that their overhead costs are very much more than they were previous to the enactment of those hour-saving laws, and we must allow them full credit for the overhead charges. But I am inclined to think that they are still charging all the trade will bear.

The Senator said they will make the tariff an excuse for raising their prices. They will not, because they will not raise them. I will tell you why they will not raise them. It will not be because they will not have the inclination, because they have raised them already as much as the trade will bear, and that is the real thing, after all, which governs. Whenever the public ceases to buy along a certain line because the prices are too high, they immediately begin a rapid reduction. The Senator will remember in 1920, during the first half of the year, how the prices, wholesale and retail, mounted higher and higher, and in a month began a very big slump because we had reached the end of the purchasing power of the pocketbook and the people would not pay the prices. Whenever the people will not pay the price they will have to sell at a less amount, both at wholesale and at retail.

The Senator is not blind to the fact that many people are claiming that they will raise their prices on account of the tariff, when he knows and I know that the tariff, instead of being raised, has been lowered. The Senator heard a very short time ago a statement by a large clothing establishment to the effect that they would have to raise the average price of suits $4.50, if I remember rightly, because of the tariff; and yet the Senator knows that the present tariff law upon the scoured wool is 45 cents per pound and the present bill proposes 33 cents a pound, or 12 cents a pound on the scoured content less than the present law.

I am not surprised that some of the Ohio retail stores who have not studied the wool schedule may have been misled by the declarations of—what shall I call the kind of man who makes a statement of that character in the face of those facts? I can not use the language in the Senate, Mr. President, but we all know what it is. He knew when he penned those words that the proposed tariff rate on wool was less than the present-law rate upon wool on the scoured contents. Yet a great many retailers, without considering that fact, will say, "The wholesale clothier will raise his prices and we will have to raise ours." I am not surprised that they are disturbed, and that will be the case as to a great many other articles. But, Mr. President, prices are going to come down.

Some of the manufacturers of knit goods, stockings, hosiery, and so forth, stated to us that they wanted at least 90 per cent where we gave them 50 per cent. Upon what do they base their claim? As stated by the Senator from Utah, they said, "We are paying $105 a week for a knitter, almost $450 a month," and they ask the American people and have the effrontery to ask Congress to give them a rate that would protect them with those absurd wages and compel the American people to foot the bill. Now, wages are going to come down. They have got to come down. The cost of production must come down, and if it does not come down, then, for the protection of the American people, let Germany furnish us with the hosiery. No such protection can be given, but when we say, "We will give you a protection of 50 per cent," I do not think it is excessive. The Senator from Ohio, I know, does think so because of the somewhat limited importations under the present law, but, as the Senator from Utah suggests, on the higher-priced class, we are down to about present rates, and I think that protection will be needed in the future.

Mr. LENROOT. Mr. President, it seems to me the rate proposed by the committee is higher than justified by the imports which are being received. It seems to me that it would average higher than the rates originally proposed by the committee, while heretofore the rates proposed by the committee have been reduced. I have made a very hasty computation on the 50 per cent ad valorem rate applied to all these articles as compared with the specific rate provided in the bill. Unless I have made a mistake in the calculation upon articles valued at $1.50 a dozen the rate now provided would be 50 per cent ad valorem, while the rate originally reported would be 40 per cent ad valorem.

Mr. SMOOT. I will say to the Senator that the way those goods are imported, not only hosiery but all other goods, they always come in just——

Mr. LENROOT. This does not include hosiery.

Mr. SMOOT. I say including hosiery. Those goods come in just over the low bracket. They never come in just under the high bracket. The goods are always billed that way.

Therefore the Senator can not take the high price in the bracket and get the equivalent ad valorem because that is not the practice in importing goods of any kind or character.

Mr. LENROOT. Let us take a cost of $2 per dozen, falling in the bracket between $1.50 and $3.

Mr. SMOOT. They would come in at $1.50 where the rate would be 70 cents a dozen. That is 46 per cent, and 12½ per cent added would be 58½ per cent.

Mr. LENROOT. But the Senator says they do not come in under that price.

Mr. SMOOT. Yes; they would come right there, just above the low bracket.

Mr. LENROOT. No; certainly an import does not come in at $1.50. It would come in at $1.49.

Mr. SMOOT. It would come in at that figure wherever it came in at all. Take $1.60. That would be in round numbers 43 per cent, and 12½ per cent added would be 55½ per cent.

Mr. LENROOT. But the Senator just said they do not come in that way, and I agree with him. They come in the other way wherever they take the low rate.

Mr. SMOOT. Then you would have to say that they come in under $2.99, and that would be not more than $5, which would carry a rate of $1.20 a dozen and 20 per cent ad valorem. If the Senator will figure it out, he will find that to be correct. It is the rate which is the lowest on the last bracket of $20, because they are luxuries, and we do not care anything about those. That would be in round numbers 60 per cent or 59 per cent.

Mr. LENROOT. No; $2.99 would take 70 cents.

Mr. SMOOT. No; $2.99 would be 20 per cent.

Mr. LENROOT. It would be 22 per cent.

Mr. SMOOT. No; the Senator is wrong. Two dollars and ninty-nine cents would take a rate of $1.20 a dozen.

Mr. LENROOT. No; $2.99 would carry 70 cents a dozen rate.

Mr. SMOOT. If the Senator puts it that way, of course.

Mr. LENROOT. That is what we are doing. Let the Senator figure it himself. It is very much less than 50 per cent.

Mr. SMOOT. Yes; provided they would take the higher bracket.

Mr. LENROOT. Of course they will. Here is a rate that might be $3.10 where they can get a difference of 50 cents a dozen by making it $2.99, and of course it will come in at $2.99. The Senator will find that going through the whole paragraph. I think he will find that this actually works out as an increase over the House rate and not a decrease at all.

Mr. POMERENE. Mr. President, the Senator means by that the proposed rate of 50 per cent ad valorem?

Mr. LENROOT. Yes.

Mr. SMOOT. The Senator must take into consideration that the ad valorem rates are on the American valuation, and on the hosiery with the American valuation the whole rate would be away above what the Senate committee has proposed.

Mr. LENROOT. No; but the Senate committee reported this same ad valorem on the foreign valuation. That is the point I am making. I am taking the original action of the Senate committee; and I insist that 50 per cent ad valorem will constitute a higher rate than those originally proposed by the Senate committee. That is the point.

Mr. KING. If the Senator will pardon me, I think as to a number of these items, the 50 per cent ad valorem rate is higher than the rates in the House bill. For instance, on the item "valued at more than $5 and not more than $7 per dozen," the equivalent ad valorem would be 45 per cent; and on the item "valued at more than $7 and not more than $12 per dozen," the equivalent ad valorem would be 43 per cent.

Mr. LENROOT. Yes; that is the way it runs.

Mr. KING. On line 11 it would be 48 per cent. Then, of course, on line 13 there is a flat increase of 10 per cent.

Mr. SMOOT. Those are luxuries and we do not care anything about that.

Mr. LENROOT. The 40 per cent upon the highest bracket is actually a less rate ad valorem than is imposed upon the lower brackets? Is not that true?

Mr. SMOOT. There is no question about that, so far as the equivalent ad valorem is concerned.

Mr. LENROOT. Mr. President, with reference to imports, the Senator from Utah——

Mr. SMOOT. In looking over the statistics as to imports, I see that the figures include the items which are found in paragraph 918 as well as those found in paragraph 916.

Mr. LENROOT. Exactly. That makes, of course, a very great difference. I am very sorry that, though both the Senator from Utah and I have endeavored to get the actual figures of imports under paragraph 916, we have been unable to do so; but there are nothing like the quantity of imports under paragraph 916 that the Senator, perfectly innocently, of course, asserted did come in under that paragraph. As a matter of fact, during the year 1921 the 30 per cent rate was practically prohibitive under this paragraph, for the total imports for the full year 1921 under the paragraph amounted in value only to $189,000.

Mr. POMERENE. Mr. President——

Mr. LENROOT. Let me finish this statement. At the same time our exports of goods under the same paragraph amounted to $10,232,000. Now I yield to the Senator from Ohio.

Mr. POMERENE. The Senator from Wisconsin stated a moment ago, if I understood him correctly, that the Senator from Utah was mistaken in the assertion as to the amount of imports?

Mr. SMOOT. Under paragraph 916.

Mr. POMERENE. Yes. Now, is the Senator able to inform us just what those imports are?

Mr. LENROOT. No; I could not get them. Both the Senator from Utah and I tried to do so, but the commerce reports do not separate imports under paragraphs 916 and 918.

Mr. POMERENE. Have either of the Senators been able to get the information as to whether or not there were substantial imports?

Mr. SMOOT. There were $3,000,000 worth, as I stated, which came in under both paragraphs; but I can not get the figures applying to the separate paragraphs.

Mr. POMERENE. Those figures include articles other than knit wear.

Mr. SMOOT. Yes; they include wearing apparel of both kinds. I can not say what the division was.

Mr. POMERENE. I am quite sure—because I had the expert at my elbow at the time—as to the amount of the imports of knit goods, and I think the figures as I gave them were accurate.

Mr. SMOOT. I will say to the Senator that I tried to ascertain from the Treasury Department, but could not do so, because they have not separated the figures.

Mr. LENROOT. The Senator made the statement that the imports were twenty times greater. Combining the imports for 1921 under paragraphs 916 and 918, as I roughly figure it, they ran to a little over $1,000,000, when now combined they are a little over $3,000,000.

Mr. SMOOT. Combining both paragraphs?

Mr. LENROOT. Combining both paragraphs.

Mr. SMOOT. But we can not tell how much fell within each of the paragraphs.

Mr. LENROOT. So that I think under the showing that has been made some increase is justified; but an increase of 66⅔ per cent can not be justified, in my judgment. Upon the showing that has been made of exports under this paragraph an increase of 40 per cent would be ample to protect the American industry. The exports, as I have stated, were around $10,000,000, while the imports were but $189,000. The imports under paragraph 918 were, in 1921, in the neighborhood of $1,000,000, while our exports under that paragraph during the same period were over $5,000,000.

So I am going to propose, Mr. President, an amendment reducing this duty from 50 per cent to 40 per cent.

Mr. SMOOT. Mr. President, in hastily figuring on the basis of $1, $2, $4, $6, $9.50, and $16—that is, taking the figure midway between the higher and the lower values within each bracket—I will say to the Senator the result is as follows: On the article valued at $1, the rate is 52½ per cent; on the $2 article it is 47½ per cent; on the $4 article it is 50 per cent; on the $6 article it is 48 per cent; on the $9.50 article it is 49.7 per cent; on the $16 article it is 53 per cent; and on articles valued at over $20 it is 40 per cent.

Mr. LENROOT. I will simply say, in response to that, that I agree with the statement which the Senator from Utah has just made, that imports as they actually come in always come in, so far as possible, just under the next higher bracket. Therefore I think it is fair to figure, so far as the average is concerned, what the ad valorem would be for imports just under the next higher bracket. That I am quite sure, Mr. President, will figure out less than 50 per cent.

I wish to say a word with reference to the statement of the Senator from North Dakota [Mr. McCUMBER], the chairman of the Committee on Finance, with regard to the possibilities of the future, that this bill ought to take care of those possibilities in the specific rates which are imposed. That was discussed during the early part of the debate, but I have not heard anything of it lately. I supposed that it had been ac-

cepted, in so far as mere possibilities in the future are concerned; that the committee had taken care of that by the provision for flexible rates. I presume that was the purpose of that provision. If that was not its purpose, why was it reported by the committee at all? I insist, Mr. President, that where a showing can not be made for the increase of a specific rate or a showing can not be made for a rate as high as is proposed by the committee, it is not fair, it is not right to appeal to the fears for the future, based upon possibilities, when the committee itself has reported a provision, which I shall support and which is intended to take care of those possibilities, enabling the rate to be increased if it shall be found too low in a given case. So I insist that the argument of the Senator from North Dakota ought not to be considered at all in connection with the specific paragraphs.

Mr. President, I want to support and I do support throughout this bill rates which, to my mind, are amply protective, and I have been resolving doubts in favor of the committee and the bill, but there has been no showing made here why the rates originally proposed by the committee should be increased, and they will be increased if the ad valorem rate shall be made 50 per cent. Therefore, Mr. President, I move, if it be in order——

Mr. SMOOT. The Senator wants, then, to disagree to the committee amendment, which would leave the rate 40 per cent?

Mr. LENROOT. Yes; that would be all right.

Mr. SIMMONS. Mr. President, the Senator from Wisconsin is absolutely right. The proposed amendment of the committee will not reduce the rates in this paragraph as we were led to believe and probably most of us did believe it would when the amendment was first stated. It will materially increase the rates in some of the brackets. I have asked the expert who has been assisting the Senator from South Carolina [Mr. SMITH] in the management of this schedule to make a calculation as to the different brackets in this paragraph, and I find that in the first bracket, embracing goods valued at not more than $1.50 a dozen, on which a rate of 40 cents per dozen and 12½ per cent ad valorem is proposed, the rate under the bill as it passed the House would be 39½ per cent, so that the rate proposed by the committee would be an increase of about 11 per cent.

In the next bracket the lower-priced commodities would be taxed at a rate of 60 per cent and the higher priced at a rate of 36 per cent; in the next bracket the rate would be 60 per cent on one portion of the fabrics covered by the bracket as compared with 44 per cent on the other portion; in the next bracket the rate would be 53 per cent on the minimum-priced underwear and 45 per cent on the maximum-priced underwear in that bracket; in the next bracket the rate would be 60 per cent on the minimum-priced underwear and 43 per cent on the maximum; in the next bracket the rate would be 61 per cent on the minimum priced and 48 per cent on the higher priced; and in the last bracket on the highest-priced product the rate in the bill as now written would be only 40 per cent.

So it is clear, I think, that the proposed amendment rather increases instead of decreases the rates. How much it increases them would be a matter of nice calculation, but I should say from 5 to 10 per cent.

There is another fact to which I desire to call the attention of the Senator from Utah. I am advised that certainly the Payne-Aldrich bill and the Underwood bill placed a higher duty upon hosiery than upon underwear. The equivalent ad valorem on hosiery in the Payne-Aldrich law was 71.66 per cent.

Mr. SMOOT. That is the average?

Mr. SIMMONS. Yes; while on underwear under the Payne-Aldrich law the average rate was 59 per cent. So under the Underwood law the rates on hosiery were 30, 40, and 50 per cent, while on underwear the rate was 30 per cent flat.

In this bill it is proposed to place exactly the same duty upon underwear that is placed upon hosiery, in violation of the rule which has heretofore obtained with reference to the relativity of rates on those two commodities. In other words, if we observe the same differentiation that seems to have been recognized in the Payne-Aldrich law and in the Underwood law, and I am told in other tariff bills, if the rate on hosiery is 50 per cent the rate on underwear ought not to exceed 40 per cent.

I am going to ask the Senator to take that into consideration if it is his purpose to consider further the rate proposed. Since it has been shown that the Senator was mistaken in the opinion which I understood him to express when we first took up this paragraph, that this 50 per cent flat rate would be a reduction, I assume that the Senator will either reduce that rate or that he will hold up this paragraph for further consideration.

Mr. SMOOT. I will say to the Senator that the way I figured that it was a reduction was by taking the low price in each bracket, not by taking the high price. By taking the high price in each bracket the equivalent ad valorem would be less; there is not any doubt about that; but taking the average of all, or taking $1, $2, $4, $6, $9.50, $16, and over $20, the average of all of those is a little over 50 per cent, just the average between the prices of the brackets; but, as I said to the Senator from Wisconsin, they do not generally come in that way.

Mr. SIMMONS. The same thing was true with reference to hosiery, but you did fix a rate with reference to hosiery that was a reduction; that is, I mean to say, on an average.

Mr. SMOOT. Oh, certainly; but the House had a rate on hosiery that I think was beyond all reason.

Mr. SIMMONS. I am merely making a suggestion that we ought not to place, and we never before have placed, I think, in any tariff bill—certainly in none that I had anything to do with—as high a duty on underwear as we did on hosiery.

Mr. SMOOT. There is no provision in this for a compensatory duty for long-staple cotton.

Mr. LENROOT. Mr. President, I will say to the Senator that in the amendment I propose to offer I propose to give a compensatory duty for long-staple cotton.

Mr. SIMMONS. What is the amendment that the Senator proposes to offer?

Mr. LENROOT. The amendment that I shall offer is to strike out all after "50 per cent" and insert:

40 per cent ad valorem; if such underwear or wearing apparel contains cotton wholly or in chief value of 1⅛-inch staple or longer, 10 cents per pound and 40 per cent ad valorem.

Mr. SIMMONS. I think that would be a very much more equitable arrangement than this one.

Mr. KING. Mr. President, may I inquire of the Senator whether that is to take the place in its entirety of paragraph 916?

Mr. LENROOT. That is to take the place of the rate now offered by the committee—50 per cent.

Mr. KING. Mr. President, I have not heard the committee's amendment; but, as I understand, the committee's amendment would take the place entirely of paragraph 916.

Mr. LENROOT. Yes.

Mr. KING. And make a flat rate?

Mr. LENROOT. So far as all these rates are concerned, it would make a flat 50 per cent rate.

Mr. KING. And the Senator now proposes to make a flat rate of 40 per cent upon all the items in the paragraph?

Mr. LENROOT. With a compensatory duty. I offer the amendment, Mr. President.

Mr. KING. Mr. President, I should like to inquire, for information, in view of the limited imports, approximately $84,000——

Mr. LENROOT. One hundred and eighty-nine thousand dollars, I think.

Mr. KING. For what year?

Mr. LENROOT. Nineteen hundred and twenty-one.

Mr. KING. The Summary of Foreign Commerce of the United States for May, 1922, shows for the 11 months ending May, 1922, imports of $84,849, and my information is that the exports of the same character of goods and for the same period aggregate approximately $4,000,000—indeed, a little more than $4,000,000.

Mr. President, I am quite unable to understand upon what theory such a high duty as 50 per cent or even 40 per cent is justified with respect to the articles and commodities embraced within this paragraph. All Senators must have been interested in, indeed instructed by, the admirable address delivered yesterday by the Senator from South Carolina [Mr. SMITH], in which he called attention to the manifold advantages which the American manufacturer of cotton goods possesses over the foreign manufacturer, and indicated that all of these goods might with propriety be manufactured in the United States. Most of these goods that have been imported, comprised within this $84,000 in 11 months, came from England. The greater part of the cotton utilized in the production of these goods was produced in the United States and carried overseas, with the freight and the insurance and the costs necessarily added. We produce these goods of a comparable character in the United States from cotton produced in the United States. Why we should grant a bounty, a duty, a tax, whatever you want to call it, of 50 per cent in the light of these circumstances, is something that I can not comprehend.

Mr. President, it seems to me that the rate offered by the Senator from Wisconsin is entirely too high; and if I had any thought that a lower amendment would receive any support I should move to strike out the numerals "40" in his amendment and insert in lieu thereof the numerals "25." However, I shall not offer that amendment, at least for the present.

The PRESIDING OFFICER (Mr. LADD in the chair). The question is on the amendment offered by the Senator from Wisconsin to the amendment proposed by the Senator from Utah.

Mr. LENROOT. Mr. President, I want to say in connection with my amendment, so that it may be understood, that the amendment I now offer is for a duty of 40 per cent, and if the articles are made of long-staple cotton it adds 10 cents a pound compensatory duty.

I ask for the yeas and nays upon my amendment.

The yeas and nays were ordered.

Mr. SMITH. Mr. President, before this vote is taken I want to call the attention of the Senate to the fact that the greater percentage, in fact practically the entire production, of this kind of goods is made out of a less count of cotton thread than those that carry an equal duty in the body of the bill. The fact of the matter is that this knitting cotton can be made out of the lower grades of our cotton. It has a loose weave. It does not have to stand the test of tight weave; and for that reason not only do you have a lower grade of cotton but it is the cheapest possible process of manufacture. In all the little villages and hamlets you can set up a knitting factory.

Mr. SMOOT. This is wearing apparel.

Mr. KING. This is paragraph 916.

Mr. SIMMONS. Underwear.

Mr. SMOOT. Underwear and other wearing apparel.

Mr. SMITH. But it says "made wholly or in part on knitting machines, or knit by hand." It comprises the whole category of the ordinary goods that ordinary people use, and yet we impose a duty upon that. We preempt the markets of the world; these goods are made out of the lower grades of cotton, made in part by the cheapest form of manufacturing machinery; and yet we are placing this burden upon the American people for no reason in the world that can be given save to pay an additional bonus to the manufacturers.

We have gone over schedules here where the plea was made that they were especially fine goods and needed special treatment, and for that reason we have put on a special duty; but here, where we have the goods used by the common people, the rank and file of the American people, their knit goods and their underwear, we now propose to put on a duty here that is equivalent to the duty that is carried upon specialties and novelties.

I shall not go further into this subject but I sincerely hope that, at least, the amendment proposed by the Senator from Wisconsin [Mr. LENROOT] will prevail.

Mr. SMOOT. Mr. President, I ask that the pending amendment be stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The READING CLERK. The Senator from Utah proposes to strike out, on page 130, line 2, commencing with the word "valued," down to and including the words "ad valorem," in line 13, and to insert "50 per cent ad valorem." The Senator from Wisconsin proposes, in lieu of the amendment proposed by the Senator from Utah, to strike out all commencing with the word "valued," in line 2, down to and including the words "ad valorem," in line 13, and to insert:

Forty per cent ad valorem; if such underwear or wearing apparel contains cotton wholly or in chief value of 1⅛ inches staple or longer, 10 cents per pound and 40 per cent ad valorem.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Wisconsin to the amendment of the Senator from Utah. On this question the yeas and nays have been ordered.

Mr. WILLIS. Mr. President, I am not clear in the matter, and I will ask the Chair to state if the question now is on the amendment offered by the Senator from Wisconsin to the amendment offered on behalf of the committee by the Senator from Utah.

The PRESIDING OFFICER. It is. The yeas and nays having been ordered, the Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. JONES of New Mexico (when his name was called). I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Rhode Island [Mr. GERRY] and vote "yea."

Mr. NEW (when his name was called). I transfer my pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from Washington [Mr. POINDEXTER] and vote "nay."

Mr. OVERMAN (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. WARREN], which I transfer to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. ROBINSON (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the Senator from Missouri [Mr. REED] and vote "yea."

Mr. TRAMMELL (when his name was called). I transfer my pair with the Senator from Rhode Island [Mr. COLT] to the Senator from South Carolina [Mr. DIAL] and vote "yea."

Mr. WALSH of Montana. I transfer my pair with the Senator from New Jersey [Mr. FRELINGHUYSEN] to the Senator from Montana [Mr. MYERS] and vote "yea."

The roll call was concluded.

Mr. UNDERWOOD. I desire to announce that the junior Senator from Georgia [Mr. WATSON] is absent on account of illness; that the senior Senator from Nevada [Mr. PITTMAN] is absent on account of illness in his family; and that the junior Senator from Massachusetts [Mr. WALSH] is absent on official business.

Mr. CAMERON. I have a pair with the junior Senator from Georgia [Mr. WATSON]. I transfer that pair to the junior Senator from Vermont [Mr. PAGE] and vote "nay."

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from New York [Mr. CALDER] with the Senator from Georgia [Mr. HARRIS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON]; and

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS].

Mr. HALE. I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Maryland [Mr. WELLER] and vote "nay."

Mr. GLASS. I have a general pair with the senior Senator from Vermont [Mr. DILLINGHAM] which I transfer to the senior Senator from Nevada [Mr. PITTMAN] and vote "yea."

Mr. JONES of Washington (after having voted in the affirmative). The senior Senator from Virginia [Mr. SWANSON] is necessarily absent, and I have promised to pair with him for the day. I am informed, however, that if present he would vote as I have voted on this amendment, so I allow my vote to stand.

The result was announced—yeas 26, nays 29—as follows:

YEAS—26.

Ashurst	Hitchcock	Pomerene	Sterling
Borah	Jones, N. Mex.	Ransdell	Trammell
Capper	Jones, Wash.	Robinson	Underwood
Caraway	Kellogg	Sheppard	Walsh, Mont.
Fletcher	King	Simmons	Willis
Glass	Lenroot	Smith	
Heflin	Overman	Stanley	

NAYS—29.

Ball	Johnson	Moses	Rawson
Cameron	Kendrick	Nelson	Shortridge
Curtis	Keyes	New	Smoot
Ernst	Ladd	Newberry	Spencer
France	Lodge	Nicholson	Wadsworth
Gooding	McCumber	Oddie	
Hale	McLean	Pepper	
Harreld	McNary	Phipps	

NOT VOTING—41.

Brandegee	Edge	Myers	Swanson
Broussard	Elkins	Norbeck	Townsend
Bursum	Fernald	Norris	Walsh, Mass.
Calder	Frelinghuysen	Owen	Warren
Colt	Gerry	Page	Watson, Ga.
Crow	Harris	Pittman	Watson, Ind.
Culberson	Harrison	Poindexter	Weller
Cummins	La Follette	Reed	Williams
Dial	McCormick	Shields	
Dillingham	McKellar	Stanfield	
du Pont	McKinley	Sutherland	

So Mr. LENROOT's amendment to Mr. SMOOT's amendment was rejected.

The PRESIDING OFFICER. The question recurs on the amendment proposed by the Senator from Utah [Mr. SMOOT].

Mr. LENROOT. Mr. President, there are a good many Senators in the Chamber now and I want to take this opportunity of saying just a word. Here was an amendment proposed which, if finally agreed to, will have the effect of increasing, on the whole, the rate originally proposed by the committee on an article the imports of which are absolutely negligible. While the Senator from Utah, in perfect good faith and innocently, stated that the imports for the 11 months ending with May of this year were over $3,000,000—and I supposed that was a fact, as he did—I find upon a subsequent examination of the committee report that the imports are only $84,000, and that the present rate of 30 per cent is practically prohibitive. Yet the Senate has just voted for a 50 per cent rate.

It is not for me to make any comment upon the action of Senators, but I do make this statement: I doubt if 10 per cent of the Senators who have just voted upon this increase, upon

this side or upon the other side, had any knowledge or information or apparent care as to how they were voting.

Mr. President, we are engaged in an important work here, and I am glad to say that during the past week or two the debate has really been confined to the bill. It does seem to me that it is the duty of Senators to form some independent judgment upon these rates. They are blindly following or blindly opposing the committee. The committee might make a 500 per cent increase and Senators would come in and vote in the affirmative with the committee.

Is it any wonder that this bill is being criticized the country over, when Republican Senators take the attitude with reference to it which they have taken, when Republican Senators do not take the pains to try to inform themselves as to the correctness of the rates?

I am not impugning the motives of any Senator; I am not criticizing; I am merely stating facts which they will all admit. Senators justify themselves by saying that the committee has examined into these questions, and that they are following the committee. I suppose that is their right and that it is their privilege; but I do say that if we want to make a tariff bill which will command the confidence of the country, and which Republicans can defend, Republican Senators ought to exercise some responsibility with reference to their individual votes.

One more word. Last week there was a very considerable break on this side in the beginning of the consideration of the cotton schedule, and the committee was defeated in a number of instances. Immediately word went around the Republican side of this Chamber that there would be retaliation if that were continued; that if these cotton rates were disturbed, and if the committee was not blindly followed with reference to them, the agricultural schedule would suffer when the bill came into the Senate. Whether or not those threats have had any effect, it is not for me to say; but the way these amendments are being voted upon is not to the credit of the Republican side. I am making no criticism whatever of members of the committee. They are defending their rates as best they can, and I do not question their good faith; but when showings are made, as they have been made in this case, where the committee itself will not justify the increased rates, I do say that Republican Senators at least ought to have some independent judgment of their own about it, and most of them have none.

That is all I care to say at this time.

Mr. McLEAN. Mr. President, it is true that the importations of this particular article—knit underwear—are not very large; but importations are coming in, and when the Committee on Finance fixed this rate it had information more accurate with regard to the rate required than the Committee on Finance of any other Congress has had in the history of this country. We had experts at work, as Senators know, and they compared the foreign selling price of this article with the American selling price, and upon their report some of these goods were entitled to an ad valorem rate of 73 per cent. The committee cut it to 50 per cent.

I do not know what information the Senator from Wisconsin has on this subject. He may know what rate would equalize the difference in the production costs here and abroad, and he may not know. Nobody on the other side of the Chamber knows what rate is required. Your committee followed the report of the experts. I say followed; we had the report of our experts indicating that a rate of 73 per cent was required on some of these articles, and, I repeat, we cut it to 50.

Mr. LENROOT. I would like to ask the Senator this question: If the 30 per cent rate keeps the importations out, does the Senator think that 73 per cent, or a higher rate, is necessary to keep them out?

Mr. McLEAN. I said that the importations at present were not large, but I understand they are increasing. I have in my possession reports of offers of these goods in this country, and if the prices quoted are correct, 50 per cent will not begin to cover the difference between the cost of production here and the cost of production abroad.

We know that there is a wide difference between the wages paid here and those paid in Germany and in France. Permit me to say that the articles upon which the experts based their reports to the Finance Committee were imports coming from France, where, as I have stated, a rate of 73 per cent ad valorem was necessary.

I say this in reply to the Senator from Wisconsin. He may know what rate is required. If he does, I wish he would give the Senate the benefit of his knowledge. We took the most reliable information we could get, and our rate falls far short of the rate required.

Mr. LENROOT. Mr. President, I simply say, in reply to the Senator from Connecticut, that the 30 per cent rate was practically keeping imports out down to May of this year; but resolving every doubt in favor of the American manufacturer, my amendment proposed to increase the rate to 40 per cent.

Now, Mr. President, I am going to offer one other amendment. The proposition to reduce the rate to 40 per cent was defeated. I now move to strike out "50" and insert "45," and upon that I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. CAMERON (when his name was called). Making the same announcement as before, I vote "nay."

Mr. GLASS (when his name was called). Making the same announcement as on the previous vote as to my pair and its transfer, I vote "yea."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. JONES of New Mexico (when his name was called). Making the same announcement as to my pair and its transfer, I vote "yea."

Mr. JONES of Washington (when his name was called). Making the same announcement with reference to my pair, I vote "yea."

Mr. NEW (when his name was called). Repeating the announcement made on the previous vote as to the transfer of my pair, I vote "nay."

Mr. ROBINSON (when his name was called). Announcing the same pair and transfer as on the previous vote, I vote "yea."

Mr. TRAMMELL (when his name was called). Announcing the same transfer of my pair as on the last vote, I vote "yea."

Mr. WALSH of Montana (when his name was called). I transfer my pair as heretofore announced and vote "yea."

The roll call was concluded.

Mr. UNDERWOOD. I wish to announce that the Senator from Massachusetts [Mr. WALSH] is detained on official business.

Mr. TRAMMELL (after having voted in the affirmative). The Senator from South Carolina [Mr. DIAL], to whom I transferred my pair, having entered the Chamber and voted, I transfer my pair with the Senator from Rhode Island [Mr. COLT] to the junior Senator from Massachusetts [Mr. WALSH] and allow my vote to stand.

Mr. OVERMAN. Making the same announcement as to my pair and transfer as on the previous vote, I vote "yea."

Mr. DIAL. I have a pair for the day with the Senator from Michigan [Mr. TOWNSEND]. I understand, however, that if he were present the Senator from Michigan would vote as I intend to vote. Therefore I vote "yea."

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from New York [Mr. CALDER] with the Senator from Georgia [Mr. HARRIS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Arkansas [Mr. CARAWAY]; and

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS].

The result was announced—yeas 28, nays 27, as follows:

YEAS—28.

Ashurst	Jones, N. Mex.	Overman	Smith
Borah	Jones, Wash.	Pomerene	Stanley
Capper	Kellogg	Ransdell	Sterling
Dial	King	Rawson	Trammell
Fletcher	Lenroot	Robinson	Underwood
Glass	Nelson	Sheppard	Walsh, Mont.
Hitchcock	Norbeck	Simmons	Willis

NAYS—27.

Ball	Harreld	McLean	Pepper
Cameron	Johnson	McNary	Phipps
Curtis	Kendrick	Moses	Shortridge
Ernst	Keyes	New	Smoot
France	Ladd	Newberry	Spencer
Gooding	Lodge	Nicholson	Wadsworth
Hale	McCumber	Oddie	

NOT VOTING—41.

Brandegee	Culberson	Frelinghuysen	McKellar
Broussard	Cummins	Gerry	McKinley
Bursum	Dillingham	Harris	Myers
Calder	du Pont	Harrison	Norris
Caraway	Edge	Heflin	Owen
Colt	Elkins	La Follette	Page
Crow	Fernald	McCormick	Pittman

Poindexter	Sutherland	Warren	Williams
Reed	Swanson	Watson, Ga.	
Shields	Townsend	Watson, Ind.	
Stanfield	Walsh, Mass.	Weller	

So Mr. LENROOT's amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. SMOOT. Mr. President, I do not know whether the amendment offered by the Senator from Wisconsin included the compensatory duty for long staple cotton.

Mr. LENROOT. It did not, but I am willing the same provision be made as to compensatory duty as was proposed on the 40 per cent amendment which was defeated.

Mr. SMOOT. I think that ought to be done, and I ask that that language be added.

Mr. LENROOT. I offer the further amendment. Let the record show that it was offered as to the 45 per cent in the same form as to the 40 per cent, so that it will include the compensatory duty.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SMOOT. Will the Secretary read the amendment as now worded?

The READING CLERK. On page 130, in line 2, strike out all beginning with the word "valued" and insert the following:

Forty-five per cent ad valorem; if such underwear or wearing apparel contains cotton wholly or in chief value of 1⅛ inches staple or longer, 10 cents per pound and 40 per cent ad valorem.

Mr. SMOOT. The original amendment was to reduce the rate to 40 per cent from 50. It should now be 10 cents a pound and 45 per cent ad valorem, so as to conform with the 45 per cent rate which has just been voted upon by the Senate.

The PRESIDING OFFICER. Without objection, the change will be made, and as modified the amendment is agreed to. The Secretary will report the next amendment.

The READING CLERK. On page 130, line 20, the committee proposes to strike out "25" and insert "30" before "per cent," and in line 21 to strike out "30" and insert "40" before "per cent," so as to make the paragraph read:

PAR. 917. Handkerchiefs and mufflers, composed wholly or in chief value of cotton, finished or unfinished, not hemmed, shall pay duty as cloth; hemmed or hemstitched, shall pay, in addition thereto, 10 per cent ad valorem: *Provided*, That none of the foregoing, when containing yarns the average number of which does not exceed No. 40, shall pay less than 30 per cent ad valorem; nor when exceeding No. 40, less than 40 per cent ad valorem.

The amendment was agreed to.

The next amendment of the committee was, in paragraph 918, page 130, in line 25, to strike out "33⅓" and insert "45," so as to read:

Clothing and articles of wearing apparel of every description, manufactured wholly or in part, composed wholly or in chief value of cotton, and not specially provided for, 45 per cent ad valorem.

Mr. MCCUMBER. I understand the Senator from Utah has asked that this paragraph may go over.

Mr. SMOOT. Yes; the Senator from Florida [Mr. FLETCHER] is going to address the Senate on the merchant marine.

Mr. FLETCHER. I understand the paragraph goes over. I propose now to discuss another subject.

The PRESIDING OFFICER. The paragraph will go over.

THE MERCHANT MARINE.

Mr. FLETCHER. Mr. President, on the 28th of February, 1922, there was introduced Senate bill 3217, and about the same time House bill 10644 in practically identical terms. The Senate bill (S. 3217) was referred to the Committee on Commerce, and the House bill (H. R. 10644) was referred to the Committee on the Merchant Marine and Fisheries.

Joint hearings were arranged, and these were conducted from April 4 to May 28 daily, except Sundays, and occasional parts of days. In all during that time probably there were not more than five days when the joint meetings were not held. Of course it was utterly impossible for Members to attend the hearings, because both Houses were in session, other committees were meeting, and there was other pressing work to do at the same time. There seemed to be a desire to obtain speedy action and the matter was treated as urgent.

No report has been made to the Senate, but as a result of these hearings another bill was introduced in the House and has been reported on, to wit, H. R. 12021, the majority report having been filed June 16 and the minority report June 28. This bill differs from and improves the original bills in some respects, but it retains the principal provisions, some of them somewhat modified, and is open to many of the objections to which the first bills were subject.

The question is a national one, involving definite principles of far-reaching importance. The provisions for subventions, indirect subsidies, and direct subsidies are presented upon a scale never before contemplated; and I feel, particularly just at this time, it would be a serious mistake and most unfortunate for the country to enact them into law. The subject is of such great importance to the whole country that I venture now to offer something of an analysis of the material provisions of the bill and submit some observations thereon, and to some extent on the whole situation respecting our merchant marine.

1. Under section 1 "all persons who are citizens of the United States" will enjoy the favorable terms of sale of all vessels owned by the board. The completion of the payment of the purchase price and interest in each instance may be deferred as long as 15 years, and the interest on the unpaid purchase price may be 4 per cent per annum, payable annually.

Mr. Homer Ferguson stated—page 333 of hearings—that the useful life of a steel cargo ship, well constructed and skillfully operated, is about 10 to 14 years. In view of this statement it would seem that the exercise of reasonable care would require that the time limit mentioned in this section should not exceed 10 years. The rate of interest might be made as low as 3 per cent. The first payment in cash might better be placed at 25 per cent of the purchase price. Surely these favorable terms ought to induce the purchaser and lead to the sale of the ships if there is any demand whatever for them. This involves no outlay by the Government and would facilitate the sale of the ships and promote the accomplishment of one of the purposes of the bill to a very liberal extent.

2. Under section 3 a loan fund up to $125,000,000 is established, created by "revenues from sales and operations" heretofore received and placed in such fund, and shall include hereafter all receipts of the board except appropriations made by law and all profits of the board from the operation of vessels, which fund is to be used in making loans to aid persons, citizens of the United States, in the construction by them in private shipyards of the United States of vessels or in the equipping by them of vessels already built. These loans may be made for as long a time as 15 years and the rate of interest may be 2 per cent, payable annually. The loans may be made for as much as two-thirds of the cost of the vessels to be constructed or two-thirds of the cost of the equipment in each case. All payments on principal or interest on such loans shall be covered into the loan fund.

It can be readily seen that by the favorable terms as to time, amount, and interest of such loans the Government is making a generous contribution toward encouraging the construction and equipment of ships in American yards.

Out of sales and settlements derived from the extensive assets of the board this fund should easily reach the maximum proposed.

No interest, industry, or enterprise is afforded by governmental action such a favorable rate of interest or allowed it otherwise.

Hereafter all receipts of the board, outside of appropriations, will go directly into that fund without any action or checking by Congress. It means this very considerable fund of one-eighth of a billion dollars will be handled by the board at its discretion for the purposes named.

3. Under section 201, respecting the income tax of vessel owners, it is provided that the owner of a vessel of 1,500 gross tons or more registered or enrolled and licensed under the laws of the United States, whether engaged in foreign or coastwise trade, shall, for the taxable year of 1921 and for each of the eight taxable years following, be allowed as a deduction in computing net income, in addition to the other deductions allowed, an amount arrived at in a rather complicated way, but intended, it is believed, to mean equal to the income derived from the operations of the vessel in foreign trade, provided an amount equal to double the saving in tax is invested in the building of new vessels of a type and kind approved by the Shipping Board in American yards, to be placed under the American flag.

This means, by way of illustration, the United Fruit Co. will be allowed all the income derived from the operation of its vessels in foreign trade, even though they do both a coastwise and foreign trade business, as a deduction in computing their net income. Not merely the net income from such operations but the total gross income will be deducted. The only limitation is that they shall invest double the amount of tax thus saved in building in American yards, and this is no restriction in fact, because they are constantly building vessels for their own use. They are obliged to replace and maintain, if not add to, their already handsome fleet. This would mean a very great saving in income taxes to them. It undoubtedly would induce them to build their vessels in American yards rather than in Liverpool, but it would much more than compensate them for the difference in the cost of such vessels.

The section further permits them, if they do not wish to build a vessel during the tax year, to set aside the amount in a trust fund to be used for that purpose "within a reasonable time." The amount allowable as a deduction is not paid to the Secretary of the Treasury as trustee, nor to any designated trustee, but is apparently just to be "set aside" on their books. They will, of course, use the fund in building, so then they add it to their deductions from taxes, and by this means they will be able to keep up their fleet, construct their new ships out of the earnings from operations, and escape all taxes.

This applies to the Steel Corporation, the Standard and other oil companies, and all vessels employed wholly or partially in foreign trade.

This section also exempts from taxation any gain derived from the sale of any vessel launched prior to January 1, 1914, for the same period of time if the owner invests the proceeds of such sale in the building of new vessels, approved by the board, in American shipyards.

There are the same provisions with reference to setting aside the amount in a trust fund as in the case of the income.

I doubt if there are many vessels launched prior to January 1, 1914, that when sold hereafter will produce or show a profit or gain, but evidently there are instances where it is believed this provision will be of value to the shipowner.

Section 203 will permit of very liberal deductions from income taxes for depreciation.

This section will be freely availed of when it comes to computing income taxes by vessel owners.

It will give trouble to the Treasury Department, because it will keep open and subject to reexamination such returns until March 15, 1927.

If the chairman of the board, instead of furnishing arguments to Congressmen and spending money on a publicity campaign to persuade the voters of the country to favor this bill, would spend his time and devote his energies to persuading American shipowners that they ought to patronize our own shipyards, and American merchants that they ought to give their business to American ships, and American bankers, that they ought to encourage American shipping, that would be much more helpful in establishing an American merchant marine. That would be a real, lasting, and effective assistance upon which to build and grow.

I am prompted to suggest this by the following clippings from the news items of the day:

[From the Public Ledger.]

ORDER SHIPS BUILT ABROAD—LIVERPOOL FIRM TO BUILD THREE FOR BOSTON CONCERN.

(Special cable dispatch.)

LONDON, June 25.—Three electric motor-driven refrigerator ships have been ordered by the United Fruit Co., of Boston, from Liverpool shipbuilders, it was announced to-day.

The operative power will consist of Diesel engines, and each ship will be about 4,000 gross tons, making them the largest ships in American fruit trade to make use of this new type of engine.

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[From the Manufacturers' News of Chicago.]

CHICAGO.—The arrival June 12 of the Cunard Line steamship *Mauretania* at Cherbourg with Morris & Co. products from Chicago again demonstrated the practicability of a fast overseas freight service from Chicago to Europe in seven days. On June 4 the shipment left Chicago over the Erie Railroad at 4.30 a. m. and after a fast run to New York was loaded aboard the *Mauretania* early Tuesday morning. The ship sailed at 1.30 p. m. same day. Cablegrams announce the arrival of the ship after a world's record-breaking ocean voyage, 5 days 8 hours and 10 minutes to Cherbourg, France, making a total running time from Chicago of 7 days 9 hours and 40 minutes.

Two weeks before the White Star Liner *Majestic* carried a shipment from Chicago to Southampton in 7 days 11 hours and 56 minutes in connection with a fast New York Central train.

Another refrigerator trainload of provisions from Chicago, over the Erie Railroad, was loaded Saturday on to the fast Cunard liner *Caronia*, for Hamburg, Germany, and on the White Star Liner *Majestic*, which also sailed Saturday noon.

Section 304: Not very much is said about this section in reports on the bill, and it has not received very full consideration in the discussion. Yet it is a most important and far-reaching provision.

Under it any person making expenditures for the transportation of property in an American vessel in foreign trade shall be allowed 5 per cent of the amount of such expenditure as a credit against the amount of his income tax. This credit is not allowed persons transporting property in their own vessels or in vessels of corporations with which they are affiliated to the extent of more than 50 per cent of stock. It will be somewhat difficult to enforce the observance of the limitations, but they greatly improve the bill as now presented over the proposal as first submitted and considered in the joint hearings.

It will be observed that this 5 per cent is not simply allowed as a deduction in computing the income tax of the party concerned, but is to become a credit on the amount of that tax as fixed after all allowable deductions are made.

It will be a credit on the net income of any party paying freight money to any American vessel engaged in foreign trade.

In other words, if A has a net income of $40,000 on which he must now pay taxes, and he pays out in ocean freight $200,000 a year, he will have a credit on his net income of $10,000, and he will pay income taxes on $30,000 instead of $40,000.

To illustrate, if Morris & Co. ship a refrigerator trainload of provisions out of Chicago to Europe every two weeks, the freight money must be very considerable for a year. They will subtract 5 per cent of that from the amount of their net income now taxable and pay taxes only on the remainder.

Great importing houses will enjoy the same privilege. Hundreds of large concerns will thus pay to the Government on their incomes many thousands of dollars less than they would otherwise pay. Thousands of small shippers enjoying this right will also be able to save, at Government expense and at the expense of all other taxpayers, perhaps only a comparatively small amount each, but aggregating millions of dollars.

Keep in mind this 5 per cent of freight money is a credit on net income, not a deduction allowed in computing the income.

If we estimate that American shippers pay $400,000,000 annually to carry their goods and that one-half of that would go to American ships, 5 per cent of that one-half would amount to $10,000,000, which sum annually would go into the Treasury but for this section and by reason of it is retained by the shippers alone.

Section 206 will double the tonnage duties, tonnage taxes, or light money, except in the case of vessels of less than 1,500 gross tons and sailing vessels of less than 1,000 tons.

These dues and taxes will go into the direct subsidy fund under section 402 and be paid to vessels under section 404.

The effect will be to add to the burden placed on foreign commerce.

Sections 301–304 are intended to insure that one-half, or thereabouts, of immigrants admitted to the United States in any fiscal year shall be transported in American vessels. The provision shall not take effect as to vessels of any foreign country until the President proclaims that such provision and regulations made thereunder are not in conflict with any treaty with such country.

It is very doubtful whether the purpose of this provision will not meet with the same fate as section 34 of the merchant marine act of 1920 and the revenue act of 1913 regarding discriminating duties. Most of our treaties will be found, most likely, to contain clauses respecting equality of treatment of vessels of foreign countries which will be held in conflict with this provision, which, if we have not tied our hands, would be the one provision in the bill unusually helpful to our shipping.

This is very clearly and forcibly shown by the statement of Mr. Rossbottom (p. 356 et seq. of hearings).

That provision might give to American transport companies a gross income from that source alone of $8,800,000 a year. It would give profitable occupation to not less than 25 good-sized passenger ships on the north Atlantic (p. 358 hearings).

Whether this provision will avail us or can be made effective is uncertain, to say the least, because of the existence of commercial treaties of long standing.

The navigation clauses in our commercial treaties may, unless such treaties are denounced or modified, interfere with such freedom of action as we feel we should exercise in aid of our shipping. I do not know what those provisions are, but the usual clauses are to this effect:

(1) GENERAL FREEDOM OF NAVIGATION.

There shall be between the territories of the two contracting parties reciprocal freedom of commerce and navigation.

The subjects or citizens of the two contracting parties (a) shall have liberty freely to come with their ships and cargoes to all places and ports in the territories of the other to which subjects or citizens of that State are or may be permitted to come, and (b) shall enjoy the same rights, privileges, liberties, favors, immunities, and exemptions in matters of commerce and navigation as are or may be enjoyed by subjects or citizens of that State. * * *

(2) STATIONING, LOADING, ETC., OF VESSELS.

In all that regards the stationing, loading, and unloading of vessels in the ports, docks, roadsteads, and harbors of the territories of the contracting parties, no privilege or facility shall be granted by either party to national vessels which are not equally granted to vessels of the other country, the intention of the contracting parties being that in this respect also the vessels of the two countries shall be treated on the footing of perfect equality.

It is usual to give full national treatment in the above respect, but sometimes the most-favored-nation treatment only is given.

(3) DUTIES OF TONNAGE, HARBOR, ETC.

No duties of tonnage, harbor, pilotage, lighthouse, quarantine, or other analogous duties or charges of whatever nature, or under whatever denomination levied, in the name or for the profit of the Government, public functionaries, private individuals, corporations, or establishments of any kind, shall be imposed in the ports of the territories of either of the contracting parties upon the vessel of the other country which shall not equally and under the same conditions be imposed in the like cases on national vessels in general. Such equality of treatment shall apply to the respective vessels from whatever port or place they may arrive and whatever may be their destination.

(4) FLAG DISCRIMINATION.

Each of the contracting parties shall permit the importation or exportation on the vessels of the other of all merchandise which may be legally imported or exported, and such vessels and their cargoes shall enjoy the same privileges and shall not be subjected to any other or higher duties or charges than national vessels and their cargoes.

We come now to the direct subsidy provisions:

Sections 401–419, title 4, deal with direct subsidy under the head of "Compensation to vessels of the United States."

Section 402 is intended to establish in the Treasury a fund to be known as the "Merchant marine fund," to be composed of the following sums paid into the Treasury, to wit:

(a) All tonnage duties, tonnage taxes, or light money paid under section 206.

(b) Ten per cent of the amount of all customs duties paid under law now in force or hereafter enacted.

(c) The amount which the Post Office Department would otherwise pay to any vessel for the transportation of mails.

(d) All excess earnings paid by the owner of any vessel under section 417, being one-half of net earnings in excess of 10 per cent of invested capital.

In estimating what this fund will in all probability amount to for distribution as direct subsidy to vessels in accordance with the plan and on the basis set forth under this title, I think we need not place any definite figure as to paragraph (d).

It will be so easy for vessel owners to absorb income by high salaries to officials, by improvements, repairs, and manipulation of accounts that it would be unwarranted to count on any accretion to this fund under that clause. I have no doubt a very considerable addition could be made to the fund under this clause, but I question that it will be.

Clause (c) should yield approaching $5,000,000 a year. (Page 22 of the hearings.)

The Government through the Post Office Department, instead of paying for transporting the mails, individual vessels actually performing the service, will pay the amount upon certificate of the Postmaster General monthly to the Secretary of the Treasury, who will place it to the credit of this fund, to be subsequently disbursed by the Shipping Board in pursuance of contracts it will make.

This clause ought to bring to the fund approximately $5,000,000.

We can get a fairly reliable estimate as to what clause (a) should yield. Of course it will depend on the volume of shipping, and sooner or later we can consider that conditions will become nearer normal.

The statements at the hearings indicate that this clause should bring to the subsidy fund as much as $4,000,000 annually.

The most important of the sources of supply for this fund is embraced in clause (b).

The Finance Committee of the Senate estimates that the pending tariff bill will yield to the Treasury $350,000,000 a year revenue from tariff duties. If this is true, the duties paid at the customhouses will considerably exceed that sum, assuming that the cost of collecting is to be added to it. Ten per cent of that sum would be $35,000,000. This amount will be taken out of the general fund derived from customs duties, and will be placed in this special "merchant marine fund," and subsequently pass to vessel owners through the Shipping Board.

Without considering clause (c), because that amount would be paid by the Government for transportation of the mails in any event, and eliminating clause (d) as being too doubtful of results to base any calculations upon, these provisions for direct subsidy to be paid out of the Treasury to vessel owners would amount to, annually—

Clause (a)	$4,000,000
Clause (b)	35,000,000

The benefits to vessel owners under the provisions for indirect subsidy, exclusive of the immigration provisions and sales provisions, would, as we have seen, amount to—

Loan fund, 3 per cent	$3,750,000
Exemption from taxes	15,000,000
Credits for amount paid for transportation	10,000,000
Taking over transport service (p. 18 of hearing)	5,000,000

Total direct and indirect aid, annually, $72,750,000, besides other possible and contingent benefits.

The direct subsidy is based on tonnage, speed, and distance. An ordinary cargo vessel of 10,000 tons would receive $16,500 each year, while the *Leviathan* would be entitled to, or might receive, $1,700,000.

The Shipping Board is given authority to deny all aid or to double the amount indicated in any case, according to its sole discretion.

To illustrate what the specific and general aids supplied by the Government to shipping interests under this measure would be, let us suppose that three or more persons organize a corporation for the purpose of engaging in the business of overseas shipping, and it purchases from the Shipping Board one steel vessel of 10,000 dead-weight tons at $30 per ton. Such a corporation would get—

First. The vessel at about one-half of what it would cost to build her anywhere.

Second. Terms such that a good portion of its capital investment would be supplied by the Government at a rate of interest less than one-half of what it would cost it in financial circles.

Third. The gross income from the operation of the vessel is to be deducted in computing the net income of the corporation. Thus, all the earnings of the vessel are exempt from taxation, provided the amount of the deduction is invested or is set aside to be invested within a reasonable time in the building in private yards in the United States of new vessels of a type to be approved by the Shipping Board, to be registered or documented under the laws of the United States. If the corporation desired to build or recondition a ship, it could obtain a loan up to two-thirds of the cost at the rate of 2 per cent per annum.

Fourth. In case the corporation sells the vessel it will pay no income tax on any gain derived from the sale.

Fifth. Cash subsidy of $16,500 for 10 years from the date of the contract with the Shipping Board. Total, $165,000, which the Shipping Board will have the power to increase to double that amount. It will be observed that this runs from the date of the contract, not from the date of the approval of this act. The contract may be made 10 years from now.

Sixth. If the corporation should purchase a vessel adapted to the carrying of passengers, while the price would be presumably greater, the subsidy would be increased, depending on her speed, and she would have other benefits, such as transporting immigrants and mails (to be considered in fixing the subsidy), under the bill.

Seventh. The encouragement and promotion of business, and assistance arising indirectly by the exemption of 5 per cent of freight money to American shippers, customs duties, and other provisions in the bill.

The question arises, Are all the people willing to make these contributions to this private corporation, organized to engage in shipping primarily for its own benefit?

Is this the price they must pay in order to get rid of their ships?

When the contract expires the useful life of the ship will be exhausted; she will be obsolete and worn out, and that will probably be the end of the ship and her owner.

They say we already have a merchant marine, and it is simply a question of maintaining it. What they mean is we already have ships; but that is not a merchant marine. They seem to regard that as a curse; at least, a serious and objectionable burden. It is, of course, essential to have ships if we hope to have a merchant marine; but while they cry out for a merchant marine, they complain of this war-time infliction—ships.

The chairman asserts on every occasion the fact that the agency he heads is incapable of directing efficiently and successfully a shipping business. He fairly boasts of losing $50,000,000 a year in attempting to operate the ships, when he has the power to operate as many or as few as he wants, when and where he wants, all furnished him free, and yet he wants more power and greater privileges. He asks to take over the Army and Navy transports that have saved the Government money and are economically and splendidly operated. He wants them taken from the control of honest, capable management and turned over to his board, which shouts its utter incapacity and failure as an argument for subsidy.

Although the bureau he heads has been the notorious resort of political place hunters, and has been used to a disgusting and scandalous extent as a political machine with an inexcusable overhead, swollen by taking on inexperienced and a superabundance of employees at excessively high salaries, thus inevitably bringing the organization into disrepute to such an extent that he himself says it is difficult to get men of the class and standing needed to become connected with it because

the association would be injurious to their reputations, notwithstanding all this the chairman urges Congress to extend and enlarge the powers and authority of this organization to an extent unheard of heretofore as to any department or bureau, giving this board the power of life and death over any shipping company or vessel owner, the privilege of rewarding favorites to an unlimited extent, and of ruining those not liked, building up ports and routes or destroying them as the board might determine, with no obligation to account for its acts to Congress or to the courts, vesting an organization already in disrepute and already notoriously partisan, already in politics at Government expense, already such a failure that it brazenly boasts of it, with arbitrary and unlimited control over billions of dollars' worth of property, the fortunes of people running into millions, the fates of ports and established business, the power to destroy but not to create, if it desired, the last vestige of an American merchant marine!

The chairman says we already have a merchant marine, and that it is already subsidized.

We have the troublesome ships regarded as a war-time injury, and they are so abused it is a wonder they do not muster the nerve to measure intelligence with their masters, and, like the *Naukauna*, slip their moorings and go down through the channel, without a soul on board, out to sea and commit suicide.

If what we have been doing amounts to a subsidy, then I submit our experience proves that it is utterly futile and hopeless to attempt to establish an American merchant marine by or through subsidies.

The chairman himself says that subsidy must be ample or we had better have none at all. I again submit that no subsidy we can devise can be more ample than having the Government build and equip and turn over 1,500 vessels to private operators and tell them to "put them in service, proceed to operate them, get business for them, spare no expense, and we will pay you a commission on the gross receipts and stand all the losses."

Can you conceive of more liberal governmental support than that? The result has been, it is claimed, a Government loss of over $4,000,000 a month. Certainly the withdrawal of all but 420 ships from service and an utter failure to get the merchant marine established. Suppose we admit that our flag will go off the seas unless something is done; obviously subsidy is not the way out. Equally plain it is that we need a different management and a different plan and different methods and practices in the operation. It is a question not of laws but of administration.

They say Government operation can never succeed—we have tried it. We have done nothing of the kind. The Shipping Board plan has been to turn the Government ships over to private operators, selected by them, many of whom were operating their own ships alongside the Government ships, with what result might easily have been foretold. On this point Mr. Philip Manson stated at the hearings:

> A good deal of the time of this committee has been wasted in listening to testimony presuming to show the need of an American merchant marine. This testimony has been positively harmful to a proper consideration of the bill because it confuses the issues by making it appear that the question for the committee to decide is whether the need for an American merchant marine is great enough to justify the payment of subsidies, the committee being repeatedly told that subsidies will ipso facto create an American merchant marine. No one questions the vital need of an American merchant marine. The reasonable question for the committee to decide is, Will subsidies create a merchant marine? I will prove to you that subsidies will not create a merchant marine, and I will also prove that subsidies will, on the contrary, seriously retard the proper development of a permanent American merchant marine. I ask you to carefully note the following: During the last three and a half years this Government has given to American shipping interests a subsidy so vast that even the most brazen subsidists would not have dared to ask for it. There were turned over to American shipping interests, free of all costs to them, a fleet of over 1,500 vessels, including some of the finest passenger liners afloat. Not only have American shipping interests had the free use of this fleet of ships, which has cost the American people over $4,000,000,000—I say over $4,000,000,000 because to the amount actually appropriated must be added the interest which the Government must pay on this money—but the shipping interests to whom these ships were turned over for operation received in addition from the Government hundreds of millions of dollars in cash to cover alleged losses in the operation of these ships, notwithstanding that during much of the period during which they have had these ships high freight rates prevailed and large profits should have easily been earned. Not only has this vast subsidy to American shipping interests during the last three and a half years failed to create a permanent American merchant marine but it has fastened upon American shipping a curse of incompetence and graft which it will take many years to eradicate. In the light of these indisputable facts, how dare anyone say that a permanent American merchant marine can be created through subsidies, no matter how extensive those subsidies may be? I say to you that the only thing subsidies will do will be to transfer from the Public Treasury to the pockets of a few favored steamship men, some of whom have appeared before the committee, large sums of taxpayers' money, and, what is worse, it will perpetuate the graft and incompetence which is now the real reason for our failure to have a merchant marine worthy of this Nation. That subsidies are not necessary to create an American merchant marine and that American ships, if honestly and efficiently operated, can compete with the shipping of the world is proved by the fact that notwithstanding the present low state of shipping many American steamship companies are to-day operating American ships without subsidies in the foreign trade in competition with the shipping of other countries.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER (Mr. HEFLIN in the chair). Does the Senator from Florida yield to the Senator from Ohio?

Mr. FLETCHER. I yield.

Mr. POMERENE. Some time ago some manufacturer in Ohio wrote me telling me that the United States Shipping Board gave rates on certain classes of merchandise from German ports on United States Shipping Board ships to South American ports which were less, on the same kind of merchandise, than were the rates established by the United States Shipping Board from New York to the same South American ports. When I took that subject up with the Shipping Board, I received what seemed to me a half-hearted denial that there was anything of that kind prevailing now, but I regarded it as a virtual admission that that practice had obtained at least for awhile. I can understand how our ships might be operated at a gain or a loss, but I have never been able to understand why the Shipping Board, under any circumstances, should give a lesser freight rate on the same goods from German ports to South America than were given to American manufacturers from New York to South America. That would be subsidizing German manufacturers. I wonder what investigation, if any, the Senator from Florida has made into that subject, and what, if any, knowledge he has bearing upon it.

Mr. FLETCHER. I have no information regarding it. There was no inquiry in the hearings, as I recall, respecting the question of rates, except in the most general way. I know nothing of the circumstances mentioned by the Senator, and I do not think there was any mention of such a case in the hearings. There may be some explanation of it. The question of rates is a very complicated one. There was an effort made at one time to arrange with the old Hamburg-American Line people, they having terminals, docks, and warehouses on the other side, so that the Shipping Board might do business in connection with their old facilities, and there may have been some arrangement of that kind made under those circumstances.

Mr. POMERENE. Mr. President, I understood in an indirect way that the excuse given for it was that these ships leaving German ports had to have freight, they had to compete in the German ports with German-owned vessels, or other foreign-owned vessels. They had to do that in order to get the necessary cargo and to pay their expenses. It may be that, if we simply considered the shipping proposition alone and by itself, some excuse might have been given for that; but when they were taking the German-made goods into South American ports at a less freight rate than they were giving the American manufacturers on American-made goods I could not understand it. I do not think any defense can be made of that kind of a policy.

Mr. FLETCHER. That would scarcely seem like preserving American commerce and certainly not expanding it. But I have no information to suggest regarding the subject.

General Dawes, after spending a year looking into governmental affairs, says:

> One thing that has been demonstrated fully has been that the Federal Government can be run more efficiently and economically than a private business, provided that serious efforts and sincere cooperation are forthcoming.

Suppose we try real Government operation a while and see if it is true that there is so much graft, corruption, dishonesty, chicanery, trickery, knavery, political intrigue, and absence of intelligence in the Government's officials and employees that we must throw up our hands in despair.

I have not reached that point yet, and if the present Shipping Board insists on that view and declines to make a genuine, energetic effort to succeed, I suggest our first move should be to reorganize the board. I do not believe the board will refuse to carry out the will of Congress when it is clearly expressed. If this bill is rejected, the spirit of the act of 1920 remains and Government operation should take place.

The first thing needed in any case is to cut to the bone the grossly extravagant overhead. There is no sense in a pay roll in connection with Fleet Corporation operations alone of $5,880,874. Nor is there any sort of justification for employing 2,719 people in the operating division, when the Fleet Corporation is only operating, and that recently, directly 13 ships, the United States Line, under Mr. Rossbottom, and merely supervises the operators of the other ships, when all construction has

ceased and we are operating through agencies only 420 ships. There is no necessity for 8,000 employees here in Washington. It is absurd, too, to hold that the overhead will continue substantially at this wicked figure so long as we operate any ships. The chairman states the overhead will be practically the same whether we operate 400 or 40 ships. It is unreasonable to put on the Government an annual general administrative expense of $15,306,000 in this bureau. Of this total expense allocated to vessel operations is $9,337,000, a huge, grossly extravagant sum (p. 984 of hearings).

This brings me to inquire what becomes of the claim that if this bill is passed the Government will be saved the present loss of fifty millions a year.

No one is foolish enough to suppose the fleet will be immediately sold. The chairman hopes that within about 30 months—2½ years—he can sell the pick of the boats—say, 400 to 700. What will you do with the 1,100 others? If you operate them, or any of them, your overhead keeps up. Do you propose to sell only the best boats, less than one-half, and sink the others? Mr. Lasker testified at the hearing:

> You can not give a ship away to-day. * * * We can not sell ships to-day at all.

At any rate, you will begin extending the aids, benefits, compensations, subventions, or subsidies, call it what you will, provided in this bill as soon as it passes, and you will continue present losses for at least two years, adding one to the other on the shoulders of the taxpayers, and really the time when they would be separated or cease would be most remote and indefinite.

I wish I could see a different picture. The vision of a merchant marine coming out of this bill is a deceptive mirage. It is a false light. It means wreckage. The end will be what the Shipping Board apparently would enjoy as they sit in their offices and draw their salaries, relieved of the burden of these ships, beholding the American merchant marine on their walls, "painted ships on a painted ocean."

I do not mean to be understood as favoring permanent Government ownership or operation of merchant ships, but until we get routes opened up, trade developed where it is only waiting transportation, and our carriers established in overseas business the Government should directly operate the ships it owns that are fit and serviceable, disposing of the others, and later on, when conditions become more normal, it will be found feasible to sell and transfer the boats, routes, lines, and good will to Americans who will continue the services.

I am weary of such statements as "successful Government operation, directly or indirectly, is an impossibility," and to the effect that all the losses shouted about are due to "Government operation"—when the fact is that, except in the case of the Panama Steamship Line and the United States Line, no merchant ships have been or are being operated by the Government.

Mr. Rossbottom testified to the successful operation of the Government-owned and Government-operated Panama Line during a period of more than 20 years. He also stated that the United States Line, now under his management and operated directly by the Fleet Corporation, despite the depression now obtaining in shipping, and notwithstanding it is operating a mongrel fleet, composed in part of unsuitable old German ships, and is in competition with the most efficient private steamship lines in the world, of all nationalities, operating the finest ships afloat, is being operated profitably and successfully.

It appears that the sinister purpose to show a failure of Government operation of any ships owned by the Government is manifested against the United States Line. Instead of taking out the 20-year-old expensive boats and substituting other modern ones, they are continued, and this honest and faithful and capable public servant, who is loaned to the Shipping Board by the Panama Steamship Co. to put life into this United States Line, is hampered and hindered in his undertaking. The success Mr. Rossbottom is achieving is due to no real encouragement or support, material or moral, on the part of the Shipping Board, and his success follows the discreditable failure of this line under private operation, although those operators were acclaimed as 100 per cent American and had millions of dollars' worth of the finest passenger lines belonging to the board turned over to them without a dollar of investment by these operators of their own funds.

In addition to these two, and only two instances of Government operation, we have, to wit, the Panama Steamship Line and the United States Line, it was testified by Mr. Manson, who put in the record a detailed statement proving his assertion, that the Australian Government's operation of its merchant marine has been an extraordinary success.

So the only experience we have, the only proof in evidence, contradicts squarely the oft-repeated assertion that the losses proclaimed arose from Government operation and that Government operation is an impossibility.

All we need is more Rossbottoms and a desire and sincere determination to succeed.

Since so much has been said about "economic wreck," "colossal waste," "shocking failure," by way of slurring the Democratic administration under which the ships were built and operation was begun, and in justice to the stanch Republicans who were in charge of the work as well as in justice to the former Shipping Board, which, by reason of resignations, interims between appointments, and refusal to confirm appointments, a good portion of the time consisted of one or two men, such Republicans, I mean, as General Goethals, Charles Piez, Charles M. Schwab, who looked after construction, and J. H. Rossiter, who directed operations when all this waste, wreck, and failure occurred, I desire to insert in the RECORD a summary of some of the work done and accomplished before the present board took charge.

I will let this statement by the present Shipping Board go at the close of these remarks and speak for itself. (See Appendix E.) It gives an idea of what was accomplished from 1916 to 1921. It deals with the Shipping Board fleet, which, we are told by those advocating this bill, is "that costly heritage from the Wilson administration." Think of it! The finest fleet owned or controlled by any maritime power in the world, or by any organization, denominated "a costly heritage"! These people claim to want an adequate American merchant marine—American owned and American operated—for the benefit of American commerce and American industry, and yet the first essential to such a merchant marine is ships, which they complain of as a "costly heritage." If we could only get rid of the ships, the Shipping Board would be relieved of annoyance and the friends of this measure would be happy. Their main purpose would be accomplished.

I must confess to being glad we have the ships, and I value them as a distinct asset, which I would not like to see dissipated and wasted. I want to see them taken care of and properly employed. They constitute the first essential requirement to a merchant marine, and instead of giving them away or sinking them or paying people to relieve us of them, I would put them in service and operate them as our needs demand and our interests call for until such time as they are wanted by those who will keep them under our flag, who will take pride in their country's status on the seas, who understand the business they would engage in, and who will see that they render the service the people of this country are entitled to have and must have.

"The Nation is cumbered by a great fleet of merchant vessels," they say. It is like saying to a man wanting to open a bank he is cumbered by capital, or to a merchant who would like to engage in foreign trade he is cumbered by goods or other assets.

THE WOOD SHIPS.

One of the favorite slurs cast unsparingly on the first Shipping Board has been in connection with the wood ship. The alleged folly and waste has been charged to the extent of saying they are worse than worthless. I never have believed the case was as bad as represented by those who wanted to find fault. There are those who can see a fly on a barn door 100 feet away, but can never see the door. It is not conceivable to me that there is no longer any use for the wood ship. Ever since a basketwork boat, calked with bitumen, was used in which to hide Moses by his mother, the "ark of bullrushes," boats other than of metal have been employed. Before the refilling of the Mediterranean by the Atlantic waters boats were used on the Levantine Lake. Upon the Euphrates and Tigris, when these rivers, in 7000 B. C., fell by separate mouths into the Persian Gulf, there were boats and ships not of steel or iron.

Carthage, about 800 B. C., founded by Tyre, was the greatest of Phœnician cities, probably having a population of a million, because she was the greatest maritime power in the world up to that time, and wooden ships were operated from there to Liberia and along the African coast.

Wooden ships carried discoverers and pioneers throughout the world. The three boats that brought the first colonists to Jamestown in 1607 were of wood, and only 100, 80, and 40 tons, respectively. The famous clippers were wooden sailers. To-day the wood ship is still in use throughout the world. Some of those built by the Shipping Board are now in profitable

employment. It is absurd to say these 385 vessels are worthless. I have here a statement which appeared in the Washington Post of June 27 last, which reads as follows:

NEED NOT SELL 285 VESSELS—SHIP BOARD DEFEATS MANDAMUS PLEA TO FORCE BID ACCEPTANCE.

United States Attorney Peyton Gordon and First Assistant Vernon E. West were successful yesterday in preventing the Ship Construction Co. of New York from obtaining a writ of mandamus to compel the Shipping Board to accept a bid of $2,100 each for 285 wooden ships, Justice Stafford dismissing the petition of the construction company.

The company contended that the bid was the highest made, and that when the time came for the bidder to take title to the ships the board decided not to sell. Chairman Lasker held that the board had the right to refuse to sell or sell as it saw fit. The company noted an appeal.

It is refreshing to have a responsible and successful shipbuilder, owner, and operator who has been in the business in this country all his life and whose progenitors for generations back were likewise so engaged give us the facts regarding these vessels. He has purchased 5 of them complete and is operating them. He has also recently purchased 31 unfinished ones and will operate them. He has successfully operated 240 wooden vessels and knows the wood ship well. I refer to Capt. Fields S. Pendleton, of New York and Maine, and I ask to insert extracts from his statement beginning on page 1995 of the hearings and ending on page 2003. To my mind this statement is both specific and convincing as to the character of these wooden vessels and shows they are not useless or valueless. (See Appendix A.)

Mr. FLETCHER. Mr. President, in the Washington Star of July 15 I found the following statement:

THREE HUNDRED UNITED STATES WOODEN SHIPS ARE TO BE SCRAPPED—COST GOVERNMENT FORTUNES APIECE AND ARE NOW WORTH BUT $1,500 EACH.

NEWPORT NEWS, VA., July 15.—Three hundred wooden steamers, all but 65 of the huge fleet anchored in James River at Claremont, are to be scrapped for junk in the near future, according to unofficial advices here.

One hundred of the ships are to be sent to New York and junked, 100 are going to Baltimore to be scrapped and sold, and another hundred are to be torn to pieces by a New Jersey firm, it is said.

The wooden ships cost the United States Government hundreds of thousands of dollars each, and it is said they will not net more than $1,500 each when scrapped for junk.

Of course, these statements are inconsistent. I do not know what explanation there is for them. I can not fully understand why the Shipping Board refused to accept a bid of $2,100 each when it now proposes to scrap them and realize only $1,500 each. In either case I think it is an absurd proposition. I think it is wicked to sacrifice the ships upon any such basis. They may not be available just now, but, as Captain Pendleton said, they are valuable ships, especially for short voyages limited to 2,000 miles. They are well equipped and furnished in every respect. The machinery, the brass and metal parts of them ought to be worth twenty times $1,500.

I have here a picture entitled "Twenty years on a reef. Old four-master sails again," and the following statement appears beneath the picture:

After lying stranded on a reef in the Strait of Magellan for 20 years the old British ship *Andrina*, rechristened the *Alexjandrina*, has been hauled off, scraped, overhauled, and put into the coastwise service again. She is now in New York Harbor, having brought a heavy cargo of wool up from Punta Arenas. The decision to resurrect the abandoned old tub was reached when the war reduced floating bottoms to such low figures. The ship was refloated by the Argentine Government.

I take it she is a wooden vessel, an old sailer, which laid on the reef for 20 years, and has now been resurrected and put into service. She is a four-masted sailer. The picture would indicate she is of wood, but at any rate Captain Pendleton said a wooden vessel would stand a strain of that sort much better than a steel vessel. I can not bring myself to believe that the wooden ships ought to be scrapped and disposed of in this reckless way indicated by this statement.

SPECIFIC REASONS FOR ASKING SUBSIDIES.

The reasons assigned for proposing and in support of this measure are:

1. To overcome the difference between the cost of operating vessels under the American flag and under foreign flags, this difference arising by reason of higher labor cost, greater construction cost and overhead, greater cost of subsistence as to American vessels, making it impossible to compete in overseas trade.

2. To bring about a sale of the Government ships to private individuals and shipping concerns, and thus get the Government out of the shipping business.

3. To save the amount of loss arising by the present plan of operation, estimated at $50,000,000 per annum.

Much testimony was taken. Many arguments were advanced. Unnecessary time was consumed in the hearing to show what no one questioned, that this country needs an adequate merchant marine, both to care for and build up and expand our foreign trade and to supply auxiliaries to our Navy. Our experience and the lessons taught during the World War proved conclusively the absolute necessities in these respects. There is no controversy whatever about our vital needs in these regards. No one disputes the wisdom of our having merchant ships sufficient to carry 60 per cent of our overseas commerce and adequate to serve efficiently our Navy if and when the call comes. The only question is, How can this be accomplished? If in more ways than one, what is the best way? The reasons assigned in support of the way proposed in this bill are unsound. That support is unwise and unwarranted.

1. The testimony showed the difference in wage cost and subsistence cost, the difference in cost of operation between vessels of the United States and foreign vessels was largely a myth, and if there was a difference against us it was so slight as to be practically a negligible quantity when considered along with the whole enterprise. In other words, the small percentage of the difference would cut no material figure in calculating the profit and loss of each ship. The testimony of Mr. Furuseth and Mr. Philip Manson and others established that clearly. The truth is American seamen's wages are lower than Canada and Australia and on a level with British. The only maritime power where American wages are substantially higher is that of the Japanese. Crews have been reduced by order of the Shipping Board until in some classes of ships the American advantage is 20 per cent.

Mr. POMERENE. Is that statement pretty well substantiated? The statement that the wages of our seamen are no higher than British wages surprises me.

Mr. FLETCHER. The Senator will find that gone into fully in the hearings, and I think it is thoroughly established, just as I have stated.

While ordinarily it may cost more to build ships in our yards than abroad, as we have the material right at hand, that excess cost must be due entirely to labor. Aside from the use of machinery, standardization, fabrication, and the kind of work we inaugurated and performed so well at Hog Island, and our greater production per man, which might be cited in our favor, there is no merit in this claim, because the Shipping Board is offering these ships, which cost approximately $200 per ton, at $30 per ton. Granted original cost was excessive and that they were constructed under abnormal conditions, there never was a time when these ships could have been built in this country or any other country at $30 per ton. There will never come a time when that can be done. Mr. Manson said (p. 1631):

That ($30 a ton) is a figure very much less than I think ships will be built for in our lives.

The statement furnished by the Shipping Board says:

Cables from London and Glasgow give prices per dead-weight ton as varying from $55 to $65 per ton (p. 163).

In American yards that price ranges from $80 to $117.85.

I have here a clipping from the Washington Post of July 16 with reference to a sale by the Shipping Board, and which shows they are willing to let them go for less. The item reads:

MUNSON LINE BUYS TWO SHIPPING BOARD BOATS.

The United States Shipping Board has sold to the Munson Line the steamships *Courtois* and *Covedale*, "Laker" type of boats, 4,100 dead-weight tons, for $76,000 each.

The New York & Porto Rico Steamship Co. has purchased the passenger steamer *Porto Rico*, formerly the ex-German liner *Prinz Joachim*. This vessel has been operated on a bare boat charter basis.

So while the Shipping Board is offering these first-class steel ships for $30 a ton, it is actually selling the Lake type of boats of 4,100 dead-weight tons at less than $20 per ton.

So that the capital cost as to these ships would be greatly in favor of the American owners over any foreign competition. The argument, therefore, that it costs more for us to build here than abroad fails.

2. Granted that the subsidies provided in this bill will increase the possibilities of the sale of the ships, the result will be that the pick of the ships will be acquired by a few strong lines, and the less desirable ships will be left on the hands of the Shipping Board, which is greatly troubled even by the best of them. Mr. Manson (p. 1632) states:

What I believe is this: That under a subsidy bill, as the bill is now framed, the ships will be sold to substantially the big fellows in the business now. There will be no wide distribution of ship ownership in America, in the United States, and that the provisions of the bill, feeding into the treasuries of these ship operators millions of dollars, will act as a sort of—or, rather, encourage the continuation of inefficient methods and extravagance that exist in American shipping now.

Back of all this I contend there is no overreaching necessity for us to dispose of the ships, except in an orderly way, as routes are opened up and trade developed and lines established, thus creating by that process rather than by raids on the Treasury a demand for the ships. In the meantime the Shipping Board should serve as a board of directors, meeting every day,

ordering the operation through the Fleet Corporation, directly, of each ship.

3. There is no need for any such loss, in the first place. The evidence is the ships have earned a profit in the past when business was good, and the present depression we have no right to assume will continue indefinitely. The only lines operated by the Government are to-day succeeding satisfactorily. The losses alleged are being reduced. It is not the purpose to discontinue using the Government ships immediately on the passage of this bill. Mr. Lasker believes we must go on for at least 30 months. By that time, he thinks, the best ships, probably 400 to 700, will be sold, but the others will be on our hands.

He further says that if the operation of any ships is continued it means the keeping up of an enormous overhead, and there is where the loss is found. It would appear to make no material difference in this enormous, unwarranted overhead expense whether we continue to use and operate, as we have been doing, 400 or 40 ships. Consequently, when this avowed saving of expense will begin is wholly uncertain, even though this measure is enacted. The prospect is, the overhead will continue indefinitely, and to that stupendous cost and expense will be added the subsidies therein provided.

The reasons given, therefore, for the necessity alleged to exist for this measure all fail and are without merit.

ALLEGED SUPPORT.

The point is made that a great majority of those appearing before the joint committee were in favor of the bill, and a large number of commercial bodies passed resolutions favoring it. Remember that Chairman Lasker has been exercising his talent for publicity and utilizing his force of experts paid by the Government to create support and bring about such action.

Mr. POMERENE. Mr. President, if the Senator will yield again, I was told the other day that a shipping man, Mr. Robert Dollar, has given out an interview or, in any event, has made a statement to the effect that there was no need to subsidize American shipping; that it could be operated successfully without subsidies. I should like to ask the Senator from Florida if he knows whether Mr. Dollar has given expression to such an opinion?

Mr. FLETCHER. I will refer to that opinion of Mr. Dollar and give the reference to it. I will reach that directly, as soon as I discuss the question to which I am now devoting my attention.

Suppose I were to advertise that I propose to organize a great corporation to engage in a big business that would yield fine dividends to stockholders, and I proposed to furnish all the capital and give away the shares to all who applied? Do you suppose I would have any trouble finding an unlimited number of people who would come forward in favor of the scheme? Those opposed would probably say nothing unless specifically summoned. Thousands of business men are opposed to any policy of subsidy. No one called them here to express their views. We know such men as Mr. Edward N. Hurley, former chairman of the Shipping Board; Mr. James A. Farrell, president of Foreign Trade Council; as well as those who appeared voluntarily as witnesses, as the record shows, are not in favor of this measure. All of the farm organizations, without exception, are against it. The American Federation of Labor denounces it. Many of the chambers of commerce qualified their indorsement, and the Mississippi Valley and Midwest people expressed conditions which, if not complied with—and they have not been—will oblige them to oppose the bill. These facts should be borne in mind, and the further fact that the Shipping Board set out to make its case and controlled the hearing in its own way. It was unreasonable to insist on meetings every day and all day while Congress was in session and members of the committee were obliged to give attention to matters on the floor and before other committees and elsewhere while these hearings were proceeding.

The hearings were so arranged that it was impossible for me to attend them, except on occasions, for the simple reason one can not be in two or three places at the same time. However, I was willing the Shipping Board should make out its case, if it could. I think it failed. I think the views of the board's own expert on subsidies, as set forth in the appendix, pages 67–103, are sound in the main, particularly the conclusion that—

> A study of the authorities on subsidies, taking into account the policies adopted by the various countries, would serve to indicate that, with the exception of Japan, the policy has not been important (p. 101).

Let it be observed that Japan's shipping is at a low ebb and her situation is not at all satisfactory in the building up of a merchant marine. The following newspaper dispatch bears out that statement:

JAPANESE WORRIED OVER DECLINE IN SHIPPING.

> HONOLULU, HAWAII, July 5.—Officials of Japanese steamship lines operating between the United States and points in the Orient are worried about a recent falling off in passenger traffic, which they attribute to sharp competition now being offered by American-owned lines, according to a report in Nippu Jiji, a leading Japanese language newspaper of Honolulu.
>
> One American line particularly, operating ships for the United States Shipping Board, has greatly increased its passenger-carrying facilities in the past two years and is said to have cut into the business of the Japanese lines very heavily.

An examination of the subject will disclose that "subsidies have never, since the days of the sea kings of Crete down to the American Shipping Board, created or maintained a merchant marine. Governments have lent money to build vessels and paid for service rendered. The largest marine interest visible on the high seas began with necessity and has continued without subsidy unless for mail service."

Capt. Robert Dollar, in the Nation's Business, June, 1922, says:

> I have been operating ships for a good many years, and I feel that I ought to know something about the subject. I have always felt that a shipowner who must have "pap" from the Government does not deserve to be in the business. We do not need any advantage over the other fellow. We can take care of ourselves. But we do ask for an even break. Government interference and foolish laws have so far prevented that.

Captain Dollar began with the *Newsboy*, of about 300 tons, in 1893. She paid for herself in less than a year.

I may say in passing that Captain Dollar has always been very much opposed to the seamen's act, but the evidence is overwhelming everywhere that that act has not cut the figure, so far as interfering with the building up of an American merchant marine is concerned, that some people have claimed or supposed. He then bought several more vessels. His idea has been to "start on a small scale and work up from a sure foundation." Now, they have 11 offices in the Far East and 6 in the United States. The fleet has grown until it includes 13 good cargo steamers and 10 sailing vessels. He gives some interesting experiences about securing return cargoes and urges the importance of foreign trade. Those vitally interested in promoting it, in the order of their interest, he says, are: First, the farmer; second, the manufacturer; third, the merchant, with branches or representatives in foreign countries; fourth, the banker, who finances and furnishes exchange; fifth, the shipowner, who furnishes bottoms for the carriage of ocean trade.

Mr. James A. Farrell, president of the United States Steel Corporation and chairman of the National Foreign Trade Council, another very successful and farseeing business man, expresses the view, which must commend itself as sound, in a forceful address before the Ninth National Foreign Trade Convention in Philadelphia, May 10, 1922, when in that excellent address he said:

> Whatever may be the fate of these particular proposals, some things are quite clear. The greatest subsidy our ships can have in overseas trade would be the support of the American people. The greatest hardship under which they are at present laboring is the lack of such support. We shall not have a successful American merchant marine unless its ships are more largely used by American shippers. * * * Other nations have developed this spirit of cooperation in a high degree, and much of their success is attributable thereto.

In an address to the National Merchant Marine Association on March 8, 1922, I said—and nothing has been developed to alter those views—among other things:

> 1. It can not be shown in the whole history of shipping that subsidies have ever been effective in permanently developing a nation's merchant marine.
>
> 2. The countries which have subsidized most have accomplished least in building up their shipping.
>
> 3. The experience of the United States is that subsidies are ineffective, indeed harmful, and the policy is vicious.
>
> 4. The great maritime powers of the world have flourished on a policy opposed to subsidies.

The British Board of Trade has declared against subsidies, and so has the French Chamber of Deputies.

SOME DETAILS.

Under the provisions of the proposed bill a 10,000 gross-ton steamship, 10-knot speed, with average annual miles steamed, to wit, 33,000 miles at one-half cent per 100 miles per gross ton, would receive a total gross subsidy per annum of $16,500. A 20,000 gross-ton steamship, 20-knot speed, with average miles steamed per annum, to wit, 90,000 miles at $1.80 per gross ton per 100 miles steamed, would receive $324,000.

The 10,000-ton ship would carry in 12 months approximately 55,000 tons of cargo and her subsidy would amount to approximately 30 cents per ton of cargo carried.

The 20,000-ton ship would carry in 12 months approximately 100,000 tons of cargo and her subsidy would be approximately $3.24 per ton carried. The maximum rate provided is 2.6 cents per ton per 100 miles, which may be paid to vessels of 23 knots

speed, or above. Either ship could operate between European and South American ports 11 months out of the year and make one voyage to an American port and collect a full year's subsidy. This one trip would net the 10,000-ton ship $16,500 subsidy and the 20,000-ton ship $324,000 subsidy for one trip to an American port. The Shipping Board would be empowered, in their discretion, to double the amount of subsidy to any line. Suppose a company had ten 20-knot ships in service; their total amount of subsidy due would be $3,240,000. The Shipping Board would have authority to make this $6,480,000, or pay nothing. The *Leviathan* might receive $1,700,000 per annum. This discretion in the board gives a small body of men most extraordinary power over the expenditure of very large amounts of public funds.

The subsidy would in all probability find its way into the pockets of the bankers and brokers and insurance companies—all interested in foreign shipping, and the latter channel leading directly into foreign hands.

Most likely this is what would happen: The money to buy the ships and operate them would be furnished by the banks and through brokers, who would "rake off" the direct subsidy. Whatever was left, if any, the insurance combine would get.

OUR EXPERIENCE.

Now, let us consider briefly our own experience. Recurring again to the remedies proposed by this measure, let us observe that experience is a name sometimes given to mistakes.

We ought to learn something by experience, at any rate.

The first subsidy authorized by the Federal Government was in the act of March 3, 1845. It consisted in granting mail contracts at a very high rate. We would not dignify that by calling it a subsidy now; we would likely designate it by the more euphonious and less understood name of subvention. We paid the Collins Line $19,250 a trip for 20 trips a year—$385,000 per annum. As is usually the case, it was but a short time before they wanted more. That sort of thing inevitably follows. Accordingly, in 1853 we increased the subsidy to $33,000 per voyage. The schedule was reduced one and one-half days in port at each end.

The line claimed to lose money. In 1858 Congress put back the mail contracts to their original figure. The Collins Line ceased to exist. In 1864 we made an agreement with Brazil to pay $2,500,000 as mail subsidy to a New York and Brazil line, the United States to pay $1,500,000 of this amount and Brazil the remainder. The agreement covered a period of 10 years and expired in 1874.

There was a greater increase in trade after the mail line suspended operations. It was shown that the bulk of trade was carried on by the unsubsidized cargo and sailing vessels.

In 1865 mail subsidies on lines to Hawaii, Japan, and China were established. That continued for from 6 to 10 years, and the companies surrendered the contracts. The benefits were inappreciable and trade was not increased by this Government aid.

From 1847 to 1879 the Government had spent over $21,000,000 in subsidies and subventions, and all the American merchant ships then afloat could have been bought for $7,000,000.

That was the result, so far as creating or adding to our merchant marine was concerned.

We made no further move in that direction after that experience until 1891, when we passed the mail contract law, under which we have been paying several times as much for carrying the mails as would be necessary under the regular sea postal rates.

The privilege of contracting for mail service under that act was extended in 1912 to all vessels admitted to and maintaining United States registry.

March 3, 1917, and again June 5, 1920, the act was amended, mainly by adding provisions.

In 1914 we had several million tons less of overseas shipping under our flag than we had in 1861.

Subsidies have never created or permanently helped to build up our merchant marine. No form of subsidy or subvention has ever created foreign trade or increased it.

Statutes will not do it. Proper administration of sound laws will help mightily. Proper interest, business foresight, real energy, and the right men can do it.

No ship is worth berth room in the hands of inefficient, indifferent, incompetent, inexperienced men. This is the experience of all countries; and recognizing this and applying it, the merchant ships of other countries have earned good returns.

OUR LAWS.

In the past we have sought to encourage by our laws the building of ships in this country and the shipping business.

We threw all the work of building ships documented and licensed in the coastwise trade into American shipyards.

Foreign ships, even wrecked on our coast, salvaged, and purchased at sale by American citizens, could not have American registry unless two-thirds of their value was spent on repairs in American shipyards.

Have the shipyards appreciated the laws which have favored them? See the statement by Carlos de Zafra, which I insert.

We gave monopoly of coastwise trade to American vessels.

We admitted free of duty all material used in the construction and furnishing of vessels.

We terminated the use of our courts and jails by foreign shipowners to compel their crews to stick to their ships.

We have given the right to American ships in the coastwise trade to pass through the Panama Canal without tolls.

We have relieved American shipping from certain taxes.

We have done much to equalize wages with our competitors; and since fuel and supplies are bought where they can be had cheapest, there is no difference in operating cost in that respect.

We continue the mail subvention.

It can not be said that Congress has been inimical to or neglectful of our maritime interests.

There has been a lack of cooperation among those primarily concerned, absence of unity of effort, something wanting in national pride and love of country, and among those who build, own and operate, and invest in ships. The latter spirit has been perhaps overstrained because of the absence of the main principle, cooperation, which was encountered to an appalling degree.

If subsidies would solve the problem, why have we not already found the remedy?

It is averred that we have for several years past been allowing the greatest subsidy ever known. Very well; what greatly concerns us is the result that failure is written all over the record.

Take away the vessels owned by the Shipping Board and the vessels owned by companies which carry their own products, such as the Standard Oil Co., the United States Steel Corporation, and the United Fruit Co., and our merchant marine today is no farther ahead than it was before the war. With the exception of four freighters recently purchased by the Dollar Line, there is not a privately owned American vessel operating in the trans-Pacific trade between the United States and Asia. Captain Dollar runs two boats in a feeder service up the Yangtze River, 1,600 miles, and they fly the American flag. If they touched some foreign port and an American port once a year, they would be entitled to the subsidy.

INSURANCE.

Congress recently passed a law which seeks to legalize and validate combinations among insurance companies—a more or less gigantic trust—but even after that, American concerns must look to big foreign companies to underwrite their lines. Let the Government save to American shipowners 3 to 4 per cent on their insurance and do away with this complicated "general average," which no insured understands and which places him in the hands of the insurance company a helpless suppliant in case of loss. What we need is a plain, understandable policy, which says what it means and means what it understandingly says. No man living two blocks away from a building which is burned should be required to share in the loss or risk. General average requires that.

Marine insurance ought to be placed on the principle of the shortest distance between two points, a direct, straight line, instead of a devious, confused, uncertain conglomeration of wandering provisions, including that indefinite, ambiguous, cumbersome general-average clause, under which investments are tied up for as long a time as 10 years at times.

The average charge for insurance will be 4½ to 6 per cent, and amounts to 6 or 7 per cent of the total operating cost. The rates on steamers are from 4½ to 6 per cent, and on cargoes 2 to 3 per cent (p. 443).

At least 65 per cent of all American vessel insurance is written with foreign companies. All American-flag ships are classified in Lloyd's Register. On this subject I quote from the hearings (p. 381):

With reference to insurance, Mr. Rossbottom, the item of insurance is a very important factor in estimating the operating expense of ships, is it not?

Mr. ROSSBOTTOM. The item of insurance, as far as the ship itself is concerned, is not so important; but the class the insurance company gives to the ship is important to the shipper. For instance, if I am operating a steamer that the insurance companies will charge the shippers 10 per cent or 15 per cent increase in premium over what they will charge another ship of my competitor, I am at a disadvantage with the shipper.

Senator FLETCHER. Is not the most of that insurance based on Lloyd's classification, or Lloyd's Register?

Mr. ROSSBOTTOM. Yes; it is.

Senator FLETCHER. Therefore, Lloyd's is in a position to classify American ships, if they see fit, showing a discrimination, showing favoritism, in a way that would be very harmful to American shipping, would it not?

Mr. ROSSBOTTOM. They are in that position; yes.

Senator FLETCHER. And most of this insurance is either written or underwritten by foreign insurance companies, is it not?

Mr. ROSSBOTTOM. It is.

Senator FLETCHER. Even insurance carried on American ships and cargo?

Mr. ROSSBOTTOM. The bulk of it, I should judge, is written by foreign insurance companies.

Senator FLETCHER. That is quite an important factor in the cost of operation, is it not, Mr. Rossbottom?

Mr. ROSSBOTTOM. Not so much in the cost of operation, Senator, as in getting the business. The rate that I might pay for the insurance of my steamer, to cover all maxine risks, is a fixed charge with me. The insurance companies might charge me a quarter or a half of 1 per cent more than they charge the foreign steamship company, but I can take care of it; but when they go to the shipper and say, "If you ship by Rossbottom's ship you have to pay one-quarter of 1 per cent more than you pay if you ship by Bill Jones's ship," then I lose the shipper there. That is the important part of it.

Mr. CULLEN. Does that happen very often, Mr. Rossbottom?

Mr. ROSSBOTTOM. It has happened frequently. The Shipping Board has had quite some trouble in that respect, because of the insurance companies improperly classifying their steamers. I think they are trying to straighten that out.

Senator FLETCHER. So that under the present situation, in view of the classification by Lloyd's and the strength of foreign insurance companies, American ships encounter very considerable obstacles and difficulties under the head of insurance, do they not?

Mr. ROSSBOTTOM. I think they would.

Senator FLETCHER. And American shippers?

Mr. ROSSBOTTOM. Yes.

Senator FLETCHER. Now, I do not know that you care to express yourself, but if a way could be devised whereby that insurance could be supplied by the United States, and at cost, would not that be a very material help to American shipping?

Mr. ROSSBOTTOM. In other words, you are having the United States establish an insurance department to compete with Lloyd's, so that American ships and American shippers could be assured of getting a square deal, as far as rates are concerned; if they could not get them from Lloyd's, they could get them from the Government. Is that what you are driving at?

Senator FLETCHER. Yes.

Mr. ROSSBOTTOM. Yes; there is no question about that.

ALTERNATIVE PROPOSAL.

It is fair to suggest, as the proponents of this measure do, "if you object to it, propose something else."

My proposal is this:

Just as soon as possible the Shipping Board, through the Fleet Corporation, should take over and operate directly all their ships, precisely as the Government now operates the Panama Steamship Line and the United States Line, heretofore mentioned. To do this they will be obliged to engage men of skill and ability and knowledge of the business, and permit those men to employ only the help they absolutely need, under the supervision of the board, dismissing a large number of political appointees who are simply in each other's way, closing that door to job hunters, timeservers, the inexperienced and incompetent, making it the resort of political patronage runners, and then systematize the work and place it on a strictly commercial business basis.

A sincere effort should first be made to execute in good faith and with real energy the merchant marine act of 1920.

Dismiss more than one-half of the 8,000 employees here in Washington and select the capable, industrious ones actually needed.

Reduce the needless expenses several million dollars a year, and build up a proper, effective organization.

Conduct the affairs on a business basis and according to business principles.

I know they will say it can not be done. My answer is, try it. You have not yet given that plan a full and fair trial.

I think, too, commercial treaties in conflict with section 34 opposed to the proposal to bring 50 per cent of the immigrants in American ships, should be denounced according to their terms. The old treaties should be abrogated in toto, and new treaties should be made permitting of our freedom of action respecting discriminating duties and transportation of immigrants. The Shipping Board should be not merely a supervising body, outlining policies when pressed, but a directing, managing body, in control of a great enterprise, functioning with enthusiasm and vitalizing interest.

There is work for them to do in their offices, learning the shipping business and managing it. They will require, of course, strong, experienced men to assist and advise and execute. They have some, but have merely made a beginning, and are not warranted in saying the Government is impotent, and then want the people to pay individuals or corporations to take the ships off their hands and relieve them of annoyance.

Second. Authorize the Shipping Board, if further legislation in that regard is required, to sell ships to American citizens and bona fide American companies on the payment of 25 per cent in cash, the remainder to be paid in equal annual installments of one-tenth each, deferred payments bearing interest at the rate of 4 per cent per annum, payable annually, secured by first lien upon the vessel, her tackle, apparel, and furniture, with the right to foreclose in case of any default. That would mean, for illustration, a 10,000-ton (dead weight) vessel would be sold for $300,000. Twenty-five per cent cash would amount to $75,000. The remainder would be $225,000. There would be payable each year for 10 years $22,500, with 4 per cent interest, amounting to $9,000 annually on each note for $22,500. The money to purchase one of these ships would ordinarily cost the buyer 9 per cent interest. The Government can obtain money at 4 per cent. Therefore, without its costing the Government anything, it can afford to save these purchasers 5 per cent on the $225,000, which would equal $12,250. The direct subsidy on such a cargo vessel, as provided in this bill, would be $16,500. By this plan we could assist the purchaser practically as much, without its costing anything, as we can by going into the Treasury for the direct subsidy.

Third. At the risk of being charged with socialistic tendencies I would, if it is found necessary to accomplish what the Shipping Board claims to aim at, have the Government furnish insurance, hull and cargo, as to all marine risks, to all American vessels at cost, and either create or so establish the American bureau of shipping as to have it serve the purpose, a classification agency, to have a similar relation to American shipping as Lloyd's has to British shipping. The Government could in this way save American shipowners, without raiding the Treasury at all, approximately 2 to 3 per cent on their item of insurance, which is now a burden on them owing to their dependence on Lloyd's and foreign underwriters and insurance companies. This could be done by an organization under the Shipping Board similar to the War Risk Bureau, which was established and operated during the war in the Treasury Department. This bureau was established at the instance and request of American shipowners. It wrote the war risks at very low rates and netted the Government some $17,000,000. This is an instance of the Government conducting a considerable business efficiently and economically, and disproving the claim that the Government is incapable of conducting a large enterprise like the shipping business successfully. In other words, 2 per cent of the insured value of hull and cargo saved the owners and shippers would amount to an enormous sum, and this could be done by establishing a proper classification agency and writing the insurance at actual cost. Of course marine insurance companies will object, but the chief interference will be with foreign agencies and companies who now dictate both classification and insurance.

Mr. Howard says (p. 1779) that he has made the calculations and finds that the subsidy proposed would amount to about one-quarter of a cent per bushel of wheat, while the insurance amounts to 5½ mills per bushel in winter and 4 mills in summer. The subsidy would be about 2½ mills. As to cotton, the subsidy would be about 10 cents per bale, while the insurance is $1.408 per bale. Now, if the Government would provide that insurance at cost, in the case of cotton it would be of much more assistance than the subsidy, and in the case of wheat it would be worth one-fourth as much and avoid any drain on the Treasury.

I expect to discuss this subject of classification and insurance, which has a very important bearing on shipping, more in detail later. For the present I ask leave to insert at the close of my remarks some extracts from authorities on the subject under the head of "Insurance." (See Appendix B.)

I ask to insert as part of my remarks this statement from the Monthly Summary of Foreign Commerce for April, 1922, showing the value of imports and exports for the month of April, 1921, as compared with the same month of 1922, and for the 10 months ending April, 1921, as compared with the 10 months ending April, 1922; also what proportion was carried in American vessels and what in foreign vessels. (See Appendix C.)

I wish also to insert, without reading, an editorial from the American Economist (see Appendix D), a Republican protective-tariff publication, of June 9, 1922; also an editorial from The Nation of July 5, 1922 (see Appendix F), and other clippings, which are not long, bearing on the matters discussed, which I tender. (See Appendix G.)

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FLETCHER. While the chairman of the Shipping Board is going about the country campaigning, urging the passage of this bill, broadcasting literature, statements, and speeches in support of it, exercising his advertising powers and resources more or less at Government expense, perhaps he will take time to explain the details of the enormous expenditures in his bureau. Of course, he will dilate upon the "mismanagement" and the

awful condition of the records and books, but the people may ask what has become of the great economies promised a year ago and why it is after Congress appropriated $250,000 "to enable you to employ expert accountants" for the purpose of examination and investigation in order to sum up a balance sheet and put the accounts in such shape that monthly profit and loss statements could be prepared, which it was thought could be done in a few months, and was, in fact, accomplished, substantially, last November, that work is still uncompleted?

Perhaps he can make it clear why the only economies thus far effected are those which would have automatically occurred when ship construction ceased and when some 700 ships were taken out of service and tied up. Maybe he can explain why the expenses of the operation division continue as they are, although the number of ship operators have been reduced from 100 to 41. It may be the people will want to know why he discharged people right and left, took some of them back at increased salaries, and added others. They may ask about this bureau being the chief point of attack by that army of the boasted Republican majority which stormed Washington over a year ago and is still unsatisfied in a determined assault directed especially against the Shipping Board pie counter. The people may have some curiosity on the subject of the possibility of practicing economy and obtaining efficient service when places are made for political self-seekers without regard to their fitness for the work and limited only by the demand and pressure.

I dare say the questions will be put, "When are you going to adjust the claims against the Fleet Corporation and the Shipping Board and liquidate the assets left over from war conditions? When are you going to collect from overpaid contractors, from operators and others who justly owe the corporation or the board?"

For instance, there are States where the statute of limitations will soon run against claims which ought to be enforced, and yet those claims still drag their weary length as if there was no purpose or desire to end them. The statute does not run against the Government, but the Fleet Corporation is not the Government and can sue and be sued, says the Supreme Court. The people will most likely inquire, "Within what time do you expect a lot of lawyers receiving salaries of $20,000 a year and a corps of experts and advisers, researchers, investigators, and the like to work themselves out of renumerative, easy positions?"

They will ask, "Why pay storage, guards, accountants, and assistants looking after material scattered all over the country left on hand when building ceased more than a year ago?" "Why should it require more than a year for you to be able to make a complete statement of claims against the Fleet Corporation and of the accounts receivable, and why delay adjustment of them?" "Why continue a lot of unnecessary offices and employees?" "What about the hundreds of engines at Erie and Chicago?" "What does it cost to take care of hundreds of winches and other material in Chicago and yards full of life rafts and lifeboats in Tacoma?" You will be asked if there were not, when you took charge, hundreds of thousands of dollars—as much as $750,000 in Portland and Seattle alone—in liquidated damage claims due the Fleet Corporation. What has been done about them? Suppose you publish the list of bad accounts receivable and specify the Democrats. Publish the list of settled claims and specify the Democrats. Publish the list of unsettled claims pending and specify the Democrats.

I hesitate to mention Democrat or Republican in this discussion, because I do not recognize these matters as party questions, but so much has been said with that meaning by those favoring this measure that I venture to suggest the showing of the books with specific reference to political affiliations.

"Put the Government's house in order before asking for further drafts on the taxpayers, and after you do that we will then be in position to determine whether or not 'Government operation of ships is an impossibility.'"

We can not well say before that is done whether or not the Shipping Board should be speedily relieved of this "costly legacy" of a previous administration, as you designate this superb fleet of new merchant ships, over 13,000,000 dead-weight tons, and close out its business.

A very effective campaign of great public importance could be carried on inside your organization, and there are possibilities of real public benefit in that field, where the exercise of some high-class executive and administrative work would count mightily for an American merchant marine.

THE SITUATION.

Speaking generally, let me say, in addition to what I have mentioned, we inherited, if you please, from the war 2,311 vessels, aggregating 13,600,000 dead-weight tons. Included were 1,689 steel vessels, 592 wooden, 18 composite, 12 concrete.

Some of them, at least 100, have been sold. (P. 2391 of hearings.)

Of the steel vessels 26 are passenger cruisers.

We have 15,418,000 gross tons of ocean-going merchant ships under our flag, consisting of 5,884 vessels.

Great Britain has 10,324 ocean-going merchant vessels, with a gross tonnage of 21,589,000.

The United States is far ahead of every other nation except Great Britain.

The object and purpose of establishing and maintaining a merchant marine is not, primarily at least, to create an enterprise which would be likely to be immediately profitable as a business venture. The real and vital purpose is the preservation, development, and extension of American commerce overseas. The merchant marine is the necessary instrumentality by which this is to be done. We make a mistake to constantly think only in terms of the ship operator and his profits. By that attitude we miss the true greatness of what we are trying to do. Commerce is the thing. Its transportation is the instrumentality—of vital importance, it is true—but an incident required in achieving the real end. While we are establishing new markets and new shipping lines the transportation may not be profitable purely as a business venture. Particularly in times of depression and readjustment we must expect to encounter discouragement and financial loss.

That means a call for prodigious and unflinching effort. Our profit will come from an enriching American commerce beyond the seas and the national advancement sure to follow. Of course, if profits come directly, so much the better, but we should not count on them at once. Essential to the development of our foreign commerce is the creation and maintenance of an American merchant marine.

If we fail to provide this instrumentality our commerce will languish and foreign trade assume a state of arrested development; our rivals in trade, possessing ships and skilled in their operation, may be expected to discriminate against us, and we will find before a great while that those who own the facilities of ocean transportation will control the commerce of the world.

Scarcely secondary in importance to the promotion of foreign trade is the need to provide a fleet of vessels to meet national emergencies, such as we have recently encountered. There is no such thing as sea power without adequate merchant ships.

Liners, trawlers, tankers, tramps, and the ordinary merchant vessel are as essential as dreadnaughts and destroyers.

While the naval fleet represents the striking and protecting half of sea power, the carrying and supplying half consists of the merchant marine, and both are equally vital to the success of military effort. I look upon an American merchant marine therefore as necessary to promote American commerce and as vital to our national life. I would not, if I could help, see it fail for want of well-ordered and consistent governmental encouragement and support.

I can not bring myself to favor the kind of encouragement and support and the ways and means of supplying it as provided in the bill. The spectacle of representatives of private enterprise—shipping or otherwise, established or incipient—crowding to the Capital from every quarter of the country to importune the Congress or the individual Members, or any bureau of the Government conceivably vested with such vast powers, for a participation in governmental favors is a thing not to be tolerated, much less encouraged.

I need not repeat the further reasons already discussed. The Government should not go out of the shipping business. No matter what we decide to do a few years from now, there is work for the Shipping Board outside of operating the vessels. The rates at which American commerce shall be carried, the routes upon which steamship lines shall be established, questions of discrimination, classification, and insurance, and such other regulatory powers as will favor the development of American trade in foreign lands, are matters which clearly should be within the supervision and control of the Government.

Eventually private ownership and management will come, but careful, sympathetic, and intelligent governmental supervision, in the interests of American commerce, must obtain if we are to have "the Starred Banner the talisman of a world commerce."

APPENDIX A.

[Extracts from Captain Pendleton's statement.]

* * * * * * *

Senator FLETCHER. As I understand you, your view is that the Shipping Board ought to go on and operate these ships for five years, directly, themselves.

Mr. PENDLETON. Senator, you can not sell them. In my judgment it is foolish and futile to try to take and sell these ships at the present time.

Senator FLETCHER. Would you continue to operate them as they are now doing, under these agency agreements, whereby they stand the losses and the agents get a commission?

Mr. PENDLETON. Oh, well, that is a mistake to think that. They have to keep up an organization, and I do not think there is any operator who has made much, if any, profit out of the Shipping Board vessels. They are only paying on the outward business the regular ordinary commission that is paid by every private owner, 5 per cent. Out of that he must pay his office expenses, cables, telephones, upkeep of his organization, and on the return business it is 2½ per cent, and that is general and sometimes only half of what the private operator pays.

Senator FLETCHER. Well, now, suppose you were representing the Government with all of these ships, would you continue the present plan of operating or would you undertake to operate directly by the Government?

Mr. PENDLETON. Oh, no; you can not do that. It is impossible, and you could not do it in Washington anyway. They have got to have the same kind of an organization that they have now.

Senator FLETCHER. You think their present plan is all right, only they ought to reduce the freight rates

Mr. PENDLETON. Reduce the rates. As long as there are cargoes to carry, I believe American ships should carry them.

Senator FLETCHER. Do you think they should reduce the rate to a point where they could carry a majority of the business?

Mr. PENDLETON. Up to 50 per cent of it, I would say, to put the ships in use.

Senator FLETCHER. Even at a loss?

* * * * * * *

Senator FLETCHER. Would you also favor the Government insuring its own ships and cargo?

Mr. PENDLETON. Yes, sir. Senator, you may recall that we had some little debate on that in the Senate, and I am very strongly in favor of the Government granting us, as Parliament granted to Lloyd's, a charter so that we can do our insurance business on the same reasonable rates as England does hers.

Mr. DAVIS. Senator, might I interrupt you there to ask one question?

Senator FLETCHER. Yes; I am through.

Mr. DAVIS. I only want to ask one question: Have you examined the Edmonds insurance bill that recently passed Congress?

Mr. PENDLETON. I have not gone over it carefully; no, sir.

Mr. DAVIS. Mr. EDMONDS and the others who were instrumental in the passage of that bill claim that it will remedy our difficulties from the insurance standpoint. That is the reason I want to get your opinion on it.

Mr. PENDLETON. I have talked with Mr. EDMONDS somewhat on that and it is only in the District of Columbia as I see it.

Mr. DAVIS. Well, it authorizes the incorporation of a company here in the District of Columbia, but it could then do business anywhere. And then his idea was it would afford a model for similar incorporations in the States.

Mr. PENDLETON. Yes. We have great difficulty; there is not enough insurance facilities in this country to take care of more than—oh, if our ships were all running, we have not more than enough to take care of more than—a third of it. There are only what you might call half a dozen first-class good marine insurance companies, and it is well known that they never expect to pay more than half of their premiums in losses, and generally about 40 to 45 per cent. Now, if a risk costs 10 per cent and they charge 10 per cent, it costs them anywhere from 4 to 4½; never over 5. That is the way it figures. Of course, the rest goes to salaries and expenses of the organization. Lloyd's figures a 15 per cent profit is a reasonably good return; consequently, the cost of the insurance in Lloyd's would be 4½ to 5 per cent.

Mr. DAVIS. The result is this bill will result in the encouragement and establishment and building up of more and stronger American merchant marine insurance companies.

Mr. PENDLETON. I have tried for 15 years to get an act of incorporation in some way, so that we could form a Lloyd's the same as they have in England, and I do not understand that this bill will do it, although I have not seen it. I had a talk with Mr. EDMONDS some time ago.

Senator FLETCHER. If that can not be done by private companies, do you favor the Government insuring those properties?

Mr. PENDLETON. I do. You might recall, Senator, that I suggested a plan in the statement I made, that I won't go into now—but I suggested a plan for an insurance company at the time about selling the ships, that the Government should take two-thirds of the insurance and leave a third for the private companies, which is all they could take care of, and make it at actual cost.

Senator FLETCHER. And then most of these policies that are issued contain what they call a general-average clause that nobody knows what it means, and the man does not know what his loss is after he has suffered it.

Mr. PENDLETON. That is true, Senator. It cost me $100,000 by not knowing what a policy said once.

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Senator FLETCHER. Do you think if this bill is passed and these subsidies provided for here are granted, will that prompt private interests to purchase these ships, or will they have to still depend on a reduction of freight rates?

Mr. PENDLETON. I tell you, they have got to reduce freight in order to get into business, because there are all the ships in the business now that the business can stand. If you put another ship into the business, if there are five cargoes and you put in seven ships, there are already five in it now, so when you put in extra ships the other fellow has got to haul up or you have.

Senator FLETCHER. You operate ships, do you, Captain?

Mr. PENDLETON. Yes, sir.

Senator FLETCHER. Steam vessels as well as sailers?

Mr. PENDLETON. Yes, sir.

Senator FLETCHER. Coastwise as well as foreign?

Mr. PENDLETON. All trades, wherever wind and water goes. It don't make any difference where the freight goes, whether to Hongkong, Singapore—wherever I can find anything to take.

Senator FLETCHER. You operate tramps or regular lines?

Mr. PENDLETON. Tramps.

Senator FLETCHER. Did you purchase some of the Shipping Board ships?

Mr. PENDLETON. Yes, sir.

Senator FLETCHER. How many of them?

Mr. PENDLETON. Five.

Senator FLETCHER. Were they all finished?

Mr. PENDLETON. Yes; they were all finished. They have just sold me 31 unfinished ones.

Senator FLETCHER. Are those steel?

Mr. PENDLETON. No; those are wood. I believe in wood, Senator. The salt water preserves wood and rots iron. That is why it will destroy iron so quick.

Senator FLETCHER. I am glad to find a man who has some faith in the wooden ship.

Mr. PENDLETON. Well, I am going on record again right here, just the same as I did two years ago, that in 10 years there will be lots of wooden vessels so much better than the steel ones that for the ordinary tramp carrier steel will never come back. I am going on record again, so they will have it to throw at me 10 years from now.

Senator FLETCHER. Somehow I always believed there was some use that these wooden ships could be put to.

Mr. PENDLETON. Well, Senator, in view of the fact that up to practically 1884 there weren't any cargo carriers but wooden vessels, and they carried niter and coffee and tea and all of that cargo from Australia and China and all these ports all over the world, isn't it strange that the wood should have gone to pieces so quick, in view of the fact that those ships at that time were never steel strapped and these ships are all diagonally steel strapped, and ordinarily when we used to have 12-inch ceiling in our old sailing-ship days we now have 14-inch ceiling in these ships?

Mr. LISSNER. I think we have made a mistake in selling you those ships so cheap.

Mr. PENDLETON. If I hadn't thought so, I should not have bought them at that price. [Laughter.]

Mr. BRIGGS. You believe in wooden ships, then?

Mr. PENDLETON. Yes, sir; I do. I have owned 240—my people have.

Mr. BRIGGS. How many?

Mr. PENDLETON. Two hundred and forty.

Mr. BRIGGS. Have you operated them at a loss or at a profit?

Mr. PENDLETON. Well, I managed to pay my bills every Saturday night.

Mr. BRIGGS. Are you familiar with these Shipping Board wooden ships?

Mr. PENDLETON. Yes, sir.

Mr. BRIGGS. You were speaking about their being double strapped.

Mr. PENDLETON. Steel diagonal strapped; yes, sir.

Mr. BRIGGS. Does that improve them over the other types?

Mr. PENDLETON. Yes, sir.

Mr. BRIGGS. Much or little?

Mr. PENDLETON. Considerable.

Mr. BRIGGS. Are they water-tight?

Mr. PENDLETON. I think they are a stronger ship than the steel ones are. I haven't any question of doubt in my mind that if you put the two crosswise, the steel one will break in two twice as quick as the wooden one.

Mr. BRIGGS. Are you in favor of taking those ships out and sinking them or burning them up?

Mr. PENDLETON. No, sir; notwithstanding it would be the best thing for me that could occur, because they come in competition with me. But if you ask me a fair question, I will tell you no; I think it would be criminal.

Mr. BRIGGS. Why do you think it would be criminal?

Mr. PENDLETON. I think when we have tried to build up a merchant marine and get a lot of tonnage built and then go to work and destroy it—I don't think there is any reason for it. The wooden ships have earned just as much as the steel ones have—just as much. They are earning just as much now.

Mr. BRIGGS. But they are tied up now.

Mr. PENDLETON. The steel ones are tied up. There are four times as many steel ones tied up as there are wooden ones—well, three times, say.

Senator FLETCHER. Are they operating any wooden ships at all now?

Mr. PENDLETON. Not the Shipping Board; no. I guess I am the only fellow operating any wooden ones. I took them out, bought them, and put them into the hardest work I could get, bringing phosphate rock from down South, Senator, just to try them.

Senator FLETCHER. Do you take the machinery out and use them as sailers?

Mr. PENDLETON. No; I am using them as steamers.

Mr. BRIGGS. They are all equipped, these wooden vessels, all equipped with motor power? They are power-driven vessels?

Mr. PENDLETON. Yes, sir; regular steamships. There is the same equipment in them for power as there is in the steel ones.

Mr. BRIGGS. The same equipment?

Mr. PENDLETON. Yes—well, I say most of them, except some ships are oil engines—some steel ships—and the wooden ones are all steam.

Mr. BRIGGS. How many vessels, Shipping Board vessels, are you operating now?

Mr. PENDLETON. Not any at all.

Mr. BRIGGS. How long has it been since you have operated any?

Mr. PENDLETON. We operated a few. Three or four companies got into difficulties, and Tom Scott, when he was commissioner, got me to look after them; and I went over to England and got them back. But we didn't operate many.

Mr. BRIGGS. Is there much difference in the cost of operation of these wooden ships and steel ships, from your experience?

Mr. PENDLETON. Well, they are heavier in fuel consumption, because the ships are heavier. They weigh more.

Mr. BRIGGS. Which does?

Mr. PENDLETON. The wooden ships.

Mr. BRIGGS. The wooden ship weighs more than the steel ship?

Mr. PENDLETON. Yes; 50 per cent more. And you have got to put that volume of weight through the water, you see, and it takes more fuel.

Mr. BRIGGS. It takes more power to drive the vessel along at the same speed?

Mr. PENDLETON. Yes, sir.

Mr. BRIGGS. But do you have to operate them at the same speed as you do the others?

Mr. PENDLETON. No; not necessarily; but, of course, the ordinary tramp ship is 9 knots an hour.

Mr. BRIGGS. What do you carry in these wooden vessels—what kind of cargoes?

Mr. PENDLETON. Anything that offers.

Mr. BRIGGS. But what is the usual cargo?

Mr. PENDLETON. Mostly coal, phosphate rock. I have only just been getting them ready recently, the last three or four months. I only bought them a short time ago and put three of them in commission, and the other two I am starting on now.

Mr. BRIGGS. You expect to put those others in commission, do you?

Mr. PENDLETON. Yes, sir.

Mr. BRIGGS. And those are wooden vessels?

Mr. PENDLETON. Yes, sir.

Mr. BRIGGS. You really think there is some future for the wooden ships, do you?

Mr. PENDLETON. Well, there is just as much future for the wooden one as there is for the steel one for short voyage. You see, the wooden ships are small-sized ships and they never could be used on such long trips.

Mr. BRIGGS. They run about 3,000 tons?

Mr. PENDLETON. Three thousand five hundred dead weight. But they can't operate successfully more than 2,000 miles from the cheapest coaling station; otherwise Hampton Roads. You take it north of the Equator, where there is probably 20,000 tons of cargo carried in a year, they can operate successfully; when you get them farther away than that they burn too much coal for that distance.

Mr. BRIGGS. They are coal burners?

Mr. PENDLETON. Yes, sir; and they are too expensive on coal, and with the larger size ships on long voyages, of course, they can't compete; but for short voyages a 5,000-ton ship in the near-by West Indies trade can carry cargoes per ton per mile just as cheap as an 8,000-ton ship can, because the time of loading and discharging takes so much longer on the 8,000-ton ship that the other vessel can load quicker and get back quicker.

Mr. BRIGGS. How do these ships compare in stanchness and skill with which they are built—seaworthiness—with vessels built before the war of wood, wooden vessels?

Mr. PENDLETON. I think some of them are the best built wooden ships that have ever struck salt water, and some of them that were built in a hurry, when they worked on them nights, not well planned, have had difficulties, but I have never known a wooden ship to go out and fill up in the Atlantic Ocean for want of strength. Steel ones have.

Mr. BRIGGS. What percentage of these vessels, of these wooden vessels that you think are good vessels, well-built vessels, are those that belong in the class that you think are not so good—just roughly?

Mr. PENDLETON. Of course, they are getting—well, down the James River I went over perhaps a couple hundred of them some time ago. We had 25 or such a matter under our charge, I think. I should say that as a class there isn't over 15 to 25 per cent of them that are real bad.

Mr. BRIGGS. Not over 15 or 25 per cent?

Mr. PENDLETON. Not over 25 per cent that are bad. And they are all steel strapped except a few.

Mr. BRIGGS. That increases the strength of the vessel materially?

Mr. PENDLETON. I think so; yes, sir. The model of them is what is against them, Mr. Briggs. I don't know as you perhaps appreciate that, but I might as well say it is the model that is against them, their draft of water.

A steel ship of that size will draw 20 feet—19 to 20 feet—and these ships draw 25 to 26, and that eliminates them from good freight rates. In other words, it limits you to the place where a large-sized ship can go, and it handicaps them a great deal that way, and of course when freight rates are down the way they are now, when all ships are not making very much, unless it is the most economical operation, it is quite a handicap.

Mr. BRIGGS. When rates are down and tonnage is scarce, it handicaps both kinds of ships, steel and wood, doesn't it?

Mr. PENDLETON. Tonnage is not scarce. That is the difficulty now. When rates are down there is always plenty of tonnage. You take now, when you have 10 vessels and 11 cargoes, there are always two merchants bidding for the vessel, and you can jump them up on the freight rate; but when you take 10 vessels and 9 cargoes, there are always two vessels to a merchant bidding against each other.

Mr. BRIGGS. Well, I say, the testimony we have heard has indicated that there is a great deal of shipping tied up in every country of the world to-day, and a great deal of testimony here has been to the effect that for the amount of commerce to be carried now there was really an over amount of tonnage.

Mr. PENDLETON. Yes, sir; there are about 62,000,000 tons and probably business for 45,000 tons.

Mr. BRIGGS. And I say, when you have got that condition, the one that you are referring to, when rates are low, it is difficult for both steel and wooden ships, not only wooden ships but steel as well, to secure cargoes, adequate cargoes; that is true, is it not?

Mr. PENDLETON. Yes, sir.

Mr. BRIGGS. Now, are these wooden ships insurable? Can you get insurance on them?

Mr. PENDLETON. Well, they didn't want to take them, and I said all right; I would take the risk myself, until after they went aboard of them, and then old man Eaton, of Boston, 79 years old, says, "Well, Pendleton, I will take off my hat to you. Those are the best wooden vessels I have ever been aboard of." And after that there was no trouble in insuring them, but the first of them I insured the cargo myself. I never have had a cent of insurance on a hull.

Mr. BRIGGS. Who is "old man Eaton"?

Mr. PENDLETON. Captain Eaton, of the Boston Insurance Co.

Mr. BRIGGS. That is a reputable insurance company?

Mr. PENDLETON. Yes; one of the largest in the country.

Mr. BRIGGS. And you have no trouble insuring wooden ships any longer?

Mr. PENDLETON. Not after he saw that one. Of course, the newspapers had given them such a black eye, you see, that if you undertake to do anything in London they wire you back, "Nothing doing." They won't insure them at all.

Mr. BRIGGS. You don't believe they deserve the black eye they have received?

Mr. PENDLETON. No, sir; I don't, and I never shall.

Mr. BRIGGS. Are the insurance rates, the rates that you have to pay for insuring these vessels, much higher than what you have to pay for insuring steel vessels?

Mr. PENDLETON. Well, the rate is probably double on some cargoes. Of course, until their reputation is rehabilitated, as you might say, they will forbid them from carrying sugar, unless I wanted to take the risk on the whole cargo of sugar myself, and I don't know that I would want to take chances on that.

Mr. BRIGGS. They did carry sugar after the war, didn't they, between Cuba and the United States?

Mr. PENDLETON. Yes; there were a few of them did. There isn't any reason why they should not be able to carry it, because before 1890 practically 90 per cent of every pound of sugar that came into this country came in wooden vessels.

Mr. GREEN. These same vessels are carrying sugar from Hawaii, I think, on the Pacific coast.

Mr. PENDLETON. I think they did out there. There isn't any reason why they can not carry sugar. I delivered a cargo of phosphate rock the other day and the man said it was the best cargo he had ever had there. They didn't even have the sweat on the bottom of the vessel that the steel vessel ordinarily has.

Mr. BRIGGS. And this was a wooden ship?

Mr. PENDLETON. Yes, sir.

Mr. BRIGGS. One of the Shipping Board vessels?

Mr. PENDLETON. One of mine that I bought from the Shipping Board.

Mr. BRIGGS. Is it customary with reference to insurance rates applicable to wooden vessels to charge twice as much as they do for insurance in steel vessels?

Mr. PENDLETON. Yes, more. They will charge you all they can get. You see, we have so few insurance companies, and if a merchant has a policy in a certain company, if you want to take his business you must pay the rate that that company charges or reduce the freight rate so that he can make a profit by taking the ship. You have got to cut enough off the freight rate to equalize it with the steel vessels.

Mr. BRIGGS. Then it is not just simply because it is a Shipping Board wooden ship that the rate is double what it is in the steel boat, but it is because it is a wooden ship, is it not?

Mr. PENDLETON. It is because it is a wooden ship. The steel ship has much cheaper insurance.

Mr. BRIGGS. The same character of rates would be applied to a wooden ship built before the war as well as Shipping Board vessels, would it?

Mr. PENDLETON. Yes, sir; there isn't anything in that claim that these ships are poorer built, except that in some cases where Schwab rushed them so much in that July list when they launched 100 ships—there isn't anything in it that they are built poorer than they were before the war.

Mr. BRIGGS. Your idea is that there is the same amount of misinformation about the character and value of the wooden ship?

Mr. PENDLETON. My idea is that the wooden ship has been abused.

Mr. BRIGGS. The Shipping Board ships?

Mr. PENDLETON. Yes, sir.

Senator FLETCHER. May I ask, Does that difference in insurance rate apply both to the hull and cargo on wooden ships?

Mr. PENDLETON. I don't carry any insurance on anything I have in the world, on the hull.

Senator FLETCHER. You said that the rate on the wooden ship was about twice what it was on the steel ship, as I understood you.

Mr. PENDLETON. Yes, sir.

Senator FLETCHER. Does that apply on the hull and cargo?

Mr. PENDLETON. Oh, yes; certainly.

Mr. BRIGGS. Your idea then is, as I understand it, with reference to the wooden vessels, that they are an asset really instead of a liability?

Mr. PENDLETON. Well, if I had them I should not want to sink them. Of course, I might say, Mr. BRIGGS, that I am the only one perhaps around who you might get to say that. Perhaps I should say that.

Mr. BRIGGS. Why do you think you are the only one around that would say that?

Mr. PENDLETON. I don't know. I really don't.

Mr. BRIGGS. How long did you say you had been in the shipping business and operated wooden ships?

Mr. PENDLETON. Well, my people came over here in 1626, and they have been operating them ever since.

Mr. BRIGGS. Where are your people from, New England?

Mr. PENDLETON. Yes; I live on an old place down in Maine that has been in our family for 160 years, and five generations of shipmasters are buried there, and they have never—they used to be in the whaling business and fishery business, and since *Betsy Ross*, I might say, first hoisted the American flag, they never owned, managed, operated, or controlled a dollar in anything that was not under the American flag, and I guess we have owned more than any other concern in this country.

Mr. BRIGGS. Owned more what?

Mr. PENDLETON. More different vessels. I have owned myself 230 or 240.

Mr. BRIGGS. You know a ship, then, when you see it, a wooden ship?

Mr. PENDLETON. Well, I think I do.

Mr. BRIGGS. Mr. Pendleton, do you think there would be any market for these other wooden ships of the Shipping Board?

Mr. PENDLETON. No.

Mr. BRIGGS. Do you think there is any market for ships of any kind, steel or wood, now?

Mr. PENDLETON. Not much, not for five years.

Mr. BRIGGS. What do you think would be the effect if these ships were thrown upon the market to-day, all the ships the United States owns?

Mr. PENDLETON. You couldn't sell them. You couldn't give them away if you made the purchaser guarantee to run them, to operate them for five years; that is, start right out and operate them in the foreign trade.

Mr. BRIGGS. If they were just thrown on the market, and suppose some syndicate bought them?

Mr. PENDLETON. I don't believe you could get any syndicate to buy them. That is my view of it. In fact, I had suggested one time that the proper way, so that you gentlemen could all have the opportunity to bid and notify your constituents, would be to set these ships up, a certain number, 10 or 15—set them up here in the public hall right here in Washington and notify everybody to come there and bid, and sell them; when you said you were going to sell 15 or 20, sell them; then if they brought a very low price, everybody would be wanting to come to the next auction; therefore, you would get a chance to get some bidders; but where you put out bids and just say—just kind of go it blind—they merely put out feelers. I don't think that is the way to sell a ship.

Mr. BRIGGS. I want to ask you, do you believe with Mr. Raymond? He testified that about two years ago it would have been possible to have arranged a financial syndicate to have bought these ships of the Shipping Board that the United States Government owns, and that that, however, was not taken advantage of but he still thought that if legislation favorable enough were passed, another syndicate might be organized, a financial syndicate, a shipping syndicate.

Mr. PENDLETON. To buy these ships?

Mr. BRIGGS. Yes.

Mr. PENDLETON. Well, I can only answer that by saying that all of the trade of the world is employed now and ships are tied up; what would a man want to buy them for? What would a man want to buy ships for now? He couldn't keep them employed.

Mr. BRIGGS. I think Mr. Raymond testified that he thought if the ships were sold, more of them would have to be tied up than are tied up now.

Mr. PENDLETON. What would a man buy them for to tie them up? There is nobody charitable enough to do that.

Mr. BRIGGS. Well, I don't know. Do you think it might mean an advance in rates through agreement in any way or control of the shipping situation?

Mr. PENDLETON. My opinion is that the Government has got to back this proposition or you have lost the ships, and you have got to put them afloat and operate them regardless of price or profit; take the cargoes when they are offered, to at least 50 per cent of the commerce of this country; then after you drive the foreigner out you will establish your lines, you will build up your connections, you will be able to sell these ships to the men such as us fellows who don't want to go broke now; but when you sold ships to these fellows two or three years ago, as I stated in my statement, you would break every one of them, and there isn't one of them that isn't broke if he carried out his obligations to buy them at $150 or $200 a ton—not one.

Mr. BRIGGS. Are you familiar with the amendment here for continuing the trade route practically by the Shipping Board for another five years unless they can be sold sooner?

Mr. PENDLETON. No, sir.

Mr. BRIGGS. That was a proposed amendment offered here by the Mississippi Valley Association, the Central West Association, I think, and the South Atlantic and Gulf Associations.

Mr. PENDLETON. I have not seen that. Since the Parker bill of 1889, I have been coming down here, but this bill I have not prepared anything on it because I didn't much expect to say anything until I came in here day before yesterday to dictate that little statement yesterday to the stenographer.

Mr. BRIGGS. What do you think of that sort of an amendment, anyway?

Mr. PENDLETON. Keeping up the small ports in the South?

Mr. BRIGGS. Maintaining trade lines that are being carried on now by the Shipping Board.

Mr. PENDLETON. I think it should be done.

Mr. BRIGGS. For a period of five years, and give them time to organize to take over the lines and routes, if it is possible for them to do so?

Mr. PENDLETON. I think it should be done, and I think the Government is the only one that can do it. If you put it into private hands it will swamp anybody that goes into it, because the foreigner will be able to beat them out. If you give them ships to-day there isn't anybody in the South that can go down there and take a line and operate it successfully in competition with the foreigner for five years.

Mr. BRIGGS. In other words, you believe that the operations of the board ought to be continued for five years?

Mr. PENDLETON. I believe that if I owned every ship there is in the Government I would not sell them or try to sell them, and I would give out word that I was not going to sell them—more than a hundred of them. And if I advertised 20 ships I would sell them right here in Washington at auction so that every man could see what they brought and make him bid and put his voice against his brother in bidding them up. Then everybody sees what everybody is offering. You gentlemen can go down there and see what they are bidding for them and see whether you want to let them go or not after they sell 20, and you can stop it if you don't like it. I would like to see every Congressman agree to take one ship and get his constituents to go and bid. [Laughter.] You have got 225,000 people in your district; why not take one ship? That would get away with 500 of them.

* * * * * * *

Mr. BRIGGS. You don't believe in turning the ships loose at this time?

Mr. PENDLETON. I tell you, you can't sell them. There is no question about that. Disabuse your mind of the idea that you can sell these ships. Whenever they have sold 200 of them within two years you send to me for the best suit of clothes you can find in Washington and I will order it for you—in the next two years, regardless of whether you pass this bill or whether you don't. It will help some perhaps to pass the bill and I am in favor of it; I think it ought to be passed, but I don't see anything in the shipping situation except the coastwise trade, for the private shipowner for the next five years, and I am willing to forego my part of it as far as it goes in order that we can get established and then take the trade over.

Mr. BRIGGS. Is it your idea that the Shipping Board should put more ships into the service and operate them at even greater loss, unless they drove out competition wherever it might be?

Mr. PENDLETON. Until they are doing 50 per cent of our carrying, exports and imports in this country.

Mr. BRIGGS. I think the statement filed here the other day by the Shipping Board was that the United States is now carrying 51 per cent.

Mr. PENDLETON. That is tankers.

Mr. BRIGGS. That includes tankers, 51 per cent in American and 49 per cent in foreign vessels; that of tanker cargoes, 75 per cent was carried in American vessels and 25 per cent in foreign vessels.

Mr. PENDLETON. Yes, sir.

Mr. BRIGGS. And that of all cargoes, excluding tankers, 42 per cent was carried in American vessels and 58 per cent in foreign vessels.

Mr. PENDLETON. That has very recently gone up.

Mr. BRIGGS. That has just been brought down to date. The tables have just been furnished here, appearing on page 1747 of the record.

Mr. LISSNER. That is for 1921.

Mr. BRIGGS. Yes; water-borne commerce of the United States, 1921. That is what I say.

Mr. LISSNER. I thought you said that was up to date.

Mr. BRIGGS. Well, I meant for the annual returns for the year, the last year for which statistics were available.

Mr. LISSNER. Well, that is not at the present time. Those are not the figures now.

Mr. BRIGGS. Well, those are the last official statistics for the year. I judge it would be about 25 or 28 per cent at the present time. But this is a statement of the last official annual statistics.

Mr. LISSNER. But the proportion carried in American bottoms is very much less than that now, probably not over 32 per cent.

Mr. BRIGGS. So far as I recollect, Mr. Lissner, from the study that was filed here, it was stated to be 51.5 per cent in Mr. Lasker's statement, if I am not mistaken.

Mr. LISSNER. I think that included tankers.

Mr. BRIGGS. That makes no difference. That is the statement that was made.

Mr. LISSNER. The only point I am taking issue with is that that statement is not up to date.

Mr. BRIGGS. I think Senator FLETCHER or Mr. EDMONDS asked the Shipping Board to supply the data showing what percentage was being carried in American vessels, and Mr. Merrill furnished this table the other day, which was put in the record about three days ago. It is in volume 27. This is the very one, and I presume it was brought down to as late a date as he could get data.

Mr. LISSNER. We have been issuing statements every month from the Bureau of Research showing the proportion by months, and for the first several months of this year the percentages are very much less than those.

Mr. BRIGGS. I presume, Mr. Lissner, they fluctuate during the months.

Mr. LISSNER. They have been steadily going down.

Mr. BRIGGS. I presume they fluctuate during the month. The usual practice, I think, is to take the annual returns, the annual showing. I think that is the way the annual reports of the Government are gotten out, the statistics of foreign and domestic commerce, the statistical abstracts.

Mr. LISSNER. Well, I simply state, Mr. BRIGGS, that if you want the figures up to date you can have them. There has been a steady decline for the past year in the percentage of dry cargoes carried in American-flag ships in the foreign trade.

Mr. BRIGGS. I know, Mr. Lissner, but these are the figures that you furnished, that the Shipping Board furnished, only a few days ago. Of course, I understand that over 500 vessels, I think nearly all of the Shipping Board, have been put out of business since these were made up.

Mr. LISSNER. Because there wasn't any cargo for them to carry.

Mr. BRIGGS. I am not stating that, of course. There has been a great decline, a tremendous decline, in world trade everywhere. Of course, I am sure of that.

I will ask you, Mr. Pendleton, how much you think the Shipping Board or the Government ought to lose in that business?

Mr. PENDLETON. I don't think they will lose anything when they operate the ships. I think every dollar of freight rate that they make is a gain to the country, and for that reason I would keep the ships in business until they were doing 50 to 60 per cent, regardless of what the freight rates were. I would do that amount of business.

Mr. BRIGGS. You mean regardless of how much they lost?

Mr. PENDLETON. Regardless of how much they lost. But personally I don't consider they would be losing anything.

APPENDIX B—INSURANCE.

[Excerpt from article appearing in Pacific Ports, issue of October, 1921, p. 73.]

THE FUTURE OF AMERICAN MARINE INSURANCE.

(Future is giving concern to those appreciating importance of development of insurance business as aiding extension of foreign trade. Urgent need for a strong home market. Ramifications of marine insurance explained.)

(By J. Arthur Bogardus, lecturer on marine insurance, New York University.)

The outlook for the future of American marine insurance is giving grave concern to those in the United States who are sufficiently well versed in foreign trade matters to realize that American marine insurance is absolutely essential to the establishment of a permanent American merchant marine and the fostering of American foreign trade.

[Excerpt from article appearing in Pacific Ports, issue of December, 1921, p. 72.]

UNITED STATES MARINE INSURANCE LINKED WITH MERCHANT MARINE.

Future of American underwriters depends in large measure on future of country as a maritime power. While there have been many withdrawals from the insurance market during the past three years, the capacity of market is much greater than in pre-war times.

(By J. Arthur Bogardus, lecturer on marine insurance, New York University.)

* * * * * * *

As a matter of fact, in analyzing the status of marine insurance in the United States as it existed at the end of 1918 the congressional Committee on Merchant Marine and Fisheries reported a condition which was startling to those who had been led to believe that the American marine insurance interests were fast approaching a position of national independence in so far as concerned the taking care of the requirements of American trade. The following excerpt from the report of this committee will serve to summarize its findings:

AMERICANS LOSE GRIP.

"In view of the strategic importance of marine insurance in the upbuilding of foreign trade and a merchant marine, your committee regrets to report that American interests have largely lost their grip on this type of underwriting. Probably no other vital branch of American commerce has passed so extensively under foreign control."

* * * * * * *

[Excerpt from marine insurance hearings before the Subcommittee on the Merchant Marine and Fisheries, House of Representatives, Sixty-sixth Congress, first session, July 9, 16, 17, and September 25, 1919, p. 70.]

UNITED STATES SHIPPING BOARD
EMERGENCY FLEET CORPORATION,
DIVISION OF INSURANCE,
Washington, July 17, 1919.

Hon. FREDERICK R. LEHLBACH,
Chairman Subcommittee of Committee on the Merchant Marine and Fisheries, House of Representatives, Washington, D. C.

SIR: Referring to my testimony before your committee on the 9th instant and your request for a list of losses for which the insurance fund of the United States Shipping Board Emergency Fleet Corpora-

tion is liable, I hand you the attached. This list shows the accidents, grouped as follows:

	Estimated.		Paid.	
	Marine.	War.	Marine.	War.
Collisions	$1,215,690.00	$60,000.00	$47,676.66	
Strandings	4,319,370.00			
Machinery damage	572,400.00			
Steering-gear trouble	325,800.00		1,539.38	
Heavy weather	522,400.00		1,546.76	$65.00
Fire	980,000.00		1,071.50	
Serious leaks	120,000.00		70,000.00	
Total loss	1,749,750.00	1,870,000.00	2,311,167.11	8,038,406.74
Miscellaneous	174,300.00	175,000.00	1,071.50	
Total	9,979,710.00	2,105,000.00	2,434,072.91	8,038,471.74

* * * * * * *

Yours very truly,

B. K. OGDEN,
Acting Director of Insurance.

[Excerpt from article appearing in "Business Digest and Investment Weekly," vol. 25, January–July, 1920, p. 359.]

FOREIGN TRADE—THE STATUS OF AMERICAN MARINE INSURANCE—AT PRESENT ONLY 63 DIRECT WRITING AMERICAN COMPANIES ARE PARTICIPATING IN OCEAN MARINE INSURANCE.

* * * * * * *

American companies transacted only a little over 50 per cent of the business, and the trend seems to be more and more in the direction of foreign-controlled companies.

Marine risks written and renewed during 1918 by all companies, domestic and foreign, operating in the United States, amounted to $71,258,305,186. This total was arrived at after making an approximate deduction for motor vehicle, tourist baggage, and registered-mail insurance on the basis of premium income received from these sources as compared with the total premium on all "marine and inland" business. This process, it is conceded, is somewhat subject to criticism, but premium figures constituted the only data available, and in any case one uniform plan for making the deduction was applied to all companies. Of the foregoing total branch offices of admitted foreign companies wrote or received $38,613,473,250, or 13 per cent, and other American companies $23,400,821,248, or 32.8 per cent.

[Excerpt from "Marine Insurance in the United States," pp. 265, 266.]

(By Solomon Huebner, University of Pennsylvania.)

[Reprinted from the annals of the American Academy of Political and Social Science, vol. 26, September, 1905.]

THE BUSINESS OF THE PRINCIPAL AMERICAN COMPANIES.

In the United States the marine insurance business which is not written by foreign underwriters is controlled mainly by seven domestic companies. According to the State insurance reports these companies are doing a prosperous business, each collecting over $400,000 of marine premiums annually. Collectively they received, according to the last reports available, $8,608,672, or eight-tenths of the total net marine premiums collected by American companies; possessed assets of $40,782,058, and carried marine risks aggregating $2,323,000,000. But only one of these companies, the Atlantic Mutual of New York, depends solely upon its marine and inland business, its premium receipts amounting to $3,013,944, its marine losses to $1,142,302, and its admitted assets $12,025,021. The other six companies, considered collectively, depend principally upon a fire insurance business, their fire premiums amounting to $15,039,227, as compared with $5,594,728 for marine premiums, thus constituting nearly three-fourths of their total premium income.

THE BUSINESS OF DOMESTIC AND FOREIGN COMPANIES IN THE UNITED STATES COMPARED.

The extent to which foreign companies have acquired control of marine insurance in the United States becomes especially clear if one examines the annual financial reports of the various companies. If a compilation is made of the statistics as found in these reports it will appear that for the year 1903 the total net marine risks assumed by all the foreign and domestic companies operating in the United States aggregated approximately $6,877,006,221, the net premiums received nearly $18,000,000, and the admitted assets $112,912,000. Of these amounts, the American branches of the 20 leading foreign companies—to say nothing of the large number of foreign companies operating on the Pacific coast—wrote $3,723,000,000 of the risks, or 54 per cent of the total, received $7,160,335 of the net premiums, but possess only $21,733,958, or less than one-fourth of the admitted assets. Most of these foreign companies also confine themselves solely to the writing of marine risks, only 6 of the above 20 companies transacting a fire business in addition to their marine business.

[Excerpts from Report on Status of Marine Insurance in the United States, p. 18.]

(By S. S. Huebner, expert in insurance to the United States Shipping Board and the Committee on the Merchant Marine and Fisheries, including the recommendations of the Subcommittee on the Merchant Marine and Fisheries.)

(Approved by the Committee on the Merchant Marine and Fisheries, February 26, 1920.)

VOLUME OF MARINE INSURANCE WRITTEN.

Marine risks written and renewed during 1918 by all companies, domestic and foreign, operating within the United States, amounted to $66,080,295,960. This total was arrived at after making an approximate deduction for motor-vehicle, tourist-baggage, and registered-mail insurance on the basis of premium income received from these sources as compared with the total premium income on all "marine and inland" business. This method, it is conceded, is somewhat subject to criticism, but premium figures constituted the only data available, and, in any case, one uniform plan for making the deduction was applied to all companies. Of the foregoing total, branch offices of admitted foreign companies wrote or renewed $38,613,473,250, or 58.4 per cent; American companies controlled abroad, through stock ownership, $3,275,101,386, or 5 per cent; and other American companies $24,191,720,525, or 36.6 per cent.

After deducting motor-vehicle, tourist-baggage, and registered-mail premiums, the net marine premiums of all American and foreign companies operating in the United States aggregated $109,729,041 for 1918. Of this total, branch offices of admitted foreign companies received $39,437,387, or 35.9 per cent; American companies controlled abroad, through stock ownership, $1,555,128, or 1.4 per cent; and all other American companies $68,736,526, or 62.7 per cent. Similar compilations were made as regards both net premiums and risks for the years 1917 and 1918.

(P. 25.)

DISTRIBUTION OF BUSINESS BETWEEN AMERICAN AND FOREIGN COMPANIES.

As pointed out in the previous chapter, total marine-insurance risks written and renewed during 1918, by all companies, domestic and foreign, operating in the United States amounted to $66,080,295,060, after making an approximate deduction from the published "marine and inland" figures for motor-vehicle, tourist-baggage, and registered-mail insurance. Total net marine premium income, after making a similar deduction, aggregated $109,729,041. Presented in tabular form, and including only American companies composing groups 1 and 2—referred to above—the extent of foreign control as regards the above totals may be indicated as follows:

	Risks written and renewed.		Net marine premiums.	
	Amount.	Percentage of total.	Amount.	Percentage of total.
United States branch office	$38,613,473,250	58.4	$39,437,387	35.9
Companies comprising Group 1	3,275,101,386	5.0	1,555,128	1.4
Companies comprising Group 2	586,103,138	.9	1,176,489	1.0
Total	42,474,677,774	64.3	42,169,004	38.3

(P. 64.)

CONSTRUCTION AND TYPE OF VESSEL—PURPOSE OF CLASSIFICATION SOCIETIES.

As a convenient means of giving such information to underwriters and shippers, various so-called classification societies have been organized for the purpose of promulgating rules for the construction of vessels, of supervising such construction, assigning a "class" to each vessel, and publishing books containing a detailed and classified description of the most essential features of all vessels coming within their jurisdiction. Although classification is entirely optional, vessel owners would find it so difficult to obtain insurance and would meet with so many obstacles in soliciting freight to best advantage that few care not to have their vessels listed in the publications of some one of the leading societies as having been classed by it. Classification means that the vessel was designed and constructed under the supervision and according to the standards of the society. Following the completion of the vessel, surveyors of the society examine the work. If all is found satisfactory as to structural plan, materials, and machinery, the vessel will be assigned to a class, subject to the understanding, however, that periodical surveys and necessary repairs shall be made as the society may direct.

MOST IMPORTANT CLASSIFICATION SOCIETIES.

The most important classification record, and also the first historically, is Lloyd's Register of British and Foreign Shipping. While issued originally by London Lloyd's, this publication is controlled at present by an organization managed by underwriters, merchants, and vessel owners and builders, and is entirely distinct from London Lloyd's. According to advices, however, underwriters assume the dominant rôle in the management of the organization. The publication is designed to indicate the general character of all vessels in the British marine of not less than 100 tons, besides numerous vessels in foreign fleets.

[Excerpt from article appearing in the Economic World, issue of February 19, 1921, pages 278–279.]

FIRST OFFICIAL REPORTS ON THE OPERATIONS OF THE AMERICAN MARINE INSURANCE SYNDICATES.

The three American marine-insurance syndicates which were organized last summer for the purpose of providing the shipping and the foreign trade of the United States with ample marine-insurance facilities recently completed the first six months of their activities, and at a general meeting of the subscribers, held in New York City on January 26, brief reports were submitted on behalf of the management of the syndicates, showing what had been accomplished to the end of 1920. The three reports follow:

I. REPORT OF SYNDICATE "A."

(By C. R. Page, manager.)

From an informal report which has already been in your hands, you will have seen that Syndicate "A" has up to date perfected its organization along the Atlantic and Gulf coasts by the creation of several districts, which have their headquarters in the principal cities. * * *

The surveyors in our service are men of experience in the field of hull work, general machinery, boilers and turbines, and offer, on the whole, excellent material to be educated into thoroughly reliable and competent underwriters' surveyors.

Up to date we have been most fortunate in the hearty cooperation and support of the Division of Construction and Repairs of the United States Shipping Board, and this joint action has, we feel, produced excellent results for both the Shipping Board and the underwriters' interests generally.

The beneficial effects of the policy of calling for competitive bids wherever practicable is reflected in much more advantageous prices having been obtained than have recently prevailed.

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In the early activities of the syndicate the greatest attention has been paid to this question of repair costs, because here the need seemed to be the greatest. Inspection has, however, also received attention.

That phase of our contractual obligation to the Shipping Board to periodically inspect its own vessels has been carried out, not by our own organization but by the United States Bureau of Survey (Martin and Gardner), under an arrangement tentatively accepted by both parties, subject to the approval of the Shipping Board, which, however, has not yet been given. Acting under this arrangement, the bureau has made some 1,800 surveys, 1,400 of which represent the No. 1 survey and 400 the No. 2. The reports are comprehensive and contain much information and are open to your inspection.

As to risks offered to or accepted by the syndicate, our own surveyors are undertaking inspections, both as to condition of maintenance and repair and as to loading. * * *

The establishment of foreign agencies is also having our attention, although this phase of development has frankly been subordinated to the handling of the immediate damage-repair problem at home and little progress in respect of the former has been made. * * *

Our contact with the various problems of to-day leaves one outstanding impression, which is an appreciation of the extraordinary opportunity which is now afforded to American underwriters to wield a powerful influence in the control of both repair and salvage costs. If, however, this opportunity is to be fully availed of, Syndicate "A" must have the complete and hearty cooperation of all the underwriters, not alone as members of the syndicate but in respect of the damage repairs in which they, as underwriters outside the group, are interested.

* * * * * * *

Already the syndicate has the full and hearty support of the Division of Insurance of the United States Shipping Board and is actively cooperating with the Division of Construction and Repairs, and is, therefore, because of the requirements of the Shipping Board as the largest operator in the ship-repair market, in daily and close contact with the situation, and is, accordingly, in a position, we feel, to not only ask but warrant your complete support. Without the support of the underwriting community the effort we are making will undoubtedly fail to yield anything of permanent advantage, and thus what is an extraordinary opportunity will be lost.

II. REPORT OF SYNDICATE "B."

(By Lawrence J. Brengle, chief underwriter.)

I think it will be of interest to the subscribers to know the amount of premiums which have been written to date.

SYNDICATE B.

The net premium is	$1,123,026.35
Estimated losses	125,000.00
Of which the earned premium as of Dec. 10, 1920, is	188,239.63
Estimated losses as of Dec. 10, 1920	95,000.00

SYNDICATE C.

The net premium is	3,321,596.21
Estimated losses	500,000.00
Of which the earned premium as of Dec. 10, 1920, is	617,216.17
Estimated losses as of Dec. 10, 1920	400,000.00

In connection with the premium we shortly expect to make a further payment to the underwriters which will bring the matter practically up to date. I would also like to say that during the past three or four months our work has been largely constructive; we have had a good many obstacles to overcome, due to a standardized system which it has been necessary to educate people up to, and our work has in consequence been necessarily slow. The brokers have met the syndicate with a great deal of favor and I think the future outlook is very bright.

* * * * * * *

III. REPORT OF SYNDICATE "C" COMMITTEE.

(By Walter Wood Parons, William H. McGee, and Hendon Chubb.)

The managers feel that the members of the syndicate should have a clear idea as to exactly how rates of Syndicate "C" are named, as well as the policies which have governed the managers in making those rates; and it is for this purpose that this report is submitted.

The board of managers have delegated the rate-making power as regards Syndicate "C" to a rate committee. The rate committee consists of all the managers of Syndicate "C," and it holds regular weekly meetings at the syndicate rooms at 11 o'clock every Wednesday. It only differs from the managers' meeting in that two members constitute a quorum. At those meetings it is customary for the committee to consider all fleets or vessels which have been submitted to the underwriter prior to noon of the Tuesday preceding it. In each case it is the endeavor to name rates and terms at that meeting for all the fleets coming before them.

* * * * * * *

It has also been the custom to have the broker personally present his ideas to the committee, and in many instances the owner or his representative has also appeared before the committee.

In arriving at rates for a fleet the rate committee have felt that careful consideration should be given to the record of the owners of the fleet or vessel, where the owner has had a managing experience of three years or more. In this respect the rating for Syndicate "C" must proceed on a very different basis from the rating made on vessels of Syndicate "B." In Syndicate "B" most of the vessels are in the hands of new owners, and until their efficiency or inefficiency has been demonstrated it is necessary to arrive at an average rate to apply to all these vessels; but in the case of Syndicate "C" most of the vessels belong to the owners who have had long experience, and where the results of such experience are available to underwriters this has been taken as an important factor in arriving at the rates asked for.

In all cases the rate committee have also given their careful consideration to the value per ton, as it is recognized that in most cases the cost of repairs depends more upon the tonnage of the vessel than it does upon the insured value, and that any low per ton insured value must be compensated for by a corresponding advance in rates.

In short, the factors which have guided the committee in making rates have been: Record of owners, type and age of vessel, trade engaged in, and value per ton; and in each case the underwriter prepared for the consideration of the committee all available data bearing upon these considerations, together with a record or previous syndicate quotations on vessels of like general character.

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UNITED STATES SHIPPING BOARD,
Washington, March 22, 1922.

Hon. DUNCAN U. FLETCHER,
United States Senate, Washington, D. C.

MY DEAR SENATOR: Replying to your favor of the 7th instant, permit me to say that I took up with my colleague, Commissioner Lissner, under whom matters of insurance have been placed by the board, the subject matter of your letter, and I am inclosing you herewith a copy of his letter to me, answering as far as it is possible to do the questions propounded in your letter.

I will be glad at any time to give you any information in my power.

Yours very sincerely,

GEO. E. CHAMBERLAIN.

—

(Memorandum from Commissioner Lissner to Commissioner Chamberlain in re letter from Senator FLETCHER, dated March 7, 1922.)

MARCH 21, 1922.

Referring to Senator FLETCHER'S letter to you of the 7th instant, making certain inquiries with regard to insurance matters, I am informed by Mr. Ogden, manager of our marine insurance department, as follows:

"It is extremely difficult to answer the questions asked with any degree of accuracy. The latest figures we have, those for the year 1919, show that $88,266,387 is the estimated premium paid to American insurance companies for insurance on American vessels and their cargoes. There are not even any estimated figures for the amount of American insurance placed directly with foreign companies.

Recent figures of Shipping Board operations indicate that insurance is less than 5 per cent of the total operating cost. This is based on extremely low estimates for the insurance, and it is believed that with the cost of commercial insurance the percentage would be as high as 6 or 7 per cent.

It is impossible to give the existing insurance rates, for on cargo they vary from one-twentieth of 1 per cent to 2 or 3 per cent, depending on the merchandise and the voyage. The rates on steamers for annual insurance vary from, say, 3 to 7 per cent.

The proportion of insurance on American vessels and cargoes placed with foreign insurance companies is about 65 per cent of the entire amount. The insurance of cargo is divided about equally between the American and foreign markets, while considerably more hull insurance is placed abroad than in the local markets. The proportion of the hull insurance placed abroad is gradually being reduced.

I believe that practically all American-flag ships, with the exception of those owned by the Government, are classified in Lloyd's Register. I have recently heard representative American underwriters say that it made very little difference to them whether a ship was classified in Lloyd's Register or in the American bureau. However, it does make a difference when arranging either hull or cargo insurance with foreign underwriters, and I think I am correct in saying that as a whole it means more to have a vessel classified by Lloyd's Register than it does to have her classified in the American bureau."

If I can be of any further assistance, please let me know.

MEYER LISSNER, *Commissioner.*

APPENDIX C.

[Excerpt from Monthly Summary of Foreign Commerce for April, 1922.]

	April—		Ten months ending April—	
	1921	1922	1921	1922
IMPORTS.				
Brought in—	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*
Cars and other land vehicles	24,568,343	19,418,945	407,243,123	209,368,503
Parcel post		7,587,085		63,946,191
American vessels	85,392,837	62,637,499	1,180,583,122	586,545,408
Foreign vessels—				
Belgian	887,662	564,860	17,400,429	8,705,169
British	76,412,974	69,674,283	910,333,835	643,180,495
Danish	3,865,539	3,293,755	34,524,410	22,684,019
Dutch	9,811,168	7,062,709	130,650,183	71,192,641
French	11,731,048	10,303,067	111,414,874	120,168,187
German	57	2,239,875	170,648	10,988,778
Italian	4,848,141	2,928,483	38,299,411	34,260,459
Japanese	21,593,216	11,871,521	267,534,500	182,183,467
Norwegian	6,936,973	10,745,664	76,129,251	86,521,418

APPENDIX C—Continued.

	April—		Ten months ending April—	
	1921	1922	1921	1922
IMPORTS—continued.				
Brought in—				
Foreign vessels—	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*
Spanish	851,643	1,349,063	23,350,367	8,255,990
Swedish	4,470,963	2,884,605	33,149,536	19,526,781
All other	3,208,761	4,510,908	33,074,562	27,323,530
Total in foreign vessels	144,618,145	127,428,793	1,676,032,006	1,334,990,934
DOMESTIC EXPORTS.				
Carried in—				
Cars and other land vehicles	47,880,354	39,112,607	683,904,149	415,020,226
American vessels	114,321,540	108,971,419	1,999,228,330	953,630,112
Foreign vessels—				
Belgian	1,871,666	1,257,853	52,475,406	15,589,305
British	108,652,557	93,347,347	1,927,317,510	962,061,235
Danish	2,910,440	4,887,060	66,568,851	40,999,219
Dutch	7,628,636	8,303,501	145,568,906	90,732,966
French	6,883,240	8,787,951	134,679,933	92,242,319
German	430,846	2,973,231	10,303,088	21,527,058
Italian	7,692,226	10,108,070	157,711,806	85,782,131
Japanese	15,084,742	9,599,880	153,882,132	170,565,811
Norwegian	7,208,561	12,797,501	184,863,616	113,612,390
Spanish	3,253,739	5,724,110	77,777,660	59,677,254
Swedish	2,465,766	3,120,166	39,561,187	27,317,478
All other	4,116,385	1,967,990	99,843,173	30,711,370
Total in foreign vessels	168,198,804	162,874,640	3,050,553,268	1,701,818,536
FOREIGN EXPORTS.				
Carried in—				
Cars and other land vehicles	2,074,400	2,516,587	25,452,430	20,624,441
American vessels	2,274,747	1,358,747	37,936,128	11,652,847
Foreign vessels	5,711,261	3,265,595	52,827,543	25,759,740

	April—				Ten months ending April—			
	1921		1922		1921		1922	
WATER-BORNE FOREIGN COMMERCE.								
Imports:	*Dollars.*	*Per cent.*	*Dollars.*	*Per cent.*	*Dollars.*	*Per cent.*	*Dollars.*	*Per cent.*
In American vessels	85,392,837	37.13	62,637,499	32.95	1,180,583,122	41.34	586,545,408	32.20
In foreign vessels	144,618,145	62.87	127,428,793	67.05	1,676,032,006	58.66	1,234,990,934	67.80
Total (except in land vehicles and parcel post)	230,010,982	100.00	190,066,292	100.00	2,856,615,128	100.00	1,821,536,342	100.00
Exports:								
In American vessels	116,599,287	40.14	110,330,166	39.91	2,037,164,458	39.63	965,282,959	35.85
In foreign vessels	173,910,065	59.86	166,140,235	60.09	3,103,380,811	60.37	1,727,578,276	64.15
Total (except in land vehicles)	290,509,352	100.00	276,470,401	100.00	5,140,545,269	100.00	2,692,861,235	100.00
TONNAGE OF VESSELS.								
Entered:	*Net tons.*		*Net tons.*		*Net tons.*		*Net tons.*	
American	2,490,174	51.25	2,168,060	46.86	28,790,285	50.55	24,447,273	48.68
Foreign	2,368,531	48.75	2,459,300	53.14	28,166,225	49.45	25,767,020	51.32
Total entered	4,858,705	100.00	4,627,360	100.00	56,956,510	100.00	50,214,293	100.00
Cleared:								
American	2,535,956	50.62	2,388,705	48.92	28,764,356	48.86	24,589,643	48.35
Foreign	2,473,587	49.38	2,495,385	51.08	30,107,288	51.14	26,265,388	51.64
Total cleared	5,009,543	100.00	4,884,090	100.00	58,871,644	100.00	50,855,031	100.00

APPENDIX D.

[Excerpt from the American Economist, June 9, 1922.]

SHIP SUBSIDY THREATENED WITH DEFEAT.

If one is to believe the portentous misgivings finding their way into print, emanating from Washington, and said to have originated in the White House, there is anything but plain sailing for the ship subsidy bill framed with such care by the Shipping Board, and so generously fathered by the chairmen of the two committees of Congress that deal with shipping matters. It is declared that if the ship subsidy bill is defeated President Harding will abolish the Shipping Board. It is announced, seemingly authoritatively, that if the ship subsidy bill is not passed by Congress Chairman Lasker, admittedly "the wheel horse for ship-subsidy legislation," will get out of the Shipping Board in disgust. It is even stated (in New York Journal of Commerce's special Washington dispatches) that the President has "to-day (June 2) served notice of his intention to shift the responsibility of finding a solution for the merchant marine problem from the Shipping Board to the leaders in Congress, unless they are willing to accept the advice and recommendations of those charged with the responsibility."

Congress, surely, still possesses the right to initiate legislation and to send it to the President for his approval or veto, and to enact it over the President's veto if such be the will of two-thirds of the Members of each branch of Congress. That this is what the Constitution provides may be forgotten at times by some, but it is never forgotten by the Federal courts. If the President sees fit to "shift the responsibility of finding a solution for the merchant marine problem from the Shipping Board to the leaders in Congress," those same leaders in Congress may prove themselves equal to the task. In fact, if the cooperation of the President had been extended to a provision of a law approved on June 5, 1920, known as the Jones Merchant Marine Act, it would have been "infinitely cheaper" thus to have protected our merchant marine, according to the sworn testimony of the chairman of the Shipping Board himself.

The reason that Congress appears to balk at the passage of the ship subsidy bill, if it is true that it is balking, is because of the huge expense involved, upward of $50,000,000 a year when the bill is in full force as law. Senators and Representatives seeking reelection this fall dread to face their constituents if by their votes they have added this vast additional tax to the already heavily burdened taxpayers. When it becomes better realized, as it is apt to be both by Members of Congress and the press of the country, that at no expense whatever to the National Treasury our shipping in foreign trade could be developed to the point of profitably competing with foreign ships, through the same form of protection that is extended to all other products of the United States requiring protection—that is to say, the tariff—but that it was deemed wiser to go about it by taking from the National Treasury $50,000,000 a year for such protection, the taxpayers are very apt indeed to say that the tariff protection is the better. When to that is added the fact that, previous to the Civil War, our ships in foreign trade were protected through the tariff and at no expense to the National Treasury, and that it was the most successful and prosperous marine we ever possessed, a marine that for 72 years carried an average of 80 per cent of our entire foreign commerce, the taxpayers will be apt to say that a policy that history has proven to have been so efficacious as that should be equally effective now.

It was thought that the subsidy way would be "the easier way" of protecting our shipping in foreign trade, because the old successful way involves the modification—not the abrogation, termination, or cancellation, remember—of a number of terminable trade treaties and conventions now in force. By "easier way" was meant a way that would not be so apt to arouse our foreign rivals to drastic retaliatory enactments, but these are threatened, just the same, by our British

rivals, the very ones we have been so solicitous of appeasing. They profess to see no difference between the tariff and the subsidy protection of American ships, if the result is to deprive British ships of a large part of their ocean carrying, the inevitable result of the success of the subsidy policy. But mid-western voters see a vast difference between taking $50,000,000 a year out of the National Treasury and leaving it there, and adding to it, such as would be the case if the pre-Civil War time shipping policy were readopted.

As we expected, the ship subsidy bill is entering upon parlous times.

APPENDIX E.

[From the Gulf Ports Magazine, June, 1922.]

UNITED STATES SHIPPING BOARD COMPLETES WORLD'S GREATEST SHIPBUILDING PROGRAM.

THE SHIPPING BOARD'S OWN REPORT ON THE FINISHED PROGRAM.

When the Bethlehem Shipbuilding Corporation (Ltd.), Sparrows Point, Md., delivered to the Emergency Fleet Corporation, May 9, to be operated by the Munson Line in the South American service, the new "535" passenger and cargo steamer *Western World*, the greatest shipbuilding program in the history of nations was completed.

From May 24, 1917, when the wood cargo carrier *North Bend*, the first vessel to be built under war-time contracts, was turned over to the Government by Kruse & Banks, North Bend, Oreg., to May 9, 1922, the United States Shipping Board constructed 2,312 vessels of various types of 13,636,711 dead-weight tons. To-day, more than 1,000 of these vessels are laid up, due to the depressing conditions of the world's markets, as well as to the inability of the American operator to compete with his foreign competitors from the standpoint of expenses.

The vessels built during and after the war consisted of requisitioned and contract steel cargo carriers, tankers, refrigerator, transport, collier, and combined passenger and cargo carriers; contract wood cargo carriers, barges, tankers, finished hulls, and sailing vessels; contract composite cargo carriers; contract concrete cargo carriers and tankers; steel and wood ocean tugs; and steel and wood harbor tugs.

The building of this gigantic fleet was not confined entirely to the United States, Japan constructing 30 steel cargo carriers of 243,290 dead-weight tons and China 4 steel cargo carriers of 40,000 dead-weight tons.

Prior to the entrance of the United States into the war, the maximum yearly output of ships in this country was in the year 1908, when 1,457 vessels of 921,324 dead-weight tons, including all vessels of 5 net tons and over, were built; of steamships alone the total was 722,436 dead-weight tons.

The *North Bend*, heretofore mentioned, was the first wood vessel to be turned over to the Government. The first requisitioned steel cargo carrier, the *Limoges*, was delivered August 30, 1917, by the Toledo Shipbuilding Co., Toledo, Ohio, and the first contract steel cargo carrier was the *Seattle*, later changed to the *Western Hero*, which was delivered January 10, 1918, by the Skinner & Eddy plant, at Seattle, Wash.

Considering ocean-going vessels, the output for the month of September, 1919, 150 vessels of 810,386 dead-weight tons, greatly exceeded the maximum pre-war deliveries for the entire year. Compared with the average annual construction of 476,092 dead-weight tons, from 1890 to 1916, inclusive, the contrast is more striking.

The original program called for 3,270 ships of 18,407,276 dead-weight tons. After the armistice all construction was canceled, thus reducing the program by 958 ships of 4,770,565 dead-weight tons, which represented approximately 50 per cent of all vessels that had not reached a degree of completion of 85 to 90 per cent, and more than one-half of the vessels yet to be launched.

On August 3, 1917, 431 vessels under construction in shipyards throughout the United States were requisitioned by the Government. Thirteen of the number were released, before completion, to former owners; 22 were canceled; and the status of 12 changed from requisition to contract vessels, thereby leaving a total of 384 requisitioned vessels on the active construction program of the corporation.

The wood-ship program of the corporation had reached a total of 1,017 vessels of various types at the time construction was curtailed. Of this number 428 were subsequently canceled, 474 were completed, and 115 partially completed.

When the Emergency Fleet Corporation adopted the plan of building fabricated ships and awarded contracts for a total of 390 vessels, representing 2,675,000 dead-weight tons, doubt was expressed in some quarters as to the success of this type of construction, which was a radical change from the accepted methods. It was recognized, however, that by having the hull steel fabricated at the bridge and structural shops throughout the country and then assembled at the shipyards, a considerable expansion of the shipbuilding industry was possible.

Many of these vessels have been in continuous service for a long time, and the results show that they have proved equally as serviceable as others of the fleet, and their utility as cargo carriers has been established. The use of standard parts in the construction of these vessels has simplified the problem of repairs, whether of a minor nature or extensive in scope.

During the fiscal year ending June 30, 1921, 218 ships of 1,737,550 dead-weight tonnage were delivered by the Construction Department of the Division of Construction and Repairs. This tonnage was but 30.5 per cent of that delivered during the previous fiscal year, showing the rapidity with which the construction program was curtailed. On July 1, 1921, a few days after the new Shipping Board came into office, there remained to be constructed but 24 steel contract vessels, totaling 276,800 dead-weight tons. All requisitioned steel, contract wood, and concrete vessels were completed before the end of the fiscal year 1921, and contract composite vessels during the previous fiscal year.

Of the 204 shipyards formerly engaged in ship construction for the Emergency Fleet Corporation, all but 7 in the United States and the yard in China, made their final delivery by the end of June, 1921.

To the Atlantic coast goes the distinction of having turned out the greatest number of ships and the greatest amount of tonnage. On this coast were built 848 vessels of 5,625,188 dead-weight tons. The Pacific coast was second, with 759 vessels of 5,254,150 dead-weight tons. The Great Lakes district was third, with 479 vessels of 1,625,000 dead-weight tons. The Gulf was fourth, with 192 vessels of 849,100 dead-weight tons.

The Philadelphia section is awarded the honors for turning out the greatest number of vessels and tonnage, the grand total being 329 vessels of 2,662,030 dead-weight tons.

San Francisco was second, with a grand total of 241 vessels of 2,051,500 dead-weight tons.

Seattle with third, with 305 vessels of 2,010,350 dead-weight tons.

Portland, Oreg., was fourth, with 213 vessels of 1,192,650 dead-weight tons.

If all the vessels on the program were placed in a straight line, stem to stern, they would extend for a distance of 158 miles, and if steaming a mile and a quarter apart would reach from New York to Southampton, England.

The total dead-weight tonnage is equal to the carrying capacity of 388,363 freight cars loaded 35 tons per car. As there are approximately 2,800,000 freight cars in the United States nearly one-seventh of them would be required to equal the carrying capacity of the vessels.

A total of 4,593,000 horsepower is generated by the propelling machinery.

For the transportation of the hull steel alone, 115,000 flat cars would be required.

For manufacturing the rivets used, a rod of steel three-fourths of an inch in diameter and 37,500 miles long would be necessary. This rod would extend once around the earth, at the Equator, and sufficient would remain to make a three-strand fence from New York to San Francisco.

At the height of the shipbuilding program 218 yards were constructing ships, of which 80 were building steel vessels, 131 had wood and composite ship contracts, and 7 were working on concrete steamers.

While the expenditures for all plant construction, including the yards owned entirely by the corporation, were less than 6 per cent of the cost of the ships, 179 yards, including installation plants, were given financial assistance for plant construction.

It was necessary, in carrying out this stupendous project, to build 13 marine railways, 17 floating docks, and 2 graving docks, as auxiliaries.

At the beginning of the program there was a nucleus of 50,000 first-class mechanics in our shipbuilding industry, and with the assistance of the Emergency Fleet Corporation this number was expanded to 385,000 men, who received a training either directly or indirectly and became proficient in the trade employed in the building of ships.

For purposes of comparison, the total number of ships built in 1900 was 1,447, of 590,685 dead-weight tons. In 1919 the total number of ships completed was 1,953, of 4,989,931 dead-weight tons.

The effect of the shipbuilding program upon our shipping is clearly shown in our increased share of the carrying trade of the world. In 1914 commodities to the value of $368,359,756 were carried in our own ships, representing 9.7 per cent of our water-borne foreign trade. In the fiscal year beginning June 30, 1920, this percentage was increased to 44.8 per cent, and the value of the imports and exports carried in American bottoms amounted to $5,071,905,981. This exceeds by far the total value of our water-borne foreign trade in 1914, representing $3,785,468,512. An industry of immense proportions was therefore established and can be reestablished only by means of Government aid.

The activities of the United States Shipping Board and its agencies have been as wide in scope as the commerce of the whole world. It contracted for the purchase of ships under various types of purchase contracts. In the performance of these contracts it became a coworker in the building of ships. It undertook the duties and responsibilities of a banker and became a party to the financing of the shipbuilding program. It became a general contractor and assisted in providing greater shipbuilding facilities. It became a manufacturer and undertook to increase the output of ship equipment. It became a lumber merchant and acquired timber forests. It became an insurance company and sold protection against insurable losses. It entered transportation fields and built and operated street railways. It built and operated hotels for housing workmen; it built homes for the families of workmen and in so doing created townships with paving, water, gas, sewers, moving-picture theaters, hospitals, and all the necessities and conveniences of municipal life.

Vessels delivered.

	Number.	Dead-weight tons.
A. Requisitioned steel:		
Cargo	300	1,929,739
Tanker	53	519,030
Refrigerator	11	86,200
Transport	9	71,975
Collier	9	70,350
Passenger and cargo	2	9,972
Total	384	2,687,266
B. Contract steel:		
Cargo (United States)	1,086	7,296,205
Cargo (Japan)	30	243,290
Cargo (China)	4	40,000
Tanker	73	713,000
Tanker (Navy)	12	131,000
Transport	13	107,800
Refrigerator	8	75,200
Passenger and cargo	23	299,000
Barge	6	22,200
Total	1,255	8,927,695
Total steel vessels	1,639	11,614,961
C. Contract wood (according to original design):		
Cargo	304	1,121,350
Barge	28	71,000
Subtotal	332	1,192,350
Contract wood (according to altered design):		
Tanker	1	4,700
Finished hull	115	447,700
Sailing vessels	10	34,500
Barges (converted)	56	206,000
Subtotal	182	692,900
Total	514	1,885,250
D. Contract composite:		
Cargo	18	63,600

Vessels delivered—Continued.

	Number.	Dead-weight tons.
E. Contract concrete:		
Cargo	4	13,500
Tankers	8	60,000
Total	12	73,500
F. Tugs:		
Steel, ocean	46	.....
Steel, harbor	8	.....
Wood, ocean	13	.....
Wood, harbor	62	.....
Total	129	13,636,711
Grand total	2,312	.....

Construction program segregated according to coasts.

Type.	Number.	Dead-weight tons.
ATLANTIC COAST.		
Steel:		
Cargo	505	3,742,361
Passenger and cargo	25	308,972
Tankers	88	836,630
Refrigerators	11	86,200
Transports	21	167,975
Colliers	9	70,350
Ocean tugs	30	.....
Total steel	689	5,212,488
Wood:		
Cargo	45	157,500
Finished hulls	29	111,650
Barges	33	98,050
Ocean tugs	10	.....
Harbor tugs	29	.....
Total wood	146	367,200
Concrete, cargo	3	10,500
Composite, cargo	10	35,000
Grand total	848	5,625,188
GULF.		
Steel:		
Cargo	43	338,800
Barges	6	22,200
Harbor tugs	6	.....
Total steel	55	361,000
Wood:		
Cargo	62	230,200
Tanker	1	4,700
Finished hulls	27	103,950
Barges	26	84,250
Sailing vessels	2	4,000
Ocean tugs	2	.....
Harbor tugs	4	.....
Total wood	124	427,100
Composite, cargo	8	28,000
Concrete:		
Cargo	1	3,000
Tankers	4	30,000
Total concrete	5	33,000
Grand total	192	849,100
PACIFIC COAST.		
Steel:		
Cargo	408	3,522,300
Tankers	50	526,400
Refrigerators	8	75,200
Transport	1	11,800
Total steel	467	4,135,700
Wood:		
Cargo	196	731,150
Finished hulls	59	232,100
Barges	25	94,700
Sailing vessels	8	30,500
Total wood	288	1,088,450
Concrete, tankers	4	30,000
Total	759	5,254,150
GREAT LAKES.		
Steel:		
Cargo	430	1,622,500
Ocean tugs	16	.....
Harbor tugs	2	.....
Total steel	448	1,622,500

Construction program segregated according to coasts—Continued.

	Number.	Dead-weight tons.
GREAT LAKES—continued.		
Wood:		
Cargo	1	2,500
Ocean tugs	1	.....
Harbor tugs	29	.....
Total wood	31	2,500
Grand total	479	1,625,000
JAPAN.		
Steel, cargo	30	243,290
CHINA.		
Steel, cargo	4	40,000
Grand total	2,312	13,636,711

Construction program segregated according to cities.

	Number.	Dead-weight tons.
VICINITY OF BATH, ME.		
Steel:		
Cargo	4	39,000
Tankers	4	38,000
Total	8	77,000
PORTLAND, ME.		
Wood:		
Cargo	11	38,500
Finished hulls	8	30,800
Barges	10	26,000
Total	29	95,300
PORTSMOUTH, N. H.		
Steel, cargo	10	88,000
Wood:		
Cargo	8	28,000
Finished hulls	2	7,700
Barges	5	18,750
Total wood	15	54,450
Grand total	25	142,450
BOSTON.		
Steel:		
Cargo	7	79,650
Tankers	8	72,800
Total steel	15	152,450
Wood:		
Barge	1	2,500
Ocean tugs	5	.....
Total wood	6	2,500
Grand total	21	154,950
GROTON, CONN.		
Steel, cargo	9	81,000
Wood:		
Cargo	5	17,500
Finished hulls	8	30,800
Barges	2	7,500
Total wood	15	55,800
Grand total	24	136,800
NEW YORK.		
Steel:		
Cargo	49	354,830
Refrigerators	3	21,900
Tanker	1	4,800
Ocean tugs	10	.....
Total steel	63	381,530
Wood:		
Cargo	2	7,000
Finished hulls	3	11,550
Barges	3	7,650
Harbor tugs	16	.....
Total wood	24	26,200
Concrete, cargo	1	3,500
Grand total	88	411,230

Construction program segregated according to cities—Continued.

	Number.	Dead-weight tons.
NEWARK, N. J.		
Steel:		
Cargo	150	897,050
Ocean tugs	20	
Total steel	170	897,050
Wood:		
Cargo	9	31,500
Finished hulls	1	3,850
Total wood	10	35,350
Grand total	180	932,400
PHILADELPHIA, PA.		
Steel:		
Cargo	230	1,819,904
Passenger and cargo	18	217,972
Tankers	37	333,630
Refrigerators	2	23,200
Transports	21	167,975
Colliers	9	70,350
Total steel	317	2,634,030
Wood:		
Cargo	8	28,000
Harbor tugs	4	
Total wood	12	28,000
Grand total	329	2,662,030
BALTIMORE, MD.		
Steel:		
Cargo	23	176,300
Tankers	26	243,950
Refrigerators	6	41,100
Passenger and cargo	5	65,000
Total steel	60	526,350
Wood:		
Cargo	2	7,000
Barges	9	25,000
Finished hulls	2	7,700
Ocean tugs	5	
Harbor tugs	9	
Total wood	27	39,700
Grand total	87	565,050
NORFOLK, VA.		
Steel:		
Cargo	5	35,460
Tankers	12	143,450
Passenger and cargo	2	26,000
Total steel	19	204,910
Wood:		
Finished hulls	3	11,550
Barges	3	10,650
Total wood	6	22,200
Grand total	25	227,110
WILMINGTON, N. C.		
Steel, cargo	8	76,800
Wood, finished hulls	2	7,700
Concrete, cargo	2	7,000
Total	12	91,500
ALEXANDRIA, VA.		
Steel, cargo	10	94,000
NASHVILLE, TENN.		
Steel, barges	4	7,200
SAVANNAH, GA.		
Composite, cargo	6	21,000
BRUNSWICK, GA.		
Wood:		
Cargo	4	14,000
Finished hulls	3	11,550
Barge	1	3,750
Ocean tugs	2	
Total wood	10	29,300
Concrete, cargo	1	3,000
Grand total	11	32,300
JACKSONVILLE, FLA.		
Steel, cargo	5	30,000
Wood:		
Cargo	11	38,500
Finished hulls	3	11,550

Construction program segregated according to cities—Continued.

	Number.	Dead-weight tons.
JACKSONVILLE, FLA.—continued.		
Wood—Continued.		
Barges	4	10,000
Harbor tugs	4	
Total wood	22	60,050
Composite, cargo	4	14,000
Concrete, tankers	2	15,000
Grand total	33	119,050
TAMPA, FLA.		
Steel, cargo	12	102,000
Wood:		
Cargo	4	14,000
Barge	1	3,750
Total wood	5	17,750
Grand total	17	119,750
PENSACOLA, FLA.		
Steel, cargo	10	90,000
MOBILE, ALA.		
Steel:		
Cargo	8	40,000
Barges	2	15,000
Total steel	10	55,000
Wood, cargo	2	7,000
Composite, cargo	6	21,000
Concrete, tankers	2	15,000
Total	20	98,000
MOSS POINT, MISS.		
Wood:		
Cargo	5	17,500
Finished hulls	2	7,700
Total	7	25,200
PASCAGOULA, MISS.		
Wood, cargo	5	17,500
NEW ORLEANS, LA.		
Steel:		
Cargo	8	76,800
Harbor tugs	6	
Total steel	14	76,800
Wood:		
Cargo	6	21,000
Finished hulls	5	19,250
Barges	3	7,500
Total wood	14	47,750
Composite, cargo	2	7,000
Total	30	131,550
BEAUMONT, TEX.		
Wood:		
Cargo	11	38,500
Finished hulls	7	26,950
Barges	12	41,500
Sailing vessels	2	4,000
Total	32	110,950
ORANGE, TEX.		
Wood:		
Cargo	14	62,200
Finished hulls	7	26,950
Barges	5	17,750
Tanker	1	4,700
Total	27	111,600
SAN FRANCISCO, CALIF.		
Steel:		
Cargo	158	1,408,150
Tankers	40	415,400
Refrigerators	8	75,200
Transports	1	11,800
Total steel	207	1,910,550
Wood:		
Cargo	14	50,500
Finished hulls	5	19,250
Barges	5	19,000
Sailing vessels	6	22,200
Total wood	30	110,950
Concrete, tankers	4	30,000
Grand total	241	2,051,500

Construction program segregated according to cities—Continued.

	Number.	Dead-weight tons.
PORTLAND, OREG.		
Steel:		
Cargo	82	635,500
Tankers	7	84,000
Total steel	89	719,500
Wood:		
Cargo	97	367,500
Finished hulls	16	62,500
Barges	9	34,850
Sailing vessels	2	8,300
Total wood	124	473,150
Grand total	213	1,192,650
SEATTLE, WASH.		
Steel:		
Cargo	168	1,479,000
Tankers	3	27,000
Total steel	171	1,506,000
Wood:		
Cargo	85	313,150
Finished hull	38	150,350
Barges	11	40,850
Total wood	134	504,350
Grand total	305	2,010,350
BUFFALO, N. Y.		
Steel, cargo	9	34,400
CLEVELAND, OHIO.		
Steel, cargo	106	403,600
TOLEDO, OHIO.		
Steel, cargo	10	29,300
DETROIT, MICH.		
Steel, cargo	71	273,650
ECORSE, MICH.		
Steel, cargo	76	291,850
Wood harbor tugs	2	.....
Total	78	291,850
SUPERIOR, WIS.		
Steel:		
Cargo	75	280,300
Ocean tugs	10	.....
Total steel	85	280,300
Wood:		
Cargo	1	2,500
Harbor tugs	27	.....
Ocean tugs	1	.....
Total wood	29	2,500
Grand total	114	282,800
MANITOWOC, WIS.		
Steel:		
Cargo	22	83,250
Harbor tugs	2	.....
Ocean tugs	6	.....
Total steel	30	83,250
DULUTH, MINN.		
Steel, cargo	34	124,050
CHICAGO, ILL.		
Steel, cargo	27	102,100
JAPAN.		
Steel, cargo	30	243,290
CHINA.		
Steel, cargo	4	40,000
Total construction program	2,312	13,636,711

Construction cost of the Shipping Board's passenger fleet.

On May 15 the United States Shipping Board made public a summary of construction costs on the 23 "State" boats, compiled as of May 10, 1922:

New name.	Old name.	Length-B. P.	Builder.	Cost.
		Feet.		
President Van Buren	Old North State	502	New York Shipbuilding Co.	$4,084,695.58
President Hayes	Creole State	502	.....do	4,085,573.61
President Polk	Granite State	502	.....do	4,086,027.46
President Monroe	Pan Handle State	502	.....do	4,085,516.44
President Harrison	Wolverine State	502	.....do	4,085,889.93
President Adams	Centennial State	502	.....do	4,088,466.49

Construction cost of the Shipping Board's passenger fleet—Continued.

New name.	Old name.	Length-B. P.	Builder.	Cost.
		Feet.		
President Garfield	Blue Hen State	502	New York Shipbuilding Co.	$4,088,274.71
President Madison	Bay State	518	.....do	5,887,111.73
President Pierce	Peninsular State	518	.....do	5,887,111.78
President McKinley	Keystone State	518	.....do	7,041,552.23
President Wilson	Empire State	518	.....do	7,041,551.44
President Taft	Lone Star State	518	.....do	7,016,112.64
President Lincoln	Hoosier State	518	.....do	7,008,964.80
President Cleveland	Hawkeye State	518	Bethlehem Shipbuilding Corporation.	6,664,521.20
President Roosevelt	Buckeye State	518	.....do	5,992,652.65
President Grant	Pine Tree State	518	.....do	5,494,496.20
Pan America	Palmetto State	518	.....do	5,318,138.24
Western World	Nutmeg State	518	.....do	4,023,107.47
American Legion	Badger State	518	New York Shipbuilding Co.	7,309,189.37
Southern Cross	Gopher State	518	.....do	7,302,848.15
President Jefferson	Beaver State	518	.....do	7,517,318.15
President Taylor	Golden State	518	Newport News Shipbuilding Co.	2,291,944.92
President Jackson	Silver State	518	.....do	6,353,232.06
				130,554,297.28

The above figures represent the total construction costs as reflected by the books of the home office to date. While they are not to be regarded as final, it is not believed that they will be increased by any great amount.

APPENDIX F.

[Excerpt from the Nation, July 5, 1922.]

SHOVELING MONEY INTO THE SEA.

We can not agree with those who think that in consequence of recent events the ship subsidy bill is already beaten. The New York Times, for instance, says that the decision of the House not to consider the measure until after the summer recess means that no action can be taken at this session, and it quotes President Harding himself as saying that there will not be time to consider the bill at next winter's short session. But, unlike the tariff, the ship-subsidy measure requires no discussion of detailed and lengthy schedules, while President Harding's remark was intended merely as a spur to Congress. He will not repeat it if the winter session comes without the ship-subsidy plan having been disposed of. More damaging to subsidy than delay, probably, is the controversy over the sale of liquor on Shipping Board vessels. Between these two handicaps the subvention plan is certainly confronted with a hard fight, but to call it already beaten is to lose sight of the fact that virtually all the organization and a large part of the propaganda is on the side of subsidy.

It is announced, for instance, that the chairman of the Shipping Board will take the stump for the measure. The announcement is superfluous, since Mr. Lasker has been on the stump in one guise or another for the past several months, scarcely leaving it except for meals. Indeed one of the worst features of the subsidy movement is the way in which an administrative body like the Shipping Board has been distorted into a publicity agency and is spending taxpayers' money to further the fortunes of its personnel. Mr. Lasker said before a congressional committee last summer, "I am not an expert in shipping, but I take a little pride in being an expert in publicity." He has proved both contentions.

As the Nation has pointed out before, if there could be any justification for ship subsidy, it would be on the ground that it would maintain a national merchant marine manned by American sailors and so keep up our traditions as a seafaring people. The present bill does not give the slightest consideration to this aspect, while the Shipping Board, by assisting in the cutting of wages, has been the chief influence in dispersing the fine body of American seamen that we got together during the war.

Even if the country were to grant the legitimacy of taxing the public as a whole to maintain an industry which can not pay its own way, the present ship subsidy bill is indefensible and dangerous. More than the pending tariff, it provides for extraordinary administrative powers, capable of all manner of favoritism and abuse. No shipowner can claim a penny of subsidy as a right under the law. The Shipping Board has authority on its own fiat to deny any subsidy at all or to increase the rates stated in the bill up to 100 per cent. A representative of the Shipping Board has admitted that in the case of the *Leviathan*, for instance, the board would be able under the bill to refuse the owner a penny or two award him as much as $1,800,000 a year. The bill provides that 10 per cent of our customs revenue and various other funds shall automatically go for ship subsidies without appropriation by Congress. Mr. Lasker estimates these at $52,125,000 a year, but Representative DAVIS of Tennessee puts the amount as possibly $75,000,000. If that is true, the Shipping Board is handed a blank check by Congress, told to fill it in to any amount up to $75,000,000, and allowed to expend the money on whoever it likes.

Mr. Lasker has based his appeal for ship subsidy largely on the argument that it would enable the Government to sell its fleet and save the $50,000,000 a year that the Shipping Board is now losing. But it remains to be proved that the proposed bill would induce shipping firms to buy the Government fleet or that the Shipping Board need run up so large a deficit. So far as the Government fleet goes, a large number of the vessels were hastily and badly built and private shipping interests do not want them at any price.

The Nautical Gazette of June 10 prints an illuminating financial statement of two vessels, one Danish and the other under the Shipping Board, on a voyage from Baltimore to Hamburg, with full cargoes of grain, returning in ballast. Both ships were of about the same age and of about 7,000 deadweight tons each. The Shipping Board vessel, however, is an oil burner and should have the advantage over the Danish steamship, which burns coal and so carries a crew of 38 against the other's 30. The total voyage expense of the Danish vessel was $17,558 and a profit was made of $1,910. The voyage expense of the

Shipping Board's craft was $21,030, and there was a loss of $614. The wages paid on the American steamship amounted to $2,105, which was less than the Danish item of $2,355. The big difference was in fuel, which cost the Danish vessel $2,970 and the American $6,300. Oil is not a more expensive fuel than coal. The explanation therefore is that there was a high fuel wastage on the Shipping Board craft due to bad construction, faulty management, or poor steering.

President Harding thinks that by explaining the ship subsidy bill to the people they will be won for its support. In our opinion the less the pap advocates say about the bill, and the more they wave Old Glory, the better their chances will be. Representative DAVIS put it well:

"Our Government-owned merchant tonnage cost the people about $3,000,000,000. It is estimated that we will probably sell the ships for $200,000,000. Consequently, the people will stand a loss by deflation of $2,800,000,000. Furthermore, it is contemplated that either existing shipping companies or companies to be organized, who buy the ships, will capitalize the ships largely in excess of their cost to them and sell the stock and bonds to the American people, so that the people will be standing the war inflation, the post-war deflation, and the the promotion inflation.

"The people, through their Government, will sell the ships for approximately $200,000,000, lend $125,000,000 to recondition those ships or build others, and then pay the owners approximately $750,000,000 in subsidies and aids within the next 10 years. In other words, we will be giving the ships away and paying the recipients over half a billion dollars to operate them for the next 10 years, not to speak of the fact that they will probably be coming back at each succeeding Congress asking for more."

The American people refused to sanction the Hanna ship subsidy, which would have cost $3,222,268 annually, and the Gallinger bill carrying an expenditure of $5,109,355. Can they stomach a bill calling for possibly $75,000,000, which gives no assurances of achieving its object even then? As a means of perpetuating the upper personnel of an inefficient and wasteful Shipping Board, and of allowing it to put money in the pockets of its friends, the present bill would be a great success. For all the good it would do 99,999 out of every 100,000 Americans Congress might as well shovel the money into the sea.

APPENDIX G.

[From the National Grange Monthly, May, 1922.]

TAKING A STAND.

The grange never lacks courage to express its belief, no matter with whose opinions it may conflict nor how influential the plans that the statement of its convictions may upset. Whatever charges its enemies of a half century may have piled up against the grange, it has never been accused of lack of courage—it unhesitatingly took its stand whenever the conditions required and there it stood until the chapter closed.

The ship subsidy issue now confronting the country is one of the big outstanding questions of the hour, with possible consequences far-reaching and involving a precedent that would be full of disaster to the future of American initiative and progress. Sensing these facts, the National Grange has never missed the opportunity to denounce ship subsidies and similar Government benefactions of every sort and with the same old issue raised again and backed by more influential support than it ever had before the grange voice of protest is once more vigorously raised against the intended raid upon the Government Treasury to enrich the few at the expense of the many. At the first preliminary hearing on the question the Washington representative of the National Grange was promptly on hand and put up a strong case, based upon the repeated and emphatic declarations of the organization. However unwisely the representatives of other farm organizations may have acted—even to the extent of making statements which their own membership are likely to repudiate—there was no question about the grange: The farmers are against ship subsidies this time and all the time!

It is very unfortunate that all the representatives of the farm interests did not define an equally clear attitude; all sorts of complications would have been avoided if they had. There is no use quibbling about an issue that so involves the farmers' vital interests as this one does, and the frank, outspoken declarations of the grange have won the ringing approval of thoughtful farmers from Atlantic to Pacific. The grange has a larger paid membership than any other organization of the farm people in America, and for those farm people it speaks emphatically on ship subsidies as well as against every other improper use of Government funds. First, last, and all the time no ship subsidies if the grange can prevent it.

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[From the Florida Times-Union, April 21, 1922.]

ORDER CONSTRUCTION TWO NEW SHIPS, MERCHANTS & MINERS' IS NOW PLACED—ANNOUNCEMENT DEFINITELY MADE THAT WORK STARTS IMMEDIATELY BUILDING PALATIAL LINERS FOR EXCLUSIVE USE ON JACKSONVILLE-BALTIMORE-PHILADELPHIA ROUTE—WILL BE PLACED IN OPERATION ON JANUARY 1, 1923.

Business is good. Cheer up despondent ones and think of the big tourist crop coming this next winter. The Merchants & Miners' Transportation Co. is, and banking heavily on its judgment. This was definitely learned yesterday, when Sarrol M. Haile, Florida agent of the company, announced that he has received a telegram notifying him that the company has just ordered construction started of two palatial liners for the Jacksonville-Baltimore-Philadelphia run exclusively.

It will be remembered that announcement was made upon the return of local representatives from the Merchants & Miners' conference held in connection with the deeper waterways convention in Savannah last November that a passenger ship was projected at the conclave, with the possibility of two considered. These were to be of the most up-to-date design and equipped with every modern traveling convenience known to builders.

"It pleases me to make this announcement," Mr. Haile said, "as I only announced the possibility of building the one ship in the beginning, preferring to be conservative in my report. The news that two will be built, however, coming unequivocally as it does with the date of January 1, 1923, set for the initial trip, is too good to keep.

"The Merchants & Miners' Transportation Co. will be able to serve Florida and her visitors as never before," he continued. "These ships will accommodate 226 passengers each, and also will have freight capacity of 2,300 tons. Capable of keeping up a fast schedule, as they will be, with the installation of the most up-to-date turbo-electric drive, Jacksonville and the entire State will be drawn that much nearer the North by the more pleasant route."

The ships are to be 366 feet long, 50 feet breadth of beam, and will be five-decked. Dining, smoking, music, and card saloons, beautiful promenade decks, showers and tubs for each cabin, radio telephone and telegraph, and other ultramodern steamer comforts will please the traveling public as much as the relief from congestion in the busy season of migration.

Further details will be announced later.

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[From the Washington Post, July 5, 1922.]

UNITED STATES SHIP IS SOLD TO BRITISH—WILL BE USED IN OPPOSITION TO AMERICAN VESSELS IN EAST.

[Special cable dispatch.]

CHERBOURG, July 4.—The United States Shipping Board to-day sold to F. C. Strick Co., of London, the big oil-burning ship *West Caruth*, which had been in the West African trade, and which was wrecked off Cherbourg three months ago.

The price paid was $70,000, which was less than the cost of the ship's stores.

It will cost less than $100,000 to conditon the *West Caruth*. It was one of the few American ships equipped for long voyages.

The Strick Co. will use it for Persian Gulf trade in opposition to American bottoms. Shipping circles here consider the sale a gift to the Britsh merchant marine.

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PRACTICAL SHIPPING MEN FAR FROM SATISFIED WITH HARDING SUBSIDY PLAN—RESPONSIBLE OWNERS APPREHENSIVE OVER THE BILL, WHICH IT IS DECLARED WOULD BUILD UP THE BIGGEST POLITICAL MACHINE THE COUNTRY EVER SAW.

(By Bruce Bliven.)

"If Congress passes the proposed ship subsidy bill it will create the opportunity for building the biggest personal political machine in the Nation's history.

"The old-fashioned pork barrel was bad enough, but at its worst it never offered such opportunities for patronage and favoritism to friends of those on the 'inside' as would be permitted by this bill."

The foregoing is, in substance, the chief contention of opponents of the merchant marine bill, which President Harding supports and on behalf of which Chairman Lasker, of the Shipping Board, is about to stump the country.

There is not the slightest criticism of the honesty and efficiency of any of the members of the present Shipping Board in the minds of these critics when they point out the menace of the proposal. They feel that such powers should not be granted to anyone, regardless of who he may be.

I am in a position to state that these apprehensions as to possible opportunities for favoritism under the law as proposed are shared by responsible American shipowners.

They view with grave concern the prospect of a situation where Government aid may be extended to one company and withheld from another, at the decision of the Shipping Board, with no appeal to any higher authority permitted.

It is an open secret that the practical shipping men are not satisfied with the provisions of the existing ship subsidy bill.

They want Government aid, of course, but their recommendations as to the form it should take were materially different from the contents of the present bill. Whoever may have written the document now before Congress, it does not represent either the matured judgment or the expert knowledge of American shipowners. They are supporting the bill, to be sure, but they are doing so because they think it is a case of this bill or nothing; and they hope that if it is passed it can subsequently be revised to fit the situation as it develops.

This is all very well for the shipowners, but how will the American taxpayers feel about having their money played with in an experiment the results of which seem so dubious even from the outset?

If they knew the facts, would they not be apt to say, "Better no bill at all than a bad one"?

Or, after seeing the Shipping Board lose more than $3,300,000,000 of their money since 1917, have they got to the point where a mere extra fifty or a hundred million a year for the next 10 years is of no consequence?

Under the terms of the proposed law, ships in foreign trade receive a cash subsidy per gross ton per 100 miles of travel. For a ship of 12 knots an hour or less, the sum is one-half of 1 cent per gross ton per 100 nautical miles. The amount is increased for faster ships until a vessel making 23 knots or over receives a subsidization of 2.6 cents.

But the Shipping Board has absolute and final power to double this subsidy for any vessel it chooses.

Or it may refuse the subsidy to any vessel it chooses.

Or it may grant a subsidy of any amount between nothing at all and twice the basic rate.

If there were two competing American companies the Shipping Board with a twist of its wrist could put one company out of business by withholding the subsidy. It could grant huge sums to one company by doubling the subsidy. It could slowly starve one company by making its subsidization just a little smaller than that enjoyed by the other.

Anyone who is familiar with American history must realize that such powers could be used to build up an impregnable political machine, to keep a party in power or an individual in office. No matter how sure we may be of the integrity of the individuals who would first exercise such powers, have we the right to put these temptations before their successors?

There are other aspects of the bill equally dangerous. One such provision creates "The United States Shipping Board construction loan fund." This found of $125,000,000 is to be loaned to private individuals for the construction or the equipment of new ships. It is to be loaned to such persons as the Shipping Board sees fit; it is to be loaned in such sums as the Shipping Board sees fit to the amount of two-thirds of the value of the new ship and equipment; and it is to be loaned at 2 per cent per annum.

To lend money at such a rate is not a loan at all. It is a gift. Incidentally, though this money is to come largely from the United States Treasury, the interest on the individual loans does not revert to the Treasury, but is added to the Shipping Board's loan fund.

The shipowner who is lucky enough to get some of this $125,000,000 will be in a position of immense superiority over his friend who does not. Question: Who will be the favored ones?

Another aspect of the law which puts extraordinary powers in the hands of the Shipping Board provides that it is to be the sole arbiter as to the validity or invalidity of any contract between a railroad and a steamship company. Such contracts are often of vital importance to the life and prosperity of the steamship company in question. If this

bill is passed no company in this situation will know from one day to another what its future is to be.

The situation created by this bill was well summarized in the House of Representatives recently, when it was characterized as "conferring the most autocratic power and the widest discretion perhaps ever conferred upon any board." The speaker, Representative E. L. DAVIS, of Tennessee, went on to say that "it affords boundless opportunities for favoritism, graft, and corruption. Under its provisions the Shipping Board is authorized to usurp powers properly belonging to and now exercised by the President, the Secretary of State, the Secretary of the Treasury, the Secretary of War, the Secretary of the Navy, the Secretary of Labor, the Secretary of Commerce, the Postmaster General, and the Congress. The bill authorizes the Shipping Board to declare valid or invalid existing agreements between common carriers by water and common carriers by land, although some such contracts have been sustained by the courts and others have been declared invalid; so that the Shipping Board is authorized to usurp the power of the judiciary, including the United States Supreme Court, if it so wills."

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WHY THE PEOPLE MUST PAY.

[From the Florida Times-Union.]

With Republican leaders getting anxious about the ship subsidy bill and President Harding quoted as urging immediate and favorable action upon this plan to rob the public to help the Shipping Board and some others, it is interesting to find in the San Francisco Chronicle, a fairly strong Republican newspaper, the following explanation of why the bill must be passed. Says the Chronicle:

"If Congress deems it wise policy to enact laws under which American ships can not move traffic at as low rates as foreign competitors—and nobody is proposing to repeal those laws—then it is self-evident that the public must pay something toward the operation of the ships or go without them. This money is not really a 'subsidy' in its popular meaning as a free gift. It is pay due to American shipowners for operating American ships as Congress has declared that they must be operated. As receipts from traffic will not pay cost of operation under American law, the public must pay the difference or go without the ships."

One way of reading the preceding paragraph would be: "If Congress which, at the dictation of the union-labor lobby, enacted laws putting the American merchant marine on an unfair basis in the commerce of the world, will not repeal the La Follette law and release the shipowners to fair competition, then the American people must put their hands in their pockets and pay the shipowners and the Shipping Board officials and crews and attachés the money they need to keep going." It is a fair confession, but wouldn't pardon be enough without indemnity?

No use to try any subterfuges. The people are at least well enough informed to know that money taken from the customs receipts is the same as if taken directly from the Treasury. A child out of kindergarten would understand that.

The plea that if the Shipping Board vessels are shown to be receiving money they do not earn they will be bought by private parties at a fair price is the same as saying that the vessels under charge of this war board—now no longer useful or ornamental—should be plated with gold and their ropes twisted with greenbacks. If we must pin money to these hulks to get them off our hands, better let them continue to rot at anchor in the rivers.

The national party which countenances the handing over of money to a class of business directly in order to encourage it in a hopeless competition will not gain in popularity in a country thoroughly awake to the situation.

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SHIP SUBSIDY IN UNITED STATES—DIVIDENDS IN HAMBURG.

[From the Manufacturers' News.]

HAMBURG, GERMANY, March 4.—The annual report of the Hamburg-South American Steamship Line, issued to-day, showed net profits amounting to more than 7,000,000 marks, twice the amount of the earnings of the previous year. A dividend of 28 per cent was declared, compared to 16 per cent paid last year.

WASHINGTON, D. C., March —.—While the German shipping companies are paying dividends, due to the increasing exports of German manufacturers to South America, President Harding has been compelled to ask Congress for a shipping subsidy for the American merchant marine.

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[From the Journal of Commerce.]

FUTURE OCEAN RATES.

If the new ship subsidy bill passes Congress, will the result be to establish and maintain a dual kind of shipping management? The indications now point in that direction. There would be, of course, the subsidized ships of private owners, and (unless sold) the ships of the Government would be run as before, and presumably at a continuing deficit. Alongside these ships it may be supposed there would be some American vessels which were run without subsidy and on their own responsibility, while, of course, there will always be American owners who are operating foreign vessels. It does not seem likely that the subsidy will sell many ships, and if not, of course, the probability of Government operation will be with us a long time.

Now, what must be the result on rates of this confusion of ownership? Private owners already find Government competition and interference excessively troublesome. But how much worse will it be under the new plan? The Government, as a subsidizer—and, perhaps, sharer in profits of vessels, if there are any—will necessarily have much to say regarding the rates of the fleet, and, of course, if in competition with them will hardly let privately owned lines drawing a subsidy cut under the rates which it itself has to pay in order to keep going and pay expenses. As for the outsiders who are neither subsidized nor under any direct Government influence, they can scarcely be allowed to fix rates that would destroy the market for freight service, especially if foreigners are driven out through discrimination.

Does not the plan we are following to-day really lead to high rates for freight service maintained by every device in the power of the Government? Certainly Government control and operation has brought that result on land. It will produce it at sea for the same reasons.

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THE SHIP SUBSIDY BILL.

It is stated that President Harding was assured on Tuesday night by the Republican members of the House Merchant Marine Committee and the Senate Commerce Committee that the ship subsidy bill would be "speeded" and might be sent to him for his signature in less than a month. This is what might be called official optimism. The bill itself has not excited much enthusiasm in Congress. It is said that the President regrets that "the ship subsidy question" has become a matter of party politics. On the same day, however, Benjamin C. Marsh, director of the Farmers' National Council, declared at a joint committee hearing that the bill would "create an ocean-going pork barrel," and maintained that it planned to license favored individuals "to rob the American people." His remarks did not shake the faith of the subsidizers, but were symptomatic of opposition in a class that the party in power is always anxious to conciliate. There are breakers ahead for the Greene-Jones bill.

It is a common argument of the subsidy advocates that there can be no paying American merchant marine without "national assistance." It may take many forms. The "revolving fund" of the bill before Congress is one of them. It is to be raised in part by setting aside a percentage of the customs receipts. But what went into the revolving fund for shipping would have to be balanced by taxation to meet other Government obligations. It is provided that shippers of goods are to be allowed income-tax deductions equal to 5 per cent of the freights on goods shipped under the American flag. There seems to be no "national assistance" in this proposed legislation that is not in effect a borrowing from Peter to pay Paul.

It will have to be proved that the standard of wages on American ships is higher than on foreign ships and that this difference alone justifies "national assistance." Mr. J. H. Rossiter, formerly general manager of the Pacific Mail Steamship Co., declared in a letter to Edward N. Hurley, when the latter was chairman of the Shipping Board, that "the higher pay and extra cost of victualing" amounted to "less than 2 per cent of the total operating expense"; and testimony was recently given before the joint congressional committee that "as a result of reductions the wages of American seamen are now much lower than the wages of Canadian and Australian seamen and are practically on a level with British wages." The Japanese, it is true, operate their ships cheaply. Higher cost of construction in American yards is doubtless a factor to be considered, but extravagant comparisons are made by subsidy advocates. If they were allowed to provide "national assistance" and on their own terms the operation of a merchant marine would be an impracticable undertaking for the American people. "This insistence upon a Government subsidy," Mr. Hurley once said, "is one of the characteristics that the modernization of the steamship business along American lines and the infusion of new blood not infected by the traditions of other days must change. * * * No progress ever can be made by people who continually wail that they can not compete."

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[From the News, June 19, 1922.]

OUST VETS TO PLAY POLITICS IS CHARGE—SHIPPING BOARD ALLEGED TO BE CHIEF PIE COUNTER AT PRESENT—RECEIVE LOWER SALARIES—EX-SOLDIERS SAID TO BE UNDERPAID, COMPARED WITH CIVILIAN APPOINTEES.

(By Harry B. Hunt.)

Disabled veterans, "rehabilitated" by special courses of training under the Veterans' Bureau and placed in Government departments, are being ousted to make room for political appointees, according to complaints that will be lodged by the Disabled American Veterans of the World War.

Also, it will be charged, veterans fitted for special Government work are paid much less than political appointees doing identical work.

The protest of the disabled veterans will center around the Shipping Board, which is loosely bound by civil service.

POSITIONS IN GREAT DEMAND.

Positions with the Shipping Board are in greatest demand in satisfying political patronage. There are no harrassing examinations.

The Veterans' Bureau has assigned students to the Shipping Board for training as auditors. During training they receive no pay from the board, but draw training pay from the bureau.

When training is completed, they are rated as "rehabilitated" and transferred to the board's pay roll.

Most of the rehabilitated men have been put on at from $1,200 to $1,500 a year. Auditors working alongside these men, doing the same work, but who won their appointment through political channels, draw from $1,800 to $2,500.

On the heels of a recent drive by Republican Congressmen and Senators to finds jobs for insistent constituents auditors recruited from the ranks of the rehabilitated veterans began to be dropped from their jobs.

The explanation given was that the auditing force was being reduced. However, the desks vacated by the ex-service men were almost immediately occupied by new appointees, named outside of civil service, at salaries from 50 to 100 per cent higher than had been paid the Veterans' Bureau graduates.

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[Reprint from the Marine News, June, 1922, issue.]

The EDITOR THE MARINE NEWS,
New York, N. Y.

DEAR SIR: I was much interested in your editorial comment in the April issue regarding the propositions made by several naval architects whereby the shipbuilders have been called upon to furnish bids at considerable expense to themselves without resultant business, causing a consequent increase in their overhead charges.

Much of this is very true; true that bids have been solicited, expense incurred by the shipbuilders, and that no business has resulted. But the fault is not with the naval architects who solicit those bids in good faith. The fault lies within the shipyard organizations themselves.

Many years' experience in various yards and in various capacities from apprentice boy to executive has convinced the undersigned that the shipbuilding industry in the United States is subject to a great deal of refinement and improvement in organization and executive procedure. It would be safe to say that there is an excessive cost in most shipyards of from three to five dollars per dead-weight ton, not due to labor or physical or mechanical inefficiencies but directly due to what I have termed executive incompetency. This may seem startling, but it is nevertheless true. There are excessive costs due to labor inefficiency, and also to mechanical and physical handicaps in some yards, it is true, but one seldom questions the effectiveness of the organization and the executives behind it with the result that uneconomic organizations continue to exist due to the incompetency of the very executives whose duty it should be to eliminate such uneconomic conditions.

On the basis of the above there would be an excess cost of from $30,000 to $50,000 for each 10,000 dead-weight ton vessel built, and assuming the capacity for a yard to be 10 such vessels per year, the excess cost, due to executive incompetency alone, would amount to

from $300,000 to $500,000 per year. Added to this must be the excess cost due to labor inefficiencies and such mechanical and physical handicaps as are characteristic of the plant.

Modern shop production methods, industrial engineering principles, and organization along basic or fundamental lines seem to be generally lacking in the shipbuilding industry.

I have seen cost data and estimates that were not worth the match to burn them up. The difference of nearly $4,000,000 between the low and the high bids for reconditioning the *Leviathan*, and based on specifications precise in their stipulations, is evidence conclusive that "something" is wrong and that "something" is nothing less than executive incompetency—incompetency on the part of those whose duties and responsibilities should preclude the possibility of useless cost records and uneconomical organizations with consequent absurd estimates and bids that make shipbuilding prohibitive.

Although very few production engineers are at all familiar with shipbuilding as an industry, still fewer are the shipbuilding executives who are familiar with the application of the basic principles of industrial and production engineering to their industry as is evidenced by the fact that in few industries of any magnitude is the application of those principles so conspicuous by their absence.

The sooner the shipyards realize that shipbuilding is a specialized industry only so far as the naval architect and marine engineer are concerned, and a proper subject for modern production engineering, the healthier will shipbuilding become in the United States. The writer has accumulated interesting data and compiled therefrom charts that conclusively substantiate the argument advanced.

Yours very truly,

CARLOS DE ZAFRA.

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FATE OF SHIPS BUILT BY UNITED STATES DECIDED SOON—HARDING'S SUGGESTION MAY CAUSE PUBLIC TO BE ENLIGHTENED ON THE SUBSIDY BILL.

(By Bruce Bliven.)

Within the next 60 or 90 days the people of this country will be called upon to decide a very important question: What shall Uncle Sam do with his ships?

President Harding put the question up to the voters when he changed his mind about forcing an immediate decision on the ship subsidy bill and advised the Members of Congress to go and find out what their constituents want done in this important matter.

His suggestion is excellent. Probably not one person in a hundred is familiar with the intricacies of the proposed ship subsidy law or understands the basic problem of the American merchant marine. Unfortunately, nearly all the public discussion thus far has come from interested parties.

The owners of American steamships, who would benefit from the proposed law, claim that it is impossible for them to compete in transoceanic trade against British and other foreign-owned ships. They declare that not only do they need a sudsidy but the subsidy now proposed is not large enough, and should be twice or three times as big. (One wonders why, under the circumstances, the shipowners are advocating the passage of the bill.)

SUBSIDIZATION TO A DEGREE.

The opponents of the measure for the most part concede that Government ownership and operation of the existing fleet is probably out of the question as a permanent policy. Those who are not extremists concede that some degree of subsidization of our merchant marine is probably desirable for a period of a few years.

Their opposition to the bill now before Congress is based on the fact that it proposes several kinds of assistance, some of which are good and some of which are very bad.

They claim that it will be impossible to determine how much aid is being given any shipowner, and under the terms of the contracts proposed, impossible to terminate subsidization at any given time in the future, even by act of Congress.

They believe the present bill puts into the hands of the Shipping Board enormous power—more than should be granted to any group of individuals no matter how praiseworthy their purposes and irreproachable their characters.

They also point out that the world-wide severe slump in shipping makes the present a particularly bad time to attempt to sell off our ships, and they urge with the return of normal conditions it would probably not be necessary to offer so many nor such expensive inducements to purchasers as are provided by Mr. Lasker.

To understand this specific problem now facing the American people, it is necessary to recall just what the Shipping Board has done since 1917.

Its record since that time is undoubtedly the most astounding instance of short-sightedness, waste, and incompetency in our national history.

More than $3,600,000,000 of the taxpayers' money has been spent in building ships. A very large part of all this sum was expended after the signing of the armistice, so that it can not be excused on the ground of war necessity.

For this $3,600,000,000 we have about 10,000,000 tons of ships on our hands to-day.

Of these 10,000,000 tons just about one-half are good for anything. The other half, through bad design or faulty construction, or both, are worthless.

Our fleet is supposed to consist of 1,400 ships to-day. Chairman Lasker himself has estimated that only about 700 of them are good enough to be salable. Private individuals have put the number of first-class ships much lower.

VALUE ONLY $250,000,000.

Experts testifying before the joint congressional committee hearings on this bill put the present value of the fleet at not more than $250,000,000.

The present world market for ships is about $30 a gross ton. This is less than actual construction cost, which is probably from $40 to $60 a ton. If 5,000,000 tons of our fleet are salable—and this is the highest estimate made by anyone I know of—the value of the ships is only $150,000,000.

We spent $3,600,000,000, and we have at most only $250,000,000 to show for it. In other words, the most expensive property the country ever created has shrunk in value by just about 94 per cent in five years. If the Shipping Board went bankrupt it could settle on a basis of 6 cents on the dollar.

According to the American Steamship Owners' Association, private shipping in this country amounts to about 8,500,000 gross tons, of which approximately one-half is in foreign trade. If the ship subsidy bill passes, the shipowners are planning to buy from 3,000,000 to 5,000,000 tons of the Government's ships, which will also be used in foreign trade. With this fleet of 7,250,000 to 9,250,000 tons, the shipowners hope to do at least 60 per cent of America's import and export trade. They are now doing about 33 per cent, the remainder being carried in foreign ships.

In order to enable American ships to do this in spite of the higher cost under which they are said to operate, Chairman Lasker proposes direct subsidies of at least $52,000,000 a year and perhaps very much more than that.

In other words, even if he sold his ships at a replacement value of, say, $50 a ton instead of the present world-market rate of $30 a ton, he proposes to grant to the owners of these and all other American ships subsidies equivalent to the full purchase price of the Shipping Board vessels about every five years after the plan is in complete operation.

To these direct subsidies will be added indirect aid in the form of tax exemptions, etc. No man can say with certainty what these indirect aids will amount to, but they will be considerable.

Yet the steamship owners believe that even these subsidies, which seem so large to the layman, are not sufficient to enable them to compete with the British and other foreign vessels.

The details of the subsidy bill are themselves extremely interesting. They will be considered at length in another article in the Globe.

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[From the American Economist, April 28, 1922.]

SHIP SUBSIDIES TO TOTAL $55,000,000.

It took a great deal of questioning of Chairman Lasker, of the Shipping Board, to induce him to state precisely the sum that would be drawn annually from the National Treasury if the pending ship subsidy bill is passed as introduced. He was so anxious to qualify so many of his statements and so unwilling to be precise that it was difficult to induce him to admit what is obvious. During his examination, or rather cross-examination, while he was on the stand testifying as to what would be accomplished if the ship subsidy bill was passed, he was questioned at great length by Representative EWIN L. DAVIS, of Tennessee. A few of the questions and answers are of more than passing interest, considering that before the ship subsidy bill was talked of plans were under way to protect our ships adequately and, instead of drawing money from the National Treasury, actually add money to it, just as a protective tariff does in all other cases.

HOW DISCRIMINATING DUTIES WOULD OPERATE.

This was to have been accomplished in two ways: 1. By placing a higher duty on imports when they come in foreign vessels than imports in American vessels would be compelled to pay. 2. By placing a higher tax on the tonnage of foreign ships than was placed on American ships. Section 34 of the merchant marine act of 1920 was drawn with that very purpose in view, but it has never been enforced. To those who fear retaliation let it be said that this policy was in full or partial effect for 61 years in pre-Civil War times, and that during all of that time and for 10 years after it was generally suspended American ships carried an average of 80 per cent of our foreign commerce. That percentage obtained for 72 years. It will be plain to the reader that under this policy, to the extent that imports come to us in foreign vessels, there would be an increase in the money paid into the Nation Treasury, but in no event would the policy draw a dollar from the National Treasury. But to some it seems that an annual subsidy of approximately $55,000,000 is the better way of protecting our ships.

DIFFERENT DRAFTS ON NATIONAL TREASURY.

In the printed copies of the testimony brought out at the ship subsidy bill hearings Representative DAVIS was questioning Mr. Lasker (pp. 239 to 242, inclusive of Part II) on April 5. Here are a few of the questions and answers:

"Mr. DAVIS. Now, Mr. Lasker, on yesterday you referred to the amount of the direct subsidies, and so did the President in his message, as being $32,000,000. I presume that $30,000,000 of that is based upon 10 per cent of the import dutites, is it not?

"Mr. LASKER. That is where we get the $30,000,000. But, of course, that might be $32,000,000 or $28,000,000 or $34,000,000. It is all according to how much the tariffs are.

* * * * * * *

"Mr. DAVIS. Well, take your own statement, then, at $30,000,000 for that. Now, I presume the $2,000,000 additional you stated was intended to represent the tonnage dues, was it not?

"Mr. LASKER. Four million dollars, isn't it?

"Mr. DAVIS. You said $32,000,000, and that is what I wanted to get at.

"Mr. LASKER. They are $2,000,000 now, but we hope to see them doubled."

(For the sake of clarity it should be said that the ship subsidy bill provides for deducting 10 per cent of the revenue received from customs duties and all of the money received from tonnage dues, and segregating it as a fund from which to pay the direct, as distinct from the indirect, aids.)

"Mr. DAVIS. In other words, this bill itself provides for all tonnage dues being doubled?

"Mr. LASKER. Yes.

"Mr. DAVIS. You mean $30,000,000 for the 10 per cent of imports and $4,000,000 for tonnage dues?

"Mr. LASKER. After five years we think the amount of disbursements for direct aid will be $30,000,000.

"Mr. DAVIS. Well, I am wanting to get at what you propose to be paid into the fund as soon as the bill goes into effect?

"Mr. LASKER. We propose to be paid into the fund as soon as the bill goes into effect 10 per cent of the tariffs, whatever they may be.

"Mr. DAVIS. Which you said was $30,000,000.

"Mr. LASKER. The tonnage tax, which we hope will increase to $4,000,000. And then the postal receipts would go into it, which is $4,000,000. That would make it $38,000,000.

"Mr. DAVIS. Right on that point, it is stated repeatedly in this report of yours, of the Shipping Board, that it is $5,000,000.

"Mr. LASKER. It is approaching $5,000,000.

"Mr. DAVIS. I want to ask you furthermore in this report it does not give the exact figures to show that the amounts paid out for ocean postage and postal contracts in 1921 were $6,085,000.

"Mr. LASKER. Mr. Nicholson is going on the stand with a lengthy discussion of all this, with an elaborately prepared statement. That in itself may be a whole day's examination, so let us check it till he comes on.

"Mr. DAVIS. But I want to enumerate the amount of all these aids.

"Mr. LASKER. Yes, sir; we have got it all prepared, to prove what we say.

"Mr. DAVIS. Now, which do you want to insist on putting down now, the $5,000,000?

"Mr. LASKER. No; the $6,000,000 that you have included what we pay foreign ships for carrying the mails.

"Mr. DAVIS. But you say in your report that you expect when this gets into operation American ships will be able to take over that business.

"Mr. LASKER. Not until the ships are built. That is in the future.

"Mr. NICHOLSON. In your statement or memorandum you also included in the computation these facts, namely, that with the development of the merchant marine mails now carried by foreign vessels would be transferred to domestic vessels, and you made an allowance for that.

"Mr. LASKER. Yes; that is where we get the amount to $5,000,000; and ultimately let us hope that the desideratum is the $6,000,000.

"Mr. DAVIS. Now, Mr. Lasker, you also estimate at different places in this report—and I believe you stated in your testimony yesterday—that the income-tax relief would ultimately amount to $10,000,000 a year?

"Mr. LASKER. $8,000,000 to $10,000,000. * * *

"Mr. DAVIS. Now, the naval reserve, it is also estimated when that gets into operation, within three years, the cost of that will be $3,000,000. Now, it is proposed to loan $125,000,000 at 2 per cent interest.

"Mr. LASKER. The law already provides for that. * * *

"Mr. DAVIS. Now, at 2 per cent the Government would be loaning it for at least 2½ per cent less than the Government is paying.

"Mr. LASKER. Say 3 per cent on short time. * * * Well, say 2½ per cent would be a right figure?

"Mr. DAVIS. All right. That would be $3,125,000 a year that that cost the Government?

"Mr. LASKER. Yes; I would put it that way. * * * The $3,100,000 difference in interest on the loan fund should be included. However, as I stated yesterday, the $3,100,000 loan fund interest should be included; you are right in that, but remember we don't estimate the first year it is going to cost over $15,000,000, and we think it will be five years before it gets to its maximum.

"Mr. DAVIS. The items that we have agreed upon here foot up to $55,125,000.

"Mr. LASKER. Aren't you going to take off the postal receipts?

"Mr. DAVIS. No; I am talking about what it is going to cost the Government."

SHIPPING BOARD MAY DOUBLE AMOUNT OF DIRECT SUBSIDY.

It will be noted that the sum of $32,000,000 or $34,000,000, according to whether tonnage dues yield $2,000,000 or $4,000,000, is to be segregated with which to pay the direct subsidy to the ships entitled to it. But there is a provision in the ship subsidy bill—the last paragraph of section 702, on page 22, of the Jones ship subsidy bill—which reads as follows:

"Whenever the United States Shipping Board shall determine that the compensation prescribed herein is insufficient to induce the operation of vessels documented under the laws of the United States in any line or service which in its judgment is desirable and necessary to promote the welfare of the United States, the board may increase the amount of compensation provided by this act to such an extent as it may deem necessary to secure the establishment and maintenance of such lines or services, not, however, to exceed twice the amount of compensation provided herein. Whenever the board shall determine that the amount of compensation is excessive under the special circumstances of any particular case, it may reduce the amount prescribed herein with respect to such particular case."

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[From the Evening Star, March 3, 1922.]

SHIPPING BOARD MAKES MONEY FOR FIRST TIME—FEBRUARY FIGURES FOR OPERATIONS SHOW EXCESS OF $100,000 OF INCOME OVER COSTS.

For the first time in the history of the Shipping Board ship operating expenses for February were less than operating revenues, according to Joseph W. Powell, who retired as president of the Emergency Fleet Corporation to-day. Since last July, when Mr. Powell took office, he said, the Shipping Board has disposed of $20,370,000 worth of property.

February figures for ship operation, Mr. Powell said, showed that approximately $6,500,000 was taken in by the managing operators on Shipping Board accounts, and that the expenditures were $6,400,000.

Reviewing the fiscal affairs of the Fleet Corporation since last July, he said that voyage expenses, classified as losses, were: July, $1,896,000; December, $1,249,000; and January, $934,000.

Since July the personnel of the emergency fleet has been reduced 3,302 and the pay roll $5,290,000. In July there were 956 ships laid up as against 1,278 to-day.

Figures for the liquidation of property show that since October $5,000,000 worth of ships, $6,073,000 worth of houses, and $5,000,000 of surplus materials have been sold. In addition $4,300,000 worth of securities and mortgages have been disposed of.

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[From the Chicago Journal, Monday, June 12, 1922.]

ORGANIZE TO FIGHT THE SUBSIDY.

Word comes from Washington that some Senators and Representatives from the Middle West have declared that this section is favorable to the ship subsidy bill.

By what authority do those misguided solons speak? When were they out of Washington, and back in their States and districts learning public opinion? When did they talk with their constituents on this matter, and with what constituents did they talk? Have they taken the opinions of farmers, of merchants, of wage earners? Or have they confined their investigations to their own luxurious clubs?

One suspects the latter, for that is about the only place, outside of Washington and the coast cities, where one can hear a good word for the ship subsidy. The Middle West, which works for a living—and that comprises about nineteen-twentieths of the population of the central valley—either is too disgusted with the subsidy to talk about it or denounces it for the swindle that it is.

Why, indeed, should the Middle West look upon the subsidy scheme with any other sentiments than hostility and disgust

The subsidy goes to ships engaged in foreign trade. That, on the very face of it, is a bonus which the whole country will have to pay to the coasts. Why should the great middle valley support such a scheme?

The bonus to be paid increases with the speed of the vessel, which means that the lion's share will be absorbed by fast passenger boats, virtually all of which enter and will be owned in New York. Why should the Mississippi Valley clamor for the privilege of paying a subsidy to the marine branch of Wall Street?

A. D. Lasker, chairman of the Shipping Board and champion of the subsidy, says that "not more than two" lines of fast ships can compete under one flag. This amounts to direct notice that American passenger traffic under the subsidy régime will be a virtual monopoly. Why should the West, after a generation of fighting monopolies on land, subsidize one on the sea?

EWIN L. DAVIS, of Tennessee, showed in the House debates that the shipping bill permits the sale of the merchant fleet on partial payments, to be spread over 15 years, and that, taking the present price of ships, the subsidy to these vessels in 15 years would amount to at least $250,000,000 more than their purchase price. That was when the annual cost of the subsidy was estimated at $30,000,000, but now comes Mr. Lasker and says that the bonus payments may well run to $52,000,000 per year, while other authorities put the sum at $60,000,000.

On this showing, therefore, the United States Government is called upon to give away its merchant fleet and pay the new owners $500,000,000 or $600,000,000 for taking it. Why should the West support any such fantastic fraud?

The West doesn't support it. But the West, if not careful, will be represented as supporting the swindle.

It is time for the big central valley to organize and act to defeat this expensive fakery. Every association of farmers should go on record against the subsidy. Every labor union and western organization of merchants should do the same. Notice should be served on every Congressman and Senator that the West stands ready to punish at the polls those who try to vote its money to the Shipping Trust. Demand should be made that those who represent the Middle West in Washington come home and face their constituents before passing on the subsidy measure.

This carefully plotted swindle can be beaten only by hard work, and the work must begin now to be effective. Organize to fight the subsidy.

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[From Fairplay, December 4, 1919.]

The following statement discloses recent sale price of steel steamers in various parts of the world. The information is largely derived from Fairplay, the leading English marine journal.

DECEMBER, 1920.

Deadweight tons built in 1915	5,575
Deadweight tons built in 1906	6,396
Deadweight tons built in 1909	7,100
Deadweight tons built in 1894	5,100
Deadweight tons built in 1900	5,800
Deadweight tons built in 1915	7,850
Deadweight tons built in 1902	6,225
Deadweight tons built in 1911	7,100
Deadweight tons built in 1905	7,070
Deadweight tons built in 1903	6,270
Deadweight tons built in 1910	6,412
Deadweight tons built in 1913	5,557
Deadweight tons built in 1914	5,557

All owned by the Moor Line, Newcastle-on-Tyne, and sold to the Western Counties Shipping Co. at £22 per ton deadweight, or $72.82 current exchange.

—

[From Fairplay, December 4, 1919.]

Steamer, 9,300 tons deadweight, contracted for June delivery to Norwegians at about £25 per ton, all increase in wages, materials, etc., to be paid by owners. Been sold at large advance over contract price.

—

[From Fairplay, December 4, 1919.]

Japanese steamer, 2,206 gross, 3,309 deadweight, built in 1919, been sold to Norwegians at 375 yen per deadweight ton, or $187.50.

Another, 4,950 tons deadweight, been sold to Danes at about £42, or about $139 at current exchange.

A steamer of 3,077 tons gross, 4,600 tons deadweight, built in 1917, been sold to foreigners for about £175,000, or about £38 per deadweight ton, equivalent at current exchange to about $140.

—

[From Fairplay, December 11, 1919.]

Japanese owners have sold one new ship of 6,300 tons at 330 yen per ton, or $165, and another at 340 yen, or $170 per ton.

Another new ship of about 3,300 dead-weight tons was sold for 375 yen, or about $187, per ton.

A small steamer of about 1,600 dead-weight tons was sold in England for about £43.4 per ton, substantially $144 at current exchange.

—

[From Fairplay, December 18, 1920.]

Three steamers built in 1918, aggregating 895 dead-weight tons, sold for about £50,000, or £56 per dead-weight ton, or about $185 current exchange.

A steamer of 5,300 dead-weight tons built in 1903 sold for £90,000, or about £17 per ton, or about $56 at current exchange.

A steamer of 2,040 dead-weight tons, to be delivered in February, sold for about £99,500, or about £48.7 per ton, or about $161 per ton according to current exchange.

A steamer of about 6,637 dead-weight tons was sold for about £197,500, or £29.7 per ton, or about $98 at current exchange.

—

[From Fairplay, December 25, 1920.]

A ship of 2,000 dead-weight tons built in a Dutch yard, about ready for delivery, sold for about £117,500, or about £58.7 per ton, or about $195 per ton at current exchange.

A steamer of about 3,500 dead-weight tons built in 1900 was sold for about £100,000, or about £30 per ton, substantially $100, according to current exchange.

A steamer of about 5,400 dead-weight tons built in 1900 sold for about £160,000, or about £30 per ton, substantially $100, according to current exchange.

A new steamer of a little over 2,000 tons dead weight, under construction and to be delivered during the month of February, was sold for about £99,500, or substantially £49 per ton, the equivalent of about $162 at current exchange.

—

[From Fairplay, January 15, 1920.]

Steamship *Tynedale*, of about 4,442 dead weight, built in 1889, was sold for £16,500 pounds, or about £3.7 per ton, equal to about $122.50 at current exchange.

Steamer *Ayo*, of about 5,690 dead-weight tons, built in 1918, was sold for £40,000, or about £7 per ton, equal to about $23.17 current exchange.

—

[From Fair Play, January 22, 1920.]

Steamer *Canning*, of about 8,000 dead-weight tons, built in 1895, was sold to Greeks for £100,000, or about £12.4 per ton, substantially $40 current exchange.

Steamer *Menelaus*, of about 6,750 dead-weight tons, built in 1895, sold for £90,000, or about £13.3 per ton, equal to about $44 current exchange.

—

[Report of Shipping Board, January 15, 1920.]

The price of a new, ready, 7,500-ton cargo steamer was £31 per ton; at current exchange $102. Norwegian owners are reported to have contracted with British builders for the construction of a 7,000-ton single-deck cargo steamer for delivery in October, 1920, at £34 per ton, $112 at current exchange.

A recent sale of a steel two-deck steamer, built in 1918, of a dead-weight capacity of about 10,015 tons, has been made for about £35 per ton, or $115 at current exchange.

Scotch shipbuilders are reported to be offering to build 3,000-ton single-deck cargo steamers, for delivery 1921, at £44 per ton, or $145 at current exchange.

A steamer under construction, to be delivered next February, has been sold for almost £49 per ton, or $162 at current exchange.

A steel shelter-deck steamer, built in 1913, of about 9,600 dead-weight tons, has been sold for £29 per ton, or about $96 at current exchange.

A British oil merchant says that he has let contracts for several tankers at about £31, or about $102 at current exchange.

Mr. RANSDELL. Mr. President, I do not agree with the conclusions stated by the Senator from Florida [Mr. FLETCHER], and at some time in the future I shall reply rather fully to them, I hope.

I wish to announce at the present moment that on Thursday, the 20th, as soon as the Senate convenes, if I can get recognition, I shall address the Senate on some very remarkable developments in connection with our merchant marine that have been taking place in the world the last three months. They are of intense interest to all Americans. I promise not to detain the Senate very long, but I hope to entertain them at that time.

B. HARVEY CARROLL.

Mr. SHEPPARD. Mr. President, B. Harvey Carroll, a member of the consular service from Texas, was stricken while at his post in Spain a few months ago, and died a few days later. His record was one of exalted service to his country. A brief summary of that service was prepared by Gino Speranza, formerly an attaché of the American Embassy at Rome, who had personal opportunity to observe Carroll's work, and I think it is of sufficient interest to have a place in the RECORD. I ask that it be inserted.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

B. HARVEY CARROLL.

The death of B. Harvey Carroll, of Houston, Tex., American consul at Cadiz, who died recently in the service, should not be allowed to pass without some public statement of his unusual record.

His appointment to the Consular Service almost coincided with the beginning of the great World War, his official career beginning in the midst of the alarms and fears which preceded that conflict, and in one of the most beautiful settings of that drama—the dream city of Venice. It was just the background and "the perfect occasion" to fire a deeply poetic imagination such as Carroll's and to stir him to a fine sense of the high mission which America was to play in the approaching struggle. Holding a relatively inconspicuous office he became in a short time one of the outstanding figures among the diplomatic, consular, and welfare officials accredited to Italy from our country. Concentrating his efforts at first in helping his countrymen who were rushing into Venice from Austria and north Italian resorts—frightened by the uncertainties of the situation and the sudden paralysis in the banking world—he saw to it that all were provided with passage home, spending even out of his own very slender private purse to help the neediest cases. This accomplished, he next turned his energy and enthusiasm to the suffering people of Venice. I doubt if any American official abroad was so esteemed and loved—in high and lowly places—as Harvey Carroll was esteemed and loved by the people of Venice. Children followed him along the Calles and over the bridges as their particular friend: yes, even as their occasional playmate; men and women of all classes went to him for counsel as to a wise and kindly neighbor, and when the Pearl of the Adriatic trembled and rocked under endless Austrian attacks hundreds of the poor of Venice nightly gathered at the American consulate hoping that somehow the Stars and Stripes and Consul Carroll would save them from the terrible danger hanging over the city. Closer and closer around Venice the enemy drew its lines, more frequent and more unsparing became the attacks from the sky, till the entire consular corps was advised by the Italian military authorities to leave what seemed a doomed city. But the American consul refused to go; duty, as that gallant son of Texas understood it, bound him to the people who now looked upon him almost like a father. I can see him on those terrible nights of full moonlight when the Austrian raiders would come in force and drop explosive and incendiary bombs by the dozen, hastening from place to place where an explosion was reported or a palace set on fire, not only eager to help but anxious for that detailed, accurate, and interesting data which fill his official reports to our Government. For let me say here that those reports of Carroll's were no mere consular summaries of statistics and dry facts but literary essays full of human interest, and often a fine appreciation of art. Indeed one of our great litterateurs, who by reason of his official position was able to read those reports, has said of them that they had much of the flavor and style of Ruskin's Stones of Venice. Perhaps our Government may some day publish them to the delight of artists and lovers of Venice.

Certainly Carroll had greater opportunities of seeing Italy in a state of defense as well as on her actual fighting lines than possibly any other American official in that country. It will be remembered, for instance, that before we entered the World War the Austrians, in an attempt to justify their attacks on Venice, charged that the Italian military authorities used the famous Campanile in St. Mark's Square as an observation post. The Italian Government thereupon requested the United States as a then neutral nation to ascertain the facts and Consul Carroll was directed to make an official inquiry. With characteristic sense of fair play Carroll notified the Italian military authorities that in order to make an absolutely reliable inquiry he would have to have the key to the Campanile so he could enter it at any time without previous notice. The Italian authorities readily consented and for several days the American consul became the keeper of that historic tower, and it was on one of his sudden nocturnal visits that he had the opportunity of watching—all alone, from that great steeple—the most awful raid upon Venice when 26 airplanes bombed that city mercilessly throughout an endless night of horror.

Carroll's happiest day was when we finally entered the war. Thereafter he redoubled his energies, extending his activities to the Italian fighting lines. After Caporetto, when the dikes in the outer lagoons were cut down so as to flood the approaches to the city from the east and north, Carroll felt he should go where the last, supreme stand was being made. The artillery fire was so near and so intense that it shook the Adriatic city, and on the near-by Piave the 18-year-old boys of Italy, rushed from the colleges and universities of the kingdom to the fighting front, were holding the Piave line as the last, desperate effort to stem the inrushing enemy. The Piave line, as Carroll gravely said, was "wholly within" his consular district; and to it he went, forbidden by his official status from handling a gun, but giving aid to those falling near him. It was in recognition of his courage on this occasion that the Italian supreme command conferred upon him the Italian War Cross. But it was not this honor nor the Order of the Crown of Italy which King Victor conferred upon him, nor the flag of St. Mark and an old Venitian painting which the municipality of Venice presented to him that constituted Carroll's greatest satisfaction. These he esteemed and appreciated, but the supreme honor for him lay in the fact that he had made a heroic and long-suffering people trust and love the United States of America—his country. This was his great passion, his abiding love. And when the hour struck, though in a distant land and away from the brave heart that had shared with him so many of the battles of his life, the thought of his unswerving loyalty to his country must have made the last journey a road of light. Well done, well done, thou good and faithful servant of the Republic!

REINTERMENT OF SOLDIER DEAD.

The VICE PRESIDENT laid before the Senate a communication from the Quartermaster General of the Army, which was ordered to lie on the table and to be printed in the RECORD, as follows:

WAR DEPARTMENT,
OFFICE OF THE QUARTERMASTER GENERAL OF THE ARMY,
Washington, July 15, 1922.

The PRESIDENT OF THE SENATE,
Washington, D. C.

MY DEAR SIR: The inclosed copy of list of American soldier dead returned from overseas, consisting of 18 enlisted men and 1 Army field clerk, to be reinterred in the Arlington National Cemetery, Thursday, July 20, 1922, is furnished for consultation by Members of the Senate. It is requested that it be posted or displayed in a suitable place for the purpose desired.

Very truly yours,

H. L. ROGERS,
Quartermaster General.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McCUMBER. Mr. President, before continuing the very interesting discussion of the cotton schedule I ask unanimous consent that when the Senate closes its session on this calendar day it recess until to-morrow at 11 o'clock.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. McCUMBER. I think the Senator from Utah desires to have the Senate consider paragraph 920 at this time.

Mr. SMOOT. Yes, Mr. President; I want to pass over paragraphs 918 and 919 and consider paragraph 920.

The VICE PRESIDENT. The Secretary will state the amendment of the committee to paragraph 920.

The ASSISTANT SECRETARY. In paragraph 920, page 131, line 20, the committee proposes to strike out "28" and to insert in lieu thereof "40," so as to read:

PAR. 920. All articles made from cotton cloth, whether finished or unfinished, and all manufactures of cotton or of which cotton is the component material of chief value, not specially provided for, 40 per cent ad valorem.

Mr. ROBINSON. May I ask the Senator from Utah why we passed over paragraphs 918 and 919?

Mr. SMOOT. Two Senators who are absent from the city requested by wire that that be done. They will be here to-

morrow, and as soon as they return we will take up those paragraphs.

Mr. ROBINSON. I have no objection, under those circumstances, to the paragraphs being passed over, but I thought there ought to be some explanation as to why they are not to be considered now.

Mr. SMITH. In regard to the paragraph under consideration, I notice that the present rate is 30 per cent. This is a basket clause, and the rate was only 45 per cent under the Payne-Aldrich law. The House provided for 28 per cent, based on the American valuation.

Mr. SMOOT. That is equal to a little over 40 per cent, the way they figure it.

Mr. SMITH. My impression was that the House rate would be about 32 per cent.

Mr. SMOOT. If it were 45 per cent, with one-third off of the rate it would be 30 per cent. That virtually is the Payne-Aldrich rate.

Mr. SMITH. No; they could not have given the Payne-Aldrich rate, because that was 45 per cent.

Mr. SMOOT. Less one-third, as I said. They took that off of the American valuation. One-third off of 45 would be 30, and they gave 28. I said it was virtually that rate.

The Senator will also note that under the bill we have taken those items out of the basket clause, and they were the great bulk of goods which fell under this paragraph—curtains, table covers, and all other articles manufactured of chenille or of which cotton chenille is the component material of chief value.

The rate was 35 per cent under existing law, and under the Payne-Aldrich law the rate was 50 per cent ad valorem, but here we take all articles made from cotton cloth, whether finished or unfinished, and all manufactures of cotton or of which cotton is the component material of chief value, not specially provided for, and propose a rate of 30 per cent ad valorem, or at the same rate plain cloths are provided for in the other paragraphs.

Mr. SMITH. In paragraph 904——

Mr. SMOOT. That is the definition clause.

Mr. SMITH. In paragraphs 903, 904, and 905 we covered cotton cloth, printed, dyed, colored, or woven-figured; then cotton cloths not bleached, printed, or dyed. Even there we did not reach 40 per cent on the plain cotton cloths. We have provided in the other paragraphs for those which, in the opinion of Senators on the other side of the Chamber, needed special duties. But here we come to the basket clause in which all articles made from cotton cloth are included, whether finished or unfinished, and all manufactures of cotton or of which cotton is the component material of chief value, not specially provided for, and give them a rate that is practically equal to the very highest rate given to the specially provided for cloths.

Mr. SMOOT. A paragraph of this kind is generally designated as the junk clause. We do not know what will fall into it.

Mr. SMITH. I know the Senator does not know that.

Mr. SMOOT. The rate of duty does not apply to the general use of goods in the United States.

Mr. SMITH. The point I am making is this——

Mr. SMOOT. It is a higher rate than is given to those which are provided for specially.

Mr. SMITH. We took countable cotton cloths and we took those that were plain and not specially treated and gave them a rate. Then we took those specially treated which came under "dyed and figured" and gave them a special rate. The special rate that was given cloth, which the Senator from Massachusetts [Mr. LODGE] stood here the other day and pleaded for, does not exceed this rate of duty. When we come to the odds and ends, in order that nothing may escape at all, the committee have taken all kinds of goods manufactured, whether finished or unfinished, composed of cotton, and given them a rate that is as high as the specially provided for goods.

Mr. SMOOT. So did the Underwood law do that identical thing. No one ever objected to the rates of the basket clauses. No one can tell what is going to be made hereafter that will fall into the basket clauses. They are catch-all clauses. All the goods that are known are specially provided for.

Mr. SMITH. I do not see why the Senator applies the term basket clause or catch-all clause to this particular paragraph. I think the whole bill is a basket clause and a catch-all clause. If anything has escaped the committee it does not appear in this schedule. However, in order to expedite matters, I am not going to further contest the question.

We have made our fight. We have gone on record, assisted ably by certain Senators on the other side of the Chamber, and it has availed practically nothing. I want to say in the conclusion of my attempt at management of the cotton schedule that there seems to have been, and there was, a reduction in figures, but there was no relief to the American public by such reduction for the reason that, though there was a reduction in figures, it did not reduce the rates to a point where there would result anything like competition from abroad. The American market has been left absolutely at the mercy of the American manufacturer. The difference in the percentage which was brought in and the percentage finally agreed upon did not spell any relief whatsoever, because, to illustrate, if a wall is 10 feet high and those who are imprisoned can only jump over a wall 5 feet high and you knock it down to 8 feet high, you still have 3 feet above any relief to those imprisoned. You may have knocked 2 feet from the high wall, but you still have those behind it far beyond any possibility of ever getting out.

Mr. SMOOT. If they can jump over a 10-foot wall and we leave it there, there is no need of having any duty at all. Therefore, as between the foreign manufacturer and the American manufacturer, I want the wall at least so high that we will have a little energy on the part of the foreign manufacturer in order to get into this country. I also want, when they get into this country, that they shall be required to pay a little money into the United States Treasury for the privilege of doing business in the United States.

Mr. MCCUMBER. Mr. President, I merely wish to add to what the Senator from Utah has said, that under the Payne-Aldrich law the rate was 45 per cent, under the Underwood law it is 35 per cent, and under the pending bill it is 40 per cent. Forty per cent ad valorem to-day, under prices and under the difference in the cost of labor in this country and in the Old World, does not measure as great a protection as 30 per cent ad valorem measured at the time the Underwood law was enacted.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

Mr. SMITH. Inasmuch as this is the last item in the cotton schedule, I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. DIAL (when his name was called). I have a pair with the Senator from Michigan [Mr. TOWNSEND]. Being unable to obtain a transfer, I withhold my vote.

Mr. ROBINSON (when his name was called). Transferring my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the senior Senator from Missouri [Mr. REED], I vote "nay."

The roll call was concluded.

Mr. JONES of New Mexico. Making the same announcement as to my pair and its transfer as on the previous vote, I vote "nay."

Mr. OVERMAN. Making the same announcement as to the transfer of my pair as on the previous vote, I vote "nay."

Mr. GLASS. Making the same announcement as to my pair and its transfer as heretofore, I vote "nay."

Mr. WALSH of Montana. Making the same announcement as on the previous vote, I vote "nay."

Mr. JONES of Washington (after having voted in the affirmative). The senior Senator from Virginia [Mr. SWANSON] is necessarily absent. I am paired with him for the afternoon. I find, however, that I can transfer that pair to the junior Senator from Oregon [Mr. STANFIELD], and I do so, and allow my vote to stand.

Mr. NEW. Repeating the announcement as to the transfer of my pair, I vote "yea."

Mr. MCKINLEY. I transfer my permanent pair with the junior Senator from Arkansas [Mr. CARAWAY] to the senior Senator from Pennsylvania [Mr. CROW] and vote "yea."

Mr. STANLEY. Has the junior Senator from Kentucky [Mr. ERNST] voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. STANLEY. I have a pair with that Senator. In his absence, I withhold my vote.

Mr. TRAMMELL. In the absence of my pair, the Senator from Rhode Island [Mr. COLT], being unable to obtain a transfer, I withhold my vote. If permitted to vote, I would vote "nay."

Mr. CURTIS. I was requested to announce the following pairs:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from New York [Mr. CALDER] with the Senator from Georgia [Mr. HARRIS];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from Maine [Mr. HALE] with the Senator from Tennessee [Mr. SHIELDS]; and

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS].

The roll call resulted—yeas 29, nays 19, as follows:

YEAS—29.

Broussard	Jones, Wash.	McLean	Phipps
Bursum	Kellogg	McNary	Smoot
Cameron	Kendrick	Moses	Spencer
Capper	Keyes	Nelson	Sterling
Curtis	Lenroot	New	Willis
France	Lodge	Newberry	
Gooding	McCumber	Oddie	
Harreld	McKinley	Pepper	

NAYS—19.

Ashurst	Jones, N. Mex.	Ransdell	Underwood
Borah	King	Robinson	Walsh, Mass.
Glass	Norris	Sheppard	Walsh, Mont.
Heflin	Overman	Simmons	Watson, Ga.
Hitchcock	Pomerene	Smith	

NOT VOTING—48.

Ball	Elkins	McCormick	Shortridge
Brandegee	Ernst	McKellar	Stanfield
Calder	Fernald	Myers	Stanley
Caraway	Fletcher	Nicholson	Sutherland
Colt	Frelinghuysen	Norbeck	Swanson
Crow	Gerry	Owen	Townsend
Culberson	Hale	Page	Trammell
Cummins	Harris	Pittman	Wadsworth
Dial	Harrison	Poindexter	Warren
Dillingham	Johnson	Rawson	Watson, Ind.
du Pont	Ladd	Reed	Weller
Edge	La Follette	Shields	Williams

The VICE PRESIDENT. The yeas are 29 and the nays are 19. The following Senators are present and have not voted: The Senator from Kentucky [Mr. STANLEY], the Senator from South Carolina [Mr. DIAL], and the Senator from Florida [Mr. TRAMMELL]. The amendment of the committee is agreed to. The next committee amendment will be stated.

The next amendment was, under "Schedule 10, flax, hemp, and jute, and manufactures of," in paragraph 1001, on page 132, line 1, after the word "tow," to strike out "three-fourths of 1 cent" and to insert "2 cents," so as to read:

PAR. 1001. Flax straw, $2 per ton; flax, not hackled, 1 cent per pound; flax, hackled, including "dressed line," 2 cents per pound; flax tow and flax noils, three-fourths of 1 cent per pound; hemp and hemp tow, 2 cents per pound.

Mr. MOSES. Mr. President, I desire to prefer a request to the Senator in charge of the bill. I take it that it is improbable that paragraph 1008a will be reached this afternoon, but in the event that it is, may I ask the Senator from Utah to consent that it may go over until to-morrow morning?

Mr. SMOOT. Yes; I shall ask that the paragraph may go over if it shall be reached this afternoon.

Mr. MOSES. I thank the Senator.

Mr. SMOOT. Mr. President, it may be just as well that I make merely a brief statement as to the policy of the committee in imposing the duties which are carried under this schedule and at the same time give to the Senate an idea of the working of this schedule in the past and what is to be hoped for in the future.

The first amendment which the committee proposes is the one that has just been stated by the Secretary, and is found on page 132, line 1, where the Senate committee proposes that the rate of three-fourths of 1 cent per pound on hemp and hemp tow be increased to 2 cents per pound. The second amendment is as to hackled hemp, including "line of hemp," on which the House imposed a duty of 1½ cents a pound, but on which the Senate committee propose to impose a duty of 4 cents per pound.

Mr. KING. That is double the rate which is carried by the Payne-Aldrich law?

Mr. SMOOT. Yes; I will say to the Senator, it is double the Payne-Aldrich law rate. I wish to say to the Senate that those rates were increased at the earnest solicitation of the senior Senator from Wisconsin [Mr. LA FOLLETTE]. He had received many letters—and he read them to the Committee on Finance—from the Agricultural College of Wisconsin, and I think he had received letters from one or two other colleges in the United States. The Senator from Wisconsin became convinced that the only way to establish this industry was to give the protection which is proposed to be accorded by the Senate committee upon hemp and hemp tow and hackled hemp, including "line of hemp."

The Senate will later in the consideration of the bill reach certain paragraphs covering articles of which this product is the raw material, and in those instances it became necessary, in view of the increased duty provided by the committee on the raw product, to increase the rate on the finished product. When those paragraphs are reached I shall probably take occasion to call attention to the increases, and it will be found that they will be in nearly all cases caused through the imposition of an increased duty upon the raw material.

The first clause of paragraph 1008a covers woven fabrics, such as hucks and count napkins and crashes; the second clause of paragraph 1008a covers paddings. Most of those goods have never been made in this country to any great extent; the foreign manufacturers have dominated the American market in this class of goods; but I wish to call the attention of the Senate to the fact that the rate of duty upon these goods in the past has been often less than the rate upon the yarns included in the goods; in other words, to be frank, Mr. President, it has been the policy of our Government in the past not to undertake to encourage the production of this class of goods in the United States. The committee now feel that the time has arrived when this class of goods should be made in the United States. The World War brought about a condition whereby we were compelled to make them here or go without them in a large degree. Therefore great amounts of money were invested in this industry, and it is nothing more than right now that we should give those investors a fair opportunity in order that they may continue the business which they undertook during war times.

Mr. POMERENE. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Ohio?

Mr. SMOOT. I yield.

Mr. POMERENE. The Senator from Utah has just stated that there had been a great amount of money invested in the industry. Can the Senator give us the figures?

Mr. SMOOT. Does the Senator mean in the entire industry?

Mr. POMERENE. I mean in the manufacture of the goods to which the Senator was referring. The Senator stated that there had been a large amount of money invested in this industry.

Mr. SMOOT. Mr. President, I can not state the exact amount; it would be impossible for me to do so, because I have not looked up the figures, nor was there any testimony given on that point, because I doubt whether or not any member of the Committee on Finance asked that question.

Mr. ROBINSON. The Senator from Utah is not now speaking of the industry affected by the amendment which is immediately pending?

Mr. SMOOT. Oh, no. I am speaking of the schedule generally.

Mr. ROBINSON. The Senator is speaking of the schedule, generally and particularly, of section 1008a?

Mr. SMOOT. Yes.

Paragraph 1013 covers towels and napkins counting less than 120 threads to the square inch, as well as those counting more than that.

So far as duties are concerned, I should not go so far in this class of goods as I should in the goods that are embraced in paragraph 1008a, although this class of goods, until the beginning of the war, was nearly all imported. There were a few of those goods made in the United States before, but very few in comparison with their consumption in this country.

When the Senate reaches paragraphs 1011, 1014, 1016, and 1017 of the bill, we shall find that those paragraphs cover the class of goods that are competitive. Those are goods which have been made in this country; they are a coarser class of goods and they are used by the people generally using linens or coarser goods which are made from hemp and hemp tow.

Mr. BORAH. May I ask the Senator from Utah what paragraph of this schedule covers the article out of which are made bags in which wheat and other grains are shipped?

Mr. SMOOT. The bagging to which the Senator refers is included in this schedule, I will say. Does the Senator desire to know in which paragraph it is included?

Mr. BORAH. I do not want to interrupt the Senator, but I desire to be advised as to the paragraph in time to give some attention to it.

Mr. SMOOT. I will say to the Senator that paragraph 1017 deals with the cloth out of which bagging is made.

Mr. BORAH. Do we not have to take care of some of the material that enters into it?

Mr. SMOOT. Yes; and that is when we begin on the bag. The bag itself is in paragraph 1007. Paragraph 1008 deals with the cloth that goes into the bag.

Mr. President, I think there is no need of my taking the time now to take up each one of these paragraphs with woven cloths, because when we reach those paragraphs there no doubt will be a general discussion upon them, and then there will

be questions asked by Senators, and I shall be glad to answer any question that I can. I want to say that I have quite a number of amendments to this schedule, and if the Senator from Arkansas [Mr. ROBINSON] is going to have charge of this schedule on the other side of the Chamber I shall be glad to furnish him with these amendments that I propose to offer as the paragraphs are reached.

Mr. ROBINSON. I presume the Senator means he will furnish me with them now?

Mr. SMOOT. Now; yes.

Mr. ROBINSON. I certainly should like to have them, and I suggest that the Senator have them printed for the use of all Senators.

Mr. POMERENE. That is right.

Mr. ROBINSON. And if the Senator has available extra copies of them now, I should like to have them for my immediate use.

Mr. SMOOT. I will hand them to the Senator from Arkansas in a very few moments.

I now ask that the amendments that I send to the desk may be printed the same as the amendments were printed that I sent to the desk in the case of the cotton schedule, all in one pamphlet.

Mr. POMERENE. Permit me to suggest that they be printed in the RECORD, and then we can see them in the morning.

Mr. SMOOT. Just as the Senator says; but it seems to me that it would be very much better to have them printed as I had some amendments to the cotton schedule printed, and then they will be on the desk of each Senator.

Mr. POMERENE. It would be more convenient, of course, when we get here; but some of us, at least, like to look at the RECORD in the morning.

Mr. ROBINSON. Let them be printed in the RECORD, too, but let them be printed as amendments usually are printed, because they are much more convenient to handle in that way.

Mr. SMOOT. I ask, then, that they be printed in the RECORD and also printed as amendments are usually printed.

The VICE PRESIDENT. Without objection, it is so ordered.

The amendments referred to are as follows:

Amendments intended to be proposed by Mr. SMOOT, on behalf of the Committee on Finance, to the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, viz:

On page 132, line 11, strike out "9" and insert in lieu thereof "7."

On page 133, line 3, strike out all of the matter after the word "pound" and the colon down to and including "valorem," in line 7, and insert in lieu thereof the following: "*Provided*, That the duty on any of the foregoing yarns shall be not less than 30 nor more than 40 per cent ad valorem."

On page 134, line 18, strike out "25" and insert in lieu thereof "15."

On page 135, line 11, strike out "16½ cents per pound and 25" and insert in lieu thereof "60."

On page 135, line 16, strike out "9 cents per pound and 25" and insert in lieu thereof "55."

On page 135, line 21, strike out "50" and insert in lieu thereof "45."

On page 135, after line 21, insert a new paragraph to read as follows:

"PAR. 1009a. Plain-woven fabrics, not including articles finished or unfinished, of flax, hemp, ramie, or other vegetable fiber, except cotton, weighing less than 4½ ounces per square yard, 35 per cent ad valorem."

On page 136, line 11, strike out "50" and insert in lieu thereof "45."

On page 137, line 14, strike out "50" and insert in lieu thereof "35."

On page 137, line 15, strike out "60" and insert in lieu thereof "45."

On page 138, line 20, strike out "50" and insert in lieu thereof "45."

On page 139, line 1, strike out "9" and insert in lieu thereof "7."

On page 139, line 2, strike out "7" and insert in lieu thereof "5."

Mr. WILLIS. Mr. President——

Mr. SMOOT. I yield to the Senator.

Mr. WILLIS. Before the Senator leaves paragraph 1008a I want to ask a question relative thereto. I understand that it is not now under discussion.

Mr. SMOOT. No.

Mr. WILLIS. The paragraph is stated in such technical language that I am not able to determine the character of goods or cloth that is described here. Will the Senator give us a little more information on that point? I desire to study it so far as I can, and I can not tell what the character of goods is.

Mr. SMOOT. I will say to the Senator that that paragraph covers hucks.

Mr. WILLIS. What is that? That does not mean a thing to me.

Mr. SMOOT. It is toweling.

Mr. WILLIS. Of the coarser grades, I assume?

Mr. SMOOT. Yes; some of it very cheap, and some of it quite expensive. That paragraph also covers napkins and crashes, generally with a count of 120. That is, those are the finer grade of goods.

Mr. WILLIS. I want to be sure that I understand another statement the Senator made a bit ago. I have had a good deal of correspondence with my constituents, as no doubt other Members of the Senate have with theirs, many of whom are writing in and complaining about this paragraph and related paragraphs on this basis, saying that we do not produce these goods in this country. I understand that to be the Senator's statement, that we are not now producing them.

Mr. SMOOT. We are producing them now.

Mr. WILLIS. To what extent?

Mr. SMOOT. The only way in which I can answer that question is by saying simply to the extent to which they can compete with foreign manufacturers.

Mr. WILLIS. The Senator has not at the moment any figures to indicate what our production is?

Mr. SMOOT. No; but, of course, these are the very items as to which, before the war, the amount that was made in this country compared with the consumption in this country was trivial.

Mr. WILLIS. During the war did we produce extensively?

Mr. SMOOT. Yes; we increased greatly our production in this country.

Mr. WILLIS. The Senator can not indicate what percentage of our consumption we produced here?

Mr. SMOOT. No.

Mr. WILLIS. I am trying to get some basis to see how far the industry has gone along.

Mr. SIMMONS. Is the Senator speaking about linen goods now?

Mr. WILLIS. I am now speaking about whatever is described in paragraph 1008a. I have been trying to find out what it is, and the Senator throws light on the subject by saying that it is hucks. Of course, that makes it all plain.

Mr. SMOOT. The Senator knows what crashes are?

Mr. WILLIS. Yes.

Mr. SMOOT. And the Senator knows what napkins are?

Mr. WILLIS. Yes. I understand the Senator now, and the Senator understands what I am trying to get at.

Mr. SMOOT. Yes; and the census does not give these goods separately. If this bill passes in the shape that we have it now under paragraph 1008a, all of those goods will be kept separate, and then we can tell exactly what the production is in the United States and what the importations are, as well, of similar goods. In the past they have not been separated, and that is the reason why we take them out and make a new paragraph of them, so that we can tell hereafter what the importations are.

Mr. WILLIS. That is why I have not been able to find any information in the summary here. I can not find anything about it.

Mr. SMOOT. That is the reason.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

Mr. ROBINSON. Mr. President, the paragraph now immediately under consideration is paragraph 1001, relating to flax in the various stages of manufacture, and also to hemp and hemp tow, hackled hemp, "line of hemp," and so forth. The committee has not reported any amendment to the provisions relating to flax, but has reported two material amendments concerning hemp and hemp tow.

The House rates relating to flax are quite high. From a limited study of this paragraph I am very gravely doubtful whether any beneficial result from the standpoint of protection can be accomplished. I have not found any evidence inducing the conclusion that even with the very high rates now proposed, both as to flax and as to hemp, materially increased production in the United States will result. My studies of the subject lead to the conclusion that owing to the peculiar character of the labor involved in producing flax for fiber purposes and hemp for use in the production of the various commodities for which it is used, it can not be expected that an industry of any very material importance will be created in the United States.

I find from an examination of the hearings before the committee that the Senator from North Dakota [Mr. LADD] appeared before the committee, and it was represented that he had made a prolonged study of the subject of flax production in the United States, and his conclusion was that the emergency tariff bill in some way has had the effect of depressing rather than encouraging the industry. I presume it was because flax for fiber purposes was not embraced within the emergency tariff, although he does not state upon what facts or circumstances he bases that conclusion.

The testimony of the Senator from North Dakota [Mr. LADD] is found at pages 3443 and 3444 of the hearings. He said, on page 3444, among other things:

> In 1912 we were growing very much more flax than we are growing to-day, and the emergency tariff unfortunately worked disastrously so far as the flax industry was concerned, and there has been no protection, no real protection, for the fiber industry and no encouragement for it in the West.

As a matter of fact, the emergency tariff bill did not deal with the subject of flax for fiber. If my recollection is correct there is a tax of 30 cents a bushel upon flaxseed, but no tax is imposed upon flax grown for fiber purposes.

Mr. SMOOT. In the emergency tariff bill?

Mr. ROBINSON. Yes.

Mr. SMOOT. That is correct.

Mr. ROBINSON. All of the authorities that I have been able to consult agree that the production of flax in the United States for seed purposes is quite a different question and quite a different industry from that involved in the production of flax for fiber purposes. Nearly all the production that we have heretofore had has been for seed. There never has been very much production for fiber purposes, and that seems to be due to the peculiar character of labor required—hand labor, quite difficult to perform, and requiring great strength. The flax grown for seed purposes is short, and not adapted to the production of fiber. The United States has for many years produced material quantities of flax for the purpose of growing seed, but it has never produced considerable quantities for fiber purposes. The production for fiber purposes has varied very greatly, and unaccountably, in my judgment—that is, there is nothing in the record that accounts for the increase which has occurred in some years and the very rapid falling off which has resulted in following years; but in no year has there been a very material production of flax for fiber purposes.

Under the Payne-Aldrich law the rates were quite material. Flax straw had a rate of $5 per ton. Hackled flax had a rate of 1 cent a pound; "dressed line" flax, which represents a state of the fiber more advanced toward the purposes for which it is finally used in manufacture, had a rate of 3 cents a pound. Flax tow and flax noils had a rate of $20 per ton.

Under the Underwood tariff law all flax was admitted free of duty, doubtless on the theory that it was a necessary raw material for use in the manufacture of essential commodities, and that its production in this country would not readily be promoted by the imposition of revenue rates of duty. As I have already stated, I have not found any evidence except the opinion stated by the Senator from North Dakota [Mr. LADD] that any rate of duty which Congress might impose upon flax would result in the building up of an industry in the United States.

The Senator from North Dakota, however, made this statement on page 3443 of the hearings:

> I simply wanted to say that, in my judgment, if we want to encourage the flax industry in this country we can do so by putting on a reasonable protection, and thus encouraged the farmer will grow it; otherwise he will not. If we continue the policy that has been continued since 1912, there will be no flax industry in this country in five years more.

The growing of flax for seed is already fairly prosperous in this country. The growing of flax for fiber has never been prosperous, was not prosperous under the Payne-Aldrich rates, and from the evidence I have been able to find and consider in all probability the flax-fiber industry will never be materially advanced or firmly established by the imposition of even the rates carried in this bill.

To grow flax for fiber, as already stated, requires an extraordinary amount of strength and tedious and disagreeable labor, both in the actual cultivation of the plant and in its preparation for the market. The amount and character of trained hand labor involved in flax-fiber production is such that the American farmer has found it more profitable to devote his land and capital and efforts to the production of other agricultural crops, which permit of the larger use of machinery. Little flax is grown for fiber in the United States, the largest acreage planted since 1900 being 4,800 acres in 1920.

I do not believe that any material controversy will arise as to the correctness of these facts. Russia, Austria, Hungary, Italy, Belgium, and France are the flax-producing countries of the world. The largest amounts are produced in Russia and the finest quality in Belgium and northern Ireland.

The imports have varied very greatly. In 1913 the previous specific duty, of which the average ad valorem equivalent had been 9 per cent, was entirely removed, but notwithstanding the removal of all duty at that time there has been no substantial increase in imports.

Mr. HITCHCOCK. Mr. President, before the Senator proceeds, can he state why flax is raised in such limited quantity here and is raised in such limited parts of the world? Is it on account of the cheapness of labor?

Mr. ROBINSON. I have already attempted to explain that the raising of flax in any quantity in the United States is limited for two reasons—first, other crops are more profitable; secondly, they are more easily grown, it being quite difficult to secure the labor necessary for the culture and production of flax for fiber purposes. The other crops are more valuable, they yield a greater profit. The labor necessary to produce them is more easily procured, and, to be frank, there is no economic necessity or justification, under present conditions, for attempting to build up a flax industry in the United States, according to the facts I am acquainted with.

Mr. HITCHCOCK. I notice from the reports that Russia seems to be the largest producer of flax, and I have been wondering whether it is on account of the cheap labor there.

Mr. SIMMONS. They produce 85 per cent of the world's supply.

Mr. ROBINSON. The production in Russia has fallen off a great deal since the war began, and it is very much less now than it was in 1913. That is largely due, I take it, to the disturbed conditions, but the evidence also tends to show that the character of the fiber grown in this country, considered in connection with the purposes for which it is produced, does not compare very favorably with the fiber grown in other countries for the same purposes. In other words, we are at an economic disadvantage in the production of flax.

Mr. SMOOT. Mr. President, I suggest to the Senator from Arkansas that America has been trying to do what every other country has done in relation to her flax. Russia was the great flax-producing country of the world, and nearly all the countries depended upon the flax that was raised in Russia. Since the war and since the disorganization of Russia every country has been at its wit's end to get the necessary flax to continue the making of goods of which flax is a component material. It is not only the people of America who have found themselves in the position in which we are, but the people of every other country.

Mr. HITCHCOCK. I was asking a question which perhaps the Senator from Utah can elucidate, as to why Russia was the great producer. Was it on account of the cheap labor there, or something in the climate or the soil?

Mr. SMOOT. The climate and the soil are favorable to the production of flax, but in addition to that they had been used to that work. The hackling of hemp is a very difficult piece of work, and not a very pleasant one by any manner of means.

Mr. ROBINSON. And it must be done by hand.

Mr. SMOOT. It must all be done by hand. I do not know whether it is worth while to put it into the RECORD, but I have a complete report made by Mr. A. H. Wright, of the agricultural experiment station of the University of Wisconsin, which gives in detail every step that has to be taken, and up to date they have never found machinery that could do the work of hackling. They undertake to say now that they have invented a machine which can do it, but it has not yet been demonstrated that it will be a success. I have often wondered why there has not been invented a machine which could do that work, but the Senator from Arkansas is correct in saying that up to the present time that work is done by hand, and it is very unpleasant, laborious work.

Mr. STANLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Kentucky?

Mr. ROBINSON. I yield.

Mr. STANLEY. Professor Taussig, in his history of the tariff, has a very interesting chapter on the production of flax, and the reasons why it never has been and never can be, while present industrial conditions exist, a profitable industry in the United States.

In the first place, we produce hemp here, which is comparable in a way with certain cheaper forms of flax tow, and that hemp is cut. Flax is not cut; flax is pulled. Pulling flax in the days of chattel slavery was regarded as the hardest, meanest character of work to which you could subject the muscles of a man; he has to be stooped over all the time, pulling that heavily rooted plant. It has to be pulled, because the finest fiber, as I understand it, is near the root, at the base of the stalk. The finest flax is grown on the most intensely fertilized soil, the very richest soil that can be found. The highest degree of fertilization is used in raising the flax, to get as long

a stalk as possible, to secure the long, fine fiber. Then that must be pulled. The result is that an acre or two of flax is all that a man can raise and pull. There is no more intensive work known than the culture of flax. It does not require a high order of intelligence. It simply requires physical strength and endurance.

After the flax is pulled, in order to secure the product for linen it must be water-rotted. The reason we do not produce the finest character of hemp in this country is because we do not water-rot it. With the exception of cleaning out vaults and things of that kind, there is nothing more unwholesome, nothing more foul and dirty, than the handling of that water-rotted plant. The stalks are thrown into the water and allowed to rot. Then a man must go in there, waist deep in stench and filth, and get the flax out for subsequent treatment.

The breaking—that is, the separating of the fiber of the flax from the stalk—is the next process. The stalk of the flax and the stalk of the hemp are worthless; they are burned up as chaff.

The fiber is broken and separated from the stalks. Then after the separation from the stalk by the process of breaking the fiber is combed and straightened out by a process of hackling. That is, the fibers of the hemp—and I presume it is the same with the flax—are thrown over a set of teeth, a long rack of steel teeth a foot high; the hemp or the flax is thrown over that and pulled through the teeth until it is combed and looks like hair, long and straight. That is a difficult task.

Professor Taussig estimates the number of men who would be required in producing flax in this country. He said it would take a great number raising flax to produce as much as one man would produce raising corn in southern Illinois. In other words, the average farm hand in this country, where we have machinery and tools and appliances, with our method of cultivation and with our improved agricultural implements can, as the Senator from Nebraska has well remarked, produce as much as half a dozen or a dozen, perhaps, of these poorest-paid laborers in Europe, these hand workers, these men who break the ground with a spade and pull the flax and hackle it by hand, while one man with a riding plow in the United States can produce enough to employ a little army of them. To attempt now to avail ourselves of this cheap, unwholesome, laborious, dirty, insanitary labor is an act of folly. The only result is that you increase the cost of an essential article, linen, to the American consumer by any such foolish, unscientific, ill-considered legislation.

I am persuaded that a thorough investigation of this industry—and I profess to have nothing but a cursory knowledge of it—will convince members of the committee and convince the Members of the Senate that an attempt to hothouse or to artificially propagate flax growing in this country would be just as foolish as to attempt to raise pineapples.

In addition to that the only place they propose to raise the flax is in places where the flax is raised for seed. As I understand it, when they fallow the prairie it subsequently grows up in weeds and things like that, and on the border of newly reclaimed land from the time the prairie is first taken under cultivation the flax grows better than anywhere else.

It is along that stretch of prairie border that practically all the flaxseed and all the flax is raised. They could not raise a stalk of flax for commercial purposes to do any good there. They never have. I will guarantee they never will raise fine flax in that way. It must be raised in a garden. It must be raised on land either naturally fertile, a very deep soil that is not found on the plains, or soil that is made as the hothouses make their soil and the market gardeners make their soil, where it is loam produced by the skill of the chemist and of the gardener. It is impossible to raise the flax at all where they propose to raise it. I believe it is practically impossible to raise it commercially anywhere in the United States.

Mr. SIMMONS. Mr. President——

Mr. ROBINSON. I yield to the Senator from North Carolina.

Mr. SIMMONS. I think, following out the thought of the Senator from Kentucky, that we may as well dismiss the idea that we can, by artificial stimulation, establish the business of growing flax in this country or, indeed, on this continent. I think our experience and the experience of Canada during the war demonstrates that. In Canada as the result of the war, as in this country as the result of the war, being shut off from our source of supply, we began to expand our acreage in flax. In Canada the acreage in flax increased from 4,000 acres in 1915 to 20,262 acres in 1920, and then declined to 7,300 acres in 1921. In this country, for the same reason, we had 2,240 acres of fiber flax in 1911, 1,110 acres in 1914, 4,300 acres in 1918, 6,090 acres in 1920, and only 1,525 acres in 1921, showing that both in Canada and in this country, while we expanded our acreage very much during the war for reasons of necessity, yet as soon as that necessity passed away we began a rapid and very drastic curtailment of our acreage in flax. It is an industry that we can not hope to establish—the flax industry—either in this country or in Canada, in my judgment—I mean except for food purposes, which is a different character of flax—and there is no use of trying to stimulate such an industry as that.

Mr. ROBINSON. Mr. President, I had before me the facts just brought to the attention of the Senate by the Senator from North Carolina and had expected to present them, but he has done so and I thank him. I want to make the statement, however, that I do not quite agree with his proposal that the necessity for increased production in flax has passed. I do agree with him—indeed, it was my original proposition—that this attempt will prove abortive, because the industry is of such a nature that it can not thrive in the United States under conditions which prevail here now, and which are likely to continue for many years, if not generations, to come.

Mr. SMOOT. Unless we have machinery to handle it.

Mr. ROBINSON. There have been some efforts made to produce machinery that will do part of the work which has been so well described in detail by the Senator from Kentucky [Mr. STANLEY]. But those efforts have not yet proven successful. They have so far apparently failed. Those who began the use of the machines during the period referred to by the Senator from North Carolina, in which there was an increased acreage in the United States in flax for fiber, have abandoned them, according to statements made before the Committee on Finance by Mr. Barbour, who appears to be fairly familiar with the conditions affecting the industry. But the nature of the culture of flax is such that it will be very difficult ever to invent machinery that will do the work of hackling, retting, and weeding.

I believe the Senator from Kentucky [Mr. STANLEY], who so admirably described the process of hackling and retting, did not go into a description of the work of cultivating the flax, which under present methods requires the pulling of weeds by hand. I do not say that in the progress of time some machinery may not be found that will be available for weeding, but until that machinery has been invented, and machinery invented that will successfully do the work of hackling, the United States will never have a well-developed flax-producing industry for fiber purposes. It is perfectly useless to waste the time of the Senate and the time of the country in an effort to stimulate the industry into such a degree of prosperity that it will become permanent.

The Senator from North Dakota, as I said in the beginning, complains that the emergency tariff law has depressed the flax industry in the United States. It was not affected by it directly, because there is no provision in the emergency tariff law relating to flax for fiber. I presume what he meant was that the emergency tariff had made more profitable other crops which are in a sense grown in competition with flax for fiber, and that as a result the flax crop had become less profitable, and therefore the acreage has decreased.

But, recurring now to the question of production, it appears from the Tariff Information Survey, which we are all using in the consideration of the bill, that in the pre-war years Russia had an annual production of 600,000 tons, one-half of which was exported. That constituted about 85 per cent of the world's flax. The remainder was produced in Austria-Hungary, France, Italy, Ireland, and Belgium. The Russian production declined as a result of the war to about one-tenth of the normal. The world acreage in flax for fiber in 1920 had fallen from 4,500,000 to 1,155,000 acres, or approximately one-third. Assuming that the normal acreage would be 4,500,000 acres, it is apparent that in 1920 the acreage throughout the world was less than one-third of the amount that it normally required.

It is not clear to me that the necessity for an increase in the production of flax has passed if the industry can be made profitable, but I do not think there is any way in the world, by placing the rate proposed by the Finance Committee or any other rate that the human mind can conceive, that will make the American people perform the labor that is required to be performed before this product can be successfully produced.

In view of the fact that other crops are much more profitable, much more easily produced, it is hopeless from the standpoint of protection to impose those duties in the belief or on the theory that they will result in a great flax industry in the United States. If you put the duty five times what it is proposed here, and therefore prohibit the importation, which you dare not do if you expect to produce in the United States the

commodities which are manufactured from flax, you still would have no flax fiber produced in this country. You would destroy the small domestic linen industry and compel the use of cotton and other substitutes for linen. The inevitable result, if we shut off the foreign supply by prohibitive rates of duty and fail to create and maintain a flax-fiber industry in the United States, would be to destroy the linen industry in the United States absolutely. So the practical thing to do is to recognize the laws of nature and the conditions which the progress of our civilization have imposed upon the industry and its development in the United States.

Mr. SIMMONS. Mr. President——

Mr. ROBINSON. I yield to the Senator from North Carolina.

Mr. SIMMONS. As a matter of fact, we have no linen in this country. We import 98 per cent of the linen that we consume.

Mr. ROBINSON. That is true.

Mr. SIMMONS. In order to establish the flax industry in this country we would not only have to impose, as the Senator said, a prohibitive duty upon the raw flax but we would have to impose a prohibitory duty upon the importation of the product of flax, linen, a product which we do not now make at all.

Mr. ROBINSON. That is, we do not make it to any great extent.

Mr. SIMMONS. That is true. If we impose a prohibitive duty upon both the linens that are made out of the flax and the flaxseed, we might possibly build up a linen industry and a flax industry in this country, but we would have to impose prohibitive duties upon both.

Mr. ROBINSON. There is one thing certain, that we can not build up the linen manufacturing business in the United States, admitting it to be small, as stated by the Senator from North Carolina, if we place a prohibitive duty upon the raw materials out of which linens may be manufactured. Why is the linen manufacturing industry in the United States so small now? It is because, with the domestic production and with the importations of linens that have been had, the supply of raw material has been inadequate and the labor required, both in producing the raw material and manufacturing it, is not attractive to our workers.

Mr. STANLEY. Mr. President, the Senator is covering the ground so thoroughly that I hesitate to interrupt him at all——

Mr. ROBINSON. I am glad to have the Senator from Kentucky do so.

Mr. STANLEY. I feel tempted to supplement his interesting statement with a suggestion that perhaps is not as good as what he is saying, but it strikes me right at that point to inquire, with all our legislation, our 8-hour laws and other legislation that has gone to the limit of our Federal tether to protect the health and personnel of the laboring people of the United States, why the committee should be bent upon establishing an industry that is notoriously the most unwholesome in all the textile world? Flax can not be woven except in the most moist surroundings. Every author on the subject has dwelt on that, and Professor Taussig, particularly, has dwelt at great length on the unwholesomeness of the work, it being necessary to perform it in an atmosphere so damp as almost to be a vapor. There is no industry, not even the silk industry, as I understand, in which the work is more unwholesome than in the flax business, from start to finish. The conditions that apply to the culture of flax go into the mill, into the spinning of flax.

Mr. SMOOT. I will say to the Senator that the Finance Committee made no change whatever in the House rates on flax. The only change which we made was on hemp and hemp tow.

Mr. ROBINSON. I pointed out that fact in the beginning.

Mr. SMOOT. But the Senator from Kentucky was speaking of flax.

Mr. ROBINSON. Yes; and I have been speaking of flax and so has the Senator from Utah been speaking of it.

Mr. STANLEY. If the Senator from Arkansas will pardon me a moment, I desire to say that there is no use, it is worse than useless, as the Senator from Utah will concede—for he is always fair—for us to attempt to raise flax if we are not going to spin it. We shall never raise flax fiber and ship it to Belgium or to Ireland to be spun over there in competition with the cheaper labor of Belgium and Ireland and other flax-spinning countries. We are going to produce linen, certainly, if we produce the raw product of the linen.

There is no reason to anticipate that even if we could raise flax fiber we should want to establish linen mills in this country. The work in cotton is cleaner and more wholesome, and the operatives are better paid. There is no reason why we should not exchange our commodities for the flax fiber and for the linen, which we may do to advantage. As the Senator from Arkansas [Mr. ROBINSON] has conclusively shown, the imposition of this proposed duty would be utterly indefensible if not absurd.

Mr. ROBINSON. Mr. President, I thank the Senator from Kentucky for the statement that he has just made. It reinforces the argument against the proposal which underlies this schedule both as to flax and hemp. As I shall attempt to show in a moment, the same argument applies with almost equal force to hemp. By the imposition of tariff duties the flax and hemp industry can not be made profitable in the United States in competition with other agricultural crops. In the first place, the people who are engaged in agriculture will not perform the labor. The only answer to be made to that is that the time may come when in the progress of science machinery will be invented to take the place of this grinding and insanitary toil, which the American people will not perform and which I do not want to see them perform; but, so far, such machinery has not been invented, and such machinery as has been invented has thus far proved unsuccessful.

I think the better policy is the policy of the Underwood law, to put flax and hemp on the free list. In doing that, we should not sacrifice any promising industry in the United States, because no such industry exists.

I now go back and quote in part the figures given by the Senator from North Carolina [Mr. SIMMONS] awhile ago. The whole American acreage in fiber for flax purposes in 1911 under the Payne-Aldrich law, when the rates were protective, was 2,240; in 1914 it was 1,100. It had fallen off one-half, but the original amount was so small as not to make the decline in acreage of very material importance. In 1918 the acreage had increased to 4,300, in 1920 it was 6,090, and in 1921 it was 1,525.

Through all those years, with the demand constantly increasing, with the commodities manufactured from flax growing more and more useful, the acreage in flax for fiber in the United States in 1921 was approximately what it was in 1911, and scarcely more than it was in 1914.

Now, with respect to hemp, everything that has been said about the production of flax and the effect of high duties on importations of flax applies with almost equal force to hemp. The committee evidently were not greatly impressed with the theory of the Senator from North Dakota [Mr. LADD] that by the imposition of a protective duty on flax for fiber a great industry could be developed in the United States, because they did not change the House rates, but they did make very material changes in the House rates on hemp. I have found, however, very little if any more justification for that action than would have applied to an increase in the rates of flax.

The House rate on hemp is three-fourths of 1 cent per pound. The Committee on Finance of the Senate has recommended that it be increased to 2 cents a pound. Under the Underwood law, as everyone understands, hemp like flax was on the free list. The chief uses of hemp are for cordage material and in coarse fabrics and carpeting.

Mr. HITCHCOCK. Mr. President——

The PRESIDING OFFICER (Mr. ODDIE in the chair). Does the Senator from Arkansas yield to the Senator from Nebraska?

Mr. ROBINSON. I yield to the Senator from Nebraska.

Mr. HITCHCOCK. The figures given by the Senator appear to be subsequent to 1911. I should like to ask him whether he has examined the figures during the high protective years of the Payne-Aldrich tariff law?

Mr. ROBINSON. During the year 1911 the Payne-Aldrich law was in operation.

Mr. HITCHCOCK. Yes; that was one year.

Mr. ROBINSON. Yes.

Mr. HITCHCOCK. But there were four or five years of high protection. Was there any development or progress during that period?

Mr. ROBINSON. No. As I stated a few moments ago, one year the acreage would double, and the next year it would fall off; and, while there was some increase under the Payne-Aldrich Act, it was not material from the standpoint of the necessities of the country for flax fiber. Such development as occurred at no time supplied anything like the domestic demand.

We have always, even under the Payne-Aldrich Act, depended upon importations for our principal supply, and under this bill we will do the same thing.

There is some acreage in Wisconsin in flax. The American acreage in fiber flax is confined principally to Michigan, Minnesota, Wisconsin, Oregon, and a small acreage in Maryland; but this area is very small, and nothing has been brought to my knowledge which indicates that it will be greatly increased, no matter what rates of tariff may be imposed on importations.

It is not an American industry; it is not an industry that does or can thrive in competition with other agricultural industries. The American people will not perform the labor that is necessary to be performed in order to produce this crop.

The production of hemp in the United States prior to the war averaged about 6,000 tons per annum, or 1 per cent of the world's production. In 1918 it was 9,375 tons, and in 1921 it had fallen to 3,420 tons, showing that the same economic law applies to the production of hemp in the United States that applies to the production of flax.

The production of hemp on a large scale in this country has been curtailed, not by foreign competition but by inability to compete with our established crops, owing to the relatively large amount of skilled and hand labor involved. Our imports have been supplementary rather than competitive. The bulk of the imports is of better quality than can be efficiently produced in the United States. In the face of the growing world demand for agricultural products for which no substitute can be found and which permit of the liberal use of labor-saving machinery, it seems highly improbable that the American farmer will turn from other agricultural production to the production of hemp.

The average imports of hemp for the period 1910 to 1913 were 6,000 tons, and for 1914 to 1918, in spite of greatly increased war demands, imports averaged only 7,800 tons. Imports in 1920 were about 7,000 tons, and in 1921 slightly less than 6,000 tons. The average annual consumption of hemp in the United States is about 12,000 tons.

In view of these facts, what is the reason for the effort in this bill to take hemp from the free list and place it on the dutiable list? What is the justification for the action of the Finance Committee in more than doubling the rates proposed by the House on hemp? The rates proposed by the committee are more than double the rates under the Payne-Aldrich Tariff Act.

With respect to the second amendment in that paragraph—hackled hemp, including "line of hemp"—the House rate, 1½ cents per pound, is to be superseded by the committee proposal of 4 cents per pound. Under the Payne-Aldrich Act, hackled hemp carried a duty of $45 per ton, the equivalent of about 2 cents per pound.

The importations of hackled hemp have been negligible. In 1910 they amounted to 45 tons; in 1911, 105 tons; in 1912, 162 tons; in 1913, 209 tons; in 1914, 450 tons; in 1915, 466 tons; in 1916, 1,613 tons; in 1917 the importations fell back to 751 tons; in 1918 still further to 335 tons; in 1919, 255 tons; in 1920, 250 tons; and in 1921 the amount was 881 tons.

In view of the small importations and the increased demand for this commodity, I am unable to understand the justification for putting hemp on the dutiable list at all; much less can I find a justification for the very high rate proposed by the Senate Finance Committee.

I inquire of the Senator from Utah—I see that he has left the Chamber, however, so I will ask the Senator from North Dakota—whether the amendments to this schedule, of which a large number were submitted for printing a while ago, embrace modifications of the committee rates in this paragraph?

Mr. McCUMBER. I think so.

Mr. ROBINSON. Can the Senator state what they are?

Mr. McCUMBER. The expert says there are no amendments to the committee amendments in this paragraph.

Mr. ROBINSON. This proceeding illustrates the advisability of publishing the committee amendments in advance of considering the schedules as we reach them. The Senator from Utah is not now present, but I think these amendments, whatever they are, should have been given to the Senate and printed before the schedule itself was reached. The Senator from North Dakota was under the impression that the committee had proposed to reduce or change the amendments which it had first submitted to this paragraph. The expert informs him that the amendments submitted by the Senator from Utah do not embrace any alterations in the pending paragraph.

Mr. McCUMBER. No; they do not change the alterations which the committee made in the pending paragraph.

Mr. ROBINSON. No. It was my understanding of the statement that the Senator last made that the new amendments do not relate to this paragraph. As to this particular paragraph, the committee stands on its action in reporting an amendment raising to 2 cents a pound the three-fourths of 1 cent in line 1 on page 132, and raising to 4 cents a pound the 1½ cents a pound in line 3 on page 132.

Mr. President, if it is perfectly apparent under conditions now existing and likely to continue that it is impossible, even undesirable, to develop in the United States this industry, why should we burden it with heavy rates of duty? What benefit will come to the people of the United States from the imposition of this high tax? The proposal to increase rates on agricultural products has been very popular in the Senate, and I have felt some sympathy with any policy which is calculated to encourage and to develop and stabilize conditions in agriculture; but in so far as the production of flax for fiber and the production of hemp in the United States is concerned, I have said repeatedly that it is neither desirable nor probable that such an industry, under existing conditions, may be developed.

I should prefer that the unfortunate laborers of Russia, who by centuries of experience have been trained to the performance of this difficult, un-American, unremunerative, and insanitary toil, should continue to do it. But whatever may be the purpose of Senators respecting the subject, I have not the slightest idea that any persons now engaged in agriculture in the United States or likely to become engaged in that occupation during the lifetime of the present generation will surrender their aspirations and their lives to the conditions of toil which under the evidence in this case are shown to surround the production of flax for fiber and the production of hemp. It is a waste of time, accomplishing no good, to try to put flax and hemp production in competition with other agricultural crops in the United States, which experience has shown may be more readily, more easily, and more profitably produced. By imposing these rates you are not creating a new industry; you are not stabilizing or making permanent an old one. You are complicating the already difficult conditions which surround the use of the necessary articles which are manufactured from flax and from hemp.

In this view of the facts it is my intention to propose an amendment to the committee amendment, and if under the parliamentary status I were at liberty to do so I would test the sense of the Senate at this time on whether the principle of protection which has been created and developed in the economic history of this country is to be made applicable to the industries of hemp growing and flax growing in the United States; but as that can not be done under the parliamentary situation, I propose, in lieu of the committee amendment, to strike out "2 cents" and insert "one-fourth of 1 cent."

Mr. McCUMBER. Mr. President, the Senator from Arkansas just asked me a question with reference to the amendments offered by the Senator from Utah [Mr. SMOOT]. When he asked me the question, I supposed that he referred to the entire list of amendments, and while the entire list of amendments does not change the amendments in the particular paragraph that the Senator had under discussion it does change the committee amendments in other paragraphs in the schedule.

Mr. ROBINSON. I understood the Senator.

Mr. McCUMBER. When I answered, I supposed he had reference to the entire schedule and not the particular paragraph.

Mr. ROBINSON. I asked about this particular paragraph.

Mr. McCUMBER. It was my misunderstanding.

Mr. President, the Senator from Wisconsin [Mr. LA FOLLETTE] presented this matter to the committee on behalf of the hemp growers in the United States. I have the correspondence, which was sent up by his secretary to me, from the Agricultural College of Wisconsin, which goes very fully into every feature of this matter; but as there are five letters, and they are somewhat lengthy, and I desire to have them read so that Senators will understand the matter, I shall not ask that we take them up this evening; but if the Senator from Wisconsin is not here to-morrow I shall take the liberty of presenting and having read those letters, which are very elucidating upon the entire subject.

I think the Senator from Pennsylvania [Mr. PEPPER] desires to present a matter.

Mr. SIMMONS. Mr. President, before the Senator from Pennsylvania does that, the Senator from Nebraska [Mr. HITCHCOCK] asked the Senator from Arkansas for some information with reference to hemp production before the war—that is, anterior to 1914. At the request of the Senator from Arkansas I have been attempting to look up that information, and I find the production of hemp in 1899 and 1909 only. I find that the acreage of hemp planted in this country in 1899 was 16,042 acres and in 1909, nine years afterward, only 7,647 acres, or a falling off of 52 per cent—that is to say, the acreage in 1899 was, I think, something about the same as it is now.

I read from the Tariff Summary, on page 903, the statement that—

> In 1921 Wisconsin reported about two-thirds and Kentucky about three-tenths of the 11,000 acres devoted to hemp.

So that it would appear that in 1899 there was 16,000 acres devoted to hemp and in 1921 only 11,000 acres devoted to hemp.

Mr. STANLEY. Mr. President, one question right there: Does that include both seed hemp and fiber hemp?

Mr. SIMMONS. No; I think that refers only to fiber hemp.

Mr. ROBINSON. I understood the Senator from Nebraska to ask for the production of flax under the Payne-Aldrich law.

Mr. SIMMONS. I thought he asked for the figures as to both flax and hemp. I have not been able to find any statement as to the production of flax for fiber. I find the production of flax for seed. I suppose that before 1909 the production of flax for fiber was so small that it was not reported.

Mr. ROBINSON. It has never been considerable.

Mr. SIMMONS. It is not reported.

Mr. ROBINSON. I gave the amount for 1911, which was a time when the Payne-Aldrich rate was in effect.

SESQUICENTENNIAL CELEBRATION AT PHILADELPHIA IN 1926.

Mr. PEPPER. Mr. President, I ask unanimous consent for the present consideration of House Joint Resolution 170, to approve the holding of a national and international exhibition in the city of Philadelphia in 1926 upon the Fairmount Park and parkway site selected by the Sesquicentennial Exhibition Association, and lands contiguous thereto that may be acquired for that purpose, as an appropriate celebration of the one hundred and fiftieth anniversary of the signing of the Declaration of Independence. I think the joint resolution will occasion no debate. It has been reported favorably by the Committee on Foreign Relations, and I ask unanimous consent for the immediate consideration and disposition of it.

Mr. OVERMAN. Let it be read.

The PRESIDING OFFICER. The Secretary will read the joint resolution.

The joint resolution was read as follows:

Whereas preliminary steps have been taken by the mayor and council and a citizens' committee of Philadelphia to celebrate in that city in 1926 the one hundred and fiftieth anniversary of the signing of the Declaration of Independence by holding an exhibition in which it is expected that the various States of the Union, the Federal Government, and all the nations of the world will be represented; and

Whereas the Legislature of the Commonwealth of Pennsylvania unanimously passed a resolution April 28, 1921, that the Commonwealth should prepare for and participate in such sesquicentennial celebration by making a suitable exhibit therein on the part of the Commonwealth, and requested that the Federal Government should approve the holding of such an exhibition in Philadelphia in 1926 and that appropriate steps should be taken to invite the participation and cooperation of the States of the Union and the nations of the world; and

Whereas the Governor of the Commonwealth of Pennsylvania, in the name and by the authority of that Commonwealth, has issued letters patent incorporating the Sesquicentennial Exhibition Association, May 9, 1921, for the purpose of educating the public by exhibiting artistic, mechanical, agricultural, and horticultural products and providing public instruction in the arts and sciences, thereby celebrating the one hundred and fiftieth anniversary of the signing of the Declaration of Independence by holding in the city of Philadelphia, in the State of Pennsylvania, an exhibition of the progress of the United States in art, science, and industry, in trade and commerce, and in the development of the products of the air, the soil, the mine, the forest, and the seas, to which exhibition the people of all other nations shall be invited to contribute evidences of their own progress to the end that better international understanding and more intimate commercial relationships may hasten the coming of universal peace: Therefore be it

Resolved, etc., That the holding of a national and international exhibition in the city of Philadelphia in 1926 upon the Fairmount Park and parkway site selected by the Sesquicentennial Exhibition Association and land contiguous thereto which may be acquired for that purpose be approved as an appropriate celebration of the one hundred and fiftieth anniversary of the signing of the Declaration of Independence, and that such steps be taken as the President may deem proper to invite the participation and cooperation of the States of the Union and the nations of the world.

SEC. 2. That a copy of this resolution be forwarded to all the States of the Union requesting cooperation upon their part.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution.

Mr. KING. May I inquire of the Senator from Pennsylvania whether he expects to ask for and obtain an appropriation from the Federal Government to aid in carrying out the purposes expressed in the joint resolution?

Mr. PEPPER. Mr. President, I have no expectation on the subject. I was asked by this influential and authoritative organization in Philadelphia to present the matter for the consideration of the Senate. My own expectation would be, following the course of such matters in the past, that if and when adequate financial support is provided by State and city, and there is demanded a more extensive participation by other States and by other nations than they can finance, there will be at some stage an application to Congress for a grant; but there is no implication of such a step here, and I am not authorized to state either that there will or will not be any such step taken. I am answering the Senator out of the experience we all have had regarding similar exhibitions.

Mr. KING. Has the organization which has been created by the Governor of the Commonwealth of Pennsylvania, as I read this resolution, considered the probability of appropriations, and has it figured upon the amount to be expended by the Commonwealth, by the Federal Government, and by the States?

Mr. PEPPER. No; there has been no estimate or computation, so far as I know, of any sum which the Federal Government would at any time be expected to appropriate. It is intended that very large sums shall be raised locally by voluntary gift, that large appropriations shall be made by the city of Philadelphia, and liberal appropriations by the State of Pennsylvania. No computation or estimate has been made of any aid to be required from the Congress.

Mr. KING. I shall not object to the passage of the joint resolution, although it seems to me that the situation is rather nebulous, and that we are, in the language of the street, getting the horse before the cart. It would occur to me that the practical and advisable course would have been to determine upon holding the celebration, determine the expenditures to be made, obtain such appropriations from the State and from the city as were deemed necessary and fair, solicit the States for appropriations, and then ask the Federal Government for an appropriation. It looks to me now as if you are getting the Federal Government committed to this enterprise without the slightest knowledge as to what the ultimate cost will be.

Mr. OVERMAN. I do not understand that it commits Congress to any appropriation.

Mr. PEPPER. No; it does not; and if I had ventured to place the horse anywhere except before the cart, I should feel that I had done something unworthy of the consideration of the Senate. We have attempted to follow the usual procedure in this matter, and I hope the motive power will be sufficient to carry it.

Mr. KING. My good friend the Senator from North Carolina says this does not commit us. I respectfully suggest that if the Federal Government invites other nations and invites the States, there is a moral obligation upon the part of the Federal Government to back this enterprise to the end. I would feel ashamed if the President of the United States should invite other nations, and they should respond, and then the Federal Government would withdraw from the enterprise.

Mr. OVERMAN. Mr. President, I have no doubt that the United States Government will be requested to make a display, as it does at all such exhibitions, and that will require a large appropriation. The Government will do it; but, so far as making an appropriation of one million or two million or three million or ten million for the exhibition, I do not think the Senator will expect that. I think the expectation is that each State will contribute to the display, and of course when each State does, the United States will display its resources as it usually does; but no extraordinary appropriation, as I understand it, will be asked or expected by the proponents of the joint resolution.

Mr. ROBINSON. Mr. President, the celebration of the one hundred and fiftieth anniversary of the signing of the Declaration of Independence is a worthy recognition of the circumstances which gave birth to this Nation. It is, of course, appropriate that the celebration should occur in the city of Philadelphia, and, for my part, fully appreciating the fact that the joint resolution implies participation on the part of the United States in the celebration, and that that will require the expenditure of a reasonable sum commensurate with the importance of the occasion and of the incident which it commemorates, I am very glad to commit myself to the measure.

Mr. McCUMBER. And the Senator can be quite certain, Mr. President, that in due and proper time there will be a bill introduced proposing to make an appropriation on behalf of the Government, and all Senators present at that time will vote for it.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

DIPLOMATIC REPRESENTATION AT LUXEMBURG (S. DOC. NO. 235).

The PRESIDING OFFICER (Mr. ODDIE in the chair) laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying papers, ordered to be printed and referred to the Committee on Foreign Relations:

The Senate and House of Representatives:

I transmit a report by the Secretary of State in regard to the advisability of transferring United States diplomatic representation at Luxemburg from the minister at The Hague to the ambassador at Brussels, on account of the economical union which has been established between Belgium and Luxemburg by treaty.

I concur in the recommendation of the Secretary of State that legislation be enacted which will enable this to be done, and in view of the reason advanced and the further fact that all the other Governments having diplomatic representation at Luxemburg, except Portugal, have made the transfer, I request of

Congress early action that in place of an "envoy extraordinary and minister plenipotentiary to the Netherlands and Luxemburg" and an "ambassador extraordinary and plenipotentiary to Belgium," as at present, will provide for an "envoy extraordinary and minister plenipotentiary to the Netherlands" and an "ambassador extraordinary and plenipotentiary to Belgium, who shall also be envoy extraordinary and minister plenipotentiary to Luxemburg."

WARREN G. HARDING.

THE WHITE HOUSE,
Washington, July 18, 1922.

EXECUTIVE SESSION.

Mr. McCUMBER. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session, the doors were reopened, and (at 6 o'clock and 5 minutes p. m.) the Senate, under the order previously made, took a recess until to-morrow, Wednesday, July 19, 1922, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate July 18 (legislative day of April 20), 1922.

COLLECTORS OF CUSTOMS.

John A. Royse, of Indianapolis, Ind., to be collector of customs for customs collection district No. 40, with headquarters at Indianapolis, Ind., in place of James H. Fry, whose term of office expired July 15, 1922.

S. M. Parker, of Charleston, S. C., to be collector of customs for customs collection district No. 16, with headquarters at Charleston, S. C., in place of Frederick G. Peters, whose term of office expired July 15, 1922.

UNITED STATES DISTRICT JUDGE.

Robert M. Gibson, of Pennsylvania, to be United States district judge, western district of Pennsylvania, vice Charles P. Orr, deceased.

UNITED STATES MARSHAL.

Harry S. Hubbard, of Porto Rico, to be United States marshal, district of Porto Rico, vice William R. Bennett, resigned.

MEMBER OF MISSISSIPPI RIVER COMMISSION.

Col. George M. Hoffman, Corps of Engineers, United States Army, for appointment as member of the Mississippi River Commission, vice Col. Harry Burgess, Corps of Engineers, to be relieved.

POSTMASTERS.

ALABAMA.

Levi A. Knapp to be postmaster at Auburn, Ala., in place of W. V. Jones. Incumbent's commission expired August 6, 1921.

ARKANSAS.

Ocie E. Mathis to be postmaster at Hackett, Ark. Office became presidential January 1, 1921.

CALIFORNIA.

Roscoe E. Watts to be postmaster at Rialto, Calif., in place of L. M. Stewart, resigned.

CONNECTICUT.

Carleton W. Tyler to be postmaster at Southbury, Conn. Office became presidential July 1, 1922.

ILLINOIS.

Sherman G. Jackson to be postmaster at Forest City, Ill. Office became presidential April 1, 1922.

Ella L. Widicus to be postmaster at St. Jacob, Ill. Office became presidential April 1, 1922.

Frank C. Krans to be postmaster at Altona, Ill., in place of F. E. Sheahan, deceased.

Byron C. Colborn to be postmaster at Peoria, Ill., in place of C. U. Stone, resigned.

IOWA.

Frank M. Hood to be postmaster at Sergeant Bluff, Iowa. Office became presidential October 1, 1920.

KANSAS.

Clarence W. Sharp to be postmaster at Virgil, Kans. Office became presidential July 1, 1922.

Hiram A. Gilmore to be postmaster at Howard, Kans., in place of B. W. Hamar, resigned.

John H. O'Connor to be postmaster at Winfield, Kans., in place of E. L. Hepler. Incumbent's commission expired February 4, 1922.

KENTUCKY.

Andy M. Smith to be postmaster at McHenry, Ky. Office became presidential July 1, 1921.

Della McKinney to be postmaster at Fleming, Ky., in place of T. L. Riley, resigned.

MARYLAND.

Lewis Keiser to be postmaster at Bethesda, Md. Office became presidential January 1, 1922.

MASSACHUSETTS.

Louise S. Snow to be postmaster at Middleton, Mass. Office became presidential April 1, 1922.

Myra G. Jordan to be postmaster at West Upton, Mass., in place of M. G. Jordan. Incumbent's commission expired June 3, 1922.

MICHIGAN.

Holger F. Peterson to be postmaster at Grayling, Mich., in place of H. F. Peterson. Incumbent's commission expired April 6, 1922.

MINNESOTA.

Thorvald H. Froslee to be postmaster at Vining, Minn. Office became presidential July 1, 1922.

MONTANA.

John J. Pietila to be postmaster at Roberts, Mont., in place of Lydia Elstad, resigned.

NEW JERSEY.

John A. Campbell to be postmaster at Highwood, N. J., in place of J. A. Campbell. Incumbent's commission expired January 24, 1922.

NEW YORK.

Maurice M. Parker to be postmaster at Deferiet, N. Y. Office became presidential July 1, 1922.

John C. Banschbach to be postmaster at Hicksville, N. Y., in place of John Puvogel. Incumbent's commission expired January 24, 1922.

Charles H. Betts to be postmaster at Lyons, N. Y., in place of E. J. Smith. Incumbent's commission expired January 11, 1920.

NORTH CAROLINA.

Robert L. Strowd to be postmaster at Chapel Hill, N. C., in place of R. S. McRae, deceased.

Oscar R. Simpson to be postmaster at Duke, N. C., in place of E. S. Yarbrough, resigned.

Clarence C. Rowe to be postmaster at Spray, N. C., in place of L. M. Sheffield. Incumbent's commission expired July 21, 1921.

NORTH DAKOTA.

William S. Hancock to be postmaster at Edgeley, N. Dak., in place of W. W. Anderson, resigned.

OKLAHOMA.

Joseph C. Eversole to be postmaster at Grandfield, Okla., in place of W. H. Whiddon, removed.

Warden F. Rollins to be postmaster at Noble, Okla., in place of J. H. Brasher, resigned.

OREGON.

Glenn D. Withrow to be postmaster at Talent, Oreg. Office became presidential July 1, 1921.

Flora B. Thompson to be postmaster at Jacksonville, Oreg., in place of Lewis Ulrich, resigned.

Bernhard L. Hagemann to be postmaster at Milwaukie, Oreg., in place of B. L. Hagemann. Incumbent's commission expired January 24, 1922.

PENNSYLVANIA.

Charles F. De Labar to be postmaster at Riegelsville, Pa. Office became presidential January 1, 1921.

Louis O. Mellinger to be postmaster at Slickville, Pa. Office became presidential July 1, 1922.

William E. Reed to be postmaster at Duquesne, Pa., in place of M. G. Conlin, resigned.

Thomas V. Diffendafer to be postmaster at Millerstown, Pa., in place of H. W. Rinehart. Incumbent's commission expired March 14, 1922.

James S. Young to be postmaster at Reedsville, Pa., in place of J. C. Werts. Incumbent's commission expired January 24, 1922.

SOUTH CAROLINA.

Edward H. Jennings to be postmaster at Charleston, S. C., in place of J. M. Poulnot, resigned.

TEXAS.

Wallace C. Wilson to be postmaster at McKinney, Tex., in place of N. A. Burton. Incumbent's commission expired July 21, 1921.

John E. Carson to be postmaster at San Saba, Tex., in place of J. W. Longley, resigned.

VIRGINIA.

Manley W. Carter to be postmaster at Orange, Va., in place of H. G. Shackelford. Incumbent's commission expired January 24, 1922.

Albert L. Taylor to be postmaster at Parksley, Va., in place of J. S. Scott. Incumbent's commission expired January 24, 1922.

WASHINGTON.

Thurston B. Stidham to be postmaster at Doty, Wash. Office became presidential July 1, 1922.

WISCONSIN.

William Kotvis to be postmaster at Hillsboro, Wis., in place of F. A. Ferriter. Incumbent's commission expired January 24, 1922.

Allen W. Wiggin to be postmaster at Plymouth, Wis., in place of G. W. Schiereck. Incumbent's commission expired August 3, 1920.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 18 (legislative day of April 20), 1922.

UNITED STATES DISTRICT JUDGE.

James H. Wilkerson to be United States district judge northern district of Illinois.

REGISTER OF THE LAND OFFICE.

Fred C. Stoddard to be register of the land office, Missoula, Mont.

POSTMASTERS.

GEORGIA.

Paul L. Smith, Athens.

NEBRASKA.

Hugh E. Mallory, Litchfield.
Clyde S. Burkerd, Shelton.

OKLAHOMA.

Bessie A. Porter, Buffalo.
Henry L. Wallace, Calvin.

SENATE.

WEDNESDAY, *July 19, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

THE COAL SITUATION.

Mr. WILLIS. I present a resolution adopted by the Columbus (Ohio) Chamber of Commerce, relative to the coal situation. I ask that it be referred to the Committee on Education and Labor and printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Education and Labor and ordered to be printed in the RECORD, as follows:

Resolution adopted by the Columbus Chamber of Commerce, Columbus, Ohio, July 14, 1922.

Whereas the industrial situation of the country is rapidly approaching a breakdown by reason of the long-continued cessation in the production of coal and the more recent interference with rail transportation between the only remaining important coal-producing area and the great markets of the country; and

Whereas this industrial disturbance will with very little further continuance be translated into direct public suffering with attendant dangers of riots, destruction of property, and loss of life, which may conceivably be brought home to every man, woman, and child in the country; and

Whereas whatever the merits of the wage dispute and other points at issue between striking railroad men and railroads may be, the people, through the Government, have provided both general and specific methods of settling such disputes in a fair and lawful manner, and the public is entitled to have such disputes settled without recourse to ruinous conflicts like the present: Therefore be it

Resolved, (1) That the Government of the United States and of the several States from the President down to the lowest official be urged to fully perform their duty in upholding the majesty of the Constitution and the law and in securing and preserving to each and every citizen the right to live, labor, and pursue happiness under the law, and to enjoy protection in the exercise of this right.

(2) That all persons who are responsible for or implicated in the creation or maintenance of these disturbed and dangerous conditions in defiance of the laws of the land and contrary to the decisions of the duly constituted agencies for settling such disputes be warned that no Government based upon such methods has ever succeeded, and that they will go down with everyone else in general ruin if their contest against lawful methods should succeed.

(3) That all persons who in any position are loyally continuing in their duty fulfilling their obligation to the public by continuing at their work with certain danger of humiliation and annoyance and often at risk of bodily injury or loss of life should receive the fullest moral support and physical backing of all good citizens whose comforts are being maintained by their sacrifice.

(4) That in this country the decision in all crises depends upon the moral force and the intellectual judgment of the people. No class or group can make this people do what they do not wish to do, nor can any official, high or low, refuse his duty when an active public conscience is awakened and insistent. Therefore it is the duty of every citizen in this present emergency to take thought of his own personal share in the maintenance of the rights and liberties which are his heritage from 150 years of American citizenship and be ready by influence or force to protect and defend that heritage.

EDWARD ORTON, Jr., *President.*

A true copy.

J. T. DANIELS, *Secretary.*

PETITIONS AND MEMORIALS.

Mr. ROBINSON presented a resolution of the Fort Smith (Ark.) Chamber of Commerce, favoring peaceful settlement of the present railroad strike and full law enforcement against interference with the rights of all persons involved in the situation, which was referred to the Committee on Interstate Commerce.

Mr. McCUMBER presented resolutions of the Fargo (N. Dak.) Trades and Labor Assembly, protesting against the enactment of legislation that may take from a citizen the right to cease employment at will, which were referred to the Committee on Education and Labor.

He also presented a petition of sundry citizens of North Dakota, constituting the governor's committee on rural problems, located at Grand Forks, N. Dak., favoring the enactment of legislation further stabilizing prices of farm products, which was referred to the Committee on Agriculture and Forestry.

He also presented petitions of sundry citizens of Merricourt, Kulm, Forbes, Norma, and Kenmare, all in the State of North Dakota, praying for the enactment of legislation reviving the United States Grain Corporation, so as to stabilize prices of certain farm products, which were referred to the Committee on Agriculture and Forestry.

Mr. MOSES presented petitions of sundry citizens of Ashland, Plymouth, and Manchester, all in the State of New Hampshire, praying that only a moderate duty be imposed on lightweight gloves in the pending tariff bill, which were referred to the Committee on Finance.

He also presented a memorial of sundry citizens of West Ossipee, Mountainview, Ossipee Valley, Tamworth, South Tamworth, and Dover, all in the State of New Hampshire, remonstrating against the passage of Senate bill 2747, the so-called McNary cooperative reclamation bill, which was referred to the Committee on Irrigation and Reclamation.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McCUMBER:

A bill (S. 3844) to exempt interest on farm-land securities from taxation under the revenue act of 1921;

A bill (S. 3845) to amend an act entitled "An act to establish a Veterans' Bureau and to improve the facilities and service of such bureau, and further to amend and modify the war risk insurance act," approved August 9, 1921 (with an accompanying paper); and

A bill (S. 3846) to amend an act entitled "An act to establish a Veterans' Bureau and to improve the facilities and service of such bureau, and further to amend and modify the war risk insurance act," approved August 9, 1921 (with accompanying papers); to the Committee on Finance.

By Mr. POMERENE:

A bill (S. 3847) to provide for mothers' pensions in the District of Columbia; to the Committee on the District of Columbia.

By Mr. SMITH:

A bill (S. 3848) for the relief of the heirs of Richard Reynolds, deceased;

A bill (S. 3849) for the relief of Robert J. Kirk; and

A bill (S. 3850) for the relief of Sidney C. Snelgrove; to the Committee on Claims.

By Mr. RANSDELL:

A bill (S. 3851) to repeal certain provisions of Public Resolution 50, Sixty-seventh Congress, approved April 21, 1922, appropriating $1,000,000 for the preservation, protection, and repair of levees under the jurisdiction of the Mississippi River Commission; to the Committee on Appropriations.

By Mr. SHORTRIDGE:

A joint resolution (S. J. Res. 226) authorizing the acceptance of title to certain land within the Shasta National Forest, Calif.; to the Committee on Agriculture and Forestry.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. GOODING obtained the floor.

Mr. MCNARY. Mr. President——

Mr. GOODING. I yield to the Senator from Oregon.

Mr. MCNARY. There are but few Senators here this morning. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Gooding	McLean	Sheppard
Borah	Hale	McNary	Shortridge
Brandegee	Heflin	Moses	Simmons
Broussard	Hitchcock	Nelson	Smith
Calder	Johnson	New	Smoot
Capper	Jones, N. Mex.	Newberry	Spencer
Caraway	Jones, Wash.	Nicholson	Stanley
Culberson	Kellogg	Norbeck	Sterling
Cummins	Kendrick	Oddie	Trammell
Curtis	Keyes	Overman	Underwood
Dial	Ladd	Pepper	Walsh, Mass.
du Pont	Lenroot	Phipps	Walsh, Mont.
Elkins	Lodge	Pomerene	Watson, Ind.
Ernst	McCormick	Ransdell	Willis
Fernald	McCumber	Rawson	
Glass	McKinley	Robinson	

Mr. UNDERWOOD. I wish to announce that the Senator from Georgia [Mr. WATSON] is detained on account of illness, and that the Senator from Nevada [Mr. PITTMAN] is detained by reason of illness in his family.

The VICE PRESIDENT. Sixty-two Senators have answered to their names. A quorum is present.

Mr. STANLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Kentucky?

Mr. GOODING. I yield to the Senator from Kentucky, if it is a matter which will not take up any time.

Mr. STANLEY. I shall not take more than half a minute. I thank the Senator from Idaho.

Mr. President, as indicative of the unanimity with which the press of the United States, without regard to party, has spewed the pending tariff bill out of its mouth, I send to the desk a letter just received from Mr. C. F. Gladfelter, general manager of the Louisville Herald. This is one of a group of papers known as "the Schaffer group," headed by John C. Schaffer, editor and publisher. The syndicate includes the Louisville Herald, the Chicago Evening Post, the Indianapolis Star, the Rocky Mountain News, the Denver Times, the Terre Haute Star, and the Muncie Star. These papers, which were at one time inclined at least to apologize for this bill, have at last deserted the ship, and now Mr. Gladfelter writes me a letter asking me to vote against the measure—H. R. 7456. I send to the desk the letter, which is very short, together with a copy of my reply, and ask that they may be read.

The VICE PRESIDENT. Without objection, the letters will be read as requested.

The reading clerk read as follows:

THE LOUISVILLE HERALD,
July 17, 1922.

Senator A. O. STANLEY,
Washington, D. C.

DEAR SENATOR: I am advised that H. R. 7456 will come up for final vote in the Senate within the next week or 10 days.

The newspapers of this country are vitally interested in paragraph 1300, schedule 13, and I am sure they would appreciate it very much indeed if you would be present when the vote is cast and register your vote against the measure.

Thanking you for your consideration, I am,

Yours very truly,

C. F. GLADFELTER.

JULY 19, 1922.

Mr. C. F. GLADFELTER,
General Manager the Louisville Herald,
Louisville, Ky.

MY DEAR MR. GLADFELTER: Your favor of recent date to hand in re H. R. 7456, paragraph 1300, schedule 13.

It affords me genuine pleasure to advise you that I heartily concur with the press in their opposition to this measure and the schedules mentioned, and shall be glad to vote against it.

Yours very truly,

A. O. STANLEY.

Mr. NEW. Mr. President, just a moment.

Mr. GOODING. I yield.

Mr. NEW. I have listened to the list of newspapers read by the Senator from Kentucky. It is truly an imposing array, but all, however, are owned by one man and represent his individual opinion.

Mr. STANLEY. Mr. President——

Mr. GOODING. Mr. President, I decline to yield any further for political speeches.

The VICE PRESIDENT. The Senator from Idaho has the floor and will proceed.

Mr. GOODING. Mr. President, nations, like individuals, have their birth, their youth, their manhood, and their old age. Our country is now passing from its youth into its early manhood. There is yet much to be done before it reaches its full greatness as a nation. But we are no longer a new country; the frontier, with its adventures, its fascinations, its hardships, and its privations, has passed away, and we have reached a new milestone in the life of this Nation.

Mr. President, the great work of the American pioneer is over. Nowhere in all the history of civilization can there be found anything to compare with the part that he has played in the building of this mighty empire. He endured the hardships and privations of a pioneer life, and made it possible for those who followed him in later years to enjoy peace, prosperity, and happiness. He cleared away the forests, drained the swamps, built the roads, subdued the desert, and made a thousand blades of grass grow where none grew before.

No trail was too long, too hard, or too dangerous for him to follow. Out into the mighty West he pushed on, undaunted and unafraid, at times a law unto himself, hundreds of miles away from an organized government; but through it all he never forgot those principles of American manhood, respect for womanhood, motherhood, and christianity, without which no government can long endure or civilization exist.

All honor to the American pioneers, for they not only made possible the settlement and development of this mighty empire, but they left behind them a citizenship full of the virile forces of American manhood that has made this country the greatest factor in all the world to-day.

Mr. President, within the lifetime of a Member of this Congress, the Hon. JOSEPH G. CANNON, of Illinois, the city of Chicago was but little more than an Indian trading post, an unincorporated village, with a population of but 3,000. Within the lifetime of "Uncle Joe," as we all love to call him, all the vast empire west of the Mississippi has been settled. Within my lifetime most of the territory west of the Missouri River has been settled by the homesteader, as well as most of the great pine forests of Michigan, Minnesota, and Wisconsin, and all the transcontinental railroads have been built.

Mr. President, the last chapter of the achievements of the American pioneer can now be written, for at no place on American soil is there a frontier, and it can be said, without fear of successful contradiction, that nowhere in the great West is there any land left for the homesteader. I believe it is safe to say that there is not a homestead of 160 acres left anywhere in any of the public-land States where it is safe for a man to take his family and try to make a living.

Hundreds of thousands of homesteads have been taken up in the Western States within the last few years, where, after a hard struggle to produce enough to keep the wolf from the door, the fight had to be given up and the homesteader forced to abandon his claim, broken in spirit, a sad and discouraged citizen. This Government has never given the homesteader any assistance. We have never had any intelligent direction of the settlement of our public domain. So it is not strange that in many cases the homesteader has settled upon lands in the Western States where the rainfall is not sufficient for the growing of agricultural crops.

There is still an opportunity in this country for a few homes on the cut-over lands in the South and in the West, and then there are some swamp lands to reclaim. It is estimated that there is enough water left, above that which is in use to-day, to reclaim, when reservoired, 22,000,000 acres more of our arid lands. But unless this Government makes greater progress in the future than it has in the past it will take 200 years to reclaim these 22,000,000 acres of arid land, for since the reclamation act was passed on June 17, 1920, the Government has only reclaimed 1,600,000 acres of arid land and furnished partial water for 1,000,000 acres more. Approximately, it may be said that the Government in 20 years has reclaimed but 2,000,000 acres of arid land; but, unless the farmers of this country receive better prices than they have for a number of years, the new development which it is possible to bring about will not keep pace with the farm desertion that is taking place in every State in the Union. It is estimated that a million men, women, and children left their farms in the different States of the Union in 1920. Farm desertions will continue in those neighborhoods where the fertility of the soil is exhausted

and where the struggle is too hard to make practicable the earning of a living.

Mr. President, the point that I want to emphasize is that this is no longer a new country; that there is no longer an opportunity to relieve the congested conditions of our great cities by our people finding new homes upon the public domain; that the same condition with which all of Europe has struggled for centuries—that of finding employment for their people—now confronts this Government, and must have the serious consideration of those who are responsible for the direction of its affairs.

Mr. President, Senators must understand that we have reached a new milestone in the life of this country, and we must not forget that the first duty an organized government owes to its citizens is that of giving an opportunity for employment to those who are willing to work for the comforts and necessities of life. Our Constitution guarantees to every citizen life, liberty, and the pursuit of happiness; but there can be no happiness in that home where the husband returns day after day from an effort to secure work and finds his little ones, hanging to their mother's apron strings, crying for bread.

For more than two years we have had an army of unemployed in this country. The high-water mark was nearly 6,000,000 out of employment. There are 3,500,000 idle men today, exclusive of those who are on a strike, and it is midsummer, with the harvest in full swing. There are those who believe that by fall this vast army of unemployed will be able to find work and that the country will have reached normalcy, with the return of prosperity to all of our industries. I am not so sure about that. I believe the protective-tariff measure that is now before the Senate will do much toward starting the wheels of industry, but I do not believe that any tariff bill, regardless of how high the duties may be, will give some of our industries proper protection under a system of foreign valuation.

We hear much about "back to the farm," but when we study the conditions on the farms and realize what a struggle the farmers have had to keep the wolf from the door it is irony to talk about "back to the farm."

Mr. President, the free-trade policy of the Democratic Party is largely responsible for the condition of agriculture, for they placed practically all of the great products of the farm on the free list.

The trouble to-day with agriculture is that we have an unbalanced condition on the farm. This has been brought about by the vicious free-trade policy of the Democratic party toward agriculture, which has practically destroyed some of our industries. Through a lack of proper protection to some of our industries we are growing too much cotton and not enough sugar; too much wheat and not enough wool; and too much corn and not enough flax, hemp, and soy beans; and what is true of these crops is true of other farm products in America.

The free-trade policy of the Democratic Party and Schedule K in the Dingley law and the Payne-Aldrich law are responsible for the destruction of the sheep industry in this country. In 1903 there were in the United States 64,000,000 head of sheep. That was the high-water mark in that industry. To-day there are but 35,000,000 head left, and most of them are old ewes. The conditions surrounding the industry have been so severe in the last few years that the flower of the flock—the young ewes—had to be sent to the slaughterhouses, for if the older ewes had been shipped they would not much more than have paid the freight to market. I personally know of many pure-bred herds that had to be broken up and some of them sent to the shambles, until to-day the industry is but a wreck of what it was a few years ago.

The emergency tariff has worked almost like magic in reviving the industry; but I am not quite sure, Mr. President, that the duty in the pending tariff bill, which, as I read it, constitutes a reduction of fully 35 per cent from that given in the emergency tariff bill, will save the industry. It will, however, give it a fighting chance, unless we are unfortunate enough to have another Democratic administration with another free-trade period for the sheep industry. Just one more year of free trade for that industry and I am sure that every flockmaster in America will give up the fight, and what was once a great industry in this country will pass away and be forgotten.

There will be no movement of "back to the farm" so long as the Democratic Party keeps up its vicious policy of free trade toward agriculture and the live-stock industry; nor will there be any stability in agriculture so long as we have a free-trade policy in this country. A man would have to have a good deal of courage to venture into the live-stock industry to-day, and it would take a great deal of courage, I am sure, to build any more sugar factories. In fact, at the present time, with our overproduction and unsettled policy toward agriculture, it is not an act of kindness to encourage anyone to go back to the farm.

Let us forget about any movement of "back to the farm" for the present at least, for I find upon investigation that the annual crop production in this country to-day is 40,000,000 acres more than our annual consumption of agricultural products. It is estimated, Mr. President, that the increased consumption of farm products in the United States each year is equal to 2,000,000 acres of crop production. At that rate it is going to take 20 years for consumption to catch up with the present agricultural production, but it would not be hard to bring about a balanced condition on the farm if we would give proper protection to agriculture and its affiliated industries.

If we could have maintained the 64,000,000 head of sheep that we had in America in 1903, we would have 5,000,000 acres less of farm products to find a market for in foreign countries, for I figure it would take at least 5,000,000 acres to maintain 29,000,000 head of sheep, that number representing the depletion in the flocks.

If we grew all the sugar we consume in America it would mean 2,000,000 more acres of farm lands in sugar beets and sugar cane and 2,000,000 acres less of other farm products. And if we give proper protection to the flax growers, the soybean growers, the hemp growers, and to all other farm products that we can produce in this country, it is safe to say that from twelve to fifteen million acres of the forty million acres could be displaced with profitable crops to the American farmer, and we would soon become a self-supporting Nation in all agricultural products, a condition which is so essential in peace as well as in war.

With our public lands practically all settled we have reached the peak of production of farm products in America under our present system of farm cultivation. Proper protection and a balanced condition on the farm would do much toward stabilizing farm prices. With better prices for farm products we would have better cultivation of the soil and smaller farm units, so much to be desired. In short, Mr. President, if we give agriculture a square deal we can soon develop a movement of "back to the farm."

Mr. President, of the 3,500,000 men out of employment to-day, it is estimated that a million of these are floaters, and would not work if they were given the opportunity. No doubt that is true; but with 2,500,000 men out of employment that would work if they were given an opportunity, and with a million young men and women reaching maturity each year, many of whom must find employment in the different trades and lines of business, and with our ports still open to immigration, though somewhat restricted, as I see it, our problems of government in the future are going to be very much greater than they have been in the past.

Realizing that there was no longer any opportunity to relieve the congested condition of our cities by our people finding new homes on our public domain, I called upon the Secretary of Labor and the Commissioner of Labor Statistics, with the hope that I might find some encouragement in discussing with them the question of our unemployment and the conditions that surround our great industries.

Mr. Stewart, Commissioner of Labor Statistics, says that not only is agriculture already developed in the United States to a point where the cry of "back to the farm" is filled with irony and sarcasm, but many of our industries are in the same state of overdevelopment. Speaking of the coal industry and other great industries, Mr. Stewart said:

COAL INDUSTRY.

A statement has just been made by Mr. Francis S. Peabody, of Chicago, an acknowledged authority on the bituminous-coal industry, to the effect that the bituminous-coal mines of the United States, with their present equipment and development, could produce 1,000,000,000 tons of coal annually by working full force and full time. Our production of bituminous coal heretofore, both for domestic consumption and for export, has amounted to only half of that amount, or 500,000,000 tons, in good years. With exports shut off, or restricted, as they are at present, 480,000,000 tons will amply meet the requirements of all the industries in the United States, operating as they are to-day at as near full speed and continuous time as their overdeveloped condition will permit. In other words, 25 per cent of the coal mines, employing 60 per cent of the workers on full time, can produce all the coal we can use in the United States.

The significance of this lies in the fact that 3,000 of our 12,000 coal mines could do all the work in supplying the demand for this essential product, and the remaining 9,000 are not only not needed but are a potential source of disturbance to the entire situation. This means that from 240,000 to 300,000 men in the bituminous coal mines are not needed for economic production. Even in the best years there are this number of mine workers in excess of those who could secure full-time employment, and therefore their presence in the industry only operates to reduce the working time of all and prevents any of them from securing full-time work.

IRON AND STEEL.

With our present facilities for the production of iron and steel we can produce in six months, running full force and full time, all the iron and steel we can consume in a year's time; and this computation is on the basis of past consumption, when we were building railroads in this country at a rate not likely to be repeated in the near future, and at the same time we were exporting railroad construction material in vast quantities.

It is safe to say that very few people realize what the enormous increase in productivity, due to the improvement of machinery, means in the question of overdevelopment and the labor situation generally. Take the production of pig iron, for example. In 1850, with 20,298 employees, the blast furnaces of the United States produced 504,245 long tons of pig iron, being an average annual production of 25 tons per man. Forty years later, in 1890, we were making 811 tons per year per man. It is a significant fact that whereas during the period 1850 to 1919 the number of employees in the blast furnaces of the United States increased 88 per cent, the production during that same period increased to the enormous extent of 6,051 per cent. These figures are computed on an average basis for the entire country. It is a matter of record that some of the better blast furnaces are producing over a thousand tons per man per year. In the Bessemer steel industry, if all labor, both skilled and unskilled, is taken into account, the output per man per full year in 1913 was 1,300 tons; in 1917 it was 1,400 tons. In open-hearth steel the average production for full-year worker in 1913 was approximately 1,100 tons and in 1919 it was 1,277 tons.

BOOTS AND SHOES.

There are over 1,400 establishments manufacturing boots and shoes in the United States. It has been estimated that the average number of pairs of shoes used per family in the United States is 12.2 pairs annually. One concern claims to be making 15 per cent of all the shoes purchased by the workmen of the United States to-day.

It is claimed that 10 of these boot and shoe establishments manufacture 40 per cent of the shoes consumed in this country. From this it can readily be seen how the boot and shoe industry becomes a seasonal one, and how, even in the best seasons, the plants are not equipped to their full capacity. It has been pointed out that 25 per cent of the boot and shoe factories of the United States, running full time at full capacity, could produce all the boots and shoes consumed in the United States; and that the boot and shoe factories of the United States, taken as a whole, operating full time could produce five pairs a year for every man, woman, and child in the world who wears shoes. It is understood, of course, that less than half the people of the world wear our type of shoes, and it is not likely that the population of India, China, and Japan will change their centuries-old habits in footwear, or lack of footwear, in order to furnish us a market. It may be noted in this connection that the boot and shoe industry in England, Germany, and France is practically in the same condition as our own.

I also discussed with the Secretary of Labor the overdevelopment of some of our industries. Speaking of the women's dress, waist, and cloak industry, he has this to say;

I am informed by the Commissioner of Labor Statistics that it developed in a study of the women's dress and waist industry, made by the Bureau of Labor Statistics, there were twice as many persons employed in the busiest week as were employed in the dullest week, and that one-half of the year falls in the dull-week period. In other words, practically one-half of the employees and equipment were idle for six months in the year. Similarly, a study of the women's cloak industry show three times as many people employed during the busy season as in the dull season.

SAWMILLS.

The installed capacity of the sawmills of the United States is 117,500,000,000 feet per annum, while the maximum production does not exceed 46,000,000,000 feet. This indicates an overdevelopment of 160 per cent.

WINDOW GLASS.

In the window-glass industry there has been a general understanding among the manufacturers and workers to concentrate the manufacture of window glass by a continuous operation for 26 weeks in each year, leaving the men free to seek other employment for the remaining 26 weeks. This indicates a 100 per cent overdevelopment in the industry, since all the window glass needed to supply the demand is produced by working 50 per cent of the possible time.

MEAT-PACKING INDUSTRY.

During the 10 months ending April 30, 1922, there were slaughtered an average of 5,000,000 animals per month, or 60,000,000 per annum. In the year of 1909 the same industry slaughtered over 72,500,000 animals.

COPPER INDUSTRY.

The production capacity in this industry is 2,000,000,000 pounds as against an annual average production of 1,250,000,000 pounds.

FLOURING MILLS.

There are 10,788 flouring mills in the United States, with about 7,000 of them confining their output to wheat flour. Twenty-five to thirty per cent of the largest of these, operating full time at full capacity, could supply the needs of the entire country for flour.

AUTOMOBILE TIRES.

The people of the United States to-day are buying about 36,000,000 automobile tires per year. The plants which produce automobile tires are equipped to manufacture from 56,000,000 to 60,000,000 tires a year with the present number of employees on their pay rolls. It stands to reason that no man can get more than half-time work in this industry, taking the whole year round.

Mr. President, what is true of the automobile-tire industry is true of the automobile and truck industry and, I might say, of the entire motor-vehicle industry. In the past 20 years the automotive industry has made the most remarkable development in this country that the world has ever seen. There is nothing to compare it with in all the history of civilization. To-day the automobile and allied industries furnish employment for nearly as many men as the entire railroad systems of the country, and it has all been developed within the last 20 years. We can not only manufacture for our own use, but we can supply the demand for the entire world.

In practically every industry production has outstripped the growth of population and the corresponding ability to absorb the products of industry, and this is also true in other countries. In this country, while the population increased 39.7 per cent during the period from 1899 to 1919, our production of textiles increased 90.7 per cent; stone, clay, and glass, 78.8 per cent; iron and steel, 112.7 per cent; chemicals and allied products, 182.2 per cent; metal products other than iron and steel, 196.1 per cent; and vehicles, 1,273.8 per cent.

Mr. McLEAN. Mr. President——

The PRESIDING OFFICER (Mr. LADD in the chair). Does the Senator from Idaho yield to the Senator from Connecticut?

Mr. GOODING. I yield.

Mr. McLEAN. Are the increases in value or in quantity?

Mr. GOODING. In quantity; that is, the productiveness of all these institutions has increased to that extent.

Mr. McLEAN. In quantity?

Mr. GOODING. In quantity.

I sometimes wonder if we ourselves realize the wonderful development that has taken place in our own country in the last half century. While the United States has only 6 per cent of the world's population and 7 per cent of the world's land, yet our country produces 20 per cent of the world's gold, 25 per cent of the world's wheat, 40 per cent of the world's iron and steel, 40 per cent of the world's lead, 40 per cent of the world's silver, 50 per cent of the world's zinc, 52 per cent of the world's coal, 60 per cent of the world's aluminum, 60 per cent of the world's copper, 60 per cent of the world's cotton, 66 per cent of the world's oil, 75 per cent of the world's corn, and 85 per cent of the world's automobiles.

At the same time it seems we are a Nation of shopkeepers. It seems to me that this line of business, as well as many of our great industries, is overdeveloped, for we have 946,419 retail shops in the United States, or a retail shop for every 111 citizens. And then we have 97,083 wholesale houses, or a wholesale house for every 35 retail establishments. And God only knows how many middle men and commission men who, with sharp pencils and keen brains, too often take the lion's share in the marketing of the farmers' products.

Mr. WILLIS. Mr. President, I desire to propound an inquiry to the Senator.

Mr. GOODING. I yield.

Mr. WILLIS. The Senator has just referred to the very large and, as he thinks, and as I think, the inordinately large number of retail and wholesale establishments. I wonder if that accounts for this situation: Some time ago I had occasion to make an investigation in an effort to determine the share of the consumer's price which the producer actually received. I made that investigation in connection with certain products we produce very largely in Ohio, and from the figures I obtained from the Agricultural Department and from the Department of Commerce I found that out of every dollar paid for our products by the consumer in the markets of Baltimore, Philadelphia, or New York the producer back in Ohio, who owned or rented the land, put out the crop, ran the risk, and did the work, got 28 cents, and somebody else along the line got the other 72 cents out of the dollar. That was not made up very largely at that time of freight rates, because freight rates then were considerably lower than they are now. In other words, it was middlemen's profits which raised the prices to very much more than what the producer of the farm products got.

Mr. GOODING. The Senator is quite right, Mr. President. There is no doubt but that there are too many middlemen between the producer and consumer. We must have a better distribution system in this country or the farmer will not receive the full benefit of the tariff.

Mr. President, on top of it all we have been making radical reductions in every department of the Government. At this particular time we are scrapping our Navy and making reductions in the officer and enlisted personnel. On July 1, 1921, our total naval strength, officers and enlisted men, was 121,969. On June 30, 1922, this had been reduced to a total strength in the Navy of 95,947, or a net reduction in a year's time of 26,022 men.

Likewise, the reduction in the strength of the Army has been very material. On June 30, 1921, the total strength of the Army was 214,500 officers and enlisted men. By June 30, 1922, this had been reduced to 140,232, or a net reduction in a year's time of 74,177 in the Army.

On July 1, 1921, the Marine Corps had a total strength of 22,992 officers and enlisted men. This number had been reduced by July 1, 1922, to a total strength of 21,259, or a net reduction during the year of 1,733 men, who must find employ-

ment in civil life. This number by itself is not very material but it shows the tendency all along the line.

On January 1, 1920, there were 640,175 employees in the Government service, within the District of Columbia and outside, exclusive of the Army, Navy, and Marine Corps. By January 1, 1921, this number had been reduced to 568,390, or a net reduction of 71,785 employees. At the same time it has been estimated by competent authority that a further reduction of 3,000 has been made since January 1 of this year.

As an important factor in this problem we must consider the number of permanent immigrants coming to our shores who must find employment to sustain themselves and their families or become a burden or possibly a menace to the community. The figures from the office of the Commissioner of Immigration indicate that for the 11 months ending June 1, 1922, there were admitted into the United States 284,780 permanent immigrants.

Mr. President, very properly, rigid economy is the watchword of this administration, as is so fully shown in our appropriations. For the year 1921 the total Government appropriations, as given by the Budget Bureau, were $5,205,236,104.1½. For the fiscal year 1922 this amount had been cut down to $4,066,316,366.74, inclusive of deficiency appropriations, or a net reduction for the year of $1,138,919,737.40. This, of course, means that there was that much less expended by the Government for labor and material and that the people directly involved must look elsewhere for their empolyment.

Assuming that $1,000 is a fair average annual compensation in the Government service, the year's reductions in personnel would account for $176,717,000 of the reductions in the total appropriations. This would leave $873,844,237 to be accounted for by decreased wages paid to labor, purchase of material, equipment, supplies, and so forth, all of which means that much less paid to labor in one form or another, and has a direct bearing on labor conditions throughout the country.

With our public lands all gone and every industry overdeveloped beyond our own requirements, great enough in some instances to supply the whole world, we have reached that period in the history of our country when it might not be out of place to ask, what of the future? There are those, Mr. President, who believe that we have reached that milestone in the life of our Nation when we shall have to meet the test of our form of government.

At this time it might not be out of place to read Lord Macaulay's Prophecy, as quoted in McCleary's work on Protection, Our Proper Permanent Policy (page 14):

In 1857 Thomas B. (afterwards Lord) Macaulay, the great English historian, wrote a letter to H. S. Randall, of Virginia, who had sent him a copy of the Life of Jefferson and the Colonial History of New York, from which letter the following extracts are taken:

"I have long been convinced that institutions purely democratic must, sooner or later, destroy liberty or civilization, or both. You may think that your country enjoys an exemption from these evils. I will frankly own to you that I am of a very different opinion. Your fate I believe to be certain, though it is deferred by a physical cause. As long as you have a boundless extent of fertile and unoccupied land your laboring population will be more at ease than the laboring population of the Old World, and, while that is the case, the Jefferson politics may continue to exist without causing any fatal calamity. But the time will come when New England will be as thickly populated as old England. Wages will be as low, and will fluctuate with you as with us. You will have your Manchesters and Birminghams, and in those Manchesters and Birminghams hundreds of thousands of artisans will assuredly sometimes be out of work. Then your institutions will be fairly brought to the test. * * *

"It is quite plain that your Government will never be able to restrain a distressed and discontented majority; for with you the majority is the Government and has the rich, who are always a minority, always at its mercy. The day will come when in the State of New York a multitude of people, none of whom have more than half a breakfast or expect to have more than half a dinner, will choose a legislature. On one side is a statesman preaching patience, respect for vested right, strict observance of public faith. On the other is a demagogue, ranting about the tyranny of capitalists and usurers, and asking why anybody should be permitted to drink champagne and ride in a carriage while thousands of honest folks are in want of necessaries. Which of the two candidates is likely to be preferred by a workingman who hears his children cry for more bread?

"I seriously apprehend that you will, in some such season of adversity as I have described, do things which will prevent prosperity from returning; that you will act like people who should, in a year of scarcity, devour all of the seed corn, and thus make the next year not of scarcity but of absolute famine. There will be, I fear, spoliation. The spoliation will increase the distress; the distress will produce spoliation. There is nothing to stop you. Your Constitution is all sail and no anchor.

"As I said before, when a society has entered on the downward progress, either civilization or liberty must perish. Either some Cæsar or Napoleon will seize the reins of government with a strong hand or your Republic will be fearfully plundered and laid waste by barbarians in the twentieth century as the Roman Empire was in the fifth, with this difference—that the Huns and Vandals who ravished the Roman Empire came from without, while your Huns and Vandals have been engaged within your own country by your own institutions."

If Lord Macaulay had prophesied the downfall of Russia instead of our Republic, he would be accepted as a great prophet to-day. Time has proved, Mr. President, that a republican form of government, if properly conducted, will meet any test.

Mr. President, I have no fear of the downfall of this Republic, and I am sure that our Constitution will meet the test, but there is always danger to any government when those in control do not legislate wisely in the interest of the people. Abuse, long continued, has strewn the pathway of civilization with sad stories of the fall of nations as far back as authentic history tells of the achievements of mankind.

Mr. President, the world to-day is confronted with the greatest crisis in its history. Some governments have broken down and others are struggling with a depreciated currency and with a social condition which makes uncertain what to-morrow may bring forth. While every other country in the world is increasing its duties and placing embargoes on goods that its people manufacture, we find the Democratic Party fighting against every rate in the bill that is now before the Senate, and at the same time they admit that many of the rates in the present law—the Underwood-Simmons law—are entirely too high and should be revised downward.

This country presents the most remarkable spectacle on the tariff question of any country on earth. The Democratic Party occupies the unique position of being the only free trade or tariff for revenue party, call it what you please, on earth to-day, for they are all one and the same so far as protection is concerned. The Democratic Party is the only political party in the world that believes protection is unconstitutional and immoral, even when it is needed to save the life of the Nation.

This great, august body, as it is so often called and admitted by the Senators upon the floor, is the only legislative body in the world which, considering tariff laws, has refused to take into consideration the unbalanced condition of the world, brought about by the Great War, and the depreciated currency of some of the countries of Europe, which, when measured by our standard of values, the gold standard, is worth less than the paper on which it is printed.

Not only is all of Europe increasing her duties and laying embargoes, but this is being done in all parts of the world.

These embargoes are of three types. France, Italy, Spain, and other countries, where there are Government monopolies of such articles as matches and tobacco, forbid their importation or sale. Others issue long lists of goods which may not be imported under any condition, irrespective of their origin. The third plan is an outgrowth of the war, during which the belligerent Governments exercised very close supervision over all foreign trade. Some of them still issue lists of commodities which may be imported only under special license from the Government. The result is much the same as that attained by the second plan, for such licenses are often impossible to obtain.

Great Britain put into effect on October 21, 1921, an act called the safeguarding industry act. This act levies a protective tariff of 33⅓ per cent on all key industries in Great Britain. In addition to this, Great Britain has a commission to which any industry may appeal, and on the proper showing they are given protection.

In the interest of safeguarding Great Britain's industries, a clause was inserted in the German reparation act which imposes a 26 per cent tax on all goods shipped out of Germany consigned to the United Kingdom. This 26 per cent tax is to be collected at German ports as an export tax, the tax so collected to be turned over to Great Britain and credited by her to the German reparation fund.

So on all German goods that come into competition with what England calls her key industries, Great Britain's industries are protected by a tariff of 59 per cent against all German imports. A duty of 59 per cent is very much higher than the duties levied in this country, and it must be admitted that, at least in a large majority of our industries, the cost of production is higher in this country than in any other country on earth.

Mr. WILLIS. Mr. President, has the Senator before him any data to show what the British Government regards as key industries?

Mr. GOODING. I placed that list in the RECORD on a previous occasion. It covers something like 6,000 different items.

Mr. WILLIS. Can the Senator recall some of them at this time?

Mr. GOODING. I doubt if I can, but it includes practically all of Great Britain's principal industries, which are protected against imports from Germany by a 59 per cent rate. I understand, further, that every day they are placing duties on new commodities and new industries wherever a showing can be made which, in their opinion, justifies it.

Free-trade England has had sense enough to realize that the world is still suffering from conditions brought about by the war. She has considered the tariff question to be an emergency matter, until to-day Great Britain and her colonies are among the highest protective tariff countries in the whole world. While foreign diplomats in this country have been busy attacking our tariffs, their own countries, without exception, have far outstripped our own country in levying duties on foreign imports.

Canada has outdone England in her protective tariff duties. For years she has been a higher protective tariff country than our own, and yet Senators on the other side of the Chamber shed tears over the unfairness to Canada in the bill that is now before the Senate.

The Dominion of Canada has amended its tariff upward since the war by a series of changes. These changes have worked consistently against the United States in favor of British industries. For many years Canadian tariffs have given imports from the mother country preference in rates over imports from the United States and other countries. She began this practice in 1898 and has maintained it in every tariff written since. These preferences in favor of British-made goods have amounted to between 20 and 30 per cent.

In July, 1921, Canada levied a tax upon all advertising matter from the United States. This was a direct blow at United States products which were advertised in American magazines and newspapers having a circulation in Canada.

Canada's latest act, which is a direct blow at United States products, is a change in its tariff rates and also in its sales tax. The change in its tariff does not raise any rates against the United States but does give the British 5 per cent greater preferential rates, thus giving imports from the British Empire a preference of about 20 per cent over our imports from the United States. Her second discrimination is in the modification of her sales tax, by which she imposes a sales tax of 4 per cent on articles made in Canada and the British Empire and a tax of 6 per cent on all articles sold in Canada which are imported from the United States.

While it is estimated that we shall have a free list of from 55 to 63 per cent on all foreign imports under the pending bill, Canada's free list at the present time is from 31 to 35 per cent. So my advice to the Senators on the other side of the aisle is to dry their tears as far as Canada is concerned, for she seems to be amply able to take care of herself when it comes to tariff laws. In fact, Canada will not have any free list, for she has a sales tax of 6 per cent as against our imports, which, in some cases, is higher than the duties we impose in this bill.

Not only Canada, but Australia and New Zealand, in fact every British dominion, has increased its rates of duty on foreign imports since the war once or twice, all cooperating through and by a commission. Canada has also taken into consideration the depreciated currency of foreign countries.

Switzerland, on May 24, 1921, put into effect a tariff law for the purpose of protecting her home markets from invasion by cheaply made foreign goods and protecting her manufacturers from this kind of competition. She did not rely altogether upon high rates, for in a great many instances her tariff law goes so far as to absolutely prohibit the importation of articles the like of which are manufactured in Switzerland.

On March 19, 1920, Czechoslovakia put into effect a tariff which prohibited all imports of products the like of which are manufactured in that country for export. In addition, it established practically a prohibitive tariff rate on a large number of imported articles which are not made in that country. For example, it established a tariff of 90 per cent of the purchase price on all automobiles and parts of automobiles such as motors, engines, and so forth.

On July 10, 1921, Jugoslavia put into effect a protective tariff with rates that make it practically impossible to import articles into that kingdom the like of which are produced there.

On July 16, 1921, Austria put into effect a new tariff with rates 200 times as high as those of the pre-war period. This was done in order to offset the depreciation of currency in Austria and to afford Austrian manufacturers protection for imports from other countries.

On August 3, 1921, Italy established an absolute embargo against the importation of a majority of manufactured articles from the United States. In doing so she practiced flagrant discrimination against this country, as, by the same decree which established the embargo, she permitted the importation of like articles from Belgium, France, Algiers, Switzerland, Portugal, England, and all the British Colonies. Since then she has reduced this embargo somewhat, but she still retains it against a great number of American products, especially American meats, tobacco, and cottonseed oil. She has a high tariff on all articles that she does not permit to be imported.

On November 7, 1921, Belgium put into effect a new tariff which provided for an increase of from 100 to 300 per cent in all specific duties on German goods admitted by weight and an increase of 20 to 40 per cent in all ad valorem duties on German goods. This was done to offset the depreciation in German currency. In the early part of this year Belgium extended this 100 to 300 per cent increase of tariff duties to the imports from all countries whose currencies have depreciated and also added a domestic valuation clause, which provided that all imports should be valued for duty at a valuation not less than the wholesale price of like goods made in Belgium.

On September 25, 1921, the Republic of Ecuador established against a number of articles new rates of tariff which were higher than previous rates and she placed an absolute prohibition against the importation of shoes of any kind in order to protect her home shoe manufacturing industries.

Poland, on August 11, 1921, put into effect a tariff which absolutely prohibits the importation of articles the like of which are manufactured in Poland.

Finland, in December, 1921, established a tariff for the year 1922 which prohibits the importation of all manufactured articles that are not indispensable and increases by about 300 per cent the tariff duties on articles permitted to be imported.

Mexico, on January 1, 1922, put into effect a tariff with rates from 25 to 100 per cent higher than the previous rates.

Peru, on the first of the year, put into effect a tariff of 400 per cent on ladies' fine shoes.

Denmark, on November 25, 1921, put into effect an emergency tariff, with greatly increased duties all along the line.

Hungary, on November 23, 1921, put into effect a new tariff, with rates from forty to one hundred and fifty times the normal pre-war rates.

Spain, on February 16, 1922, put into effect a new tariff, affecting practically every article of import, with rates much higher than previous rates.

Bulgaria, on April 1, 1922, put into effect a new tariff, in which all rates were vastly increased over previous ones.

Sweden, on March 27, 1922, put into effect a new tariff, with rates about five times their pre-war levels.

A number of countries have adopted what is known as the coefficients system. This principle of levying duties was first employed in France and has since been adopted by several other countries. France has an executive committee that is given almost absolute control over imports. The duties are revised by a change in "coefficients" or "multipliers"—that is, the maximum and minimum duties on a given class of products are multiplied by 1½ or 2 or 5, as the case may be, to determine new duties. At first 3 was the highest multiplier, but recently, because of depreciated currency in other countries, and so forth, the multiplier may be as high as 10. In other words, the duties on some goods, as fixed by the executive committee, are ten times higher than under the legislative act of 1910.

The same system is used in Germany. On many articles Germany has placed an embargo and controls her imports through a licensing system.

In an official note to the American commissioner at Berlin in August, 1921, the German foreign office stated that "whether and to what extent such permits are issued depends on the nature of the goods and the monetary economic situation in the branches affected." The foreign office further stated that the Government is unable to furnish a list of goods for which the obtaining of an import permit can be depended upon, but that in general it may be said that "import permits may not be expected for finished goods whose importation may be considered as superfluous by reason of their character as luxuries or on account of a sufficient production at home."

The German import duties are stated in gold, but under normal conditions were paid in paper marks at par. With the depreciation of the paper mark after the war duties were required to be paid in gold or its equivalent, with the exception of a short period in 1919. Practically since the war import duties in Germany have been paid in paper marks, and in the effort to maintain an approximate equivalent between the duties collected in the pre-war gold currency and those collected in the depreciated paper currency the official conversion rate between the gold and paper mark has been advanced repeatedly by the German Government in rough proportion to the course of depreciation of German currency in international exchange. The number of paper marks which have been declared as equivalent to one gold mark in the payment of duties has been successively advanced from 10 to 20, 40, 45, 60, and, effective June 25, 1922, 65 paper marks will be required to be paid for every gold mark of the basic tariff.

Mr. President, even Germany has found it necessary, in order to protect her own industries, to increase her duties as high as sixty-five times, and she had the good sense to place a complete embargo on everything she can manufacture for her own use. We fail to recognize the fact that practically every other country on earth has closed its doors against the importation of goods which they can manufacture for themselves and that our exports to every country are going to be materially reduced in the future. If we do not make an effort to protect our markets and our industries as the rest of the world is doing, we shall be confronted with a serious problem such as we have never witnessed before. Unless we adopt the administrative provision in this bill which permits the President to increase rates by 50 per cent when found necessary, and adopt the system of American valuation, the time spent on this bill will be wasted, for unless we can bring back prosperity to all the great industries in this country there will not be prosperity for any of them.

Mr. President, this Nation can not stand still; it must either go forward or backward. The question arises, Are we going to go forward? If we are, we must adopt protection as our permanent national policy. We can not continue to make a football of our great industries in this country, as we have done for the past hundred years, and at the same time bring about the greatest possible development of all our resources.

Whenever there has been a free-trade period in the history of our country; in fact, whenever our tariffs have been reduced below the line of protection, regardless of whether such reduction has been made by the Republican or the Democratic Party, millions of men have been thrown out of employment and suffering, distress, and starvation have ensued in all of our great cities. If there is to be any stability in business in this country we must have a permanent policy so far as our revenue laws are concerned. It is a mighty dangerous proposition to continue to play football with the business interests of America, for we have reached a milestone in the life of this Nation when the one great question that overshadows all others is that of finding employment for our own people.

Speaking of the importance of employment for our people, the New York Evening Journal of July 11, 1922, in an editorial entitled "Tariffs come high, but better lose $13.15 than your job," has this to say:

Almost every newspaper in the United States has printed the statement by Senator WALSH of Massachusetts, "The new tariff will tax every human being in America $13.15." That's interesting. Undoubtedly every conceivable kind of dishonesty, grafting, special privilege will be packed into the new tariff bill. The public has not learned to make "statesmen" do important things honestly yet.

But there are possibilities infinitely more important than the stealing of $13.15 every year from every American man, woman, and child.

One possibility more dangerous would be lack of work for ten or fifteen millions of Americans, based on European competition that could not possibly be met by workers in this country.

Better tax every human being $25 or $100 rather than let them compete with Chinese labor here or in China.

Better to give the steel companies excessive protection than have the steel industry, the steel workers of this country, wiped out by foreign nations, every one of which specialized in cheap, intensive production of steel during the war.

A surgeon spills some blood when he performs an operation. It is blood well spent when the operation is successful. Better a tariff with graft, dishonesty and loss, and injustice inflicted upon many than no tariff, when a tariff is absolutely necessary as it is now, to the Nation's industrial salvation.

Mr. President, I thank God that there is at least one owner of a great newspaper in this country who seems to know and understand that the tariff question is the workingman's question, and who is big enough, strong enough, and fair enough not to permit the countinghouse to control the editorial policy of his great newspapers. I do not agree with Mr. Hearst that there is graft or dishonesty in the bill that is now before the Senate. I believe it is the best balanced bill and the fairest that has ever been presented to the Senate; and I am sure if Mr. Hearst knew as much about the bill as I do he would agree with me.

Mr. President, I read from a book published by James T. McCleary entitled "Protection Our Proper Permanent Policy," which I believe is the greatest book that has ever been written on protection in this country. If it could be read in every home in America we would soon settle upon protection as our permanent policy. On page 410 Mr. McCleary says:

The real protectionist stands for two thoughts preeminently. He recognizes that the first duty of the Government is to protect and preserve the country's integrity and independence. Industrially, he feels that the first duty of the Nation is to do everything possible to keep its people employed. Compared with these two supreme ideas, all others are unimportant.

Right here, Mr. President, rises the question, How can we keep our own people employed if we hire our work done in other lands? Mr. McCleary answers this question in the succeeding paragraph as follows:

The real protectionist, desirous of developing every faculty of our own people and every resource of our country, believes it unwise to buy abroad what we can economically produce in this country. So long as this old earth remains a sphere, with consequent zones of climate and production ranging from torrid to frigid, there will be abundant opportunity for normal international trade in noncompeting articles.

Beginning on page 497 of the book named, Mr. McCleary makes a consistent, brave, and true application of the propositions that I have quoted, as follows:

PROTECTIVE TARIFF RATES CAN NOT BE TOO HIGH.

When we consider that, as shown in chapter 9, under a protective tariff, the duty is not a tax on our own consumers but a license fee on the foreign producers—and it is vital that every American citizen get this clearly established in his mind—all fear of getting the duties too high will disappear; and it will become the more evident, the more clearly the subject is understood, that the only mistake possible is that of getting the rates too low.

How high should the Galveston breakwater be? The answer is not open to doubt or difference of opinion. There is only one right answer. The people of Galveston are furnishing it. After trial they have soberly reached the conclusion that their breakwater must be big enough and high enough to protect the city and harbor under ordinary conditions, but also high enough and strong enough to protect them under any emergency and from any storm. On this principle they have just made it bigger and stronger than ever before. And time will vindicate their good judgment.

The same principle applies to the protection of our people from industrial storms in the world outside. The protection can not be too strong or too efficient. The rates simply can not be too high or the administrative features too strong for the good of all our people of all sections and all industries. As a result of the Great War a large part of the world outside is in the midst of an unprecedented storm. We can best serve the world and ourselves by preserving from destruction this country and its people, thus keeping ourselves in condition to lead the world back to better things.

Mr. President, I do not agree with the junior Senator from Massachusetts that the tariff is a tax. If it is a tax, it is a tax that the American people can not and must not do without. I am not willing, however, to admit that the tariff is a tax for the selfishness of humanity is so well organized that when an industry is destroyed in this country the importers, over whom we have no control, all exact the last penny on any article which they import and over which they have a complete monopoly.

Then, Mr. President, there is one rule in this country to which there is no exception. That is, when we have given proper protection to any industry that industry has never failed to supply the needs of the American people with a cheaper product than when we had to depend on the foreigner for our supply.

There are plenty of examples in the history of this country of how when our industries have been broken down by a free-trade policy the foreigners have increased the price of those articles beyond the price they sold for when this country was supplying its own needs through its own manufacturing establishments.

Speaking of such a condition, President Fillmore in his third annual message to Congress, in which he recommended protection, had this to say:

Without repeating the arguments contained in my former message in favor of discriminating protective duties, I deem it my duty to call your attention to one or two other considerations affecting this subject. The first is the effect of our large importations of foreign goods upon our currency. Most of the gold of California, as fast as it is coined, finds its way directly to Europe in payment for goods purchased. In the second place, as our manufacturing establishments are broken down by competition with foreigners, the capital invested in them is lost, thousands of honest and industrious citizens are thrown out of employment, and the farmer to that extent is deprived of a home market for the sale of his surplus produce.

In the third place, the destruction of our manufactures leaves the foreigner without competition in our market, and he, consequently, raises the price of the article sent here for sale, as is now seen in the increased cost of iron imported from England. The prosperity and health of every nation must depend upon its productive industry.

Mr. President, it is not necessary to go back into history to show what happens in the increased cost of any commodity when a foreign corporation has a monopoly, for foreign corporations may be owned and controlled by American capital. It is not hard to understand why it has become fashionable for Americans to go abroad and develop foreign industries, for in this way they can increase the price of the raw material in a foreign country and force up the price of the finished product in America without violating any of our laws.

The scheme is a splendid one and works well, as is shown by the sugar industry in Cuba. American capital has invested something more than a billion dollars in developing the sugar industry in Cuba. Much of this work has been done by coolie labor, which is brought to Cuba under five-year contracts to work on the sugar plantations.

Our domestic crop of beets and sugar cane is harvested in the months of October and November. By the first of March of each year it is said that all of our domestic sugar has been disposed of, with the exception of a little that is held in the

West for local consumption. I am advised that our last year's crop of domestic sugar sold for $5 per hundred on an average.

When our sugar is all gone it is then that the Cuban sugar is put on the American market. As soon as these great sugar companies that are interested in Cuba discover that they have a monopoly of our market, the price of Cuban raw sugar advances. With the advance of raw sugar the price of refined sugar is increased in this country. The scheme works well, and there is no danger of prosecution for profiteering or for being in a trust or combination.

It is estimated that the crop of Cuban sugar this year will be 3,900,000 tons. Our domestic consumption for 1921 was 4,107,328 long tons. It is claimed that of this amount 1,866,153 tons came from Cuba. The price of refined Cuban sugar in New York to-day is $6.50 per hundred, or 1½ cents a pound more than the average price paid for our domestic sugar.

There is no scarcity of sugar. There is just a trust and combination in Cuba, over which we have no control, that will force the American people to pay from 1 cent to 2 cents a pound more for Cuban sugar than they pay for their domestic sugar grown on American soil, cared for, harvested, and refined by American labor and American capital and under American institutions, where the people have some chance, at least, to be protected against the selfish tendencies of humanity.

I have here a letter from Mr. F. R. Hathaway, who is secretary-treasurer of the Michigan Sugar Co. I will not read the letter, but I ask that it be incorporated in the RECORD.

The PRESIDING OFFICER. Without objection, the letter will be printed in the RECORD.

The letter is as follows:

MICHIGAN SUGAR CO.,
Detroit, Mich., July 15, 1922.

Hon. FRANK R. GOODING,
United States Senate, Washington, D. C.

DEAR SIR: Replying to your telegram of July 14 and answering your questions in order—

First. The date eastern beet and Louisiana cane sugar is sold out so that it no longer affects market.

The eastern beet-sugar factories begin operations in Ohio about October 1. The other eastern beet-sugar factories begin operations between October 10 and October 20. Sugar reaches destination and has positive effect on market about November 1 and continues to have a great influence on the market throughout this section until April 1, the last sales of the eastern beet usually being made in the month of April. The quantity left for April distribution is not, however, sufficient to affect the market very materially during that month.

You will naturally inquire what will be done in case our output is doubled to prolong the beet-sugar season in this section as long as granulated sugar made in the fall and winter months can not be carried into the hot summer months. We will make granulated sugar in enough of our factories to supply the winter and spring trade, make raw sugar in the other factories, equip one of our factories to refine such raw sugar, and thus have fresh raw sugar to distribute during the summer months. We have not done this so far because the output is not sufficient to justify such a method of manufacture.

Louisiana cane sugar comes on the market and goes off the market, as far as a positive influence is concerned, at the same time that eastern beet enters and finishes. The two kinds of sugar thus cooperate in exercising a positive influence on the market in this section of the country.

Second. What is the price of Cuban raw in Cuba commencing January up to the present time?

I can not give you the price in Cuba. The quotations are with cartage and freight delivered in bond in New York. The present ocean rate of freight from Cuban ports to New York is, however, 15 cents per 100 pounds. Before the war it was about 10 cents from the northern Cuban ports and 12 cents from the southern Cuban ports. The figures I give you are, therefore, the delivered price of Cuban sugar in bond in New York, which prices are net cash. I will also give you in the same table for corresponding dates the price of standard granulated sugar f. o. b. New York and the price of standard granulated sugar f. o. b. San Francisco. These prices of granulated sugar are subject to 2 per cent discount for cash within 10 days. Quotations on granulated are always given that way, while quotations on raws are given net cash. It seems best in answering this question to start with the prices on September 1, 1921, and run them down to the present date. This will show you how the prices dropped when eastern beet and Louisiana cane came on the market, and how it advanced again when these two kinds of domestic sugar had been sold and the Cubans had the market to themselves, without being controlled in any way by our laws governing combinations in restraint of trade.

Date.	Net cash price 96° Cuban sugar delivered in bond at New York.	New York price, granulated sugar.	San Francisco price, granulated sugar.
1921.			
Sept. 1	$3.00	$5.90	$6.30
Sept. 8	3.00	5.90	6.30
Sept. 15	3.00	$5.60–5.65	6.05
Sept. 22	3.00	5.60–5.65	6.05
Sept. 29	2.625	5.50	5.90
Oct. 6	2.625	5.50	5.90
Oct. 13	2.625	5.30	5.70
Oct. 20	2.50	5.30	5.70
Oct. 27	2.50	5.30	5.70
Nov. 3	2.50	5.30	5.70
Nov. 10	$2.50	$5.20–5.30	$5.70
Nov. 17	2.50	5.20–5.30	5.70
Nov. 23	2.50	5.20–5.30	5.70
Dec. 1	2.50	5.20–5.30	5.70
Dec. 8	2.125	5.20	5.40
Dec. 15	2.125	5.20	5.40
Dec. 22	2.00	5.00	5.40
Dec. 29	1.81	4.90	5.30
Jan. 5	1.81	4.90	5.20
Jan. 12	2.00	4.90	5.20
Jan. 19	2.125	4.90	5.30
Jan. 26	2.25	5.10	5.50
Feb 2	2.125	5.10	5.50
Feb. 9	2.06	5.00–5.10	5.40
Feb. 16	2.125	5.00–5.10	5.40
Feb. 23	2.25	5.10	5.50
Mar. 2	2.1875	5.10–5.20	5.50
Mar. 9	2.25	5.20–5.30	5.70
Mar. 16	2.375	5.30	5.70
Mar. 23	2.50	5.50	5.90
Mar. 30	2.25	5.25–5.50	5.90
Apr. 6	2.50	5.25–5.50	5.90
Apr. 13	2.25	5.25–5.50	5.90
Apr. 20	2.31	5.25–5.40	5.80
Apr. 27	2.50	5.25–5.50	5.70
May 4	2.375	5.40	5.80
May 11	2.375	5.30–5.40	5.80
May 18	2.44	5.30–5.50	5.90
May 25	2.56	5.50–5.60	6.00
June 1	2.625	5.60–5.70	6.10
June 8	3.00	5.80–6.00	6.40
June 15	2.875	6.00	6.40
June 22	3.25	6.20–6.30	6.60
June 29	3.125	6.20–6.30	6.60
July 6	3.375	6.20–6.50	6.60
July 15	3.31	6.50–6.60	6.90

Third. What is the price that last year's crop of Louisiana cane and eastern beet sold for?

I can not give you the figures relative to Louisiana sugar. You can undoubtedly get them by inquiring of Mr. John M. Rogers, secretary of the Louisiana Cane Growers' Association, Union Trust Building, Washington, D. C.

The Michigan Sugar Co. received for its last season's crop of sugar $4.94 per 100 pounds net cash. The Toledo Sugar Co., of which I am also secretary and treasurer, received $5.06 per 100 pounds net cash. I think these two companies are fairly representative of the other eastern beet-sugar companies, and I doubt whether any of them received any better returns for their sugar last season than did the two concerning which I know about definitely. Some of the western beet-sugar companies, particularly those in Colorado where they are so situated that on account of the high altitude and dry climate they can carry their sugar for local consumption into the summer months, undoubtedly received a greater net cash return per 100 pounds for their sugar than did any of the eastern beet-sugar companies.

Fourth. What is the amount of Cuban sugar consumed in this country when domestic beet and cane are off market?

I can not give this answer definitely. Willett & Gray give the total consumption of sugar in the United States during the calendar year 1921 to be 4,107,328 long tons of 2,240 pounds each. They claim that of this amount 1,866,153 tons came from Cuba that year. As close as I can estimate it, the amount of this Cuban cane that was used in this country during the seven months when our eastern beet and Louisiana cane were not on the market must have been from 1,250,000 tons to 1,350,000 tons.

Fifth. Give estimate of Cuban production the past season.

Willett & Gray give the Cuban production in long tons of 2,240 pounds for the past 10 years as follows:

	Tons.
1912–13	2,428,537
1913–14	2,597,732
1914–15	2,592,667
1915–16	3,007,945
1916–17	3,023,720
1917–18	3,466,083
1918–19	3,971,776
1919–20	3,730,077
1920–21	3,936,040

The 1921–22 crop is not yet completed. There are 186 centrals in Cuba, of which 172 have finished operations, leaving 14 still grinding, as reported by Willett & Gray on July 13, 1922. The 172 centrals that have finished grinding have made 111,000 tons more sugar than they did two years ago, and within 23,000 tons of the amount they made last year. Based on these figures the closest estimate we can make at present for the output for the season 1921–22 is 3,875,000 tons. The output probably will be between this amount and 3,900,000 tons. You understand that these are long tons and can be changed into approximate short tons by adding 10 per cent.

All statistical figures given herein, with the exception of the net cash prices received by the Michigan Sugar Co. and the Toledo Sugar Co. for their last season's crop of sugar, are taken from Willett & Gray, who are recognized sugar statisticians in this country.

I trust that the above will give you the information you require and that you will find it to your entire satisfaction.

I am holding myself in readiness to come to Washington to assist in the tariff work whenever my services are needed. Do not wish, however, to come any earlier than necessary, as I am very busy here.

With sincere regards, I am,

Yours respectfully,

F. R. HATHAWAY,
Secretary-Treasurer.

Mr. GOODING. The letter is very illuminating. Mr. Hathaway goes on to tell the story of the sugar industry of this country. I will just take time at present to read the market prices of sugar beginning the 2d of March, showing how beautifully the great Sugar Trust of this country manipulates the market, and what a monopoly they have of that great industry, and how splendidly the policy of free trade works. We have never given this great industry proper protection so that we could develop it up to the point of meeting our own requirements. Of course, we understand that had it not been for the war sugar would have been on the free list. I think everyone who knows anything about the great American sugar industry, whether it is beet or cane, knows that if sugar had been put on the free list the American industry would have been destroyed.

On March 2 granulated sugar—that is, granulated sugar refined from Cuban raw—sold for $5.10 a hundred.

On the 9th of March it sold for $5.20 a hundred.

On the 16th of March it sold for $5.30 a hundred.

On the 23d of March it sold for $5.50 a hundred.

On the 30th of March it sold for $5.25 a hundred. The price was forced down 25 cents. I think we are all familiar with the game that this great sugar company plays in putting its sugar on the market. Something has to be done to cover up the monopoly that it has.

On April 6 sugar was still $5.25 a hundred.

On April 13 it was still $5.25 a hundred.

On April 20 it was still $5.25 a hundred.

On April 27 it was still $5.25 a hundred.

On May 4 it was $5.40 a hundred.

Then it dropped back again, on May 11, to $5.30 a hundred.

On May 18 it was $5.30 a hundred.

On May 25 it was up again to $5.50 a hundred.

In June, the time of the year when the greatest amount of sugar is being used—the fruit season—the price of sugar went up. On the 1st day of June it reached $5.60 a hundred; on the 8th of June, $5.80 a hundred; on June 15, $6 a hundred; and on June 22, $6.20; still $6.20 on June 29 and on July 6; but on July 15 it was up to $6.50 a hundred—a cent and a half more than the domestic crop sold for, on the average.

Figuring the increased cost to the American people at a cent and a half per pound during the seven months' period when the domestic sugar is off the market, the increased cost of the Cuban sugar is $45,360,000. This is an average of $215,897.60 per day, or $6,480,000 per month, which the consuming public is compelled to pay for this essential food product on account of the fact that a foreign monopoly, owned and controlled by American capital, dominates the domestic market. It is this condition of affairs which we are trying to remedy in the pending bill by lending all the encouragement within our power to the producer of sugar grown on American soil by American labor.

Mr. President, we have not only reached a new milestone in the affairs of this Nation but we have reached a new milestone in the affairs of the whole world, which must be taken into consideration in dealing with our affairs. Before the World War all Europe was spending vast sums of money in the development of its armies and navies. England was building a great navy and in other ways was spending vast sums in research and developing weapons of destruction. France was not only extending her navy but was organizing a great army, and it can be said that all of Germany was a military camp. Germany was not only building a great navy but she was organizing the greatest army the world has ever known. All of her industries were developed up to a war basis. An army of men was employed in manufacturing munitions of war, and it is safe to say that half of all the German people found employment in Germany's preparation for the greatest struggle that civilization has ever known. And in that great struggle for four long years Germany held the whole world at bay, and for a time had victory within her grasp. During those years that Germany was preparing for war she made one of the most remarkable industrial advancements that civilization has ever known. In 1913 she took second place among the nations of the earth, when her exports reached the enormous amount of $2,592,296,000 as against exports from our own country of $2,465,884,000.

Those great countries of the Old World which were spending so much money preparing for war are now on a peace basis. England is no longer building a navy but is scrapping many of her vessels of destruction that she built before the war. Japan, like the United States and England, has placed her navy on a peace basis, and in this retrenchment millions of men will be thrown out of employment, and the world applauds, very properly, because this is the greatest stride that has been taken toward permanent peace for the world. Germany is without a navy to scrap or maintain. She is without an army, and if she can succeed in holding her people together and in maintaining her Government, which let us hope and pray she may be able to do, she will again become a mighty factor in the markets of the world.

Our Democratic friends on the other side of the Chamber show a great deal of courage. They are not afraid to compete with any country on earth, regardless of the conditions which exist in that country. Senators on the other side are poohpoohing what they call the German bugaboo. Some of them are talking about the inefficiency of Europe and saying that some of Germany's plants are obsolete and that there is no danger of competition from that country.

Mr. President, the world will not soon forget German efficiency before the war and during the war. I do not believe there is a more efficient people on earth than the German people. Before her submarines, her Zeppelins, her flying machines, and her great guns the whole world stood aghast. There was no question about her efficiency in that great war, and she is just as efficient in her industrial work as she was in that great struggle for the control of the world.

Some of the Senators on this side of the Chamber seem to think that because the imports are light in some lines of manufactured articles the duty should be reduced. If I had my way, Mr. President, I would do what every other country is doing—I would make the duty so high that there would be a complete embargo against every manufactured article that can be produced in this country by our own labor and in our own factories. To me the situation in this country is a serious one. I will not say it is a dangerous one, but it may become a dangerous one unless we give the producers an opportunity to start the wheels of industry and the great army of the unemployed an opportunity to earn a living.

Mr. President, I have an exhibit here to which I shall call attention, but first I want to say that Senators on this side of the Chamber and Senators on the other side of the Chamber have referred to the imports at the present time as being very small. I think, when you consider the depreciated currency in many of the old countries of the world, the imports may be small, measured by dollars and cents. But the volume of imports from Germany, and practically all the other countries with depreciated currencies, is not small, and if measured by the gold mark, or the valuation of the mark before the war, it would be very much greater, as far as dollars and cents are concerned.

In 1913 the imports from Germany into this country were $184,211,362. In 1920 they were $88,836,280. With the depreciated currency of to-day the volume of imports from Germany for 1920 is vastly greater than the volume of imports for 1913. I think if the Senators will follow the invoice values of the exhibits I am going to present they will be forced to agree to that conclusion.

First, I want to read what happened in Austria. I read from the Washington Post of June 15, 1922:

RUSH TO SPEND KRONEN CLOSES VIENNA SHOPS—PANIC-STRICKEN POPULACE SEEKS TO TURN NEAR-WORTHLESS MONEY INTO MERCHANDISE.

(Special cable dispatch.)

VIENNA, June 14.—With the dollar quoted at 22,000 kronen, Vienna has reached the verge of collapse. After Monday's panic the stock exchange was closed, and to-day the panic had overtaken the population. Everybody is trying to get rid of kronen. The shops were open for only a few hours to prevent a total clearing of their stocks, as the panic-stricken customers want to convert all their money into goods.

In business circles there are wild rumors about the measures the Government is going to adopt, including a moratorium on all foreign payments and far-reaching restrictions of exchange dealings.

But we are not afraid of kronen. We permit foreign importers—and most of the importers are foreigners—to go to Austria and buy with the depreciated currency there all they please and bring it into this country without any question, and pay a duty amounting to one-fifth or one-tenth of the pre-war value.

We are the only country in the world to-day that has not closed its doors against depreciated currency such as exists in Austria, Germany, and other countries. We are a mighty brave people, but we will pay the price for it, which might be serious.

I hold in my hand a 22-caliber rifle [exhibiting]. I know something about guns, and I will say that this is some gun. There is not any question about that. This is not any toy at all. It is a real 22-caliber rifle. I want to read the history of it.

This is part of a shipment of two thousand nine hundred 22-caliber rifles purchased by the J. L. Galef Co., of New York, from Gustav Genschow & Co., of Berlin, Germany. The entire cost of these rifles in Germany was 685,500 paper marks, less 15 per cent for cash, making the invoice price 582,825 paper marks in Germany. To this there has been added 6,554 marks

for cost of packing. The cost of a single rifle was, therefore, 235 paper marks, which, at the exchange value of the mark on date of entry, viz, $0.00543, makes the foreign cost $1.09 each. The amount paid for this rifle at retail in New York was $10. The percentage of spread between the foreign cost and the American retail price was, therefore, 818 per cent. The landed cost of this rifle was $1.62, insurance and freight charges being $0.15 and the import duty $0.38, the rate being 35 per cent ad valorem. The spread, therefore, between the landed cost and the American retail price was 517 per cent.

Landed cost of 2,900 rifles, New York	$4,698
Retail value	29,000

I may add in this connection that the foreign invoice and the bill of lading accompany the exhibits.

I next have a razor made in Germany [exhibiting]. Value in Germany, 24 cents; charges, including transportation, insurance, freight, and so forth, 2.4 cents; rate of duty, 55 per cent; amount of duty, 13.2 cents; landed cost in the United States, 39.6 cents. The razor retailed in the United States for $5. The percentage of retail price to foreign cost was 1,980 per cent, and the landed cost 1,165 per cent. The razor was purchased from Parker & Battersby, New York. The original invoice is attached.

Here [exhibiting] is a pocketknife made in Germany. The foreign value was 39.4 cents. The transportation, insurance, and freight amounted to 4 cents. The rate of duty was 55 per cent; the amount of duty 21.6 cents; the landed cost 65 cents; the retail price in the United States $5. The percentage of retail price to foreign cost was 1,172 per cent and the percentage of retail price to landed cost was 669 per cent. The bill is attached and the original invoice also accompanies it. This knife was bought and paid for in March at the rate of 142 marks per dozen.

I have here now a lamp chimney [exhibiting] made in Germany. The foreign cost was 3.33 cents; the transportation, insurance, and freight charges were 1.58 cents. The rate of duty was 45 per cent and the amount of duty 1.5 cents. The landed cost in the United States was 6.41 cents and the retail price in the United States 23 cents. The percentage of retail price to foreign cost was 590 per cent and the percentage of retail price to landed cost was 258 per cent. This lamp chimney was bought from R. H. Macy & Co., New York. The original invoice and bill of purchase are attached.

I have here [exhibiting] a dog muzzle also made in Germany. The value in Germany was 4.2 cents. The transportation and other charges were 3 cents. The rate of duty was 30 per cent and the amount of duty 1.3 cents. The landed cost in the United States was 8.5 cents. The retail price in the United States was $1.50. Percentage of retail price to foreign cost 3,471 per cent, and percentage of retail price to landed cost 1,664 per cent. The bill and original invoice are attached. This leather muzzle was purchased from the Long Island Bird Store, in New York.

I have here next [exhibiting] a razor hone. Country of origin, Jugoslavia. Foreign value, 18.7 cents. Transportation and other charges, 2.1 cents. This is free of duty. The landed cost in the United States was 20.8 cents. The retail price in the United States was $1. The percentage of retail price to foreign cost was 435 per cent and the percentage of retail price to landed cost 380 per cent. This shipment consisted of 36,000 razon hones. The value of the shipment in Jugoslavia was $6,750. The value of the shipment landed in New York, $7,506. The retail selling value in the United States was $36,000.

Here [exhibiting] are some aluminum teaspoons, an article used in every home. These came from Germany. The foreign value was 4.6 mills each. The charges, including transportation, and so forth, amounted to 0.4 mill. The rate of duty was 20 per cent and the amount of the duty 0.9 mill. The landed cost in the United States was 0.59 cent. The retail price in the United States was 4 cents. The percentage of retail price to foreign cost was 770 per cent and the percentage of retail price to landed cost was 580 per cent. The bill is attached, together with the original invoice, all bought from R. H. Macy & Co., New York.

I have next the bill and original invoice of a shipment of cod-liver oil. The bottle was broken in transit, so the cod-liver oil can not be exhibited. This was the finest nonfreezing, steam refined, medical cod-liver oil that can be bought in Norway. The value in Norway was 4.35 cents per pint. The transportation and other charges were 2.32 cents. The cod-liver oil came in duty free. The landed cost in the United States was 6.67 cents. The retail price in the United States was $1.25 a pint. The percentage of retail price to foreign cost was 2,773 per cent and the percentage of retail price to landed cost was 1,774 per cent. In other words, the profits were 1,774 per cent. The oil is imported in barrels and bottled in the United States. This shipment consisted of 1,875 imperial gallons, equal to 2,250 United States gallons. The value of the shipment in Norway was $783. The cost of freight, insurance, and so forth, was $417. The value of the shipment landed in New York was $1,200. The retail selling value of the shipment in the United States was $22,500 based on the price paid for this pint of cod-liver oil. This bottle of cod-liver oil was bought from Fraser & Co., in New York, and was accompanied by the original invoice.

I next have a padlock. Country of origin, Germany. Foreign valuation, 2.7 cents. Transportation charges, 4.3 mills. The rate of duty was 20 per cent, and the duty amounted to 0.0054 cent. The landed cost in the United States was 0.0367 cent; retail price in the United States, 25 cents. The percentage of retail price to foreign cost was 826 and to landed cost 581.

The article was purchased from Louis Rice Co., New York. The bill accompanies this statement, together with the original invoice.

Here [exhibiting] is some lace, which is called "burnt-out cotton lace." The country of origin is Germany; foreign value per yard, 22 cents; transportation, insurance, freight, and other charges, 2 cents per yard; the rate of duty, 60 per cent plus 7 cents per pound, amounting to 14 cents; landed cost in the United States, 38 cents; retail price per yard in the United States, $1.95. These articles were purchased from Lord & Taylor, New York. The bill, together with the invoice, accompanies the statement.

Here [exhibiting] are two electric irons. I think all Senators agree that nowadays a home, the occupants of which are fortunate enough to have electricity, can hardly exist without an electric iron. The country of origin of these electric irons is Germany; the foreign value is 59 cents; the charges, transportation, insurance, freight, and so forth, amounted to 5.9 cents. The rate of duty was 20 per cent, amounting to 11.8 cents; landed cost in the United States, 76.7 cents; retail price in the United States, $6.50.

The percentage of retail price to foreign cost was 1,000 and the landed cost 747. So, if Senators please, on this electric iron there was a profit of 747 per cent. One of these irons was purchased at retail on May 26, 1922, for $5.50, while the other was purchased on June 10, 1922, for $6.50; both purchases were made from the same firm, and the bill and the original invoice of the purchase of these electric irons are presented. These two irons were invoiced at the same price, but evidently the retailers concluded that they were selling too cheap at $5.50.

I have here [exhibiting] a card of vegetable-ivory buttons. The country of their origin is Germany. The foreign value per card of 12 buttons was 6 mills; the charges, including transportation, freight, insurance, and so forth, were $0.0006; the rate of duty was 45 per cent, and the amount of the duty $0.0027; landed cost in the United States was $0.0093. The retail price in the United States was 25 cents for this card of 12 buttons. The percentage of retail price to foreign cost was 4,066 and to landed cost 2,588, the latter figures representing the profit of the retailer after all expenses were paid. These articles were purchased from Stern Bros., of New York.

Mr. President, to Senators on the other side of the Chamber or to Senators on this side of the Chamber who are so afraid that we are going to close our doors against foreign importations into this country, who are alarmed lest the rates in this bill are going to be too high, let me say that there is but one possible chance in America to give the men who are out of employment an opportunity to supply their families with the necessities of life, and that is to embody the American-valuation plan in the provisions of the pending bill. I do not think that any committee has ever made a greater mistake than did the Finance Committee when in reporting the pending measure, after the House of Representatives, following months of study and consideration had adopted the American system of valuation, it changed that system to the foreign plan of valuation.

Senators may study the question as they please, but taking into consideration the conditions which exist in America to-day, with 3,500,000 men out of employment, with many of our industries working only on half time and some of them practically closed down, if any Senator can perceive how we can possibly ameliorate the serious situation which now exists in America by any other means than through affording proper protection to American industries he is able to see more clearly into the future than can I.

Mr. LADD obtained the floor.

Mr. ROBINSON. Mr. President——

The PRESIDING OFFICER (Mr. MCNARY in the chair). Does the Senator from North Dakota yield to the senior Senator from Arkansas?

Mr. LADD. Does the Senator wish to ask a question?

Mr. ROBINSON. No. I desire to discuss the pending paragraph of the bill now under consideration and to make some references to the remarks which have been made by the Senator from Idaho [Mr. GOODING], who has just resumed his seat.

Mr. LADD. I desire to occupy the floor for about one hour in discussing the problem of Mexico and its recognition.

Mr. ROBINSON. Will the Senator from North Dakota be kind enough to yield to me for only five minutes?

Mr. LADD. I will yield to the Senator from Arkansas for five minutes

Mr. ROBINSON. Mr. President, the Senator from North Dakota has been very kind. I have been ready for a vote on the pending amendment since some time yesterday. I am astonished that the Senator from Idaho [Mr. GOODING] should take 2 hours and 24 minutes of the time of the Senate in a general discussion of tariff subjects remotely, if at all, related to the pending question. The Senator from Idaho has been foremost among Senators on the other side of the Chamber who have criticized Democratic Senators for their alleged action in holding up the passage of the tariff bill. With the item relating to hemp under consideration, the Senator from Idaho has taken the floor and consumed 2 hours and 24 minutes in the discussion of subjects entirely irrelevant to the pending question. He has read a speech, and the manner of his reading it shows that he is totally unfamiliar with the subject matter and the substance of the speech. During the course of his remarks there have been no more Senators present than now—two or three Senators on the Republican side of the Chamber and one or two Senators on the Democratic side of the Chamber. Yet the majority Senators are constantly taunting the minority Senators that they have been holding up the consideration and passage of the pending bill.

The Senator from North Dakota [Mr. LADD], who succeeded in obtaining the floor in advance of me, and who was kind enough to yield to me five minutes, has announced his purpose to consume an hour in general debate. I hope that the Senator from North Dakota will confine his remarks to the subject immediately under discussion. It ill becomes me, however, since I occupy the floor by his courtesy, to criticize in advance any remarks that he may submit; but I want to say to Senators on the other side of the Chamber that we are ready for a vote; that we are anxious to vote; we want to consider the provisions of the pending bill and pass upon them and dispose of the measure. The time for general debate on irrelevant subjects and for Senators on the other side of the Chamber to filibuster against the tariff bill has passed. This does not apply, of course, to the Senator from North Dakota, who has been good enough to yield to me five minutes, which I have just about consumed.

RECOGNITION OF MEXICAN GOVERNMENT.

WHY IS MEXICO NOT RECOGNIZED BY THE UNITED STATES?

Mr. LADD. Mr. President, it seems almost unnecessary for me to affirm that I would not willfully do anything which might embarrass the executive branch of our Government in its rightful conduct of foreign affairs or to interfere with negotiations which might be nearing a proper conclusion; but after painstaking investigation, after conferences with and repeated requests by many for information from the executive head of our Government, a sense of duty impels me to lay certain information before Congress and the country and to call attention to certain facts in the hope that an aroused public opinion, which ought to be the highest court of final appeal in any republic, will compel our Government heads to withdraw the apparently unjust demands they are insisting upon as the price of recognition and to reestablish immediately friendly relations and harmonious intercourse with the Republic of Mexico.

For 19 months Alvaro Obregon has been the duly elected President of the Mexican Republic. No suspicion of illegality clouds his tenure of office. For six months prior to his election Adolpho de la Huerta acted as provisional President under authority of the Mexican Congress. For 25 months, therefore, the Republic of Mexico has had a constitutional, pacific, and progressive Government—perhaps the best in the history of the Republic and certainly the most stable since the overthrow of Porfiro Diaz in 1911—and yet our Government withholds official recognition from this neighboring nation, except on terms that, in my judgment, are an insult to the sovereignty of the Mexican people and are a far cry from our traditional and boasted standards of true Americanism.

Our Chief Executive and the Department of State undoubtedly possess the legal right to withhold recognition from any believing that it is founded on violence, military oppression, fraud, or is conducting itself on principles antipathetical to international law and comity or the fundamentals which sustain civilization. In the past our Government has withheld and still withholds recognition from other Governments on these grounds, and there has been no protest by the people or unwarranted interference from Congress.

But it is my contention that the executive branch of the Government has no right to withhold arbitrarily recognition from a friendly Republic when that Republic for more than two years has proved beyond all reasonable question that it was established in accordance with its own constitutional provisions and international law; that it is founded on popular support; that it offers all reasonable safeguards to the life and property rights of its own citizens and foreign nationals; that accepts all valid international obligations; that advocates no confiscatory principles; and whose only offense is to insist upon certain sovereign rights which are expressly safeguarded in a treaty concluded with Mexico by our own Government which never has been revoked.

We have all the less right to withhold recognition when we know such an act trebles the difficulties that confront our neighboring Republic in its problems of reconstruction after 10 years of violent civil war and a succession of revolutions. There seems little doubt that England and France have some sort of an understanding with our Department of State not to recognize Mexico until the United States does.

The withholding of recognition makes it almost impossible for the Mexican Government to borrow funds needed for the reestablishment of transportation, commerce, and agriculture; it offers encouragement to certain sinister interests on this side of the border which have meddled unhappily in Mexico's internal affairs in the past and show an evident desire to do so again; it delays the adjustment of claims which concern the prosperity of many of our own nationals; and last, but by no means least, it postpones the industrial and agricultural development of Mexico, which otherwise would speedily become one of our best customers and restore our languishing foreign commerce by huge purchases which would furnish orders to our idle factories and give employment to our jobless workers.

COMMERCE AGAINST INDIVIDUAL INTERESTS.

Mr. President, I am forced to conclude, as I believe every person is who investigates the whole question with an impartial mind and with disinterested motives, that our refusal to recognize the constitutional, orderly, and friendly Mexican Government except on terms that seem a clear violation of Mexican sovereignty, is injurious to the best commercial interests of the United States as well as of Mexico, even though it may be advantageous to certain corporations and individuals of this and other countries; that it is an important factor in retarding the industrial rehabilitation of the whole world; that it damages our reputation with other Central and South American Republics as well as Mexico; and that it is an unfortunate departure from our former standards of honorable and just dealings with other nations, both great and small.

I do not care to comment at length upon some phases of previous interference by the United States officials in Mexican affairs. That is a closed chapter. I am only concerned with the present and future relations. But any fair consideration of the case calls forth the conclusion that we have interfered with Mexico in the past; that much of the disturbance in that unhappy country was the inevitable result of our meddling; and that certain great financial and industrial interests in the United States seem to have fomented past disorders within the boundaries of Mexico and still are endeavoring to influence public opinion in this country against recognition. For this reason it behooves us to be more than scrupulous in our dealings with Mexico and our respect for her sovereign rights, for it would be unfortunate indeed to afford any justification for the belief that in dealing with Mexico our State Department is acting at the behest of certain great, selfish, private or corporate interests or that the ends of decent and fair dealings with smaller neighboring nations have been subverted to the purposes of what is commonly called "dollar diplomacy."

WHAT ARE THE FACTS?

For this reason I am, after long consideration, laying all the facts in my possession before Congress and before the people. I believe that neither Congress nor the people place the demands of these private oil and land interests above the welfare of the whole Nation or our jealously guarded reputation for square dealing; and when all the facts are known I incline to the opinion that popular protest and popular pressure will bring about the recognition of Mexico, which already has been too

long delayed. In this connection it is necessary to rehearse briefly the facts leading up to the present situation, which, in my opinion, show that nation has done everything within its power that self-respect would permit to obtain recognition and that in longer withholding it we do an injustice to ourselves as well as to Mexico.

Mexico, Mr. President, once was the cradle of the oldest and most highly developed civilization known to the New World. The ancient Aztecs had an organized society which compared favorably with that of Egypt, Assyria, or Babylon, and in the arts, crafts, industry, and agriculture had made considerable progress. This was destroyed in 1519–1521, when the country was conquered by Cortez and his army of military adventurers, and for 300 years the unhappy land of Mexico was subjected to political tyranny, economic exploitation, and religious persecution that has no parallel in modern history.

The ancient civilization of Mexico was overturned; its proud, spirited aristocracy was almost exterminated; many of its cities were reduced to ruins; its people were enslaved in the mines or compelled to labor as serfs on the land; its treasures were taken to Spain; and the soil of Mexico literally was bathed in blood by the insatiable greed of its conquerors, who had no regard whatever for the rights or happiness of the original inhabitants but ruthlessly insisted upon extracting the largest possible tribute of gold.

Occasional revolts occurred from the first, but they were savagely repressed by armed force and the merciless, short-sighted, and barbarous rule of Spain continued until the opening of the last century, when, influenced, no doubt, by the example of the successful revolt of the American Colonies from the rule of England, large elements of both native and Spanish stock of Mexico spontaneously took up arms against the domination of Spain in 1810. The sanguinary struggle that followed is closely comparable to our own Revolutionary War, and no one who has studied the history of Mexico can doubt that they were animated by the same motives, with much more excuse, that led to our own fight for freedom.

In 1813 a revolutionary congress promulgated a formal declaration of independence from Spain, a provisional constitution was adopted, and decrees were issued abolishing slavery, ending the imprisonment for debt and establishing religious liberty. The struggle only started in earnest after the Mexican declaration of independence, just as our own historic document incited the more determined resistance from England, and for eight years more the revolution continued until in 1821 the new Republic was recognized by the United States and England, and Spain withdrew its last garrison.

OUR WAR WITH MEXICO.

The path of the new Republic was not peaceful, however. There followed a series of struggles between the forces of the republicans and monarchists, confused by the grandiose schemes of ambitious military dictators, and there was no settled government in Mexico until 1857. In the meantime, in 1847 and 1848, Mexico had come into collision with the United States over the annexation of Texas, which had seceded from Mexico, and our armies captured Mexico City, and we imposed rigorous terms on the conquered foe. Not only Texas but Arizona, New Mexico and California were added to the territory of the United States.

Mr. President, it is not necessary to go deeply into the causes of this war, but most impartial historians believe that our attitude was unjust; that Mexico's real offense was the opposition to the extension of slavery; that the quarrel was precipitated by the desire of the southern slave owners to offset the growing strength of the northern free States; and it is significant that Lincoln, Webster, Grant, and other American statesmen whose names we revere, denounced the course of our Government in the strongest possible language. Indeed, General Grant, even after he was President, went so far as to say that "No more unjust war ever was waged by a stronger against a weaker nation," and this represented the general attitude of northern statesmen of the time. I mention this merely to show that the righteousness of our cause was at least questionable even on the part of citizens of the United States, for whatever hostile feeling has existed in Mexico toward the United States has been the result of this war, and therefore perhaps not wholly unjustified. It is because of this past injustice that we should be all the more scrupulous in our present dealings with Mexico. We can not afford to have the 16,000,000 people of Mexico look upon us as grasping conquerors or regard us with suspicion.

The war with the United States at least served the purpose of convincing the more intelligent Mexicans that they must unite and establish a stable government to keep their country from disintegration, and in 1857 the reform elements did unite and adopted the constitution of 1857.

The constitution of 1857 was far in advance of the ideas of the early Mexican liberators, patriotic as they were, according to their rights. It was set forth "in the name of God and with the authority of the Mexican people," and recognized that "the rights of man are the basis and object of social institutions." The Mexican people declared that "all laws and all the authorities of the country must represent and maintain the guarantees which the present constitution establishes," and asserted further that "the national sovereignty resides essentially and originally with the people and is instituted for their benefit."

MEXICO'S TROUBLED WATERS.

But once more Mexico was not left free to work out its own destiny, for the great reactionary European powers, which operated under the agreement of the "holy alliance," hated the establishment of liberal principles on the soil of the New World, and, when the United States was torn by the dissensions of the Civil War, saw an opportunity to defy the Monroe doctrine and to reestablish monarchical rule in Mexico. Maximilian, grand duke of Austria, instigated and backed by Napoleon the Third, landed in Mexico with a powerful expedition of French troops and declared himself emperor in 1864. The Civil War that followed was not settled until 1867, and then only upon the threat of interference by the United States. This second war of independence was led by Benito Juarez, one of the outstanding figures of his day. Juarez occupied the presidency until 1872. His immediate successor was Sebastian de Tejada, who was unseated by the revolution of Palo Blanca. Gen. Porfiro Diaz succeeded Tejada in 1877 and was followed by Gen. Manuel Gonzales in 1880. In 1884 General Diaz was elected to a second term and he continued uninterruptedly at the head of the government until his resignation, May 25, 1911.

DIAZ'S IRON RULE.

The 27 years that Porfiro Diaz ruled Mexico was a period of outward stability and internal oppression. Since the repeated upheavals following his overthrow Diaz repeatedly has been extolled as a wise, beneficent ruler, a man who had the good of his country at heart, who was concerned only in its development, and a certain type of foreigners who prospered under his régime have lamented his passing and openly advocated the establishment of a similar régime by some "strong" successor.

The truth is that Diaz maintained himself in power by military might, in flagrant violation of the Mexican constitution, which provided that no President might occupy the office for two successive terms; that he habitually violated constitutional provisions concerning the granting of concessions; that he expropriaterd the native citizens of Mexico of millions of acres of communal lands, which had been theirs from time immemorial; that he reduced hundreds of thousands of native Mexicans to a state of peonage; that he jailed or killed all formidable political opponents and ruthlessly suppressed attempted organization on the part of city workers and agricultural laborers; that he favored foreigners at the expense of native Mexicans, and illegally gave away his country's richest resources in return for bribes paid to himself and his personal followers.

There is no doubt that Diaz "stabilized" the country, for banditry was almost entirely suppressed by his "rurales," a federal mounted police. He also encouraged foreign development and made some progress along educational lines, but his illegal expropriation of the natives' lands kindled the slow-smoldering fire that finally blazed forth in 10 years of revolution, and most of the international difficulties which Mexico faces to-day are the direct results of the illegal concessions granted by this dictator to foreign capitalists.

Louis XIV and Louis XV of France were loudly acclaimed by contemporary historians as the chief "ornaments" of Europe, and no one will claim that France was not "stable" under their rule; but we know now that it was their oppressions of the poor which caused the French Revolution under luckless Louis XVI. The long line of Russian Romanoffs also kept armed peace in the land by their secret police and "black hundreds," but the pent-up fury of the landless peasants finally broke forth and the present revolutionary excesses followed as night follows day. It was the same in Mexico. Under the rule of this "strong man" Diaz, whose "iron rule" is so often lauded by the concessionaires who exploited his favors, the powder train was laid that was terminated in the explosions of recent years.

REVOLUTIONS FORETOLD.

All students of history and economists know that revolutions follow certain definite trends which can be as closely diagnosed and as accurately predicted as the rise and fall of the fever chart of a typhoid patient, which ends in delirium. Certain wrongs were committed on the Mexican people; and from the

very day that those wrongs were perpetrated and perpetuated the upheavals of recent years were foredestined and inevitable. We should remember these facts in dealing with the Mexican people; we should recall their century-old struggle with the savage oppression of their Spanish conquerors and the crushing exploitation they have undergone from scarcely less greedy capitalists of our own and other nations; and it should make us patient with the common people of our neighboring nation, who are slowly but surely struggling upward toward political and economic independence. We should lend them a helping hand and not throw stumblingblocks in their way to make more difficult their struggle.

LAND GRABBING.

Unquestionably the most indefensible act of Diaz, and the one that first started the minds of the people flowing in a revolutionary direction, was his expropriation of the "ejidos" or community lands. These community lands were in possession of the aboriginal owners when the Spanish overran the country, but ruthless as were many of the acts of the invaders this immemorial ownership always was recognized, and when grants were made to Spaniards it always was stipulated that ownership of the Indians of lands occupied and farmed by them should be recognized and protected.

Under the instigation of land grabbers, however, who coveted these rich communal lands, Diaz passed a law requiring the Indians to appear before the authorities by a certain date and make proof of the ownership of these lands under pain of forfeiture. An overwhelming majority of the Indians were illiterate, and most of them were unaware of the passage of this law. Failing to register their ownership as the law required, their title was forfeited, and therefore thousands of Indians whose lands had come down to them for countless generations suddenly found themselves dispossessed and were forced to work as serfs on an unjust share-holding basis the very acres on which they had been born as free farmers.

Millions of acres of these communal lands were granted to foreign owners on condition they would colonize their huge estates. Four foreign firms in Lower California were given approximately 13,000,000 acres for a few pennies an acre, and then failed to meet the colonization agreements they had made. To-day the Mexican Government is investigating many of these grants, and wherever they are found to be clearly fraudulent or the conditions have not been lived up to the lands are being restored to their rightful owners who were illegally deprived of them.

OBREGON'S LAND POLICY.

This is one of the "confiscatory acts" of the Obregon government about which certain foreigners complain loudly. In my opinion these foreigners have no just grievance. The original grants were in conflict with the constitution and clearly tainted with fraud. Moreover, the concessionaires have violated the terms of their contract, which in itself vitiates any claim they ever may have had. In this matter my sympathies are entirely with the unfortunate natives and their descendants, who already have spent one generation in serfdom, and the present Mexican Government is heartily to be commended for its efforts to right this ancient wrong in cutting up these vast estates held by absentee landlords and restoring the land to its real owners. Every country prospers in direct relation to the happiness and prosperity of its people, and it long has been a political maxim that ownership of land makes for governmental stability. Most of the unrest of Mexico has been caused by the landless condition of its peons, and nothing will bring about peace in that country so surely or so speedily as the return of the land to those who actually farm it and have farmed it since the days of the Aztec empire.

It was the landless condition of the peons as well as their oppression by both native and foreign capitalists which led to the revolution of Francisco Madero in 1910. Outwardly all was peaceful in Mexico at that time, but discontent was simmering under the surface, and his slogan of "the land for the people" instantaneously won him popular support.

His revolt spread like wildfire and the corrupt government of Diaz fell apart like a hollow shell. In less than six months the dictator Diaz had fled aboard a ship bound for foreign parts and after a short provisional presidency by De la Barra, Madero was elected by a popular vote and legally installed as President.

There is a great difference of opinion about the character of Francisco Madero; but it seems fairly well established that, while honest and sincere, he lacked decisiveness and was vacillating in his decisions. Like many another, he found it easier to arouse the storm of popular discontent than to remedy the evils he complained of. He seemed singularly devoid of either political judgment or executive ability. He left the execution of many of his decrees to men who had little or no sympathy with his purposes. His rather idealistic conception of human nature failed to meet the stern exigencies of the occasion. His lack of consistency alienated his former supporters and his evident honesty failed to win the adherence of the "cientificos" who had surrounded Diaz. Discontent grew up in all quarters, and on February 9, 1913, a conspiracy, headed by Gens. Victoriana Huerta, Felix Diaz, and Bernardo Reyes culminated in an open attack upon the national palace. After 10 days of anarchy in the capital city, Madero finally surrendered, resigned his office under pressure, and, with his Vice President, was assassinated on the following night under circumstances which created a strong presumption that General Huerta was a prior accessory to the act.

It is not necessary to detail the chapters that followed. Our Government had recognized Madero as the legal successor of Diaz, but the Wilson administration consistently refused to recognize the Huerta government on the theory that he was actively implicated in the murder of Madero.

THE CARRANZA REVOLUTION.

In the meantime, Venustiano Carranza, Governor of the State of Coahuila, refused to recognize Huerta, took up arms, issued the call for a constitutional convention, and began a civil war that did not end until July 15, 1914, when Huerta finally fled aboard a ship at Vera Cruz.

Carranza entered Mexico City August 20, 1914, and shortly afterwards was declared "first chief" of the constitutionalist forces. Then Villa, Zapasta, and other chiefs who had aided in the overthrow of Huerta, took up arms against Carranza. Two years of civil war followed, which was complicated through occupation of Vera Cruz by United States troops following the bombardment of that port by our warships after a dispute with Huerta.

There is no doubt that the attitude of the Wilson administration was a strong factor in the collapse of the Huerta government; and it is equally indisputable that the bombardment of Vera Cruz and its subsequent occupation by our military forces created considerable hostility among all classes of Mexicans and was partially responsible for attacks upon Americans living in Mexico and damages to their property.

By the middle of 1915 Carranza had extended his authority over the greater part of Mexico and his recognition by the United States and other foreign Governments was accorded in October of that year. Sporadic outbreaks of banditry continued in various parts of Mexico for several years and the situation was complicated in the spring of 1916 when the forces of the rebel Villa raided the city of Columbus, N. Mex., and were later followed across the border by a United States army led by General Pershing. This army had one serious collision with Mexican forces, and the whole situation was tense.

At this time the propaganda for intervention flooded the press of this country, and this was increased after May, 1917, when Carranza was legally elected President and the new constitution of 1917 became the fundamental law of Mexico.

Carranza governed Mexico as its legally elected Chief Executive from May, 1917, until May, 1920, when he was killed while attempting to flee to Vera Cruz following an uprising started by Governor de la Huerta, of Sonora, Gen. Pablo Gonzales, and several other military chieftains.

Carranza undoubtedly was a man of high ideals, absolute honesty, and unquestioned sincerity. He played a commendable part in the reconstruction of Mexico and did much to place that country upon a more stable basis. The good that he accomplished is conceded even by his enemies. But he made the mistake—sometimes made by our own Chief Executives—of attempting to use his official power and prestige to influence the choice of his successor, and this aroused bitter resentment in Mexico and led to his downfall.

Gen. Alvaro Obregon, Gen. Pablo Gonzales, and Ignacio Bonillas, ambassador at that time to the United States, were the principal candidates for the Presidency to succeed Carranza. Obregon unquestionably was the more popular throughout Mexico, for he had been a loyal aid to Carranza in the struggle against Huerta and afterwards against Villa, and was a hero among the people on that account. Carranza, however, threw all his support to Bonillas. There was a general belief that Obregon would be an overwhelming victor if the election were honestly conducted, but the fear was expressed on all hands that Carranza might exceed his power and use Federal troops to influence the vote.

This fear became a conviction when Carranza ordered Federal troops into the State of Sonora on the eve of the State elections. The governor of Sonora, Adolpho de la Huerta, protested that the presence of troops was unnecessary and likely to precipitate violence, but Carranza persisted in his course and the invasion of Sonora by Federal troops was resisted by

Governor de la Huerta with the State military forces under his control. The outbreak spread rapidly to other parts of Mexico, and Carranza prepared to move the seat of Government from Mexico City to Vera Cruz. The train was intercepted by revolutionary troops and Carranza with an escort fled to the hills. There he encountered a force of "Palaezistas" under Rodolfo Herrero, irregular troops connected with General Palaez, and was murdered.

There can be no defense of this abominable crime; but it never has been charged by any responsible person familiar with the circumstances that Obregon, de la Huerta, Gonzales, or their followers had any connection with his death. Indeed, Obregon was a political fugitive at the time, for Carranza had issued orders for his arrest, and he had fled from Mexico City in disguise. They had the strongest reasons for not desiring his death, knowing this would be used as an argument against the recognition of his successor, and there is every reason to believe they sincerely regretted the affair. On the other hand, there is evidence which goes to show that General Palaez had close connections with some of the American oil companies which desired intervention.

They paid him regularly thousands of dollars monthly for "protection," as they themselves have testified, and with the consent of the United States Department of State. (See p. 285 of Fall report, Dohey testifies.) Certainly these were the only elements who would have profited by his death. It is noteworthy in this respect that the reasons officially given out by our Department of State for failure to recognize Obregon have never, even by implication, accused him of complicity in the death of Carranza. Before the bar of public opinion, both in Mexico and abroad, he stands universally acquitted of this heinous crime.

Governor de la Huerta, of Sonora, was immediately elected provisional President by the Mexican Congress. He pledged himself not to be a candidate for the presidency and to retire when his successor was legally elected. De la Huerta scrupulously obeyed this pledge. The election was held on September 5, 1920, and Obregon received 1,131,751 votes to 47,442 for Robles Dominguez and 2,357 for scattered candidates. The vote was canvassed by the National Chamber of Deputies on October 26. The national chamber declared that Obregon was the legally elected President and specifically acquitted him of participation in the movement that led to the overthrow and assassination of Carranza. Obregon took the oath of office on November 30, 1920, his term to expire on November 30, 1924.

MEXICO HAS STABLE GOVERNMENT.

Alvaro Obregon now has been President of Mexico for 19 months, and it is generally admitted that he has given Mexico the most stable, peaceful, and strictly constitutional government in all its history. There seldom was less disorder even under the "iron rule" of Diaz. Banditry has been ruthlessly suppressed; there is stringent regulation of saloons and gambling; many of the former bandit bands have been peaceably settled on farms; the army has been greatly reduced; education has been extended; courts have been reestablished; its budget is balanced; railroads are being repaired; citizens of the United States and other foreign nationals are returning to the properties which they abandoned during the revolution; and the growing general tranquillity is reflecting itself in increased exports and imports which, after falling to a very low point in 1913 to 1916, now have increased until they have exceeded the best years before the overthrow of Diaz. Despite the lurid stories concerning Mexico which still appear occasionally in certain sections of our "yellow press," I doubt if there is as much prostration of commerce, destruction of property, or danger of life in Mexico to-day as there was in the American Colonies 10 years after our own Revolutionary War, and, if any Senator thinks this statement extreme, I shall respectfully refer him to the pages of McMaster and other historians who have accurately depicted conditions of that period. Indeed, I might even go further and state that I doubt whether, speaking by and at large, there are as many crimes of violence or more danger to property in Mexico to-day than there is in the United States; and certainly a country which permits the barbarous lynchings that lately have disgraced the United States is in no position to criticize our neighboring Republic.

RECENT BANDIT RAIDS.

This statement stands despite the recent widely heralded "kidnapings" in the Tampico oil district. It is a curious coincidence that these well press-agented "outbreaks of banditry" should only occur where the American oil companies are located and where, as a matter of official record, former bandit chiefs have been in their pay. It also is significant that these affairs should be precipitated just as financial arrangements between the Mexican Government and a group of international bankers were on the eve of consummation in New York City.

Most unprejudiced observers will decide that these "kidnapings" have the appearance of being staged according to a prearranged plan at the very moment best calculated to embarrass the Mexican Government in its negotiations looking toward the funding of its debt, and practically all the metropolitan newspapers of the United States have taken precisely this view of the situation.

Indeed, it is doubtful whether some of these so-called "kidnapings" had any actual existence except in the mind of subsidized press agents; but, admitting that bandits, whether in the pay of American oil companies or otherwise, did commit the outrages charged to them, it can not be denied that President Obregon acted with great diligence in immediately dispatching a large force of Federal troops to the district.

In connection with the alleged wholesale kidnaping of Americans by bandit Gorozabe at the Aguada camp of the Cortez Co., near Tampico, the Mexican Embassy is in receipt of the following self-explanatory telegrams exchanged between President Obregon and General Sanchez, commander of the Federal military zone of the oil region:

Gen. GUADALUPE SANCHEZ,
Chiconcillo, Vera Cruz:

Several American newspapers have given prominence to news from Tampico to the effect that 40 Americans have been kidnaped at the Aguada camps of the Cortez Oil Co. by the bandit Gorozabe. Although I am confident that this news is one of the many deceitful means used by the enemies of Mexico to cause difficulties between the two Governments and to create animosities between the two people, please submit official report so as to inform the press.

A. OBREGON,
President of the Republic, Mexico City.

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Up to this moment no manager of any petroleum company has complained for the kidnaping of Americans. Yesterday afternoon the superintendent of the Cortez Oil Co. visited the headquarters of Juan Casiano, and in reply to my questions in regard to the situation at La Aguada, La Pluma, and Rosilla camps, he stated that bandits had been seen in the neighborhood of those places. Immediately after I call General Portas and instructed him to proceed to those camps or to any place till the bandits be found. I regret, Mr. President, that persons living at a great distance from here are more able to secure news about this region than I, residing at the place where these occurrences are said to have happened.

Gen. GUADALUPE SANCHEZ.

—

PRESIDENT OF THE REPUBLIC,
Mexico City.

I have the honor to report that Gen. Panuncio Martinez has just arrived in an automobile from Ozuluama. General Martinez made the trip accompanied only by two officers and three privates, having gone through La Aguada, La Pluma, and Rosilla, places where they report nothing has occurred.

Gen. GUADALUPE SANCHEZ.

It is clear from the foregoing that up to the present time the reported kidnapping has not taken place, the story having been obviously framed for public consumption by certain American and Mexican interests whose activities have already been investigated by the Mexican authorities.

In view of the admitted facts that American oil interests have paid stipulated sums to bandits operating in the Tampico region and that Thomas F. Lee, secretary of the National Association for the Protection of American Rights in Mexico, endeavored to foment a revolution in Mexico only a year ago, it is safe to assume that President Obregon was correct when he characterized the recent Tampico "kidnappings" as the inspiration "of influences of work to disturb public opinion in the United States and to create controversies between both peoples for no other reason than the satisfaction of personal egotism."

Two Mexican citizens were murdered in the recent mine massacre at Herron, Ill., and five more were illegally deported from their residences during a mining strike in the State of Utah, yet the Mexican Government has not seen fit to send us belligerent messages or to order battleships dispatched to our ports. Nor would we so treat Mexico if her military establishment were on a par with our own. I am not impugning our national courage, but the United States Government would not dare, in my humble opinion, to negotiate with any power of equal magnitude in the same badgering, bullying manner that habitually characterizes our "diplomatic communications to Mexico."

MEXICAN COURTS.

Mexico is making every honest effort possible to restore stability after 10 years of internal struggle, to educate her people, to promote agriculture, industry, and commerce, and to reestablish legal, orderly, processes of adjudication through the courts.

Her judicial system is patterned after our own and consists of 11 supreme judges, 37 numerary district judges, 7 supernumerary district judges, and 9 circuit judges. In addition

to this there are hundreds of state and municipal judges. Her processes of law are fair and orderly, and it no longer can be said that any resident, whether a native or an alien, can be deprived of his property, his liberty, or life without the same rights accorded to an American citizen in the same situation

Mexico is one of the few nations of the world which has a balanced budget and does not issue large quantities of paper money. Mexico employs only metal currency, and during the last fiscal year the actual receipts exceeded the actual expenditures by some $3,000,000. Moreover, Mexico spends a far less proportion of her national revenue for military purposes than does the United States, or practically any of the great powers of Europe, and this, in the face of the fact that our attitude toward her has been equivocal and threatening. Not only that, but Mexico also spends a larger proportion of her national income for educational purposes than does the United States, and it is the settled policy of President Obregon and his cabinet to reduce their military establishment and to expend increasingly large sums of money for education, agricultural development, public works, and the improvement of communications.

MEXICAN SCHOOLS.

The expenditure of the Government of Mexico upon the schools of that country for 1922 will be $49,826,716, or approximately five times as much as was expended in 1921. This shows an admirable tendency and one which we might profitably pattern after.

These figures are taken from the report just issued by the secretary of public education, and I cite them as being indicative of the purpose of the present Mexican Government to extend its educational system until it will cover the whole Republic so thoroughly and so well that the children of the humblest peons will have the same opportunity for the development of their intellectual capacities as those of the rich.

It will surprise those who depend upon the "yellow press" for their "facts" about Mexico to learn that the schools in Mexico at present in operation and supported by the Mexican Government number 8,388. Of these 3,137 are for boys, 2,315 for girls, and 2,936 are coeducational. In addition to these there are 1,327 sectarian and private schools in the Republic, of which 399 are for boys, 313 for girls, and 615 coeducational. There also are thousands of private schools, for the Mexican constitution wisely provides that wherever more than 300 peons are employed on any ranch or rural factory the owner must set up a school and pay for its maintenance.

Students who attend the regular Federal schools number 711,592. Of this number 369,864 are boys and 341,728 girls. Students in private institutions number 108,183, of which 55,081 are boys and 53,102 girls. The total number attending schools, exclusive of the education supplied on farms and in rural factories, is 819,775, and this remarkable record is the best possible testimonial to the good intentions and zeal to improve the welfare of its people which actuates the Mexican Government.

MEXICO TO PAY HER DEBTS.

President Obregon repeatedly has announced the determination of his Government to pay all just foreign claims, and pursuant to this policy issued a formal decree on July 12, 1921, directing all Mexican diplomatic representatives in the United States and other countries to call to the attention of the various governments where they were stationed that the Republic of Mexico would enter into arrangements with those governments to establish a permanent international claims commission to study and to adjust the claims of any foreigners who suffered any damage by reason of the Mexican revolution.

President Obregon also has given repeated assurances, official and otherwise, that all legal international obligations will be met and absolute protection and every facility will be guaranteed foreign capital seeking investment in Mexico and that the lives of all foreign nationals will be secure.

SECRETARY COLBY GIVES FACTS.

So long ago as October 29, 1920, Mr. Bainbridge Colby, Secretary of State under the Wilson administration, made a public statement concerning his negotiations with Señor Roberto P. Pesqueira, special representative of Mexico to the United States, in which he said:

The discussions which have for some time been in progress with Mr. Pesqueira, representing the Mexican Government, give promise of a speedy and happy outcome. The letter which he has addressed to me and which I am giving out for publication is a very gratifying and reassuring statement of the attitude and purposes of the new Government of Mexico. Mr. Pesqueira came to Washington bearing the fullest powers to speak and act in behalf of his Government, and has exhibited throughout the course of the discussions a complete realization of Mexico's international obligations, just as his letter reflects clearly the firm resolve of his Government to discharge them.

I think I am warranted in saying that the Mexican question will soon cease to be a question at all, inasmuch as it is about to be answered, not only as it concerns the United States but indeed the whole world as well.

The new Government of Mexico has given indication of stability, sincerity, and a creditable sensitiveness to its duties and their just performance. While the full protection of valid American interests, which is clearly enjoined upon us as a duty, has at all times been a matter of primary concern to us, I may say that on the part of this country there has been no attempt to prescribe rigid and definite terms upon which a recognition of the Mexican Government would be definitely conditioned.

This we have deemed wholly unnecessary and the disavowal of the Mexican representative of any policy of repudiation of obligations or confiscation of property or vested rights, either through retroactive legislation or future regulations, has the added value of being spontaneous and unprompted.

There are certain pending matters in controversy between the two Governments and our respective nationals, but these will be determined either by agreement or by the process of arbitration, to which Mexico is prepared to yield complete assent.

The letter of Mr. Pesqueira offers a basis upon which the preliminaries to recognition can confidently proceed, and I am hopeful that within a short time the sympathetic friendship and patient forbearance which President Wilson has manifested toward the Mexican people during the long period of their internal disorders will be fully vindicated. The desire reflected in Mr. Pesqueira's letter for the confidence and amiable regard of the United States is fully reciprocated and I am happy to believe that the last cloud upon the ancient friendship of the two peoples is soon to disappear.

This extremely fair-spirited and optimistic letter by the then Secretary of State gave justifiable grounds for the hope that the Wilson administration intended to recognize the Obregon government, but for some reason it failed to materialize. Twenty months have elapsed since that statement was made. The Wilson administration left office without taking further action, and the Harding administration, although in office now for more than 15 months, has failed to recognize the Government of Mexico.

WHY IS MEXICO NOT RECOGNIZED?

Why has the Obregon government not been recognized by either the Wilson or the Harding administrations? In view of friendly, stable, constitutional rule which Mexico now has had for more than two years under the provisional presidency of De la Huerta and the legal presidency of Obregon, this question assumes a growing pertinency. It is all the more a matter of vital public importance because recognition undoubtedly would swell our already important commerce with Mexico. The Wilson administration has passed out of public life and is now no longer answerable for its failure to follow up the promises of Secretary Colby; but the Harding administration is seeking congressional support in the coming elections on the basis of its record, and the question of the recognition of Mexico can not longer be avoided.

The only statement of policy which we have on this point is contained in a public statement given to the press by Secretary of State Hughes on June 7, 1921. That statement follows:

The fundamental question which confronts the Government of the United States in considering its relations with Mexico is the safeguarding of property rights against confiscation. Mexico is free to adopt any policy which she pleases with respect to her public lands, but she is not free to destroy without compensation valid titles which have been obtained by American citizens under Mexican laws. A confiscatory policy strikes not only at the interests of particular individuals but at the foundations of international intercourse, for it is only on the basis of the security of property validly possessed under the laws existing at the time of its acquisition that commercial transactions between the peoples of two countries and the conduct of activities in helpful cooperation are possible.

This question should not be confused with any matter of personalities or of the recognition of any particular administration. Whenever Mexico is ready to give assurances that she will perform her fundamental obligation in the protection both of persons and the rights of property validly acquired there will be no obstacles to the most advantageous relations between the two peoples.

This question is vital because of the provisions inserted in the Mexican constitution promulgated in 1917. If these provisions are to be put into effect retroactively, the properties of American citizens will be confiscated on a great scale. This would constitute an international wrong of the gravest character, and this Government could not submit to its accomplishment. If it be said that this wrong is not intended and the constitution of Mexico will not be construed to permit or enforced so as to effect confiscation, then it is important that this should be made clear by guaranties in proper form. The provisions of the constitution and the executive decrees which have been formulated with confiscatory purposes make it obviously necessary that the purposes of Mexico should be definitely set forth.

Accordingly, this Government has proposed a treaty of amity and commerce with Mexico, in which Mexico will agree to safeguard the rights of property which attached before the constitution of 1917 was promulgated. The question, it will be observed, is not one of a particular administration, but of the agreement of the nation in proper form, which has become necessary as an international matter because of the provisions of its domestic legislation. If Mexico does not contemplate a confiscatory policy, the Government of the United States can conceive of no possible objection to the treaty.

The proposed treaty also contains the conventional stipulations as to commerce and reciprocal rights in both countries. It also provides for the conclusion of a convention for the settlement of claims for losses of life and property, which, of course, means the prompt establishment of a suitable claims commission, in which both countries would be represented, in order to effect a just settlement. There is also a provision for the just settlement of boundary matters.

The question of recognition is a subordinate one, but there will be no difficulty as to this, for if General Obregon is ready to negotiate a proper treaty it is drawn so as to be negotiated with him, and the making of the treaty in proper form will accomplish the recognition of the Government that makes it. In short, when it appears that there is

a Government in Mexico willing to bind itself to the discharge of primary international obligations, concurrently with that act its recognition will take place. This Government desires immediate and cordial relations of mutual helpfulness, and simply wishes that the basis of international intercourse should be properly maintained.

Accordingly, on the 27th day of May last, Mr. Summerlin, American chargé d'affaires at Mexico City, presented to General Obregon a proposed treaty covering the matters to which reference has been made. The matter is now in the course of negotiations and it is to be hoped that when the nature of the precise question is fully appreciated the obstacles which have stood in the way of a satisfactory settlement will disappear.

This statement by Secretary Hughes, made public more than a year ago, is the only official explanation of our policy toward Mexico that I have been able to obtain.

It must be perfectly plain to anyone who understands the fundamental principles of international law that the procedure outlined by Secretary Hughes is an unwarranted and unprecedented invasion of the sovereign rights of Mexico. Treaties should and usually are, except after a military conquest, consummated between friendly powers on a basis of equality, but here we have the spectacle of a great power presenting a treaty whose provisions are already predetermined to another power and openly threatening to withhold political recognition unless that treaty is accepted. We would not dare to submit such a high-handed proposal to a power of equal strength, and it is grossly unfair and unworthy of our best American traditions to affront Mexico in such a manner.

WOULD AMERICA DO IT?

Moreover, the tentative treaty of "amity and commerce" specifically asks for guaranties against any retroactive application of article 27 of the Mexican constitution. I do not profess to be a specialist on international law, but nevertheless I will venture the assertion that this is the first time in history that one nation ever asked the executive heads of another to bind themselves by treaty to a preconceived interpretation of the fundamental law of their land. Suppose the situation were reversed and some foreign power should demand of the United States that its Department of State negotiate, its President sign, and its Senate ratify a treaty binding the Supreme Court in advance to a definite interpretation of certain legislation. What a public protest would go forth! How we would clamor over this unparalleled insult! Yet this is exactly, as I understand, the proposal we have submitted to Mexico. Is it any wonder that the Chief Executive of that neighboring Republic declines to purchase recognition at a price so galling to any proud-spirited people?

President Obregon has, however, repeatedly stated that he did not believe article 27 of the Mexican constitution of 1917 was intended to apply retroactively. Indeed, he pointed to article 14 of the same constitution, which in brief and pointed terms declared that no law of a retroactive character shall be passed under that constitution. Beyond that he could not go. He is the Chief Executive of that Republic, and has no more power to limit or define the powers of its supreme court than has the President of the United States. Now, however, most fortunately, this particular matter is no longer subject to a controversy.

THE SUPREME COURT DECIDES.

The Mexican Supreme Court has acted and in no less than five separate opinions has decided that the provisions of article 27 of the Mexican constitution are not retroactive. The guaranties which Secretary Hughes insisted upon in regard to this question are supererogatory, for this question has been settled forever, as it is the unwritten but settled practice of the Mexican Supreme Court to establish a precedent which it is impossible to reverse.

It is no longer true, in the language of Mr. Hughes himself, that the provisions of the constitution "make it obviously necessary that the purposes of Mexico should be definitely set forth," for this desired end has already been consummated.

Secretary Hughes also stipulated a convention for the settlement of claims for losses of life and property by means of the establishment of a "suitable claims commission." What possible purpose can be served for longer insistence upon this point in view of the fact that on July 12, 1921, President Obregon formally issued an invitation to the United States and all foreign Governments to adjust such claims through the medium of a permanent international arbitration commission? Does not this offer meet fairly the issue Mr. Hughes has raised? One of the first acts of Carranza, in the early days of the revolution, was to issue a decree providing for an international arbitration commission to settle revolutionary damage claims.

Mr. President, there seems even less justification for the other demand raised by Mr. Hughes, when he stated that in his tentative treaty there was contained "a provision for a just settlement of boundary matters." What is this "just settlement"? Surely, Mr. Hughes knows that there already exists in the treaty of Guadalupe Hidalgo, consummated between the United States and Mexico on February 2, 1848, a clause which provides for the settlement of such disputes by the arbitration of a friendly nation or the appointment of a joint commission. There is in fact, and has been for years, such a commission which has been considering the changes in boundary caused by the change of the course of the Rio Grande at El Paso. Article 21 of the treaty of peace and amity concluded between the United States and Mexico on February 2, 1848, is as follows:

If unhappily any disagreement should hereafter arise between the Governments of the two Republics, whether with respect to the interpretation of any stipulation in this treaty, or with respect to any other particle concerning the political or commercial relations of the two nations, the said Governments, in the name of these nations, do promise to each other that they will endeavor, in the most sincere and earnest manner, to settle the differences so arising and to preserve the state of peace and friendship in which the two countries are now placing themselves, using for this end mutual representations and pacific negotiations. And if by these means they should not be enabled to come to an agreement a resort on this account shall not be had to reprisals, aggression, or hostility of any kind by the one Republic against the other until the Government of that which deems itself aggrieved shall have maturely considered, in the spirit of peace and good neighborship, whether it would not be better that such difference should be settled by the arbitrations of commissioners appointed on each side or by that of a friendly nation. And should such course be proposed by either party, it shall be acceded to by the other, unless deemed by it altogether incompatible with the nature of the difference or circumstances of the case.

Is not the course of our Government, in view of this unrevoked treaty, explicitly pledged? Are we as a Nation, after spending billions of dollars and tens of thousands of lives to uphold the principle that treaties between strong and weak nations are to be regarded as inviolate, to proceed ourselves to make a "scrap of paper" out of this solemn covenant? I do not think the enlightened public opinion of the United States will sanction such a course, and in dignity and honor we can do no less than to abandon these unworthy demands which we have attempted to impose upon our weaker neighbor.

RECOGNITION A SUBORDINATE ONE—WHY?

What good grounds longer exist for withholding recognition to Mexico? Has not every objection that Secretary Hughes raised in his public statement of June 7, 1921, already been met? Can longer delay be explained except on the ground that we are using unfair advantage and taking advantage of circumstances to compel Mexico to sign a distasteful treaty?

Secretary Hughes himself admits as much. He states:

The question of recognition is a subordinate one—

But, he adds, with unmistakable meaning—

that if General Obregon is ready to negotiate a proper treaty, it is drawn so as to be negotiated with him, and the making of the treaty in proper form will accomplish the recognition of the government that makes it.

In other words, although it is impossible to state the case much more clearly than has Mr. Hughes, there will be no recognition unless a "proper treaty," which is already drawn, shall be agreed to by President Obregon. Evidently we are already using recognition as bait with which to fish for commercial advantages in the troubled waters of Latin America.

It now becomes highly pertinent to ask what are the provisions of this "treaty of amity and commerce" which is being "negotiated" in a manner that belies its ostensibly amicable purpose? What specific agreements does it contain? Why does Mr. Hughes withhold all knowledge of this vital matter not only from the people but from Senators and Representatives of the United States, as he says, "in deference to the public interest"?

What legitimate "public interest" can be served by shrouding in secrecy the provisions of this proposed covenant which so closely concerns the relations of two great nations and the welfare of 110,000,000 American citizens on this side of the Rio Grande River and 16,000,000 Mexican citizens lying to the south? Has the United States of America committed itself to the same sort of secret diplomacy that wrecked Europe in 1914? Are the American people no longer to be trusted with matters which affect both their peace and prosperity? If not, then why are not the provisions of this "treaty of amity and commerce" which we seek to force upon a friendly neighboring nation dragged out into the light of day? I ask again, What honest, legitimate "public interest" forbids?

ALSBERG'S CHARGES.

But if Mr. Hughes has been as secretive in this matter as a European diplomat of the old school, others evidently have been more candid, for Mr. Henry G. Alsberg, a reputable newspaper man, declares in a signed article appearing in the New York Nation on May 10, 1922, that he "was informed by persons of the highest authority" in Mexico City that the United States Department of State during Mr. Hughes's incumbency—

has sent a series of notes to the Mexican Government, which, if acceded to, would have deprived Mexico of her standing as an independent nation.

I was told in all earnestness—

Writes Mr. Alsberg—

that our State Department had demanded as its price of recognition that Mexico sign a treaty which would have reduced her to the status of a protectorate. This treaty, said my informant, was almost a replica of that accepted by Guatemala before recognition. (I will have some comment to make upon our relations with Guatemala later.) My informant said that his Government was willing to make almost any concession to the United States except this, to sign a treaty surrendering national sovereignty in exchange for recognition. Some of the demands made by the State Department notes and proposals sent to Obregon since Mr. Harding's inauguration I was told were:

1. Supervision in some form of elections, or at any rate the assurance that so-called radicals, among whom were included some of the most prominent members of the party now in power, should not be candidates for election.

2. A demand that all radical elements, including these same individuals, leave Mexico.

3. An exception in favor of American Protestant churches in Mexico permitting them to hold property and conduct schools. The fundamental laws of the country forbid any church to hold lands or conduct sectarian schools.

4. Recognition of all concessions and land grants given under Diaz, no matter how acquired.

5. Special rights to American capitalists over capitalists of other nationalities.

6. A demand that the old minority stockholders in the Mexican railroads be given control of them, though the Mexican Government holds 51 per cent of the stock.

HUGHES'S REPLY.

It is only fair to state at this point that Mr. Hughes has issued an unqualified denial of these charges in a letter written to the editor of the Nation, following the publication of Mr. Alsberg's article. Mr. Hughes couched his denial in the following language:

I stated to the press correspondents, and reiterate now, that no such demands have been made, and that the statement, on whatever information, that such demands have been made is utterly false. It is true, of course, that as the department acts for American citizens we have asked protection of the valid rights of American citizens which had been acquired in accordance with Mexican laws, but this does not preclude, and rather anticipates, similar protection of citizens of other countries.

THE NATION'S REJOINDER.

In reply to this the Nation declared that it stood upon Mr. Alsberg's demand, and in turn it submitted to Secretary Hughes the following list of questions:

1. Did you or did you not propose as a condition of recognition of Mexico a modification, in favor of Americans, of the Mexican law according to the terms of which all foreigners are forbidden to acquire property in a certain restricted zone along the Mexican coasts and international boundaries?

2. Did you or did you not at any time propose as a condition of recognition that the Mexican law regulating the activities of the clergy of all denominations in Mexico be modified in favor of the American clergy?

3. Did you or did you not ever intimate in any way to the Mexican Government that the United States Government disapproved of the political tendencies of certain personalities in the Mexican Government?

4. Will you publish in full the proposed treaty offered Obregon as a condition of recognition last spring in the form then offered?

5. Will you publish in full all the notes and negotiations, official and unofficial, which led up to the formulation of this promised treaty?

6. Will you also publish in full the "many" notes which the Washington dispatches in to-day's newspapers refer to as having been sent following the presentation of this proposed treaty of commerce and amity and up to date?

7. Will you publish all your negotiations with France and England, if any, in which the question of recognition of Mexico was discussed?

8. Will you publish in full all the negotiations and the agreement, if any, which preceded your recognition of the new Orellana in Guatemala?

9. Did you or did you not ever propose to the Mexican Government as a condition of recognition an agreement similar to that, if any, which was entered into with the Guatemalan Government above referred to?

10. Will you publish the names of your representatives, official, semiofficial, and unofficial, in your negotiations with Mexico, together with the instructions given by you to them and their reports?

It was these questions that Secretary Hughes refused point blank to answer "in deference to public interest," to which he added, "in view of my official responsibility I must be the judge."

It is not my intention to question the veracity of either Mr. Alsberg or Secretary Hughes, but when they diametrically differ on such an important matter, in order to ascertain the truth it becomes necessary to examine any evidence which may shed illumination upon the controversy. Some pertinent evidence exists.

WHAT WAS DEMANDED.

An Associated Press dispatch of May 22, 1921, sent from Washington, D. C., and widely published in hundreds of newspapers all over the United States, gave the following version of the demands which our Government presented to President Obregon of Mexico:

A definite statement outlining the conditions upon which the United States would extend recognition to the Obregon government of Mexico has been prepared for submission to President Obregon. This statement, in the form of a memorandum, it was said to-night, will be delivered to President Obregon by George T. Summerlin, counselor of the American Embassy at Mexico City, who is expected to leave Mexico this week.

Among the conditions set forth are:

"Elimination of those provisions of article 27 of the Mexican constitution relating to the nationalization of the subsoil rights in so far as they affect the tenure of land to which title was obtained prior to the adoption of the constitution in 1917.

"Elimination of the provisions which deprive Americans of the right of diplomatic appeal in cases where property is acquired.

"Modification of the provisions which prevent Americans acquiring and owning property within a certain zone along the Mexican coasts and international boundaries.

"Assurance that article 33 of the constitution providing for the expulsion of 'pernicious foreigners' will not be applied to Americans without the filing of charges and the opportunity of fair trial.

"Modification of the provisions governing religious worship in such manner that American clergy shall have the right to exercise the functions usual in their denominations.

"It is also suggested that the two Governments agree to the creation of a mixed court for the adjudication of claims."

The demands mentioned by the Associated Press report in three important particulars are practically the same as those which Mr. Alsberg maintains were submitted to the Mexican Government, namely, an exception in favor of American Protestant churches holding land; the recognition of all concessions granted by Diaz; and the special rights to American capitalists.

Those familiar with the practice of the Associated Press in sending out dispatches on important matters of state know that it is not in the habit of reporting unverified rumors or mere speculations. The reporter usually interviews some high official of the Government and in most cases the greatest care is exercised to insure entire accuracy. Although the Associated Press report in question was widely published all over the United States, I can not find its accuracy was questioned at the time or that any officials of the Department of State denied the substance of this dispatch. This is curious, to say the least, in view of Mr. Hughes's repudiation of this point one year later.

Moreover, the language of Secretary Hughes's statement to the press, given out on June 7, 1921, in one most vital particular lends itself to only one construction, and that construction corroborates the most offensive demand which our Government is alleged to have presented to Mexico.

Accordingly—

Said Mr. Hughes—

this Government has proposed a treaty of amity and commerce with Mexico, in which Mexico will agree to safeguard the rights of property which attached before the constitution of 1917 was promulgated.

This particular sentence certainly conveys the impression with unmistakable clarity that Mexico was asked to validate all titles held by Americans to property acquired previously to 1917, regardless of whether these were acquired legally or whether the conditions attached thereto were carried out. I can place no other interpretation on this, for nothing is said about "valid rights of property" or "the rights of property legally obtained." If Mr. Hughes did not intend to convey the impression that Mexico was asked to validate all titles obtained prior to 1917, regardless of the questionable manner in which many of these concessions were obtained, he was very unfortunate in his phraseology.

EXPULSION OF FOREIGNERS.

With regard to that provision of the Mexican constitution concerning the summary expulsion of undesirable foreigners it has been sought to persuade the public that this was peculiar to the so-called Carranza fundamental law. But the constitution of 1857 adopted under the Juarez government contains identically the same provision, and it had been repeatedly enforced without protest. The 1857 constitution says:

In all cases the government has the right to expel undesirable foreigners.

The 1917 constitution says:

The executive shall have the exclusive right to expel from the Republic forthwith, and without judicial powers, any foreigner whose presence he may deem inexpedient.

This is the demand, outside of the general invasion of its sovereign rights, which is most offensive to Mexico. The Mexican Government maintains, and with justice, that many of the concessions granted by Diaz were illegal; that some were marked by fraud; and that in many cases the conditions were not complied with. They intend to examine these concessions, particularly the lands granted to colonization companies which did not carry out their agreements, and cancel those which obviously are fraudulent or were vitiated by nonperformance of contract. This also applies to extensive areas of oil lands held by American companies, but the titles to which they have persistently refused to record as required by law, thereby casting suspicion upon the bona fides of their titles.

MEXICO FOLLOWS UNITED STATES POLICY.

The right of the Mexican Government to proceed in this manner can not be questioned. Our own Government in numerous cases has brought proceedings against corporations and individuals which were granted Government lands under conditions which they failed to meet. Our courts have repeatedly sustained these cancellations. Millions of acres of the best land in Mexico are involved in grants of questionable validity, and their whole intelligent back-to-the-land program would fail if they were compelled to recognize all the Diaz grants, regardless of their legality. Not only land but title to oil deposits whose value runs into the hundreds of millions of dollars are involved in this matter.

It is the crux of the whole situation, and we can not rightfully or reasonably expect that Mexico surrender her sovereign powers of domestic regulation by abandoning all hope of recovering natural resources fraudulently granted or claimed. Billions of dollars are at stake in this matter, and I fear that this affords the clue to the secret diplomacy and unprecedented stubbornness that has marked our negotiations with Mexico.

THE FALL REPORT.

There is evidence on this point so convincing that it seems to me it outweighs the denials of any individual. This evidence is contained partly in the language of the Fall report on Mexico, made May 28, 1920, to a subcommittee of the Senate, the fact that Senator Fall later was appointed Secretary of the Interior by President Harding thus giving official sanction to his recommendations.

The recommendations of the Fall report to which I have reference follows:

Article 130 of the constitution of 1917 shall not apply to American missionaries, preachers, ministers, teachers, or American schools, nor to American periodicals, but that American missionaries, ministers, and teachers shall be allowed freely to enter, pass through, and reside in Mexico, there to freely reside, preach, teach, and write, and hold property and conduct schools without interference by the authorities so long as such ministers, teachers, or missionaries do not participate in Mexican politics or revolutions.

That article 3 shall not apply to any American teaching or conducting primary schools.

That none of the provisions of article 27 of said constitution with reference to limitations upon rights of property heretofore acquired by Americans, or which may hereafter be acquired, shall apply to Americans except where the limitation is written in the deed, lease, or other instrument of title, and particularly—

"The provision of said article to the effect that the subsoil products other than of metalliferous minerals shall be the property of the National Government of Mexico, to be disposed of by decree or by law, shall not apply to the property of American citizens purchasing from other individuals or from State, national, or municipal authorities of Mexico unless the limitations or reservations with reference to such subsoil products shall be written in the original deed or other instrument of conveyance transferring the surface of the property to such American purchaser.

"That the prohibition against the ownership of property in lands, waters, or their appurtenances, or against the concessions for the development of mines, waters, or mineral fuels in the Republic to foreigners, shall not apply to American citizens.

"That subsection 2 of said article 27 shall not apply to church properties or episcopal residences, rectories, seminaries, orphan asylums, or collegiate establishments of religious institutions or schools held or owned by Americans.

"That the subdivisions of subsection 7, article 27, described as a, b, c, d, and e, shall not apply to the property of any Americans now owned under whatsoever title or which may hereafter be acquired, except where distinct reservations and limitations covering such provisions are affirmatively set out in the documents or evidence of title or transfer of such property.

"That article 33 of said constitution providing that 'The Executive shall have the exclusive right to expel from the Republic forthwith and without judicial process any foreigner whose presence he may deem inexpedient,' shall not apply to American citizens who shall, when they so demand, have access to their consulate or consular agent or diplomatic representative and have the right to avail themselves of the assistance of such officials and until after our judicial proceedings upon application of such American.

"That such agreement should provide for the immediate appointment of a claims commission to pass on all claims for the damage to Americans in Mexico or upon its boundaries, the commission to be composed of American citizens appointed by the President of the United States and a like number of Mexican citizens to be appointed as that Government may in said agreement provide, and that the decision of this commission shall be binding upon the respective Governments and shall immediately be carried out by the payment of the damages adjudged.

"That a like commission should be in such agreement provided for the settlement of disputes concerning the international boundary and waters of the Rio Grande and the Colorado River and particularly the Chamizal dispute and the Colorado River irrigation complication, with power to such commission to render a decision for the payment of money and transfer of property, if any, necessary in the final settlement of such dispute.

"We have the legal right and it is our duty to refuse to recognize any government in Mexico which will not agree by way of a treaty to the foregoing conditions of recognition."

Can it be denied that the recommendations of the Fall report are virtually the same as those Secretary Hughes is alleged to have presented to Mexico? And does any sane person believe that President Harding was not familiar with and did not thus tacitly indorse the recommendations of Mr. Fall when he selected him for a high Cabinet position? Does this not at least strongly imply that the policy urged by the Fall report thus has become the official policy of our Government?

It is also on record that Mr. Fall made public a letter which he personally prepared, which stated in the following unequivocal language that "So long as I have anything to do with the Mexican question no government in Mexico will be recognized, with my consent, which government does not first enter into a written agreement practically along the lines suggested," namely, the recommendations of the Fall report.

A REMARKABLE LETTER.

If this does not make the attitude of our Government sufficiently clear and give at least a strong clue as to the motives which have actuated our executive officials, another remarkable letter written by Mr. Fall after he became Secretary of the Interior and introduced by Senator LODGE into the CONGRESSIONAL RECORD of April 12, 1921, will furnish additional illumination.

The pertinent portions of Secretary Fall's letter, which was dated March 21, 1921, follow:

Allow me to call your attention here to a most significant matter which has recently occurred, i. e.:

The British Government and the French Government have each repeatedly protested to the Mexican Government from time to time along exactly similar lines to the protests made by this Government concerning the confiscatory decrees of the Mexican Government under the constitution of 1917 proclaimed by Carranza and being followed by Obregon.

These protests yet stand as the official last word of Great Britain and France, as exactly similar protests yet stand as our last word to that country.

The Mexican Eagle Co. ("Aguila") has been a member of the American Association of Oil Companies and has for years cooperated with this association in making protests against confiscatory decrees in Mexico, both from the British Government and the American Government.

Recently, within the last three months, the "Aguila" Co. finally notified the American association that it proposed to pursue its own lines and make its own terms with the Mexican Government, accepting the Mexican Government's demands with reference to oil-drilling permits, etc.

This came as a shock out of the clear sky, and I am informed that after certain protests made by the association and by the American companies the Mexican Eagle ("Aguila") Co. has not, in fact, obtained titles under this confiscatory decree upon properties belonging to others, but yet has not countermanded instructions to its agents in Mexico to obtain such titles from time to time.

Nevertheless the British protest still stands, and Great Britain is ostensibly acting with the United States officially in identical official protests against the constitution of 1917 and decrees under it.

The British "Aguila Oil Co.," owned, as a matter of fact, by Great Britain herself, is, however, yielding to such decrees and obtaining advantage of American companies, who are faithfully abiding by the advice and instructions of the American Government in the matter.

British oil interests are giving every assurance to Obregon and Mexican officials of their support and friendly cooperations, seeking advantage against or over American companies, while the British Government, owning this oil company, is ostensibly standing by the United States Government in its action.

EXPLANATIONS IN ORDER.

This astonishing letter requires little comment. It complains because British-owned oil companies are "accepting the Mexican Government's demands with reference to oil-drilling permits" and thus "obtaining an advantage of American companies who are faithfully abiding by the advice and instructions—presumably not to obey the laws—of the American Government in this matter." It plainly reveals a close understanding between the American oil companies in Mexico and the United States Department of State to disobey the laws of Mexico in order that Mexico may be forced to revoke domestic legislation and be compelled to sign a treaty distasteful to its legally elected officials.

It seems to me that the "public interest," which Secretary Hughes is so deferential to, now clearly demands a full and frank statement of the terms of the proposed treaty with Mexico. The people of the United States and Congress are entitled to this knowledge. We can not afford to have Mexico, all of Latin America, and the world believe that there is an unholy alliance between our Department of State and certain sinister oil interests which not only have exploited Mexico's natural resources but have repeatedly interfered in her governmental affairs.

REVOLUTIONARY PLOTS.

Comparatively recently there was exposed in the press of the United States authentic evidence whereby it appeared Thomas F. Lee, secretary of the National Association for the Protection of American Rights in Mexico, an association financed largely by the oil interests and whose evident purpose is to force American intervention in Mexico, sought to finance Gen. Pablo Gonzales in a revolutionary attempt to overthrow the Obregon government.

Letters and telegrams which have never been denied show that a group of American financiers offered to advance arms and money in this revolutionary effort. The facts were never denied. Men served sentences in Federal penitentiaries during the war for similar offenses against other countries, but our

authorities have never proceeded against Mr. Lee and his associates, although they flagrantly violated our neutrality laws.

Even more recently another revolutionary plot was consummated in this country by Felix Diaz, who, in pursuance of his plan, spent some time in New York and afterwards in the city of Washington, as also in New Orleans; but although his purposes were blazoned forth on the front pages of all the papers in the land, so far as I am able to ascertain, his illegal attempts to set afoot an armed expedition against a friendly government have not been interfered with in the slightest degree by the officers of our Government whose duty it is to preserve neutrality and peace between nations.

Every day we withhold recognition of Mexico increases the difficulties of its Government and encourages renewals of these revolutionary attempts. We owe it to Mexico, we owe it to the world, and most of all we owe it to ourselves to end this unfair and anomalous condition by recognizing a neighboring Government which is doing its utmost to restore peace and prosperity to Mexico.

MEXICO AND GUATEMALA.

In this connection I can not refrain from comparing the prompt recognition of the Guatemalan Government only recently with our dilatory dealings with Mexico. President Herrera, of Guatemala, was deposed on December 5, 1921, by a military coup engineered by General Orellana. The coup was accompanied by wholesale arrests and numerous assassinations. So far as can be determined, on the other hand, the government of Herrera was considered the most peaceful and prosperous ever accorded Guatemala. Orellana held an election on February 15, 1922, and although his candidacy was expressly prohibited by the Guatemalan constitution, soldiers were posted at the polls and more than 500 of the leaders of the opposing political party were placed in jail. He was declared elected, however, and on April 15 he was recognized by the United States, notwithstanding the fact that the gravest suspicions of illegality attach to the entire proceeding.

It is a general report—and I have not seen it denied by the State Department—that as a precedent of his recognition we signed a trade treaty with Guatemala which gives citizens of the United States preferential trade rights. Following the recognition the Wall Street banking firm of Blair & Co. attempted to fasten a $15,000,000 loan upon the Guatemalan Government, the terms of which were so unfair and onerous that, although agreed to by the President and his cabinet, it was almost unanimously rejected by the Guatemalan National Assembly.

It seems strange indeed that the revolutionary government of Orellana in Guatemala should be recognized with such suspicious speed, considering all the circumstances, while Obregon has waited 19 months for recognition.

RECOGNITION GRANTED WHEN?

Our previous refusals to recognize foreign governments usually have been based upon the conditions surrounding their origin. It was the illegality and violence attending the overthrow of Madero by General Huerta that caused President Wilson to withhold recognition in that case. At other times in the past we have declined to sanction the methods employed by certain Latin-American governments in obtaining power. The Executive doubtless has both a moral and legal right to refuse recognition on these grounds.

But we have no right, either legal or moral, to withhold recognition from a Government whose legal claim is unclouded and which has maintained itself for more than two years, admitted all proper international obligations, offered to arbitrate all claims as provided by existing treaties and the precedents of international law, and succeeded in restoring law and order to a country just emerged from the throes of a 10-year revolutionary struggle.

The people of the United States demand such recognition. Many chambers of commerce and commercial organizations in all parts of the United States, and particularly those closest to the Mexican border, have passed resolutions urging recognition. Hundreds of reputable and responsible business men who have been in Mexico and seen conditions with their own eyes advocate this step. Fourteen State legislatures have passed resolutions calling upon the Department of State and the President to recognize Mexico. I venture the assertion that an overwhelming majority of the Members of both Houses of Congress, irrespective of party affiliation, favor this step; the greatest banking houses of the Nation already have shown their complete confidence in the Government of Mexico by completing arrangements for the funding of its national debt, and every legitimate interest in the United States would be benefited by the immediate establishment of friendly relations.

Mexico is one of our best customers. Last year she purchased $267,200,366 worth of products from the United States and in return sold us commodities, mostly in the form of raw materials, valued at $154,993,154. This is but a small percentage of the trade that could be developed if we recognized the Government of Mexico and established friendly relations which would encourage greater development.

MEXICO THE TREASURE HOUSE.

Mexico, despite centuries of systematic exploitation, is still the treasure chest of the world. No other country has equal deposits of mineral, and still the surface of her soil is comparatively unscratched. Her oil deposits seem almost limitless, and her wise policy of having the State conserve title to the petroleum fields and charging an export tax will give the Government a constantly increasing revenue for internal development and educational purposes for years to come.

There is nothing in the Mexican constitution of 1917, in its official decrees, or in the taxes that it has imposed which is in the least degree inimical to the continued operation of the American oil companies now doing business in Mexico. As a matter of fact, the oil companies in Mexico have prospered exceedingly. Their annual dividends are large and their stock often leads the advances on the New York exchange. They have been so prosperous, in fact, that oil producers in the United States have repeatedly petitioned Congress for a tariff on oil that will allow them to compete on equal terms.

Secretary Fall's letter to Senator LODGE, which I referred to previously, makes it clear that British companies which obey the decrees of the Mexican Government "have an advantage of the American companies," which apparently are disobeying the laws at the request of the State Department. This should forever end the cry that the oil laws of Mexico are "confiscatory."

MEXICO'S LAND POLICY.

Mexico's land policy is an enlightened one, which, in view of the ever-increasing farm tenantry in the United States, we might do well to follow. Mexico has a peculiar land problem. An overwhelming majority of her people are of Indian descent. The domination of Diaz by foreign capitalists resulted in their expropriation from the soil and reduced them to a state of peonage. We know in this country from our own experience that exploiters have not always been scrupulous in dealing with Indians. It was the same in Mexico, and there never will be a contented people or a stable government south of the Rio Grande until that old wrong is righted and the mass of her citizens, who are agriculturists by temperament and training, are given back their hereditary possessions.

Mexico has the right as a sovereign nation to regulate her peculiar land problem. I think I may reasonably claim to know something about agricultural problems, and Mexico's policy in this respect meets my hearty approval, as it must meet the approval of every disinterested person who has given the matter serious thought. We have problems enough of our own without meddling with those indigenous to Mexico. If it were not for the complaint of certain corporations who apparently fraudulently obtained grants of communal lands in Mexico we would not think of doing so.

It is to our advantage to immediately establish harmonious relations with Mexico and do everything in our power to aid in her material, moral, and educational development. That nation has finally come through a period of acute distress which follows all revolutionary upheavals. The American Colonies were in much the same condition after our War of the Revolution and the Southern States were almost prostrated after the Civil War.

For more than a century Mexico has been struggling for political freedom. The country under Spanish rule was more completely subjugated than any other country in modern times. The spirit of independence was almost crushed and we must remember that the mass of the Mexican people do not have traditions of Anglo-Saxon liberty behind them. They had to build from the very bottom, and time and time again they have been set back by outside interference.

The Mexican State came into collision with our own slave oligarchy and the result was disastrous. Then Maximilian and his French mercenaries kept the land disturbed for six years, and under Diaz the people were reduced to economic exploitation in some ways comparable to that of Spain. But the struggle continued and always progress upward was distinguishable. Now, after 10 years of severe civil war a government which is approved by the mass of the people has attained stability and is endeavoring to function for the mass of the people.

We should be the first to extend the helping hand. Time was when the United States gladly acclaimed each new nation

that threw off the yoke of Spain and joined the brotherhood of republics in the New World. Time was when Americans were mindful of their own revolutionary origin and as a matter of right and principle were the first to extend the fraternal hand of welcome to republics which deposed tyrants, no matter in what quarter of the globe.

Washington, Jefferson, Webster, Calhoun, and Lincoln voiced the truest traditions of our country when they affirmed these decisions. It was our boast that we feared aggression from no strong nation, and we scorned to impose on one weaker than ourselves. In pursuance of this policy we flung the Monroe doctrine in the face of the world as a warning that democracy, in this Western Hemisphere at least, should not perish from the earth.

Has our historic policy changed? Have we abandoned the traditional policy of Washington, Jefferson, and Monroe that won us universal esteem and gave good cause for the smaller nations of this continent to look upon us as a big brother, to be trusted and to be loved?

When I review our recent domineering attitude toward Haiti, San Domingo, Nicaragua, Guatemala, Panama, and even Cuba, it seems evident that we have. We seem to have entered upon a course of aggression and imperialism. An apparent unholy alliance between certain powerful financial interests and our Department of State, in the minds of many, already has reduced more than one heretofore independent republic to the status of a Wall Street protectorate.

It seems evident that the present administration can not be expected, if we are to judge by its policies thus far outlined, to afford any immediate change toward Mexico. Toward the Latin-American countries to the north of Panama and the West Indies the administration's policy seems to be wholly imperialistic. The relief sought for by them can only come, in my humble opinion, when a really progressive party has been placed in power in this country by the common people, as they certainly will do at an early date if the policies now in vogue are persisted in by those who determine governmental policies. The imperialistc policy on which the United States has launched in recent years is without sanction of law, Congress having never authorized nor have the American people ever been called upon to vote on any such policy, and I do not believe they ever would sanction it. If permitted a chance, they would most overwhelmingly reject any such policy. Neither would our people authorize Executive interference with Latin countries to our south or the land-grabbing policy we have entered upon. I am sure, however, that these same countries that now look with fear upon us would welcome our friendship and good will.

This policy is short-sighted and ruinous, for it is true of nations as well as individuals that "the paths of glory lead but to the grave." And the United States for the last two decades has stepped rapidly along the perilous paths of imperialism. It is time to stop this tendency short and to return to our earlier traditions of honorable and equitable dealing with all nations.

OUR DUTY TO MEXICO.

We should start with Mexico. The first step should be recognition—a recognition that is unequivocal and seeks to impose no terms. Let us deal with Mexico in a way that will give her no just cause for grievance, that will compensate for our past errors of policy, and that will disarm all Latin-American nations of the suspicion they have begun to feel as to our motives. Let us, in short, act not with the bargaining spirit of a marketplace bully but in accordance to the great fundamental truth that the Nazarene voiced when he said:

Do unto others as ye would have others do unto you.

If this is made the actuating motive of our international relations, we can not go far wrong, and though some skeptics may smile it is a policy that will eventually bring us richer returns than the bloody fruit of imperialism.

A few days ago the Nation united to honor the memory of Abraham Lincoln. North, South, East, and West all paid homage to this far-visioned statesman, this tender-souled humanitarian, this rugged, sterling man who typifies all that is best of real Americanism. And I remembered that he had had a "Mexican problem" on his hands, and I recalled that a few months before the assassin's untimely bullet laid him down he had sent a message to President Benito Juarez, "the liberator of Mexico," whose country was just struggling to free itself from the yoke of Maximilian. This is what Lincoln wrote:

For a few years past the condition of Mexico has been so unsettled as to raise the question on both sides of the Atlantic whether the time has not come when some foreign power ought, in the general interest of society, to intervene, to establish a protectorate or some other form of government in that country and guarantee its continuance there * * *.

You will not fail to assure the Government of Mexico that the President neither has nor can ever have any sympathy with such designs, in whatever quarter they may arise or whatever character they may take on * * *.

The President never for a moment doubts that the republican system is to pass safely through all ordeals and prove a permanent success in our own country and so be recommended to adoption by all other nations. But he thinks, also, that the system everywhere has to make its way painfully through difficulties and embarrassments which result from the action of antagonistical elements which are a legacy of former times and very different institutions.

The President is hopeful of the ultimate triumph of this system over all obstacles, as well in regard to Mexico as in regard to every other American State; but he feels that these States are nevertheless justly entitled to a greater forbearance and more generous sympathy from the Government and the people of the United States than they are likely to receive in any other quarter.

The President trusts that your mission, manifesting these sentiments, will reassure the Government of Mexico of his best disposition to favor their commerce and internal improvements.

I find the archives here full of complaints against the Mexican Government for violation of contracts and spoliation and cruelties practiced against American citizens. It is not the President's intention to send forward such claims at the present moment. He willingly defers the performance of a duty which at any time would seem ungracious until the incoming administration in Mexico shall have had time, if possible, to cement its authority.

It was this spirit that made Lincoln the greatest American, and it was the same spirit that once made the United States beloved and respected the world around. Once more I plead for a return to these ancient and honorable standards, and in closing I ask that we deal with Mexico with the same tolerance, the same fairness, and the same warm sympathy that Abraham Lincoln once displayed.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. ROBINSON. Mr. President, rumor has it that you are a very wise man. Your conduct here and elsewhere sometimes justifies the rumor. I wonder if you know what is the day. I wonder if you know what is the pending question.

It is astonishing to state that while the calendars unanimously inform us that this is the 19th of July, 1922, as a matter of fact in the Senate it is the 20th of April, 1922. In order to facilitate one particular subject of legislation the Senate of the United States has disregarded the scientific laws which regulate the expression of time. Like Joshua of old, it has commanded that the sun stand still. While the people of the United States and the world look on with amazement at these proceedings, the clock, which governs them, reflects the hour of 12 noon, April 20, 1922.

This legislative fiction, by which the Senate commands the sun to stand still and lives in days that are accomplished and long past, is designed to prevent the interposition of other questions than those relating to tariff legislation. A unanimous-consent arrangement has been effected by which, instead of adjourning, as ordinary parliamentary processes contemplate the Senate should do, we have recessed from day to day, so as to keep before the Senate one subject matter of legislation to the exclusion of every other.

Under the parliamentary method of procedure now in force by unanimous consent no bill, no resolution, no discussion is in order save that which is directed to the question immediately pending. In the beginning of the debate on the pending bill this morning—that is, by parliamentary fiction about noon or the early afternoon of April 20, 1922—impatience was manifested by the Senator from North Dakota [Mr. MCCUMBER], in charge of the bill, and his able associate, the Senator from Utah [Mr. SMOOT], and from them and from others we heard repeated declarations that Democratic Senators had combined in a policy of filibustering for the purpose of preventing the passage of the pending tariff bill, which Republican Senators said the country demanded.

Irrelevant speeches were delivered from both sides of the aisle. That was following a custom which has prevailed in the Senate for perhaps half a century. In the early days of this debate one side of the Chamber was perhaps as much to blame in that regard as the other, but recently irrelevant discussions have come from the majority side of the Chamber, and to-day they have come exclusively from Senators who are professedly supporters of this legislation.

Yesterday afternoon, when the Senate was about to conclude its session, having charge of the particular schedule pending, I proposed an amendment to the committee amendment and announced that we were ready for a vote. The Senator from North Dakota stated that the Senator from Wisconsin [Mr. LA FOLLETTE] was vitally interested in the pending proposition, but was out of the city, and that he was expected to return this morning. For that reason no vote was taken yesterday.

My amendment to the committee amendment, which has not been mentioned to-day except by myself, is still the pending question. This side of the Chamber has long been ready to vote. I have sat here for four hours waiting for a vote, and the only reason the Senate has not voted is that the Senator from Idaho [Mr. GOODING] and the Senator from North Dakota [Mr. LADD] have consumed the time of the Senate in discussions of matters entirely irrelevant to the question immediately before the Senate.

When the Senator from Idaho concluded his remarks, the junior Senator from North Dakota obtained the floor. He was good enough to yield to me then for a brief statement, to point out the fact that the Senator from Idaho consumed 2 hours and 24 minutes in entirely irrelevant debate, that the matter of the debate was neither calculated nor intended to influence the action of the Senate upon the question pending or upon any other question. The Senator from Idaho has been foremost among the friends of this legislation in charging Democratic Senators with filibustering.

Mr. HEFLIN. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield with pleasure.

Mr. HEFLIN. I want to remind the Senator that this is the legislative day of April 20. It will be three months to-morrow——

Mr. ROBINSON. I have already discussed that.

Mr. HEFLIN. Three months to-morrow that we have been carrying on this bill without prayer in the Senate.

Mr. ROBINSON. I discussed that matter at considerable length in the beginning of my remarks and I have passed away from that proposition.

Under the rules of the Senate the Senator from Idaho [Mr. GOODING] can waste the time of this body in a 2-hour and 24-minute discussion if he wants to do so, but he does it in spite of the preference of Democratic Senators and to the utmost displeasure, if not disgust, of many Senators on the other side of the Chamber.

Mr. GOODING. Mr. President——

Mr. ROBINSON. I yield to the Senator from Idaho.

Mr. GOODING. I will say to the Senator from Arkansas that I do not think the RECORD will show that I have charged Senators on the other side of the aisle with filibustering. I have said that they believed that the bill was unconstitutional or that the tariff was unconstitutional, and that they had a right to abuse it and damn it as they have done from the beginning.

Mr. ROBINSON. Now, Mr. President, that is a remarkable contribution to this debate, is it not, coming from the source from which it originates? The Senator from Idaho has in some mysterious, indefinable, and, to all mankind other than himself, inexplicable way arrived at the conclusion that the opposition to the bill is based upon constitutional grounds. If I chose to be diverted from the line of discussion which I was pursuing to answer in detail that suggestion, I would be guilty of the same parliamentary crime that the Senator has been committing throughout this day. If Senators present, if the visitors in the gallery, if the learned occupant of the chair, think that the observation of the Senator from Idaho requires further argumentative reply, they will be disappointed in so far as any remarks of mine are concerned. Everyone but the Senator from Idaho knows that the fundamental distinction between Democrats and Republicans touching the tariff, if that distinction remains, is that the Democrats advocate a tariff for revenue purposes and the other party advocates a tariff for protective purposes.

The Senator from Idaho now disclaims any purpose of a contention that Democratic Senators have been filibustering against the passage of the bill. I wonder whether he is as familiar as some of the rest of us with the attitude and course he has pursued during the debate. I wonder if he knows that his attitude toward the matter is influenced by his own present disposition to filibuster on the measure which he formerly so warmly advocated? What else can we term it than a filibuster when a Senator takes the floor and talks for 2 hours and 24 minutes about something that is not before the Senate? Now, the Senator from Idaho can answer that, and any other Senator can answer it. I wait for a reply.

Mr. GOODING. Mr. President——

Mr. ROBINSON. I yield to the Senator from Idaho.

Mr. GOODING. I quite understand the Democratic viewpoint that I did not discuss the tariff question at all.

Mr. CARAWAY. Nor anything else that anybody understood.

Mr. ROBINSON. I could not hear the statement of the Senator.

Mr. GOODING. I say I understand thoroughly that from the Democratic viewpoint or standpoint I did not discuss the tariff question at all. That is not strange at all.

Mr. ROBINSON. I take time enough to show even the Senator from Idaho that he either did not discuss the question before the Senate and that he knows that he did not, or that his mental constitution is such that he can not understand what is the pending question. Listen: The Senator from Utah [Mr. SMOOT] is in charge of the cotton schedule and the hemp, flax, and jute schedule on the majority side. The pending question is an amendment offered by myself to paragraph 1001, striking out the committee amendment of 2 cents per pound and inserting one-quarter of 1 cent per pound. Now, let my friend the Senator from Idaho do what he apparently had not done when he began to make his speech to the Senate to-day—let him read his speech and then let him make answer to the Senate whether he was discussing that question or any subject intimately or remotely related to it.

Mr. GOODING. Mr. President——

Mr. ROBINSON. I yield to the Senator from Idaho.

Mr. GOODING. I ask the Senator from Arkansas if he is discussing the pending question?

Mr. ROBINSON. Yes; and I am going to try to get a vote on the amendment by suppressing the Senator's filibuster against this tariff bill.

Mr. GOODING. Up to the present time the Senator has not mentioned at all the question before the Senate.

Mr. ROBINSON. Mr. President, I do not know of any better way to get a vote, after sitting here four hours and listening to Republican speeches on irrelevent subjects, than by driving it home to their conviction and to the conviction of other Senators that we ought to confine debate to the subject under consideration.

The junior Senator from North Dakota [Mr. LADD] was kind enough to yield to me to make some observations respecting the delay which the Senator from Idaho [Mr. GOODING] was causing to the bill by his irrelevant and, to some of us, meaningless speech. Then, the junior Senator from North Dakota proceeded for nearly 1 hour and 30 minutes to read a speech on a subject that was not before the Senate—worse than that, on an issue that can not come before the Senate under the Constitution and practice that prevails.

If any who heard him are in doubt, I am here to inform them that his subject was the recognition of the Mexican Government, the Obregon government. The United States Congress has nothing whatever under the Constitution to do with the recognition of other governments. Everyone knows that the recognition of another government is an Executive function. My good friend the junior Senator from North Dakota, if he wants to accomplish the recognition of Obregon, had better either mail a letter to the President of the United States, who has the power of recognition, or present to him the facts which in his opinion justify it. He can not accomplish recognition by talking about it to the Senate.

Why, Mr. President, of course the Senator from Idaho can talk about anything that he pleases. He can do just what I am doing now—talk about nothing when I talk about the speech of my good friend the Senator from Idaho [Mr. GOODING]. Nevertheless, if these irrelevant speeches by Republicans had not been made, we would have been almost through with schedule 10, relating to hemp, flax, and jute. We would have disposed of the remaining paragraphs of the cotton schedule and would have voted upon many of the paragraphs contained in the hemp, flax, and jute schedule. But we could not get a vote, because Republican Senators, Senators committed to the bill, have wasted the time of the Senate and the country in debate upon questions which are not before the Senate.

What is accomplished by the review of Mexican history, by the presentation of the views of those who favor recognition, before the Senate, which has no power to deal with the question? What advance can be made to a decision of the issues involved in the pending bill if Senators pursue to the end the course taken by my good friend the Senator from Idaho [Mr. GOODING] and discuss general topics not intimately related to the immediate question before the Senate?

Mr. President, yesterday it was explained to the Senate that the hemp industry as now organized and as it likely will be conducted in the future is not a successful American industry. American laborers will not perform the insanitary, the difficult labors which are required in producing hemp.

We asked then, and I repeat it now, what is the use of increasing, as the Senate Finance Committee does increase enormously, the tariff rates on the raw products when it is known that such action can not result in the creation and maintenance of an American industry in competition with other agricultural industries?

Now I conclude where I began. For my part I want to get through with the pending bill.

Mr. GOODING. Mr. President——

Mr. ROBINSON. I yield to the Senator from Idaho.

Mr. GOODING. I would like to ask the Senator from Arkansas if it is not a fact that at one time the hemp industry was a great industry in the United States?

Mr. ROBINSON. It never was a great industry. It has been steadily declining in Kentucky, where it was formerly one of the chief industries of the State. It has dwindled almost to nothingness, and, as explained yesterday, it never will become a profitable American industry, well established and maintained, unless machinery may be devised which will do the work that experience now shows must be performed by hand labor. The senior Senator from Kentucky [Mr. STANLEY] yesterday went into a detailed description of the work necessary to be performed in the production of flax and hemp. He showed that the weeding must be done by hand, that the pulling and the combing must be done by hand, and that the work of retting is extremely disagreeable to the extent of being repulsive to American laborers, and that, considering the fact that the production of hemp is less profitable than growing other agricultural crops, there is no likelihood hemp growing ever will become an established industry in the United States unless a revolution occurs and machinery is developed which will do the work that human hands must now perform.

I recall that the former Senator from Kentucky, Mr. Bradley, something like 12 years ago in this body made a speech in which he declared that the hemp industry in Kentucky would soon be placed on a secure basis because of the fact that machinery had been invented which would perform the labor then done by human hands, but his opinion on the subject proved to be incorrect, and students, with the exception of some university professor who is connected with the University of Wisconsin, have almost unanimously agreed that the machinery has not yet been devised by which this labor may be performed. So there is not very much likelihood that the industry can ever be securely established in the United States.

We are not, then, accomplishing anything by putting this high tax upon the raw products, but we are embarrassing unnecessarily other industries which might become profitable but for the very high tax on the raw product.

I again say that, so far as I am concerned, I am ready to vote.

Mr. McCUMBER. Mr. President, I think that most Senators deprecate the fact that we have no rule in the Senate requiring Senators to confine their remarks to the pending subject matter. Yesterday the senior Senator from Florida [Mr. FLETCHER] spent, I think, about three hours or more in the discussion of the ship subsidy bill, a subject, of course, which is very close to his heart. Inasmuch as the Senator from Florida had taken three hours or more in the discussion of a subject which he thought it proper to discuss, this morning my colleague, the junior Senator from North Dakota [Mr. LADD], felt that he might very properly take a third of that time in the discussion of a question that is very close to his heart, and so my colleague discussed our relations with Mexico. Then the Senator from Arkansas [Mr. ROBINSON] took about half as much time as did my colleague in making his whole speech in telling my colleague that he ought not to have talked upon a subject which was not the matter pending before the Senate.

Now, I want to get right down and agree with the Senator that we all ought to confine ourselves to the real question which is before the Senate.

Mr. ROBINSON. Will the Senator from North Dakota yield to me?

Mr. McCUMBER. Certainly.

Mr. ROBINSON. The Senator from North Dakota, I presume, will agree with me that up to the present time, since the beginning of his remarks, he himself has not touched the pending subject.

Mr. McCUMBER. Very well. I will occupy but a few moments in referring to the pending question.

Mr. President, I stated on yesterday afternoon that the senior Senator from Wisconsin [Mr. LA FOLLETTE] had made an argument on the hemp schedule before the Finance Committee and that perhaps he had a more thorough knowledge of the subject than had any other member of the committee, but that he, being absent from the city, his secretary had sent up to me the correspondence which the Senator from Wisconsin had received from, I think, the president and secretary of the Wisconsin Agricultural College. These men are experts upon this subject and they present a very complete statement of the case from the standpoint of the farmer and the protectionist. I could hardly by speaking elucidate the subject as well as the letters themselves elucidate it. Therefore I am going to ask that the Secretary may read the six letters which I shall send to the desk—they are not very long—which have been received from this agricultural college. I ask Senators who are interested in the subject to remain while the letters are being read, for I think it will assist all in arriving at an accurate judgment. I ask that the letters may be read in the order in which I send them to the desk.

The VICE PRESIDENT. Without objection, the Secretary will read as requested.

The Assistant Secretary read as follows:

THE UNIVERSITY OF WISCONSIN,
COLLEGE OF AGRICULTURE,
Madison, September 24, 1921.

Senator ROBERT M. LA FOLLETTE,
United States Senate, Washington, D. C.

DEAR SENATOR LA FOLLETTE: Our Professor Wright has been corresponding with you relative to a tariff on hemp fiber, and I wish to support his action and to emphasize the great importance of this matter to the people of Wisconsin.

We started the hemp business in the State some 10 years ago and have actively continued our efforts along that line ever since, until Wisconsin leads all other States in America in hemp-fiber production. The methods of growing and handling hemp during that time, and largely through our efforts, have been practically revolutionized. We have changed the hemp industry from a tedious hand-labor, man-killing job to a machine basis of production and handling throughout. We also developed good markets, from which we obtained satisfactory prices. We were getting established in a very satisfactory manner and were in a position to compete with fiber from other countries so long as normal conditions continued, and if this were not a new industry we could better cope with present severe competition, but the industry is new and no reserves have been built up. Much money has been expended for machinery, equipment, and buildings, and unless we can get reasonable protection from the ridiculously cheap fibers that are being dumped on our markets, our industry is going to be utterly destroyed. I am sending you a bulletin relating to the hemp industry of Wisconsin so you can better determine the rapid strides made in a short period of time.

We should have a tariff of 5 cents a pound on what is termed "line hemp" and 2½ cents a pound on the grade known as "tow." This tariff would make it possible for us to continue in business. The three-fourths of a cent a pound, as proposed in the Fordney bill, will, of course, do no harm, but neither will it be of much help. We wish you could look into this matter carefully and give it your personal attention.

Sincerely yours, RANSOM A. MOORE.

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THE UNIVERSITY OF WISCONSIN,
COLLEGE OF AGRICULTURE,
Madison, September 26, 1921.

Senator ROBERT M. LA FOLLETTE,
United States Senate, Washington, D. C.

MY DEAR SENATOR LA FOLLETTE: I have inclosed herewith a rather formal letter upon the Wisconsin hemp work, the facts of which I feel may be helpful to you in securing a reasonable tariff upon hemp.

I am not sure that you are fully aware of the great strides that have been made with hemp in Wisconsin. Twelves years ago, when I took up this work, there was not a single acre of hemp grown in the State. Hemp was introduced quite largely because it was thought that we could use the same as a fiber to make binder twine. However, the legislature, after making the appropriation for a binder-twine building at Waupun in connection with the State's prison, the succeeding legislature refused to equip the same, and the delay of several years then took place investigating as to whether or not it would be profitable for the State to go into the manufacturing of binder twine.

I naturally established the hemp center in the Waupun district, thinking the fiber could easily be put into the plant. However, when I saw that the enterprise of making binder twine was delayed an effort was made to secure markets for the hemp outside. We canvassed the manufacturing plants of the East and also of the foreign countries, particularly England. When the legislature finally put in the equipment for making binder twine we had established markets which gave us a price that far exceeded anything that could be paid for the fiber for the manufacturing of binder twine. We ran a test in manufacturing binder twine, and found that the hemp fiber makes an exceedingly fine and strong binder twine, but the price we were then receiving for hemp fiber did not warrant us in putting it into the plant in competition with sisal.

We encouraged capital to put in fiber plants that can be run night and day throughout the year. We have now one large plant 1 or 2 miles away from Waupun, one at Waupun, two at Brandon, two at Fairwater, and another at Markesan. The fiber output amounts to about $1,200,000 per year. A year ago we sold about $250,000 worth of hemp in England, about an equal amount went to the United States Navy, while the remainder went to the various manufacturing plants in the East.

At the present time we are up against this particular proposition: Hemp fiber can be shipped from Italy to New York at practically the same rate that we can ship to New York from Wisconsin. The Italian hemp is grown and fiber taken from the plant with cheap labor. Consequently the foreign hemp can come into our markets at considerably less than we can produce the fiber, and our industry, which has taken the past 12 years to build up, will be practically ruined unless we can have a substantial tariff upon the same.

Our farmers feel quite keenly the situation, as they have purchased machinery which was especially built for harvesting, binding, and breaking of the hemp. Last year Wisconsin grew more hemp fiber than all the other States put together, and we also had more up-to-date hemp machinery than all the other States, and the hemp industry has become a stable one in our State.

I hope something can be done. The proposed three-fourths of a cent tariff would not be sufficient protection to aid in protecting this industry which has now gained such a strong foothold in our State. I really hope that something can be done to give the protection which is so necessary at the present time to maintain this line of effort which has been established.

With kind remembrance to your family from myself and Mrs. Moore, I am,

Sincerely yours, RANSOM.

WISCONSIN HEMP ORDER,
Madison, Wis., March 29, 1922.

Hon. ROBT. M. LA FOLLETTE,
Senate Chamber, Washington, D. C.

DEAR SENATOR LA FOLLETTE: We wish to remind you of the importance to Wisconsin of increasing the tariff on imported hemp. The Fordney bill carries a rate of three-fourths cent a pound, which is of such little consequence that it constitutes no protection whatever.

We earnestly request that you, as a member of the Senate Finance Committee, urge that this rate be increased to 2 cents a pound. Two cents a pound will make it possible for us to continue in business. On the other hand, if we can not get protection we will be obliged to go out of business here in Wisconsin so far as hemp is concerned, or at least to discontinue business until foreign conditions become materially changed.

To assist you in presenting this matter to the Senate we submit the following summary of our reasons:

"(1) An important industry: The United States now actually produces from 50 per cent to 75 per cent of the hemp consumed in this country. Furthermore, the production during recent years proves that the hemp-growing districts of the United States are fully able to produce each year sufficient hemp fiber to satisfy all domestic demands. The States which produce hemp are Wisconsin, Kentucky, California, Illinois, Minnesota, Indiana, Ohio, and Michigan.

"Special emphasis is placed on the foregoing reason because there is a prevalent opinion that but a small percentage of hemp used in the United States is produced here.

"(2) An infant industry: Under the present method of production hemp is an entirely new industry in the United States and has been developed during the last few years. This development is the result of the activity of such public agencies as the United States Department of Agriculture and University of Wisconsin. New machinery has been introduced which has eliminated the laborious hand methods employed during former years and a large amount of capital has been invested in this new equipment.

"This new industry was established during a period when it was difficult to obtain foreign fiber, and since the policy of a protective tariff is to protect infant industries and encourage their development, it is here maintained that no agricultural industry is more deserving of tariff protection than hemp. It is also maintained that if such old and well-established agricultural industries as wheat, potatoes, cotton, wool, and the like are entitled to tariff protection a new industry should receive at least equal consideration. It is further maintained if a tariff be placed on other agricultural products and not on hemp, the result will be a direct discrimination against the production of hemp, and the American public certainly does not wish to discriminate against an infant industry.

"(3) Hemp necessary for the national welfare: The use of hemp fiber is interwoven with nearly every industry in the United States and is necessary for the manufacture of such essential naval equipment as marline, houseline, and ratline. These uses make hemp necessary for the national welfare.

"(4) Competition of foreign hemp: Foreign hemp is now being dumped into this country at prices less than actual cost of domestic production, and unless something is done to prevent this the American hemp industry can not long survive. This critical condition is the result of depreciated foreign exchange and cheap labor. To illustrate: Italian hemp is the chief competitor and Italian exchange is less than one-fourth of normal and the cost of Italian labor is approximately one-tenth that of American labor."

In consideration of the competition of foreign hemp, the cost of domestic production, and the cost of transportation to manufacturing points the American hemp producers request a tariff of 2 cents a pound on all grades of hemp fiber. The hemp producers feel that this rate is necessary to preserve the American hemp industry.

Respectfully submitted.

WISCONSIN HEMP ASSOCIATION,
By A. H. WRIGHT, *Secretary.*

WISCONSIN HEMP ORDER,
Madison, Wis., May 4, 1922.

DEAR SENATOR LA FOLLETTE: In reference to our correspondence relative to a tariff on hemp, I now have a copy of Schedule 10 of the tariff bill as amended by the Senate. I wish to call your attention to the wording of Schedule 10 so far as it affects hemp.

Schedule 10 as amended states "hemp and hemp tow, 2 cents per pound; hackled hemp, including line of hemp, 4 cents per pound." This wording is confusing in that it evidently makes a distinction between hemp and line of hemp. To explain this I offer the following discussion of the several terms used:

(1) Hemp: This term when used alone in trade transactions refers to the long, straight hemp fiber which has been more or less cleaned by removing the woody portion. It is often called rough hemp, raw hemp, or scutched hemp, but in any case refers to a general class of hemp fiber which has been roughly prepared, but which is long and reasonably straight. In other words, it is a term used to distinguish the long, straight fiber from the tangled, more or less matted and short fiber known as tow.

(2) Hemp tow: This is the short, more or less tangled, usually somewhat wadded or matted, and generally contains considerable extraneous material. It is obtained from the hemp proper by scutching, shaking, beating, or otherwise handling the original fiber. In other words, it is the combings from the hemp proper or the residue left in cleaning the hemp proper.

(3) Hackled hemp: This term is applied to hemp proper which has been put through a special process of combing over a hackle. In this country it is often spoken of as dressed hemp. In other words, it is ordinary hemp proper which has been processed by hackling.

(4) Line of hemp: This term, which is used principally in the American trade, is synonymous with hemp proper. In other words, it is the straight, long-hemp fiber as distinguished from the short, tangled tow.

From the above it is evident that by placing a tariff of 2 cents a pound on hemp and hemp tow and the placing of 4 cents a pound on line of hemp and hackled hemp that it is a question as to just what kind of hemp the 4 cents a pound applies. So far as Wisconsin is concerned, all of our hemp is produced in the form of hemp proper and hemp tow. What we should have, therefore, is 2 cents a pound on hemp tow and 4 cents a pound on hackled hemp and hemp proper (sometimes termed line of hemp or hemp line). If this is not made clear in the wording it will very likely be construed to mean that the 4 cents a pound tariff is to be applied to hackled hemp or similarly prepared hemp, and will not include the hemp proper as it is produced in this country.

If I have not made myself clear on this point, I shall be glad to give as much detailed explanation as you desire.

A. H. WRIGHT, *Secretary.*

WISCONSIN HEMP ORDER,
Madison, Wis., May 6, 1922.

DEAR SENATOR LA FOLLETTE: In reference to your letter of May 2, Professor Moore is out of town and he wishes me to give you the information concerning cost of production and the like for hemp in order that you may be aided in sustaining the increased duty as provided by the Senate.

I shall prepare the information which you request immediately and will endeavor to work it up in sufficient detail that it may be altogether dependable. I will send this on to you just as soon as I can get it up in proper shape. In the meantime I submit the following brief statements:

Foreign hemp: The only true foreign hemp which competes with Wisconsin hemp at the present time is the Italian. Grades of this hemp (line hemp) comparable to the grades of line hemp produced in Wisconsin are being sold c. i. f. New York at from less than 10 to around 12 cents a pound. Italian tow, known as strappatura, is offered New York at around 5 cents a pound. The ocean freight from Leghorn to New York on Italian hemp is less than 50 cents a hundred pounds. The labor in Italy is equivalent to about 25 cents a day. The transportation, therefore, from Leghorn to American ports is less than the American land freight from Wisconsin points to eastern manufacturing points—the freight from Wisconsin to New York is approximately $1 a hundred. The labor is ten times or more than that of the Italian labor, as we are paying from 25 to 35 cents an hour, or from $2.50 to $3.50 a day of 10 hours.

Cost of producing Wisconsin hemp: Wisconsin hemp fiber is fundamentally of two kinds, known in the trade as "line hemp" and "hemp tow." The growing and the handling of hemp fiber up until the time it is delivered to the hemp mills where the fiber is separated from the straw costs 4 cents a pound for tow and 7½ cents a pound for line. The separation of the fiber from the retted hemp straw by the hemp mills costs 3 cents a pound for tow and 4 cents a pound for line. Freight from Wisconsin points to manufacturing points averages approximately 1 cent a pound for both line and tow. This may be itemized as follows:

	Tow.	Line.
	Cents.	*Cents.*
Cost of growing and handling the crop.....per pound..	4	7½
Cost of milling the crop.....do....	3	4½
Transportation.....do....	1	1
Total.....do....	8	13

From the above it is shown that Italian hemp is being delivered New York at 3 cents a pound less for both line and tow than we are able to produce Wisconsin hemp and deliver it to New York. These figures allow nothing for profit, but are computed as nearly as possible on the actual costs of growing and milling and allow no profit either to the farmer or to the scutch mill.

I hope the foregoing will be of assistance and that I shall be able to get you more detailed information within the next day or two.

A. H. WRIGHT, *Secretary.*

WISCONSIN HEMP ORDER,
Madison, Wis., May 9, 1922.

DEAR SENATOR LA FOLLETTE: I have endeavored to assemble some detailed information relative to the cost of producing hemp in Wisconsin and also information relative to the cost of producing foreign hemp which competes with our product. The following data are necessarily approximations and are based on conditions prevailing during the seasons of 1920 and 1921. It might be well to mention that hemp is produced on the very best soil and that but a small portion of the average farm in the hemp district is suitable for the crop.

In estimating the cost of producing hemp fiber it is necessary to mention that there are two fairly distinct processes: (1) Growing and handling the crop by the farmer, including preparing the soil, seeding, cutting, and spreading, lifting and binding, hauling and stacking. (2) The milling of the fiber, which includes all of the processes at the hemp scutch mill necessary to separate the fiber from the straw, clean, grade, and bale it.

Cost of growing a crop of hemp and delivering the retted straw to the hemp mill.

	Per acre.
Preparing the soil and seeding the crop	$6.00
Seed	7.50
Harvesting and spreading	6.00
Lifting and binding	6.00
Hauling and stacking	5.00
Rent, taxes, etc	12.50
Total	43.00
Average yield of total fiber in Wisconsin, including line hemp and hemp tow	750
Total cost for line and tow to the farmer for growing the crop and delivering the retted straw to the mill—cents per pound	5.75

"So far as the farmer is concerned no definite distinction can be made between the cost of producing a pound of line hemp and that of producing a pound of hemp tow. Inasmuch, however, as line hemp is a superior fiber and brings a higher price on the market a proportionate cost can correctly be placed on each kind of fiber. In this way we arrive at the following:

	Cents per pound.
Farmer's cost for producing line hemp	7½
Farmer's cost for producing hemp tow	4

COST OF MILLING HEMP, INCLUDING DRYING, BREAKING, SCUTCHING, SHAKING, GRADING, AND BALING.

"The average hemp mill represents an investment of fifty to seventy-five thousand dollars and employs from 18 to 25 men in addition to a manager, field man, office work, and the like. The upkeep on these mills is very heavy, the insurance rate is very high, consequently the overhead is considerable.

COST OF MILL LABOR.

"Eighteen to twenty-five men, at $2.50 to $3.50 a day, averages $75. Average labor cost, including line and tow, based on an average production of 3,000 pounds of total fiber a day is 2.5 cents a pound. Overhead cost, including insurance, taxes, interest, repairs, and the like, 1.25 cents per pound. Total cost of milling (both line and tow), 3.75 cents per pound.

"In milling hemp it is impossible to distinguish between the cost of producing the line and that of producing the tow. However, the line requires more careful treatment and in addition is the more valuable product, consequently a relative cost of each kind can be arrived at according to the relative market value of each kind; consequently we assume the following:

	Cents per pound.
Cost of milling line hemp	7½
Cost of milling hemp tow	3

TRANSPORTATION OF HEMP FIBER.

"Hemp fiber is not manufactured into the finished products in Wisconsin. It is all shipped to other States, principally to the North Atlantic States. New York City represents an average shipping point. The freight from Wisconsin points to New York City averages approximately 1 cent a pound for both line and tow.

COST OF PRODUCING FOREIGN HEMP WHICH COMPETES WITH WISCONSIN HEMP.

"I can add very little to that which I gave you in my letter of May 6. During the last two years our principal competitor has been Italy. In normal times Russia was the most important country exporting to this country. During the last two years, however, very little hemp has come out of Russia for export to the United States. However, Russia can be expected to become a competitor in time. Just what is the cost of producing hemp in Russia is impossible to learn. Ordinarily it is less than that of Italy. We can assume, so far as labor is concerned, that the Russians are able to produce the fiber in a condition for export at at least one-fifth of the American labor costs.

"Italian labor may now be proportionally higher than that stated in my letter of May 6. A recent report by the Office of Foreign Statistics, United States Department of Agriculture, indicates the average wages for Italian laborers to be about 60 cents a day of eight hours. In the production of hemp a great deal of the work is done by women and children, and the wage paid women and children is considerably less than that paid men. Twenty-five cents a day may be too low at present, but we are altogether safe in assuming that the average labor costs for producing hemp in Italy is not over 50 cents a day (10-hour basis). This is at most only one-fifth of the cost of American labor.

"The method of growing and handling in Russia and Italy differs so completely from the methods used in America that no detailed data for comparison can be given."

In addition to the foregoing, it may be well to state that we believe that by utilization of machine methods, of managerial ability, and intelligent labor that we can compete with foreign fiber provided a reasonable differential is provided through a tariff. The hemp business not only in Wisconsin but every other hemp-producing section in the United States is now in a deplorable condition. A tariff of 2 cents a pound on all hemp tow and 4 cents a pound on all other hemp, including hemp proper (hemp line or line of hemp) and hackled hemp, will make it possible for the hemp industry to survive.

We sincerely appreciate the services which you have rendered, and earnestly hope that you will be able to procure in the final tariff bill the tariffs just suggested.

A. H. WRIGHT, *Secretary.*

The PRESIDING OFFICER (Mr. SHORTRIDGE in the chair). The question is on the amendment offered by the Senator from Arkansas [Mr. ROBINSON] to the amendment of the committee, which will be stated.

The ASSISTANT SECRETARY. The committee proposes, on page 132, line 1, to strike out "three-fourths of 1 cent" and to insert "2 cents." The Senator from Arkansas [Mr. ROBINSON] moves to strike out "2 cents" and to insert in lieu thereof "one-fourth of 1 cent," so that, if amended, it will read:

Hemp and hemp tow, one-fourth of 1 cent per pound.

Mr. SMOOT and Mr. ROBINSON called for the yeas and nays, which were ordered.

Mr. WALSH of Montana. Mr. President, the duties on agricultural products having been made the subject of some comment to-day, I send to the desk and ask to have read a letter which came to me this morning from an unusually well-informed and intelligent constituent, who resides in one of the chief if not the chief agricultural counties of my State.

The PRESIDING OFFICER. Without objection, the letter will be read.

The Assistant Secretary read as follows:

JUDITH MILLING CO.,
Hobson, Mont., July 15, 1922.

Hon. T. J. WALSH,
Washington, D. C.

DEAR SENATOR WALSH: I just want to write a short letter to you about the tariff. I am a Republican, but this tariff bill that is now before the Senate, and which the Finance Committee and farm bloc seem to want to railroad through the Senate, is just a little bit more than I can stomach.

I feel that without question it is about the most foolish piece of legislation that could possibly be enacted at the present time, with all the world owing the United States. The thing that we need is less tariff, not more tariff. Let the rest of the world trade with us on more nearly an equal basis, in order to give them a chance to pay some of their debts to us. This idea of building a Chinese wall around this country and taxing everything that comes in is ridiculous. I don't see how it is possibly going to benefit the farmers or anyone else in the long run, and is very liable to be disastrous in its consequences.

The wool and wheat schedules in the Senate bill are altogether too high. They will defeat their purpose and bring about a drastic reaction of no tariff on wheat and wool that will bring disaster on the farmer within a few years. This has been the history of such things in the past, and certainly should be in the future.

I hope that you will do all in your power to defeat the present bill, or at least have it amended so that the schedules do not call for such high tariffs as they do now.

This is not my opinion alone. I do considerable traveling, and I have yet to find anyone, Republican or Democrat, who thoroughly approves of the tariff bill now before the Senate. That may sound like a strong statement, but it is literally true. The people at large are absolutely disgusted with the antics of Congress, and especially their trying to foist on the dear public this awful tariff bill.

Yours very truly,

S. B. FAIRBANK.

Mr. POMERENE. Mr. President, I have before me an editorial on the subject "That impossible tariff." The editorial is from the Ohio State Journal, a Republican paper printed in Columbus, Ohio, and it is taken from the issue of July 17, 1922. The last sentence, referring to the McCumber-Fordney bill, reads:

It ought to be put to sleep.

I ask that the editorial may be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Ohio State Journal, July 17, 1922.]

THAT IMPOSSIBLE TARIFF.

Devotion worthy of a better cause is being shown by a group of higher tariff Senators in trying to force through the impossible McCumber-Fordney tariff bill, with its many enormous increases in tariff rates and duties. There has been no agreement of the majority Members for it at any time. Opposition has been in evidence from the start. New objections have flared into prominence as unwelcome rates and duties were made public. Senator after Senator has solemnly served notice that if particular provisions were held in the bill he could not support it. Opposition has increased almost daily until the votes on offensive amendments on Thursday brought a wide-open split of the majority, many of the stronger Members of the Senate on the Republican side helping kill the amendments.

However much these tariff-boosting Senators may be entitled to credit for the devotion they have shown, they are entitled to an equal measure of criticism for the bad judgment displayed. There has been no nation-wide need shown or demand heard for a tariff revision that puts rates very much higher. On the contrary, there has been stout opposition to the measure and the idea on which it is based, that opposition coming from all sections of the country and from nearly all lines of business. Republicans of national prominence are in the open fighting the measure, appealing to the tariff enthusiasts not to pull down that load on the party. High-tariff legislation is not wanted, but is distasteful and will be a mistake. Men of wide experience and high standing insist there will be a wave of higher prices forced if the bill passes, and the increase in prices at retail would be burdensome. Congress is taking time for the tariff that might be given to more important work. Or it might adjourn and give the country a legislative rest. That would be a welcome experience. High tariff doubtless was helpful when McKinley brought it back in the nineties. The tariff bill then fitted to some extent the need of the Nation. The tariff-raising bill now before Congress does not fit conditions existing to-day. It promises higher prices, an unwelcome offering to a people already burdened. The McCumber-Fordney bill is impossible. It ought to be put to sleep.

Mr. WALSH of Massachusetts. Mr. President, I have a letter from a leading manufacturer of my State protesting against the duties proposed to be levied in the paragraph on which we are about to vote. It is a very short letter, and I ask that it be read.

The PRESIDING OFFICER. The Secretary will read as requested.

The Assistant Secretary read the letter, as follows:

ANDOVER, MASS., *April 14, 1922.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SENATOR WALSH: Referring to Schedule 10 in the Senate tariff bill, we are very much disturbed over the inequitable duties on the raw materials in which we are interested—namely, flax, hemp, and jute.

The duty on raw flax is placed at 1 cent per pound, on raw hemp at 2 cents per pound, and raw jute is on the free list.

There is no justification whatever in putting a higher duty on hemp than flax, as the average value of hemp is considerably below the average value of flax and all previous tariff bills have placed approximately the same duty on these two fibers.

We manufacture quantities of twine from hemp which compete on a yardage basis with twine made from jute. That is, our twines sell at a higher price per pound, but hemp being of a stronger nature than jute we are able to make our twines run more yards to the pound and so offset the difference in the price per pound.

We were not disposed to make any protest against the 1 cent per pound on hemp in the Fordney bill, but with a 2-cent duty we feel that we are being discriminated against and would be unable to hold our own against twines made from the cheaper fiber.

We most earnestly desire that the duty on raw hemp and hackled hemp be no higher than in the Fordney bill.

Hoping that our request may have your consideration, we remain,

Very respectfully yours,

SMITH & DOVE MFG. CO.,
By GEORGE F. SMITH,
President.

Mr. WILLIS. Mr. President, since it seems to be the fashion just now to print editorials, I ask unanimous consent to place in the RECORD, without reading, an article appearing on the editorial page of the Tiffin (Ohio) Tribune in favor of the enactment of the pending tariff bill.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Tiffin (Ohio) Tribune, reprinted from the New York Mail.]

A PROTECTIVE TARIFF.

A tariff for protection is a tariff for the American people and for American prosperity.

It has been tested time and again and has never failed. It is the policy that has held the American home market for the American farmer.

It is the policy that has developed every American industry, maintained every American wage scale above the competing wage scale in other countries, and made the American wage earner the best paid workingman in the world.

The pay envelope of the American wage earner under a protective tariff always carries more contentment, better living conditions, and greater individual possibilities than any other pay envelope anywhere.

Every Democratic free trade law ever enacted has sooner or later forced industrial depression and panic; every protective tariff law has encouraged industrial expansion and created prosperity.

Whenever the Republican Party has been given power in the Nation it has been because its first principle is, through protection, to assure stability and prosperity to our farms and factories; a Republican Congress has always met that expectation as its most immediate duty.

This Congress has delayed too long performing that duty. It should have enacted a tariff law months ago. Farmers know, indeed the country knows, what the emergency tariff, passed a year ago, has done to put our farmers back on the road to prosperity. It provided them with a market. Our industries are entitled to the same helpful legislation. The Republican Congress is a year late in according it to them; it is now time for action.

Free-trade Democrats in the Senate are assailing the pending bill with prophecies that it will add to the cost of living. That is an old, old story with free traders. For nearly a century they have been saying it over and over again until it has worn so deep a groove in the Democratic platform that no Democrat can see over the sides of it.

All they have said in the present debate was uttered in precisely the same terms by their Democratic predecessors of years ago, in denouncing every protective tariff law before enactment.

Never do these same Democrats—nor did their predecessors—justify their argument by taking the figures of a protective tariff period to prove that protection has ever added a penny to the cost of living. They do not do it because results do not show it.

Democrats talk fiercely of what a protective tariff will do; but you never can get a word out of them as to what a protective tariff has done. The difference is the difference between prophecy and results.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arkansas [Mr. ROBINSON] to the committee amendment on which the yeas and nays have been ordered.

The Assistant Secretary proceeded to call the roll.

Mr. ROBINSON (when his name was called). I have a pair with the senior Senator from West Virginia [Mr. SUTHERLAND], which I transfer to the senior Senator from Missouri [Mr. REED], and vote "yea."

Mr. TRAMMELL (when his name was called). I transfer my pair with the Senator from Rhode Island [Mr. COLT] to the Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. WALSH of Montana (when his name was called). I transfer my pair with the Senator from New Jersey [Mr. FRELINGHUYSEN] to the Senator from Rhode Island [Mr. GERRY] and vote "yea."

Mr. WATSON of Indiana (when his name was called). I transfer my pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the senior Senator from Pennsylvania [Mr. CROW] and vote "nay."

The roll call was concluded.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON]; and

The Senator from Michigan [Mr. TOWNSEND] with the Senator from South Carolina [Mr. DIAL].

Mr. HALE. I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the senior Senator from Maryland [Mr. FRANCE], and vote "nay."

Mr. CALDER. I have a pair with the senior Senator from Georgia [Mr. HARRIS] which I transfer to the senior Senator from Colorado [Mr. PHIPPS], and vote "nay."

Mr. GLASS. I transfer my pair with the Senator from Vermont [Mr. DILLINGHAM] to the Senator from Nevada [Mr. PITTMAN], and vote "yea."

Mr. STANLEY. Has the junior Senator from Kentucky voted?

The PRESIDING OFFICER. That Senator has not voted.

Mr. STANLEY. I have a pair with that Senator, and not being able to obtain a transfer I withhold my vote. If permitted to vote, I would vote "yea."

Mr. JONES of New Mexico. Has the senior Senator from Maine [Mr. FERNALD] voted?

The PRESIDING OFFICER. He has not voted.

Mr. JONES of New Mexico. I have a general pair with that Senator, and not being able to obtain a transfer I withhold my vote. If at liberty to vote, I would vote "yea."

Mr. JONES of Washington (after having voted in the negative). The senior Senator from Virginia [Mr. SWANSON] is necessarily absent for the afternoon, and I promised to pair with him. I find that I can transfer my pair to the junior Senator from Oregon [Mr. STANFIELD]. I do so and allow my vote to stand.

The result was announced—yeas 19, nays 38, as follows:

YEAS—19.

Ashurst	Hitchcock	Robinson	Underwood
Borah	King	Sheppard	Walsh, Mass.
Caraway	Myers	Simmons	Walsh, Mont.
Glass	Overman	Smith	Watson, Ga.
Heflin	Pomerene	Trammell	

NAYS—38.

Brandegee	Jones, Wash.	McNary	Shortridge
Broussard	Kellogg	Moses	Smoot
Bursum	Kendrick	Nelson	Spencer
Calder	Keyes	Newberry	Sterling
Cameron	Ladd	Nicholson	Wadsworth
Capper	Lenroot	Norbeck	Warren
Curtis	Lodge	Oddie	Watson, Ind.
Gooding	McCormick	Pepper	Willis
Hale	McCumber	Ransdell	
Johnson	McLean	Rawson	

NOT VOTING—39.

Ball	Ernst	La Follette	Reed
Colt	Fernald	McKellar	Shields
Crow	Fletcher	McKinley	Stanfield
Culberson	France	New	Stanley
Cummins	Frelinghuysen	Norris	Sutherland
Dial	Gerry	Owen	Swanson
Dillingham	Harreld	Page	Townsend
du Pont	Harris	Phipps	Weller
Edge	Harrison	Pittman	Williams
Elkins	Jones, N. Mex.	Poindexter	

So Mr. ROBINSON's amendment to the committee amendment was rejected.

The PRESIDING OFFICER. The question recurs on the committee amendment.

Mr. ROBINSON. On that, I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. GLASS (when his name was called). Making the same announcement as on the preceding vote, I vote "nay."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "yea."

Mr. JONES of New Mexico (when his name was called). Making the same announcement regarding my pair and its transfer as on the previous vote, I withhold my vote.

Mr. JONES of Washington (when his name was called). Making the same statement as before with reference to my pair and transfer, I vote "yea."

Mr. ROBINSON (when his name was called). I transfer my pair with the senior Senator from West Virginia [Mr. SUTHERLAND] to the senior Senator from Missouri [Mr. REED] and vote "nay."

Mr. STANLEY (when his name was called). I am unable to obtain a transfer of my pair with the junior Senator from Kentucky [Mr. ERNST], and therefore withhold my vote. If at liberty to vote, I would vote "nay."

Mr. TRAMMELL (when his name was called). Making the same announcement as to the transfer of my pair as on the last vote, I vote "nay."

Mr. WALSH of Montana (when his name was called). Transferring my pair as on the preceding vote, I vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "yea."

The roll call was concluded.

Mr. DIAL. I have a pair with the Senator from Michigan [Mr. TOWNSEND]. Being unable to obtain a transfer, I withhold my vote.

Mr. CARAWAY (after having voted in the negative). I have a pair with the junior Senator from Illinois [Mr. MCKINLEY]. That Senator has not voted. I am, therefore, compelled to withdraw my vote, as I can obtain no transfer. If permitted to vote, I would vote "nay."

Mr. MCCUMBER (after having voted in the affirmative). I desire to inquire if the junior Senator from Utah [Mr. KING] has voted?

The PRESIDING OFFICER. That Senator has not voted.

Mr. MCCUMBER. I transfer my general pair with that Senator to the junior Senator from Vermont [Mr. PAGE] and allow my vote to stand.

Mr. BALL. I transfer my general pair with the senior Senator from Florida [Mr. FLETCHER] to the junior Senator from Washington [Mr. POINDEXTER], and vote "yea."

Mr. CURTIS. I desire to announce the following general pairs:

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON]; and

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR].

The result was announced—yeas 39, nays 17, as follows:

YEAS—39.

Ball	Johnson	McLean	Rawson
Brandegee	Jones, Wash.	McNary	Shortridge
Broussard	Kellogg	Moses	Smoot
Bursum	Kendrick	Nelson	Spencer
Calder	Keyes	Newberry	Sterling
Cameron	Ladd	Nicholson	Wadsworth
Capper	Lenroot	Norbeck	Warren
Curtis	Lodge	Oddie	Watson, Ind.
Gooding	McCormick	Pepper	Willis
Hale	McCumber	Ransdell	

NAYS—17.

Ashurst	Myers	Simmons	Walsh, Mont.
Borah	Overman	Smith	Watson, Ga.
Glass	Pomerene	Trammell	
Heflin	Robinson	Underwood	
Hitchcock	Sheppard	Walsh, Mass.	

NOT VOTING—40.

Caraway	Ernst	King	Poindexter
Colt	Fernald	La Follette	Reed
Crow	Fletcher	McKellar	Shields
Culberson	France	McKinley	Stanfield
Cummins	Frelinghuysen	New	Stanley
Dial	Gerry	Norris	Sutherland
Dillingham	Harreld	Owen	Swanson
du Pont	Harris	Page	Townsend
Edge	Harrison	Phipps	Weller
Elkins	Jones, N. Mex.	Pittman	Williams

So the committee amendment was agreed to.

Mr. SMOOT. Mr. President, I now ask that we return to paragraph 912, page 127, which was passed over yesterday. There was one amendment in that paragraph which went over at the request of the senior Senator from North Carolina [Mr. SIMMONS]. It refers to labels for garments or other articles. I will say that the committee desire to strike out "50 cents per pound and" as the first amendment, and then to strike out "25" and insert "50," so that the clause will read:

Labels for garments or other articles, composed of cotton or other vegetable fiber, 50 per cent ad valorem.

The PRESIDING OFFICER. The first amendment will be stated.

The ASSISTANT SECRETARY. On page 128, line 10, the committee proposes to strike out "50 cents per pound and."

Mr. SMOOT. Mr. President, I desire to stat that under the existing law the rate is 25 per cent and under the Payne-Aldrich law it was 50 cents a pound and 30 per cent ad valorem. The committee, however, desire to strike out the compound rate and to have a straight ad valorem rate of 50 per cent. Even under the prices which prevailed in 1910, the equivalent ad valorem of 50 cents a pound and 30 per cent ad valorem amounted to 48 per cent.

I want to call the attention of the Senate to the fact that the importations of cotton labels for the year 1920 were as follows:

January, $245; February, $1,016; March, $837; April, $2,072; May, $3,127; June, $4,517; July, $6,724; August, $5,512; September, $3,871; October, $3,632; November, $2,350; December, $4,389; or a total importation for the year 1921 of $38,292.

Now, for the first five months of 1922 the importations were $63,402, or nearly twice what they were in the whole year of 1921. From the invoices and manifests which the committee have received there is no question of doubt that the goods are beginning to come into the United States in greatly increased quantities.

These labels are mostly made out of yarns of 120s. The duty imposed upon such yarn is 27 per cent. That only gives 23 per cent to cover the making of the labels of the finest thread and inserting the names or advertisements by weaving them into the cloth. I think under conditions existing to-day it is a little doubtful whether the domestic producers can hold their trade with a 50 per cent duty, considering the 27 per cent duty imposed upon the yarn.

Mr. SIMMONS. Mr. President, what was the amount of importations just given by the Senator?

Mr. SMOOT. For the first five months of 1922 they were $63,402; in other words, twice the amount of importations in 1910, twice the amount of importations in 1914, and nearly twice the amount of importations in 1921.

I have here [exhibiting] samples of the cloth, showing the German make and the American make. It takes a duty of all the way from 78 per cent up to over 228 per cent to equalize the prices of these labels as of last year when the Reynolds report was made. But, taking into consideration changed conditions, the committee felt that the producers could get along with 50 per cent. Of course, they do not think so, but any article of this character made of the fine yarns of which these are made and woven as they are will, I believe, be sufficiently protected with a 50 per cent rate of duty, which is not a high rate.

Mr. SMITH. Mr. President, I wish to call attention to the fact that under the present rate of duty, which is 25 per cent straight, the value of our importations ran as follows: 1914, $23,000; 1915, $15,000; 1916, $2,000; 1917, $8,000; 1918, $8,000; 1919, $5,000; 1920, $35,000; 1921, $38,000.

But we must remember that our domestic production amounted to about $624,000 worth. In addition to that, these labels are just the ordinary single-thread labels. They are made very readily here and they are not very difficult to make. It is only the very fine and difficult figures that are imported. We have not increased the duty on the kind of yarn out of which they are made to anything like the extent of the proposed duty here. This is increasing the duty 100 per cent.

Mr. SMOOT. The duty on the yarn is 27 per cent.

Mr. SMITH. Yes; 27 per cent; but it is proposed to now place a duty of 50 per cent, which is 100 per cent higher than the existing rate, and the importations into this country are a very small fraction of the amount produced here.

In addition to that, those that have the fine figures, such as faces and features of the face, are not produced in this country at all but are largely produced abroad. The United States Government itself imported some of these labels for the Army, because our mills were not equipped to make that particular kind of labels.

Mr. SMOOT. I think the Senator ought also to state that the Government importation was on account of the smallness of the order at that particular time which made it impractical to place the order in this country.

Mr. SMITH. Mr. President, that is the point I am making. The policy of mills and manufacturing plants in the United States is to standardize and to not deal in specialities and novelties; but it is now proposed to increase this duty from 25 per cent to 50 per cent, purely in the interest of those who are manufacturing the articles, for the statistics do not show that the competition is of any very serious import.

The Senator from Utah has called attention to the increase in importations in the first months of this year. Anyone with any degree of common sense knows that with the proposition pending of raising the duty on a certain kind of label to a point where it is going to act as an embargo, the importers are going to import all they can before the duty, under which the article can not get into this market at all, shall apply. That is the explanation of why foreign imports are now being rushed into our market.

I protest against doubling the present duty. If we had such an importation as practically to put our own people out of business, there might be some excuse for the majority party increasing the duty by the enormous difference between 25 per cent and 50 per cent, or 100 per cent over the prevailing rate. I have quoted during the period of the operation of the Underwood law the figures which show that the quantity imported into this country was negligible as compared with the domestic production and consumption.

Mr. SMOOT. But, I will say to the Senator, there were, of course, none coming from Germany at that time.

Mr. SMITH. They were not coming from anywhere.

Mr. SMOOT. Of course, they could not come from Germany; and it is Germany where these goods are principally made.

Let me call the attention of the Senator to the fact that the importation for the first five months of 1920 was 10 per cent of the entire domestic production in 1919, and during every month the importation has increased. For January the importation was $5,297; it increased in February to $13,000; it increased in March to $13,243; in April to $13,999; and in May to $16,935. The importations during those five months, including the low importations in January, were 10 per cent of the American production in 1919, not of the American production of to-day, because the mills have not been working half time. When that is taken into consideration, if the importations for five months amounted to 10 per cent of the domestic production in 1919, for the full year they would amount to a little over 20 per cent, and with a production now but half what it was in 1919 the importations would be 40 per cent of the goods used in the United States.

Mr. SMITH. Mr. President, in 1914 there was an importation of $23,000 worth.

Mr. SMOOT. In 1914 there was an importation of $32,750 worth.

Mr. SMITH. In 1915 the importations dropped to $15,000 worth.

Mr. SMOOT. Yes; Germany could not make any at all then, for she was at war.

Mr. SMITH. Then our importations rapidly declined until 1919; and in 1920 and 1921 we practically got back to the pre-war importations.

With the Government of the United States giving an order for labels for its own use, it is reasonable to suppose that the foreign producers had equipped themselves and had on hand a quantity of labels to dispose of in anticipation of the proposed prohibitory duty.

I maintain that the duties on yarns have been increased in no such ratio. Therefore to increase this duty from 25 per cent to 50 per cent is practically to prohibit any importations whatever, and to mulct the purchasers of these labels in whatever price the American manufacturer sees fit to charge. It is unfair to those who use this article. Even our own Government would have been forced to have paid this 50 per cent had the duty obtained at the time that it placed this foreign order.

Mr. SMOOT. I can show any Senator here a sample that has been taken from a shipment which has very recently arrived at New York. The selling price in Germany was 84 cents; the selling price in England was $1.22; and the cost of production in the United States was $2.42. I have the samples here and I am willing to show them to anyone. It would require the imposition of a duty of 188 per cent in order to equalize the cost of production as against German importations.

Mr. SMITH. Mr. President, in all conscience God knows the majority party have put a duty on everything that goes on the back of the human being just as high as they dare to put it. Even on those commodities which we generally manufacture in large quantities, including every form of cloth, the duties have been raised, and now when we come to the little, insignificant item of labels, which the makers of clothing use to indicate the maker, a duty has been piled upon them, so that the garments that the people wear, from the thread that goes in them to the little label that is sewn in the lining, a burden of taxation has been added. It is intolerable to think that every little device is hunted out for the purpose of imposing a tax upon it. I would not be at all surprised to find an effort being made to tax patches, in order to make the people who can not wear whole clothes, but who have got to patch them, pay a duty on the patches. It appears that the committee are actually hunting out labels, which are used as the distinctive mark of the manufacturer who makes the clothes, and are proposing to levy a very high duty on them. As a mountain is not made of one big rock but is made of sand particles and dirt particles, so the burden on the American people is made up of the taxes and profits on every little article, the aggregate of which spells the ruin and poverty of the American masses. Thank God this side of the Chamber is not a party to any such insidious imposition. Surely Senators on the other side could let the labels go into a suit of clothes which the poor man purchases without this intolerable system of burdening up to the limit everything which he has to buy.

Mr. SMOOT. It makes no difference whether it be little or whether it be great, the same story is told by Senators who oppose this bill about laying a burden upon the back of the individual. The cost of these labels is 84 cents a thousand. That means that the cost of a label upon a suit of clothes is one one hundred and twentieth of a cent; in other words, a man would have to buy 120 suits of clothes before a 1-cent burden would rest upon him.

Mr. SMITH. Mr. President, will the Senator allow me?

Mr. SMOOT. Certainly.

Mr. SMITH. One hundred cents make a dollar, but 99 cents do not. Every single measurement we have in the world is according to the unit standard; and it is the addition of the ones that spell the millions, and it is the addition of the little one-tenths that spell the millions of taxes that break the backs of the American people.

Mr. SMOOT. If the manufacturer who puts his label in a suit of clothes were compelled to pay for them, he would put them on just as quickly as if they were given to him.

Mr. SMITH. Then, the responsibility would be with the man and not with the legislative body of the United States.

Mr. SMOOT. There is a certain advertising value in such labels. That is what they are used for. When you buy a suit of clothes from the Kuppenheimer Co., we will say, you will find on the coat a cotton label which advertises the Kuppenheimer Co., of Chicago, Ill., as the maker. So labels are put in the fancy sealskin coats, for which ladies pay from $1,500 or $1,600, perhaps, the label costing one one-hundred-and-twentieth of 1 cent. Does the Senator think that a sealskin coat is going to sell for $1,600, plus one one-hundred-and-twentieth of a cent?

Mr. SMITH. No; Mr. President, I think the manufacturer will take advantage of that one one-hundred-and-twentieth of a cent and add 10 cents to the price.

Mr. SMOOT. I do not think the Senator would contend that the coat would be sold for $1,600.10.

Mr. President, the only question involved is whether or not we want to make labels in this country. If we want to make them here, we have got to provide the proposed rate of duty, and I doubt very much whether that rate of duty will keep out the goods from Germany. It is ample so far as England is concerned. The English price compared to the German price is 84 cents as against $1.22 on the same article, some samples of which I have here which were collected at the port of entry upon an importation just a short time ago.

Mr. SIMMONS. Mr. President, if this is a matter of such insignificance to the consumer, it must be a matter of like insignificance to the manufacturers.

Mr. SMOOT. It is not if there are three or four manufacturers who have all they have in the world invested in this business. What about the thousand employees? I may add that the production in 1919 was $624,000 worth.

Mr. SIMMONS. Mr. President, I did not yield to the Senator. He did not ask me to yield to him.

Mr. SMOOT. I beg the Senator's pardon.

Mr. SIMMONS. What the Senator has said in substance is that the interests of three or four manufacturers in this country are more important than the interests of 110,000,000 people.

Mr. SMOOT. Oh, well——

Mr. SIMMONS. Mr. President, it is "oh, well." I myself, like the Senator from South Carolina, am utterly amazed at the dragnet which has been thrown out to gather up for the purpose of taxation the most insignificant items. According to the Senator from Utah, this is a very trifling item so far as those who have to buy it is concerned, but it is sufficiently important where it affects the interest of two or three manufacturers to make the Senator exceedingly anxious, in their interest, to secure these very high rates.

But, Mr. President, I did not rise for the purpose of discussing this matter. I know nothing about it; I should not have bothered with it—it is a very small item, it is true—but for the fact that I received a telegram a few days ago which I had read into the RECORD. It was because of that telegram that I asked that this matter go over until I could look a little more carefully into it. That telegram came, as I recall the name, from the firm of Kitts & Kitts, and declared that the duty proposed by the committee upon this particular item was, as I remember, either 146 or 148 per cent. It struck me that 146 per cent or 148 per cent, whichever it might have been—and it was one or the other, I am quite sure—was practically a prohibitory duty to impose upon this product.

Mr. SMOOT. That is the compound duty of the House.

Mr. SIMMONS. That is the duty as you had it written in the bill at that time.

Mr. SMOOT. We changed it to 60 per cent, and now to 50 per cent.

Mr. SIMMONS. The duty which you had written in the bill at that time was 50 cents per pound plus 25 per cent ad valorem, and that is the duty to which I understood the sender of this telegram was referring.

Mr. SMOOT. I do not know what he was referring to, but the committee made it 60 per cent ad valorem.

Mr. SIMMONS. But the Finance Committee raised the House rate. The House rate was 50 cents per pound and 20 per cent ad valorem. The Senate retained the 50 cents a pound and made it 25 per cent ad valorem.

Mr. SMOOT. Originally.

Mr. SIMMONS. Originally. That was the rate at the time this telegram was received. The Senator had not announced any change in the rate at that time.

Mr. SMOOT. It had been published, but this man had not seen it, I presume.

Mr. SIMMONS. I had not seen it and he had not seen it. That is the rate to which he is referring. The Senator's committee proposed a rate upon this little item of practically 146 per cent. The Senator now comes in and says that they are willing to strike out that part of the duty which imposes a

duty upon the pound basis—namely, 50 cents a pound—and yet at the same time they insist upon raising the ad valorem rate from 25 to 50 per cent.

Mr. President, 50 per cent has always been regarded as a very high rate. I am not able to say whether, compared with other rates in this bill, it is too high or not. I think probably it is about on a parity with the other rates in the bill. Almost all of them are too high. This seems to be unwarranted, in view of the fact that heretofore importations have been kept out almost entirely by a 25 per cent rate. Now, the committee are doubling that; they are increasing it 100 per cent; and they say they are doing that because Germany has gotten into the market again. Before the war we were competing with Germany on a 25 per cent rate and keeping out the German product.

There may have been, and I think there was, a short time when Germany was making goods and trying to sell them throughout the world at really less than the cost of production in Germany; but I do not think that condition exists now, and I do not think it can continue to exist. Germany is in no condition to be making and selling goods to the outside world for less than the cost of production. Germany is now in a state of absolute economic and financial collapse, and I do not think we need to be legislating here altogether upon the basis of financial and economic conditions in Germany. In my judgment there is nothing serious for us to fear, especially in the immediate future, from that country. If there is any country in the world to-day that is in a state of absolute collapse it is Germany, and I am very much afraid that that condition is going to continue for a long time to come.

In any event, I feel ashamed of the fact that not a single thing mentioned in this bill that can be produced in Germany is brought here and held up before the Senate as an article as to which we are able to compete with that poor and distracted country. It makes me ashamed of my own country; it causes me to distrust the proud boast that we have indulged in for years as to our efficiency and our ability to compete with the world in production, to be told that we can produce nothing in this country now with safety unless we tie the hands of Germany; that our own commercial and industrial safety in this country depends upon our making it impossible for that crippled and disabled country to ship us any of its products.

That argument is persisted in here from day to day, in the face of the fact that our imports from Germany are shrinking and not growing; that we are shipping to Germany and selling in German markets, below the German price or in competition with the German products, four times as many goods as we are buying from Germany. It is a miserable bogy; it is a sham and a fraud; it is an insult to the American people and a reflection upon the American Government.

Mr. President, I am not going to make any further contest about this matter. I had intended to write to these gentlemen who telegraphed me and request them to send me some additional information about this little matter, because I believe that an injustice can be done about a small thing as well as about a big thing, and, so far as I am concerned, I hate a little mean thing more than I do a big mean thing; but I have not written to them as I intended to, and I have not gotton the information. This matter will come up again in the Senate, however, and meanwhile I will get the information; and if I find that it is of a character that justifies me in calling it to the attention of the Senate when the matter reaches the Senate, I shall do so, as small as it is, because I want to say here now that there is no taxpayer in America that I am not ready to stand up here and defend; there is no item that the American people consume that is so small that I am not ready to stand here and insist that the user of that product shall not with my consent and without my protest be unjustly mulcted, taxed, and robbed.

Mr. SMOOT. Mr. President, in answer to the Senator I want to say only one word. There is no laboring man in the United States that I am not willing to protect; and when wages in Germany are one-tenth of what they are in this country, and the labor itself can run a machine just as well in Germany as it can in this country, and there is just as efficient labor employed in making these particular goods, I would rather protect the 1,000 employees that are employed in making these goods than to give all of that labor and our money as well to any other country; I do not care whether it is Germany or any other.

The PRESIDING OFFICER. The question is on the proposed amendment striking out "50 cents per pound and."

The amendment was agreed to.

The READING CLERK. On the same line it is proposed to strike out "20" and insert "50."

The amendment was agreed to.

Mr. SMOOT. Mr. President, the next amendment passed over is in paragraph 913.

The PRESIDING OFFICER. The amendment of the committee will be stated.

The READING CLERK. In paragraph 913, on page 128, line 16, it is proposed to strike out "35" and insert "60," so as to read:

Knit fabric, in the piece, composed wholly or in chief value of cotton or other vegetable fiber, made on a warp-knitting machine, 60 per cent ad valorem.

Mr. SMITH obtained the floor.

Mr. SMOOT. Mr. President, if the Senator would like to have me do so, I will make a brief statement as to this paragraph; but, if not, I do not want to take the time of the Senate.

Mr. SMITH. I shall be glad to have the Senator make it.

Mr. SMOOT. Mr. President, this is the knit fabric out of which cotton gloves are made. The cloth never was made in America until during the war. Most of the large glove manufacturers in the United States made this cloth during the war. The small ones depended upon its being made in other mills in the United States.

The general public do not buy a yard of this cloth. Whatever tax they pay comes in the tax upon the gloves. It is a highly finished article. It contains very fine threads, and every yard of the cloth is made into cotton gloves. The next paragraph provides for the duty upon cotton gloves.

To-day every concern in the United States making this cloth is at a standstill. That is very natural, because every glove manufacturer in the United States is at a standstill. Even the glove manufacturers themselves have been compelled to import the gloves from Germany in order to try to hold their own customers. I do not think 10 per cent of the glove manufacturers in the United States are operating their factories to-day. I am speaking now of cotton gloves. When we reach the kid-glove schedule I will make another statement in relation to them; but the cotton-glove industry in the United States to-day is absolutely paralyzed. There is little left, and this is the cotton cloth from which those gloves are made. The committee felt that if we were going to maintain a cotton-glove industry in the United States it was absolutely necessary to make in this country the cloth from which the gloves are made, otherwise the manufacturers would be at the mercy of the country that made the cloth.

The 60 per cent ad valorem duty perhaps seems to be a high rate of duty. The manufacturers, under the conditions that existed here in 1921, showed figures to the effect that over 100 per cent duty would be necessary; but things have changed, and the committee recognized that fact. The changes that are made daily here are made not because of the criticism of the bill but because the committee recognize that there have been changes in Europe, and that conditions exist now that did not exist particularly during the early part of 1921.

Mr. SMITH. Mr. President, if the Senator has concluded his statement——

Mr. SMOOT. I want to say to the Senator that if he looks at the statistics as to importations he will find, of course, no importations of this cloth, because no gloves have been made in the United States. As I say, the industry is paralyzed.

Mr. SMITH. The Senator is wrong. This knit cloth is the material out of which the gloves are made, and as soon as the Senator gets through with his statement I will be glad to make one.

Mr. SMOOT. One statement I did make in the beginning was that this cloth is used only for making cotton gloves. It is not used for any other purpose, and there are no importations, because of the fact that there have been no gloves made in this country in recent years. If you go to Gloversville you will see a whole city paralyzed, and at all the other places where they make cotton gloves the mills are at a standstill. The only question for us to decide is whether we want to maintain this industry in the United States or let it perish. The committee thinks that with a 60 per cent duty they can make the cloth. If it were 50 per cent or 60 per cent, it would not make any difference whatever in the duty upon the gloves, which the committee intends to offer an amendment to cover.

Mr. SMITH. Mr. President, I take this from the report of the Department of Commerce, released for immediate use:

Knitted cloth—

Out of which the gloves are made—

showed the largest increase of any group of knit goods in quantity of production, with 253.5 per cent more square yards for 1919 than in 1914.

Mr. SMOOT. Certainly.

Mr. SMITH (reading)—

And for these respective years formed 8.3 per cent of the total value of the knitted goods industry.

Mr. SMOOT. I agree with that.

Mr. SMITH. I want to read still further from the Tariff Information:

Practically all of the glove establishments make their own suèded fabric, so that very little is offered for sale. Hence the census figures for 1919—165,000 square yards, valued at $380,000—represent only a small proportion of the total, which was estimated at over 1,000,000 square yards for that year.

Mr. SMOOT. That is just what I stated as to 1919. I will say to the Senator again that to-day the mills are at a standstill because there are no gloves to speak of made in the United States.

Mr. SMITH. According to the Tariff Commission there has been an extraordinary importation of gloves during the last year; but the Senator does not pretend to say that up to the time of this extraordinary condition which exists now, in view of the vast amount which must necessarily have been produced for obvious reasons during the war, in view of the probability of this tariff bill being passed, whatever surplus they may have would be poured upon the market?

Mr. SMOOT. They did not have a surplus. In fact, I know of institutions which placed their orders for gloves in Germany a year ago and have not gotten them yet. They have no surplus.

Mr. SMITH. To be perfectly frank, there has been a larger importation of gloves into this country in the last year than perhaps in any other year; but the point I am making is this, that there has been no such condition before in the history of the glove business. We had a duty of 30 per cent on this character of goods. There had been no such danger of flooding this country until this last year. In order to meet an extraordinary condition we raised the duty 100 per cent.

Mr. SMOOT. If the Senator will turn to the statistics of importations before the war, under the Payne-Aldrich law, he will find that there was an immense amount imported compared to importations of other items in the cotton schedule.

Mr. CALDER. If the Senator will permit me, in 1914 the importation of these cotton suède gloves amounted to 1,500,000 pairs and in 1915 to 1,513,000 pairs. It dropped to 112,000 pairs in 1917.

Mr. SMOOT. They could not import them then.

Mr. CALDER. They could not get them in. Nearly all the goods come from Saxony; they are made in other parts of Germany also.

Mr. SMOOT. The whole story is told in the conditions existing at the mills. Just ask the employees of any glove-manufacturing concern in this country. They will tell you the condition.

Mr. SMITH. I got the figures from the Tariff Information Survey, and on the cotton gloves in 1914 we had 1,511,000 pairs, and in 1921 we had only 1,164,000 pairs. I have not the figures of the domestic production here. Of the knitted gloves and mittens, except the suèded, we produced in his country in 1919 3,408,000 pairs, and we imported 1,411,000 pairs. It does not state whether those were of the suèded variety or whether they were just the ordinary, common glove.

Mr. SMOOT. They were all kinds of ladies' cotton gloves.

Mr. SMITH. The total value was $2,161,000 against $18,000,000, the value of the domestic production.

Mr. SMOOT. Not of common cotton gloves.

Mr. SMITH. It says knitted gloves and mittens, except suède, 3,408,000, valued at $18,469,000.

Mr. CALDER. In one year?

Mr. SMITH. This is for the years 1919 and 1914. It gives the quantity and value.

Mr. SMOOT. Five dollars a dozen?

Mr. SMITH. That is the figures they have given here.

Mr. SMOOT. Somebody has made a mistake.

Mr. SMITH. It is not my mistake.

Mr. SMOOT. I did not claim it was the Senators' mistake.

Mr. SMITH. This is per dozen pair, $18,469,000, quantity value.

Mr. HITCHCOCK. What is the price?

Mr. SMOOT. Even to-day they are $1.20.

Mr. SMITH. This is per dozen pair.

Mr. SMOOT. I am speaking of the price per dozen. I can show the Senator the price to-day. These gloves [exhibiting] are a dollar a dozen to-day and the better grade cost $1.20. I have the invoices for them.

Mr. SMITH. Of the suède gloves there were 163,000 pairs and the price was $1,062,000, so that the parity seems to be about correct.

Mr. CALDER. What year was that?

Mr. SMITH. In the year 1919, according to the statement of the Department of Commerce. We produced 163,000 dozen, and the value of 163,000 dozen was $1,062,000.

Mr. WADSWORTH. The Senator will admit that the production in the United States of 163,000 dozen is scarcely a drop in the bucket in comparison with the consumption.

Mr. POMERENE. Mr. President, I have just come into the Chamber. May I ask the Senator from South Carolina what class of gloves is being referred to?

Mr. SMITH. Cotton gloves.

Mr. POMERENE. The Summary of Tariff Information, on page 886, shows that—

Production values of various kinds of cotton gloves for 1918 were estimated as follows: Work gloves, $4,000,000 to $5,000,000, the bulk produced in the Middle West; gloves of "circular" cloth, $500,000; lisle gloves, $2,000,000; and suèded cotton gloves, $8,450,000 (1,300,000 dozen pairs).

Mr. WADSWORTH. That is correct.

Mr. ROBINSON. Mr. President——

The PRESIDING OFFICER (Mr. MOSES in the chair). Does the Senator from South Carolina yield; and if so, to whom?

Mr. SMITH. I yield to the Senator from Arkansas.

Mr. ROBINSON. Will the Senator from Ohio, if he has the information available, or the Senator from New York, if he has it, furnish the Senate a statement of the domestic production of this commodity as compared with the consumption? The Senator from New York has referred to the fact that the production is small as compared with the consumption.

Mr. POMERENE. Mr. President, I have a memorandum prepared by the experts employed by the committee, and it might be interesting, possibly, if I am not interfering with the Senator from South Carolina, to submit it.

Mr. SMITH. I yield for that purpose.

Mr. POMERENE. It relates to paragraph 914, and, under the title "Cotton goods made of fabric," states:

COTTON GLOVES MADE OF FABRIC KNIT ON A WARP KNITTING MACHINE.

House rate: 40 per cent.

Senate rate: If single fold of such fabric and not over 11 inches in length, $2.50 per dozen pairs (changed in committee); and for each additional inch in excess of 11 inches, 10 cents per dozen pairs. If two or more fold of such fabric and not over 11 inches in length, $3 per dozen pairs (changed in committee); and for each additional inch in excess of 11 inches, 10 cents per dozen pairs.

Payne-Aldrich rate: 50 per cent.

Present rate: 35 per cent plus 7 cents per pound for long-staple cotton.

The proposed Senate rate as given above is equivalent to 119 per cent. Cotton gloves may be divided into four classes:

(1) Canvas or flannel work gloves.
(2) Gloves made from tubular (circular) knit fabric.
(3) Lisle gloves.
(4) Suède cotton gloves made of knit (Atlas) cloth.

This Atlas cloth is a fabric knit on a warp knitting machine. The latter class overshadows all other in interest so far as concerns its relation to the tariff. The tariff has never affected the manufacture of work gloves to any extent and the other classes of gloves mentioned are produced and used in the United States in relatively unimportant quantities.

This is the matter in which the Senator is interested:

DOMESTIC PRODUCTION.

Several million dollars worth of work gloves are produced annually in this country, although the total output is difficult to estimate.

Mr. SMOOT. That has nothing to do with this schedule. Men's working gloves fall in another schedule. We can make those almost as cheaply as they can be made in any country in the world.

Mr. POMERENE. We were talking about cotton gloves. That is just one matter I wish to call to the attention of the Senate. I do know that these cotton gloves are produced here in very, very great quantities. A great many of them are produced in my own State.

Mr. WADSWORTH. When I made the observation a moment ago that 163,000 dozen was but a drop in the bucket compared with the consumption, my remark was directed to the suède glove, and that is what this paragraph affects.

Mr. POMERENE. Senators were not explicit about that; but while I am on the floor I will take just a moment further of the time of the Senate. This memorandum continues:

These gloves are very often made of a combination of woven cloth and leather, and the component material of chief value being as often leather as it is cloth. The value of the annual production of work gloves made entirely of woven cotton cloth may be conservatively estimated at $3,000,000 to $4,000,000. The value of the annual output of gloves made of tubular knit fabric is about $400,000. The value of the output of lisle gloves is small. It is estimated that 1,300,000 dozen pairs of suède cotton gloves, valued (price at factory) at $8,450,000, or $6.50 per dozen pairs, were manufactured in 1918.

Mr. SMOOT. The Senator will notice when I offer the amendment to the glove paragraph that men's gloves or women's gloves spoken of are made of woven fabric and are given only 25 per cent ad valorem.

Mr. POMERENE. Will not the Senator place that amendment in the RECORD?

Mr. SMOOT. I will have it all go in the RECORD when we reach the glove paragraph.

Mr. POMERENE. Very well.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the committee.

The amendment was agreed to.

The READING CLERK. The next amendment is, on page 128, in line 17, to strike out "23" and insert "35," so as to read:

Made on other than a warp-knitting machine, 35 per cent ad valorem.

The amendment was agreed to.

Mr. SMOOT. I now send to the desk a substitute paragraph for paragraph 914.

The PRESIDING OFFICER. The substitute paragraph will be read for the information of the Senate.

The READING CLERK. On page 128, strike out all of the matter beginning with line 19, down to and including line 4, on page 129, and insert in lieu thereof the following:

PAR. 914. Gloves, composed wholly or in chief value of cotton or other vegetable fiber, made of fabric knit on a warp-knitting machine, if single fold of such fabric, when unshrunk and not suèded, and having less than 40 rows of loops per inch in width on the face of the glove, 50 per cent ad valorem; when shrunk or suèded or having 40 or more rows of loops per inch in width on the face of the glove, and not over 11 inches in length, $2.50 per dozen pairs, and for each additional inch in excess of 11 inches, 10 cents per dozen pairs; if of two or more folds of fabric, any fold of which is made on a warp-knitting machine, and not over 11 inches in length, $3 per dozen pairs, and for each additional inch in excess of 11 inches, 10 cents per dozen pairs; made of fabric knit on other than a warp-knitting machine, 50 per cent ad valorem; made of woven fabric, 25 per cent ad valorem.

Mr. SIMMONS. Mr. President, I wish to ask the Senator from Utah a question. He has just presented this amendment. It is an exceedingly complicated amendment. No one can understand it from hearing it read at the desk, and if one understands it he has no opportunity to study it. I submit to the Senator that under the circumstances he ought not to ask that the amendment, which is entirely new, be taken up without some opportunity to study it.

Mr. SMOOT. May I explain it, and then if the Senator asks that it go over I shall of course consent?

Mr. SIMMONS. I may say to the Senator from Utah that I am compelled to leave the Chamber in about 10 minutes.

Mr. CALDER. May I suggest to the Senator from North Carolina that it is the same as the amendment which the Senator from Utah offered the other day.

Mr. SMOOT. It is substantially the same with the exception that the rates are lower than there printed.

In the first bracket, where we have 50 per cent ad valorem, the gloves are unshrunk and not suèded. The lower grade costs $1 a dozen and the higher grade $1.20. They are commonly known as funeral gloves.

Mr. CALDER. And used by elevator boys.

Mr. SMOOT. I have here a letter from the largest importer in the United States. Of course he complained of the $2.50 rate on them, and he was right. He suggested that we put in the pending provision, and the Senate committee accepted the suggestion and imposed a rate of 50 per cent on those gloves. Even the importer himself is satisfied.

Mr. POMERENE. Who made the suggestion?

Mr. SMOOT. Theo. Deiddeman & Sons, importers, of New York.

Mr. POMERENE. He made the suggestion to the committee?

Mr. SMOOT. He suggested they would not object to 50 per cent.

Mr. POMERENE. When was this suggestion made?

Mr. SMOOT. On June 21, 1922.

Mr. POMERENE. What reduction does the Senator think that makes?

Mr. SMOOT. On these gloves it would make over 50 per cent reduction.

Mr. CALDER. Yes; 50 per cent reduction.

Mr. POMERENE. The statement furnished me was to the effect that the average duty under this amendment, as it was reported by the Finance Committee, would be about 119 per cent. Is that substantially correct?

Mr. SMOOT. That would be substantially correct if we took the lowest price at which they were imported. In other words, they import gloves at 90 cents a dozen, and at that price the Senator's figures are about correct. The general class of glove imported is $1 a dozen, and, as I said, there is a 50 per cent reduction on that glove.

Mr. HITCHCOCK. Mr. President, will the Senator answer this question? Is there any cheaper glove than that made?

Mr. SMOOT. There is no cheaper glove of this type coming into the United States. These are the unsuèded gloves.

Mr. HITCHCOCK. It is proposed to put a 50 per cent tariff on the cheapest glove that is made—used by elevator boys?

Mr. SMOOT. Oh, there are cheaper gloves made from the woven fabric. We only put 25 per cent on those. These are made from knitted fabric.

Mr. HITCHCOCK. This glove is not sold for 10 cents a pair?

Mr. SMOOT. Oh, no; this glove could not be bought at retail anywhere for less than 25 cents a pair.

Mr. HITCHCOCK. I understood the Senator to say they sold at 10 cents apiece in Germany.

Mr. SMOOT. That is the manufacturer's selling price.

Mr. HITCHCOCK. So that, practically speaking, it is the cheapest glove in common use.

Mr. SMOOT. Oh, no. That is the one made from the woven fabric.

Mr. HITCHCOCK. What is that glove used for?

Mr. SMOOT. It is used by workingmen and by many working girls. The others are not supposed to be working gloves.

Mr. ROBINSON. When the Senator speaks of the price being 25 cents apiece, does he mean per glove or per pair?

Mr. SMOOT. Per pair.

Mr. HITCHCOCK. At $1.20 a dozen in Germany and here they retail for 25 cents a pair?

Mr. SMOOT. Yes.

Mr. HITCHCOCK. Is the material out of which that glove is made grown in the United States?

Mr. SMOOT. Oh, yes. This is made of cotton.

Mr. HITCHCOCK. Yet we have put a 50 per cent tariff upon an article the material of which is grown in the United States?

Mr. SMOOT. Yes.

Mr. HITCHCOCK. In the Senator's opinion, practically the cheapest glove that comes in has to have a protective tariff of 50 per cent, although the material out of which it is made is grown in the United States.

Mr. SMOOT. It is not the cheapest glove.

Mr. HITCHCOCK. The material itself is made by machinery?

Mr. SMOOT. Part of it, of course. The fabric itself is made by machinery.

Mr. HITCHCOCK. Is it an infant industry?

Mr. SMOOT. No; I could not say that it is an infant industry.

Mr. HITCHCOCK. It is an adult?

Mr. SMOOT. It has been in operation in the United States for a good many years.

Mr. HITCHCOCK. How long have we been giving it this protection?

Mr. SMOOT. It was given a greater protection in the Payne-Aldrich law.

Mr. HITCHCOCK. Will the time ever come when it will be possible in the United States to make, largely by machinery, an article out of material raised in the United States under some sort of reasonable revenue tariff?

Mr. SMOOT. Not where the cost of labor is such a large part of the cost of the article. It never can be done with high wages in the United States as compared to wages in foreign countries.

Mr. HITCHCOCK. What percentage is the labor cost in the glove?

Mr. SMOOT. I should think the labor is 80 per cent.

Mr. HITCHCOCK. The Senator has the census report?

Mr. SMOOT. I do not think there is any question about it. The Senator could see the cotton that is in the glove which I now exhibit to him. One dozen pairs of them would not weigh half a pound.

Mr. HITCHCOCK. The material is not made by hand labor?

Mr. SMOOT. No.

Mr. HITCHCOCK. It is made by machinery, is it not?

Mr. SMOOT. But the machinery requires hand labor to run it.

Mr. HITCHCOCK. The German buys his cotton in the United States, takes it to Germany, makes the material over there by machinery, and sends it over here, and we can not compete without a 50 per cent protective tariff.

Mr. SMOOT. It is not all made in that way.

Mr. CALDER. One glove is made of long-staple cotton and the other is not.

Mr. HITCHCOCK. We are talking about the gloves made of cotton grown in the United States.

Mr. SMOOT. Here is one [exhibiting] at $1.20 a dozen and made of long-staple cotton.

Mr. HITCHCOCK. Then, there is no such thing as the industry ever getting out of the infant class.

Mr. SMOOT. There will be no time in the history of America when the wages here are three or four or five times the amount of the wages paid in Germany, when the articles consist of 80

per cent labor, that it can be sold in competition with Germany, no matter whether the raw product is purchased in the United States or anywhere else in the world.

Mr. HITCHCOCK. So it amounts to this, that the elevator boys and the elevator girls, living on the lowest possible wages, have to buy a glove subjected to a tariff duty of 50 per cent.

Mr. SMOOT. I am not going into the question where the profits are found.

Mr. WALSH of Montana. Mr. President, I want to inquire of the Senator from Utah just what part of these gloves is the product of hand labor and what part of machine work?

Mr. SMOOT. A part of the sewing, not all of it, is by hand.

Mr. WALSH of Montana. Does the Senator say the cutting is done by hand?

Mr. SMOOT. A part of it. It is not a question of the glove above the hand portion. That portion is by machine. The difficult part is in the hand and finger part of the glove.

Mr. WALSH of Montana. I had the impression that all gloves were cut by regular stamps.

Mr. SMOOT. They are, outside of the finger part of the glove.

Mr. WALSH of Montana. The fingers are cut by machinery, are they not?

Mr. SMOOT. They are not all cut by machinery, I will say to the Senator.

Mr. WALSH of Montana. It is my impression that they do. However, all the sewing is done by machinery. There is no sewing on them by hand?

Mr. SMOOT. Most of it is done by machinery, I will say to the Senator.

Mr. WALSH of Montana. But is there any hand sewing on the glove at all?

Mr. SMOOT. A part of it is hand sewing.

Mr. WALSH of Montana. There is not a feature of it that is handwork except the putting on of the thumb?

Mr. SMOOT. I was discussing the amount paid to run the machines, and that requires handwork.

Mr. WALSH of Montana. I am asking for information; that is all.

Mr. SMOOT. I am discussing the amount of wages that is paid for making a dozen pairs of gloves. That constitutes 80 per cent of the cost of the gloves.

Mr. WALSH of Montana. I want to understand whether those wages are paid for operating the machine or for doing the handwork?

Mr. SMOOT. Mostly for operating the machine. That makes no difference, because the wages of the operator of the machine here are about ten times the amount paid in Germany.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the committee.

Mr. POMERENE. Just a moment, Mr. President. I thought the Senator from Utah was going on with his explanation of the meaning of these various rates.

Mr. SMOOT. I will only take a very few moments.

The next rate provided for in the amendment is on gloves when shrunk or suèded or having 40 or more rows of loops per inch in width on the face of the glove, and not over 11 inches in length, where the rate of duty is $2.50 per dozen pairs. The Senate committee imposed upon that glove a rate of $3 per dozen pairs when reporting the bill to the Senate.

Mr. POMERENE. Let me ask the Senator a question there. Reduced to an ad valorem duty, what does the $2.50 mean?

Mr. SMOOT. Does the Senator mean the equivalent ad valorem?

Mr. POMERENE. Yes; the equivalent ad valorem.

Mr. SMOOT. That would depend upon the price of the glove.

Mr. POMERENE. I understand that; but it means a good deal in trying to determine the relative merits of the proposed amendment as compared with the original amendment offered by the Finance Committee.

Mr. SMOOT. I will say to the Senator that this is about the way they run. They run all the way from 35 per cent upon the cheapest of that class of goods to about 78 or 79 per cent. That is about the way the rate will apply when reduced to equivalent ad valorem.

Mr. POMERENE. Then why is it that they make the cheaper grade of a certain class pay an ad valorem duty of 50 per cent, which is a reduction of perhaps 100 per cent or more from the rate originally reported by the Finance Committee, and on the other grades they make the rate vary from, I think the Senator said, 35 per cent to 78 or 79 per cent?

Mr. SMOOT. Of course, the Senator will notice in the amendment that for each inch over and above the 11-inch length of glove there is 10 cents per inch added. The first length of glove is usually 11 inches, which is a short glove. The next is 14 inches, then 17 inches, then 20 inches, and then 24 inches, which is the shoulder glove. For every inch added above 11 inches there is 10 cents a dozen added to the duty imposed.

Mr. POMERENE. How much of a reduction is that?

Mr. SMOOT. Under the proposed amendment it would be about 16⅔ per cent.

Mr. POMERENE. That is, if I understand the Senator correctly, comparing the pending amendment with the House bill?

Mr. SMOOT. Comparing it with the amendment as reported by the committee in the first instance.

Then, Mr. President, as I have said, as to gloves made of woven fabrics, the committee reduced the 40 per cent duty to 25 per cent. Those are the common ordinary workmen's gloves, provision relative to which is found in the very bottom line of the proposed amendment.

Mr. POMERENE. I understood the Senator from Utah to say that the 50 per cent ad valorem rate covered workingmen's gloves. Did I misunderstand him?

Mr. SMOOT. No; those are the knit gloves, and the duty on the woven fabric is only 25 per cent.

Mr. POMERENE. But it is a complete change in the rates. The Senator from North Carolina [Mr. SIMMONS] asked that this matter go over, after the Senator from Utah shall have finished his discussion, and I wish to join in that request.

Mr. SMOOT. I did not know that the Senator from North Carolina wished the matter to go over now. Does the Senator from Ohio desire that it go over?

Mr. POMERENE. I should like this matter to go over until I can look a little further into it in the morning. I may have something to say on it in the morning; but if I do I shall be very brief. I think, however, in view of the complete change which is proposed, the matter should go over until we can have an opportunity to learn something more about it.

Mr. SMOOT. Why should not the Senator from Ohio permit the amendment to be agreed to, and then, if he wishes to reconsider the matter to-morrow after examining the amendment, I shall have no objection to that being done?

Mr. POMERENE. I first wish to examine these surveys on the subject which I have received and to confer with some of the experts about the matter, so I would rather have the amendment go over until morning.

Mr. McCUMBER. At this time I ask unanimous consent that when the Senate closes its session on this calendar day it recess until to-morrow at 11 o'clock a. m.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. The pending amendment proposed by the Committee on Finance goes over by unanimous consent.

Mr. SMOOT. Paragraph 919 was passed over by the Senate, and I should like to ask that the amendment in that paragraph be further passed over until we reach paragraph 1430, in which laces are covered. Whatever the committee finally decides upon as to duties on laces in paragraph 1430 will have a bearing upon the rates to be imposed upon the items in paragraph 919. I ask, therefore, that paragraph 919 be passed over.

The PRESIDING OFFICER. Without objection, the paragraph will be passed over. The next committee amendment will be stated.

Mr. SMOOT. The next committee amendment is in paragraph 918.

The ASSISTANT SECRETARY. On page 130, paragraph 918, line 25, before the words "per centum," the Committee on Finance proposes to strike out the numerals "33⅓," and in lieu thereof to insert the numerals "45," so as make the paragraph read:

PAR. 918. Clothing and articles of wearing apparel of every description, manufactured wholly or in part, composed wholly or in chief value of cotton, and not specially provided for, 45 per cent ad valorem.

Mr. SMOOT. On behalf of the committee I move to substitute the numerals "35" for the numerals "45."

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Utah to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The next amendment proposed by the Committee on Finance will be stated.

The next amendment proposed by the Committee on Finance was, on page 131, line 2, before the word "cents," to strike out the numeral "25" and in lieu thereof to insert the numeral "35," so as to read:

Shirt collars and cuffs, of cotton, not specially provided for, 35 cents per dozen pieces.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. ROBINSON. I think the Senator from Utah ought to explain this amendment. I had understood that he was just about to submit an explanation of it.

Mr. CALDER rose.

Mr. SMOOT. The Senator from New York is familiar with the amendment. I will ask him to explain it. I will, however, say to the Senator from Arkansas that the Committee on Finance have decided to modify the amendment by striking out "15 per cent ad valorem" and in lieu thereof inserting "10 per cent ad valorem."

Mr. ROBINSON. But the Senate was about to vote on the original committee amendment.

Mr. SMOOT. The first amendment is a proposition to impose a duty of 35 cents per dozen. The ad valorem duty is what counts. The duty will only apply to specialities which are imported here.

Mr. SMITH. Mr. President, I have not particularly studied any of the last few paragraphs of the bill, but it might be well to call the attention of the Senate to the fact that we imported about $49,000 worth of these articles, as against a domestic production of $341,789,000 worth.

Mr. SMOOT. I will say to the Senator from South Carolina that this is purely a revenue duty. The ordinary collars and cuffs are made in the United States and a great many of that style are exported, but there are certain styles of collars and cuffs which are imported into this country. Some people want the foreign article; they do not want to wear the style of collar and cuff that is made here. The imported articles being specialties of the highest type, why not get a little revenue out of their importation?

Mr. CALDER. Mr. President, I should like to add a brief statement. The duty now proposed by the committee is 35 cents per dozen specific and 10 per cent ad valorem; the rate under the Payne-Aldrich law was 45 cents a dozen and 15 per cent ad valorem, and the rate under the Underwood Act was 60 per cent. Under the amendment to be proposed by the committee the equivalent ad valorem will be 27 per cent, which is 3 per cent less than the rate in the present law.

I can only add what the Senator from Utah has stated in connection with importations and production——

Mr. WALSH of Montana. Mr. President, I should like to ask the Senator from New York a question.

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Montana?

Mr. CALDER. I do.

Mr. WALSH of Montana. The Senator from Utah has told us that the importations are only of specialties and that we would derive some revenue from the duty. I wish to inquire if the Senator from New York speaks in favor of the rate from a revenue standpoint, or is he desirous of protecting some producers of this commodity in the United States?

Mr. CALDER. I am for the rate from a revenue standpoint, but I am also desirous of having a moderate and reasonable rate that will not encourage large imports from abroad.

Mr. WALSH of Montana. I merely wanted to satisfy myself as to whether the Senator desired to have a rate which would enable the domestic producer to charge an additional price for his product.

Mr. CALDER. May I add again that this rate is 3 per cent less than the rate carried by the Underwood Act?

Mr. WALSH of Montana. That is not an answer to the question which I addressed to the Senator. I want to know whether it will increase the price which the consumer must pay for the domestic product, and if that is what the Senator from New York is endeavoring to accomplish?

Mr. CALDER. Of course, the rate proposed by the committee will not increase the price to the domestic consumer of the ordinary, everyday collars such as the Senator and I wear.

Mr. WALSH of Montana. Then the Senator's interest in it is purely from a revenue standpoint?

Mr. CALDER. To an extent; but also I am anxious that the rate shall be sufficient to afford proper protection to the domestic industry.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the committee.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 131, line 2, before the words "per cent," to strike out "12½" and insert "15."

Mr. SMOOT. On behalf of the committee, I move to modify the amendment by inserting "10" in lieu of "15."

The PRESIDING OFFICER. The question is on agreeing to the amendment as modified.

The amendment as modified was agreed to.

Mr. SMOOT. That concludes the cotton schedule, Mr. President, with the exception of those paragraphs which Senators have asked to go over to-night.

The PRESIDING OFFICER. The next amendment will be stated.

The ASSISTANT SECRETARY. In paragraph 1001, on page 132, line 3, it is proposed to strike out "1½" and insert "4," so as to read:

hackled hemp, including "line of hemp," 4 cents per pound.

Mr. ROBINSON. Mr. President, I propose the following amendment to the committee amendment: Strike out "4" and insert "1" in lieu thereof.

Mr. President, yesterday and to-day I have discussed this amendment and asserted that under existing conditions, particularly those relating to labor required in the production of hemp, it is an economic impossibility to develop a hemp-producing industry in the United States for fiber purposes. The Senator from Kentucky [Mr. STANLEY] desires to discuss the amendment which I have just proposed in conjunction with other questions related to the subject matter of that amendment. He is not in the Chamber, and I suggest to the Senator from North Dakota and the Senator from Utah, in view of the lateness of the hour, that very little would be accomplished by proceeding this afternoon if we pursue the usual course and recess at 6 o'clock. So I think we had better take a recess now, unless there is some other matter to be brought before the Senate.

Mr. McCUMBER. I think it is desired to have a short executive session, and, if the Senator from Arkansas thinks we will gain time by so doing, I will ask that the Senate proceed to the consideration of executive business.

RIVER AND HARBOR PROJECTS.

Mr. JONES of Washington. Mr. President, in view of the situation I desire to call attention to the bill (H. R. 10766) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

I should like to have the attention of Senators to what I am about to say. The bill referred to provides for new river and harbor projects, although it does not make appropriations to carry them on. Under the legislative procedure which has been inaugurated, river and harbor matters are dealt with in two bills. The appropriations are provided in the appropriation bill, but before any appropriation can be provided for a project that project must be adopted by a legislative act, so that an appropriation for it will be in order on the appropriation bill. That requires two acts of Congress, one the real legislative act adopting the project and the other the appropriation bill making an appropriation for the project.

In the Army appropriation bill appropriations for river and harbor work are carried. We made an appropriation in the last Army appropriation bill for projects that had been heretofore adopted. The House has passed what may be termed a legislative river and harbor bill, adopting certain new projects. Many of those projects, if not all of them, are as important, if not more important, than the projects which have heretofore been adopted and for which we made appropriations in the last Army appropriation bill.

I think that it is very desirable that this measure should pass before very long. The bill has been reported from the Commerce Committee with certain amendments. We have recommended the approval of, I think, four or five additional projects, and then we have provided for several surveys. I know that I can not ask the chairman of the Finance Committee to lay aside the tariff bill for any considerable time for the consideration of this measure; but it occurred to me that if at some time, for instance, to-day, when we are quitting a half an hour before the regular time, we could take up the river and harbor bill and adopt matters to which there is no objection, we would know what is objected to. I anticipate that there are probably only about two amendments which the committee has reported to the bill to which there will be objection. The surveys are adopted as a matter of course, and I think the projects which we have recommended will appeal to Senators and that they will be adopted without any objection. If we should do that, and ascertain to what provisions or amendments there are objections, then we could ascertain about how much time it would take to consider them; and if we should find that it would take only half an hour, or such a matter, the Senator from North Dakota might be willing to lay aside the tariff bill at some time.

I wanted to make this statement in order to advise Senators that if an opportune time comes I will ask the Senator from North Dakota to permit me to take up the bill and dispose of unobjected matters in it. Any matters leading to discussion will go over; but, as I say, if we could do that we could ascer-

tain what we would have in controversy, and if an occasion like this comes again, where we do not desire to continue the consideration of the tariff bill for a half hour, then I shall ask to take up the bill. I do not feel like asking it to-night, because I had not given notice that I would do so.

Mr. ROBINSON. Mr. President, in connection with the statement just made by the Senator from Washington, who is the chairman of the Committee on Commerce, I deem it proper to say, as a Senator who is not a member of that committee, that I am in hearty accord with the plan and purpose that he has expressed. This bill ought to be considered, and I think it will take but a very short time to dispose of it. There are some important provisions in it that should be passed upon in the very early future; and I can only say to the Senator from Washington that when he is ready to proceed with the bill he will receive the cooperation of myself and a large number of other Senators.

Mr. JONES of Washington. I thought I would give this notice, so that if even to-morrow a condition like this should arise we could take up the bill.

Mr. ROBINSON. I should be glad to see the Senator take it up now if he found it convenient to do so.

RELIEF OF LIBERTY LOAN SUBSCRIBERS.

Mr. PEPPER. Mr. President, I ask for the immediate consideration by unanimous consent of House bill 5775, being a bill for the relief of those subscribers to Liberty loans who paid in money in accordance with governmental direction to banks which subsequently failed under such circumstances that these people received neither the bonds for which they had subscribed nor the money which they had paid in.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania?

Mr. ROBINSON. Mr. President, I could not hear the statement of the Senator from Pennsylvania, although I tried very hard to do so. What is the Calendar number of the bill?

Mr. PEPPER. It is Order of Business No. 615.

Mr. ROBINSON. Let the bill be read, Mr. President.

The PRESIDING OFFICER. The Secretary will read the bill.

The Assistant Secretary read the bill (H. R. 5775) for the relief of Liberty loan subscribers of the North Penn Bank, of Philadelphia, Pa.; Santa Rosa National Bank, Santa Rosa, Calif.; Mineral City Bank, Mineral City, Ohio; Robbinsdale State Bank, Robbinsdale, Minn.; and Farmers and Merchants State Bank, Kenmare, N. Dak., as proposed to be amended.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

Mr. OVERMAN. Mr. President, let me inquire how much this will amount to?

Mr. PEPPER. The number of claimants is approximately 7,500. The average amount in each case is somewhat less than $35, and the grand total is approximately $254,000, the 7,500 losers being scattered through five or six different States.

Mr. ROBINSON. Mr. President, I do not intend to object to the consideration of this bill. It is a measure of some importance and involves the appropriation of a considerable sum of money. It was, however, very carefully considered by the Committee on Claims, of which I am a member, and the committee reported it unanimously. Therefore I shall not object to the consideration of the bill and shall vote for it.

Mr. OVERMAN. Mr. President, I am not going to object, but it seems to me that any bill which requires the payment out of the Treasury of $250,000 under our rules ought to go to the Committee on Appropriations, and the amount of money ought to be appropriated, instead of making an indefinite direction that the Secretary of the Treasury shall pay out of the Treasury so much money that has not been appropriated. It is a very indefinite appropriation. It is a very unusual bill. It ought to state the amount and ought to go to the Committee on Appropriations.

I have no objection to the consideration and passage of the bill; I think it ought to pass; but it is very irregular in form.

Mr. POMERENE. Mr. President, permit me to suggest to the Senator from North Carolina that some questions may arise as to who is entitled to receive this money, and all of those questions are left to the Comptroller General of the United States to determine. I think it is very much better to have it done in the way provided for in this bill than to make a lump-sum appropriation of the amount now. As the Senator from Pennsylvania suggests, the amounts are payable to 7,500 different people. The Comptroller General will be able to care for that. There may be questions of the assignment of certain rights against certain estates, and so forth. All of those things will have to be taken into consideration.

Let me illustrate. I am especially interested on behalf of some of my constituents who were paying into the Mineral City Bank, at Mineral City, Ohio. That was a bank in a little country village of probably 1,200 or 1,500 people. The agents of the Treasury Department were busy soliciting subscriptions for Liberty bonds, and the subscribers were directed to make their payments at this particular bank.

Mr. OVERMAN. Mr. President, if the Senator will allow me to interrupt him, I am not objecting to the merits of the bill.

Mr. POMERENE. Oh, I understand that.

Mr. OVERMAN. But any bill that passes the Senate directing the Secretary of the Treasury to pay out an indefinite sum of money is all wrong and unusual so far as its form is concerned.

Mr. POMERENE. As a general proposition, I think the Senator is correct; but here is the situation: I intended to say further that the cashier of that bank had been guilty of misappropriation of and speculation with the funds of the bank. He has a certain estate, and if the amount is paid to these different subscribers, and so forth, of course the Government will have a claim against that man's estate. I think that is true also in the case of the Philadelphia bank and others; is it not?

Mr. PEPPER. Yes.

Mr. POMERENE. There are all of those questions to be worked out. This matter was pretty fully discussed during the morning hour here some months ago, and I know that the committee gave it very careful attention.

Mr. ROBINSON. Mr. President, with respect to the proposition raised by the Senator from North Carolina [Mr. OVERMAN] that the jurisdiction to report this bill properly lies in the Appropriations Committee and not in the Committee on Claims, I think if the Senator from North Carolina will look a little more closely into the subject matter of the bill and the form of it, he will find that under the practice of the Senate such bills have always gone to the Committee on Claims, and there never has been an instance where they have been referred to the Committee on Appropriations.

It is observable that the first section of the bill provides for the auditing of the claims by the Comptroller General of the United States—a step that is absolutely necessary before any payments can be made. The second section of the bill provides that when he has found the correct amounts due these respective persons the claims may be paid. In view of the character of the claims, the large number of them, and the amounts claimed and unascertained, I think the jurisdiction properly lies in the Committee on Claims, and that the committee has reported a proper measure in connection with these claims.

I shall, therefore, favor the passage of the bill.

Mr. JONES of Washington. Mr. President, I desire to ask either the Senator from Arkansas or the Senator from Ohio a question. I did not pay attention to the reading of the first part of the bill. Does the Senator consider that there is a legal obligation on the part of the United States to pay these claims?

Mr. POMERENE. I am quite certain that that is true, so far as the claimants interested in the Ohio bank are concerned.

Mr. ROBINSON. Mr. President, if the Senator is addressing the question to me, I will say that there is undoubtedly a moral obligation, which is just as binding in good conscience upon the Government of the United States as a legal obligation. Of course, if there were a legal obligation in the strict sense of the words, the legislation would not be necessary; but when the Government of the United States instructs its citizens who purchase bonds of the United States to deal with particular banks in the transaction, and the banks fail, and a loss is suffered, I think in all fairness the United States should bear the loss rather than the citizens who have complied in every particular with the requirements of the Government.

Mr. JONES of Washington. At any rate, the committee came to the conclusion that there was a distinct equitable obligation upon the part of the Government to pay these claims?

Mr. ROBINSON. An unquestionable moral obligation.

Mr. WILLIS. Mr. President——

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania? The Chair hears none.

Mr. WILLIS. Mr. President, I do not desire to object. I merely wanted to say, confirmatory of what my colleague [Mr. POMERENE] has said, that I have made some inquiries as to the Ohio case, and I think it is perfectly just. I do not believe there is a legal obligation, but I do think there is an undoubted moral obligation, and that this bill ought to pass.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Claims with amendments.

The amendments were, on page 1, line 3, to strike out "accounting officers of the Treasury Department" and insert "Comptroller General of the United States"; in line 4, to strike out "are" and insert "he is"; on page 2, line 11, to strike out "said accounting officers" and insert "the Comptroller General of the United States"; in line 15, to strike out "accounting officers" and insert "Comptroller General of the United States"; and in line 17, to strike out "they" and insert "he," so as to make the bill read:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to receive, examine, and determine the claims of Liberty loan subscribers for losses suffered by them by reason of payments on Liberty bond purchases made through the North Penn Bank of Philadelphia, Pa.; Santa Rosa National Bank, Santa Rosa, Calif.; Mineral City Bank, Mineral City, Ohio; Robbinsdale State Bank, Robbinsdale, Minn.; and Farmers and Merchants State Bank, Kenmare, N. Dak., for which bonds were not delivered on account of the failure of said banks, and to determine the amount of losses actually suffered by each claimant, not exceeding the amount paid by them, less all sums paid or to be paid said claimant upon the liquidation of said banks.

SEC. 2. That the amount of the loss actually suffered as so ascertained and determined shall be certified by the Comptroller General of the United States to the Secretary of the Treasury, who shall pay the same to said claimants out of any money in the Treasury not otherwise appropriated. Said Comptroller General of the United States may also, before the final liquidation of said banks, whenever he can determine the approximate amount to be paid to claimants hereunder, certify the same to the Secretary of the Treasury, who shall thereupon have power to pay claimant such sum, upon the claimant assigning to the said Secretary for the benefit of the United States all interest he may have in any additional sum which may become payable to such claimant from said banks or the receiver thereof on account of his payment for such Liberty bonds: *Provided, however*, That no payment hereunder shall be given to any claimant found to be a director or officer of the failed banks at the time he became a subscriber for such bonds.

The Secretary of the Treasury shall have no power to act upon any claim hereunder not presented within six months after the passage of this act.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

INDIAN SCHOOL NEAR TOMAH, WIS.

Mr. SPENCER. From the Committee on Indian Affairs I report back favorably, without amendment, House bill 10957, to rebuild the school building of the Indian school near Tomah, Wis.

This bill is to replace an Indian school at Tomah, Wis., which burned down in February. It is a nonreservation school, and accommodates about 300 pupils. The department is very anxious to commence the rebuilding of the school, so that it may be finished in time for the fall term, and I ask unanimous consent for the present consideration of the bill.

Mr. OVERMAN. Mr. President, did we not consider that in connection with the Indian appropriation bill?

Mr. SPENCER. No; it was another one. I thought we did, and I went down to investigate it. It was another building in the Northwest; it was not this one.

Mr. ROBINSON. What is the amount of the appropriation?

Mr. SPENCER. About $50,000.

Mr. JONES of Washington. Does this bill make an appropriation?

Mr. SPENCER. No; this is a House bill, and, in the language of the bill, it authorizes the appropriation to be made.

Mr. ROBINSON. The fund will actually be appropriated through the Appropriations Committee on this authorization?

Mr. SPENCER. It will.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to cause the school building of the Indian School, recently destroyed by fire, near Tomah, Wis., to be rebuilt upon the ground and site now owned by the Government, and refurnished in such manner as to meet the present needs of the said school as well as such needs as may reasonably arise in the future, at a cost not to exceed $50,000, including heating, ventilating, plumbing, etc., which may be incident to said rebuilding.

SEC. 2. That the sum of $50,000 is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the purposes aforesaid.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

EXECUTIVE SESSION.

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened and (at 5 o'clock and 47 minutes p. m.) the Senate, under the order previously made, took a recess until to-morrow, Thursday, July 20, 1922, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate July 19 (legislative day of April 20), 1922.

REGISTERS OF THE LAND OFFICE.

Claude C. Turner, of North Dakota, to be register of the land office at Dickinson, N. Dak.

Robert E. Patterson, of Minnesota, to be register of the land office at Duluth, Minn.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 19 (legislative day of April 20), 1922.

ASSISTANT APPRAISER OF MERCHANDISE.

Laird Curtin to be assistant appraiser of merchandise in customs collection district No. 11, Philadelphia, Pa.

REGISTER OF THE LAND OFFICE.

Edwin E. Winters to be register of land office at Montgomery, Ala.

POSTMASTERS.

NEW YORK.

Pearla S. Kling, Albany.
George M. Edsall, Nanuet.

PENNSYLVANIA.

Malcolm F. Clark, Coudersport.
Elmer G. Cornwell, Mansfield.

REJECTION.

Executive nomination rejected by the Senate July 19 (legislative day of April 20), 1922.

POSTMASTER.

Lawson J. Pritchard to be postmaster at Tennille, Ga.

SENATE.

THURSDAY, *July 20, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. UNDERWOOD obtained the floor.

Mr. NORRIS. Will the Senator from Alabama permit me to submit a report, as I am about to leave the city?

Mr. UNDERWOOD. I yield for that purpose.

THE MUSCLE SHOALS PROJECT.

Mr. NORRIS. Mr. President, I ask unanimous consent to report a joint resolution on the Muscle Shoals proposition from the majority of the Committee on Agriculture and Forestry.

The joint resolution (S. J. Res. 227) rejecting bids for the acquisition of Muscle Shoals was read twice by its title.

Mr. NORRIS. I ask that the accompanying report (No. 831) be printed.

The PRESIDENT pro tempore. The report will be printed under the rule.

Mr. NORRIS. The report also expresses the views of the minority on the bill (S. 3420) to provide for the manufacture of explosives for the use of the Army and Navy, to provide for the manufacture of fertilizer for agricultural purposes, to incorporate the Federal Chemical Corporation, and for other purposes. Later on, I understand, there will be a minority report made by other members of the committee on the Ford offer and an adverse majority report on Senate bill 3420.

Mr. ROBINSON. May I ask the Senator what is the minority report that he is presenting? I understand that he is presenting a majority report relating to Muscle Shoals and the propositions which have been submitted concerning it.

Mr. NORRIS. In the same report there are some views expressed by a minority, naming who they are, with reference to the bill. On that bill there will be a majority report later on; I do not know when; but that is understood in the committee.

Mr. UNDERWOOD. I suggest that the Senator from Nebraska ask unaimous consent that the minority may have an opportunity to present their views.

Mr. NORRIS. I shall be glad to have that included in my request.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is ordered as requested.

Mr. NORRIS. I ask that the joint resolution may go to the calendar.

The PRESIDENT pro tempore. The joint resolution will be placed on the calendar.

Mr. MOSES. Mr. President, there seems to be so very much interest in the matter of all the reports bearing upon the question, I ask unanimous consent that all the reports, when they are presented, may be printed together as a Senate document.

Mr. ROBINSON. I think that is a good suggestion. It will avoid confusion.

The PRESIDENT pro tempore. Without objection, it is so ordered.

CLAIMS AGAINST GERMANY.

Mr. UNDERWOOD. Mr. President, it may be recalled that during the war I introduced an amendment to the trading with the enemy act which allowed the Alien Property Custodian to sell the property taken from the German enemy.

The treaty of Versailles, as well as the separate treaty of peace, contemplated that the German property in our hands should be used as a pledge to secure the settlement of American claims against Germany. It has been nearly three years since President Wilson brought the Versailles treaty back to the United States and more than a year has elapsed since the separate treaty of peace with Germany was declared. So far as I know, no step has been taken by this Government to protect American claimants and to provide for the liquidation of their claims.

We hear a great deal about the just rights of the German claimants to the funds in the hands of the Alien Property Custodian, and various bills have been introduced to return the property to them; and I think it about time that something was done to reimburse the American citizens for their just and proper claims against the German Government. At the rate at which the claims have been allowed against the funds in the hands of the Alien Property Custodian, it is doubtful if there will be enough property left to secure American claims unless prompt action is taken.

I therefore ask unanimous consent at this time to introduce a bill to amend an act entitled "An act to define, regulate, and punish trading with the enemy, and for other purposes," approved October 6, 1917, as amended, so that the American claimants may have a tribunal in which to present their claims; and I shall insist, so far as I am able to do so, that the bill shall have early consideration.

Mr. ROBINSON. Mr. President, of course I have no objection to the request of the Senator from Alabama. Will the Senator from Alabama state whether any arrangement has so far been made for the adjustment of claims of American citizens growing out of the sinking of the *Lusitania*?

Mr. UNDERWOOD. That is included in the bill which I introduce. Nothing has been done up to this time.

Mr. ROBINSON. Nothing whatever?

Mr. UNDERWOOD. No; but this will give an opportunity to the families and representatives of those who were murdered in the sinking of the *Lusitania* to present their claims.

Mr. ROBINSON. What is the reason, if the Senator knows, why the delay has occurred? Why has no action been taken to adjust those claims?

Mr. UNDERWOOD. I can not give the Senator any reason, because I do not know of any. It was contemplated and expressly stated in the treaty of Versailles that the property in the hands of the Alien Property Custodian should be held in trust by the United States Government to secure the payment of those claims. The provisions of the treaty of Versailles in reference to these claims and this property were made a part of the separate treaty of peace with Germany.

As I stated a moment ago, more than a year has passed since that time and no effort, so far as I know, has been made to give the American claimants an opportunity to state their cases and prove their claims. I did not act in the matter before, because I felt that it was a subject which primarily rested in the hands of the party in power, but as no one has taken any action, I feel that I should not wait longer. Therefore I have presented the bill which I have asked unanimous consent to be allowed to introduce at this time and to have it referred to the Committee on the Judiciary in order that some action may be taken in the matter.

Mr. ROBINSON. I am very glad the Senator has moved in the matter. The delay which has already occurred is incomprehensible to me, and I wish some one would explain why no action has been taken to adjust these claims. The conditions under which the claims arose are of such a nature that the claims can not be disputed, and it becomes a mere matter of adjustment. Why, I inquire of other Senators, has no action been taken?

Mr. POMERENE. Mr. President, I think I can give the Senator a little information on the subject.

Mr. ROBINSON. I shall be very glad to have it.

Mr. POMERENE. I may say that I have felt about it just as both the Senator from Alabama and the Senator from Arkansas have expressed themselves. Some of the claimants live in my own State. I have had a number of conferences with the attorneys representing those claimants as well as other claimants, and I think I may state without any impropriety we have had the matter up with the State Department. I know there was some delay, perhaps due to the fact that the ambassador from this country to Germany had not been earlier appointed. The matter is being considered by the State Department. I think that negotiations are going on now between the Governments looking to some plan with respect to a settlement of the claims.

Mr. ROBINSON. In this connection I will say I have not understood nor do I understand now that adjustment of the claims is dependent upon diplomatic procedure alone or upon the appointment of diplomatic representatives between the two Governments. As stated by the Senator from Alabama, the Versailles treaty contemplated some settlement of these claims.

Mr. UNDERWOOD. If the Senator will allow me, the question has really passed beyond the domain of international consideration, because Germany has made a treaty recognizing the disposition of this property. If Senators will examine the testimony of Mr. Bradley Palmer before the Committee on Foreign Relations of the Senate, when the Versailles treaty was before that committee, they will see that his testimony bears out my statement. Mr. Palmer, by the way, is one of the ablest lawyers in Boston. He represented the Alien Property Custodian at Paris when the Versailles treaty was written. He is largely responsible for the clauses in the Versailles treaty which relate to this question.

Mr. Palmer stated, without contradiction, when that treaty was before the Senate Committee on Foreign Relations, that the Germans had surrendered their right of disposition and determination of these matters to the Congress of the United States, and that it was the duty of the Congress to determine what disposition should be made in reference to them. It is no longer a question, in other words, for diplomatic negotiation. If the State Department seek to invade this question by further diplomatic correspondence, they will be going in the teeth of their own treaty, which has already, under a contract with Germany, relegated this matter to the absolute control of the Congress of the United States. The Congress of the United States, if it allows the matter to proceed in that way, will be avoiding its plain duty to American citizens and passing the right to determine this question to somebody else when it has now, as a matter of treaty right, been put finally in the hands of Congress.

Mr. OVERMAN. Mr. President, may I inquire what effect this will have on the provision of the treaty of Versailles, we not having entered into that treaty? It has been contended here on the floor——

Mr. UNDERWOOD. The Senator evidently did not understand me. I said the treaty of Versailles provided for it, and then when we made a separate treaty of peace with Germany there were certain articles in the treaty of Versailles which were continued and referred to and accepted by Germany.

Mr. ROBINSON. And that relating to claims was one of them.

Mr. UNDERWOOD. It was one of them.

Mr. ROBINSON. It was one of the primary benefits which would accrue to the Government of the United States and its citizens as presented by the advocates of the treaty which we finally agreed to with the German Government.

Mr. UNDERWOOD. It was one of the reasons why I voted for the ratification of the German treaty.

Mr. OVERMAN. That was my understanding also, but the Senator will remember that it has been contended on the floor of the Senate that the property was seized from certain nationals of Germany and that we really had no right to give away the property seized from their nationals, because under a former treaty it should be held in trust for their nationals rather than for the German Government.

Mr. UNDERWOOD. I will state to the Senator, in the first place, that only governments have a right to speak for their nationals, and governments from time immemorial have always spoken for their nationals and committed their nationals. But that is not an open question. The question has been taken to the Supreme Court as to whether the trading with the enemy act and the amendment I proposed to it were in violation of the former treaty with Prussia, and the Supreme Court of the United States held that the Prussian treaty did not apply in this case, that it only related to merchants residing in the United States, that the property of merchants residing in the United States was not touched, and that it did not relate to nationals in the enemy country.

Mr. POMERENE. If the Senator will allow me, I think in a general way he has stated the position accurately, but this question arose: It might be a question between this Government and Germany, to use figures only by way of illustration, as to whether the German Government owed $1,000,000 or $100,000,000. That has to be determined in some way.

Mr. UNDERWOOD. Undoubtedly.

Mr. POMERENE. It will probably be determined by a commission. I intended to say, though perhaps I did not make myself clear, that those are the questions engaging the attention of the State Department.

Mr. UNDERWOOD. Undoubtedly; but under the treaties it is left to the Congress to provide the tribunal in which to determine the question of the amount involved. It is not left to future diplomatic arrangements. Those have already been settled. Therefore I say the Congress is derelict in its duty to the representatives of those American citizens who lost their lives and property by the violent conduct of our late German enemies unless we take some action immediately providing a tribunal in which the cases arising out of those losses may be heard.

I ask that the bill which I have introduced may be referred to the Committee on the Judiciary.

The PRESIDENT pro tempore. Is there objection to the introduction of the bill at this time? The Chair hears none. The bill will be received and referred.

The bill (S. 3852) to amend an act entitled "An act to define, regulate, and punish trading with the enemy, and for other purposes," approved October 6, 1917, as amended, was read twice by its title and referred to the Committee on the Judiciary.

Mr. UNDERWOOD. Mr. President, I wish to present another request. I have prepared, because of the importance of the bill, a statement for the press analyzing the bill. I ask unanimous consent that I may have printed in the RECORD in 8-point type, in connection with my remarks, the statement to which I refer.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The statement referred to is as follows:

STATEMENT FOR THE PRESS.

"Senator UNDERWOOD, of Alabama, to-day introduced the first bill to provide for the payment of American claims against Germany. It is a comprehensive measure which makes disposition of all the German property in this country taken over by the Alien Property Custodian and the proceeds of the sales of such property. American claims are to be adjudicated by a commission and, unless they are otherwise satisfied, paid out of the German property in accordance with the provisions of the Versailles treaty and the separate treaty of peace between the United States and Germany. Senator UNDERWOOD'S bill provides for a commission to be known as the enemy property claims commission, to be composed of six commissioners to be appointed by the President by and with the advice and consent of the Senate. It will sit in Washington, have practically all the powers of a United States court to settle and determine all claims made by the Government of the United States and by American citizens against Germany, growing out of the destruction of life or property or otherwise before and after we entered the war, which were secured by the treaties mentioned, and all claims of German subjects for the return of property taken over by the Alien Property Custodian. The German property in the hands of the United States is to be classified and American claims paid out of the several classes of property in their order, each class to be exhausted before the funds of another class are touched. Under this plan the property of the German Government itself will be first used to pay American claims and only when that is exhausted will the property of German subjects be used to satisfy American claims. Claims of American citizens against Germany have been filed with the State Department to the amount of nearly $1,000,000,000. Some of these claims may be exaggerated, but it is believed that just and proper claims amount to at least $400,000,000.

"The bill provides for the filing of claims as follows:

"SEC. 29. (a) The following shall be deemed claimants of the first class hereunder:

"(1) Any citizen of the United States who has suffered damage growing out of acts committed by the German Government or by any German authorities since July 31, 1914, and prior to April 6, 1917, or by the Austro-Hungarian Government or by any Austrian or Hungarian authorities since July 28, 1914, and prior to December 7, 1917;

"(2) Any civilian citizen of the United States who suffered damages by injury or who, as surviving dependent, suffered damages by personal injury to or death of civilians, caused by acts of war, including bombardments or other attacks on land, on sea, or from the air, and all direct consequences thereof, and of all operations of war by the two groups of belligerents wherever arising;

"(3) Any civilian citizen of the United States who suffered damage caused by Germany or her allies as a victim of acts of cruelty, violence, or maltreatment (including injuries to life or health as a consequence of imprisonment, deportation, internment, or evacuation, of exposure at sea, or being forced to labor), wherever arising, or who, as surviving dependent of any such civilian victim, suffered damage;

"(4) Any civilian citizen of the United States who suffered damage caused by Germany or her allies in their own territory, or in occupied or invaded territory, as a victim of all acts injurious to health or capacity to work, or to honor, or who, as a surviving dependent of any such civilian victim, suffered damage;

"(5) Any citizen of the United States or any person serving in the military, naval, or air forces thereof who suffered damage caused by any kind of maltreatment by Germany or her allies as prisoners of war; and

"(6) Any civilian citizen of the United States who suffered damage caused by being forced by Germany or her allies to labor without just remuneration:

"(b) The following shall be deemed claimants of the second class:

"(1) Any citizen of the United States who suffered damage or injury inflicted on his property rights or interests, including any company or association in which he may be interested, in German territory as it existed August 1, 1914, or in the territory of the former Austro-Hungarian Empire by the application by such nations of either of the exceptional war measures or measures of transfer mentioned in paragraphs 1 and 3 of the annexes to section 4, entitled 'Property rights and interests,' of the treaties of Versailles, Trianon, and St. Germain-en-Laye, respectively;

"(2) Any citizen of the United States who has suffered damage in respect of all property, wherever situated, belonging to him, with the exception of naval and military works or materials, which has been carried off, seized, injured, or destroyed by the acts of Germany or her allies on land, on sea, or from the air, or damage directly in consequence of hostilities or of any operations of war; and

"(3) Any citizen of the United States who has suffered through the acts of the Imperial German Government or its agents or the Imperial and Royal Austro-Hungarian Government or its agents since July 31, 1914, loss, damage, or injury to his person or property, directly or indirectly, whether through the ownership of shares of stock in German, Austro-Hungarian, American, or other corporations, or in consequence of hostilities, or of any operations of war, or otherwise, not hereinbefore enumerated.

"(c) The following shall be deemed claimants of the third class:

"(1) The Government of the United States, representing the people thereof, for damage caused to the people thereof, for all its pensions or compensation in the nature of pensions to its naval or military victims of war—including members of its air force—whether mutilated, wounded, sick, or invalided, and to the dependents of such victims, the amount due being calculated for each of them as being the capitalized cost of such pensions and compensation on the basis of the scales in force in France as to Germany at the date of November 11, 1921, and as to Austria and Hungary at the date of May 1, 1919;

"(2) The Government of the United States for the cost of assistance by such Government to prisoners of war and to their families and dependents;

"(3) The Government of the United States for allowances by such Government to the families and dependents of mobilized persons or persons serving with its forces, the amount due to them for each calendar year in which hostilities occurred being

calculated for the Government on the basis of the average scale for such payments in force in France during that year;

"(4) The Government of the United States for damage in respect of property wherever situated belonging to it, with the exception of naval and military works or materials which has been carried off, seized, injured, or destroyed by the acts of Germany or her allies on land, on sea, or from the air, or damage directly in consequence of hostilities or of any operations of war; and

"(5) The representatives of any civilian population of the United States which suffered damage in the form of levies, fines, and other similar exactions imposed upon them by Germany or her allies."

Mr. LODGE. Mr. President, unfortunately I was not present when the Senator from Alabama introduced his bill, and I should like to ask him just what the purpose of the bill is. As I understand, it relates to the claims of American citizens against the German Government.

Mr. UNDERWOOD. The bill proposes to authorize the President to appoint a commission, and gives them the usual authority vested in such commissions, following to a large extent the powers which were given to the Spanish Claims Commission, with which the Senator from Massachusetts is familiar. The bill also provides that the commission shall have two years in which to hear these claims and determine the amounts and values thereof, and that the time of two years may be extended for six months at a time if the President finds it desirable to extend the time. A distinct limitation is placed upon the powers of the commission; but it is given the right to make a final adjudication of all these claims unless the commission certifies the question as being a matter of so much importance that it should be decided by the Supreme Court, and then it may be decided by the Supreme Court.

Mr. LODGE. Does the Senator's bill provide for a wholly American commission?

Mr. UNDERWOOD. It would be entirely an American commission, because the claims of which it would have jurisdiction would be American claims.

As the Senator from Massachusetts will recall, Mr. Bradley Palmer stated before the Committee on Foreign Relations that under the terms of the Versailles treaty Germany had consented that this whole matter should be submitted to the determination of the Congress of the United States, and those clauses of the Versailles treaty were ratified in the separate treaty of peace with Germany, for which the Senator from Massachusetts and I both voted.

The matter, therefore, is within the power of Congress. Purely American claims are involved. The German Government, committing its nationals, has consented that Congress shall determine the matter. In introducing the bill of course I recognize that Congress must determine what action it will take. The bill only expresses my view as to the lines on which the question should be determined; but more than a year has passed by since our treaty of peace with Germany was signed, and I think the time has come when Congress should act. As the Senator from Massachusetts remembers, Mr. Palmer, who is one of the ablest lawyers in his State, and represented our Government at Paris in this matter, stated without contradiction before the Committee on Foreign Relations that the determination of this question rested in the Congress of the United States.

Mr. LODGE. I have no question of the power of Congress to deal with any question connected with those claims, but I had supposed that the matter could be settled by an agreement with Germany under the treaty of peace.

Mr. UNDERWOOD. It could not be settled with Germany without our making another treaty, because the present treaty is the law of the land, and that treaty contemplates that this question shall be determined by Congress, although, of course, the President could negotiate another treaty with Germany, wiping out the terms of the existing treaty and establishing new treaty rights.

So far as I am concerned, I have no bitterness against our late German enemies. I have no feeling of that kind, but it would be far from my disposition to see the heirs of the people who were murdered in the sinking of the *Lusitania* go before a mixed tribunal to determine whether or not they had a legal claim against the German Government or its nationals.

Mr. LODGE. I myself should never assent to that. It is only a question, as I understand, of settling amounts; and the Senator's idea is that that can be done by our own commission.

Mr. UNDERWOOD. Unquestionably. I do not rest this contention on my own statement, but, as I stated, Mr. Palmer, a Republican, not a Democrat, an able lawyer in the Senator's own State, whom he knows well——

Mr. LODGE. I know him.

Mr. UNDERWOOD. Who represented our Government in connection with all of this property at Versailles and wrote the article in reference to this matter in the treaty of Versailles——

Mr. LODGE. Yes; I remember his examination before the committee very well.

Mr. UNDERWOOD. Stated, without contradiction before the Senator's committee, that this was now a question for the determination of the Congress and not for the determination of anybody else.

M. LODGE. The Senator's plan is that we should have a commission to determine the claims and present them as Government claims?

Mr. UNDERWOOD. The bill provides for a commission to determine our rights in the matter, to fix the amount of the claims, decide whether they are equitable and lawful, and to certify them. Then it gives the German Government an opportunity to pay them if it will; and if the German Government then refuses to pay them, the bill proposes to make the property which is now in our hands, which has been taken by the Alien Property Custodian, subject to the payment of the claims.

Mr. LODGE. I have no objection to the bill. I merely wished to understand it.

Mr. BORAH. Mr. President, do I understand that the bill introduced by the Senator from Alabama contemplates, in case the German Government does not pay these claims, that we may confiscate the individual property of German nationals which has been seized by us and devote its proceeds to their payment?

Mr. UNDERWOOD. We confiscated that property in March, 1918, when we adopted the amendment which I proposed to the trading with the enemy act by the vote of every Senator who was then present, except one, and by a unanimous vote of the House of Representatives; but the question of confiscation no longer exists, because, under the treaties which have already been made, the German Government, speaking for itself and its nationals, has conceded that this property may be used to pay these claims if the German Government does not pay them.

Mr. BORAH. But what the German Government concedes and what we are in honor bound to do, and as a matter of wise policy should do, are two entirely different propositions.

Mr. UNDERWOOD. Of course, I agree with the Senator in his main statement, but not in his inference, because I think that if Congress is in honor bound to do anything, it is in honor bound to protect the rights of American citizens who had their property and their lives ruthlessly destroyed by an enemy Government. For us to say that we owe anything to the people who at that time, in March, 1918, were dropping bombs on London from airplanes, destroying private property, murdering innocent citizens, and who from a distance of 75 miles were firing cannon upon Paris, not for military purposes but for the purpose of terrorizing innocent citizens in the heart of Paris—to say that the Congress of the United States is in honor bound to protect the rights of the citizens of that Government rather than the rights of American citizens is not at all in accord with my viewpoint on the subject.

Mr. BORAH. Mr. President, I do not disagree with the Senator from Alabama at all that Congress is in honor bound to protect the rights of American citizens; but it is in honor bound to protect them in an honorable way, and, in my judgment, it would not be an honorable way to protect them by confiscating, because of the depredations of the Government of their country, the individual property of those Germans who invested in this country.

Mr. UNDERWOOD. I want to state to the Senator that there is no man on the floor of the Senate for whose opinions and independence of judgment on the great questions that come before the Senate I have more respect than I have for those of the Senator from Idaho, but I differ absolutely with him on this question. The old principle of international law that an invading army should respect the property of the citizens of the country in which the army advanced was right in its day and time, but to-day peoples make war against other peoples. Germany could not have sustained herself for a year if the people of Germany had not been behind the German Government. They depredated the property and destroyed the lives of innocent people, including our own nationals and those of our allies, miles behind the lines, where there was no military operation proceeding. They even went to the extent when Hindenburg made his retreat of destroying the forests of the French peasants. To say, since we took this property, as we did, as an act of war, that we are under any obligation to return it to those people who destroyed our people and our allies'

property, it seems to me goes a long way beyond the ethics of the case.

Mr. BORAH. Mr. President, the doctrine for which I contend is one which we have been advocating ever since we have been a Government. We have been pioneers in presenting and insisting upon that doctrine. We have written it in treaties, we have written it in the decisions of our courts, and we have succeeded in writing it into international law. I do not think that we are in a position to controvert the proposition at this time. We can protect our citizens in their rights without destroying the doctrine for which we have been contending for a hundred years, a doctrine sound in justice and wise as a matter of expediency.

Mr. UNDERWOOD. The Senator is right, of course, that in the early days we did contend for it, and that doctrine was embodied in international law, but when the great World War broke out, when war was made under sea and in the air against citizens and not against armies, that principle of international law was relegated to the rear, and the Congress itself abandoned it when it voted for the amendment which I offered on this floor in March, 1918, to confiscate this enemy property. I do not know whether or not the Senator was present in the Senate when the vote was taken, but if he was he voted for the amendment, because there was but one vote in the Senate cast against it on a roll call, and that was not the vote of the Senator from Idaho.

Mr. BORAH. Mr. President——

Mr. WALSH of Montana. Mr. President, the statement made by the Senator——

The PRESIDENT pro tempore. Does the Senator from Alabama yield; and if so, to whom?

Mr. UNDERWOOD. I was discussing the question with the Senator from Idaho, and I will yield first to him, if the Senator from Montana will pardon me.

Mr. BORAH. I was only going to say that I do not remember the vote on the particular amendment to which the Senator has reference, but I do know the construction which was placed upon that act in the debate in the House and in the Senate and in the report of the Senate committee, and it was not that of confiscation at all, and we so understood it.

Mr. UNDERWOOD. If the Senator will allow me, when the amendment was presented in the Senate I made a short statement on the floor, and I said then that I regarded the act of taking and selling this property as a war act and one of the strongest blows that we could aim against Germany and its nationals to affect their morale behind the lines, and I believe it was. So there is no question about the position which I took.

Mr. BORAH. I am satisfied that there is no doubt as to the position which the Senator occupied or as to his individual views, but I think, if the Senator will recur to the debate and the report of the committee, he will have no trouble in arriving at the conclusion that there were quite a number of Senators who entertained an entirely different view as to the effect and purpose of that act.

Mr. UNDERWOOD. Where the Senator is making the mistake is in his recollection. The trading with the enemy act was passed in 1917, if I recollect aright. That act was reported from the Judiciary Committee and there was considerable debate on it, and under it the Alien Property Custodian was directed to take this property and to hold it in trust for the German owners. That is the debate the Senator is thinking about; but in March, 1918, I proposed an amendment which wiped out that idea entirely. I proposed the amendment as an act of war.

Mr. OVERMAN. Mr. President, was not that amendment put on a deficiency appropriation bill?

Mr. UNDERWOOD. It was put on an appropriation bill, but it came up on the floor of the Senate and was not reported from a committee. The only report that was made was the speech which I made on the subject. There was very little debate on it, but it was clearly stated when I presented it that it was a reprisal against the German Government and its nationals as an act of war.

Mr. BRANDEGEE. Mr. President, was it a confiscatory amendment?

Mr. UNDERWOOD. Yes; it took this property and authorized its sale.

Mr. BRANDEGEE. Instead of the trusteeship provided for in the original act?

Mr. UNDERWOOD. Yes; it wiped out the idea of a trusteeship.

Mr. WALSH of Montana. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from Montana?

Mr. UNDERWOOD. I yield.

Mr. WALSH of Montana. I rose because I find myself in entire disagreement with the Senator from Alabama with respect to the purpose and effect of the act to which he refers. I shall regard it as most extraordinary if the Senate or the Congress of the United States shall let it be understood that we have already resolved to confiscate and have confiscated this property. The fact about the matter, as has been indicated, is that the act originally provided that the Alien Property Custodian should possess himself of these German interests and hold them in trust subject to further direction of Congress. He was authorized in the original act to sell and dispose of property that was perishable in character; but the avails of the property thus disposed of became trust funds in his hands in exactly the same manner as the property originally was, subject to the disposition of Congress.

In the spring of 1918 the amendment referred to by the Senator from Alabama was enacted by Congress. That, if I have any just conception whatever of its provisions, was not a confiscatory statute at all. It simply extended the powers of the Alien Property Custodian with reference to the sale and disposition of the property. He originally was restricted in his powers of sale to property that was perishable in character, and only such as was perishable in character. It was conceived that it would be unwise to allow the great industrial plants which had been built up in this country by German capital to go back into German hands after the war was over; and Congress resolved to put that property in such shape as that those particular industrial properties should not go back into German hands, and they authorized the Alien Property Custodian to dispose of those properties, and he now holds the avails of those properties, cash instead of factories and lands and stocks and that sort of thing. The Alien Property Custodian holds that cash, subject to such disposition as the Congress may at any time see fit to make with respect to it; and when the time comes there are some of us, I am sure, who will desire to be heard upon the propriety—indeed, Mr. President, the wisdom—of appropriating this property to the satisfaction of just claims of our citizens, not against the owners of this property but against the German Government.

Mr. BRANDEGEE. Mr. President——

Mr. WALSH of Montana. If the Senator will pardon me, I merely desire to add that it becomes a matter of more significance, of more importance, of more deep-seated importance, to the people of the United States at this time than perhaps at any other time in our history. Capital is going from our country into investments in all the countries of the world in quantities that were never thought of before in our history. Shall we now recede from the position we took, and, in the event of our unfortunately getting entangled in war with some of these countries into which American capital is now going, shall we give them a precedent for the confiscation of that property, or shall we adhere to the time-honored principle that has characterized our foreign relations upon this subject up to the present time?

Mr. BRANDEGEE. Mr. President, will the Senator permit an interruption in that connection?

The PRESIDENT pro tempore. Does the Senator from Alabama yield; and if so, to whom?

Mr. UNDERWOOD. I yield for a question. I desire to answer what the Senator from Montana has said.

Mr. BRANDEGEE. Yes; I do not want to answer him. I just want to ask him a question in connection with what he has just said, and it is this: No matter what the previous Congresses may have had in mind about the taking of this property and as to its ultimate disposition, no matter whether it has been converted into cash or not, no matter whether at one time they may have considered that they were confiscating it and at another time perhaps that they were holding it as trustee, the final act of Congress in relation to it was that it should be held subject to the future disposition of Congress, was it not? So that to-day the whole question is before us to decide what the policy of Congress shall be with relation to this property.

Mr. UNDERWOOD. I will answer the Senator's question from the standpoint of this bill. He is clearly right in his contention that the Congress has the power of disposition and can return this property to its German owners if it desires to do so. I favor the American citizen and not the German citizen, but it is clearly within the power of Congress; and I have had the bill referred to a committee of which the distinguished Senator from Montana and the distinguished Senator from Connecticut are both honored members—the Judiciary Committee—where they will have full and free opportunity to consider it.

I think, however, that the Senator is wrong in his viewpoint as to what the condition is now. If he desires to say that we shall return this property, and he can command the votes of a majority of the Congress in favor of giving it back to the German nationals, I concede that the Congress can do so. It can give away anything, as it gave $20,000,000 to Russia a short time ago; but the Senator, I think, has in mind in making his statement the viewpoint of the trading with the enemy act as originally reported from the Judiciary Committee. If, however, he will refer to what I said when I reported the amendment to authorize the taking of all of this property and selling it, except the patents, he will see that I stated that it contemplated an act of war. That is a very different proposition from holding the property as trustee; but I want to say to the Senator in addition to that, not for the purpose of controverting his viewpoint but to call attention to the fact that when I originally proposed the amendment—which was adopted by the vote of every Senator in this Chamber who voted, except one—authorizing the Alien Property Custodian to take this property and sell it and put the money in the Treasury of the United States and afterwards invest it in Liberty bonds, inadvertently I left out of my amendment the power to sell the patents. It never entered my mind that the patents did not constitute a destructible property. It was not a property that had to be taken care of. There was no occasion for selling the patents, except to take them away from their German owners. Subsequently to the time when I offered my amendment—I do not remember who it came from—some one offered a proposal here, either a bill or amendment, and the Congress passed it, authorizing the President of the United States to take over and confiscate the patents.

As to the question to which the Senator refers about our making investments the world over, that is a question that the great merchants may consider. I look at these questions from a standpoint of lasting peace; and I believe to-day that if the German junkers—I am not referring to the plain people of Germany, but I am talking of the millionaires who sat behind the Emperor and gave him the pecuniary power to pursue the ruthless war that cost us thousands of lives and billions of dollars—if the ruthless junker class of Germany had known when they started into this war that under international law their individual property was subject to confiscation, they would have hesitated on the brink. I believe to-day that the best bond that can be given by the great nations of the world to maintain peace is to abandon the idea that the great wealth of the world shall be protected in time of war, and let the man know who puts up the dollars to fight wars that if he goes to war his own dollars are subject to confiscation as well as the lives of his neighbors' sons.

Mr. WALSH of Montana. Mr. President, there are no doubt two sides to that question, and in due time we will consider both of them; but for the present I have before me the act of March 28, 1918, and I think there can be no doubt whatever, from the reading of the language of the law, what the purpose of the Congress in the matter was.

Mr. UNDERWOOD. The Senator must read the language of the law in connection with the remarks I made when I presented the amendment to the Senate.

Mr. WALSH of Montana. Yes; but unfortunately, as the Senator knows, there is a rule which forbids us from paying very much attention to debates in construing statutes.

Mr. UNDERWOOD. The debates may not be admissible in construing statutes, but when you come down to the legal point we have passed that. That is no longer an issue. The German Government has made a treaty authorizing us to take this property and pay our nationals with it. It is a treaty right existing between the two Governments. If you put it on the strict legal basis, the meaning of the language, whether we confiscated it or not is not of importance, because they have signed the treaty of Berlin, which has been ratified by both Governments, and they have consented that we may take this property to pay our own nationals.

Mr. WALSH of Montana. I am simply concerned in the question as to whether or not we have actually confiscated this property. This was the statute:

The fourth paragraph of section 12 of the "trading with the enemy act," approved October 6, 1917, is amended to read as follows:

"The Alien Property Custodian shall be vested with all of the powers of a common-law trustee in respect of all property, other than money, which has been or shall be, or which has been or shall be required to be, conveyed, transferred, assigned, delivered, or paid over to him in pursuance of the provisions of this act, and, in addition thereto, acting under the supervision and direction of the President, and under such rules and regulations as the President shall prescribe, shall have power to manage such property and do any act or things in respect thereof or make any disposition thereof or of any part thereof, by sale or otherwise, and exercise any rights or powers which may be or become appurtenant thereto or to the ownership thereof in like manner as though he were the absolute owner thereof: *Provided*, That any property sold under this act, except when sold to the United States, shall be sold only to American citizens, at public sale to the highest bidder, after public advertisement of time and place of sale, which shall be where the property or a major portion thereof is situated, unless the President, stating the reasons therefor, in the public interest shall otherwise determine: *Provided further*, That when sold at public sale, the Alien Property Custodian upon the order of the President stating the reasons therefor, shall have the right to reject all bids and resell such property at public sale or otherwise as the President may direct. Any person purchasing property from the Alien Property Custodian for an undisclosed principal, or for resale to a person not a citizen of the United States, or for the benefit of a person not a citizen of the United States, shall be guilty of a misdemeanor, and, upon conviction, shall be subject to a fine of not more than $10,000, or imprisonment for not more than 10 years, or both, and the property shall be forfeited to the United States. It shall be the duty of every corporation incorporated within the United States and every unincorporated association, or company, or trustee, or trustees within the United States issuing shares or certificates representing beneficial interests to transfer such shares or certificates upon its, his, or their books into the name of the Alien Property Custodian upon demand, accompanied by the presentation of the certificates which represent such shares or beneficial interests. The Alien Property Custodian shall forthwith deposit in the Treasury of the United States, as hereinbefore provided, the proceeds of any such property or rights so sold by him."

So he continues the common-law trustee of the avails, just as he was of the original property.

Mr. BRANDEGEE. Has the Senator from Alabama asked to have printed in the RECORD the bill which has just been introduced by him?

Mr. UNDERWOOD. I asked to have a synopsis of the bill printed in the RECORD, and I have no objection to having the bill printed in the RECORD.

Mr. BRANDEGEE. I would like to have it printed in the RECORD, so that everybody interested may know what it is.

Mr. UNDERWOOD. I ask that it may be printed in the RECORD in 8-point type.

There being no objection, the bill was ordered to be printed in the RECORD in 8-point type, as follows:

A bill (S. 3852) to amend an act entitled "An act to define, regulate, and punish trading with the enemy, and for other purposes," approved October 6, 1917, as amended.

Be it enacted, etc., That an act entitled "An act to define, regulate, and punish trading with the enemy, and for other purposes," approved October 6, 1917, as amended, be, and hereby is, amended by adding thereto the following sections:

"SEC. 20. (a) A commission is hereby created and established, to be known as the enemy property claims commission, hereinafter referred to as the commission, which shall be composed of six commissioners, all of whom shall be learned in the law, who shall be appointed by the President, by and with the advice and consent of the Senate. No more than three of the commissioners shall be appointed from the same political party. One of said commissioners shall be designated by the terms of his appointment to be the president of the commission.

"(b) The President of the United States, by and with the advice and consent of the Senate, shall fill all vacancies which may occur in said commission.

"(c) Any commissioner may be removed by the President for inefficiency, neglect of duty, or malfeasance in office.

"(d) Each of the members of the commission, the Assistant Attorney General, the attorneys, and the clerk provided herein shall be citizens of the United States, and shall take the oath of office prescribed by law to be taken by officers of the United States.

"(e) The commission shall have a seal with such device as it may order.

"(f) The commission may sit as a whole or in two divisions, each composed of three members of the commission. The commission may divide and assign its business to such divisions of the commission, reserving for the consideration of the entire commission such matters as it may deem advisable. Two of the commissioners constituting such a division of the commission shall constitute a quorum for the transaction of business assigned to such division, and the agreement of two such commissioners shall be necessary to decide any question arising before such division of the commission. Four members of the entire commission shall constitute a quorum for the transaction of business, and the agreement of four such commissioners shall be necessary to decide any question arising before said entire commission.

"SEC. 21. (a) The said commission shall, within 30 days after the appointment of the members thereof, meet, and it shall thereafter hold its sessions in the city of Washington, D. C.

"(b) The said commission shall proceed immediately after its first meeting, with all convenient dispatch, to arrange and docket the several claims admissible hereunder, and to consider the evidence which shall have been or which may be offered by

the respective claimants, and in opposition thereto, allowing such further time for the production of such further evidence as may be required and as it shall think reasonable and just; and shall thereupon proceed to determine and award upon each of the said claims according to the provisions hereof.

"(c) The said commission is hereby authorized to publish notice of its sessions and to make all needful rules and regulations, not contravening the laws of the United States, for regulating the forms and mode of procedure before the said commission, and to carry into full and complete effect the provisions hereof. Such rules and mode of procedure made with regard to claims filed under section 29 herein shall conform, so far as practicable, to the mode of procedure and practice of the district courts of the United States. The said commission is hereby vested with the same powers now possessed by the district courts of the United States to compel the attendance and testimony of parties, claimants, and witnesses, to preserve order, and to punish for contempt, and to compel the production of any books or papers deemed material to the consideration of any claim or matter pending before the said commission.

"(d) The said commission is also vested with all the powers now possessed by the district courts of the United States to take or procure testimony in foreign countries. Such testimony may be taken, pursuant to the provisions of existing laws and the rules of practice of the district courts of the United States, so far as applicable, before the commission or any commissioner or commissioners appointed to take testimony hereunder.

"(e) The marshal of the United States for the District of Columbia, or his deputies, shall serve, within said District, all process issued by said commission, preserve order in the place of sitting, and execute the orders of said commission; and outside the District of Columbia the process of said commission shall be served by the United States marshals, or their deputies, in their respective districts: *Provided, however*, That the said commission or any commissioner appointed by it to take testimony in the United States or foreign countries is hereby authorized to appoint an officer to serve any process issued by said commission or commissioner.

"(f) When testimony is to be taken before the commission or any commissioner appointed to take testimony within any District, Territory, or insular possession, the clerk of any court of the United States for such District or Territory or the clerk of any local judicial tribunal for such insular possession shall, on application of the commission or commissioner appointed to take testimony, or of any party to the proceeding, or his attorney, issue a subpœna for such witness, commanding him to appear and testify before the commission or commissioner at a time and place stated in the subpœna; and if any witness, after being duly served with such subpœna, refuses or neglects to appear, or after appearing refuses to testify, not being privileged from giving testimony, and such refusal or neglect is proved to the satisfaction of any judge of the court whose clerk issues the subpœna, such judge may proceed to enforce obedience to the process or punish the disobedience as any court of the United States or such insular possession may proceed in case of disobedience to process of subpœna to testify issued by such court; and the production before such commission or commissioner of any paper or writing, written instrument, book, or other document may also be required in the manner prescribed in section 869 of the Revised Statutes of the United States.

"(g) Each of the said commissioners and the clerk and each of the commissioners to take testimony shall have authority to administer oaths and affirmations and to take the depositions of claimants, parties, and witnesses in all matters pending before or to be presented before the commission; and if any person shall knowingly and willfully swear or affirm falsely in such examination or deposition to any matter or fact touching which such person is examined, or if any person, whether claimant or witness, shall so swear or affirm falsely to the contents of any memorial, petition, affidavit, deposition, or other paper containing any matter or fact pertaining to any claim or proceeding pending before or to be presented before said commission, or shall, in giving testimony or in swearing or affirming to any deposition, affidavit, or other paper before any officer authorized to administer oaths or to take such testimony, swear or affirm falsely to any matter or fact pertaining to any claim or proceeding pending or to be presented before said commission, every such person so swearing or affirming falsely as aforesaid shall be deemed guilty of perjury just as if such false oath or affirmation had been taken in a judicial proceeding in any of the courts of the United States or in any local judicial tribunal of any insular possession, and shall be liable to indictment and trial in the district court of the United States for the district in which such perjury shall have been committed, or in the proper courts of the United States for the Territory or District of Columbia, or in proper courts of the insular possession in which such perjury shall have been committed, and shall upon conviction suffer such punishment as is provided by the laws of the United States or of the insular possession for that offense. No person shall be excluded as a witness before the commission because such person is a party to or interested in the claim or proceeding; and any claimant or party in interest may be examined as a witness on the part of the Government.

"(h) All claims filed hereunder shall be filed with the clerk of the commission, and the prosecution of the claim shall be deemed to have commenced at the date of such filing.

"SEC. 22. (a) The commission shall appoint and fix the compensation of a clerk, and may also appoint and fix the compensation of one or more messengers, stenographers, typists, interpreters, and such other employees as the business of the commission may require; and may also appoint and fix the compensation or fees of one or more commissioners—who are herein designated as commissioners to take testimony—who shall be citizens of the United States, whose duty it shall be to take testimony in the United States or in foreign countries in such cases as may be brought before the said commission, but no compensation shall be paid in excess of that paid for like or similar service in the departments and executive agencies of the United States.

"(b) Each of the said members of the commission shall be paid monthly at the rate of $7,500 per annum. The Department of State shall provide said commission with all necessary and suitable rooms and offices for holding its sessions and transacting its business. All the expenses, including the salaries and compensation of said commission and of its officers and employees, shall be paid by the Department of State upon vouchers certified by the president of the commission, or by order of the members of the commission in case of his absence or inability to act.

"SEC. 23. It shall be the duty of the commission, and it shall have jurisdiction, to receive, examine, and adjudicate all claims filed as provided herein. It shall adjudicate said claims according to the merits of the several cases, the principles of equity, and of law.

"SEC. 24. (a) The orders, judgments, awards, and decrees of the commission or any division thereof shall be final, unless a new trial or rehearing shall be granted by said commission, and no retrial or rehearing shall be had except upon motion made within 30 days of said order, judgment, award, or decree.

"(b) When the commission is in doubt as to any question of law arising upon the facts in any case before it, it may state the facts and the question of law so arising and certify the same to the Supreme Court of the United States for its decision, and said court shall have jurisdiction to consider and decide the same.

"SEC. 25. (a) The commission, immediately after its award shall have been made and become final, shall transmit a copy thereof, certified by the clerk of the commission and signed by the president of the commission, or by at least two other members of the commission in his absence or inability to act, to the Alien Property Custodian or Treasurer of the United States, or both, as the case may be, which officials, thereafter, as soon as may be, shall dispose of any money or other property in accordance with such award.

"(b) The powers and jurisdiction hereby granted to said commission shall be in force and continue for the period of two years from the date the commission meets for the first time, as provided in section 21 hereof, and for no longer time: *Provided*, That the President may from time to time extend the said period beyond said two years, not exceeding six months in each instance, when in his judgment such extension is necessary to enable the commission to complete its work: *And provided further*, That in case the commission shall have completed its work before the expiration of the said two years or any extension granted by the President, he may dissolve said commission. Immediately after the commission shall have completed its work all the files and records of said commission shall be deposited in the Department of State.

"SEC. 26. (a) The President shall appoint, by and with the advice and consent of the Senate, one additional Assistant Attorney General of the United States, who shall hold his office during the existence of said commission, and the Attorney General of the United States is empowered to employ and fix the compensation of such other attorneys and employees as the duties laid upon his office by the provisions hereof may require. It shall be the duty of said Assistant Attorney General and

attorneys to appear as attorney and counsel for the United States under the direction of the Attorney General and to defend its interests in all claims and proceedings before said commission.

"(b) Service of all notices of claims and petitions filed hereunder shall be made upon the Attorney General at such time and in such manner as may be prescribed by the commission.

"(c) The defense of the United States to any claim shall be made under such rules and regulations as the commission may prescribe: *Provided*, That should the Attorney General fail to so defend any claim the claimant may proceed with the case under such rules as the commission may adopt; but the claimant shall not in such cases have award for his claim, or for any part thereof, unless he shall establish the same by proof satisfactory to the commission.

"SEC. 27. (a) All money or other property or the proceeds of the sale thereof held by the Alien Property Custodian or Treasurer of the United States by virtue of the trading with the enemy act, as amended, the return of which is now authorized by section 9 thereof, shall be, as elsewhere provided herein, returned to the owner thereof or his agent or legal representative.

"(b) Claims made under this section by any person asserting citizenship of the United States by naturalization process shall not be denied on the ground of any presumption of expatriation which may have arisen against him if he has returned to the United States and gives satisfactory evidence of his loyalty to the United States during his absence abroad.

"(c) Claims made under this section and subsections (b) and (c) of section 30 hereof shall be filed with the commission within one year after the date the commission meets for the first time, as provided in section 21 hereof, or shall be forever waived and barred.

"SEC. 28. All money and other property, including the proceeds of the sale thereof, held by the Alien Property Custodian or the Treasurer of the United States by virtue of the trading with the enemy act, as amended, which at the time it was conveyed, assigned, transferred, delivered, or paid over to the Alien Property Custodian, or required so to be, or seized by him, belonged to any person enumerated in this section, shall be returned by the commission to the owner thereof, or to his agent or legal representative, if the payment of claims which may be allowed by the commission to claimants under sections 29 and 30 hereof are otherwise satisfied; otherwise the same shall be first subject to the payment thereof as herein provided. The Alien Property Custodian shall classify all such money and other property in two lists—one covering that belonging to Germany and its nationals, the other covering that belonging to Austria-Hungary and its nationals, as follows:

"Class 1. Money and other property belonging to the Government, or any political or municipal subdivision thereof, or any agent or agency thereof.

"Class 2. (a) All other money and property belonging to any person not enumerated in the foregoing class 1, the return of which is not authorized by section 27 hereof.

"(b) No person enumerated in this section shall file claim for the return of his money or other property until such time as the commission shall announce it will receive such claims: *Provided*, That all such claims shall be filed with the commission within one year after the date of such announcement by the commission or shall be thereafter forever waived and barred.

"SEC. 29. (a) The following shall be deemed claimants of the first class hereunder:

"(1) Any citizen of the United States who has suffered damage growing out of acts committed by the German Government or by any German authorities since July 31, 1914, and prior to April 6, 1917, or by the Austro-Hungarian Government or by any Austrian or Hungarian authorities since July 28, 1914, and prior to December 7, 1917;

"(2) Any civilian citizen of the United States who suffered damages by injury, or who, as surviving dependent, suffered damages by personal injury to or death of civilians, caused by acts of war, including bombardments or other attacks on land, on sea, or from the air, and all direct consequences thereof, and of all operations of war by the two groups of belligerents wherever arising;

"(3) Any civilian citizen of the United States who suffered damage caused by Germany or her allies as a victim of acts of cruelty, violence, or maltreatment (including injuries to life or health as a consequence of imprisonment, deportation, internment, or evacuation, of exposure at sea or being forced to labor), wherever arising, or who, as surviving dependent of any such civilian victim, suffered damage;

"(4) Any civilian citizen of the United States who suffered damage caused by Germany or her allies in their own territory, or in occupied or invaded territory, as a victim of all acts injurious to health or capacity to work, or to honor, or who, as a surviving dependent of any such civilian victim, suffered damage;

"(5) Any citizen of the United States or any person serving in the military, naval, or air forces thereof who suffered damage caused by any kind of maltreatment by Germany or her allies of prisoners of war; and

"(6) Any civilian citizen of the United States who suffered damage caused by being forced by Germany or her allies to labor without just remuneration.

"(b) The following shall be deemed claimants of the second class:

"(1) Any citizen of the United States who suffered damage or injury inflicted on his property rights or interests, including any company or association in which he may be interested in German territory as it existed August 1, 1914, or in the territory of the former Austro-Hungarian Empire by the application by such nations of either of the exceptional war measures or measures of transfer mentioned in paragraphs 1 and 3 of the annexes to section 4, entitled 'Property rights and interests,' of the treaties of Versailles, Trianon, and St. Germain-en-Laye, respectively;

"(2) Any citizen of the United States who has suffered damage in respect of all property, wherever situated, belonging to him, with the exception of naval and military works or materials, which has been carried off, seized, injured, or destroyed by the acts of Germany or her allies on land, on sea, or from the air, or damage directly in consequence of hostilities or of any operations of war; and

"(3) Any citizen of the United States who has suffered through the acts of the Imperial German Government, or its agents, or the Imperial and Royal Austro-Hungarian Government, or its agents, since July 31, 1914, loss, damage, or injury to his person or property, directly or indirectly, whether through the ownership of shares of stock in German, Austro-Hungarian, American, or other corporations, or in consequence of hostilities or of any operations of war, or otherwise, not hereinbefore enumerated.

"(c) The following shall be deemed claimants of the third class:

"(1) The Government of the United States, representing the people thereof, for damage caused to the people thereof for all its pensions or compensation in the nature of pensions to its naval and military victims of war—including members of its air force—whether mutilated, wounded, sick, or invalided, and to the dependents of such victims, the amount due being calculated for each of them as being the capitalized cost of such pensions and compensation on the basis of the scales in force in France as to Germany at the date of November 11, 1921, and as to Austria and Hungary at the date of May 1, 1919;

"(2) The Government of the United States, for the cost of assistance by such Government to prisoners of war and to their families and dependents;

"(3) The Government of the United States, for allowances by such Government to the families and dependents of mobilized persons or persons serving with its forces, the amount due to them for each calendar year in which hostilities occurred being calculated for the Government on the basis of the average scale for such payments in force in France during that year;

"(4) The Government of the United States, for damage in respect of property wherever situated belonging to it, with the exception of naval and military works or materials, which has been carried off, seized, injured, or destroyed by the acts of Germany or her allies on land, on sea, or from the air, or damage directly in consequence of hostilities or of any operations of war; and

"(5) The representatives of any civilian population of the United States which suffered damage in the form of levies, fines, and other similar exactions imposed upon them by Germany or her allies.

"(d) The award to any claimant under this section shall be only for the amount of the actual damage which said claimant shall prove that he has sustained. Remote or prospective damages shall not be awarded. The awards made to claimants under this section shall include interest at the rate of 6 per cent per annum from the date that the loss, damage, or injury was sustained by the claimant until such date as the award is paid.

"(e) All claims under this section shall be filed with the commission within six months after the date the commission holds its first meeting, or shall be thereafter forever waived and barred: *Provided*, That the commission may, in its discretion,

extend the time for filing said claims for an additional period, not exceeding six months.

"(f) Any claim prosecuted under this section shall be presented by petition containing such allegations and in such form as the commission may require. The petition shall be signed and be verified by the affidavit of the claimant, his attorney, or agent.

"(g) All persons whom the commission may require shall be made parties defendant, and service shall be obtained upon all parties defendent in accordance with the practice in the district courts.

"(h) In case any award is rendered by the commission to claimants under this section, the commission shall, upon motion of the attorney or counsel for the claimant, allow in addition to the amount thereby awarded such counsel and attorney fees to the counsel and attorneys employed by the claimant or claimants, respectively, as the commission shall determine to be just and reasonable as compensation for the services rendered the claimant in prosecuting such claims, which allowance shall be entered as a part of the award in such case and shall be made specifically payable to said attorney or counsel as a part of said award, the payment of which shall be in full compensation to the counsel or attorney for prosecuting such claim; and all other liens upon, or assignments, sales, transfers, either absolute or conditional, for services rendered or to be rendered, about any claim or part or parcel thereof, provided for in this amendment heretofore or hereafter made or done before such award is rendered and payment thereof made shall be absolutely void and of no effect.

"(i) The commission shall order the payment of all claims allowed by it to claimants under this section against the nation concerned, in so far as such awards are otherwise unsatisfied, out of the money and other property enumerated in section 28 hereof which shall have been classified as belonging to it and its nationals: *Provided*, That all the money and other property constituting the first class set forth therein shall be exhausted before that constituting the second class shall be subject to such awards, and in event all money and other property classified as belonging to one of the former enemy nations and its nationals shall be more than sufficient to satisfy all awards against it, the balance shall be held subject to the satisfaction of the awards which may be rendered against the other enemy nation concerned, if such other awards are not otherwise satisfied: *Provided further*, That the same shall not be so used until all money and other property belonging to such other nation and its nationals shall have been exhausted.

"Awards allowed to claimants of the first class shall be paid before awards allowed to claimants of the second and third class, and awards allowed to claimants of the second class shall be paid before awards allowed to claimants of the third class, and should such money and other property be insufficient to satisfy in full awards to claimants of any one of said three classes the same and/or the proceeds thereof shall be distributed ratably among the several claimants of that class.

"(j) All money held by the Alien Property Custodian or by the Treasurer of the United States belonging to persons in the class then subject to the payment of awards under this section shall be exhausted in the satisfaction of such awards before the property held by the Alien Property Custodian belonging to the same or other persons in the same class be subject to liquidation for the payment of such awards.

"(k) So far as such awards shall be payable by the Treasurer of the United States, all or any part of same may, at his option, be paid in United States bonds, at par, provided that any amount of the award of which a $50 bond is not a factor shall be paid in currency.

"SEC. 30. (a) Any person enumerated in section 27 or section 28 claiming any right, title, or interest in any money or other property which has been conveyed, transferred, assigned, delivered, or paid over to the Alien Property Custodian, or seized by him and held by him or the Treasurer of the United States by virtue of the trading with the enemy act, as amended, may, as provided in said sections, respectively, file with the commission a notice of his claim containing an application for allowance thereof, under oath and in such form and containing such particulars as the commission shall require; and the commission may order the payment, conveyance, transfer, assignment, or delivery of the money or other property so held by the Alien Property Custodian or Treasurer of the United States, or of the interest to which the commission shall determine said claimant is entitled, to said claimant, his agent, or attorney.

"(b) Any citizen of the United States, or his legal representative, to whom any debt which became due prior to July 14, 1919, may be owing from any person whose money or other property is subject to the payment of claims as provided in section 29 hereof, may file notice of such claim containing an application for the allowance thereof, as provided in the foregoing subsection (a); and the commission may, with the assent of the owner of said money or other property, and of all persons claiming any right, title, or interest therein, order the payment, conveyance, transfer, assignment, or delivery of the money or other property so held by the Alien Property Custodian or by the Treasurer of the United States, or of the interest therein to which the commission shall determine said claimant is entitled, to said claimant, his agent, or attorney.

"(c) Any claimant enumerated in the foregoing subsection (b) who is unable to obtain assent to the payment of the debt as provided therein may make application for the allowance of said debt by filing a petition therefor, as provided for claimants under section 29 hereof, and the commission shall proceed to adjudicate upon said claim under the same rules and regulations as it may provide for claimants under said section 29.

"(d) The Alien Property Custodian and the Treasurer of the United States shall not comply with any award or order of the commission allowed to claimants under the foregoing subsections (b) and (c) until all of the awards of the commission to claimants enumerated in section 29 herein have been paid or otherwise satisfied. Claimants under said subsections (b) and (c) shall be entitled to priority of payment according to the time of the filing of their respective claims.

"(e) All applications for the allowance of claims made to the President in accordance with the provisions of section 9 of the trading with the enemy act, as amended, which have not, at the time the commission meets for the first time as provided in section 21 hereof, been allowed or disallowed, shall be delivered over to the commission, and all applications so pending shall be deemed to have been filed with the commission as of such time. The commission, upon the receipt of said applications, shall proceed to adjudicate upon such claims in accordance with the provisions hereof: *Provided*, That after the commission meets for the first time, as provided in section 21 hereof, no further applications for the allowance of claims shall be received by the President under the said section 9, nor shall the President, on his own motion, dispose of any money or other property under the provisions of said section 9. The commission is hereby authorized to allow any claim for debt which might have been allowed under said section 9, provided that any such claim shall be filed under the same terms and conditions as any other claim hereunder and subject to the same restrictions as provided in said section 9.

"(f) Nothing contained herein shall in anywise prejudice the rights of any claimant who has heretofore instituted, or shall hereafter institute, suit in equity in the district court of the United States or the Supreme Court of the District of Columbia, as provided in said section 9. No claim shall be prosecuted before the commission if such suit in equity has theretofore been instituted in such district court of the United States or the Supreme Court of the District of Columbia asserting the same claim; and no suit shall be instituted in such district court of the United States or the Supreme Court of the District of Columbia if the same has theretofore been filed with the commission: *Provided*, That any person who has heretofore instituted any such suit in a district court of the United States or in the Supreme Court of the District of Columbia, the merits of which suit shall not have been determined by such court at the time of the approval of this act may apply to such court for the dismissal of such suit and upon the dismissal of the same may file his claim before the commission.

"SEC. 31. (a) The sole relief and remedy of any person having any claim to any money or other property or the proceeds of the sale thereof, heretofore conveyed, transferred, assigned, delivered, or paid over to the Alien Property Custodian, or required so to be, or seized by him, shall be that provided by the terms of the trading with the enemy act as amended, and the terms hereof; and in the event that such property has been or shall be sold or otherwise disposed of by the Alien Property Custodian, shall be limited to and enforced against the net proceeds received therefrom and held by the Alien Property Custodian or by the Treasurer of the United States, and no such money or other property, or the proceeds of the sale thereof, liquidation or other dealing therewith, so held, shall be returned, or otherwise disposed of, unless the lawful expenses incurred by the Alien Property Custodian in holding and administering the said money or other property to be returned or otherwise disposed of, are first deducted therefrom or otherwise satisfied.

"(b) The return of any money or other property, or the proceeds of the sale thereof, or payment of any debt, in accordance with the provisions of the trading with the enemy act as amended, or the provisions hereof, shall operate as and be a full acquittance and discharge of the Alien Property Custodian or the Treasurer of the United States, as the case may be, and of the United States, in respect to any and all claims for or interest in said money or other property, or compensation or damage arising from the capture and administration of such property by the President or the Alien Property Custodian.

"SEC. 32. All money or other property held by the Alien Property Custodian or the Treasurer of the United States by virtue of the trading with the enemy act as amended shall be administered as provided in said act as amended until such time as the commission may otherwise order the disposal of the same, or as Congress shall otherwise direct: *Provided, however*, That no property shall hereafter be sold except to insure the prevention of waste and protect such property or to satisfy such taxes as are provided to be paid in an act entitled 'An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1919, and for other purposes,' approved July 1, 1918, or to satisfy claims in accordance with the awards and directions of the commission."

Mr. UNDERWOOD. Mr. President, I am trying to make a complete review of this whole subject, involving all that has been done, not as an argument, but as a statement of facts, and I hope to be able in the next four or five days to have it in such shape that I can read it to the Senate as a review of the whole question involving our taking this property and the American claims.

SHEPPARD-TOWNER MATERNITY BILL.

Mr. FERNALD. Mr. President, there appeared in the Boston Evening Transcript of Monday, July 17, 1922, an article stating that the Governor of Maine rejects the provisions of the maternity bill. He is a very clear-thinking and able business man and an exceedingly brilliant and sound lawyer. I ask that this article be printed in the RECORD in 8-point type without reading.

There being no objection, the article was ordered to be printed in the RECORD in 8-point type, as follows:

REJECTS MATERNITY AID—MAINE OPPOSES SHEPPARD-TOWNER MEASURE—FEDERAL ENCROACHMENT, DECLARES BAXTER—CONSTITUTIONALITY OF IT IS IN DOUBT—STATE CAN TAKE CARE OF ITS OWN.

AUGUSTA, ME., July 17.—Refusal to accept the terms of the Sheppard-Towner maternity and child labor bill pending the meeting of the legislature is expressed to-day in a proclamation by Governor Baxter. Although the final decision as to whether or not the State accepts this bill rests with the State legislature, it is provided that if the legislature is not in session the governor temporarily may accept the bill on behalf of the State until the next legislature convenes.

The governer relates what Maine is now doing in the field embraced by the bill and says:

"At the hearing on June 23 the advocates of the Sheppard-Towner bill admitted that the United States Supreme Court might declare the bill unconstitutional, thus making the $5,000 'gift' to the State an unlawful use of the public funds by Congress. Notwithstanding this, these advocates urged the State to accept the money 'because other States have done so.' The weakness of this argument is apparent, and the State of Maine will take no money unless it has a clear title to it.

"I believe the time has come for the States of the Union to hold to a principle and to carefully scrutinize all offers of 'Federal aid' before accepting them. Having no doubt as to what my duty is in this matter, I decline to accept the Sheppard-Towner bill, and this State for the time being will stand with New York, Massachusetts, and Rhode Island, the three States that have rejected it. The State of Maine will not sell its birthright, and principle, not expediency, has been the determining factor with me in the solution of this problem. The financial aspects of Federal aid is interesting. The proffered $5,000 has been referred to as a 'free gift' to the State of Maine, while in reality the Federal Government is taxing the State to raise this money; and now, in order to help our mothers and children, offers to pay back to the State the trivial sum of less than two-thirds of 1 cent for each inhabitant. At the present time over $18,000,000 is annually taken in taxes by the Federal Government from the people of Maine, and less than $1,250,000 is returned to the State in the form of Federal aid. This $18,000,000 of Maine money is paid into the Federal Treasury at Washington, a large portion being absorbed in heavy administration expenses at the Federal Capitol, and a small fraction being returned to the State.

FEDERAL ENCROACHMENT.

"During the World War the power of the Federal Government over the States of the Union was extended beyond precedent. The time now has arrived, however, when our States should be restored to their former status and should guard against further encroachment. The founders of this Government saw the menace of Federal control, and from Washington's time to the present our greatest statesmen have warned against it.

"The people of Maine are willing and able to care for their own mothers and children, and I have faith to believe that Maine men and women will do this rather than accept so-called gratuities from a Federal bureau. Already we are overburdened with Federal interference and control, and our citizens and industries are hampered by Federal inspectors and other officials from Washington.

"The final acceptance or rejection of the Sheppard-Towner bill must be determined by the members of the incoming legislature, who directly represent the people of this State. It would be unfair to these representatives if the governor in advance should commit the State to the principle involved in the bill, for in that way the door to independent action by the legislature virtually would be closed.

"The Sheppard-Towner bill is to be attacked in the courts by the Commonwealth of Massachusetts, and eminent lawyers are of the opinion that the Federal Government has no power over the States in maternity and child-welfare matters. There also is grave doubt as to whether or not the governor of a State has the power to accept the bill in question, even though Congress attempts to confer that power upon him. The governor of a State does not derive his authority from the Federal Government, and a Federal bill that seeks to confer new powers upon him is of questionable standing.

STATE PROVIDES THE MONEY.

"The existing provisions of the Sheppard-Towner bill are reasonably moderate, but it properly may be assumed that attempts will be made to broaden its scope so as to further restrict the State's control over its own affairs. It is apparent that the present bill is but an entering wedge for more radical legislation, and Maine's delegation in Congress, our Senators and Representatives, should be urged to resist all further encroachments upon the States by the Federal Government. Maine will loyally support the Union in all matters that come under the provisions of the Federal Constitution, but the time has arrived when the people of this State will jealously guard the rights inherent in them as a sovereign people and will accept the responsibilities the possession of such rights imposes.

"The seven members of the executive council unanimously have advised me not to accept the bill in question. These councilors are men of wide experience in public matters, and I value their opinions highly. They, as well as myself, have at heart the welfare of the people of Maine, and, in conjunction with those who favor the bill, we all desire to advance maternity and child-welfare work.

"The councilors and myself believe that the figures given us on the mortality of mothers and infants in Maine show that an emergency exists that authorizes us to draw from the State contingent fund a sum equal to that offered the State by the Federal Government. This $5,000 will be used in extending and improving the maternity and child-welfare work now being done under the supervision of the State department of health. The councilors and myself have already passed the council order appropriating this sum. Doctor Kendall, our health commissioner, now has this $5,000 to spend during the next six months through the regular channels of his department.

"The action of the governor and council has maintained the independent position of the State, the rights of the next legislature have not been interfered with, while at the same time a distinct advantage has been gained for our maternity and child-welfare work. The State's appropriation of $5,000 is to be spent during the next six months' period, whereas the $5,000 offered by the Federal Government was to have been used for a full year's work.

"If the time ever comes when Maine refuses to care for its mothers and children or lags behind other States in humanitarian work, as some Southern States have done in neglecting to enact proper child labor laws, then it may become necessary for the Federal Government to intervene, or at least to offer advice and assistance. We are not confronted with this condition at the present time and should not encourage the centralization of power in Washington.

"In years gone by the State of Maine has not hesitated to stand for great principles and it is well for the 44 States that

have accepted the Sheppard-Towner bill to know that Maine neither asks for, nor for the time being accepts, Federal aid for its mothers and children."

NATIONAL LEPER HOME.

Mr. FERNALD. Mr. President, from the Committee on Public Buildings and Grounds I report, with an amendment, the bill (S. 3721) authorizing the appropriation of additional funds to continue in effect the act providing for the care and treatment of persons afflicted with leprosy and to prevent the spread of leprosy in the United States, and I submit a report (No. 832) thereon.

Mr. RANSDELL. Does the Senator ask for the immediate consideration of that bill?

Mr. FERNALD. I now ask for the immediate consideration of the bill. I will briefly state the purposes of the bill, and if there is any objection to its present consideration I will ask that the committee report be read by the Secretary.

First, let me say that for some years it has been known by the medical fraternity of the country that there are somewhere between eight and twelve hundred lepers scattered all over the United States. The State of Louisiana was the first State to move in this matter. Some eight or ten years ago that State made provision for getting those people in the State together and building a hospital, which was done. In 1917 the Federal Government found that it was necessary to move in the matter. They purchased that hospital at Carville, La., made an appropriation of $250,000, and provided for 200 beds. The hospital was immediately built, and the rooms immediately taken, so that we have the hospital entirely filled and 100 applicants from all over the country asking for provision to take care of them there.

This bill is approved by the Public Health Service and by the Secretary of the Treasury. It is very important that this appropriation be authorized immediately.

Mr. OVERMAN. Mr. President, we had this question before the Appropriations Committee and discussed the amount of money necessary to be given for the purpose. We gave them what we thought was sufficient to last until December, and in December next, when the deficiency appropriation bill comes up, we will make an investigation of the matter and give them whatever is necessary, realizing that those afflicted people ought to be taken care of. The matter having been considered by the Appropriations Committee, and a sufficient amount given to last until December, the Appropriations Committee thought we would wait until that time, inquire further into it, and give them whatever was then found to be necessary.

Mr. RANSDELL. Will the Senator permit me just a word?

Mr. FERNALD. Just one word in answer to what the Senator from North Carolina has said. An investigation was made by the House committee and the provision unanimously approved. A very careful investigation was made by the Senate committee and the provision was unanimously approved. It would seem quite necessary that some action be taken immediately in order that the waiting applicants may be taken in. I can see no objection to the passage of the bill at this time in order to give authority to the Appropriations Committee so that they may act in December.

Mr. RANSDELL. I will state to the Senator from North Carolina that this is not an appropriation. It is simply to give authority to the Committee on Appropriations to make the appropriation if they see fit to do so.

Mr. FERNALD. That is all.

Mr. OVERMAN. I misunderstood the Senator from Maine.

Mr. FERNALD. This is not an appropriation bill. It merely gives authority to expend the money.

Mr. OVERMAN. The whole question was investigated, the testimony taken by the House committee was thoroughly read, digested, and considered in the Committee on Appropriations of the Senate, and we appropriated a sufficient amount to take care of the matter until December, the committee unanimously agreeing that in December, when we had gotten light on some facts we wanted to know about, we would give a sufficient amount to take care of the other lepers.

Mr. RANSDELL. The Senator is absolutely correct. The bill authorizes the Committee on Appropriations to appropriate money to construct certain buildings in order to take care of a lot of other applicants, and it will be long after December before the building can be gotten ready. It simply gives the committee a chance to appropriate if they see fit.

Mr. OVERMAN. I understand this is only an authorization.

Mr. RANSDELL. It is only an authorization to the Committee on Public Buildings and Grounds. It is a very meritorious measure.

Mr. SMOOT. If the bill is going to lead to any further discussion I will object to it.

The PRESIDENT pro tempore. Is there objection to the making of the report? The Chair hears none, and the report is received.

The Chair understands that the Senator from Maine asks for the immediate consideration of the bill.

Mr. FERNALD. That is correct.

Mr. RANSDELL. I ask that the reading of the report be omitted, and that the bill be acted upon.

Mr. CARAWAY. I would like to ask the Senator from Maine just one question. Does the bill contemplate taking care of all the people in this country afflicted with leprosy?

Mr. FERNALD. Yes; that is the idea.

Mr. CARAWAY. I know of one case in my own State, about which I have had some correspondence.

The PRESIDENT pro tempore. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Public Buildings and Grounds with an amendment to strike out all after the enacting clause and insert:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to cause to be erected additional suitable buildings for the National Leper Home at Carville, La., at a limit of cost not to exceed the sum of $650,000, which sum is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill providing for the erection of additional suitable and necessary buildings for the National Leper Home."

PETITIONS AND MEMORIALS.

Mr. WILLIS presented resolutions of Dean Horton Navy Post, No. 108, American Legion, of Toledo, Ohio, protesting against the enactment of legislation providing for the sale of light wines and beers for the purpose of raising funds for the payment of adjusted compensation to ex-service men, which were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

Whereas there has been introduced in the Congress of the United States a bill known as the Hill amendment to House bill 9691, providing for the manufacture and sale of wine and beer to provide money to pay adjusted compensation to veterans of the World War: Now, therefore, be it

Resolved by the Dean Horton Navy Post of the American Legion, of Toledo, Ohio, in meeting assembled, That we look upon said bill as an insult to the veterans of the World War; that said measure is, in effect, a bald attempt to capitalize the veterans' desire for adjusted compensation and to use said veterans and the American Legion as a cat's paw to bring about selfish ends; that while we believe in and heartily support the measure providing for adjusted compensation to veterans of the World War, we, as veterans of the World War and members of the American Legion, resent and deplore the attempt to provide funds in this manner to pay adjusted compensation: Be it further

Resolved, That we, as veterans of the World War and members of the American Legion, would rather forego any such compensation than to have it come through the tears and misery of women and little children: Be it further

Resolved, That a copy of this resolution be sent to each Member of Congress representing this district.

DEAN HORTON NAVY POST, No. 108,
By HAROLD P. RAMISCH, *Commander.*

Mr. WILLIS presented a resolution unanimously adopted at a meeting attended by about 50 welfare leaders of Youngstown, Ohio, favoring Federal investigation and regulation of the motion-picture industry, which was referred to the Committee on the District of Columbia.

He also presented a memorial of Hanover Grange, No. 1812, Patrons of Husbandry, of Licking County, Ohio, remonstrating against the enactment of legislation imposing a tariff duty on potash, which was referred to the Committee on Finance.

Mr. PHIPPS presented resolutions of the Civic and Commercial Association of Denver and the Chambers of Commerce of Fort Collins, Greeley, Boulder, and Sterling, all in the State of Colorado, favoring enforcement of the United States Supreme Court decree releasing the Central Pacific Railway from control of the Southern Pacific Co., which were referred to the Committee on Interstate Commerce.

Mr. CAPPER presented resolutions adopted by the Beloit Business Men's Club, of Beloit, Kans., favoring enforcement of the United States Supreme Court decree ordering divorcement of the Central Pacific Railway from the Southern Pacific Co., which were referred to the Committee on Interstate Commerce.

Mr. RAWSON presented resolutions adopted by the Council Bluffs (Iowa) Chamber of Commerce, favoring enforcement of the United States Supreme Court decree ordering divorcement

of the Central Pacific Railway from the Southern Pacific Co., which were referred to the Committee on Interstate Commerce.

Mr. SHEPPARD presented resolutions unanimously adopted at a joint meeting of the Farm Labor Union of America of Texas and Arkansas, favoring the enactment of legislation providing that the Railroad Labor Board rescind its decision reducing the wages of approximately 1,500,000 railroad employees, etc., and also abolishing that board, which were referred to the Committee on Interstate Commerce.

Mr. JOHNSON presented a memorial adopted by the World Conference of Seventh Day Adventists, assembled in quadrennial session at San Francisco, Calif., consisting of more than 800 delegates and 6,000 other citizens, remonstrating against the enactment of legislation providing for compulsory Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented a petition of sundry citizens of Long Beach, Calif., praying for the enactment of legislation granting pensions to officers and enlisted men of the militia and other organizations of the several States of the Union that cooperated with military or naval forces of the United States during the Civil War and providing pensions for their widows and dependent parents, etc., which was referred to the Committee on Pensions.

He also presented the memorial of Mrs. Lizzie A. McDowell, of Los Angeles, Calif., remonstrating against inclusion of the proposed food, tableware, and women's-wear schedules in the pending tariff bill, which was referred to the Committee on Finance.

REPORTS OF COMMITTEES.

Mr. McLEAN, from the Committee on Banking and Currency, to which was referred the bill (S. 3840) to amend section 5147 of the Revised Statutes, reported it without amendment.

Mr. BURSUM, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 10419) validating certain applications for and entries of public lands, reported it with amendments and submitted a report (No. 833) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JONES of Washington:

A bill (S. 3853) appropriating money to purchase lands for the Clallam Tribe of Indians in the State of Washington, and for other purposes; to the Committee on Indian Affairs.

By Mr. SHEPPARD:

A bill (S. 3854) for the relief of Liberty loan subscribers of the National Bank of Cleburne, Tex.; to the Committee on Claims.

By Mr. BURSUM:

A bill (S. 3855) to ascertain and settle land claims of persons not Indian within Pueblo Indian land, land grants, and reservations in the State of New Mexico; to the Committee on Public Lands and Surveys.

By Mr. SHEPPARD:

A bill (S. 3856) to amend an act entitled "An act to pension the survivors of certain Indian wars from January 1, 1859, to January, 1891, inclusive, and for other purposes," approved March 4, 1917; to the Committee on Pensions.

By Mr. KING:

A joint resolution (S. J. Res. 228) authorizing the Secretary of the Interior to survey and dispose of certain lands in the Uintah Indian Reservation; to the Committee on Indian Affairs.

AMENDMENT TO INTERSTATE COMMERCE ACT.

Mr. SPENCER submitted an amendment intended to be proposed by him to the bill (S. 1345) to amend an act entitled "Interstate commerce act," approved February 28, 1920, which was ordered to lie on the table and to be printed.

DISTRIBUTION OF SPEECHES BY FEDERAL RESERVE BANKS.

Mr. McLEAN. Mr. President, I am informed that the Federal reserve banks have sent to the Senate their replies to the question embodied in the resolution offered by the Senator from Alabama [Mr. HEFLIN], and I ask that those replies be printed in the RECORD.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. HEFLIN subsequently said: Mr. President, this morning the Senator from Connecticut [Mr. McLEAN] asked unanimous consent to have the reports of the Federal reserve banks printed in the RECORD. I told him on yesterday that I wanted to be present and submit some remarks at the time that was done, and that one of the banks had not complied with the resolution of the Senate. I have to-day sent this telegram to the governor of the Federal Reserve Bank of Kansas City:

Failed to give number Glass speech distributed. Please send by wire at once.

I ask unanimous consent to vacate the order that was made this morning until this report can come in. I have no objection to printing the report at that time.

Mr. CURTIS. Mr. President, I hope the Senator will withhold that request until the Senator from Connecticut returns to the Chamber.

Mr. HEFLIN. The Senator and I had an understanding yesterday that I was to be present this morning when he made his request, and I was not present when he got the order. I am satisfied that he thought I was. This is a matter of right. The bank has not complied with the resolution of the Senate, and I am asking that that be done before the report is printed.

Mr. CURTIS. I withdraw my suggestion.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). The Senator from Alabama asks unanimous consent that the unanimous-consent order made this morning may be vacated. Is there objection? The Chair hears none.

CALL OF THE ROLL.

Mr. RANSDELL obtained the floor.

Mr. JONES of Washington. Mr. President, the Senator from Louisiana is about to discuss a very important matter, and as I know he will present some very important and interesting facts I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ball	Gooding	McCumber	Rawson
Borah	Hale	McKinley	Sheppard
Brandegee	Harreld	McLean	Simmons
Broussard	Heflin	McNary	Smoot
Bursum	Hitchcock	Moses	Spencer
Calder	Johnson	Nelson	Trammell
Cameron	Jones, N. Mex.	New	Underwood
Capper	Jones, Wash.	Newberry	Wadsworth
Caraway	Kellogg	Nicholson	Walsh, Mass.
Culberson	Kendrick	Norbeck	Walsh, Mont.
Cummins	Keyes	Oddie	Warren
Curtis	King	Overman	Watson, Ind.
Dial	Ladd	Pepper	Willis
Ernst	Lenroot	Phipps	
Fernald	Lodge	Pomerene	
Glass	McCormick	Ransdell	

Mr. UNDERWOOD. I desire to announce that the junior Senator from Georgia [Mr. WATSON] is detained from the Senate on account of illness, and that the senior Senator from Nevada [Mr. PITTMAN] is detained owing to illness in his family.

Mr. TRAMMELL. I desire to announce the unavoidable absence of my colleague [Mr. FLETCHER] on account of illness.

The PRESIDENT pro tempore. Sixty-one Senators having answered to their names, a quorum is present.

THE MERCHANT MARINE.

SHALL BRITAIN DICTATE OUR SEA POLICY?

Mr. RANSDELL. Mr. President, there has just come to me a communication on a matter of such serious import from a national standpoint that I wish to bring it to your attention. It is a letter from the Mississippi Valley Association, which is composed of many leaders in the great Mississippi Valley, and its contents, with the inclosures attached, which indicate a vigorous effort on the part of Great Britain to dictate our sea policy, are entitled to the best attention of all patrioic Americans. The letter to which I refer is as follows:

"MISSISSIPPI VALLEY ASSOCIATION,
"*St. Louis, July 15, 1922.*

"Hon. JOSEPH E. RANSDELL,
"*United States Senate, Washington, D. C.*

"DEAR SENATOR RANSDELL: Proof is now conclusive that the powerful shipping interests of England are determined, if possible, to prevent the enactment of the ship subsidy bill, which would insure the successful operation of an American merchant marine.

"I attach this proof in the shape of many clippings from recently printed English newspapers and magazines. Please note that a keynote of these editorials is a plea to the 'pro-British' party in the United States to block the passage of our ship subsidy bill."

I hope Senators will pay attention to this. I am talking about the pro-British party in the United States, organized to block the passage of the ship subsidy bill. It was a great surprise to me to learn of that fact, and I assume that most Senators are hearing it now for the first time.

FOREIGN FOES OF AMERICAN SHIPPING.

"The farmers and producers in the Mississippi Valley ought to know whence comes the real opposition to a bill whose purpose is to supply them with American-flag ships in order that their surplus foodstuffs, cotton, and manufactures may reach the world's consuming markets under as favorable conditions as possible and free from control by Great Britain or any other foreign country.

"Our people should also know that those of our own citizens who are attacking the ship subsidy bill in a partisan way are playing squarely into the hands of Great Britain, and to the detriment of American farmers and producers who, during the last half century, have not always been able to serve foreign markets which were needed by Great Britain and the extensive shipping interests of that country.

"The new tariff bill has been framed with a view to protecting American manufacturers at a time when industrial competition is very keen.

"The Federal barge line on the Mississippi and Warrior Rivers was created and is being operated as an aid to American farmers and producers of the interior whose need for efficient and low-cost transportation to ship side has become very great.

"The ship subsidy bill was framed for the purpose of giving American farmers and producers American-controlled steamship service to the consuming markets of the world at a time when every advantage must be made the most of.

A PERMANENT PLACE SOUGHT ON THE SEAS.

"The American Government has invested several billion dollars of taxpayers' money in creating its merchant fleet in order to start the development of a permanent merchant marine.

"Nobody wants the American Government to engage permanently in the business of merchant shipping. The intent all along has been to give American operators a fair chance to fully employ their splendid enterprise in this field and so compete with foreign operators.

"Because the United States is the richest of nations the scale of living in this country is very high. This means comparatively high costs generally.

"On the high seas these high costs must compete with the scale of costs in all other countries, which, as a rule, is lower.

"High cost of Government operation has increased this differential.

"American ship operators, when given a real chance, can do much to bring down these costs, to increase efficiency, and to render desirable service to American farmers and producers.

"But they can not themselves hope to completely offset through efficiency alone all the difference in costs existing between the United States and European countries.

"This difference the Government must pay, in the shape of a ship subsidy, if we are to have an efficient American merchant marine operated by American business enterprise at moderate cost.

SUBSIDY WILL CUT HEAVY LOSSES.

"Once this subsidy be granted, business enterprise will purchase and operate the Shipping Board's ships and then begin to apply to such operations the business skill and enterprise which have made the people of the United States so prosperous.

"The cost of the subsidy will be very small when compared to the heavy losses incurred by the Government in the upkeep, carrying, and direct operation of the American merchant marine.

"In this way the cost to the taxpayers will be greatly reduced, while American business enterprise will go far toward increasing the benefits to American farmers and producers of an efficiently operated American merchant marine.

"Great Britain, which has long drawn huge profits and valuable advantages from the handling of American commerce on the high seas, knows that the new merchant marine bill, with its subsidy feature and its advantages to shippers, will place American ship operators in position to compete with them, and they fear the competition of American business enterprise under such circumstances.

"They know that, under these conditions, American business enterprise will quickly open all worth-while foreign markets to American producers and keep them open.

BRITISH MONOPOLY ENDANGERED.

"It is no wonder then that Great Britain is calling on the "Pro-British" party in the United States to oppose the passage of the ship subsidy bill, which would destroy the British shipping monopoly and take from British merchants all opportunity to close or open at will world markets needed by American farmers and producers.

"We must have low cost transportation to foreign markets, and that transportation must not be controlled by Great Britain or any other foreign country, if our farmers and manufacturers of surplus products are to prosper in competition with the producers of other countries who need markets now as never before.

"The open hostility of the people of Great Britain to this subsidy bill, as reflected in the editorial expressions I am sending you herewith, is so menacing to our institutions, particularly throughout the Mississippi Valley, that our people should know the facts without delay.

"With every respect,

"Very truly,

"THE MISSISSIPPI VALLEY ASSOCIATION,
"JAMES E. SMITH, *President*."

WESTMINSTER WATCHDOGS MUST WAKEN.

Among these clippings, Mr. President, I find in the Liverpool Courier of June 13 a lengthy article headed "Look to Your Shipping! Westminster Watchdogs Must Waken! What America Must Realize!"

According to this article, there is a pro-British party in the United States, and it is declared that British official and unofficial encouragement should be given to this party, and diplomatic suasion brought to bear upon Washington to defeat the bill that has been designed to give America a place upon the seas commensurate with her standing among the nations of the world. The writer is described as "a political and business expert, whose identity is for the present covered by the pseudonym "Bencher."

"If the official American desire is to conciliate Great Britain," says this expert, "why is such a desired end thwarted by the introduction of a bill which must injure her, which has already alarmed her, which can but cause to her the most intense suspicion of America's motives for a generation to come?"

AMERICA ENVIOUS AND JEALOUS, BRITON SAYS.

The writer declares that there is an "*obvious spirit of envy and jealousy behind the bill.*" [Italics mine.] Think of that, Senators, an "obvious spirit of envy and jealousy" behind the great bill introduced in the American Congress for the purpose of placing our own ships on the sea to carry our own commerce to all the world, commerce which is now being carried and for many years has been carried by ships of other countries. That act on our part, said this writer, "indicates an obvious spirit of envy and jealousy toward Great Britain." Then he proceeded to say that the power behind the measure comes from American business, and he adds:

"There are in the States two sections very well defined, the pro and the anti British. The division runs athwart even the strong line of cleavage separating free traders from protectionists. This means that some pro-British protectionists, while wishing nothing but well to Great Britain, are compelled by party attachment to back the present bill. On the other hand, there are conscientious free traders who would be against its passing but for the fact that their anti-British bias is stronger than their adherence to an economic theory."

A PRO-BRITISH PARTY IN THE UNITED STATES.

According to this anonymous British expert, then, Congress is divided into the pro-British and the anti-British parties, but some of the pro-British party will vote for the shipping bill. Let me quote further from this writer, who asks what can be done and answers his own question by saying:

"The general attitude of Great Britain, both officially and in her trading units, must be such that the pro-British party in the States is encouraged and the anti-British party made aware that the subsidy is not the concern of Americans only. There should be no empty threats of retaliation, either from Westminster or from the constituencies. There should be no waving of the Big British Stick [he capitalizes Big British Stick]. There should be instead the actuality."

Those are pretty serious words, Senators!

The anonymous expert then proceeds to tell us of the kindnesses that Great Britain has showered upon us.

"It is, of course," he adds, "perfectly open to any Britisher legitimately to regard the subsidizing bill as *treachery to his country.* [Italics mine.] Great Britain, out of pure sentiment toward America, has agreed to alterations of her naval-power standard; she has consented to the supersession of the Anglo-Japanese alliance by a pact more favorable to the United States; she has allowed the trans-Atlantic consideration to affect her handling of the Irish situation."

SAY UNITED STATES HAS DONE WORSE THAN NOTHING.

"And in return what has America done?" the writer asks, and his answer is, "Worse than nothing." We not only abstain from assisting Great Britain in her efforts to reestablish European social life, he says, but he adds that we actively menace her by proposing a *breach of commercial morality.*

[Italics mine.] There are three things that the British must do, the writer says, and he enumerates them thus:

"1. Diplomatic suasion must be brought to bear upon Washington.

"2. Capital and labor must combine, in the most actual sense, to produce and to transport at the cheapest rate.

"3. America must be left under no misapprehension as to the solidity of the empire as one vast commercial unit, in the face of the sustained aggression which the subsidizing bill foreshadows."

BRITISH TO BRING "PRESSURE" TO BEAR ON WASHINGTON.

This first action, that of bringing pressure to bear upon Washington, is simple, he says, if only the members of Parliament will insist that the British Government does its duty. To bring capital and labor together, he admits, is more difficult, but the matter of imperial solidarity, he says, is in the hands of the British Government, and he adds that "it is again up to the watchdogs at Westminster to give the alarm to Whitehall." And he concludes with the statement:

"In the present state of British industry the subsidies to American shipping from the American Nation will be the last straw which will break the back of British prosperity—unless Great Britain wakens up to her danger and faces it with a united front."

Mr. President, the charges against America in this article and others to which I shall refer are unfounded and unjust. I can not conceive how the natural desire and legitimate effort of the United States to establish a respectable merchant marine as an essential adjunct to its Navy and a carrier of a fair percentage of its vast foreign commerce can be considered "*as treachery to Great Britain*," as "*a menace to international trade*," and "*a breach of commercial morality*," which warrants threats of the "*big British stick*," and indicates on the part of the United States an "*obvious spirit of envy and jealousy behind the* [shipping] *bill*."

BRITISH CHARGES FALSE AND OFFENSIVE.

These charges are so false, so offensive, so utterly opposed to the friendly spirit which should exist between the two countries that I am at a loss to understand them.

It is also asserted that we have in America, in connection with the shipping bill, a pro-British and an anti-British party. This is certainly news to me, and I unhesitatingly deny the charge. If there be such parties, one opposing and the other favoring this measure, I am not aware of it. Personally I have taken a very active interest for many years in trying to secure a strong American merchant marine, but have done so for love of my own country and not because of opposition to Great Britain. I have the kindest feelings toward Britain. All of my ancestors came from England and Wales, and the ties of blood are very strong. It is farcical for anyone to place me or men who feel as I do in an anti-British party, if any such be in existence. We are not anti-British but we are Americans determined to do whatever our judgment dictates is for the best interests of America, provided it is honorable and just, and are not to be deterred by threats or abuse.

BRITISH VIEW OF BRITISH AMBASSADOR.

Incidentally, the Liverpool Courier views the British ambassador to the United States from an angle that is rather surprising to us in this country who have noted the activities, especially the oratorical ones, of Sir Auckland Geddes. The Liverpool Courier of May 29 last has as its leading editorial a statement entitled "J'Accuse!" The accused one seems to be the British ambassador, for after stating that the bill to aid the American merchant marine is still a hanging sword over the heads of British traders and wage earners, and that the United States Government "hopes to filch from the British race the supremacy of the carrying services of the world," the Liverpool paper adds:

"The Courier has candidly confessed that no nation can legitimately prevent another from legislating in any way it pleases for any of its own industries. All that can be done is to counter the effects of such legislation by increased effort. But this assumes that all possible persuasive pressure has been brought to bear to prevent such legislation being, in the first place, introduced.

"The question now arises," adds the Courier, "as to whether all possible pressure was brought to bear in this particular case. Did Sir Auckland Geddes, as Great Britain's ambassador, make to the United States Government any representations as to the view which this country would take of the bill? Did Sir Auckland's superiors in Whitehall enter any diplomatic protest? Did they in any way attempt to bargain away the more menacing clauses of the bill? Were they informed by Sir Auckland of the menace of the bill prior to its introduction?"

I wonder if the Courier approves of the very offensive false statements of "Bencher," mentioned above, which it quotes under big headlines? Does it consider these charges, which are bound to stir to anger every American with red blood in his veins, as proper "persuasive pressure" and the kind of "representations" Ambassador Geddes should have presented against the bill?

"AMERICAN REPENTANCE" THREATENED.

Quoting the views of a "Man on 'Change," the Liverpool Courier in its issue of May 26 says:

"America will repent, believe me. If she does not repent of her own free will and drop this proposal, she will repent under the persuasion of economic exigencies."

And in the same issue George Milligan, secretary of the Merseyside, Liverpool, area of the Transport Workers' Union, is quoted as saying:

"Such a measure ought to be resisted if possible and America given to understand that she is going to be the one to suffer from her attempt to grab a world trade into her greedy arms."

Other and dire threats, Mr. President! I begin to tremble for our welfare.

In the Liverpool Courier of June 1 last I find what is described as "an exclusive article by Mr. David John Marshall, a distinguished ornament of the American younger journalism and a much-traveled observer." Mr. Marshall is quoted as giving the British public the surprising information that "The American merchant marine consists of all vessels flying the American flag and is controlled by a central authority, the United States Shipping Board. In supreme command is Admiral William S. Benson." I need not say that there are 5,000,000 gross tons of privately owned shipping under the American flag over which the Shipping Board has no control, and that Admiral Benson is not in supreme command.

BRITAIN PROTECTED BY SUBSIDIES.

Mr. Marshall points out that British objection to subsidies is inconsistent. "Great Britain had no scruples in taking away American trade by direct attack some 50 years ago," he says. "Up to the period of the Civil War, 1861–1865, more than a third of the world's total tonnage was under the American flag. The British merchant marine was a very poor second to the American. Now, it is a plain fact, acknowledged by every historian, that the slowness on the part of American shipowners to replace their wooden ships with steel resulted in the loss of America's prestige on the high seas. British owners were enabled to make the change quickly by a well-timed subsidy."

The writer concludes with the statement:

"America must have a merchant marine. Our plan is not to injure Britain. It is to make America secure in event of war."

Permit me to thank the Courier for publishing Mr. Marshall's very sensible comment. He is absolutely correct. We have not the slightest intention or desire to hurt Britain. But we do intend, at all costs, to create a merchant marine that will carry not less than 50 per cent of our foreign commerce and give us just as effective naval auxiliary cruisers and other aids as Britain's merchant vessels furnish her navy.

"EMPIRE MUST RETALIATE," IS CRY RAISED.

Dealing with the question of subsidization, under the headlines, "United States aggression to hit your pocket—Empire must retaliate," the Liverpool Courier in its issue of June 9 last says that care must be taken against the "fatalist argument that subsidies always defeat themselves and that no great shipping industry can be built up with their aid."

I call this argument of that great British newspaper to the especial attention of those Senators who doubt the efficacy of subsidies. The Liverpool Courier continues:

"It is quite untrue historically that subsidies necessarily fail.

"The Japanese merchant service, which so lately as 1890 had only 171,000 tons of shipping, has risen to its present figure of 3,354,000 tons largely through State aid and encouragement at British expense.

"The German merchant service was built up from small beginnings by subsidies, preferential railway rates, and pressure on emigrant traffic to 5,500,000 tons before the war."

Following this tribute to the value of the subsidy policy the Liverpool paper urges retaliation, and winds up with the declaration:

"The belief that the British are devoted to laissez faire is so ingrained in the United States that it is in large part responsible for the present shipping bill, and it would be well to remind the American public that circumstances might arise which would compel the British peoples to a radical change of policy."

Go as you please, gentlemen; we shall not attempt to interfere with any plans you have in mind. In our opinion you have a right to regulate your own affairs; kindly concede the same right to us.

BRITISH BOOBS AND YANKEE GRAB.

Under the captions, "British boobs and Yankee grab—Wangling world trade" (whatever this last may mean), I find in the Liverpool Courier for May 25 last an article declaring:

"The business community is distracted by unessentials while its very existence is threatened. Apathy and dissipated energy are allowing the American merchant and the American shipper to filch British markets."

"The time has come," the article continues, "when British traders will have to speak out plainly against the machinations of the United States in trying to create for themselves a monopoly in international trade."

As specimens of humor, these statements should be ranked highly. With our merchant marine carrying less than 4 per cent of Britain's exports and imports, our filching of British markets and international trade monopoly is not apparent to the naked or even the microscopic eye. I shall touch a little further on this later and continue now with the British viewpoint on "Wangling world trade." The Courier adds:

"It is not sufficient that there should be a vigorous protest by British shipowners. Nothing would please the Americans better than to think they were making the British shipowners squeal. * * * The aim of the United States is clearly to drive our ships out of the freight trade and to secure a monopoly for American trade."

IF THERE IS A SEA MONOPOLY, IT IS BRITISH.

In view of the fact that British vessels, according to the British Government's own figures, carry more of the whole world's trade than all the ships of all the other nations combined, these professed fears that we will secure a monopoly of ocean carrying have a very hollow ring to them.

Does Great Britain assume that our sea trade is her concern alone? The tenor of many of the comments that I have read is that any effort to aid the American merchant marine is directed solely at the British merchant marine. Roughly speaking, American sea trade is divided into three parts, of which our vessels carry one part, Great Britain's another, and the ships of other maritime nations combined the third.

The monthly summary of our foreign commerce issued by the Department of Commerce for April shows the value of the imports and domestic exports for the 10 months ending with April last. Belgian vessels carried $24,000,000 worth of these goods; German, $32,000,000; Swedish, $46,000,000; Spanish, $58,000,000; Danish, $63,000,000; Italian, $120,000,000; Dutch, $162,000,000; Norwegian, $200,000,000; French, $212,000,000; and Japanese, $352,000,000. The vessels of the other smaller maritime nations transported $58,000,000 worth, a total for the ships of the countries enumerated of $1,327,000,000. In addition, American vessels transported $1,540,000,000 worth of goods and British ships $1,605,000,000 worth. Britain, therefore, carries more of our exports than we ourselves do and more than all the other nations of the world combined, but there is a volume of more than a billion and a quarter dollars worth of goods carried in foreign vessels other than British. How, then, can Britain say that the development of the American merchant marine is aimed directly at her?

IS THE UNITED STATES A "BACK NUMBER"?

Another Liverpool paper that has devoted much attention to the shipping bill is the Journal of Commerce of that city. In the issue of April 18 last there is an article, one of whose captions is "United States a back number." The writer of this says that he will "venture the opinion that the States will never prove a serious rival to British shipping," adding that "as time goes on the frantic efforts of the United States shipping legislators to bolster up their mercantile marine by quack remedies will end in a gradual declension of the Stars and Stripes as a factor in the world's overseas trade."

In an editorial in the issue of April 20, however, we find the same paper hinting that the efforts of the United States Government to help the merchant marine "inherently contain the seeds of much trouble with foreign nations." And the hope is professed that the joint congressional committee will consider, among other things, the provisions of the shipping bill in relation to what the Liverpool paper calls "the disastrous effect it (the bill) is likely to have upon the relations of the United States and every other maritime nation in the world."

In the issue of the same paper for May 9 it is declared that there is little doubt of the passage of the bill, and it is further declared that, "Subsidies may prove a considerable help to ship operators in enabling them to meet foreign competition"; but it is declared to be more than doubtful if this aid will prove of assistance in building up such a mercantile marine as the people of the United States desire.

GERMAN CHARGE OF "SECRET" BRITISH SUBSIDIES.

Under date of May 11 the Liverpool Journal of Commerce reprints a dispatch to the Deutsche Bergwerks Zeitung from its Hamburg correspondent, in which it is stated: "In secret the British Government certainly is already granting large subsidies to many shipping companies."

Having declared on May 9 that there was little doubt that the shipping bill would be passed, the Liverpool paper on May 16 makes the editorial prediction that it will "not be at all surprising" if the joint congressional committee "expresses the opinion that it would be more expedient for the United States Government to reconsider the whole question of subsidizing United States ships." On May 30, however, an editorial entitled, "Bolstering up United States shipping," in the same publication, professes that the effects of the protective legislation proposed will be to "kill trade rather than invigorate it," and reprisals are threatened against what the paper calls "this insane policy of the States Legislature." Later issues of this publication are not at hand, but I have no doubt that the flip-flops of opinion still continue.

One of the leading British shipping papers—Fairplay, of London—admits the necessity of an American trade fleet from the standpoint of national protection. In its issue of April 20 last Fairplay says:

"The merchant fleet which America is seeking to gather together under her flag is as to her Navy as her Navy is to it, for without the one she would have no training school for the men needed to man the other, and without the other she would never be safe against attack on the high seas."

AMERICA'S DEFENSE DEMANDS A MERCHANT MARINE.

It is only a few weeks ago that I stood in this Hall and voted for the four-power naval treaty, a document acclaimed as the crowning piece of American diplomacy. That treaty places the fighting power of Great Britain on a parity with the fighting power of the United States on the high seas. But when I voted to ratify that treaty it was with the belief that the commercial sea power of the United States would be raised to something near that of Great Britain by the merchant marine bill urged so forcibly by President Harding. I pointed out then—and emphasize again to-day—that the commercial sea power of Great Britain is not on an equality with our own—not 5 to 5, but far more nearly 3 to our 1, or even 4 to our 1.

We are pledged for 10 years not to increase our battle fleet, and it is impossible for us to reach a position even approaching the naval equality of 5 to 5 provided for in the four-power treaty unless we create a strong merchant marine, well supplied with swift combined freight and passenger vessels which can readily be converted into naval auxiliaries similar to the splendid fleet of such ships owned by Great Britain.

Those who seek to delay, or prevent altogether, the upbuilding of the American merchant marine into an adequate peace-time instrument of commerce not only seek to hamper our national prosperity, but endanger the very safety of our Republic. We can not for the present add to our fighting ships, but in sheer self-defense we must create enough fast naval auxiliaries to make the few fighting ships we have left wholly efficient in any part of the globe to which we might have to send them.

JAPAN BUILDING FOR PROTECTION.

Japan, another signatory power to the naval treaty, already is acting on these lines. The money saved from battleship construction is being turned to fast liner building—emergency weapons second to none in any naval war.

Sir Edward Mackay Edgar is a director of the great British shipbuilding firm of Workman & Clark. In a cablegram from London under date of January 25 last, published in the Denver (Colo.) Post, he is quoted as saying of the proposed bill for an American ship subsidy:

"It is an affront to the heart of England and an indirect underhand plot against British shipping. Shipping is England's basic industry. It is her commercial life. Thereby we stand or fall. It is an underhand blow, and it is directed at England's very existence. But we shall not worry. British shipping will always hold its own. Nevertheless no more absurd suggestion could have been made if America wishes to have the warm friendship of England. Nor could there have been any suggestion more hostile to England."

I would say that if England is not worrying, she is concealing the fact remarkably well, and has a strange way of showing her equanimity.

IMPERIAL COMBINE AGAINST UNITED STATES URGED.

The note of a British imperial combination against the American merchant marine is frequently sounded. Mr. Stanley Baldwin, president of the British Board of Trade, which has extraordinary official powers over shipping, at a dinner of the British Institution of Naval Architects, in April, is reported by Fairplay in its issue of April 13 last as having stated that the British merchant marine "has not only got to face a period of intense competition but also a deliberate attempt on the part of other countries to build up a merchant marine at our—Britain's—expense. Shipping is our lifeblood, and therefore this problem of the mercantile marine is not only a problem for this country but for the whole Empire, and the Empire should draw together and present a united front against any attacks which are made, and it should be known to the world that if any part suffers the Empire will stand as one man."

Fairplay, commenting in the same issue on this statement, says that should the indirect subsidy parts of the shipping bill pass without alteration, "there can be no doubt but that, as Mr. Baldwin also says in effect, retaliatory measures will have to be resorted to, with all the ugly consequences that such action necessarily brings with it."

Mr. HARRELD. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Oklahoma?

Mr. RANSDELL. I shall be delighted to yield.

Mr. HARRELD. All the various quotations that the Senator gives from the English press have reference to retaliatory measures. I presume they mean by that that if the United States provides a subsidy for its shipping, they will retaliate by also providing a subsidy. What would be the effect if the nations of the earth should start upon a system of retaliatory subsidies? If we set the pace and other nations began to meet that by retaliatory subsidies, what would be the effect?

I ask the question because I have an open mind on this subject; I am studying it very earnestly, and I am very much interested in the discussion the Senator is giving.

Mr. RANSDELL. I thank the Senator for the question. I have just quoted from one of these great British publications, the Courier, of Liverpool, in which it shows that the merchant marine of Japan was built up by subsidies from 171,000 tons in 1890 to 3,354,000 tons at the present time by State aid, by assistance such as we call "subsidy." They do not give it that name, but they say "State aid." The same paper, in the same number, refers to the wonderful upbuilding of the German merchant marine from little or nothing to 5,500,000 tons when the World War broke out by subsidies, preferential railway rates, pressure on emigrant traffic, and other measures.

Furthermore, let me say to the Senator that before I am through I shall show that Great Britain herself is at the present time giving very substantial aid to her merchant marine in the way of subsidies. She is giving to the Cunard Line, through what she calls admiralty and postal subventions, about $1,000,000 a year. She treats her ships in the most liberal manner in the carrying of the mail. About 75 years ago we had a wonderful merchant marine which carried between 80 and 90 per cent of our commerce. Great impetus was given to our shipbuilding by discriminatory rates passed in the early tariff acts, and for a few years liberal payments were made for carrying the mail. This was several years prior to the Civil War——

Mr. HARRELD. Mr. President——

Mr. RANSDELL. Wait a minute, and then I will give the Senator every chance. I say, at that time, when we had gone forward wonderfully, Great Britain came in with very material subsidies to aid her ships, and the aid which she gave was most important in building up her merchant marine at our expense. In addition to that, she had the wisdom to take up steam vessels quicker than we did; then the Civil War came on, and all those things combined to hurt us very seriously.

I now yield to the Senator.

Mr. HARRELD. Admitting all that, however, the question I asked was, What would be the effect of retaliatory measures on the part of various countries trying to overcome or head off each other in the matter of granting subsidies? That is my question.

Mr. RANSDELL. Mr. President, I can not say just what would be the effect of retaliatory measures by the various maritime countries, though I do not think they would be very serious for us. I will discuss later somewhat in detail the question of retaliation by Great Britain. I should like to say to the Senator that when the late World War broke out we were carrying only 9 per cent of our commerce in American vessels. Ninety-one per cent of it was being carried by foreign ships, and it was practically impossible for us to send our goods abroad in our own bottoms, as they were so scarce. Certainly we should do something, and I think not only we but every maritime country should do something to have a fair percentage of its own goods carried in its own ships.

Mr. HARRELD. I will make myself clear to the Senator. Suppose that we give a subsidy, and suppose that England gives a like subsidy. Will it have any effect at all on the situation?

Mr. RANSDELL. I do not know what effect it would have on England, and I am not interested in England. I am interested in the United States. If we give a subsidy as provided in the pending shipping bill, beyond any question it will result in building up an American merchant marine which will carry at least 50 per cent of our foreign commerce, and that is all that we are seeking to carry. If we give a subsidy, it will enable us to sell a great many of the ships which were built during the war, and which now are a complete glut on the market, so much so they can not be sold at any price. If we give a subsidy, it will help us to establish a naval reserve to train sailors for the Navy. If we give a subsidy, in my judgment, sir, it will enable us to place on the sea a considerable number of fast combined freight and passenger ships, which in time of stress may be added to the Navy as auxiliaries, and without those ships we can not have an effective Navy, in the words of Fairplay itself, this great English publication. We can not get these auxiliaries without aid of some kind. We have not them now.

Let me remind the Senator that when President Roosevelt sent our fleet around the world, in December, 1907, and continued in 1908, they had to be supplied with colliers, provision ships, hospital ships, and supply ships from the vessels of other countries. We had very few of our own. Our Navy was absolutely ineffective. You can not have an effective Navy without a strong merchant marine.

Mr. HARRELD. I agree with the Senator.

Mr. RANSDELL. We can not get that merchant marine without a subsidy, in my judgment. We have fallen down absolutely for years and years. Both political parties have fallen down. Since about the time of the Civi War, sixty-odd years ago, we have carried practically none of our commerce in our own ships. We have ceased to be a seafaring people. The World War forced us to construct a big fleet of ships. Foreign ships could not carry our commerce at that time. They could not carry their own. The U-boat intervened, destroyed a great many ships, and drove a large number from the sea. Our goods rotted on the wharves. I know that down in my country cotton could not be shipped. Wheat from the Senator's own country could not be shipped. The world was demanding our commerce and there were no ships to carry it. The Old World, the world of Europe, begged us for ships, ships, more ships. We were compelled to build the ships for them. We have them now—over 1,400 of them. We ought to do something to secure their operation. I know of no way in which this can be done, unless we give them the material aid provided in this bill; and I will say to the Senator that it is not subsidy alone. The bill provides a number of other very important things besides subsidy. Subsidy is only one of its provisions. All of those matters will be gone into in detail at the proper time.

"BATTLING FOR OUR PURSE," SAYS ENGLISH PAPER.

Returning to the subject in its issue of April 20, Fairplay, under the signature of the Look-Out Man, says:

"Were it ever found that the British mercantile marine were likely to be put out of existence owing to the peculiar competitive methods of its rivals, I would hesitate at nothing, not even at nationalization, to keep it going."

He seems willing for Great Britain to take charge of all the ships and operate them as a national proposition. I am unwilling, as far as I am concerned, to have our country continue to operate its ships if we can find American citizens to operate them. I am not in favor of Government ownership and operation of anything which the citizens can do just as well. I believe in private initiative, in private enterprise. I do not think we ought to have our merchant marine nationalized, as it is now to a great extent. At first, as a matter of course, we could not do otherwise. We had to build these ships as a war measure. They are on our hands. We had to operate them temporarily. We have done the best we could with them; but just as soon as possible, in my judgment, we should get rid of them.

This Englishman seems to threaten us with "nationalization." All right; if Great Britain wants it, she can have it. I certainly do not want it to continue in America any longer than is necessary, and that is one reason why I favor the pending bill.

This man continues:

"Fights with the raw 'uns"—

I suppose he means the bare hands, the knuckles—

"Fights with the raw 'uns are barred in this country for moral reasons; they tended, I believe, to brutalize the onlookers;

or, perhaps, they gave them a shorter run for their money than they seem to enjoy to-day, when a 20-round affair has even been known to last for six rounds, not seconds, though I fancy that the record has been almost reached. When, however, we are battling for existence, or at least for our purse, down the other fellow's yard, the gentler teachings of civilization and lecture-room logic have to go away and hide themselves. And that, I am pretty sure, is what would happen were the two great Anglo-Saxon races to find themselves at commercial death grips on the waters."

Thus, in prize-fighting lingo, we have the situation presented from the British point of view, chip-on-shoulder fashion, like the old prizefighter who sought to win by shaking his fist and making faces at his opponent.

Such talk is unworthy of a great journal like Fairplay. Its only effect is to irritate its British readers and disgust Americans. The people of this country are more than able to take care of themselves if forced, against their will, into "commercial death grips on the waters." Sane men in England should prevent the repetition of such articles. They are loaded with dynamite. As a real well-wisher of Great Britain, I suggest to Fairplay that it try on its American readers some milder and more persuasive arguments than threats of "retaliatory measures" with their "ugly consequences," and to the "Lookout man" that he "hide himself" for the next five years in "the other fellow's yard" and keep silent.

Mr. HARRELD. Or let "Fairplay" change its name.

Mr. RANSDELL. Yes; let it change its name, as the Senator suggests.

FAIR SHARE OF OUR TRADE IS OUR GOAL.

There is no necessity for hysteria on the part of Great Britain over the proposed legislation by the United States in regard to shipping. Surely no country has just cause for offense at our coastwise laws, which restrict all commerce between American ports, including Alaska, Hawaii, and Porto Rico, to American vessels. Nor can anyone reasonably complain because we desire to have fast vessels of commerce, which in time of war can be speedily converted into naval auxiliaries. Our plan to carry at least one-half our foreign commerce, both exports and imports, including our outbound mail and 50 per cent of the immigrants to our shores, under our own flag, is a logical and proper one, entirely within our legal and moral rights, and no country has valid reason to object to it.

Let us see what a fair share of our carrying trade would mean to us. I have here a table compiled from the records of the Department of Commerce, showing the values of American exports and imports transported by vessels during the calendar years 1919, 1920, and 1921, a period in which there has been a large volume of tonnage under the American flag. In these three years $29,173,000,000 worth of goods moved to and from American ports by water in the foreign trade. Of this amount $18,029,000,000 was carried by foreign vessels, and of this $10,161,000,000 represents the share of British shipping. American vessels carried $11,144,000,000 worth of the total.

BILLIONS PAID IN OCEAN FREIGHTS.

Economic experts figure the ocean freights on goods as averaging about 8 per cent of the commodity value. On this basis foreign ships in American trade during the three years recently ended received $1,442,000,000 in freight money, with $891,000,000 for American ships, or a total of $2,333,000,000 in ocean freights in American foreign trade.

If in these three years our vessels had carried half that trade, instead of somewhat more than a third, there would have been retained in this country $275,000,000 that went abroad to help develop the shipping of our foreign rivals. If we had been able to secure as great a share of our trade as the British have of theirs, we should have kept in this country for the development of our own commerce $663,000,000 that went abroad in the last three years. Even the highest subsidy that has been proposed for the American merchant marine would in three years amount to only a fraction of the figures I have cited.

President Harding, in a recent letter on the merchant marine situation referring to foreign propaganda against the bill, spoke of "a well-screened course of opposition to an outstanding and confident American course" and of "discouragement often insidiously disseminated here." What is the foreign reaction to this?

ACTIVITIES OF FOREIGN PROPAGANDA.

In the London Times of June 23 there appears a dispatch from "Our own correspondent" at Washington, in which it is stated:

"In the President's letter are passages discreetly worded which deserve consideration. The words 'insidiously disseminated' may be taken to refer to the activities of shipping companies of foreign ownership who have in their employ Americans ready and able to exert political influence, and American memories go back 12 years to the discovery by Congress that the German shipping companies then maintained a lobby in Washington for the purpose of thwarting any attempt to give legislative aid to American shipping."

And then follows what, in the correspondent's own words, may be called "passages discreetly worded," thus:

"Congress and the country generally are perhaps inclined to be hypersensitive on the subject of foreign propaganda just now, and any interests who might think it desirable to follow the German example will unquestionably be defeating the object they seek to attain."

A word to the wise propagandist is sufficient. If you must propagandize, go ahead; but don't be found out. That is the "discreetly worded" message sent overseas.

NO ALIEN OPPOSITION TO BE TOLERATED.

On the same date that the London Times dispatch appeared—June 23, 1922—the London Daily Telegraph printed a message from "Our own correspondent," dated New York, which conveys the cheering tidings from a British point of view that the shipping bill, "if it passes at all, may be so rewritten as to be unrecognizable," and adding: "The Washington correspondent of the New York World declares to-day that the Shipping Board officials are in deadly earnest in promoting ship subsidy legislation, and that 'no foreign opposition to the bill will be tolerated.' The last phrase seems rather obscure," says the London paper's representative in New York, "but," he adds, "the suggestion is that there are shipping companies, foreign owned, which have in their employ Americans who know how to marshal political influence at Washington. In the days before the war it was not disputed that the German shipping companies had a well organized lobby here, but outwardly at least there has been no proof of the return of any lobby whatever since the war ended."

Note that in these two dispatches, one purporting to have been written in Washington and the other in New York and both appearing in London newspapers the same morning, the thought is identical and the words in part are identical. Shall we attribute this to mental telepathy between the representatives of British interests domiciled here or to an organized interpretation of the resentment against attempted foreign interference in American legislation?

A somewhat different treatment of the case is shown in the London Morning Post's dispatch from "Our own correspondent" at Washington, printed on the same morning—June 23—as the other two messages.

ANY STICK GOOD ENOUGH TO BEAT A DEAD HORSE.

"Recently," he says, "Senator WATSON [speaking of the Senator from Indiana] materialized a new ghost in the machinations of the British and Italian ambassadors, but it was such a poor and feeble spirit that it vanished into thin air the moment the light was turned on. Now it is the British and other Governments who are maintaining a powerful lobby in Washington to defeat the subsidy bill. Nobody has been able to pick up the trail of these lobbyists or find how their unholy work is done, but any stick is good enough to beat a dead horse."

The feeble spirit's vanishment into thin air is interesting to note, for at the same time this disintegration was accomplished the British ambassador, after a conference at the State Department, departed from these shores on a summer vacation.

I want to call attention to another dispatch in the London Post from its Washington correspondent, published in that paper's issue of June 15. In this the representative of the British publication says that he had interviews with President Harding at Marion prior to his election, and that "the President dwelt upon the importance of the United States having a great merchant marine, not, as he pointed out, because of any antagonism to England, but because, in his opinion, it was necessary for the well-being of America." The representative of the British paper adds: "Mr. Harding's views, however, are not entirely agreed in by his party. Many Republicans believe that the proposed legislation is dangerous and will be bound to create friction with England and other maritime nations, and will not be productive of the results Mr. Harding anticipates. That the bill will be harmful to British interests is admitted."

NO FEAR OF BRITAIN IN CONGRESS.

Note the implication here that there is a sentiment in Congress against the shipping bill because of apprehension that the measure will create friction with England. If any fear of Britain exists in Congress, I am not aware of it; nor do I

believe we will be swerved from our purpose to establish the American flag again on the seas for purposes of protecting the Nation and the Nation's commerce by any such consideration. We would deeply regret serious friction with Great Britain or any other maritime country, but must pursue the course deemed essential to our naval and commercial welfare, even if offense be given thereby. We shall try hard, in carrying out this policy, not to step on any nation's toes, but will do so if necessary. Self-defense is the highest law of nations as of individuals. The shipping bill is one of the most important measures of national self-defense ever presented to the American Congress, and it does not require prophetic vision to predict its passage in the near future.

But the English press holds no monopoly in the matter of sounding warnings to the United States of the terrible consequences that would follow the passage of legislation to aid the American merchant marine. British shipping leaders, equipped with an array of titles thrust upon them by a grateful Government, have been showering us with fatherly, or, should I say, stepfatherly, advice and admonition.

LORD INCHCAPE'S WORDS OF ADVICE.

Lord Inchcape, head of the Peninsular & Oriental Line, for instance, according to the London Times of June 23, made a speech at a recent dinner of the Worcester Old Boys' Association, which was "notable for the references to the prospective American shipping legislation." After describing our maritime ambition as a "natural product of our kinship" to the British, the noble lord declared that our chief difficulty was not one of material but of personnel, and he added that "no amount of Government assistance will produce those ripe fruits of enterprise which must come from development by personal and individual initiative." He felt sure, says the London Times, "that any such legislation as that now contemplated by Congress must from its very nature defeat the object it had in view." Lord Inchcape's company has been receiving British subventions since 1837.

Sir Norman Hill is one of the leaders of British shipping. In an article by him, which appears in the London Times of May 18, he declares that the shipping bill can not be regarded as merely shipping legislation, and that it raises issues of the gravest moment to all international trade. The purpose of the indirect aids provided by the bill, he says, is "to confer on American ships a monopoly in the world's carrying trade with the United States."

SHIPPING BILL "PROVOKES" BRITON.

He further says:

"It can not be that the States are seeking to place additional difficulties in the way of their buyers, still less that they are seeking a quarrel, but the merchant marine bill has already provoked the president of the board of trade to urge that 'the mother country and the dominions should take earnest counsel together on the matter before it was too late, so that we might show a united front against any attempt to discriminate against or to damage the position of our shipping.' Such talk is the despair of every believer in the common benefits conferred by international commerce, and the pity is that it should be provoked by *threats to keep all international trade* [italics mine] with the United States for vessels under the American flag."

Sir Norman Hill seems to run to such words as *quarrel*, *provoked*, *damage*, and *threats*. Where has he heard these threats to keep *all our foreign trade* for vessels under the American flag? If we shall be able to secure a fair share of that commerce—not less than one-half—for our own ships, we shall be satisfied. Britain carries two-thirds of her own trade; we carry less than a third of ours. Britain carries more than a third of our trade. We carry less than a twentieth of hers. If there is a monopoly, who has it? We shall be content if the shipping bill gives us what we hope it will, the carriage of at least 50 per cent of our own sea trade. We are not asking for two-thirds of it as Great Britain carries of hers. If to seek that is to utter a threat, then so be it, for America will never be satisfied with less.

CUNARD LINE HEAD GIVES WARNING.

Sir Thomas Royden is the head of the Cunard Line. At the annual meeting of that company on April 26 last he touched on the shipping situation, saying, in part:

"Once equality of opportunity for all vessels employed in international trade is denied by any one nation, the door is opened for every kind of retaliation, the end of which probably no one can foresee."

Observe that this note of protest against subsidies to aid American shipping comes from the head of a British shipping company most heavily subsidized by the British Government, which turned over to it practically as a gift two of the finest trans-Atlantic liners ever built—the *Mauretania* and the *Lusitania*. The total subvention—or, as we would say, subsidy—Admiralty and postal, of the Cunard Line amounts to about $1,000,000 a year. Surely its head should, in all decency, remain silent on the subject of subsidies. This Cunard subsidy is fully explained in Appendix C.

Sir Thomas's words, says the Liverpool Journal of Commerce in an editorial appearing on April 27 last, "will no doubt be carefully weighed by the United States authorities, but they demand the attention also of our own Government."

RETALIATION CRY AGAIN SOUNDED.

Still another titled Briton who sounds the retaliation cry is Sir Owen Phillips, M. P., head of the Royal Mail Steam Packet Co., a continuous beneficiary of Britain's "subvention" system since 1842. At the annual meeting of that company on June 1, Sir Owen made an address, which is reported in the London Daily Express of June 2, under the headlines "Hint to America—Retaliation for shipping discriminations." "A warning intended for America on the risk of discriminating against British shipping was uttered," by Sir Owen, says the London paper, which quotes the speaker as saying:

"Great Britain has stood for centuries for the freedom of the seas and extends to vessels of all nations the same treatment in all respects as to her own. It is to the interests of all that the seven seas should be free, and I hope that all discriminatory measures may be dropped. If, on the contrary, foreign nations impose restrictions and penalties against the British merchant marine, it may be necessary for Great Britain, in self-protection, to reconsider her position. There is an act of Parliament of 1853 which has been on the statute book for 70 years giving the British Government at any moment power to take immediate measures to protect her mercantile marine against unfair discrimination."

What is this terrible rod that Great Britain has in pickle for us? Some light is shed on the subject in the June 21 issue of the Syren and Shipping, of London, which states that Sandeman Allen, head of the Liverpool Chamber of Commerce, has disclosed the fact that the chamber has approached the British foreign office with regard to the injurious effect which the United States merchant marine bill would have upon commerce and upon that of Liverpool in particular. Mr. Allen also referred to the customs consolidation act of 1853, which he said might be utilized. This act, according to the British publication, provides that in case discrimination in duties or charges are made against British vessels, it shall be lawful by order in council to impose like treatment upon the vessels of the country discriminating. In other words, Great Britain can adopt measures similar to those proposed by us for the protection of our merchant marine. And why not? We have no objection.

COASTING TRADE RETALIATION PROPOSED.

As an example of the proposed retaliation, I quote from a report of Donald Macleod & Co., British shipping brokers, appearing in the Shipping Gazette, of London, issue of March 27 last. This statement, after referring to the proposal to extend our coastwise laws to the Philippines, says:

"Great Britain could at once retaliate by including in our coasting trade the trade between England, Canada, South Africa, India, and Australia and bar these trades to American and other foreign tonnage."

I would call attention to the British Government's trade figures for May last, showing the trade between Great Britain and the countries mentioned in terms of net tonnage of the vessels with cargoes in those trades. These show that the only American shipping entering British ports from any British possessions was 7,238 net tons from British North America, and in the same month not a ton of American shipping cleared a British port with cargoes for any unit of the British Empire.

A 99 PER CENT BRITISH PROPOSITION.

Stress is frequently laid by British interests on the fact that the coasting trade of Great Britain is open to the ships of all nations. Let us see how much of an aid this is to non-British shipping. In the same report for May that I just cited figures are given that entrances and clearances of ships with cargoes in the coasting trade during that month aggregated 4,327,889 net tons, of which the total for all foreign ships was 14,268 tons and for British vessels 4,313,261 tons. The British share of this total was 99.6 per cent, and the foreign share, including American vessels, if there were any, was four-tenths of 1 per cent.

If British retaliation should succeed in barring the trades named to vessels under the American flag, the loss could hardly be described as more than infinitesimal.

We have heard a great deal about "equal opportunity for the ships of all nations" as the keystone of British commercial policy. And always the thought is accompanied by the suggestion that British generosity and good will are responsible for this policy. Let us see.

THE BRITISH GOVERNMENT'S SHIPPING POLICY.

Here is an official British Government document published by His Majesty's stationery office, London. I may say in passing that I have the originals of the documents to which I am referring. I shall not take up the time of the Senate to quote directly from them, but I have all of them here on my desk. The one to which I now refer is called "Reports of the departmental committee appointed by the board of trade to consider the position of the shipping and shipbuilding industries after the war," and it is dated 1918. The chairman of the committee was Sir Alfred Booth, of the Cunard Line, and among its members was Sir Joseph Maclay, subsequently appointed British shipping controller.

The question of the advisability of Great Britain's adopting a policy of discrimination in favor of its merchant marine is dealt with on page 196 of this document. The question, as put in the report, is: "Should British shipping be accorded preferential treatment over the shipping of other nations?" And the answer of the committee is as follows:

"It is well to realize that an affirmative decision would involve a reversion to the general principles of the navigation laws. Preference to British shipping might take three forms, each of which could be used in combination with one or both of the other two, viz:

"1. Preference in respect to port facilities;

"2. Preference in respect to shipping and port dues; or

"3. Preference in respect of the imports and exports carried in British vessels.

ENGLAND'S REASONS COMMERCIAL.

"Of these forms of preference the first would be difficult to enforce, and the second would, in our opinion, be ineffective unless the dues in question were made exceedingly onerous. Whatever the merits of preference in this connection, we should deprecate the imposition of port charges or shipping dues on a scale higher than is necessary to defray expenses. We are thus left with the third form of preference, which involves flag discrimination in the purest form. We have only to examine the nature of our carrying trade to see the undesirability of adopting any such policy."

I want to pause just a moment to point out the significance of the wording of that last sentence. Note that nothing is said about *equal opportunity for the ships of all nations*. The question is considered not on the basis of the world's carrying trade but on the basis of the carrying trade of Great Britain. A cold, clear-cut business proposition. And then follows the admission of this British Government committee that the ships of Great Britain carry more of the world's trade—not merely British trade, mark you—than the ships of all the other maritime nations of the world rolled together. And this is the country that charges us with seeking a monopoly of the seas.

OVER HALF WORLD'S TRADE BRITISH CARRIED.

The report says, page 196:

"Before the war we owned nearly one-half the world's shipping and we carried over one-half of the world's trade." And figures are given showing that the entrances of British shipping in 1911 represented 71 per cent of the trade between the British Empire and foreign countries and the interimperial trade. And, in addition, they carried 29 per cent of the trade between foreign countries—trade in which the ships never touched at a British port. Think what that means. As the British committee puts it, "Only the interimperial trade would be immune from retaliatory action by foreign countries. The trades between foreign countries would be exposed to retaliation of both terminals, whilst the trades between the empire and foreign countries would be liable to retaliation at the foreign end."

It is *good business*, is it not, when Britain is carrying the bulk of the world's trade, to seek to safeguard its ships engaged in transporting goods neither the buyer nor the seller of which is British, but it is a *more than equal opportunity* that Great Britain seeks for its merchant marine. As the committee states:

"The adoption of a discriminatory policy would, therefore, hit with great severity that portion of our shipping which trades between foreign countries, and especially the tramp interest, at the very time when it will be necessary to make every effort to recover our former ascendancy in the distant trades and to repair the very grave damage caused during the war to the tramp owners' position."

WHAT "ASCENDANCY" MEANS FOR BRITAIN.

I call attention to the British committee's own figures to show what that so-called "ascendancy in the distant trades" means. In 1911, the year for which records are given, it meant 67,000,000 tons of British shipping, and in that same year 123,000,000 tons of British vessels entered ports in the trade between the empire and foreign countries and 41,000,000 tons in the trades between the units of the British Empire, a grand total of 231,000,000 tons. And last year the total entrances of American ships at all British ports, according to the record of the British Board of Trade, were 2,744,000 tons, and of that total 2,313,000 tons came direct from the United States. And in the same year, still according to the British Government's figures, British ships entering British ports from the United States alone, with cargoes, aggregated 5,551,000 tons.

Having shown that it would be bad business to seek discrimination in favor of British ships, the British committee gives brief consideration to the international aspect of the situation. "One argument against a policy of discrimination remains to be stated," that body says, "and it is one that in our opinion overrides all others. Whatever may be the merits or the practicability of a League of Nations after the war, it seems clear that our object must be to eliminate the causes of international friction which might lead to future wars. International commerce will be more than ever necessary after the war, and it would be deplorable to set out on a course which would hamper the natural flow of trade and lead to endless quarrels among the maritime nations of the world. Freedom of the seas in the sense of equal treatment of all flags in all ports should therefore be a cardinal principle in our postwar policy."

"ENDLESS QUARRELS" AND "FUTURE WARS" HINTED.

Note how the keynote of this argument of 1918 crops up again and again in the threats, veiled and unveiled, of the British editorials, interviews, and statements I have read from British publications. Having decided the case on its merits as a business proposition, Britain now puts as a tail to its kite the beauties of international comity, coupled with hints of "endless quarrels" and "future wars" if the policy that is most advantageous to the maintenance of her maritime monopoly is not complied with.

But the report winds up its conclusions on the subject of the most profitable marine policy by a return to the purely commercial principles.

"Our conclusion then is, and must be," says the British committee, "that the only policy which can meet the position is one which, instead of giving preference at home, will secure the grant of national treatment to British shipping in the fullest sense abroad. Action should be directed toward maintaining this treatment where it is already given and toward securing it where it has hitherto been withheld. So far as maritime policy is concerned, this is the most effective support that His Majesty's Government can give to Britsh shipping during the difficult period of reconstruction."

"MAINTAIN MONOPOLY" IS THE KEYNOTE.

In other words, the fixed policy of Great Britain is to maintain the status quo where that status is favorable to its ocean monopoly and to secure a favorable status where an unfavorable one exists. Is this a policy based on the interests of the world or on the interests of the British pocketbook?

At Paris on July 10, just a few days ago, there was held a meeting of the International Chamber of Commerce's council, at which resolutions were adopted on the subject of shipping measures. Note the reproduction of the British argument in the resolutions adopted, which read as follows:

"That the International Chamber of Commerce desires to call attention to the recent development in the various countries of the practice of flag discrimination and to record the conviction that such action is inimical to the prosperity of international commerce."

International commerce, so far as the carriage of the goods is concerned, be it noted, is more than half British. The resolutions continue:

"That the claim upon which such practices are based, namely, that the trade of any one country belongs to the mercantile marine of that country, is unsound and can not hope for acceptance by the commercial world in general, and that in times of peace the benefit of freedom of the seas can only be secured by equal opportunity in all ports for vessels of all flags."

WE DO NOT SEEK TO CARRY ALL OUR TRADE.

That these resolutions deal with our movement to aid our own shipping is not to be doubted. And here again we have the false claim advanced that we are seeking for our merchant marine the *entire foreign trade of our country*, whereas all

that we ask and all that we hope for is a fair share of that trade. What maritime nation seeks less?

The voice of the resolutions that I have just read may be *international*, but the accent is decidedly *British*. Are we to regard this as a step in a British campaign to arouse the other foreign maritime nations on the false charge that the United States seeks a monopoly of the ocean carriage of its exports and imports?

Moreover, these resolutions enunciate a false economic principle in denying that the trade of any one country belongs to its own merchant marine. Every country has a moral and legal right to carry its own commerce under its own flag if it desires to do so, without let or hindrance from anyone. Any other doctrine would be monstrous and absolutely subversive of the freedom of independent governments. The only question to be determined by a nation in establishing and regulating a merchant marine is one of practical business convenience and advantage.

SHALL WE RELY ON FOREIGNERS TO PROTECT US?

Is it for the best interests of the United States to permit foreign countries to furnish colliers and other supplements to our Navy, as was done during the famous world cruise of our battleships in 1908, or should we have a supply of all such vessels in our own merchant marine? Is it best for foreign ships to continue to carry 91 per cent of our vast overseas commerce, as was done for years prior to the late World War, or should we utilize the immense fleet we were forced by the exigencies of the war to build at enormous cost, when foreign shipping went to pieces, so as to make of it an effective aid to our Navy in time of need, and a carrier of a large percentage of our foreign trade? America makes but one answer to this question. Other nations must decide it for themselves as their respective interests dictate. Their right to do so is undoubted.

I have tried to outline the British case against the American merchant marine, as stated in British expressions of opinion.

There can be no stronger tribute to the efficacy of the measures which it is proposed to take to aid American shipping than the fact that our chief competitors on the high seas are so strongly opposed to having us adopt those measures. Every admonition, every warning, every threat, that comes from foreign sources argues the value of the legislation contemplated, from the American standpoint. If we fail to give the assistance needed to protect our merchant marine from extermination we shall be in the position of having yielded to the threats of our competitors.

FOUR PER CENT OF ENGLAND'S TRADE OUR SHARE.

Shall we be content to continue, as we are now doing, carrying 4 per cent of Great Britain's trade while she carries nine times that much of ours? Shall we be content to go on, as at present, carrying less than one-fifteenth as much of Britain's trade as she herself carries, while at the same time she is transporting a greater proportion of our foreign commerce than even we ourselves do?

In the face of these facts, what credit can be given to the repeated British assertions that we are seeking a monopoly of the carriage of our imports and exports? What we are seeking, and what every maritime nation is justified in seeking, is a fair share of the ocean transportation of the nation's foreign commerce, at least 50 per cent. Would Great Britain be satisfied with a smaller proportion of her trade? Her ships transport two-thirds of the commerce of Great Britain, nine-tenths of the trade of the British possessions, and nearly a third of the trade between all the other countries on the globe, trade in which the British ships engaged do not touch at a British port coming or going. Great Britain carries more than half of the sea trade of the entire world, according to the statement of an accredited committee of the British Government. Our share of this trade is undoubtedly well under 10 per cent. And yet Britain talks of our striving to secure a monopoly of our ocean commerce.

THE BRITISH GOVERNMENT'S OWN FIGURES.

Consider in this connection what is shown in the report for May last of The Trade and Navigation of the United Kingdom, prepared by the British Board of Trade and ordered printed by the House of Commons, the last month's record that I have found available. According to this official document the entrances and clearances at British ports of vessels carrying cargoes and engaged in the direct trade between Great Britain and the United States, including both exports and imports, totaled 1,428,000 net tons, of which 985,000 tons represented British vessels, as compared with 321,000 tons of American vessels and 122,000 tons of foreign ships. In other words, in our direct trade with Great Britain our ships carried only 22 per cent of the commerce as against 70 per cent for British vessels. And in this same month, still according to the British official figures, only 25,000 tons of American vessels arrived at British ports from other than United States ports, and not a single ton of shipping under the American flag left the United Kingdom for any country save the United States. Is that monopoly? Is it a fair share of our trade for ourselves?

No; the boot is on the British leg. The monopoly is hers. More than a fair share is hers, and she is well satisfied to have the present arrangement continue, with American ships laboring under economic handicaps that make it impossible for them to compete with the foreigner in foreign trade.

It is well to consider how the American merchant marine which it is sought to establish permanently came into being. There is evident in some of the British opinions which I have quoted a tendency to profess that we are making an unkind return to Great Britain, for what? Well, we are told, for instance, by the Liverpool Courier that England "out of pure sentiment for America" agreed to a reduction of naval armaments, to an alteration of the Anglo-Japanese alliance, and that consideration for us has affected her handling of the Irish situation. I do not know in what respect, but there it is. And in return for all this we are told we have done "worse than nothing."

OUR FLEET BUILT TO AID ALLIES.

When we had entered the late war the cry of the British was for "ships, ships, more ships!" to repair the ravages wrought by the U-boats. A member of the British cabinet, Mr. Barnes, the labor representative, declared in Parliament early in 1918 that we were failing Great Britain and urged intensification of output. Our answer to these calls for aid is the great body of shipping to which it is now proposed to extend economic assistance that we may have a merchant marine worthy of our standing among the nations of the world. Shall we scrap it because Great Britain now discovers that she does not want the ships she called for to end the war and which played a part in accomplishing that?

The threats which so plentifully besprinkle the majority of the British opinions which I have cited I merely want to allude to in passing. The old bogey of retaliation has done service so long and has so often been shown to be a straw man that it is now nothing more than a badly worn piece of theatrical property. The methods that we have proposed to apply for the aid of the American merchant marine are, of course, open to any other maritime nation to adopt in aid of its own shipping if it sees fit, and we shall not complain. Our 4 per cent of the carrying trade of Great Britain, for instance, can not be whittled down much further without reaching the vanishing point, and under the present unprotected condition of American shipping it seems to be steadily slipping toward zero.

WAR WITH ENGLAND UNTHINKABLE.

Of the threats of war, whether discreetly or undiscreetly worded, I want to say still less. They are unworthy of their authors and very offensive to patriotic Americans. England tried coercion on America without success 146 years ago, when we had only 3,000,000 people, were much divided in opinion and action, and very weak financially. She could hardly expect better results by force at this time, as we now have forty times as many people, closely united in patriotic bonds, and with developed resources of every kind in proportion. War between the two countries is unthinkable, and no real patriot in either should contemplate it for a moment. The Englishman who talks of war, either actual or commercial, with the United States is a dangerous animal and should be muzzled.

No maritime nation can contemplate the possibility of conflict over the right of another maritime nation to handle a fair share of its own commerce, all bluff, bluster, and braggadocio to the contrary notwithstanding. We shall not be swerved from our just purpose by this, nor by propaganda, whether it be disseminated within the shadow of the Capitol or overseas.

OPPOSITION IS ANTI-AMERICAN.

Mr. President, I desire to say here and now, with all the emphasis in my power and with due respect for my colleagues in both Houses who differ in opinion, that a vote against the bill to aid the American merchant marine is a vote to aid Great Britain and to injure the United States, a vote to destroy, perhaps forever, our chances of an adequate place on the high seas.

In conclusion, I would ask just this:

Shall we play the game of our commercial rivals by stifling legislation to establish a merchant marine of our own for our national and industrial protection, when by so doing we would turn over to them the undisputed monopoly of the seas?

In a word, shall we allow Great Britain *to dictate our sea policy* and leave us in commercial bondage for generations to come? Shall we permit her to set up on the high seas a notice

reading: "British property! Americans keep off!" I say no, a thousand times no!

Mr. President, I ask unanimous consent that all quotations and extracts during the course of my remarks may be printed in 8-point type.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Without objection, it is so ordered.

THE MUSCLE SHOALS PROJECT.

Mr. KENDRICK. Mr. President, the chairman of our Committee on Agriculture and Forestry, the Senator from Nebraska [Mr. NORRIS], this morning submitted a report on the efforts of that committee to pass upon the question in connection with Muscle Shoals. I want to employ just a few minutes in explaining my attitude on that question.

As a member of the Committee on Agriculture I have exercised every diligence in an effort to inform myself as fully as possible concerning the Government's interest at Muscle Shoals. In doing this I have, in so far as other duties would permit, been a regular attendant at the committee's hearings and have carefully studied the several different propositions made to the committee for the purchase of Government property and the leasing of the power plant.

It was my privilege to accompany other members of the committee on an investigating trip to Muscle Shoals for the purpose of inspecting the work already done on Dam No. 2, together with the nitrate plant, the steam power plant, and the extensive construction of buildings. Both the amount of money expended and the various forms of construction involved in the Government's investment at Muscle Shoals preclude the possibility of finding an easy solution of the problem. The very nature of the development reduces its efficiency for industrial purposes, and to that extent decreases its commercial value. Here I want to attest to the unusually substantial character of construction involved in that part of the dam already completed, in the enormous steam plant located near by, and the tremendous buildings included in the great nitrate plants, as well as a great many of the hundreds of buildings used in housing employees.

Even a superficial study of the situation would compel the conclusion that the problem involved in the disposition or administration of Muscle Shoals is not a simple one. From my viewpoint the more haste employed in these negotiations the more wasteful will be the cost to the Government, and for this reason it has been my conviction from the start that the proper permanent solution required careful study and just as careful negotiation.

Upon one point there was complete concurrence on the part of every member of the committee, in so far as I know, who visited Muscle Shoals, and that was the unquestioned necessity of proceeding at once upon a plan to complete and equip Dam No. 2. Under the circumstances no other conclusion could have been reached. The investment already made involved about $17,000,000; and while this did not include quite as much as half of the final amount required in the construction of the dam, the work already completed renders the balance of the construction, as stated to us by the engineers, very much less difficult than the original work. As the situation now stands we not only have this enormous investment, which is rendering no service to anyone, but a very extensive outlay in connection with preparation for continued construction in the way of necessary cofferdams and other improvements, all of which deteriorate very rapidly when unused.

This unsatisfactory situation is further complicated by the fact that at the beginning the construction necessarily discontinued or interrupted navigation on the river through the closing of locks which had previously been used; so we have the enormous investment already made in the dam serving no purpose, but actually obstructing the river. Therefore, among those who had an opportunity of personal inspection, so far as I know there was no difference of opinion, but there was a general agreement that Congress should at once appropriate funds for continuing the construction of Dam No. 2, and carry it on to its final completion. We were informed by the engineers in charge that it would require at least three low-water periods to complete this work.

In view of the fact that actual production must be contingent upon the completion of this dam, I have, as one member of the committee, been unable to believe that any useful purpose would be served by undue haste in concluding negotiations under which this great Government property is to be leased and permanently operated.

Among the several propositions submitted to the committee the one made by Henry Ford was, for many reasons, the most satisfactory in its provisions. The primary purpose of the Government in building this great dam was for the production of nitrate to be employed during the emergency of war and for the more general and continued use in the manufacture of fertilizer. Mr. Ford proposes not only to produce annually a minimum amount of fertilizer containing at least 40,000 tons of fixed nitrate but to maintain the nitrate plants in first-class condition and deliver them to the Government in the emergency of war.

While Mr. Ford's offer of $5,000,000 for the Government's investment, amounting, as I recall, to sixty-five or seventy-five millions of dollars, not including the dam, represents a very low junking value, from my viewpoint it was more satisfactory than any other offer received by the committee. I frankly confess that Mr. Ford's genius as an organizer or captain of industry prejudiced me very materially in his favor. As it appears, he not only makes a success of his enterprises but the benefits of that success are shared in by his employees and the entire community in which he is located. On account of such facts—and they seem proven facts—I was strongly prejudiced in favor of his proposition.

My principal objection to Mr. Ford's offer was the length of time stipulated as the shortest lease he was willing to accept, that of a hundred years. As is well known, there is a limitation of 50 years in our water power act; and I agree with the statement of the late Franklin K. Lane when he said, in effect, that we ought not to deny for a longer period of time than 50 years the right of those who come after us to pass upon the disposition of our natural resources; and I am inherently opposed to a lease that would have the force and effect of an actual transfer of control of this great power site to any corporation for a longer period of time than included in our water power act. For this reason I voted against the Ford proposition as it was made.

There are other serious objections to the Ford offer, but the length of the lease is fundamental. The condition under which the Government is required to turn over its interest in the Gorgas steam plant, situated 75 miles from Muscle Shoals, is, from my viewpoint, both inconsistent and unnecessary. This plant is so intimately connected with and even interwoven into the property of the Alabama Power Co. that it would be practically impossible, as I view it, to separate the one from the other. According to my information, it is also true that when the Government arranged for the use of this property during the war, one of the conditions named in the agreement with the Alabama Power Co. was that this company should have a preferential right to buy the Government's interest at the close of the war. If this information is correct it would be practically impossible for the Government to turn over its interest in this plant without a violation of good faith.

Then, again, Mr. Ford's offer provides for the payment to the Government of a fixed rate of interest on the additional or future cost of Dam No. 2, but does not include any income whatsoever upon the cost of construction up to date, amounting, as I understand it, to about $17,000,000. In all probability the amount already expended has been on a higher cost basis than would be necessary under normal conditions; but even in such event the quality of the work is first class, and from my viewpoint there is no reason why anyone deriving the benefits of the great power plant should not pay for the amount already invested, less the excess cost due to war conditions. If, as an illustration, the construction to date has exceeded the normal cost by one-third, then this estimate might be taken on a basis of two-thirds; but, to place the proposition on a business basis, Mr. Ford's offer should include a payment of interest on the construction already completed, estimated at a normal cost.

The two last-named provisions, however, have to do entirely with a rate of income on an investment and involve only a matter of dollars and cents. The length of the lease involves with me a fixed principle, and if Mr. Ford's offer were modified to meet this condition I would be very glad, as one member of the committee, to vote for its approval.

THE MERCHANT MARINE.

Mr. CARAWAY. Mr. President, inasmuch as the whole day so far has been taken up in talking about matters not before the Senate, and yesterday was likewise devoted to the discussion of wholly irrelevant matters, I presume I am justified in believing that there is no further intent to press the pending tariff bill. I am not at all astonished that the proponents of it should have reached that conclusion, because they have even fallen out among themselves about the wisdom of going forward with it, and no two agree. If it is pressed to a conclusion we will reach the unhappy condition that there will be no two members of the majority party on speaking terms, and I do not want to see that happen if it can be avoided. Of course, I think it would be to the interest of the country, but there are some personal reasons why I hate to see them differ among themselves.

The Senator from Louisiana [Mr. RANSDELL] read an essay here nearly three hours in length. When he got the floor, the Senator from Washington [Mr. JONES], who was his advance agent in that particular enterprise, suggested the absence of a quorum, and warned all of us that something of very great importance was to be said by the Senator from Louisiana. There were six Senators present when the Senator from Washington made the point of no quorum. When these found out what the subject matter was, there were three who stayed. One of them was in the chair; one had the floor; and they, together with the "watchdog" on the Republican side, who has to stay regardless of how much it affects him, constituted a very, very appreciative audience. I could tell from the contortions of their faces that they were enjoying it. They were trying, by looking sad, to keep from laughing.

This is what I wanted to say, and when I shall have said it I will be through. The Senator from Louisiana said that there was a pro-British party in this country trying to defeat the ship subsidy bill. Whenever a man gets a cause that is so bad that nobody will espouse it, he then tries to asperse the motives of everybody who disapproves it. Such an assumption as that expressed by the Senator is just as fair as an assumption that the Senator from Louisiana and the Senator from Washington, who are so actively pressing this matter, want to increase the amount of liquor that can be sold, because every ship that flies our flag is a saloon, and every ship that flies our flag will be a saloon as long as the present President is President and the present Attorney General is at the head of the law department. It is just as fair, then, to assume, it is just as near the truth, and everybody will come as near believing it, that the Senator from Washington and the Senator from Louisiana are running a propaganda to increase the number of barrooms in America, as to say there is a pro-British party that is trying to defeat this legislation favorable to a ship subsidy in the Senate, and therefore drive Senators into supporting this infamous measure.

I am weary of Senators bringing in measures which are so repellent, and trying to drive other Senators into supporting them, or at least not openly opposing them, by intimating that some foreign influences are trying to defeat them.

I spent the summer of 1918 in France, and I have heard more talk of German invasion here in the Senate since the tariff bill has been before the Senate than I heard of German invasion all the months I was in France. There are certain Senators who come on the floor only when schedules in which they are interested are to be discussed and voted upon, and say, "Oh, well, if you don't support my schedule you will have a German invasion." Now we have a British invasion of our shipping interests threatened.

It strikes me that when the time comes that nothing can be said for a measure except that some foreign interest is opposing it we have reached the end of argument, and the Republicans might just as well defeat this tariff bill to-day as to defeat it next week. They do not intend to vote for it. They do not want it. They may get it to conference, but the seat of any man who has to go to the people this year, and who votes for that bill, will not be worth a canceled postage stamp. They know it, and they do not want to vote on this matter; and long essays like the one read by the Senator from Idaho yesterday, who got up on a word and teetered like a boy on a sharp paling, and this long one to-day, do not fool anybody except the two Senators who read them. They are killing time and do not want to pass this measure.

It has gotten in the Senate so that Senators feel like a negro did down in my country one day when he was to be hanged. After the sheriff got him on the scaffold, he said, "Rastus, you have 20 minutes to make a statement if you want to make one." The negro said, "I don't know that I have anything to say." A lawyer standing by, who was as fond of talking as the junior Senator from Idaho is of speaking, and about as interesting, got up and said, "Well, if Rastus don't want to speak, I would like to have the time." The sheriff said to the negro, "Do you want to give your time to this lawyer?" The negro replied, "I don't know as I care, but if he is going to make a speech I wish you would hang me first."

So some Senator comes into the Senate with a stack of manuscript as thick as your two hands, rises with a solemn look, and everybody gets his hat and goes. Of course, if that is the way to conduct the Senate, the majority party has the opportunity to manifest to the country just how they think the pending legislation ought to be discussed.

AMENDMENT OF COTTON FUTURES ACT.

Mr. DIAL. Mr. President, it is generally believed that there is something radically wrong, and has always been wrong, in the method of marketing the cotton crop. The question is to find the defect and to apply the remedy; both are apparent. The wrong is the indefiniteness in the contract and the remedy is to correct this.

The interest of the grower or owner of spot cotton and the interest of the buyer of a contract is identical until the time when the buyer of a contract disposes of it—both want the price to advance. The seller of the contract desires the price to decline, and when this takes place the price of spot cotton falls. There are only 10 grades of cotton tenderable under the law. I have no objection to increasing the number. The seller has the right to select whichever of these 10 grades he desires.

The futures market controls the price of spot cotton; therefore it is absolutely essential that such a contract be fair, equal, mutual, equitable, and just. The contracts are bought and sold on the basis of middling, and in case that grade is not delivered and some other grade is tendered the Secretary of Agriculture has the right under the law to fix the price of the other grades at the average price in 10 spot markets.

When maturity day is approaching the purchaser, not knowing within 10 grades of the quality of the cotton that will be tendered him, naturally sells out; hence the market is top-heavy. True, it can be said that there is a purchaser for every contract, but the fallacy of this argument is that he is not a purchaser at value when he does not know the quality or the grade he will receive, and he will only buy at a depreciated price. This might be unobjectionable between the purchaser and the seller, because each acts with his eyes open. My unending complaint is that such a system depresses and depreciates the price of the actual cotton and that the farmer has the brunt to bear. There is no similar custom or law in the world. This reverses the usages, laws, and customs of all business, and is an abrogation of the principles of common sense.

In 1920 there were grown in the United States 13,340,000 bales of cotton, and there were contracts sold on the New York and New Orleans exchanges alone for 128,907,500 bales, and during that time the actual number of bales delivered were 267,700 in New York and 106,600 bales in New Orleans. This is outside of the exchanges at Liverpool, Bremen, Havre, and other places. It is probable that every bale grown in the United States was sold on an average of twenty-five times over before it reached the consumer.

We all admit that overproduction depresses the price of a commodity; this being true, does not overselling have the same effect? Why should cotton fluctuate from $1 to $10 per bale in a single day? Goods sold at wholesale are sold on sample. Would any sensible person give as much for a contract for any commodity which could be delivered in 10 grades or classes, not knowing which of the 10 he would receive, as he would give provided he knew the exact quality he would get? For example: Suppose there were only 10 grades of hats or shoes allowed to be traded in by law and that contracts had to be on basis of the middle grade, with the right to the seller to select all the quantity in qualities he desired, would anyone give value for that kind of a contract? The proposition within itself is an absolute absurdity. The present law is a plan, or a system, or a scheme, or a method which deprives the grower of a tremendous proportion of the value of every pound of cotton he raises. By allowing this law to continue, Congress is unknowingly arrayed on the side of the bear against the producer. The present law is a great improvement over the former custom. Under that custom anyone of 32 grades were tenderable; this law reduced the number to 10. I am not complaining about the 10 grades, but there is too much latitude allowed the seller in filling each particular contract. They should be grouped. It took Congress exactly 30 years to get the law passed, to wit, from 1884 to 1914. I mention this to show the slowness with which Congress acts—and this must be said to its shame.

It is claimed by some that my amendment will injure the exchanges. This is not my purpose. I am endeavoring to pass a fair, just, equal, mutual, equitable, and honest law under which everyone must operate, and if the exchanges can not exist under this kind of a law, they can retire, so far as I am concerned. My complaint is the injurious effect of exchange operations on the price of spot cotton. We should be reminded, however, that there are no exchanges where coal, iron, steel, wool, and so forth, are traded in.

The wrong has been pointed out above and the remedy is suggested below, to wit:

Divide the 10 tenderable grades into three classes—high grades known as class A, medium grades as class B, and coarser grades as class C. This is similar to grain contracts.

My amendment requires the seller to be obligated to deliver one-third of his contract in the basic grade in each class and the remaining two-thirds either in that grade or in the other

grades enumerated in that class. This will make the contract elastic enough to encourage trading and at the same time definite enough to be practical and more valuable. By making the contract more valuable we help the price of spot cotton. No mill making one kind of thread or cloth can use all of the 10 grades of cotton. Furthermore, I am told an exporter receiving an order for one grade of cotton is allowed to fill it in either of the contiguous grades. I am also told that on the Liverpool Exchange the seller is allowed only three grades in which to deliver one contract.

I ask that the amendment to the pending tariff bill, which I submitted two days ago, be printed in the RECORD as a part of my remarks.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. DIAL to the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, viz: On page 131, after line 20, insert the following:

That the second subdivision of section 5 of the United States cotton futures act, approved August 11, 1916, as amended, is amended to read as follows:

"Second. (a) Specify as the class of the contract one of the following classes:

"Class A, which shall include only middling fair, strict good middling, good middling, and strict middling grades;

"Cass B, which shall include only strict middling, middling, strict low middling, and good middling yellow tinged grades;

"Class C, which shall include only strict low middling, low middling, strict middling yellow tinged, and good middling yellow stained grades.

"(b) Specify the basis grade for the cotton involved in the contract, which shall be one of the grades for which standards are established by the Secretary of Agriculture, and which shall be one of the grades included within a class in paragraph (a) of this subdivision; the price per pound at which the cotton of such basis grade is contracted to be bought or sold; the date when the purchase or sale was made; and the month or months in which the contract is to be fulfilled or settled.

"(c) If no other class is specified in the contract, or in the memorandum evidencing the same, the contract shall be deemed a class B contract.

"(d) If no other basis grade be specified in the contract, or in the memorandum evidencing the same, good middling shall be deemed the basis grade incorporated into a class A contract, middling shall be deemed the basis grade incorporated into a class B contract, and low middling shall be deemed the basis grade incorporated into a class C contract."

SEC. 2. That the third subdivision of section 5 of such act is amended to read as follows:

"Third. Provide that the cotton dealt with therein or delivered thereunder shall be of or within the grades for which standards are established by the Secretary of Agriculture, and of or within the grades included within the class so specified or incorporated as the class of the contract, and that cotton of any other grade or grades shall not be dealt with therein nor delivered thereunder."

SEC. 3. That the fifth subdivision of section 5 of such act, as amended, is amended to read as follows:

"Fifth. Provide that cotton that, because of the presence of extraneous matter of any character, or irregularities or defects, is reduced in value below that of strict middling in the case of a class A contract, strict low middling in the case of a class B contract, or low middling in the case of a class C contract, the grades mentioned being of the official cotton standards of the United States, or cotton that is less than seven-eighths of an inch in length of staple, or cotton of perished staple or an immature staple, or cotton that is 'gin cut' or reginned, or cotton that is 'repacked' or 'false packed' or 'mixed packed' or 'water packed,' shall not be delivered on, under, or in settlement of such contract."

SEC. 4. That the second paragraph of the seventh subdivision of section 5 of such act, as amended, is amended to read as follows:

"The provisions of the third, fourth, fifth, sixth, and seventh subdivisions of this section shall be deemed fully incorporated into any such contract if there be written or printed thereon, or on the memorandum evidencing the same, at or prior to the time the same is signed, the phrase 'subject to United States cotton futures act, section 5, class A,' if the contract is a class A contract, or the phrase 'subject to United States cotton futures act, section 5, class B,' if the contract is a class B contract, or the phrase 'subject to United States cotton futures act, section 5, class C,' if the contract is a class C contract."

SEC. 5. That the provisions of this act shall be effective on and after the thirtieth day after its passage, but such provisions shall not be construed as applicable to nor as affecting any right, power, privilege, or immunity under any contract entered into prior to such day.

CLAIMS AGAINST GERMANY.

Mr. KING. Mr. President, I did not hear the statement made by the able Senator from Alabama [Mr. UNDERWOOD] respecting the bill which he offered a few moments ago dealing with the property seized and held by the Alien Property Custodian, nor have I had opportunity to examine the bill which he offered; but I understand that the Senator from Alabama has just advocated that the property owned by German nationals and seized during the war be applied to the payment of claims of American nationals and the Government of the United States against the German Government. Whatever position the Senator from Alabama takes is bound to command the attention of the American people because of his great ability and his well-known integrity, and further because he is the leader of the minority in the Senate.

If I understand the position of the Senator, I am constrained to dissent therefrom, notwithstanding my great admiration for him and my confidence in his leadership. I have opposed the policy of confiscation of the property of the nationals of Germany or Austria or any other of the countries with which our Nation was at war. I have been unable to support the view of some, that private property of Germans and Austrians, which was found in the United States at the outbreak of the war, should be applied in liquidation of claims which American citizens may have against the German or Austrian Governments. Undoubtedly the United States has the power to confiscate the seized property and to devote it to the purposes indicated in the Versailles treaty and the treaty between the United States and Germany. But in my opinion it would be immoral and violative of accepted principles of international law, and particularly that higher and nobler spirit of justice which should be the basis of modern international relations.

International law is not a fixed science. As the spirit of justice is developed among individuals and among nations, higher and nobler forms of law and international usage and comity are developed and applied. Municipal law should approximate the standard of justice and righteousness by which peoples should be governed. International law should likewise reflect the advancing ideals which should guide the conduct of peoples and nations in their dealings and relations with one another.

I concede that many nations, in former centuries, have confiscated the property of the nationals of powers with whom they were at war. Neither the persons of alien enemies nor their property were respected. The seized property was confiscated as a matter of course, and slavery was the fate of those persons who were taken prisoners. But as civilization advanced these cruel practices were abandoned and more enlightened and liberal policies were adopted. One of our greatest American poets, Amy Lowell, of Massachusetts, has stated that—

> Civilization is the study of man about himself, his powers, limitations, and endurances; it is the slowly acquired knowledge of how he can best exist in company with his fellows on the planet called earth.

A narrow and provincial nationalism is not compatible with the liberal forces that are dominating the world nor the spirit of justice which in the end must control not only individuals but nations. We are developing a proper spirit of internationalism, and individuals with the highest patriotism feel deep concern in the welfare of other nations and in the progress and happiness of races and peoples of entirely different origin.

Trade and commerce are widening the interests of the people, and all who think are discovering the interdependence of individuals and of nations. The United States and its nationals have invested upward of $20,000,000,000 in other countries. We have done it upon the strength of treaties and in reliance upon what we believe to be just and liberal principles of international comity. We have been able to differentiate between an individual and his government. We have perceived that war might be made upon a government and not upon some of the nationals of that government. That was Franklin's view when he negotiated a treaty with Prussia in the closing years of the eighteenth century. By that treaty American nationals found in Prussia, as well as their property, were immune from seizure in the event of war. And Prussians in the United States were likewise immune from seizure and their property was protected against sequestration or confiscation. Indeed, it was provided that the nationals of both countries could return to their respective countries and take with them all of their property.

This Republic in its early days contended for the inviolability of property of enemy nationals. During the Revolutionary War the fierceness of the conflict inflamed the people in the various colonies and local statutes were passed which confiscated the property of Tories. But Washington insisted, when these acts of confiscation were not rescinded and the States would not make compensation to the Tories for the property which had been confiscated, that the Federal Government should make payment therefor. His views found expression in the Jay Treaty, which was exceedingly unpopular when its terms were first made known to the American people. However, Washington triumphed and the treaty was ratified. Hamilton ably supported the position of Washington and contended with great ability in favor of the doctrine that the property of nationals should be inviolable, notwithstanding that war was waged between the respective Governments.

I stated a moment ago that we had distinguished between governments and the people of governments. That was clearly exemplified in the recent war. President Wilson pointed out that the United States was not warring upon the German people

but was waging war against the German Government and the Austrian Government.

Under treaties existing between the United States and Germany and the United States and Austria, Americans invested tens of millions of dollars in those countries, and Germans and Austrians invested large sums in the United States. The nationals of both countries profited by these investments. Millions of dollars were invested in the United States by Germans, as a result of the trade and commerce between the two countries. In other words, instead of taking money from the United States for products sold in American markets, American securities were purchased, or other forms of investments were made, to the mutual advantage of the nationals of both countries. I think it may be safely said that neither Americans who made investments in Europe, nor Europeans who have made investments in the United States, conceived it possible that in the event of war their investments in the belligerent country would be confiscated.

The United States has been the foremost champion of the policy of the inviolability of property. We have not only contended that property upon land should be immune from confiscation, but we have insisted that property upon the high seas, even if carried in the ships of belligerent nations, if it were not contraband of war, should be immune from seizure. We have opposed not only "land piracy," as Chief Justice Marshall denominated the seizure of the property of enemy nationals found upon land, but we have vigorously opposed "sea piracy."

Mr. President, the war is over, and attempts made to perpetuate bitterness and antipathies between the United States and Germany, or Austria, or any former enemy country, should be reprobated. What the world needs to-day is peace. We want international peace. The wounds of war should be healed and every possible effort made to remove the scars, and to bring about international fellowship and good will. I have felt for some time that the property which was seized by the Alien Property Custodian should be restored to the owners of the same. It is true that the Alien Property Custodian has disposed of much of the property seized and converted it into cash. The proceeds derived from the sale should be turned over to the owners of such property.

It is contended that some property sold by the Alien Property Custodian was disposed of at prices far below its actual value. I shall not enter into a discussion of that proposition now, but will only add that in my opinion some of the patents and trade-marks, to which the Senator referred, and which were seized by the Alien Property Custodian were sold at prices which were merely nominal. I have contended that as to the sale to the Chemical Foundation, it was illegal, that the price was inadequate; that the Alien Property Custodian did not measure up to the requirements of a trustee; that the vendees were parties to the conspiracy to sell these patents and therefore acquired no indefeasible title; and that the Government should institute a suit to compel the Chemical Foundation to reassign the patents, copyrights, trade-marks, and so forth, to the Alien Property Custodian.

After the United States seized German property Germany seized some property belonging to Americans and which was found within the boundaries of the German Empire. However, Germany has restored a portion of the property seized and has signified its willingness to restore to Americans their holdings in Germany. I believe, however, that some money that was in German banks at the outbreak of the war, and which was seized, has not been restored to the American owners. Of course, our Government should demand that Germany immediately restore to Americans whatever property the German Government may have sequestered at the outbreak of or during the war. The German Government committed various torts against American nationals, for which it is responsible, and our Government should take immediate steps to compel Germany to pay our nationals whatever amounts may be due them, but we should not confiscate private property owned by Germans in order to settle claims of Americans against the German Government. Undoubtedly the situation calls for an international commission or some tribunal authorized to make full investigation as to the claims of Americans against Germany and to make awards thereon. But, I repeat, Mr. President, our Government can not afford to take any steps that will tarnish its honor or give justification for the contention that it has violated international law or wronged the nationals of any other country with whom it was at war.

A number of bills have been offered and are now pending before the Judiciary Committee dealing with the property of former enemy nationals. I have offered several bills, and these have been referred to the subcommittee of the Committee on the Judiciary. Undoubtedly the bill introduced by the Senator from Alabama will go to the same subcommittee, and I shall be glad to have it considered when the bills which I have offered are taken up for examination by the committee.

THE TARIFF.

Mr. ROBINSON. Mr. President, what has become of the tariff bill?

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The PRESIDING OFFICER (Mr. ODDIE in the chair). The question is on agreeing to the amendment of the Senator from Arkansas [Mr. ROBINSON] to the committee amendment.

Mr. ROBINSON. Mr. President, I am surprised that the Presiding Officer had that information. I am surprised that anyone who has observed the proceedings to-day should know what the pending question is. We have had discussion of the shipping bill, of the disposition of alien property, of the Muscle Shoals controversy, and of many other subjects, but nothing said has related to the matter pending before the Senate.

Mr. McLEAN. Mr. President, Senators on this side of the Chamber are not responsible for that.

Mr. ROBINSON. My friend, the Senator from Connecticut, suggests that Senators on the other side of the Chamber are not responsible for the diversions which have occurred to-day, and I think he is correct. The other side of the Chamber has not been represented in the proceedings of the Senate to-day and is not represented now. No one seems to be taking any interest in the matter before the Senate.

Now, I realize that all these subjects are important and that in time they will have to be discussed, but a discussion of subjects which are not before the Senate usually does not accomplish any good. In the first place, the speeches are not listened to by Senators. In the next place, if Senators are attending to their duties they are contemplating the proposition that is pending rather than considering irrelevant subjects.

If this great tariff measure is a matter of such importance that it must be kept before the Senate to the exclusion of every other measure, let us confine our debate to the tariff bill, except, of course, for the consideration of emergency matters, and pass or defeat the tariff bill, and then take up something else. There is a growing element on the other side of the Chamber that does not want to vote upon the bill before the fall elections. I am not violating any confidence or revealing any secret when I make that declaration. The bill is going to be disposed of. It is not going to be sidetracked on the theory that the Democrats have filibustered against it to an extent that will prevent the Senate from disposing of it. We ought to vote finally on the tariff bill inside of three weeks.

Mr. SMOOT. I agree with the Senator.

Mr. ROBINSON. As soon as the wool schedule has been disposed of I shall be ready to place a limitation on debate, and I shall be ready to agree to a time to vote finally. Ample opportunity will be afforded to discuss the shipping bill when that bill is before the Senate. Full opportunity will be had to discuss the Muscle Shoals proposition when it is pertinent to do so. Recognition of the Obregon government, a purely executive function, which absorbed the attention of the Senate yesterday, of course can not properly be brought before the Senate. Everything except the pending proposition has been before the Senate this morning.

Mr. MOSES. Mr. President——

Mr. ROBINSON. I yield to my friend from New Hampshire.

Mr. MOSES. I merely wish to point out to the Senator from Arkansas that he is in error in criticizing the Senator from Louisiana [Mr. RANSDELL]. We are considering the hemp schedule, and certainly the Senator from Arkansas knows that ships use cordage made of hemp.

Mr. ROBINSON. The brilliant and astute mind of the Senator from New Hampshire has performed an acrobatic feat and has discovered an intimate relationship between the hemp schedule and the shipping bill.

Mr. McLEAN. A regular Sherlock Holmes feat.

Mr. ROBINSON. Yes; Sherlock, with his Doctor Watson, would immortalize such a performance.

Mr. President, I hope the Senate may now get down to business and dispose of the tariff bill. That is the proposition before the Senate. It is true that from this side of the Chamber has come much of the irrelevant discussion which has occurred to-day, from Senators, however, who in the main have voted with the majority on the tariff bill, giving color to the suspicion that there is a growing purpose on the part of those who ostensibly favor the tariff bill to postpone the day of judgment respecting it. Well, Mr. President, we are going to vote on the

tariff bill, we are going to vote on the bonus bill, and then we are going to the country. God save the country!

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Hitchcock	Nelson	Smoot
Broussard	Johnson	New	Spencer
Bursum	Jones, N. Mex.	Newberry	Stanley
Calder	Jones, Wash.	Nicholson	Swanson
Capper	Kellogg	Norbeck	Trammell
Caraway	Kendrick	Oddie	Underwood
Culberson	Keyes	Overman	Wadsworth
Cummins	King	Pepper	Walsh, Mont.
Curtis	Lenroot	Phipps	Warren
Dial	Lodge	Rawson	Watson, Ga.
Elkins	McCumber	Robinson	Watson, Ind.
Fernald	McKinley	Sheppard	Willis
Hale	McLean	Shortridge	
Harreld	McNary	Simmons	
Heflin	Moses	Smith	

The PRESIDING OFFICER. Fifty-seven Senators have answered to their names. A quorum is present. The question is on the amendment of the Senator from Arkansas [Mr. ROBINSON] to the committee amendment.

Mr. WADSWORTH. Mr. President, may we have the amendment to the amendment reported?

Mr. SMOOT. Mr. President, I ask that the glove paragraph be now taken up and disposed of. At the request of the senior Senator from Ohio [Mr. POMERENE] that paragraph was passed over yesterday, to be taken up to-day.

The PRESIDING OFFICER. There is a pending amendment before the Senate.

Mr. SMITH. The senior Senator from Ohio does not seem to be in the Chamber. I suggest that we go on with some other item in the flax and hemp schedule.

Mr. SMOOT. Very well; there is one other amendment relative to hackled hemp. We have not voted upon that yet. I also wish to offer an amendment. So I ask that the glove paragraph be passed over temporarily.

Mr. ROBINSON. That course is satisfactory to me.

The PRESIDING OFFICER. Without objection, the request will be granted.

Mr. SMOOT. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. The Senator from Utah proposes, on page 132, line 2, to strike out "including 'line of hemp.'"

Mr. SMOOT. Mr. President, I desire briefly to explain the amendment. I think no Senator will object to it. The words "line of hemp," we are informed by an expert, mean the same as hemp itself. If we have those words included in the paragraph, there would be a conflict as to what rate "line of hemp" would take. The hemp rate is 2 cents a pound. The rate on "line of hemp," as proposed by the House, would be a higher rate, and as reported by the Senate Finance Committee it would be 4 cents a pound. However, striking out the words "including 'line of hemp,'" will then impose a duty upon "line of hemp" or the hemp itself of 2 cents, as we voted last evening.

Mr. ROBINSON. The Senator's statement is that "line of hemp" means the same as hackled hemp?

Mr. SMOOT. No; not hackled hemp. Hackled hemp is the highest perfected hemp. That is the final process through which the hemp goes before going into the fiber of rope. I have here a letter addressed to the senior Senator from Wisconsin [Mr. LA FOLLETTE], and upon this letter, I will say to the Senator from Arkansas, the rate was fixed at 4 cents. However, that Senator came in later and asked that the rate be made 2 cents on hemp and hemp tow, but in reducing the rate the words "including 'line of hemp'" were not stricken out.

Mr. McCUMBER. I think the Senator should explain, so that all may understand clearly, that "line of hemp" is a lower process in the development of manufacture than the hackled hemp. In other words, the hackled hemp is ready for spinning.

Mr. ROBINSON. "Line of hemp" has gone through some process of manufacture?

Mr. McCUMBER. Oh, yes.

Mr. ROBINSON. What is the extent of that process?

Mr. SMOOT. Very little, I will say to the Senator, outside of simply the first process of getting the hemp itself ready, with the pulp and everything else in it. Until this morning I myself thought that "line of hemp" was the "hackled hemp."

Mr. ROBINSON. If the Senator will pardon me, in the act of 1909 it was so defined by paragraph 337:

Hemp and tow of hemp, $22.50 per ton; hemp, hackled, known as "line of hemp," $45 per ton.

Mr. SMOOT. That is as I have always understood it; but I have here a letter bearing on the subject, a part of which I will read in order that the Senate may understand the matter. This is a letter addressed to the senior Senator from Wisconsin [Mr. LA FOLLETTE] and is signed by A. H. Wright, secretary, Wisconsin Hemp Order:

Schedule 10 as amended states "hemp and hemp tow, 2 cents per pound; hackled hemp, including line of hemp, 4 cents per pound." This wording is confusing in that it evidently makes a distinction between hemp and line of hemp. To explain this I offer the following discussion of the several terms used:

(1) Hemp: This term when used alone in trade transactions refers to the long, straight hemp fiber which has been more or less cleaned by removing the woody portion. It is often called rough hemp, raw hemp, or scutched hemp, but in any case refers to a general class of hemp fiber which has been roughly prepared, but which is long and reasonably straight. In other words, it is a term used to distinguish the long, straight fiber from the tangled, more or less matted and short fiber known as tow.

Then as to "line of hemp" this letter states:

(4) Line of hemp: This term, which is used principally in the American trade, is synonymous with hemp proper. In other words, it is the straight, long hemp fiber as distinguished from the short tangled tow.

The proposed amendment will result in placing the duty on "line of hemp" at 2 cents a pound instead of 4 cents, as provided in the amendment originally reported to the Senate.

Mr. ROBINSON. That is, assuming that the committee amendment prevails?

Mr. SMOOT. Yes; assuming that the committee amendment prevails.

Mr. ROBINSON. The term "line of hemp" was used in the act of 1909 and in the act of 1913 in the same way as it is used in the bill as originally reported. I make no objection to the amendment which has been proposed by the Senator from Utah.

The PRESIDING OFFICER. The Chair will state that there is a prior amendment pending.

Mr. SMOOT. I ask unanimous consent that the amendment which I now suggest may now be acted on, for it precedes the amendment which is pending.

The PRESIDING OFFICER. In order that that may be done the Senator from Arkansas [Mr. ROBINSON] will have to withdraw his amendment temporarily.

Mr. SMOOT. I ask unanimous consent that the amendment which I propose may be acted upon before action is taken upon the amendment which is proposed by the Senator from Arkansas to the committee amendment.

Mr. ROBINSON. I have no objection to that.

The PRESIDING OFFICER. Without objection, it is so ordered. The question is on the amendment proposed by the Senator from Utah [Mr. SMOOT].

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on the amendment proposed by the Senator from Arkansas [Mr. ROBINSON] to the amendment of the Committee on Finance. The amendment of the Senator from Arkansas to the committee amendment will be stated.

The READING CLERK. In paragraph 1001, page 132, line 3, in the committee amendment, before the words "per pound," the Senator from Arkansas proposes to strike out "4 cents" and in lieu thereof to insert "1 cent," so as to read:

Hackled hemp, 1 cent per pound.

Mr. ROBINSON. I understand that the Senator from Kentucky [Mr. STANLEY] desires to discuss the amendment.

Mr. SMOOT. That is also my understanding.

Mr. ROBINSON. The Senator from Utah might now have the cotton schedule disposed of, if he so desires.

Mr. SMOOT. Then, Mr. President, I ask that the Senate now return to the cotton schedule.

The PRESIDING OFFICER. The pending amendment to the committee amendment will be passed over.

Mr. ROBINSON. I make no objection to that.

Mr. LENROOT. Does the Senator from Utah desire to return to the glove paragraph?

Mr. SMOOT. I desire that the Senate shall now return to the glove paragraph.

The PRESIDING OFFICER. The amendment proposed by the Senator from Utah [Mr. SMOOT] to paragraph 914 will be stated.

The ASSISTANT SECRETARY. On page 128, after line 18, the Senator from Utah proposes to strike out paragraph 914 and in lieu thereof to insert a new paragraph, as follows:

PAR. 914. Gloves, composed wholly or in chief value of cotton or other vegetable fiber, made of fabric knit on a warp-knitting machine, if single fold of such fabric, when unshrunk and not suèded, and having less than 40 rows of loops per inch in width on the face of the glove, 50 per cent ad valorem; when shrunk or suèded or having 40 or more rows of loops per inch in width on the face of the glove, and not over 11 inches in length, $2.50 per dozen pairs, and for each additional inch in excess of 11 inches, 10 cents per dozen pairs; if of two

or more folds of fabric, any fold of which is made on a warp-knitting machine, and not over 11 inches in length, $3 per dozen pairs, and for each additional inch in excess of 11 inches, 10 cents per dozen pairs; made of fabric knit on other than a warp-knitting machine, 50 per cent ad valorem; made of woven fabric, 25 per cent ad valorem.

Mr. SMOOT. Mr. President, I merely wish to make a correction of a statement which was made last night under a misapprehension. I have been shown this morning an 11-inch glove that has been shrunk, and I sent for my magnifying glass in order to find out how many loops to the inch there are in that glove. I find that there are more loops than the 40 provided for in the amendment, but even though the number of loops were not 41 or 42, the glove having been shrunk, under the amendment it would fall in the higher bracket and bear the $2.50 per dozen rate of duty, it being an 11-inch glove.

I am informed by the importer of those gloves that the price of the glove was $2.10, foreign valuation. So evidently there are such gloves imported into the United States. That being the case, Mr. President, the rate imposed upon that particular class of gloves, if they came into this country, would be 119 per cent. I desire to make that statement now in order to correct the statement that was made in answer to a question which was asked by the Senator from Ohio [Mr. POMERENE] last evening.

Mr. POMERENE. I did not understand the figures as to the rate of duty which the Senator from Utah gave a moment ago. He said the duty would be what per cent?

Mr. SMOOT. I stated that the duty would be 119 per cent. The invoice price of this glove was $2.10. That is a glove which has been shrunk, and it falls just over the line into the bracket where a duty of $2.50 per dozen is provided under the amendment which I have offered. The price being $2.10, on the foreign valuation, on a $2.50 specific rate the ad valorem duty is 119 per cent. I simply wanted to make that correction. At the time the original statement was made I did not have a sample of such a glove and did not know there was such a glove imported into the United States at that price.

Mr. POMERENE. Under the $3 rate provided here.

Mr. SMOOT. The rate proposed is $2.50.

Mr. POMERENE. I understand that that is the rate now proposed, but I am referring to the provision as originally reported by the Committee on Finance. The rate originally reported would add about 20 per cent to the 119 per cent to which the Senator from Utah refers.

Mr. SMOOT. If that rate had been retained.

Mr. POMERENE. Yes.

Mr. LENROOT. I offer the amendment which I send to the desk to the amendment reported by the committee.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The READING CLERK. At the end of the paragraph it is proposed to insert the following proviso:

Provided, That in no case shall the duty or duties imposed upon gloves in this paragraph exceed 75 per cent ad valorem.

Mr. LENROOT. Mr. President, so far as this paragraph is concerned, I think there is no question whatever but that a very substantial increase in the rate is justified when the importations and the present lack of domestic production are considered. The only question that is involved here, in my mind, is, How high a rate should we impose in this bill for the purpose of protecting American production?

I think we will all concede that rates can be made so high that the American people ought not to be taxed to maintain an American production of a given commodity. For instance, we would all agree, I think—I believe every member of the committee would agree—that if a commodity can not be produced in this country normally and steadily for less than 200 per cent in excess of what it can be produced for abroad, we are not justified in trying to maintain the production of that particular article in this country.

My amendment leaves the specific rates as they stand, with the proviso that no rate shall be in excess of 75 per cent.

The present rate is 35 per cent; so that my proposed amendment will provide more than 100 per cent increase over the rate in the Underwood law. The Payne-Aldrich rate was 50 per cent, and therefore my amendment would provide an increase of 50 per cent over the rate in the Payne-Aldrich law.

Mr. HITCHCOCK. Mr. President——

Mr. LENROOT. I yield.

Mr. HITCHCOCK. Will the Senator state at this point what the importations are which are threatening the American industry?

Mr. LENROOT. They are very large.

Mr. HITCHCOCK. I have not heard any authoritative statement as to how large they are.

Mr. LENROOT. I have not the figures here—the Senator from New York could probably give them—because I thought it was conceded that the importations were very large. Perhaps the Senator from Utah can give them.

Mr. SMOOT. I think the Senator from New York has the figures.

Mr. LENROOT. As to the particular gloves which the amendment would cover, I will say to the Senator from Nebraska that it is my understanding that the American production has practically ceased.

Mr. HITCHCOCK. The figures read last night indicated that the production in this country exceeded by about twice the importations over an average period.

Mr. LENROOT. Oh, no.

Mr. WADSWORTH. Mr. President, will the Senator from Wisconsin yield to me?

Mr. LENROOT. I yield.

Mr. SMOOT. The American factories are closed down.

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield; and if so, to whom?

Mr. LENROOT. I yield to the Senator from New York.

Mr. WADSWORTH. In reply to the observation just made by the Senator from Nebraska, the figures which were read last night went as far only as 1919. It is since then that the catastrophe has occurred.

Mr. HITCHCOCK. Then, we have not had the figures, and I think we ought to have the figures.

Mr. McCUMBER. Mr. President, we have the figures here for the nine months of the fiscal year 1922, and for that period the importations were 1,138,490 dozen pairs. That represents the importations merely for nine months of the fiscal year.

Mr. HITCHCOCK. So that the importations are something less than a million and a half pairs.

Mr. LENROOT. A million and a half dozen pairs.

Mr. McCUMBER. Not a million and a half pairs, but a million and a half dozen pairs.

Mr. HITCHCOCK. Now, what proportion of the consumption does that represent?

Mr. McCUMBER. The production is 1,300,000 pairs.

Mr. WADSWORTH. That was in 1918.

Mr. McCUMBER. That was in 1918, which is the last year for which I have the figures.

Mr. HITCHCOCK. So that the production is about the same as the importation.

Mr. SMOOT. No. The consumption is not about the same.

Mr. LENROOT. There is no production at all.

Mr. SMOOT. There is no production at all.

Mr. LENROOT. I have looked this question up very carefully and I have satisfied myself at least——

Mr. POMERENE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Ohio?

Mr. LENROOT. I yield to the Senator from Ohio.

Mr. POMERENE. I am able to give the importations for the first five months of this year. The general importations of cotton knit gloves in 1922, in January, were 104,304 dozen pairs; in February, 110,631 dozen pairs; in March, 173,462 dozen pairs; in April, 144,473 dozen pairs; and in May, 147,047 dozen pairs.

Mr. HITCHCOCK. That does not answer the question fully. Has that importation been going on at that rate for a number of years?

Mr. WADSWORTH. No.

Mr. HITCHCOCK. How does it compare with importations for other years?

Mr. LENROOT. There were practically no importations during the war. There were, I think, two factories producing these gloves during the war, and of course their product carried a very high price at that time; but during the last year I am satisfied that we were not able, with the present tariff rate of 35 per cent, to produce these gloves, and I find from the hearings that we are not in fact producing them at all. The Senator from New York will correct me if I am mistaken.

Mr. WADSWORTH. There is about a one-tenth production.

Mr. SMOOT. And the very glove manufacturers that made them during the war are importing them now to hold their own trade.

Mr. LENROOT. The testimony so discloses.

Mr. President, I am not making any point that the importations do not justify a substantial increase in duty. I do not even make the point that the 75 per cent maximum that I have proposed will be sufficient to put the American industry in production. The point I do make is that we ought not to tax the American people more than 75 per cent of the value of a

product for the purpose of maintaining American production of that particular article, and that is the only point that I do make.

To illustrate how this would operate: An importer, I will frankly say, sent me the samples of gloves that I hold in my hand. I have submitted them to the Senator from New York [Mr. CALDER], together with the tables, and he verifies the figures that I shall present.

Sample No. 1 is a cotton glove imported at $2.10 per dozen pairs. With the present committee amendment rate applied there would be an ad valorem rate of 119 per cent upon that glove, whereas the present rate is 35 per cent. The Payne-Aldrich rate was 50 per cent.

Mr. SMOOT. And that glove retails at 50 cents a pair, or $6 a dozen.

Mr. LENROOT. That is what the importer states. It is contended, however, that it retails for a higher price than that.

Mr. SMOOT. Yes; 75 cents.

Mr. LENROOT. The next sample is the glove that I hold in my hand, which was imported in March last for $2.50 per dozen pairs. The proposed committee rate would be equivalent to an ad valorem rate of 104 per cent upon that glove. The present rate upon this glove is 35 per cent. The Payne-Aldrich rate was 50 per cent.

The next is the highest-priced glove that comes in this category. It was imported in March last for $4 per dozen. With the rate proposed, the equivalent ad valorem would be 92½ per cent, as against a present rate of 35 per cent and a Payne-Aldrich rate of 50 per cent.

Mr. President, if this amendment be adopted, if the American manufacturer can bring down his cost to 75 per cent in excess of the foreign cost, he will be able to compete; but I am frank to say that if he can not do that, he would not be able to compete if my amendment be adopted. I propose the amendment upon the theory that upon an article like this, of general use throughout the country, used in every home in the land, we ought not to tax the American people more than 75 per cent to maintain the production of that particular article in America. So I offer the amendment.

Mr. SMITH. Mr. President, before this vote is taken I think it is very well for us to review what has been done, as it relates to this particular form of cotton manufacture.

All concede that even on the cloth, where we have provided for a duty on those goods made out of a staple of cotton that is not raised in this country, we have put a rate of duty that does not exceed 45 per cent. That applies to cotton goods made out of a type of cotton that is not produced in this country in sufficient quantities to meet the needs of this country. All will concede that certain specialties and novelties made abroad that are not made in this country are made out of that kind of cotton and imported here, and our rate of duty does not exceed 45 per cent. The yarns that are imported into this country, made out of that staple cotton, do not bear as high a rate of duty as that.

Now we have come to the simplest form of weaving known to manufacturers—the knitting process. Every man who is familiar with the conversion of cotton into the finished goods knows that the cheapest form of manufacture is either the cylindrical or the flat-knit weave. The process of making gloves, perhaps, is the cheapest of any process known at all. It is this: You have the cloth; you cut it out automatically by your design machine; you reverse the glove and stitch it up by machinery, and I believe the only handwork that is done on it at all is when you put the button on the wrist.

There you have the cheapest possible form of converting the raw material into the finished product. You can make the cotton goods out of the cheapest form of cotton—that is, in the case of the ordinary cotton glove—because you do not need to have the same twist that you do in producing cloth. It is a looser twist. It is a knitting yarn, not a weaving yarn. Therefore you take the lower grades of cotton and convert them into knitting yarn. You then knit the fabric by the cheapest known process.

There is something radically wrong somewhere when we come here and put a duty of 75 per cent upon the lowest grade of our cotton, to start with, in the bulk of the ordinary cotton glove, the cheapest form of converting the cotton into the yarn and the cheapest form of knitting that yarn into the fabric.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. LENROOT. My amendment does not propose a rate of 75 per cent. The lowest rate in the committee amendment is 25 per cent. My amendment merely proposes that in no case shall a greater rate than 75 per cent be imposed.

Mr. SMITH. It is that to which I am speaking—no greater. Then the classification of the goods will determine whether or not the duty shall reach that maximum. I understand that thoroughly. I claim that you have no rational basis for proposing even 75 per cent as your maximum, when on more difficult processes you have no such duty as that in the cotton schedule, and when this is the most notoriously cheap form in which you can accommodate the people with what in some cases is a necessity.

Mr. LENROOT. Mr. President, will the Senator yield once more?

Mr. SMITH. I yield.

Mr. LENROOT. The Senator will admit, will he not, that the 75 per cent maximum proposed is a 44 per cent reduction from the committee amendment?

Mr. SMITH. I am not taking the committee amendment as the basis of what I am saying. We are not here to base our reasoning upon what the committee has done; but if we have the facts on which to base our legislation for the American people, that is what you are here for, and that is what I am here for. It is not what the committee has brought in; it is what you and I, in sifting what the committee has brought in, find the facts to be. I am trying to give the Senate the facts.

We have a monopoly of the cotton that produces the bulk of these gloves.

Mr. CALDER. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. CALDER. The Senator, of course, knows that there are four different brackets in this paragraph——

Mr. SMITH. Yes.

Mr. CALDER. And that the one with the highest rate—the 119 or 90 per cent, whichever it may be—refers to what we are pleased to call these so-called chamoisette gloves.

Mr. SMITH. Yes; I know. It is a new thing that has been brought in here.

Mr. CALDER. If the Senator will take the trouble to examine the material in the samples that I have here, he will find that it is one of the most beautiful pieces of cloth he has ever seen in his life.

Mr. SMITH. I know. I have been under the disastrous necessity of buying some chamoisette gloves for female members of my family.

Mr. CALDER. And if the Senator will examine the gloves made from this fabric he will find that they are also very beautiful things, gloves that any lady might be glad to wear.

Mr. SMITH. That is the reason why I am pleading now that these women of ours shall be allowed to buy them at a basis which reason would dictate.

Mr. CALDER. The Senator does not believe that the women of America would be agreeable to paying 4 or 5 or 10 cents more a pair to wear American gloves?

Mr. SMITH. It is not a question of paying that much more to wear American gloves. The question is, Are we justified in saying that America can not produce them without this duty? I am trying to show that we can.

Mr. CALDER. All right.

Mr. SMITH. That is what I am trying to do. You have a monopoly of the material out of which the bulk of the gloves are made, which is the finer texture of cotton, the bulk of which, perhaps, is made abroad. Then, when you get into the form of glove that takes on the nature of the lisle thread or imitation silk, you have to have a long, attenuated fiber that may be made from Egyptian cotton. That is the only place, outside of our protected Arizona cotton, where you can get that kind of cotton.

Mr. CALDER. That is correct; and these fine gloves are made of long-staple cotton.

Mr. SMITH. All right. In your cloth schedule, where the bulk of that cotton is used in the finer production of shirts in the form of mercerized cotton, you have not imposed a duty exceeding 45 per cent, and it is a more difficult weave, a more difficult twist, a more difficult process of manufacturing the cloth; and yet, when you come to the cheapest form of manufacture, the knitting process, in an article like this, you raise the duty 75 per cent higher than on goods that consume like fibers.

I am in favor of taking into consideration the fact that we have the material here for the bulk of the gloves, and are on all fours with the rest of the world in getting our material for the finer forms. In the case of all the other manufactures you have not raised the duty higher than 45 per cent; and why should we go out of our way to give special privileges to those who produce this article over the man who produces the shirts and the underwear and the general bulk of cotton clothes that

the American people must consume? Lots of people want gloves, lots of people are entitled to have them, and the finer the better, and in all conscience, according to the cost of production, it is our duty to see that they shall have them as cheaply as possible, and yet these high duties are proposed now without any basis except that in an accident, in an emergency, some manufacturers perhaps have imported enough from abroad to last them a year or two, and now, if they can get this tariff up to 75 per cent, they can mulct the American people and make a fortune out of the gloves they have imported and stored up.

There is nothing in the statistics to show that up until this war emergency, right now, any such importations have come in. The rates of the Payne-Aldrich law and the Underwood law were ample to keep them down; but an accident occurred, and there was a dumping. Now, in place of putting on a real emergency tariff rate, you have put on an emergency tariff rate to last through the life of this bill. You have no justification for doing it.

If we did not have the facilities in America to compete with anyone in the knitting process, if we did not have the facilities and the raw materials it might lie in your mouths on the other side to stand here and protect the struggling American producer of the raw material against the foreigner and protect the struggling American operator in the mills against the foreigner; but you have the machinery and the raw material at your door, and you have already indicated that you do not care to go higher than 45 per cent on the very same kind of material being used in a more costly process of manufacture than this; and then you raise this duty, showing that you are taking care of a special class.

Mr. WADSWORTH. Mr. President, I call the Senator's attention to paragraph 913, in which the ad valorem duty on knit fabric, the very stuff of which these gloves are made, is put at 60 per cent.

Mr. SMITH. I was speaking of this knit fabric business in connection with the manufacturer's article. You have imposed a rate of duty out of all line with the other amendments provided.

Mr. WADSWORTH. The Senator has stated over and over again that no higher rate than 45 per cent is imposed.

Mr. SMITH. I mean outside of knit goods, the knit fabric. I was comparing the process of knitting with the process of weaving, and every man here knows that there is no comparison between the cost and difficulty of the one as compared with the other. Why that difference? We are being jobbed by the manufacturers. That is the difficulty. They have come in with a special plea on the theory that somebody has dumped in a few million pairs of gloves under a war emergency, asking for a special rate, both on the raw material and the finished product, to protect a cheap process of manufacture.

I maintain that the duty on this class of goods ought to be the lowest in the cotton schedule. It costs less to produce it, and less to manufacture it, than any other form you have. Yet you are making it the highest, taking care of a special class of manufacturers.

God knows I have nothing against the American manufacturer. I want to see him prosper. I want to see him prosper to such an extent that he can share his prosperity with the producer of the raw material in the cotton fields of America, and manufacture every pound of American raw cotton into American manufactured goods. But I do not want to see the vast mass of the American people held up in order to pour ungodly profits into the coffers of a very few who can manufacture these articles as cheaply as any foreign competitor, if not cheaper, and you have not a leg to stand on in urging this duty.

Mr. CALDER. Mr. President, the pending paragraph provides for a different rate of duty on four separate and distinct classes of cotton gloves, running from 25 per cent ad valorem on gloves made of woven fabric, 50 per cent ad valorem upon unshrunk and unsueded gloves made on the warp-knitting machines, to $2.50 per dozen pairs on sueded gloves, with an additional duty of 10 cents a dozen pairs for each inch in excess of 11 inches in length.

Let us see just what the production of gloves in the United States has been. Before the war we did not make any of these so-called suede cotton gloves in this country. We knew nothing about it. The fabric from which they were made was a secret process known only to the manufacturers of England, who at that time were the sole producers of the cloth. If Senators will look at this material, they will find it is one of the finest finished fabrics that is made of cotton in this country, and so popular have become these gloves that very many women are wearing them in preference to those made of silk or kid. It is the general belief of many men who have studied this subject that in a very little while these cotton-fabric gloves will take the place of the kid glove, which is now so very expensive.

Let us see what the production was in this country at the beginning of the war. In 1914 we produced 50,000 dozen pairs of these gloves; in 1915, 200,000 dozen pairs; in 1916, about 500,000 dozen pairs; in 1917, a million dozen pairs; and in 1918, 1,300,000 dozen pairs. In 1919 the German producers in Saxony, where these gloves came from originally, began to revive their industry.

Let us see what the imports from Germany have been. In 1919 there was imported from Germany 812 dozen pairs only. Our own manufacturers had the market here. In 1920 there was imported 39,101 dozen pairs. In 1921, 537,000 dozen pairs. During the fiscal year 1921 the imports from Germany were 87 per cent of the total from all countries. Applying this percentage to the total imports of cotton knit gloves for the nine months of the fiscal year 1922, the imports were 990,000 pairs, or an equivalent of about 1,300,000 dozen pairs.

The Senator from South Carolina has talked about using American cotton. Let me say to him that practically all of the cotton from which this fine fabric is made which is used in the manufacture of these German gloves comes from the Egyptian fields. This cloth is manufactured in England and made into gloves in Germany. If we manufacture these gloves here, which we can do if the committee rates in paragraph 914 are approved, they will be produced of cotton raised in this country. I listened very attentively to the remarks made by the Senator from Wisconsin, who agrees that if we are to protect this business then, indeed, a fair and reasonable duty is needed. As I recall it, he said that the duty on the 11-inch glove was something like 119 per cent and upon the 23-inch glove about 90 per cent. I insist, Mr. President, that this duty is necessary if this industry is to be maintained. In the statement made by the Senator from Wisconsin [Mr. LENROOT] he quoted from information furnished him by Julius Kayser & Co., of New York, a most reputable concern of that city, in which he gave the foreign cost, duty, landing charges, and profits on imported gloves, with the equivalent ad valorem rates under the Senate bill. With these figures I agree, except as to the retail prices. Mr. Kayser's memorandum indicated that the 11-inch German-made cotton suède glove, the import price of which he and I agree was 17½ cents a pair without duty, retailed for 50 cents a pair, while the facts are that these very same gloves are being retailed in Woodward & Lothrop's store on F Street, in this city, for $1 a pair.

Here is a pair of gloves [exhibiting], just the same as the glove 11 inches long exhibited by the Senator from Wisconsin, that I purchased in Woodward & Lothrop's store last Saturday morning for $1, and they were sold to Woodward & Lothrop by Mr. Kayser, and by him imported from Germany. Take the $2.10 importer's cost on a dozen pairs of these gloves—and I am taking the figures of the Senator from Wisconsin—adding 35 per cent, on present duty, 15 cents for landed costs, and then 25 per cent profit for the importer, that glove should have been laid down here to the retailer for 31 cents. They cost me $1 a pair. Under no circumstances could this price have been higher to the consumer even with the additional duty, provided the retailer charged a reasonable profit. In fact, even the higher rate should not bring the price to the consumer to more than 75 cents a pair.

Then the Senator referred to a longer glove, 23 inches in length. He did not quote the retail price in Mr. Kayser's memoranda, but he has just called it to my attention, and I note that it is $1 a pair. Here is another pair of gloves that I bought in Woodward & Lothrop's last Saturday, purchased by that concern from the same importer, for which I was required to pay $1.75. Based on the Senator from Wisconsin's own figures, prepared by Mr. Kayser, this glove, with duty paid and 25 per cent profit to the importer, in all probability cost the retailer about 65 cents, and I was required to pay $1.75 for it. Certainly the present low rate is not conducive to very low prices for the ladies living in Washington who wear these gloves.

It seems to me that the gentlemen who come here and furnish figures to those who are opposed to the rates which the committee proposes ought to thoroughly inform themselves.

Mr. HITCHCOCK. Mr. President, will the Senator state whether the glove manufacturers can afford to manufacture a glove and have it sold at retail in this country at the price which the Senator paid?

Mr. CALDER. Oh, yes.

Mr. HITCHCOCK. So that the competition, so far as the retail market is concerned, is close——

Mr. CALDER. But for the fact that the American manufacturer is driven out of the wholesale market because of the

cheap foreign price, he could come in and compete with the retail price I have quoted without difficulty. Let me say to the Senator that if he will examine the figures he will find that this glove, with the duty paid which is provided for in the bill, and 25 per cent profit to the importer, can be purchased by the retailer for 82½ cents a pair. Surely the retailer could afford to sell them for $1.75.

Mr. HITCHCOCK. Does the Senator think Woodward & Lothrop is the only firm that can import those gloves?

Mr. CALDER. Of course not.

Mr. HITCHCOCK. Can not any one of 10,000 people import gloves and sell them?

Mr. CALDER. Yes.

Mr. HITCHCOCK. And will not that competition level the price to the American consumer?

Mr. CALDER. Yes; but the facts are that the American consumer is not getting the benefit of this low rate of duty.

Mr. HITCHCOCK. But the importation of gloves is not limited to Woodward & Lothrop or to 10,000 people. Anyone can import gloves, so that you need not worry, as far as that is concerned, about the consumer.

Mr. McCUMBER. That pair of gloves cost originally 33⅓ cents a pair, and sold for $1.75.

Mr. CALDER. Yes; I bought them myself.

Mr. McCUMBER. Of course, the duty of 35 per cent was added to it.

Mr. LENROOT. Mr. President, if this rate is imposed and this additional cost to the importer and wholesaler is imposed, why does the Senator say that the retailer will not increase the price of those gloves from $1.75 by exactly the amount of the increase in the duty?

Mr. CALDER. Of course, Mr. President, that again depends upon the competition, as the Senator from Nebraska has said. Besides, as the Senator from North Dakota in a remark just made has indicated, the trade will not warrant raising the price of that glove beyond $1.75. It competes at about that price with the silk glove, and it is getting up to the point where it is beginning to compete with the kid glove. That is about the limit of price the retailer can ask. I submit to the Senator from Nebraska that the retailer has gone to the limit in this case.

Mr. HITCHCOCK. Does not the Senator think it is an outrage on the consumers of the United States to double the tariff on 20,000,000 pairs of gloves which the people have to use? They are using 20,000,000 pairs of these gloves.

Mr. CALDER. Of these gloves [exhibiting]?

Mr. HITCHCOCK. Of gloves subject to this provision. As read by the Senator from Ohio, the imports at the present time, not taking into consideration local production, amount to 20,000,000 pairs of gloves a year. I am not talking about that particular style, but the gloves which are subject to the tariff in this provision, as stated by the Senator from Ohio from the figures furnished by the Tariff Commission. We are annually importing 20,000,000 pairs of gloves like that, and the Senator from New York says we are making about one-tenth of the capacity in America.

Mr. CALDER. We are not importing 20,000,000 dozen pairs of gloves a year.

Mr. HITCHCOCK. I did not say dozen; I reduced it to pairs, so that we can understand it. I say that the imports are 20,000,000 pairs of gloves a year.

Mr. CALDER. Yes.

Mr. HITCHCOCK. So that they are in general use. It is a common thing. Shop girls buy them, as well as the well-to-do women of the country. Poor women buy them, and poor men buy them, I suppose, if they are men's gloves. If they are women's gloves only, poor women buy them to the extent of 20,000,000 pairs a year, and does the Senator think he can justify to the American people raising the tariff duty over 100 per cent on an article of that sort, an article of such general consumption that 20,000,000 pairs a year are used? This is no luxury. This is a commodity of common use. People who can not afford kid gloves are wearing them. People who can not afford more expensive gloves are wearing them. They are among the cheapest articles of clothing, and this is a proposition to raise the duty to a point so that objection is made even when the Senator from Wisconsin wants to limit it to 75 per cent. I suppose the Senator from New York would have it put up to 100 per cent?

Mr. CALDER. Yes. And then they would be made in the United States and through competition sold for much less than those I have exhibited here to-day.

Mr. HITCHCOCK. Is there no limit to the taxes you are going to impose on the common American people who have to buy cheap things? Should they not be given some opportunity once in a while to get something that is cheap? Have we always got to levy a tax on the articles the poor people have to buy?

Mr. CALDER. The trouble is we do not get them cheap. As the figures clearly indicate, the American people are not getting them cheap. Let me say to the Senator from Nebraska that these gloves can be manufactured here, a manufacturer's profit added, the retailer's profit added, with a duty as high as proposed in the bill, and sold without difficulty for $1.25 a pair for the 23-inch glove.

Mr. HITCHCOCK. It can not be done if the Senator has his way and trebles the tariff on it.

Mr. CALDER. Oh, yes. Competition will take care of that. Now, with a low tariff of 35 per cent, provided the importer only took 25 per cent profit and considering every charge added to the glove, it was sold to the retailer for about 65 cents, and yet the American lady is compelled to pay $1.75 a pair under this present low-tariff rate.

Mr. POMERENE. Mr. President, the Senator from New York has been contrasting the prices of certain goods which he exhibited and which are supposed to have come from Kayser & Co. The goods he displayed were said to have been sold at $4 a dozen. Then he exhibited a long glove which he said retailed at $1.75 a pair. Now, the Senator has not told us whether these are the same quality of gloves or not. Has he any information on that subject?

Mr. CALDER. None except that I have conferred with the customs experts and they say it is a character of glove that is in common use. Here [exhibiting] are the two pairs. The Senator from Ohio can compare them.

Mr. POMERENE. I perhaps would not know the quality of the cloth in the gloves if I should see them. It is a very easy matter to come here and exhibit one class of gloves and say that the purchase price is so much and the retail price is so much, when we do not know anything about the quality. This, however, is leading up to what I intended to suggest to the Senator.

Since the Senator made his statement I have been advised that the glove which the Senator has exhibited here, instead of selling at $4 to the merchant, sold at $8 a dozen. Does the Senator know whether that is correct or not?

Mr. CALDER. I did not say it sold at $4 to the merchant. I said the imported price was $4.

Mr. POMERENE. The imported prices, then. My information is that the price to the wholesaler was $8 a dozen.

Mr. CALDER. If the Senator will permit me, in my estimate of the matter I figured the wholesale price ought to have been, giving the importer 25 per cent profit, about $7 per dozen pairs.

Mr. POMERENE. We would have to have some expert to point out whether or not the quality of the glove was the same or not.

Mr. CALDER. I may say to the Senator that the figures were prepared for me by Government experts and that my figures are in substantial accord with the figures of the Senator from Wisconsin [Mr. LENROOT], and I have said so. His figures were prepared by an importer.

Mr. POMERENE. But has the Government expert told the Senator that he is dealing with the same quality of gloves all the time?

Mr. CALDER. I have not shown him the pair of gloves which I exhibited.

Mr. POMERENE. No; of course the Senator has not. That is where the slip is, I suspect.

Mr. President, while I am on my feet I wish to speak very briefly on this subject.

Mr. SIMMONS. Mr. President, before the Senator proceeds, will he let me ask the Senator from New York a question?

Mr. POMERENE. Certainly. I yield to the Senator from North Carolina.

Mr. SIMMONS. I would like to ask the Senator from New York whether he bought from Woodward & Lothrop any American gloves of a comparable quality and length?

Mr. CALDER. No; I did not.

Mr. SIMMONS. Does the Senator know or can he give us any information as to the retail selling price of the American glove comparable with the one he has exhibited?

Mr. CALDER. Of course, I can not, except that I can say that the figures furnished the Tariff Commission by the glove manufacturers of the United States indicate that the wholesale selling price per dozen of a glove of this character is $11.75.

Mr. SIMMONS. For the American glove?

Mr. CALDER. Yes.

Mr. SIMMONS. That is the wholesale selling price; but the Senator is not able to give us the retail selling price?

Mr. CALDER. I will say to the Senator that there are very few of these sold.

Mr. SIMMONS. I want to ask the Senator, in purchasing the foreign-made glove for the purpose of exhibiting it here with the intent of showing the high price at which the foreign glove is retailing in the American market, why he did not at the same time try to buy at least a comparable glove of American make so that they might have been exhibited together?

Mr. CALDER. It did not occur to me. I sent my young lady secretary to the different stores in Washington to purchase the gloves.

Mr. SIMMONS. Does not the Senator know that the reason why this alleged cheap foreign article is selling in the American market for $1.75 a pair is that the American-made glove is selling in the American market for that price or above that price?

Mr. CALDER. Of course, the Senator knows the retailer would take all the profit he could get.

Mr. SIMMONS. That is not the point. The point I am making is that the reason why the retailer charges this extortionate profit upon the foreign-made article is because he is able to get the like profit upon the American-made article.

Mr. CALDER. Very well; suppose that is the case?

Mr. SIMMONS. If that is the case, then no one is to be blamed for the high prices of the foreign product except the American manufacturer and the American retailer who sells the American article at those high prices. In other words, the maker in Germany is not to be blamed and the importer is not to be blamed if a high price is asked for the foreign articles by the retailer, if the retailer, selling the American product, charges a higher price.

I think he will find that as a rule the American article is selling at retail in this country at a higher price than the imported article. Now, suppose the American article in this market is selling for $2 a pair. The Senator can not tell us whether it is or not. It might be selling for a little bit more, and because it is selling for this high price the retail merchant who buys the German article at a low price very naturally raises the price of the imported article up to what he can get for the domestic article.

Mr. WADSWORTH. Mr. President, will the Senator let me ask him a question right at that point?

Mr. SIMMONS. Yes.

Mr. WADSWORTH. Why is it, then, that the American factories are closed?

The PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from New York?

Mr. POMERENE. I have not yielded.

Mr. SIMMONS. If the Senator from New York will wait until I have an opportunity to discuss that question, I may be able to enlighten him to some extent as to why the American factories are closed where they are closed.

The PRESIDENT pro tempore. The Senator from Ohio has the floor and will proceed.

Mr. POMERENE. Mr. President, I wish to speak very briefly, and I desire to say preliminarily that I expect to vote for the amendment offered by the Senator from Wisconsin [Mr. LENROOT] to the amendment offered by the Senator from Utah [Mr. SMOOT].

I wish to assure Senators that I have no desire whatever to embarrass the glove business or any other business by anything that I may say or by any vote that I may cast, either on this item or any other item. I have the thought in my mind that when it comes to legislation of this character we should not entirely lose sight of the consumer when we are trying to benefit the producer.

The Senator from New York [Mr. CALDER] has referred to the profits that the importer would get or wanted. I suspect that is what he is in business for. I do not think that those who come here and ask for these high duties are inspired by a purely altruistic sense of the situation. Now, what is the situation?

Before I enter upon a discussion of the rates I want to say to the Senate that this morning I had a very interesting conference at my office. How they happened to come I do not know, but two manufacturers and a representative of a large concern that does both a manufacturing and an importing business came to my office at one and the same time, and shortly after they came one of the financial experts of the committee came to see me. So that I had the benefit of the combined wisdom of them all.

This is about the situation as I gleaned it in the conference: It is true that the business of manufacturing of suède gloves in this country is a good deal demoralized, but it is due in part to this reason, in my judgment: It is only within the last few years that we have been manufacturing suède gloves. They were manufactured here when there was a substantial embargo upon the German suède gloves due to the war and to conditions succeeding. These gentlemen went into the business, I take it, to make money. They had charged the public an exorbitant price for their goods. That is my inference. At the same time there was a very great demand for the kind of labor that could do this sort of work, and as a result some of these gentlemen were paying the men who operated the machines over $100 per week. Their costs, as they have given them to the Finance Committee and to Members of the Senate, have been based upon that exorbitantly high labor charge. Now it turns out that one of these companies made a reduction during the past year of 10 per cent in the wage paid and the other one about 15 per cent, he thought. At the same time it develops that the wage in Germany has been very much advanced during the last six or eight months. So that the prevailing economic conditions, taking into consideration the declining wage here and the increasing wage in Germany, all redound to the benefit of the American manufacturer.

Now, what is the situation? Under the Payne-Aldrich law there was a duty of 50 per cent ad valorem. Under the Underwood-Simmons law there was a duty of 35 per cent ad valorem. Under the bill as reported by the Finance Committee it was sought to place a duty of $3 per dozen on these gloves. The committee come in now with an amendment to their original proposition reducing the duty to $2.50 a dozen. Two dollars and fifty cents a dozen would amount to about 87½, on the average, per cent ad valorem, so the experts tell me. Many of the duties under this specific rate of $2.50 per dozen will amount to 119 per cent ad valorem. So that, as a matter of fact, with conditions now becoming more favorable for the American manufacturer than they were, they are asking under the modified amendment an increase of the Underwood rate of two and one-half times or, in other words, 250 per cent over the present duty. Now, I submit that this is not quite the right time to make these exorbitant increases.

More than that—and I say this with all due respect to the gentlemen who came to see me, for they were all courteous—the very first thing to which attention was called was the difference in the wage scale prevailing here and in Europe, which must be considered, of course, in fixing the tariff. Again, they discussed the question of the declining value of the mark, which also must be taken into consideration. However, when I tried to find out what the wage cost per unit of production was, neither one of them knew anything about it. In other words, the question was put thus: "Assuming that there is a factory in Germany employing 100 people and a manufacturing plant in the United States employing 100 people, will the product in the American factory be more or less than the product in the German factory?" They knew nothing about it. That simply indicates that when manufacturers come here with a plea for exorbitant rates we must accept their statements of fact with a certain grain of allowance.

Now, let me call attention, if I may, to some figures that were presented to me. I also was presented with three samples of these gloves—sample 1, sample 2, and sample 3. I have an analysis of this situation to which I desire to call attention. The statement was made July 14, 1922. I may say that while these figures were left with me by one of these gentlemen I have since had them checked up by the expert who sits to my left; and while he did not go into all of the details—I did not ask him to do that—he has stated to me that the figures are substantially accurate; and I have no doubt about it as I examine them.

As to sample 1 [exhibiting], the foreign valuation in marks, reduced to American money, per dozen was, in 1914, $1.13; in November, 1921, it was $1.85; in March, 1922, it was $2.10.

The retail price in 1914 was 25 cents per pair. At present it is 50 cents per pair. Under the proposed rate of $2.50 per dozen, the retail price would be 75 cents per pair. In other words, the pre-war price is trebled.

Mr. CALDER rose.

Mr. POMERENE. I will yield to the Senator in just a moment. The pre-war price is trebled in considerable part because of the high rate of duty.

Mr. CALDER. Will the Senator yield right there?

Mr. POMERENE. I shall yield in just one moment. I wish to introduce in the RECORD the memorandum which I hold in my hand as a part of my remarks without reading.

The PRESIDENT pro tempore. Without objection, permission is granted.

The table referred to is as follows:

Comparison of foreign cost, wholesale selling price, and retail selling price—Computed on revised rate reported by Finance Committee of Senate July 12, 1922.

SAMPLE NO. 1—COTTON GLOVE (2414).

Foreign value in 1914—marks 5 less 5 per cent=$1.13.
Foreign value November, 1921 (purchased in American money), $1.85.
Foreign value March, 1922 (purchased in American money), $2.10.
Retail price, 1914, 25 cents per pair.
Retail price at present, 50 cents per pair.
Retail price at proposed rate of $2.50 per dozen, 75 cents per pair.

RATES OF DUTY.

Payne-Aldrich rate, 50 per cent.
Present rate, 35 per cent and 7 cents per pound.
Proposed rate, $2.50 per dozen, equal to 119 per cent.

ILLUSTRATION OF INCREASED RETAIL PRICE.

Foreign value—per dozen	$2.10
Proposed duty—do	2.50
Landing expenses	.10
	4.70
Overhead and profit, 33⅓ per cent	1.57
Wholesale selling price (net)	6.27
Retailer's usual overhead and profit, 50 per cent	3.13
Total (equals 78 cents per pair)	9.40

Mr. POMERENE. I now yield to the Senator from New York.

Mr. CALDER. The Senator from Ohio has referred to the foreign cost of the 11-inch gloves which he has just displayed. I agree with the Senator as to that, and the table which I have from the Treasury experts gives the same information.

Mr. POMERENE. What I have stated as to the retail price is correct.

Mr. CALDER. I paid $1 a pair on Saturday for the same kind and size of gloves.

Mr. POMERENE. Sometimes even a Senator from New York may be flimflammed. [Laughter.]

Mr. CALDER. That is true, and so may a Senator from Ohio be flimflammed as to the statistics furnished him.

Mr. WADSWORTH. May I ask the Senator from Ohio if he purchased the pair of gloves which are now in front of him?

Mr. POMERENE. No, Mr. President; I am afraid I should have been victimized, as was the Senator from New York, if I had gone to the store.

Mr. WADSWORTH. Does the Senator know how much was paid for the pair of gloves that he has in front of him?

Mr. POMERENE. I do not.

Mr. WADSWORTH. Then the Senator from Ohio has no evidence on that point?

Mr. POMERENE. I have none at all; I am accepting the statements that are made here, which correspond, I think, with those that have been made heretofore.

Now, let me take the second sample [exhibiting]. The foreign value in 1914 was $1.38 per dozen; in November, 1921, it was $2.25; March, 1922, it was $2.50. The retail price in 1914 was 35 cents per pair; at present it is 69 cents per pair; and under the proposed rate of $2.50 per dozen, up to the 11-inch length, the price would be 87 cents per pair. I ask to insert this statement also in the RECORD.

The PRESIDENT pro tempore. Without objection, permission is granted.

The statement referred to is as follows:

Comparison of foreign cost, wholesale selling price, and retail selling price, computed on revised rate reported by Finance Committee of Senate July 12, 1922.

SAMPLE NO 2, COTTON GLOVE (2484) 12 INCHES LONG.

Foreign value in 1914, $1.38.
Foreign value November, 1921, $2.25 (purchased in American money).
Foreign value March, 1922, $2.50 (purchased in American money).
Retail price 1914, 35 cents per pair.
Retail price at present, 69 cents per pair.
Retail price at proposed rate of $2.50 per dozen up to 11 inches in length, plus 10 cents per dozen for each inch in excess of 11 inches, 87 cents per pair.

RATES OF DUTY.

Payne-Aldrich rate, 50 per cent.
Present rate, 35 per cent and 7 cents per pound.
Proposed rate, $2.50 per dozen up to 11 inches in length, plus 10 cents per dozen for each inch in excess, $2.60, or 104 per cent.

ILLUSTRATION OF INCREASED RETAIL PRICE.

Foreign value	$2.50
Proposed duty (glove is 1 inch in excess of 11 inches)	2.60
Landing expenses	.10
	5.20
Overhead and profit, 33⅓ per cent	1.73
Wholesale selling price (net)	6.93
Retailer's usual overhead and profit, 50 per cent	3.47
Total (equals 87 cents per pair)	10.40

Mr. POMERENE. I also have sample No. 3. The foreign value in 1914 was $2.03 per dozen. I may say that this is a glove 23 inches in length; November, 1921, the foreign value was $3.75 per dozen; in March, 1922, it was $4 per dozen. The retail price in 1914 was 50 cents per pair; at present the price is $1 per pair, and under the $2.50 per dozen proposed rate the price would be $1.30 per pair. I ask that the table may be incorporated in the RECORD.

The PRESIDENT pro tempore. Without objection, permission is granted.

The table referred to is as follows:

Comparison of foreign cost, wholesale selling price, and retail selling price, computed on revised rate reported by Finance Committee of Senate, July 12, 1922.

SAMPLE NO. 3—COTTON GLOVE (2414/16), 23 INCHES IN LENGTH.

Foreign value 1914, $2.03.
Foreign value November, 1921, $3.75 (purchased in American money).
Foreign value March, 1922, $4 (purchased in American money).
Retail price 1914, $0.50 per pair.
Retail price at present, $1 per pair.
Retail price at proposed rate of $2.50 per dozen up to 11 inches, plus 10 cents per dozen for each inch in excess of 11 inches, $1.30 per pair.

RATES OF DUTY.

Payne-Aldrich rate, 50 per cent.
Present rate, 35 per cent plus 7 cents per pound.
Proposed rate, $2.50 per dozen up to 11 inches in length plus 10 cents per dozen for each inch in excess of 11 inches equals $3.70 equals 92½ per cent.

ILLUSTRATION OF INCREASED RETAIL PRICE.

Foreign value	$4.00
Proposed duty (12 inches in excess of 11 inches)	3.70
Landing expenses	.10
	7.80
Overhead and profit (33⅓ per cent)	2.60
Wholesale selling price (net)	10.40
Retailer's usual overhead and profit (50 per cent)	5.20
Total (equals $1.30 per pair)	15.60

Mr. POMERENE. Mr. President, although I stand ready to vote for an increase in the rate of duty, so far as this particular branch of industry is concerned, over the rate provided by existing law, because I want to be on the safe side, yet I can not conceive why it is necessary to insist on these exorbitant rates. Bear in mind that the glove industry is not a new industry here. When it comes to cotton gloves, we manufacture them in a number of sections of the country and are doing so successfully. I do not think that the manufacturers are seriously afraid of foreign competition. I have a statement before me applying to silk gloves which indicates very clearly that we are selling many silk gloves in foreign markets. The glove manufacturers of the country know the glove industry; they are not very much disturbed about those classes of gloves; but when it comes to the suède gloves, they came here and, in the first place, wanted a duty of $3 a dozen; and notwithstanding the fact that the Finance Committee had been swallowing exorbitant rates on the products of nearly every line of industry, they could not retain that $3 a dozen rate of duty upon their stomachs. Now they come in here and consent to the rate being decreased to $2.50 a dozen. I am thankful for that much of a concession; but it seems to me that even the highest protectionist in the land ought to be satisfied with the 75 per cent limitation which is placed upon the duty on these gloves by the proposed amendment of the Senator from Wisconsin [Mr. LENROOT], which is more than two times the present rate.

Mr. WALSH of Montana. Mr. President——

Mr. POMERENE. I will ask the Senator to pardon me for just a moment. The Senator from South Carolina a moment ago referred to the cost of material and the advantage that we had in this country over the foreign competitors. Everyone has got to admit that to be so. I now yield to the Senator from Montana.

Mr. WALSH of Montana. I understood the Senator to say that the gentlemen, experts in the business, who had conferred with him were unable to give him any information as to the proportion of the total cost that is assignable to labor in the manufacture of the gloves. I should like to know from the Senator if the labor cost can possibly reach as high as 75 per cent?

Mr. POMERENE. Mr. President, I do not think that is possible.

Mr. WALSH of Montana. That is to say, the 75 per cent rate proposed would, in the judgment of the Senator from Ohio, more than equal the total labor cost?

Mr. POMERENE. There can be no question as to that. I have some figures here which I shall give to the Senate in just a moment, bearing upon that question. The Senator from Montana, however, has not quite accurately stated my position. What I intended to say, at least, was that they were

unable to tell me what the wage cost was per unit of production; in other words, they did not know whether our labor was more or less efficient than the German labor.

Mr. WALSH of Montana. Per unit?

Mr. POMERENE. Yes.

Touching somewhat upon the question which the distinguished Senator from Montana has just put to me, I have a table here prepared by the experts going into the question of cost. It is a comparison of American and German manufacturing costs for 1921 of warp-knit or chamoisette cotton gloves. The table itemizes the costs when the glove is made out of the unshrunk yarn and also when the glove is made out of the shrunk yarn. It gives the cost of knitting, dyeing, finishing, the total cloth cost, the cost of other material, clasps, and so forth, total material cost, overhead cost, and labor cost. I wish to give to the Senate a few of these figures.

The total material cost to the American manufacturer is 45.10 per cent, but the total cost of this same material to the German manufacturer is 73.62 per cent. So it appears that from the material standpoint our manufacturers have a very great advantage over the German manufacturers.

Now I come to the labor involved in making the gloves. In the American market this labor is 35.92 per cent of the total cost, while in Germany it is 17.44 per cent.

Mr. President, I ask that this table may be inserted in the RECORD as a part of my remarks, without reading the whole of it.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The table is as follows:

Warp-knit or chamoisette cotton gloves (comparison of American and German manufacturing costs, 1921).

	Costs per dozen pairs.		Per cent of total cost.	
	American.	German.	American.	German.
Unshrunk (average of 3 companies):				
Yarn	$0.91	$0.72	.....	.....
Other cloth expense (knitting, dyeing, finishing)	.73	.43	.....	.....
Total cloth	1.64	1.15	33.47	48.94
Other material (clasps, etc.)	.57	.58	11.63	24.68
Total material	2.21	1.73	45.10	73.62
Overhead	.93	.21	18.98	8.94
Labor, in making glove	1.76	.41	35.92	17.44
Total	4.90	2.35	100.00	100.00
Shrunk (average of 4 companies):				
Yarn	1.16	1.05	.....	.....
Other cloth expense (knitting, dyeing, finishing)	1.02	.69	.....	.....
Total cloth	2.18	1.74	38.58	54.89
Other material (clasps, etc.)	.64	.61	11.33	19.24
Total material	2.82	2.35	49.91	74.13
Overhead	1.00	.29	17.70	9.15
Labor in making and packing glove	1.83	.53	32.39	16.72
Total	5.65	3.17	100.00	100.00

Mr. POMERENE. The figures that I have given are of gloves made of unshrunk yarns. I have substantially the same items of cost when the gloves are made out of shrunk yarns.

The total material cost of these yarns to the American manufacturer is 49.91 per cent, but the total material cost to the German manufacturer is 74.13 per cent. The total labor cost involved in making and packing the gloves is 32.39 per cent to the American manufacturer; to the German manufacturer, 16.72 per cent.

Mr. CALDER. Mr. President——

Mr. WALSH of Montana. Mr. President, it appears, then, that the German manufacturer has an advantage over the American manufacturer in respect to his wage costs.

Mr. POMERENE. Of about 50 per cent.

Mr. WALSH of Montana. It appears that the American manufacturer has an advantage over the German manufacturer in respect to his material costs.

Mr. POMERENE. Of nearly 25 per cent.

Mr. WALSH of Montana. Let me ask the Senator, how do the two balance? What is the total cost to the American manufacturer as against the total cost to the German manufacturer?

Mr. POMERENE. This is made out on a scale of 100, so that I am not able to give that. Just a moment.

Mr. CALDER. I was going to ask the same question.

Mr. POMERENE. Pardon me just one minute. I think I made a misstatement a little while ago when the Senator asked me as to the total cost. I will say that this is the average of four companies. The yarn cost per dozen pairs to the American is $1.16, to the German $1.05. Other cloth expense—knitting, dyeing, and finishing—to the American is $1.02, and to the German 69 cents; making a total cloth cost to the American of $2.18, and to the German manufacturer of $1.74. The cost of other material, clasps, and so forth, to the American is 64 cents, to the German 61 cents. Total material cost to the American manufacturer, $2.82; to the German manufacturer, $2.35. Overhead expense: American, $1; German, 29 cents. Labor in making and packing gloves: American, $1.83; German, 53 cents; making the total cost to the American $5.65, and to the German $3.17. I may say that this was during the year 1921.

Mr. WALSH of Montana. Apparently, then, a 50 per cent duty would more than take care of the difference.

Mr. POMERENE. I should think so.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. POMERENE. I yield.

Mr. LENROOT. A 50 per cent duty?

Mr. WALSH of Montana. Three dollars and seventy-five cents to five dollars and odd.

Mr. LENROOT. Three dollars and seventeen cents.

Mr. POMERENE. Three dollars and seventeen cents to five dollars and sixty-five cents.

Mr. CALDER. May I suggest that on the Senator's own figures the difference in the production cost is $2.48?

Mr. POMERENE. These are not my figures. They are figures that are furnished me by the expert.

Mr. CALDER. I beg the Senator's pardon; the figures the Senator has read.

Mr. POMERENE. Yes.

Mr. President, I also have here a table which shows a comparison of the costs under these several brackets between paragraph 914 of the Senate bill, the act of 1913, and the act of 1909. Without taking the time to read it, I desire to call attention to these facts:

Under the act of 1909 the duty was 50 per cent. Under the act of 1913 it was 35 per cent. Under the Senate bill the specific rate of $2.50 reduced to an ad valorem rate would be about 100 per cent. That, of course, is an average, and it would vary in accordance with the value or quality of the articles imported.

Mr. President, I ask that this table also may be incorporated in my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The table is as follows:

	Senate bill (par. 914).	Act of 1913 (par. 260).	Act of 1909.			Imports.
			Ladies' gloves (par. 324).	Not over $6 per dozen (par. 328).	Over $6 per dozen (par. 328).	
Warp-knit or chamoisette gloves:						
Single fold, not shrunk or suèded	50 per cent ad valorem	35 per cent	50 per cent	50 cents per dozen and 40 per cent.	50 per cent	Large, mainly ladies' gloves.
Single fold, shrunk or suèded	$2.50 to $3.70 per dozen pairs	do	do	do	do	
Two or more folds	$3 to $4.30 per dozen pairs	do	do	do	do	
Lisle gloves	50 per cent ad valorem	do	do			Very small.
Ordinary knit gloves for policemen, firemen, elevator boys, etc.	do	do		50 cents per dozen and 40 per cent.	50 per cent	Do.
Work gloves, used in husking, etc., made of woven (not knit) cloth.	25 per cent ad valorem	do		do	do	None, usually.

Imports are mainly ladies' chamoisette gloves, suèded, averaging $2 to $3 per dozen pairs. On these the rates compare as follows: Act of 1909, 50 per cent; act of 1913, 35 per cent; Senate bill, 100 per cent (estimated average).

General imports of cotton knit gloves in 1922.

	Dozen pairs.	Value.	Value per dozen.
January	104,304	$188,488	$1.81
February	110,631	236,777	2.14
March	173,462	434,729	2.51
April	144,473	369,651	2.56
May	147,040	366,910	2.50

Mr. POMERENE. Mr. President, I regret exceedingly that the Finance Committee has not seen its way clear to reduce this rate very substantially below the figure of $2.50 per dozen. I think that the amendment offered by the Senator from Wisconsin [Mr. LENROOT] will give ample protection to these people, particularly in view of the favoring conditions which seem to be before us, and I am quite sure that it will substantially lessen the cost of these gloves to the consumer.

Mr. WADSWORTH. Mr. President, there were a very few matters which I took the liberty of bringing to the attention of the Committee on Finance with what might be termed "extreme emphasis." One of them was the condition of the glove industry in the United States. A goodly portion of that industry is, or was, operating in the State of New York, and with some of the communities in which it is situated I am familiar. I think I am not inaccurate when I say that of all the industries as to which I have any information worthy of recounting, the glove industry, with the exception of certain elements of it which need not be adverted to upon this occasion, has been in the most desperate condition. I make the one qualification—all that I know about.

There are three or four communities that I can recollect at present in the State of New York alone in which knit cotton gloves are made or were made. Two years ago the industry was thriving. It had been built up, it is true, during the war. It is not true that they charged exorbitant prices for the goods which they produced during the war, unless we reach that conclusion by a mere comparison of the prices of all articles during the war with the prices of all articles produced before the war and say that every increase was exorbitant. As a matter of fact, the prices of these gloves during the war had not increased by any greater percentage than the prices of other articles used commonly by human beings; but, dating from a year and a half or two years ago, a complete blight has crept over this industry. All last winter in more than one community the artisans who had been employed were standing in bread lines, and charitable organizations—and I speak the literal truth—were supporting scores and scores of families whose wage earners had lost the opportunity to earn a penny.

Reference has been made here somewhat rashly and recklessly by those, of course, who desire to impugn the motives of everybody who asks for a protective tariff, to the "grasping, greedy habits" of the glove manufacturer, and it has been asserted that the duties proposed by the Senate Committee on Finance were for the purpose of filling his pockets and bloating his bank account and making him inordinately rich. Of course, that is a familiar piece of tactics. We hear it very often; but the truth of the matter is that the manufacturers of cotton gloves are broke. Their mills are closed. Their men are walking the streets, and have been for months and months, and the proposal of the Committee on Finance is that something shall be done to preserve the industry from permanent destruction.

A lot of questions have been asked as to the importations of gloves, and some figures have been given. A good many questions have been asked as to the consumption of these particular gloves in this country, and figures have been given upon that. It is very easy to understand what the consumption is. If you will add the domestic production to the importations, you will find the number of gloves that are used in the United States in one way or another. Of course, the truth is that to-day hardly any gloves of that character are made in the United States. One of these manufacturers told me the other day—and he is one of the smaller manufacturers—that about one-tenth of the men that were formerly employed when the industry was running at full blast are now employed at part time, or upon some special kind of work which will keep them together and give them a little to live on.

The Senator from Ohio [Mr. POMERENE] has, I think, almost proved the case. He has quoted the costs of a German-made glove and of an American-made glove; and it is shown by his own figures—which are the official figures, I may say, and I think accurate—that the difference in cost is $2.48 per dozen pairs; that is, for one type of glove.

The original suggestion of the committee was that these gloves should bear a duty of $3 per dozen pairs. The domestic production has been almost entirely destroyed, and the importations are practically supplying the overwhelming portion of the domestic demand. It is asserted that a duty of $3 per dozen pairs is grossly excessive, and that even $2.50 per dozen pairs is grossly excessive. That same old fallacy is indulged in, to the effect that if we place a duty upon the finished manufactured product, the amount of that duty will be instantly added to the retail price of the article in our shops and stores, an assertion which can not be borne out by any study of the history of a tariff, or of the importation and selling of any foreign article through any period or term of years.

The most astonishing instance to disprove that theory came to my attention only the other day, which went to show me what I think it will show anyone who will think twice about it, that when the foreigner has a monopoly of the American market the price stays high; that when the foreigner has been able to destroy an American industry and get complete control of the American market, the American purchaser, or the so-called ultimate consumer, never gains by the process. If by any means the foreigner gets a monopoly of the American market I hold that same assertion is true, and I cite the case of salvarsan, commonly known as "606," a very well-known medicine.

Prior to the war that medicine was being sold to the people of the United States at $4 per dose. It was a German monopoly. No one else could make it. There was no competition from American manufacturers or from anyone else. To-day, as the result of the breaking down of the German competition and the ability of the American to enter the field, with no favors, and compete against the imported article, that medicine is selling, instead of $4 a dose, for 40 cents a dose. That illustrates, I think, conclusively the point I want to make.

Mr. POMERENE. In this connection, is it not true that the German manufacturers were those who fixed the price in this country?

Mr. WADSWORTH. They were; and there was no competition against them. That is just what is going to happen in the case of cotton knit gloves. If the industry is destroyed, the plants dismantled or changed completely so as to be used for some other purpose, the capital diverted, and nothing but the foreign glove left to come in, of course the foreigners will name the price, and they will name a price as high as the market will stand. They are doing practically that to-day, or they are coming so close to it that the signs are ample to show what will happen in the near future if this goes on.

My colleague has set forth the situation concerning the fate of the purchaser who goes into a store to-day to buy such gloves as he has exhibited. It is shown perfectly plainly that the prices which he himself paid are exorbitant, if a reasonable profit is figured for those who handle this article in commerce, including the importer and the retailer, and the jobber, if you please. It can not be stated with any degree of certainty that the mere adding of a duty is going to add to the price of a German-made glove in Woodward & Lothrop's. It will not. The effect will be to give the American-made glove a chance to compete with the German-made glove, and it will bring the price of the German-made glove down, if anything at all. That has happened in the case of many and many an article. I need not recite them now. I have stated one which was rather dramatic in its effect.

Mr. HITCHCOCK. Mr. President, does the Senator take the position that if we increase the duty on an article its selling price in this country is likely to be reduced?

Mr. WADSWORTH. In certain cases; yes. When the foreigner has had a monopoly and commanded our markets, named his own price and had no competition, time and time again it has been shown that the imposition of a duty in protection of the American-made article has resulted not only in a vast increase in the production of the American-made article but a decrease in the prices of all the articles.

Mr. HITCHCOCK. The foreigner is not charging these exorbitant prices.

Mr. WADSWORTH. Indeed he is.

Mr. HITCHCOCK. He is selling his goods at a very low price. It is the American merchant who, according to the Senator, is selling them for exorbitant prices.

Mr. WADSWORTH. And the importer.

Mr. HITCHCOCK. Maybe the importer, and maybe the retailer.

Mr. WADSWORTH. They can ask just as much as people are willing to pay to-day.

Mr. HITCHCOCK. The Senator is now arguing that he will sell them for a lower price if he pays a higher duty. That is the most extraordinary contradiction of this bill. The whole theory of the bill is to protect American industries from dis-

astrous competition by raising the duties, so as to compel the goods to be sold at higher prices. Now the Senator is arguing that as a result of the raising of the duties the goods will be sold at lower prices.

Mr. WADSWORTH. As to manufactured articles, I believe that what I said is generally sound. As to raw materials there is a different situation, because the cost of labor does not enter to nearly the same extent. I refer to tin plate, for example. How the Democratic Party inveighed against the imposition of a duty upon tin plate! We made none here. A duty was finally imposed, and what was the result? We had all the tin plate we wanted at a lesser price, finally, when we got our industries going. We created competition.

Mr. WALSH of Montana. That is, after a lapse of a great many years, tin plate cost less than it did before.

Mr. WADSWORTH. My recollection is that it was not a great many years.

Mr. WALSH of Montana. As a matter of fact, all manner of steel products are manufactured at a very much less cost than they were in past years, are they not?

Mr. WADSWORTH. The Senator and I do not agree upon this matter of a tariff, and we might argue until we were both black in the face.

Mr. WALSH of Montana. We do not agree, either, that because an article costs less now than it did 20 years ago it is because there was a duty on it.

Mr. WADSWORTH. I will make this observation: Had there been no duty in all these years on tin plate, and we had been dependent entirely upon foreign producers of tin plate for our supply, the price of tin plate in the United States would not have gone down in proportion to the decrease in the prices of other products.

Mr. WALSH of Montana. I undertake to say that we would not have been dependent, up to the present time, upon the foreign supply for tin plate any more than in the case of other things the manufacture of which has grown up and developed in this country.

Mr. WADSWORTH. That is an observation which the Senator is entitled to make. I do not agree with him.

Mr. HITCHCOCK. Of course, the Senator will realize that if any such change in the selling prices of these German articles in the United States is to occur as the Senator predicts, the glove manufacturers who are now bombarding Congress to get a higher duty would be asking us to lower the duty instead of raise it.

Mr. WADSWORTH. I can not quite follow the Senator's logic in that statement.

Mr. HITCHCOCK. If the Senator's theory is correct, that a raise of duty is going to lower the price, the American glove manufacturers would not be asking for an increase in the duty on gloves.

Mr. WADSWORTH. It is not a question of price alone that is important in an industry. It is the relation of the selling price and the costs. The manufacturer's interest is in how much it is going to cost him to produce the article, and then the selling price is important. If his costs can be reduced, and he still makes a profit with a reduced selling price, he is satisfied. That has been so as to everything. It is the relation of cost to selling price that counts.

That is the important thing in any commercial or manufacturing business. The price of gloves may come down in the future. I hope it will. But that does not necessarily mean that gloves can not be made at a profit. But to-day this particular kind of glove can not be made at all in this country, and the foreigner has a monopoly of the manufacture. What we are asking is that Americans have a chance to compete. My own idea is that about the first thing that will happen will be that the foreigner will begin reducing his prices as a result of that competition, because even with the $3 a dozen rate proposed in the first Senate committee amendment you have not a tariff which equals the difference in the cost of manufacturing the highest quality of these cotton knit gloves, as I can show from Government figures.

Mr. HITCHCOCK. All the statements made by the Senator from New York and his colleague here to-day have been to the effect that these goods have been produced abroad so cheaply that it was an outrage for the retailers to charge such enormous prices. So you can not expect the foreign price to be reduced. What you have to do is to reduce the selling prices of these retailers, who, according to your theory, are making exorbitant profits.

Mr. WADSWORTH. I think they are.

Mr. HITCHCOCK. You can not do that by increasing the cost of the goods.

Mr. WADSWORTH. I think both the importers and retailers will bring their prices down as soon as they have this competition. As long as they have no competition there is no incentive for them to bring them down, and they will charge whatever American women are willing to pay, and apparently they are willing to pay at a rate which gives the importer and the retailer combined more than 100 per cent profit.

Mr. LENROOT. Are there not a number of importers?

Mr. WADSWORTH. I assume there are a number.

Mr. LENROOT. Are there not great department stores in New York which import direct?

Mr. WADSWORTH. There are.

Mr. LENROOT. And they will continue to do so, will they not; and they will add this duty if they can, will they not?

Mr. WADSWORTH. Yes; if they can. Here is the situation of May 3, 1922, as to costs: Take this style of long glove which my colleague had on his desk a little while ago. The foreign value of that glove is $4 per dozen pairs. The landing charges are 15 cents. Supposing the $3 a dozen duty were left in this bill as originally proposed by the Senate committee, the duty would be $3 per dozen, and with the added length of that glove another duty of $1.30. It is 13 inches, at 10 cents an inch. So the total landed cost would be $8.45 per dozen pairs. That applies to these long-sleeved gloves. Let us give the importer 25 per cent profit on top of that, which would seem to be a reasonable profit. That would bring his price up to $10.56 per dozen pairs.

The comparable American article, which is made now, it is true, in very small quantities, instead of costing $10.56, including the 25 per cent profit for the importer, would cost $11.75, with no profit for an importer or a middleman included in that. So it is easy to see why the American manufacturers are not making any gloves here. It simply can not be done.

The committee originally proposed to give a rate of $3 a dozen pairs. They propose now to give $2.50 a dozen pairs, and so the difference in cost between the foreign-made glove and the American-made glove is widened by another 50 cents. If my recollection of that is correct, the duty under the second amendment, the last amendment of the Committee on Finance, amounted to 84 per cent ad valorem on that type of glove. Yet it does not equalize the cost of production by any means.

Along comes the Senator from Wisconsin and proposes that no duty shall be assessed of more than 75 per cent ad valorem.

Mr. LENROOT. Has the Senator any figures of American cost of production?

Mr. WADSWORTH. Just this figure from the Reynolds report.

Mr. LENROOT. That is the selling price. It is not the cost of production.

Mr. WADSWORTH. Perhaps not; but a statement conclusive of the whole thing is that the factories are closed.

Mr. LENROOT. But it does not follow that because the factories are closed there should be the difference the Senator states between the selling price and the import price in order to open the factories.

Mr. WADSWORTH. It means there is no profit left and they have quit doing business.

Mr. LENROOT. Under the present rates that is true, but it does not follow, I say again, that they need the rate proposed by the committee amendment to open the factories, because if they have a 50 per cent profit in that selling price they can run their factories at a less profit.

Mr. WADSWORTH. I would like to have that substantiated.

Mr. LENROOT. I am taking a hypothetical case. It includes profit, but we do not know how much profit there is in the selling price. That is the only point.

Mr. WADSWORTH. I can not see how there would be any profit in those selling prices, or else they would be running the mills.

Mr. LENROOT. Not under the present rates. What the Senator desires to know is how much of a rate is necessary to enable them to run their mills at a fair profit. We have not any information upon that subject whatever. Mr. Littauer, in the hearings, where he speaks very often about selling price, has not said one word concerning cost of production.

Mr. WADSWORTH. The selling price given is $11.75 per dozen pairs, and on that selling price the factories have closed. Apparently they can not get any more than that or they would get it.

Mr. SIMMONS. That is the wholesale selling price, is it not?

Mr. WADSWORTH. Yes; and in comparing that wholesale selling price of $11.75, under which American workmen are walking the streets and nine-tenths of the factories are closed,

with the price of the foreign article imported under the original proposal of the Senate committee with a duty of $3 per dozen pairs, plus a 25 per cent profit to the importer himself, I find that there is 75 cents advantage to the foreign glove even then.

Mr. SIMMONS. The Senator then is comparing the landing cost of the foreign article, plus the freight and plus the duty, with the wholesale selling price in this country.

Mr. WADSWORTH. Plus 25 per cent profit to the importer.

Mr. SIMMONS. Twenty-five per cent profit to the importer?

Mr. WADSWORTH. Yes; I gave him his profit.

Mr. SIMMONS. Does the Senator think that he is justified in comparing the landing cost of the foreign product, plus the duty, with the wholesale selling price? Does he think that is a proper comparison in fixing a tariff? We are talking about a comparison for tariff purposes. Is not the admitted comparison with the cost of production?

Mr. WADSWORTH. That is an entirely proper one, I will say.

Mr. SIMMONS. The cost of production in this country, as the Senator from Wisconsin said, does not seem to have been ascertained with any degree of accuracy. Mr. Littauer said it was $6.50, I think, and the Senate committee seem to have accepted that as the cost of production in this country, but there seems to be no evidence of it. That is the figure with which the Senator must make his comparison.

Mr. WADSWORTH. Of course, if I were making that kind of a comparison.

Mr. SIMMONS. I am not accepting that figure. I myself think that is far beyond the cost of production. That is what an interested, and a very deeply interested, witness stated was about the cost of production. There is where we make so much complaint of the committee. If they were going to adopt the cost of production theory of imposing a tariff, we complain because they did not make a more thorough investigation with the view of accurately and impartially ascertaining and determining the cost of production in this country, and then making a comparison with the foreign landed cost.

Mr. WADSWORTH. If the comparison were to be made upon the basis suggested by the Senator from North Carolina I should not add the 25 per cent profit which I have allowed to the importer.

Mr. SIMMONS. The Senator ought not to include any profit to the importer if he does not include a profit to the manufacturer. The cost of production does not mean manufacturer's profit and it does not mean wholesaler's profit.

Mr. WADSWORTH. Of course not.

Mr. SIMMONS. It means the actual cost of producing the thing—the labor and the material that go into it and any overhead connected with it. That is the proper basis, as I understand it.

Mr. WADSWORTH. The Senator may not like the point at which I made the comparison, but he can not deny that that point at least is a consistent one and he can not deny the comparison itself. I included the manufacturer's profit when I stated the selling price of the manufacturer, as I have included the importer's profit.

Mr. SIMMONS. The Senator said he allowed 25 per cent profit on the part of the importer. Now, the Senator does not know that the manufacturer's profit and the importer's profit are the same. The importer might have a profit of 25 per cent or might have a profit of 50 per cent or 100 per cent, and so might the manufacturer. If the Senator is going to include the manufacturer's profit——

Mr. WADSWORTH. But the Senator says "might."

Mr. SIMMONS. The point I am making is this: I am simply trying to get at a proper basis of comparison. In arriving at the cost of production we should not allow any profit to the importer or any profit to the manufacturer. It should be just the cost of producing the article.

Mr. WADSWORTH. I think the Senator nor anyone else will deny, when I state that $11.75 is the selling price secured by the American manufacturer for the glove which he makes, that it must include whatever profit there is, and there can not be any profit or he would be running his mills. They are closed.

Mr. SIMMONS. It includes the manufacturer's profit and includes the wholesaler's profit.

Mr. WADSWORTH. No; that is the selling price.

Mr. SIMMONS. Eleven dollars and seventy-five cents is the wholesale selling price?

Mr. WADSWORTH. It is the manufacturer's selling price, and he is making no profit.

Mr. SIMMONS. If the cost of production is $6.50 and he sells for $11.75 he must be making a very good profit.

Mr. WADSWORTH. If that were the fact his factories would be open.

Mr. SIMMONS. I am going to show the Senator that the Tariff Commission has given us data from which we are bound to conclude that the cost of production of the suède gloves is not over $6.50, or was not over $6.50 in 1918. That was during the war, when wages were extremely high, and when cotton was nearly twice as high as it is now. Here is what the commission said under the head of "Production":

Production values of various kinds of cotton gloves for 1918 were estimated as follows:

Then are given the different kinds of gloves, and we come to the item under discussion:

Suèded cotton gloves, $8,450,000 (1,300,000 dozen pairs).

That, according to my calculation, is $6.50 per dozen pairs. That was the cost shown by the Government statistics for the year 1918. Certainly the Senator would not say that it cost as much to make those gloves to-day as it did then. Cotton was higher then. The labor item has gone down somewhat—at least that is the general understanding.

Mr. WADSWORTH. Below the scale of 1918?

Mr. SIMMONS. I do not know about this particular industry, but I do know that cotton has gone down, and I assume the cost of producing this product is not now as much as it was in 1918. But assuming that the cost of producing the material is as much to-day as it was in 1918, during the war, if the manufacturer is selling these gloves at $11.75 per dozen, then his profit is the difference between $6.50 and $11.75. That is a very considerable profit, I believe.

Mr. CALDER. Mr. President, from what survey did the Senator quote?

Mr. SIMMONS. I read from page 886 of the Summary of Tariff Information, 1921, relative to the bill H. R. 7456. The Senator will find what I read under the head of "Production," beginning with the word "suèded" in the fourth line of that paragraph. He ought not to have any trouble in finding it.

Mr. CALDER. The Senator spoke of a production of $8,450,000 worth of gloves.

Mr. SIMMONS. That is what the commission said, that the production in that year was $8,450,000, and that the amount of production was 1,300,000 dozen pairs. If the Senator will make a calculation he will see that I am correct.

Mr. CALDER. If we divide one into the other it would give $6.50.

Mr. SIMMONS. That is what I said.

Mr. CALDER. But it does not give a definite statement concerning the cost of production.

Mr. SIMMONS. It is as definite as any statement given in the Tariff Summary. They are official figures.

Mr. WADSWORTH. Well, Mr. President, we can indulge in a contemplation of prices and costs——

Mr. SIMMONS. If the Senator will pardone me, the committee have accepted these figures, I think, in fixing the rate. If the Senator will pardon me further, I have the foreign value of these gloves given as $3.35. That is what the committee estimated, I understand. They give the landing cost at 15 cents and the duty to equalize $3, making a total of $6.50. The committee seems to have accepted it as the cost of production.

Mr. WADSWORTH. I have not discussed the cost of production in the United States. I have not had figures available. I am not quarreling with the committee for adopting $6 or $6.50 as the figure. I am not quarreling with the Senator from North Carolina if he doubts the accuracy of that figure. All I state is that, whatever the cost of production in the United States to-day, the factories are closed, the people are out of work, the industry is dead, and the foreigner is fast getting a monopoly of the market.

Mr. HITCHCOCK. Mr. President, I suggest to the Senator that there are a good many other industries in the country with which the foreigner has nothing to do and which are in a similar condition and have been for a year or two past.

Mr. WADSWORTH. But the foreigner has something to do with this industry.

Mr. HITCHCOCK. The foreigner has not anything to do with the closing of the copper mines in this country.

Mr. WADSWORTH. Because he does not export copper to the United States; he does export gloves to the United States.

Mr. HITCHCOCK. So the prostration of our industries need not be charged up to the lack of tariff. It is due to the depressed condition of the country.

Mr. WADSWORTH. But the people are still buying gloves.

Mr. HITCHCOCK. The people are still buying copper, too.

Mr. WADSWORTH. They are buying their gloves at higher prices.

Mr. HITCHCOCK. But they are buying cotton, too. The fact is we do not sell one-half of our cotton crop. The people are economizing. The people have been out of work. The people have been enjoying a degree of Republican prosperity for a year and a half or two years in this country. It is not only the factories that are in competition with Europe that are prostrated. It is the enterprises which have no competition with Europe which are in a prostrate condition.

Mr. WADSWORTH. And all under the Underwood-Simmons tariff law, which we are trying to get rid of, and which we will get rid of. The Senator indulges in some rather remarkable observations. He is trying to draw the inference, and to get away with it, that the prostration of the American glove-making industry is not due to anything except industrial depression, generally speaking. If that were so, why has the foreign importation trebled, quadrupled, and quintupled within two years? The people are buying gloves, but they are buying them from the foreigner, who has driven the American producer out of the market. That is the cause of the depression in the glove industry, and the Senator must know it. The figures on their face prove it.

Mr. HITCHCOCK. The glove industry is like other industries of the United States; it can not possibly be prosperous when our international commerce is cut in two each year. For the year just closed our international commerce was but one-half what it was the year before, and for the year before that it was $2,000,000,000 less than what it was the previous year. The administration is not doing one thing to stimulate our foreign commerce upon which our prosperity depends. This country is prostrate and in the midst of a depression because we have not been able to sell our surplus products abroad, and instead of opening up a market in the world for the sale of those products Senators on the other side of the Chamber are trying to build a tariff wall around the country which will not only keep out imports but will prevent our exports from going out.

Mr. WADSWORTH. Well, Mr. President, the Senator from Nebraska is inviting a general political discussion here in which I do not intend to indulge. I am anxious to conclude very quickly.

Mr. LODGE. Mr. President——

The PRESIDING OFFICER (Mr. WILLIS in the chair). Does the Senator from New York yield to the Senator from Massachusetts?

Mr. WADSWORTH. I yield.

Mr. LODGE. I wish merely to make the point that the decline in foreign commerce is less in the case of the United States than in the case of any other country. In all the countries abroad the foreign commerce has declined more and business has revived less than it has in the United States. I have heretofore put the figures into the RECORD in reference to that matter.

Mr. WADSWORTH. Mr. President, I think I have sufficiently discussed the pending question.

Mr. HITCHCOCK. If the Senator from New York will permit me, I desire to say that I do not admit the accuracy of the figures presented by the Senator from Massachusetts.

Mr. LODGE. I did not suppose the Senator would admit that, but they are the figures of the Department of Commerce.

Mr. HITCHCOCK. No; I do not admit their accuracy. The trouble with the Senator from Massachusetts was that he made his comparison of present conditions with those in the last year of the operation of the Payne-Aldrich law. Of course, compared with that year our present trade is better, but the Senator should properly make the comparison with the years of the Underwood law. The Senator has made a comparison with the tariff year in 1913, which was the last year of the Payne-Aldrich law——

Mr. LODGE. And the first year of the Underwood law.

Mr. HITCHCOCK. And, of course, the showing was bad, because the Payne-Aldrich law was a failure.

Mr. LODGE. It was the first year also of the Underwood law, which was likewise a failure.

Mr. HITCHCOCK. The Underwood bill did not pass until the 1st of October of that year; so that there were 10 months of that period under which the Payne-Aldrich law was in operation; and, of course, the showing was bad.

Mr. LODGE. It does not matter particularly which law was in operation. The point is that, taking as a comparison the trade of all countries, our foreign trade, imports and exports combined, exceeds to-day that of any other country; and we have revived from the depression of 1921 more than has any other country. The fact is the trade of the whole world is depressed by causes which go far beyond the tariff of any country.

Mr. WADSWORTH. Mr. President, I think I have discussed this question long enough, and I do not intend to continue it, except merely to say that I believe this is an industry which we should preserve. I do not like to see a successful effort of this kind come to naught. It did fill a need during the war; it is an industry that we ought to maintain in this country. We should not be dependent upon the foreigner for all our supplies, and I believe that the only way to protect the industry—and that is all I ask—is to impose a duty which will equal the difference in the cost of production here and abroad.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Wisconsin [Mr. LENROOT] to the amendment reported by the committee.

Mr. SIMMONS. Mr. President, I do not wish to enter into any extensive discussion of this paragraph. I wish to put in the RECORD, however, some letters which I have. I shall not read them, because I do not wish to take up the time of the Senate for that purpose.

There are two or three fundamental facts connected with this question which I think ought to be clearly set out in the RECORD, and it is for the purpose of doing that, and for that purpose alone, that I rise.

First, it is a fact which I think no one will dispute, that the present German landed price, which it is stated is so extremely low that the American manufacturer can not possibly compete with it, is to-day twice what it was in 1914, the last normal year before the war. I do not wish that that fact shall rest upon my statement alone; I want it to be clearly established, because I think that Senators on the other side of the Chamber will find it very difficult, indeed, to contend that we must have a higher duty than that of the Payne-Aldrich law or that of the present law in order to enable us to compete with the German manufacturer, when the German is now selling his product in this market for twice as much as he sold it for during the life of the Payne-Aldrich law and during the life of the Underwood law up to the time the war began.

I wish to read into the record, as supporting that statement, the data concerning this kind of glove given by the Tariff Commission under the head of imports. Imports of cotton gloves during the fiscal year ended June 30, 1914, were 1,523,784 dozen pairs, valued at $2,184,039. These were mainly women's suède gloves from Germany. That was the price upon which the duties were paid to the Government; so that there can be no doubt about the price at which these goods were invoiced and imported into this country.

I have the calculation here, Mr. President, from which it is apparent that the sale price upon which the duties were paid to the Government during 1914 was $1.42. In 1921 the imports were 813,604 dozen pairs, valued at $2,727,478, or $3.35 a dozen pairs. That is a great deal more than twice as much in 1921. In 1922 the price was still further advanced, and the average was $4 a dozen pairs. So the foreign price has more than doubled; indeed, almost trebled what it was under the Payne-Aldrich bill and under the first nine months of the Underwood law.

Here the facts are entirely different from the facts that have been presented to us with reference to the German price of other commodities on which high duties have been imposed. It has been contended, and in many instances it has been shown, that the German price of the product sought to be protected was below the pre-war price, or, if not below the pre-war price, about the pre-war price; but here is a product the foreign price of which is from two to three times as much as it was before the war; and still it is said that we must have these high rates of duty in order to enable the American manufacturer to compete.

Mr. President, I think I can show what is the situation here. There is no trouble, in my judgment, about competing with Germany in the manufacture of these gloves. The only difficulty is that we have never been able to apply the suède process as the Saxons have been able to apply it. We have not learned their process. It is a process which adds very great value to the glove. If we could learn the art of this process and employ it skillfully, probably the cost of applying the method would be very slight; but we have not been able to do it; and for that reason, Mr. President, our gloves are not quite so attractive to the American trade as are the imported gloves.

I have here a long letter from Mr. Kayser, who says that he manufactured these gloves during the war, and sold them in immense quantities because then we could not import any gloves from abroad; but he says that in nearly every instance his customers said that they much preferred the foreign glove, because our manufacturers could not give them the gloss and the finish which the foreign glove has; and I think that is really the trouble about this manufacture.

I think I will put this letter of Mr. Kayser's in the RECORD, because it is a very thorough discussion of this subject, and he shows why he, as the biggest single manufacturer of these

gloves in the United States during the war, has gone out of the business, but, he says, not at a loss; he has simply transferred his force in that factory to the manufacture of silk gloves. I also desire to insert in the RECORD a letter on the same subject from the firm of Wimelbacher & Rice, of New York City.

There being no objection, the letters referred to were ordered to be printed in the RECORD, as follows:

NEW YORK, *January 10, 1922.*

Hon. FURNIFOLD M. SIMMONS,
Senate Finance Committee,
Washington, D. C.

SIR: We respectfully submit the following statement for your consideration in relation to the rate of duty on cotton fabric gloves, the fabric of which is made on warp machines.

Prior to the war, with the exception of a very small quantity of men's fabric gloves, which were used by policemen and for military purposes, there were practically no fabric gloves made in this country. We were large manufacturers at this time of silk gloves, with a capacity production of approximately 750,000 dozen per year. We were importing cotton gloves from Saxony at the rate of about 500,000 dozen per year.

At various times prior to 1914 at considerable expense and effort we endeavored to manufacture fabric gloves in this country. We found that it was not so much the cost of production as the difficulty in obtaining a satisfactory fabric in finish and quality that prevented our developing the cotton-glove business in this country. Whether this was due to lack of knowledge in dyeing or finishing or general handling of the product, we are not in a position to state, but such experiments which we did develop convinced us that the article was one which could not be made, regardless of price, to give the customer the same amount of satisfaction as the German product.

With the outbreak of the war we again endeavored to manufacture these cotton gloves and manufactured them to a very large extent, investing a large amount in machinery and building for this purpose alone. We manufactured over 3,500 dozen a week, which were sold only because the imported product was unobtainable. The 12,000 accounts to whom we distributed our product were almost unanimous in stating to us during this time that they much preferred the imported article.

These gloves had always been very popular prior to the war because of this peculiar finish and general satisfactory wear which the imported article gave. The individuality which these imported gloves have can be largely attributed to the special skill which the Saxons have acquired, due to the many years of training, heritage, and dyeing facilities peculiar to this industry.

Glove making requires more skill than any other industry in the wearing-apparel field. This condition has been brought about due to the demand which the public has made upon the manufacturer for a perfection in fit which can only be developed by operatives who have a particular special talent for this kind of work. Naturally the number of employees engaged in this industry has been and still is limited, and even under present conditions it does not attract new hands, with the result that during the war period when we tried to develop a cotton-glove business in this country approximating a capacity of 3,500 dozen a week, we were obliged to draw upon our silk-glove operators to a large extent in order to make these gloves, with the result that our silk-glove production of approximately 15,000 dozen a week was called upon to supply the hands to make the cotton gloves.

We mention this fact for the reason that under normal conditions practically all the labor that has been employed in the cotton-glove industry can be absorbed by the silk-glove industry, thereby causing no unemployment.

Just at present, with economic conditions unsettled, no industry is absorbing full production, but we feel that under anything like normal conditions the silk-glove industry of this country, which practically supplies the world with its product, will readily absorb such hands who at present are not employed in the cotton industry.

Having had the experience of manufacturing cotton gloves of all kinds in this country during the past five years, and having been importers prior to the war of practically 35 per cent of all the gloves exported by Germany to this country, we believe that the Payne-Aldrich duty of 50 per cent made it possible for the domestic manufacturer, if he could develop the skill, to compete. We are certain that no duty, however, can develop the skill for reasons above cited, and that in the end the 10,000,000 or 12,000,000 wearers of cotton gloves will be obliged to buy an inferior article at a high price if the duties are placed so high as to make the importation of cotton gloves prohibitive.

We have made a very careful survey of the industry in its branches, and even though we expended a large amount of money in plant and machinery for the development of this industry from 1915 to 1920, we were convinced that regardless of price we could not produce an article of as good quality, fit, and finish in this country as the wearer could secure from the imported article.

We found no difficulty in absorbing in other branches of our business the help that was formerly employed in our cotton-glove departments. The only loss which we have taken has been the expansion in building and certain kinds of machinery which are only adapted for cotton manufacturing. We have done this during the past 18 months under most unfavorable conditions, and must repeat that the importation of German gloves will in no way affect the employment of any large percentage of those engaged in the industry.

Male labor so employed has been relatively small, inasmuch as the warp machines used for cotton manufacture are easily changeable into silk weaving, and have been so absorbed. Such male help as has been employed in cutting of cotton gloves has been transferred to cutting of silk gloves and kindred lines.

The female help has been absorbed in the manufacture of silk gloves and kindred lines. In other words, there has been no lack of employment in our mill due to the recent importation of cotton gloves and the discontinuance of our manufacturing cotton gloves in this country.

These imported gloves have been referred to in the statements made to the Senate Finance Committee as "chamoisette," according to reports in the public press. Their origin, however, should be explained. They are cotton gloves and were developed abroad and extensively worn in this country, as well as practically every other civilized country. The word "chamoisette" was copyrighted by us and registered at every customhouse in the United States. Others import this glove under different names.

Due to the moderate price at which it can be sold, the article has become indispensable for the mass of men and women of this country. To prohibit its importation by an exorbitant rate would be to compel the consumer to buy a glove inferior in appearance and finish and to pay double or more for it merely for the protection of an industry which during the war was in the hands of practically five or six concerns who endeavored to make this article as an addition to their regular lines of leather or silk gloves, but who apparently could not put it on the market at a reasonable price.

A "chamoisette" glove which prior to the war retailed at $0.25 per pair cost in Germany 4½ marks, less 5 per cent discount, equal to $1 per dozen, and in August of this year when exchange was approximately $0.015 they cost 125 marks, or approximately $1.87½ per dozen. For spring, 1922, delivery the foreign price demanded is in dollars, not in marks, and is from $1.85 to $2.

The rate in paragraph 914 of the Fordney bill, i. e., 40 per cent on the American selling price, or, for example, say, the price which the importer would be compelled to sell his merchandise at would be as follows:

Foreign value	$1.875
Freight, insurance, and other expenses, say, at a minimum, 5 per cent	.094
Total	1.969
Duty (40 per cent on selling price, $5.62½)	2.25
Gross profit (25 per cent on selling price, $5.62½)	1.406
Selling price	5.625

So that the rate of 40 per cent on the American selling price is equal on the foreign value to 120 per cent, as follows:

Duty ($2.25) divided by foreign value ($1.875) equals 120 per cent.

And the fact that the gloves cost abroad nearly twice as much as before the war should not be overlooked and is a fact which can be verified by the records of the customhouse.

Much has been said regarding the low price of German gloves which hardly conforms to the facts. The present price of these gloves in Germany, reduced to dollars from the mark value at the date of purchase at the current rate of exchange, is from 75 to 100 per cent higher than the pre-war prices; in fact, a larger percentage of increase in price than the percentage of increase which we are obliged to-day to demand for our silk-glove products made in this country. In other words, we are obliged to-day to sell cotton gloves at an advance from 75 to 100 per cent over the pre-war price, whereas silk gloves of domestic manufacture are being sold at a rate of between 50 and 60 per cent over the pre-war prices.

To attempt to fix an excessive permanent tariff rate to last for years because of shifting conditions as they exist to-day is illogical and unwise, as may be seen from the fact that at the present time purchases of cotton gloves in Germany for future delivery must be made in dollars, by which the uncertainty caused by fluctuations in exchange is eliminated.

Again, we would direct your attention to the dollar price paid abroad, which is about double the pre-war price of this same article.

In conclusion, therefore, let us repeat that in order to protect five or six small industries, which, in our opinion, employed not over 5,000 people at their peak of manufacture during the war, over 12,000,000 men and women will be obliged to pay an excessive price for an inferior article if the pending tariff bill becomes a law. We believe that a normal importation of German gloves will in no way effect any unemployment for the reasons as stated above. The normal leather and silk glove manufacturing before the war and which was intensified very largely during the war has always suffered from a lack of skilled labor, this because of the peculiar difficulties and hardships upon the operator to acquire the skill necessary to produce a glove.

This company has been in business for 40 years, has net assets of approximately $10,000,000, and employs over 8,000 hands in this country in its various branches at Brooklyn, Amsterdam, Sidney, Walton, Bangor, Oneonta, Owego, Cobleskill, Palatine Bridge, Hornell, and Monticello.

Yours very truly,

JULIUS KAYSER & CO.,
W. A. SHAKMAN,
First Vice President and General Manager.

NEW YORK, *June 18, 1922.*

Hon. FURNIFOLD MCL. SIMMONS,
United States Senate, Washington, D. C.

MY DEAR SIR: We have noted in the press that an amendment has been offered on the floor of the United States Senate to change the rates on cotton gloves in the new tariff bill, paragraph 914, H. R. 7456, from the extremely high rate of $3 per dozen to a rate conforming more to the demand of the times.

Let us call your attention to the following facts: This high rate will affect mostly the popular two-clasp cotton gloves, which were sold throughout the United States under the Payne-Aldrich tariff bill at 25 cents per pair. The present retail price for this same article under the Underwood tariff bill is 50 cents per pair. This advance in price is caused by the increased cost of the imported article.

If the proposed Senate rate becomes a law, this same article would have to be sold at a dollar per pair. In other words, the proposed Senate rates are three times that of the Payne-Aldrich tariff. The Payne-Aldrich tariff bill provided a rate of 50 per cent, whereas the Senate Finance Committee schedule proposes about 150 per cent. The wholesale selling price would have to be $7.50 per dozen and the retail selling price would be from 85 cents to $1 per pair.

The people of the United States are demanding a lowering of living costs instead of increasing them, and the quicker this fact is realized and acted upon the better it will be.

Goods of this particular character are worn mostly by the masses, who are now groaning under the burden of high prices, and we think action should be taken toward eliminating high tariff rates on goods which are worn by the masses, who are now forced to economize to overcome the high living costs.

We ask you to support the amendment introduced by Senator LADD to have these rates reduced, and we would be pleased to see you vote for this amendment when the proper time comes.

Very truly yours,

WIMELBACHER & RICE.

Mr. SIMMONS. Mr. President, right there is a remarkable thing. We are the world's greatest manufacturers of silk gloves. We undersell the world on silk gloves. We even invade the German market in the sale of silk gloves. I want to read what Mr. Littauer said about that in his testimony before the committee:

> We have been able to make the best silk glove in the world. Germany can not compete with us at all. * * * We have the silk-glove trade of America wherever good silk gloves are wanted. We have it even in Germany and in England.

Mr. President, as I said, it is a fact that the same kind of labor enters into the manufacture of silk gloves as into the manufacture of cotton gloves, and it is difficult to understand why we can compete with Germany in this market and in foreign markets on silk gloves and yet in this market we require an exorbitant rate of duty in order to foster the manufacture of cotton gloves. There is not anything in the cost of production that interferes with our competition. It is simply because there is one little thing that gives artificial value to the glove made by the highly trained workmen of Saxony, who have been engaged in this business from time immemorial, whose fathers were in it, who have inherited the skill, and who have been trained and who have discovered a new method of finishing it, called suèding, that we can not imitate and have not been able to imitate. Mr. Kayser recognized that, and he said that it had been demonstrated that until we could acquire the knowledge and the skill necessary to apply this finish it would be utterly impossible for us to compete with Germany in this market, it did not make any difference what duty we might give, short of prohibition, because the American preferred the foreign glove to the American glove even at a higher price.

During the war, when we could not get these foreign gloves, when there was an embargo, the manufacturers of silk gloves and other cotton gloves began to make these suède gloves in this country, or attempted to make them. I have seen some of them. They do not compare with the foreign glove in finish and polish and luster and things of that sort. They were enabled, however, to command the American market because of the embargo. The American had gotten accustomed to that glove. He liked it, even though the quality was inferior, and he recognized it. He bought it because he could not buy anything else of a like character. He bought it, and the price at which the manufacturer claimed that it was produced was $6.50 a dozen. That was his manufacturing price, and his selling price probably was about $12 a dozen. That is shown by the statistics that I have read. That was the price at which he was selling this product under embargo conditions—$6.50 as the manufacturer's cost and $12 as the manufacturer's selling price.

Mr. President, what is sought to be accomplished in this bill is, by the imposition of this duty, to reestablish in this country the identical conditions which existed in 1918, when we had this enforced embargo which kept out the German product, kept out all foreign products, and enabled the American manufacturer to produce and sell at his own price. Am I right about that? The cost of production claimed by the manufacturer in this country is $6.50, the very identical fact that was found by the Tariff Commission as having been the price charged in 1918, when they had an embargo and a monopoly of this product in this country. Now the committee select that as the present manufacturer's price, and they proceed to build up the foreign price to the same amount—the manufacturer's price in 1918, when this embargo condition existed. How do they do it? They estimate the foreign value to-day at $3.35. That was correct. That was in 1921. It is not correct now. It is $4 now; but this bill was written on the basis of August, 1921, prices, and they have not changed it, notwithstanding those prices have gone up. They took the August, 1921, price, $3.35; landing cost, 15 cents; duty required to equalize, $3 a pair. Add them up and you get $6.50. So that they are imposing here a duty that will create an artificial tariff embargo just as effective and just as protective as was the war embargo of 1918.

What does that mean, Mr. President? It means that this rate is written with the intent of protecting the American producer of this article against foreign competition upon the basis of war prices and that as long as this bill remains in effect the American people will have to purchase these goods upon the basis of war prices of production, notwithstanding the fact that the war prices of production of articles of this character have necessarily diminished since the war by reason of the decline in the price of the materials out of which the articles are produced and by reason of the decline in the wages paid. If there has not been a decline in wages in this industry, do not doubt that as soon as this industry is put upon its feet by the establishing of this new embargo the manufacturers, without reducing their prices one whit, will begin the process which is going on throughout the country of forcing a reduction in wages.

Mr. President, the rates of the present bill, even when scaled down, will, I imagine, be something over 100 per cent. When I say "scaled down," I mean by the new proposal of the committee. I think they are excessive; and while if the Senate saw fit to adopt some considerable increase as an emergency measure for the purpose of giving these people another opportunity to see if they could successfully produce this product in competition with Germany or other countries it might be justified; to write it into a permanent tariff is, to my mind, absolutely indefensible.

I shall therefore take very great pleasure in supporting the amendment of the Senator from Wisconsin [Mr. LENROOT]; and if I could get it lower I should be glad, if that amendment is defeated, to support the amendment of the Senator from North Dakota [Mr. LADD].

Mr. LENROOT. Mr. President, just one moment. I want to place in the RECORD a statement for the benefit of Senators who were not here when I spoke earlier in the day.

This amendment on the $2.10 glove will reduce the ad valorem rate from 119 per cent to 75 per cent. Upon the $2.50 glove it will reduce it from 104 per cent to 75 per cent. Upon the $4 glove it will reduce it from 92½ per cent to 75 per cent.

I ask for the yeas and nays upon my amendment.

Mr. LADD. Mr. President, I had intended to offer the amendment that I announced in April that it was my intention to offer to lower the rates; but inasmuch as the Senator from Wisconsin [Mr. LENROOT] has offered an amendment, if that prevails I shall withhold my amendment.

I sincerely hope that the amendment offered by the Senator from Wisconsin will prevail, for I have felt since I proposed this amendment in April that the rates were altogether too high. The further I have gone in the study of this proposition the more I have become convinced that the rates are unnecessarily high.

Mr. SMOOT. Mr. President, yesterday considerable time was occupied in discussing the rates in this paragraph. The samples of gloves that I had, together with the foreign costs, justified the rates that were reported to the Senate. The average rate under the samples of gloves that I had which were imported into the country would not have been more than about 84 per cent; but since the committee report was made there has been put into my hands a suèded cotton glove the invoice price of which was $2.10 a dozen. With a rate of $2.50 on that suèded glove, an 11-inch glove, it is true that the rate is 119 per cent, and I made a statement this morning correcting the statement that I made yesterday, because at that time I knew of no suèded gloves that came into the United States which were sold at anywhere near the price of $2.10 per dozen. I think myself that the rate of 119 per cent is too high on that class of glove.

I want to say, therefore, that if the committee had the amendment to consider again it is my opinion that there would be a modification of that rate; to what extent, I can not say at this time; but I do feel that as long as it has been developed that in this year a suèded glove can be imported into the United States at $2.10 a dozen, a rate of $2.50 seems excessively high.

Mr. WADSWORTH. Mr. President, it is apparent that the Senator had not encountered this particular type of glove, and it was unexpected to him, and perhaps to other members of the Committee on Finance. It is apparent that the Senator believes that further amendments should be made to this paragraph. The Senate Committee on Finance undoubtedly gave a great deal of study to this; in fact, I know they did, because I was with them a part of the time. It is certain, in my mind, that the committee did not believe that 84 per cent ad valorem was too high a rate upon any of the gloves which would fall under the $3 or $2.50 per dozen pair category.

Mr. SMOOT. As to that price of glove, I think that is absolutely correct.

Mr. WADSWORTH. I do not know whether my mind is traveling faster than that of the Senator, but the Senator from Wisconsin has offered an amendment which will limit the rate to 75 per cent, which is very seriously below some of the rates which the committee thought were wise——

Mr. SMOOT. On the cheaper glove.

Mr. WADSWORTH. On the cheaper glove; leaving out of consideration the 119 per cent ad valorem glove to which the Senator has referred. Does the Senator think it would now be a reasonable proposal, in view of this situation, that the limitation suggested by the Senator from Wisconsin be made 85 per

cent instead of 75 per cent? And that would be lower than the rate the committee has already adopted.

Mr. SMOOT. Of course, with the small production which has been taking place in the factories in America of late, the overhead expenses must be terrific. It could not be otherwise. That being the case, that cost must amount to, perhaps, 30 or 40 per cent of the labor cost. With the mills in full operation, and the overhead expenses being no more than to-day, if we made 80 or 90 per cent of all the goods consumed in this country, instead of 10 per cent, of course the cost of the manufacture of the glove would accordingly be reduced as the amount of production was increased. I would like to arrive at a rate which would allow our manufacturers in the United States to produce the goods consumed in this country, and at the same time reduce the cost of producing goods in this country through the overhead expenses being reduced. It may be that 75 per cent would take care of this class of goods, if they make the goods to the full amount of the consumption of the American people. I have no doubt as to that. But, if the 75 per cent rate meets that particular class of gloves it will rest entirely with the American manufacturer as to whether he will reduce the cost of the goods.

Mr. POMERENE. Is not this also true, that all of the figures and estimates which have been presented this afternoon are based upon data relative to wage and other conditions which prevailed in 1921, and looking at it from the standpoint of the American manufacturer, are not labor conditions both here and abroad more favorable than they were in 1921? In other words, the wages in Europe reduced to a gold basis are higher now than they were in 1921, and the wages in this country are substantially lower; at least they have been reducing wages here.

Mr. SMOOT. A few of them have made a 10 per cent reduction, and I think before we got to producing gloves in the United States so as to meet the demands of the American people at a price at which the American people will buy them there will be still further reductions in some of the wages paid. I called attention to the fact that they were paying as high as $105 a week in some of the hosiery mills. I claim that under conditions existing in the world to-day that wage can not be justified. That means over $5,000 a year, if they were continuously employed.

Mr. ROBINSON. What class of employees are paid at that figure?

Mr. SMOOT. The knitters, those running the large knitting machines on which they make the knitted hosiery.

Mr. ROBINSON. Would that be uniform, or the average wage paid?

Mr. SMOOT. I suppose that would be the higher wage paid for men who run the larger machines. I do not mean that would be the wage of the sweeper. I mean that that is the wage of the mechanic.

Mr. HITCHCOCK. Do the figures show that there is any higher labor cost now than there was in 1919?

Mr. SMOOT. No; but the prices of the goods of 1919 are quite different from those of to-day.

Mr. HITCHCOCK. I see from the census report that the labor in the glove industry at that time amounted to about $6,000,000 out of a product of $28,000,000.

Mr. SMOOT. That is the percentage of the labor in the goods.

Mr. HITCHCOCK. What is this tariff to protect against? Is it to protect against the difference in the cost of labor?

Mr. SMOOT. Partly. For instance, I think wages here are ten times the wages they are paying in Germany to-day in this industry on the basis of the gold mark.

Mr. HITCHCOCK. The other day I introduced some figures which showed that the increases in the wages of the German laborer have been rapid during the last year and a half, and are still going on, so that the cost of production is increasing there. In the case of gloves such as we have seen exhibited here, what percentage is the labor cost of the total cost of the glove, according to the committee's information?

Mr. SMOOT. I do not think the committee have found the exact labor costs. In fact, I am quite sure I do not know it. I have a report here which pretends to show the difference.

Mr. HITCHCOCK. If we can depend on the census reports at all it amounts to only about 25 per cent. Here is a tariff of over 100 per cent proposed.

Mr. WADSWORTH. The Senator from Ohio put the figures as to labor in the RECORD the other day, both as to Germany and the United States.

Mr. CALDER. I have indicated the labor cost in America, fixing the cost of manufacturing a dozen pairs at $5.65 and the labor cost $1.82.

Mr. POMERENE. The figures I gave were for 1921.

Mr. HITCHCOCK. What is the percentage of labor cost in the manufacture of the gloves?

Mr. SMOOT. It is about 33 per cent.

Mr. CALDER. Thirty-eight per cent, according to the figures submitted by the Senator from Ohio.

Mr. HITCHCOCK. How can they demand 100 per cent protection when the total cost of the labor is only 38 per cent the total cost?

Mr. CALDER. The figures submitted by the Senator from Ohio would indicate that it would cost $2.48 more to manufacture a dozen pairs of gloves in this country than in Germany, without profit to either side.

Mr. HITCHCOCK. It is claimed that this tariff is necessary in order to compensate for the difference in the cost of labor in the two countries, but the total cost of labor is only 38 per cent.

Mr. SMOOT. That is on the American price, not the foreign price. That makes all the difference in the world.

Mr. HITCHCOCK. If the total cost of labor is only 38 per cent, what is the difference between the German cost and the American cost? It can not be 105 per cent.

Mr. SMOOT. It could be more than the 105 per cent, considering the difference in the selling prices of the goods in this country and in Germany. That depends on the cost of making the goods in this country and the cost of making them in Germany. There is no doubt but what wages in the United States in this industry are ten times what they are in Germany, or an increase of a thousand per cent. There is no doubt about that.

Mr. HITCHCOCK. Does the Senator assert that the cost in this country is ten times as much as in Germany?

Mr. SMOOT. I say that the wage cost is ten times in this country what it is in Germany.

Mr. HITCHCOCK. The Senator surely can not seriously consider a statement of that sort. It is impossible.

Mr. SMOOT. I have a report from our Department of Commerce which will substantiate that, and even more than that, if the wages in this country remain what they have been in the past few years.

Mr. HITCHCOCK. I do not see how the Senator could possibly justify such an extravagant statement as that.

Mr. SMOOT. I do not make it upon my own knowledge. I make it upon a statement prepared and submitted by the Department of Commerce of the United States.

Mr. HITCHCOCK. What is the cost of this glove the Senator is speaking of, in which the labor cost is 38 per cent?

Mr. CALDER. According to the figures submitted by the Senator from Ohio, the cost of manufacturing a dozen gloves in this country is $5.65 as against $3.17 in Germany. May I add, for the information of the Senator from Nebraska, that the other day when in New York I discussed the question of wage costs in Germany in this country with Mr. Dodge, president of the Mergenthaler Linotype Co., which has a factory in Brooklyn, and which also has a factory in England, and one in Berlin. He does not ask for any duty—in fact, we do not give any—because he manufactures in Europe all that is demanded in Europe. He told me that to his machinists in Berlin he was paying $4 a week as against $34 a week for the men doing the same kind and amount of work in Brooklyn.

Mr. HITCHCOCK. Mr. Dodge in that case must have had some very extraordinary figures. It is very definitely known that the purchasing power of the mark is twice as much as the value of the mark in the international exchange. Of course I admit that the German laborer heretofore has been working for extraordinary low pay, because of the great subsidies which the German Government has been paying labor; but about a year ago the German Government began to withdraw those subsidies, and the wages of German labor have advanced until at the 1st of July they were twenty-eight times, in German money, what they were before the war, and they are still going up. American wages, as we know, are coming down.

Mr. CALDER. The wage rate I have given is as of the month of June of this year.

Mr. HITCHCOCK. They are impossible figures.

Mr. CALDER. On the gold basis.

Mr. SMOOT. Mr. President, I want to say to the Senator from Nebraska that the wages reported by the Department of Commerce were such that I did not want to use the figures, nor do I want to now, until they are rechecked. I could hardly believe them. But when I do get them rechecked I want the American people to know what they are.

Mr. HITCHCOCK. The Senator perhaps recalls that the other day I introduced a report from the Department of Commerce showing the German wages, how they had been increased there

in three or four months, until they are now up to twenty-eight times, in German money, what they were before the war.

Mr. SMOOT. In German money?

Mr. HITCHCOCK. Yes.

Mr. SMOOT. But I am figuring everything upon a gold basis, and my request of the Department of Commerce was to give me figures on a gold basis. I do not want to use the figures I got from them until they have been rechecked, because they are almost unbelievable.

Mr. HITCHCOCK. I think they are entirely unbelievable.

Mr. SMOOT. I want to say to the Senator from Nebraska that the wages here are more than ten times as great as those paid in Germany.

Mr. HITCHCOCK. Mr. President, I took some pains the other day to show the change going on in Germany with relation to the pay of labor, and the figures I gave were from the Department of Commerce. Most of those figures showed that, beginning a year or more ago, the pay of German labor, in German money, has been rising steadily and rapidly. I admitted it had not risen as fast as the international value of the German mark had fallen, but I showed it had been multiplied twenty-eight times in one year. I also showed that the German mark has a much greater purchasing power in Germany, probably twice that which it has in international exchange, so that German labor for that reason has been kept reasonably quiet. But I showed also that Germany has been paying great subsidies to labor to keep the wages of labor down.

In the first place, it has been compelling the landlords in the cities to refrain from increasing their rents. So that the German laborer heretofore has been paying out for rent only 2 per cent of his income instead of 20 per cent, as he did before the war. But that can not last any longer. Landlords are becoming bankrupt, and that plan has to be abandoned.

The German Government has been paying to the German laborer a subsidy called the bread ration. It has been commandeering 20 per cent of the wheat raised on German farms and putting it into bread and selling it to the laborer at one-half its cost. It has been importing wheat from other countries and putting it into the bread ration and selling it to the German laborer at one-half its cost. But a few months ago Germany had to cut that subsidy in two, and undoubtedly will wipe it out altogether. Germany has been paying a subsidy to labor by prohibiting the public utilities in the various cities, which furnish gas, run street cars, furnish electric light and water, from raising their rates. So that the German laborer has been getting all those services practically as he got them before the war, and therefore has had a reduced cost of living.

In order to compensate the German municipalities for the great subsidy to labor, the German Government has been paying to those communities vast sums of money, 400,000,000 marks to Berlin in one year and 400,000,000 marks to Hamburg in one year, for instance. The result of the German Government paying those great subsidies to labor through the municipalities has been to create a great deficit in the German budget, and Germany now has been compelled to abandon the plan because the other countries in Europe, creditors of Germany, have been demanding that the budget be balanced. I have shown those figures for the purpose of indicating that German labor is bound to have increased wages, and that wages are increasing at the present time, whereas we know in the United States that the wages of all classes of labor are being constantly depressed.

Mr. POMERENE. Mr. President——

Mr. HITCHCOCK. I yield to the Senator from Ohio.

Mr. POMERENE. I have an issue of the Daily News Record of Tuesday, June 27, 1922, containing a very interesting article in it from Chemnitz, where most of these gloves are manufactured. If the Senator will permit me, I should like to read just a paragraph to support what the Senator has been saying.

Mr. HITCHCOCK. I shall be glad to have the Senator do so.

Mr. POMERENE. The paragraph to which I refer reads as follows:

> The fabric and knit glove industry of Chemnitz is already reported to be in a bad way, although there, too, some of the makers still have an appreciable volume of business on hand left over from the early months of this year. However, scarcely any new orders are coming to these factories, and it is declared business is now as bad as it ever was before or threatens to be in the near future. Prices for Chemnitz-made fabric gloves have gone up by 30 per cent within this year, and further increases have been prevented, so the manufacturers say, by the realization that there has to be a limit somewhere even if the workers know none. High wages are declared to be mainly responsible for the dullness, but the underlying reason can readily be assumed to be the fact that both foreign and inland consumers and customers of the Chemnitz factories consider the present prices too high, saying the profits made by the manufacturers are excessive. Such charges are, of course, indignantly repudiated, and the chief blame is thrust upon high cost of raw materials, high wages, and a bevy of similar high expenses, which are still doing their utmost to drive prices skyward.

I quote this as indicating that prices of German-made goods are constantly advancing, and for that very reason there is not the necessity now for the high duties that there was last year.

Mr. SMOOT. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Utah?

Mr. HITCHCOCK. I yield.

Mr. SMOOT. The statement just read by the Senator from Ohio demonstrates conclusively that notwithstanding the raises in price that he speaks of, the prices of to-day have closed all of the plants of the manufacturers in the United States who manufacture this class of gloves. They are making no gloves. Their factories are closed. Even with the advance of prices they are closed. I do not understand the article, I will say to the Senator from Ohio, because I know that German manufacturers have canceled numerous orders which had been taken and refuse to fill them. I refer to orders for gloves and other cotton goods.

Mr. POMERENE. I did not read the entire article, but it gives a possible explanation in that the very high rates of duty are threatened, and they are afraid they can not produce the gloves so as to get them over here before the higher rates go into effect. That is one reason.

Mr. SMOOT. That may be a kind of advertisement. The Senator from Nebraska said, as I understood him, that wages had increased twenty-eight times over and above the wages paid before the war.

Mr. HITCHCOCK. As of the 1st of July.

Mr. SMOOT. Does the Senator know how much the mark has decreased?

Mr. HITCHCOCK. Yes; it is about twice that.

Mr. SMOOT. Twice. If the mark were worth one-fifth of a cent, it would be one hundred and nineteen times. It is worth eighteen-hundredths of a cent. That was the last quotation. But suppose it is twenty one-hundredths of a cent, or one-fifth of a cent, remembering that the mark before the war was worth 23.80 cents, that would be a decrease of one hundred and nineteen times.

Mr. HITCHCOCK. Mr. President, I have admitted frankly that the value of the mark has gone down more rapidly than the wages of the German laborer have risen, but we all know that there is an end to that and they have reached it now. There is great distress in Germany to-day as to how they can stimulate their export trade, because without a great export trade the payment of indemnities is utterly impossible. It is the only way they can secure gold. For that reason the German Government have been making desperate efforts to stimulate their export trade.

The other day the Senator from Massachusetts [Mr. WALSH] placed in the RECORD some figures which showed, as the figures which I put in the RECORD showed, that in spite of the efforts of the German Government, through giving subsidies to manufacturers and subsidies to labor, the German export trade is only one-third of what it was before the war. So the German export trade is not a menace either to the United States or to any other country, notwithstanding the low price of the German mark. The fact is that with the very low price of the mark which Germany has to-day it is almost impossible for the German producer to buy raw materials in foreign countries. Cotton, which the German must buy either from the United States or from Egypt, has to be paid for in this miserably low mark that has gone down almost to the vanishing point, which means a tremendous increase in the cost of the raw material.

The very fact that the German export trade to-day is only one-third what it was before the war, after all this stimulation of two years and after the payment of all the subsidies to the railroads and others, is proof positive that there is no danger from German competition now any more than at any other time. Our imports from Germany to-day are only one-fourth of our exports to Germany. Our imports from Germany to-day are only one-half what they were before. To say that this indicates any danger to the United States is, to my mind, utter nonsense, inexcusable, and can not be backed by any statistics whatever.

I am not saying that there may not be certain industries upon which Germany may now be making some attack in an effort to sell goods in competition in this country, but even in this case the idea of saying to American women, "You need 20,000,000 pairs of gloves a year, gloves that have been selling to American stores at from 50 cents to a dollar a pair, but we are going to raise the tariff from 35 per cent to over 100 per

cent," is to say something which is utterly inexcusable. Even the propagation of a glove industry at Gloversville or anywhere else, employing a few hundred people, does not justify that tax upon the women of the Nation, women who are compelled to buy gloves and who have been buying the cheap gloves. Some of the gloves exhibited here have run up over a dollar a pair, and they are bought by the masses of American people who buy in the stores at 50 cents a pair. To put on those gloves a tariff of over 100 per cent is to my mind utterly inexcusable.

Mr. CALDER. But we do not do that. The rate on cheap gloves——

The PRESIDENT pro tempore. The Chair desires to remind Senators that we have a rule in the Senate which requires a Senator, who desires to interrupt another who is speaking, to address the Chair and be recognized before the interruption takes place.

Mr. McCUMBER. Mr. President, may I also suggest that we have another rule providing that no Senator shall speak on the same subject more than twice in the same day. We have had a general discussion back and forth here about a dozen times between Senators. We ought to allow a Senator to finish his remarks.

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from New York?

Mr. HITCHCOCK. I yield.

Mr. CALDER. I merely desire to interrupt the Senator, if he will pardon me for doing so, to say that the cheap glove selling for 50 cents is not being increased over 100 per cent in the matter of tariff rates.

Mr. HITCHCOCK. But I understand they are being increased. I have just been informed by an expert that the cheap 50-cent glove is subject to a tariff of $2.50 a dozen, and it sells for something less than $2.50 a dozen.

Mr. CALDER. I have submitted gloves purchased in Washington that sell for $1 a pair. That glove will have the high rate. The cheaper gloves will carry a much lower rate.

Mr. HITCHCOCK. I have not the amendment before me, but I am told that the wholesale price of the glove is $4 a dozen, and it sells in the American stores at 50 cents a pair, and is subject to a tariff of $2.50 a dozen.

Mr. SMOOT. The Senator has the wrong glove. He is referring to the $2.10 per dozen glove.

Mr. HITCHCOCK. I will read the figures. The regular 11-inch chamoisette glove, made of 80s yarn, invoiced at $2.10, imported to wholesaler at $4 a dozen, retails in Washington stores at 50 cents a pair. The committee proposes to add to that glove a tariff duty of over 100 per cent. The amendment of the Senator from Wisconsin [Mr. LENROOT] would limit that duty to 75 per cent. Of course, if we can not get anything better, we ought to take that; but I say such a thing will strike the American people as perfectly monstrous, no matter what the effect may be, even if it does give employment to a few hundred people in the country who might otherwise find more profitable employment. To tax an article of that sort, which must be worn by girls earning small wages in our stores and by women of limited means, is, to my mind, a perfectly monstrous outrage, and is not justified by any theory, even of Republican protection.

Mr. LODGE rose.

Mr. HITCHCOCK. Does the Senator desire to interrupt me?

Mr. LODGE. I thought the Senator had concluded.

Mr. HITCHCOCK. I think perhaps I have. I have expressed my indignant feelings on the subject in as strong language as I can. I can not believe that the proposed rate is justified by any tenet even of the high protectionists of the Republican Party.

Mr. LODGE. Mr. President, I dislike very much to differ from the committee on any rate which they propose. I desire very much to do everything I can for every American industry. In this case we know the mills are closed. But, Mr. President, I have listened to the debate with a great deal of care and I have looked over the figures, and I am entirely unable to find the comparative labor cost of the gloves in question. I have heard no proof offered to the effect that it is necessary to increase the rate provided in the Underwood law, under which the mills have been closed, to 119 per cent ad valorem in order that the mills may resume business.

Therefore, Mr. President, it seems to me that it is going very far in the case of an article which has no, or at least a very slight, compensatory duty, to impose a duty of 119 per cent. I should be very reluctant not to vote to sustain any industry of this kind; but it seems to me that in the present condition 75 per cent ought to be sufficient to enable the industry again to get upon its feet, which I particularly desire that it shall do.

Mr. McCUMBER. Mr. President, as each member of the Committee on Finance reserves the right, of course, to cast his individual vote upon this subject irrespective of the vote of the committee, I think it not out of place that I should give my reason for standing by the committee. I am perfectly willing to base my conclusions upon the figures that have been furnished by the Senator from Ohio [Mr. POMERENE], figures which he says he has received from the Tariff Commission upon the classes of gloves bearing a rate of duty of $2.50 per dozen.

We are dealing with the question of the cost of production at home and abroad, and the Senator from Ohio says that the American cost is $5.65 per dozen and that the foreign cost is $3.17 per dozen. So there is a difference of $2.48 per dozen, and the committee had given a rate of duty of $2.50 per dozen; in other words, the committee has given 2 cents a dozen more than appears to be necessary to measure the difference between the cost of production at home and abroad. The junior Senator from Wisconsin [Mr. LENROOT] offers an amendment that the rate of duty shall in no case be greater than 75 per cent ad valorem. Seventy-five per cent of $3.17, the foreign cost of one dozen, amounts to $2.37. Two dollars and thirty-seven cents added to $3.17 makes $5.54, and $5.54 subtracted from $5.65 leaves 11 cents per dozen less than the amount necessary to measure the actual difference in the cost of production at home and abroad.

I will agree with what has been said to the effect that the American cost of production will probably decrease and that the foreign cost of production may possibly be increased. In fixing the tariff rates on most of the items in the bill we have made that allowance, and have recommended rates considerably less than what would measure the present difference in the cost of production, as nearly as we can arrive at it, between the foreign country and this country; but in this particular line there is presented a feature somewhat different from that which is apparent in other cases.

Prior to the World War Germany had the entire American market; we did not have a "look in" in the American market in this class of goods. After the war came we developed the industry and we had the entire market. Now Germany comes to the front and is seeking again to dominate the market.

Mr. President, no matter what the conditions may appear to be upon their face to-day, I can see that there is going to be a most desperate commercial battle on the part of the country that but a few years ago had the entire American market again to gain that market. That being the case, and as the 75 per cent rate under the present basis of prices will lack 11 cents of measuring the difference in the cost of production at home and abroad, and the rate that we give of $2.50 is only 2 cents in addition, I, as an American, facing what I believe will be a battle royal to gain the American market, shall, upon the chances, cast my vote upon the American side and shall vote for the duty which the committee recommends.

SEVERAL SENATORS. Vote!

Mr. HEFLIN. Mr. President, before a vote is taken upon this item, I wish to say a word in response to some suggestions which have been made by the Senator from New York [Mr. WADSWORTH]. I heard him refer to our being unable now to manufacture gloves and to the fact that operatives of glove factories were out of employment. That is no new thing, Mr. President. When no gloves were coming in at all from Germany, the deflation policy of the Federal Reserve Board closed the factories. Senators do not want to think about that and they do not want the people reminded of that. They come with the old story, which they always spring, that a high protective tariff is the cure for all industrial ills.

I can tell the Senator why the glove factories are closed. The people who used to wear gloves, who under a Democratic administration had money with which to buy gloves, patronized the glove factories of the United States; the glove manufacturing business was prosperous; there was nothing the matter with it then, for there were sold all the gloves which were manufactured; but when the purchasing power of the men and women of the country was destroyed the buying of gloves ceased. The merchant in every locality in the land wired to the wholesaler, "Cancel the order for gloves that I have sent you"; and when those orders were canceled the wholesale merchant went to the glove manufacturer and said, "Cancel my orders," and then the manufacturer of gloves said, "The factory must close." So, under a deflation drive in the interest of Wall Street and designed to make it millions and hundreds of millions, operatives in the glove factories were turned into the streets, as were hundreds and thousands of other men and women in America. That is what is the matter with the glove industry in America and many other industries.

Mr. President, the men down in my section who under the Wilson administration had enjoyed prosperity, and the men in

the West who had enjoyed prosperity and who shared that prosperity with the manufacturers of the East, had their property swept away, their property values destroyed by the millions and hundreds of millions of dollars, and their debt paying and purchasing power also destroyed. They could not buy; and the evil effects of this desperate deflation drive in the South and West have been reflected in the manufacturing centers of the East. That is what is the matter.

Not only that, Mr. President, but as the distinguished Senator from New York was pleading for protection for the glove makers of his State I thought of the farmer who had incurred debts in the spring of 1920. At that time he had plenty of material about him in the way of farm products and cattle to discharge those debts or pay them off and start anew with a clean bill of health, but when that deflation policy struck him and ruined his property values it destroyed his debt-paying power. He took what he had and paid one-fifth of what the stuff would originally sell for and left debts hanging over him which will take four years more to discharge. Yet Senators wonder why there is bolshevism in America to-day and such a spirit of unrest as has not stirred this Government in 50 years.

What is the farmer going to do? The Republican majority are not doing anything to restore his purchasing power; they are not doing anything to restore his debt-paying power; but they are undertaking to increase his taxes for the benefit of the glove makers of the East. That is what they are doing. They are going to put profits into the pockets of the glove makers by the exercise of the taxing power. They will permit the deadly deflation power that wrought that ruin in the South and West to sit here in this Capitol and flourish under their very eyes, and none of them will dare to open their mouths against it. Then Senators on the other side wonder why it is that the masses of the people are repudiating them and their party every time they get an opportunity. If they are intelligent human beings they will repudiate the conduct of the Republican majority. Do you think, Mr. President, they will submit to being held up and robbed and then rise up and smile and continue to vote to keep you in power?

It makes me sad to see the taxing power of my Government invoked to wring money out of the slender purses of people unable to pay it in order to put profits in the pockets of the manufacturers of the East. I plead for a fair deal for the rank and file of the men and women of America, and, Senators, we are going to have it as soon as the people have the opportunity to be heard again at the polls.

The PRESIDENT pro tempore. The question is on the amendment proposed by the Senator from Wisconsin [Mr. LENROOT] to the amendment offered by the Senator from Utah [Mr. SMOOT] on behalf of the committee, the amendment of the Senator from Wisconsin being to limit to 75 per cent the rates of duty provided in paragraph 914. The yeas and nays have been ordered. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. CALDER (when his name was called). I have a pair with the senior Senator from Georgia [Mr. HARRIS]. I transfer that pair to the junior Senator from Oregon [Mr. STANFIELD] and vote "nay."

Mr. DIAL (when his name was called). I have a pair with the Senator from Michigan [Mr. TOWNSEND], which I transfer to the Senator from Rhode Island [Mr. GERRY] and vote "yea."

Mr. LODGE (when his name was called). I have a general pair with the Senator from Alabama [Mr. UNDERWOOD]. As on this question he would vote as I intend to vote, I consider myself released from my pair and will vote. I vote "yea."

Mr. ROBINSON (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the Senator from Missouri [Mr. REED] and will vote. I vote "yea."

Mr. WALSH of Montana (when his name was called). I transfer my pair with the Senator from New Jersey [Mr. FRELINGHUYSEN] to my colleague [Mr. MYERS] and will vote. I vote "yea."

The roll call was concluded.

Mr. HALE. I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Washington [Mr. POINDEXTER] and will vote. I vote "yea."

Mr. NEW. I transfer my pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from Vermont [Mr. PAGE] and will vote. I vote "yea."

Mr. JONES of New Mexico. I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Nevada [Mr. PITTMAN] and will vote. I vote "yea."

Mr. JONES of Washington (after having voted in the affirmative). I understand that the senior Senator from Virginia [Mr. SWANSON] has not voted. He is necessarily absent. I am paired with him for the afternoon. I understand that if present he would vote as I have voted, and therefore I will allow my vote to stand.

Mr. SMITH. I inquire if the Senator from South Dakota [Mr. STERLING] has voted?

The PRESIDENT pro tempore. He has not.

Mr. SMITH. I transfer my general pair with that Senator to the Senator from Alabama [Mr. UNDERWOOD] and will vote. I vote "yea."

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON]; and

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS].

The result was announced—yeas 38, nays 17, as follows:

YEAS—38.

Ashurst	Jones, N. Mex.	Moses	Sheppard
Borah	Jones, Wash.	Nelson	Simmons
Capper	Kellogg	New	Smith
Caraway	Kendrick	Newberry	Stanley
Cummins	Keyes	Overman	Walsh, Mass.
Dial	King	Phipps	Walsh, Mont.
Hale	Ladd	Pomerene	Warren
Harreld	Lenroot	Ransdell	Willis
Heflin	Lodge	Rawson	
Hitchcock	McCormick	Robinson	

NAYS—17.

Brandegee	Curtis	McLean	Spencer
Broussard	Ernst	McNary	Wadsworth
Bursum	Gooding	Oddie	
Calder	Johnson	Pepper	
Cameron	McCumber	Smoot	

NOT VOTING—41.

Ball	Frelinghuysen	Norris	Swanson
Colt	Gerry	Owen	Townsend
Crow	Glass	Page	Trammell
Culberson	Harris	Pittman	Underwood
Dillingham	Harrison	Poindexter	Watson, Ga.
du Pont	La Follette	Reed	Watson, Ind.
Edge	McKellar	Shields	Weller
Elkins	McKinley	Shortridge	Williams
Fernald	Myers	Stanfield	
Fletcher	Nicholson	Sterling	
France	Norbeck	Sutherland	

So Mr. LENROOT's amendment to the amendment of the committee was agreed to.

The PRESIDENT pro tempore. The question now is upon agreeing to the committee amendment as amended.

The amendment, as amended, was agreed to.

Mr. SMOOT. Mr. President, I should like to return now to the hemp schedule, and get at least one vote upon it to-night. The pending amendment is on page 132, line 3.

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. On page 132, line 3, the Senator from Arkansas [Mr. ROBINSON] proposes to strike out "4 cents" and to insert in lieu thereof "1 cent."

Mr. ROBINSON. Mr. President, I do not desire to detain the Senate for a prolonged further discussion of this amendment. On yesterday and the day before it was pretty fully discussed. It has been shown during the course of the debate that attempts to create and maintain a hemp-producing industry in the United States have heretofore proved futile, and probably will now prove futile.

The subject of hemp growing is discussed by James Lane Allen in one of his romances, The Reign of Law. It is an interesting, a fascinating discussion of the subject which was entered into somewhat in detail by the Senator from Kentucky [Mr. STANLEY]. Mr. Allen in that book portrays the origin of the industry in Kentucky and the difficult labor required in all of the stages of the growth of hemp. He concludes with a statement that I think is quite significant, and I am going to read it, and then submit the case to the judgment of the Senate. He says:

With the Civil War began the long decline, lasting still.

He had already discussed the character of the labor, and shown that it was performed in large part by black men.

Continuing:

The record stands that throughout the one hundred and twenty-five odd years elapsing from the entrance of the Anglo-Saxon farmers into the wilderness down to the present time, a few counties of Kentucky have furnished the Army and Navy, the entire country, with all but a small part of the native hemp consumed. Little, comparatively, is cultivated in Kentucky now. The traveler may still see it here and there, crowning those ever-renewing, self-renewing, inexhaustible fields. But the time can not be far distant when the industry there will have become extinct. Its place in the Nation's markets will be still further taken by metals, by other fibers, by finer varieties of the same fiber, by the same variety cultivated in soils less valuable. The history of it in Kentucky will be ended, and, being ended, lost.

That prophecy respecting the hemp industry already has been almost completely fulfilled. The reports available for the Senate show that Kentucky now produces less than one-third of the hemp grown in the United States, the State of Wisconsin producing almost two-thirds. It is a useless effort to impose a high tariff upon this product, when the history of the industry shows that it is not an American industry, that it is one that can not be successfully maintained under labor conditions prevailing in the United States.

I ask for the yeas and nays on the amendment.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. DIAL (when his name was called). Making the same announcement as on the former ballot as to my pair and its transfer, I vote "yea."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. JONES of New Mexico (when his name was called). Making the same announcement as on the previous vote as to the transfer of my pair, I vote "yea."

Mr. JONES of Washington (when his name was called). The senior Senator from Virginia [Mr. SWANSON] is necessarily absent. I am paired with him for the afternoon, and therefore withhold my vote.

Mr. LODGE (when his name was called). Transferring my pair with the Senator from Alabama [Mr. UNDERWOOD] to the Senator from Maryland [Mr. WELLER], I vote "nay."

Mr. NEW (when his name was called). Again transferring my pair as on the preceding ballot, I vote "nay."

Mr. ROBINSON (when his name was called). Announcing the same pair and transfer as on the previous vote, I vote "yea."

Mr. SMITH (when his name was called). I have a general pair with the Senator from South Dakota [Mr. STERLING], which I transfer to the Senator from Texas [Mr. CULBERSON], and vote "yea."

Mr. WALSH of Montana (when his name was called). Transferring my pair as announced on the last roll call, I vote "yea."

The roll call was concluded.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS].

Mr. CALDER. Making the same announcement as before, I vote "nay."

Mr. ERNST (after having voted in the negative). I have a general pair with the senior Senator from Kentucky [Mr. STANLEY], which I transfer to the senior Senator from Maryland [Mr. FRANCE], and allow my vote to stand.

Mr. CARAWAY (after having voted in the affirmative). I transfer my general pair with the junior Senator from Illinois [Mr. MCKINLEY] to the junior Senator from Georgia [Mr. WATSON] and allow my vote to stand.

The result was announced—yeas 18, nays 32, as follows:

YEAS—18.

Ashurst	Heflin	Pomerene	Smith
Borah	Hitchcock	Rawson	Walsh, Mass.
Caraway	Jones, N. Mex.	Robinson	Walsh, Mont.
Cummins	King	Sheppard	
Dial	Overman	Simmons	

NAYS—32.

Brandegee	Capper	Harreld	Ladd
Broussard	Curtis	Johnson	Lenroot
Bursum	Ernst	Kellogg	Lodge
Calder	Gooding	Kendrick	McCumber
Cameron	Hale	Keyes	McNary
Moses	Newberry	Phipps	Wadsworth
Nelson	Oddie	Smoot	Warren
New	Pepper	Spencer	Willis

NOT VOTING—46.

Ball	Gerry	Norbeck	Sterling
Colt	Glass	Norris	Sutherland
Crow	Harris	Owen	Swanson
Culberson	Harrison	Page	Townsend
Dillingham	Jones, Wash.	Pittman	Trammell
du Pont	La Follette	Poindexter	Underwood
Edge	McCormick	Ransdell	Watson, Ga.
Elkins	McKellar	Reed	Watson, Ind.
Fernald	McKinley	Shields	Weller
Fletcher	McLean	Shortridge	Williams
France	Myers	Stanfield	
Frelinghuysen	Nicholson	Stanley	

So Mr. ROBINSON's amendment to the amendment of the committee was rejected.

Mr. MCCUMBER. Mr. President, I ask unanimous consent that when the Senate closes its session on this calendar day it recess until to-morrow at 11 o'clock.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered. The question is on agreeing to the amendment proposed by the committee.

The amendment was agreed to.

Mr. SMOOT. The next amendment is in paragraph 1002. I do not think it will lead to very much discussion.

Mr. ROBINSON. No; I think we ought to dispose of that paragraph this afternoon.

The next amendment was, in paragraph 1002, page 132, line 5, to strike out "13" and insert "25," so as to make the paragraph read:

PAR. 1002. Sliver and roving, of flax, hemp, ramie, or other vegetable fiber, not specially provided for, 25 per cent ad valorem.

Mr. ROBINSON. I propose an amendment to the committee amendment as follows, to strike out "25" and insert in lieu thereof "15."

This paragraph is not of great importance, but there is nothing in the information which has been available for my study of the subject to justify the increase which the committee proposes. The rate under the Payne-Aldrich law was 35 per cent. The present rate under the Underwood law is 15 per cent, the rate which I propose.

It is a singular fact that on the average importations under the Underwood law were less than the importations under the Payne-Aldrich law. The importations under this paragraph are very slight, but there is no circumstance within my knowledge which justifies making importations more difficult.

The United States does not produce this product in any considerable quantity, although it can be grown on some of our soil. For the same reason that the hemp and flax-fiber industry has been diminishing, the ramie-producing industry in the United States has never been prosecuted to any considerable extent. It is a very valuable and useful commodity, and I think importations and the use of it should not be prohibited, as would probably be the effect of the committee amendment.

Mr. SMITH. This is not a stalk out of which binding twine is made?

Mr. SMOOT. Oh, no; that is sisal. This is ramie and hempen flax.

Mr. ROBINSON. This product is susceptible of a very high polish, and is used in the manufacture of linens and materials closely related.

Mr. STANLEY. Hemp makes an ideal binding twine, on account of its withstanding water; but the reason that the binding twine is made of these other substances is because they are cheaper.

Mr. ROBINSON. The ramie is too rare and valuable a product, and too difficult to manufacture, to justify its use for that purpose, although, as stated by the Senator from Kentucky, both hemp and ramie could be used for making binding twine if they were not so expensive and difficult to obtain.

Mr. STANLEY. Senator Bradley some years ago made a very elaborate argument on the floor of the Senate urging a duty on jute butts, claiming that the jute butts were used extensively for binding. Is that still the case?

Mr. SMOOT. I do not think it is.

Mr. STANLEY. I do not find it so stated in the tariff reports.

Mr. ROBINSON. Mr. President, this product will never be grown to any great extent in the United States. It is useful and it is necessary, and I think the importation of it should not be prohibited, as may be the effect of this increased duty, although, as I have already stated, the production is constantly diminishing, notwithstanding the very low rate of duty now imposed. I think, as a matter of fact, putting it upon the free list would be justified. Inasmuch as the present rate is

15 per cent, I propose that rate in lieu of the committee amendment.

I will insert in the RECORD Table No. 9, on page 43 of the Tariff Information Survey, relating to yarns, threads, and cordage of vegetable fibers other than cotton.

I will also ask to have inserted in the RECORD a statement in the same report, on pages 36 and 37. I have marked the portion of the report which I desire to incorporate.

With this statement I am willing to submit the matter to a vote.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

TABLE 9.—*Ramie sliver or roving.*

Fiscal year.	Rate of duty.	Quantity.	Value.	Duty collected.	Value per unit of quantity.	Actual and computed ad valorem rate.
		Pounds.				*Per cent.*
1910[1]	35 per cent		$4,449	$1,557.15		35.00
1911	do		38,335	13,417.25		35.00
1912	do		60,263	21,092.05		35.00
1913	do		15,764	5,517.40		35.00
1914[2]	do		2,039	724.15		35.00
1914[3]	15 per cent		4,638	695.70		15.00
1915	do		8,194	1,229.10		15.00
1916	do		7,397	1,109.55		15.00
1917	do		4,641	696.15		15.00
1918	do		273	40.95		15.00
1919	do	1,000	367	55.05	$0.367	15.00
1920	do	5,205	5,438	815.70	1.045	15.00

[1] Aug. 6 to June 30, 1910. [2] July 1 to Oct. 3, 1913. [3] Oct. 4, 1913, to June 30, 1914.

* * * * * * *

Recapitulation: The following facts, therefore, should be kept in mind in connection with imports of all classes of flax, hemp, and ramie yarns: (1) The total quantity imported is normally not over 2,500,000 pounds, or perhaps 15 per cent of our total consumption; (2) this is composed chiefly of coarse and medium counts, the bulk of it not finer than 40 lea; (3) counts finer than 40 lea are not produced in considerable amounts in the United States and imports of it are, in the main, noncompetitive; (4) reduction of the average duty on all classes from approximately 40 per cent ad valorem to about 19 per cent by the act of 1913 had little effect either upon total imports or upon any particular class, although the changed classification creates a deceptive fluctuation as regards coarse and medium leas.

It would seem, therefore, that imports were largely supplementary to domestic production. Manufacturers, because of difficult conditions, have not found it profitable to extend production too close to the total amount of domestic consumption where risks of loss from varying demand are most felt.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the Senator from Arkansas to the committee amendment.

The amendment to the amendment was rejected.

The amendment was agreed to.

Mr. HITCHCOCK. I understand the Senator from North Dakota does not propose to go any further with the bill tonight.

Mr. McCUMBER. No; a brief executive session is desired.

SOUTHERN PACIFIC—CENTRAL PACIFIC.

Mr. HITCHCOCK. I present resolutions adopted by the chambers of commerce of Omaha, Lincoln, Kearney, Sidney, North Platte, Scottsbluff, and Beatrice, and the Livestock Exchange of Omaha, all in the State of Nebraska. I ask that the resolutions of the Omaha Chamber of Commerce and the Lincoln Chamber of Commerce be printed in the RECORD and that all the resolutions be referred to the Committee on Interstate Commerce. I will state that these resolutions relate to the decision of the Supreme Court divorcing the Southern Pacific Railroad from the Central Pacific and protesting against any action of Congress calculated to nullify that decision.

There being no objection, the resolutions were referred to the Committee on Interstate Commerce, and those indicated were ordered to be printed in the RECORD, as follows:

OMAHA CHAMBER OF COMMERCE.

On June 27, 1922, the Omaha Chamber of Commerce unanimously adopted the following resolution:

"Whereas our city and the business interests of our entire State are vitally affected by any movement or influence which would adversely affect the income of Nebraska railroads on through or transcontinental freight shipments, and which would tend to increase or justify higher rates on shipments originating in Nebraska; and

"Whereas the control of the Central Pacific Railroad by the Southern Pacific Railroad has heretofore and for a number of years resulted in the diversion of oriental and Pacific coast tonnage destined for eastern markets, from the shorter and direct route through the Ogden gateway to the longer haul over the Southern Pacific through New Orleans and to the Atlantic coast over that company's lines, thus depriving the Nebraska railroads of the natural and proper income which they should receive on east and west bound transcontinental freights; and

"Whereas in a recent decision the United States Supreme Court has decided and held that the ownership and control of the Central Pacific Railroad by the Southern Pacific Co. is against the public interest and contrary to the laws forbidding monopolization and stifling of competition in interstate traffic; and

"Whereas it has come to the notice and attention of this body that a movement is now being organized and promoted to induce and influence the Congress of the United States to pass laws which would nullify the recent decision of our highest court, and to influence the Interstate Commerce Commission to take such action as would have the effect to also nullify the said court decision: Now, therefore, be it

"*Resolved*, That it is the sense and desire of the Omaha Chamber of Commerce that the just and proper effect of the decision of the Supreme Court of the United States forbidding unlawful and harmful combinations in interstate commerce be sustained, upheld, and given effect; and be it further

"*Resolved*, That our Senators and Members of Congress be requested to oppose the enactment of any laws which may nullify the force and effect of the said decision of the Supreme Court of the United States; and be it further

"*Resolved*, That the Interstate Commerce Commission be also requested to refuse its sanction or approval of any order or act which would nullify the effect of the said decision."

—

LINCOLN CHAMBER OF COMMERCE.

Resolutions adopted by the Lincoln Chamber of Commerce, July 7, 1922.

Whereas it has been brought to the attention of this body that there is being promoted a determined effort to influence the Interstate Commerce Commission to nullify the effect of the recent decision of the United States Supreme Court declaring that the control and ownership by the Southern Pacific Railroad Co. of the Central Pacific Railroad Co. is held to be against public interest and constitutes a combination in restraint of trade and tends to monopolization: Therefore be it

Resolved, That it is the sense of the Lincoln Chamber of Commerce that the decision is just and equitable, based upon a recognized principle of economic transportation, and should be upheld and enforced by the Interstate Commerce Commission; and be it further

Resolved, That our Senators and Members of Congress be requested to oppose the enactment of any law which may tend to weaken the force of said decision of the Supreme Court; and be it further

Resolved, That the Interstate Commerce Commission be also requested to refuse its approval of any order or act that would weaken the effect of said decision.

Mr. WARREN. On the same subject as the resolutions presented to the Senate by the Senator from Nebraska, I present resolutions adopted by the Chamber of Commerce of Cheyenne, Wyo. I ask that the resolutions may be printed in the RECORD—they are brief—and that they be referred to the Committee on Interstate Commerce.

There being no objection, the resolutions were referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

CHEYENNE CHAMBER OF COMMERCE,
Cheyenne, Wyo.

Resolutions unanimously adopted by the Cheyenne Chamber of Commerce, July 11, 1922.

"Whereas the Supreme Court of the United States has found that 'the Central Pacific with its eastern connection at Ogden forms one great system of transportation between the East and the West, and the Southern Pacific with its roads and connections forms another great transcontinental system of transportation from coast to coast,' and has also found that the holding of the Central Pacific by the Southern Pacific constitutes an unlawful monopoly; and

"Whereas the officers of the Southern Pacific Co. have announced that they will endeavor to set aside the decision of the Supreme Court by congressional action; and

"Whereas the full development of interstate traffic through Wyoming requires that the Central Pacific shall be actively competitive with the Southern Pacific line from San Francisco via El Paso and New Orleans to New York; and

"Whereas it is impossible for Wyoming railroads to reach their full development or maximum efficiency without having full and hearty cooperation with connecting lines in securing, expediting, and caring for transcontinental traffic; and

"Whereas Wyoming is entitled to the advantages and to the many benefits which would result from free competition between the Southern Pacific southern route and the Central Pacific Ogden gateway route, and to the increase in size of railroad communities and railroad traffic which would result therefrom: Now, therefore, be it

"*Resolved*, That the Cheyenne Chamber of Commerce recognizes the wisdom and justice of the decision of the Supreme Court freeing the Central Pacific Railroad from the control of the Southern Pacific Co., and that the control heretofore exercised diverted many shipments of freight from its natural gateway over the short, direct route, to the detriment of the shippers and to the detriment of the State of Wyoming; and be it further

"*Resolved*, That the Wyoming Representatives in Congress be urged to take such action as may be necessary to prevent the passage of any legislation which would legalize the Southern Pacific-Central Pacific monopoly."

The above is a true copy of the resolutions which were unanimously adopted by the Cheyenne Chamber of Commerce on July 11, 1922.

J. L. HAVICE,
President Cheyenne Chamber of Commerce.

Attest:
[SEAL.]
J. J. SHOWALTER, *Secretary.*

EXECUTIVE SESSION.

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After 5 minutes spent in executive session the doors were reopened, and (at 6 o'clock and 5 minutes p. m.) the Senate, under the order previously made, took a recess until to-morrow, Friday, July 21, 1922, at 11 o'clock a. m.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 20 (legislative day of April 20), 1922.

POSTMASTERS.

HAWAII.

Arcenio H. Silva, jr., Kahului.
Antone F. Costa, Wailuku.

KANSAS.

Hiram A. Gilmore, Howard.
Clarence W. Sharp, Virgil.
John H. O'Connor, Winfield.

MICHIGAN.

Holger F. Peterson, Grayling.

NEW YORK.

Ruth M. Marleau, Big Moose.
Jay E. Davis, Deansboro.
Charles H. Betts, Lyons.

OHIO.

John W. Switzer, Ohio City.

WEST VIRGINIA.

Katherine E. Ruttencutter, Parkersburg.
Flavius E. Strickling, West Union.

SENATE.

FRIDAY, *July 21, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

THE EIGHTEENTH AMENDMENT—RESPECT FOR LAW.

Mr. JONES of Washington. Mr. President, the thirty-seventh annual session of the National Editorial Association was held in Missoula, Mont., on Wednesday, July 19, 1922. Mr. J. C. Brimblecom, editor of the Newton Graphic, of Newton, Mass., is the acting president of the association. In his address to the association he uttered a sentiment that should meet with a hearty response in the heart of every man who loves his country. He urged a course of action that should be followed not only by every editor in the country but by every patriotic American. He uttered a sentiment which could well be the motto to be read by every American at the beginning of each day's work. I ask that the paragraph which I have marked may be read by the Secretary.

The PRESIDENT pro tempore. Without objection, the Secretary will read as requested.

The reading clerk read as follows:

LAWS MUST BE SUPPORTED.

The newspapers of this country, particularly the newspapers which go into the homes of our people, have a great opportunity at the present time to give substantial aid to the cause of law and order by refusing to publish any of the so-called jokes and sneers on the eighteenth amendment to the Constitution of the United States. No matter what you or I may say or think as individuals of the merits or demerits of prohibition, we must never forget that it is the fundamental law of the land and is entitled to as much respect as the laws against murder, theft, or treason.

For if you and I claim the privilege of violating with impunity the law regarding intoxicating liquors, we must admit the rights of others to violate any or all other laws regarding which they may have similar opinions. Such a condition spells anarchy, nothing less. There must be no discrimination in the enforcement of law, and every published joke or sneer regarding prohibition adds just so much to the general unrest w'ch is altogether too prevalent in this country.

The po.ice strike in Boston in 1919, the terrible outrages which took place last month in Herrin, Ill., and other exhibitions of the mob spirit in other parts of the country show how woefully thin is the shell of our civilization and clearly indicate the path of duty of every editor to his constituency as well as to his country. Massachusetts coined the phrase "No taxation without representation," and thereby pointed the way to national independence, and Massachusetts 150 years later gave to the country the slogan of "Law and order," on the support of which depends our national existence. Let us see to it that we editors do our full duty in upholding that slogan in our respective communities.

REIMBURSEMENT TO SACRAMENTO, CALIF.

Mr. JOHNSON. Mr. President, I ask unanimous consent for the present consideration of the bill (H. R. 9048) to authorize the California Débris Commission to reimburse the city of Sacramento, Calif., for money expended by said city in the construction of the Sacramento Weir. There is no opposition to the bill. Its passage is recommended by the Committee on Claims. The bill reimburses the city of Sacramento, out of moneys appropriated for flood control in the Sacramento River project, for moneys expended by the city under that flood-control project at the suggestion and request of the United States engineers.

Mr. ROBINSON. I think the measure should be taken up and disposed of. So far as I am concerned, there is no objection to its present consideration.

There being no objection, the bill was considered as in Committee of the Whole, and it was read as follows:

Be it enacted, etc., That from funds appropriated and contributed for the control of floods on the Sacramento River in pursuance of the flood control act, approved March 1, 1917, the California Débris Commission is hereby authorized to pay to the city of Sacramento, Calif., the sum of $161,557.08, as equitable reimbursement of money expended by the said city in the construction of the weir at the head of the Sacramento by-pass leading into the Yolo by-pass, such structure being an essential part of the project adopted by the aforesaid act as set forth in House Document No. 81, Sixty-second Congress, first session, as modified by the report of said commission submitted February 8, 1913, approved by the Chief of Engineers of the United States Army and the Board of Engineers for Rivers and Harbors, and printed in Rivers and Harbors Committee Document No. 5, Sixty-third Congress, first session, in so far as said plan provides for the rectification and enlargement of river channels and the construction of weirs.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

ARCTIC FLIGHT ROUTES.

Mr. ROBINSON. Mr. President, I ask leave to have printed in the RECORD a statement by Mr. Edwin Fairfax Naulty concerning the strategical importance to the United States of Arctic flight routes. The statement is of great historical value and, I believe, it is reliable. I ask that it may be printed in the regular RECORD type.

There being no objection, the statement was ordered to be printed in the RECORD in 8-point type, as follows:

STRATEGICAL IMPORTANCE OF ARCTIC FLIGHT ROUTES TO THE UNITED STATES.

WASHINGTON, D. C., *July 17, 1922.*

Hon. JOSEPH TAYLOR ROBINSON,
United States Senate, Washington, D. C.:

A press dispatch from Ottawa, Canada, dated July 13, 1922, and printed in the New York Times and other newspapers on July 14, reads:

CANADA TO OCCUPY ISLANDS—EXPEDITION WILL ESTABLISH TITLE TO TERRITORY OPPOSITE GREENLAND.

"OTTAWA, July 13.—A Government expedition will sail soon on the steamer *Arctic* for northern waters, to occupy islands north of Labrador and facing Greenland, across Davis Straits, thereby to set at rest all doubt concerning Canada's title to them.

"The expedition, to be commanded by J. D. Craig, International Boundary Commission engineer of the interior department [of Canada], will remain away until fall."

To understand the strategical importance of this action on the part of the Canadian authorities, another press dispatch, which I incorporated in my letter to you of July 4, 1922, which was printed in the CONGRESSIONAL RECORD of July 6, 1922, should be recalled. This dispatch, also from Ottawa, under date of May 13, 1922, read:

CLAIMS WRANGELL ISLAND—PLANS TO OCCUPY LAND DESPITE AMERICAN PRIORITY.

"OTTAWA, ONTARIO, May 13, 1922.—The Canadian Government maintains that Wrangell Island is part of Canadian territory; the Canadian flag now flies over Wrangell Island, and an expedition is being prepared to go up there. This is the declaration of the Prime Minister, W. Mackenzie King, when the House of Commons last night voted $15,000 for patrol of the northern waters of Canada.

"C. P. Graham, Minister of Defense, said the amount was necessary to publish the report of the Stefansson expedition. Hugh Guthrie, former Minister of Militia, said there was no doubt that the United States would make claims to Wrangell Island on the ground of previous discovery."

The Stefansson expedition referred to is the party of three Americans and one Canadian who were sent in by Stefansson on the American vessel *Silver Wave* from Nome in September, 1921, a full account of which, at your request, was printed in the CONGRESSIONAL RECORD of March 22, 1922. And this is the same Stefansson whose views of the dignity of the United States Senate are set forth in a paragraph, printed under the heading "They're Human," by William Atherton Dupuy, in the Washington Times of March 11, 1922, which read:

"Vihjalmur Stefansson, the Arctic explorer, was down in Washington not long ago, and got talking with former Senator Joseph Bailey, of Texas.

"'Are you considering any further trips to the north?' Mr. Bailey asked.

"'Yes,' said the explorer. 'I am laying plans for a five-year drift into the Arctic.'

"'What I can't understand,' said Bailey, 'is the mental viewpoint that would cause a man to give five years of his life to that sort of thing; that would cause him to be satisfied out there in the solitudes of the unchanging snow wastes, with never a contact more thrilling than an occasional meeting with a dumb and ignorant Esquimo.'

"'Well,' replied the explorer, 'one goes to the United States Senate for six years.'"

This from the man who boasted that he had deceived the Americans in his *Silver Wave* party as to the objects of the Wrangell Island expedition, which Stefansson said was under the auspices of a limited liability corporation organized by him under the laws of British Columbia and called the Stefansson Exploration & Development Co., with offices in the Foncier Building, Vancouver.

STEFANSSON'S USE OF AMERICANS.

Referring to the Americans in the *Silver Wave* party, Stefansson is reported in the New York Times of March 20, 1922, to have said, "I took into my confidence (on the objects of the expedition) only one man. His name is A. J. Taylor, a mining engineer of Vancouver. The best men I had to go north were American citizens, but I, being a British subject and desiring to have this a British enterprise, I had to take some Britisher into my confidence. I decided on Taylor, and the latter, acting for me, incorporated under the laws of British Columbia a limited liability corporation called the Stefansson Exploration & Development Co. This company employed the following four men: Allan Crawford, son of Professor Crawford, of Toronto University, who was to be in nominal command, and then along with him two of my very best men, Lorne Knight, of McMinnville, Oreg., with me four years in the north, and Fred Maurer, of New Philadelphia, Ohio, who had been with me in the north and was a member of the party that occupied Wrangel Island in 1914. I also sent a boy, Milton Galle, of New Braunsfels, Tex., who had been with me on a lecture tour.

"These men, without knowing what they were up to, except that I had confided to a certain extent in Crawford, went by steamer from Seattle to Nome, where I had chartered for them the auxiliary sloop *Silver Wave*. The sloop was under the command of Capt. John Hammer."

BARTLETT MADE NO CLAIM TO WRANGEL.

Later, asked where he had got the money for this enterprise, Stefansson said that he had furnished it from the proceeds of his lecture tours and sale of his books. At this time Stefansson was lecturing in the United States, and he used the American ports of Seattle and Nome for his venture.

Stefansson speaks of the "occupancy of Wrangell Island in 1914," but Capt. Robert Bartlett, who commanded the *Roosevelt* for Admiral Peary in his north polar voyages and who was also in command of the *Karluk*, the ship used by Stefansson in 1913–14, in his book, "The Last Voyage of the *Karluk*," tells a different story. In Chapter XVIII, dealing with the arrival of the *Karluk* party on Wrangell Island, after the *Karluk* sank, north of it, Bartlett, straightforward seaman that he is, writes: "The geographical names on Wrangell Island are derived from the names of the officers of the U. S. S. *Rodgers*, who explored the island in 1881." Bartlett makes no mention of any attempt to take Wrangell Island for Great Britain or Canada, but in this same chapter indicates just what was in his mind merely to make his way across Wrangell Island and reach Siberia, in these words: "For the plan I had been evolving to make my way across Long Strait (which separates Wrangell Island from Siberia) to the coast of Siberia and seeking an opportunity of getting help for the party here on the island (his distressed shipwrecked party) was now about to be put to the test."

BARTLETT'S VIEWS OF "KARLUK" VOYAGE.

Describing the purposes of the *Karluk* expedition, Bartlett writes in the first chapter: "It differed, too, in another aspect from previous Arctic expeditions in that its main objects were essentially practical—in fact, one might say, commercial. It was in two divisions. The northern party, under Stefansson himself, was primarily to investigate the theory so ably advanced by Dr. R. A. Harris, of the United States Coast and Geodetic Survey, that new land—perhaps a new continent—was to be found north of Beaufort Sea, which is that part of the Arctic Ocean immediately to the north of Alaska. (In this statement Bartlett is not quite right, as Beaufort Sea is the bight of the Arctic Ocean running from Demarcation Point southerly and easterly to Banks Strait, which divides Baring, or Banks Land, from the Barry Islands, the waters north of Alaska being the true Arctic Ocean as far as the one hundred and forty-first meridian dividing Alaska and Canada, and so shown, named, and located in the United States Hydrographic Chart of Arctic Explorations issued under Capt. Charles D. Sigsbee in 1896, in the Leslie Fairfax Naulty polar chart of 1917, the National Geographic Magazine map of the north polar regions of 1907, the Hydrographic Office Arctic chart of 1913, the United States Geological Survey map of North America of 1912, the Danish Arctic ice charts since publication, the polar map in the Encyclopædia Britannica. British charts issued by the London Times and by Stanford, of London, place the name of Beaufort Sea higher and level with Banks Land, but east of the one hundred and forty-first meridian.)

Bartlett continues: "The main work of the party aboard the *Karluk*—to quote Stefansson—was to be the exploration of the region lying west of the Parry Islands and especially that portion lying west and northwest from Prince Patrick Island (50° of longitude east of Wrangell Island). The *Karluk* was to sail approximately along the one hundred and forty-first meridian until her progress was interfered with by ice or by the discovery of land. If land were discovered (note that the *Karluk* was to sail along the Canadian-Alaska boundary meridian and to work to the eastward or Canadian side of this meridian) a base was to be established on it, but if the obstruction turned out to be ice an effort was to be made to follow the edge eastward with a view for making a base for the first year's work near the southwest corner of Prince Patrick Island, or, failing that, on the west coast of Banks Land."

The farthest east the *Karluk* got was 225 miles east of Point Barrow, where she was beset in the ice, off Lion Reef, and carried westward with the drift and exactly opposite from her planned voyage until, on January 11, 1914, she sank north of Wrangell and Herald Islands. The landing of the *Karluk* party on Wrangell Island was the desperate resort of shipwrecked men.

STEFANSSON NOT WITH "KARLUK."

Stefansson was not in the *Karluk* party that made Wrangell Island. Stefansson left the *Karluk* on September 20, 1913; two days later a storm drove the *Karluk* to sea, and Stefansson, with his land party, mushed to Point Barrow, where they stayed until November 8, when they mushed east and met Leffingwell, the American, at Flaxman Island. Stefansson left Leffingwell on December 14 and reached the Anderson southern party, where he spent the winter. On March 22 Stefansson started north from Collinson Point and did not return until after the *Karluk* party had been rescued by the United States Coast Guard cutter *Bear* and landed finally at Esquimault, Vancouver, on October 24, 1914.

BARTLETT NEVER "TOOK POSSESSION."

Neither Bartlett nor any of his party took possession of Wrangell Island. Bartlett was a seaman accustomed to obeying orders. His orders did not cover exploration west of the one hundred and forty-first meridian. All his references to Wrangell Island in his book give data of previous American exploration. Although he records leaving a copper tank with a record on the ice at Shipwreck Camp, where the *Karluk* sank, tells of leaving the British ensign flying when his party abandoned Shipwreck Camp, and even made two photographs of the camp with the British ensign flying, photographs that since have been shown as being taken on Wrangell Island, describes in detail all he and his party did on Wrangell Island, and reported to Naval Service, Ottawa, Canada, on his arrival at St. Michaels May 29, 1914, what he had done, Bartlett never mentions "taking possession of Wrangell Island." The men he left on Wrangell Island were taken off by the *King and Winge*, to whose captain Bartlett appealed for help when he was in Nome waiting for the *Bear* to sail north, were transferred to the *Bear* in the Arctic, and told their story, but never a word about "taking possession."

Three of the men had died. The only reference to a flag flying on Wrangell Island is made by Bartlett in these words: "The tent (at Rodgers Harbor) was left standing as it was, but the British flag that had flown so long at half-mast was taken (away) with the rescued men." The flying of the British flag does not mean that it was flown as an act of possession. It is customary for explorers to carry their national flag. Amundsen flew the Norwegian flag over the winter quarters at Gjoahavn, on King William Land, and over his tent "close" to the magnetic pole. Godfred Hansen flew the Norwegian flag at his farthest north, Cape Fridtjof Nansen, and named the coast of Victoria Land, from Collinsons Peninsula to Cape Nansen, after the King of Norway; but Canada would not accept a claim of Norwegian sovereignty because of this, particularly as Victoria Land, except on the west of McClintock Channel, had been previously explored and named by British explorers 60 years before Amundsen or Hansen.

STEFANSSON NOT SURE OF HIS "GIFT."

On March 20, 1922, following Stefansson's assertion in New York that he had taken possession of Wrangell Island for Great Britain, but indicating that he was not sure of his position by telling the reporter that, "pending instruction from the Government authorities, he did not know whether his country would accept from his hands the gift of Wrangell Island, because of possible international complications," a remarkable statement, viewed from any angle, and particularly when Stefansson was not with the *Karluk* party in 1914 and did not go with the *Silver Wave* party in 1921, and, so far as I can learn, has never set foot on Wrangell Island—an explorer by proxy, as it were. There was sent out of Ottawa and generally printed in the United States the following dispatch:

"CANADA CLAIMS WRANGELL—EXPECTS TO GET LAND ON WHICH STEFANSSON PLANTED FLAG.

"OTTAWA, March 20, 1922.—Wrangell Island, it is believed here, will be added to the Dominion of Canada as a result of the planting of the British flag on that far northern land last September by the Arctic expedition organized by Vilhjalmur Stefansson.

"The announcement made in New York by the explorer to-day gave rise to the assumption here that the island was formally claimed in the name of Great Britain to avoid international complications, with a view of its being eventually transferred to Canada as a part of the Dominion.

"While the probability of any difference arising between Canada and Great Britain over the island is discounted, Government officials believe Canada can claim right of ownership by an eight months' occupation by the survivors of the Canadian Arctic expedition of 1913 after their ship, the *Karluk*, had been lost."

AN ACT OF SEA CHARITY.

Stefansson, as I have written, was not with the *Karluk;* Bartlett was in command of the *Karluk* until she sank and in command of the survivors, who were rescued by the *Bear* after being taken off Wrangell by the *King and Winge*, not as a part of an exploring plan but as an act of sea charity to distressed mariners. No claim was then made of "possession."

On July 12, 1922, the Canadian prime minister, W. L. MacKenzie King, and the minister of defense, George Perry Graham, arrived in Washington from Ottawa. The object of their visit to the Capital of the United States was announced to be to hold conferences with the President and the Secretary of State in regard to a new arrangement concerning boundaries between the United States and Canada, the fisheries, the armed patrol of the Great Lakes, and other matters. This would seem to be a good time to take up other matters in relation to territorial rights.

ALASKA AND ALASKANS ARE KEENLY INTERESTED IN WRANGELL ISLAND.

Let me append an article that appeared in the New York Times under date of March 26, 1922. The Mr. Goshaw referred to tried to get into communication with me while he was in Washington in regard to my polar flight plans, but I was away and missed him. The article reads:

OLD GLORY PLANTED IN WRANGELL ISLAND—AMERICAN BANNER UNFURLED WITH BRITISH BY MEMBERS OF STEFANSSON'S PARTY—ARCTIC SKIPPER SEES FLAG—JOHN B. BURNHAM DEFENDS RIGHT OF UNITED STATES TO STRATEGIC TERRITORY.

[New York Times, March 26, 1922.]

"Information showing that the Stars and Stripes were hoisted simultaneously with the British flag upon Wrangell Island by the little expedition that Vilhjalmur Stefansson sent into the far north last September to annex the island for the British has just been received by John B. Burnham, president of the American Game Protective Association, 233 Broadway. Mr. Burnham recently furnished to the State Department much information bearing on the significance of the Stefansson expedition.

"For his association, whose advisory committee includes Maj. Gen. Leonard Wood, Henry Ford, Henry L. Stimson, Dr. Henry van Dyke, and Secretary of War John W. Weeks, Mr. Burnham led an expedition into Siberia last year in quest of a rare specimen of wild sheep. He traveled nearly 25,000 miles before he accomplished his mission. In the course of his journey Mr. Burnham was observant of the importance attached to Siberia as a land for development by the various countries whose subjects gradually were moving in that direction.

"Mr. Burnham places great credence in the report that now comes from Wrangell Island indicating that the three American members of the Stefansson party, not to be outdone by their Canadian leader, unfurled Old Glory when they discovered the plans of the Canadian, and thus raised the question as to who established the right of possession.

"The story was told to Mr. Burnham by George Goshaw, an Alaskan trader, who stayed here at the Hotel McAlpin for several days last week before returning to his headquarters in Seattle. The reliability of Mr. Goshaw's information is attested, according to Mr. Burnham, because Mr. Goshaw got his facts direct from Capt. John Hamner, in command of the auxiliary sloop—the *Silver Wave*—that landed the Stefansson party on Wrangell Island.

CAPTAIN HAMNER'S REPORT.

"Captain Hamner, according to the story told by Mr. Goshaw to Mr. Burnham, did not tarry at Wrangell Island when he landed the expendition, because winter soon would have barred his return to home port. Indeed, Captain Hamner set sail almost immediately after the party went ashore. As his ship put to sea the skipper trained his field glasses upon Wrangell Island for a last glimpse.

"It was then that he picked out a bit of color on the horizon. It was the British flag. Another speck of color a short distance away then caught the eye of the Alaskan skipper. It was the flag of the United States.

"Captain Hamner, according to Mr. Goshaw, apparently attached no special significance to the planting of the two flags upon Wrangell Island, for he was not informed of the political nature of the expedition organized and financed by Stefansson. The real meaning of the rival flags was not divined until the story was told to Mr. Burnham, who admits that he is a great admirer and friend of Stefansson, but asserts that he is distinctly out of sympathy with Stefansson's fifth and latest expedition into the Arctic.

"Mr. Burnham resents the claim of British possession advanced by Stefansson, because, he says, the strategic position of Wrangell Island would be used by the British against the United States. He said that if the Japanese had tried to seize the island their act would have furnished a casus belli.

"He further charges that Stefansson has tried to take the island for the Hudson Bay Co., with which the explorer is connected, and that if the British claim to the island is accepted as valid it will cost the United States millions of dollars in trade, because American traders will be shut out, and this in direct contravention of the 'open-door' policy.

OPPOSES BRITISH POSSESSION.

"Discussing the occupation of Wrangell Island, Mr. Burnham, among other things, said:

"'I have read with interest Stefansson's statement in the Times with regard to his seizure of Wrangell Island last summer for Great Britain. I agree with him "that strategically it dominates northeastern Siberia," but this strategy is exercised against the United States and not against Japan, as Stefansson states.

"'I spent last summer in northeastern Siberia, and on my return learned that the first action of the Stafansson party which landed on Wrangell Island had been to take possession of the island for Great Britain.

"'Later on I learned that the *Lady Kindersley*, the vessel which tends the Hudson Bay post on the Arctic coast of Canada, and which had gone north long before the Stefansson expedition sailed, had on board knockdown houses, intended to be set up on Wrangell Island as a trading post for the Hudson Bay Co.

"'Capt. T. P. O'Kelly, the assistant fur commissioner of the Hudson Bay Co., who was on the *Lady Kindersley*, knew that Stefansson was to take possession of the island, and was prepared months in advance to utilize the opportunity to the advantage of a British corporation. Stefansson was disgusted that fear of the ice conditions had caused Captain O'Kelly to abandon the attempt.

"'While in Siberia I saw that the Hudson Bay Co. was proceeding energetically to put into effect a far-reaching scheme to control the very valuable trade of northeastern Siberia, including furs, reindeer meat, and other valuable assets. I talked with representatives of the company and learned that they had not only established a number of trading posts but that they also had an understanding with Japan and with the pseudo eastern Siberian government that the Hudson Bay Co. would have the trading privileges of the country, while the Japanese monopolized the mining and fisheries.

STEFANSSON'S VIEWS ON ALASKA.

"'Canada has no nearer foothold than Prince Rupert at the terminus of the Grand Trunk Pacific, with the possible exception of the mouth of the Mackenzie River. When I called this

fact to Stefansson's attention he pointed to the panhandle of Alaska as cutting off access to the ocean and the consequent development of northern British Columbia.

"'I told him that there was no parallel between the two cases, and that I would consider it a distinctly unfriendly action if Great Britain or Canada persisted in backing up its claim to an American island. This brought up the question of the title of the United States to the island, and Stefansson made a statement similar to that which has been printed in the Times.

"'He overlooked the fact that Captain Gellett, of the Royal Navy, never reached Wrangell Island and made no attempt to take possession of the land. Sovereignty was first asserted by the United States when Captain Hooper, of the United States Revenue Cutter *Corwin*, landed on the island in 1881. The details are given in Captain Hooper's report on the 1881 cruise of the *Corwin* in a Government publication printed the following year. A little later, in the same summer, the U. S. S. *Rodgers* charted the island.

"'Stefansson states that in order to retain possession of lands acquired by the right of discovery they must either be occupied permanently or else that sovereignty must be reasserted at intervals of five years. I do not believe that this principle applies to lands difficult of access, and international courtesy has always been influenced by the proximity of such lands to the territorial domain of the claimant.

"'There are many large islands north of Canada to which Canada claims title which would fall under neither of the rules given and which are exactly in the same status as Wrangell Island.'"

ARCTIC LANDS ON EAST COAST.

It is interesting to note that Mr. Burnham refers to the status of many large islands north of Canada, which, under Stefansson's idea of continuous occupancy, would now not belong to Canada. Stefansson's "five-year abandonment" idea must have been evolved out of his own consciousness. There is absolutely no warrant for it in diplomatic or political practice or in international law. Denmark had no occupancy nor settlements north of Upernavik prior to 1874, yet her sovereignty over Greenland as far north as Melville Bay was never questioned, to the undiscovered region north of Smith Sound she then laid no claim, nor did she claim rights over Kane Land, Hall Land, Hazen Land, Peary Land, or Melville Land until after the Lansing treaty of 1917, and it is doubtful if that portion of the treaty, being the personal declaration of the Secretary of State and so incorporated in the treaty, is valid.

It is possible that the recent action of Canada in sending an expedition to the islands north of Labrador may have had its genesis in the last paragraph of Mr. Burnham's interview. Whatever its original impetus was it is certain that Canada is now taking action. As the United States has definite claims to part of that northern region, claims never abandoned nor canceled, it may be of interest to see how they came into being.

ORIGINAL DISCOVERIES IN ARCTIC REGIONS.

First it is well to recall what lands lie "north of Labrador and facing Greenland across Davis Strait," as the Ottawa dispatch reads. Strictly read this can only refer to the region running 60° north to 70° north, as the waters north of Disco Island are called Baffin Bay. John Davis, an Englishman, following Martin Frobisher, who in 1576 discovered land north of the present Labrador, and who brought the famous "fool's gold" from Meta Incognita in 1585 in the *Sunshine*, of 60 tons, and the *Moonshine*, of 35 tons, sailed up an open waterway lying between the known south Greenland coast and the unknown American coast. Davis made a northing to the Arctic Circle and discovered the strait that bears his name. On a third voyage Davis reached 72° 12′ north in 1588, roughly the latitude of Upernavik.

The only lands on the west of Davis Strait facing Greenland are Resolution Island, other small islands, and the lower part of Baffin Land. But as short press dispatches often omit important matter, it is possible that Baffin Land is not meant at all, as there has never been any contest of the title of Great Britain and Canada to Baffin Land. The territory in doubt in the minds of the Canadians is much farther north. Above Davis Strait runs Baffin Bay, ending as a bay at Smith Sound. This was supposed to be merely a bight in Baffin Bay until Elisha Kent Kane, that prince of American explorers, drove the *Advance* through the waters of Smith Sound into Kane Basin and opened up the gateway of the American passage to the Polar Ocean. Following Kane came Hayes, Hall, Greely, Lockwood, Brainard, and Peary, and step by step, from 1853 to 1909, they carried the American flag northward and formally took possession of the Polar regions for the United States until Peary planted the American flag on the North Pole and took possession of both coasts for the United States.

AMERICAN PLAN NAMES IN ARCTIC.

From Cape Chudleigh, or Chidley, the point south of Hudson Strait to Lincoln Sea, the waters dividing Labrador, the Magnetic Archipelago, Ellsmere, Grinnell and Grant Land, on the west from Greenland, Washington Land, Kane Land, Hall Land, and Hazen Land, on the east, are named; toward the north, Davis Strait, Baffin Bay, Smith Sound, Kane Basin, Kennedy Channel, Hall Basin, Robeson Channel, and Lincoln Sea. The first three are names given by English explorers, the last and most northerly five were given by American explorers on discovery. In their order running north the lands north of Labrador are named Frobisher Land, Cumberland, Baffin Land, Eylot Island, Devon Island, Ellsmere Land, Grinnell Land, and Grant Land. Grant Land is the most northerly part of the North American continental mass, with Cape Columbia at 83° north as its apex. South of Smith Sound Canada's title, through Great Britain, is clear, the conflict comes over the lands north of Smith Sound, originally discovered by Americans, and by them, from Kane to Peary, taken possession of for the United States, and to this day bearing distinctively American names.

NARES'S TRIBUTE TO HALL.

It is true that the British Nares expedition four years after the American, Hall, had opened up the American passage from Kane Basin to Lincoln Sea, or the true Arctic Ocean, of which Lincoln Sea is a bight, as Beaufort Sea is a bight farther west, pushed the British ship *Alert* up to Floeberg Beach, 14 miles farther north than Hall shoved the *Polaris*, but Nares's own views on the subject are set forth on the bronze tablet that he took out from London to place on Hall's Arctic grave on Polaris Promontory, on which Nares had engraved:

"Sacred to the memory of Capt. C. F. Hall, of the U. S. S. *Polaris*, who sacrificed his life in the advancement of science November 8, 1871. This tablet has been erected by the British Polar expedition of 1875, who, following in his footsteps, have profited by his experience."

On her maps and charts Canada claims as Canadian territory all the lands lying west of Davis Strait, Baffin Bay, and the American passage to the sixtieth meridian east, thence up it to the North Pole, thence south along the one hundred and forty-first meridian to Demarkation Point, which separates her Yukon Territory from Alaska. Lately she divided these lands up into territories, to which she gave new names. Canada has a dispute on with the colony of Newfoundland over Labrador. Newfoundland extends her claim of territory to Labrador and to Baffin Land, and it may be that this is the raison d'être for the expedition to Davis Strait to be sent out by Canada.

FLIGHT ROUTES IN ARCTIC CANADA.

But there is another "reason for being," and that is flight routes across the Arctic. From the head of Cumberland Sound, at the mouth of Davis Strait, to Collinson Gulf, at the southwest of Beaufort Sea, is 1,500 miles, and with any 1922 model seaplane it can be flown in 15 hours, with some in 10 hours. On Cumberland Sound, across Nettiling Lake, Fox Channel, through Frozen Strait—not as bad as its name indicates—or Fury and Hecla Strait, to Committee Bay; thence to Boothia Isthmus and across to Rae Strait and on through Simpson Strait to Franklin Bay, through Dease Strait, Coronation Gulf, Dolphin, and Union Strait to Collinson Gulf and Beaufort Sea in 10 hours, over water or smooth ice all the way, with ample supply stations easily established en route and oil and coal on the route. Or, substitute Hudson Strait to Fox Channel for Cumberland Bay and Nettiling Lake and an easier approach flight route from the Atlantic via Cape Chudleigh is established.

There can be no challenge whatever to Canada's rights to flight route by any nation. It is undoubtedly British all the way. If one says that no thought has been given to that region as a flight route besides myself when I filed my Arctic flight route charts in September, 1921, I recommend the reading of these two dispatches:

"Ice-running plane wrecked. St. Johns, Newfoundland, December 10, 1921. An airplane equipped with ice runners, inaugurating postal service between Newfoundland and Nova Scotia, which left Botwood, Newfoundland, to-day, crashed at Deer Lake, at the headwaters of the Humber River on the west coast, according to a report received here. Major Cotton and Captain Bennett, in charge of the machine, were said to have escaped unhurt."

FLIGHT AROUND LABRADOR.

A little thing like an airplane crash will not stop the men who stood at Ypres against the might of Germany, so later the following appeared:

"PLANE MAKES ROUND TRIP ST. JOHNS TO LABRADOR—MAJ. SIDNEY COTTON TAKES FIRST FLIGHT OVER NEW ROUTE WITHOUT ACCIDENT.

"ST. JOHNS, NEWFOUNDLAND, March 12, 1922.—Maj. Sidney Cotton completed to-day the first airplane round trip between this city and the Labrador coast. The return trip of 500 miles, from Cartwright, a Hudson Bay Co. trading post in Sandwich Bay, midway up the Labrador coast, was started this morning, and was made in eight hours. This included half-hour stops at St. Anthony and Botwood, Newfoundland.

"Major Cotton last week flew to Botwood up the east coast of Newfoundland, and the next day carried mails from there to St. Anthony, in the northern peninsula. Thence he flew to Battle Harbor, on the southern coast of Labrador, and on the third day of his flight went to Cartwright."

Five hundred miles' flight in seven hours, deducting stops. In the summer? Not at all. In March, the worst month in the year; around the rim of Labrador. And he tried it first in December. This ought to be answer enough to the doubting Thomases on Arctic flights

LANDINGS ON ARCTIC ICE.

From Cumberland Sound to the North Pole is about the same in an air line as from Cumberland Sound to Beaufort Sea. To those who pick at trifles I may say I know very well that the coast of Baffin Land is icebound, but the ice is only on the surface, or a bit above it. We fly over it, not mush through it. Surface ice will not stop an airplane. Smooth ice is excellent for take-off or landing. The floe that ties up a surface ship for a year in its icy grip only makes a perfect landing for an airplane, and the greater the pressure ridge—that bane of the surface explorer—the wider the floes that crush together to form it at their edges. Inland hard-packed and iced-up snow, frozen lakes and ponds, and frozen rivers make exceptionally good landing places, even with wheels on the landing gear, and perfect with runners or skis.

COMMERCIAL VALUE OF FLIGHT ROUTES.

I will not enlarge on the various flight routes across the Arctic above the Arctic Circle further than to again write that there are over 50 routes charted by my son and myself.

Using the delta of the Mackenzie River as a base and being permitted to claim and occupy the American territory of Wrangell Island, Canada, far-sighted and progressive as she has shown herself to be, would have control of all the Siberian trading. I am not a commercial man, but I know that there is more fossil ivory on one island in the Arctic than there is of other ivory in all the world. Airplanes are now built capable of carrying a load of 2 tons. Two tons of ivory would be a valuable cargo. Two tons of Siberian furs, brought from the Siberian coast by airplane via Wrangell Island, could be landed in St. Johns, Montreal, or Quebec easily within four days from the time they were loaded aboard in Siberia.

One has only to look at a chart of the Arctic to see how important Wrangell Island is as a halfway point between the Mackenzie in Canada and Kolyuchin Bay, and the rivers lying between it and Chaun Bay, Chaun Bay itself, the Kolyma Delta, which gives access to the Omalon River, which drains a great plain to the Primorskaya Mountains, and to the Kolyma River, which reaches south to the Tomuskhaya and Alazeiskya Mountains, the Indigirka, Yana, and Lena Rivers, and the New Siberian Islands. If these names seem odd and of little moment, one may reflect that there is nothing funny about the magnificent sables and other Siberian furs the region produces, nor the vast quantities of fossil ivory to be had for the taking therein.

WRANGELL ISLAND AS AIR BASE.

If Canada be permitted to occupy Wrangell Island without protest from the United States or the assertion of American rights to Wrangell Island dating back to its first verified landing by Long in 1867, followed by Captain Hooper and Lieutenant Reynolds from the U. S. S. *Corwin*, and Commander Berry and party from the U. S. S. *Rodgers*, both in 1881; the visits of American whalers between Long and the *Karluk* party landing, omitting Rodgers's cruise in the U. S. S. *Vincennes* in 1855, as he did not land but cruised in the waters near by, and Canada then follows the method she has in regard to other Arctic possessions, the Canadian Arctic boundary will be extended from the one hundred and forty-first meridian across the north of Alaska to the one hundred and eightieth meridian, thence north to the pole, and down the sixtieth meridian to Grant Land. This would insure the British Empire a series of flight routes from the Atlantic to the Pacific, routes which are now blocked to the British Empire and Canada by west and north Alaska and the Alaskan panhandle and by east Siberia.

Neither I nor any other American can object to Canada or the British Empire developing the flight routes in the Arctic that lie within their own territory, and it would matter very little to either the British Empire or Canada if we did. But Wrangell Island is not the only land at issue. Grant Land, Grinnell Land, Arthur coast, and the western hinterland of the American passage on the east coast are also at issue. In 1909 the Canadian Government sent Capt. J. E. Bernier, in the steamer *Arctic*, on a voyage to the Parry Islands, which are the most northwesterly of the Arctic Archipelago group, for the "purpose of annexing territory of British possessions as far west as longitude 141°," as Bernier writes in his introduction. Bernier cruised up Davis Strait, Baffin Bay, Melville Bay, Lancaster Sound, Barrow Strait, Melville Sound to McClure Strait, formally annexed Melville Island, Banks Island, Victoria Island, and placed a cross on Northeast Hill, Winter Harbor, Melville Land, to "commemorate the annexing of the Arctic Archipelago to Canada."

KELLETT AND WRANGELL ISLAND.

Great Britain had a short time before released to Canada all her claims to the Arctic Archipelago, and this and previous acts of physical annexation were to claim the lands for Canada, not Great Britain. At that time Canada had no plan about Wrangell Island; Bernier was to work only to the one hundred and forty-first meridian, and it is interesting to note that in writing of Capt. Henry Kellett, who, it is claimed now, saw but did not land on Wrangell Island in 1849, Bernier merely writes, "Capt. Henry Kellett had made a voyage to Bering Strait previous to his joining the expedition of Commander Belcher—searching for Franklin—and had met McClure in the Arctic Ocean on his way sailing northeast. Kellett reached Herald Island in Bering Strait (sic) and returned with his ship to the Pacific Ocean and around Cape Horn, successfully reaching England." Kellett reached England in 1850.

BRITISH ARCTIC CHART OF 1852.

In Bernier's book is reproduced the chart printed two years after Kellett's return to England. It is entitled "Correspondence—Arctic Expeditions, No. 82. Ordered by the House of Commons to be printed, December, 1852." The chart was prepared by Day & Son, lithographers to the Queen, and printed by Henry Hansard. This chart is most important in the discussion of the original discovery and claiming of Wrangell Island. It covers the region from 63° north to 74° north and from 152° west to 174° west; shows the Siberian shore from Emma Harbor around East Cape, past Cape Serdzekamen, to the east shore of Kolyuchin Bay; shows the Alaskan coast—Alaska was then Russian territory—from the mouth of the Yukon around Norton Sound, with St. Lawrence Island to the west, Cape Prince of Wales, Bering Strait, the Diomedes, and Fairway Rock, Kotzebue Sound north to Hope Point, around Cape Lisbourne, thence northwest to Icy Cape, Blossom Shoals, Seahorse Island to Point Barrow, and around Barrow to Smith Bay. Soundings are given offshore and the course of the *Herald*, Captain Kellett's ship, is shown by her soundings as far as Herald Shoal, where 8 fathoms are recorded at 171° west longitude and 70° 30′ north latitude.

WRANGELL ISLAND NOT SHOWN.

Wrangell Island is not shown on this English chart of December, 1852, two years after Kellett's return. The sounding farthest west that is shown is 29 fathoms at 60° 28′ N. and 175° W. The easterly point of Wrangell Island, looking toward Alaska, is 177° W. Taking the facts as shown by this chart the farthest west made in that latitude by Kellett, or any of the expeditions of that time, was, as degrees run in that northing, 94.40 statute miles from the most easterly point of Wrangell Island. The famous Capt. James Cook, the great English explorer, made North Cape, Siberia, in 1778, but did not see Wrangell Island, although Cook's distance was about the same as Kellett's from Wrangell Island. Kellett could not have seen Wrangell Island, even from his masthead, with his ship at his last-shown sounding. He could have seen a mirage of Wrangell Island, and this is perhaps what he did see; but he did not land on Wrangell Island nor did he claim it for England. Had the British Admiralty been satisfied that Wrangell Island, or even Herald Island, had been seen by Kellett, they would have incorporated such lands in the chart of December 20, 1852, when Arctic interest was at its height over the search for Franklin. This chart is very complete. such details as the "Vein of coal" near Cape Beaufort, Alaska, Deviation Peak, northeast of Hotham Inlet, and complete shore soundings are shown, yet Wrangell Island is not shown. Lieutenant De Haven and Surgeon Kane, of the United

States Navy, saw the first Grinnell land at the head of Wellington Channel and named it after the patron of the voyage. But they did not land. A year later Captain Omanney, of Belcher's squadron, landed on Grinnell land and claimed it for England. There was much discussion over this act at the time, but the United States officially ignored De Haven's "sight" and accepted Omanney's "landing"—or at least the matter has never been brought to issue officially.

AMERICAN RIGHTS IN ARCTIC REGION.

As the question of territorial rights to Arctic air bases is one that will be much discussed in the next few years, and as other Arctic islands besides Wrangell are involved, permit me to digress here to cite the following:

(From Admiral Robert E. Peary's "The North Pole," page 297.)

90 N. LATITUDE, NORTH POLE, *April 6, 1909.*

I have to-day hoisted the national ensign of the United States of America at this place, which my observations indicate to be the North Pole axis of the earth, and have taken possession of the entire region and adjacent for and in the name of the President of the United States of America.

I leave this record and the United States flag in possession.

ROBERT E. PEARY,
United States Navy.

Writing of this flag, on pages 294–295 of "The North Pole," Peary sets forth:

"We planted five flags at the top of the world. The first one was a silk American flag which Mrs. Peary gave me 15 years ago. That flag has done more traveling in high latitudes than any other ever made. I carried it wrapped about my body on every one of my expeditions northward after it came into my possession, and I left a fragment of it at each of my successive 'farthest norths'—Cape Morris K. Jesup, the northernmost point of land in the known world; Cape Thomas Hubbard, the northernmost known point of Jesup Land, west of Grant Land; Cape Columbia, the northernmost point of North American lands; and my farthest north in 1906, latitude 87° 6′, in the ice of the Polar Sea. A broad diagonal section of this ensign would now mark the farthest goal of earth."

This was in addition to the United States flag planted by Peary as the symbol of possession.

Chart No. 2142, issued by the United States Navy Hydrographic Office, bears a cut made from a photograph taken on the spot, Peary displaying the American flag on a cairn at Cape Morris K. Jesup, Peary Land, north of Greenland, at latitude 83° 39′ north.

CANCELLATION OF A PEARY CHART.

Strong political influence was brought to bear on the Hydrographic Office to withdraw this chart, and it did. This is the chart that shows that Peary Channel divides Peary Land and Hazen Land from Greenland, and I am sure this was the reason for the pressure brought to bear to cause its cancellation. It is easy to see why Denmark would prefer that Peary Channel had no existence, as it makes new land and separate land of the region north of Greenland, making this region distinct from Greenland—as Robeson Channel separates Hall Land from Grant Land.

On May 13, 1882, Lieutenant Lockwood and Sergeant (now Brigadier General) Brainard reached Lockwood Island, off Hazen Land, from which they saw and named Cape Washington, at 83° 24′ north, 42° 45′ west, where they planted the American flag and took official possession of the region in the name of the United States. In the committee room of the House Committee on Appropriations in the Capitol at Washington hangs a large painting done by Albert Operti, in 1886, which shows Lockwood and Brainard making an observation. The American flag is flying from their tent.

Nares Land, south of Nordenskiold Inlet, was not so named by the English party but by the Americans, Lockwood and Brainard, out of compliment to Nares. Lieutenant Beaumont, who headed the northeast party from Nares's *Alert*, did not get farther north than near Cape May, which had been previously explored by the American party under Hall in 1871.

WORK OF HALL AND KANE.

In 1870–71, on the east coast of Robeson Channel and Hall Basin, Hall, the American, and the members of his party took possession of Hall Land from Cape Bryant, 82° 20′ north and 55° west, to Cape Constitution, on Kennedy Channel, at 80° 35′ north, 67° west, for the United States.

Kane, in 1853–1855, from his base in the *Advance*, in Van Rensselaer Harbor, in Kane Basin, which he was the first to penetrate, discovered, explored, and took possession for the United States of the region lying on both sides of Kane Basin and Kennedy Channel. William Morton, of the Kane party, made Cape Constitution and saw Mount Ross, across Kennedy Channel, sledding along the east coast, while Hayes, on the Grinnell Land side, worked as far north as Cape Frazier at 79° 43′ north, and sighted land beyond that, planted the American flag there, and took possession of the land 21 years before Nares.

Thus, by the work of American explorers, from Kane to Peary, the entire region abutting on the American Passage was originally discovered and taken possession of for the United States from 78° 30′ north and 71° west to Cape Henry Parish at 82° 40′ north and 23° west, roughly 900 miles of coast on the east, and to Cape Columbia on the north, roughly 700 miles of coast.

Hayes followed up his work with Kane by an expedition in the *United States*, during which he explored Grinnell Land farther. Greely followed Hayes, and his men, Lockwood and Brainard, worked west on Grinnell and Grant Land to Greely Fiord, reaching 80° 48′ north and 78° 26′ west. Their journey, with Greely's trip to Mount Chester A. Arthur in 1882, opened up 6,000 square miles of unknown land, all of which was officially taken possession of for the United States. Later Schley Land, west of Hayes Sound, was added to this territory.

PEARY'S ARCTIC EXPEDITIONS.

In 1886 Peary began his work in the Arctic with a rush inland over the Greenland ice north of Disco. In 1892 Peary, crossing the inland ice, made Independence Bay and climbed Navy Cliff, 4,000 feet high, at 81° 37′ N., 34° W. Further explorations were made by him in 1893, 1894, and 1895. On May 8, 1900, Peary rounded Capes Washington, Jesup, and Bridgemen, and reached Cape Henry Parish. As he opened up each new stretch of territory Peary took possession of it for the United States. He did the same on his trips around Grinnell and Grant Land, reaching Cape Thomas Hubbard, the most northerly point on what he had previously named Jesup Land, now known as Axel Heiberg Land.

Not one of these explorers was timid about his right to take possession of the lands discovered. Their announcements are forthright and direct, and their acts were definite and for a definite purpose.

To Denmark's territorial rights south of Melville Bay there can not be question, though prior to 1874 Denmark had no settlements north of Upernavik. But to the territory extending along the west coast of the American Passage and around to Independence Bay the United States to-day has a valid claim, and this despite the declaration of Secretary Lansing in the treaty of cession of the Danish West India Islands of 1917.

CANADA'S RIGHTS IN ARCTIC.

To the territory running north from Cape Chidley, Ungava, north of Labrador to Cape Isabella, Ellsmere Land, Great Britain's rights, transferred by her to Canada, are absolute. Nor can there be any question about the islands running west from Ellsmere Land to Prince Patrick Island and thence south to Banks Island and Victoria Island. Too many brave Englishmen perished in the work of exploration of that region for anyone or any nation to challenge England's rights or Canada's rights through England. Axel Heiberg Land, Elluf Ringes Land, and Amund Ringes Land, by right of discovery, might be disputed by Norway. Amundsen's "Northwest Passage" in the Gjoa yielded no new territory. He sailed through well-charted passages, every square mile of which had been traversed by English explorers and by the Americans Hall and Schwatka, except the short stretch of the east coast of Victoria Island from Cape Collinson to Cape Nansen, covered by Godfred Hansen, but even this had been previously seen by English explorers from McClintock Channel. The Americans De Haven and Kane were on an errand of relief to find Franklin when they saw the First Grinnell Land, and I can find no record of definite possession being taken of it for the United States.

ARCTIC RIGHTS OF UNITED STATES.

But to the territory on both sides of the American Passage the United States has a valid claim, a claim admitted by Nares indirectly when he caused the words "In whose footsteps we followed" to be placed on Hall's arctic grave.

The very names of the region, coastal and inland, are American. These northerly lands are of great importance as an easterly outlet from the Arctic. The possession of them by the United States does not interfere with Canada's air exit to the east and the Atlantic. She can make flights via Beaufort Sea, McClure Strait, Melville Sound, Barrow Strait, Lancaster Sound, Baffin Bay, and Davis Strait to the Atlantic. She can fly from Cape Bathurst, at the head of Collinson Gulf, over water or ice, with short land flights, not overmuch for a seaplane, via Dolphin and Union Strait, Coronation Gulf, Dease

Strait, Franklin Gulf, Victoria Strait, James Ross Strait, Gulf of Boothia, Committee Bay across land to Repulse Bay, Roes Welcome, and Hudson Bay, or from Boothia Bay through Fury and Hecla Strait to Fox Channel and Hudson Strait, or from Fox Channel, Netteling Lake, to Cumberland Sound, and thence to the Atlantic.

The only American air exit from Alaska to the North Atlantic on the American side of the Arctic would be from North Alaska to Grant Land, thence to Hazen Land and Peary Land, and to the Greenland Sea.

But on the Asian side, over now known lands, the United States has a flight route via Wrangell Island, Jeannette, Henrietta, and Bennett Islands, Graham Bell Land, and thence to north Europe or the North Atlantic.

AMERICAN TITLE TO ARCTIC ISLANDS.

That it may be part of the record let me quote from the works of the discoverers the American title to the De Long Islands.

It may be forgotten that the De Long expedition, in the *Jeannette*, passed to the north of Wrangell Island, which De Long hoped was a point of continental land, and so coasted that side of Wrangell a year before the *Corwin* or *Rodgers* reached Wrangell. The last sight of Wrangell Island by the De Long party was on March 24, 1880.

On May 16, 1881, De Long writes in the log of the *Jeannette:* "Land! * * * I * * * ran up to the foreyard and there, sure enough, I saw a small island one-half point forward of our starboard beam * * * May 20 * * *. Toward midnight a strong appearance of land was seen bearing west by north * * * which I locate in latitude north 76° 47′ 28″, longitude 159° 20′ 45″. * * *

"Instructed to name the first island seen Jeannette and the second Henrietta, a party was sent ashore under Melville. De Long writes: 'The party landed on the island on Thursday, June 2, 1881, hoisted our silk flag, took possession of it in the name of the Great Jehovah and the United States of America, and, agreeably to my instructions, named it Henrietta Island * * *.'" On June 28 (correct date June 29), 1881, De Long writes describing his landing on Bennett Island: "I have to announce to you that this island * * * is newly discovered land. I therefore take possession of it in the name of the President of the United States and name it Bennett Island."

These three islands, now known as the De Long Islands, lie northeast of the New Siberian Islands. Bituminous coal was found on Bennett Island and burned aboard the *Jeannette*. The islands are Jeannette, 450 miles west of Wrangell Island; Bennett, 600 miles west of Wrangell Island.

Wellman, Baldwin, and Fiala are still alive, and their testimony as to the actual physical act of taking possession for the United States of Graham Bell Land and other lands in the Franz Joseph Archipelago is available from them. There is no doubt that they did.

AMERICAN ARCTIC FLIGHT ROUTE.

Excluding consideration of possible land north of Alaska, between it and Peary's "entire region and adjacent" to the pole, a trans-Arctic flight route from Alaska to north Europe is provided for the United States via Wrangell Island, De Long Islands, and Graham Bell Land, with four main stops en route and access to the Siberian coast, Taimir Peninsula, and Nova Zembla on the way. This route is not as short from Bering Sea to Greenland Sea, or from the North Pacific to the North Atlantic, as the transpolar route, but it is over known territory, and has strategical value to the United States. Not being a commercial man, I hesitate to point out its commercial value, but there are plenty of men in Alaska who realize it, and they are not the only ones.

Nor is it within my province to suggest just what action the United States shall take to protect its rights. The State Department exists for that purpose, and is quite capable of functioning when it so wills.

NAULTY PLANS USED BY AMUNDSEN.

The importance of the Arctic flight routes is understood by other nationals, as the deliberate appropriation of my polar flight plans and even of my announced route by Amundsen, the Norwegian, indicates. Emboldened by the lack of criticism of his action in this country, due to good-natured indifference and a lack of realization of what is afoot, Amundsen is now attempting to make Point Barrow by surface ship and start a flight across the Arctic from there. An agent of his recently denied that Amundsen intends to take possession of land if he finds it north of Alaska, but a previous statement differs with that.

In an account of Amundsen's plans sent out by International News Service from Seattle on March 11, 1922, and headed "Plans to drift across North Pole, and journey may take five years—New lands to be claimed for the King of Norway," the statement is made, as printed in the Washington Times of that date: "The voyage of exploration will be made under the flag of the King of Norway. Lands first discovered on the journey will be claimed for Haakon VII, King of Norway, who is helping finance the expedition." This was given out by the same agent who afterwards denied that Amundsen intended to take newfound lands in the American region for Norway.

Amundsen himself was then in Norway, but previous to his departure Amundsen had accepted responsibility for the statements of his agent. The whole idea of appropriating the Fairfax Naulty plans had not been put up to Amundsen then by interests operating in the United States for a German plane and a Bavarian air motor and the plane he now purposes using with its British pilot had not been "given" to Amundsen. That this is so is shown by this part of the article of March 11, which reads: "Should the ice pack carry the *Maud* within flying distance of the North Pole the two airplanes (short-range English airplanes previously referred to) will make a little side trip to the pole."

PLANE TO BE USED FOR ESCAPE.

On March 17, 1922, Amundsen sailed from Christiania, Norway, for New York. The dispatch from Christiania said Amundsen planned to leave Seattle on his long expedition into the ice-bound Arctic regions. Another article from Seattle on March 25, inspired by the same agent, announced the purchase by Amundsen of a large metal plane, said that Amundsen might attempt to fly from New York to Seattle (a part of the Fairfax Naulty plans), and concluded by the statement that "The larger plane is to be provided for a dash to the nearest settlement in case of a mishap to the *Maud*."

GERMAN PLANE GIVEN AMUNDSEN.

Still there was no announcement of a plan by Amundsen to fly from Point Barrow to the pole and on to North Cape. On March 29, 1922, Amundsen reached New York, and, as announceed in an article carried by the Associated Press, the story reads in part:

"Hardly had he landed than he hastened to a conference with John M. Larsen, a governor of the Aeronautical Chamber of Commerce of America. After luncheon came the announcement that the larger of the two planes selected by the explorer would be the all-metal Larsen monoplane. The plane, Captain Amundsen explained, was being supplied by Mr. Larsen at his own expense, and the contribution which the airplane manufacturer would make to the expedition would represent about $40,000. Amundsen is confident that the monoplane—the eyes of the *Maud*—will be able to do its work well, permitting great sallies to either side of the vessel and sending warnings of ice fields and dangerous currents that should be avoided. Besides the monoplane Amundsen will take an Avro scout plane, a smaller British ship, which will be used only in the vicinity of the *Maud*."

RESULTS TO ACCRUE TO NORWAY.

The article continues: "Amundsen plans to leave for Washington in about a week for conferences there with Government officials"—thus attempting to create the thought that the United States Government, as a Government, was interested in his venture. Further on Amundsen is quoted as saying that he "would take 10 men with him when he sets out from Nome to drift to Spitzbergen."

In an article published March 31 in a Washington newspaper Amundsen, who had arrived in Washington, is quoted as saying that "the trip to the polar regions will be made under the Norwegian flag and the direct discovery results will accrue to Norway, it is understood, which is financing the trip in so far as the ship *Maud*, in which the voyage is to be made, is concerned." * * * "The objective will not be the North Pole, although it is possible that this point will be passed by the exploring party."

In the Washington Herald of March 31, 1922, Amundsen is directly quoted as saying, "First of all, we are not making this trip to find the pole but for the purpose of making scientific observations. * * * The first stop will be Nome, Alaska, where we will take on supplies. From there to East Cape, Siberia, where we will be outfitted with fur suits. * * * We will push through the ice as far as we can go, then freeze up and start our long drift to the north. * * * If we succeed in pushing through the ice to latitude 75—Point Barrow is latitude 71–16, or 284 geographical miles south of latitude 75—we should come out in three years. However, if we freeze up and have to start drifting from 72 or 73, say, we will probably be gone five years." Under the subhead "To drift over pole," Amundsen is directly quoted as saying, "We hope to

drift about 2,000 miles across the Polar Sea and to come back to civilization through Spitzbergen and Greenland, thence to Norway and home." The article then reads: "One of the principal objects of the trip, according to Amundsen, is to seek the theoretical continent that the late Doctor Harris believed to exist just eastward (sic) of the pole."

Amundsen attempted a flight across the continent but the plane cracked up in a forced landing at Miola, Pa., and Amundsen took a train to Seattle.

ARCTIC DRIFT PLANS OF AMUNDSEN.

Amundsen left Seattle for Nome, not in the *Maud* but in the passenger steamer *Victoria*, and the Associated Press sent out a story from there on June 3, 1922, in which the ice drift on the surface was emphasized. I quote: "The expedition is a resumption of the effort begun by Captain Amundsen in 1918, under auspices of the Norwegian Government, to drift past the North Pole with the ice floes. Captain Amundsen expects to drift past the pole from a point off northeast Siberia to Spitzbergen within five or six years. H. H. Hammer, Seattle, representative of Captain Amundsen, was recently knighted by the King of Norway for his services in connection with the expedition."

BRITISH AIR PILOT APPEARS.

At Nome a new man entered the case. In a dispatch from Nome, of June 30, 1922, detailing the send off the good-natured folk of Nome gave Amundsen, Elmer G. Fullerton appears instead of Omdal, the Norwegian flyer, who was previously announced as the polar pilot. The story reads in part: "With the Norwegian explorer (on the *Maud* from Nome) sailed Elmer G. Fullerton, Canadian member of the British Royal Air Force, who will pilot the 185-horsepower Junker monoplane in its flight." This is the first time that the real name of the so-called Larsen plane has appeared in print. The article continues: "Fullerton said, 'Captain Amundsen and I hope to make a nonstop flight across the world to Spitzbergen, taking about 24 hours for the journey. Our monoplane will carry 350 gallons of gas and is equipped with special skis for landing on ice.'"

VARIOUS STATEMENTS OF PLANS.

The knighted press agent at Seattle on June 27 got mixed up, as he issued a statement that a cablegram from Captain Amundsen five days before—that is, June 22—stated that Amundsen was leaving Nome for Point Barrow, where he intended to start his air trip over the pole. This article states later, "Captain Amundsen plans to attempt a flight from Point Barrow across the North Pole. His latest plan, according to Mr. Hammer, is to land at Cape Columbia, Grant Land."

Out of Christiania, Norway, on June 26, came this dispatch: "Roald Amundsen, the Norwegian explorer, has changed his plans for his attempt to fly to the North Pole, it was reported here to-day. He now intends to land at Spitzbergen instead of Cape Columbia, as had been planned. A Norwegian air officer is going to Spitzbergen to mark out a suitable landing place."

On June 9 Amundsen had intended to attempt a flight despite his talk about a surface drift, as he sent under his own name a communication to the London Times in which he wrote:

"Should conditions allow me, Omdal and myself will start this summer from Point Barrow, the north point of Alaska, flying across the unknown regions of the Polar basin and cross the North Pole, thence making for Cape Columbia (northern Greenland, sic). A depot for our use has been established there by Capt. Godfred Hansen, who has worked hard and shown great capacity."

I have referred to the Hansen "depot" in my letter of July 4, 1922.

From the first tentative announcement of a plan to use airplanes as "the eyes of his ship," made on October 12, 1921, 12 weeks after the Fairfax Naulty (American) polar flight plans were made fully public, Amundsen and his agent have varied continually in their statements as to the purposes of the expedition. Now they have been joined by interests exploiting a foreign airplane and a pilot said to be now in the British Royal Air Force. This last I doubt. Fullerton may have been during the war in the R. F. C. or the R. A. F. He did pilot a Junker plane from Peace River to Fort Norman last summer, through Canadian territory, carrying the geologist of the Imperial Oil Co. to the oil region at Fort Norman. I would not be surprised to find that he had flown to Wrangell Island to clinch Stefansson's "taking possession" of it.

FATE OF AMUNDSEN'S MEN.

That Amundsen had no intention of making a transpolar flight from the *Maud* or from any land point when he started his Arctic voyage in 1918 is certain. He worked his ship with a full crew to Cape Chelyuskin, where he sent two men of the crew—Knudsen and Tessen—ashore to work back to Norway with his records. The fate of these men is set forth in an Associated Press dispatch from Christiania, Norway, under date of December 30, 1921. The dispatch, as printed in the United States, read:

"ARCTIC MESSAGE TELLS OF TRAGEDY—BEARS DESTROYED DEPOT; ONLY 20 DAYS' FOOD," SAYS LETTER FOUND BY SEARCHERS.

"CHRISTIANIA, NORWAY, December 30, 1921 (by the Associated Press).—'Bears destroyed our depots; we now have 20 days' provisions,' so reads part of a letter dated November 10, 1919, said by the official Rosta agency to have been found at Cape Wild by the Russian expedition under Begitcheff, which has been making a search in the Arctic regions to learn just what happened to Knudsen and Tessen, two members of the Amundsen North Polar expedition, who were lost during the winter of 1919.

"Near Cape Premetny the expedition reports that it discovered the remains of a fire on a beach and of what appeared to be a burnt human body. Footprints of only one man were discovered. One rifle and cartridges of the Norwegian 1914 pattern also were found.

"The Begitcheff expedition was at Cape Wild on July 28 last (1921).

"Several weeks ago a radio dispatch from Moscow told of the finding of the bodies of Knudsen and Tessen. The place where the bodies were found was vaguely described as 'near the mouth of the Jenesey,' which was taken possibly to refer to the Yenisei River, which rises in northwestern Mongolia and flows northward through Siberia, where it empties into the Arctic Ocean.

"An expedition to search for the missing explorers was also sent out some time ago by the State council of Norway, but this party returned last summer without finding trace of Knudsen and Tessen at Cape Wild, where they were supposed to have been."

HISTORY OF "MAUD'S" VOYAGE.

For an easterly surface drift across the Arctic ice Amundsen left Norway in the schooner *Maud* in July, 1918. As the London Times of June 9, 1922, wrote, he "carried no airplanes." As Amundsen himself said in 1920 on his arrival at Nome, Alaska, he "regretted that he had no wireless on board." Aircraft were at the height of their war development in July, 1918, and communication by radio was then well established. Yet Amundsen had neither radio equipment nor airplanes on the *Maud*. Amundsen arrived at Nome, Alaska, on July 26, 1920, with the *Maud* and started back again to attempt the surface drift across the Arctic back to Norway. He did not then provide radio nor airplanes, though there were ample supplies of war surplus to be had—and cheap. Nor did he say one word during his stay in Nome in 1920 about a contemplated flight across the Arctic and to the North Pole.

Word was received at Nome from a trading vessel that Amundsen in the *Maud* was caught in the ice again on September 15, 1920, 20 miles off Cape Serdze, Siberia, and 225 miles northeast of Nome. On November 11, 1920, Amundsen sent a dispatch from East Cape, Siberia, to a Copenhagen newspaper which read: "We sailed from Nome City August 8 (1920). The following day we were held up by pack ice in Bering Strait. All aboard well."

NO AIRPLANES NOR RADIO ABOARD.

No airplanes aboard, no radio equipment. No announcement of any plans to fly in the Arctic. Amundsen's sole idea, then, was a surface drift back to Norway through the Polar ice.

Nothing was heard from Amundsen until June, 1921. On the 18th of June the following press dispatch was sent out and it was generally printed by newspapers throughout the United States:

ROALD AMUNDSEN RESCUED IN THE ARCTIC.

"SAN FRANCISCO, June 18, 1921.—The famous explorer, Capt. Roald Amundsen, lost for months in the Polar ice fields, has been rescued by the fur-trading schooner *Herman*, according to a cable from Nome. The message announced the safe arrival of the schooner (*Herman*, not *Maud*) at Nome with Amundsen on board. Amundsen was forced to desert his ship, the *Maud*, in which he went north from Seattle last summer, and was picked up by the *Herman* after a long overland trip filled with hardship. Amundsen hopes to have the *Maud* towed to Seattle, when ice conditions permit, to be fitted out for another start."

SECOND ARRIVAL IN NOME.

Amundsen left Nome for Seattle on the *Victoria*. He was extensively interviewed, both at Nome and at Seattle, when he got there on July 5, 1921. All his talk was then about his surface ice drift, never a word about polar flight. In its account

of his arrival at Nome on June 18 the New York Times, under date of June 19, 1921, printed the following:

AMUNDSEN BACK AT NOME—HIS SHIP DAMAGED—SAYS HE WILL TRY AGAIN TO DRIFT TO THE POLE.

"NOME, ALASKA, June 18, 1921.—Roald Amundsen, the explorer, whose ship, the *Maud*, wintered at Cape Serdze, Siberia, arrived in Nome yesterday and will leave for Seattle on the first steamer, he announced. The *Maud* lost a propeller in the ice during the winter and will be towed to Nome this summer for repairs. The explorer, noted for his discovery of the South Pole and his many Arctic and Antarctic voyages, said he would continue his efforts to reach the North Pole, drifting with the Arctic ice floes, as soon as repairs to his vessel were completed. He spent the winter (of 1920–21) on board the *Maud* with one native and three white companions, and said the party experienced few hardships. He reached Nome on the trading schooner *Herman*, which had picked him up at East Cape, Siberia. With the explorer were the daughter of Charles Carpenter, a Siberian trader, and a Chuchuk (Chuckchi) Esquimo girl, who he will send to school in Norway."

ACCOUNTS IN ALASKAN NEWSPAPERS.

The Alaskan Daily Empire, of Juneau, on June 21, 1921, printed the following:

AMUNDSEN HAS HARD TRIP IN ARCTIC REGIONS—BOTH PROPELLERS OF "MAUD" BREAK—IS RESCUED AND TRANSPORTED TO NOME.

"NOME, June 21 [1921].—Roald Amundsen, the Arctic explorer, who arrived from the Arctic last week, in an interview to-day, said both propellers of his schooner *Maud* were broken. One propeller broke in the Northwest [sic, Northeast Passage meant] Passage in 1919, and the second broke last fall between East Cape and Cape Serdze. Amundsen said the ice is the worst in years, and vessels were locked in for the winter. Amundsen, in May, made his way to East Cape, where he was the guest of Charles Carpendale. Natives on Diomede Island informed Captain Pedersen, of the schooner *Herman*, of Amundsen's plight, and the latter rescued him and brought him to Nome. Amundsen says he will continue his ice drift as soon as the *Maud* has been repaired, which will be when the craft is towed to Seattle during the summer."

The Alaskan Daily Empire had announced the arrival of Amundsen at Nome for half a stick, and this was what is known as a second-day story. Here was a direct interview with Amundsen, and then was his chance to announce his flight plans if he had them in mind; but his mind was fixed on the drift across the ice and flight was far from his thoughts. Newspapers generally on June 19, 1921, carried a cable dispatch from Christiania, under date of June 18, which set forth that the Storthing had received a telegram from Capt. Roald Amundsen, the Norwegian explorer, requesting that 300,000 kroner be furnished for refitting the explorer's ship, the *Maud*, in order that he might continue his Arctic expedition; that is, his surface drift. Here again was a chance for Amundsen to announce flight plans to the Storthing if he had them, but there is not a word about polar flight from Norway.

AMUNDSEN AT SEATTLE.

On July 5, 1921, Amundsen arrived at Seattle. The Seattle Daily Times, of July 5, 1921, after describing Amundsen's arrival from Nome on the steamer *Victoria*, concludes with an interview with Amundsen, who said, "I am more confident than ever that I will reach the North Pole by drifting with the ice. The *Maud* broke her propeller in the ice last fall [1920] and we were thrown back a year in our venture, but I am not discouraged." Here was another chance for Amundsen, on his arrival, to announce polar-flight plans if he had them, while he had the attention of the world for a moment. A laudatory editorial on Amundsen and his drift work was printed in the Seattle Times, but no mention was made of flight plans. At that time airways across the continent were much in the public mind, and the Seattle Times carried an editorial on airways but never a word about Amundsen's "airway" across the Arctic.

Amundsen dropped out of print until July 17, 1921, when he was featured in a special Sunday story with the Siberian and Eskimo girls at the Seattle Zoo. He was photographed on the bridge of the vessel which was to tow the *Maud* down to Seattle, on July 21, 1921. On August 1, 1921, Amundsen sent out the following story from Seattle. It was carried by the Associated Press and as printed in the Evening Star, of Washington, read:

AMUNDSEN HOPES TO RADIO NEWS OF ARRIVAL AT POLE—EXPECTS TO INSTALL WIRELESS ON THE "MAUD" AND WILL TRY AGAIN TO REACH TOP OF EARTH BY FLOATING WITH ICE FLOES.

[By the Associated Press.]

"SEATTLE, WASH., August 1 [1921].—From the remotest, most inaccessible spot on earth—the North Pole—a wireless message will be flashed to the civilized world, if the plans of Capt. Roald Amundsen, discoverer of the South Pole and famous Arctic explorer, are carried out. Captain Amundsen's schooner *Maud*, on which he hoped to drift past the pole with the ice floes, was disabled by a broken propeller off Cape Serdze, Siberia, after he had spent two years in pushing around the eastward Arctic passage from Norway. The explorer left his vessel and her crew to await a break in the ice and proceeded to Nome, later coming to Seattle on a recent ship.

FIRST MENTION OF RADIO.

"The *Maud* has no wireless apparatus, but Captain Amundsen expects to install one when the *Maud* is brought here some time this summer to be repaired and refitted. Captain Amundsen explained that his party had been cut off from communication with other human beings for two years, with but one break—his trip out to Nome last year—two years of ice-bound horizons, of bitter cold, and of almost endless night.

"'The war was raging in its most critical period when we left the world, most of you know,' he recalled, 'and for months we speculated in vain on the course of events. It was in December, 1919, more than a year after the signing of the armistice, that we finally met a Russian trader, who told us what had happened. Then I determined that we would carry wireless.'"

The article continues:

"The explorer affirmed that his voyage had tended only to confirm his previous theories about magnetic properties of the Polar Basin. He expressed faith that an ocean current running northeasterly from Cape Serdze would carry him past the pole and eventually into the Atlantic Ocean.

"'When we reached Nome a year ago and started back,' he said, 'the trouble was that an unprecedented jam of ice prevented us from pushing far enough north. We drifted too much to the east, and the currents from Siberia are extraordinary; it is a sort of whirlpool, where one wanders around in circles instead of following any course.'

"'It will take three years, perhaps longer,' he predicted.

"Captain Amundsen said that an important part of his equipment consisted of books, hundreds of them.

"'I read mostly fiction,' he said. 'Under such circumstances a man's mind needs diversion. I want something light, but not too light; it must be plausible.'

"The *Maud's* crew includes Dr. H. V. Sverdrup, a scientist; Oscar Wisting, G. Olonkin, and seven natives. They left Norway in 1918 and remained buried in the ice 19 months."

AMUNDSEN DID NOT ANNOUNCE FLIGHT PLANS.

That was the time for Amundsen to announce his polar flight plans, if he had made them. He had the ear of the Associated Press reporter in Seattle. He could have had his story of his plans spread over the world, but no such plans were in his mind. He specifically states his belief in a current that would carry him in the ice and across the pole, and his whole mind is centered still on his original plan of an ice drift. There is no mention of small airplanes for by-flights or exploration; no mention of a large plane to make the Arctic flight; no mention whatever of any flight plans up to October 10, 1921. The same day the above appeared in the Star, Fairfax Naulty gave to the Associated Press Bureau in Washington a prepared statement of his polar flight plans, and it was generally printed throughout the country on August 2, 1921. The New York Times carried the story in full and all the New York papers printed it. It was printed in all the Washington papers on August 2, 1921.

ACTIVITY IN AVIATION IN 1921.

Had there been no public interest in aviation after the war Amundsen might claim that this was not a good time to try to interest the public in an Arctic flight. But he must have been told when he came out of the ice on the *Maud* in 1920 that the Navy *N–C* had flown across the Atlantic via the Azores; that Harry Hawker had almost made a nonstop flight from Newfoundland to Ireland; and that Alcock and Brown had made it; on June 4, 1920, Lieutenants Bernard and Bossoutrol flew continuously for 24 hours and 19 minutes at Etampes, France; long-distance flights were common in Europe, and Col. R. B. Hartz had made his famous "round the rim" flight in an Army Martin bomber. The Nome Nugget newspaper printed all this, and if flight across the Arctic had been in his mind at all Amundsen had plenty of time to formulate flight plans in his off-watch hours on the *Maud* from July 26, 1920, when he left Nome, until June 18, 1921, when he arrived back again.

When Amundsen reached Seattle on July 5, 1921, and up to October, the newspapers were full of the bombing tests off the Virginia capes and the long flights made by land planes over the sea during these tests, especially Brig. Gen. William Mitchell's seven-hour oversea flight in his land plane. The Army Air Service was conducting a great publicity drive for transcontinental airways. On July 30 Durafour, a French aviator, landed on the ice on the summit of Mount Blanc. On

July 15, Lieutenant Kirsch, another French airman, established a record for altitude of 34,768 feet and a record of temperature during flight of 69° below zero. On July 16 MacMillan started off on his Baffin Bay expedition from Wiscassett, Me., and much was printed about his radio equipment. On July 27 Elmer Fullerton, Bill Hill, and Geologist T. A. Link flew from Peace River to Fort Norman, north of the Arctic; and on September 29 Kirsch's record for height was broken by Lieut. John A. MacReady, from McCook Field, with a record for altitude of 40,800 feet and for temperature of 60° below zero. Lieutenant Kirsch made a speed of 179 miles an hour in a French monoplane in October. On August 18 seaplane flights were announced from Seattle to Juneau. On August 17 a Loening seaplane made an altitude record of 19,500 feet with four persons aboard.

NO WORD ABOUT POLAR FLIGHT UNTIL OCTOBER 12.

Full accounts of these events were carried in all the newspapers. If Amundsen had thought of a polar flight, even in the most nebulous way, these events ought to have brought his thoughts to a focus, especially when in September it was announced from England that Shackleton was taking a small plane with him to the Antarctic. But never a word came from Amundsen about a polar flight until October 12, and then his word might be said to be a whisper.

At the request of W. W. Jermane, Washington correspondent of the Seattle Times, Fairfax Naulty prepared an article describing his polar-flight plans and giving the route of the flight. This article was printed in the Seattle Times on October 10, 1921, and was a recapitulation of the data that appeared in the August 2 article in the Seattle Times, which was reprinted in full in the CONGRESSIONAL RECORD of July 6, 1922. Two days afterwards, by accident, Fairfax Naulty saw in the Philadelphia Inquirer an article which read:

"AMUNDSEN MAY TRAVEL BY AIRPLANE TO POLE—EXPLORER WILL FLY IF DRIFTING IN SHIP IS IMPOSSIBLE.

"SEATTLE, WASH., October 12, 1921.—Capt. Roald Amundsen, discoverer of the South Pole and conqueror of the Northeast Passage, will use airplanes in an effort to reach the North Pole if present plans for drifting past the top of the world prove impracticable, H. H. Hammer, his representative, announced here to-day.

"Captain Amundsen has already obtained the services of two Norwegian aviators, who will sail with his ship, the *Maud*, when it leaves Seattle next May to resume its interrupted far northern trip, according to the announcement.

"The explorer's original plans for the expedition called for a five years' drift with the Arctic ice pack."

This is the first public statement made by Amundsen, or in his behalf, of any intention to use airplanes in the Arctic in connection with the *Maud* ice drift, from his start from Norway in July, 1918, to October 12, 1921, 10 weeks after the full plans of Fairfax Naulty had been given the widest publicity. The full plans were published in the Seattle newspapers on August 2, 1921, and the Seattle Times printed a special article on its front page on October 12, 1921. To say that Amundsen knew nothing of the Fairfax Naulty plans is buncombe. Even if Amundsen does not read American papers, some one would have told him about the matter, as I was constantly kept informed of his movements without effort on my part.

AMUNDSEN DOUBTED HIS OWN PLANS.

The statement is worth a second reading: "May travel by airplane if present plans for drifting past the top of the world prove impracticable; the explorer's original plans called for a five-year drift with the ice pack." Amundsen was not then sure that he would use airplanes—"May travel by airplane" is not the same as "will fly to the pole." "Amundsen was even in doubt about his ability to drift across the ice with the *Maud*," the article reads, "if present plans for drifting past the top of the world prove impracticable."

"Present plans" means that it was Amundsen's plan, even as late as October 12, 1921, to drift with the ice in the *Maud;* his mind was still on his surface expedition. There was no announcement of the route to be flown, purposes of flight, nor any such clear exposition of purpose, boiled down to verbs and nouns, as characterized the Fairfax Naulty announcement of August 2, 1921. Even as late as March, 1922, Amundsen was still talking about the "drift across the pole in the ice."

On September 15, 1921, I prepared a statement regarding the situation in regard to my Arctic flight as it then existed. This statement was given to the Associated Press and several New York and Washington newspapers. It was not used in full, but was cut to fit space requirements. As it covers matter under discussion, I include it here.

FAIRFAX NAULTY'S PLANS OF SEPTEMBER, 1921.

Fairfax Naulty, organizer of the all-American North Pole trans-Arctic flight, the first air expedition planned to attempt the Northeast Passage by air across the Arctic from Point Barrow, Alaska, to North Cape, Norway, back in Washington perfecting arrangements after a series of satisfactory experiments in analeptic radio tests in Pittsburgh, said last night at the Hotel Driscoll:

"The sudden change in continental weather, extending from Trinidad, where a West Indian hurricane started, to Lethbridge, Alberta, Canada, where 5 inches of snow fell yesterday, will not affect our plans for the polar flight this autumn further than to advance the probable date of departure from the end of September to about the 15th of October.

"In Pittsburgh on Saturday, through Delegate DAN SUTHERLAND, of Alaska, I got a relayed radio from the United States Coast Guard cutter *Bear*, giving the weather conditions east of Point Barrow in the Arctic Ocean and in Beaufort Sea. The *Bear* has just made port in Nome, Alaska, from a cruise in the Arctic as far east as Demarkation Point, at the edge of Beaufort Sea, the farthest east and north that even that intrepid vessel ever made in her 36 years of service. This report shows that most of the heavy Arctic ice is off shore, that there is not much of it, that the weather in the region covered has been unusually hot, and that there was neither rain nor fog, that terror of the airman, in the Arctic in the month of August.

"Other reports from Nome and Wrangel Island, and I am in constant touch with the Nome region by radio, show that the east-northeast winds which have prevailed off Demarkation Point changed to southeast winds with rain at Nome and to southwest winds with fair skies at Wrangel Island. This means that we ought to have clear weather and northwest winds along the one hundred and sixtieth west meridian after we clear Keenan Island, probably as far north as the eighty-fifth parallel, in October. Farther north we will either find a polar calm or strong vortical winds, blowing steadily from the 'northwest,' and either will help us. Like the persistent Icelandic 'high' the weather in the region we purpose flying over is not subject to much fluctuation. If we have a following wind all the way across its speed will add to the speed of our plane, and we may be able to set a record for flight time in the first polar air expedition that later air cruises will have hard work to excel.

ORIGINAL PLAN WAS FOR 1922.

"Originally my air expedition was planned for June, 1922, but certain strategic considerations, in addition to unusually favorable weather this summer, indicating a continuance during the autumn, forced me to set ahead the date of the entire flight and to use a different type of airplane from the new all-steel one we planned to build this winter for the flight next year. We shall use a well-tested plane now built, and it is capable of carrying four persons, 50 hours' flight fuel, all needed instruments, and a four months' supply of dehydrated food. If our plane meets with accident, we can use her ribs and spars to make light sledges and mush back to Parry Islands, Garfield Coast, Greenland, or even into Spitzbergen, depending on where we lose the plane, if we do. We do not expect to crash, and so far as possible have provided against accident, but we are also prepared for a land or ice mush if called on to make it.

"If the expected conditions of weather come in October, we shall be able to make the polar flight from Point Barrow across the North Pole to North Cape, Norway, in a week from the time we take the air at Barrow and have ample time for observations of ice, land, water, and air, and for observations to assure us and the world that we have reached the North Pole.

TO RADIO ARRIVAL AT POLE.

"At the North Pole we shall radio our observations and ask for any corrections from the Naval Observatory and Harvard and Columbia Universities by relay, and if we are in error that error can be corrected while we are at the pole. Our method will relieve our reports of any doubt as to accuracy. There will be four men at the North Pole, and each one of them will make observations under my direction, so there will be a mutual check up on personal equation as well as possible instrumental error. If there are any criticisms of our observations, that will be the time to make them, while we are still at the North Pole.

"The hot summer of 1921 in the Arctic, having melted much of the ice that is assumed to remain during the summer, will enable us to tell, even in flight, with ordinary visibility, whether it is land, ice, or water below us, and the mirage conditions that are so deceptive to explorers in viewing distant

objects from the surface ought to me minimized by lessened surface ice and our altitude in flight. Further, we shall get better photographs of surface flown over due to contrast of water, land, and ice. As the sun will be below our horizon for part of the time of the flight, it may be a surprise to learn that we expect to take still pictures of the Arctic surface and clouds, but it must be remembered that the moon will be high and full on the 16th, that we shall have the actinic glow of the Milky Way, the crest of the Zodiacal Light, the Gegenschien, a strong twilight glow all around that horizon, possible aurora, and with clear weather the light of the stars in that dustless air will be no mean actinic factor. Even if natural conditions do not help we shall get flash-light or 'flare' photographs by dropping the new flares that give intense illumination for five or more minutes over an area several miles in diameter. These flares will also be of great use in determining drift of the plane and speed and in showing us our way.

"The polar flight is purely a civilian, scientific, and technical enterprise, but I have been aided unofficially by the best genuine experts in all lines in the United States, and all of them have given of their best to make this American expedition a success. I have had long conferences with Capt. St. Claire Street, Air Service, Army, who was in command of the Army Alaska flight of 1920, and with Lieutenant Crumrine, one of the pilots who flew to Nome. Neither sees any great difficulties for resolute men in the way of the polar flight even as late as October. Nor does Brig. Gen. William Mitchell, in command of the First Aerial Brigade and chief of the flight section of the Air Service, who spent several years in Alaska and who knows the country well. My conclusions as to probable weather conditions have been approved by R. L. Lerch, of the Hydrographic Office. The best data available has been at my disposal from the Coast and Geodetic Survey and all the published reports of the *Bear* have been freely consulted.

CREDIT TO OTHERS FOR WORK.

"Here let me emphatically and gratefully say that were it not for the work of all the men who have given their best to aviation and Arctic exploration the polar flight would not be the practical effort that it is. Were it not for the work of Mitchell, in proving that a land plane could remain aloft for seven hours' flight over water and fly 700 miles with a single supply of fuel; of Street, in making the pioneer flight to Alaska; of Hartz, in flying a Martin bomber around the United States with a crew of five; of General Squier and Colonel Culver, in radiophone experimentation; of Glenn Martin, in aircraft design; of Hartney and Crumrine, in wide flying experience; of my son, Leslie Fairfax Naulty, in collating for years all available Arctic data and charting it and turning out most valuable maps, and of the work of every Arctic explorer from Parry, in 1819, through Franklin, McClure, Nordenskiold, De Long, Greeley, Nansen, Baldwin, Fiala, Nansen, Sverdrup, Peary, Abruzzi, Orleans, Kane, Hall, Nares, and the seldom accredited men who financed some of these explorers, and all the gallant men of all nations who risked all and gave all in surface exploration, and on whose material I have heavily drawn on what to do and what not to do, not even forgetting Vincent and Coffin, the designers of the Liberty air motor, which we all use, my polar air expedition would not be possible.

"Whatever credit may come to me, succeed or fail, and I do not expect to fail, will be due to me only because of what I have done in realizing the possibilities of the polar flight and as the last organizer and user of what all those who have gone before me have done. It is not a one-man job. A thousand men, in over a century of Arctic exploration, each have added their contribution to this supreme effort. Had they not gone before and partly blazed the way we should not now be able to attempt to open the last closed door of the earth—the northeast passage across the North Pole by air.

"I have been conducting experiments with analeptic, or step-up, radio transmission in Pittsburgh and feel that we can now be sure of a sending range of 2,600 miles by radio under fair conditions. With a dual set we shall be in hourly radio relay communication with the world during the flight and stops. If we get into trouble, our last radioed position will tell the relief party that will be dispatched at once just where we are, as we shall give our position every hour. 'If we don't hear from you for six hours, we will come roaring up after you with a squadron, if need be,' said General Mitchell to me. We can easily reach Nome radio station and may even be able to make the Maine stations in night sending.

EXPECTED TO FIND POLAR LAND.

"I certainly do expect to find land between Point Barrow and the North Pole in the region north of Grant Land, Garfield Coast, Cape Isachsen, Polynia Island, and Landsend, Parry Islands. In January, when Shackleton was in New York, he told me that my son's chart of 1917, copies of which he had access to, had convinced him that land or shallow water existed north of Beaufort Sea. As shown in that chart, the separation of the Bering current, Polar current, and Northwest Asian current, at about 72° north and 165° west, indicates land between the separation point of these currents and the North Pole. This is confirmed by the deeps sounded by Nansen in the *Fram* from 80° north and 130° east to 84° north and 70° east on the Asian side of the Arctic Ocean. "Trough deeps" like these always occur on the sea side of mountain ranges, as on our Pacific coast and off Japan and the Kuriles.

"If we do find such land, I shall name it President Harding Land. The melting of the ice, due to the past hot summer, will enable us to determine with certainty whether what we see is ice resting on shallows or actual land, and our photographs taken there with the best aerial photo apparatus will enable us to study wide ranges of country at our leisure after our return. All the recorded soundings, the set of the Arctic currents, the probable 'tailing out' of the North American and Greenland mountain ranges, and the effect of the rotation of the earth in 'ridging up' near the pole indicate land, and I am willing to go on record now that it exists.

CIRCUMAVIATION OF NORTHERN HEMISPHERE.

"If all goes well, we shall completely circumaviate the Northern Hemisphere when the flight is finished. We hope to start the polar flight from Washington, using a land chassis as far as Seattle. There we shall change the undergear to a special underbody which I have devised for the Arctic, by means of which we can make a 'landing' on ice or water. Anyone who knows what a Great South Bay 'scooter' is will know the form of my device. From Seattle we plan to fly up the Alaskan coast to Anchorage, and from there will cut across to Nome and on to Point Barrow. From Barrow the actual polar flight will begin. We shall fly due north, using the stellar constellations for direction, and will cut and observe all the unknown arcs of magnetic variation, inclination, and intensity between the North Pole and the magnetic pole. After full observations at the North Pole we shall fly to Spitzbergen; from there to North Cape, with a possible landing at Bear Island.

"From North Cape to Hammerfest, thence to the head of the Gulf of Bothnia, avoiding the dangerous winds of the Norway fiords by using the Swedish soft coast. We shall complete the trans-Arctic flight at Bothnia, as the Arctic Circle cuts just north of the head of the gulf, and we will have first cut the circle west just north of Nome. We shall fly down the Bothnia Gulf to the Baltic and to Stockholm, thence to Christiania, Copenhagen, Amsterdam, Hamburg, Brussels, Paris, and London. We hope to reach London by November 15.

"At that time the North Atlantic winds will probably be strong northwesterlies, and the same winds that have helped us so far will be against us for a return flight. We shall stow the *Inspiration*, which is the name of our plane, at London, return to Pittsburgh, and build our all-steel plane, and next year we shall try to complete the circumaviation of the Northern Hemisphere with the *Inspiration*, providing she is still airworthy, by flying from London to Drogheda Head, Ireland; to Liverpool; to John O' Groats, Scotland; to the Orkneys; to the Faroe Isles; to Iceland; to Greenland; down the Greenland coast to Cape Farewell; across Davis Strait to Labrador; thence to the mouth of the St. Lawrence; up the St. Lawrence to Lake Champlain; down Champlain to the Hudson; to New York, my native city; and finish at Washington, on the Potomac, as a seaplane.

PLANS FOR 1922 AND POST OFFICE AT POLE.

"If for any reason or combination of preventive conditions we are unable to make the polar flight this year, I shall build an all-steel plane at Pittsburgh this winter, equip it with two Liberty motors, and get away as early as possible next year. I want to make the polar flight this autumn, as the conditions are now most favorable, and we will do all possible to take off. Deo volente, we can make Point Barrow in a week from Washington, and we can shave the time of start, if the weather holds, from the States up to the middle of October.

"I shall take letters from leading men of the United States to leading men of Europe, and hope to postmark them 'North Pole.' We will send radios to friends from the North Pole, but the first one of these will be to little Alexandra, the daughter of a friend, who was the first to be promised such a message when the plans of the polar flight were first made known.

"Mascots? None whatever. We shall rely wholly on the providence of God, earnest and thorough human preparation, a first-class equipment, and the benignity of Mother Nature in

the north. No rabbit's foot, dogs, cats, or goats for us. Superstition and science are not compatible."

In the discussion of Arctic flight routes, it must not be forgotten that Japan by air is not so far from the Arctic, and that she has a strong and well-developed air service at the present time. Arctic air bases would be of use to her. We are going to try for the trans-Arctic flight crossing this year. It takes more than a plane on board a ship steaming to the north waters to make a transpolar or trans-Arctic flight.

PRESIDENT HARDING ON AVIATION.

That transit and traffic by air is not merely the pet hobby of a few enthusiasts is indicated by the following letter written by President Harding a few days ago to an aeronautical organization in New York, with which I close. President Harding's letter reads:

"It is a real distinction to America to be known as the birthplace of the airplane; it should be our concern that this art shall not languish but that in its practical application we should lead the world. An amazing development will take place in the near future in the utilization of the air as a medium of transport and communication. As a Government we are aiming to provide this art with the necessary guaranties of law, and with such facilities as may be possible through the encouragement of airways and terminals."

Yours truly,

EDWIN FAIRFAX NAULTY.

LAWLESSNESS IN AMERICA.

Mr. MYERS. Mr. President, on the 27th of last month there appeared in the Kansas City Times an editorial on the subject of lawlessness and crime in the United States to-day and general disregard of constituted authority. The editorial is very pertinent and is entitled "What of America?" It is one of the best editorials inspired by the horrible Herrin, Ill., massacre that I have read.

So far as I can see, there is no indication of any intention on the part of the officials of the State of Illinois to mete out any punishment to the perpetrators of that terrible crime. No apparent step in that direction has yet been taken and the strange neglect of the Illinois authorities is already bearing fruit. It has borne fruit this week in a lawless attack on peaceful workingmen in West Virginia, in which there was loss of life on each side. So long as the terrible crime committed at Herrin against life and constitutional guaranties is allowed to go unpunished, in my opinion it will bear much more fruit of the same kind.

This editorial is short and contains so much food for serious thought that I ask leave to have it printed in the RECORD, as a part of my remarks, in 8-point type.

There being no objection, the editorial was ordered to be printed in the RECORD, in 8-point type, as follows:

WHAT OF AMERICA?

They have buried their dead in Illinois, and American civilization is composing its face to that bland expression that has come to be its main reliance against all questioning, all charges, and all doubts.

But questioning and doubt are not buried. They can neither be shot to death nor assured by the smooth countenance of society through whose hasty make-up show the scars and ulcers of a raging disease.

Americans must answer the question, What of America?

It is being asked to-day all over this broad continent; asked by Americans; asked in shame, humiliation, and fear. Their country, their democracy, their laws, institutions, and civilization are under indictment and the indictment goes unanswered.

Only the other day we sent the flower of our young manhood across the seas to fight for liberty. Did we send them to the right place? Was our liberty secured on those European battle fields, or is it here at home that it faces an enemy in arms?

Obedience to law is liberty. So stands it written over the door of our courthouses. Can Americans read that solemn injunction and fail to acknowledge to themselves that tested by it there is no liberty in America?

There is no liberty where there is no law. There is no liberty where there is no protection for life or property. There is no liberty where there is no respect for human rights, where justice can not be invoked both for the security of society and the punishment of its enemies.

What of America?

While that murder was being done in Illinois a court and jury were delivering the judgment that no crime was committed when the public funds of that State were diverted from the public treasury.

Last year in London, a city of 7,000,000 people, there were nine murders. In Chicago there were 105. In every American city known criminals walk the streets unmolested. In every American city crime goes unpunished, criminals walk unscathed from the dock and amid public plaudits while bold graft and flaunting vice enthroned in every political place bow graceful and pleased acknowledgment.

What of America?

Rich, luxury-loving, money-grubbing, politically corrupt, lawless America. Land of liberty, land of sacrifice, land of soldier dead, of patriot devotion, of patriot ideals sealed on so many heroic fields, watched over now by no spirit of America, but only by the cold, inanimate monuments that are America's last remaining sentinels.

The most lawless country in the world. A country of universal cynicism, skepticism, and inhuman materialism. A country that raises a stately memorial to Abraham Lincoln and forgets or openly jeers at his teaching. A country where class hates class and class arms against class, shooting and lynching and burning and dynamiting while the law looks on and the public is so indifferent that it even looks away. A country that throws open its gates to alien criminal and alien lunatic, to anarchist, bomber, and hired assassin, and where few Americans are born, few vote, and few lead.

Land of shotgun, dagger, and bomb—America! Land of lawless might, of cruelty, injustice, and ribald laughter; of sneers at morality, winks at patriotism, and open admiration at triumphant wrong.

What of America?

What of its liberty and laws, its beliefs, faiths, sobriety and gravity of thought and action that were the America of old? If this Republic could not endure half slave and half free, can it endure half law-abiding and half lawless? Is there no leadership left to this land, on which so much of the last hope of humanity is fixed, to point out the course it is traveling and to call upon it with the voice of a Washington or a Lincoln or a Roosevelt to stay?

What of America?

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HARRELD:

A bill (S. 3857) authorizing the erection of an addition to the Federal court and post-office building, Oklahoma City, Okla., and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. STERLING:

A bill (S. 3858) to define butter and to provide a standard therefor (with an accompanying paper); to the Committee on Agriculture and Forestry.

By Mr. CALDER:

A bill (S. 3859) for the relief of James R. Hawkins; to the Committee on Claims.

By Mr. FRELINGHUYSEN:

A bill (S. 3860) for the relief of Hyman Wechsler; to the Committee on Claims.

By Mr. NEWBERRY:

A joint resolution (S. J. Res. 229) authorizing the Federal Reserve Bank of Chicago to enter into contracts for the erection of a building for its branch office in Detroit, Mich.; to the Committee on Banking and Currency.

STABILIZATION OF SILVER.

Mr. KING. Mr. President, if I may be pardoned for injecting an irrelevant matter, recently a meeting was held by the mining interests of the West. A great congress convened at Denver, Colo., on June 22 and remained in session until June 28. At that congress the following resolution was adopted, and it is of such national, if not international, importance that I feel that it should be brought to the attention of the Congress and referred to the appropriate committee, and in that manner brought to the attention of the country. The resolution reads:

Whereas this conference believes the rehabilitation of business and finance in Europe, with consequent benefit to the entire world, will be expedited by the increased use of silver for monetary purposes; and

Whereas under existing conditions international transactions in silver are subject to private manipulation, thus frequently setting aside the law of supply and demand, and thereby adversely affecting alike the producers of silver and those who otherwise could and would use it in greatly increased quantity, to their own advantage and to the advantage of all business and industry here and abroad: Therefore, be it

Resolved, That Congress be, and hereby is, respectfully urged to consider the subject of international stabilization of silver at an early date.

Mr. President, I ask that the resolution which has been forwarded to me be referred to the Committee on Banking and Currency.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KING. Mr. President, I have no desire to precipitate any discussion at this time in regard to bimetallism, although the chaotic condition of the world's currency has led many economists and writers upon fiscal policies to reexamine the question of bimetallism or at least the question as to the function of silver in the monetary system of the world. The awakening of the Orient, the certain increase of trade and commerce between India, and China, and Japan, and the nations of Europe and America, emphasize the importance of what may be denominated the silver question. Silver has been and will continue to be employed in the Orient for monetary uses; indeed, it is practically the only money in circulation in most regions of the Orient.

The prosperity of the Orient and the development of trade and commerce among the peoples of Asia largely depend upon silver. If the use of silver should be restricted or its value measured by domestic products greatly changed, undoubtedly the reaction would be very great and the results could not be fully anticipated. The United States as a producer of silver is interested in the price which it will bring. It is interested in the place which silver shall occupy in the monetary system, not only of the United States but of the world. It seems manifest that with the expiration of the Pittman Act the price of silver produced in the United States will fall much below the dollar mark, which now is the price of an ounce of silver. A great depreciation in the price of silver would be injurious to the West. Indeed, it is difficult to determine the effects that would flow therefrom, not only to the West but to the entire country.

The resolution which has been read is temperate in language, admirably phrased, and contains a sound recommendation. I sincerely hope that the Committee on Banking and Currency will fully investigate this important matter and make some recommendation tending to secure the result suggested in the concluding paragraph of the resolution.

FUR-SEAL FISHERIES.

Mr. HITCHCOCK. Mr. President, some time ago I introduced and the Senate passed a resolution calling upon the Secretary of Commerce for certain information concerning the sale of sealskins from the seal herds of the Pribilof Islands. A report was made something over a month ago and referred to the Committee on Commerce, of which the Senator from Washington [Mr. JONES] is chairman, together with the draft of a bill which proposes to annul the contract under which the Department of Commerce is acting at this time. I understand the Senator from Washington has not been able, on account of other duties, to take up the matter for investigation, but I want to call attention at this time to the very serious nature of the delay.

The three-cornered treaty by which the killing of seals at sea was stopped was followed by legislation, and under that legislation the United States Government now kills all the seals which are to be killed on the Pribilof Islands. The old commercial contracts were done away with. It was intended that the United States should have the profits from the seal killing. Unfortunately, however, some three or four years ago a contract was made by the United States with a firm in St. Louis for the dressing of the sealskins, and since that time that company, rather than the Government of the United States, appears to have been making the profits out of the sealskins.

I have before me a tabulated statement with reference to the matter. The statement shows that the United States Government killed 23,555 seals on the island in the year 1921. The gross receipts from the skins amounted to $722,000, in round numbers. The cost of dressing, brokerage commissions, cost of the plant on the island, and so forth, amounted to $480,000. So the net receipts were only $241,000 from the 23,000 valuable sealskins, or a net result of only $10.28 each. From that $10.28 the United States Government had to pay 15 per cent to Canada and 15 per cent to Japan, under our treaty, amounting altogether to the sum of $90,000. In 1920 the result was about the same. We received $715,000 gross sales. The expenses were $442,000, largely to the company in St. Louis. The net receipts were only $273,000.

The trouble is, as I find the report shows, that the Government of the United States is paying something like $20 per skin to the St. Louis company for dressing the skins, and after that performance is gone through with the skins do not sell for more than they formerly sold for without any dressing at all.

That is not all. It appears that several thousand skins every year—and the figures I believe show that last year there were something like 3,000 of them—after being dressed at a cost of something like $20 per skin, sold at less than the dressing cost. In some cases they sold for only 50 cents or a dollar each. So that the Government of the United States lost on each skin in those cases almost the entire cost of the dressing. It received from the skins in 1919 $2,500,000.

I think it is high time we had some explanation of why 23,000 skins realized a gross amount of $2,500,000 in 1919, while in 1921 23,000 skins only realized a gross amount of $722,000. The net amount which the Government received in 1919 for 23,000 skins was over $2,000,000, while the net amount we received from 23,000 skins in 1921 was only $241,000. I think we should find out whether comparatively worthless skins are being brought down from Alaska, and, after the Government pays $20 each for the dressing of those skins, they are sold for only a few dollars per skin, at a very large loss to the Government. It is very evident that the company in St. Louis is receiving between $400,000 and $500,000 a year for dressing the skins and that the net amount which the Government receives after that is very much less.

Mr. SPENCER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Missouri?

Mr. HITCHCOCK. I yield.

Mr. SPENCER. I think the Senator from Nebraska is mistaken about some of the facts. In 1919, when the $2,000,000 result was reached from the sale of the skins, the skins were dyed by the St. Louis company and they were sold by the St. Louis company. The reason for the small amount derived from the 1921 sale, as my information is, was that the 1921 sale was of inferior skins which had accumulated for some years, some of them worthless, all of them not up to first class, and it was not by any means a normal sale. The cost of dressing and dyeing has not been greatly changed. The cost of the dyeing and dressing has continued approximately the same.

The profit to the Government since the St. Louis concern took over the dressing and dyeing has been out of all proportion greater than it ever was before, and in addition the dyeing and dressing is being conducted in the United States, whereas before it was conducted in England.

I may say, merely by way of information, that the firm under whose auspices this was done has practically gone bankrupt. The Gibbons & Lohn Dressing & Dyeing Co., who did the business, were owned by the International Fur Exchange, which failed a year or two ago for several million dollars. For years the dyeing concern operated at a constant loss, but my information is that now there is some profit in the dyeing of the skins, the details of which I do not have at hand. I do know that the price paid for dressing and dyeing is only a fair price, and that the United States Government is receiving a return from its sealskins many times greater than when the Government sold only the raw skins which were by the purchasers sent to London for dressing and dyeing.

Mr. JONES of Washington. Mr. President, I agree with the Senator from Nebraska that the matter ought to be investigated. I have been trying to bring about a meeting of the committee and to have a hearing upon the subject. I think matters are in shape so that we can have a hearing some time next week, and I have planned to call the committee together some time next week to give those interested in the matter an opportunity to appear before the committee.

Mr. HITCHCOCK. I am very glad to hear that. I feel personally a deep interest in the subject. I was the author of the amendment which was ingrafted upon the legislation, carrying out the treaty with Great Britain, Japan, and Russia regarding the killing of seals by pelagic hunting. I introduced the amendment, and fought it through the Senate, providing that for 10 years this herd of seals should be allowed to increase and that no killing should occur there. We finally compromised with the House of Representatives on a closed season of five years, and the result is that the herd, which had diminished to something like 100,000 seals, has now gone up to nearly 1,000,000. It is a valuable asset to the United States. At the present time sealskins sell in the market at more than they sold for a few years ago; yet the Government is not realizing one-tenth of what it realized in 1919 for the same number of sealskins.

Mr. SPENCER. Mr. President, will the Senator from Nebraska allow me to interrupt him?

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Missouri?

Mr. HITCHCOCK. I yield.

Mr. SPENCER. The Senator from Nebraska does not mean to intimate that the Government in the last 5 or 10 years, during which the St. Louis concern has been dyeing and dressing those sealskins, has not received many times more than it ever received under the old arrangement?

Mr. HITCHCOCK. Yes.

Mr. SPENCER. The Senator, as I understand, is confining himself to the difference in proceeds between the years 1919 and 1921, and that difference is occasioned as I have indicated.

Mr. HITCHCOCK. The Senator from Missouri is not entirely correct. The Government of the United States had two contracts with commercial companies for the killing of seals, but they were canceled by legislation which was put into effect in 1912, I think. Prior to that time, however, the Government of the United States realized out of those skins between $9 and $10 per skin, and this year the Government only realized $10.28.

Mr. SPENCER. What the Senator states is true as to that exceptional year.

Mr. HITCHCOCK. There have been two exceptional years. I am calling attention to the fact that in 1921 23,000 skins only brought to the three Governments $221,000, or $10 per skin, whereas in 1919 they brought $84 per skin. Even during the World War, in 1918, $36 per skin was realized.

There is a cause for this decline, and the cause is that the company in St. Louis is making inordinate profits out of those skins. That company is allowed under its contract with the Commerce Department to send its agents to Alaska and to select the skins which are to be sent to St. Louis for dressing. During the last year thousands of those skins, when dressed at a cost of $20, sold for merely nominal figures, sometimes as low as 50 cents per skin. That company is responsible for sending those skins down to St. Louis, because the Government depends upon it to select the skins. The company made $20 per skin in dressing them, but the Government in some cases did not get 50 cents a skin out of them.

Mr. SPENCER. Will the Senator from Nebraska yield to me?

Mr. HITCHCOCK. Yes.

Mr. SPENCER. That is entirely true in that exceptional year when they were getting rid of a job lot that had accumulated for years; but I may say to the Senator that the returns to the Government of which he has spoken so approvingly, of the large amount of $80 a skin and $40 a skin, were obtained when the St. Louis company was dyeing and sealing at precisely the same rates at which it is now dyeing and sealing. The decline was not due to any exorbitant rate secured by the St. Louis concern; it was not due to the contract which they made with the Government some years ago, which has been modified only in some negligible manner, but it was due to the difference in the market price of sealskins. In 1921 no sealskin sold for a high price, and the refuse naturally sold for a very low price.

Mr. HITCHCOCK. I am not going into an extended discussion now, but I am told by competent authorities that those skins will sell at as large a price without any dressing, simply in salt, as they will sell after the dressing by this company in St. Louis.

I am not holding the present administration responsible for the contract, which was made under a previous administration, but I say the contract ought to be abrogated. I believe it is an illegal contract. It is costing the Government of the United States at the present time hundreds of thousands of dollars a year.

Of course, the company in St. Louis for which the Senator speaks is making that money out of these skins. Its agents are authorized to select the skins in Alaska. Some of them are not worth dressing at all, but they have sent them to St. Louis and dressed them at an expense of $20 per skin to the Government, while, as I have said, they are then being sold for a nominal amount after that has been done. That practice ought to be put a stop to; and it ought to be put a stop to before the seals are killed and their skins sent down here in August and September. Therefore, I suggest to the chairman of the committee that the matter is urgent.

Mr. NELSON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Minnesota?

Mr. HITCHCOCK. I yield.

Mr. NELSON. I can only say that I am heartily in accord with the views of the Senator from Nebraska. The old system of killing seals had reduced the seal herds in Alaska until there were only about 200,000 left. We had to adopt a closed season, and after great effort and much opposition we finally succeeded in securing the passage of a law providing that that season should be for five years. Under that law there has been a great increase in the seal herd in Alaska, and if the matter continues under the control of the Government, as it has been since the passage of the law to which I refer, the seal herd will continue to increase.

I discovered, however, at the time we were seeking to have that legislation enacted there was a great deal of opposition from certain persons in St. Louis, and particularly from a member of the President's Cabinet, who is still living at St. Louis. He threw all the obstacles possible in the way of securing the legislation and also in the way of the execution of the law after it was enacted. He did that to my personal knowledge. I had correspondence with him.

Under the present law, instead of sealskins being sent direct, as they were in old times, to London, where we got a good price for them, the skins are now sent to St. Louis, and a firm there, under the pretense of dyeing and dressing the skins, gets the lion's share of the profits. I entirely agree with the Senator from Nebraska that that scheme ought at once to be broken up.

Mr. HITCHCOCK. I ask unanimous consent to insert in the RECORD a tabulated statement showing the number of sealskins sold in 1913, 1916, 1917, 1918, 1919, 1920, and 1921; the gross receipts from the sale of those skins; the cost of dressing and other costs involved; the net receipts, the average net price per skin, and amounts paid to the Governments of Canada and Japan.

The PRESIDENT pro tempore. Without objection, the tabulated statement referred to by the Senator from Nebraska will be placed in the RECORD in connection with his address.

The statement is as follows:

Fiscal year.	Number of skins sold.	Gross receipts.	Cost of dressing, brokers' commission, freight, island plant, etc.	Net receipts.	Average price, net, per skin.	Canada and Japan's share under treaty, act 1912.
1913	5,691	$195,868.58	$116,000.00	$94,868.00	$16.65	[1] $26,476.00
1916	5,400	235,748.50	181,500.00	54,248.00	10.01	[2] 18,082.00
1917	9,339	379,392.00	250,750.00	128,642.00	13.72	[2] 42,880.00
1918	12,102	777,931.00	334,832.00	443,089.00	36.64	[2] 147,696.00
1919	23,907	2,533,547.00	518,350.00	2,015,296.63	84.20	[2] 649,362.21
1920	20,180	715,404.00	442,622.00	273,176.00	13.51	[2] 90,927.00
1921	23,555	722,060.00	480,146.50	241,913.50	10.28	[2] 90,521.00
	101,174					

[1] Undressed salt skins. [2] Machined, dressed, and dyed skins.

Mr. HITCHCOCK. I wish to say, Mr. President, in closing, that I was induced to bring this matter up at this time by reading from a misleading statement purporting to be an interview with the Assistant Secretary of Commerce, Mr. Huston. He states in the interview that—

> The net profit to the United States Government averages a million dollars a year.

As a matter of fact, as shown by the figures I have presented, the net profit to the Government of the United States does not aggregate at the present time $200,000 a year. If the Assistant Secretary of Commerce believed when he made that statement that the net profit to the Government was a million dollars a year it shows that he has no realization of what is being paid out for the cost of dressing under this very unfortunate contract. I am glad to hear the Senator state that an investigation will be begun next week.

DISTRIBUTION BY FEDERAL RESERVE BANKS OF A SPEECH MADE IN THE SENATE.

Mr. HEFLIN. Mr. President, on yesterday the Senator from Connecticut [Mr. MCLEAN] asked that the reports of the various Federal reserve banks in response to a resolution adopted by the Senate inquiring about the printing and distribution of a speech made by the Senator from Virginia [Mr. GLASS] be printed in the RECORD. Those reports are all in, Mr. President, and before giving consent for their publication I desire to submit a few remarks to the Senate.

I have repeatedly stated in the Senate that the speech of the Senator from Virginia was circulated at the instance of the governor of the Federal Reserve Board, whose official conduct was involved in the controversy. No information as to who ordered the speech printed and circulated came from the governor of the Federal Reserve Board. The governor of the Federal Reserve Board knew that the question was being asked here repeatedly: At whose instance was the speech of Senator GLASS being sent out by Federal reserve banks? I finally secured the adoption of a resolution by the Senate calling upon the Federal Reserve Bank of Atlanta to state to the Senate at whose instance it had circulated the speech. It

answered that it had circulated it upon its own motion and responsibility, but that Governor Harding, of the Federal Reserve Board, had merely advised that copies of the speech were available. That statement is not in keeping with the facts as reported by the other Federal reserve banks.

Finally, Mr. President, I succeeded in getting another resolution through this body calling upon the other Federal reserve banks to state at whose instance the speech of the Senator from Virginia had been circulated and who had paid for its printing and distribution. In response to that resolution most of the Federal reserve banks replied that Governor Harding had sent them a telegram advising that the speech be circulated.

I wish to read to the Senate a copy of the telegram sent by Governor Harding to each and every one of the Federal reserve banks. The telegram was sent out before any official of the Federal reserve banks had seen a copy of the speech delivered in this Chamber. The telegram was sent by Governor Harding two days before the speech was printed in the CONGRESSIONAL RECORD. The telegram is dated January 18, 1922, and reads:

> Think Senator GLASS's great speech defending Federal reserve system should be widely and promptly circulated. Government Printing Office will print special copies of it Friday, 20th, and additional orders should be given to-morrow. Printing Office estimates cost of copies at from 5 to 7 cents each. Please wire promptly how many copies your bank wishes.
>
> (Signed) HARDING.

Mr. President, here is a telegram practically ordering the Government officials of the Federal reserve banks to have printed and distributed a speech defending the Federal Reserve Board's deflation policy, and that order was sent by the governor of the Federal Reserve Board whose conduct was involved in the debate had in the Senate.

Mr. President, the governors of the Federal reserve banks were appointed to the positions they hold by Governor Harding and the Federal Reserve Board. Here is the head of the greatest banking system in the world sitting in the Capital of the Nation sending a telegram to each one of the governors of the 12 Federal reserve banks, not asking them, "Do you deem it advisable to circulate this speech?" not asking them if they think its circulation would be in keeping with the proprieties involved, but we find the governor of the Federal Reserve Board calling upon these banks to circulate this speech, not asking them whether they are willing to spend the money of the banks and of the Government in its printing and distribution, but telling them to send it out, and asking them, "How many copies do you want?" Oh, Mr. President, would that Old Hickory Jackson could come back now and see how our great Federal reserve banking system is being used as a bureau for political propaganda. Imagine him, if you please, permitting the governor of the Federal Reserve Board to order the officials of the Federal reserve banks to have printed and distributed, at the expense of these Government banks, a speech made in the Senate and which contained criticisms of the speech and position of another Senator in which he criticized and condemned the deflation policy conducted by the Federal Reserve Board.

Mr. OVERMAN. What would "Old Hickory" do?

Mr. HEFLIN. Why, he would remove Governor Harding, and by so doing greatly gratify nearly a hundred million of people. He would take the Federal Reserve Board and the Federal reserve banks out of partisan controversies and political activities.

I want the Senators on both sides who do me the honor to hear what I have to say to put themselves in my place for a moment, and see just how they would feel under these circumstances. If you, as a Member of this body, were trying to do your duty and make the truth known about a policy that had been employed by the Federal Reserve Board and that had wrought ruin in your section, and if you had spent months and months reading from the bulletins of the Federal Reserve Board itself, reading from the reports of the Comptroller of the Currency, who was himself a member of the Federal Reserve Board, giving the facts and the records that are indisputable, how would you feel to have Government banking officials with unlimited money print and circulate without cost to your opponent in the controversy, who attacked and criticized your position, a hundred and forty-odd thousand speeches, and send them throughout the United States?

Mr. President, most of these banks—in fact, practically all of them—say that this expense money was provided as all other expense money is provided, out of the earnings of the bank. I charge to-day that after dividends are paid and administrative expenses are met 90 per cent of that which is left of the earnings of these banks goes into the Federal Treasury. I take the position that these banks had no right to expend the money they did expend in circulating this speech, and that the chances are that 90 per cent of that amount was Government money which would have gone into the United States Treasury.

Let me read to the Senate what these Government bank officials did toward printing and distributing a speech made by one Senator criticizing and attacking the position of another Senator. This was done at the expense of Government banks and at the expense of the Government itself.

The Federal Reserve Bank of Philadelphia had printed 11,000 copies of this speech at a cost of $423.11.

The Federal Reserve Bank of Richmond, 10,000 copies at a cost of $286.99.

The Federal Reserve Bank of St. Louis, 15,000 copies at a cost of $585.39.

The Federal Reserve Bank of Cleveland, 7,200 copies at a cost of $203.32.

The Federal Reserve Bank of Chicago, 15,000 copies at a cost of $475.

The Federal Reserve Bank of Kansas City, 4,500 copies at a cost of $195.

The Federal Reserve Bank of Minneapolis, 9,500 copies at a cost of $277.85.

The Federal Reserve Bank of Dallas, 2,500 copies at a cost of $179.12.

The Federal Reserve Bank of Boston, 17,960 copies at a cost of $546.74.

The Federal Reserve Bank of New York, 23,275 copies at a cost of $728.42.

The Federal Reserve Bank of San Francisco, 20,000 copies at a cost of $681.21.

The Federal Reserve Bank of Atlanta, 6,500 copies at a cost of $108.69.

Total, 142,435 copies at a total cost of $4,690.84.

Mr. President, one of these banks computed the time of the employees of the bank in addressing, mailing, folding, and sending out these speeches. The banks generally replied that expenses incurred in distributing the speech were charged to the current expenses of the bank.

In giving costs of distribution, the amount paid for the printed speeches is given, the amount paid out for envelopes, and for postage.

In no instance is there any accounting for the time and labor taken by the employees of the banks in listing and typing names, in addressing envelopes, inclosing the speech and sealing the envelope, and in handling such a document in all its various stages from its receipt to its deposit in the mails. Some one had to do this work, and some one had to pay for it. Bank clerks do not work overtime without compensation, and they do not perform regular duties and extraordinary duties without some additional expense to their employers.

One deputy governor, reporting from the San Francisco district, recognizes the element of expense involved in the work described. He reports that 20,000 copies of the speech were ordered, that 12,200 were sent out through the mails, that 7,200 copies were sent out by parcel post or distributed locally, and that he has 600 copies on hand. Then he gives an estimate of the value of the time involved, "if an outside agency had been employed," as follows:

292 hours listing and typing names to distribute another Senator's speech free of cost	$146.00
83 hours addressing envelopes by typewriter to distribute another Senator's speech, made in a controversy with another Senator in the Senate of the United States	41.50
14 hours stamping envelopes, 2 hours addressograph, 27 hours inclosing	16.12
Total	203.62

The reports show that 142,435 of the speeches were sent out. If the modest expense ratio given in the estimate of the San Francisco deputy governor is a correct one upon which to figure, then the cost of the time of the bank clerks in handling the lists, directing the envelopes, attaching the stamps, sealing, and mailing would amount to $2,300. This, of course, should be added to the total expense shown to have been incurred by the banks in securing copies of the speech, envelopes in which to mail them, and postage. That expense—

Total	$4,690.84
Add time expense	2,300.00
Grand total	6,990.84

Or, in round numbers, $7,000, almost the salary of a United States Senator for one year, expended because of the Federal Reserve Board governor's order to circulate a speech defending the deflation policy of the Federal Reserve Board.

Mr. President, do Senators indorse that conduct? Was not the governor of the Federal Reserve Board violating the proprieties involving the duties of his office as intended by the law-

makers when he ordered the officials of the Federal reserve banks appointed by him to have printed and distributed the speech of one Senator assailing and criticizing the position of another Senator?

I want Senators to think seriously upon that question; and while it involves me personally—I am the man criticized and attacked in the speech that these people have circulated, at a cost to the Government and the banks of nearly $7,000—I want Senators to think how they would feel if they should make a speech on this floor attacking any policy, and somebody made a speech in reply to it and arraigned them caustically for the position that they took, and then these banks published and circulated nearly 150,000 copies of that speech in the United States. How would they think and feel upon that subject?

I hold that the governor of the Federal Reserve Board and the officials of the Federal reserve banks have no right to have printed and circulated at the expense of Government banks a speech made in the Senate against a Senator who has criticized the policies of the Federal Reserve Board. Can you imagine anything more dangerous and harmful?

Mr. President, the speech that was printed and sent out under the order of Governor Harding undertakes to reply to arguments that I made in a speech in the Senate. I ask your close attention, Senators, to what I am now going to read from the speech of Senator GLASS, which was printed and distributed by the tens of thousands under the order of the deflation governor of the Federal Reserve Board. Senator GLASS said:

> I pointedly deny that there was deflation of either regional reserve bank credits or any diminution of Federal reserve currency for the period of the appalling drop in prices of agricultural products. Instead of deflating credits and currency, the Federal reserve banks during the period of falling prices enormously expanded bank credits and increased the volume of circulating notes.

Here is what the Government's figures and records of the board itself show in refutation of what Senator GLASS said:

Loans, discounts, and bought paper held by all of the 12 Federal reserve banks May 28, 1920 (p. 748, Federal Reserve Board Bulletin of 1920), $2,938,031,000.

August 31, 1921 (p. 1240, Federal Reserve Bulletin of 1921), $1,527,255,000.

January 25, 1922, $932,882,000.

Contraction of credits by 12 Federal reserve banks, May 28, 1920, to August 31, 1921, $1,410,776,000.

May 28, 1920, to January 25, 1922, $2,005,149,000.

Listen, Senators: Contraction of Federal reserve notes in circulation May 28, 1920, to August 31, 1921, $625,555,000.

May 28, 1920, to January 25, 1922, $923,020,000.

There is the Government's record and the bulletin itself issued by the Federal Reserve Board, showing that the speech circulated by the order of Governor Harding is at variance with the facts in the case. Yet the speech they have circulated denies my position upon that, though the figures I gave were taken from their very records by John Skelton Williams, who was himself at that time a member of the Federal Reserve Board and Comptroller of the Currency of the United States. They have circulated that speech, denying these facts and figures, spreading misinformation at a cost of nearly $7,000, through the distribution of one hundred and forty thousand and odd copies of the speech in question.

Let me read another proposition in my speech which can not be refuted. There are many instances, but I will mention here just two, which clearly show how Governor Harding's deflation policy bestowed big favors on New York City, while it discriminated against and withheld financial aid from the people of the agricultural sections of the South and West. In the autumn of 1920 national banks in New York City were borrowing, in proportion to their total loans and discounts, three times as much from the Federal reserve system as all the 7,600 country national banks in the entire United States were borrowing at that time. In February, 1921, the Federal reserve system was lending to one bank in New York City three times as much money as 8 of the 12 Federal reserve banks were at that time lending on agricultural and live-stock paper to all their member banks in 28 States and parts of 5 other States, covering about two-thirds of the whole United States.

Senators, I am giving you the facts from the record. Yet the Federal Reserve Board is circulating a speech which bitterly criticizes me and defends its policy of deflation. It would not make any difference whether it was my speech or your speech, Senators; I take the position that this Federal Reserve Board has no right to circulate anybody's speech made in debate in this Chamber which involves charges of the board's bad faith or incompetency. What right have they to use the power of their positions to distribute the speech of the Senator defending their conduct when that speech contains criticisms of a Senator who has condemned their conduct? They have no right to expend the bank's money, they have no right to expend the Government's money, they have no right to expend anybody's money to circulate such a speech or to have anything at all to do with the distribution of a Senator's speech which attacks and assails another Senator's position. I do not care whether I made the speech or some other Senator made it.

I am going to fight this thing out to a finish. The Senate must go on record upon this question. I take the position that the Federal reserve banking system must remain free from partisan controversies and political activities. It has no right to send a telegram out to the banks through the Federal Reserve Board suggesting that my speech or any other Senator's speech containing criticisms of another Senator should be printed and widely distributed. This is the position I take, Mr. President, and I am everlastingly right in that position. There is going to be a record made upon this subject to look many a Senator in the face before 1924 is ended, if not in the campaign of 1922. If I can help it, I do not intend that this banking system shall be permitted openly, boldly, and brazenly to plunge into politics and go into the business of becoming a propaganda bureau to distribute the speeches of one Senator assailing and attacking the position of another Senator.

In its reply one of the banks said they had no thought of trying to injure me when it circulated the speech attacking me. They did not say that when they sent the speech out. They commended it and gave it wide circulation. Senators who heard the speeches of Senator GLASS and myself know that the situation grew right warm and the debate very caustic at times, and the Senator from Virginia used pretty severe language in his indictments of my position in trying to controvert what I had asserted, and I in return did likewise.

That was a matter for the Senator and myself to settle upon this floor. But when a great banking system, supposed to be free from political activities and partisan controversies, comes in and picks up and distributes the speech of one Senator assailing and criticizing the position of another Senator, it is wrong, Senators, and it ought not to be tolerated.

This governor of the Federal Reserve Board assumes responsibility for sending out that speech, and I want an expression of the Senate upon his conduct in this matter. Here is what Governor Harding says over his signature:

> The Federal Reserve Board assumes responsibility for commending this speech to the Federal reserve banks for circulation.

Mr. President, I hold that he violated the proprieties of his office, that he overstepped the bounds of the duties involved in his office, and that he transgressed all the rules of propriety which even touch remotely the duties of his high office. He had no business sending that speech out, or any other Senator's speech, involving a controversy between two or more Senators where he himself was on trial.

I had charged, and he can not disprove it, that he conducted a deflation policy that made millions of people poor and a few thousand people exceedingly rich. I have had letters even from the State of my good friend from Connecticut [Mr. MCLEAN] that agree absolutely with my position. I have received letters from people in every State in the Union who agree with my position.

I have a letter here which I received just yesterday from Idaho, in which the writer said he had read my speech very carefully, and agreed with me absolutely. He referred to the deflation policy of the Federal Reserve Board as an infamous policy, and I submit that where a matter had been up for consideration in this body and had been discussed for months, and two Senators, one on one side and one on the other, both enthusiastically contend that they are right in the controversy, the Federal Reserve Board did wrong when it took the speech of one Senator to that controversy and circulated it over the United States.

Here is the letter to which I referred. It is from Rexburg, Idaho, addressed to me, and reads:

> I have just finished a very careful reading of your speech on the Federal Reserve Board's deflation policy, which you so kindly sent to me—

He wrote me and asked me for it, and I sent it to him—

> recently, and it has cleared up a dozen difficult problems which have vexed my mind since the board adopted that policy. Your speech is a wonderful exposition of the infamy of that policy, and your arguments can not be answered.

I have scores—I have hundreds—of letters like that from citizens in the United States, and I read that much this morning and call this to the attention of the Senate for the purpose of showing that people are divided in opinion as to who is right, the Senator from Virginia or myself; and Senators in this Chamber are divided in opinion as to who is right. In the face of that fact, I hold that the Federal Reserve Board and

the Federal reserve banks have no right to take up the speech of one Senator and have it published and widely distributed at the expense of the banks or at the expense of the Government; and the Government would get part of this money, as I said, after expenses and dividends are paid.

I say to the Senate that 90 per cent of that money belonged to the Government, and out of $4,690.84 these banks expended $4,221.75 which belonged to the Government of the United States. Have we not come to a pitiful pass when a banking system has grown so big that the head of it can sit in the Capital and defy the Senate, pick out the speech of one of its Members defending the position of the Federal reserve banks and assailing the position of another Senator, and circulate 140,000 copies of the speech?

Mr. McLEAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from Connecticut?

Mr. HEFLIN. I yield.

Mr. McLEAN. The Senator from Alabama admits, I assume, that his speech, or his speeches, delivered frequently, were attacks upon the Federal Reserve Board?

Mr. HEFLIN. Criticizing the policy of the board, arraigning the policy and the members of the board.

Mr. McLEAN. That being so, I would like to have the Senator's opinion as to what rights the Federal Reserve Board would have if they desired to controvert or dispute those attacks?

Mr. HEFLIN. What rights?

Mr. McLEAN. Yes; what rights would the Federal Reserve Board have to answer the Senator from Alabama? For instance, would they have the right themselves to prepare a reply and circulate it?

Mr. HEFLIN. They did that. The governor of the board frequently gave out statements trying to refute things I had said, and I never objected to it.

Mr. McLEAN. The Senator concedes that they had that right?

Mr. HEFLIN. To give out statements to the newspapers, of course.

Mr. McLEAN. Does the Senator concede they would have the right to employ counsel to advise them with regard to the matter if the attack were a serious one, or secure the assistance of anyone outside of the membership of the Federal Reserve Board? Does the Senator think they would have that right?

Mr. HEFLIN. They might, if the charges were serious enough—if they were on trial, if they were indicted, if impeachment proceedings were pending against them; and such proceedings ought to be pending against the governor of the Federal Reserve Board now.

Mr. McLEAN. I think the Senator from Alabama has repeatedly stated that he thought the governor of the Federal Reserve Board should be removed. That is a pretty serious declaration to be made by a Member of this body. I would like to ask the Senator if he thinks the governor would have the right to send out a reply which he himself prepared or in the preparation of which counsel might have assisted, or a reply including a speech delivered on the floor of this Chamber by another Senator of the United States?

Mr. HEFLIN. Surely the Senator does not mean to insinuate that the Federal Reserve Board helped to prepare the speech which was delivered here in the Senate by the Senator from Virginia, does he?

Mr. McLEAN. No; not at all. I am asking the Senator what difference it makes whether the Federal Reserve Board itself prepared the reply or whether it invoked assistance from outside including the speech delivered by a Member of this body? What difference does it make?

Mr. HEFLIN. The Senator from Connecticut does not seem to get the distinction which I am trying to make. I am taking the position here that the board had no right to take a speech made in this body, where one Senator criticized and assailed the position of another Senator, and circulate that speech which contained attacks upon another Senator.

Mr. McLEAN. It does not cost any more to send out a reply delivered by a Senator of the United States than it does to send out a reply which they themselves might prepare. I assume one of the main objections which the Senator from Alabama is urging against the course is that the circulation of the speech cost a certain amount of money. The Senator will admit that it would not cost any more to send out the speech of the Senator from Virginia [Mr. GLASS] than it would to send out the board's own reply?

Mr. HEFLIN. Mr. President, the Senator does not get the point. I hope that other Senators have not failed to understand me as the Senator from Connecticut seems to have done. He does not seem to get the point that in this Chamber where debates occur is the place to settle these questions. When one Senator assails another, the other Senator has an opportunity to answer him on this floor. But when the Federal Reserve Board takes the speech of one Senator, assailing and criticizing the position of the other Senator, and circulates thousands upon tens of thousands of copies of it, and then refuses to give to the other Senator the list of those to whom it was sent, in order that he may send them his speech so that the recipients may read both sides of the matter, the Senator can readily understand the position I take. The American people are going to understand it and they are going to condemn this act, and I am going to call upon the Senate of the United States to condemn it.

Mr. McLEAN. It seems to me the Senator from Alabama in the position which he takes practically denies freedom of speech to the members of the Federal Reserve Board——

Mr. HEFLIN. Not at all, Mr. President.

Mr. McLEAN. Because if they are entitled to make any reply at all they are entitled to embody in that reply quotations from any source which they desire. I can not see any difference or distinction between their right to quote the opinion of a private individual and their right to quote the opinion of a Senator of the United States.

Mr. HEFLIN. Mr. President, I am not responsible for that. The Almighty alone is responsible for that condition in the intellectual arrangement of the Senator from Connecticut.

Mr. McLEAN. The Senator would not expect that they would include the speech of the Senator from Alabama. I take it that the Senator from Alabama, when he circulates his reply, will not include the speech of the Senator from Virginia.

Mr. HEFLIN. No. When people have asked for both speeches I have referred them to the office of the Senator from Virginia that they might have both speeches, but of course I am not able to send my speech out and pay thousands of dollars to send it to those who have read his speech, which was circulated at an expense which amounts to the equivalent of the salary of a Senator for one year. Here we are with this Federal reserve system, with this dreadful power, which is being turned into an agency of destruction and political propaganda, spending the Government's money, spending the banks' money to circulate the speech of one Senator attacking and criticizing the speech of another Senator who incurred the displeasure of the Federal Reserve Board, and a Government institution is being used to injure a Senator who has dared to criticize their conduct.

The Senator who is attacked in that speech is denied even the names of those to whom that speech was sent, and the Senator from Connecticut is more responsible for the denial than any other Senator in this Chamber.

Mr. McLEAN. The Senator from Connecticut is perfectly willing to take the responsibility for his position in the matter.

Mr. HEFLIN. I am satisfied of that.

Mr. McLEAN. The Senator has now returned to the question of expense. I thought the Senator from Alabama had admitted that the Federal Reserve Board would have the right to use their funds for the purpose of replying to an attack which involved moral turpitude or malfeasance in office of a serious nature, resulting in a demand on the part of a Senator of the United States that the governor of the board be removed from office. I understood the Senator to say the board would have the right to send out a statement in reply to such an attack.

Mr. HEFLIN. The board has a publicity propaganda going on all the time. They have a paper of their own, the Federal Reserve Bulletin. They print every utterance or every speech that the governor of the Federal Reserve Board makes if he wants it printed. That bulletin goes out to the business men of the country in every State of the Union. Why, they have the means of sending statements all over the country. The advisory council issued a pamphlet here months ago trying to answer my position, without mentioning my name and others, and mailed that broadcast. That is another way.

Here is a pamphlet [exhibiting] which I have just received entitled "Better banking under the Federal reserve system. A short story without figures. National Metropolitan Bank of Washington, D. C. Only national bank in the District of Columbia a member of the Federal reserve system."

The author has reference in this pamphlet to the year 1920 and is trying to answer in certain places some of the arguments I have made with reference to the deflation policy of the Federal Reserve Board. Ways to answer? There are thousands of ways. Who paid for the editorials which have

been written in the newspapers from time to time attacking my position wherever the Federal reserve bank has its influence?

Mr. McLEAN. Does the Senator want Congress to enact a law prohibiting the Federal Reserve Board or its members from replying to the attacks made upon their official acts?

Mr. HEFLIN. Not at all. I have said that they have a right to do it, but I am trying to get it into the head of my good friend from Connecticut that there is a difference in their having the National Metropolitan Bank of Washington to issue a pamphlet, or having another pamphlet issued by some other bank, or putting their statements in the Federal Reserve Bulletin, and, on the other hand, taking up a speech made in the Senate assailing the position of a Senator and sending that out over the country. I say they have no right to do it. When they do that they are transcending the bounds of their duties as Government officials and using their power to discourage and injure those who dare to criticize their conduct. The statement gotten out by the Metropolitan Bank of Washington said:

Moreover—

Talking about the Federal reserve system—

it provides the entire country with a great reservoir of credit from which farm and range, forest and mine, factory and store, may receive assistance in producing and marketing all the innumerable goods and wares which go to make up American commerce, industry, and agriculture.

That is the purpose for which we created the system. That is what it failed utterly to do in 1920 and in 1921. I have been attacking it for months and shall continue to strive to give the truth to the country with reference to that policy.

Mr. President, I am not objecting to the Federal Reserve Board officials giving out statements over its name about their policy answering my position. I expect them to do it if they can. But let them answer through the Federal Reserve Bulletin and newspapers and letters and speeches, as they have been doing. They have the opportunity through a man who is on the Federal reserve pay roll, now editor of a big daily, who closed his columns to and stopped printing material sent him by the president of the American Cotton Association, whose name I shall mention in this Chamber very soon. Talk about free speech and means of publicity! They have an expense fund and a pay roll there through which they can take care of all that.

I introduced and had passed a resolution calling on Governor Harding to know if they had a publicity fund, and he said "no." How did they get these things published? They do it by putting men on the pay roll. They call it doing work for the system, but really having them do newspaper work, and the banks and the Government pay for it. They have some fellow doing what they call economic research work, and he gets big publicity for the board.

Mr. McLEAN. Mr. President——

Mr. HEFLIN. I yield to the Senator from Connecticut.

Mr. McLEAN. The Senator just stated he had no objection to the Federal Reserve Board sending out a statement in reply to his attack, if done over its own signature. I want to get at just where the Senator would draw the line. Would the Senator object to the inclusion in that statement of quotations from speeches of Senators?

Mr. HEFLIN. That would depend on what it was they quoted. I should not favor permitting these Government officials to circulate at all the attack of one Senator upon another Senator.

Mr. McLEAN. Will the Senator please answer my question? Would the Senator object to the inclusion in that statement of quotations from other sources?

Mr. HEFLIN. Not if they personally paid for the postage and the matter circulated did not carry the criticisms of one Senator against another Senator.

Mr. McLEAN. I am talking about the principle; not the expense.

Mr. HEFLIN. The Senator does not seem ever to get the point I am making.

Mr. McLEAN. I get the point; but I would like to know just where the Senator would draw the line.

Mr. HEFLIN. I want the Senator to draw the line right here. When one Senator in this Chamber in debate arraigns the position of another Senator and criticizes the other Senator, and then the Federal Reserve Board takes that speech and circulates it, it is violating the proprieties that surround the duties of its office. Now, if the Federal Reserve Board itself wants to say in an article in the Federal Reserve Bulletin, in public speech, in newspapers, as it has done repeatedly, that "Senator HEFLIN is wrong in this contention and he is wrong in that," I have no objection on earth to it. If the Federal Reserve Board wants to write a letter and mail it out to anybody and everybody saying, "Senator HEFLIN's position is wrong in this respect and that," I would have no objection. But when the Federal Reserve Board singles out the speech of one Senator defending its destructive deflation policy and criticizing and assailing the position of another Senator and mails that broadcast and spends thousands of dollars to do it, part of which I believe is Government money, I protest against it, and I ask the judgment of this body upon it.

I ask every man who sustains that action to confront his constituents and acknowledge that he voted to permit the Federal Reserve Board and banks to go into politics and to use the power of their offices to circulate the speech of a Senator pleasing in their sight when that speech contained criticisms against a Senator that they desired to punish and injure——

Mr. McLEAN. Mr. President——

Mr. HEFLIN. I yield to the Senator from Connecticut.

Mr. McLEAN. The Senator says he wants the judgment of the Senate on something. I am trying to get at just what he wants. Now, he admits he is willing that the reply issued by the Federal Reserve Board should contain a denial of the accuracy of the statement which was made by the Senator from Alabama. Is the Senator willing that that same statement should contain a statement of any other Senator replying to the Senator from Alabama?

Mr. HEFLIN. I will say this to the Senator from Connecticut: I used some pretty caustic language toward the Senator from Virginia in my reply here, and I do not think it would be right for the Federal Reserve Board or any other Government institution to circulate that speech. I do not think it would be fair to the Senator from Virginia for them to do it. If I want to circulate my speech, or if the Senator from Virginia wants to circulate his speech, that is my business and his business; but it is not for Government officials who are appointed for the specific purpose of running a great banking system and staying out of political controversies, to take my speech or the speech of the Senator from Virginia and circulate it. I would submit that proposition to the judgment of the Senator's own fair-minded constituents and be willing to abide by their decision on this point.

Mr. McLEAN. As I understand the Senator, he is willing that this reply should contain the opinion of anyone outside the Senate of the United States, but his contention is that the Federal Reserve Board would have no right in their reply to a vicious attack made by one Senator to include a statement made by another Senator on the floor of this Chamber? Is that right?

Mr. HEFLIN. Replying to that Senator's speech?

Mr. McLEAN. That is the position which the Senator takes?

Mr. HEFLIN. I have tried to state my position five or six times.

Mr. McLEAN. If that is the Senator's position, then, I have nothing further to say.

Mr. HEFLIN. I want to get my contention, if it is possible, clearly in the Senator's head. I am having great difficulty in doing it, however. It is a pretty hot day, but I am going to make another attempt.

Mr. McLEAN. It seems to be rather difficult for the Senator from Alabama to understand a very simple question.

Mr. HEFLIN. I think I understand the Senator and his position perfectly.

Mr. McLEAN. I am asking a question which I think is susceptible of a categorical answer, but up to date the Senator has avoided a reply.

Mr. HEFLIN. In order that there may be no mistake about my position, I am going to state it again. If the Federal Reserve Board should prepare an address of its own and mail out that address to the same people to whom the speech of the Senator from Virginia was sent, I should have no objection; if the Federal Reserve Board should write letters to the same people who received that speech disagreeing with the position taken by me in my speech, I should have no objection to that course; but I draw a distinction, and I believe that every Senator in the Chamber, save my friend from Connecticut, draws with me the distinction between that course and the Federal Reserve Board taking the speech of any Senator in this body in controversy with me or with the Senator from Connecticut and assailing the position of the Senator from Connecticut or my position and sending that speech out to the same people to whom the board had written letters or mailed its own statement. I hope the Senator can draw with me that distinction. In one instance the board would send out its own statement, and in the other it would send out the speech of a Senator in the United States Senate suggesting his views, giving the doctrine as he understands it, and replying to the position assailing the attitude of another Senator.

Such action on the part of the Federal Reserve Board is wrong; it is unfair; it is unjust.

Senators, some of you do not seem to understand it, but there is an awful spirit of unrest not only amongst the masses but also amongst the rank and file of the honest bankers in this country. I told the Senate the other day about a bankers' convention which was held out in the West, where a friend of Governor Harding secured the indorsement of Governor Harding through a resolution adopted by the convention, but when the bankers got home many of them wrote to a Republican Senator of this body and protested against Governor Harding's reappointment. The power of the banking system, which was intended to meet the business needs of the country and to prevent hard times and panic, was recently used to kill business in the South and West, and is now by intimidation seeking to have the governor of the Federal Reserve Board indorsed by the men whom he through deflation has pillaged and plundered.

I want to read, Senators, some excerpts from a letter from a national banker to the governor of one of our Federal reserve banks. I shall not give the name of the bank, though it is a national bank. The letter reads:

> The * * * National Bank hereby acknowledges receipt of your letter of the 6th instant, stating—"It has always been my sincere belief that in any organization the sane and sure way to achieve the welfare of the whole is to cultivate—

Listen, Senators—

> among the component members a spirit of cooperation and mutual understanding," and requesting calls from any of its officers who may have occasion to visit—

I will not name the place—

> In reply thereto permit me to say that this fine sentiment and manifestation of business friendship comes too late.
> The * * * National Bank—

Naming it—

> through its more than 50 years of existence, coming in contact and having relations with great numbers of people and institutions, can not recall an instance where it received as bad treatment as it has received from your institution, and that notwithstanding the fact that it is one of your largest stockholders. It is not necessary to review the facts; they are well known to you.
>
> Yes; the law compels us to do business with you. It places us in a state of virtual servitude to you, and you took advantage of the fact.
>
> If we had any choice in the matter, we would, without hesitation, sever our connection with you entirely, but as we can not, we can only bide our time, hoping that there is still some justice left in this world, and that in the fullness of time would be meted out.
>
> In the meantime, it would be pure hypocrisy for any official of ours to be paying you friendly visits.

Think of a great national bank which is a big stockholder in a Federal reserve bank writing a letter like that to the governor of the Federal reserve bank, its spirit crushed out, complaining of its ill treatment, and stating that if it could it would cease its relationship with the particular Federal reserve bank. Mr. President, the trail of that deadly deflation serpent is still visible, not only in the business of agriculture but throughout the banking area of the South and West.

Oh, Mr. President, there never was such a propaganda as is being now carried on to have this man W. P. G. Harding reappointed governor of the Federal Reserve Board; but he is not going to be reappointed. I have good reasons for saying that, and, as I have stated before, Senators will hear about it at the proper time.

Mr. President, the history of this matter is going to be interesting. It will not be many months until it is known. Senators can not waive this question aside. It is too big and serious. The little banker and the big banker in the system have been intimidated. They are sore and weary of the dictatorial power exercised by the governor of the Federal Reserve Board and those in Wall Street who control him. They are going to resent it, and ought to resent it.

I have shown Senators from the West how they loaned more money to one national bank in New York in February, 1921, than they were loaning in 28 States on agricultural and livestock paper. Do Senators know what they sought to do? They sought to whitewash this man, Governor Harding, to put rings on his fingers and bells on his toes and lull the people to sleep while they got him reappointed. They were going to laud him to the skies, and the subsidized press, or that portion of the press which they own bodily, are lauding him now. They have attacked and assailed me. Let them proceed. So long as God gives me strength to battle in this body the CONGRESSIONAL RECORD at least shall have the truth as to this issue. What do I care about their attacks. Thugs have been employed by crooks in high places to attack and murder men who dared to expose their criminal conduct, and I am not surprised to see the crowd that I am fighting hire spineless and conscienceless men to assail me and others who are pleading for fair treatment of sixty-odd millions of people who are in distress at this hour because of the murderous deflation policy of the governor of the Federal Reserve Board.

The president of some bank in Philadelphia comes out and says that Governor Harding ought to be reappointed. If I were in that man's place, I suppose, perhaps I would indorse him, too. If Governor Harding had not permitted the progressive interest rate to operate in my section and kill business, rob farmers, and produce hard times, as it did, I might be singing his praises now, but it will be long after I have degenerated and gone down in the scale of being below the station which I now occupy under the grace of God before I will permit my own personal comfort or any other personal consideration to deter me in the work that I feel it my duty to do.

Mr. President, Wall Street is backing Governor Harding; Wall Street wants him reappointed governor of the Federal Reserve Board; Wall Street is singing his praises. A Wall Street editorial said if he were not reappointed it would be taken as a triumph for Senator HEFLIN in the fight which he has made. God knows there is not any personal triumph sought by me. This man is from my State; he was appointed as a Democrat. Senators know what sort of a Democrat I am, and when a Democrat is criticized by me you all know that his offense must be very grave. Senators on the other side know that; they know that I would excuse a great deal that was not serious in the conduct of a Democrat. I am a partisan Democrat; I try to be honest in my position, and, although Governor Harding hails from my State, I stand here as one of the Senators from Alabama, in my place, speaking in part for the whole people of that State, and say that this deadly deflation policy which he carried out cost Alabama between $700,000,000 and $1,000,000,000. Senators, that is a severe loss. I do not care whether the responsibility rests on a Democrat or Republican; if he has done wrong and been guilty of criminal conduct he ought to be condemned.

I wish to say to Senators on the other side that they will hear 10 years from now, 20 years from now, 50 years from now, and maybe longer, of the crime of deflation carried on in 1920 and 1921 by the Federal Reserve Board. We can not get away from the burning truth announced by Lincoln. God bless his memory.

I have referred heretofore in the Senate to a farmer in my State with 10 bales of cotton, worth 40 cents a pound, or $200 a bale, who owed $2,000, and who could sell his 10 bales and pay off the $2,000 debt and go home with a clear receipt and clean bill of health. When, however, cotton was being marketed intelligently and gradually the deflation drive struck him, and when in conference at Birmingham Governor Harding flatly refused to back the farmer in holding his cotton to secure a price that would cover even the cost of production and yield a profit, down and down the price of cotton went. The farmer said, "It looks like the bottom is falling out; we can not get financial aid to hold it for a reasonable price." The spinner said, "I do not want to buy while it is going down so rapidly; it looks as though it will go much lower. I do not know what the other fellow may get his cotton for, and I am in competition with him in making cloth. If I knew that he would pay 30, 25, or 20 cents for his, I would pay that for mine, but if I should pay that for mine he may get his for 15. So I will stay out of the market." I saw the farmers' cotton business die under the deadly drive of deflation. Then what? It went down to 10 cents a pound, and then the banks with the $2,000 indebtedness against the farmer were forced under the Federal reserve bank's deflation to pay it. "There is my 10 bales of cotton," said the farmer, "but for deflation I could pay you and clear the debt with my 10 bales of cotton; but now it will sell for only one-fourth of it"—10 cents a pound, $50 a bale, $500 for 10 bales, $1,500 indebtedness hanging over him, and hanging over him now.

It will take four crops to pay it, when during the time of inflation, caused by the Federal Reserve Board, one crop would have paid it. My position is that under the circumstances he ought to have been permitted to discharge that debt with the circulating medium we had and the volume of money that was then moving around. This is what Mr. Lincoln said about it:

> Any movement to artificially deflate before the debt can be paid, to change the medium of circulation upon which the debt was contracted, would be a crime.

I want those words from the immortal Lincoln to burn into the memory of the Senator from Connecticut.

He said further:

> I warn the American people not to permit a repetition of the crimes of history. Following great periods of inflation, if drastic artificial deflation is attempted, disastrous results must follow. I warn them not to permit the money powers—

Do you get that, Senators—

to take advantage of the condition of the people. I warn them not to permit high, usurious interest rates, contraction of the currency, or any change in the circulating medium that will affect the debt contracted until it has been discharged.

That is what Lincoln said. Democrat that I am, I employ his language and I indorse that doctrine. What will this Republican Senate do to-day? Usurious interest rates? Senators, they raised the interest rate from 3 and 4 to 7 per cent, and then did what Lincoln said should not be done, and raised it to 8½ per cent to a bank of my State, and choked it to death when it was trying to live through that trying period. I assail the position of this Federal Reserve Board, and another speech assailing my position is distributed by the order of the governor of the Federal Reserve Board.

Mr. President, to the end that the Senator from Connecticut may know what I am driving at, I ask unanimous consent for the consideration of the resolution which I send to the desk and ask to have read in my time.

The PRESIDENT pro tempore. The Senator from Alabama asks unanimous consent for the present consideration of the resolution referred to by him.

Mr. SMOOT. Let it be read first.

Mr. HEFLIN. I will ask the Secretary to read it very slowly.

The PRESIDENT pro tempore. The resolution will be read.

The Assistant Secretary read the resolution (S. Res. 321), as follows:

Whereas the Federal Reserve Board is a Government institution, created by law for the purpose of exercising supervisory powers over the administration of the financial policies of the Federal reserve banking system; and

Whereas it was the purpose of those who created the Federal Reserve Board and the Federal reserve banks to keep them entirely free from political activities of every kind; and

Whereas from information obtained from the officials of the Federal reserve banks it appears that Governor Harding, of the Federal Reserve Board, was the prime mover in having printed and distributed many thousands of copies of a speech of Senator GLASS made in the Senate upon a controverted subject, involving charges against the conduct of Governor Harding and the Federal Reserve Board; and

Whereas other Senators have challenged the correctness of many of the arguments presented in said speech by Senator GLASS in defense of the Federal Reserve Board; and

Whereas the Senate itself is divided in opinion upon the subject, some Senators agreeing and others strongly disagreeing with the position taken by Senator GLASS in said speech; and

Whereas the said speech of Senator GLASS also contains some harsh and caustic criticisms of the position of another Member of the United States Senate who had criticized the conduct of the Federal Reserve Board; and

Whereas the Senate feels that the circulation by officials of the Federal Reserve Board or of the Federal reserve banks of the said speech of Senator GLASS is a wrongful exercise of the proper functions of said officials; and

Whereas the Senate feels duty bound to do everything in its power to keep the Federal Reserve Board and the Federal reserve banks true to the purposes of their creation; and

Whereas the Senate realizes the impropriety and grave danger of permitting members of the Federal Reserve Board and officials of the Federal reserve banks to participate in political and partisan activities; and

Whereas the Senate feels that in view of the part shown to be taken and admitted to be taken by the said Governor Harding, of the Federal Reserve Board, in having the said speech in question circulated, that he subjected himself to just criticism; and

Whereas the Senate feels that since the facts regarding the circulation by said Government officials of a speech made in the Senate which assails and criticizes the speech of another Senator and which involves a controversy regarding the conduct of said officials have been brought to its attention, that it owes a duty to itself, to the Federal Reserve Board, and to the people of the United States to express its opinion upon the conduct of Governor Harding in calling upon the officials of the Federal reserve banks to have printed and circulated the said speech of Senator GLASS; Therefore be it

Resolved, That the conduct of Governor Harding in this matter is a breach of the proprieties involving the duties of his office, and is therefore deeply regretted and disapproved by the Senate.

The PRESIDENT pro tempore. The Senator from Alabama asks unanimous consent to offer the resolution just read. Is there objection?

Mr. McLEAN. There is. I object.

The PRESIDENT pro tempore. Objection is made. The resolution will be returned to the Senator from Alabama.

Mr. HEFLIN. Mr. President, I had the resolution read in my time, and it will at least appear in the RECORD in my speech.

Mr. McLEAN. Oh, I have no objection to that.

The PRESIDENT pro tempore. That is the necessary result. It requires no order of the Senate.

Mr. HEFLIN. I knew that it did not require an order, Mr. President. I must confess, however, that I did not know whether the Senator from Connecticut would object to that or not.

The PRESIDENT pro tempore. The Chair has not asked the Senator from Connecticut whether he would object or not.

Mr. HEFLIN. If he does object——

Mr. McLEAN. Mr. President, a parliamentary inquiry. My objection is to the immediate consideration of the resolution.

The PRESIDENT pro tempore. The objection of the Senator from Connecticut was to the offering of the resolution.

Mr. McLEAN. Oh, I do not object to that, but I object to its immediate consideration. I want it to lie on the table.

Mr. HEFLIN. Then, Mr. President, my resolution is offered or introduced and may be printed as other resolutions are printed.

The PRESIDENT pro tempore. If the Senator from Connecticut withdraws his objection——

Mr. McLEAN. I do.

The PRESIDENT pro tempore. And if there be no other, the resolution is received.

Mr. HEFLIN. Now, Mr. President, I ask unanimous consent for the immediate consideration of the resolution.

The PRESIDENT pro tempore. Is there objection?

Mr. McLEAN. I object to that, Mr. President.

The PRESIDENT pro tempore. Objection is made, and the resolution will go over under the rule.

Mr. HEFLIN. I ask that the resolution as offered remain on the President's table, because I want to make an effort again to get it up in some way at some future time.

The PRESIDENT pro tempore. It will lie on the table under the rule.

Mr. HEFLIN. Now, Mr. President, just a word more. I tried to be very fair in writing that resolution. I consulted two other Senators. It simply recites the facts, and gives the Senate an opportunity to go upon record as to whether or not it wants to do that which will keep these banks and the Federal Reserve Board out of partisan controversies and political activities. I can not do anything with it at this time except by unanimous consent, and the Senator from Connecticut objects. I am powerless to proceed with it now. I do not see how he could object, Mr. President. If he were in my place, and somebody had made a speech assailing his position, severely criticizing the stand that he had taken, and he were to offer the resolution that I have offered, I would stand here and champion his cause and ask that the resolution be adopted. The resolution simply states that the governor of the Federal Reserve Board is reproved for calling upon the Federal reserve banks to circulate the speech of one Senator assailing the position of another Senator where his own official conduct is the matter in controversy; that the Senate declares what a large number of Senators in this body believe and will say on the record finally, that he breached the proprieties of his office, and that the Senate disapproves his conduct.

The Senator should approve or disapprove. I am fighting this battle, not for any personal triumph—God knows it is easier to sit down and be quiet in hot weather like this—but I am fighting from a sense of duty that the truth may be known. If the Senate dares to defeat that resolution, let it do it, and let the country know the Senate's attitude upon it. If there are any Democrats in this body who will vote against that resolution, let their names go in the RECORD. If there are Senators on the other side who will oppose it, let their names appear in the CONGRESSIONAL RECORD, so that next year, 5 years from now, 10, 20 years and more or whenever—this year or 2 years from now—the statesmen shall come, when the people will again take hold of the instrumentalities of their Government and not be held up and mulcted by the power of Wall Street as we are held up and mulcted to-day, they may know that there were those here at this time who fought this dangerous and deadly policy of dragging the Federal Reserve Board and banking system into politics. I repeat, I can not understand the strange conduct of the Senator from Connecticut.

Mr. McLEAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from Connecticut?

Mr. HEFLIN. I yield to the Senator.

Mr. McLEAN. If my memory serves me correctly, I took an oath and every Member of this body took an oath to support and defend the Constitution of the United States. My impression is that that Constitution guarantees freedom of speech; and I think neither the Federal Reserve Board nor any official of that board should be deprived of that privilege at the request of a United States Senator. I think it would be beyond the power of Congress to do it if they wanted to. That is my position, and that is all that this controversy involves. The question is, Shall the governor of the Federal Reserve Board or any public official be denied freedom of speech when he is attacked by a United States Senator? The position of the Senator from Alabama is absurd.

Mr. HEFLIN. Mr. President, I refute the argument of the Senator from Connecticut and repudiate the position that he states as being my position. I demand free speech for every-

body—the Federal Reserve Board governor and the other members of the board. They have thousands of dollars to carry out their propaganda, as they do carry it out. The agents that are going around the country now, attending business men's conventions and bankers' conventions, getting up indorsements to have Governor Harding reappointed, are paid out of the earnings of the Federal reserve banks.

Their agents and the members of the Federal Reserve Board are going all over the country just now without expense to themselves trying to secure indorsements of Governor Harding.

Is that free speech, using a Government bank's money to carry on propaganda, paying the expenses of agents to further the interests of the governor of the board whose policy for the last two years has robbed millions of people? The Federal Reserve Board Bulletin is his own official document. They fill it full of stuff, and it goes out to various parts of the country. They have various periodicals. They have magazine articles written. They now have a man in New York employed in writing a history of legislation relating to the Federal reserve system. All that is being paid for out of the earnings of the Federal reserve system, part of which would go to the Government if not squandered for illegitimate purposes. They are building a bank in New York City costing twenty-odd million dollars, by the sanction of the Federal Reserve Board, in the distressing times in which we are now living. They are erecting bank palaces in New York alone costing more money than this Capitol and the House Office Building, made of marble, and the Senate Office Building, made of marble, and more than the State, War, and Navy Building all cost.

The Federal reserve banking palaces in New York are to cost more money than the Capitol, the Senate and House Office Buildings, and the State, War and Navy Building all cost, and this governor at the head of the Federal Reserve Board sanctions that, when men in my section and in the West can not get money with which to do business in order to live. That is what is going on.

Then they undertake to hide all this behind the suggestion of free speech for the Federal Reserve Board. They have free speech. They can write letters to everybody in the United States and pay for them, and nobody questions it. Governor Harding goes to every convention where they invite him and makes a speech. I am not trying to suppress free speech. I am interested in free speech. I am for it. I am opposed to allowing a Government official to take the speech of any Senator made in this body, criticizing and assailing the position of another Senator, where that Government official's conduct is the subject in controversy, and distribute it at the expense of Government institutions. That is my position, and I believe that every Senator in this body, with the sole and single exception of the Senator from Connecticut, understands my position.

Mr. President, he occupies a very unenviable attitude. He has been the means of denying to me the right to have the list of names to which the speech in question was sent without a nickel of expense to the man who made it. I asked for that list in order that I might have the opportunity, with some friends to help me, a few who still believe in right principles, and who are still courageous enough to speak out, to send my speech to them. He denied me that right by his objection, and would not permit the Senate to grant me the right to have these banks give me that list so that I could have my speech printed and sent out to them in the months to come.

The Senator from Connecticut is the handy instrument or guardian angel of the Federal Reserve Board's deflation policy. He never loses an opportunity to defend it. He was a bitter opponent of the Federal reserve banking system. It now operates entirely to his satisfaction, and he is for it as it is now manipulated and controlled by Wall Street. He is the author of the progressive interest rate amendment. He fathered that oppressive and deadly provision, and got it through this body, and it has wrought ruin to more people in the South and West and in the whole United States than any similar piece of legislation in all the history of the Government.

When that progressive interest rate was secured, Governor Harding appeared on the scene. Senator SMITH, of South Carolina, and other Senators told him it was a dangerous power. His lips trembled, Senator SMITH said, and turned white around the underlip, and he said, "We have to have it. New York is draining money out of the agricultural sections." Senator SMITH said, "If you apply it to the agricultural sections, you will ruin the South and the West. We will not have money sufficient to serve our needs at the crop-moving time to properly handle our products." He said, "That is exactly what I want it for. I want to apply it to these big cities that are draining money out of the farming sections, so that the South and West will have money at the crop-moving time."

That amendment was passed, and its passage obtained under the circumstances, from some Members of the Senate at least, through deliberate deception and misrepresentation. It is now in the law books of the land, it is the law of the land, and it has destroyed the substance, the happiness, and the business of millions of American people.

That whole thing was inaugurated by Wall Street and conducted by Governor Harding, who was here begging and lobbying to get this progressive interest rate, through an amendment fathered by the Senator from Connecticut [Mr. McLEAN]. He is standing by this man, who is responsible for the poverty of millions, and to-day, when I showed to the Senate that they sent out a hundred and forty-odd thousand copies of a speech assailing my position in getting the facts of that record, the fact of how that amendment was gotten through, and how it is wrong for Government bank officials to do such things, the Senator from Connecticut [Mr. McLEAN] reaches the climax in his friendship and service to the Federal Reserve Board governor and his staff when he refuses to permit me to pass a resolution intended to keep the Federal Reserve Board and officials of the Federal reserve banks out of politics. I leave the Senator to the fair judgment of his own constituents and I submit the justice of my cause to the judgment of the upstanding, fearless, and incorruptible people of the United States.

Mr. McLEAN. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state his inquiry.

Mr. McLEAN. I would like to ask the Senator from Alabama if the order for the printing in the RECORD of the replies of the Federal reserve banks has been entered?

Mr. HEFLIN. No; it has not. The Senator had better ask now that that be done.

Mr. McLEAN. I ask unanimous consent that the replies which have been received by the Senate to the questions embodied in the resolution of the Senator from Alabama be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

A communication from the Governor of the Federal Reserve Board transmitting, pursuant to Senate Resolution 308, letters from the governors of the Federal reserve banks of Philadelphia, Richmond, and St. Louis, relative to the circulation of copies of the speech of Senator GLASS:

FEDERAL RESERVE BOARD,
Washington, July 8, 1922.

SIR: The Federal Reserve Board transmits herewith letters from the Federal reserve banks of Philadelphia, Richmond, and St. Louis, in reply to Senate Resolution 308. Replies from the other banks will be forwarded as soon as received.

In transmitting this correspondence the board trusts that it may without impropriety avail itself of the opportunity to invite the attention of the Senate to certain matters which have a direct bearing upon the subject of the inquiry.

The corporate powers of the Federal reserve banks are defined in section 4 of the Federal reserve act, which provides, inter alia, that "every Federal reserve bank shall be conducted under the supervision and control of a board of directors," and that such directors "shall perform the duties usually appertaining to the office of directors of banking associations and all such duties as are prescribed by law."

The banking business is one which rests peculiarly upon the foundation of confidence. While true in the case of any bank, this is particularly true with respect to a Federal reserve bank, which is the sole custodian of the legal reserves of its member banks and the instrumentality through which is issued the country's fiduciary currency. Anything which tends to undermine public confidence in a bank, and in a reserve bank particularly, impairs its ability to perform its functions, and unless counteracted may defeat entirely the purposes of its organization. Therefore, those charged with the administration of a bank have the right and are impressed with the duty of using all legitimate means, when necessary, to protect its good name and to prevent any impairment of public confidence.

Criticisms of policy can not be objected to and have always been welcomed by the Federal Reserve Board, which has never imputed to itself infallibility of judgment. The board has been charged with the administration of a new and untried law, and has from the beginning been confronted with a series of difficult and unprecedented situations. When criticism is based upon the solid foundation of fact and understanding of the Federal reserve act and of banking principles it is useful; it is helpful to those charged with the duties of administration. To the Federal Reserve Board it has appeared, however, that for the past two years much that has been said under the guise of criticism of policy has not been intended to help, but to discredit the management of the Federal reserve system through attacks upon the integrity and purpose of members of the Federal Reserve Board and of officers and directors of Federal reserve banks.

These attacks have been so repeatedly made and have had such publicity as to justify the suspicion that they are part of a concerted movement against the Federal reserve system. The patience and forbearance with which members of the Federal Reserve Board and officers and directors of Federal reserve banks have borne these repeated attacks, many of them personally abusive, have been cited as an admission of the truth of charges made and have tended to raise in the minds of some who indorse the principles of the Federal reserve act, but who had no means of informing themselves as to facts, a ques-

tion as to whether there may not have been some foundation for the charge that members of the Federal Reserve Board and officers and directors of Federal reserve banks have been incapable and corrupt.

Beginning last summer insinuations and charges which had been made on the outside were repeated and amplified on the floor of the Senate of the United States, not merely once or twice but at frequent intervals up to the present time. This circumstance has caused a great amount of correspondence with persons asking for information, and board members, as well as officers and directors of Federal reserve banks, have had occasion frequently to consider whether there were any means which might appropriately be employed to inform the public as to the operation of the Federal reserve banks and the character of their management.

Respecting the constitutional prerogatives of the Members of the Senate, care has been taken to make no criticism of any Member thereof in any reply to letters of inquiry. This circumstance also has been construed as an admission of the truth of charges so frequently made on the floor of the Senate, some of which would have been resented as libelous but for the constitutional immunity above referred to.

Many quotations could be made from statements which have been printed in the CONGRESSIONAL RECORD during the past 12 months which are misleading and untrue, but their insertion would unduly extend this communication. The board has seen nothing to indicate that those who made these statements have ever corrected them.

Last January the junior Senator from Virginia, who was chairman of the Banking and Currency Committee of the House of Representatives which reported the bill creating the Federal reserve system, and who was afterwards Secretary of the Treasury and ex officio chairman of the Federal Reserve Board, made a speech on the floor of the Senate, in which he discussed at length the operation of the Federal reserve banks and the attitude of the Federal Reserve Board during the recent period of economic reaction and financial stress. The speech was delivered during parts of two days. A brief report of it appeared in the daily papers and requests followed for complete copies of the speech. Officers of Federal reserve banks, who for several months had felt themselves obliged to maintain silence while their motives and integrity were being assailed, deemed it not improper to avail themselves of the opportunity then presented to give to their correspondents and to others in their respective communities who had evinced an interest, or who were supposed to be interested in the economic questions dealt with, information which would enable them to draw their own conclusions.

The speech was a public document. Having been delivered on the floor of the Senate and having been published in the CONGRESSIONAL RECORD, the Federal Reserve Board felt that there could be no impropriety in the distribution of copies by the Federal reserve banks. The speech dealt so comprehensively with charges and statements which had been made in the same place and printed in the same publication that the board believed it should be given wide publicity. Having been informed that copies might be obtained from the Public Printer if ordered promptly, it was decided that the governor should send to each Federal reserve bank the following telegram:

"JANUARY 18, 1922.

"Think Senator GLASS'S great speech defending Federal reserve system should be widely and promptly circulated. Government Printing Office will print special copies of it Friday, 20th, and additional orders should be given to-morrow. Printing Office estimates cost of copies at from 5 to 7 cents each. Please wire promptly how many copies your bank wishes.

"HARDING."

[NOTE.—This estimate of cost was too high. In view of the great demand for the speech and the large number of copies printed, the cost per copy to each Federal reserve bank was approximately 1¾ cents.]

The Federal Reserve Board assumes responsibility for commending this speech to the Federal reserve banks for circulation. Neither the board nor the Federal reserve banks regarded the speech as being an attack upon any Senator and were not interested in it from that point of view. This speech was and is regarded by the board as a fair presentation of facts. It was commended to the banks for circulation because it was an answer made in the Senate Chamber to charges which had been made on the floor of the Senate. It is a clear exposition of the policies, functions, and operations of the Federal reserve system during a critical period and is an important contribution to current economic discussion.

Respectfully, W. P. G. HARDING, *Governor*.

The PRESIDENT OF THE SENATE.

FEDERAL RESERVE BANK OF PHILADELPHIA,
July 6, 1922.

To the PRESIDENT OF THE SENATE.

SIR: In compliance with the request of the Federal Reserve Board we have the honor to submit herewith the following replies to the four questions asked in Senate Resolution 308.

1. The newspaper reports of Senator GLASS'S speech convinced the officers of this bank that the speech contained information which would be of interest and value to the bankers and business men of this district and that copies of the speech should be mailed to the (say) 11,000 names on the regular mailing list of this bank. The secretary of the Federal Reserve Board was therefore requested to order from the Public Printer and forward to us 11,000 copies of the speech.

2. The cost of procuring these additional copies from the Public Printer and of mailing the same was borne by this bank.

3. The total cost was $423.11, which was charged as one of the current expenses of this bank, just as the monthly review of business conditions and other information circulated by the bank in pamphlets or circular letters is charged.

4. The Governor of the Federal Reserve Board wired to the chairman of the board of this bank the opinion that the speech might wisely be circulated, and advised him that the Government Printing Office would furnish copies of the same at from 5 cents to 7 cents each. This telegram was regarded by the officers of this bank as affording a prompt and economic means of putting into effect the determination which had already been reached to circulate the speech, as stated in answer to question No. 1.

I am,
Respectfully yours, GEO. W. NORRIS, *Governor*.

FEDERAL RESERVE BANK OF RICHMOND,
July 7, 1922.

The PRESIDENT OF THE SENATE OF THE UNITED STATES,
Washington, D. C.

SIR: In obedience to Senate Resolution No. 308, transmitted to us through the Federal Reserve Board, I respectfully submit all the information in our possession called for in the following questions contained in the aforesaid resolution:

(1) At whose instance was the speech in question of Senator GLASS sent out?

Answer. At the instance and at the volition of the executive officers of the bank. (See answer to question (4).)

(2) At whose expense was said speech printed and distributed?

Answer. At the expense of the bank.

(3) How was the fund provided, and how many copies of said speech were sent out, and how much money was expended in printing and distribution of the said speech?

Answer. The expenses incurred in distributing the speech were charged to the current expenses of the bank, just as we charge the expense of distributing other matter of a similar nature intended for the knowledge, instruction, or benefit of the banking institutions and others interested and concerned in this district, and for the purpose of disseminating a knowledge and understanding of the operations of the Federal reserve bank and the system and promoting the growth of the Federal reserve system.

Ten thousand one hundred copies of said speech were obtained, and all have been distributed with the exception of a few copies—less than 100.

The total expense in connection therewith, including the printing of the speech, postage, cost of envelopes, etc., was $286.99, as nearly as may be determined.

(4) Did any member of the Federal Reserve Board suggest the printing and distribution of the said speech?

Answer. The following telegram, "Trans 169," was received from the Federal Reserve Board by the chairman of this bank: "Think Senator GLASS'S great speech defending Federal reserve system should be widely and promptly circulated. Government Printing Office will print special copies of it Friday, 20th, and additional orders should be given to-morrow. Printing Office estimates cost of copies at from 5 to 7 cents each. Please wire board promptly how many copies your bank wishes." (This telegram was signed in the name of the governor of the board, as usual.) To which the chairman of this bank replied as follows: "Governor Seay was in the act of wiring Senator GLASS for 4,000 copies when your message came. Please send us that number." (Six thousand one hundred copies were subsequently ordered.)

Prior to the receipt of the foregoing telegram, as will be evident in the reply thereto, the governor of the bank (as specified in question (1)), had determined to obtain copies of the speech and distribute them in the district, believing, from the account of the speech given in the newspapers, that it was the best exposition given to the public of the credit operations of the Federal reserve bank during the period which it covers and that it was well designed to inform the public of reserve banks' operations and to correct many of the statements which had come under our observation which were both misleading and harmful to the best interests of the system. In this opinion all the officers of the bank concurred.

Respectfully submitted. GEO. J. SEAY, *Governor*.

FEDERAL RESERVE BANK OF ST. LOUIS,
July 5, 1922.

SIR: The Federal Reserve Bank of St. Louis has received through the Federal Reserve Board a copy of the resolution of the Senate (S. Res. 308) passed June 30, 1922, reading as follows:

"Whereas it has been charged upon the floor of the Senate that each and every one of the regional Federal reserve banks of the United States has had printed and distributed at its own expense a speech delivered in the Senate by Senator GLASS, of Virginia, in which the position of Senator HEFLIN on the deflation policy of the Federal Reserve Board was assailed and criticized: Therefore be it

"*Resolved*, That the Federal Reserve Board is hereby requested to call on all of said Federal reserve banks, except the Federal Reserve Bank of Atlanta, which has already reported to the Senate, to furnish to the Senate in writing all information in their possession, respectively, called for in the following questions:

"(1) At whose instance was the speech in question of Senator GLASS sent out? (2) At whose expense was said speech printed and distributed? (3) How was the fund provided, and how many copies of said speech were sent out, and how much money was expended in printing and distributing said speech? (4) Did any member of the Federal Reserve Board suggest the printing or distribution of the said speech?"

The replies of the Federal Reserve Bank of St. Louis to the questions in the resolution in their order as asked are as follows:

(1) The speech in question of Senator GLASS was sent out at the instance of the board of directors of the Federal Reserve Bank of St. Louis.

(2) The speech was printed and distributed at the expense of the Federal Reserve Bank of St. Louis.

(3) The fund was provided as all funds are provided that are necessary for the expenses of the operation of this bank.

Fifteen thousand copies of the speech were sent out. Money expended in printing amounted to $250.79. The cost of distributing said speech was $334.60. Total cost, $585.39.

(4) For quite a while previous to this speech of Senator GLASS this bank had been calling to the attention of the Federal Reserve Board the desirability of having the public know the facts about the Federal reserve system, its organization, administration, and method of operation, so that the criticisms that had been made of the system from time to time could be explained to the public, and it could arrive at the true situation. Unless this could be done there was a possibility of dangerous unrest being stimulated, with the consequent disaster to the stockholding banks and business in general. When we saw the published report of the speech of Senator GLASS we decided that if the speech itself was the general statement of facts and explanation of the system it seemed to be, it was the thing that should be distributed. Later we received a telegram from the governor of the Federal Reserve Board suggesting that this speech might be what we were looking for and giving us the cost of printing. In the meantime many of our stockholding banks, having read the press reports of the speech, sent to us for copies, and after reading suggested

that it would be helpful to the general situation if it were broadly distributed.

This letter was read at the meeting of our board of directors held to-day and is sent with its full approval.

Respectfully,

D. C. BIGGS, *Governor.*

The PRESIDENT OF THE SENATE.

A communication from the governor of the Federal Reserve Board transmitting, pursuant to Senate Resolution 308, letters from the Federal Reserve Banks of Cleveland, Chicago, and Kansas City:

FEDERAL RESERVE BOARD,
Washington, July 10, 1922.

The PRESIDENT OF THE SENATE.

SIR: The Federal Reserve Board transmits herewith letters from the Federal Reserve Banks of Cleveland, Chicago, and Kansas City, in reply to Senate Resolution 308.

Respectfully,

W. P. G. HARDING, *Governor.*

FEDERAL RESERVE BANK OF CLEVELAND,
July 7, 1922.

The honorable the PRESIDENT OF THE SENATE
OF THE UNITED STATES,
Washington, D. C.

MY DEAR SIR: There has been forwarded to this bank by the Federal Reserve Board copy of Senate Resolution 308 requesting certain information set forth in questions contained therein. Our answers to these questions are as follows:

1. The copies of Senator GLASS's speech that were distributed by the Federal Reserve Bank of Cleveland were sent out at the instance of the management of the bank.

2. The expense, which consisted of printing and postage, was paid by the bank, the total cost being $203.32.

3. This expense was not taken from any special fund, but of this amount $120.38, the cost of printing, and $24.53, the cost of the envelopes, were charged to "printing and stationery," and $58.41 to "postage." Seven thousand two hundred copies of the speech were ordered, 5,841 copies were mailed, 1,209 copies were given out to those who asked for them, and 150 copies are on hand.

4. Learning from news dispatches of the character of Senator GLASS's speech, and believing its general distribution would be desirable in this district to offset erroneous statements concerning the Federal reserve system, this bank, on its own initiative prior to the receipt of any communication from the Federal Reserve Board on the subject, inquired of the Federal Reserve Board by telegram as to when a complete copy could be obtained in order that a supply might be printed. In response to that telegram the Federal Reserve Board, through its governor, wired this bank commenting on the speech, the desirability of its circulation, and stated that the Government Printing Office was prepared to print additional copies.

Respectfully,

E. R. FAUCKER, *Governor.*

FEDERAL RESERVE BANK OF CHICAGO,
July 5, 1922.

Re Senate Resolution 308.

The honorable the PRESIDENT OF THE SENATE
OF THE UNITED STATES,
Washington, D. C.

SIR: I am pleased to answer as follows the four questions contained in Senate Resolution 308, in so far as the Federal Reserve Bank of Chicago is concerned:

(1) Q. At whose instance was the speech in question of Senator GLASS sent out?

A. At the instance of the chairman of the board of directors and the governor of the Federal Reserve Bank of Chicago.

(2) Q. At whose expense was the said speech printed and distributed?

A. At the expense of the Federal Reserve Bank of Chicago.

(3) Q. How was the fund provided and how many copies of said speech were sent out, and how much money was expended in printing and distributing said speech?

A. (a) The cost of printing and distribution was charged to expense; (b) approximately 15,000 copies were sent out; (c) there was expended for printing $250.79, for postage about $150, and for envelopes about $75, making a total expenditure of approximately $475.

(4) Q. Did any member of the Federal Reserve Board suggest the printing or distribution of the said speech?

A. Yes; but the question of determining the action taken was left entirely to the discretion of the management of this bank.

If there is desired any further information that this bank can properly furnish, it will be cheerfully given.

Respectfully,

J. B. MCDOUGAL, *Governor.*

FEDERAL RESERVE BANK OF KANSAS CITY,
July 7, 1922.

To the PRESIDENT OF THE SENATE,
Washington, D. C.

DEAR SIR: Complying with the request as set forth in Senate Resolution 308, I have the honor to submit the following:

Question No. 1. At the instance of the officers and directors of the Federal Reserve Bank of Kansas City.

Question No. 2. The Federal Reserve Bank of Kansas City.

Question No. 3. Charged to general expense. The total cost of printing and distribution, including postage, was $195.86.

Question No. 4. The suggestion came from Governor Harding, of the Federal Reserve Board, that on account of its educational features in elucidating the working of the system he thought general circulation of the speech advisable. This met the hearty approval of the directors and officers of this bank. Any part of the speech referring to Senator HEFLIN was no part of the purpose of this bank in giving Senator GLASS's speech publicity.

Respectfully,

W. J. BAILEY, *Governor.*

A communication from the governor of the Federal Reserve Board transmitting, pursuant to Senate Resolution 308, letters received from the Federal Reserve Banks of Minneapolis and Dallas:

FEDERAL RESERVE BOARD,
Washington, July 11, 1922.

The PRESIDENT OF THE SENATE.

SIR: The Federal Reserve Board transmits herewith letters received from the Federal Reserve Banks of Minneapolis and Dallas, in reply to Senate Resolution 308.

Respectfully,

W. P. G. HARDING, *Governor.*

FEDERAL RESERVE BANK OF MINNEAPOLIS,
July 8, 1922.

Hon. W. P. G. HARDING,
Governor Federal Reserve Board, Washington, D. C.

MY DEAR GOVERNOR HARDING: I will be obliged if you will transmit to the President of the Senate all of the replies in behalf of this bank to Senate Resolution No. 308.

1. The speech of Senator GLASS was distributed at the instance of the chairman of the board of directors and governor of the Federal Reserve Bank of Minneapolis.

2. The expense was charged to the Federal Reserve Bank of Minneapolis.

3. No fund is provided for such purposes, and the cost of distribution was charged to the expense of this bank in the same manner as the expense of any informative matter to members and other banks would be charged. There were sent to the banks of the ninth Federal reserve district 3,829 copies, and to them upon their order and request 5,033 additional copies, for miscellaneous circulation 451 copies, and on hand 187 copies, making a total of 9,500 copies, the printing cost of which was $158.85, the cost of postage approximately $90, and the cost of envelopes $29, or a total cost of approximately $277.85.

4. Yes. The attention of the chairman of our board was called to the speech, but the action, however, of this bank was taken because of the authoritative character, informative value, and comprehensive summary of Federal reserve operations which the address contained, and independent of suggestions from any source. Any additional information that this bank can properly furnish will be cheerfully supplied.

Yours respectfully,

B. A. YOUNG, *Governor.*

FEDERAL RESERVE BANK OF DALLAS,
OFFICE OF THE GOVERNOR,
July 7, 1922.

The PRESIDENT OF THE SENATE,
Washington, D. C.

SIR: In response to Senate Resolution No. 308, in which all of the Federal reserve banks of the United States, except the Atlanta bank, were requested to furnish the Senate in writing all information in their possession, respectively, regarding the printing and distribution of a speech delivered in the Senate by Senator GLASS, of Virginia, you are respectfully advised:

(1) The speech of Senator GLASS in question was sent out under the direction and at the instance of the executive committee of this bank, in keeping with the policy which we have of occasionally supplying member banks and other banks and the commercial and civic bodies of the district with information covering the operations, functions, and facilities of the Federal reserve system and of this bank.

(2) The speech in question was printed and distributed at the expense of this bank.

(3) As indicated in my reply to the second question, the fund was provided by charging the same to our expense account and, therefore, came out of our earnings. A copy of the speech was sent to each of approximately 2,100 member and nonmember banks, trust companies, and private banks of the district. In addition to this number, about 400 copies were sent to commercial associations, clubs, civic bodies, and individuals of the district. We expended the sum of $66.86 in paying for the printing of these speeches. The letter transmitting these copies of the speech (a copy of which letter is hereto attached) was printed in our own print shop, and the envelopes in which they were inclosed were also furnished by that department. We can only approximate the cost of printing these letters and the cost of the envelopes. This cost we estimate to be $14.38. In addition to this we expended $97.88 for postage, thus making an aggregate amount of expense of $179.12, a portion of which is estimated.

(4) Before sending out the speech our committee had received from Governor Harding, of the Federal Reserve Board, an expression of opinion to the effect that it was desirable that Senator GLASS's speech be widely circulated.

Respectfully,

B. A. MCKINNEY, *Governor.*

FEDERAL RESERVE BANK OF DALLAS,
February 9, 1922.

To all banks, bankers, and trust companies in the eleventh Federal reserve district, chambers of commerce, and Rotary clubs:

GENTLEMEN: Believing that it will be found of interest, I am pleased to inclose copy of a speech, "Truth About the Federal Reserve System," delivered by Hon. CARTER GLASS, Senator from Virginia, in the United States Senate on January 16 and 17.

Mr. GLASS's long service in the Congress as a member of the Committee on Banking and Currency and his administration of the Treasury Department as Secretary of the Treasury peculiarly fit him to discuss Federal reserve banking; in fact, I know of no one who has been a closer student of banking and currency in all its phases.

Yours very truly,

W. F. BANES, Jr., *Chairman.*

A communication from the governor of the Federal Reserve Board transmitting, pursuant to Senate Resolution 308, a letter from the Federal Reserve Bank of Boston:

FEDERAL RESERVE BOARD,
Washington, July 15, 1922.

SIR: The Federal Reserve Board transmits herewith letter from the Federal Reserve Bank of Boston, in reply to Senate Resolution 308.

Respectfully,

W. P. G. HARDING, *Governor.*

The PRESIDENT OF THE SENATE.

FEDERAL RESERVE BANK OF BOSTON,
July 13, 1922.

DEAR SIR: In response to a resolution passed by the Senate of the United States (S. Res. 308), a copy of which was transmitted to the Federal Reserve Bank of Boston by the Federal Reserve Board, the Federal Reserve Bank of Boston hereby submits the following answers to the questions contained in that resolution:

1. At whose instance was the speech in question of Senator GLASS sent out?

Answer. On January 18, 1922, the following telegram was received at the Federal Reserve Bank of Boston:

WASHINGTON, D. C., *January 18, 1922—4.15 p. m.*

CURTISS.

Trans. 169. Think Senator GLASS's great speech defending Federal reserve system should be widely and promptly circulated. Government Printing Office will print special copies of it Friday, 20th, and additional orders should be given to-morrow. Printing Office estimates cost of copies at from 5 to 7 cents each. Please wire board promptly how many copies your bank wishes.

HARDING, *4.35 p. m.*

2. At whose expense was said speech printed and distributed?

Answer. The expense of printing and distribution of this speech in this district was borne by the Federal Reserve Bank of Boston.

3. How was the fund provided, and how many copies of said speech were sent out, and how much money was expended in printing and distributing said speech?

Answer. The cost of the copies of this speech and of the distribution was charged to the expense account of the Federal Reserve Bank of Boston. There were 17,960 copies distributed, at a total cost of $546.74.

4. Did any member of the Federal Reserve Board suggest the printing or distribution of the said speech?

Answer. No member of the Federal Reserve Board suggested the printing and distribution of this speech.

Very truly yours,

CHARLES A. MORSS, *Governor.*

To the PRESIDENT OF THE SENATE,
Washington, D. C.

A communication from the governor of the Federal Reserve Board transmitting, pursuant to Senate Resolution No. 308, a letter from the Federal Reserve Bank of New York:

FEDERAL RESERVE BOARD,
Washington, July 14, 1922.

The PRESIDENT OF THE SENATE.

SIR: The Federal Reserve Board transmits herewith letter from the Federal Reserve Bank of New York in reply to Senate Resolution No. 308.

Respectfully,

W. P. G. HARDING, *Governor.*

FEDERAL RESERVE BANK OF NEW YORK,
July 12, 1922.

The PRESIDENT OF THE SENATE,
Washington, D. C.

SIR: The Federal Reserve Board has transmitted to the Federal Reserve Bank of New York a copy of Senate Resolution 308, and has requested this bank to furnish to the Senate in writing all information in its possession called for in the questions contained in that resolution. The following answers are submitted in response to the questions:

1. At whose instance was the speech in question of Senator GLASS sent out?

The decision to send out the speech of Senator GLASS was made by the officers of the Federal Reserve Bank of New York, and their action was later approved by its board of directors.

2. At whose expense was said speech printed and distributed?

At the expense of the directors of the bank.

Inasmuch as the speech dealt in part with charges which had been made against the integrity and good faith of the directors and officers of the Federal Reserve Bank of New York in the management of the bank's affairs, the directors preferred to have the distribution of the speech made at their personal expense, rather than at the expense of the bank.

3. How was the fund provided, and how many copies of said speech were sent out, and how much money was expended in printing and distributing said speech?

Approximately 23,275 copies were sent out to banks in this district, to persons on the mailing list of this bank's Monthly Review of Business and Credit Conditions, and to those who had requested copies of the speech. The printing expense, amounting to $417.98, and the distribution expense for postage and envelopes, amounting to $310.44, were divided equally among the directors of the bank and paid by them.

4. Did any member of the Federal Reserve Board suggest the printing or distribution of the said speech?

The following is a copy of a telegram, dated January 18, 1922, from the Federal Reserve Board which prompted the officers of this bank to consider taking the action referred to in the answer to question 1:

"Trans. 169: Think Senator GLASS's great speech defending Federal reserve system should be widely and promptly circulated. Government Printing Office will print special copies of it Friday 20 and additional orders should be given to-morrow. Printing Office estimates cost of copies from 5 to 7 cents each. Please wire board promptly how many copies your bank wishes.

"HARDING."

Respectfully,

BENJ. STRONG, *Governor.*

A communication from the governor of the Federal Reserve Board transmitting, pursuant to Senate Resolution 308, a letter from the Federal Reserve Bank of San Francisco:

FEDERAL RESERVE BOARD,
Washington, July 18, 1922.

The PRESIDENT OF THE SENATE.

SIR: The Federal Reserve Board transmits herewith letter from the Federal Reserve Bank of San Francisco in reply to Senate Resolution 308. With this all of the information requested in the resolution of the Senate has been transmitted to the Senate.

Respectfully,

W. P. G. HARDING, *Governor.*

FEDERAL RESERVE BANK OF SAN FRANCISCO,
July 12, 1922.

To the PRESIDENT OF THE SENATE,
Washington, D. C.

SIR: In response to resolution of the Senate of the United States (S. Res. 308), we furnish below information covering the four questions asked in that resolution:

1. At whose instance was the speech in question of Senator GLASS sent out?

Information was received by telegraph from the Federal Reserve Board on Wednesday, January 18, 1922, that Senator GLASS had on January 16 and 17 delivered a speech in the Senate on the Federal reserve system. Since the organization of the Federal Reserve Bank of San Francisco on November 16, 1914, it has occasionally circulated at its own expense copies of speeches delivered by members of the Federal Reserve Board elucidating the provisions of the Federal reserve act, and explaining the functions and purposes of the Federal reserve system. In conformity with this established practice, and believing that a clearer understanding of the Federal reserve system would be promoted by an analysis of the provisions and intent of the Federal reserve act by the person who was chairman of the House Committee on Banking and Currency at the time of the passage of the act, and who was later the chairman of the Federal Reserve Board, the chairman and governor of this bank, in consultation, agreed that it would be desirable to circulate this speech, and on January 18, 1922—the same day the telegram was received from the Federal Reserve Board—telegraphed an order for 20,000 copies.

2. At whose expense was said speech printed and distributed?

At the expense of the Federal Reserve Bank of San Francisco.

3. How was the fund provided, and how many copies of said speech were sent out, and how much money was expended in printing and distributing said speech?

(a) Charged to operating expense of this bank.

(b) Twenty thousand copies of this speech were ordered: 12,200 copies were mailed; 7,200 sent by parcel post and local delivery; about 600 copies now remain on hand.

(c) The printing and distributing costs were as follows:

1. Printing (charges of Government Printing Office)		$334.38
2. Distribution:		
Stamps—		
Postage on 12,200 copies, at 2 cents	$244.00	
Parcel post and local delivery	20.00	
		264.00
Envelopes, 12,200, at $6.79 per 1,000		82.83
Actual monetary outlay on part of this bank		681.21

The labor involved in the distribution was done in spare time as "fill-in" work, and therefore involved no employment of additional clerks and no additional compensation.

An estimate of the value of the time involved, if an outside agency had been employed, is as follows:

292 hours listing and typing names	$146.00
83 hours addressing envelopes by typewriter	41.50
14 hours stamping envelopes, 2 hours addressograph, 27 hours inclosing	16.12
Total	203.62

4. Did any member of the Federal Reserve Board suggest the printing or distribution of the said speech?

The telegram mentioned in the answer to question (1) above was signed by Governor Harding, as is usual in messages from the Federal Reserve Board. A copy of it, of our reply thereto on the same day, and of a subsequent telegram dated January 24 from the assistant secretary of the Federal Reserve Board, which constitute the entire correspondence between the board and this bank on the subject, are attached hereto.

Respectfully yours,

WM. A. DAY, *Deputy Governor.*

FEDERAL RESERVE BANK OF SAN FRANCISCO,
January 18, 1922.

(Translation of telegram received from Governor Harding, Reserve Board, Washington, to Mr. Perrin, Federal Reserve Bank of San Francisco.)

Kindly acknowledge receipt of this telegram No. 165.

Think Senator GLASS's great speech defending Federal reserve system should be widely and promptly circulated. Government Printing Office will print special copies of it Friday, 20th, and additional orders should be given to-morrow. Printing Office estimates cost of copies at from 5 to 7 cents each.

Please wire board promptly how many copies your bank wishes.

HARDING.

(Telegram sent over leased wire from Federal Reserve Bank of San Francisco to Harding, Reserve Board.)

January 18, 1922.

Desire 20,000 copies of Senator GLASS's speech. Please wire dimensions of page so we may prepare and address envelopes here for prompt distribution. How soon may we expect shipment?

PERRIN.

(Translation of telegram received from Mr. Eddy, Reserve Board, Washington, to Mr. Perrin, Federal Reserve Bank of San Francisco.)

FEDERAL RESERVE BANK OF SAN FRANCISCO,
January 24, 1922.

In order that the proper department of your bank may begin addressing envelopes in connection with distributing copies of speech of Senator GLASS referred to in Governor Harding's transaction 165, January 18, 1922, you are advised envelope of sufficient size to inclose pamphlets 6 by 9¼ inches, containing 48 pages, should be used.

EDDY.

THE TARIFF.

Mr. SMOOT. Mr. President, we have had an hour and fifty-five minutes excursion into Wall Street, and I hope that the balance of the day may be put in upon the tariff bill.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to

regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. SMOOT. I send to the desk an amendment to paragraph 1003.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The ASSISTANT SECRETARY. In paragraph 1003, jute yarns or roving, on page 132, line 11, the Senator from Utah proposes to strike out "9 cents per pound" and insert in lieu thereof "7 cents per pound, but not more than 40 per cent ad valorem."

Mr. MOSES. I move to amend the amendment of the committee by striking out "40" and inserting "35," so that it will read, "7 cents per pound, and not more than 35 per cent ad valorem."

Mr. ROBINSON. Mr. President, I would like to test the sense of the Senate by proposing an amendment to strike out "40" and insert "20." Under the parliamentary practice I will ask the Senator from New Hampshire to withhold his amendment until my amendment can be disposed of, if he will kindly do that.

Mr. MOSES. I will withhold it, Mr. President.

Mr. ROBINSON. I offer the following amendment to the committee amendment just proposed by the Senator from Utah [Mr. SMOOT], to strike out "40" and insert in lieu thereof "20," and upon that I desire to be heard.

The PRESIDENT pro tempore. The Chair understands that the Senator from New Hampshire has withdrawn the amendment proposed by him to the committee amendment. The Secretary will state the amendment just proposed by the Senator from Arkansas to the committee amendment.

The ASSISTANT SECRETARY. The Senator from Arkansas proposes to amend the amendment of the committee by striking out "40" and inserting "20," so that as amended it will strike from the bill on line 11 the words "9 cents per pound," and insert "7 cents per pound, but not more than 20 per cent ad valorem."

Mr. ROBINSON. Mr. President, I hope the Senate may proceed now to the consideration and disposition of the items in this paragraph as rapidly as may be consistent with their proper determination.

The Senator from Utah [Mr. SMOOT], on July 18, 1922, which was and still is the legislative day of April 20, proposed a large number of amendments to this schedule, and they were printed. No opportunity to consider those amendments had been afforded the Senate prior to that time. This morning, after the Senate convened, my attention was called to the amendment recently submitted by the Senator from Utah, which seeks to place a maximum duty on certain classes of jute yarns at 40 per cent ad valorem. I have been looking into the amendment now proposed by the Senator from Utah on behalf of the committee with the assistance of a very able expert upon the subject, and I want the Senate to understand just what the effect of this amendment will be if it is agreed to.

Under the Underwood Act the rates on jute yarn are 15 per cent and 20 per cent, respectively, applied to the coarser and finer grades. Under the act of 1909 the rates are equivalent, approximately, to 32 and 35 per cent ad valorem. Under the proposal now submitted by the Finance Committee the maximum rate will become the actual rate, or approximately, say, 40 per cent as to the class to which the amendment applies.

There is no maximum limitation proposed by the committee as to the second class of yarns embraced in the paragraph, and I am informed that the ad valorem equivalent for the rate proposed therein is approximately 50 per cent. Under the present rates, which I have already stated to be 15 and 20 per cent, respectively, applied to the finer and coarser jute yarns, there have been only limited amounts imported. Upon examination of the tariff survey I find the following statement at page 19 of the report relating to yarns, threads, and cordage of vegetable fibers other than cotton:

> At no time during the last 30 years has domestic production of jute yarn been subject to foreign competition of a formidable character. The average annual importation during the last 30 years has been 1,757,223 pounds, whereas the annual consumption of jute in the United States, which is a fair approximation of our output of yarn, has usually ranged between 200,000,000 and 250,000,000 pounds. Thus, less than 1 per cent of our consumption of yarn is imported. This situation has existed even though Dundee, the source of practically all of our imports, has possessed at least two important advantages over the domestic industry—(1) lower labor costs, and (2) lower first costs, i. e., of mill and equipment.

The report then proceeds to discuss in some detail the conditions of the industry and the advantages which the American industry has over the foreign industry. It is said:

> That the tariff has been a factor in offsetting these disadvantages to the American industry is, of course, obvious, but there has been other counterbalancing advantages:
>
> 1. The specialization of Calcutta and Dundee wholly or largely on jute cloths has undoubtedly been a factor in stimulating our domestic production of jute yarn for other purposes, such as carpet, twine, and cordage. A special opportunity has existed for development along these lines. Because of their lower labor costs, Calcutta and Dundee have preferred to specialize in the production of jute goods requiring a maximum of labor of such skill as is available to them. Calcutta labor, being comparatively unskilled, has been utilized to the maximum degree by weaving the yarn into coarse burlaps and sacking. Such goods, while requiring more labor than does the production of yarn, have not required skill beyond that attainable by native labor under proper supervision, and because of the immense demand, have offered the greatest opportunity for mass production. Dundee labor, possessing much greater skill, has been utilized so far as possible in production of finer jute cloths and specialties, though her exports of yarn have also been considerable.
>
> 2. Jute yarns for carpet, twine, and cordage are, for the most part, coarser than those used in burlap. Since the labor cost increases with the increasing fineness of the yarn, it is apparent that carpet and cordage yarns can be produced here at a smaller disadvantage of labor cost than can yarns for burlap.
>
> 3. Much of our jute twine and cordage, and some of our carpet yarn, is produced by large cordage concerns which make both hard-fiber and soft-fiber cordage, with many of the resultant economies of large-scale organization. The domestic cordage industry is an old and well-established industry.
>
> 4. The existence of a large domestic carpet industry has afforded a large outlet, close at hand, for carpet yarn.
>
> 5. On coarse yarns for cotton bagging our labor disadvantage has been at a minimum, and the domestic production in the past of practically all of our bagging requirements has naturally required a large production of such yarn.

As already stated, the rates under the Underwood law on jute yarns are 15 and 20 per cent ad valorem, respectively. The specific duties proposed in the Senate committee bill will average about 50 per cent equivalent ad valorem. The Senate committee amendment giving a maximum duty of 40 per cent means practically a straight 40 per cent ad valorem duty. It is, therefore, proposed in the amendment of the Finance Committee last submitted to more than double the duties on jute yarns, although we produce more than 99 per cent of our requirements. This increased duty must result in an added burden to the users of jute yarn, particularly the carpet manufacturers, who are the chief users.

The duty on the cotton yarn runs from 5 to 27 per cent ad valorem. I inquire why jute yarn, then, should bear an equivalent of a straight ad valorem rate of 40 per cent? Under the present rate, less than one-half that proposed by the committee, importations are very small, less than 1 per cent of the consumption. Under no theory, then, with which I am familiar, taking the theory of protection as ordinarily applied, can the rates now proposed by the Finance Committee be justified. Their only effect will be to prohibit importations entirely, to operate as an embargo, or to place an additional burden—an unjust additional burden, in view of the facts which I have stated—upon the users of this very essential, if not indispensable, commodity.

The Senator from New Hampshire [Mr. MOSES] has indicated his purpose to propose an amendment to the committee amendment, if the occasion arises, reducing the ad valorem maximum as to the first class of jute yarn from 40 per cent, as proposed by the Finance Committee, to 35 per cent. While, of course, that would be better from my standpoint than the proposition of the committee, in my opinion and from my study of the subject I believe the reduction which his amendment proposes is not adequate to meet the necessities of the trade.

Mr. MOSES. Mr. President——

The PRESIDING OFFICER (Mr. WADSWORTH in the chair). Does the Senator from Arkansas yield to the Senator from New Hampshire?

Mr. ROBINSON. I yield.

Mr. MOSES. I do not wish the Senator from Arkansas to misunderstand the purpose of my amendment. The purpose of the amendment is not to strike down protection on jute yarns, because I believe in it. The purpose of my amendment is to make the entire series of schedules in the bill symmetrical and to secure the same differential on the manufactures of jute that we have upon the other fabrics.

Mr. ROBINSON. I agree with the Senator that his position as stated is entirely consistent with the theory of protection. I know the Senator does favor protection, and I had not intended to say anything that would reflect upon the integrity of his position as a protectionist. I have already stated that there ought to be a consistency between the rate on jute yarns and the rate on other yarns with which jute yarns may come in competition. I have already pointed out the fact that under the rates already adopted in the cotton schedule the range is from 5 to 27 per cent ad valorem on cotton yarns and, therefore, to accomplish the very purpose which my friend the Senator from New Hampshire has in his mind, I have suggested an amendment considerably lower than the amendment which he has stated he has in mind, but which I think will much better

effectuate the purpose it espouses than the amendment which he proposes.

Mr. MOSES. The result of the amendment of the Senator from Arkansas will be to make a much greater differential upon the finished cloth, but it will entirely destroy the purpose which I have in mind; which is to have a symmetrical arrangement of the duties on yarns with the duties on the fabrics. All I am asking is to secure an adequate and symmetrical arrangement of the differentials.

Mr. ROBINSON. I go further than the Senator from New Hampshire. I maintain that the rates in this paragraph are excessive, and that they ought to be reduced and that the rates on manufactures should also be reduced. At the time when the parliamentary situation permits it, in all probability amendments will be offered for that purpose. But since the question is before the Senate now I want to know what can be the justification for the imposition of a 40 per cent ad valorem duty on jute yarns of this class when under the existing law the rates are only 15 and 20 per cent, and when there are no importations under that lower rate. I have given considerable thought to the question and read such information as is available in the report of the Tariff Commission. Already there has been pointed out the inconsistency in levying a high ad valorem rate on jute yarns out of proportion to the rates levied on cotton yarns.

Mr. SMOOT. Mr. President, if the amendment of the Senator from Arkansas were adopted without any other changes in the rates provided for under the different sizes of thread, the finest yarns would carry a rate on to-day's prices of 2.8 cents a pound. We have provided on "20 pound up to but not including 10 pound" a rate of 4 cents per pound.

Mr. ROBINSON. Mr. President——

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Does the Senator from Utah yield to the Senator from Arkansas?

Mr. SMOOT. I yield.

Mr. ROBINSON. The rate I proposed is the rate under the Underwood law.

Mr. SMOOT. I am aware of that, and I take it for granted that if the 20 per cent proposition should carry, then every one of the specific rates would have to be changed accordingly. The Senator will notice that the 40 per cent only applies to fine yarns.

Mr. ROBINSON. Certainly; but the Senator will also notice that under the parliamentary status I am not permitted at this time to offer the other amendments which would be made necessary if this amendment were agreed to. I will offer the necessary amendments to make other provisions in the paragraph conform to this amendment when the committee amendments have been disposed of. The same thing has happened as to almost every other amendment we have considered. There is a relationship between these provisions, and when one of them is changed it frequently becomes necessary to change the others. My position is that they ought to be changed; that they are all too high; that there is not a fact which can be stated, there is not a statement in the report of the Tariff Commission, there is not a statement in the testimony of any witness which justifies the imposition of these very high rates on jute yarn.

Mr. SMOOT. I do not want the Senator to think that I was criticizing what he said or criticizing his position. I recognize the Senator could not offer the amendments at this time, and I only made the statement in order that the Senate might understand the situation.

Mr. President, conditions affecting the jute business have changed of late. American manufacturers are leaving America and going to Calcutta, India, and establishing industries there. I wish to call attention to the fact that in 1910, under the Payne-Aldrich Act, our importations amounted to 5,919,086 pounds of jute yarn. In 1921 they had increased to 9,032,441 pounds. The consumption in 1914 of long jute yarns and also jute butts amounted to 242,701,000 pounds. The committee did not decide to report the latter part of this amendment which reads "but not more than 40 per cent" until the other day. The finer yarns have dropped in price until they may be purchased to-day for 14 cents a pound. A duty of 7 cents a pound on a price of 14 cents is equivalent to 50 per cent ad valorem. Under to-day's prices, because those yarns have decreased in value very rapidly of late, the committee did not desire to place any rate of duty upon those yarns to exceed 40 per cent. Therefore that limitation has been made.

The object that the Senator from New Hampshire [Mr. MOSES] has in mind is to give a differential between the duty upon yarn and the duty upon the cloth made from the yarn which is found in paragraph 1008a, which is the provision designed to take care of linings. The committee decided to cut that rate. The Senator from New Hampshire desires still to have a 15 per cent differential; in other words, if a rate of 40 per cent is imposed on the yarns, the Senator from New Hampshire thinks there ought to be a duty of 55 per cent on the cloth made from them, or a differential of 15 per cent. The committee, however, has recommended a rate of 40 per cent on the yarns and 50 per cent on the cloth, or a differential of only 10 per cent.

The Senator states that he does not know of any conditions existing that would justify the rates which are proposed to be imposed in this bill. The specific rates of duty on single yarns herein provided represent the difference between the mill selling price of foreign yarns and competing domestic yarns. The rates are dependent upon the pound number. The pound number is based on the yardage from spindles of 14,400 yards. The system of numbering is explained in detail in paragraph 1, page 907 of the Summary of the Tariff Information for 1921. I shall not take the time of the Senate to call attention to that system in detail. Competition at present is principally from Dundee, but competition is likewise feared from Calcutta, India. In support of this contention reference is made to detailed lists of manifests of vessels cleared at the Calcutta customhouse for foreign ports from April 17 to May 13, 1922, wherein the manifests of vessels clearing for Boston show shipments of jute yarn to the extent of 16,124 pounds. I have those manifests here, showing the number of pounds shipped and also the prices at which they are invoiced. These shipments represent the initial importations of an American firm which has recently erected yarn and weaving mills in Calcutta, India. In passing I wish to say, Mr. President, that the firm referred to is the Ludlow Co. If their undertaking is successful—and I have not any doubt but that it will be—they intend to transfer the making of all jute yarns as well as cloth from America to Calcutta, India.

Mr. MOSES. Mr. President, may I interrupt the Senator at that point?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from New Hampshire?

Mr. SMOOT. I do.

Mr. MOSES. I wish to point out to the Senator that by granting to the manufacturer the additional differential for which I am asking the purpose to transfer the American industry to Calcutta will be thwarted.

Mr. SMOOT. To the extent of 5 per cent more than the committee has provided.

This competition, as the Indian spinner becomes more proficient in the spinning of jute yarn of a quality required by the American users, will seriously affect the American producer of jute yarn. The attention of the Senate is directed to the tremendous difference in the cost of spinning such yarns in India as compared to the cost in the United States. Indian wages are as follows, as shown on page 77 of the Tariff Commission's report on jute cloths, the rupee being equivalent to 32.4 cents: Carders receive $0.892 per week: rovers $1.75 per week; and spinners $1.40 per week. The wages prevailing in this country are approximately twice the wages in years preceding the war, and it is therefore fair to assume that the wages herein stated will materially decrease as more normal conditions obtain.

As against the wages paid in India, one of the largest American mills in January, 1921, paid carders $14.65 a week, and paid rovers $18.60 per week. The wages paid to American operators were on the basis of a 48 to 55 hour week. By the terms of the Indian factory act, passed in 1912, 12 hours constitute a day's work; in other words, the wages paid in the United States in the jute-spinning industry are approximately ten times as great as the wages paid in Indian spinning mills. In India the cards make just as many revolutions per minute, the mules go in and out just as many times, the handling of the product is done by machinery, with the exception of the hand labor which is necessary in case of any breakdown in the threads in the mule or in the roving of the yarn.

Mr. ROBINSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Arkansas?

Mr. SMOOT. I yield.

Mr. ROBINSON. I myself pointed out during the course of the brief remarks I made on this subject that there was a wide difference between the cost of labor in India and the cost of labor in the United States applicable to the jute-spinning industry; but the Senator from Utah, notwithstanding that fact, must admit that India is not competing with the American spinners of jute. It never has done so, and there is no prospect that it will do so in the near future.

Mr. SMOOT. The importations for 1921 were twice the importations of 1910, and, not only that, but the manifests we have here, if they are correct and if the prices which are invoiced are correct, show that there is no question but that jute yarn is going to be imported in large volume in the future.

Mr. ROBINSON. Of course, the Indian industry is engaged principally in the manufacture of burlap and other materials of that nature, and it has not sought to come in competition with the American industry.

Mr. SMOOT. That is, in the past.

Mr. ROBINSON. Yes; and it is not seeking to do it now. The Senator has referred to the fact that in 1921 there was an excess of importations of jute yarn compared with 1910, but I do not take it that the Senator means to imply by that statement that there is evidence of a fixed purpose upon the part of those engaged in the Indian industry to invade the American market to a great extent in connection with jute yarn.

Mr. SMOOT. Mr. President, if the Ludlow Co. is successful—and I have no doubt that they will be because they are shipping now in large quantities—there will certainly be large importations of jute yarn. I have here before me a letter of July 15, 1922, in which the statement is made:

> We have just received advice from our Calcutta office that on manifest dated June 15, steamship *Orteric*, for Boston, there is a shipment consigned to Ludlow Manufacturing Association, 55 bales Hessian yarn, 31,200 pounds, valuation rupees 3,900. Extending this at 30 cents to the rupee will make an average valuation per pound of yarn 3.7 cents.

That is what the American manufacturer is up against and that is what the Ludlow Co. is doing to-day.

Mr. ROBINSON. Mr. President, will the Senator yield to me for a moment?

Mr. SMOOT. Yes.

Mr. ROBINSON. By examination of the record respecting the imports for the year 1921 I find that the total jute yarns of three classes imported from Europe only amounted to about 9,000,000 pounds, whereas the consumption was approximately 200,000,000 pounds.

Mr. SMOOT. The importations were 9,032,441 pounds.

Mr. ROBINSON. Yes. I have no information as to the exact amount imported from India. Can the Senator state that?

Mr. SMOOT. No; I have not the figures here in detail.

Mr. ROBINSON. So the Senator will see the point I attempted to make in the beginning is applicable even to the business for 1921. We consumed more than 200,000,000 pounds and imported from all the world, including India, something over 9,000,000 pounds. The Senator can easily see the relationship 9,000,000 pounds bears to the total consumption of 200,000,000 pounds. We have not the definite figures as to the importations from India, although somewhere during the course of my studies I have read the statement that approximately one-third of it may have come from Dundee. Taking that as correct, the importations from India in the year 1921 were probably something in excess of 5,000,000 or in the neighborhood of 6,000,000 pounds. When 6,000,000 pounds are compared with the total consumption in the United States of 200,000,000 pounds it must be seen that there is no occasion for fright among the spinners of jute yarns as to the invasion of the American industry by the India producers.

Mr. SMOOT. Mr. President, I want to call attention to the fact that in 1914 the importations were only one-half of 1 per cent of the consumption, as stated by the Senator, but now they are nearly 5 per cent, and according to the manifests which we have here and the prices quoted, if they are correct, it is not difficult to see what is going to happen to this industry in the United States. The domestic manufacturers will either have to bring down their costs at least one-quarter or else their business is going to be taken away from them.

Mr. KING. Mr. President, will my colleague yield?

Mr. SMOOT. Yes; I yield.

Mr. KING. Does the Senator conceive that if there is an importation of 5 per cent of this product, the consumption being more than 200,000,000 pounds, that is an evil or a danger to be apprehended?

Mr. SMOOT. No.

Mr. ROBINSON. Mr. President, right in that connection, let me point out to both Senators from Utah what seems to have escaped the attention of the senior Senator from Utah [Mr. SMOOT]—that the total annual consumption in the United States ranges from 200,000,000 to 250,000,000 pounds. I have just shown, in the best way that the information available will permit, that the importation from India was perhaps something in excess of 5,000,000 pounds last year. What I should like to know is how the Senator from Utah figures that 5,000,000 pounds is 5 per cent or nearly 5 per cent of the total consumption of 200,000,000 or 250,000,000 pounds?

Mr. SMOOT. The Senator stated that that was on all the importations of jute yarn, wherever they come from.

Mr. ROBINSON. I said that the total consumption in the United States was from 200,000,000 to 250,000,000 pounds, and that there was a total importation from all sources of something in excess of 9,000,000 pounds last year, and that of that 9,000,000 pounds India probably exported to the United States between 5,000,000 and 6,000,000 pounds, although the exact amount can not be stated. What I inquire of the Senator from Utah is how he arrives at the conclusion, if those facts are approximately correct, that India exports to the United States approximately 5 per cent of the jute yarn used? It would be less than 2½ per cent.

Mr. SMOOT. I will answer my colleague first, and then I will answer the Senator from Arkansas. If the importations have doubled from 1910, and if the importations from 1914 have increased by nearly nine times, and those importations have been increasing just of late, particularly since an American manufacturer has gone to India to make goods, you can see what is going to happen.

Mr. ROBINSON. Will the Senator permit an interruption right in that connection? There is an implication from the Senator's last remark that he wants to attract the manufacture of jute fabrics from India to the United States. How can he expect to do that if he raises to 40 per cent ad valorem the duties on jute yarns imported into the United States? How can he expect jute manufacturers in this country to compete with jute manufacturers in India?

Mr. SMOOT. If the yarn comes in, the cloth will be made here. If the cloth comes in, of course neither the yarn nor the cloth will be made here. In further answer to my colleague, I wish to say if it were 5 per cent I would not think for a moment that that was out of the way. I would not object to that if that were all there were to it; but if these manifests are right, and they can buy this yarn in America the same as these manifests and the invoice to the Ludlow Manufacturing Association claims that it is sold, I want to say to you that the rates that are provided here by the committee are not going to keep them out; but the committee feel that they will not stand for a higher rate than a maximum of 40 per cent.

Mr. ROBINSON. Now, will the Senator be good enough to yield?

Mr. SMOOT. Yes; certainly.

Mr. ROBINSON. The Senator stated awhile ago, as a justification for this very high rate of 40 per cent ad valorem on jute yarns, that the importations from India had more than doubled from the year 1910 to the year 1921.

Mr. SMOOT. No; I said the importations into the United States from all sources.

Mr. ROBINSON. In that statement, if that was the statement, the Senator was in error. If the Senator will pardon me for bringing it to his attention, he will find by an examination of the survey relating to this subject, on page 22, that for the year 1910 the total importations of jute yarn were 6,267,105 pounds.

Mr. SMOOT. Five million nine hundred and nineteen thousand and eighty-six pounds.

Mr. ROBINSON. I shall be glad to show the Senator my figures, which, it seems, do not conform to the figures that he has; but there is the survey of the Tariff Commission.

Mr. SMOOT. One figure is for the calendar year and the other is for the fiscal year. I always give these figures for fiscal years, because that is the way we report everything else. In the next year, then, it would be that much more or that much less.

Mr. ROBINSON. But even with the figures which the Senator now quotes, five million and something, that would be more than one-half the amount imported during the year 1921.

Mr. SMOOT. Approximately one-half, I said. It is a little less. We had, in 1921, importations of 9,032,441 pounds.

Mr. ROBINSON. For the calendar year 1910, according to the report of the Tariff Commission, there were importations of 6,267,105 pounds. The year prior to that—illustrating the fact that you can not take any one year as fully illustrative of the business as a whole throughout a long period—the importations amounted to only 1,687,409 pounds; and even in the year 1911, immediately following the year which the Senator from Utah took, the importations were only 2,070,879 pounds; so that the calendar year 1910—and to some extent, of course, the fiscal year conforms to it in that particular—was an exceptional year as to the importation of jute yarns into the United States. There was about four times as much imported in 1910 as there was in 1909, and there was more than twice as much imported in 1910 as there was in 1911.

Mr. SMOOT. That makes it about four times worse than I reported it. I did not want any figure quoted here as to which anybody could say to me: "That is not right."

Mr. ROBINSON. It makes it perfectly clear——

Mr. SMOOT. No; it makes this quite clear, and I am perfectly willing to take the Senator's figures now as he has used them, because I would not have done it. I wanted to be perfectly fair to the Senate.

Mr. ROBINSON. Mr. President, the Senator does not mean to say that it is unfair to call the attention of the Senate to the actual figures for a number of years?

Mr. SMOOT. No.

Mr. ROBINSON. Certainly the Senator can not contend that I am unfair in refusing to be confined to any particular year as to the imports of jute yarns.

Mr. SMOOT. I am perfectly willing, then, to take the years that the Senator mentioned, and instead of the quantity being twice as much he will find out that it is about seven times as much; but I took the very highest quantity that was imported to compare with.

Mr. ROBINSON. No; the Senator does not mean that.

Mr. SMOOT. Let us take the year 1911, that the Senator read, then.

Mr. ROBINSON. The imports in 1911 were more than 2,000,000 pounds, and, of course, the Senator could not say that they were seven times those of 1921.

Mr. SMOOT. No; but there was one year that the Senator read when the imports were one million and some odd pounds.

Mr. ROBINSON. Yes; it would be about five times that amount. That was the year 1909.

Mr. SMOOT. And the other year.

Mr. ROBINSON. That was the year I read—1909.

Mr. SMOOT. There were two years that the Senator read.

Mr. ROBINSON. But the Senator ought to be a little more accurate.

Mr. SMOOT. I want to be perfectly accurate. I want to say to the Senator that if I had taken the year 1910 to compare with 1921, and had taken the small year before or the small year after, I would not have considered that I was doing the right thing; but I took the highest year under the Payne-Aldrich bill and compared the imports of that year with those of the year 1921. I did, however, call attention to the fact that in 1914 there were only 1,133,778 pounds imported, and that the importation in 1921 was over eight times the importation of 1914.

Mr. LODGE. Mr. President——

Mr. SMOOT. I yield to the Senator from Massachusetts.

Mr. LODGE. The total amount of imports does not seem to me very serious. I do not think it does to the Senator.

Mr. SMOOT. No; 5 per cent is not very serious.

Mr. LODGE. But what strikes me about the matter is what has not been emphasized by either the Senator from Utah or the Senator from Arkansas, that the Senator has shown that what I believe to be the greatest jute-manufacturing concerns in the United States, very old, long estabished—they are in my State—have begun to have their jute yarns made in Calcutta, and that means transferring that portion of the work to Calcutta, and the reason is because they have been unable to compete with India here. I am not defending their doing it. They have a perfect right to do it. I did not know anything about it until it was recited to me.

Mr. ROBINSON. Let me ask the Senator from Massachusetts this question for information: Will not the imposition of high rates of duty on jute yarns imported into the United States tend to drive other manufacturers from the United States to India in the manufacture of their jute yarns?

Mr. LODGE. No; I think not.

Mr. SMOOT. Just the reverse; it will keep them here.

Mr. LODGE. I think it will have exactly the reverse effect. It is the transference of an industry of importance, and the labor employed in that industry is extinguished here and the labor in Calcutta is substituted for it. That is what is significant about it. It is not the amount. Of course, if you are going to drive your great industries into other countries, where they can get cheaper labor, and bring the product in here at a profit, they will make the things abroad, just as the Singer sewing machines are practically all made abroad.

Mr. SMOOT. Mr. President, I was going to say that I was told also that the next largest concern in the United States is now contemplating moving to Calcutta. The very fact that one of the largest American jute spinners has transferred his production of this class of merchandise to India is a positive indication that there is a decided advantage in cost production in India as compared to the cost prevailing in this country; and that is demonstrated by the manifests that we have here, and the invoices, and the prices named in those invoices.

Inasmuch as the present competition comes largely from Dundee, and more complete price data were available for comparison with American prices, the committee has fixed these rates on the basis of Dundee, but has allowed some increase over the rates which these prices would indicate as necessary in order in some degree to take care of the future competition which this industry undoubtedly faces from Calcutta. In order to determine what the rate would have to be if based upon Dundee competition solely, the committee sent representatives to the largest carpet mills in the country to ascertain what they were paying for comparable grades of domestic and Dundee yarn.

On third-grade 14-pound yarn, for the last quarter of 1921, one of the largest mills was paying 8½ cents, foreign factory price, which, with landing charges, exclusive of duty, brought the price at the mill to 9.48 cents per pound. The same carpet mill was paying at that time 12½ cents a pound for domestic yarn. Owing to the fact that this 12½ cents was a forced price, because of foreign competition, however, the committee has considered it fair to make an allowance in establishing the difference in competitive conditions.

In the case of second-grade 14-pound yarn, Dundee yarn can be delivered at American carpet mills to-day for 12.6 cents a pound, as against 15.87 cents a pound for comparable domestic yarn.

Attention has been directed to the fact that the rates in the other brackets of this paragraph are all adjusted in relation to the basic rate which the committee has established upon the bracket which contains the 14-pound yarn. This adjustment is made on the basis of the ratio of conversion cost in relation to 14-pound yarn.

In evidence of the increased foreign competition resulting from the rate of the act of 1913, reference is made to the imports, which show the following:

Those imports I have already stated and will not take the time to restate them. I think perhaps it would be better as each of these paragraphs is reached to make a brief statement as to the changes the committee has made and the reasons for the changes. The pending amendment is to make the rate 20 per cent on the fine yarns, which, figured on to-day's prices, since they are being sold freely at 14 cents, would be 2.8 cents a pound. If that 20 per cent rate is agreed to, of course every one of the preceding rates will have to be agreed to, necessarily, because we do not want an unbalanced schedule. If the 20 per cent rate is made the basis, then, of course, all of the other duties imposed upon each step taken in the manufacture of jute will have to be accordingly changed.

Mr. KING. Mr. President, as I understand my colleague, he does not regard the imposition of 5 per cent, or perhaps a little more, as disadvantageous to the consuming public in the United States?

Mr. SMOOT. I would not think so.

Mr. KING. Does not the Senator think that the imposition of 5, 10, or 15 per cent, even if a person is a protectionist per se, is a good thing for the consuming public, and indeed for the industry itself, because it tends to prevent too great a monopolistic control, and thus obviates the resentments which would arise in the consuming trade against the producer of the article?

Mr. SMOOT. I admit it has a tendency to regulate the prices.

Mr. KING. May I inquire of my colleague, who has answered me very frankly, if this duty which the committee recommends, or the duty which is recommended by the able Senator from New Hampshire, were to obtain, would not the effect be to increase the price of the jute yarn, or whatever form it takes, to the consumer in the United States and to that extent raise the prices of cordage and the other various products of jute and jute yarn to the American consumer?

Mr. SMOOT. That is necessarily so.

Mr. ROBINSON. It could have no other justification.

Mr. SMOOT. Mr. President, I want to make a brief statement as to the theory of this schedule. Perhaps I could express it in only one way, that there is a line of competitive goods falling under this paragraph and a line of noncompetitive goods. The theory of this bill is to protect those competitive goods, and the rates are lower upon the noncompetitive goods. As the different paragraphs in this schedule are reached, I want to call attention to that fact, because a person reading this provision, if the bill shall become law, not knowing the object the committee had in view, and noting the difference between the rates imposed in the different paragraphs, would say immediately, "They did not know what they were doing. Why do

these high-priced articles, these fine linens—goods, however, not made in the United States—carry a lower rate than the goods which are competitive?"

I want to say frankly to the Senate right now that the American people, on account of climatic conditions and other reasons that there is no need for me to mention at this time, can not make the very finest linens. I suppose that is understood all over the world. That class of goods can not be made in other countries. Germany can not make them as they can be made in Ireland, and so far no one else in the world has reached such perfection in the making of fine linen goods as have the people in one particular section in Ireland.

France has tried it, with all her ingenuity, and with all the latest machinery that was known in the world, and with as skillful operators as there are anywhere in the world, and there is yet one grade of cloth she can not touch. She can not make it in a perfected piece of cloth as they make it there.

It may be that we will be criticized for the difference in the rates. It may be stated by some, "Here is a crash towel," or "Here is a huck towel, and it has a higher rate of duty on it than a linen tablecloth, one piece costing $50, $60, $75, $100." We can not make a tablecloth of that quality in the United States.

Mr. KING. It ought to bear a luxury tax.

Mr. SMOOT. I was going to say to the Senate, as my colleague just intimated should be the case, that on that class of goods we do impose a duty, against which the importers are protesting. If the people who buy that kind of goods are compelled to pay part of their money into the Treasury of the United States, all well and good.

That is about the theory of this duty, and whatever action is taken upon this amendment will have a bearing upon all of the other paragraphs in this schedule.

Mr. ROBINSON. Of course, I understand that; and that is exactly what I designed it should do. I would like to see all of these rates reduced correspondingly. It may be that the present rate on jute yarn is not high enough, but I think the facts, even as stated by the Senator from Utah, bear out the contention that they are ample. To increase the rate on yarn will constitute a basis for further increasing the rates on the articles manufactured from the yarns.

Taking even the figures of my friend the Senator from Utah, they show that the importations amount now to something more than 2½ per cent of the amount of this commodity consumed in the United States. If it were 5 per cent, or even something more than that, I would not think that the American industry of jute spinning was in serious danger of being invaded by the Indian industry.

India unquestionably can manufacture jute yarns cheaper than the manufacturers in the United States can produce them. I have never made any question of that fact. But India finds it more profitable to make other products, and she has never competed with the American industry in this particular branch. She is not doing it now. The present rates have proved adequate for every legitimate purpose, and I respectfully suggest that until conditions change there is no justification for this very high rate. I am ready for a vote.

Mr. KING. Mr. President, I understand the consumption of jute yarns amounts to more than 200,000,000 pounds per annum?

Mr. ROBINSON. Yes.

Mr. KING. It is obvious that the products made from that yarn are important to the American people. They consist of cordage and other articles which are in common use. I would like to ask the Senator whether or not, in the long run, it would be more advantageous to the American people to increase the consumption—and increase in consumption results from a cheapening of the product—than to manufacture from the raw material into the finished product a considerable portion of that which we use in the United States?

Mr. ROBINSON. I can not answer the question of the Senator from Utah with accuracy. Unquestionably, there are manufacturing industries in which the United States can not compete with other countries. The Senator from Utah has referred to some which, in his opinion, bear that relation to our industries. Jute spinning might become one of them. It would be much better for jute yarns to be manufactured abroad than for the American consumer to be charged an exorbitant and unreasonable price and for the businesses which are dependent upon that industry to be forever hampered by having to pay an excessive price for this very essential commodity. I am ready for a vote on the amendment.

Mr. KING. Mr. President, in the discussion of these tariff rates, I have sometimes been impressed with the thought that we have lent too much attention to the demands of small enterprises in the United States that were seeking to convert raw material produced abroad, not produced in the United States, and which perhaps never will be produced in the United States. They purchase the raw material and then establish an inconsiderable industry in the United States for the purpose of converting raw material into the finished product, and the spread between the raw material and the finished product resulting from the fostering of the domestic industry is too great, and we are penalizing the American consumer too much in order to aid some unimportant industry.

We have many evidences of that fact in the discussion of this bill. As I understand the situation here the raw product, to wit, jute, is not grown in the United States. We import it. It is transformed into the finished product very cheaply in other countries. It is important that we have for the American people jute yarns, and the finished product, or the quasi finished product of the raw material, as cheaply as possible, because that stimulates other industries.

If we can get cheap jute yarns in the United States it will develop cordage plants and other industries which transform the yarns into valuable and important finished products that are consumed to the extent of millions of dollars and tens of millions of dollars in the United States.

But in order to help a few mills that transform the raw material into the yarn the proposition now is to add to the finished product an enormous duty, an enormous tax, the result of which would be that the finished product—that is, the yarn—would become more costly, and its production therefore less, and by reason of this restriction the industries that might be established to manufacture the yarn and cordage and other products would be greatly interfered with.

This is an instance, it seems to me, where we are injuring American industry, not perhaps one particular industry, but other industries which in the aggregate would be far more important and advantageous to the American people than one limited or restricted industry. It seems to me that in the interest of home industries and the building up of home industries we ought to get the yarn to the people as cheaply as possible, and with cheap yarns a multitude of other industries could be developed which would inure to the advantage of the American people.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. ROBINSON] to the committee amendment.

The amendment to the amendment was rejected.

Mr. MOSES. Mr. President, I now renew the amendment which I withdrew at the request of the Senator from Arkansas that the "40" be reduced to "35," so as to make it read "7 cents per pound, but not more than 35 per cent ad valorem."

I wish to say that I offer this amendment in order to make the entire schedule symmetrical and in order that the differentials in paragraph 1008a may be uniform. I voted against the amendment offered by the Senator from Arkansas because to my mind it did not offer sufficient protection to the line affected by this particular item. I happen to be a thorough-going protectionist, Mr. President, and believe in protection all along the line to all of the elements and factors entering into any finished product, and, therefore, I could not bring myself to vote for the low rate which the Senator from Arkansas proposed. I am offering the amendment now simply that the bill may have symmetry in order that, as the Senator from Utah [Mr. SMOOT] pointed out, the differentiation between the various yarns may still be maintained, and in order that the main basis in the finished product, the labor differential, may be made effective and to conform to the other labor differential in the rest of the items dealing with each material and running through paragraph 1008a.

I have no desire to detain the Senate upon the amendment except to say that the fabrics particularly affected by this line of duties are fabrics which had not been made in this country prior to the war. The industry has a firm foothold here. Ten per cent of the total consumption is already made here. With adequate protection every square inch of fabric used in the country will be made here because it is a mere process of textile manufacture. Anyone with enterprise and with sufficient encouragement can go into it. I simply ask for a sufficient tariff rate to cover the labor differential.

Mr. FRELINGHUYSEN. Mr. President——

Mr. MOSES. I yield to the Senator from New Jersey.

Mr. FRELINGHUYSEN. Will the Senator kindly tell us how firmly the industry is established here and the amount of capital employed?

Mr. MOSES. I just stated that 10 per cent of the total consumption is already made in this country.

Mr. FRELINGHUYSEN. How many mills are there?

Mr. MOSES. Only one, because only one man has had sufficient enterprise to go into the business.

Mr. FRELINGHUYSEN. What is the capital invested?

Mr. MOSES. I do not know.

Mr. KING. Mr. President, may I inquire of the committee whether it is their purpose to accept the amendment offered by the Senator from New Hampshire?

Mr. SMOOT. No; the committee have proposed a rate of 40 per cent to give a 10 per cent differential in paragraph 1008a. Paragraph 1008a relates to cloth made from this particular yarn. The Senator from New Hampshire desires to have a differential of 15 per cent, while the committee gave 10 per cent; in other words, gave the cloth 50 per cent and the yarn 40 per cent.

Mr. KING. Then, as I understand the position of the Senator from New Hampshire, it is not an effort to reduce the rate recommended by the committee?

Mr. SMOOT. Yes; it is an effort to reduce the rate on the 5-pound and finer yarns. The committee recommend a limit of 40 per cent and the Senator from New Hampshire now desires that it be made 35 per cent. That, of course, would mean, if we had 50 per cent on the cloth, that the differential between the yarn and the cloth would be 15 per cent, whereas the committee have reported it at 10 per cent.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Hampshire to the amendment of the committee.

Mr. MOSES. I ask for a division on agreeing to my amendment.

Mr. SMOOT. Let us have the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. DIAL (when his name was called). I am paired with the Senator from Michigan [Mr. TOWNSEND]. I transfer that pair to the Senator from Rhode Island [Mr. GERRY] and vote "yea."

Mr. ROBINSON (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the senior Senator from Missouri [Mr. REED] and vote "yea."

The roll call was concluded.

Mr. ELKINS. I transfer my pair with the Senator from Mississippi [Mr. HARRISON] to the Senator from Maryland [Mr. FRANCE] and vote "nay."

Mr. OVERMAN. I have a general pair with the senior Senator from Wyoming [Mr. WARREN]. I transfer that pair to the Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. GLASS. I transfer my pair with the senior Senator from Vermont [Mr. DILLINGHAM] to the Senator from Nevada [Mr. PITTMAN] and vote "yea."

Mr. JONES of New Mexico. I wish to inquire if the Senator from Maine [Mr. FERNALD] has voted?

The PRESIDING OFFICER. The Senator has not voted.

Mr. JONES of New Mexico. I have a general pair with that Senator and am not able to obtain a transfer. I therefore withhold my vote. If I were at liberty to vote, I should vote "yea."

Mr. NEW. Transferring my pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from Vermont [Mr. PAGE], I vote "nay."

Mr. CALDER. I transfer my pair with the senior Senator from Georgia [Mr. HARRIS] to the junior Senator from Oregon [Mr. STANFIELD] and vote "nay."

Mr. HALE. I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Washington [Mr. POINDEXTER] and vote "nay."

Mr. TRAMMELL. I have a pair with the senior Senator from Rhode Island [Mr. COLT]. In his absence, being unable to obtain a transfer, I withhold my vote. If permitted to vote, I should vote "yea."

Mr. CURTIS. I wish to announce the following pairs:

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS].

The result was announced—yeas 26, nays 31, as follows:

YEAS—26.

Ashurst	Kellogg	Overman	Stanley
Capper	Kendrick	Pomerene	Swanson
Caraway	Keyes	Ransdell	Underwood
Dial	King	Robinson	Walsh, Mass.
Fletcher	Moses	Sheppard	Walsh, Mont.
Glass	Myers	Simmons	
Heflin	Nelson	Smith	

NAYS—31.

Ball	Frelinghuysen	McCormick	Phipps
Borah	Gooding	McCumber	Rawson
Broussard	Hale	McNary	Smoot
Bursum	Johnson	New	Spencer
Calder	Jones, Wash.	Newberry	Sterling
Curtis	Ladd	Nicholson	Wadsworth
Elkins	Lenroot	Oddie	Willis
Ernst	Lodge	Pepper	

NOT VOTING—39.

Brandegee	France	McLean	Stanfield
Cameron	Gerry	Norbeck	Sutherland
Colt	Harreld	Norris	Townsend
Crow	Harris	Owen	Trammell
Culberson	Harrison	Page	Warren
Cummins	Hitchcock	Pittman	Watson, Ga.
Dillingham	Jones, N. Mex.	Poindexter	Watson, Ind.
du Pont	La Follette	Reed	Weller
Edge	McKellar	Shields	Williams
Fernald	McKinley	Shortridge	

So Mr. MOSES's amendment to the amendment of the committee was rejected.

The PRESIDING OFFICER (Mr. WILLIS in the chair). The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The secretary will report the next amendment.

The READING CLERK. In paragraph 1004, page 132, in lines 20 and 21, the committee propose to strike out "eight lea, 8," and insert "twelve lea, 10," so as to read:

Single yarns, in the gray, made of flax, hemp, or ramie, or a mixture of any of them, not finer than 12 lea, 10 cents per pound.

Mr. ROBINSON. Mr. President, I ask the Senator from Utah [Mr. SMOOT] what is the ad valorem equivalent, approximately, of the rate proposed in the amendment?

Mr. SMOOT. I have it on 14 lea. I have not worked it down to 8 lea. I can tell the Senator the equivalent ad valorem to-day on the 14 lea yarn.

Mr. ROBINSON. I am referring now to the committee amendment. The committee proposes to strike out 8 lea and insert 12 lea. That has the effect of increasing the rate.

Mr. SMOOT. Yes; and I will say to the Senator that it is done because of the increase in the rate on hemp and tow. It equalizes the increase that was made on the hemp and tow rate in paragraph 1001.

Mr. ROBINSON. I ask the Senator from Utah if it does not double the present rate?

Mr. SMOOT. I will say to the Senator that, of course, this is all controlled by the maximum rate which we are going to provide in the amendment, of which I think I gave the Senator a copy.

Mr. ROBINSON. The Senator did not give me copies of any amendments to-day except the one that I asked him for, which related to the first paragraph. In this connection I wish to say, Mr. President, that the committee ought to report its amendments and have them printed in advance of the consideration of these schedules.

Mr. SMOOT. This amendment is printed.

Mr. ROBINSON. This morning the whole debate centered about an amendment which was not reported until after the paragraph had been read. The Senator from Utah in connection with this amendment states that he proposes to offer the amendment submitted on the 18th of this month. I do not believe there is any justification for this amendment. I believe that the House rate is adequate. I do not desire to take a great deal of time in discussing the subject. The whole matter has been gone into; at least, it is intimately related to matters which have heretofore been discussed in connection with the former paragraphs. I am ready to vote on the amendment if the Senator from Utah is.

Mr. SMOOT. I wish to say to the Senator that the reason the committee changed the number of leas from 8 to 12 is that the duty on hemp and hemp tow and hackled hemp was increased in paragraph 1001, and the increase as to the leas equalizes the increases that were so made. If in conference there should be any change made in the rates on hemp and hemp tow and hackled hemp, of course corresponding changes would necessarily follow as to the leas.

Mr. ROBINSON. Now, I wish to ask the Senator from Utah why the amendment provides for 12 lea in line 21, on page 132——

Mr. MCCUMBER rose.

Mr. ROBINSON. Let me finish my question.

Mr. MCCUMBER. Yes.

Mr. ROBINSON. And for 11 lea in line 10, on page 133?

Mr. MCCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield; and if so, to whom?

Mr. SMOOT. I will say to the Senator from Arkansas that the change in the number of lea to which he refers is made in order to bring about the proper equivalent ad valorem rate. That is why it is done.

Mr. ROBINSON. What is the ad valorem equivalent?

Mr. McCUMBER. I was about to give the Senator that, if he will allow me, for I have just had the computation made. The equivalent ad valorem on the latest prices is about 30 per cent on the first bracket.

Mr. ROBINSON. What I do not understand is—and the question which I have just asked the Senator from Utah [Mr. SMOOT] relates to that—why the committee provide 12 lea in line 21, on page 132, and 11 lea in line 10, on page 133. It seems to me that the two ought to be the same.

Mr. SMOOT. If the articles were the same, I will say to the Senator his contention would be correct; but in one case there is a single yarn and in the other threads, twines, and cord. The difference of one lea will make it exactly the same as fixed by the House.

Mr. ROBINSON. The House has eight lea in both places.

Mr. SMOOT. Yes, I know it did; but there was in the House bill a duty of only three-fourths of a cent a pound on hemp tow, and that was not enough to necessitate a change in the number of lea, but when we change the rate to 2 cents, then, of course, the difference is felt; in other words, there is a difference of one lea.

Mr. ROBINSON. Mr. President, I have no doubt that my friend the Senator from Utah has made a very lucid explanation of this matter, but I confess my inability to comprehend it.

Mr. SMOOT. I will say to the Senator that he must understand that we have put the duty on hackled hemp at 4 cents, instead of 1½ cents, and, as we have provided a maximum rate and a minimum rate, in order to make the rates conform when the maximum rate may apply or the minimum rate may apply, we had to change the number of the lea because of the increase in the price per pound upon yarns of a certain size.

Mr. ROBINSON. I understand that the reason the committee proposes to change the number of lea is so as to increase the rate.

Mr. SMOOT. Yes.

Mr. ROBINSON. That is a general statement of the matter; but why did the committee increase the number of lea to 12 in line 21, on page 132, and only to 11 in line 10, on page 133?

Mr. SMOOT. Because when the maximum rate or the minimum rate is applied in any case the difference would be represented in the difference that we have made in the number of lea.

Mr. ROBINSON. Mr. President, the Senator from Utah has referred to the maximum and the minimum rates. I notice his amendment proposes a minimum rate of 30 per cent in lieu of that formerly reported by the Finance Committee of 35 per cent, and that his present amendment proposes a maximum rate of not more than 40 per cent ad valorem. I inquire of the Senator from Utah why he proposes to impose a maximum rate in this case and does not impose a maximum rate in line 19? The amendment which he has submitted does not affect that provision which establishes a minimum rate.

Mr. SMOOT. The Senator does not mean in the proviso which reads:

Provided, That the duty on the foregoing threads, twine, and cords shall be not less than 40 per cent ad valorem.

Mr. ROBINSON. Yes; that is exactly what I mean. It would seem that if the minimum and maximum provision which the Senator now proposes, which reads—

Provided, That the duty on any of the foregoing yarns shall not be less than 30 per cent nor more than 40 per cent ad valorem—

should prevail, there should also be a modification in line 19, which, as now submitted by the committee, only provides for a minimum of 40 per cent ad valorem, but does not embrace any maximum whatever.

Mr. SMOOT. I will say to the Senator that the 40 per cent rate in this case will be the rate that will apply.

Mr. ROBINSON. But why does not the Senator then provide that the rate shall be 40 per cent ad valorem, instead of "not less than 40 per cent ad valorem"?

Mr. SMOOT. Because if the price declines, then, of course, the rate may be more.

Mr. ROBINSON. But that does not explain my first question.

Mr. SMOOT. No. The Senator wished to understand why we do not provide for a maximum rate.

Mr. ROBINSON. If the committee insists upon a maximum as to yarns, why should they be content as to a minimum on threads, twines, and cords?

Mr. SMOOT. Because the minimum will apply in every case, I will say to the Senator.

The prices have increased so rapidly that the minimum of 40 per cent will apply in all cases under the prices of to-day or any prices which may prevail.

Mr. ROBINSON. What is the use, then, of a specific rate?

Mr. SMOOT. Specific rates are provided because the prices may fluctuate greatly in the future, and we did not want any of these rates to be less than 40 per cent.

Mr. ROBINSON. But the price may also change the other way.

Mr. SMOOT. Yes; it may.

Mr. ROBINSON. Then I inquire why should there not be a maximum as to the twine, cords, and threads if there is a maximum imposed on the yarns? I am really seeking for information.

Mr. SMOOT. Because the maximum in the other paragraph is no more than the minimum that is applied here. The same provision has been made in the cotton schedule and other schedules without a maximum.

Mr. ROBINSON. Mr. President, I am ready for a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

Mr. ROBINSON. On this amendment I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. DIAL (when his name was called). Making the same announcement of my pair and transfer as on the former ballot, I vote "nay."

Mr. GLASS (when his name was called). Making the same announcement as on the preceding ballot, I vote "nay."

Mr. NEW (when his name was called). Repeating the announcement made on the last vote as to the transfer of my pair, I vote "yea."

Mr. ROBINSON (when his name was called). Announcing the same pair and transfer as on the previous vote, I vote "nay."

Mr. TRAMMELL. I transfer my pair with the senior Senator from Rhode Island [Mr. COLT] to the Senator from Nebraska [Mr. HITCHCOCK], and vote "nay."

The roll call was concluded.

Mr. BALL. Making the same announcement as to the transfer of my pair as heretofore, I vote "yea."

Mr. CALDER. Making the same transfer of my pair as on the last vote, I vote "yea."

Mr. OVERMAN. Making the same announcement as to my pair and its transfer as previously, I vote "nay."

Mr. JONES of New Mexico. Making the same announcement as on the previous vote regarding my pair, I will withhold my vote. If permitted to vote, I should vote "nay."

Mr. WATSON of Indiana. I transfer my general pair with the Senator from Mississippi [Mr. WILLIAMS] to the senior Senator from Pennsylvania [Mr. CROW], and vote "yea."

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON]; and

The Senator from Maine [Mr. HALE] with the Senator from Tennessee [Mr. SHIELDS].

The result was announced—yeas 38, nays 21, as follows:

YEAS—38.

Ball	Gooding	McLean	Phipps
Borah	Jones, Wash.	McNary	Rawson
Broussard	Kellogg	Moses	Smoot
Bursum	Kendrick	Nelson	Spencer
Calder	Keyes	New	Sterling
Capper	Lenroot	Newberry	Wadsworth
Cummins	Lodge	Nicholson	Watson, Ind.
Curtis	McCormick	Norbeck	Willis
Ernst	McCumber	Oddie	
Frelinghuysen	McKinley	Pepper	

NAYS—21.

Ashurst	King	Sheppard	Underwood
Caraway	Myers	Simmons	Walsh, Mass.
Dial	Overman	Smith	Walsh, Mont.
Fletcher	Pomerene	Stanley	
Glass	Ransdell	Swanson	
Heflin	Robinson	Trammell	

NOT VOTING—37.

Brandegee	France	La Follette	Stanfield
Cameron	Gerry	McKellar	Sutherland
Colt	Hale	Norris	Townsend
Crow	Harreld	Owen	Warren
Culberson	Harris	Page	Watson, Ga.
Dillingham	Harrison	Pittman	Weller
du Pont	Hitchcock	Poindexter	Williams
Edge	Johnson	Reed	
Elkins	Jones, N. Mex.	Shields	
Fernald	Ladd	Shortridge	

So the amendment of the committee was agreed to.

MISSOURI SENATORIAL PRIMARY.

Mr. SPENCER. Mr. President, the senatorial primary in Missouri will be held within two weeks. The Democratic candidate for Senator and the Republican candidate for Senator will both be selected a week from next Tuesday, August 1. The only reason I have for occupying the time of the Senate for a moment on this matter is to correct what may be a false impression in the minds of some of my colleagues with regard to my own relationship to the Democratic primary.

It is perfectly fair to say that national interest in the Missouri Democratic primary is far greater than in the Republican primary. This is largely due to the fact that my distinguished colleague, the senior Senator from Missouri [Mr. REED], who has such a well-deserved and national reputation not only as a great political fighter but as an orator and debater unequaled in power and vigor, is himself a contestant in that primary. The interest in Missouri is all the keener because of the intense character of the campaign.

The senior Senator from Missouri is declaring to very large audiences every day that his opponent, Mr. Long, is so dry in the country as to resemble a camel, and that when he, Mr. Long, campaigns in the city of St. Louis, which is by the Mississippi, or in the city of Kansas, which borders on the Kaw, he is so wet as to resemble a fish. Senator REED is also saying in Missouri that Mr. Long, according to his own description of himself, has reduced himself to the position of a human phonograph, so that in case he ever entered the Senate he would do nothing more than record and repeat the thoughts and the words of a possible Democratic President; that he is a mere automaton; so that when a possible Democratic President, as in a Punch and Judy show, pulls the strings he will act in response to that presidential pull. Then the Senator, in the graphic way of which he is a master, points out the fact that he himself might be the President of the United States, and he portrays to the great audiences if he, the senior Senator from Missouri, were the President of the United States, how tragic would be the situation for Mr. Long in the Senate of the United States, and have to record only the thoughts and words of the then President in the White House.

All this, Mr. President, from one side is answered by the other; for Mr. Long says constantly to audiences not as large as those of the senior Senator from Missouri that as for himself—and he is speaking largely to Democrats who were born and bred in the Democratic Party, and who love it and believe in it—he (Mr. Long) is not "an occasional Democrat"; he (Mr. Long) never stabbed the Democratic Party in the back or ambushed it from the side; he (Mr. Long) never went to the State of Wisconsin and made speeches for a Republican candidate; and so the battle goes on along these lines of great issues.

Mr. President, everyone is keenly interested. Every morning the people look to see what the latest utterance of either candidate is. I share in that curiosity. I want to get all the reliable information I can about this contest. I am intensely interested in it, and I have sought for all the reliable information I can get, and I will continue to seek and welcome such information. May I say to the senior Senator from Kentucky [Mr. STANLEY], whose language the other day I resent, that nothing he ever has said will change that purpose with me, nor will anything he may say, if again, under the influence of heat or excitement or other impulses, he sees fit to rise in the Senate and in tearful, lachrymose tones cry out as he did the other day, that his heart is troubled, that his grief is sore, that he in tenderness, not in anger or resentment, as he was quick to add, feels called upon to chide the press and the Senate and the people of the United States for some fancied charge which in his then condition of mind he imagined they had made against me on account of some fancied interference on my part in a Democratic primary; a moment's sober, calm thought would have convinced the Senator there was no charge ever made—nor was there any such interference on my part; and I may say quickly that I am not concerned if the senior Senator from Kentucky [Mr. STANLEY], in the same condition of mind, should again seek, as he did the other day, to assume the artistic pose of the Statue of Liberty and cry out in vociferous tones against what he was pleased to call "damnable, pernicious interference" in a Democratic primary. All the reliable information I can get on the primary in my State I shall continue to welcome.

But I do want to say to my colleagues—and this is the purpose for which I speak—that interested as I am in the contest I have not, directly or indirectly, in any way or manner, even attempted to interfere in this Democratic primary. The Democrats of Missouri are people of intelligence and courage and independence, and they will settle their own primary contests precisely as in their conscience and their judgment they see best to do. I do not presume that I could interfere in a Democratic primary, and I certainly would not so interfere if I could. I have no hesitation in saying to the Senate, as I have said many times in private conversation, that personally I should be glad if my distinguished colleague were renominated by his party. No one can be any quicker than I to recognize nor more sincere to admire the great gifts and powers with which my colleague is so abundantly endowed, and I do not propose to be put in a false position in regard to that matter, and certainly not by the senior Senator from Kentucky, who, sir, when my colleague had his political life in the balance in the Democratic convention in San Francisco, when his prestige as a man and his right as a delegate and his standing in his party at home were all at stake—the senior Senator from Kentucky [Mr. STANLEY], who was a delegate at large at that convention, so far as I can find out from the record of that convention, was absolutely silent in behalf of my colleague and intentionally impotent in his behalf. God save us from alleged friends who, when a word or act will help, remain silent and then become vociferously vehement only when nothing that they can say will be of any possible benefit!

I do not agree with my colleague in many of the positions he takes nor often in the way he defends or advocates them, but this is not inconsistent with a real friendship for him as a man or sincere admiration for his outstanding ability.

Mr. President, I may say that when this primary is over, settled by the Republicans with regard to their candidate and by the Democrats with regard to their candidate, I shall in every way in my power seek to secure the defeat of the Democratic candidate and to insure the election of the Republican candidate. May I say, sir, not as a matter of mere boastful prophecy but as the result of a real conviction, that I have perfect confidence that Missouri in 1922, as she did in 1920, and in 1918, and in 1910, and in 1908, and in 1904, as she has in every presidential campaign in the last 18 years, with the exception of once when the Republican Party was divided and once when the slogan "He kept us out of war" misled many thousands of Missourians, will again record her adherence to the principles of the Republican Party.

Mr. STANLEY. Mr. President, "methinks the lady doth protest too much." This sudden devotion on the part of the junior Senator from Missouri for the senior Senator from Missouri is too much. This display of interest in his colleague and love for him is "too sudden."

JIM REED had enough to carry and enough to bear without this doubtful show of affection. I have never seen anything like it in my life, the junior Senator from Missouri throwing his loving arms around the senior Senator from Missouri. There is only one other such instance in truth or fiction. Under the shadows of Gethsemane there was a loving kiss, as sincere, and let us hope more deadly, than the kiss of the junior Senator from Missouri upon the cheek of the senior Senator from Missouri.

The junior Senator from Missouri charges that in the more or less personal conflict between the President of the United States and the senior Senator from Missouri I did not align myself with the senior Senator from Missouri. As long as American history is written men will recall the meeting of those intellectual Titans. During a great part of this controversy the President had said that "politics was adjourned." Two able and patriotic men took different views of the best way to preserve the honor of the flag and the security of the Nation. In that fight I was upon the side of Woodrow Wilson. I was with Woodrow Wilson for the League of Nations, and REED was against the League of Nations. I never failed to support the President. I have followed him as a Representative in Congress, as Governor of Kentucky, as a Senator "without variableness or shadow of turning," and as the friend and champion of Woodrow Wilson—yea, more, as the follower of Thomas Jefferson and of Andrew Jackson; as a Democrat first and as a friend of the President or any other living man second.

I did resent and do resent the sly and cunning tactics of the junior Senator from Missouri, which deceive nobody save himself. Is there a Senator upon the other side so dense as not to know that when he gets busy in his State in polling the vote of the other side and announces which candidate will win there is going to be "something doing"? Is there a Senator upon the other side so weak and inefficient, so lacking in influence or in power, that he can make a poll of his State without more or less deadly effect? If I should poll the Republican Party in Kentucky, I would look for results somewhere along the line. When JIM WATSON begins to poll the Democrats in Indiana I am going to put on my war paint in Ken-

tucky and come across and give succor to my suffering brethren, because I know the devil will be to pay when he gets busy over there in our family. I would bitterly resent it if the Senator from Indiana, in a fight between Tom Taggart and somebody else, would get up here and tell us just who is going to win, "for I have made a poll of Indiana." Could I pay the gallant, astute, gifted, and fearless leader of the old guard a higher compliment than to say it would mean big trouble? Could I cover him with greater contempt than to say it was idle curiosity and that JIM WATSON was either impotent or stupid; that he lacked either in personal prestige or intellectual force; that he could do a thing of that kind and not do damage?

I may have wronged the junior Senator from Missouri, possibly did wrong him, in my assumption that it was not at most a pernicious and objectionable interference. He assures us now that he can do that sort of thing and not hurt anybody. I would not say so unkind a thing of the junior Senator from Missouri. I assume, what may be a foolish assumption, that he has or he ought to have some influence, that he exercises or ought to exercise some power in his State, and when he runs his gentle and delicate nose into a Democratic primary he is going to hear from me, whether it be a Wilson or an anti-Wilson Democrat that he attempts to reach either by cunning, by treachery, or by an effusive utterance of questionable affection.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The PRESIDENT pro tempore. The Secretary will state the next amendment.

The READING CLERK. The next amendment is on page 132, line 21, to strike out "8" and insert in lieu thereof "12," so as to read:

Finer than 12 lea and not finer than 60 lea.

Mr. ROBINSON. Mr. President, I claim the attention of the Senate for a few minutes to discuss a number of amendments intimately related in this schedule. It is observed that the pending amendment, and other amendments in paragraph 1004, greatly increase—in fact, they double—the present rates on yarns made of flax, hemp, or ramie. If these rates on yarns are adopted, they will become the basis or the justification for the exceedingly high rates elsewhere in the schedule on woven fabrics, and goods manufactured from flax, hemp, or ramie.

To illustrate: The committee proposes, as a logical sequence of these raises in the rates on the yarns and threads, to increase very materially the rates on the fabrics woven from articles included in paragraphs 1008a, 1009, 1011, 1012, 1013, 1015, and 1016, flax, hemp, or ramie particularly.

By way of illustration, I refer to the first-mentioned paragraph, relating to woven fabrics. It is proposed in paragraph 1008a to levy a duty on—

Woven fabrics, not including articles finished or unfinished, of flax, hemp, or ramie, or of which these substances or any of them is the component material of chief value (except such as are commonly used as paddings or interlinings in clothing), exceeding 30 and not exceeding 100 threads to the square inch, counting the warp and filling, weighing not less than 4½ and not more than 12 ounces per square yard, and exceeding 12 inches but not exceeding 24 inches in width, 60 per cent ad valorem.

In the same paragraph, as it is numbered, there is a rate the equivalent of 60 per cent ad valorem on certain classes of thread, and another rate of 55 per cent ad valorem.

Paragraph 1009 provides:

Woven fabrics, not including articles finished or unfinished, of flax, hemp, ramie, or other vegetable fiber except cotton, or of which these substances or any of them is the component material of chief value, not specially provided for, 45 per cent ad valorem.

The rate originally proposed was 50 per cent, but, as I understand it, the committee now proposes to make it 45 per cent ad valorem. Paragraph 1011 provides:

Pile fabrics, composed wholly or in chief value of vegetable fiber other than cotton, cut or uncut, whether or not the pile covers the whole surface, and manufactures in any form, made or cut from any of the foregoing, 50 per cent ad valorem.

In paragraph 1013 there is a duty of 60 per cent proposed on certain classes of towels and napkins, and 50 per cent on certain other classes, and on sheets and pillow cases a duty of 50 per cent ad valorem.

These, in the main, are articles of common and necessary use. There is no linen industry of substantial importance in the United States, and the rates which are proposed, and which, according to the contention of the committee, are the logical consequence of the adoption of the pending rates on yarn of hemp, flax, or ramie, are exceedingly high.

I have a letter from Mr. Carleton Schaller, manufacturers' agent, 350 Broadway, which pertains to the matter and which I wish to read, as follows:

NEW YORK, *July 19, 1922.*

Senator JOSEPH T. ROBINSON,
United States Senate, Washington, D. C.

SIR: * * * From press accounts it is understood that the duty as proposed by the Finance Committee of the Senate on paddings made of linen will be 60 per cent ad valorem. As you know, the present rate in the Underwood bill is 30 per cent ad valorem. These goods are produced in Belgium and Ireland and have never been manufactured in this country, either under a Republican or a Democratic tariff. The reasons are mostly due to climatic conditions and also because the preparation of flax yarn is a very laborious one, and the American farmers have never been willing to undertake it.

Inasmuch as there is no domestic industry to protect, it would seem that the increase in duty of 30 to 60 per cent ad valorem will impose a very unjust burden upon the ultimate consumer. The clothing trade ever since 1920 has been striving to reduce costs, as the public has simply refused to pay high prices for clothing in the retail shops.

From your investigations you doubtless will know that Ireland imported approximately 90 per cent of its flax in pre-war days from Russia. Inasmuch as that country has not been a producer for the past three years there is a very acute scarcity of flax, and attempts to raise this in other countries have so far been unsuccessful. With the high prices that are to be expected for years to come and with a duty of 60 per cent ad valorem the result will be that the use of this canvas will be greatly curtailed, with a subsequent loss of revenue to the Government.

It is sincerely hoped that some of these arguments will meet with consideration on the Senate floor. * * *

Respectfully,

CARLETON SCHALLER.

Mr. President, the facts relating to the subject are summarized in the Tariff Information Survey relating to yarns, thread, and cordage of vegetable fibers other than cotton. At page 36 the following statement is found:

Ramie sliver or roving was not specifically mentioned prior to the act of 1909. Imports of sliver are relatively insignificant, amounting to only $60,263 in 1912, with a duty of 35 per cent, and to only $6,707 in 1914, with the duty reduced to 15 per cent. In 1920 they amounted to $5,438.

The facts in this connection require no argument. They are very convincing that high rates of duty on this product are not justified.

The following facts, therefore, should be kept in mind in connection with imports of all classes of flax, hemp, and ramie yarns: (1) The total quantity imported is normally not over 2,500,000 pounds, or perhaps 15 per cent of our total consumption; (2) this is composed chiefly of coarse and medium counts, the bulk of it not finer than 40 lea; (3) counts finer than 40 lea are not produced in considerable amounts in the United States and imports of it are, in the main, noncompetitive; (4) reduction of the average duty on all classes from approximately 40 per cent ad valorem to about 19 per cent by the act of 1913 had little effect either upon total imports or upon any particular class, although the changed classification creates a deceptive fluctuation as regards coarse and medium leas.

It would seem, therefore, that imports were largely supplementary to domestic production. Manufacturers, because of difficult conditions, have not found it profitable to extend production too close to the total amount of domestic consumption where risks of loss from varying demand are most felt.

From this statement of fact it must be apparent that the only purpose of levying the high rates proposed by the Finance Committee on the yarns embraced in paragraph 1004, hemp, flax, or ramie, is to justify the imposition of very greatly increased rates on the manufactured products. In any event the amendments reported by the committee disclose that it is the purpose of the committee to raise to the enormous figure of from 50 to 60 per cent ad valorem the rates to be imposed upon the manufactured articles, many of which are not, and some of which can not be, successfully produced in the United States.

In that view of the matter I feel justified in urging the Senate to reject the pending amendment and thus force a revision of the committee's proposed rates on hemp, flax, and ramie yarns, for if we approve of the proposed rates on yarns, that approval will be urged by the representatives of the committee as a convincing justification for the existing high rates imposed in succeeding paragraphs on the fabrics and other products manufactured from hemp, flax, and ramie.

It so happens that in the way the committee are presenting their amendments, the sense of the Senate on the subject can be tested by a single vote on the amendment fixing minimum and maximum duties proposed by the Senator from Utah at not less than 30 nor more than 40 per cent ad valorem.

That amendment has not yet been reached, but it is my purpose when the Senate considers it to submit amendments reducing the rates respectively to 20 per cent minimum and 30 per cent maximum. By a record vote on that amendment the sense of the Senate can be accurately tested on the yarns which enter into the fabrics embraced in other paragraphs, yarns made from hemp, flax, and ramie, concerning which there are a number of committee amendments in paragraph 1004.

Mr. President, with this statement I shall content myself for the present.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The ASSISTANT SECRETARY. The next amendment is, on page 132, in line 12, before the word "cents," to strike out "8" and insert "10," so as to read:

Finer than 12 lea and not finer than 60 lea, 10 cents per pound and one-half of 1 cent per pound additional for each lea or part of a lea, etc.

Mr. ROBINSON. Mr. President, the statements which have already been made respecting other amendments apply with equal force to the pending amendment. I am content to take a vote on the amendment without further discussion.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDENT pro tempore. The next amendment will be stated.

The ASSISTANT SECRETARY. On page 132, in line 24, the committee proposes to strike out "8" and insert "12," so as to read: "one-half of 1 cent per pound additional for each lea or part of a lea in excess of 12."

The amendment was agreed to.

The ASSISTANT SECRETARY. The next amendment is, on page 133, in line 1, after the word "boiled," where the committee proposes to insert "2 cents per pound; when," so as to read:

And in addition thereto, on any of the foregoing yarns when boiled, 2 cents per pound; when bleached, dyed, or otherwise treated, 5 cents per pound.

Mr. ROBINSON. I ask the Senator from Utah if he can inform the Senate what will be the approximate corresponding ad valorem equivalent for that duty?

Mr. SMOOT. It would be difficult to state, because it covers every count of yarn and is a specific duty. I could not say offhand. If it were yarns that cost $1 a pound, it would be 2 per cent. I call the Senator's attention to the fact that it is a reduction from the House rate on boiled yarns. I did not see how it was possible to account for more than 2 cents a pound in the boiling of the yarn. The loss is more when bleached or dyed or otherwise treated. The loss there is 5 cents, but the House provided 5 cents even for the boiling. I could not see how it would be possible to have more than 2 cents loss in boiling. That is the reason why the amendment was made by the committee.

Mr. ROBINSON. I myself think the amendment to which I have referred is an improvement over the House provision in that the committee reduces the protective rate for boiled yarn from 5 cents to 2 cents.

Mr. SMOOT. It is only a compensatory rate, I will say to the Senator, because when the yarn is boiled there is a loss that would equal 3 or 4 per cent, and, as was claimed by the manufacturers, 6 per cent in some cases is involved in the waste.

Mr. ROBINSON. I had assumed that the process of boiling, which is protected by 2 cents a pound, was approximately the same for all yarns.

Mr. SMOOT. No; there is a still further loss, I will say to the Senator, in the dyeing and bleaching and the treatment they may have other than the simple boiling.

Mr. ROBINSON. Of course, the ad valorem equivalent would depend upon the price of the yarns, and the yarns would vary, but what I was trying to do was to secure for the Senate information as to what amount of protection it is proposed to extend to the process of boiling through the 2 cents per pound rate.

Mr. SMOOT. If it were 50 cents a pound, of course 2 cents would be 4 per cent. If it runs down into the real fine yarns, where the price would run up to $1 a pound, the rate would be 2 per cent.

Mr. KING. Mr. President, I understand the matter before the Senate now is the rate fixed upon what might be denominated the intermediate products—that is, intermediate between the raw product and the finished article which enters into household consumption.

Mr. SMOOT. These are the single yarns.

Mr. KING. As I understand the schedule, we provide very high duties upon the importations of yarns.

Mr. SMOOT. Between 30 and 40 per cent.

Mr. KING. That is done notwithstanding the fact that yarns which are employed in the manufacture of certain products and which are comprised under the schedule are all imported; that is to say, we do not produce them in the United States.

Mr. SMOOT. We produce a considerable quantity of the yarns in the United States.

Mr. KING. I will ask my colleague if the percentage is very great, measured by the entire consumption?

Mr. SMOOT. Hemp yarn for sale in 1919 was 1,455,000 pounds, valued at $829,000. Flax yarn for sale was 2,622,000 pounds, valued at $872,000.

Mr. KING. Were those domestic products?

Mr. SMOOT. Those were the domestic products manufactured for sale. I will say that it is difficult to ascertain the consumption. All we can do is to estimate. There are no statistics that we can find, but it is estimated all the way from 18,000,000 to 25,000,000 pounds. That is as near as we can get to it.

Mr. KING. This schedule emphasizes, to my mind, some of the vices which may be developed through an improper protective policy. There is justification, from the protective standpoint, in imposing tariff duties upon imported articles where there is some production in the United States, where the industry may grow to large proportions, and may measurably satisfy the demands of the people; but this schedule deals with flax and jute and hemp, the raw products, the intermediate products, and the finished product. The overwhelming portion of the finished product, the raw products, and all of the grades of intermediates are imported. Now it is proposed to place a heavy rate of duty upon intermediates which are not produced here. That, of course, will raise the price of the intermediates to the purchaser in the United States, and when he manufactures those intermediates into towels or cordage or the various forms of the finished product covered by this schedule, and that high tariff is carried on, of course, to the finished product. Then, in order to take care of those who are engaged in the production of the towels and the cordage and the various forms of the finished product, another very high tariff is imposed. So we have at least two and possibly three rates of tariff imposed upon the very products that finally reach the consumer. Manifestly by the time the consumer buys those products the prices must be inordinately high.

It is obvious that that creates an unhealthful condition; it perpetuates an injustice. Those who support this policy are trying to stimulate industries which are based upon importations, and the importations will always exist or will continue for an indefinite period. A tariff is placed upon the raw products; a tariff is put upon all forms of intermediates; and then a tariff is put upon all forms of the finished product. Thereby the tariffs are pyramided so that the ultimate consumer, the buyer of the finished articles, is compelled to pay enormous prices for them.

Now, is it worth the effort to pursue a policy of that kind? Even protectionists, it seems to me, ought to pause before they consent to adopt a policy that must eventuate in exactly the situation that is disclosed in the consideration of this particular schedule.

Mr. President, if we are producing in the United States raw materials substantially sufficient to care for the wants of the people and desire to encourage the manufacture of those raw materials into the finished product, and therefore favor a reasonable protection to bring that about, that is one thing; but where we import the greater part of the raw material and put a tariff upon that and then put a tariff upon the intermediates that are produced in other countries from similar raw material, and then put a tariff upon the multiform finished products, we are placing burdens upon the American people which, it seems to me, may not be justified.

I think this entire schedule is wrong, that it is inequitable, and that it ought to be revised. It is not scientific from a protectionist standpoint; it does not measure up to the philosophy and the standard of conduct which are supposed to guide the honest protectionist in his advocacy of the protection policy.

Mr. McCUMBER. Mr. President, the Senator from Arkansas [Mr. ROBINSON] has correctly stated that the decision at which we arrived in fixing the rate in the schedules which he was then discussing must necessarily reach forward into the subsequent paragraphs; the Senator is absolutely correct as to that; but the Senator has already crossed the bridge—at least, the Senate has crossed it for him, for we really started on this scale when we voted for duties of 2 and 4 cents on the raw material. As we have increased those duties, the Senator admits that we must necessarily make a differential in the yarn and another differential in the cloth produced from the yarn.

The only question that is before the Senate, it having decided in the first place to place a duty of 2 cents a pound upon the tow and 4 cents a pound upon the "line of hemp," is whether the additional amount that we are placing upon the yarn and the still further additional amount we are placing upon the fabric are proper and just differentials. I have heard no argument to indicate that the committee have given one penny more than was necessary to make the proper differential, having once adopted the 2-cent and 4-cent rates. So that, Mr. President, this is the only question we have got before us. As the junior Senator from Utah [Mr. KING] has stated, having de-

cided that we will place a duty upon the raw material, it will be carried into the yarn, and from the yarn it will be carried into the fabric, and the junior Senator from Utah thinks that that is a bad policy.

Mr. President, we have a very important silk industry in the United States. We do not produce raw silk here—and yet, should we destroy that industry? Silk is produced abroad and is imported here in its raw state and converted into threads and all kinds of fabrics. A mighty silk industry has been created in the United States. If the theory of the junior Senator from Utah were correct, then we should withdraw all duties and bring every fabric of silk from foreign looms. I think we are justified, Mr. President, in the protection of jute, of ramie, and of flax straw, in order that we may create a linen industry in the United States, just as we have created the silk industry here.

Mr. ROBINSON. Mr. President, just a word in reply to some of the observations which have been made by the Senator from North Dakota. The Senate has not increased the proposed duty on the raw material of flax. It is true that it has increased the duty on hemp, but the Senator will recall that it did that over my persistent and very earnest protest. We have not yet crossed the bridge; we have walked out on it a little distance, but there is ample time for the committee to do in the case of these amendments just what it has done as to hundreds of other amendments in this bill since it first reported it—namely, to correct them to conform to what the facts and the necessities of industry justify.

I have already said that the whole question of the policy which the Senate is to express in this bill respecting duties on flax yarns will be decided in connection with the amendment next to be considered and the amendment which will be proposed to that committee amendment.

With this statement I am ready for a vote.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDENT pro tempore. The next amendment will be stated.

The ASSISTANT SECRETARY. In paragraph 1004, page 133, line 4, after the word "yarns," the committee proposes to strike out "not finer than 8 lea shall be not less than 20 per cent ad valorem; on any of the foregoing yarns finer than 8 lea, not less than 23 per cent ad valorem," and to insert "shall not be less than 30 nor more than 40 per cent ad valorem," so as to read:

Provided, That the duty on any of the foregoing yarns shall not be less than 30 nor more than 40 per cent ad valorem.

Mr. ROBINSON. Mr. President, this is an important amendment and I think there ought to be more Senators here. I am going to ask for a record vote on this amendment, and so I intend to suggest the absence of a quorum. I am going to present an amendment to the committee amendment and explain it briefly, and then take a record vote on it, because it will have a great influence on the action which the Senate will take subsequently on the paragraphs relating to fabrics of hemp, flax, and ramie.

The PRESIDENT pro tempore. The Chair understands the Senator from Arkansas to suggest the absence of a quorum, and the Secretary will call the roll.

Mr. ROBINSON. Mr. President, before the roll is called I desire to propose the following amendment to the amendment of the committee, namely, to strike out "30" and insert in lieu thereof "20," and to strike out "40" and to insert in lieu thereof "30."

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. It is proposed to change the rate in the amendment of the committee by striking out "30," in the first instance, and inserting in lieu thereof "20," and by striking out "40," in the second instance, and inserting in lieu thereof "30."

Mr. ROBINSON. I now suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Broussard	Glass	Ladd	New
Bursum	Gooding	Lenroot	Newberry
Calder	Hale	Lodge	Norbeck
Capper	Heflin	McCormick	Oddie
Caraway	Jones, N. Mex.	McCumber	Overman
Cummins	Jones, Wash.	McKinley	Pepper
Curtis	Kellogg	McLean	Phipps
Dial	Kendrick	McNary	Pomerene
Ernst	Keyes	Moses	Ransdell
Frelinghuysen	King	Nelson	Rawson
Robinson	Smoot	Swanson	Warren
Sheppard	Spencer	Trammell	Willis
Smith	Sterling	Wadsworth	

The PRESIDENT pro tempore. Fifty-one Senators have answered to their names. There is a quorum present. The question is upon the amendment proposed by the Senator from Arkansas to the amendment of the committee.

Mr. ROBINSON. Mr. President, the purpose of this amendment has already been discussed, but only a few Senators were present when that discussion occurred. It is not my intention to go over the matter in detail again, but I feel justified in making a brief statement.

This amendment is so framed and involves such issues that it will determine in large part the policy which the Senate will pursue not only touching yarns of flax, hemp, and ramie, but also fabrics woven from them and materials manufactured out of them. The proposal of the committee is to place a minimum of 30 and a maximum of 40 per cent ad valorem on these yarns. My amendment will reduce the minimum to 20 per cent and the maximum to 30 per cent, and if it prevails it will justify amendments subsequently to be offered to the committee amendments relating to the fabrics and materials manufactured from these yarns, materially reducing them.

As already stated, the object of these high duties on the yarns is to justify very material increases upon the products representing higher stages of manufacture. I think those rates are too high, that the maximum and minimum rates proposed by the committee on the yarns are excessive, and in order to test the sense of the Senate on the subject I have proposed the amendment.

Mr. SMOOT. Mr. President, just a brief statement for the record, and for the record only, so far as that is concerned.

The difference in competitive prices of foreign and domestic flax yarn, as far as the committee were able to ascertain such prices, has determined the rates of duty named. The spinning industry is the key industry of flax weaving in the United States. Consequently the rates of duty provided should be sufficient to maintain this industry in the United States and provide an incentive to its further expansion and the consequent lower cost. At present, it is the practice of many weavers of flax fabrics to import yarn because of cheaper prices. This has reacted against the expansion of the spinning industry in the United States. The spinning industry in the United States should at least have an equal opportunity with the foreign spinner in its own market. This it has not had with the present rates of duty.

The imports of 1921 are less in quantity than the imports of 1914 but greater than the imports of 1910. This is explained by the tremendously decreased use in the world of flax products due to curtailment of flax production in Russia. Relatively, compared with the total production of flax in the world, the imports were greater in 1921 than in 1914. The advantage which the foreign spinner had over domestic spinners can be illustrated by the following price comparisons on dry-spun weft yarns:

The foreign price of 12-lea tow yarns is 22 cents per pound. These are the prices of to-day. Adding the duty of 8.8 cents—40 per cent of 22 in the Senate bill—gives 30.8 cents. The price of the same domestic yarn is 50 cents, the difference representing landing charges and profit. The foreign price of 18-lea tow yarn is 31 cents. Adding the duty of 12.4 cents per pound—40 per cent of 31—gives 43.4 cents. The price of the domestic yarn of the same count and type is 55 cents a pound. The difference, again, represents landing charges and profit.

Mr. President, what the Senator from Arkansas has said is absolutely true. Whatever action we take now upon this amendment will have an effect upon every fabric paragraph in this schedule; and if we adopt a rate now upon the yarns included in this paragraph, it must be carried through all of the paragraphs of the bill. If the amendment of the Senator from Arkansas is agreed to, I want to say frankly to the Senate that the following rates in the fabric schedules ought to be decreased; but under the prices existing to-day there is not any question but that the rates offered by the committee, reduced as they have been, ought to be adopted.

Mr. ROBINSON. Mr. President, with some of the statements contained in the paper just read by the Senator from Utah I find no fault. I want to inform the Senate before the vote is taken that the rates proposed by the committee are substantially double the rates under existing law, and that the rates in the fabric paragraphs are very great increases indeed over those now in force. This will represent a very heavy burden upon the American consumer. The importations are less now than in 1914; production of the raw material has been

curtailed throughout the world; and I do not believe there is any justification for what I term the excessive rates proposed by the committee.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Arkansas to the amendment of the committee.

Mr. ROBINSON. I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. CALDER (when his name was called). Making the same announcement regarding my pair and its transfer as on the last vote, I vote "nay."

Mr. DIAL (when his name was called). Making the same announcement as to my pair and its transfer as on the former ballot, I vote "yea."

Mr. GLASS (when his name was called). Making the same announcement as on the last vote, I vote "yea."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. NEW (when his name was called). Repeating the announcement of the transfer of my pair, I vote "nay."

Mr. ROBINSON (when his name was called). Announcing the same transfer of my pair as on the previous vote, I vote "yea."

Mr. TRAMMELL (when his name was called). I transfer my pair with the senior Senator from Rhode Island [Mr. COLT] to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

The roll call was concluded.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON]; and

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS].

Mr. JONES of New Mexico. I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

The result was announced—yeas 20, nays 37, as follows:

YEAS—20.

Borah	Jones, N. Mex.	Robinson	Swanson
Caraway	King	Sheppard	Trammell
Dial	Myers	Simmons	Underwood
Glass	Overman	Smith	Walsh, Mass.
Heflin	Pomerene	Stanley	Walsh, Mont.

NAYS—37.

Broussard	Jones, Wash.	McLean	Ransdell
Bursum	Kellogg	McNary	Rawson
Calder	Kendrick	Moses	Smoot
Capper	Keyes	Nelson	Spencer
Cummins	Ladd	New	Sterling
Curtis	Lenroot	Newberry	Warren
Ernst	Lodge	Nicholson	Willis
Frelinghuysen	McCormick	Oddie	
Gooding	McCumber	Pepper	
Hale	McKinley	Phipps	

NOT VOTING—39.

Ashurst	Elkins	La Follette	Shortridge
Ball	Fernald	McKellar	Stanfield
Brandegee	Fletcher	Norbeck	Sutherland
Cameron	France	Norris	Townsend
Colt	Gerry	Owen	Wadsworth
Crow	Harreld	Page	Watson, Ga.
Culberson	Harris	Pittman	Watson, Ind.
Dillingham	Harrison	Poindexter	Weller
du Pont	Hitchcock	Reed	Williams
Edge	Johnson	Shields	

So Mr. ROBINSON'S amendment to the committee amendment was rejected.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the committee was, in paragraph 1004, page 133, line 10, to strike out "8 lea, 16" and insert "11 lea, 18¼," so as to read:

Threads, twines, and cords, composed of two or more yarns of flax, hemp, or ramie, or a mixture of any of them, twisted together, the size of the single yarn of which is not finer than 11 lea, 18¼ cents per pound.

Mr. ROBINSON. Mr. President, this amendment is a very material increase, but I am of the opinion that it is consistent with the amendments which the Senate has already agreed to in this paragraph. As I stated a few moments ago, my purpose in offering the last amendment which was rejected by the Senate was to test out the sense of the Senate on the policy of imposing high rates of duty on these yarns for the purpose of justifying the exceedingly high rates on the fabrics and materials manufactured from them. I shall oppose the adoption of the amendment, but I am ready for a vote.

The amendment was agreed to.

The next amendment was, on page 133, line 11, to strike out "8" and insert "11"; on the same line, to strike out "16" and insert "18¼"; and on line 13, to strike out "8" and insert "11," so as to read:

finer than 11 lea and not finer than 60 lea, 18¼ cents per pound and three-fourths of 1 cent per pound additional for each lea or part of a lea in excess of 11; finer than 60 lea, 56 cents per pound.

The amendment was agreed to.

The next amendment was, on line 14, after the words "per pound," to insert a semicolon and the following words:

and in addition thereto, on any of the foregoing threads, twines, and cords when boiled, 2 cents per pound; when bleached, dyed, or otherwise treated, 6 cents per pound.

Mr. ROBINSON. Mr. President, I do not believe this amendment is either necessary or justified. Nearly all the yarns to which it applies and to which the rates preceding this amendment apply are bleached or dyed, and it is but another way of adding increased duties upon these yarns. I shall vote against the amendment.

Mr. KING. Mr. President, may I inquire of the able Senator from Arkansas if he is able to advise us approximately the cost of all of the products embraced in this schedule? I appreciate that I am asking a question which may not be answered without a vast amount of research.

Mr. ROBINSON. I do not think it would be physically or mentally possible to answer the question as the Senator has asked it. This is an important schedule, and the imposition of these very high rates, in pursuance of the policy of the Finance Committee, will unquestionably impose a very heavy burden on the consumers of these products; but it would not be possible to state the value of the articles which would be affected by the rates of duty from any information which I have. I do not know whether the senior Senator from Utah can give that information or not. I will say to the senior Senator from Utah that his colleague has asked the value of the products to which this amendment applies, or the probable value of them, so as to reach a conclusion as to the amount of additional cost which would be imposed on the consumers of these commodities by reason of the duty. I take it that is the purpose of the Senator's question?

Mr. KING. It is.

Mr. SMOOT. This provision was inserted for the reason that when linen is boiled it loses from 10 to 20 per cent in weight, according to the time it is boiled. That has been demonstrated not only by practice, but the Tariff Commission itself states that that is the loss in weight. If the rate were 2 cents a pound on 50-cent threads and yarns, it would be 4 per cent, but if a dollar, it would be only 2 per cent, and I can not tell what the price of these would be.

Mr. KING. If my colleague will pardon me, I do not think he quite understood the point I was getting at. This schedule, as my colleague, as the able Senator from North Dakota, and as the Senator from Arkansas have stated, is one of very great importance. It embraces hundreds of articles and commodities which enter into the lives of the people. What I was trying to get at was this: Approximately, what is the wholesale value of all the commodities and products embraced within this schedule?

Mr. SMOOT. No one can tell.

Mr. KING. I appreciated that.

Mr. SMOOT. They run from 12 cents a yard up to $20 a yard.

Mr. KING. We have statistics as to the value of the articles covered by some of the schedules. For instance, the best figures we have as to the value of all of the products of the chemical industry in 1921 show that they were worth about three billion and between five and six hundred million dollars.

Now, when we know the entire wholesale value of all the commodities and products comprised within the schedule, then we may form some estimate as to the additional cost by reason of the tariff rates. It seems to me that if we are able to ascertain the value of all the chemical products of the United States and all the woolen products of the United States and all the cotton products of the United States—I concede the value, perhaps, may not be accurate—we ought to be able to determine, because the commodities are less in number in this schedule than in the schedules to which I have referred, the aggregate value of all the products found under schedule 10 of the bill.

I am asking the question with a view to showing, if I may in just a moment, the tremendous additional cost to the Ameri-

can people by reason of the very high rates commencing with the raw materials, carried on to the intermediates, and carried still further and transferred to the various finished products embraced within the schedule. For instance, may I invite attention of the Senate briefly to what is embraced within the schedule?

Mr. SMOOT. Does the Senator want me to give him the production in the United States of all items included within the schedule, including linoleum and everything else?

Mr. KING. Yes; the products of jute, hemp, and flax, which are what may be denominated the primary elements or contents in the schedule.

Mr. SMOOT. I shall give in a very few moments the total as reported on the entire schedule.

Mr. KING. While my colleague is doing that I should like to put in the RECORD some of the important items which are embraced within the schedule to show how it affects the great mass of the American people. We are dealing with jute, flax, and hemp, and the intermediate products, yarns of all kinds, all of which bear high rates of duty, and then we come to some of the products, to wit:

Cordage, including cables, tarred or untarred; gill nettings, nets, webs, and seines, and other nets for fishing; hose, suitable for conducting liquids or gases; fabrics, composed wholly of jute, plain woven, twilled, and all others not specially provided for, not bleached, printed, stenciled, painted, dyed, colored, nor rendered noninflammable; woven fabrics of flax, hemp, or ramie, or of which these substances or any of them is a component material of chief value; woven fabrics, such as are commonly used for paddings or interlinings in clothing, composed wholly or in chief value of flax or hemp, or of which these substances are, or either of them is, the component material of chief value; pile fabrics, composed wholly or in chief value of vegetable fiber other than cotton, cut or uncut; table damask composed wholly or in chief value of vegetable fiber other than cotton; towels and napkins, finished or unfinished, composed wholly or in chief value of flax or hemp, or of which these substances are, or either of them is, the component material of chief value; sheets and pillow cases, composed wholly or in chief value of flax or hemp, or of which these substances are, or either of them is, the component material of chief value; fabrics with fast edges not exceeding 12 inches in width and articles made therefrom; tubings, garters, suspenders, braces, cords, tassels, composed wholly or in chief value of vegetable fiber other than cotton; tapes, composed wholly or in part of flax, woven with or without metal threads, on reels, spools, or otherwise; handkerchiefs, composed wholly or in chief value of vegetable fiber other than cotton, finished or unfinished; clothing and articles of wearing apparel of every description, composed wholly or in chief value of vegetable fiber other than cotton, and whether manufactured wholly or in part, not specially provided for; bags and sacks made from plain woven fabrics of single jute yarns or from twilled or other fabrics composed wholly of jute; bagging for cotton, gunny cloth, and similar fabrics, suitable for covering cotton, linoleum, including corticine and cork carpet, floor oilcloth, or rugs made of linoleum or floor oilcloth; common China, Japan, and India straw matting and floor coverings made therefrom; all other floor coverings not specially provided for; matting made of cocoa fiber or rattan; mats made of cocoa fiber or rattan.

So it will be seen that there are hundreds and, indeed, thousands of articles and duties provided for in the schedule.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER (Mr. STERLING in the chair). Does the Senator from Utah yield to his colleague?

Mr. KING. I yield.

Mr. SMOOT. The production in the United States of all items falling within this schedule is approximately $190,000,000 per year.

Mr. KING. That is the wholesale value?

Mr. SMOOT. Yes; the wholesale value.

Mr. KING. Did my colleague, in getting those figures, ascertain the importations?

Mr. SMOOT. No. I can give them to the Senator in a little while, but it will take a longer time than it did to get the production.

Mr. KING. I shall not detain the Senate for that purpose. I have taken the time of the Senate, for which I apologize, to read into the RECORD some of the items of the schedule to show how important it is. Many of us have been passing it along as if it were not important, but it will be observed that substantially all the items or commodities are those which are used to a large extent by the great mass of the people. Of course with these high rates upon the raw material, upon all grades of intermediates, and upon the various forms of the finished product, all of which rates are pyramided and finally are transferred to the ultimate consumer, it is obvious that the cost to the American public by reason of these enormous tariff rates will be greatly increased.

Mr. McCUMBER. Mr. President, I wish to express very briefly and concisely the reason for giving a 2 cent per pound duty for the boiled. We are giving in the bill 10 cents a pound on these yarns. If a pound is boiled—depending, of course, upon its character, but on the average and the average length of boiling—there will be but eight-tenths of a pound left. Therefore there will be a loss of two-tenths of a pound, or two-tenths of 10 cents, or 2 cents. Hence we add 2 cents per pound for the boiling. If we failed to give the 2 cents per pound, then all would be imported in a boiled condition to lessen the duty. The 2 cents is simply about what would be the average of loss in the boiling.

Mr. SMITH. Mr. President, I want to call attention to some of the fundamental facts underlying this question. According to my information, I understand that of the element out of which these cords and twine and the ultimate woven fabric are made in one particular—that is, the hemp—we produce perhaps about 40 per cent of the hemp that is used, but we do not produce a pound of the other elements included in the schedule.

The American people, the great mass of manufacturers of certain articles, all the farmers of the country, the truck growers, the grain growers, the cotton growers, are dependent upon the manufactured form of the jute, the ramie, and the sisal, and the different forms of coarse cordage or coarse fiber to make the gunny sacks or bagging for the cotton, the bags in which the wheat is shipped, and so forth. All these articles are absolutely essential to enable the farmers of the country to get their products to market.

Everyone knows that we should bend every effort here to try to lessen the cost of the articles upon which the American people are dependent for their daily living; and yet here, as to an article of which we do not produce a pound, we put a duty on the raw material. At a glance that would seem to be all right, even from the Democratic standpoint that it would be a revenue producer; but the moment that duty is paid at the customhouse and the raw material moves to the factory door the manufacturer takes advantage of it, and immediately calls for a compensatory duty on an article which he manufactures for the benefit of those who are to produce the material in this country.

A little later on we will come to the question of cotton bagging. I want to point out to the Senate where there is a peculiarly unjust imposition upon the cotton producers of the country. Every man knows that the American producer of raw cotton sells his cotton under what is known as the c. i. f. and 6 contract—cost, insurance, freight, and 6 per cent deducted for tare, which means the bagging and the ties. Before ever the domestic or foreign buyer purchases a bale of American cotton he knocks off 30 pounds for a 500-pound commercial bale. So the producer of cotton has to buy in a protected market his protected bagging and his highly protected steel ties, and then give them away when he sells his cotton under the deduction of 6 per cent for tare. He takes his free cotton and puts it into protected bagging and protected ties and sells it, and then he loses the bagging and the ties for which he has to pay a high protective price.

I am calling attention to this fact because agricultural operations in this country have become so unprofitable that, according to the last census, the majority of our population are in the cities, the proportion being 52 per cent in the cities as against 48 per cent in the country. Yet we are solemnly proposing to pile up duties on articles which are produced in foreign countries and which their producers are seeking to get in here free to be sold in our market; we stop the raw materials at the customhouse and pile up the duties, which are, of course, passed on to the man who is producing the bread and meat for the 110,000,000 of American people to eat.

Later on I am going to take occasion to elaborate my discussion of this question; but my attention has been called to the fact that in the very first paragraph of the pending bill there has been placed a duty of 2 cents a pound on white arsenic. Up to the present time that article has come in free. How is white arsenic produced? The bulk of it in this country is produced as a by-product from the smelting of copper ores. It is a forced production; those who produce it have to get rid of it, just as it is necessary to get rid of the hulls of the cotton seed in order to get at the meat and the oil in the seed itself.

White arsenic has been upon the free list because not only was it a by-product but it was an essential ingredient of a

material used to keep down the startling ravages of insect pests on the farm. Paris green is used for the potato crop which is grown in Maine and in the West and South; calcium arsenate for the spraying of trees, in order to extirpate the San Jose scale and the brown-tailed moth and other predatory insects that are actually threatening the very existence of our gardens and of our fields. Last has come that pest which is destroying the great cotton crop of the South, the boll weevil. Although the Agricultural Department has spent something like $12,000,000 in the effort to find some method of controlling the boll weevil, they have not even checked it, until within the last two years, when there has been something of hope held out by the use of calcium arsenate.

Now, just as we have discovered that it would require thousands of pounds of this substance to treat the 35,000,000 acres of cotton which is grown in the South, immediately, for the first time in the history of tariff legislation, a duty of 2 cents a pound is placed upon this essential ingredient of an article which is necessary to protect the fields and the orchards of America.

Who owns the industry producing this commodity? Upon investigation it will be found that those who control the smelting of copper in this country are the ones who have come here and insisted that this duty shall now be placed upon this ingredient the use of which spells the life of agriculture and of our orchards.

Mr. President, I am merely calling attention to this matter to-day. I am going to take occasion to show, or attempt to show, that the imposition of this duty, which unquestionably is an example of shameless favoritism toward one combination and one set of men, will inflict upon the cotton growers of the South alone a burden of $18,000,000 in the purchase of this poison for use in the effort to eradicate an insect which is threatening the destruction of a billion dollars' worth of property and may wrest from us the cotton supremacy of the world. Yet upon a miserable by-product—and, as I understand, the great Guggenheim interests produce the major part of this ingredient—we propose to levy a duty of 2 cents a pound upon that which we must import; and it is necessary to import it, because from all the sources of supply in America we should not get more than half enough for our necessities, without the promise of ever having an adequate supply. The amendment imposing the duty upon this ingredient having already been agreed to by the Senate, I shall take occasion when the bill comes into the Senate to inform the Senate specifically and minutely as to just what this proposed duty means, from whom comes the request for it, whom it will benefit, and upon whom the burden of the proposed tax will rest.

The same thing is true as to the very schedule the duties in which the Senator from Arkansas [Mr. ROBINSON] has been so faithfully trying to get reduced. The potato crop of this country, the wheat crop, the corn crop, the rye crop—indeed, the entire grain crop—and the cotton crop are dependent in their preparation for market upon this ingredient; and yet the unprotected farmer, who is struggling for existence, must pay a duty and a profit to the domestic producer of this article, for fear that he might suffer competition at the hands of the foreigner who has the raw material and who has the facilities for giving the agricultural industry some little deduction in the price of a material which is essential in preparing crops for market.

Mr. SMOOT. Mr. President, did I understand the Senator from South Carolina to say that the duty of 2 cents a pound on arsenic would cost the cotton growers $18,000,000?

Mr. SMITH. Yes, sir. When the Senator from Utah makes the computation he will find that the duty will cost the farmers the sum indicated. At the proper time I shall submit a table showing that to be the fact; and I am going to let the statement which I have made stand for this reason: There are 35,000,000 acres in cotton; it takes from 4 to 5 pounds to dust an acre of cotton with this poison, and it should be dusted five or six times a year. When the amount is added up which it would take to control the weevil it will be found that it will cost the planter 50 cents an acre. I am speaking of the cotton grower alone, of course.

Mr. SMOOT. At 2 cents a pound, the cotton growers of the South would have to use 900,000,000 pounds of arsenic to make the cost to them $18,000,000. I do not think the Senator will say that that amount of white arsenic is used in the South.

Mr. SMITH. I do not intend to go into the particulars now, but later I shall do so; but I say that the duty will cost the planter 50 cents an acre, assuming that half of the crop will be dusted, and if half of the crop is dusted, it will cost the farmers an additional $18,000,000.

Mr. SMOOT. Of course, I know that in connection with the cotton crop of the South there can not be used more than is produced in all the world. Therefore, I merely rose to call the Senator's attention to the figures, because I thought perhaps the Senator had unconsciously misstated them.

Mr. SIMMONS. Mr. President, I should like to ask the Senator from South Carolina a question.

Mr. SMITH. I was proceeding upon the assumption that we did have an adequate domestic supply, but the fact is that there is not an adequate domestic supply, and that there is an unprecedented demand, because it has recently been discovered that by the use of arsenic the boll weevil at least partially may be controlled. Immediately that is discovered, and knowing that the distress of the cotton growers of the South will create an unprecedented demand, a duty of 2 cents a pound is put on for the benefit of those who want to sell arsenic, which is merely a by-product of the copper mines of the country.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from North Carolina?

Mr. SMITH. I yield.

Mr. SIMMONS. I take it that the Senator means there is not at this time an adequate supply of the material in this country?

Mr. SMITH. There is not.

Mr. SIMMONS. And it is questionable whether, if it were used to the extent that it should be used in order properly to protect the cotton crop against this pest, there is now an adequate supply in the world? If that be so, then the effect of the duty will be to prevent the farmers from securing an adequate supply unless they are willing to pay this additional price, and not only for the imported article but for the article produced in this country.

Mr. SMITH. I will explain clearly, because anyone who is a mere tyro in mathematics can understand exactly the proposition. We had not in this country anything like 50 per cent of the supply necessary to meet the ordinary demand even before the cotton crop came into the equation at all. If we had an adequate supply of this material to meet the demand of the cotton growers to dust their cotton acreage as it should be dusted, and this duty of 2 cents a pound were to be added, it would cost them in addition $18,000,000.

Mr. SMOOT. Mr. President, I thought, in view of my statement, the Senator perhaps would want to modify his figures as to the proposed duty involving an increase of $18,000,000 in the cost of arsenic. The greatest quantity of arsenic that was ever produced in the United States was 12,646,000 pounds. Last year we imported about 2,705,000, and the largest importation that ever came into the United States in any year was 7,479,000 pounds. So the greatest amount which it has been possible to have in this country in any one year was 20,000,000 pounds. In order to make a charge of 2 cents a pound equal $18,000,000, there would be required 900,000,000 pounds, whereas 20,000,000 pounds is the most we have ever had in any one year, taking the domestic production and also the greatest importation.

I simply wanted to say that because I thought the Senator had unconsciously made a misstatement when he said that the duty charge of 2 cents a pound would result in an additional cost of $18,000,000.

Mr. SMITH. Mr. President, I shall go into the details some time later, but I did not desire at this time to do so, because I did not want to take up the time of the Senate. I simply wanted to call the attention of the public and of the Senate to the fact that the producers of arsenic, instead of being willing at least to contribute a by-product which has been on the free list and which is essential in order to destroy the predatory pest which is threatening to ruin the food and the textile crop of this country, immediately when arsenic begins to show signs of having a tremendous application, demand and are accorded a duty of 2 cents a pound on this product. It is for the benefit of those who are already making their profits out of the main production, namely, out of the smelting of copper, and who are forced by law to capture this arsenate of lead because of its destructive effect on vegetation surrounding the smelters. Now they ask Congress to place a duty of 2 cents a pound on a by-product which is found to be essential in the protection of the crops of this country. In the name of God, where are we going to stop with this protective craze? The smelters do not start out to get the arsenic; they start out to get the lead and copper, but they find they have a by-product which is essential in producing the food which those engaged in the smelting business must eat and the clothes which they must wear. They are not even willing to contribute the by-

product to the general welfare of the country, but hasten to Congress to get a duty on a by-product in order that they may make still further profits out of the things which they produce.

Mr. SMOOT. Mr. President, all I want to say is this: If the 2 cents did apply to every pound of arsenic that has ever been produced in the United States in one year, and did apply to every pound of arsenic that was imported in the highest year of importation, it would amount to about $400,000, and not $18,000,000. That is all I want to say.

Mr. SMITH. All right, Mr. President. Let us take the Senator's own figures. An additional 2 cents a pound means, on the 25 pounds that he will use during the season, 50 cents additional per acre. That is what it means.

Mr. SMOOT. They do not use it on the acreage that the Senator says; that is all.

Mr. SMITH. Very well; I am taking you at your own word. You have raised it 50 cents an acre. On every farm of 100 acres you have charged that farmer $50; on every million acres you have charged $500,000; on 35,000,000 acres you would charge about $18,000,000. Those are my figures.

Mr. ROBINSON. Mr. President, I hope we may proceed now with the schedule immediately under consideration. The statement submitted by the Senator from South Carolina is of very great importance, and I am in cordial sympathy with him touching the position that he has taken respecting the duty on white arsenic and also touching the subject of cotton bagging. The latter will be reached in the present schedule in the course of this afternoon, I hope.

Realizing the very great importance of the subjects that have been discussed during the last half hour, inasmuch as the Senator from North Carolina has expressed a desire to conclude this schedule this evening before the Senate adjourns, and that we may make that progress, I hope Senators will find it convenient to confine themselves to a discussion of the questions that are presented in this schedule. I am not minimizing in any degree the importance of the discussion of the Senator from South Carolina. I cordially concur in everything that he has so ably said.

Mr. SMITH. Mr. President, I am only going to take just a second. These were such correlated things that I thought perhaps if the Senate could see that each one of these articles affecting the farmer bore a duty they might be persuaded to slow up at the beginning, so that we would have a clear understanding that the accumulated reductions on these articles might spell some little benefit; but if we allow these to pass without calling attention to those on which we have already put impositions and those that are in the future, it might have an effect upon the immediate schedule.

Mr. KING. Mr. President, I inquired of my colleague a few moments ago as to the total production under this schedule and he very courteously had the figures produced. I have hastily gone over those figures, and later I shall verify them and give to the Senate the result of my computations; but I venture the assertion now—and I feel sure that the computations will justify the statement—that the rates in this schedule will impose upon the American people an unnecessary tax of between twenty-five and forty million dollars.

The PRESIDING OFFICER. The question is on the amendment of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The ASSISTANT SECRETARY. On line 18, it is proposed to strike out "twines" and to insert the same word "twines" with a comma immediately thereafter.

The amendment was agreed to.

The ASSISTANT SECRETARY. On line 19 it is proposed to strike out "23" and to insert "40," so as to read:

Provided, That the duty on the foregoing threads, twines, and cords shall be not less than 40 per cent ad valorem.

Mr. ROBINSON. Mr. President, I move to strike out "40" and insert "30" in lieu thereof.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Arkansas to the amendment of the committee.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is on the committee amendment.

The amendment was agreed to.

The ASSISTANT SECRETARY. On line 24 it is proposed to strike out the word "hemp" and the comma, so as to read:

Wholly or in chief value of sunn, or other bast fibers.

The amendment was agreed to.

The ASSISTANT SECRETARY. On page 134, line 1, it is proposed to strike out the word "pound" and to insert the same word "pound" with a semicolon and the following words: "Wholly or in chief value of hemp, 3 cents per pound," so as to make the paragraph read:

PAR. 1005. Cordage, including cables, tarred or untarred, wholly or in chief value of manila, sisal, or other hard fibers, three-fourths of 1 cent per pound; cordage, including cables, tarred or untarred, wholly or in chief value of sunn, or other bast fibers, but not including cordage made of jute, 2 cents per pound; wholly or in chief value of hemp, 3 cents per pound.

Mr. ROBINSON. Mr. President, I presume the committee justifies this amendment on the ground that we have placed a duty of 2 cents a pound on the raw material of hemp. I simply point out the fact that the duty is 3 cents a pound upon a commodity a part of which is hackled, the raw material of which bears a rate of 4 cents a pound, emphasizing most forcefully that the rate of 4 cents a pound on hackled hemp is unreasonable.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The ASSISTANT SECRETARY. In paragraph 1006, gill nettings, nets, webs, and seines——

Mr. SMOOT. In line 6, I move to strike out the word "highest."

The ASSISTANT SECRETARY. It is proposed to strike out the word "highest" in line 6 just before the word "rate."

Mr. SMOOT. That simply means that if there were a few threads of a high count the rate would be that of the very highest count, and I do not think that is necessary.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The ASSISTANT SECRETARY. In line 20 it is proposed to strike out "10" and insert "20," so as to make the paragraph read:

PAR. 1006. Gill nettings, nets, webs, and seines, and other nets for fishing, composed wholly or in chief value of flax, hemp, or ramie, shall pay the same duty per pound as the rate imposed in this act upon any of the thread, twine, or cord of which the mesh is made, and, in addition thereto, 20 per cent ad valorem.

Mr. SMOOT. The committee desires to have that amendment rejected.

Mr. ROBINSON. Mr. President, under the rates that have already been agreed upon respecting the raw material, I do not think this is an excessive rate that the Senate committee now proposes. It reduces the rate that the committee originally reported.

Mr. SMOOT. That is right.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was rejected.

The ASSISTANT SECRETARY. In paragraph 1007, page 134, line 10, it is proposed to strike out "26" and insert "17 cents per pound and 20," so as to make the paragraph read:

PAR. 1007. Hose, suitable for conducting liquids or gases, composed wholly or in chief value of vegetable fiber, 17 cents per pound and 20 per cent ad valorem.

Mr. SMOOT. The committee asks that that 20 per cent be changed to 10 per cent.

The ASSISTANT SECRETARY. It is proposed to modify the committee amendment by striking out "20" and inserting "10."

Mr. ROBINSON. Mr. President, that reduces by one-half the ad valorem rate which accompanies the specific rate. The ad valorem rate originally proposed was 20 per cent, and the committee now proposes to make it 10 per cent.

The PRESIDING OFFICER. The question is on the committee amendment, as modified.

Mr. LODGE. Mr. President, I regret that the committee has thought it necessary to report this reduction. I know that since the committee has agreed upon it there is no probability of its being changed; but I simply wish to have printed in the RECORD a statement from Charles Niedner's Sons Co., who are large manufacturers of this hose.

There being no objection, the letter referred to was ordered to be printed in the RECORD, as follows:

MALDEN, MASS., *April 28, 1922.*

Hon. HENRY CABOT LODGE,
United States Senate, Washington, D. C.

MY DEAR SENATOR LODGE: May we take the liberty of troubling you again about our difficulties with regard to the new tariff bill as reported out of your Finance Committee?

We are referring to the duty on manufactured linen fire hose, paragraph 1007, and on yarns of which they are made, paragraph 1004.

There are only a few manufacturers of linen fire hose in this country, and we speak for them all.

We requested both before the House and Senate committees that the tariff on finished hose be placed at 50 per cent ad valorem. The Senate bill at present prices amounts to practically 50 per cent. This request was made on the assumption that the tariff on yarns would be no more

than the amount asked for by the yarn manufacturers and as reported in the Fordney bill.

The practical application of the tariff as reported out of the Senate committee increases the duty on yarns and also the duty on hose, but the duty on hose is not increased sufficiently to take care of the increase in the duty on yarns, and it is our opinion that paragraph 1007 should be amended so as to more nearly take up the differential between the two proposed rates. Should the tariff on yarns be passed as reported by the Senate Finance Committee the duty on finished hose is not high enough.

This is so because the English manufacturer can sell his hose for $1 a pound. His duty under paragraph 1007 would amount to 37 cents, the freight and insurance would bring his cost f. o. b. America's ports, say, $1.40 per pound, largely on account of the difference between American and English labor.

We are obliged to charge for our hose under the present low tariff on yarns prices ranging from $1.65 to $1.78, and necessarily under the increased yarn duties the price would be higher, and in the face of this condition we are wondering what is going to happen to our industry? Frankly, we do not see how we can exist with the tariff on yarns left where it is in paragraph 1004, unless a provision like this is added to paragraph 1007, which will, we think, take care of the situation under the return of normal conditions:

"*Provided*, That the duty on the foregoing shall not be less than 60 per cent ad valorem."

If this is done the foreign manufacturer will be able to land his hose here on present schedules at around $1.60 a pound, and we will be able to compete with that within our price ranges. The factor of 60 per cent ad valorem will take care of the declining market abroad in raw material and labor.

The paragraph as we suggest in amendment will be as follows:

"PAR. 1007. Hose, suitable for conducting liquids or gases, composed wholly or in chief value of vegetable fiber, 17 cents per pound and 20 per cent ad valorem: *Provided*, That the duty on the foregoing shall not be less than 60 per cent ad valorem."

We are not asking for protection to give us a chance to charge exorbitant prices but merely to have a fair run with foreign competitors, and we do not see how we are going to under these conditions.

Yours truly,

CHAS. NIEDNER'S SONS CO.,
WM. NIEDNER, *Treasurer*.

Mr. LODGE. I ask that the paragraphs I have marked in the letter—they are very short—be read from the desk.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

The Assistant Secretary read as follows:

We requested both before the House and Senate committees that the tariff on finished hose be placed at 50 per cent ad valorem. The Senate bill at present prices amounts to practically 50 per cent. This request was made on the assumption that the tariff on yarns would be no more than the amount asked for by the yarn manufacturers and as reported in the Fordney bill.

The practical application of the tariff as reported out of the Senate committee increases the duty on yarns and also the duty on hose, but the duty on hose is not increased sufficiently to take care of the increase in the duty on yarns, and it is our opinion that paragraph 1007 should be amended so as to more nearly take up the differential between the two proposed rates. Should the tariff on yarns be passed as reported by the Senate Finance Committee the duty on finished hose is not high enough.

This is so because the English manufacturer can sell his hose for $1 a pound. His duty under paragraph 1007 would amount to 37 cents, the freight and insurance would bring his cost f. o. b. America's ports, say, $1.40 per pound, largely on account of the difference between American and English labor.

We are obliged to charge for our hose under the present low tariff on yarns prices ranging from $1.65 to $1.78, and necessarily under the increased yarn duties the price would be higher; and in the face of this condition we are wondering what is going to happen to our industry. Frankly, we do not see how we can exist with the tariff on yarns left where it is in paragraph 1004, unless a provision like this is added to paragraph 1007, which will, we think, take care of the situation under the return to normal conditions.

Mr. LODGE. Mr. President, I simply wanted to call the attention of the Senator from Utah to the point that is made there, that having raised the duties on yarns, the committee have made no corresponding differential for the benefit of this manufacturer of hose.

Mr. SMOOT. I will say to the Senator that we gave the rate on the basis of 20-lea yarn, and that is 17 cents a pound, just as we provide here. We give him the compensatory duty of 17 cents, and then 10 per cent ad valorem on that; and I will say to the Senator that from the importations and the production in the United States under a 4¾ per cent equivalent ad valorem to-day the importations do not amount to one-half of 1 per cent. Under those circumstances the committee felt that they could not justify a rate higher than 10 per cent.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as modified.

The amendment as modified was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The ASSISTANT SECRETARY. On page 134, line 17, it is proposed to strike out the word "pound" and the comma and the words "and in addition thereto, 13," and to insert "pound and 25." It is proposed to modify that by striking out "25" and inserting "15," so that, if amended, the paragraph will read:

PAR. 1008. Fabrics, composed wholly of jute, plain-woven, twilled, and all other, not specially provided for, not bleached, printed, stenciled, painted, dyed, colored, nor rendered noninflammable, 1 cent per pound; bleached, printed, stenciled, painted, dyed, colored, or rendered noninflammable, 1 cent per pound and 15 per cent ad valorem.

Mr. SMOOT. I desire to have that modified to 10 per cent ad valorem.

The ASSISTANT SECRETARY. It is proposed to strike out "25" and in lieu thereof to insert "10."

The PRESIDING OFFICER. The question is on the committee amendment as modified.

Mr. ROBINSON. Mr. President, the ad valorem rate originally reported in the committee amendment was 25 per cent. The committee now proposes to reduce it to 10 per cent. I shall only say that I am in favor of the amendment as now offered.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as modified.

The amendment, as modified, was agreed to.

The ASSISTANT SECRETARY. The committee proposes to insert a new paragraph, as follows:

PAR. 1008a. Woven fabrics, not including articles finished or unfinished, of flax, hemp, or ramie, or of which these substances or any of them is the component material of chief value (except such as are commonly used as paddings or interlinings in clothing), exceeding 30 and not exceeding 100 threads to the square inch, counting the warp and filling, weighing not less than 4½ and not more than 12 ounces per square yard, and exceeding 12 inches but not exceeding 24 inches in width, 60 per cent ad valorem.

Woven fabrics, such as are commonly used for paddings or interlinings in clothing, composed wholly or in chief value of flax, or hemp, or of which these substances or either of them is the component material of chief value, exceeding 30 and not exceeding 110 threads to the square inch, counting the warp and filling, and weighing not less than 4½ and not more than 12 ounces per square yard, 16½ cents per pound—

At this point the committee proposes to modify the amendment by striking out "16½ cents per pound and 25" and inserting "60," so that it will continue—

60 per cent ad valorem; composed wholly or in chief value of jute, exceeding 30 threads to the square inch, counting the warp and filling, and weighing not less than 4½ ounces and not more than 12 ounces per square yard, 9 cents per pound—

At this point the committee proposes to modify the amendment by striking out "9 cents per pound and 25" and inserting "55," so that the remainder will read—

55 per cent ad valorem.

Mr. SMOOT. The committee desires to modify this amendment on page 135, line 3, by inserting "55"; in line 11, in place of "60," to insert "55"; and in line 16, in place of "55," to insert "50."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as thus modified.

Mr. ROBINSON. Mr. President, I am glad that the Senator from Utah has seen fit to reduce the rates which the committee proposes in this connection, but I think that even considering the rates on yarns a further reduction is justified. The very highest grade cotton cloths bear a rate of 45 per cent, and considering the fact that the Senate has agreed to a minimum rate on the yarns which enter into the fabric involved in this amendment of 30 per cent ad valorem, I think the Senate would be justified in fixing the rate at 40 per cent. I therefore move to amend the committee amendment by striking out "55" and making it "45" in line 3, and by striking out "50" at the end of the paragraph and inserting "40."

As all Senators appreciate, this is a very important provision in this bill. Under it will be imported linen cloth, and the manufacture of that commodity is limited to a very small quantity in the United States, so that this is literally a tax on consumption. I do not believe the rate now proposed by the committee is justified, although, as I have stated, it is an improvement over the rate originally reported, and also over the rate proposed by the Senator from Utah in his amendments printed on July 18.

It is noticeable that the action of the committee respecting this matter has undergone three important phases; first, there was the rate reported in the bill, which was, as I understand it, the equivalent of 60 per cent ad valorem in both paragraphs; next, the amendment proposed by the committee on July 18, after the paragraph had been taken up, which contemplated making the rates 55 per cent ad valorem. Now the committee proposes to reduce the rate in the first section of the amendment, line 3, from 60 per cent to 55 per cent, and the last rate, on line 16, from 55 per cent to 50 per cent. My amendment proposes still further reductions, to 45 per cent and 40 per cent, respectively. I do not desire to consume further time in the discussion of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas to the committee amendment.

Mr. SIMMONS. Mr. President, I would like to ask the Senator from Utah one question. This particular paragraph embraces linen fabrics?

Mr. SMOOT. I will say, in brief, that this paragraph covers the competitive articles in the United States. The following paragraphs, I may say, do not cover competitive articles.

Mr. SIMMONS. When the Senator uses the word "competitive," does he mean such articles as are imported into the United States?

Mr. SMOOT. Yes; a great many of them are imported, and a great many of them are made here.

Mr. SIMMONS. By the word "competitive" the Senator has reference to foreign competition?

Mr. SMOOT. Yes; in other words, crashes, hucks, napkins of counts less than 60, and that class of goods.

Mr. SIMMONS. How does the Senator differentiate between the competitive fabrics dealt with and those which the Senator calls noncompetitive fabrics?

Mr. SMOOT. By the rate and the yarn itself. The others would not fall in this paragraph, because they are not made of yarn of the size covered by this paragraph.

Mr. SIMMONS. I understand the Senator, then, as saying that the experts in the department agree with him that this particular paragraph we are dealing with now would embrace those linen fabrics a part of which, consumed in this country, are imported from abroad?

Mr. SMOOT. I can tell the Senator just what the importations were. There is competition in these articles.

Mr. SIMMONS. I want to know if they would include any of those linen fabrics which are not produced in this country at all?

Mr. SMOOT. No; those come in a later paragraph.

Mr. SIMMONS. That is the point I had in mind. This does not include any of the linen fabrics consumed in this country but which are produced abroad?

Mr. SMOOT. For instance, in paragraph 1009, the very next paragraph, it is provided that—

> Woven fabrics, not including articles finished or unfinished, of flax, hemp, ramie, or other vegetable fiber except cotton, or of which these substances or any of them is the component material of chief value, not specially provided for.

Then we propose that there shall be only 40 per cent ad valorem. Those are the articles which come in, and which are not provided for in paragraph 1008.

Mr. SIMMONS. Then, this is intended as a protective tariff?

Mr. SMOOT. It is intended as a protective tariff.

Mr. SIMMONS. And these articles are largely imported; but when you get to the paragraph which deals with articles of linen which are not produced in this country at all, and of which we buy practically our entire supply from abroad, the duty is intended as a revenue duty?

Mr. SMOOT. Forty per cent, intended as a revenue duty.

Mr. POMERENE. What is that paragraph?

Mr. SMOOT. Paragraph 1009.

Mr. ROBINSON. And paragraph 1009a.

Mr. SIMMONS. Mr. President, there has been a great deal of trouble about this linen schedule. There have been a great many protests and a great many complaints about these rates. I do not want to take much time in the consideration of this subject, but I think the quickest way to get rid of it is by asking questions, instead of indulging in argument.

Mr. SMOOT. The protests apply more to paragraph 1009 than to any other, with the exception of the provision in regard to paddings, which fall in paragraph 1008a. It is true that paddings do fall in that paragraph, but there is very little protest, when it is understood that we have fixed a rate of only 40 per cent on fabrics in paragraph 1009.

Mr. SIMMONS. Will the Senator advise me where these fabrics are produced which are covered in paragraph 1008a, about which we are now talking? Where are they produced abroad?

Mr. SMOOT. I think paddings are produced more in England and Scotland.

Mr. SIMMONS. The other articles are produced likewise in England and Scotland, in the main, are they not?

Mr. SMOOT. It is true that Belgium produces quite a large amount of these paddings, too.

Mr. SIMMONS. In view of the fact that the competitive article is produced in England and Scotland and Belgium, largely—I should say more particularly in Scotland, because that is where this industry seems to be strongest—does not the Senator think that the 55 per cent rate is rather high to cover the difference between the cost of production in those countries as compared with the cost of production in this country? Are not the conditions of labor there more nearly comparable with conditions in this country? Are not the conditions of labor there certainly very much more nearly comparable with conditions here than the conditions of labor here with those in Germany, whose low wages the Senator has been saying justify the imposition of the very high rates the committee has imposed upon certain products in this bill?

Mr. SMOOT. We start out here with a duty upon the raw material. For instance, the yarn in the paddings about which we have just been talking is taxed 40 per cent. The Senator from New Hampshire feels that there ought to be a rate of duty of at least 15 per cent above the rate on the yarn upon the finished product, and I want to say to the Senator from New Hampshire that there is reason in that contention. But the committee thought that that being a cheap product, used by the people from one end of the country to the other, a great quantity being used here, they would only give that differential of 10 per cent. The Senator from New Hampshire offered an amendment to limit the maximum rate to 35 per cent, thus giving the 15 per cent on these paddings, but the committee decided that 10 per cent was enough, and that is all there is to this differential.

Mr. SIMMONS. I am not complaining about the differential.

Mr. SMOOT. Of course, if in conference the rates imposed upon the hemp, hemp tow, and hackled hemp are disagreed to, all of these rates will be lowered. The Senator from North Carolina will be one of the conferees, and we can make it just as it is now—built up from the hemp into the finished cloth in a regular, straight line.

Mr. POMERENE. Mr. President, so that I may be able to follow this discussion, I understood the Senator from Utah to say that the rate was 40 per cent, and the Senator from North Carolina said it was 60 per cent.

Mr. SIMMONS. The Senator from Utah was speaking about the yarn.

Mr. POMERENE. The pending amendment provides for a rate of 60 per cent.

Mr. SMOOT. No; the pending amendment is to strike out 60 per cent and insert 55 per cent.

Mr. ROBINSON. That is not quite correct. I have offered an amendment, which is the pending amendment, to reduce the first ad valorem rate, in line 3, from 55 per cent, as proposed by the committee, to 45 per cent, and in the second instance, the latter part of the paragraph, to reduce the rate from 50 per cent, as now proposed by the committee, to 40 per cent. That would still leave a differential of 10 per cent in each instance.

Mr. SIMMONS. Mr. President, I was discussing this from the standpoint of the amendment of the committee. The committee amendment reduces the 60 per cent to 55 per cent. I understand the Senator now to say that that represents the duty on yarns, which is 45 per cent, plus 10 per cent for the compensatory rate.

Mr. SMOOT. That is on all the paddings—50 per cent on all the paddings.

Mr. ROBINSON. Let me make my statement a little clearer. The maximum rate on the yarn is 40 per cent. That will not be the rate in every instance. In all probability, even if my amendment is agreed to, the differential would average something like 15 per cent.

Mr. SMOOT. I have the figures showing the equivalent ad valorems, and I was really surprised to find how near, based on the prices of to-day, the rates imposed would approximate the 40 per cent. Sometimes the rate is 39.7; sometimes it is 40.5.

Mr. ROBINSON. I reached the same conclusion, figuring on the present prices, because I stated during the course of my remarks that it amounted to a straight ad valorem rate of 40 per cent.

Mr. SMOOT. And I agreed with the Senator.

Mr. SIMMONS. Mr. President, I think we understand each other. In this amendment the Senator is imposing a duty upon cloths enough in excess of that upon yarn to compensate, as he claims.

Mr. SMOOT. Fifteen per cent on the first two brackets, which are the finer goods, and 10 per cent on the subsequent brackets.

Mr. SIMMONS. I am not going to discuss with the Senator whether his compensatory rate measures the increase in the cost or not. It has been very difficult for me to work out the exact amount of duty that should be given to the manufacturer by way of compensation upon his raw material. That is a question for the experts. Assuming that no more has been added for that purpose than is necessary, my point is that the duties upon the yarn are excessive, in my judgment. They ought to be reduced. If they are reduced, then we can, after giving compensation to the manufacturer on the finished article,

reduce that article, in my judgment, very much further. The Senator now says that while he does not propose to do that now, the matter can be adjusted in conference.

Mr. SMOOT. Of course, it will be adjusted if the rates upon the raw products are disagreed to in conference; but as long as the Senate has acted upon them and the rates are imposed, these rates must in all fairness, I think, be adopted.

Mr. ROBINSON. To carry the argument a little further, if the Senator wants to reduce the tariff on the yarn and get a way to make probable that result, he should reduce the rate on the manufactured article.

Mr. SMOOT. We want to be consistent, however.

Mr. ROBINSON. I would like to be certain to get this controversy well into conference, so that no question can arise as to the power of the conference to deal with it. I believe that with the adoption of the amendment which I have proposed, the yarn rates will be materially reduced, and that unquestionably ought to be done.

Mr. SIMMONS. Mr. President, we can not at this stage reduce the House rate. We can, however, when the bill gets in the Senate, then offer amendments to reduce the House rates upon yarn, and I want to give notice now that when the bill gets into the Senate I shall seek to reduce the House rates upon yarn. I shall do that for the purpose, first, of getting at these rates upon a fair basis; and, secondly, for the purpose of further reducing the rates proposed upon the finished products. I think both are excessive, but I recognize that the rate upon the finished product is excessive largely because of excessive rates upon the raw material. We have to go to the bottom of the thing before we can properly correct it. We are in such a situation that we can not at this stage, in my judgment, fully correct the vice that is in the arrangement.

Mr. POMERENE. Mr. President, these rates, both upon the raw material and upon the finished product, have been changed from the time of the original presentation of the bill and the pending amendment. I, like other Senators, have had a good many protests against the rates in this schedule. I have here a letter from the manager of one of the leading hotels in Cincinnati. This hotel is obliged to keep in stock about $30,000 worth of table and bed linen. They say that they consume about that amount each year. They are very greatly disturbed about this rate because, they say, it is going to increase enormously the prices that they must pay for these linens. I want to read a paragraph from the letter, and I would like the attention particularly of the senior Senator from Utah. After speaking of the advance in the rate—and I have not been able to compare his statement as to these rates with the pending amendment—the writer of the letter said:

> By way of explanation, napkins such as we use here, 22 inches by 22 inches, which now sell to us at $14 per dozen, would sell for $28 to $35 per dozen. This is only one item. We use here 3,000 dozen napkins a year. We use 500 dozen various sized table tops and cloths, ranging in price from $4 to $10 each. We carry a reserve stock of $30,000 worth of linen, and we have in service an equal amount—

Which, he says, is worn out every year.

Mr. SMOOT. I want to say to the Senator that every item mentioned in the letter will have more than 120 threads to the square inch and will not fall under this paragraph. It will fall in the next paragraph. I have already given notice that that will be reduced to 40 per cent, which is only 5 per cent above the present rate.

Mr. POMERENE. Does the Senator mean paragraph 1009?

Mr. SMOOT. Yes. Not only that, but I will say to the Senator at this time that I expect to offer a new paragraph, following paragraph 1009, to read as follows:

> PAR. 1009a. Plain woven fabrics, not including articles finished or unfinished, of flax, hemp, ramie, or other vegetable fiber, except cotton, weighing less than 4½ ounces to the square yard, 35 per cent ad valorem.

Mr. POMERENE. What does that mean?

Mr. SMOOT. It means that on all linen goods coming into this country, weighing less than 4½ ounces to the square yard, there will be a rate of only 35 per cent ad valorem. It means such articles as handkerchiefs, dress goods, and so forth. But every article mentioned in the letter which the Senator read will carry more than 120 threads to the square inch and, therefore, will fall under paragraph 1009, woven fabrics, and the rate will be only 40 per cent. The existing rate is 35 per cent. What the hotel people have written about is based, I have no doubt, upon a newspaper report stating that all linens would be advanced to 60 per cent ad valorem. They have not noticed, for of course they have had no chance to do so, just what the provision actually provided.

Mr. POMERENE. I know the manager very well. He is a very high-class and very able man and usually knows what he is talking about.

Mr. SMOOT. It is very natural for him to write the letter on statements which have been made in the public press about the rates upon linen. Of course, he would take that for granted. But I say to the Senator now that the very articles which he uses, such as napkins, tablecloths, and things of that kind, will have more than 120 threads to the square inch and, therefore, will not fall under paragraph 1009.

Mr. POMERENE. I am not advised as to the source of his information. I have other letters—I am not going to take the time of the Senate to read them—which speak of the tremendous increase in the prices of these articles under this paragraph. I am glad the Senator is modifying the amendment in the way he has stated.

Mr. SMOOT. The committee reported paragraph 1009 at 50 per cent, which was 15 per cent more than the existing law. That caused a protest, not only from hotel keepers, but everybody else interested.

Mr. POMERENE. All the dry-goods people in Ohio are protesting against it.

Mr. SMOOT. I said it was not only the hotel keepers, but people who use linen sheets and linen goods generally. Instead of having the 50 per cent rate, the committee reduced it to 40 per cent, which, as I said, is only 5 per cent above the existing law. That does not mean protection. That is a revenue measure pure and simple.

Mr. POMERENE. When we speak of encouraging the growth of flax, and hemp, and so on, I thought it was intended as a protection measure.

Mr. LODGE. Mr. President, may I ask the Senator from Utah a question?

Mr. SMOOT. Certainly.

Mr. LODGE. The paragraph about which the Senator has been speaking applies also to table damask?

Mr. SMOOT. Yes.

Mr. LODGE. Table damask and the different linens are not made here at all and never have been.

Mr. SMOOT. That is correct, and that is the reason why the committee now offers the rate on the plain woven fabrics, weighing less than 4½ ounces per square yard. They are not made in this country, to speak of, and it was thought they should take the rate of 35 per cent ad valorem, just the rate provided in the existing law.

Mr. POMERENE. I realize, of course, that we must have revenue. I realize that this is very largely a revenue item. At the same time the writer of the letter to which I have referred presents his protest along this line. The hotel he represents has been trying to reduce its rates for the general traveling public, and there is that feeling generally among hotels. There certainly is such a feeling among the general traveling public. To increase the rates as they were under the bill as originally offered would very much advance the cost of the articles about which we have been talking. It is simply another reason why the rates of entertainment at hotels can not be decreased; at least it would be used as an excuse.

Mr. LODGE. Mr. President, the fabrics covered by the paragraph which we have been discussing and the fine linens referred to on the next page, table damasks and damask napkins, and so forth, are not made in this country and never have been. I do not pretend to know the precise reason why, but, apparently, we can not make these fine linen products here. Therefore this is purely a revenue duty. It is not protection, because there is no industry to protect.

I am very glad that the committee have reduced the rate. I should have been glad to have the rates left at the existing revenue rates, but the increase is very slight. I am not surprised that the gentleman to whom the Senator from Ohio referred has been misled. I should think he would be. He has been misled by the advertisements which fill the newspapers, and which are intended, of course, to prepare the public for very great advances in all prices, which do not correspond always with the rates proposed in the bill. That the gentleman should have been misled, as thousands of others have been misled, is most natural. It is a good illustration of the way in which tariff rates, whether proposed or adopted or modified or whatever may be done with them, are fixed arbitrarily in many of the advertisements and then the confiding public notified of a great advance as a result.

Mr. SIMMONS. Mr. President, I would like to ask the Senator from Massachusetts a question. The Senator said just now that we could not produce any of these linens in this country except certain specified articles which he mentioned.

Mr. LODGE. I said they never have produced them, and apparently could not produce them.

Mr. SIMMONS. That is, towels and things of that sort?

Mr. LODGE. I was referring particularly to the two paragraphs on page 136, table damask, towels, sheets, and pillowcases, which I take to be very fine linen.

Mr. SIMMONS. We do not produce those?

Mr. LODGE. No; nor do we produce any fine damasks, so far as I am aware.

Mr. SIMMONS. But we do produce a small quantity of linen goods in this country. I think they are used chiefly, though, for towels and napkins.

Mr. LODGE. Yes; we produce some linen for towels and crash and some of the coarser linens that have, as I understand, protective rates.

Mr. SMOOT. But we hardly ever produce a linen of over 60 threads to the square inch. We have gone as high as 100 threads, but this duty applies to 120 threads.

Mr. SIMMONS. I want to ask the Senator from Utah if we import the yarns out of which linen napkins and towels are made in this country?

Mr. SMOOT. No, I will say to the Senator, we can not finish them in this country any better than other countries can finish them. In addition to the peculiar process employed there must be certain conditions as to water, climate, and so forth. It is very difficult to finish a very fine piece of linen. The Senator from North Carolina, of course, knows that.

Mr. SIMMONS. I understand perfectly well that we can not compete and we do not attempt to compete with Scotland, England, and Belgium in the production of fine linen, but we do compete with them as to certain other coarse linens, such as towels, and we make a considerable quantity of those.

Mr. LODGE. We make some of the coarser linens.

Mr. SIMMONS. The domestic production amounts to about 2 per cent of our consumption, and we import the remaining 98 per cent.

Mr. LODGE. The Tariff Summary says our production of the fine linens is negligible.

Mr. SMOOT. They fall in paragraph 1013.

Mr. SIMMONS. It is as to the proportion which we produce in this country that I am trying to direct the attention of the Senator from Utah. I desired to find out from the Senator, if I could—he has probably investigated this matter a little more thoroughly than I have for the framer of a bill always investigates the bill, or should investigate it, more thoroughly than do those who are to pass upon it; that is, as to the details and the minutiae—whether the yarns out of which we make this 2 per cent of linen cloths which are consumed in this country are spun in this country or whether they are yarns which we import?

Mr. SMOOT. I think the Senator from North Carolina has reference to paragraph 1013, which provides:

PAR. 1013. Towels and napkins, finished or unfinished, composed wholly or in chief value of flax or hemp, or of which these substances are, or either of them is, the component material of chief value, not exceeding 120 threads to the square inch.

We do not make any of these articles above 120 threads; in fact, we do not make any above 100 threads. We do make the threads out of which are produced towels and napkins, which are provided for in paragraph 1013; but, I repeat, we do not make any threads above 120——

Mr. SIMMONS. But do we make in this country all of the yarns that are needed in the production of the towels which we manufacture?

Mr. SMOOT. The regular manufacturer who goes into the particular line to make a business of it, without depending upon any country in the world, makes his own yarn. If he did not do that and if there were no yarns made in this country, if all the yarns had to be imported, the foreign manufacturers could control this market.

Mr. SIMMONS. But can the Senator tell me what proportion of yarns that are actually used in the manufacture of linens produced in this country are imported and what proportion of them we produce in this country? We do not import any yarns at all except for the purpose of manufacturing low-grade linen goods that are made in this country; the remainder of the linen goods are produced elsewhere; and therefore we do not have to import yarns for them.

Mr. SMOOT. The towels and napkins that are made here are of threads less than 120, and while I could not say just what the proportion is, we manufacture the great bulk of those yarns. However, it is a commercial impossibility to spin thread here over 120, or I might say, indeed, over 100, and very seldom over 60.

Mr. SIMMONS. The yarns which are used in the manufacture of linens here are yarns of less than 120 threads.

Mr. SMOOT. The yarns that are made in this country are yarns of less than 120 threads.

Mr. SIMMONS. The point I am trying to get the Senator's mind directed to is, first, do we in this country spin all the yarns that are needed in the manufacture of the 2 per cent of the linen goods which we produce? Of course, those yarns would be of a grade less than 120. I am asking these questions because I have a letter here in which the complaint is made that the manufacture of linen in this country might be extended so as to include other things besides towels and that class of goods but for the fact that the duty upon the yarns is fixed so high as to be practically prohibitory.

Mr. SMOOT. I do not think that is true on the counts of yarns that would go into that class of goods. The real truth of the matter is that there are very few linen goods made in the United States containing more than 60 picks to the square inch.

Mr. SIMMONS. Why could not the Committee on Finance meet the situation by imposing a very much less rate of duty upon yarns below 120?

Mr. SMOOT. If we did that we should destroy the yarn industry that goes into the very goods that we make in this country, and that, of course, we must not do.

Mr. SIMMONS. Of course, we do not want to destroy it.

Mr. SMOOT. But that would do it.

Mr. SIMMONS. But, for the purpose of extending the industry, we might impose duties which put it upon a competitive basis and enable the industry to expand.

Mr. SMOOT. On these low counts we have placed competitive duties.

Mr. SIMMONS. This letter I have says they are not; it says they are practically prohibitory.

Mr. SMOOT. I will say to the Senator that a great many manufacturers now import those yarns into this country.

Mr. SIMMONS. I have no doubt they have to import some.

Mr. SMOOT. The man who only manufactures napkins or towels and whose plant is not equipped except to weave them and finish them, who has no spinning capacity and no carding capacity or dyeing capacity, of course, would like to get the yarn in here just as cheaply as possible.

Mr. SIMMONS. I had this idea in mind, and it came to me from reading the letter: I realize the fact that we are not in a position, and probably are not going to be in a position, to compete with other countries in the production of very fine linen; but we have demonstrated the fact that we can compete in the production of certain coarse linens. We are now producing only 2 per cent of the linens that we consume in this country, and they are of the coarser grades. There is no reason why this industry should not be expanded and why the domestic manufacture of coarse linens should not be enlarged and increased. There is no reason why it should be confined to the use of the small amount of raw material that is produced here. If we can compete in the manufacture of the coarse goods to a limited extent we could compete to a large extent, and probably might become exporters. The letter which I have suggests, as I understand, that this industry—that is, the manufacture of coarse linen such as we are now manufacturing—could be greatly increased and enlarged, provided the duty upon the coarse yarns below 120 were reduced so as to permit of expansion. Now, the manufacturers are very largely confined in their production to the use of the yarns which we produce in this country, which is a very small quantity, because we produce but a very limited quantity of hemp and flax.

The PRESIDING OFFICER. The question is upon agreeing to the amendment offered by the Senator from Arkansas to the committee amendment as modified.

Mr. GOODING. I send to the desk a resolution and ask that it may be read.

Mr. ROBINSON. What is the request of the Senator?

Mr. GOODING. I ask that a resolution may be read.

Mr. ROBINSON. Mr. President, will not the Senator withhold his resolution for the present?

Mr. GOODING. How long does the Senator ask to have it withheld?

Mr. ROBINSON. I object to the presentation of the resolution at this time.

The PRESIDING OFFICER. Objection is made. The question is on the amendment offered by the Senator from Arkansas to the committee amendment as modified.

The amendment to the amendment as modified was rejected.

The PRESIDING OFFICER. The question now recurs on the committee amendment as modified.

The amendment as modified was agreed to.

The PRESIDING OFFICER. The next amendment will be stated.

The READING CLERK. In paragraph 1009, page 135, line 17, after the word "including" it is proposed to strike out "article," and insert "articles."

The amendment was agreed to.

The next amendment of the Committee on Finance was on the same page and paragraph, in line 21, after the word "four" to strike out "28" and insert "50"; so as to read:

PAR. 1009. Woven fabrics, not including articles finished or unfinished, of flax, hemp, ramie, or other vegetable fiber except cotton, or of which these substances or any of them is the component material of chief value, not specially provided for, 50 per cent ad valorem.

Mr. SMOOT. I desire to modify that amendment by inserting "40" instead of "50."

Mr. ROBINSON. Mr. President, I move to strike out "40," in the committee amendment as now offered, and to insert "35" in lieu thereof. This paragraph has undergone a very material evolution. The committee first reported a rate of 50 per cent; subsequently the committee proposed an amendment reducing the rate to 45 per cent; and now it proposes to reduce the rate to 40 per cent. I am, of course, in favor of the committee amendment if the amendment which I have offered can not be agreed to, but it has been stated repeatedly during the debate, both by the Senator from Utah and the Senator from Massachusetts, that the rate in this paragraph is purely a revenue rate, there being no competition in the articles which are embraced in it. The present rate is 30 per cent, and I believe that the public interest would be conserved by retaining that rate. It was fixed as a revenue rate, and I have, therefore, moved to modify the amendment as now offered by the Senator from Utah by striking out "40" and inserting "35" in lieu of it. I ask for a vote on my amendment to the committee amendment.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Arkansas to the amendment of the committee as modified.

The amendment to the amendment as modified was rejected.

The PRESIDING OFFICER. The question now is upon the committee amendment as modified.

The amendment as modified was agreed to.

Mr. SMOOT. I send to the desk an amendment which I offered to the bill.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 135, after line 21, it is proposed to insert a new paragraph, as follows:

PAR. 1009a. Plain-woven fabrics, not including articles finished or unfinished, of flax, hemp, ramie, or other vegetable fiber, except cotton, weighing less than 4½ ounces per square yard, 35 per cent ad valorem.

Mr. ROBINSON. Mr. President, I propose an amendment to the committee amendment, as follows: Strike out "35 per cent ad valorem" and insert "30 per cent ad valorem."

This paragraph relates to noncompetitive articles, and, as stated by the Senator from Utah and the Senator from Massachusetts, is purely for revenue purposes. To reduce the rate to 30 per cent would be beneficial and wholesome; it would be a very reasonable revenue rate. I do not think that a rate of 35 per cent could very well be justified as a revenue rate.

I therefore ask for a vote on my amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas to the amendment of the committee.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is upon the amendment offered by the committee.

The amendment was agreed to.

The READING CLERK. On page 135, the committee proposes to strike out lines 22 to 25, and on page 136, lines 1 to 3, both inclusive, in the following words:

PAR. 1010. Woven fabrics, composed wholly or in chief value of flax, hemp, or jute, exceeding 30 and not exceeding 100 threads to the square inch, counting the warp and filling, and weighing not less than 4½ and not more than 12 ounces per square yard, such as are commonly used as paddings or interlinings in clothing, 33⅓ per cent ad valorem.

Mr. ROBINSON. Mr. President, that has been inserted in paragraph 1008a, which has already been disposed of by the Senate; and therefore there can be no objection to agreeing to the amendment, except such objection as I have offered to the other amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The READING CLERK. On page 136, line 8, it is proposed to strike out "33⅓" and insert "50," so as to make the paragraph read:

PAR. 1011. Pile fabrics, composed wholly or in chief value of vegetable fiber other than cotton, cut or uncut, whether or not the pile covers the whole surface, and manufactures in any form, made or cut from any of the foregoing, 50 per cent ad valorem.

Mr. SMOOT. Mr. President, I want that modified to 45 per cent, so that all of the pile fabrics shall conform to the pile fabrics in the cotton schedule. We have them there at 45 per cent, and we desire to put them here at the same rate.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee as modified.

The amendment as modified was agreed to.

The READING CLERK. On page 136, line 11, it is proposed to strike out "28" and insert "50," so as to make the paragraph read:

PAR. 1012. Table damask composed wholly or in chief value of vegetable fiber other than cotton, and manufactures composed wholly or in chief value of such damask, 50 per cent ad valorem.

Mr. SMOOT. I ask to make that 40 per cent, Mr. President.

The READING CLERK. The amendment is modified by inserting "40" instead of "50."

Mr. ROBINSON. Mr. President, this amendment has undergone the same process of evolution that other amendments in the paragraphs recently reconsidered have undergone. I propose to modify the committee amendment by striking out "40" and inserting "35."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Arkansas to the amendment of the committee as modified.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is on the committee amendment as modified.

The amendment was agreed to.

The READING CLERK. On page 136 the committee proposes to strike out paragraph 1013, being lines 13 and 14, and to insert in lieu thereof the following:

PAR. 1013. Towels and napkins, finished or unfinished, composed wholly or in chief value of flax, or hemp, or of which these substances are, or either of them is, the component material of chief value, not exceeding 120 threads to the square inch, counting the warp and filling, 55 per cent ad valorem; exceeding 120 threads to the square inch, counting the warp and filling, 40 per cent ad valorem; sheets and pillowcases, composed wholly or in chief value of flax, or hemp, or of which these substances are, or either of them is, the component material of chief value, 40 per cent ad valorem.

Mr. SMOOT. Mr. President, I want to say that the first part of the paragraph covers the competitive articles, and we have already voted upon them at 55 per cent. The other two parts of the paragraph cover the noncompetitive articles, and we have already voted for 40 per cent upon them.

Mr. ROBINSON. Yes, Mr. President, but we will vote on the matter again.

Mr. SMOOT. That is all right.

Mr. ROBINSON. This paragraph relates to articles of common use, absolute necessaries, and I believe that a lower rate is justified in all fairness and good reason. I therefore propose to modify the committee amendment as follows:

In line 19, strike out "55" and insert "45."
In line 21, strike out "40" and insert "30."
In line 24, strike out "40" and insert "30."

The PRESIDING OFFICER. The question is on the amendments offered by the Senator from Arkansas to the amendment of the committee.

The amendments to the amendment were rejected.

The PRESIDING OFFICER. The question now is on the committee amendment as modified.

The amendment, as modified, was agreed to.

The READING CLERK. On page 137, in paragraph 1014, line 2, it is proposed to strike out the word "therefrom" with a comma and to insert the same word "therefrom" with a semicolon.

The amendment was agreed to.

The READING CLERK. On line 4, after the word "tassels," it is proposed to insert a comma and the word "and," so as to read: "tassels, and cords and tassels."

The amendment was agreed to.

The READING CLERK. In line 4, after the word "wholly," it is proposed to insert the words "or in chief value," so as to read:

All the foregoing composed wholly or in chief value of vegetable fiber other than cotton.

The amendment was agreed to.

The READING CLERK. On line 5 it is proposed to strike out the word "wholly."

The amendment was agreed to.

The READING CLERK. In line 6 it is proposed to strike out "and not specially provided for, 28," and to insert "50," so as to read:

PAR. 1014. Fabrics with fast edges not exceeding 12 inches in width, and articles made therefrom; tubings, garters, suspenders, braces, cords, tassels, and cords and tassels; all the foregoing composed wholly or in chief value of vegetable fiber other than cotton, or of vegetable fiber other than cotton and india rubber, 50 per cent ad valorem—

And so forth.

Mr. SMOOT. Mr. President, I want to strike out "50" and insert "35." The rate under the existing law is 30 per cent.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as modified.

Mr. ROBINSON. I move to modify the committee amendment by striking out "35" and inserting "30."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Arkansas to the amendment of the committee.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is on the committee amendment as modified.

The amendment as modified was agreed to.

The READING CLERK. On line 10 it is proposed to strike out "23" and insert "40," so as to read:

Tapes composed wholly or in part of flax, woven with or without metal threads, on reels, spools, or otherwise, and designed expressly for use in the manufacture of measuring tapes, 40 per cent ad valorem.

Mr. SMOOT. I ask to strike out "40" and insert "30."

Mr. ROBINSON. Mr. President, the present rate is 20 per cent, and I suggest to the Senator from Utah that he make that 25 per cent.

Mr. SMOOT. I will say to the Senator that if he will look up the importations here, he will find, I think, that they will justify the 30 per cent in this case, if 35 per cent is placed on the others.

Mr. SIMMONS. You had a difference of 10 per cent in the original amendment. Why not retain that same difference?

Mr. SMOOT. No.

Mr. SIMMONS. Yes; you had 50 and 40.

Mr. SMOOT. That is the way we had it; but really I think that the differential between the two items as first reported was hardly sufficient, and we have cut it to 35 and 30.

Mr. ROBINSON. Mr. President, under a rate of 20 per cent the importations for 1920 were less than $4,000. I respectfully suggest that that fact discloses that there is no great necessity or justification for so large an increase in this rate.

I move to modify the committee amendment by striking out "30" and inserting "25."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas to the amendment of the committee.

The amendment to the amendent was rejected.

The PRESIDING OFFICER. The question now is on the committee amendment as modified.

The amendment as modified was agreed to.

The READING CLERK. On page 137, line 14, the committee proposes to strike out "33⅓" and insert "50," so as to read:

PAR. 1015. Handkerchiefs composed wholly or in chief value of vegetable fiber other than cotton, finished or unfinished, not hemmed, 50 per cent ad valorem—

And so forth.

Mr. SMOOT. I ask that that be made 35 per cent. That is exactly the same rate as in the existing law.

Mr. ROBINSON. That is my understanding.

The PRESIDING OFFICER. The question is on the committee amendment as modified.

The amendment as modified was agreed to.

The READING CLERK. On page 137, line 15, it is proposed to strike out "36" and insert "or unfinished, having drawn threads, 60," so as to read:

Hemmed or hemstitched, or unfinished, having drawn threads, 60 per cent ad valorem.

Mr. SMOOT. I ask to strike out "60" and insert "45."

Mr. ROBINSON. Mr. President, the present rate is 40 per cent. With respect to this paragraph, the committee amendments make very material reductions from the proposals originally submitted by the committee. The first amendment contemplated a rate of 50 per cent and the second 60 per cent. By a vote of the Senate the first amendment has already been reduced to 35 per cent, which is the present rate, and now it is proposed to impose a duty of 45 per cent, or 5 per cent in excess of the present rate, as to the remaining classification.

Mr. SMOOT. I will say to the Senator that that is the 10 per cent additional for hemstitching, and that 10 per cent has been carried through the bill.

Mr. ROBINSON. I move to strike out "45" and insert "40."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas to the amendment of the committee.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is upon the committee amendment as modified.

The amendment, as modified, was agreed to.

The READING CLERK. On page 137, line 20, it is proposed to strike out "33⅓" and to insert "35," so as to read:

PAR. 1016. Clothing, and articles of wearing apparel of every description, composed wholly or in chief value of vegetable fiber other than cotton, and whether manufactured wholly or in part, not specially provided for, 35 per cent ad valorem.

And so forth.

Mr. SMOOT. Mr. President, that is a reduction of 5 per cent from the existing law.

Mr. ROBINSON. Under the conditions that prevail, does not the Senator think that further reductions are necessary and justified? The fact that the committee, from its investigations and studies of the subject, has seen fit to reduce the rate 5 per cent——

Mr. SMOOT. I will say to the Senator that the committee did not feel like reducing it lower than the low rate proposed here. The rate on the cloth alone is this much, and we have not given any protection whatever for the making of those articles over and above the cloth itself. I recognize and the committee recognized that we can make those goods in this country as cheaply as they can be made anywhere in the world, and therefore we gave them not a penny of protection over and above what was granted to the cloth.

Mr. ROBINSON. I appreciate the action of the committee in reducing the rate. I wish that it had seen fit to reduce it still lower. As everyone knows, these are articles of general and common use; but under the circumstances I shall not oppose the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The READING CLERK. On the same page, line 22, it is proposed to strike out "28 cents per dozen and, in addition thereto, 17," and to insert "40 cents per dozen and 20," so as to read:

Shirt collars and cuffs, composed wholly or in part of flax, 40 cents per dozen and 20 per cent ad valorem.

Mr. SMOOT. Mr. President, in that amendment on line 23 I desire to strike out "20" and insert "10," so that it will read:

Forty cents per dozen and 10 per cent ad valorem.

Mr. ROBINSON. Mr. President, that is a material reduction in the rate which the committee at first reported. It cuts in two the ad valorem rate coupled with the specific rate.

Mr. SMOOT. I will say to the Senator that the equivalent ad valorem is 25 per cent, and the existing law is 30 per cent. This is 5 per cent less than the existing law.

Mr. ROBINSON. I think the rate is very reasonable.

Mr. SIMMONS. Mr. President, I just want to say that if the committee in the beginning had been as liberal in its rates and had come as near to the rates of the present law as it has in the last two or three paragraphs that we have considered, we probably would have had less discussion in the consideration of this measure.

Mr. ROBINSON. As a matter of fact, the rates reported by the committee this afternoon as to nearly all the paragraphs that have been considered have been very material and important reductions. There is no question about that, and I am glad to see that the committee has taken that course. The fundamental mistake that has been made by the committee and by the Senate in connection with this schedule is in the imposition of high rates of duty on the raw materials, hemp and jute, and on the yarns which are produced from those raw materials. I express the hope that in its rapid and very manifest reform the committee will see the error of its way and find a process by which the rates on raw materials, which I think now are generally regarded in the Senate as too high—on hemp, particularly—may be reconsidered.

I do not care to take further time of the Senate to discuss that subject. It is an important one, and I believe that careful study of it from the standpoint of those who present this bill will lead to the inevitable conclusion that the rates which the Senate has heretofore voted on the raw materials and the yarns involved in this schedule, at the instance of the Finance Committee, are unnecessary and unjustified even from the standpoint of protection, and that, therefore, they ought to be modified very materially.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as modified.

The amendment as modified was agreed to.

Mr. SMOOT. I ask that paragraphs 1017 and 1017a may go over.

Mr. ROBINSON. In that connection I ask that paragraph 1017 and 1018 may go over until next week.

Mr. SMOOT. In paragraph 1018 we have proposed to change the 25 per cent on floorcloth to 20 per cent. If the Senator wants the paragraph to go over, I am willing.

Mr. ROBINSON. Paragraph 1017a unquestionably should go over, because that will involve quite a prolonged discussion. I ask that it may go over until next week.

Mr. SMOOT. That is satisfactory.

Mr. ROBINSON. As to paragraph 1017a, I ask that it may go over until Monday or some other day next week. As to paragraph 1018——

Mr. LODGE. We might dispose of that.

The PRESIDING OFFICER. Without objection, paragraph 1017 will go over until Monday.

Mr. SMOOT. I want to say to the Senator that the rate of 35 per cent, which is proposed here, is the rate in the existing law.

Mr. SMITH. That is the paragraph which refers to linoleum?

Mr. SMOOT. Yes. On floorcloth, I am going to ask that the committee disagree to the 25 per cent and make it 20 per cent. That is on the foreign valuation instead of the American valuation. Not only that, but I want to call the Senator's attention to the fact that under the existing law the rate is 35 per cent, and linseed oil was almost free, but now it is carrying a duty of 3½ per cent. Not only that, but the rate on the burlap which goes into the linoleum has been increased on account of the increase in the rates on hemp, hemp tow, and hackled hemp. Everything that goes into the linoleum is increased, and yet we give it the same rate as that under the existing law.

Mr. ROBINSON. The rate on plain linoleum is now 30 per cent.

Mr. SMOOT. That is the plain linoleum; but, of course, we include all.

Mr. ROBINSON. The Senator from Utah states that the rate now proposed is the same as that prevailing under the existing law?

Mr. SMOOT. Yes; on all figured linoleum, except only the plain, and the Senator knows there is hardly any plain linoleum used now to speak of.

Mr. ROBINSON. I have no objection to disposing of paragraph 1018 now, unless some other Senator has.

The next amendment was, on page 138, at the beginning of line 13, before the words "per centum," where they occur the first time, to strike out the figures "28" and to insert "35," so as to read:

PAR. 1018. Linoleum, including corticine and cork carpet, 35 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 138, line 13, to strike out "20" and insert "25."

Mr. SMOOT. I ask that that be disagreed to.

Mr. ROBINSON. In that request I concur, of course.

The amendment was rejected.

Mr. SIMMONS. That is practically the same rate as provided in the present law.

The next amendment was, on page 138, line 20, after the word "for," to strike out the figures "28" and to insert "40," so as to make the paragraph read:

PAR. 1019. All woven articles, finished or unfinished, and all manufactures of vegetable fiber other than cotton, or of which such fibers or any of them is the component material of chief value, not specially provided for, 40 per cent ad valorem.

Mr. ROBINSON. That is the same rate as on the cotton?

Mr. SMOOT. It is just the same.

Mr. SIMMONS. Mr. President, I think the present rate is 35 per cent. I understand the Senator from Utah asks for 40 per cent.

Mr. SMOOT. That is correct.

Mr. SIMMONS. Because you have slightly increased some of the other rates above the rates in the present law?

Mr. SMOOT. Yes.

Mr. SIMMONS. The rate under the present law in this catch-all clause is 35 per cent. Now you are raising it to 40 per cent, because you have raised the rate on some of the yarns above the rates in the present law.

Mr. SMOOT. Yes; we could not do otherwise.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as modified.

Mr. SMITH. May I call the attention of the Senator from Arkansas to paragraph 1017a, covering bagging. There is a specific duty provided for there.

Mr. SMOOT. That has been passed over.

Mr. SMITH. I know; but if this other paragraph is voted upon, covering woven articles, it will be affected, because it is a woven article.

Mr. SMOOT. Where it is not specifically provided for.

Mr. ROBINSON. Cotton bagging is specifically provided for.

Mr. SMITH. I did not notice that language.

Mr. ROBINSON. That paragraph has been passed over until Monday.

Mr. SMOOT. This is the catch-all paragraph.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as modified.

The amendment as modified was agreed to.

Mr. SMOOT. On line 24, after the word "yard," I move to insert "carpets and carpeting, mats and matting, and rugs made wholly of cotton, flax, hemp, or jute, or mixtures thereof, 35 per cent ad valorem."

I will say to the Senator that the reason for offering this amendment is this: Most cotton rugs are made of cotton strips, and we do not want to impose a higher duty on those rugs than is paid upon the yarns and upon the cloth itself. The language "floor covering" would take in everything—cotton and hemp and everything else. That rate is too high. Therefore we offer this amendment, that it shall be only 35 per cent where carpets and carpeting, mats and matting, and rugs are made wholly of cotton, flax, hemp, or jute, or mixtures thereof.

Mr. ROBINSON. If that is agreed to, does the Senator expect to let the "not specifically provided for" articles remain with a rate of 60 per cent?

Mr. SMOOT. Then I will ask that the balance of the paragraph may go over.

Mr. ROBINSON. I have no objection to that.

Mr. SMOOT. The balance of the paragraph may go over, and also the next paragraph, covering mats of cocoa fiber or rattan.

Mr. ROBINSON. I have no objection to that paragraph going over.

Mr. SMOOT. I offer the amendment.

Mr. SIMMONS. In the present law there is a segregation. In this amendment you combine mats made of all sorts of material, including cotton. Does the Senator think that is quite scientific? For instance, the present law provides:

Carpets, carpeting, mats, and rugs made of flax, hemp, jute, or other vegetable fiber, except cotton, 30 per cent ad valorem.

* * * Chenille carpets, figured or plain, and all carpets or carpeting of like character or description, 35 per cent ad valorem.

Carpets and carpeting of * * * cotton, or composed in part of either of them—wool or cotton—not specifically provided for in this section, and on mats, matting, and rugs of cotton, 20 per cent ad valorem.

You have three rates there—20 per cent, 35 per cent, and 30 per cent. The Senator combines them all and puts them all at 35 per cent. I am asking my questions for information. Does the Senator think that is quite scientific?

Mr. SMOOT. I think so.

Mr. SIMMONS. Why does the Senator think that rugs made of cotton should be under as high a duty as mats made of hemp, jute, or flax?

Mr. SMOOT. There could be a cotton rug, and more than likely would be, made from long-staple cotton.

Mr. SIMMONS. Does the Senator think those rugs or carpets are made of long-staple cotton?

Mr. SMOOT. They have not been in the past, and I do not know whether they will be in the future.

Mr. ROBINSON. There are practically none imported now under the present rate of 20 per cent.

Mr. SMOOT. I do not think there will be any imported. In fact, I do not think there is any necessity of importing them.

Mr. SIMMONS. Why should you put as high rate on cotton mats and rugs as you do on these rugs, which have to be imported, because we do not make the jute here and do not make the hemp and the flax here?

Mr. SMOOT. If any come in, they can pay the 35 per cent. Any that come in will be some special kind.

Mr. SIMMONS. Then it is not scientific.

Mr. SMOOT. Yes; it is. We might just as well have the 35 per cent if any of these come in.

Mr. ROBINSON. If the Senator will furnish me with a copy of his amendment, which I have been unable to obtain, I think we can effectuate the thought of the Senator from North Carolina by proposing an amendment.

I propose to amend the amendment of the Senator from Utah by inserting after the word "cotton" the words "20 per cent," so as to distinguish between the rate on rugs made of cotton

and those made of other materials embraced in the paragraph—flax, hemp, jute, and mixtures thereof.

Mr. SMOOT. There is just as much reason for putting the duty on jute as for putting it on cotton. They come from Japan, and if a cotton rug of any kind is brought in from Japan, it will be because there is some kind of a figure on it, or something like that. They do not come in in any quantity. The imports do not amount to anything. Why not leave the rate on them all at 35 per cent?

Mr. ROBINSON. To that I reply, why make the rate on all 35 per cent, if there are no importations now?

Mr. SMOOT. If there are no importations, it will not make any difference. If there should be, it would only be where some person was traveling in Japan and saw a cotton rug of some kind which he thought would suit his bathroom better than the one he had, and he would bring it over here.

Mr. ROBINSON. If he would pay the rate of 20 per cent, does not the Senator think he ought to be permitted to bring them in?

Mr. SMOOT. No; I do not think it would hurt him at all to pay the higher rate.

Mr. SIMMONS. Mr. President, here is the situation: We are manufacturing some cotton rugs in this country to-day.

Mr. SMOOT. Lots of rag rugs.

Mr. SIMMONS. The people of the country are getting them at a certain price. If we put on a duty of 30 per cent instead of 20 per cent I am very much afraid that the men who are manufacturing cotton mats and carpets in the country would merely increase their prices to that extent. They would say, "Under the 20 per cent rate we have immunity against Japanese competition. That rate keeps out the Japanese mats, Increase it to 30 per cent and we can increase the price of our cotton mats 10 per cent more and still keep out the Japanese cotton mats and carpets." I am afraid that this would mean a great deal to the American people. The Senator said it would mean nothing because nothing comes in. I am afraid it would mean a great deal. I am afraid that none will come in afterwards, but those produced here will go up to the extent of 33⅓ per cent.

The PRESIDING OFFICER. Does the Senator from Utah ask that the paragraph go over?

Mr. SMOOT. After the amendment is agreed to.

Mr. ROBINSON. We are not sure that it is going to be agreed to.

Mr. SMOOT. I do not know, of course, that it will be agreed to.

Mr. ROBINSON. Mr. President, in addition to the suggestion made by the Senator from North Carolina we ought not to pursue a course that may place a heavy burden upon this class of commodities. They include the cheapest carpeting made, and it ought to be kept available for those who find it necessary to buy carpets at low prices. The only possible effect of increasing the duty will be to enable the home manufacturer to raise the price of his product. I entreat my friend from Utah to tell the Senate why he insists upon doing what he admits to be an unscientific and unnecessary thing.

Mr. SMOOT. If the rate to-day were prohibitive, there is no reason why the 35 per cent rate should be prohibitive. If such novelties come in, let them pay the rate.

Mr. ROBINSON. Mr. President, I shall ask for the yeas and nays on the amendment reducing the committee rate on cotton from 35 to 30 per cent.

Mr. SMOOT. I will ask the Senator to withdraw the request and we will let the amendment go over.

Mr. ROBINSON. Very well.

The PRESIDING OFFICER. The amendment will be passed over as requested.

Mr. McCUMBER. Mr. President, I ask unanimous consent that when the Senate closes its session on this calendar day it recess until to-morrow at 11 o'clock a. m.

The PRESIDING OFFICER. Without objection, it is so ordered.

MERGER OF STEEL COMPANIES (S. DOC. NO. 236).

The PRESIDING OFFICER (Mr. STERLING in the chair) laid before the Senate a communication from the Attorney General of the United States, transmitting in response to Senate Resolution 286, agreed to May 12, 1922, information relative to the proposed merger of certain steel companies, which was ordered to lie on the table and to be printed.

THE COAL SITUATION.

Mr. KING. Mr. President, I introduce a joint resolution relating to the present coal strike, which I ask to have printed in the RECORD and lie upon the table until to-morrow.

The joint resolution (S. J. Res. 230) authorizing the President to appoint a commission to investigate the existing controversy between the coal miners and operators, and for other purposes, was read twice by its title and ordered to be printed in the RECORD, as follows:

Resolved, etc., That the President, by and with the advice and consent of the Senate, is hereby authorized to appoint a commission consisting of five persons, who, upon their appointment and qualification, shall proceed to investigate the existing controversy between miners and mine operators in the coal-mining industry as to proper wages to be paid for the work of mining coal and any other cognate questions which are involved in said controversy.

The commission shall summon to appear before it accredited representatives of both the coal miners and the mine operators, and shall receive their statements as to the matters and points in controversy, and shall then proceed to examine the merits of the contentions made by the respective parties, and shall investigate and determine any questions of fact which are material or necessary to a determination of said controversy; and said commission shall thereupon make findings as to the material and controlling facts in controversy, and upon said findings shall make recommendations as to the wages it considers proper and equitable to be paid for the work of mining coal in the different fields or regions of coal production in the United States, and for the settlement of any other cognate question in controversy, and shall report such findings and recommendations to the President who, if he approve the same, shall issue his proclamation accordingly and make official publication of such findings and recommendations.

Said commission shall have power to administer oaths, to subpœna witnesses, and send for records, documents, and papers, to submit interrogatories to any person or corporation, and require such interrogatories to be answered in writing and under oath, to employ professional and clerical assistance, and to purchase such supplies as are necessary for the conduct of such investigation.

There is hereby appropriated out of any moneys in the Treasury not otherwise appropriated the sum of $100,000, or so much thereof as may be necessary, to defray the expenses of said commission.

The PRESIDING OFFICER. The joint resolution will lie on the table.

RATES OF DUTY ON RAW WOOL.

Mr. GOODING. I ask unanimous consent to submit a resolution and ask that it be read. I am not asking for the consideration of the resolution at this time, of course. I merely ask that it be read.

The resolution (S. Res. 322) was read, as follows:

Whereas it has been charged that the proposed rates of duty on raw wool will necessarily result in a great enhancement in the prices paid by the consumers, and that the 33-cent duty on raw wool will increase the retail price of a suit of clothes about $4 and of an overcoat about $7: Therefore be it

Resolved, That a committee composed of five Senators appointed by the President of the Senate, three from the majority and two from the minority, is hereby authorized and directed to investigate the probable effects of the proposed rates of duty upon wool and the manufactures of wool in Schedule 11 of the pending tariff bill (H. R. 7456), and to hold public hearings, as soon as possible and at such times and places as it deems advisable, in order to determine the accuracy of such charges, and report to the Senate their findings. Such committee is authorized to send for persons and papers, to administer oaths, and to employ stenographers to report such hearings, at a cost not exceeding $1.25 per printed page, the expense of such investigation to be paid from the contingent fund of the Senate.

The PRESIDING OFFICER. The resolution will be referred to the Committee to Audit and Control the Contingent Fund of the Senate.

DESECRATION OF PAINTINGS IN CAPITOL.

Mr. KING. Mr. President, some time ago I communicated with the Senator from Kansas [Mr. CURTIS] with regard to what I considered to be a desecration of some of the paintings in the Capitol. Some resolutions have been adopted by the Massachusetts State Society of Master House Painters and Decorators relating to what they denominate vandalism in the Capitol. I ask that the resolutions be printed in the RECORD, together with an article by William E. Brigham, which is descriptive of the beautiful paintings in the corridors below and which condemns the vandalism which has characterized the treatment of some of the beautiful panels in the lower corridors of the Capitol.

There being no objection, the matter, resolutions, and the article were ordered to be printed in the RECORD, as follows:

SOCIETY OF MASTER HOUSE PAINTERS AND DECORATORS OF MASSACHUSETTS,
OFFICE OF SECRETARY,
Boston, Mass.

Resolutions adopted May 23, 1922, by the Massachusetts State Society Executive Board in regular meeting assembled:

"Whereas it having come to our knowledge, through the public press, that the decorations of the Senate corridor of the National Capitol are being seriously damaged by the cutting of doors and windows through the panels, and that this action unchecked will lead to their ultimate destruction; and

"Whereas these and other decorations of the Capitol constitute the largest and finest example in the United States of the decorative art of the period in which they were executed, and are important to the art education and historical interest of the public and most especially to the student and worker in the art of mural and ornamental decoration.

"*Resolved*, That the Society of Master House Painters and Decorators of Massachusetts hereby expresses the desire that the future policy be established at the Capitol that no further damage be allowed, but that the decorations shall always be preserved with care for the public benefit and for the study of future craftsmen in decoration; be it further

"*Resolved*, That a copy of these resolutions be sent to the Congressmen and Senators of our State and to the Commissioners of the District of Columbia and to our members of other State societies, and that it be brought to the attention of the trade magazines."

[From the Boston Transcript, April 22, 1922.]

DESECRATING THE CAPITOL—SENATORS SPOILING BRUMIDI DECORATIONS—MUCH DAMAGE DONE THAT IS UNAVOIDABLE, BUT SOME ALSO THAT SHOULD BE PREVENTED—WATER LEAKS THROUGH AND IGNORANT CLEANERS SCRUB WITH SOAP AND SAND, BUT IT REMAINS FOR MEMBERS OF CONGRESS TO CUT OUT WHOLE PANELS TO MAKE DOORS FOR THEIR CONVENIENCE—A STORY OF THE ROMANTIC BRACELET OF CARLOTA TO WHICH A THEATRICAL PRESS AGENT IS WELCOME.

(By William E. Brigham, regular correspondence of the Transcript.)

WASHINGTON, April 28.—Does the Capitol of the United States, with all its beauties, belong to the people or to the Members of Congress who happen temporarily to occupy it? May it be desecrated at will by the politicians whom it houses or should they be taught to respect it as a temple of the arts? These questions are prompted by an instance of authorized vandalism which, while unfortunately not without precedent, nevertheless represents one of the most flagrant abuses of brief authority that has recently been forced upon public attention. One of the glories of the Capitol, which distinguishes it from every other public building in the country, is the decorative scheme of the corridors on the ground floor of the Senate wing. This was executed under the superintendence of Constantine Brumidi, the great Italian artist, some of whose best work is seen in the Vatican at Rome and whose paintings in the Capitol represent the first frescoes done in America. Every inch of the walls and ceilings of the Senate corridors on the ground floor is occupied with exquisite paintings, including almost every form of expression from the quiet landscape to myriad forms of animal, fruit, flower, and medallion. Brumidi was assisted by a corps of artists, each especially selected for his task. Brumidi painted all the figures, heads, and groups; another did scroll work only; still another devoted himself to animals; another to birds, and so on. Some bits in oil, notably all the birds and insects, are attributed to Leslie, an American painter. Nothing was done, however, without the approval of Brumidi, and all the designs, in drawing as well as color, were of his making. The whole presents a series of pictures which are in themselves an education and are studied by artists, for inspiration, from all over the world.

DESECRATING BRUMIDI.

These exquisite works naturally have suffered from one cause or another in the course of time. Water has leaked through and damaged them in some places, they have been scrubbed with soap and sand by ignorant cleaners, and they bear the marks of many a senatorial match. For several years Charles Ayer Whipple, the artist of New York and Boston, has been engaged in a painstaking effort to restore the beauties of the paintings and to bring out again the wondrous lines and colorings of the originals, and he is succeeding admirably, although the process is extremely slow. But this beneficent work might well be abandoned if the Senate is to show no more respect for the art treasures of Brumidi than has distinguished it in the recent past. In the particular spot most recently desecrated the first offender was a Democratic Senator from Maryland, who occupied as an office the two rooms on the north of the main corridor running to the elevator on the west side, used chiefly by Senators and the press. He desired a little more convenience, so a door was cut through from one of the rooms, completely obliterating a Brumidi panel and seriously marring the wall effect.

SENATOR CUTS THROUGH BRUMIDI PANEL.

It would seem as if such a violation of the building would have brought protests that would warn statesmen of the future against further destruction. Not so. * * * Appeal was made to the Committee on Rules, and to the amazement of all the habitués of that end of the Capitol workmen this week cut a hole through the 30-inch brick wall opening from one of the Senator's rooms into the side of the corridor which terminates at the north window. This act of vandalism, of course, destroyed another panel. The Brumidi scheme contemplates, wherever possible, that every important panel shall be balanced by its counterpart on the other side of the corridor. In the present case the surviving panel contains a fine head of Charles Carroll of Carrollton; the centerpiece of the panel which the door will replace was an exquisite fruit group, but the designs of the two panels, except for the center, were identical.

ALSO CUTS OFF LIGHT AND HEAT.

To the naked eye it would appear useless to cut a door into a corridor from a room which already had an exit around the corner. The door, however, serves only half the purpose of the Senator, which is to provide himself with an additional office, and this he intends to do by running a partition some 10 feet high across the end of the corridor, thus almost completely shutting out the light from the north window. The only serious criticism ever directed against the Brumidi scheme of decoration upon this floor has been that the light has been insufficient to display to advantage the beautiful creations of the artists.

The southern of the two corridors receives no light at all from outside, nor does the more northerly one, also running east and west, receive any, except indirect light. The little corridor which the Senator is converting into a private office is the best lighted of all. Moreover, this little end corridor presents a unified scheme of decoration of the ceiling, which the partition will rudely interrupt. Twelve months of the year, six on each side, are depicted with the 12 signs of the zodiac; a little above these on either side is a charming landscape, while the scheme is carried to the apex with a design in colors which are peculiarly rich. This ceiling, unfortunately, because of leakage from above, is badly in need of retouching, but in time it would have been done over by the artist now employed on the work and would present a scheme of beauty not duplicated elsewhere. Incidentally, the Senator's partition comes south of the register, and will cut off the heat from that section of the corridors.

PAINTINGS SHOULD BE PROTECTED.

The two acts of vandalism here alluded to represent only a fraction of the desecration to which the Capitol has been subjected. In the same corridors and elsewhere doors have been cut through, without the slightest regard to the art works that might suffer or the architectural scheme of the walls. It has been found difficult, if not impossible, to protect the Brumidi paintings against the natural ravages of time and wear, but it should not be impossible to protect them against the careless indifference to their beauty of United States Senators.

EXECUTIVE SESSION.

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 6 o'clock and 10 minutes p. m.) the Senate, under the order previously entered, took a recess until to-morrow, Saturday, July 22, 1922, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate July 21 (legislative day of April 20), 1922.

COLLECTOR OF CUSTOMS.

Samuel H. Thompson, of Wilkinsburg, Pa., to be collector of customs for customs collection district No. 12, with headquarters at Pittsburgh, Pa., in place of George H. Rowley, whose term of office expired May 26, 1922.

RECEIVER OF PUBLIC MONEYS.

Charles Henry Lutz, of New Mexico, to be receiver of public moneys at Roswell, N. Mex., vice William G. Cowan, resigned.

PROMOTION IN THE REGULAR ARMY.

CHAPLAIN.

Chaplain Robb White, jr., to be chaplain with the rank of captain from July 15, 1922.

PROMOTIONS IN THE NAVY.

Lieut. Commander Matthias E. Manly to be a commander in the Navy from the 31st day of December, 1921.

Lieut. Harry H. Forgus to be a lieutenant commander in the Navy from the 1st day of January, 1921.

Lieut. Jay K. Esler to be a lieutenant commander in the Navy from the 1st day of February, 1922.

Lieut. Glenn B. Strickland to be a lieutenant commander in the Navy from the 28th day of March, 1922.

Lieut. Donald C. Godwin to be a lieutenant commander in the Navy from the 3d day of June, 1922.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of July, 1920:

Julius C. Delpino.
Edward Sparrow.
John N. Walton.

Ensign Edward Sparrow to be a lieutenant (junior grade) in the Navy from the 30th day of March, 1920.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 1st day of July, 1920:

Matthias B. Gardner.
Richard B. Tuggle.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 7th day of June, 1922:

Van Fitch Rathbun.
Charles B. McVay, 3d.
Herbert C. Rust.
Richard H. Cruzen.
Rene F. A. Bucholz.

Passed Asst. Surg. John Buckley to be a surgeon in the Navy with the rank of lieutenant commander from the 3d day of June, 1921.

The following-named assistant dental surgeons to be passed assistant dental surgeons in the Navy with the rank of lieutenant from the 1st day of July, 1920:

Eric G. Hoylman.
Joseph A. Kelly.

The following-named passed assistant paymasters to be paymasters in the Navy with the rank of lieutenant commander from the 21st day of October, 1921:

Ernest H. Barber.
Herman G. Bowerfind.
Richard S. Robertson.
Oscar W. Leidel.
John J. Gaffney.

Boatswain Edwin W. Hill to be a chief boatswain in the Navy, to rank with but after ensign, from the 19th day of February, 1918.

Boatswain William A. James to be a chief boatswain in the Navy, to rank with but after ensign, from the 11th day of January, 1919.

The following-named boatswains to be chief boatswains in the Navy, to rank with but after ensign from the 16th day of January, 1920:

John A. Pierce.
William R. McFarlane.
James Roberts.

Boatswain Eugene J. Frieh to be a chief boatswain in the Navy, to rank with but after ensign from the 6th day of February, 1921.

The following-named boatswains to be chief boatswains in the Navy, to rank with but after ensign from the 16th day of December, 1921:

Junius G. Sanders.
Charles A. Dannenmann.
Andrew N. Anderson.

The following-named boatswains to be chief boatswains in the Navy, to rank with but after ensign from the 27th day of March, 1922:

Thomas M. Buck.
William Martin.

Gunner Charles A. Kohls to be a chief gunner in the Navy, to rank with but after ensign from the 3d day of December, 1921.

The following-named gunners to be chief gunners in the Navy, to rank with but after ensign from the 16th day of December, 1921:

Daniel McCallum.
Robert Semple.

Gunner Jesse J. Alexander to be a chief gunner in the Navy, to rank with but after ensign from the 7th day of March, 1922.

Machinist Cyrus S. Hansel to be a chief machinist in the Navy, to rank with but after ensign from the 17th day of January, 1918.

Machinist Ernest J. Leonard to be a chief machinist in the Navy, to rank with but after ensign from the 28th day of December, 1920.

The following-named machinists to be chief machinists in the Navy, to rank with but after ensign from the 30th day of November, 1921:

Alfred E. Raue.
Albert H. Mellien.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 21 (legislative day of April 20), 1922.

COLLECTOR OF CUSTOMS.

John A. Royse to be collector of customs, district No. 40, Indianapolis, Ind.

REGISTERS OF THE LAND OFFICE.

Robert E. Patterson to be register of land office, Duluth, Minn.
Claude C. Turner to be register of land office, Dickinson, N. Dak.

POSTMASTERS.

CONNECTICUT.

Carleton W. Tyler, Southbury.

NEW JERSEY.

John A. Campbell, Highwood.

NEW YORK.

John C. Banschbach, Hicksville.

NORTH CAROLINA.

Robert L. Strowd, Chapel Hill.
Oscar R. Simpson, Duke.
Clarence C. Rowe, Spray.

PENNSYLVANIA.

Benard Peters, Brackenridge.
William E. Reed, Duquesne.
Edward R. Dissinger, Mount Gretna.
Frederick C. Patten, Narberth.
William S. Tomlinson, Newtown.

TEXAS.

Wallace C. Wilson, McKinney.
Sallie P. Lunday, Naples.
Robert E. Johnson, Pecos.
Lotta E. Turney, Smithville.
Mary Lovely, Weslaco.

SENATE.

SATURDAY, *July 22, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McCUMBER. Mr. President, I think before we open up the discussion of the woolen schedule we had better have a quorum. I therefore suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Harreld	McLean	Smoot
Borah	Heflin	McNary	Spencer
Brandegee	Jones, N. Mex.	Moses	Stanfield
Broussard	Jones, Wash.	Nelson	Trammell
Cameron	Kellogg	New	Underwood
Capper	Kendrick	Nicholson	Wadsworth
Cummins	Keyes	Norbeck	Walsh, Mass.
Curtis	Ladd	Overman	Walsh, Mont.
Dial	Lenroot	Phipps	Warren
Fernald	Lodge	Rawson	Watson, Ind.
Frelinghuysen	McCumber	Sheppard	Willis
Gooding	McKinley	Smith	

The VICE PRESIDENT. Forty-seven Senators have answered to their names. A quorum is not present.

Mr. McCUMBER. I move that the Sergeant at Arms be directed to procure the attendance of absent Senators.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms will execute the order of the Senate.

Mr. POMERENE, Mr. STERLING, and Mr. SWANSON entered the Chamber and answered to their names.

The VICE PRESIDENT. Fifty Senators have answered to their names. A quorum is present.

Mr. McCUMBER. I ask unanimous consent that when the Senate closes its session on this calendar day it take a recess until Monday next at 11 o'clock a. m.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. McCUMBER. I now ask that the Senate proceed to the consideration of the wool schedule, and I desire the attention of Senators for just a few minutes.

Mr. SMITH. I had intended to ask that I might be permitted to read a short editorial which appears in one of the newspapers of South Carolina pertaining to the cotton industry, which is so closely allied to the wool industry, but if I can obtain the floor after the Senator from North Dakota shall have concluded his introductory remarks on the wool schedule I shall then read the editorial in question.

Mr. McCUMBER. Mr. President, in the act of 1909 we imposed a duty of 11 cents per pound on imported wool in the grease. The purpose of that law was to give to the producer of wool in the United States a protection of 11 cents per pound. It was assumed in giving that protection that there would be a loss of about 66⅔ per cent between the wool in the grease and the scoured content, including other losses. Therefore we gave to the manufacturer of woolen products a differential equivalent to 33 cents per pound upon the scoured content, or three times the amount accorded to the producer of wool in the grease.

The actual working out of that law was this: The importers did not import wool that lost 66⅔ per cent in scouring, but, on the contrary, as they imported the article the wool off the belly, the legs, the neck, and so forth, of the sheep had been skirted away, so that the allowance for scouring loss was entirely disproportionate. So, while we gave the manufacturer a compensatory duty equivalent to 33 cents per pound of the scoured wool, he actually in the importing had to pay only about 18 cents, and had the advantage of the difference between 18 cents and 33 cents. The farmer and the producer of wool, instead of getting an advantage or a protection of 11 cents, according to the Tariff Commission report, secured an advantage, I think, of 7.6 cents per pound.

In remodeling the tariff law, in the pending bill we have taken extra precaution to guarantee that the producer of wool shall have the equivalent of 33 cents upon the scoured content. Therefore we have provided for a duty equivalent to 33 cents upon the scoured content as it enters the ports. However, instead of using the exact term of 33 cents it was thought best by a majority of the committee to make a large number of brackets, which would allow for a difference of opinion between the importer and the appraiser. Therefore we divided the schedule into brackets which would practically be in each instance the equivalent of 33 cents. As one of the committee, I am impressed, however, that it would have been better to have simply declared for a 33 cents per pound duty upon the scoured content; but the majority of the committee decided otherwise. I think there is very little difference in the matter, at any rate, and it is only a question of administration.

Mr. President, we have allowed in the compensatory duty to the manufacturer the full equivalent of 33 cents per pound upon the scoured content, and have also made allowance for losses, so that the manufacturer will secure the same differential protection that he secured in the law of 1909; but he will not be allowed to take advantage of a difference which he obtained in importing goods with a very low loss. Therefore the farmer will secure the benefit of the full rate.

Mr. President, there is one exception to this rule, and that is in the skirted wools that are used for carpet purposes. Under the old law we ascertained that, while the carpet wools

were upon the free list, some of those carpet wools were actually used in the manufacture of clothing. Therefore in order to guard against the use in clothing of the wool on which no duty is paid we provide that the carpet wool, which is a low grade of wool scarcely fit for the manufacture of clothing, may be imported in bond, and upon a showing that none of it has gone into the manufacture of clothing the duty may be rebated or refunded.

Notwithstanding the fact, Mr. President, that the spread of the wages between the foreign producer and the American producer has very materially widened compared with the spread in 1909 and 1910, we have given a duty for protection as distinguished from a duty for compensation which will average on the ad valorem basis considerably less than the law of 1909.

Mr. President, the details of this schedule will be discussed as we consider each item. I simply desire to make this general statement in order that the Senate may have an understanding of about what the committee has purposed to do in formulating the wool schedule.

Mr. JONES of New Mexico obtained the floor.

Mr. LENROOT. Mr. President, will the Senator from New Mexico yield to me? I should like to ask the Senator from North Dakota a question.

Mr. JONES of New Mexico. I was just going to ask the Senator from North Dakota a question.

The PRESIDING OFFICER (Mr. SPENCER in the chair). Does the Senator from North Dakota yield the floor?

Mr. McCUMBER. I have yielded the floor, but I will respond to a question if I can answer it.

Mr. JONES of New Mexico. I merely wish to ask a question. I observe, Mr. President, the difference between the so-called compensatory rates under this bill and the compensatory rates under the act of 1909. Under the act of 1909 on the finer grades of cloth there was allowed for wastage—presumptively that was the purpose of the allowance at that time—11 cents a pound; in other words, the compensatory duty on the finer grades of cloth was 44 cents a pound. That was intended to cover the 33 cents a pound on the clean content and allow another 11 cents a pound for the loss in wastage in the manufacture. I observe that under the proposal which now comes to us the allowance for wastage is increased to 16 cents per pound on the higher grades and on the lower grades in like proportion. I wonder whether the Senator from North Dakota or the Senator from Utah desires to make an explanation of that at this time.

Mr. SMOOT. I am perfectly willing to explain it at this time or at any other time. If the Senator desires, I will make the explanation now.

Mr. McCUMBER. I think the Senator from Utah has more of an expert knowledge and can better explain the intricate details of the schedule than can I, and I will ask him to reply to the Senator.

Mr. SMOOT. Mr. President, it is true that in the Payne-Aldrich law the rate upon wool in the grease was 11 cents; upon washed wool 22 cents; upon scoured wool 33 cents, and the compensatory duty on the cloth was 44 cents. In other words, upon the cloth the duty was four times the amount imposed upon the wool in the grease. The manufacturer did not pay a duty of 11 cents on wool in the grease——

Mr. JONES of New Mexico. Mr. President——

Mr. SMOOT. If the Senator will allow me, I should like to complete the explanation and then I will be glad to answer any question, because I think it is better to take the question up and carry it through consecutively, from wool in the grease to the cloth.

The real duty, Mr. President, upon wool in the grease that the manufacturer was compelled to pay because of the lighter shrinkage of wools that were imported from Australia and other foreign countries on account of the skirting and other processes referred to by the Senator from North Dakota—and I shall not go into them—and the protection the woolgrower received instead of being 11 cents a pound was on the average about 6 cents, and in some cases only 5 cents a pound, and on fine clothing 7.8 cents a pound instead of 11 cents. Therefore the manufacturer could well afford to have a compensatory duty of only 44 cents a pound because of the fact that four times 7.8 cents is only 31 cents, and he received 44 cents. No matter what the shrinkage may be, the duty on scoured wool is 33 cents a pound in the pending bill.

Mr. President, this bill makes provision to cover the actual loss in the scoured wool in each process beginning with the tops and ending with the cloth, and so that you need not take my word as a manufacturer of woolens I will read what the Tariff Commission says.

The Tariff Commission, on page 3528——

Mr. JONES of New Mexico. Mr. President, I think the question I asked can be answered without going into that. I realize that what the Senator from Utah says is absolutely correct, but nevertheless it is a fact that the Payne-Aldrich law, the act of 1909, was framed upon the scientific theory that the amount of the duty on the cleaned content was 33 cents a pound, and the manufacturers at that time thought that an addition of one-third was quite sufficient to make up the wastage in manufacture.

Mr. SMOOT. Why, certainly they did, because 3 times 7 is 21, and instead of 33 they had 21, or a difference there of 12 cents, and the 12 cents added to the 11 cents made 23 cents.

Mr. JONES of New Mexico. Does not the Senator know that the producers of this country were told at that time that the tariff upon raw wool amounted to 33 cents a pound on the cleaned content, and that the compensatory duty allowed to the manufacturer was only 11 cents a pound upon the finest class of woolen goods to compensate for the loss in manufacture, or 44 cents a pound; and was it not stated to the country at that time that this was a protection to the woolgrowers of the country of 11 cents a pound on the wool in the grease, and was it not figured out on the basis of 33 cents a pound on the cleaned content?

Mr. SMOOT. I have said it so many times in all parts of the country that I do not think it is necessary for me to repeat it now; and I want to say to the Senator now that the 11 cents a pound differential between the scoured content of wool and the manufacture of fine clothing is not sufficient. Take 100 pounds of fine cloth made from scoured wool and it will require 150 pounds of cleaned wool to make it.

Mr. JONES of New Mexico. In the preparation of the Payne-Aldrich bill, was it not conceded by the manufacturer and was not that bill framed upon the theory that 11 cents a pound, or 33 per cent additional, was sufficient to measure the wastage in the manufacture?

Mr. SMOOT. Yes; taking it as a whole and step by step from the grease wool, that was what was claimed.

Mr. JONES of New Mexico. It is proposed now, where we have an actual duty of 33 cents a pound upon the scoured content, to increase that differential to 16 cents a pound?

Mr. SMOOT. That is true in some cases, and it is absolutely necessary.

Mr. JONES of New Mexico. The Senator now says that it is absolutely necessary. It is upon that point that I want to hear from the Senator at length, because at the time the Payne-Aldrich bill was framed it was considered that a differential for wastage of one-third was ample; and the distinguished Senator from Idaho [Mr. GOODING], in a speech during this session of Congress, I believe, contended most earnestly that 11 cents a pound was too much. Now the Finance Committee brings in here a bill increasing that differential from 11 cents to 16 cents, when the Payne-Aldrich bill was prepared upon the theory and accepted by the manufacturers of this country upon the theory that that increase of one-third was sufficient. The distinguished Senator from Idaho, who at one time was president of the Woolgrowers' Association of this country, made a year's study of this question, and came on the floor of the Senate and deliberately told us that that theoretical difference of 33 cents upon the scoured content under the Payne-Aldrich bill was too much, and the Finance Committee now increases that by a very material percentage—from 11 cents a pound to 16 cents a pound.

Mr. SMOOT. The Senator did not let me finish my statement, or I would have called attention to the fact that the 49 cents is only on goods where the thread is all of fine wool, entering into fine kinds of cloth.

The Senator will find rates where a compensatory duty of that amount is not given. It all depends upon the value of the goods and the size of the thread whether or not the compensatory duty of 16 cents is given; and I want to say to the Senator now that is exactly what the Tariff Commission says is necessary, and it is necessary. I know it as a manufacturer.

Mr. JONES of New Mexico. Mr. President, the other rates upon different kinds of cloth, however, provide for a compensatory duty relative to this increase, do they not?

Mr. SMOOT. Relative as to the size of the thread or the cost of the yarn, certainly; but in some cases there is only a duty of 40 cents, and that is 7 cents difference, while in the Payne-Aldrich bill they all had a duty of 44 cents or a difference of 11 cents. It did not make any difference whether the fabric was half cotton, it did not make any difference whether they were virtually all cotton with but one thread of wool. If there was one thread of wool in it, the duty was 44 cents. This bill does not have any such provision. This bill provides that the duty shall apply wherever the yarn is in chief value of wool. That is one thing that made the Payne-Aldrich bill so open to

criticism and caused the criticism in the United States against it. In other words, a dozen blankets were brought into the United States under the Payne-Aldrich rates. Those blankets were all cotton with the exception of the wool border; and because those cotton blankets had a wool border they carried the full rate of 44 cents a pound, bringing the duty on the blankets up to 485 per cent.

Mr. POMERENE. Mr. President, will the Senator advise us what was the phraseology of the bill at that time, if he has it before him, which would authorize that?

Mr. SMOOT. "Any part of which was wool"; not "of chief value." All they had to do was to put one thread of wool in it, and there was wool in it, and it carried that rate. There is no such provision in this bill. It is cut out; and now I want to say to the Senator that this is what our Tariff Commission said:

> Applying this, the correct arithmetical method of finding the proper ratios for the compensatory duties, the rates should be: For tops, 1.111 times the duty on scoured wool; for yarns, 1.207 times the duty on scoured wool; for fabrics, 1.500 times the duty on scoured wool.

Mr. GOODING. Mr. President——

Mr. POMERENE. Mr. President——

Mr. SMOOT. Just a moment, and then I will yield. Taking 33 cents in the case of all-wool fabrics, one-half of 33 cents is 16½ cents; 33 and 16½ is 49½ cents, and the committee in all cases have made it 49 cents. I will say now that there is no woolen manufacturer in all the world who can take less than 150 pounds of wool and start it through the picker and bring it out into fine cloth without that loss, and if it is a fine wool thread made into the goods——

Mr. POMERENE. Mr. President, the Senator was reading from page 3528?

Mr. SMOOT. Page 3528.

Mr. POMERENE. I understood the Senator to say that that was the finding of the Tariff Commission. It seems to be the testimony of Mr. John P. Wood.

Mr. SMOOT. Mr. President, it is the testimony of John P. Wood, but he is only quoting the Tariff Commission's figures.

Mr. POMERENE. I wanted to be advised. The Senator wants to be right about it.

Mr. SMOOT. Yes; I do, certainly; but John P. Wood quotes the Tariff Commission's figures.

Mr. POMERENE. This statement is made under the heading:

> Statement of John P. Wood, Boston, Mass., representing the National Association of Wool Manufacturers.

Mr. SMOOT. Certainly.

Mr. POMERENE. What I have read is from page 3525.

Mr. SMOOT. That is right; and I will show the Senator the report just as soon as the experts find it. The Senator can figure the rates out himself, or it will take me a few moments to do it.

Mr. POMERENE. I do not ask the Senator to disturb the thread of his thought.

Mr. SMOOT. The report of the Tariff Commission on Schedule K, page 626, figures them out on the rate of 25 cents on the scoured content that was provided for in the House bill, and the Senator will find that the percentages are approximately the same.

Mr. JONES of New Mexico. Mr. President, the Senator has criticized in very severe terms the provisions of the Payne-Aldrich bill. I will ask him if he did not vote for that bill?

Mr. SMOOT. I did; and I will say to the Senator that I named the cause that brought forth the criticism; but if the Senator will investigate he will find out that there were never any blankets brought into the country except the 12 pairs that were brought here as samples. I said upon the floor of the Senate that such a thing never happened with regular commercial goods, and it never has happened; but it gave everybody in this country a chance to point to one importation of 12 blankets, with the rate of 485 per cent, and nobody could deny it. It was true.

Mr. JONES of New Mexico. The Senator understood what the effect of that bill was at the time he voted for it, did he not?

Mr. SMOOT. Why, certainly; and I called the Senate's attention to the very fact of the 12 blankets that I speak of when the story went from one end of this country to the other and rang in this Chamber from the other side that the poor man's blankets carried a duty of 485 per cent. I had the blanket in this very Chamber. I showed the blanket to the Senate, and there was not a thread of wool in it, with the exception of what was in the selvage.

Mr. JONES of New Mexico. The manufacturers of the country generally favored that bill, did they not, and really helped to frame it?

Mr. SMOOT. Certainly they favored it. Why should they not favor it when they not only got the protective duty that was given there but they got more than the necessary compensatory duty on the wool?

Mr. JONES of New Mexico. The Senator was quite willing, as one of those manufacturers and as a member of the Senate, to put such a provision into the bill that would permit that sort of thing to be done.

Mr. SMOOT. That provision went into the bill with the understanding that the clothing wools of the country shrink 66⅔ per cent. I ask the Senator, who knows, as he comes from a woolgrowing State, what percentage the clothing wools of New Mexico shrink?

Mr. JONES of New Mexico. They vary, of course.

Mr. SMOOT. What is the average shrinkage in the fine clothing wools raised in New Mexico?

Mr. JONES of New Mexico. They will shrink somewhere from 60 to 65 per cent.

Mr. SMOOT. They will shrink on an average more than that.

Mr. BURSUM rose.

Mr. JONES of New Mexico. I dare say my colleague can give that information.

Mr. SMOOT. The fine clothing wools will shrink 70 per cent and the average will be 2 or 3 per cent less.

Mr. JONES of New Mexico. I think there are some wools in New Mexico which shrink 70 per cent.

Mr. SMOOT. There are some wools in New Mexico that will shrink 78 per cent. I have bought wools many and many a time, carloads of them, which would shrink 80 per cent.

Mr. BURSUM. I think I can enlighten the Senator about the shrinkage of wools in New Mexico. It depends on the location; but wools shrink from 58 to 74 per cent.

Mr. SMOOT. There is no doubt of it.

Mr. BURSUM. If the sheep have been ranged on sandy soil, the wools will have a heavy shrinkage, but in the case of fine wools, the general average is around 67 per cent.

Mr. SMOOT. Absolutely; and that is the case in Utah.

Mr. POMERENE. Will the Senator from New Mexico give the maximum and minimum of shrinkage in wool?

Mr. BURSUM. The minimum shrinkage is around 58 per cent, but as a rule that shrinkage does not apply to a very fine wool. Fine wools hardly ever shrink less than 64 per cent, and they will go as high as 72 per cent; but 67 per cent is a fair average for fine wools.

Mr. SMOOT. The wools in Montana do not shrink as much as the wools in Utah of the same identical grade, because of the fact that the sheep have a rather superior grazing ground.

Mr. JONES of New Mexico. I understand that.

Mr. SMOOT. But the fact of the matter is that in 1909 the average shrinkage of the clothing wools in the United States was 66⅔ per cent, and a shrinkage of 66⅔ per cent in wool at 11 cents a pound means 33 cents on the scoured content.

Mr. BURSUM. I want to suggest, though, that it is unfair and unscientific to fix a duty based upon wools in the grease and on an average shrinkage. The dirt and the grease which acompany the wool should not be taken into consideration. It is the clean content that should be considered, the amount of the wool. It is ridiculous to talk about fixing a duty based upon a mixture of wool and dirt and grease, and to average the duty on that basis. It should be on the clean wool.

Mr. SMOOT. This is what the Tariff Commission says about the shrinkage of wool in New Mexico:

> In normal seasons their clip runs largely to French combing or longer. It also is more uniform in grade and character than in most other areas in the State. In the western part of this section the shrinkage usually ranges from 62 to 66 per cent; eastword it generally runs from 66 to 72 per cent; while in most other areas the same per cent (sometimes a higher) shrinkage is the rule. The State average has been about 67 per cent during the past six years.

Mr. JONES of New Mexico. I understand that. So the Payne-Aldrich bill was framed upon the theory that the wool would shrink 66⅔ per cent?

Mr. SMOOT. Yes; and if we used all American wools, then 33 cents would have been the proper rate, and the manufacturer would not have secured anything whatever in the scouring. But what did they do? They imported Australian wools, skirted, with all the tags, and all the necks, and all of the belly wool taken off, simply the body of the wool, and then in the handling of it as much of the dirt was shaken out of it as possible, and they got those wools in shrinking 40 per cent instead of 66⅔ per cent.

Mr. BURSUM. Sometimes as low as 30 per cent.

Mr. SMOOT. I am speaking of the average.

Mr. JONES of New Mexico. The skirting of wool for importation was permitted by the Payne-Aldrich law, was it not?

Mr. SMOOT. It is not permitted by this bill.

Mr. JONES of New Mexico. I understand that the duty in this bill is on the clean content, and the question of skirting has nothing to do with it; but under the emergency tariff law, which we passed, we did eliminate the right to skirt those wools before bringing them in here.

Mr. SMOOT. Yes; that is correct.

Mr. JONES of New Mexico. The point I want to emphasize is that in that law there was a provision for this skirting, which did bring down the shrinkage of the foreign wools; that that was one of the jokers in the bill; and that it was indorsed at that time by the manufacturers of this country.

They contended for a compensatory duty of 33⅓ per cent, 11 cents upon the manufactured article, when they knew that the shrinkage of the wool would not bring the duty up to 33 cents a pound on the scoured content. They knew that. They fixed those prices. They gave it out to the country that that was all the compensatory duty they were getting, but it now appears that they knew that they were deceiving the people of the country, and they are the persons who come here now and undertake to tell the Senate what compensatory rates they need.

I submit that we should have other and further proof. They gave it out to the country then that that was all they required; that there was a duty of 33 cents a pound upon the scoured content, and that all they needed was 11 cents a pound additional to provide for the wastage, and now, upon no other proof than of those men who deliberately deceived the people of the country and the woolgrowers of the country, we are asked to increase the compensatory duty much beyond the rate which they asked for when the Payne-Aldrich bill was being framed. They also deceived the Members of Congress. I can not conceive that the Senator from Utah at the time he voted for that bill comprehended the enormities which it contained and the deception which it contained.

Mr. SMOOT. Mr. President, the Senator says that we have no more information than that furnished by these manufacturers as to whether there is any other amount than 11 cents compensatory over and above 33 cents per pound on the scoured content. The Tariff Commission spent $250,000 checking up every item, from one end of the country to the other, and all over the world. They have gone into all the factories of America, and not only America, but in foreign lands, and they say that it requires 1½ pounds of scoured fine wool to make a pound of wool cloth. The committee paid no attention to what the manufacturers said. We took the findings of the Tariff Commission, and it cost us $250,000 to get that information.

Mr. JONES of New Mexico. What allowance is made for the waste? That waste, I suppose, did not go up into thin air. What became of that?

Mr. SMOOT. Of course, the Senator knows very well that in the clipping of wools there are little short clippings off the sheep, called the second clippings, and most of that goes into the wool when sacked. Just as soon as it reaches the wool washer half of it goes out, and when it reaches the cards the other half flies all over the card room. It is good for nothing. But I say that where the ends break in weaving, or where we tie up a thread, there is a little piece of thread lost.

Not only there, but at every step in the manufacture, from the time the wool is first handled to the finished cloth, there are losses. In the scouring of it there are losses; in the picker there are losses; in the carding there are losses; in the spinning of it there are losses; in the beaming of it there are losses; in the weaving of it there are losses; in the finishing of it there are losses. Not only that, but there are losses on account of every imperfection in the wool. The Tariff Commission says those losses amount to one-half a pound upon every pound and a half of wool that is used.

I say now, Mr. President, if I were going to lay out the wool to make the suit of clothes I am wearing, and I wanted a hundred pounds of this finished cloth, I could not start with less than 150 pounds of wool at the picker. If I got less than 100 pounds after starting with 150 pounds at the picker, I would want to know where the extra waste was.

Mr. POMERENE. Has not the Senator made a mistake in his mathematics? He said one-half a pound for every pound. Does he not mean one-third a pound loss in every pound?

Mr. SMOOT. I was speaking the other way, from the 1 pound. It is one-half on and one-third off.

Mr. POMERENE. I thought the Senator's language was susceptible of misconstruction.

Mr. SMOOT. I thank the Senator. One-half on is one-third off. I want the Senate to understand that under the bill as it was reported to the Senate no one is going to get any advantage. The woolman gets the protection given him, and no one can take it away from him. The manufacturer does not get one penny of protection beyond what the bill gives, and he can not take it out of the wool grower, as has been done in the past.

The whole question is, How much protection shall we give the woolgrower? The committee decided that it should be 33 cents a pound on the clean content of the wool, and I want to say that if that is agreed to by the Senate I can defend every rate named in this bill by way of protection, and every compensatory rate that is provided for in every paragraph of this schedule. It is not guesswork, but actual facts, actual results, and what every millman will have to meet.

Mr. WADSWORTH. Will the Senator submit to one or two questions which I would like to ask for information?

Mr. SMOOT. Certainly.

Mr. WADSWORTH. Will the Senator state, for example, in what grades of wool, roughly speaking, most of the American product falls?

Mr. SMOOT. Most of the American wool used in clothing shrinks 60 per cent or above.

Mr. WADSWORTH. I am not asking that the grade be described by percentage, but that the grade be described in terms of the wool buyer.

Mr. SMOOT. In terms of the wool buyer, it would be "medium" and "fine medium."

Mr. WADSWORTH. What grade is considered the top grade?

Mr. SMOOT. The fine wool.

Mr. GOODING. And we have fine medium.

Mr SMOOT. That is a little coarser than the fine wool. Fine wool comes from the French merino, the full blood. Then from that there is the fine medium and the medium; then there is the coarse in the different grades of wool. The finer the grade of wool the greater the shrinkage, because all fine wools carry more grease than coarse wools, and the more grease in the wool the more dirt it gathers in the grazing.

Mr. BURSUM. The grazing has everything to do with the character of the grease.

Mr. SMOOT. Not the character by the quantity.

Mr. BURSUM. If they graze on sandy soil, the wool will shrink more than where they graze on soil where there is no sand.

Mr. WADSWORTH. Will the Senator be good enough to identify, for my own information, the descriptive terms "half blood," "three-eighths," and "quarter blood"?

Mr. SMOOT. Half blood is a cross between very coarse and fine sheep.

Mr. WADSWORTH. I know that as a breeder myself, but to what grade of wool recited by the Senator does that conform?

Mr. SMOOT. Coarse wool can only be used in the making of certain thread—not the finest of threads, of course. The finer the wool the finer we can spin the thread. I would say our wools in America are made into threads running perhaps from 20s up to 70s.

Mr. WADSWORTH. What I was asking the Senator is this: I happen to know what a half blood is and a three-quarter blood and a quarter blood; but expressed in the terms of the wool buyer, what sort of wool and what grade of wool does the half blood sheep produce? The Senator has used the expression "mediums," for example.

Mr. SMOOT. A good medium would be a half blood. From the half blood we could make threads between 50s and 60s. I do not think we would want to use any finer wool than that to make a coarser thread than 50s, when we can make as coarse thread as we want to from the medium wools. It would not pay to do it. But the half-blood wool is generally bought when a manufacturer wants to make a thread between 50s and 60s.

Mr. WADSWORTH. What is the half-blood wool?

Mr. SMOOT. A medium would be half blood. The half blood and the medium are about the same.

Mr. WADSWORTH. Then the three-eighths blood is still lower?

Mr. SMOOT. A little coarser, where you would have, for instance, a fine buck with a half-breed ewe.

Mr. WADSWORTH. The quarter blood is coarser still?

Mr. SMOOT. Yes.

Mr. WADSWORTH. The information I have is based upon terms used in the breeding of sheep and not in terms of grading the wool. I wanted to get the two lined up in my own mind.

Mr. LENROOT. Mr. President, may I ask the Senator from Utah a question?

Mr. SMOOT. Certainly.

Mr. LENROOT. Is our production, then, generally three-eighths and better?

Mr. SMOOT. Yes; three-eighths and better.

Mr. GOODING. I think I can give the Senator the correct amount of the different grades which this country produces. These figures are from the Department of Agriculture. It gives the production of fine wool in this country, which, of course, is the merino. The foundation is taken from two breeds of sheep—the merino and the English blood, and as the English blood is infused, then come the terms half blood, three-eighths blood, quarter blood, and so on down to low quarter. In fine wool we are producing 29.3 per cent of our production, half blood 21.8 per cent, three-eighths blood 21.5 per cent, and in quarter blood 18.9 per cent.

Mr. SMOOT. That is, quarter blood and lower.

Mr. GOODING. Then comes low, 1.7 per cent, and we get down to what they call braid wool, the lowest of all, which is .68 per cent. That is the percentage of wool produced in this country.

Mr. SMOOT. To further answer the Senator from New York, so that when we reach the yarns in the cloth schedule he will know, if he desires to refer to what wools are used in this paragraph, I want to put in the RECORD now just what they mean to the manufacturer. In other words, if a manufacturer were making, we will say, 44s and below, he would then look out for quarter-blood wool. From the three-eighths he makes 50s to 56s. From the half blood he makes from 58s up to 60s. If that is what he wants, if he wants to make 58s to 60s, he wants half-blood wool, and he does not want to buy any other wool because that is the best grade of wool to make those sizes of yarns. Then comes the fine wool. If he has a yarn to make over 64s and finer than that, he knows that he has to get fine wool in order to make it.

Mr. OVERMAN. Mr. President, am I to understand that the quality of wool is governed by the blood of the animal?

Mr. SMOOT. Oh, yes, indeed.

Mr. OVERMAN. The different grades are according to the blood?

Mr. SMOOT. Yes, certainly. In other words the merino is the finest wool sheep known in the world. Then when you come to the Cotswold wool, that is among the coarsest. All the other wools are between the low wool and the fine wool, and that comes by crossing the different breeds.

Mr. WADSWORTH. Mr. President, will the Senator permit a further question concerning the shrinkage percentages in the different grades of wool?

Mr. SMOOT. Oh, they are very great. The coarser the wool the lower the shrinkage, because of the fact that in the coarse wool there is not the amount of grease. The wool has not so much grease in it and will not hold the dirt. The fleece of coarse wool can be shaken and most of the dirt will come out of it, but you can not do that with the fine wool. It is matted close together with the grease.

Mr. BURSUM. Most of the grade sheep, whether it be coarse wool or fine wool, will yield relatively nearly the same number of pounds of scoured wool. For instance, some sheep will shear 6 pounds.

Mr. SMOOT. And some 4 pounds.

Mr. BURSUM. Or it may be 3 pounds of scoured wool. Others may yield 8 pounds and others may not yield over 2½ pounds of scoured wool.

Mr. WADSWORTH. I realize the conditions which give rise to the variation in shrinkage. I wanted to have the matter of record in the debate. Then is it not a fact that a specific duty imposed on the cleaned content results in a very much higher ad valorem duty upon the lower grades of wool?

Mr. SMOOT. The equivalent ad valorem duty. There is no doubt about it.

Mr. BURSUM. That is true; but it costs just as much money to raise a pound of scoured wool of the coarse wool as it does a pound of the fine wool——

Mr. SMOOT. That is, the cleaned content.

Mr. BURSUM. Yes; that is what I am speaking of. If the cost of production is to be the basis, if the grower of this country is to be permitted to live and make ends meet and be permitted to enjoy a reasonable degree of prosperity, so he can get along, he must have a duty which will be equivalent to the cost of production as compared with the imported cost of wool from other countries.

Mr. WADSWORTH. When the Senator makes that observation, I can not help recollecting that the Senator from Idaho [Mr. GOODING] stated that the production of coarse wools in this country is much less than of the better wools.

Mr. BURSUM. That is true.

Mr. SMOOT. The half blood is not a coarse wool.

Mr. WADSWORTH. What I want to figure out is this——

Mr. SMOOT. The most popular wool is the half-blood wool which goes into most of the clothing.

Mr. WADSWORTH. I want to get my own recollection straightened out, because I used to know something about it, but never all about it. For example, I find the 33-cent specific duty imposed upon the cleaned content of any kind of wool——

Mr. BURSUM. Not the carpet wool.

Mr. WADSWORTH. Well, I know that. I mean any kind of wool except carpet wool. It will result upon the low-grade wool in an equivalent ad valorem of 137 per cent, and on the next higher grade an equivalent ad valorem of 77 per cent. That is, on the quarter blood. Those are tremendous rates.

Mr. BURSUM. It is not a question of rates.

Mr. WADSWORTH. The man who wants to use that wool in manufactured form at some time or other puts a good deal of importance upon a 137 per cent ad valorem duty.

Mr. SMOOT. I do not think there is any such rate on the prices of to-day. I do not know what prices the Senator has used. I have here, if the Senator desires, a table showing the duty on 100 pounds of wool, on the basis of a 33-cent duty per scoured pound, beginning with 90-pound shrinkage and at 33 cents, showing just what it will cost for the 100 pounds. There is very little wool known in the world that shrinks as much as 90 pounds to the 100. Therefore, beginning with 90 pounds, it runs all the way from $3.30 on 100 pounds of 90-pound wool down to where the dirt is only 10 per cent, where the price runs up to $29.70. That latter figure is hardly known in any wools in the world. It would have to be washed wool and skirted. I have a table showing the whole thing from the extremes.

But when we come down to the facts in the case, when we get down to about 56 per cent, or between 50 per cent and 60 per cent, there we find the bulk of all the wools in the world outside of carpet wool, and carpet wool, of course, is understood, even in this bill, to come in free, through a drawback provision.

Mr. LENROOT. Mr. President, I would like to ask the Senator a question. As to the wools which we do not produce, why should those wools take a 100 per cent rate?

Mr. SMOOT. I will say to the Senator that little would come in of the kind of wool of which he speaks, and there would not be even that much under prices existing to-day. Those are abnormal prices which he has quoted. They go into the braids and goods that are carrying a duty here, and are not generally used for clothing.

Mr. POMERENE. Mr. President, we are not able to hear the whispering on the other side of the aisle.

Mr. SMOOT. I do not think I am whispering.

Mr. POMERENE. The Senator from Utah has his back turned this way, and, while we believe he is talking, we are not able to hear anything more than a rumbling noise, owing to the confusion in the Chamber.

Mr. SMOOT. I will say to the Senator from Wisconsin that the wool of which the Senator speaks, the average importations for the four years, taking the four years preceding, was less than 4.5 per cent of the total wools consumed in the United States.

Mr. LENROOT. Of the world?

Mr. SMOOT. Of the United States.

Mr. LENROOT. Oh, yes; I know that.

Mr. SMOOT. I mean used in the United States. I do not mean raised in the United States; I mean used in the United States. Of that 4.5 per cent there is a little over 80 per cent imported.

Mr. LENROOT. Then the Senator would say that upon the lower coarse wools the duty is not necessary for the protection of the American industry.

Mr. SMOOT. I will say to the Senator that it cost just as much per scoured pound to raise that wool in this country.

Mr. LENROOT. But we are not raising it here.

Mr. SMOOT. Oh yes; of this wool we raise about 1 per cent of the amount of wool consumed in the United States.

Mr. GOODING. I might say that is essential in building up a flock of sheep. It is the English blood that makes the low-grade wools to-day, although at one time the English wools were higher in price than the merino wools on a grease basis. I grew them all years ago. While my coarser wools sold readily my merino wools were a drug on the market. To-day the condition is the reverse. That has been brought about by the fact that during the war there was no demand for those coarser wools—what are called the low-quarter wools. The Government did not use any of that kind of wool in making up blankets and uniforms. The result was that there was a surplus on the world's market of these wools, and they are to-day cheaper than they have been for many years. That is the reason the price appears low at the present time. However, that variety of wool was essential in making up a dual-purpose sheep for the farm and for the range. So far as the wool indus-

try is concerned, the question is, Do we want that industry to exist in America? That is the only question involved.

Mr. BURSUM. Mr. President——

Mr. SMOOT. Just a moment. I want to say to the Senator from Wisconsin that whenever cheviots are the fashion in men's clothing—and they do become the fashion, perhaps, in cycles of seven or eight years—then coarse wools are in demand. It is then almost impossible to get them. I know, Mr. President, that a very small quantity of those coarse wools was produced in Utah, and about the only wools that I have ever bought outside of the State of Utah in order to run the mill have been coarse wools. Whenever there has been a cheviot season, or a demand for overcoats with coarse wool thread made from coarse wools, the manufacturers of woolen goods have got to scour the country for that class of wools.

During the World War, as the Senator from Idaho [Mr. GOODING] has suggested, much of this character of wool was used by the Government; and yet the Government had to commandeer or purchase nearly all of the wool in the United States. The Government used all of the fine wool, but when the war ceased the Government had coarse wools on hand, great quantities of them. What was the Government to do? There was not a demand for it. Therefore the Government had to accept the loss upon that wool. On those prices, of course, brought about by that condition, the rate of duty of 33 cents per pound on scoured wool seems very, very high, indeed.

Mr. GOODING. I understand the Government sold that wool as low as 12 cents, and even 7 cents, a pound. If the fashion should change to-morrow in favor of Scotch tweed or cheviot goods, of which the Senator from Utah has spoken, it would be the highest wool in America, and it is essential to the life of the industry if we are going to let it live.

Mr. BURSUM. Mr. President, I desire to call the attention of the Senate to certain facts. In nearly every flock of sheep, no matter how it may be graded up, there will be a small percentage of coarse wool produced from the flock. The duty which has been reported by the Committee on Finance on wool is based upon the average price of wool. If there were to be any separate classification covering the small percentage of braid or coarser wools, that would increase the cost of production here and would require a higher duty on the higher-grade wools. It seems to me that the percentage is so small that the country as a whole will obtain a greater benefit by the average flat rate of 33 cents than it would should we undertake to classify these wools and grant a much higher duty upon the finer grades of wool.

Mr. GOODING. At this point I wish to say, as to these low wools, as they are called, practically all of them are raised on the farm and are on the farm. Ohio, West Virginia, and Michigan have a large percentage of the merino wools, although the greater proportion of Ohio wools are to-day half blood and lower. West Virginia has the highest percentage of merino wool; then comes Ohio; and then Michigan, if I remember correctly; but Indiana and practically all the remainder of the States produce to a large extent the lower-grade wools which we are now discussing and which are so cheap. Some of that class of wool is produced in the West, but not a great quantity.

Mr. LENROOT. That can not be; that is impossible, if the Senator's other statement is true as to the percentage of the total production.

Mr. GOODING. I say the larger percentage of that class of wool is on the farms. I am talking about half bloods in connection with the matter and three-eighths bloods.

Mr. LENROOT. That is all right.

Mr. SMOOT. Mr. President, I wish again to emphasize the fact that the equivalent ad valorems mentioned by the Senator were upon abnormal prices. On page 20 of a late publication of the United States Tariff Commission, entitled "Recent tendencies in the wool trade with special reference to their tariff aspects, 1920–1922," it is stated:

> Since the figures in Table 12, as compared with Table 11, indicate a marked curtailment in ad valorem equivalent on foreign valuation for the same duties, it is of interest to compare the ad valorem equivalents of these duties on a pre-war foreign valuation. As formerly stated by the commission, the pre-war valuation is a fair basis to use, since the abnormally low prices for crossbred wools are steadily being corrected.

I can not say any more than I have said. I have explained how the condition was brought about. It could not have been otherwise. The wool was thrown upon the market by our own Government, though I do not blame the Government. When Government officials spoke to me about the matter, I said, "I do not know when there will be a demand for these wools; I can not tell. The demand may be in one year, in two years, or it may be longer. No one can tell."

Mr. BURSUM. But, Mr. President, may I call the Senator's attention to the fact that at that time wool was bringing less than 25 per cent of its actual cost to the grower?

Mr. SMOOT. Some of the wool was sold by our Government for as low as 12 cents, and I have understood as low as 7 cents in some cases. It was included in the purchase of a whole clip, and of course every Senator knows that few sheepmen have all of just one grade. We have in the West a mixed grade; we have no clip of wool but what has to be sorted.

Mr. BURSUM. Mr. President, on that very point the growers had borrowed as much as 40 cents a pound on the wool, that amount being advanced by the wool dealers.

Mr. SMOOT. Yes; and if it had not been for the emergency tariff act there would not have been a woolgrower of any importance in the United States who would not have been ruined financially.

Mr. WADSWORTH. Mr. President, will the Senator yield now?

Mr. SMOOT. Yes; I yield.

Mr. WADSWORTH. The Senator referred to me—I think he must have been referring to me—as having quoted abnormal figures.

Mr. SMOOT. I know the Senator quoted the values that were given at the time.

Mr. WADSWORTH. There is where the Senator made a mistake. The values that I quoted were of June 15, 1922. I have them here.

Mr. SMOOT. They are the abnormal figures of which I speak.

Mr. WADSWORTH. Let us see if they are abnormal.

Mr. SMOOT. Very well.

Mr. WADSWORTH. As to fine foreign wool in the grease the valuation is 45½ cents in the grease and 95 cents scoured.

Mr. BURSUM. Ninety-five cents scoured?

Mr. WADSWORTH. Yes.

Mr. BURSUM. How does the Senator figure out 150 per cent on that?

Mr. WADSWORTH. I did not figure it on that; I figured on the low. The other figures are: one-half blood, in the grease, 42¾ cents; scoured, 75 cents; three-eighths blood, in the grease, 36½ cents; scoured, 59 cents; one-quarter blood, in the grease, 29 cents; scoured, 43 cents; low, in the grease, 17¼ cents; scoured, 24 cents. I gave what I estimated would be the equivalent ad valorem on the scoured low.

Mr. SMOOT. I have not denied that. All I did say was that those prices on coarse wools are abnormally low to-day. I have here the London prices.

Mr. GOODING. The prices the Senator from New York is quoting are London prices.

Mr. SMOOT. I have the London prices for July, 1914, and of May 19 of this year.

Mr. WADSWORTH. Does the Senator deny that these wools were imported at the prices I have given?

Mr. SMOOT. No; I am not denying that.

Mr. WADSWORTH. Then the ad valorem duty should be figured on those prices, should it not?

Mr. SMOOT. Taking into consideration the shrinkage.

Mr. WADSWORTH. I will give the Senator the average of the shrinkage. The figures are as follows: Fine, 52 per cent shrunk, 48 per cent yield; half blood, 43 per cent shrunk and 57 per cent yield; three-eighths blood, 38 per cent shrunk, 62 per cent yield; one-fourth blood, 33 per cent shrunk and 67 per cent yield.

Mr. SMOOT. For quarter blood?

Mr. WADSWORTH. Yes; and low 28 per cent shrunk and 72 per cent yield.

Mr. SMOOT. That is, of course, Australian wool.

Mr. WADSWORTH. Certainly, these are wools that are coming in and I am trying to estimate what the equivalent ad valorem duty would be on those wools under the prices given for June 15, 1922.

Mr. SMOOT. If we are going to allow those wools to come in here skirted and all the dirt that is possible taken out of them, the Senator is right. Here is the last quotation from London.

Mr. GOODING. I have here some prices for July.

Mr. SMOOT. I have the last ones the commission has furnished.

Mr. LENROOT. From what is the Senator from Utah about to read?

Mr. SMOOT. From the compilation entitled "Recent tendencies in the wool trade," issued by the United States Tariff Commission.

Mr. WADSWORTH. What page?

Mr. SMOOT. Page 12. The prices are given on the London market on May 19, 1922, as follows:

Seventies superfleeces, in pence, 60, which is equivalent to $1.20.

Mr. WADSWORTH. Is that for wool in the grease?

Mr. SMOOT. That is the clean content.

Mr. WADSWORTH. That is scoured?

Mr. SMOOT. That is scoured wool.

64/67's good medium fleeces, $1.04 a pound; 60/64's good medium fleeces, 92 cents a pound; 64's good pieces, 90 cents a pound; 58/60's good medium fleeces, 80 cents a pound; 56's fine crossbred fleeces, 56 cents a pound; 46/50's crossbred fleeces, 36 cents a pound; 44's crossbred fleeces, 26 cents a pound; 36/40's crossbred fleeces, 22 cents a pound, scoured.

Mr. WADSWORTH. And my minimum figure is 25 cents. We do not differ materially. That is perfectly evident.

Mr. SMOOT. I will now, from the same report, give the prices in July, 1914, so that we may see what the normal prices were. For 46's crossbred fleeces the price was 17 pence in July, 1914, which is equivalent to 34 cents a pound, and now 46's are only 30 cents. In 1914, 44's crossbred fleeces were 32 cents, and now they are only 26 cents. In 1914 the 36/40's crossbred fleeces were 31 cents, while they are only 22 cents to-day. That is why I say that to-day's prices are abnormal.

Mr. WADSWORTH. I thought the Senator said I had read from prices during the slump, and that they were abnormal.

Mr. SMOOT. They were abnormal during the slump.

Mr. WADSWORTH. But we are not in a slump now.

Mr. SMOOT. Yes; we are in a slump now so far as the coarse wools are concerned. On the London market the demand is for fine wools, and they are up to $1.20 a pound as against 22 cents a pound for coarse wools.

Mr. WADSWORTH. That does not indicate a slump.

Mr. SMOOT. It indicates that there is no demand for the coarse wools to speak of, and they are being thrown upon the market at almost any price they can bring. It means they are only getting 22 cents for coarse wools cleaned, and $1.20 for the fine.

Mr. GOODING. Mr. President, I might say that I know of a line of clips that was held in Boston for three years, a low-grade wool, that could not be sold for any price at all. So the condition is not normal by any means, so far as low-grade wools are concerned. I do not know whether they are sold to-day or not.

Mr. KENDRICK. Mr. President——

Mr. SMOOT. I yield to the Senator from Wyoming.

Mr. KENDRICK. The Senator from Utah comes from a State which is a heavy producer of wool, as are a number of other Western States. I want to ask the Senator if it is not true as to the application of protection that as the industry is stabilized and production placed upon a sound basis the invariable result has been ultimately to reduce the price to the consumers of the country?

Mr. SMOOT. There is no doubt about that; and the very fact that we only have 36,000,000 sheep in the United States now as compared with 57,000,000 a few years ago demonstrates the condition of the sheep business.

Mr. WALSH of Montana. The same decline is found all over the world.

Mr. SMOOT. It is not so great a percentage in all the world, I will say to the Senator.

Mr. WALSH of Montana. Production has diminished by at least 33⅓ per cent.

Mr. SMOOT. In what country?

Mr. WALSH of Montana. In the whole world.

Mr. SMOOT. Our sheep have diminished about 50 per cent.

Mr. WALSH of Montana. The same reduction is going on all over the world.

Mr. SMOOT. There has been a general reduction, but not anything like what we have had here.

Mr. WALSH of Montana. The figures are available; but, if the Senator will pardon me, I should like to make an inquiry of the Senator from Idaho. I understood him to say that the present prices of wool were abnormal.

Mr. GOODING. Very low for low-grade wool.

Mr. WALSH of Montana. That is what I wanted to inquire—whether the Senator considered them abnormally high or abnormally low.

Mr. GOODING. Very low so far as the low-grade wool is concerned. I have here the Boston and London prices for July, and if the Senator will yield for just a minute I should like to put them in the RECORD.

Mr. SMOOT. Yes; I yield.

Mr. GOODING. These are wools of the same grade, and it is agreed by the Department of Agriculture that the figures are correct after having had them checked up.

At that time Ohio fine unwashed delaine was selling in Boston, scoured, for $1.31 a pound. Australian wool comparable to Ohio fine delaine was selling in London for 96 cents a pound, or a difference of 35 cents a pound.

Mr. POMERENE. Scoured content?

Mr. GOODING. Yes; scoured content. This is the point I want to make clear. As far as the woolgrower is concerned, he never did get the full amount of the duty. He is not getting it now, and he never will. The manufacturer, who is his only market, will not pay it to him. Let me say to the Senators who are shedding tears that at the present time there is only 19 cents a pound difference between the low-grade wools, the 40s selling for 25 cents a pound in London and 44 cents in Boston. In other words, there is a difference of 19 cents, or 26 cents less than the real tariff. There is a tariff on that same wool in the emergency bill of 45 cents a pound. In other words, the woolgrower is getting less than half of the duty that the emergency tariff bill gives him; so I do not think there is any need of worrying about that.

Mr. SMOOT. That is because of the fact it is on the grease basis, and only pays 15 cents a pound.

Mr. GOODING. That is because of the fact, as far as our own market is concerned, that only last summer the Government sold something like 56,000,000 pounds of this low-grade wool that we brought here and did not use at all and forced it onto the market. That is the reason that that class of wool is so low, and the same condition prevails all over the world. There is no use made of this low-grade wool at present; but of course it is coming back. There is no doubt about that.

Mr. WALSH of Montana. Mr. President, I did not get from the Senator exactly the information which I sought. I was desirous of ascertaining from the Senator whether his statement to the effect that the present prices of wool were abnormal applied to the ordinary western product?

Mr. GOODING. Yes. They are higher than they have been outside of the period during the war when the Government fixed the price.

Mr. WALSH of Montana. What the Senator means, then, is that the price of the ordinary western product is abnormally high?

Mr. GOODING. It is higher than it has been for a number of years; that is true.

Mr. WALSH of Montana. And with respect to the low-grade wools, the Senator informs us that the price is abnormally low?

Mr. GOODING. Very much lower, because I have grown both grades of wool, and a few years ago I think I had the largest flock in the West of what we call the English blood sheep, and they used to help sell my merino clip; but the reverse is true to-day, and if you have low-grade wools it is almost impossible for you to dispose of your clip at all at any price.

Mr. SMOOT. Mr. President, I do not know whether or not the Senator was in the Chamber at the time I made the statement that in London they were worth in July, 1914, 31 cents a pound. In London on May 19 of this year they were worth only 22 cents a pound. They are abnormally low, and that is the world market.

Mr. BURSUM. Those are the coarse wools?

Mr. SMOOT. Those are the coarse wools.

Mr. GOODING. Mr. President I should like to put the rest of this statement into the RECORD.

Mr. POMERENE. Mr. President, before the Senator does that will the Senator from Utah yield just for a question?

Mr. SMOOT. Yes.

Mr. POMERENE. I am not quite sure that I have correctly in my mind the figures which the Senator from Idaho gave; but as I understood him he said that this merino wool, scoured, was worth 49 cents in Boston——

Mr. GOODING. No.

Mr. POMERENE. And in London 25 cents.

Mr. GOODING. That was the low grade. If the Senator will let me read the whole of the figures, then he will have them correct.

Mr. POMERENE. I know; but I want the Senator to straighten me out if I am wrong about it. The duty was 45 cents?

Mr. GOODING. The duty was 45 cents.

Mr. POMERENE. Now, the question I wanted to ask was this: If the price here was 49 cents and the price in London

was 25 cents and the duty was 45 cents, how and to what extent has that actually benefited the flockmaster?

Mr. GOODING. If there were not a duty on the wool, he would have the London prices.

Mr. BURSUM. Mr. President——

Mr. GOODING. If the Senator will permit me, I should like to put this table in the RECORD, so as to give the different prices. I remember when wool was on the free list seeing it sell for 4 cents a pound, and during the first year that it was on the free list it sold for an average of 6¼ cents a pound in the West. There is not any question about the fact that the manufacturer drives the sharpest bargain that he can all the time, and he will never give us the full amount of the duty under the system that we have at the present time—not until we have a law in this country that permits his compensatory duty to be the difference between a pound of wool in Boston and a pound of wool in London. If I may be permitted to put in these figures, however, I will show the Senator the different prices of the wool.

Mr. POMERENE. I shall be very glad to have that done; but the duty seems to be twice the difference between the London market and the Boston market. That is one of the things I did not quite understand.

Mr. SMOOT. I will say to the Senator that this is how that happened: It is 15 cents a pound, and that wool is imported into the United States in the grease, and the shrinkage is very low, and therefore they do not pay on the wool content but they pay, upon this class of goods, on the wool in the grease.

Mr. POMERENE. But the fact, nevertheless, remains that there have been very great variations in price when we had a high protective duty, and there have also been very great variations of price when there was a comparatively low duty. That is the truth about it; and there are many things that enter into the price of wool other than the mere statutory duty that may be fixed by the Congress.

Mr. SMOOT. I will say to the Senator that with a scoured-content duty they will not get around it.

Mr. POMERENE. I think that is an improvement on the old system. I have not any doubt about that myself.

Mr. SMOOT. Nobody is going to get away from that.

Mr. GOODING. In reply to the Senator from New York, who thinks there is importation of this lower-grade wool, I wish to say that it hardly seems possible that they would import that wool at the present time even and hold it in bond, when it is selling in this country for 44 cents a pound on the Boston market; but I should like to finish this statement for the RECORD, so that it will all be in the RECORD together.

Territory fine staple is selling in Boston for $1.26 a pound. The same class of wool in London is selling for 90 cents. There is a difference of 36 cents, although there is a tariff of 45 cents a pound. This is the scoured content.

Ohio half bloods are selling in London at 83 cents and in Boston for $1.08, a difference of 25 cents.

Mr. POMERENE. As of what date?

Mr. GOODING. This is the 1st of July. So there is 15 cents difference between the pound of Ohio fine wool, when you add the duty to the London price, as against the price that they pay for it in Boston. In other words, the woolgrower is getting 15 cents a pound less than the 45 cents, or he is getting 30 cents protection instead of 45.

Mr. POMERENE. I do not want to interrupt the Senator, but he spoke of Ohio wools in the London market. Did I understand him to say that?

Mr. GOODING. These are comparable wools that I am quoting.

Mr. POMERENE. Then the Senator wants to correct himself, does he? As I understood him, he said "Ohio wools in the London market." He means simply comparable wools of foreign origin. Is that it?

Mr. GOODING. Yes. It should be properly styled Australian superwarp spinning 60s, which is comparable to Ohio half bloods. That will make it clear, of course.

Australian good top making, 60s to 64s, selling in London for 83 cents and in Boston for $1.15. In this case the Ohio woolgrower is getting 32 cents protection on a pound of scoured wool.

Australian good styles, 56—same as Territories, three-eighths blood, in this country—selling in London for 66 cents, in Boston for 89 cents, or a duty of 23 cents a pound, as against 45, which the emergency tariff bill provides for.

Australian good styles, 46, selling in London for 33 cents, selling in Boston for 56 cents, or a protection of 23 cents a pound.

Australian good styles, 40 to 46, territory braids—that is, the English blood—selling in London for 25 cents, in Boston for 44 cents. The grower of what we call braid wool in this country is getting a duty of 19 cents a pound instead of 45, as the emergency bill gives him.

So I can hardly believe that there is any of that kind of wool imported in bond, because there is a surplus of it in America at the present time. I think the Senator from New York must be mistaken in that respect.

Mr. SMOOT. Just one word more, and then I will yield the floor.

I know that it will be pointed to time and again during the discussion of this schedule that on these low-shrinkage wools the equivalent ad valorem will be exceedingly high. I want to emphasize again the fact that only 4½ per cent of all of the wool consumed in the United States is of that class, and we raise in the United States only 20 per cent of that amount, or, in other words, less than 1 per cent of the wool used in the United States is of the character which has been referred to to-day.

Mr. POMERENE. I should like to ask the Senator a question, because this is a matter which has disturbed me a good deal. I think I heard the Senator from Utah say, within six months, or such a matter—in any event it was said by some one on the floor of the Senate—that we had at that time a two-year stock of wool here in the United States, and very recently the statement has been made that the supply was very meager.

Mr. SMOOT. I did not say in the United States. I said in the world.

Mr. POMERENE. What does the Senator mean by that?

Mr. SMOOT. I said here upon one occasion, as I remember, that there was an overproduction of wool in the world.

Mr. POMERENE. I can not refer to the page of the RECORD now, but, as I recall the Senator's statement, he was speaking of the supply in the United States.

Mr. SMOOT. I called attention to the fact that the testimony given before the committee—and I think it was sustained by the Tariff Commission—was that there was a greater quantity of wool at that date in the world, for that season of the year, than at any other time in the history of the world.

Mr. POMERENE. Of course, in the last two years, I take it, there has been a smaller consumption of wool.

Mr. SMOOT. Before that there was.

Mr. POMERENE. Throughout the world there has been less wool used, because in Europe particularly they have not been able to make the purchases which they normally would, because of the economic and financial conditions.

Mr. SMOOT. That naturally results in a backing up of the wool.

Mr. POMERENE. Undoubtedly so.

Mr. SMOOT. In a short statement made by the Tariff Commission in relation to the clean content I find this statement——

Mr. POMERENE. From what page is the Senator reading?

Mr. SMOOT. Page 22:

> From the foregoing it is evident that specific clean-content duties remove the tariff discrimination against imports of heavy-shrinking wools which has characterized specific grease-pound duties.

I want to emphasize again the fact that if the woolgrower is to receive a protection upon wool it has to be on the scoured content, and never again upon the wool in the grease.

I do not want to repeat what I have said, but I want to emphasize the fact that while in the Payne-Aldrich law the woolgrower was ostensibly given a duty of 11 cents a pound he never received more than 7.6 cents a pound, and on the average between 5 and 6 cents a pound upon wools imported into the United States.

Mr. POMERENE. Whatever may be done here, I feel that whatever duty we vote upon the scoured content it will be an improvement upon the other, and avoids the possibility of deception.

STRIKE CONDITIONS IN CONNECTICUT.

Mr. KING. Mr. President, I regret that the able junior Senator from Connecticut [Mr. MCLEAN] is not in the Chamber, because during a discussion of the tariff bill some days ago reference was made by me to the State of Connecticut. It grew out of the fact that the able Senator from Connecticut is a member of the Finance Committee and has been active in securing high duties upon textile manufactures.

I alluded to what I understood to be the facts, that there had been a number of strikes in Connecticut; that the wages in the textile mills were low, and then I stated, by way of generalization, that in many of the industries where high tariff duties were imposed wages were lower than in many of the industries where there was no tariff, or if there were a tariff, the rates were comparatively low.

The able Senator from New York [Mr. WADSWORTH] asked a number of questions during the discussion and expressed sur-

prise, as I understood him, at the statement that there had been strikes in the State of Connecticut. I called attention at that time to a letter which I had received from Mr. O'Meara, the president of the Federation of Labor of the State of Connecticut. After the colloquy I sent a copy of the RECORD to Mr. O'Meara and asked him to send me such information as he cared to relating to the questions raised in the discussion between the Senator from Connecticut, the Senator from New York, and myself.

I am in receipt of a letter from him under date of July 20. It is somewhat long, but I take the liberty of reading it, because of the facts which he states in this letter. After addressing me, he says:

Supplementing my statements made in letter of May 15, 1922—

That is the letter excerpts from which I put into the RECORD.

I wish to state that my comment made in that letter was prompted by your able statements in the Senate of the United States under date of Thursday, May 11, 1922, and which statements appeared in the CONGRESSIONAL RECORD, on page 6562, which read as follows in part: "Mr. President, I repeat what I said a moment ago, that a large part of the population working in the mills in the State of Connecticut were foreign. There were strikes in the mills and factories because of the injustice which the mill owners perpetrated upon the laborers whom they employed, etc."

Now, in relation to that part of my letter which referred to the system of slavery practiced in this State, even of this date, I desire to state the following:

I am inclosing to you an application card for employment at the plant of the Columbia Graphophone Co., situated in the city of Bridgeport, Conn., which I have marked "Exhibit A."

The card is here. I shall not ask that it be inserted in the RECORD, for the reason that I think the subsequent statements of the writer substantially state the important features in the card.

Referring to the card, he continues:

Please note the inquiry, "Are you union or nonunion?"

Please note the inquiry, "Rate of wages you expect?"

Please note the agreement that they ask a man or woman to sign without first knowing what they are to abide by after signing.

I am inclosing to you an application card copy such as is used by the Employers' Association of New Haven, Conn., through their metal trades division, which I have marked "Exhibit B."

I have that here, but I shall not ask that it go in the RECORD. I continue reading:

When an employee desires to seek work in any of the plants controlled by this system, and there are very few that are not working it, or when he ceases his or her employment at any of these plants, you will note that when the employment ceases the card is sent to a central office with all of the information wanted thereon, and upon seeking a new position he is told, generally speaking, to come around the next day, and in the interim the central office gives out the information so desired, and you can readily understand just what chance a poor fellow would have to get employment with another employer if his former one did not wish to let go of him. A perusal of this card copy will, I am sure, give you an idea of the system that the factory worker is up against in Connecticut.

And to still further strengthen this blacklist system, employers of this State saw fit to present in the form of a bill at the legislative session of 1919 that called for a severe penalty upon anyone that, who in seeking employment in Connecticut, and was found out giving another name other than his legal one, which had to be resorted to and is to-day by men in order to get work.

But thanks to divine justice, due to severe factional differences in the committee of the judiciary at that time, the bill was not reported out.

Relative to my statement of the bringing into the city of New Britain, Conn., numbers of foreigners, I am inclosing to you, Mr. Senator, a newspaper article under date of April 17, 1921, and which I have marked "Exhibit C."

The article is from the Hartford-New Britain News, under date of April 17, 1921, and in large letters these words appear:

New Britain Spaniards threaten to burn factory of big company which brought them from Spain. Foreigners imported to compete with American labor indignant that they can not get work. New Britain has 850 Spaniards, Bridgeport 1,000, and Meriden has a colony. Cities must feed laborers brought into America. Interview with "King" of New Britain Spaniards incriminates great hardware concern.

There is a long statement showing the importation of these poor people from abroad; and I will not say the persecutions but the hardships to which they are exposed after being brought to the United States to work in these highly protected industries. Without reading the article, I ask that it may be inserted at this point in the reading of this letter.

The PRESIDING OFFICER (Mr. BROUSSARD in the chair). Is there objection? The Chair hears none, and it is so ordered.

The article is as follows:

What is Connecticut going to do with its Spaniards imported into the State for the purpose of competing with American labor during the war and stranded now, with little to eat, in a strange land after they were brought here to help the manufacturing interests make money?

New Britain has 850 Spaniards on its hands. Bridgeport has 1,000. Meriden has a small colony which went to the city hall in a body last week and demanded food and got it.

The Meriden group of about 40 was stranded in the Silver City after having been brought there by the Aberthaw Construction Co., which was building a factory.

The New Britain colony came to work in the factories there, especially at the plant of Landers, Frary & Clark.

IMPORTED BY AMERICANIZATION WORKERS.

The president of Landers, Frary & Clark is Charles F. Smith, prominent member of the State board of education, which body is spending a lot of money in its Americanization campaign.

The Landers people do not like to be reminded of it, but there is pretty good evidence that they aided in bringing the Spaniards to New Britain, and this subsequent to the time when Governor Holcomb warned of foreign agitators secretly meeting and subsequent to the time when the State board of education became interested in preserving American institutions by teaching foreigners English.

The number of Spaniards who can talk English is slim, as they have not been in this country more than two years. They were not brought here to help win the war. They were brought here to supply the demand for labor after the war.

Coming from a country where economic conditions are not much better than they were in Russia under the rule of the Czar, they lead a communistic form of life, which is out of sympathy with the prevailing form of existence in America, and a Spaniard is not proverbially meek and mild.

A FIREBRAND LETTER.

The temper of some of the New Britain Spaniards is revealed by the following letter, written in Spanish, to Landers, Frary & Clark. Its publication last week, much to the disgust of the Landers officials, was the sensation of the Hardware City.

The letter, dated January 31, 1921, was on a cheap grade of paper. At the top of the sheet was written the words "Span" and "New Britain" and the date in English.

The letter as translated follows:

"LANDERS, FRARY & CLARK:

"You will give work to the Spaniards, or within two days they will come together to the factory and set fire to it. And this promptly, for it is not right to turn the Spaniards out into the street and keep the others. I repeat, turn the Spaniards out into the street and all those who come to the labor bureau and are not employed will do damage to the factory unless you pay for their voyage back to Spain. If you do not do this, you will suffer. 'Don't take it as a joke.'"

OFFICIALS SHOCKED.

It is hard to say who were shocked the most, the people of New Britain when they read of this remarkable threat or the officials of the company when they learned that a New Britain newspaper had the audacity to print such a letter.

The company and the Spanish-American Mutual Benefit Association have been at work for two months trying to discover who wrote the anonymous letter. The police conducted an investigation with secrecy. The news was obtained through the mutual benefit association, which was not "on" to the American way of keeping the public in the dark about what is going on and which passed resolutions promising to do all in its power to find out who wrote the letter.

TEAR DOWN GATES.

Together with news of the letter came the information that a few weeks ago a crowd of Spaniards went to one of the gates of Landers, Frary & Clark and gesticulated wildly, speaking Spanish. It is even said that they tore down one of the gates. It is not known what they were excited about.

NO MEANS OF SUPPORT.

New Britain's mayor inaugurated a census of the unemployed at City Hall one day last week. The very first day 1,500 men came to City Hall, and the building was scarcely big enough to hold them.

One of the Spaniards, who filled out a questionnaire, said that he had been in New Britain five months, had been out of work five months, and had never received a cent of wages since landing. He arrived just as the unemployment wave struck the State.

In view of the fact that hundreds of men are without visible means of support, which, according to American civilization, is a misdemeanor unless the victim sits still in one place, people of New Britain, who will have to pay the bills and support the non-English-speaking foreigners, are wondering who brought these Spaniards over and how it came about that they were allowed to get into this country.

There is a feeling among some of the taxpayers that if the factories brought the Spaniards over they ought to help them out financially instead of letting them come onto the city for support. The Mutual Benefit Association has only $500 left, and hundreds of Spaniards are practically without funds.

"KING FERDINAND."

In order to find out how the Spaniards came to New Britain, and to ascertain whether there was any truth to the supposition that the Landers, Frary & Clark factory had broken the United States laws against importing foreigner laborers, the Herald reporter, with a friend, visited the home of Fernando Faragoza in the block at 35 Chestnut Street, directly opposite the car barns.

Ferdinand is popularly supposed to be the king-pin among the Spaniards, and it did not take long to find out that this was so.

A COMMUNIST LIFE.

Ferdinand was ready to talk and made himself agreeable. The brick block houses 80 Spaniards. They are crowded into the building as close as they can get. The many rooms are crowded with beds and the cellar is the dining room, where all of the roomers dine as one large family, according to the communist plan.

All help in doing the work, although most of them are too poor to contribute much to maintaining the larder, the burden of which comes upon Ferdinand.

There are women in the crowd as well as men. The sanitary conditions are not of the best, but such can not be expected when 80 Spaniards are crowded into one building.

BROUGHT 700 TO TOWN.

Ferdinand, in response to questioning, said:

"I have been in New Britain 16 months and have brought 700 Spaniards to the city in that time.

"I was working for the Union Construction Co. of Boston. We had a big job at Egypt on the Massachusetts shore, and finally I was working for the company on a big dam in New York State.

"It was while on the dam job in New York State that the Landers people got in touch with me. The arrangements were made through a Mr. Hubert at the employment office. I was to bring 59 men to the Landers factory from the dam, and I was to have a job as foreman at the factory.

"This arrangement was satisfactory, and I brought the 59 men and became an assistant foreman. Later I got other Spaniards to come to work for Landers.

"I wrote letters to Spain. I got 30 men at one time for the city. 'Mike,' of the street department, wanted 30 men and I got them for him.

STARTED RESTAURANT.

"I worked at the Landers factory for a while and then started the Spanish restaurant on Commercial Street. I kept getting more men from Spain. All told, I have brought 700 Spaniards to New Britain. There were none here before I came 16 months ago.

"I had five different pieces of property, but now all I keep is this block on Chestnut Street. I lease it for two years for $4,800, or $200 a month.

"The Landers factory is not helping me out now. It is a big expense to keep this crowd together. The Corbin screw factory has hired a few men."

A MAN OF MEANS.

Questioning as to how much he was worth did not bring a definite answer from Ferdinand.

It was noticeable that anybody in the block when questioned where Ferdinand was dropped everything and hastened to find him. It is apparent that he holds the economic position of advantage.

Rumor is that Ferdinand, besides whatever benefit may have accrued to him as procuring help for Landers, Frary & Clark, extracted liberal sums from the Spaniards whom he brought to this country in return for getting them jobs.

It is also apparent that the colony is living off his money at the present time, and that he has money or he wouldn't be able to keep up the establishment.

Mr. KING. Referring to the efforts made by the Spaniards to secure work, and their threats to burn certain plants if they did not get work, the writer says:

Please note the fact that on the dates of these occurrences that the president of this great and influential concern was a member of the State board of education, and that this said board was then and at this date is spending large sums of money on Americanization work.

From reliable information it appears that this gentleman is not now a member of the State board.

I am inclosing a book photo, taken from a report of the department of labor of the State of Connecticut, which I have marked "Exhibit D."

While the notation underneath the picture might convey the information that this scene was only during the war days, still facts remain that these same class of people are working in the mills and factories that you see in the picture, and is not it true of your words stated in the Senate under date of May 11: "Mr. President, I repeat what I said a moment ago, that a large part of the population working in the mills and factories in the State of Connecticut were foreign."

The photograph which is forwarded to me shows a large number of men, and an examination of the photograph clearly indicates the foreign nationality of the hundreds of persons shown in the photograph. Of course, I shall not ask that the photograph be inserted in the RECORD. Mr. O'Meara continues:

I am inclosing a book photo, taken from a report of the department of labor of the State of Connecticut, which I have marked "Exhibit E."

The book photo referred to shows a number of little children, I should judge from their appearance, from a year to 3 years old, who the letter indicates are maintained in the houses or in the rooms attached to the factories, brought there by their mothers while their mothers are at work in the factories. I continue reading:

You can easily see, Mr. Senator, what a condition this is; little babies in factory welfare rooms while mothers are working; no parental care to have the baby feel that it should be in a home instead of reared in a factory. Please note how they are dressed up in order to correspond to the setting of the Christmas tree.

I wish to state that there was in the year 1913 factory workers in the State of Connecticut to the number of 169,677, which increased in numbers, when in 1918 the total reached approximately 355,994. These numbers in 1918 included approximately 100,000 females.

I made the charge that many women worked in these textile mills, and that children likewise worked in many of the textile mills. This corroborates the statement which I made.

This number of factory workers are represented through some 54 nationalities, as follows:

Albanian, American, Armenian, Australian, Austrian, Bakonian, Belgian, Bohemian, Brazilian, Bulgarian, Canadian, Croatian, Cuban, Czecho-Slovak, Danish, Dutch, Egyptian, English, Finnish, French, Galician, German, Greek, Hebrew, Hindu, Hungarian, Indian, Irish, Italian, Japanese, Lettish, Lithuanian, Livonian, Mexican, Norwegian, Persian, Polish, Portuguese, Porto Rican, Rumanian, Ruthenian, Scotch, Serbian, Slovak, Slavish, South Americans, Spanish, Swedish, Swiss, Syrian, Turkish, Welsh, West Indian, Ukranian.

In the year 1910, Mr. Senator, there were within the State of Connecticut persons of foreign birth to the number of 328,759.

There were in the same year engaged in gainful occupations 200,000 foreign-born persons.

There was in the same year an approximate estimate made of foreign-born employees in Connecticut, and the figures were placed at 50 per cent.

My charge was that many foreigners were employed in the protective industries of the United States, and this letter indicates that 50 per cent of the persons employed in Connecticut mills were foreign born.

There were in the same year 67,327 foreign-born people who were unable to speak the English language.

There were in the same year 49,202 foreign-born people who were unable to read or write in any language.

There were in the same year an approximate of 85,000 males of military age (18 to 45) that were unnaturalized, and who could not be required under existing treaties to fight for the United States when an emergency would come.

I wish to state that Connecticut is one of the three smaller States of the Union, having an approximate of 5,004 square miles, or, in other words, you can ride on a train in a direction from east to west in three and one-half hours' time and from a northerly direction to the south in approximately one and one-half hours.

During the years enumerated below the State of Connecticut has had a most shameful record for industrial fighting, and the two main causes of these disturbances are given according to written history as being caused by unrest and demands for more wages.

Now, if the Senator from New York is interested, and I stated that I did not think he would be interested in the number of strikes, he will listen with attention to this record of strikes:

In the year ending October, 1901, there were 11,250 persons engaged in strike difficulties, with a loss of 250,168 days' time.

In the year ending October, 1902, there were 104 strikes, 10,141 persons engaged in strike difficulties, with a loss of 235,453 days' time.

And by the way, these two years were the ones that Senator GEORGE P. MCLEAN was governor of the State of Connecticut.

In the year ending October, 1903, there were 99 strikes, 9,217 persons engaged in strike difficulties, with a loss of 270,449 days' time.

In the year ending October, 1904, there were 36 strikes, 2,699 persons engaged in strike difficulties, with a loss of 61,218 days' time.

In the year ending November 30, 1905, there were 2,948 persons engaged in strike difficulties, with a loss of 51,682 days' time.

In the year ending October, 1906, there were 62 strikes, 6,604 persons engaged in strike difficulties, with a loss of 160,344 days' time.

In the year ending March, 1907—no record of the number of strikes, no record of the number of persons engaged—with a loss of 101,000 days' time.

In the year ending October 30, 1908, there were 3,460 persons engaged in strike difficulties, with a loss of 34,194 days' time.

In the year ending October 30, 1909, there were 5,828 persons engaged in strike difficulties, with a loss of 569,457 days' time.

In the year ending November 30, 1910, there were 51 strikes, 3,367 persons engaged in strike difficulties, with a loss of 65,395 days' time.

In the year ending October 31, 1911, there were 2,602 persons engaged in strike difficulties, with a loss of 29,240 days' time.

In the years ending 1912 and 1913 there are no available records.

In the years ending November 30, 1914, November 30, 1915, November 30, 1916, there were 422 strikes—68,000 persons engaged in strike difficulties, with a loss of 650,000 days' time.

In the years ending November 30, 1917, and November 30, 1918, there were 183 strikes—33,400 persons engaged in strike difficulties, with a loss of 509,432 days' time.

In the years ending November 30, 1919, and November 30, 1920, there were 280 strikes—75,943 persons engaged in strike difficulties, with a loss of 1,307,508 days' time.

But the Senator from New York said, as I understood him, that he had not heard of any strikes in Connecticut.

The reports for the years 1921 and 1922, ending June 30, 1922, are now in the compiling form and are not ready for publication.

In other words, there have been in these years in the State of Connecticut 235,459 wage earners engaged in industrial strife, which total a loss in days time to society of 4,295,540 days, and in these troubles human life was sacrificed, especially those that were engaged in the metal industry.

Some of the principal industrial difficulties took place at the following plants:

American Brass Co., Waterbury and Ansonia, metal industry.
Rock Manufacturing Co., Rockville, textile industry.
Benedict & Burnham Co., Waterbury, metal industry.
Randolph & Clowes, Waterbury, metal industry.
Chase Rolling Mills, Waterbury, metal industry.
Scovill Manufacturing Co., Waterbury, metal industry.
Plume & Atwood Co., Waterbury, metal industry.
Waterbury Manufacturing Co., Waterbury, metal industry.
Aldrich Mills, Moosup, textile industry; this strike is still on, July, 1922.
Mattatuck Manufacturing Co., Waterbury, metal industry.
Waterbury Clock Co., Waterbury, metal industry.
Farrell Foundry Co., Waterbury and Ansonia, metal industry.
Osborn & Cheesman Co., Ansonia, metal industry.
Yale & Towne Co., Stamford, metal industry.
Warner Bros. Co., Bridgeport, textile industry.
Geo. C. Batchelder Co., Bridgeport, textile industry.
La Resista Co., Bridgeport, textile industry.
Columbia Graphophone Co., Bridgeport, metal industry.
International Silver Co., Meriden, metal industry.
Miamus Manufacturing Co., Miamus, textile industry.
Underwood Manufacturing Co., Hartford, metal industry.
Belding Manufacturing Co., Rockville, textile industry.
Stafford Worsted Co., Stafford, textile industry.
Sperry & Barnes, New Haven, Conn., packing industry.
New Haven Clock Co., New Haven, Conn., metal industry.
Goodyear Metallic Co., Naugatuck, rubber industry.
Glastonbury Manufacturing Co., Glastonbury, textile industry.
Warren Woolen Co., Stafford Springs, textile industry.
Riverside Woolen Co., Stafford Springs, textile industry.
Winchester Repeating Arms Co., New Haven, Conn., metal industry.
Joseph Loth Co., Norwalk, Conn., textile industry.
Rhode Island Woolen Co., Stafford Springs, textile industry.
Bigelow-Hartford Co., Thompsonville, textile industry.
E. J. Manville Co., Waterbury, Conn., metal industry.

It might not be amiss at this part of my supplemental letter to state that two concerns mentioned in the above list—namely, the Scoville Manufacturing Co., of Waterbury, Conn., and the American Brass Co., which controls the brass industry, what is termed the Naugatuck Valley, which runs from Derby, Ansonia, and Shelton, three cities on the south of the valley, up to Torrington, Conn., on the north—have made immense profits of recent years, some of which I am pleased to report.

There is one specially interesting point to which I wish to call particular attention:

The Scovill Manufacturing Co. increased its profits from an average of $523,158 during the pre-war years to an increase of over $8,000,000 for the years 1916, 1917, and 1918; this meant an increase in the rate on capital stock from 10.5 per cent to 164.9 per cent. In the year 1916 it took a profit of over $13,000,000 on $5,000,000 worth of capital stock, equivalent to 268 per cent on investment.

That is one of the evils of the tariff system. It builds up by tariff legislation great corporations which pay small wages to their employees and enormous profits to the stockholders. Here was one company paying during those two years $13,000,000 profits on a capital stock of $5,000,000.

The American Brass Co., with three times as much capital stock, increased its profits from an average of $1,880,897, or 12.5 per cent, prior to the war to an average of over $7,000,000, or nearly 73.3 per cent, for the war years. In 1916 it took profits equivalent to 73.3 per cent on $15,000,000 capital stock.

And in June, 1920, when the employees of the unskilled class asked for an increase of wages that would average $4.50 per day at the Scovill Manufacturing Co., one of the most severe industrial wars broke out by the refusal of the company to give these people a little more, and during a riot outside the plant of this company during this war death ensued and many of the police officers were badly injured.

The population of the State of Connecticut, according to the 1920 census, was 1,380,631.

On September 30, 1921, there were 353,684 children in the State of Connecticut between the ages of 4 years and 16 years.

On the conclusion of the year 1919 there was 340,404 employees in the mills and factories of the State of Connecticut—256,192 males and 84,212 females.

There was paid to this number of employees in the year 1920 the sum of $420,955,341, leaving an average wage slightly over $3 per diem.

Government and State taxes, railroad and trolley rates, house rents, and many of the things that the wage earners got to have to exist have gone up in leaps since then, and severe industrial troubles have existed since 1920 and are now existing at this date against reductions in wages in this State.

There is no record reliable in form that will give the numbers of wage earners that own their own homes, but the company-owned system of homes is still in operation in the mill towns of Connecticut.

I wish to state that a commission was named by the Legislature of Connecticut—I mean provided for—that had to do with the investigating of the conditions of the wage-earning women and minors, and this commission was appointed in the year 1911 by the governor of the State under special act No. 276.

This commission consisted of the following persons:

Dr. James W. McLane, Miss Alice Hill Chittenden, Mrs. Fannie Burke, James P. Woodruff, and Patrick H. Connolley.

The commission met for the first time October 3, 1911, at the city of Hartford, Conn., and elected Dr. James W. McLane as the chairman.

Doctor McLane plunged into the work of this commission with so much energy that his health failed him, and he was relieved by his own request in August, 1912; the governor then appointed Dr. Charles E. Brayton as his successor, and with great regret do I state that in the midst of his work for this important commission Doctor Brayton died suddenly on December 2, 1912, and the work was finished by the remaining four members of the commission naming the Hon. James P. Woodruff as chairman and Miss Alice Hill Chittenden as the secretary.

The commission investigated the cotton, silk, metal, rubber, and ready-made corset industries.

The commission had for its aids some of the most enlightened and well-versed people of the United States.

The commission in its final report made special mention of the valuable services rendered to it by none other than that very learned gentleman, Hon. Henry W. Farnum, of Yale University.

I wish to give some of the statements as picked from various paragraphs of the report of the commission bearing on the wages paid to employees.

On page 16, subdivision of the compiled Connecticut documents, appears the following:

"A close study of the table shows that in the cotton industry 29.28 per cent of the women employed earned less than $7; in silk 58.15 per cent earned less than that; in metal the number falls to 48.99 per cent; in corsets to 50.14 per cent; in rubber to 49.43 per cent; while the earnings of 48.40 per cent of all those employed in these industries fall below the $7 wage scale. It is, therefore, evident that practically one-half of the women employed in these factories earn less than a living wage."

On page 31 appears the following:

"No children were found employed on night work in the industries investigated, but in the cotton and silk mills children between 14 and 16 years of age were employed 10 and more hours a day, and in one silk mill they were found working 11 hours a day.

"In cotton mills children under 16 were found employed in roving and drawing in the same room in which carding was done. The lint was very bad and the humidity extremely high in these rooms."

On page 35 appears the following:

"Hours of labor in all factories were too long according to the standards of more advanced States. Ten and a half or eleven hours a day is far too long for any woman to work under factory conditions, especially when these hours are often extended far beyond even legal excess by overtime work.

"The very large percentage of young girls in Connecticut factories probably accounts for the low wages which were found in the investigation of the five industries investigated."

Mr. WALSH of Massachusetts. Mr. President——

The PRESIDING OFFICER (Mr. BROUSSARD in the chair). Does the Senator from Utah yield to the Senator from Massachusetts?

Mr. KING. I yield.

Mr. WALSH of Massachusetts. Will the Senator state what year the report was written?

Mr. KING. The commission was appointed in 1911. I do not know when the commission reported.

Mr. WALSH of Massachusetts. It was probably shortly after that time?

Mr. KING. The report states that the commission met for the first time October 3, 1911; that the chairman of the commission, because of ill health, was relieved at his own request in August, 1912. I presume the report was made in 1912 or 1913.

Mr. WALSH of Massachusetts. The report refers to the State of Connecticut?

Mr. KING. Oh, yes. The commission was appointed by the Legislature of the State of Connecticut.

Mr. WALSH of Massachusetts. No such conditions prevail in the cotton mills of Massachusetts.

Mr. KING. I am very glad to know that.

Mr. WALSH of Massachusetts. I think there has been a general improvement since that period in the State of Connecticut.

Mr. KING. I think the Senator is right. I am not reading this for the purpose of indicating that conditions now are as they were in 1911 and 1912. The statement which I made during the debate referred to the protected industries, and I stated in a general way that following the Civil War the Republicans inaugurated a policy of giving bounties and subsidies in the shape of tariffs to certain protected industries, and that those industries had imported labor from abroad, crowding out the American workingman and forcing down the prices of labor. As I understood, the able Senator from Connecticut [Mr. McLEAN] did not quite assent to the statements which I made and the conclusions which I drew from what I believed to be the facts. I also called attention to the letter of Mr. O'Meara, the president of the State federation of labor, and the Senator from Connecticut read that letter or portions of it, and I understood from his attitude that he did not quite assent to the statements made by Mr. O'Meara.

I continue reading:

On page 57 appears the following:

"The following gives the earnings of all females and males in 11 selected occupations employing women and children in the eight cotton mills visited; wages were copied directly from the pay rolls for a recent and normal period. The employees from whom such information was gathered number 757 males and 1,184 females. In weaving, largest per cent are in the $10 and $10.99 group for both men and women. A greater number of men than women, however, earned over the $10. Only 33.76 per cent of the men employed earned under the $10 and 51.18 per cent of the women. In ring spinning all of the men earned less than $10, and 96.45 per cent of the women. The largest per cent of men were in the $8 and $8.99 group. In roving, 52.09 per cent of the men earned under $10 and 63.02 per cent of the women; in spooling, 76.93 per cent of the men and all of the women."

On page 219 appears the following:

"The three rubber factories investigated ran on a schedule of 54, 58, and 59 hours a week, as reported by them. The 59-hour schedule throughout the year is, of course, illegal, although this factory seemed unaware of it. The factory which reported 58 hours a week ran 60 hours a week practically every week for the 12 months copied from the pay rolls, and violated the summer schedule completely.

"Especial provisions for the health of women in rubber factories ought to be made by means of mechanical ventilating systems and separate wash and lunch rooms because of the naphtha fumes and talcum dust to which they are exposed. In none of the factories visited was such provision made, and the women ate their lunches at their benches."

On page 188 appears the following:

"An investigation of safety conditions in a number of factories was made for the commission by Mr. William Newell; Mr. Newell visited five of the supposedly best factories in the State. Mr. Newell's report shows a decided lack of provision for the safety of employees in Connecticut."

On page 18 appears the following:

"Connecticut has a large percentage of married women among its wage-earning women. Of the women in the factories investigated by the commission, 20.39 per cent were married. This high percentage is accounted for by the fact that so many foreigners are employed in the metal and textile trades, and the foreign woman usually remains in industry after marriage."

Please note, Mr. Senator, where the report relates to the employment of so many foreigners.

I wish to state that wages paid in the American Thread Co.'s extensive establishment in Willimantic, Conn., were as follows:

In the year 1914, inspecting room, $11 per week of 54 hours.
In the year 1916, inspecting room, $12 per week of 54 hours.
In the year 1922, inspecting room, $15 per week of 48 hours.
In the year 1916, dye room, $16 per week of 54 hours.
In the year 1922, dye room, $26 per week of 48 hours.
In the year 1916, packing rooms, $14.
In the year 1922, packing rooms, $18.

I wish to state that in the metal industries that the scale of wages for the years 1914, 1919, and 1922 are as follows:

	1914	1919	1922
	Cents.	*Cents.*	*Cents.*
Machinists	40	75	58
Toolmakers	45	80	63
Millwrights	35	65	50
Machinists' helpers	28	55	42
Machine operators (gun parts)	23	42	23
Machine operators (clock parts)	23	40	23
Assemblers (gun parts)	27	45	30
Assemblers (clock parts)	27	45	27
Lock assemblers	30	50	35
Machine operators (lock operators)	25	40	27
General shop labor	20	40	22

These rates, Mr. Senator, are on the hourly basis, and have been obtained by the writer during the past week from various parts of the State of Connecticut.

Mr. McLEAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Connecticut?

Mr. KING. I yield.

Mr. McLEAN. I have been out of the Chamber while the Senator has been reading from the report, but I am informed that it refers to industrial conditions in the State of Connecticut.

Mr. KING. Yes.

Mr. McLEAN. What is the date of the report?

Mr. KING. I am sorry that the Senator was not present when I began my speech, though I sent for him as soon as I came into the Chamber in order that he might be advised that I intended in part to reply to statements made by him the other day. I said that I would call attention first to a letter which I had received under date of July 20 of this year from Mr. Patrick H. O'Meara, president of the Connecticut Federation of Labor. Mr. O'Meara has sworn to the letter, so that it is in the nature of an affidavit. He quotes from a report made by the commission which was created by the act of the Legislature of Connecticut.

Mr. McLEAN. In what year?

Mr. KING. The commission was appointed in 1911, and I presume reported in 1912.

However, let me say to the Senator that I am just reading now from Mr. O'Meara's statement as to the wages paid in Connecticut in 1914 and various years up to the present time. I shall read the entire letter, which is in the shape of an affidavit, and I shall be glad to have the Senator then examine it in the RECORD.

In the report coming from the labor commissioner's office for the year ending 1918 there appears, on page 124, the following:

"In 1916 the number of certificates issued to child workers between 14 and 16 in all occupations was 13,750, up to and including October 31, 1916; from November 1, 1916, to November 1, 1917, 11,502 regular permits and 3,224 vacation were given out, amounting to 14,837; from November 1, 1917, to November 1, 1918, the regular permits were 13,715 and 4,003 vacation; from August 1, 1918, to November 1, 1918, 3,943 regular and 251 vacation were certified, a total of 4,194. It is easy to figure from this the proportion in which child labor increased in the State in the epochal period of the war."

Mr. McLEAN. If the Senator will pardon an interruption—and I shall not interrupt him unless he is willing that I should do so——

Mr. KING. I have no objection to the Senator interrupting me.

Mr. McLEAN. Of course, the Senator from Utah knows that we have a very stringent child labor law in Connecticut, and I presume that the permits to which Mr. O'Meara has referred were granted during the harvesting season, when children could get employment, especially in the tobacco fields, picking tobacco, and in other employments out of doors. I do not know whether or not there is any explanation of that in the report from which the Senator is reading.

Mr. KING. I do not see any, I will say to the Senator. Mr. O'Meara proceeds:

There appears on page 7 of the same issue, the following:

"The year 1915 was remarkable for a widespread dissatisfaction in the laboring and producing classes with wages and hours as then prevailing, this dissatisfaction spread almost simultaneously all over the country, and had an outlet in a series of strikes in many related and totally distinct industries, which for stubborness and length has never been paralleled in Connecticut, whatever the experience of other States."

I wish to state, Mr. Senator, that during the past 21 years in the State of Connecticut, that with the exception of 4 years the political destinies of the State have been with the Republican Party, and for the past 25 years with the exception of 8 years that the same conditions have prevailed from a national standpoint, and it can be easily observed what the average wage earner has received and what he can expect from the party that yells for protection—it means protection of their own pockets, and not those of the wage earner—that has been established for years, still the voter blindly keeps on voting into office men of a party that never will entertain a semblance of sympathy for the wage earner. And when Senator McLEAN states that Connecticut employers are paying wages of a better level than elsewhere, he has not taken the trouble to investigate into living conditions in the cities where these poorly paid wage earners live; we can bring him around my home city into localities where now two families are compelled to house themselves in order to exist; let him drop in here and we will show him where in an ordinary bedroom in a tenement flat, the parents sleep in one bed, there are in some beds four and five children therein in the same room, measuring 9 by 11 feet, and the other family existing in the same way in an adjoining room of the same size.

The many social agencies are continually reporting that conditions are worse than ever dreamed of, and something is urged to be done to stop it, and in all fairness how can it be done with the head of the home coming in with a wage that can not but keep him and his family in this bad condition.

Might I state, also, Mr. Senator, that the most authentic report obtainable that there is in the State of Connecicut, the astounding fact that there are 280 millionaires in Connecticut, 52 of whom possess more than $2,000,000, one being credited with $8,000,000, or, in other words, the people of Connecticut have a millionaire for each 4,300 inhabitants.

I wish to state, also, Mr. Senator, that the statement made on page 7121 of the CONGRESSIONAL RECORD, date of May 17, 1922, on the right-side top, by Senator MOSES, of New Hampshire, to the effect that there are some 717,000 depositors in the savings banks of Connecticut; that his inference being that all of these depositors are people in the wage-earning class, is far from the truth, for I would like to ask him, through you, Mr. Senator, if he would please inquire as to who deposited during the past year the sum of approximately $52,000,000 in the savings banks of Connecticut, this transaction taking place after the merger of the famous copper deal in this State? I was wondering if he classed the people that deposited this great sum in many of the banks; that if they were wage earners, and from very reliable sources this vast deposit was a welcome thing to some of the banks at that time.

I wish to state that according to figures published September, 1921, that the amount of money invested in manufacturing in Connecticut was $1,343,900,000.

Personally appeared Patrick F. O'Meara, president of the Connecticut Federation of Labor, residing at 122 Grafton Street, New Haven, Conn., and affirms that the foregoing statements to be true to the best of his knowledge and belief before me, this 20th day of July, A. D. 1922.

[SEAL] FRANK S. BERGIN.
Notary Public.

Mr. President, in May, 1920, the Bureau of Labor Statistics of the Department of Labor published Bulletin No. 265 on wages and hours of labor, compiled from an industrial survey in selected industries in the United States for 1919. It must be observed that this year was a very active one in the industries of the country and wages reached the highest levels known. The average wages per hour, as reported in this survey, give a fair indication of the relation which then existed between wages in the different trades.

This survey indicates that the lowest wages in the particular trades and industries covered were generally paid in the factories and industries of Connecticut, notwithstanding the boom which the war gave to Connecticut industries and which was in force without diminution in the year 1919 covered by the survey.

I have gone through the records and I have compiled a large number of statistics showing the wages paid per hour in Connecticut and in various other States in the Union, and the results, as I now recall them, in every instance were as I have indicated, namely, that Connecticut paid lower wages than other States.

The survey shows that in the paper-box industry cutters and creasers were paid in Connecticut 38.6 cents per hour as against 49.8 cents paid in New Jersey, and that cutters, scorers, and corner cutters were paid in Connecticut 39.5 cents per hour as against 45.6 cents paid in Michigan; that die makers and pressmen were paid in Connecticut 50.2 cents per hour as against 61.8 cents paid in New York; that laborers were paid in Connecticut 35 cents per hour as against 41.4 cents paid in Illinois; that scrappers were paid in Connecticut 32.8 cents per hour as against 44.6 cents paid in New Jersey; that coverers were paid in Connecticut 29.3 cents per hour as against 31.2 in Massachusetts; that cutters, scorers, and corner cutters were paid 21.4 cents per hour as against 26.8 in New York; that gluers-off were paid in Connecticut 21.5 cents per hour as against 23.7 in Ohio; that glueing-machine operators were paid in Connecticut 27.8 cents per hour as against 30.3 paid in Illinois; and that female table workers were paid in Connecticut 25.4 cents per hour as against 27.5 in Illinois.

That in the chemical industry foremen of mechanical operations were paid in Connecticut 50.9 cents per hour, as against 72 cents per hour paid in Kansas.

That in the electrical machinery and apparatus industry machine setters were paid in Connecticut 42.5 cents, as against 55.8 cents paid in New Jersey; that machinists were paid in Connecticut 51.8 cents per hour, as against 66.9 cents per hour paid in Illinois; that metal finishers were paid in Connecticut 37.8 cents per hour, as against 42.1 cents paid in New York; that milling-machine hands and operators were paid in Connecticut 43 cents per hour, as against 49.8 cents per hour paid in New York; that polishers and buffers were paid in Connecticut 42.1 cents per hour, as against 55.1 cents per hour paid in Pennsylvania; that punch-press hands and operators were paid in Connecticut 38.8 cents per hour, as against 63.8 cents per hour in Indiana; that screw-machine hands and operators were paid in Connecticut 42.6 cents per hour, as against 63.6 cents per hour paid in New Jersey; that coil winders were paid in Connecticut 27.4 cents per hour, as against 31.1 cents per hour paid in New York; that connectors and insulators were paid in Connecticut 27.4 cents per hour, as against 30.3 cents per hour paid in New York; that drill-press hands and operators were paid in Connecticut 27.5 cents per hour, as against 36.7 cents per hour paid in New York.

That in foundries chippers and grinders were paid in Connecticut 49.1 cents per hour, as against 64.5 cents per hour paid in Iowa; that first-class core makers were paid in Connecticut 66.3 cents per hour, as against 84.6 cents per hour paid in Oregon; that core makers were paid in Connecticut 42.1 cents per hour, as against 64.7 cents per hour paid in Michigan; that crane operators were paid in Connecticut 50.8 cents per hour, as against 85.7 cents per hour paid in Washington; that cupola

tenders were paid in Connecticut 53.3 cents per hour, as against 79.3 cents per hour paid in Oregon; that handy men in Connecticut were paid 53.2 cents per hour, as against 71.7 cents per hour paid in Missouri; that laborers were paid in Connecticut 43.7 cents per hour, as against 58.1 cents per hour paid in Oregon; that bench molders were paid in Connecticut 58 cents per hour, as against 73.4 cents per hour paid in Michigan; that floor molders were paid in Connecticut 64 cents per hour, as against 83.2 cents per hour paid in California; that machine molders were paid in Connecticut 43.6 cents per hour, as against 68.2 cents per hour paid in Iowa; that molders' helpers were paid in Connecticut 44 cents per hour, as against 50.3 cents per hour paid in Missouri; that pattern makers were paid in Connecticut 59.4 cents per hour, as against 90.1 cents per hour paid in Ohio.

That in the hosiery and underwear industry boarders were paid in Connecticut 41.1 cents per hour as against 56.9 cents per hour paid in Pennsylvania; that machine fixers were paid in Connecticut 49.9 cents per hour as against 57.8 cents per hour in Ohio; that pressers were paid in Connecticut 34.2 cents per hour as against 55.8 cents per hour paid in Wisconsin; that buttonhole makers were paid in Connecticut 25.6 cents per hour as against 36.1 cents per hour paid in Wisconsin; that button sewers were paid in Connecticut 28 cents per hour as against 33 cents per hour paid in North Carolina; that hand cutters were paid in Connecticut 43.9 cents per hour as against 27.4 cents per hour paid in Wisconsin; that finishers were paid in Connecticut 24.8 cents per hour as against 31.6 cents per hour paid in North Carolina.

That in the machine industry blacksmiths were paid in Connecticut 66.5 cents per hour as against 81 cents per hour paid in Oregon; that blacksmiths' helpers were paid in Connecticut 48.2 cents per hour as against 51.6 cents per hour paid in Missouri; that drill-press men were paid in Connecticut 51.2 cents per hour as against 63.7 cents per hour paid in Minnesota; that fitters were paid in Connecticut 60.9 cents per hour as against 70.5 cents per hour paid in Missouri; that gear cutters were paid in Connecticut 57.2 cents per hour as against 71.9 cents per hour paid in New York; that grinders were paid in Connecticut 54.7 cents per hour as against 66.7 cents per hour paid in New York; that handy men, hookers on, and painters were paid in Connecticut 47.6 cents per hour as against 64.7 cents per hour paid in California; that laborers were paid in Connecticut 41.9 cents per hour as against 58.7 cents per hour paid in California; that lathe men were paid in Connecticut 54.2 cents per hour as against 71.3 cents per hour paid in Pennsylvania; that machinists were paid in Connecticut 55.7 cents per hour as against 90.8 cents per hour in California; that milling-machine men were paid in Connecticut 51.6 cents per hour as against 69.2 cents per hour paid in Missouri; that millwrights were paid in Connecticut 55.9 cents per hour as against 68.2 cents per hour paid in New York; that planer and shaper men were paid in Connecticut 60.9 cents per hour as against 69 cents per hour paid in Oregon.

That in the paper and pulp industry back tenders were paid in Connecticut 41.2 cents per hour as against 67.7 cents per hour paid in Minnesota; that beater men were paid in Connecticut 46.2 cents per hour as against 62.6 cents per hour in Minnesota; that machine tenders were paid in Connecticut 56.7 cents per hour as against 80.5 cents per hour paid in Minnesota; packers were paid in Connecticut 36.1 cents per hour as against 50.8 cents per hour paid in Pennsylvania; third hands were paid in Connecticut 35.1 cents per hour as against 53.1 cents per hour paid in Minnesota.

In the typewriter, computing-machine, and cash-register industries aligners are paid in Connecticut 59.9 cents per hour as against 69.8 cents per hour paid in New York; that assemblers and welders were paid in Connecticut 36.1 cents per hour as against 48.5 cents per hour paid in New York; that drill-press men and operators were paid in Connecticut 43.2 cents per hour as against 55.8 cents per hour paid in Michigan; that fitters and filers were paid in Connecticut 43.6 cents per hour as against 48.2 cents per hour paid in New York; that gear cutters and lathe operators were paid in Connecticut 58.2 cents per hour as against 61.5 cents per hour paid in Michigan; that grinder hands were paid in Connecticut 45 cents per hour as against 59.7 cents per hour paid in New York; that handy men were paid in Connecticut 38.6 cents per hour as against 48.9 cents per hour paid in New York; that case hardeners and annealers were paid 45.2 cents per hour in Connecticut as against 67.9 cents per hour paid in Indiana; that inspectors—final—were paid 59.3 cents per hour in Connecticut as against 73.7 cents per hour paid in New Jersey; that japanners and annealers were paid in Connecticut 47 cents per hour as against 57.4 cents per hour paid in Michigan; that laborers were paid in Connecticut 35.2 cents per hour as against 43.3 cents per hour paid in Michigan; that machine setters were paid in Connecticut 49.8 cents per hour as against 55.2 cents per hour paid in New York; that machinists were paid in Connecticut 59.7 cents per hour as against 68 cents per hour in Michigan; that milling-machine operators were paid in Connecticut 43.9 cents per hour as against 50.1 cents per hour paid in New York; that electro and nickel platers were paid in Connecticut 52.5 cents per hour as against 59.5 cents per hour paid in New York; that polishers and buffers were paid in Connecticut 53.9 cents per hour as against 54.7 cents per hour paid in New York; that rough polishers were paid in Connecticut 41.9 cents per hour as against 58.9 cents per hour paid in New York; that punch-press hands were paid in Connecticut 38.5 cents per hour as against 58.2 cents per hour paid in Michigan; that screw-machine hands and operators were paid in Connecticut 46.8 cents per hour as against 54.1 cents per hour paid in Michigan; and that toolmakers, die makers and sinkers were paid in Connecticut 66 cents per hour as against 81.6 cents paid in Indiana.

PRE-WAR WAGES IN THE TEXTILE INDUSTRY.

It is well known that wages paid in the cotton and woolen manufacturing industry in this country are, generally speaking, the lowest for any of the American industries. Textile manufacturing has been the special object of protectionist solicitude and legislation; indeed, the textile interest has been the dominent interest in the framing of tariff legislation. The textile industry is a typical protected industry, and the obvious fact is that in this industry wage rates are at much lower levels than in the nonprotected industries such as the railroad occupations and crafts, the building and construction trades, and the telephone and electrical trades. This fact is so well known as to not require a demonstration.

This condition was also well known in pre-war years, as was clearly brought out in a study of wages in the United States in 1908 to 1910 by Scott Nearing, a professor in the Wharton school of the University of Pennsylvania, which was published in 1911 under the title "Wages in the United States, 1908–1910"—"A study of Federal and State wage statistics."

Professor Nearing found that the State of Massachusetts had collected and published the most complete wage statistics then available, and he makes a particular examination of these Massachusetts statistics. On page 31 of his book he says:

> These industries are really divisible, according to the numbers employed, into two groups, those industries employing more than 40,000 persons, and those employing less than 15,000 persons. Between these two extremes not a single industry appears. A study of the above table shows that wages range much lower in the textile industries. Thus in cotton goods, worsteds, woolens, and dyeing and finishing, there are respectively 31, 21, 25, and 21 per cent of the employees paid under $8 a week. In the other industries these percentages are much lower, with a maximum in furniture of 15 per cent, and a minimum in foundry and machine shop of 6 per cent.
>
> Similar deductions may be made from an analysis of the higher-wage group. In the textile industries (cotton, worsteds, woolens, and dyeing and finishing) there are, respectively, 9, 17, 10, and 12 per cent of employees receiving more than $15 per week, while in the other industries the percentages above $15 per week are:

	Per cent.
Boots and shoes	42
Foundry and machine shop	32
Leather	16
Paper	18
Furniture	17
Jewelry	47

> The proportion of wage earners receiving above $15 per week is therefore considerably higher in the nontextile than in the textile industries.

The textile industry is notable for the large proportion of women and children employed, and it is common experience that the presence of a large number of women in the industry is a sure sign of a low-paid industry. In 1908 nearly one-half of the number of minors employed in Massachusetts were employed in the cotton-manufacturing industry, and the number of women employed in the cotton-manufacturing industry is nearly as high as the number of men employed in the industry.

Mr. Nearing, on page 44 of his book, says:

> Seven-tenths of all adult males receive weekly wages running from $9 to $20, while more than four-fifths of the adult females receive from $5 to $12 per week. The classified weekly wages of the adult males of Massachusetts are therefore almost twice as high as the wage of the adult females.

And on page 45 Mr. Nearing says:

> Cotton goods, the largest Massachusetts industry in so far as the number of employees is concerned, pays the lowest wages of any of the leading industries. Of the adult males (over 21 years) nearly one-third receive under $8 per week, while four-fifths of the total adult males receive less than $12 per week, leaving only one-tenth of the entire number of adult males with weekly incomes of over $15. The wages of the adult females (over 21 years of age) are lower than the wages of adult males, but not lower in the proportion that they are in other industries. Half of the adult females receive less than $8 per week, nearly a half receive wages ranging from $8 to $12, leaving only one-twentieth of the adult females with weekly wages over $12 and none with weekly wages over $15.

* * * * * * *

From these two industries the conclusion is obvious; that, for a man settling in Massachusetts, a boot and shoe town is infinitely preferable to a cotton mill town, in so far as wages are concerned. The work may be harder or more technical, but the difference in wage between the two industries is very considerable.

* * * * * * *

Thus the boot and shoe industry paid by far the best wages to adult males, while the lowest wages were paid in the cotton industry.

And, on page 57, Professor Nearing says:

In cotton goods, the leading Massachusetts industry, the wages are very much lower than in the State at large, nearly three-fifths of all the adult male employees receiving less than $459 in 1918.

It is notorious that the cotton-mill towns of New England have a working population containing a large number of persons of foreign birth, and that in these towns are paid the lowest wages paid in the United States, and are also to be found the most undesirable living conditions encountered anywhere in the country. The pretense that the tariff on textiles is laid for the purpose of protecting the wages of the American workingman is hardly made good in the fact that the wages in this most protected of all American industries are the lowest paid in any American industry, and that the condition of the employees in this industry approach more nearly the status of servitude than in any other industry in the country. Not only are the wages low but thousands of women and children are practically chained to their daily tasks by the drivings of hunger and the inexorable demands of nature for food, clothing, and shelter. The textile industry which has called the loudest for protection upon the score of Americanism presents the most un-American conditions to be found in any quarter of the land. On this point, Professor Nearing says, on page 75, of his book:

The contrast is marked between Massachusetts and New Jersey, with tens of thousands of women and thousands of children at work, and Kansas, with 3,600 women and 600 children. In Massachusetts the women formed 30 per cent of the total wage earners; in New Jersey, they formed 25 per cent; but in Kansas less than 7 per cent of the total wageworkers are women.

To compare the wages received by women in a free American industry, such as the wages paid to operators on telephone exchanges, with the wages paid to women in the textile industry, will give us a clear picture of the distinction between the free industries and the protected industries in this country as respects the wages and welfare of their employees.

Mr. McLEAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Connecticut?

Mr. KING. I do.

Mr. McLEAN. To what industry is the Senator referring now?

Mr. KING. The nonprotected industries. I am speaking now of telephone operators.

Mr. McLEAN. The Senator calls those "nonprotected." Of course, he knows that we do not import telephone operators. There is an absolute embargo against competition in that line.

Mr. KING. The Senator can make such deductions as he pleases. My contention is that the reactionary Republicans in the past and now have been imposing upon the American people exorbitant taxes in the form of tariffs, upon the pretense that those duties were essential for the protection of the wages of the American employees; and I have contended that the wages paid in the most highly protected industries were lower than those paid in the industries that had no protection.

Mr. McLEAN. The Senator knows that there are about 33 per cent of our people engaged in agriculture and about 33 per cent in manufacturing pursuits, and the other third in other occupations, and that the other third have an absolute embargo. We do not import hotels and hospitals and schoolhouses and colleges. Consequently, our masons and painters and carpenters and other tradesmen have an absolute embargo against competition. They do not need any protection, and that is the reason why their wages are very much higher than the wages in the industries where they have to meet severe foreign competition.

The fact is that in the cotton industry and most of the textile industries the competition from abroad is so fierce that the American producer has had to cut his wages; and the Senator also knows that competition in the South in many lines of cotton goods is very severe and that the wages in the South are much lower than they are in New England. That was made clear by a statement presented to the Senate the other day by the Senator from Massachusetts [Mr. LODGE].

If the Senator will permit me, I was not here, and am not familiar with the different industries to which the Senator has called the attention of the Senate at this time; but the statement which I put into the RECORD the other day was taken from the census reports, and it was to the effect that the average wage in Connecticut in 1919 was $3.56 a day; and the fact is that to-day, probably, we are working about from 40 to 50 per cent of capacity, perhaps 60 per cent. We will call it 60 per cent. That means a reduction in our pay roll in Connecticut of $140,000,000 a year; and the Senator can realize that under those conditions we must do one of two things—we must either cut wages or else we must have adequate protection.

The fact that some of these rates may seem to be high signifies nothing, because if they are not high enough to equalize the difference in the cost of production here and abroad, of course, they are ineffective; and as a result in these industries where the competition is fierce, and against which Germany has made a special drive, there is only one of two things for us to do—we must cut wages or go out of business.

Mr. KING. Mr. President, the Senator has stated now what he has heretofore stated in various forms, perhaps in different phraseology; but the whole burden of the able Senator's position has been that protection is the panacea for all the ills to which our industrial system is heir.

Mr. McLEAN. If the Senator will permit one more interruption, I want to say to him that I am not opposed to any criticism or any investigation that is just and founded on fact, and no one regrets more deeply than I do the necessity for paying low wages. I believe in good wages. For that reason, I want protection that will enable the manufacturer to pay good wages; and I call the Senator's attention to the most recent resolution adopted by the American Federation of Labor on the tariff question.

Mr. KING. I wish the Senator would put that in in his own time.

Mr. McLEAN. It is only 7 or 8 lines, and then I shall have concluded, if the Senator will pardon me, because I do not want to take the time of the Senate in discussing this matter.

Mr. KING. All right; I yield.

Mr. McLEAN. It is as follows:

That this convention go on record in favor of the policy of industrial preparedness and the enactment of laws by Congress that will adequately protect all wage earners of our country against the loss of employment through any industrial invasion on the part of the products of any of the other nations.

I want to say to the Senator that Mr. O'Meara may be opposed to a protective tariff, but the secretary of the Federation of Labor in the State of Connecticut has recently signed a statement in favor of protection, and the Senator knows that representatives of the American Federation of Labor have appeared before the Committee on Finance on many of these schedules demanding adequate protection. The only hope of the American wage earner, the only possible way in which our standard of living can be maintained, is to give adequate protection to these industries which meet foreign competition.

Mr. KING. Mr. President, the able Senator from Connecticut, in my time, has delivered two admirable addresses from his standpoint, and has restated the arguments which he has adduced so often in the Senate—the arguments of the protectionists who believe that the prosperity of the American people is dependent upon raising to the skies the tariff rates so that the United States may be excluded from trade and commerce with the world.

It was not my purpose to-day to enter into any general discussion of the question of tariff or the relation of tariff to wages. I brought these matters to the attention of the Senate only because of the apparent challenge of the Senator from Connecticut and the Senator from New York the other day of some observations which I submitted, and of the letter which I offered for the RECORD, written by the president of the Federation of Labor of the State of Connecticut.

If I had the time to-day—and I apologize to the committee for trespassing upon the time of the Senate when they are discussing another important measure—I should be glad to analyze some of the statements made by my able friend, and review the arguments which he has again presented in favor of protection. I have no doubt that there are many men, members of the Federation of Labor, who are inoculated with the same virus of protectionism that has taken possession of my learned friend, and which guides his conduct here in the formulation of tariff legislation. Of course there are many people in the United States who follow the heresies that are so eloquently and ably championed by the able Senator from Connecticut. He states over and over again that the condition of wages depends upon the tariff, that the condition of American industry is related to the tariff, and depends upon inordinately high tariff duties. We discussed that question several weeks ago, and I do not care to enter into it now, as I am anxious to conclude in order that we may resume the discussion of

the schedule which is now under consideration. There are other members of the Federation of Labor, though, who do not see in this tariff bill which the Senator is so ably defending the beneficent results which are prognosticated for it by my friend. I believe that the laboring people of the United States more generally now than in the past appreciate the fact that the Republican Party's financial policies have never been in the interest of the great consuming public, including the laboring men, but that many of the financial policies of the Republican Party have been dictated by selfishness, by a determination upon the part of large manufacturers and certain interests to exploit the American people, buttressed behind enormous tariff walls which prevent legitimate and proper competition. But this bill, with its enormities, being made known to the people, will disillusion my friend from Connecticut, and he will discover that the laboring men of the United States are not by any means a unit in their support of it. I repeat that as its schedules become known, and when the bill shall have passed and been put into operation, the American people will challenge the wisdom of the measure and condemn those who have driven through under the party lash a bill containing schedules so high that they have never been paralleled in any of the tariff legislation of the past.

Mr. President, recurring to the matter to which I have directed the attention of the Senate, in 1910 telephone operators were paid $34.84 per week in Salt Lake City; $35.84 per week in San Francisco; $27.32 per week in Dallas, Tex.; $29.52 per week in Omaha, Nebr.; $29.44 per week in St. Louis, Mo.; $27.09 per week in Washington, D. C.; $29.16 per week in Philadelphia, Pa.; and $36.96 per week in New York; whereas the mill women of Massachusetts were in the same year only paid from $8 to $12 per week, half of the number receiving less than $8 per week; nearly half receiving from $8 to $12 per week; but only one-twentieth receiving more than $12 per week, and none receiving more than $15 per week as wages for service in the cotton mills.

The pretense that the tariff is laid for the promotion and protection for American wages and American conditions in industries is thus revealed as a bald and fictitious assumption. The facts indicate that avarice for money has been the dominating motive in the writing of the textile tariff and that the purpose of these tariffs has been not the protection of wages but the protection of profits. Some persons have contended that there is no advantage in transporting great numbers of foreign wage seekers to our mill towns over admitting to our ports the manufactures of foreign production. They claim that if our people may be engaged in more profitable and healthful pursuits than working in the textile mills, there is no reason why legislation should be passed to foster an industry which demands the services of depressed men and of women and children who have no business working in factories at all—at least not in this great and free country.

I want to read briefly from a letter written by Mr. Thomas F. McMahon, international president of the United Textile Workers of America, under date of July 19, 1922. He states that—

> More than six or seven years ago we had a strike in New London at the Armstrong Thread Co. Five years ago we had a strike in the Salts Textile Co. in Bridgeport. We had two strikes in Stonington, one or two in Mystic, one or two in Moosup, and a big strike in Willimantic.

I have called attention in the affidavits submitted by Mr. O'Meara to the large number of strikes that have occurred in Connecticut for a number of years last past.

> The loom fixers and mule spinners, the highest type of cotton-mill workers, receive in Connecticut about $26 per week for 55 hours. The average weaver, running 12 looms, makes about $22.
>
> Spinning room help and girls running 8 or 10 sides, of 116 spindles each side, receive $17 per week of 55 hours. Doffers in the same department received about $15. Carding room and picker room of a cotton mill average about $14 for men for 55 hours.

He is speaking of the present year.

> The foregoing shows conclusively that necessity compels the wife and mother to go to work in order that the offspring may at least receive some of the rough and coarse necessities of life, as luxuries are unknown in the homes of the cotton workers to-day. Children are compelled to go to work by the employers of their fathers and mothers under penalty in many cases of losing their own employment or being turned out of the company's tenements. Nice, easy jobs are made for the children by the employers so as to keep them off the street and that their parents will know where they are, and, as a matter of fact, the father and mother with a large family will find that they have the key to open the mill door of any mill in New England because of the fact that they are responsible for so many thousands of dollars to be taken out of the lives of those who compose this young brood.
>
> There is no man or woman living to-day who can describe conditions inside of a cotton mill, particularly during the warm weather. The natural heat and the artificial heat that is necessary for production leaves the room where human beings toil in nearly an unbearable condition. Men and women just cover their nakedness in these rooms; otherwise they could not stand it.
>
> Women and children predominate in a cotton mill, and it is common now to see the $8 or $9 a week job. All the data and all the statistics in the United States would not be as valuable as one visit from the honorable Senator into a cotton mill in Baltimore, Md., about 30 miles from Washington, and if he but walks through each department and notes the physical condition of the operatives he will fully appreciate that not only are the textile workers underpaid but that the rate of pay to-day is forcing them into slow death through the starvation method.
>
> Trusting that the above will assist you, and with best wishes I am,
>
> Fraternally yours,
>
> THOMAS F. MCMAHON,
> *International President United Textile Workers of America.*

I have here an excerpt from the Washington Post, under date of July 17, an Associated Press dispatch, giving a statement of the New England textile strike, which is now in its seventh month with 50,000 operatives idle and more than 40 plants affected. I ask leave to have this printed in the RECORD without reading.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TEXTILE STRIKE GROWS—LOWELL MILLS CLOSED—10,000 ADDITIONAL OPERATIVES CALLED OUT BECAUSE OF WAGE REDUCTIONS.

BOSTON, July 17 (by the Associated Press).—The New England textile strike, which is now in its seventh month with 50,000 operatives idle and more than 40 plants affected, spread to-day in force to Lowell, Mass. Strikes have been called against 3 plants in Lowell which reduced wages 20 per cent. These plants employ more than 10,000 operatives.

Beginning late in January in the Pawtuxet Valley of Rhode Island, textile strikes have been in progress in three main areas—Rhode Island, New Hampshire, and Lawrence, Mass. Announcements of wage reductions of 20 per cent, held by the mill owners to be made necessary by the competition of southern mills, preceded all the strikes. In Rhode Island and New Hampshire an increase in working hours from 48 to 54 weekly was also a factor.

Most New England mills affected by the strike have continued open, but many have curtailed operations. Antipicketing injunctions have been obtained by many manufacturers.

Mr. KING. I have with great care gone through United States Department of Labor Bulletin 265 and assembled the various classes of employees in a large number of the industries, together with the wages paid. The statement is so voluminous, comprising 33 pages of typewritten matter, that I shall not ask to place it in the RECORD, but I will state generally that the wages paid in the textile mills, as shown by this record, are less than the wages paid in other industries, protected or nonprotected.

I regret having consumed so much time this morning, but I felt, in view of the attitude of the able Senator from Connecticut and the able Senator from New York, that it was only proper that I should present to the Senate facts which would support the contentions which I made and the statement made by Mr. O'Meara in his letter, which was placed in the RECORD.

A review of the situation in the State of Connecticut brings into the picture the great contrast in the condition of the people. On the one hand we have great factories and the palaces of the manufacturers, which rise like the castles of the feudal barons as a reflection of the number of their retainers and serfs. And on the other hand we have the thousands of repressed men, women, and children whose toil yields daily tribute to the wealth and profits of their masters, but who themselves live in want and penury, in tenements which can not be denominated by the name of homes, but which exist in the shadow of the mills and palaces of Connecticut, but do not reflect any of the glory or prosperity which Connecticut manufacturers take unto themselves from the labor of these poor people. On the one hand there are 280 millionaires, whose plants and factories represent an investment of $1,343,900,000, and on the other hand there are these 340,404 men and women who in 1919 toiled at an average wage of $3 per day, which since that time has been decreased, with an accentuation of the poverty which seems to be the common inheritance of those who labor in the protected industries of Connecticut. Protection for profits and protection for poverty and protection for the process which produces profits and poverty are constant concomitants in the progress of the policies for which the Republican Party stands and which have received their consummate expression in the iniquitous provisions of the pending tariff bill.

Mr. McLEAN. Mr. President, I was not here when the Senator from Utah began to read the information which I understand is embodied in a report prepared some years ago with regard to conditions in certain localities of the State of Connecticut. For that reason I am not able to reply, and, probably, if I had been present I could not have replied, since the information referred to matters about which I have no personal knowledge. The conditions to which he refers might have been caused by the Underwood bill.

I have no desire now to occupy the time of the Senate in replying to the Senator's position on the tariff question. In so far as the effect of protective-tariff duties upon the wages of men and women employed in the manufacturing industries in this country is concerned, I will let the representatives of the American Federation of Labor speak for themselves. Everyone who has kept track of the hearings before the Finance Committee and the discussion of this subject generally since the tariff bill was brought up knows that representatives of the American Federation of Labor have frequently expressed their views upon this subject, and all in favor of protection. I have here a statement published in May last, signed by Mr. I. N. Ornburn, secretary of the Connecticut State Federation of Labor, and others. I ask to have this statement printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

[From the Labor News, New Haven, Conn., Friday, May 5, 1922.]

PRINTING TRADES PROTEST CHEAP FOREIGN PRINTING—"PATRIOTIC" AMERICAN FIRMS HELPING CRIPPLE INDUSTRY HERE BY PURCHASES ABROAD.

The printing tradesmen of America, many thousands of whom have been idle for months, will soon have an opportunity of returning to their trade if the promise made by Hon. Elmer Dover, Assistant Secretary of the Treasury, to representatives of the organized printing trades is fulfilled.

Early last fall an investigation on the part of the New York State Allied Printing Trades Council, headed by its president, Peter J. Brady, assisted by Stephen G. Kelly, secretary of the Allied Printing Trades Council of Greater New York; Walter N. Reddick, president, and Felix J. Belair, secretary of the International Brotherhood of Bookbinders, disclosed the fact that during the year 1920 there was an increase of more than 400 per cent in the imports of printed matter. It was also learned that some "patriotic" American employers were placing their printing orders with representatives of foreign printing concerns because of the low quotations, quotations so low, in fact, that many of the "rat" shops of our own country could not even compete.

The names of many of these "patriotic" American concerns, who are looking to the workers of this country for their support and patronage, and consequent profits, will soon be compiled and made public and we hope that our workers and those of our employers who believe in "America first" will bear this fact in mind when placing their orders for merchandise by the concerns we refer to.

The House Ways and Means Committee, the House of Representatives, and the Senate Finance Committee answered the request of labor and placed a small additional duty on the imports of printed matter from foreign countries. The additional duties, however, are small.

These duties, if the recommendations of the Senate Finance Committee are adopted, will be based on the foreign value of these imports. Such a law at this time will give us but little relief.

The books, booklets, post cards, cigar labels, circulars, and other printed matter which Americans are asked to purchase with American money are sold on value in America. Why not place reasonable import tax on these goods on their value in America?

American labor has spent thousands of dollars during the last two years preparing material for Congress and for the President showing why, if American labor is to obtain employment, the imports which compete with our labor should be taxed on the value of the imports in this country.

We may succeed in getting this through, but at the present time it seems as though the international bankers and other financial interests, many of them holding fortunes in the depleted currencies of central European countries, will be able to defeat the wishes of real Americans.

At the present time it looks as though months may pass before any definite action is taken on the tariff bill.

It was because of this fact that representatives of the printing trades, headed by Matthew Woll, called upon Hon. Elmer Dover, Assistant Secretary of the Treasury in charge of customs, and asked that he issue a ruling that hereafter all goods printed in foreign countries imported for sale in our country, have the name of the country where made printed in a conspicuous place. They also asked that the Treasury Department make an investigation of the imports of printed matter, the prices at which the imports were valued, and the prices which the importers and bankers receive when they dispose of these goods in America.

We have reason to believe that some of these goods are offered for sale in Europe at prices which are less than the cost of material in America. Of course, this is possible at the present time on account of the depreciated value of the currency of some of the European countries.

We at least ought to have the privilege of knowing where the goods we purchase were made and then it is up to our own people, if they prefer to patronize the goods printed in countries other than America. We may soon be able to list some of those who are Americans when it is profitable to be so and anti-Americans when they profit themselves even by so doing they help to impoverish the workers of America.

The delegation which called upon Hon. Elmer Dover consisted of Matthew Woll, president of the International Printing Trades Associations and vice president of the American Federation of Labor; I. M. Ornburn, secretary of the Connecticut State Federation of Labor; Walter N. Reddick, president of the International Brotherhood of Bookbinders; Daniel J. Ahearn, president of the Allied Printing Trades Council of Greater New York; and Edward F. McGrady, legislative representative of the American Federation of Labor.

Mr. McLEAN. I also have a very brief statement prepared by Mr. William A. Nealey, president of the Massachusetts State branch of the American Federation of Labor, in which he discusses the necessity of adequate protection for American employees, and the unfortunate results which will come unless they are given adequate protection. I ask to have that printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

LABOR'S OBJECTION TO FREE TRADE—OPPOSED TO THE REMOVAL OF ECONOMIC BARRIERS AND INSISTS UPON INDUSTRIAL PREPAREDNESS.

(By William A. Nealey, president of the Massachusetts State branch of the American Federation of Labor.)

After the war had been in progress about a year British labor realized the handicap that free trade had been to England. High protection had enabled Germany to overcome England's lead in many industries and to threaten the existence of trades necessary to the maintenance of Great Britain's prestige in war or peace. Imports from Germany, prior to the war, were flooding the British markets and Germany had overcome England's lead in the steel industry and had surpassed England in the vitally important industry of dye and chemical manufacturing. England's agriculture had declined under free trade and Great Britain was dependent upon other countries for its food supplies. This weakness on England's part was the underlying reason of Germany's submarine campaign. If enough British ships could be sunk the food supplies would be cut off and England would be starved to death.

British labor was the first to see the danger of the situation, and at a great meeting of labor representatives declared in favor of the adoption of a protective tariff policy by a vote of 2,500,000 labor unionists. At Ford Hall, Boston, on Sunday evening, October 20, Arthur Gleason explained the after-war program of British labor, and one of the chief elements of that program was a high tariff.

England can no longer be called a free-trade country. In fact, England never was wholly a free-trade nation. It had free trade in food supplies, and it soon fell into a position where it could not feed its people. It had free trade in certain manufactured goods, and soon found its market overrun by goods "made in Germany." But it never abolished protection for its shipping. It built the greatest navy in the world to protect its merchant marine and paid enormous subsidies to its steamship lines to keep the flag of England on every sea. It was England's enormous navy and its protected merchant marine that saved the British Empire from collapse.

British labor was wise enough to see the significance of this. It was keen enough to interpret the weakness due to free trade and the strength that resulted from protection; and so it demanded protection for the industries of England, as well as for the shipping of England. Great Britain will be a protective-tariff nation as long as Englishmen remember the lessons of this war. And it will be a long time before they will forget them.

While this was going on in England, American labor was not asleep. Many of us saw that we were unprepared in a military sense when we entered this war. We had only a small Army and a Navy of 50,000 or 60,000 men. It was not that Army or Navy that Germany feared. It was the great body of American labor, trained, skillful, and intelligent that would, after a short period of training, make the best soldiers and sailors in the world, and it was the great industries of the United States, built up by over a hundred years of protection, that Germany knew we could depend upon to supply our soldiers and sailors with the supplies and equipment of war. American labor knew what these industries meant to us in the prosecution of the war, and what they would mean to us when peace was restored. We were determined that these industries should not perish and at our convention in Buffalo, in November, 1917, attended by the delegates of the American Federation of Labor, we declared—

"That this convention go on record in favor of a policy of industrial preparedness and the enactment of laws by Congress that will adequately protect all wage earners of our country against the loss of employment through any industrial invasion on the part of the products of any of the other nations."

I appeal to you if that is not the American spirit? I appeal to you if that is not the American policy? I appeal to you if that is not the voice of the American people?

We do not propose to fight for the liberty of the world and lose our own right to life, liberty, and the pursuit of happiness. We are not going to safeguard the independence of other nations and lose our own industrial independence. We are not going to lick Germany on those bloody fields of France and Belgium and then let Germany loot our markets. We are not going to send our sons across the sea to conquer the brutal Hun and then make Germany the master of our trade and commerce.

But, my friends, that is just what is going to happen if we do not prepare for our industrial defense.

There are candidates in this State running for high office who voted for the Underwood tariff bill that reduced our tariff protection so low that Germany and all the other countries began to flood our markets with their goods. When Woodrow Wilson signed the Underwood tariff he rose and expressed great satisfaction with the provisions of that law. "The feeling that I have," he said, "is that we have done the rank and file of the country a great service." Mr. Underwood, one of the foremost leaders of the Democratic Party and at that time chairman of the Ways and Means Committee, said: "I am absolutely confident that this law will reduce the cost of living in the United States, and it will provide ample revenue for the Government." It reduced the employment of American labor, but it did not reduce the cost of living, and the revenue obtained from the tariff was cut down many millions. That tariff law, which was signed with so much satisfaction in the White House, led straight to the bread line and the soup houses and to the army of unemployed, in which from four to five millions of "the rank and file of the country" were soon enrolled. That was a draft law in which there was no patriotism and no element of public service. The soldiers in that army were not clothed in khaki; they were clothed in rags. There were no honors and promotion; there was only the pitiful and profitless search for work. The Red Cross was not organized for comfort and for aid, but there were volunteer organizations of relief in all our cities. The National Government did not come to your rescue, but State, city, and private charity was called upon to save the unemployed from starvation. There were no barracks nor cantonments built for the army of the unemployed, but they found shelter from the storms of winter in wharves, warehouses, and police stations.

An official canvass in Philadelphia showed 200,000 men unemployed. Labor organizations in New York City estimated that 472,000 men and women were either out of work or on part time. In Chicago there were 190,000 out of work. In New England the mills were forced to close and thousands walked the streets in idleness. In New York emergency workshops were opened and thousands flocked to them, eager to work for 50 cents and 60 cents a day, while thousands were

turned away. In Lawrence the city government appropriated $35,000 to relieve the distress of the unemployed. In Lynn the great factories of that city were working on part time or closed entirely. In a small western city the officials, under the stress of the critical unemployment there, arranged to put a rock crusher into operation. It could employ only 25, but 1,000 applied for work.

Cincinnati, Philadelphia, Pittsburgh, Boston, Providence, and a long list of other cities made appropriations to provide work for the unemployed. Massachusetts, true to her traditions, acted in a practical way. She appropriated $100,000 and work was provided through the forestry department. But the national administration, whose leader had signed the Underwood law with so much confidence and satisfaction, met the appeal for a program of employment exchanges, public works, and loans with an order that a census be taken to prove the need, and then refused an appropriation of $10,000 to have the census made. The Federal Government did make one contribution toward relieving the distress. It opened the immigration buildings on Ellis Island as a shelter to homeless men and permitted the use of Government blankets, cots, and floors for the housing of 800 men each day. Five million men were out of work and the President opened Ellis Island to accommodate 800 of them. Was that rendering much of a service to "the rank and file of the country"?

The Democratic tariff policy is the greatest menace that there is to the workingmen of this country. Men who voted for the Democratic tariff of disaster and distress are asking you to vote to return them to Congress. If you have the interests of American labor at heart, you will vote to have them remain at home.

Free trade closes our factories, multiplies failures, and produces unemployment. A protective tariff opens the idle factories and provides work and a pay envelope for American labor. You can not give away the American market and keep the workingmen of the country employed. You can not abolish a protective tariff and keep our industries or our labor prosperous. You can not import the articles which supply the needs of our people and at the same time provide our people with work. When you send our orders for goods to the mills of Europe you empty the mills of the United States. When you give employment to European labor you drive our workingmen to the street.

It was only when the war stopped the importation of foreign goods that business began to pick up in this country. It was only because the workingmen of Europe were called from their workshops to mobilize great armies that our workingmen got a chance to go back to work. The Underwood law brought loss and unemployment. The war brought work and high wages.

But, thank God, the brave boys of the American Army, recruited from our farms and our workshops, will soon bring this war to an end and force Germany to an unconditional surrender. But if the free traders still control our Congress the Underwood tariff law, or one even worse, will remain in force and the agony and distress of 1914 will return.

President Wilson demands, as one of the conditions of peace, the "removal of all economic barriers." That, gentlemen, means free trade; and free trade means unemployment, bread lines, and starvation.

The only way to prevent "the removal of all economic barriers" is for American labor to insist on its right to the American market and safeguard that market by a protective tariff. To do this you must elect protectionists to the House and to the Senate; you must elect men who will vote for protection to American labor.

* * * * * * *

ADMINISTRATION BY COLLECTIVE AUTHORITY.

Mr. KING. Mr. President, various matters have been placed in the RECORD by Senators bearing upon the Smith-Towner bill. If that had not been done by the proponents of the measure I should not ask the indulgence of the Senate to have placed in the RECORD a number of editorials and extracts from publications which I have here.

I ask unanimous consent to have printed in the RECORD, in 8-point type, a part of the report of President Butler, of Columbia University. It appears on pages 20, 21, 22, and 23 of his annual report as president for the year 1921. It is an able discussion of the functions of the State and of the evils of the academic wit once defined good administration as the doing uniformity craze which seems to have permeated the land.

There being no objection, the matter referred to was ordered to be printed in the RECORD, in 8-point type, as follows:

"One of the most noteworthy of recent developments in American life is the zeal with which machinery is designed and built ostensibly to serve various public interests and undertakings, but in reality to control them. Perhaps in no other way is the decline of faith in liberty so clearly marked. An extremely well of that which should not be done at all. If this clever phrase is to be applied to public administration, it would have to be altered so as to read, the doing ill of that which should not be done at all, for public administration—administration by collective authority—is almost uniformly inefficient, and for an obvious reason. In such case artificial choice takes the place of natural selection in the designation of agents, and since nature is wiser than man, particularly political man, efficiency at once declines. In the United States we are, in flat defiance of all our proclaimed principles and ideals, building a series of bureaucracies that will put to shame the best efforts of the Government of the Czar of all the Russias when in the heyday of its glory. We are surrounded by agents, special agents, inspectors, and spies, and the people are called upon to support through their taxes, in harmful and un-American activities, whole armies of individuals who should be engaged in productive industry. When anything appears to go wrong, or when any desirable movement seems to lag, a cry goes up for the creation of some new board or commission, and for an appropriation of public funds to maintain it in reasonable comfort. An infinite number of blank forms must be filled and an infinite number of records must be kept, classified, and audited at steadily mounting cost.

"For a long time the excellent limitations of the American form of Federal Government held these movements in check, so far as the National Government itself was concerned. When, however, the ingenious discovery was made that the National Government might aid the States to do what lay within their province but was denied to the National Government itself, the door was opened to a host of schemes. These have followed each other in rapid succession, all urged with a certain amount of plausibility and with an appeal to kindly sentiment, usually supported by vigorous propaganda and zealous paid agents.

"So far as education is concerned, there has been overorganization for a long time past. Too many persons are engaged in supervising, in inspecting, and in recording the work of other persons. There is too much machinery and, in consequence, a steady temptation to lay more stress upon the form of education than upon its content. Statistics displace scholarships. There are, in addition, too many laws and too precise laws and not enough opportunity for those mistakes and failures, due to individual initiative and experiment, which are the foundation for great and lasting success.

"It is now proposed to bureaucratize and to bring into uniformity the educational system of the whole United States, while making the most solemn assurance that nothing of the kind is intended. The glory and the successes of education in the United States are due to its freedom, to its unevenness, to its reflection of the needs and ambitions and capacities of local communities, and to its being kept in close and constant touch with the people themselves. There is not money enough in the United States, even if every dollar of it were expended on education, to produce by Federal authority or through what is naïvely called cooperation between the Federal Government and the several States, educational results that would be at all comparable with those that have already been reached under the free and natural system that has grown up among us. If tax-supported education be first encouraged and inspected and then little by little completely controlled by central authority, European experience shows precisely what will happen. In so far as the schools of France are controlled from the ministry of education, in Paris, they tend to harden into uniform machines, and it is only when freedom is given to different types of school or to different localities that any real progress is made. Anything worse than the system which has prevailed in Prussia would be difficult to imagine. It is universally acknowledged that the unhappy decline in German university freedom and effectiveness and the equally unhappy subjection of the educated classes to the dictates of the political and military ruling groups were the direct result of the highly centralized and efficient control from Berlin of the nation's schools and universities. For Americans now to accept oversight and direction of their tax-supported schools and colleges from Washington would mean that they had failed to learn one of the plainest and most weighty lessons of the war. It is true that education is a national problem and a national responsibility; it is also true that it has been characteristic of the American people to solve their most difficult national problems and to bear their heaviest national responsibilities through their own action in the field of liberty rather than through the agency of organized Government. Once more to tap the Federal Treasury under the guise of aiding the States and once more to establish an army of bureaucrats in Washington and another army of inspectors roaming at large throughout the land will not only fail to accomplish any permanent improvement in the education of our people, but it will assist in effecting so great a revolution in our American form of government as one day to endanger its perpetuity.

"Illiteracy will not be sensibly diminished, if at all, by Federal appropriations, nor will the physical health of the people be thereby improved. The major portion of any appropriation that may be made will certainly be swallowed up in meeting the cost of doing ill that which should not be done at all. The true path of advance in education is to be found in the direction of keeping the people's schools closely in touch with the people themselves. Bureaucrats and experts will speedily take the life out of even the best schools and reduce them to dried and mounted specimens of pedagogic fatuity. Unless the school is both the work and the pride of the community which it serves, it is nothing. A school system that grows naturally in response to the needs and ambitions of a hundred thousand different localities will be a better school system than any which can be imposed upon those localities by the aid of grants of public money from the Federal Treasury, accompanied by Fed-

eral regulations, Federal inspections, Federal reports, and Federal uniformities.

"It is fortunate that Columbia University, a public institution, was founded and is supported by the State in the field of liberty, and that it is free to carry on its work beyond the reach of the deadening hand of Government."

EXPENDITURES OF STATE SCHOOL SYSTEMS.

Mr. KING. Mr. President, I have here a statement from the Bureau of Education showing the amount of money expended by the various States for education during the year 1920. It is a very illuminating tabulation and emphasizes the fact, which everyone knows, that the States are expending very large amounts annually for public-school purposes. I ask unanimous consent that the table may be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Expenditures of State school systems, 1920.

States.	Total expenditures (not including debt service).	Outlays—new buildings, sites, and new equipment.	Payments for textbooks	Salaries for teachers, principals, and supervisors in day schools.
Alabama	$9,118,691	$1,399,328	$19,471	$6,092,240
Arizona	6,339,288	1,502,689	84,760	2,551,290
Arkansas	7,706,621	1,716,545	.....	5,216,575
California	48,980,298	9,780,496	309,988	27,283,920
Colorado	13,200,165	2,419,413	(1)	6,879,681
Connecticut	16,318,420	2,345,022	197,269	9,051,753
Delaware	1,676,503	130,316	51,638	996,487
District of Columbia	4,297,894	292,584	40,567	2,869,165
Florida	7,030,933	1,037,983	13,120	3,447,238
Georgia	9,076,453	707,132	.....	6,932,836
Idaho	8,591,942	2,006,200	145,138	3,793,232
Illinois	69,358,022	10,308,438	(2)	39,575,327
Indiana	35,764,748	[3] 7,000,000	.....	19,330,624
Iowa	37,334,167	4,832,702	233,990	20,219,013
Kansas	26,257,009	3,744,700	(4)	12,991,832
Kentucky	[5] 8,117,074	885,533	3,524	5,512,033
Louisiana	11,366,934	2,207,539	.....	6,697,393
Maine	6,403,673	426,373	258,198	3,457,595
Maryland	8,242,399	473,949	185,241	6,022,565
Massachusetts	40,908,940	2,929,473	593,751	25,847,792
Michigan	47,682,763	9,853,175	.....	23,443,981
Minnesota	35,734,096	7,315,142	.....	17,257,412
Mississippi	[5] 5,474,795	[5] 1,000,000	.....	3,482,855
Missouri	28,707,190	5,783,431	.....	16,831,754
Montana	12,207,631	2,077,505	274,246	6,053,638
Nebraska	20,580,089	2,821,186	809,360	10,907,631
Nevada	1,383,850	182,456	24,490	804,573
New Hampshire	3,810,669	182,501	81,003	2,039,888
New Jersey	40,909,827	5,489,319	543,198	22,779,519
New Mexico	4,139,597	559,883	.....	2,211,190
New York	100,045,319	9,617,690	387,878	70,843,465
North Carolina	12,147,853	2,340,000	.....	7,935,544
North Dakota	12,883,443	[6] 1,800,000	158,883	6,238,155
Ohio	67,426,541	10,566,326	736,345	35,342,949
Oklahoma	22,906,219	4,540,134	.....	12,383,855
Oregon	9,997,892	1,922,218	.....	6,769,432
Pennsylvania	70,410,207	7,949,093	1,527,540	40,960,835
Rhode Island	4,760,333	221,114	(2)	2,988,888
South Carolina	6,627,017	1,157,492	.....	4,496,816
South Dakota	11,592,896	2,068,350	334,905	5,450,483
Tennessee	10,141,374	1,594,853	20,249	6,557,966
Texas	33,606,210	5,268,384	3,273,635	17,889,653
Utah	8,239,829	1,989,305	74,213	3,903,883
Vermont	3,588,098	89,441	56,853	1,864,192
Virginia	12,975,089	2,778,943	33,502	7,880,882
Washington	20,595,360	1,035,452	829,723	12,787,600
West Virginia	11,402,488	1,405,534	55,981	7,334,617
Wisconsin	27,255,056	4,606,829	341,992	15,472,700
Wyoming	3,741,793	589,740	85,835	2,126,927
United States	1,033,070,682	153,542,852	11,786,495	589,819,899
Outlying possessions:				
Alaska	343,822	14,000	4,000	233,200
Canal Zone	180,391	5,489	7,044	131,125
Hawaii	2,536,924	658,172	.....	1,575,820
Philippine Islands	.....	.....	.....	.....
Porto Rico	2,959,245	199,901	52,011	2,036,812

[1] Included with operation expenses.
[2] Included with supplies.
[3] Estimated.
[4] Included with expenditures for compulsory attendance and school census.
[5] Figures for 1919.
[6] Figures for 1918.

Mr. KING. Mr. President, I have here several editorials from the Boston Herald, the Boston Transcript, and the Springfield Union relating to the Federal control of education and cognate questions. I ask that they may likewise be printed in the RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD as follows:

[From the Boston Herald, July 2, 1922.]

NO POLITICS, NO SECT IN THE PUBLIC SCHOOLS.

The National Education Association, which honors Boston this week with its presence, has it in its power to be a national beneficence. It also has it in its power to be a national peril. It can be of tremendous service to the future of the United States if it continues to devote itself to the discussion of methods for the educational development of American youth along broad and liberal lines. It can be a destructive influence to American ideals if it yields to the persuasive arguments of the propaganda so active already around Boston meeting places looking toward the centralization in Washington of all educational activities.

Should the National Association for any reason either adopt resolutions favoring the Towner-Sterling education bill, or send out from Boston its members poisoned with the virus of socialism and bureaucracy emanating from that bill and proposed legislation of similar purport, it will have done a wrong to the cause of real education from which perhaps there will never be recovery. More than that, it will have stirred into virulent activity all the sectarian animosities which follow invariably upon attempts to control by government the character of teaching in American schools.

Should the Towner-Sterling bill become a law and should it be accepted by the States, it would be a deadly blow at the Federal Constitution. It would be another step toward the subordination of the governments of the States to the activities of partisan and sectarian bureaus located at the Federal Capital, where they can not be in close touch with conditions in local communities. It will be a step toward tyranny through socialism—a long step toward the distintegration of our federated Republic.

The Sheppard-Towner bill was a baneful thing. Massachusetts has refused to accept the bribe offered by Congress as a price for subordinating its own State freedom to the dictates of a Federal bureau. It was probably unconstitutional. Its constitutionality will have to be decided by the Supreme Court. It is probable also that the Towner-Sterling bill is unconstitutional. That question also must come before the Supreme Court before the bill can go into effect, even should it be passed by Congress.

We earnestly hope that the National Education Association will serve notice on the Towner-Sterling propagandists, as well as on all other propagandists, that they are not wanted in the association's meetings. The teachers of the United States owe it to the people of the United States, whose children will some time determine the destiny of the United States, to make sure that insidious doctrine fatal to the perpetuation of our Federal form of government shall not be inculcated through any agency of theirs.

The Towner-Sterling bill will poison education with politics and sectarianism. Our schools must be kept free of both.

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[From the Boston Herald, July 6, 1922.]

WHY WE OPPOSE FEDERAL CONTROL OF EDUCATION.

The Herald commends to every delegate in attendance upon the sessions of the National Education Association a careful perusal of the Faneuil Hall address on the Fourth of July by Mr. Jeremiah E. Burke, superintendent of Boston public schools. It was peculiarly appropriate that he should have spoken as he did on that day in that place. He showed himself to be a sentinel of the Republic, just as every schoolteacher now in Boston should consider himself or herself a sentinel of the Republic, guarding constantly against the perils which lurk in the attempt to centralize in Washington, through schemes for Federal aid, all educational activities.

"Prussian militarists," said Mr. Burke, "disregarded the lessons of Alexander, Hannibal, Caesar, and Napoleon. They would establish an absolute State. Bismarck proclaimed that the schoolmaster was abroad in the land, but the schoolmaster was not free. He was an officer of the State, obedient to the State, compelled to do the bidding of the State. What he should teach and how he should teach was prescribed by the State. All the agencies within the State became subservient to the military clique. Government existed for the favored few. In 50 years the thought of the people was distorted and malformed in conformity with despotic theories. The State was apotheosized. The German people came to associate the Kaiser with Deity; they were led to believe that militarism was a blessing, that the hands of all the world were raised against them, and that Germany was justified on patriotic grounds in committing outrageous acts of sacrilege and brutality. All of this willful perversion of a people mentally and morally was manifestly the result of a system of false education."

These are words which every American should take to heart. The Towner educational bills under consideration, however modified, propose to bring within the scope of the Federal Government all educational activities through the allurement of great appropriations for Federal aid to States; however innocent they may seem in purpose, however progressive they may look to those who advocate them, however modified they may be in the process of transition through the legislative body, they contain within themselves the germ of supreme governmental control just as truly as the system which in 50 years lured Germany into a condition where her entire people were convinced that the welfare of the world depended on the universal acceptance of Prussian ideals. There is no such thing as compromise or middle ground. Either the individual States must determine their own educational methods or the Federal Government must control the States—the two systems can not be combined. When the States begin to look to Washington for funds with which to stimulate their public schools they will inevitably look to Washington for guidance as to how those funds shall be expended. Even though a bill which might be adopted tomorrow should in words prohibit "Federal control," there is nothing in the system which the Towner-Sterling bill inaugurates to prevent the growth of bureaucratic despotism later.

The Herald has been criticized for saying that the Towner-Sterling bill leads to sectarianism. There is nothing in the bill to indicate that one sect or another would control the educational machinery of the United States, and yet if it were understood that the first head of the educational bureau established by the bill should be a communicant of any one of several churches which might be named, how many of those who now are crying for the passage of the bill would still support it?

We have been criticized for saying that this Federal interference or assistance—it makes no difference which word is used—would mean the injection of partisanship into public education. Does any advocate of the Towner-Sterling bill believe that a Republican administration would place any other than a Republican in charge of the educational bureau, with its limitless opportunities for political propaganda, or that any Democratic administration would place a Republican in such a post of partisan advantage? If the creation of such a bureau in Washington, with initial appropriation of $50,000,000 to be distributed among the States in accordance with the preference of the

bureaucrats, does not incite to tyranny, then human nature has been transformed. Tyranny will be no less obnoxious because the tyrants have been multiplied.

We have been asked to specify how the enactment of such a measure as the Towner-Sterling bill would be a long step toward the disintegration of our federated Republic. If it is not a step toward the disintegration of the Republic through the concentration in Washington of an education propaganda, then there can be no reasonable excuse for the experiment. If the backward States feel that they need assistance in advancing the cause of education they will be generously aided by the friends of education in States like Massachusetts, which has always led in educational endeavor; but they must not expect the State of Massachusetts or any other forward-looking State to sacrifice her independence at the behest of socialistic theorists.

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[From the Boston Transcript, July 8, 1922.]

MILLIONS FOR AID BUT NOT ONE CENT FOR BRIBERY.

With most of the arguments advanced against the Towner-Sterling bill to Europeanize our public school system, which brings it under the yoke of a Federal bureaucracy at Washington and expose it to the meddlesome influence of an international and for the most part imperial bureaucracy at Geneva, we heartily sympathize. An exception to this rule, however, is the argument based upon the fact that the bill would provide for the distribution among the poorer and less populous States of the Union public money raised by taxation in Massachusetts and the other richer and more populous States. This argument is based upon fact, but the argument is none the less an appeal to sectionalism in its most sordid form, an appeal to the belly of the State when the freedom of the State is at stake.

Millions of dollars raised by taxation in Massachusetts have been spent by the Federal Government in other parts of the Union to defray the cost of public improvements that were properly matters of Federal concern. The people of Massachusetts have never begrudged this expenditure whenever they could be shown that it benefited not merely the State where it was spent but the Union as a whole. Massachusetts has been contributing to the welfare and greater glory of the Nation in peace and in war, in blood and treasure, by toil and thrift and sacrifice, from the day the Nation was set up, and it will not be merely the privilege but the duty of the Commonwealth to continue cheerfully that practice as long as we remain a Nation and refuse to return to the status of a colony or to disintegrate into a "polyglot boarding house" or a picnic ground for hyphenates from far and near.

The objection to the Towner-Sterling bill on the score of expense, which will find sympathy and support not only on this page but among the plain people throughout Massachusetts, is to be found in the fact that money raised by taxation in Massachusetts would be offered by the Federal Government to the people of the smaller and less populous States of the Union in the form of a bribe and in return for the surrender of the birthright of the State, which under the Constitution is intrusted with safeguarding the freedom of education within its borders.

No State in the Union would willingly and without reward surrender the control of its public-school system to a Federal bureaucracy at Washington or expose its public-school system to alien meddling from Geneva. The only consideration which would tempt a State to make this surrender would be the offer of a bribe in the form of a liberal Federal subsidy of precisely the sort that the Towner-Sterling bill provides for. Caught between the upper millstone of such a temptation and the lower millstone of the rising cost of government everywhere, the poorer and less populous States of the Union might and probably would surrender their birthright in return for such a bribe. The State of Nevada, for example, having yielded to such a temptation and having accepted such a bribe, would then be in a condition where, if the Congress of the United States so decreed, a secretary of education from New England or the South could make of the public-school system of Nevada an educational experimental station for the remainder of the States of the Union, regardless of the effect of the experiment upon the youth of Nevada.

The people of Massachusetts in the past have, as we have said, gladly contributed from their earnings toward the development of the less wealthy States of the Union, and that will always be the generous spirit of the Commonwealth while it remains true to its traditions. But the people of Massachusetts never have contributed knowingly and willingly, and willingly and knowingly never will contribute one cent to be expended by the Federal Government anywhere in the United States in the form of a bribe to a State to surrender that part of its birthright which gives to each State absolute control of its public-school system. This feature of the Towner-Sterling bill has only to be understood by our electorate, as we believe, for the bill to receive the same repudiation at the hands of Massachusetts that the covenant for a League of Nations received in 1920 in the "great and solemn referendum" of that year. And then the elaborate scheme with a hyphenated name will go the way of "the evil thing with a holy name," so far as the American people are concerned. But American independence will remain and freedom in education and religion will thereby be safeguarded.

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[From the Boston Transcript, July 7, 1922.]

BILL TO EUROPEANIZE OUR PUBLIC SCHOOLS.

"If the day should ever arrive (which God forbid) when the people of the different parts of our country should allow their local affairs to be administered from Washington—on that day the progressive political career of the American people will have come to an end, and the hopes that have been built upon it for the future happiness and prosperity of mankind will be wrecked forever.—(John Fiske, in 'A Critical Period of American History.')"

Without debate, but not without a preliminary propaganda that might well make any alien agent envious of its efficacy, the National Education Association in national convention assembled has again indorsed the Towner-Sterling bill. A big fund is being raised by the proponents of this measure to pay the cost of the lobby that is trying to jam it through the Congress during a campaign year, while the jamming process is comparatively simple, and down the throats of the American people who will be taxed to pay the cost of this elaborate scheme with a hyphenated name.

What is the Towner-Sterling bill? It is a bill to Europeanize the educational system of the United States, to scrap the free school system of the several States and substitute in its place a Federal system of education, subsidized from Washington, regulated from Washington, and all in imitation of the imperialistic methods of the Old World. The main provisions of the bill are two: The first provides for the creation by Congress of a Federal department of education to be headed by a secretary who shall be nominated by the President, with the advice and consent of the Senate, and shall be a member of the President's Cabinet. The second provides Federal aid in education in the form of a Federal subsidy to be taken out of the Federal Treasury and doled out among the States to be used in education as Congress may from time to time decree. These two main provisions are enough to condemn the measure in the eyes of true Americans who take the trouble to think the thing through, and in their hearts cherish the hope of making a contribution in their day and generation toward the conservation and enhancement of that "American character" at home and abroad which it was the dream of Washington to develop and the destiny of Lincoln to save and the glory of Roosevelt to incarnate in his life and work.

Any bill providing for the creation of an additional executive department at Washington and an additional member of the Cabinet is to that extent a bad bill and ought to be opposed by every taxpayer in the land. Experience has demonstrated that the number of executive departments and the size of the Cabinet should be reduced, not increased, and in the light of that experience a plan for the reorganization of the executive branch of the Government has been prepared and is now before the President, who will presently submit it to Congress as a basis for remedial legislation. Any bill that provides for further trespassing by the Federal Government upon the premises placed by the Constitution in the control of the several States is also bad and ought to be opposed by every taxpayer in the land. It is true that Federal control will hasten standardization of education, but what true American, believing in education and religious freedom, wishes to see a system of standardized education or standardized religion established in this country and controlled in Washington?

Our own Congressman JOHN JACOB ROGERS voices, we believe, the true sentiments of the plain people of Massachusetts when he declares his belief that "Massachusetts or California is a better judge of what her people should learn and use and in what schools they should learn it than any bureau or department chief can be." The late Franklin K. Lane, the able Secretary of the Interior of the last administration, put the argument against the Towner-Sterling bill in a single sentence when he said: "Federal control of schools would be a curse, because the inevitable effect of Federal control is to standardize." President Goodnow, of Johns Hopkins University, sees in this elaborate scheme with a hyphenated name "a most dangerous usurpation of power in Washington that will undermine the rights of the people." President Butler, of Columbia University, puts the case in language so plain that parents and pupils alike can understand the menace of this measure to our happiness as a people at home and our prestige as a nation abroad, when he warns the country that "once more to tap the Federal Treasury under the guise of aiding the State, and once more to establish an army of bureaucrats in Washington, and another army of inspectors roaming at large through the land, will not only fail to accomplish any permanent improvement in the education of our people but will assist in effecting so great a revolution in our form of government as to endanger one day its perpetuity." President Hadley, of Yale University, was in Berlin in the winter of 1907–8 and saw a great deal of the inside working of what was then the Imperial German Government; he noted that the degradation of German thought was largely due to the fact that through the establishment, first, of Berlin University and, second, of other centralized Prussian authorities, "the politicians had become able to throttle free thought." He regards the Towner-Sterling bill as "a long step in the Prussianizing of American education," and so will every other American when he examines the provisions of the bill in the light of "the plainest and most weighty lessons of the war."

But the lobby back of the Towner-Sterling bill would have the public believe that it does not provide for Federal control of public education but that the Federal Government will be willing to scatter millions of dollars from its Treasury broadcast through the several States and ask no questions as to the expenditure. If this were true, it would be taxation without representation—a tyranny more intolerable than the yoke that would be put upon the youth of America for the rest of the time by the Europeanizing of our public schools. Of course, it is not true; it is grotesquely untrue, for the reason that the Federal Government never has been and never will be willing to subsidize an enterprise without retaining the right to regulate the expenditure of the subsidy, and Federal regulation is only another name for Federal control.

It would be bad enough to scrap our American system of free schools in the several States and set up in its place a Federal department of education, whose control would immediately become a football of partisan politics, but the vision of the National Education Association and the lobby that is backing the Towner-Sterling bill is "a world vision." Already steps have been taken looking to the "internationalizing" of the association. If that is accomplished and this organization gains control of a Federal department of education, we shall soon see Federal control of our public-school system give way to international meddling, with a superdepartment of education set up at Geneva as an adjunct of the supergovernment provided for in the covenant of the League of Nations. Every teacher in the land drawing a subsidy under this elaborate scheme with a hyphenated name could then be mobilized in support of a drive to force the United States into full membership in "the evil thing with a holy name," as the late Senator Knox rightly called the League of Nations.

Massachusetts had the grit and the gumption to repudiate by the most overwhelming majority on record the covenant of the League of Nations, in spite of the favor which that war-breeding scheme of supergovernment found among many members of the National Education Association and in spite of the lobby that endeavored to jam that scheme through the United States Senate and down the throats of the American people. Massachusetts with equal grit and equal gumption, when her people are given the opportunity to pass upon it at the polls, will repudiate by an equally overwhelming majority the elaborate scheme with a hyphenated name provided for in the Towner-Sterling bill. Our electorate in this Commonwealth is sprung from many races, but the belief in our public-school system is as strong as the belief in the freedom of religion. Freedom in education and freedom in religion are twin liberties that are dear to the heart of every loyal citizen of the Commonwealth. Any attempt in any quarter to Europeanize our public schools and yoke them under a federated bureaucracy at Washington or an international bureaucracy in some European capital will be regarded, and rightly, by the people of Massachusetts as a challenge to our dual form of government, an assault upon American independence, and a direct attack not only upon the Constitution of the United States, which is the political corner stone of our national life, but also upon that "American char-

acter" which is the spiritual corner stone of our national life. And should not the people of Massachusetts have the opportunity to pass upon the Towner-Sterling bill? It can be done in the coming State campaign by requiring every candidate for public office to say whether he is for or against the attempt of the National Education Association to Europeanize our public schools.

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[From the Springfield Union, July 6, 1922.]

THE SMITH-TOWNER BILL.

The proceedings of the convention of the National Education Association in Boston developed a difference of opinion as to the desirability of the Smith-Towner bill, now on the calendars of both Houses in Congress, which would establish a department of education on the same basis as other major departments of the Government and start it off with an appropriation of $100,000,000, a portion of which would be used in the too popular 50–50 process of Federal aid. Mr. TOWNER, of Iowa, specializes in measures of this sort designed to bring under Federal supervision and control various State and local prerogatives, the temptation being a small Federal allowance to States appropriating a like amount.

When such a temptation is placed before educators of the land some of them inevitably succumb to it under the too easy assumption that it will tend to promote education, and in any case it suggests more money. Too little thought is given to the possible effect of Federal interference upon local education or State supervision of it, provided it had any effect at all.

A certain useful service to the cause of education may appear in the general surveys and statistics that the Federal Commissioner of Education now publishes for the benefit of educators in the various States, but we doubt if there is any agency of public welfare that should be so scrupulously left to the supervision and control of State and local authorities as public-school education. Fundamentally and in its most intimate details it must be left to local committees while general supervision and incidental support should be in the hands of the State government of which the local communities are the units. The process can not be stretched further with profit. It is claimed by TOWNER and other proponents of the bill that the rights of the States and communities will not be interfered with. Were this to be the case, what would be the use of creating an expensive Federal department of equal authority and position with other departments, with a secretary entitled to a place in the Cabinet equal to that of the Secretaries of departments actually in control of Federal service as delegated in the Constitution? Were it a proposition to inaugurate a system of purely Federal education for certain purposes or certain classes not within the jurisdiction of the several States such a proceeding might be proper enough.

But it is not that kind of proposition. As a matter of fact, it is a proposition to erect a Federal department for alleged educational purposes within the States and for people within the jurisdiction of the States. Such a proposition has no natural relation to departmental agencies that actually control the foreign affairs, finances, post offices, military and naval forces, public lands, and other functions of the Federal Government.

If, on the other hand, it is the purpose to interfere with the rights of States and local communities, the case is worse than it would be if the Federal Government inaugurated this large expenditure for no effective purpose whatever. It would probably be found that the $100,000,000 would be multiplied as the Secretary of Education functioned and increased his requests or demands. In the nature of the case such a Federal officer would seek more and more authority and interfere more and more with the State and local management of schools, in so far as State authorities permitted it by accepting the allowance from the Federal appropriations.

As in other schemes of this kind, one of the ideas is to transfer money from certain States to others. The cost of education in Massachusetts as given by the last reports is $36,614,623, or more than a third of the $100,000,000 proposed as a start for the expenses of the Department of Education and the State allowances. At the best Massachusetts would receive but a relatively small amount out of the Federal appropriations as the price of its surrender of full control, while it would pay a considerable proportion of the money allowed other States.

From any point of view the principle of the measure is vicious and the best thing the members of the National Education Association can do for the cause of education is to declare against it and to continue to seek their general information and helps from such conferences as has been assembled in Boston.

Mr. KING. Mr. President, I have here a short letter from a distinguished lawyer of Tennessee, Mr. George N. Tillman, which I ask may be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NASHVILLE, TENN., *April 5, 1921.*

Mrs. GEORGE A. WASHINGTON,
Washington Hall, Tennessee.

DEAR MRS. WASHINGTON: In response to your inquiry as to my position upon the Smith-Towner bill, I wish to say that I am decidedly opposed to it. It might be amended so as to make it acceptable, but I doubt it. It proposes an appropriation of $100,000,000 annually for the purpose of maintaining a new department at Washington to encourage and assist the States in the promotion of education. It contains a provision that the management of public schools shall remain exclusively under the State control; but this provision is misleading, and if the bill should become a law I believe it would ultimately result in the department virtually controlling education in the States through compulsion that could be brought about by the command of large Federal appropriations. The bill itself clearly indicates that that would be the final outcome, for the receipt of allotments from the large Federal appropriations is made dependent not only upon equal appropriations by the State, but of conformity by the State with certain requirements embodied in the bill—for instance, the number of months to be taught, compulsory school attendance, and certain requirements looking toward the standardization of education. Another reason why I am opposed to the bill is that it is in the line of encouraging the people to look to Federal appropriations to relieve, as imagined, themselves of legitimate burdens. The further removed government is from the people the less responsible they feel therefor, and people have the idea that what they get out of the Federal Government is that much picked up without any corresponding burden upon themselves. In my opinion, we need no such plan as that proposed in the bill. All we need at Washington is a bureau or department of investigation and research, whose main functions shall be to furnish information and stimulate the States to the highest exertion in educating all the children in accordance with the best standards, leaving it to each State to provide its own funds and manage exclusively its own system. I think it will prove a great misfortune to the country to continue augmenting bureaucracy at Washington, with all of its red tape and multiplication of offices.

Yours very truly,

GEORGE N. TILLMAN.

Mr. KING. Mr. President, I will conclude by asking that there likewise be printed in the RECORD a brief review of the Smith-Towner bill by one of the ablest and most distinguished members of the New York bar, Mr. William D. Guthrie.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

THE FEDERAL GOVERNMENT AND EDUCATION.

A REVIEW OF THE SMITH-TOWNER BILL.

[By William D. Guthrie, of the New York bar.]

In compliance with the request of many interested in the subject of education I have studied the provisions of the so-called Smith-Towner bill (S. 1017 and H. R. 7) entitled:

"A bill to create a department of education, to authorize appropriations for the conduct of said department, to authorize the appropriation of money to encourage the States in the promotion and support of education, and for other purposes."

I have also studied the report of the joint hearings before the Committee on Education and Labor of the Sixty-sixth Congress as well as a number of publications discussing the above-mentioned bill and the governmental policy that it seeks to introduce. The aspects of the subject which I have considered may be briefly summarized as follows:

1. Under the Constitution of the United States no power has been delegated to Congress to regulate or control education in the several States. That subject was left within the exclusive domain and governmental duty and responsibility of the several States, and Congress can not constitutionally seek directly or indirectly to regulate or control education in the States without violating the reserved rights of the States and the fundamental principle of local self-government.

2. The provisions of the Smith-Towner bill would, in my judgment, inevitably involve an attempt at interference in the local affairs of the States, and the policy of so-called federalization of education once established would lead to an agitation and demand for a constitutional amendment in order to vest in Congress adequate and effective power of centralized supervision and control.

3. Any such increase of Federal power and diminution of State authority, responsibility, and duty would be prejudicial to the best interests of the Nation and of the States.

4. The creation of a new executive department to be known as the department of education, with a secretary of education as the head thereof and as such a member of the President's Cabinet, would bring the subject of education into politics, with the danger of constantly varying educational policies and constantly pursued efforts to control the patronage of the department in the interest of the political party then in power.

5. The tendency of Federal interference and direct or indirect control would be toward the centralization and standardization of education, and such centralization and standardization would in all probability prove to be prejudicial not only to the public-school system but to the independent and satisfactory operation of existing private schools, including those maintained by various religious denominations for the purpose especially of securing to the younger children of the country the benefit of adequate religious training as well as secular education.

It is generally conceded that under the Constitution of the United States the subject and control of education are at present indisputably within the exclusive domain of the States, and, indeed, many of the advocates of Federal subsidies to the States insistently repudiate any intention of interfering with the control of the States. These advocates may sincerely believe, as I have no doubt they do, that the movement for Federal subsidies and interference can be permanently limited to financial and advisory aid, and can always be checked so as to prevent any infringement upon the constitutional rights of the States. But to accept this view would be to disregard all the lessons of practical experience.

If the States begin by accepting moderate grants of Federal funds as, for example, one enabling them to increase the salaries of their public-school teachers, and if, in order to secure Federal funds they conform to Federal standards, they will in time come to rely upon the Federal Government for larger and larger appropriations. This reliance will inevitably undermine their independence and sense of responsibility and destroy the incentive of local pride and interest in the subject of education, as well as engender a feeling that the burdens of local taxation and responsibility in connection with education could and should be shifted to the Federal Government at Washington.

Federal aid without any direct or practical control and Federal advice without any power of enforcement would undoubtedly prove unsatisfactory, and would inevitably create an agitation to render federalization actually effective and Federal advice or direction practically enforcible. If the country should be now persuaded to approve the appropriation by Congress of large sums of money merely "to encourage the States in the promotion and support of education," it would not be many years before it would be urged that Federal aid without control had been found to be unsatisfactory because of the lack of adequate power of enforcement, and, therefore, that full and effective authority should be secured by constitutional amendment.

As to the danger of standardization, what seems to me to be a fair and accurate forecast is contained in a pamphlet issued by the American Council on Education at Washington in connection with the proposed Smith-Towner bill, as follows:

"The power to establish standards would unquestionably be the most influential prerogative of a department of education. Under the Smith-Towner bill the department is implicitly given this power. Through its ability to withhold appropriations unless State plans meet with its approval, the department can establish minimum standards in some of the principal fields of educational effort. It is this implied power to coerce through shutting off supplies that constitutes in the minds of critics of the bill one of its principal dangers. Standards formulated in the serene seclusion of Washington may be imposed without debate

or appeal upon institutions in all parts of the United States. Nothing is more likely to foster bureaucratic tendencies."

And to this should be added the statement of the retiring Secretary of the Interior, Franklin K. Lane, in his final report to the President dated February 28, 1920, that "Federal control of schools would be a curse, because the inevitable effect of Federal control is to standardize," etc.

Interference by Congress in the matter of education would, as it seems to me, gravely imperil the future integrity, independence, and autonomy of the States. Nothing is more essential to the perpetuity of our present system of government than the Federal principle of Nation and State each supreme and independent within its allotted sphere and the preservation to the States of their right to local self-government and the actual practice of that right. Our Federal Constitution contemplates and assumes the continuance of the States as autonomous, independent, self-governing communities, and this is an inseparable incident to the republican form of dual government intended to be established by the founders of the Republic. Such a vital principle ought not to be in any way sacrificed by the States because of a temporary crisis or because of a desire for subsidies of Federal funds to meet the increased cost of education. The States should be jealous of their right to control a matter affecting them so vitally and should not experiment with Federal control, which under federalization would be centered in Washington and might readily develop into the tyranny and irresponsibility of bureaucratic government.

In the recent case in which the Supreme Court of the United States held unconstitutional and void the so-called child labor law of Congress, the opinion of the court by Mr. Justice Day, among other things, stated (247 U. S. 251, 275):

"The maintenance of the authority of the States over matters purely local is as essential to the preservation of our institutions as is the conservation of the supremacy of the Federal power in all matters entrusted to the Nation by the Federal Constitution.

"In interpreting the Constitution it must never be forgotten that the Naion is made up of States to which are entrusted the powers of local government. And to them and to the people the powers not expressly delegated to the National Government are reserved. (Lane County *v.* Oregon, 7 Wall. 71, 76.) The power of the States to regulate their purely internal affairs by such laws as seem wise to the local authority is inherent and has never been surrendered to the General Government."

And more than 50 years ago Mr. Chief Justice Chase, in the famous case of Texas *v.* White (7 Wall. 700, 725), used the following language:

"The perpetuity and indissolubility of the Union by no means implies the loss of distinct and individual existence or of the right of self-government by the States. * * * Not only, therefore, can there be no loss of separate and independent autonomy to the States through their union under the Constitution, but it may be not unreasonably said that the preservation of the States and the maintenance of their governments are so much within the design and care of the Constitution as the preservation of the Union and the maintenance of the National Government. The Constitution, in all its provisions, looks to an indestructible Union, composed of indestructible States."

I have cited these two decisions of the Supreme Court in order to emphasize the fundamental and essential feature of the Federal and dual aspect of our national political system. In doing so I have not, of course, overlooked the recent decision of the Supreme Court in the Prohibition cases (253 U. S. 350), upholding the constitutionality of the eighteenth amendment. Whilst it is true that the eighteenth amendment, as interpreted by Congress and enforced by the Supreme Court, infringes upon the theretofore reserved powers of the States as to their local affairs, the court did not necessarily hold—it decided the cases without opinion—that the amendment was not violative of the spirit of the Constitution and the theretofore reserved powers of the States.

The undisclosed theory upon which the court upheld the amendment may have been, and probably was, that the question of the exercise in any particular case of the power of amendment under Article V of the Constitution was of a political nature and as such was not the subject of judicial cognizance, just as the court had previously held that the question of whether or not a State constitution provided a republican form of government, as guaranteed by another article of the Federal Constitution, was not a justiciable but a political question and was to be determined conclusively by the political branches of the Government. But it does not follow from this conclusion that an amendment substantially interfering with the right of local self-government is not, as such, in conflict with the fundamental spirit of the Constitution itself and with the theory and form of Federal government that it originally established.

This aspect of the subject is mentioned because the existence of practically unlimited power of amendment should warn all patriotic Americans, who believe in a Federal system constituted of "an indestructible Union composed of indestructible States," that the Supreme Court can not be looked to for redress and that the defense and preservation of the right to local self-government now lie wholly in the hands of the people, who, if they are not active and vigilant, may improvidently surrender or lose by default the most valuable of their political rights. In criticizing the eighteenth amendment and its inevitable tendency to beget other like amendments, Senator Thomas, of Colorado, in a learned and eloquent address delivered before the New York State Bar Association at its annual meeting last February, well said that "history warns us that the first step toward fundamental change leads inexorably to another, and yet another, until the great transformation is finally realized or violently prevented."

If the American people now permit the appropriation by Congress of $100,000,000 of Federal funds annually in aid of education in the States, it will soon be realized that this sum is inadequate to produce any substantial results, and the next step will be to increase the appropriation. In a few years it will be appreciated that Federal interference, which they have been permitting and seeking indirectly to bring about, can after all only be accomplished effectively by a constitutional amendment. Accustomed by that time to the idea of Federal regulation, anxious as some of the poorer States will be to be relieved of the burden and responsibility of education, misled by the clamor of ardent or fanatical propagandists, and blind or indifferent to the great principle and duty of preserving to the States their right to local self-government, the proposed amendment might be brought about as easily and as speedily as the eighteenth amendment.

The most serious aspect of the situation is that the doctrine of the rule of the majority no longer necessarily controls upon the question of the amendment of the Federal Constitution. States representing a minority of the citizenship of the Nation can amend the Constitution in any respect they see fit, and no matter how oppressive or how prejudicial may be any such amendment in its practical operation or enforcement, a very small minority can prevent its repeal although the best interests of the country at large may then demand such repeal. We have created so many new States that now, under the figures disclosed by the recent census, a group of 36 States could be combined which would represent only 45 per cent of the population, whilst 13 States would together have a total population of only 5 per cent of the whole. Stated in other words, the Constitution of the United States can now be amended by the votes of State legislatures representing a minority of the people of the United States, and State legislatures representing only 5 per cent of the people can prevent any repeal or change.

It is of paramount importance that the American people should clearly realize the fact that under the decision of the Supreme Court upholding the eighteenth amendment, there is, perhaps, no State function that can not be taken over by the Federal Government under the power to amend the Federal Constitution, and that the only protection lies in patriotic and vigilant public opinion. If these questions involving the perpetuity of local self-government and the right of each State to regulate education within its own borders be submitted to the people with adequate explanation and full discussion of the merits, the verdict will probably be a wise and just one. All parties and all religions are alike interested and concerned in preserving our institutions. The American spirit ought to lead to a sound, provident, and just conclusion. True Americans, who understand the real issue, will never barter away the heritage of local self-government simply to secure a few millions of Federal funds in aid of education. Nor will they abdicate their duties and responsibilities to their children and the children of their neighbors. They will not vote, as I confidently believe, to transfer the education of their children, a matter of as vital concern to them as their religion, to a bureaucracy functioning in Washington and controlled, it may possibly be, by obscure and irresponsible politicians. I have no apprehension as to the result, if those who believe in our present form of republican government will unite and defend their right to local self-government and not allow this great and vital issue to go by default.

In studying the recent publications upon the subject of education, I have been profoundly impressed by the general and emphatic recognition on the part of Catholic, Protestant, and Jewish organizations that systematic religious training should be regarded as indispensable in the education of our children, and that many of those who are now attending the public schools are not receiving proper religious instruction. The most complete vindication of the Catholic doctrine as to the necessity of religious training for school children has recently come from the thirty-odd Protestant denominations which were united in what was called the "Interchurch World Movement of North America," and in support of which an exhaustive survey was published.

This publication apparently favored the enactment of the Smith-Towner bill, but, among other pertinent observations on education, it declared that "the survey shows how utterly inadequate are the religious agencies and forces at work," that "America's greatest peril lies in the spiritual neglect of childhood," that there are "27,000,000 Protestant children and youth under 25 years of age who are not enrolled in any Sunday school or other institution for religious training," and who are "without any definite or systematic training in religion," that this defect "constitutes the greatest peril in our national life," that "this is the seed plot of immorality, crime, social unrest, and anarchy," that "one-half hour a week of religious instruction is utterly inadequate," that "unless this fundamental need of religious education be met, the solution of the present situation is hopeless," that "a religious education should be the heritage of every child," that "spiritual illiteracy is the greatest peril of organized society," and "is the forerunner of moral bankruptcy and national decay," that "the church must find a way to reach the children and to account for them systematically from infancy to maturity," that "the national public-school system must be supplemented by a unified program of religious education which will guarantee the spiritual homogeneity of our democracy," and that "unless such a program of religious education can be created, there is great danger that a system of public schools will become nationalistic and materialistic in theory and practice, and the direction of social development will be determined by the secular state rather than by the spiritual forces represented by the church."

Similarly, the Jews are fully realizing that many of the existing schools have failed in the essential need of religious education. At the commencement exercises of the Jewish Theological Seminary of America and Teachers' Institute, held last spring, the distinguished chairman of the board of directors is reported to have stated that of the 300,000 Jewish children in the city of New York "not 15 per cent of them received the proper religious education," and to have characterized as shameful the manner in which religion was being neglected by the Jews in the training of their children.

In conclusion I venture to point out that the matter of the Smith-Towner bill now pending before Congress is urgent, and that its consideration can not be delayed. Many active and zealous propagandists are agitating for the nationalization of education under the provisions of this bill, and hundreds of organizations throughout the country are said to have indorsed it and to have urged its passage. Such a measure, if once passed, will, as it seems to me, become the opening wedge; it will probably be found to be inadequate; there will be constant reaching out for more and more power in the matter of education, and there will then be started a movement for a constitutional amendment so as to render Federal interference and control adequate and enable the proposed new Department of Education effectively to regulate and control education throughout the whole country. Beginning with the present proposed yearly appropriation of $100,000,000, the tendency will, in my judgment, be irresistible to increase the appropriation, and then to insist that large Federal appropriations should be coupled with adequate Federal control. This in final analysis must spell the complete nationalization of education.

I am profoundly convinced that the tendency of the Smith-Towner bill, if enacted, would be distinctly prejudicial to the permanent and best interests of the Nation, as well as of the States, that the subject of education should be left within the exclusive control, responsibility, and duty of the several States under long-established and sound principles of local self-government, and that unless the present Federal centralizing tendencies be checked, our dual form of government can not long endure.

In this most critical period of our history every American is called upon, so far as lies in his power and to the utmost of his ability, to strive for a revival of reverence for American institutions as estab-

lished by the founders, and to inculcate, as the clear duty of National and State patriotism, a steadfast determination to resist the impairment or destruction of our Federal system.

WILLIAM D. GUTHRIE.

NEW YORK, *December 27, 1920.*

THE COTTON INDUSTRY.

Mr. SMITH. Mr. President, as we are discussing the two great commodities out of which the clothing of the world is made, I think it is an appropriate time to put into the RECORD an editorial which appears in one of my State papers, the News and Courier, of Charleston, S. C.

I do not believe the people of this country have even an approximation of the impending disaster, not only to America but to the world, in its supply of cotton. When it is taken into consideration that in the year 1921 there was practically the same acreage planted that there had been for perhaps the last 8 or 10 years and that our production dropped from the maximum, in 1914, of sixteen-odd million bales of cotton to 7,900,000 in 1921, it will be realized that that was not an accident of the seasons of cultivation; it was a result of the ravages of the pest to which I had reference yesterday when I called attention to white arsenic, out of which calcium arsenate is made.

I have never predicted the size of a cotton crop, but it is my opinion that the present crop will not very greatly exceed the crop of last year.

At the peak of the stress, in 1919, the American mills consumed of American cotton approximately 7,000,000 bales. Up until 1914 the exports of American cotton ranged from seven to ten million bales. The United Kingdom consumed around 4,000,000 bales of American cotton, Germany about 2,000,000, France about 1,000,000, the other European States taking up whatever balance there was, if any. The textile industry of England, which is her largest single investment, is dependent entirely, practically speaking, upon the supply of American cotton.

There has been no Government aid in any shape or form to the struggling people who have raised this wonderful fiber for the clothing of the nations. On the contrary, they have been the victims of every exploiting form of greed. They have been the victims of the fertilizer people, and when I say victims I mean they were helpless, and had to purchase fertilizer at the prices charged. They were the victims of the grocer, the dry-goods man, the speculator, and the buyer. Everything moving along the line of least resistance, the cotton raiser being the producer of one of the prime necessities of the human family, of course was an easy mark. We are busily engaged here to-day with the best brain of the country protecting those who convert the raw material into the finished article and are taking no concern or care of the source of the raw material which makes the manufacture of the finished article possible.

I predict that unless there be some relief found in the course of three or four years the South Atlantic States, as distinguished from the Gulf States, will cease entirely producing cotton. With the additional cost of from $15 to $20 an acre to fight this pest, with the ordinary cost for the artificial fertilization necessary and the enhanced price for labor, with the yield problematical as to whether it will be one-fourth of a crop or none at all, merchants can not afford to take a chance, the banker will not take a chance, and the laborer can not afford to take a chance.

These are the conditions that confront us. The rates of rediscount in our banks and the rates of primary discount are the same as though the crop was running along under normal conditions. In the States of North Carolina, South Carolina, and Georgia cotton is the medium of exchange.

I do not know what word I might say; I do not know if it is worth while to try to arouse the attention of the American people. If the sufferings of 15,000,000 to 20,000,000 people during the past two years can not reach them, my voice can not.

The editorial to which I desire to call attention corroborates what I have said and gives a very good picture of the conditions on the part of England, which is the leading nation of the earth outside of the United States in the conversion of cotton into the finished article, and her attempts to duplicate the supply from her own domain. Before reading the article, I ask permission to have such parts as I shall read printed in 8-point type.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SMITH. I now read the editorial from the Charleston (S. C.) News and Courier of July 21, 1922:

FUTURE OF THE COTTON SUPPLY.

"The shareholders of the British Cotton Growing Association held their seventeenth annual meeting in Manchester on July 4, and Lord Derby, who presided, reviewed the work of the association during the past year. Started with the purpose of developing, if possible, supplies of raw cotton within the British Empire, a new impulse has been given to the work of the association by reason of the lively fears now entertained by British spinners that the ravages of the boll weevil in America will soon result in a cotton famine which will leave a good percentage of Lancashire spindles idle.

"Satisfaction was expressed by Lord Derby with the accomplishments of the British Cotton Growing Association, the efforts of which, since the association began operations in 1903, had produced, he said, approximately 1,070,000 bales of cotton. Last year a crop of 165,100 bales was produced as compared with 105,800 bales in 1920. Much of this cotton appears to be of a most inferior quality. A good deal of it was produced last year at a loss to the association. In Nigeria the association had guaranteed the native grower a fixed price for his cotton. In the past 20,000 bales had been the largest crop produced in Nigeria, but in 1921 the association found itself with a crop of 31,000 bales dumped on its hands, involving an actual loss under the guaranty of about 113,000 pounds.

"In Uganda last year the crop amounted to over 81,300 bales and the growers experienced considerable difficulty in disposing of the cotton. Nyasaland produced a crop in 1921 of 4,637 bales, showing a disturbing variation in qualities, and the quality of the 2,000 bales produced in South Africa was also far from satisfactory. Political conditions have retarded progress in cotton growing in Mesopotamia, it was stated, and in Tanganyika, the late German colony of East Africa, 350 bales were ginned.

"The association is looking somewhat hopefully now to Australia. There, in Queensland, the association has guaranteed a selling price of 1 shilling 6 pence per pound for all first-class quality lint grown from approved types of long-staple seed, the guaranty to extend over a period of five years, with a maximum loss to the association of 10,000 pounds. Queensland produced last year 1,256 bales under this guaranty, and this season about 20,000 acres is understood to have been planted, from which a crop of approximately 8,000 bales is expected. Considerable difficulties will have to be overcome, however, to make cotton growing in Australia a success."

I have read this much to show that with all the resources of the United Kingdom, with the vast amount of her capital invested in cotton spinning, she has been unable to produce any cotton within her domain anywhere that will fulfill the qualities of the American cotton. Therefore, were the American cotton to fail, the British spindles would stop and the British Empire be bankrupt.

The editorial continues:

"In spite of large subsidies and other encouragements not very much headway would seem to have been made in discovering a region which is likely ever to rival the cotton-growing States of America as a cotton-producing country. Figures recently tabulated by the National City Bank of New York show that from 1881 to 1885 the United States produced 63.6 per cent of all the cotton grown throughout the world. Only in 1919 has the United States failed to produce 50 per cent or over of the total cotton grown, and in that year it produced 49.6 per cent. The world's cotton production has remained about stationary since 1906. The average between 1906 and 1910 was 20,956,000 bales. The largest crop produced since 1910 was in 1914, a world total of 26,022,000 bales, and the United States produced in that year 16,135,000 bales, or 62 per cent of the total.

"The fact is that with the ravages of the boll weevil unchecked the world is heading steadily toward a cotton famine, which would have arrived before now if it had not been for the war, which upset consumption. The Manufacturers' Record is absolutely right when it says that upon the South's ability to supply cotton 'rests the future of the textile industry and allied trades and the millions dependent on them.' The only way a cotton famine can be averted, if the boll weevil keeps up its destructive work, is to stabilize the price of cotton at a figure which will make it possible for the southern grower to maintain production in spite of the weevil."

I was anxious to reproduce this article from one of my home papers in corroboration of what I had said heretofore.

In conclusion I desire to say that the fluctuations of the market—right now at the present market level—are a fine illustration of the fact that the producers of cotton in the South are absolutely at the mercy of the prices dictated from abroad and at home.

Every man familiar with cotton growing in the South knows that at 40 or 50 cents a pound to-day there would scarcely be a profit in view of the amount produced. Yet the market is fluctuating around 21 or 22 cents a pound to-day, which will not

cover the actual cost of producing the cotton, to say nothing of showing a profit and meeting the necessary expense incurred in ordinary farming.

We are busy here piling up artificial legislation to take care of those who, by their resources and their organizations, can take care of themselves, and yet not one word spoken nor an hour spent in devising means to aid the great mass of the American people who are producing the raw material out of which these vast industries must find their possibility of existence. We have organized perhaps the finest commercial banking system in the world, and yet absolutely agricultural America is without a successful banking organization that will meet the particular needs of the poor devils in the field. Every man recognizes that we can not combine successfully the quick convertible assets necessary for commercial banking with the long-time turnover of agriculture, and yet we have left agriculture to be the victim of a system which can not extend him adequate financial assistance.

I am glad to say that there are organizing throughout the cotton-growing States cooperative selling agencies whereby the poor beleaguered producers of the raw material will combine their aggregate of 7,000,000 or 8,000,000 bales of cotton, finance it as best they may, and mutually combine in order to protect themselves; and yet that should not be necessary in a government such as ours. We ought long before this to have provided an ample banking arrangement to meet the necessities of the agricultural interests of the country, and amongst them the cotton grower. I believe that we are face to face as to the supply of raw material with the worst condition that the world ever saw. According to statistics furnished us by the department, we shall arrive at the 1st of August, according to their figures, with about 1,000,000 bales of carry-over from all the crops which preceded. If the crop this year should not exceed 9,000,000 bales, we will have a supply of American cotton of 10,000,000 bales, with the normal world consumption of from 14,000,000 to 15,000,000 bales.

Mr. DIAL. Of American cotton.

Mr. SMITH. Yes; of American cotton. The consequence will be that the spindles of this country and the spindles of Europe, or part of both, will have to lie idle until another crop is made; and yet in the face of that fact cotton is selling today at the rate for which it should sell were the conditions normal and the supply normal.

These are the facts which I desire to bring before the Senate at this time in order to show that the raw material out of which the manufacturers are to produce their goods is absolutely without help and selling at a price that is a disgrace to America, and yet we are busying ourselves, using all the force within our power, to accumulate and pile up the expenses upon the shoulders of those who are so defenseless and helpless.

Mr. DIAL. Mr. President, we read in history that during the days of the colonies they raised cotton as far north as New Jersey. In fact, history tells us the colonies in Pennsylvania raised enough to supply their local demands. The cultivation of cotton extended on down the coast. I have wondered often why it was that those people quit raising cotton in New Jersey, Pennsylvania, Maryland, and practically in Virginia. I presume it was because it was not profitable. If the present signs indicate anything, the practice of raising cotton will be discontinued more and more in the South.

While we are on the subject and for the information of the Senate, I wish to have printed in the RECORD as a part of my remarks a report of the National Agricultural Conference, held January 23–27 of this year, beginning on page 150 and running down to page 153 thereof.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. DIAL. I wish to take just a moment of the time of the Senate to call attention to a statement on page 152, where, after going into details of the cost of production of cotton, it is stated:

> The balance of $182.50 represents labor for the entire year for man, wife, and two children, which is 61 cents per day of 300 days. On a 365-day basis—

That includes Sundays also—

> this gives a total revenue of 10 cents per day for each member of the tenant's family of four.

During the debates we have heard a great deal of the pauper labor of other countries. If that is not pauper pay it would be hard for me to understand what is. There is some very illuminating discussion in the report to which I have referred.

We are making efforts to improve the condition of the cotton grower. It is absolutely necessary to the existence of the production of this commodity that we arrive at some radical change. I am very much in hopes that during this session the Members of the Senate will see the importance of some action and that we will pass some legislation along this line. I have a matter pending which I think goes to the vitals of the proposition. I shall ask of the Senate serious consideration of that proposition, which I think will do as much or more than any other one thing that could possibly be done to relieve the deplorable condition of this great industry.

APPENDIX.

REPORT OF SUBCOMMITTEE 5A ON COSTS, PRICES, AND READJUSTMENTS IN THE COTTON BELT.

Owing to varying conditions in different parts of the Cotton Belt, and especially to factors of boll-weevil infestation, land fertility, and the use of fertilizers, the cost of production of cotton varies so tremendously that it is impossible to discuss it adequately in a brief committee report. Your committee, however, believes that it would be helpful to discuss some of the conditions found in cotton production at present in order that the Nation and world may understand the extent in which this industry is threatened by present conditions.

The crop of 1920 was made at a higher production cost than any previous crop and the prices received for it were admittedly far below the cost of production. The crop of 1921 was made at a somewhat lower production cost, but turned out only about two-thirds of a recent average production, and prices have again been much below the cost of production. Two years of such conditions have destroyed a large part of the capital invested in cotton production, have faced a large proportion of the landowners, merchants, and fertilizer companies with bankruptcy, and have left a large proportion of the banks in a position where, but for the support of the Federal reserve system, the War Finance Corporation, and other outside capital, they would be unable to function. The boll weevil is now present in every producing State of the Cotton Belt except Missouri and Virginia, and has covered fully seven-eighths of the acreage devoted to cotton. During the past year its ravages (while not exclusively responsible for the small crop) greatly reduced the production in every large producing State except North Carolina.

The outlook for production the coming year is not good. The South has thus far experienced a winter almost as warm as last, a condition most favorable to the hibernating weevil. A large proportion of the farmers not only lack the funds or credit with which to procure fertilizers and labor but are discouraged at the outlook for production and prices.

It may be helpful at this point to give a typical illustration of the outlook for landowner and tenant. Let us take a 30-acre farm unit, valued at $1,500 and including 25 acres of cleared land. This is occupied by a tenant farmer who furnishes all the implements and labor, including mule power, and receives half the cotton and all the grain crop for his services. The landlord's account will appear about as follows:

Landlord's account:	
Debit—	
Taxes	$25.00
Interest and depreciation	150.00
Fertilizer for cotton	90.00
Cotton seed	10.00
Half of cost of ginning and baling	12.50
Supervision	100.00
Total	387.50
Credit—	
One-half of 5 bales of cotton, at 16 cents a pound	200.00
2½ tons cotton seed, at $30	75.00
Total	275.00
Landlord's loss	112.50
Tenant's account:	
Debit—	
Feed of mule	75.00
Depreciation and interest on mule	25.00
Taxes	5.00
Fertilizer for 10 acres corn and grain, at $3	30.00
Depreciation and repairs, implements	10.00
Half of cost of ginning and baling	12.50
Total	157.50
Credit—	
One-half of 5 bales of cotton, at 16 cents a pound	200.00
75 bushels of corn	50.00
100 bushels of oats	50.00
2 tons of hay	40.00
Total	340.00
Return received by tenant	182.50

The balance of $182.50 represents labor for the entire year for man, wife, and two children, which is 61 cents per day for 300 days. On a 365-day basis this gives a total revenue of 10 cents per day for each member of the tenant's family of four. That these figures are not overdrawn can be readily proven by reference to the production statistics of the Department of Agriculture which are readily available. The Census Bureau reports 1,890,000 farms producing cotton in 1919. This for the crop of 1921 would give 4¼ bales per farm. Assuming only one family per farm (a totally unwarranted conclusion) this would give each share-cropping farmer 2½ bales, or a revenue of $170 from cotton.

What would the cost of production of farm products be if farm labor were allowed a wage commensurate to that received by the coal miner, the railroad worker, the brick mason, or the factory operative? Your committee has not the data upon which to base this calculation, but states without fear of contradiction that no price received, even at the peak prices, will give the actual producer of farm products a wage comparable in any way with that normally received by all classes of union labor and even by most classes of farm labor elsewhere in the United States.

The boll weevil having practically covered the Cotton Belt, and the pink bollworm having been discovered at various points in the western part of the belt, the future hazards in cotton production are greater than ever before. A high production can be kept up only by a much higher range of prices than those prevailing in the past. Those in close touch with the cotton situation have no fear that the recent overproduction—or rather underconsumption due to world poverty caused by war—will continue, but rather are they concerned as to how to keep the cotton industry producing in sufficient volume to maintain a prosperous and well-balanced southern agriculture. It is true that present conditions, caused by a temporary underconsumption, have caused a most serious situation, and this situation must be met by a decreased acreage for 1922 and by financial measures to prevent dumping of the temporary surplus upon the market until demand overtakes supply.

Diversification of crops and the production of ample—but not excessive—supplies of foodstuffs and live stock should be encouraged in the Cotton Belt by every agency interested in the industry. Such a policy, while vital in the present emergency, is desirable at all times, for a normal acreage of cotton can not be planted, cultivated, and promptly gathered under boll-weevil conditions. The cost of cotton production can, to a certain extent, be reduced and the yields increased by educating the farmers of the belt in the proper use of fertilizers, the value of seed breeding, and the use of well-bred varieties of uniform staple and good character, and also by giving the farmers access to full information as to the best methods of farm management and diversification. This can best be accomplished by greatly increasing the scope of the extension service of the cotton States and according it ample support.

Attention is called to the growth of cooperative marketing in the cotton industry and the economic saving therefrom. We indorse the continuance and expansion of this movement and the action of the War Finance Corporation in supporting these organizations. We recommend that this corporation be continued until other measures to furnish adequate financial support be devised and put into operation.

Especial attention is called to the problem of the pink bollworm, and your committee recommends that the Department of Agriculture continue its investigations of the situation created by the invasion of this new pest, determine whether it is possible to eliminate or control it, and immediately go to Congress for the necessary appropriation, however large, for complete elimination or effective control. We make the same recommendation with reference to the boll weevil. The history of the pink bollworm in Egypt and in Mexico indicates that should it become firmly established in this country with its ravages added to those of the boll weevil, it is unlikely that cotton production can be profitably continued at any prices which the world may be willing or able to pay for the product.

High transportation charges add to the cost of production of cotton just as they do to the cost of production of every other commodity, and the cotton grower feels that the earliest possible steps should be taken to reduce this burden, and we protest any increase in rates through any proposed readjustment of rates.

Your committee would like to call your attention to the fact that a very high return for labor in the railroad, coal mining, building trades, and other industries has a very definite effect in the cost of production for cotton and is a factor in keeping wages and returns in the cotton industry at the present scandalously low level.

It would also call attention to the fact that the great cotton-producing industry, except in minor sections, can not be helped by a tariff. The tariff on cottonseed oil has, according to the best opinion of many students of that industry, been harmful rather than helpful to the producer. A tariff, when laid upon a product which must be purchased by the cotton producer, adds to his cost of production and reduces the return upon his labor and investment. A particular case in point will be the tariff on potash salts, a commodity which is indispensable to the production of cotton over large areas.

Mr. HEFLIN. Mr. President, I desire to say a few words in line with what the senior Senator from South Carolina [Mr. SMITH] has said, and also what has been said by the junior Senator from South Carolina [Mr. DIAL]. A very serious situation confronts the cotton producers of the United States. The cotton crop being produced this year will be the third crop in succession which will be sold below the cost of production. No man will or should continue in business if that business is a failure. Thousands of farmers have been compelled to quit trying to produce cotton; thousands of them this year were unable to make the financial arrangements to produce a cotton crop. Cotton, as the senior Senator from South Carolina has said, is now selling below the cost of production. That ought not to be, Mr. President, and there is a way to prevent such a condition.

Our farmers and merchants have tried to borrow money to hold their cotton until it would bring the cost of production plus a profit, but word has gone down the line from the Federal Reserve Board not to lend money in order to hold that cotton. What is the farmer to do and what is the merchant to do and what is the local banker to do? What can the local banker do when he can not get aid from the great Federal reserve banking system to help the producer carry his cotton until the business of producing cotton is made profitable? Yet, Mr. President, in the face of the fact that we are confronted with a cotton famine, in the face of the fact that the farmer is now selling his cotton below the cost of production and can not obtain money with which to hold his cotton for a price that will yield a profit, the banking interests of the East, and of Wall Street particularly, are moving heaven and earth to keep this condition hanging over the cotton producers of the South. They are asking the President to reappoint the present governor of the Federal Reserve Board, who has conducted this desperate, drastic, and murderous deflation policy. Some people are saying every now and then that the President will reappoint the present governor of the Federal Reserve Board; we hear, on the other hand, that he will not do so. I have good assurances from a certain source that he will not, and I am hoping and praying that he will not.

Mr. President, the present condition ought not to be permitted to continue any longer. If I were President and the governor of the Federal Reserve Board continued to serve the stock gamblers of the East with the money supply of the country and to withhold it from the farmers and merchants and bankers of the South and West, I would remove him instanter. He ought not to be permitted to serve another day in his present capacity. No one has a right to hold at the head of that great banking system such a governing power as we have at its head to-day. No one has the right to administer that banking system so that it will deny to the producers of cotton in the United States a profit upon their labor and investment. It is wrong; it ought not to be permitted.

The country is in a state of dire distress, not only amongst the farming class, but there is also industrial distress. There is more unrest and discontent in the country to-day than there has been in many years, but there is not anything in the financial world which the President could do that would so quickly restore confidence generally amongst the masses as to take from the head of the great Federal reserve banking system the deadly and dangerous power that now presides over it in the person of Governor Harding.

I shall not consume any more time of the Senate, Mr. President. I do not wish to interfere with the discussion of the pending tariff bill, but the senior Senator from South Carolina has put his finger upon a very important and serious matter, a matter that involves the welfare of millions of people in the cotton-producing section and of millions of people in the United States who are dependent upon cotton goods and also of people in other sections of the world.

If a cotton famine should develop millions of people will suffer for the wearing apparel which is made of cotton; millions of people who are employed in the spinning industry will be thrown out of employment. While Senators are here planning and pulling to heap up profits for a few men by the use of the taxing power, employing legislative enactment to take away millions of dollars from unwilling people by processes of law and to put them into the pockets of a few manufacturing magnates, I appeal for simple justice to the great army of cotton producers in the United States who are to-day selling their produce below the cost of production and are consequently eking out a miserable existence.

PETITION.

Mr. WILLIS presented a petition of sundry citizens of Sandusky, Ohio, praying for the passage of a protective tariff act based upon American valuations, which was referred to the Committee on Finance, and the body of the petition was ordered to be printed in the RECORD, as follows:

To our honorable representatives in the United States Congress, Senators and Representatives:

We, the undersigned residents of the city of Sandusky, Ohio, dependent upon the industrial prosperity of our community and interested in its development, respectfully urge that a permanent tariff bill be enacted that will protect American products and American workmen, and that the administrative basis of the bill for the assessing of ad valorem duties be American valuation, substantially in accord with the Fordney bill, as reported by the Ways and Means Committee of the United States Congress.

RETIREMENT OF NAVAL RESERVE FORCE OFFICERS.

Mr. SHORTRIDGE introduced a bill (S. 3861) to provide for the retirement of certain officers of the Naval Reserve Force on account of physical disability, and for other purposes, which was read twice by its title and referred to the Committee on Naval Affairs.

THE L. C. PARKER PLAN RELATIVE TO JUVENILE CRIME.

Mr. JONES of Washington submitted the following resolution (S. Res. 323), which was referred to the Committee on Education and Labor:

Resolved, That the Committee on Education and Labor of the Senate be, and it is hereby, authorized, by subcommittee or otherwise, to investigate the plan of L. C. Parker, of Seattle, State of Washington, for the reduction and elimination of juvenile crimes in the United States, and to recommend to Congress what, if anything, the Government of the United States should do concerning such plan and what, if any, arrangement should be made with L. C. Parker in connection therewith.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. WALSH of Massachusetts. Mr. President, I have some reluctance in attempting to discuss the wool schedule. I have not had the experience or the deep, keen, personal interest that some of the Senators on this floor possess who in the course of debate to-day have referred with a good deal of pride to the fact that they were manufacturers of wool or were woolgrowers. Therefore I can not speak with the knowledge or the self-interest of the wool manufacturer, and neither can I speak with the knowledge or the self-interest of the woolgrower. Fortunately, however, there has been prepared by disinterested organizations which have been created by the Government information of an unprejudiced character which gives the story of this industry and provides all the available facts necessary to discuss the wool tariff question from the standpoint of one who is not personally interested but is striving to determine the public interest and welfare.

Hardly a word has been said during this day's debate about the great army of consumers in this country upon whom the rates in this schedule will bear more heavily than will the rates in any other schedule in this tariff bill. Hardly a word has been said for the people of America who must wear woolen clothing in order to protect themselves against the cold and severe climate of our country. Hardly a word has been said for the people of America who must have wool, just as the people of my State are clamoring now for coal, realizing the approach of a great coal famine because of the strike in progress in the coal mines of this country. Has the consumer no rights? Has the consumer no right to stand here and to ask the only question which is in issue in the first two paragraphs of this schedule, namely, Is this rate of 33 cents on wool fair? Is it a just rate? Is it an honest burden to place upon the backs of the American people? Is it a tax that can be justified in the light of all available information?

The manufacturer is silent; he has been made voiceless; but if he could speak we know he would denounce the rate upon raw wool as an injury to him, as an injury to his business, as an injury to the growth and development of the wool-manufacturing industry of the United States. He has been silenced by the compensatory and protective duties levied in this bill upon wool manufactures, which are also excessively high.

Mr. President, I am going to confine what I have to say at this time strictly to the first two paragraphs. The wool schedule contains many paragraphs, each of which will provoke much discussion. The duties, compensatory and protective, levied upon tops, yarns, dress goods, woolen cloths, blankets, and knit fabrics all involve serious questions and somewhat different principles than are involved in the first two paragraphs—the one fixing a duty upon carpet wool, and the other paragraph fixing a duty upon raw wool used in clothing. What I have to say at this time is to relate to the first two paragraphs, and more particularly to the duty attempted to be levied upon wool clothing than that upon wool for carpeting, because I do not think there is very serious difference between this side of the Chamber and the other as to that paragraph. It permits the importation of carpet wool free of duty unless that wool is used for the making of clothes; but it is a singular thing, it is a significant thing, it is an indictment of the policy pursued by the drafters of this bill that in the very same paragraph where they admit free of duty the raw material out of which is made the carpet upon which people walk they impose a duty upon the very same raw material when converted into clothing which poor people must wear upon their backs, for only the poorest of the poor wear carpet wool in their clothes.

I shall not at this time, either, discuss, except incidentally, the cost to the manufacturer and then to the consumer because of the high duty levied upon raw wool. At a later time, in the discussion of this schedule, I shall address the Senate at some length about the cost to the American people of this excessively high duty upon raw wool, and I shall prove that it constitutes a burden upon the American people greater than they have ever before been obliged to assume.

Mr. President, the duty of 33 cents levied on wool for clothing in paragraph 1102 is the highest duty ever levied on raw wool under any tariff law. The duty in the Senate bill is a specific duty upon the grease basis, graduated upward at each decline of 3 per cent in the shrinkage. It is equivalent in each instance to approximately 33 cents per clean pound.

The House text provides for a specific duty of 25 cents per pound on the clean content, with a maximum ad valorem limitation of 35 per cent, which is the first time that the clean content of wool has been made the basis for levying a duty on wool. It is to be observed, therefore, at the very outset that the Senate duty is an increase over the House rate of at least 33 per cent, or even more whenever the maximum ad valorem provision in the House bill is operative, for it is clear that this proviso would, under certain conditions, have made the duty actually levied less than 25 cents per pound. This proviso was to the Senate committee one of the objectionable features of the House text, and was eliminated through the insistence of the agricultural tariff bloc.

Mr. SMOOT. Mr. President——

Mr. WALSH of Massachusetts. I know what the Senator is going to say, but he will please notice my words. I am not talking about the wool that has been produced in this country. The duty levied in this law is a duty on importations and not necessarily a subsidy or a bonus or a gift to the woolgrowers of this country.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Utah?

Mr. WALSH of Massachusetts. I do.

Mr. SMOOT. It was not to the wool producer in the past, but the manufacturer got his all right; and he took good care that he did get it, too.

Mr. WALSH of Massachusetts. I was astonished to hear the Senator confess to-day in this Chamber that he voted in the Payne-Aldrich bill for duties in behalf of the manufacturers of this country that he denounced here to-day in stronger terms than I could possibly denounce them, and yet he stood here and said, "I voted for that bill as a manufacturer and as a Senator of the United States."

Mr. SMOOT. Mr. President, I qualified that statement by saying that there were no goods that came in such as I described, with the exception of the sample blankets that were brought in here—I think a dozen pair—in that year; but I pointed to the fact that it was true under the Payne-Aldrich bill that if those goods did come in and were used in that way there would be 485 per cent duty upon them, and that provision is out of this bill.

Mr. WALSH of Massachusetts. My remark was provoked by the remark of the Senator that the manufacturers "got theirs," and they did get it. They got more than they ought to. One of the scandals of our national legislation is what the manufacturers got in the Payne-Aldrich bill, of which we will hear a good deal during this debate; but what I comment upon is the Senator's denunciation of that law, and his statement that he voted for it.

Mr. SMOOT. Or, in other words, there will be a profit between the wool itself and the time it gets into the cloth and is sold of 300 per cent on that 33 cents. That is what this statement says.

Mr. WALSH of Massachusetts. A profit of about 300 per cent. I am not going to defend the manufacturing interests. I am going to join with the Senator, and I am going to give him an opportunity, by his votes and by arguments produced here, to drive down some of the protective duties levied in this bill in favor of the manufacturers.

Mr. SMOOT. Mr. President, all that I wanted to call attention to particularly was the statement just made by the Senator as to this 33 per cent duty costing the wool-manufacturing industry $72,000,000. I say it will not be $72,000,000; but even on that statement of $72,000,000, the Senator says it will amount to $200,000,000 when it gets into the cloth. There is nearly 300 per cent, and somebody is going to account for it.

Mr. WALSH of Massachusetts. Why do we not find some way to check that 300 per cent instead of levying a duty which will help this industry and the woolgrowers to get more profits?

Mr. SMOOT. Mr. President, I do not say that that will be the fact. I claim that it will not be a fact, although the very men who make the statement are the very men who hope to have in the end that 300 per cent; but they will never get it under this bill.

Mr. WALSH of Massachusetts. Mr. President, what is the situation in this country that justifies now, to-day, the imposition of the highest rate ever imposed upon raw wool? Certainly the condition of the working people does not justify it. Certainly the condition of the business people does not justify it. Certainly the deplorable condition of the cotton growers, that the Senator from South Carolina just described, does not justify it. Where are the groups of people in this country who are in such a favorable situation financially to-day, this year, now, that they can have levied upon them a higher protective duty than ever before on raw wool?

Mr. BURSUM. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from New Mexico?

Mr. WALSH of Massachusetts. I yield.

Mr. BURSUM. In answer to the Senator's question I will say that the cost of production justifies this rate, and it is simply a question of policy as to whether or not it is desirable to maintain the industry in this country. If there ever was a rate based upon the actual cost of production as compared with the cost of the imported article, it is the rate which has been fixed upon this wool schedule.

Mr. WALSH of Massachusetts. Mr. President, I have no doubt whatever but that the woolgrowers have suffered greatly in the past two years; but the able Senator from South Carolina has just told you the troubles of the cotton growers, and they have just as much right to come here and demand that protective duties be given them as have the woolgrowers of this country.

The story which he has told of the depression in that business, of the losses, of the threatened destruction of that important industry, is paralleled by the story that we know and will hear from the woolgrowers; and let me say to you, sir, that there are walking the streets of this country now from two to four million people who have no way whatever of providing themselves with a livelihood, and must draw upon their reserve funds, as the woolgrowers, the cotton growers, the manufacturers, and the business interests of this country are sometimes obliged to do. Why not come here and ask that a protective tariff or bonus be levied in favor of those who have no employment whatever?

Mr. BURSUM. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts further yield to the Senator from New Mexico?

Mr. WALSH of Massachusetts. Just a moment. There is just as much reason for it if we are to take care of every industry that is impaired and injured. Why, Mr. President, if this thing goes on I look to see attempts to enact laws here which will demand that the American people buy this product and buy that product, and buy it at this price and buy it at that price, in order that certain industries may be kept prosperous. If this were the only industry, important and necessary as it is, that was struggling, that was suffering, that was financially embarrassed, it would be a different story. Only within the last week, and during the whole discussion, manufacturer after manufacturer has approached me and has said: "To show you how our business has been injured I will bring you statistics to show that we have had in the past two years more failures in our line of industry than in any other industry in the country and a higher percentage of failures than ever before." Is that the basis upon which we are to proceed to levy duties upon our people? When an industry meets with depression, must we come here and by law compel all our people to contribute something to the income of the people engaged in that depressed industry?

I now yield to the Senator from New Mexico.

Mr. BURSUM. Mr. President, we do not ask for a duty on the basis of failures or any hard luck; but we do contend that we are entitled to such a duty as will give the industry a relative purchasing power as compared with the purchasing power of other industries and other commodities and other things which enter into the expenses of the industry.

Mr. WALSH of Massachusetts. The Senator's industry is entitled to just as much fair consideration in the way of protection as any other industry. I do not dispute that at all.

Mr. BURSUM. Wool enters largely into clothing, and I say that the wool producer is entitled to a fair relative proportion of the proceeds of the article in which his product is used. For instance, take a suit of fine clothes made by a tailor. It will cost $95. The producer, the raiser of the wool, will not get to exceed $5 out of that suit, less the expense of commissions, and freights, and all other expenses, so that ultimately he gets less than 2½ per cent of the price of the suit.

Mr. WALSH of Massachusetts. I agree with the Senator; but the Senator must find some law to restrict profits if he is going to get for the producer of the raw material a better share of the proceeds.

Mr. BURSUM. Let me say to the Senator from Massachusetts, further, that even under the duty proposed the wool business will not yield to exceed 10 per cent on the investment for a term of 5 years to the woolgrowers in the West. It is simply a question of whether the Senator will agree that it is policy to keep alive this industry, and permit it to continue to produce in this country.

Mr. WALSH of Massachusetts. Let me ask the Senator one question, frankly: Has the woolgrowing industry ever been a paying industry in this country?

Mr. BURSUM. Well, yes.

Mr. WALSH of Massachusetts. It has been? When?

Mr. BURSUM. It has gotten along. It never has made large profits.

Mr. WALSH of Massachusetts. Then the woolgrowing industry of this country under former protective tariff duties on wool was prosperous, or was a paying business? Then I say we ought not to increase these duties to the extent which is proposed here simply because last year and the year before we went through a financial panic in this country.

Mr. BURSUM. Let me say to the Senator that the cost of production has greatly increased, the cost of labor has increased, the cost of grazing lands has increased, and taxation has increased, both county, State, and Federal; so that you can not produce wool under present conditions at the same cost at which you could produce it before the war, or 10 years ago, or 20 years ago.

Mr. OVERMAN. Does the Senator contend that this rate is put in the bill for the purpose of allowing the woolgrowers 10 per cent on their investment? Do I so understand him?

Mr. BURSUM. I say they can not make to exceed 10 per cent under this rate. It does not give them 10 per cent. They can not possibly make over 10 per cent, over an average of five years. There is no industry as hazardous as the live-stock industry. There is no class of people who encounter the hazards in industry that they encounter.

Mr. OVERMAN. That is the basis upon which this rate is to be levied, to give them 10 per cent on their investment?

Mr. BURSUM. Yes; we figure that. We think we ought to have it.

Mr. OVERMAN. Has that been the rule as to every industry in this country?

Mr. BURSUM. I do not think so. It is contended that some of them make a great deal more than that.

Mr. OVERMAN. But that is the idea upon which this rate is based?

Mr. BURSUM. I say that is about what the rate would produce under favorable conditions. A rancher might be able to make 10 per cent.

Mr. WALSH of Massachusetts. So I understand we are asked to pass a law fixing a protective duty upon wool which will, in the opinion of those who know best the woolgrowing industry in this country, reflect a profit of 10 per cent to that industry. That is the first time I have ever heard it proposed to this body that we should fix a protective duty which would give any class a fixed profit.

Mr. BURSUM. Does not the Senator think that the people who are in this business should be enabled to make a living?

Mr. WALSH of Massachusetts. I will not argue with the Senator, I will not go into any controversy about the depressed character of this business, about its great financial losses; but while the Senator is thinking of the woolgrowers I am thinking of the men and women of New England, and the men and women all over this country, who are walking the streets without any work whatsoever. They have a right to be considered when it comes to the question of tariff duties and of imposing taxes upon the people of this country, for the clothes they wear and the blankets that shelter them.

Mr. SMOOT. Mr. President, the Senator from New Mexico did not say that the committee reported this rate with a view of giving every woolgrower 10 per cent. That never entered the minds of the committee.

Mr. WALSH of Massachusetts. It is, then, a mere coincidence that the committee and the Senator from New Mexico agreed upon the rate that would result in that profit.

Mr. SMOOT. But the remark of the Senator from New Mexico was, that even with this rate there would be no woolgrower in the United States who could make more than 10 per cent, and he expressed the opinion, in answer to the Senator, that he thought they would make 10 per cent under this rate. Then he qualified that by saying it is the most hazardous business in the United States.

I want to ask the Senator another question: Was the statement that there would be a 300 per cent increase on this 33-cent wool by the time it got into cloth, or $72,000,000 in one case and $200,000,000 in another, made by the same party who said that a suit of clothes would cost $4.75 more if this increase in the rate of 33 cents over existing law took place?

Mr. WALSH of Massachusetts. The Senator is attempting to put on my tongue words I never used. I never referred to a 300 per cent profit. He did himself, and I did not dispute it. The Senator himself raised that question. I said nothing about the amount of profit to the manufacturer. The Senator is asking me if the authority which gave him the information which he had was the same authority which gave me information about another proposition. Who is the Senator's authority? Let him tell me that, and then I will tell him who mine is.

Mr. SMOOT. I had no authority except what I saw in the press, and that statement came from Mr. Goldman, and Mr. Goldman also made the statement that if the rate of 33 cents a pound on scoured wool took effect, a suit of men's clothing would cost from $4 to $4.75 more. I know how reasonable the Senator from Massachusetts is. I know he does not want to be misled, and he would not for the world try to mislead anybody else.

Mr. WALSH of Massachusetts. I think if the Senator will give me time I can make my position clear. I will state objections to this rate which I am going to try to prove. I do not know whether I will be able to or not, but I am going to try. One of them is the statement the Senator is now contradicting. He has not heard my side. He has not heard my mathematics. My authority is my own mathematics, plus what I hope is the disinterested information which the Tariff Commission furnishes in the pamphlets and documents they publish. I have no manufacturers' statistics. I have only the Tariff Commission's statistics.

Mr. SMOOT. I know that, and that is what I want the Senator to take. There is no question but that the tariff survey says that on May 19 of this year 50 to 60 of good medium fleece cost 40 pence per pound, which is 80 cents a pound. Add the 33 cents to that and you have $1.13 a pound, if every cent of the tariff were added. That is a scoured pound of wool that goes into a man's suit. There are 4 pounds of that scoured wool, taking the lightweights. Some do not like to say 4 pounds, but I say 4 pounds.

Mr. WALSH of Massachusetts. I do not want to interrupt the Senator, but I said a few minutes ago that on Monday I intend to discuss, separately and entirely apart from this rate, the question of costs. I am going to try to show that this rate, in the light of previous laws, in the light of all the information I have received, in the light of the depressed condition of the country as a whole, is an unfair, unjust, and wrong burden to place upon the backs of the American people.

Mr. SMOOT. At $1.13, 4 pounds makes $4.52 on the wool that goes into a suit of clothes. We could give him all the wool for nothing, not make him pay any duty, and if he was honest he would say it did not cost $4.75 more for his suit of clothes.

Mr. WALSH of Massachusetts. I want to ask one question. What does the Senator say will be the increased cost on the wool in a suit of clothes, the average suit of clothes worn by the average American citizen, by reason of this duty?

Mr. SMOOT. Over existing law?

Mr. WALSH of Massachusetts. Yes.

Mr. SMOOT. On the ordinary clothing in the United States, under existing law to-day, there will not be any increase, and I can prove it to the Senator. But there are the coarse English wools which we discussed this morning, on which there will be a great increase in the wool itself—that is, where the shrinkage is low.

Mr. WALSH of Massachusetts. The Senator says to me and to this body that we are proceeding to increase the protective duty upon raw wool, and consequently the compensatory duties upon the manufactured articles, but that there will not be any increase in the cost of clothing. That is absurd, and even a child would not believe such a proposition as that.

Mr. SMOOT. The Senator misunderstood me. I did not say there was not any increase——

Mr. WALSH of Massachusetts. I asked the Senator what, in his opinion, would be the increased cost of a suit of clothes. He said not anything. Then I say to him that we are proceeding to increase the duty upon raw wool, and consequently the compensatory duties to the manufacturers, and he has the hardihood to say it will have no effect at all upon the consuming public.

Mr. SMOOT. The Senator certainly did not understand what I said.

Mr. WALSH of Massachusetts. Perhaps I did not. I will give the Senator another chance.

Mr. SMOOT. I said that on the general run of clothing worn by men throughout the United States, under the existing rates, there is no increase.

Mr. WALSH of Massachusetts. If the wool growers get 10 per cent profit, somebody will have to pay it. Perhaps it is the manufacturer and not the consumer who will pay it, but that is incredible.

Mr. SMOOT. The Senator is not complaining of the 10 per cent rate in the emergency tariff law? The emergency tariff law saved every wool grower in the United States. If it had not been for that, there would not have been a single wool grower in the United States who would not have failed, I do not care who he is.

I wanted simply to say that the statement, which is going from one end of this country to the other, that this duty of 33 cents would mean an increase in the cost of a suit of clothes of $4.75 is not true, and I do not believe the Senator believes it is true.

Mr. WALSH of Massachusetts. I think I will have to make that assertion, or very near that assertion, and I will demonstrate it. I know I have not the ability at figures; I know I have not the wonderful analytical mind of the Senator from Utah. I know I can not penetrate into these questions to the depth he can, but I do know that when you levy a protective duty that becomes effective—and everybody knows that the rate on wool will, because we must import wool—it means that the consumers of wool must pay more for the cloth that they buy and the suits they wear. That, it seems to me, does not require any further demonstration than the statement itself.

Mr. SMOOT. I read from the Tariff Commission's report this morning that 4.5 per cent of the total wools consumed in the United States were these low-shrinking wools, and that we produce about 20 per cent of them in the United States, which would be less than 1 per cent of all the wools in the United States. The other 80 per cent is imported. The low shrinkage on wool comes in carpet wools, and we make those free, as the Senator knows.

Mr. WALSH of Massachusetts. Into what kind of fabric do the wools go which are imported, and on which the rate is being increased?

Mr. SMOOT. The great bulk of them go into clothing.

Mr. WALSH of Massachusetts. Yet the Senator says he is going to increase the duty, but that it will not increase the price of clothing.

Mr. SMOOT. That is exactly where the Senator did not understand me. None of that wool comes in skirting at all unless it pays 30 per cent, and if it comes in scoured it pays 45 per cent, and in the pending bill it pays 33 per cent.

Mr. BURSUM. Mr. President, I simply desire to call the attention of the Senate to the fact that this rate is practically one-third less than the present rate on wool. The present rate is 45 cents on scoured wool, 30 cents on skirted, and 15 cents on cleaned.

Mr. WALSH of Massachusetts. I am going to have something to say about that directly.

Mr. BURSUM. So that this rate is a lower rate than the one under which we are now operating.

Mr. WALSH of Massachusetts. I think, with the joker in the emergency law, this is a lower rate, but without the joker, so called, to the casual reader of the emergency law it appears to be lower. The joker did succeed in doing away with any rate upon wool at all, practically speaking, but put an embargo on wool. It stopped all wool from coming into this country, and I say to the Senator that if the emergency law should continue in operation another year you would see the prices of wool and wool clothing increase in this country to heights they never reached before. The Senator knows he will not dispute my statement that the recent increases by the American Woolen Co. in the price of woolen cloth have been due to the fact that the emergency embargo law is just now becoming effective. The oversupply of wool in the world did not permit that law to become operative until now. But just now it is becoming effective. We are going to feel the results of the embargo, the results of an embargo on one-half of the wool which people must have in the clothes they wear.

Mr. SMOOT. Mr. President, I want to say right in this connection——

Mr. WALSH of Massachusetts. The Senator may go on; I do not care about what time he consumes, but if Senators would permit me to demonstrate my propositions one at a time and to discuss them, I would be able to answer some of the questions which Senators are now presenting to me. I have a very long discussion and considerable to say about the effect of the emergency tariff law, which will answer the question that has just been propounded.

Mr. SMOOT. I want to say to the Senator now that with the emergency tariff law in effect I have sent to five of the best mills in the United States and asked them to send me samples of their goods with the prices of April, 1920; July, 1921; and February, 1922. I want to say to the Senator now that the July prices of 1921 were less than one-half of what they were in April, 1920. I want to say further that the prices in February, 1922, under the emergency tariff law, were less than they were in January, 1921.

Mr. WALSH of Massachusetts. What does that prove? Does not every American know that the peak of prices in

everything was reached in 1920, and that there has been a decline since in wool as well as everything else?

Mr. SMOOT. I am speaking now of July, 1921, after the emergency tariff law was enacted, and I am speaking of the prices of 1922. The February, 1922, prices were lower than the July, 1921, prices.

Mr. WALSH of Massachusetts. Will the Senator give us the prices since February, 1922?

Mr. SMOOT. Yes.

Mr. WALSH of Massachusetts. Why did not the Senator give us the last prices available? The Senator knows that the prices to-day are substantially above those of February, 1922. He knows there has been a substantial increase in prices between February, 1922, and the present time. Why take the lowest figure under date of February? Does the Senator dispute the fact that there has been a substantial increase since February?

Mr. SMOOT. I dispute the fact that that was the lowest opening. There were only two openings in woolen goods in the United States, and the opening of those goods was in February, 1922, and that is the price I quoted. I have the price lists here, and any Senator can find out by asking any purchaser of wool.

Mr. WALSH of Massachusetts. Will the Senator dispute that the American Woolen Co. announced increases in prices of 20 per cent and more within the last two months? Will he dispute that?

Mr. SMOOT. I deny the fact that all goods——

Mr. WALSH of Massachusetts. Will the Senator dispute that? Yes or no.

Mr. SMOOT. I say that in one line of goods there was an increase of 20 per cent, but because of that fact it does not necessarily follow that there was an increase in all the lines of all the mills of the United States. I could tell the Senator the reason why.

Mr. WALSH of Massachusetts. I want to know the Senator's position. The Senator states now that there has been no increase except in one line of woolen goods since February, 1922.

Mr. SMOOT. No; I did not say that.

Mr. WALSH of Massachusetts. What was the Senator's statement about the present prices compared with those of February, 1922?

Mr. SMOOT. The Senator said 20 per cent——

Mr. WALSH of Massachusetts. I said it is more than 20 per cent. There have been two, if not three, increases in the prices in the last three months, due to the fact that the emergency tariff law is now becoming effective in the prices of woolen cloths.

Mr. SMOOT. Of course, the emergency law was enacted in May, 1921. That is when it was enacted.

Mr. WALSH of Massachusetts. Is it not a fact that all the world was flooded with wool and that this country had an oversupply of wool, and that it is now becoming exhausted and we are beginning to draw upon the world's supply, and when we began to do that we found an embargo against wool coming in here?

Mr. SMOOT. We took one hour of time this morning in talking about the rates on wool because of overproduction in the world in 1921. The Senator knows that where there is an overproduction—and particularly is that the case with the coarse wools—we had the Government of the United States carrying over about 60,000,000 pounds and no demand for wool. The price of wool went down. There are abnormal prices now and there were abnormal prices in 1921. There are, so far as coarse woolens are concerned, abnormal prices to-day. We can buy the coarse woolens to-day in London for 22 cents a pound. They are abnormal, and why? It is because there is no special demand for them in the world to-day.

Mr. WALSH of Montana. Mr. President, with the permission of the Senator from Massachusetts——

Mr. WALSH of Massachusetts. I yield to the Senator from Montana.

Mr. WALSH of Montana. The Senator from Utah has twice to-day asserted that but for the emergency tariff law every producer of wool in the country to-day would be in bankruptcy and the industry totally destroyed. I do not care to allow that statement to go unchallenged. There is no justification whatever for it, in my judgment. I voted against the emergency tariff law for reasons more or less unrelated to the duty upon wool. Nevertheless, the facts in the case disclose that the contention made by the Senator from Utah has no support whatever.

I have here a schedule furnished me by the Bureau of Markets giving the average prices of wool for each month from January, 1921, down to and inclusive of the month of April, 1922. It discloses that at no time during that period was the price of wool in London less than 21 cents.

Mr, SMOOT. Oh, well, Mr. President——

Mr. WALSH of Montana. I object to the Senator interrupting until I get through, and then I shall be very glad to yield to the Senator.

The fact about the matter further is that the emergency tariff law, although it was approved in the month of May, 1921, did not become effective so far as the market prices were concerned until after all of the wool produced in this country during the year 1921 was on the market, from the fact that large importations were made in anticipation of the enactment of that law. So that the wool prices for 1921 have no relation whatever to the emergency tariff law.

So far as destruction is concerned, I was in the wool business myself for 10 years as a side issue, and I know something about it, though, of course, not so much as the Senator from Utah. I was fortunate enough to dispose of all my interests in the wool business several years ago, so I speak as an onlooker in Venice. But when I was in the business we got 17 cents a pound for wool, and we considered that we were doing fairly well. Now, the cost of producing wool has, of course, very largely increased during the last five, six, or seven years. The range has been taken up, the cost of labor has increased, the cost of supplies has increased, and so on. But I think it is utterly indefensible in any man to say that when wool is selling at 21 cents a pound on the market in London the wool business would be utterly destroyed.

The fact about the matter is that the figures show during all of this year prices for wool in London which ought to be regarded as pretty fairly remunerative for the production of wool in this country.

In January, 1922, the price was 26 cents a pound; in February, 26 cents; in March, 28 cents; and in April, 28 cents. I submit this table, and with it a table of importations during the same period, showing that up to and including the month of April, 1921, our importations of wool amounted to 227,567,377 pounds, while the total for the year amounted to 326,365,751 pounds; in other words, about three-fourths of all the importations occurred during the first four months of the year, so that the emergency tariff law was of no benefit whatever to the woolgrowers in the United States, so far as 1921 was concerned.

Of course, for 1922 there was some substantial advantage, because in the month of January, 1922, the price in the United States was 37 cents, while in London it was 26 cents; in February, 1922, the Boston price was 41 cents as against the London price of 28 cents; in March, 1922, the Boston price was 41 cents as against the London price of 28 cents; and in April the Boston price was 39 cents as against the London price of 28 cents. But when wool was selling for anywhere between 21 and 28 cents a pound I think it rather an unjustifiable statement to say that the industry would have been ruined.

Mr. President, I ask that the tables to which I have referred may be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Monthly average prices of wool.

[Wool Record and Textile World (London prices). Boston Commercial Bulletin (Boston prices).]

Month.	Boston.[1]	London.[2]
1921.	*Pound.*	*Pound.*
January	$0.29	$0.53
February	.30	.45
March	.30	.37
April	.30	.30
May	.29	.26
June	.28	.21
July	.27	.21
August	.26	.22
September	.26	.23
October	.27	.25
November	.28	.25
December	.32	.26
1922.		
January	.37	.26
February	.41	.28
March	.41	.28
April	.39	.28

[1] Ohio, Pennsylvania, and West Virginia, ⅜ blood, unwashed.
[2] British fleece wool—pick shrop hoggets.

Imports of wool, unmanufactured, into the United States by months, 1921.

[Statement prepared by Research and Foreign Statistics Section, Bureau of Markets and Crop Estimates. Source, Bureau of Foreign and Domestic Commerce.]

	Pounds.
January	21,169,480
February	42,885,968
March	98,103,098
April	65,402,631
Total (four months)	227,561,377
May	14,744,598
June	5,951,755
July	9,396,864
August	15,866,744
September	14,592,459
October	9,085,706
November	10,946,395
December	12,519,853
Total (eight months)	93,104,374
Total for year 1921	320,665,751

Mr. SMOOT. Mr. President, I wish to show that the figures quoted by the Senator are wrong. I do not know who prepared them, but to show that they are wrong, I want to quote from the Tariff Commission as to the London market. For instance, 36/40's crossbred fleeces on March 5, 1921, were unsalable; they could not sell them. In April they could not sell them. On May 12 they were 9 pence, or 18 cents.

Mr. WALSH of Montana. May I inquire from what the Senator is reading?

Mr. SMOOT. I am reading from "Recent Tendencies in the Wool Trade," page 12. On June 18 the price was 9 pence, or 18 cents; on July 28, 7 pence, or 14 cents. That is not 20 cents a pound. On September 15 the price was 8 pence, or 16 cents. Then, coming down to October 15, 1921, the price was 8 pence, or 16 cents; October 30, 8 pence, or 16 cents; December 8, 8½ pence, or 17 cents; January 12, 10 pence, or 20 cents; February, 9 pence, or 18 cents; March 10, 9 pence, or 18 cents.

Now, let us see whether there was not any increase in the price during the first four months of 1921.

Mr. WALSH of Montana. Mr. President, will the Senator pardon an interruption?

Mr. SMOOT. Yes.

Mr. WALSH of Montana. The Senator has given us the figures for the very lowest grade of wool scheduled.

Mr. SMOOT. And the Senator said there was no wool sold for 20 cents in London.

Mr. WALSH of Montana. Oh, the Senator is quite in error.

Mr. SMOOT. I will let the RECORD speak for what the Senator said.

Mr. WALSH of Montana. The table shows the average price of wool, and it gives the quality as three-eighths crossbred.

Mr. SMOOT. Of course there never was any three-eighths crossbred that sold for 20 cents.

Mr. WALSH of Montana. The Senator does not intend to say that the grades he spoke of are ordinary western country wools?

Mr. SMOOT. No; and I say to the Senate of the United States that there was not any question but what the price was never less than 20 cents a pound on western wools in London. There is no doubt about it at all. That, however, is on the scoured pound. That is not in the grease. On the scoured pound the Senator will note that I quoted as to the three-eighths crossbred and not in the grease. The prices I quoted were on scoured wool, not wool in the grease.

Then, taking the prices showing the advances on wool, the increases began in January. On the fine staple in October, 1920, the price was $1.37. Then the peak began to fall. In January the slump came and prices went to 83 cents, in April to 90 cents, and then fell in July to 83 cents, in October to 83 cents, and in January, 1922, went to 91 cents. That is on the scoured pound.

Mr. GOODING. Mr. President, will the Senator from Massachusetts yield to me?

The PRESIDING OFFICER (Mr. WILLIS in the chair). Does the Senator from Massachusetts yield to the Senator from Idaho?

Mr. WALSH of Massachusetts. I yield to the Senator from Idaho.

Mr. GOODING. The junior Senator from Massachusetts is discussing the question of the tariff from the laboring man's standpoint; and he is fighting for a reduction of every duty which is contained in the bill. I myself am advocating a high protective duty and voting for every rate, regardless of how high it may be, in the interest of the laboring man. This country is the only country in the world, Mr. President, which, since the World War, has not increased the protection afforded to manufacturers. There is no exception to that rule. Germany, as measured by the mark, has increased her protective tariff rates sixty-five times; Austria, measured by the kronen, has increased her protective tariff rates two hundred times; but we permit importers in this country to go to all foreign countries, with their depreciated currencies, and to bring in foreign goods and sell them here regardless of what they cost. On the other hand, the people are not getting any benefit from such importations, as has been clearly shown by the exhibits which have been presented here on different occasions, which demonstrated that as high as 3,000 per cent profit was being charged by the department stores on foreign-made goods.

Our tariff law to-day affords the lowest protection accorded by any country on the earth, not even excepting free-trade England. England has 26 per cent protection, as against all German imports, while the average rates in the pending bill are not 35 per cent. Besides that, England provides a protective rate of 33 per cent additional on all her "key" industries. Unless we do what Germany is doing, what Austria is doing, and what every other country is doing—shut our doors against imports of goods of foreign manufacture which may be manufactured in our country we shall not put to work the 3,000,000 or 4,000,000 men now out of employment, for those men can only be put to work by starting the wheels of industry.

The Senator from Massachusetts may say that we are not getting any great amount of imports from Germany, but we are getting a very much larger amount of imports, not in dollars and cents, perhaps, but very much larger in amount, to displace labor than we got before the war; two or three times as much. Unless we do what every other country has done, practically impose an embargo, we shall never increase our manufactures. I can understand why the Senator might oppose the rates proposed if they were based on the American valuation, or might feel that the rates were too high, but on the foreign valuation, measured by the mark and by the kronen, and the depreciated currencies of other countries, we have not any protection at all.

I do not care how high may be the rates which are adopted in this bill, it is not going to help some of our manufacturing industries. I am discussing the tariff bill, I wish to say to the Senator from Massachusetts, in the interest of the laboring man. It is his question, and nobody else's. I want such protection as will give him a job in America; and the only way he can get it will be by protecting our industries and shutting out imports, because when we import $1,000,000 worth of foreign products we import $1,000,000 worth of foreign labor. That is all there is to the question of protection—the opportunity for the American laboring man to have a job.

Mr. WALSH of Massachusetts. Mr. President, one distinction between the position of the Senator from Idaho and of myself is this: He wants the laboring man to have a job, while I want the laboring man to have a wage which bears some relationship to the cost of living. To obtain that for him it is very essential that reasonably low protective tariff duties shall be levied.

However, the discussion just indulged by the Senator from Idaho is of a general nature and does not relate to the subject under consideration. At some other time I shall again discuss, if necessary, at length my general views upon protective tariff duties, but at this time I am trying to confine the discussion and have up to now confined it to the schedule and paragraphs which are immediately under consideration. Mr. President, I must proceed with my argument.

RATE UNDER EMERGENCY TARIFF LAW.

Mr. President, in order to appreciate the magnitude of the proposed duty let us make a comparison of the duties levied in previous laws. To do this we should transpose the duty levied on wool in the grease to its equivalent in clean content.

First, let us consider the emergency tariff law. This law imposed a duty of 15 cents per pound on unwashed wool, 30 cents per pound on washed wool, and 45 cents per pound on scoured wool. But the rates actually in effect were double those here noted because of a joker relating to skirted wool, which reads as follows:

> On wool and hair provided for in this paragraph, which is sorted or increased in value by the rejection of any part of the original fleece, the duty shall be twice the duty to which it would otherwise be subject, but not more than 45 cents per pound.

Incidentally it is to be noted that this limitation of 45 cents per pound refers to wool in the condition in which imported. It does not apply to the unwashed wool which, if skirted, would be dutiable at 30 cents; but makes the duty on washed

wool, if skirted, 45 cents instead of 60 cents, and it prevents any increase in the duty of 45 cents on scoured wool—that is, wool imported in the scoured condition. It is therefore plain that the equivalent clean-content duty can be very high despite this 45-cent limitation. On unwashed wool which has been skirted and which shrinks 50 per cent the duty would be equivalent to 60 cents per pound, clean content.

The importance of this joker can best be appreciated when we understand that practically all the wool for clothing imported into this country up to the passage of the emergency law was skirted wool. All previous laws levied a duty upon wool on the grease basis. The emergency law apparently followed that principle of levying a duty on wool on the grease basis, but by the injection of this clause practically doubles the rates. Thus the rate of 15 cents per pound on unwashed wool, because it is imported in the skirted condition, actually amounts to 30 cents per grease pound or, assuming a 50 per cent shrinkage, 60 cents per pound clean content.

Wool in the grease includes wool which is increased in value by the rejection of part of the original fleece.

"Skirting" is merely the removing of those parts of the fleece which contain extraneous matter, other than grease, for the purpose of decreasing the shrinkage of wool.

Because in the past the duty on wool has always been levied upon the grease basis the domestic importer has always brought in skirted wool in order to save payment of duty on extraneous matter, other than grease. The effect of the joker, therefore, is that for practical purposes the duties named in the emergency law are actually doubled and amount to an embargo.

RATE UNDER THE UNDERWOOD LAW.

Under the Underwood law all wool was admitted free.

RATE UNDER THE PAYNE-ALDRICH LAW.

Under the Payne-Aldrich law wools of the type in paragraph 1102—wool for use in clothing—were divided into two classes—Class I and Class II. The duty on Class I wool was 11 cents per pound on the grease basis, and on Class II it was 12 cents per pound on the grease basis. The great bulk of our imports of wool fall into Class I. This 11-cent rate on wool in the grease is equivalent to approximately 22 cents on the clean-content basis. Or, assuming that under a clean-content duty imported wool would not be skirted and would shrink 55 or 56 per cent, the equivalent of an 11-cent grease duty would be about 25 cents per pound, clean content. As a matter of fact, the foreign wools, if unskirted, would probably shrink less than 55 per cent on the average. In fixing the clean-content rate in paragraph 1102 at 33 cents per pound it is to be noted that the Senate amendment increases the duty 50 per cent over the rate in the Payne-Aldrich law; or, on the second assumption above, 33 per cent; or, in case of low shrinkage, more than 50 per cent.

INEQUITIES OF PREVIOUS LAWS GROWING OUT OF DUTIES LEVIED ON A GREASE BASIS.

Under the Payne-Aldrich tariff law and under previous protective tariff laws the duty on wool was a specific duty levied upon the grease basis. The inequitable results of such a duty are notorious in the wool trade.

Under such a system of duties it is obvious that there is a premium placed upon the importation of wool with a minimum shrinkage, for the lower the shrinkage the less duty which must be paid upon grease. The reason for importing low-shrinking wool under this condition is precisely the same as the reason for importing skirted wool—that is, any reduction in the amount of matter extraneous to the native fiber will lead to a saving in the amount of duty.

The result of all this was that those sections of the domestic wool-manufacturing industry which were forced to utilize high-shrinking wool were discriminated against in comparison with those branches of the industry which were able to use medium or low-shrinking wool. Inasmuch as the woolen branch of the industry—carded woolen manufacture—is more largely dependent upon the finer and higher shrinking wools than is the worsted branch, it follows that the effect of a duty levied upon the grease basis has been to discriminate against the carded woolen manufacturers and in favor of the worsted manufacturers.

Of course, the Democratic Underwood tariff, placing wool on the free list, eliminated this discrimination. The public protest, particularly against Schedule K, which followed the enactment of the Payne-Aldrich law was so loud and was such a powerful factor in the repudiation of that bill by the electorate in the election of 1912 that it can be safely asserted that this country will never return to the levying of duties on wool on a grease basis.

RECENT IMPORTS AND EXPORTS.

Mr. President, statistics show that after the passage of the emergency tariff law importations of wool dropped from 52,000,000 pounds in April and 80,000,000 pounds in March to 868,000 pounds in June and 656,000 pounds in July. August showed a jump to 3,000,000 pounds, while in September the importations fell back to 293,000 pounds. It is to be noted that importation figures here quoted are "general importations"—that is, they include both wool entered in bond and wool entered for consumption, or upon which the duty has been paid. Table 4 in the Tariff Commission's report on the operation of the emergency tariff law shows very clearly that practically all of these importations of wool since the enactment of the emergency law have gone into bonded warehouses. The outstanding feature of Tables 3A and 3B is that the emergency tariff law almost shut off the imports of Class I and Class II wool. It must be borne in mind, however, that we must import wool at any price in order to take care of our consumption. The Tariff Commission, in the same report, points out the fact that there has been some importation of wool for possible speculative purposes. Wool has been imported and stored in bonded warehouses on the assumption that this bill might establish a rate lower than that in the emergency law. It can be readily seen why this should be done. Without the joker above referred to, the duty on wool at 15 cents per pound on the grease basis would be lower on the average than would be the duty of 33 cents per clean pound, which is imposed in the Senate bill. But inasmuch as the skirted clause in the emergency tariff law makes the actual duty 30 cents per pound on the grease basis—which would be equivalent to approximately 60 cents per clean pound—it is apparent that the duty in the emergency tariff law is, for practical purposes, higher even than the 33 cents per pound duty in the Senate bill, though to the casual observer apparently much less. Consequently there has been of late a considerable importation of wool accumulating in the bonded warehouses, upon which it is expected that a lower duty may be levied under the proposed low. Of course, if there were any assurance that the emergency law would continue to operate over a long period, it is quite likely that the domestic purchaser of foreign wools would instruct his foreign clients not to skirt the wool, in order that the doubling of the duty might be avoided. But in view of the tentative nature of the emergency law it has not been feasible to carry out such a scheme, and the result has been that the actual rates applied have been double those contained in the emergency law. If the emergency law were to operate over a sufficiently long period, the skirting of wool shipped to this country would probably cease, as has been stated, and in this case the rates actually operative under the emergency law would be not far different from the rate of 33 cents per clean pound contained in the Senate bill.

Assuming that the average shrinkage of unskirted imported wool would be, say, 55 per cent, the duty of 15 cents per grease pound in the emergency tariff would be equivalent to about 33 cents per pound, which is the duty in the Senate bill. Some of the unskirted foreign wools will, of course, shrink more than 55 per cent; others less than 55 per cent.

Mr. BURSUM. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from New Mexico?

Mr. WALSH of Massachusetts. I yield to the Senator.

Mr. BURSUM. I desire to call the attention of the Senator from Massachusetts to the fact that there is a slight difference of opinion about this "joker" which he has been talking about. Of course, it is admitted that the rate of the emergency tariff was a higher rate than the rate which is now proposed. The emergency tariff provided for a rate of 45 cents. The rate on wool in the grease was 15 cents. The duty on skirted wools or washed wools or wools in any way improved through the process of manufacture or partial manufacture, altering the character of the fleece, was 30 cents; but the Senator is hardly fair about this "joker" proposition.

The truth of the matter is that it is the grower on whom the "joker" has been practiced from time immemorial. The producer has been led to believe, and those interested in cutting down the rate of duty on the wool have led Congress to believe, that 11 cents a pound duty, as provided under the Payne-Aldrich law, and as provided under nearly every other tariff that I can recall at this time, was intended to be 11 cents a pound on a whole fleece taken off the sheep, or wool in the grease. How did it work in practice?

Mr. WALSH of Massachusetts. I do not think there is any difference between us. What the Senator means to say is that

the American woolgrower all of these years has been selling unskirted wool, while the importer has been selling skirted wool. Is that true?

Mr. BURSUM. The importer has done this——

Mr. WALSH of Massachusetts. Is that a fact?

Mr. BURSUM. That is a fact, and here is where the American producer has been defrauded: He has not obtained the protection that the public believed he was obtaining. For instance, the duty would be 11 cents a pound. What would the importer do? He would eliminate the belly, eliminate the tags, eliminate the sides, and bring in the choice portion of that fleece, which would shrink all the way from 30 to 40 per cent. In place of bringing in 33⅓ pounds of wool, which was estimated when that duty was levied, for 11 cents, he would bring in 60 pounds of wool, and in some instances 70 pounds of wool; so that he was simply cutting down the rate of duty as intended by the makers of the bill at least 50 per cent, and thereby defrauding the producer of this country of the protection which was intended for him. I say that the joker has been in favor of the manufacturer, in favor of the importer, and it has been against the producer and the grower.

Mr. WALSH of Massachusetts. Mr. President, I do not think I differ very much with the Senator about the situation he has described. There is no doubt whatever but that the American-grown wool, because it was not skirted, shrank more than the imported wool, which was skirted, and therefore that the duty of 11 cents per pound on grease wool was not entirely and completely effective in giving to the woolgrower exactly 11 cents per pound more than he would have received if the wool that came in from Europe was not skirted.

Mr. LODGE rose.

Mr. WALSH of Massachusetts. I will yield to my colleague in just a moment. Anticipating a reduction from the emergency law in the present law, there have been imported large amounts of wool, which are held in bond and will be released when this new tariff law becomes operative, the wool importers figuring that it is better to hold it in bond and wait and see if they can get a less rate than they could get under the emergency law, because the emergency law was prohibitive.

I now yield to my colleague.

Mr. LODGE. I was only going to make the point that in my colleague's first statement I thought he made a little error, because there has come into the port of Boston since the 1st of January the largest amount of wool ever imported; but, of course, it is in bond, as my colleague says, awaiting the passage of this bill.

Mr. WALSH of Massachusetts. Yes. Mr. President, I have those figures before me, and while I am not going to take the time to read them, I do not think there is any disagreement between us that the emergency law has shut out the importations of wool which were immediately applied to commercial uses in this country, and that whatever importations have come in recently have been in bond and have been held in bond for the purpose of waiting for a change in rates.

Mr. LODGE. Over 100,000,000 pounds have come into Boston.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Utah?

Mr. WALSH of Massachusetts. In just a moment. Of course, that is to be expected. How could you expect the manufacturing interests in this country who, under the Underwood law, have been getting free wool, and who, under the Payne-Aldrich law, have been getting wool at 11 cents a pound in the grease, to meet now, in this time of great depression, a price of 30 cents on wool in the grease, or 60 cents on the cleaned content?

I yield to the Senator from Utah.

Mr. SMOOT. Mr. President, I want to say that the so-called "joker" in the emergency tariff bill was put in there with full knowledge of what it really meant; and let me tell the Senator one reason why it was worded just as it was.

On March 18, 1922, a certain Philadelphia importer of wool undertook to bring in wool here classed as carpet wool, so that it would come in free, or, if not free, in clothing under the lowest rate of duty, and inside of those bales was the finest wool from South America. It happened to be detected. If it had not been detected, simply through one bale of wool having been torn and the wool showing, there would have been $275,000 worth of wool imported into the United States, and the great bulk of that value would have been fine wool, and the Government of the United States would have been cheated out of every dollar of duty. I am quite sure that the Senator has heard of that case.

Mr. WALSH of Massachusetts. I have heard of that case.

Mr. SMOOT. That was on March 18 of the present year. That was after the emergency bill was in operation; and then they tried to rob the American Treasury of the amount of the duty by putting coarse carpet wools around fine wools from South America.

Mr. WALSH of Massachusetts. Mr. President, the Senator's suggestion leads me to the next proposition which I was about to discuss.

Mr. SMOOT. Mr. President, I do not want to be misunderstood in what I said. I do not want it thought that I have said that all importers would try to defraud the Government in this way. That is not so; but I do want to say that the importers have the brightest minds that there are in the United States, and they have taken the very best attorneys and the very best appraisers that the Government of the United States has educated for years and years. I am not blaming them if they can pick a hole in the wording of the tariff law; but they have these men at work, and that is what they are paid for, and if there is any flaw in the wording of any paragraph or any part of a schedule of any kind that can be turned to the disadvantage of the Government they are going to do it.

Mind you, if it is done lawfully, I have not a word of complaint about it. I think they are entitled to get the very best advice in the world, no matter whether the Government of the United States has educated their advisers or not. I am not objecting to that. But I do object to the importers using this method of fraud in order to cheat the United States out of dollars and cents.

Mr. WALSH of Massachusetts. I think we are all in accord with the Senator in that respect. Let me resume my argument.

FINANCIAL DIFFICULTIES OF THE WOOLGROWERS.

Mr. President, that the woolgrowers suffered severely in the great decline of 1920 and the depression of 1921 can not be doubted; but so did all branches of industry suffer, and so did the consuming public. During part of this period statistics indicate that from two to four million wage earners have been out of work.

That every effort should be made to improve the financial condition of the woolgrower all agree, but he should expect no more to be done for him by the Government through indirect taxation levied upon the consumer than those engaged in any other industry. He should not expect the great majority of our people to be burdened by taxation to a greater degree than at present solely for his benefit. He should bear in mind also that as a consumer he will have to pay an enhanced price for clothing for himself and family, and that the general increase in prices through the high protective tariff duties upon clothes and other necessities of life will increase accordingly the wages he will have to pay his help who will have to pay higher living costs.

There is a point where it is fundamentally uneconomic for a government to extend protection to an industry which yields as is claimed only meager returns to those engaged in it under extreme protection.

COST TO THE MANUFACTURER.

The production of wool in the United States during the past 40 years averaged very close to 300,000,000 pounds in the grease, which, with a shrinkage of 60 per cent, gives 120,000,000 pounds of clean wool. Imports of Class I and Class II wools—disregarding Class III, carpet wools—that will be required from abroad may be estimated as at least 100,000,000 pounds of clean wool per annum. This gives a total consumption of wool for clothing of about 220,000,000 pounds of clean wool per year.

Assuming that the duty fulfills its purpose of raising the value of domestic wools by the amount of the duty, the increased cost to the wool manufacturer—which will, of course, be passed on to the public, after further pyramiding—of the 33 cents a pound duty on clean wool will be $72,600,000 a year.

Mr. President, let me ask my friends on the other side if they are prepared, in the face of the greatest depression in the history of this country, to say to the American people, "Congress has increased the price of your wearing apparel, of your blankets, of your overcoat, of your clothing"? Will you dare to pass such legislation, in view of all previous laws upon this subject, in view of the action of the House one year ago this very time, when the depression was greater, determining that the fair, just rate to all interests concerned was 25 cents and not 33 cents? Can you justify it? Can you expect a verdict of approval from the American people? Do you not know that there is no issue more effective than that which touches the individual? Do you not know that the statement of any public man on any platform in this country calling attention to the fact that you, as a United States Senator, voted to increase

the price of a suit of clothes $2.50, the price of a dress $2.50, the price of an overcoat $5, is an argument which penetrates deep and has a decisive effect on election day?

It is amusing to hear men declare on this floor that increasing tariff duties does not affect prices and that putting articles upon the free list does not reduce prices. I ask, What are tariff duties for? Is there any difference between the free list and a protective duty, and if there is, is it not this, that products on the free list ought to permit prices to be forced down, and not up, while articles which bear a protective duty, in the natural course of events, would reflect increased prices? Yet Senator after Senator on this floor has had the hardihood to say at one time or another that high protective duties do not reflect increased prices, and then, in another breath, to say that the putting of articles on the free list does not lower prices.

No man has said that more effectively than the distinguished Senator from Utah. He always tells you that the retailer and the manufacturer are going to get theirs anyway, regardless of tariff duties. Yet we sit here making assertions of reckless and scandalous profiteering and declare we are powerless. The people will not take that answer from us any longer. The people are not going to permit us to cloak and hide our responsibility to keep their taxes and their cost of living at a low level by assertions of that kind.

Mr. President, I will discuss now the objections to the use of the brackets in paragraph 1102.

The House bill based the duty on raw wool, other than carpet wool, upon the clean content. The Senate bill substitutes for this an elaborate sliding scale of duties based on wool in the grease and graduated by steps according to the shrinkage.

Beginning with the highest shrinking wools—those shrinking more than 93 per cent upon which the duty is 1.6 cents per grease pound—the duty is graduated upward by 1 cent per grease pound for each decline of 3 per cent in the shrinkage.

The entire scale of duties is worked out in such a way as to approximate 33 cents per pound on the clean content of wool. The elaborate scale of brackets covering nearly three pages in the Senate bill, when translated into plain English, simply means that the duty on clean wool shall be approximately 33 cents per pound. By camouflaging the duty in this manner, however, it is made to appear much lower than 33 cents per pound.

If the only objections which could be urged against this scheme were that it is intended to deceive the public and that it consumes an unnecessary amount of space in the bill, it would not be so serious; but the sliding-scale system is peculiarly objectionable, because it can not be administered in such a way as to avoid constant litigation. Litigation will arise from the fact that whenever the test of the imported wool shows a shrinkage slightly less than the amount required for classification in the next higher bracket—where the duty would be 1 cent per grease pound lower—the importer will be strongly inclined to protest the classification.

To take an illustration: Suppose that the examiner figures the shrinkage of a given importation of wool at 59.4 per cent. The wool would then be dutiable at 13½ cents per pound, because it falls within the bracket which covers wool shrinking more than 57 per cent and not more than 60 per cent. Obviously, if the importer can prove that the shrinkage is 60.1 per cent instead of 59.4 per cent, he will be able to save 1 cent per grease pound on the shipment, because in such case it would be dutiable at 12½ cents under the bracket which covers wool shrinking more than 60 per cent and not more than 63 per cent.

Let us carry the illustration further. The difference between the estimates of shrinkage in the above illustration is seven-tenths of 1 per cent. Under a straight clean-content duty of 33 cents a mistake of 1 per cent in estimating the shrinkage would amount to one-third of 1 cent per grease pound; a mistake of seven-tenths of 1 per cent would, therefore, amount to seven-tenths of one-third cent, or seven-thirtieths of 1 cent. Under the Senate bill the same mistake in estimating the shrinkage would amount to 1 cent per grease pound. On a shipment of 500,000 pounds of wool in the grease the duty involved in a mistake of seven-tenths of 1 per cent in estimating the shrinkage would amount under the straight clean-content duty of 33 cents to 500,000 times seven-thirtieths of 1 cent, or $1,166.66; but under the bracket system in the Senate bill it would amount to 500,000 times 1 cent, or $5,000.

Nor is this all. Under the Senate bill the amount of duty involved in a mistake in estimating the shrinkage will be much greater for the importer of high-shrinking wool than for the importer of low-shrinking wool who brings in the same amount in clean equivalent. Both importers would have 1 cent per grease pound at stake; but 1 cent per grease pound is a more serious matter for the importer of high-shrinking wool than for the importer of low-shrinking wool—that is, if the examiner's estimate runs against rather than in favor of him. If it runs in his favor no litigation will ensue, but if it runs against him the incentive to protest will be particularly strong.

Mr. SMOOT. As far as I am concerned, I would just as lief not have the brackets, and perhaps I would a little rather have it that way.

Mr. WALSH of Massachusetts. I am very glad to hear that. I ask the Senator if there is any likelihood of there being an amendment changing that feature?

Mr. SMOOT. I can not say as to that. So far the committee has not agreed to any amendment along that line. I only expressed my personal view when I stated to the Senator what I did. Yet I want to say frankly that there is one reason why it would be better in brackets; but I think the other reasons overbalance that. When we discuss this later I will frankly state to the Senator what they are.

Mr. WALSH of Massachusetts. At another time we will discuss that feature of the sliding scale suggested in the committee amendment.

Mr. President, if I may proceed I will now discuss the subject of production.

Mr. President, the production of wool has not materially increased in the United States in the last 40 years. Our production averages very close to 300,000,000 pounds per year. Our consumption has averaged—I quote from the Tariff Commission's report on the emergency tariff—in recent years, owing to the unusual war-time demands, from 600,000,000 pounds to 800,000,000 pounds. Of this amount, about 300,000,000 pounds were produced in the United States and 400,000,000 pounds imported. For a series of years before the war, out of a total consumption of about 525,000,000 pounds per year, 300,000,000 were grown in the United States. (See Table 1 in the aforementioned report.) It is to be noted from this table that the percentage of foreign wool consumed in 1921 was about 53 per cent. During the war it was as high as 65 per cent. Prior to the war it was about 40 per cent.

Let me show you what the record of production in this country has been. I want to say to the Senator from Montana [Mr. WALSH] that I hope he was not misled by what the Senator from Utah said, for the Senator from Utah is a very able and very clever man and he has the rare ability to state one fact which proves the thing which he then wants to demonstrate, omitting another fact which would quite change the conclusion one would arrive at.

Mr. SMOOT. It is unintentional.

Mr. WALSH of Massachusetts. The Senator very cleverly stated that the number of sheep in this country had decreased. What would one take that mere statement to mean except that the production of wool had decreased? Would one not take it to mean that, when we were discussing and considering wool? He said that the number of sheep in this country had decreased 50 per cent. He told the Senator from Montana that.

Mr. SMOOT. Does the Senator doubt that?

Mr. WALSH of Massachusetts. I say to the Senator that I do not care how much smaller the number of sheep in this country is, the fact is that the production of wool has not decreased 50 per cent, or anywhere near that. Am I correct about that?

Mr. SMOOT. Of course, there is a finer grade of wool grown, which makes more pounds of wool per head to-day than when we had 67,000,000 head of sheep. I thought everybody knew it. There was no intention in my mind of misleading anyone.

Mr. WALSH of Massachusetts. The Senator was trying to show how this industry had suffered and how much it had slid back; that the number of sheep had decreased 50 per cent, and that therefore we must appreciate that the industry was gradually getting less and less able to take care of its former production. The cold facts are that there has been practically no decrease in the production of wool. I do not care whether wool comes off the backs of 10 sheep or 3 sheep, the number of pounds to-day is about the same as it has been in the last 40 years. Will the Senator agree with that?

Mr. SMOOT. I think it is a little less. It is easily understood, and I thought every Senator understood, that in the years we were speaking of every sheep man kept his lambs, and his lambs were counted the first year in the increase in the number of sheep in the United States. To-day that is all changed. The lambs go to the market, with the exception of enough lambs to keep the ewe herd alive. Years ago we used to have wethers, and kept the wethers until they were 2, 3, and 4 years old, and that is where we used to get our wool from.

It is entirely different now. We run ewe herds entirely, and the only lambs that are saved from the market are enough lambs to keep the ewe herds alive and up to the standard.

Mr. WALSH of Massachusetts. I called attention to that because I thought the Senator from Montana [Mr. WALSH], who was talking about the production of wool, would gather from the statement made by the Senator from Utah that our production had decreased 50 per cent.

Mr. SMOOT. The Senator from Montana knows the situation just as well as the Senator from Utah.

Mr. WALSH of Massachusetts. I think both the Senator from Utah and the Senator from Montana have the advantage over me in knowing more about the wool-growing industry than I do. But, as I said in the beginning, plenty of statistics are available for one who wants to be informed upon the subject. But let us now consider a comparison of domestic production and domestic consumption.

For 16 years under Republican control before 1913 there was a duty of 11 cents per pound on grease wool, which practically never amounted to less than 30 per cent ad valorem, and frequently exceeded 100 per cent. Scarcely had the Democratic Party placed wool on the free list when the war broke out and prices were raised to such a level that, for the growers of wool at least, the result was even better than under Republican protection.

Under such favorable circumstances one would suppose the wool industry of this country would have flourished and the domestic production increased. The plain truth is that domestic production has not increased, and, for one reason or another, it would appear that this country is not as well suited to wool growing as to other industries, and that even high protective tariff duties have not resulted in the development of this industry to the extent of taking care of only about one-half of our domestic consumption.

In 1891 this country raised 309,474,876 pounds of wool; in 1895, 294,296,296 pounds; in 1900, 288,656,621 pounds; in 1905, 295,488,438 pounds; in 1910, 321,362,750 pounds; in 1915, 288,777,000 pounds; in 1920, 260,270,000 pounds; and in 1921, according to the best available figures, the clip fell to 240,000,000 pounds. Our per capita domestic consumption decreased from 6.16 pounds in 1884 to 2.9 pounds in 1921.

We are forced to go into the markets of the world to buy from 40 to 50 per cent of our annual consumption. A fair average annual consumption of scoured wool would be in the neighborhood of 220,000,000 pounds, and our domestic clip is now about 120,000,000 pounds of scoured wool, leaving 100,000,000 pounds to be imported.

In view of our needs and the failure of the wool industry to keep pace with the increased demand for wool or show any material growth during the last 40 years, how can we justify an increase in the protective tariff duty on wool over 50 per cent above the highest duty heretofore levied?

Mr. WALSH of Montana. Mr. President——

Mr. WALSH of Massachusetts. I yield to the Senator from Montana.

Mr. WALSH of Montana. The Senator is quite right that the production of wool in this country has remained practically stationary. I perhaps did not speak accurately. I was referring to the number of sheep. The number of sheep in the country diminished from about 64,000,000 in 1903 to about 45,000,000 in 1921, but the sheep bear more wool, so that the production has remained practically stationary.

Mr. WALSH of Massachusetts. I ought to say to the Senator that even the Department of Agriculture had some doubts about the accuracy of their figures with reference to the industry. Undoubtedly the fact is that there has been some decrease, but I think there is a good deal of confusion about the accuracy of the figures.

Mr. WALSH of Montana. There can be no doubt about it. I may say there has been a very substantial decrease. There has been a decrease of at least 50 per cent in my own State, and the conditions there obtaining likewise prevail to a greater or less extent throughout all the western country. That is by reason of the fact that the open range is being appropriated as a result of our industries being changed from pastoral to agricultural.

Mr. WALSH of Massachusetts. It is in this country somewhat of a pioneer industry. There is no question about that.

Mr. WALSH of Montana. There is no doubt that similar conditions are operative—I know them to be operative, in fact, all over the western portion of the country. I have no doubt that they are equally operative in South America, in the Argentine, in Australia, and to a greater or less extent in South Africa.

The last report we have from the Tariff Commission on this subject, just out, has the following to say on the subject:

> Owing to extensions in the area of cultivated land and to competition of cattle with sheep, the number of sheep had been declining fairly steadily for a long period prior to the war. Wool production, however, had remained about stationary, owing in part to breeding and selection for heavier fleeces within breeds, particularly in the case of merinos, and in part to the rapid adoption of crossbreeding for mutton production, which also gave heavier fleeces.

I rose to emphasize the point the Senator is making that, despite the long period in which this industry has been protected, the number of sheep in the country continues steadily to decline, but it continues to decline by reason of the conditions which surround the industry.

Mr. SMOOT. This tells the story, I will say to the Senator: In 1901 the average weight per fleece was 5.06 pounds. In 1902 it was 5.10 pounds. In 1903 it fell to 4.49 pounds per fleece in the United States. That can be accounted for by the fact that that was a very wet year, and when it is a very wet year the fleeces, particularly of the western wool, are very much lighter in weight. Then it began to increase. In 1904 it was 5.65 pounds per fleece; in 1907, 5.60 pounds; and in 1921 it had increased to 7.28 pounds. That is why the number of pounds of wool remains about the same.

Mr. WALSH of Massachusetts. I am glad to have that information from the Senator, because I thought the Senator was contending that there had been a decrease in the production of wool.

Mr. SMOOT. There is a decrease in the pounds of scoured wool, because the finer the wool and the heavier the fleece the greater the shrinkage in the wool. We could take the 272,564,000 pounds of wool in 1921, with an average fleece of 7.28 pounds, and would not get the same amount of scoured wool out of that many pounds that we would out of the 287,000,000 pounds in 1903, when the fleece weighed but 4.49 pounds. In other words, so far as pounds were concerned, the scoured wool in 1903 was very largely in excess of what the 272,000,000 pounds would have produced in 1921. I should think as to shrinkage there would be at least 20 per cent difference in the two cases.

Mr. WALSH of Massachusetts. Mr. President, the only purpose of my argument was to call attention to the fact that with what people considered high protection and with a long period of protection this infant industry has not expanded, is not able to take care of the demands of the American people, and we must to-day import 40 to 50 per cent of all the wool consumed by the manufacturers of the country. There has been a steady increase in the amount of wool which it is necessary to import. Yet in the face of that history it is seriously proposed to us here to increase by 50 per cent the rate of duty over that enjoyed under the Payne-Aldrich law and to burden the American people, who must go into the world's market for their wool, with a higher rate of duty than ever before. Where are we going to stop? Five years from now, when the figures show a further decline, the woolgrowers will be asking a duty of 40 cents. Ten years from now, when we must import 60 per cent instead of 40 per cent, or 70 per cent instead of 45 per cent, they will be here asking for a duty of 50 cents. It is now over 100 per cent ad valorem, measured in terms of value.

Mr. SMOOT. Of course the Senator does not want the statement to stand that the average rate in equivalent ad valorem is 100 per cent on 33-cent wool?

Mr. WALSH of Massachusetts. No; I did not mean to say that, but I do say that there are classes of wool where it amounts to that. Perhaps not all of the wool, but some of the wool that goes into clothing pays that rate of duty.

Mr. SMOOT. Very little of it, I will say to the Senator.

Mr. WALSH of Massachusetts. But it approaches very close to 100 per cent.

Mr. SMOOT. It is 1 per cent of the consumption in the United States.

Mr. WALSH of Massachusetts. Wool that comes into this country in clothing must bear a duty of 33 cents a pound, and that, measured in terms of the value of the wool and the duty, approaches figures amounting to almost 100 per cent, varying from 50 to 100 per cent.

Mr. President, it is proposed to give this industry a further opportunity to develop, though all the progress of the United States, by reason of its expansion and agricultural development in the West has not resulted in the expansion of this industry. It is proposed to require the American people to pay even more than ever before for the wool which is used for blankets, for sweaters, for dresses, for suits, for overcoats—to pay more to try to lead the woolgrowers in different parts of the country to increase the production of wool. There can be no

other explanation. There can be no justification for such high tariff duties unless it is based upon the belief that the industry can be made to grow, can be made to take care of our demands and to take care of them at a reasonable price. But there is a point where it is uneconomical for a government to tax its people with high protective duties, and we have reached that point in wool. This bill will make the burden so excessive that the American people can not and will not bear it.

Mr. President, there is another aspect of this question I will proceed to discuss.

TENDENCY OF HIGH PROTECTIVE DUTIES TO CREATE TRUSTS.

Mr. President, the high duties which have been levied upon raw wool and the iniquitous protective duties levied upon wool manufactures have, together with a tendency toward centralization, resulted in destroying individual initiative and have resulted in the consolidation of the wool industry in the hands of a few.

According to the census the capital invested in the wool manufacturing industry increased from $256,000,000 in 1899 to $450,000,000 in 1909. Yet the extent to which the number of manufacturing units decreased is astounding. In 1869, according to the census figures, there were 3,280 establishments engaged in manufacturing wool; in 1879, 2,330; in 1889, 1,693; in 1899, 1,414; in 1905, 1,213; in 1910, 1,124; and in 1915, 979. All this indicates that individual manufacturers were driven out of business, not by foreign competition, for there were no imports, but by excessive protective tariff duties, which tend to promote the creation of private monopolies. Unreasonably high protective tariff duties tend to promote profiteering; to encourage industrial gambling and speculation; to destroy private enterprise and ultimately lead to the creation of monopolies.

During these years of high protective duties the American Woolen Co. has merged over 50 large independent companies into its organization, and now controls over 25 per cent of the domestic production of woolen and worsted cloth. It also fixes the prices; that is, the trade waits for this company's semiannual announcement and follows the prices named by this organization.

Mr. President, what has destroyed these individual units? It was not foreign competition, for there was none. The individual manufacturing units of this industry were destroyed under protective tariff duties of the very highest kind; protective tariff duties that were so offensive to the American public that they led to the complete repudiation, defeat, and ejectment of the Republican administration in 1912.

Mr. GOODING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Idaho?

Mr. WALSH of Massachusetts. I yield.

Mr. GOODING. I should like to ask the Senator if he thinks had Roosevelt been nominated in Chicago there would have been a defeat of the Republican Party, or that if there had been only one candidate nominated instead of two the Republican nominee would have been defeated?

Mr. WALSH of Massachusetts. There were two candidates nominated by the Republicans of this country because of the tariff, because there was a group of Republicans who were determined to protest the rates of duty which had been levied in the Payne-Aldrich law, who left their party because they wanted to register a protest against the extortions practiced upon the American people through that iniquitous tariff law and the control of the party by reactionary leaders.

Mr. GOODING. That is the first time I have ever heard that statement made. I remember the circumstances surrounding the Chicago convention; there was a division between two contending forces. It was not over the tariff, but it was between two men; that is about all; nothing more and nothing less.

Mr. WALSH of Massachusetts. I do not know of any Senator on this floor who has indirectly more severely denounced the Payne-Aldrich law than has the Senator from Idaho who has just spoken. He has denounced the manufacturers as getting everything out of that law, stating that they had the big end of it. The only time that the manufacturers had the big end was under the Payne-Aldrich law, because wool has been free since 1913. Yet the Senator now stands on the floor and asks me a question which would lead me to believe that he thinks the Payne-Aldrich law was all right.

Mr. GOODING. No. The Senator from Massachusetts has not any right to think that at all. I merely said that it was not the tariff question which divided the Republican Party in 1912 at all. We have always been a unit on that on all occasions. So far as the principle of protection is concerned, I do not think there was a difference to any great extent in the two platforms adopted in that year; both stood for protection. I agree, however, that the Payne-Aldrich law was not right.

Mr. WALSH of Massachusetts. I am glad to hear the Senator say that.

Mr. GOODING. That law was an outrage—there is not any question about that—so far as the wool duties were concerned and so far as the compensatory duties were concerned. That is not only true of the Payne-Aldrich law but is true also of the Dingley law, in which that clause was first inserted. I denounce that legislation now; I have always denounced it; and I expect to continue to denounce it. It is for that reason that it is now changed in the pending bill to a scoured basis; so that the importers can not now take off all the heavy parts of the fleece and merely bring in the light wool. However, I shall not take up the Senator's time to discuss how well they did the job; how, instead of bringing in wool shrinking 66⅔ per cent, they brought it in shrinking 40 per cent. It is too long a story with which to take up the Senator's time, and he is very kind to have yielded so long.

Mr. WALSH of Massachusetts. The Senator from Idaho has admitted that the Payne-Aldrich law was an outrage. I give him credit for having sufficient respect for the judgment of the American people to believe that they would repudiate its outrageous provisions in the first election that followed its enactment.

Mr. GOODING. The point I make is that in the campaign of 1912 the tariff was not the issue, but there was an issue between two men.

Mr. WALSH of Massachusetts. I am not going into the history of the campaign of 1912, but everyone ought to know that one of the great issues of that campaign was Schedule K; and perhaps no feature of any tariff bill has ever been so much discussed upon the public platform and in the press as was Schedule K in the campaign of 1912. Ex-President Taft will not agree with the Senator from Idaho that Schedule K was not an issue in 1912.

Mr. SMOOT. Mr. President——

Mr. WALSH of Massachusetts. I yield to the Senator from Utah.

Mr. SMOOT. The Senator has stated the number of mills in the United States, the number showing a decrease. I presume he has the figures as to the number of spindles now in operation in the United States. Those figures will show an increase.

Mr. WALSH of Massachusetts. I have stated that there was a very substantial increase in the capital invested in the industry, and I gave the figures showing such increase; there is no doubt the industry has grown; but what I am saying is that protective tariff duties tend to lead to the creation of monopolies and of trusts and tend to drive the little fellow out of business; and the figures which I have given are some contribution to that conclusion.

Mr. SMOOT. I can not agree with the Senator as to that, because it is a question of principle that the little fellow, if he has protection, can live, and if he does not have it he can not live. However, I will not interrupt the Senator further.

Mr. WALSH of Massachusetts. Mr. President, to such an extent did these industries consolidate that under these high protective duties the American Woolen Co., as I have heretofore stated, which now produces 25 per cent of all the dress and woolen goods manufactured in this country, consolidated 50 separate independent factories into one of the largest and most prosperous organizations in this country.

Mr. SMOOT. And I will say to the Senator that the great growth of the American wool industry, as to the amount of capital invested, came during the time when we had free wool.

Mr. WALSH of Massachusetts. I think undoubtedly the American Woolen Co. made large sums of money during the war, at which time wool was being admitted free.

Mr. SMOOT. I had reference to the consolidations.

Mr. WALSH of Massachusetts. I beg the Senator's pardon. I will give the Senator the figures on Monday. Fifty great plants, many of them located in communities with which I am personally familiar, some in my own State and others in various portions of New England and other sections of the country, have been consolidated, and I venture to say that nearly all of them were consolidated before 1914, when free wool became operative.

Mr. SMOOT. I refer to the whole United States.

Mr. GOODING. Mr. President, I should like to call the Senator's attention to the fact—and it is very kind for him to yield so frequently—that this is the age of centralization everywhere and in every industry; there is no exception to that

rule, so far as I know. It is true of the steel industry and it is true of every other industry; there can be no question about that. It is an era of centralization and organization.

Mr. WALSH of Massachusetts. But it is a significant fact that the movement toward consolidation and high protective tariff duties have gone together.

Mr. President, I am not going to take up any more time. The many interruptions during the course of my remarks have lead to the prolongation of my argument. I simply wish to state that I may desire to resume the floor for a short time on Monday—for I assume there will not be a vote taken to-night—in order further to enlarge upon what I have said to-day.

Mr. President, I desire to make the following conclusions by way of—

RECAPITULATION.

Mr. President, the foregoing discussion clearly shows:

(1) That the rate of 33 cents per clean pound on wool is the highest ever levied in any tariff law, excluding from consideration the joker clause in the emergency law.

(2) That the rate of 33 cents per clean pound of wool is 50 per cent higher than the average rate in operation under the Payne-Aldrich law, and on certain grades of wool where the shrinkage is low it is considerably more than 50 per cent higher.

(3) That the rate of 33 cents per clean pound of wool is at least 33 per cent more—in some cases even higher—than that named in the House bill.

(4) That the bracket sliding scale of duties through which the rate of 33 cents per clean pound of wool is levied is objectionable because it is deceptive and can not be administered in such a way as to avoid litigation.

(5) That the domestic production of wool, notwithstanding high protective duties, has not increased and that it is now necessary to import from 40 to 50 per cent of the domestic consumption.

(6) That the cost to the wool-manufacturing industry of the 33 per cent duty on raw wool will be $72,600,000, which, when paid by the consumer, after pyramiding, will approximate $200,000,000—which figure excludes the increased cost to the public by reason of the manufacturers' protective duties.

(7) That high protective duties in the wool-manufacturing industry has tended to decrease the number of individual manufacturing units and promote trust control of the industry.

Mr. McCUMBER. Mr. President, the Senator from Massachusetts has reiterated time and again the declaration that Congress has increased the cost of the coat which is worn and has increased the cost of blankets. On what basis does the Senator from Massachusetts say that Congress has increased the cost of coats or blankets? Where is the beginning? Under the days of free wool or under the emergency tariff act? Did Congress increase the cost of the coat when the cloth of which a coat is made in April, 1920, brought $5.85 a yard? There was not one penny of duty on wool at that time. Did Congress make that price $5.85 a yard, or did it not? To-day, with a duty of 45 cents a pound upon the scoured content of wool, the same cloth is sold for $2.50 a yard. Did Congress make the price $5.85 in the first instance, and did it make the price $2.50 in the second instance, or did the trade, the business, make the prices? If it were a fact that free scoured content wool results in the production of a cloth costing $5.85 per yard and that a duty of 45 cents a pound insures a cloth costing only $2.50 a yard, it seems to me, then, that we ought better put on a duty and lower the price.

But, Mr. President, let us be honest in the discussion of this question. The man who manufactured and sold that article at $5.85 sold it for that price because he could get it. The manufacturer who is selling that same article for $2.50 a yard to-day is selling it for that price because he can not get any more. That is all there is to it, and it demonstrates two things: First, that the tariff has had no effect in fixing the price of that yard of cloth; and, secondly, that the price was fixed by the amount the trade would bear.

Mr. President, the tariff did not add to that. You talk about raising the price of woolen goods. The duty to-day is 45 cents a pound upon the scoured content of the wool. The duty under the pending bill is 33 cents a pound, or 12 cents a pound less. Then, in God's name, how can any man claim that reducing the tariff 12 cents a pound upon the scoured content is going to increase the cost of woolen goods?

It is not going to affect the price of the woolen goods. The price of those goods is coming down. It is bound to come down. It comes down in a single month. For instance, let us take July of 1921. The same product sold for $2.72 at that time. In February, 1922, it sold for $2.50. The emergency tariff law went into effect on the 27th day of May, 1921. It did not stop the downward course of the price of these goods. It follows the economic law of supply and demand, and supply and demand always means the measure of the pocketbook that is to make the purchase. That is the thing which determines the prices. When the manufacturer finds that he can not sell that article for $5.85 any longer, he begins to lower the price, and he keeps on lowering it until he can sell it, until somebody will take his product. The tariff duty had practically no effect; otherwise, it would have been cheaper with no tariff upon it than it would with a tariff of 45 per cent, when, as a matter of fact, it was twice as much when there was no tariff on the wool itself.

Mr. WALSH of Massachusetts. Mr. President, the Senator was talking about prices at a normal time and at the present time when there is a very great depression in the country.

Mr. McCUMBER. Yes; that is right.

Mr. WALSH of Massachusetts. Does the Senator argue that tariff duties will have no effect upon prices in the future?

Mr. McCUMBER. I am arguing that the condition of the country is the thing that will determine the prices.

Mr. WALSH of Massachusetts. And not tariff duties?

Mr. McCUMBER. Tariff duties ordinarily will have some effect; yes. It was an abnormal spending time in 1920 that made that excessively high price. The freedom of those goods from a tariff duty upon the wool did not seem to keep down the prices, and the placing of the duty will not drive the price beyond what the public will be willing to pay for those articles, and it will not stop close domestic competition.

It is true that the manufacturer took advantage of the 1909 tariff law, and when he was given a differential on the basis of 33 cents per pound on the scoured content he only paid the difference in the tariff to the extent of an average of 18 cents per pound. We will admit that, and, measured by that, you can say that this is a raise in the tariff, but if he had paid what he was supposed to pay and the farmer had gotten the benefit of the full 11 cents a pound upon the grease wool, and the manufacturer had paid 33 cents upon the scoured content, then he would have been paying the same duty that we are fixing here to-day.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Ohio?

Mr. McCUMBER. I yield.

Mr. POMERENE. What the Senator has said has interested me very much, but my correspondents, merchant tailors in Ohio, have written me that within a few days after the pending bill was reported to the Senate the American Woolen Mills sent out notices advancing the price of all their woolens from 10 to 45 cents per yard, and within the last 30 days—possibly a little longer than that—I have been advised by some of these same people that there was another advance of 10 to 45 cents a yard. Is that correct or not?

Mr. McCUMBER. If that is true, it verifies exactly what I have been saying, namely, that the price will be fixed by the demand and the condition of the country rather than by the tariff. We have not changed the tariff, and if we do change it it will be changed downward and not upward. Therefore that is not an excuse.

Mr. POMERENE. Mr. President——

Mr. McCUMBER. Let me answer the Senator fully.

Mr. POMERENE. All right.

Mr. McCUMBER. What is the fact? Conditions are picking up a little. I will not say what the cause it. I will not say that it is in anticipation of a protective tariff, because that would bring up a question on which we might differ; but it is admitted that conditions are picking up and people are beginning to spend more, and the moment the manufacturers and others notice that they begin to raise the prices to see if they can not get a little more for their products. It is on the same principle that this importer and manufacturer of goods said that if this tariff bill went through he would have to raise the price of his coats $4.50 and the price of his overcoats $7.50. notwithstanding the fact that this tariff bill reduces the duty per pound of scoured content 12 cents per pound.

Mr. POMERENE. Mr. President, of course I would be less than candid if I did not say that supply and demand to some extent control these prices; but I do not think—and I say this with all due respect—that the Senator's answer is a complete answer. It may be that these prices were tremendously high, as we all know they were. It may be that they had some thought that these tariff duties on the manufactured product as well as upon the raw material might have been increased or might have been decreased, and it may be that they were not decreased as much as they thought. To say that that has had no influence, however, is something that I can not accept.

Mr. McCUMBER. I do not say that. On the contrary, I said that, of course, it has some influence.

Mr. POMERENE. I am glad to hear the Senator make that statement.

Mr. McCUMBER. I said that a moment ago; but it is not the real, governing thing that fixes the prices.

There is another matter that I want to ask the Senator from Massachusetts to consider for a little while. I do not ask him to answer it now. The sheep industry in this country, according to those who are best qualified to speak upon the subject, has decreased enormously in the last 12 or 15 years. The Senator from Wyoming [Mr. WARREN], who has been in that industry for years, tells me that the number of sheep in the United States in 1909—I think that was about the highest peak—was about 60,000,000, and that it is now about 35,000,000. The industry is about 45 per cent dead.

Mr. WALSH of Montana. Mr. President——

Mr. McCUMBER. In just a moment I will yield to the Senator. Do you want to save it? If it is 45 per cent sick and there is 55 per cent of a living chance, do you want to give it the living chance by whatever tariff is necessary to uphold it?

I yield to the Senator from Montana.

Mr. WALSH of Montana. Mr. President, I rose merely to give the accurate figures from the Department of Agriculture.

Mr. McCUMBER. I will correct the figures after the Senator gives them to me.

Mr. WALSH of Montana. The peak was reached in 1903, when the number was 63,965,000. For 1920, the number is given as 45,067,000.

Mr. McCUMBER. Mr. President, it is not the same relation, but I am informed that the difference lies in this fact: You send out your officials to get the number of sheep. Sometimes, in some seasons of the year, they count the lambs. They are pretty good-sized. In the next spring they will not count the lambs because they are so small, and they count only the grown sheep, and the records therefore do not agree. So I have tried to get from those who are in the business, taking a particular month in the year when the lambs are about the same size, the total number of sheep that year in the United States and then the number in the corresponding month of a year 10 or 15 years after that. In that way they ought to have it pretty accurately; and they tell me that it ranges not quite as high as the 63,000,000 that the Senator has given, but from about 60,000,000 at the highest down to about 35,000,000 at the present time.

Mr. WALSH of Montana. Mr. President, I interpose to say that I do not think there are any figures more accurate than those furnished by the Department of Agriculture, nor do I think there is any source of information on the subject that is more accurate. It is undoubtedly true, and the department doubtless will admit, that their figures are not accurate. Indeed, the schedule shows that at every census the figures are revised, sometimes revised upward and sometimes revised downward, reaching back to 1870; but these figures, I think, must be accepted as being as accurate as any that can be secured.

Mr. McCUMBER. Let us suppose that that is accurate, and that the industry is 60 per cent alive: Should we bring it back to 100 per cent of good, healthy condition? I believe it is for the interest of this country that we do so.

Mr. WALSH of Montana. Mr. President, if the Senator will pardon me, the Senator from Massachusetts [Mr. WALSH] has been arguing—but the Senator from North Dakota has not been present all the time—that our efforts in that direction in the past by high protective duties have not resulted in the increase that is to be hoped for; and he argues that we could not reasonably expect, accordingly, that the increase which is obviously to be desired would result from these high duties. Does the Senator take a different view of the matter?

Mr. McCUMBER. I think that a good rate of duty, which will allow the farmers living in parts of the country where the price of land is quite high to raise a few sheep in addition to their other farming business, will tend to increase the number.

Mr. WALSH of Montana. It has not in the past, though.

Mr. McCUMBER. We have had some pretty hard times for the sheep industry in the past.

Mr. WALSH of Montana. The last two or three years have been pretty severe.

Mr. McCUMBER. They certainly have. The industry in my State has been going down, because land is so high that we can not afford to pasture our sheep upon it. If the sheep industry should be more valuable in some sections of the State it could be continued, but if it is going down it can not be continued.

Mr. WALSH of Montana. But the argument of the Senator is that the production is going down because of conditions entirely unrelated to the tariff, and that the tariff does not seem to help.

Mr. McCUMBER. I do not think that is wholly true, Mr. President. I think in States like Ohio, Kentucky, the Virginias, and the Carolinas, where they raise a considerable number of sheep, they will raise a greater number if it will pay them to raise them. Those are good agricultural States.

The whole question, in a nutshell, is this: Should we give the farmers 33 cents per pound protection on the scoured content of their wool? If we should, that will be the basis of all the other duties. I think they are entitled to it. They should have had that in the act of 1909; it was intended that they should have it. They did not get it, but they will get it under this act.

If we increase that rate to 33 cents a pound we will have to give a compensatory duty, of course, upon the products of the woolen mills. We have tried to give that in a way that would exactly measure the 33 cents a pound upon the scoured content, after making due allowance for the waste.

In addition to that we have given a duty for protection, and that seems to me to be the whole question: Have we made the protective rates too high?

I think not. As I stated, the ad valorem on the manufactured product will be very much below that of the Payne-Aldrich law. It should not increase, but ought to decrease the cost of all woolen fabrics.

This is a beautiful piece of cloth [exhibiting]. I went without a new suit of clothes just as long as I could, but finally had to get one the other day, and I know the cloth is not as heavy or as good as this sample, which is quoted at $2.50 a yard. Yet I paid $90 for the suit I just bought. It takes 3¼ yards to make a suit, and the price of the suit I bought was $90. With some tailors they run as high as $100 or $125. The little duty upon the cloth is a bagatelle compared with the labor cost and the overhead costs in the cost of a suit of clothes.

Mr. SMOOT. I notice in the New York World of July 22, and also in the other New York papers, headlines like these:

Eighteen-million-dollar blow to farmers seen in tax on arsenic—Tariff bill enables Guggenheims to collect toll—Calls it menace to war on boll weevil in South.

Referring to a statement of the senior Senator from South Carolina [Mr. SMITH], I hardly think that is fair to the American people. I have before me the Tariff Commission's summary, and I want to show now just what the production of this product is in the United States, the amount imported, and the total value of the product. On page 17 of the Summary of Tariff Information the Tariff Commission make this statement:

Description and uses: Arsenious acid or white arsenic, the most important and the commonest form of arsenic in commerce, is an acid anhydride rather than a true acid. It is also known simply as "arsenic" or as arsenic trioxide. Arsenious acid is a white insoluble powder with a slightly metallic taste and vaporizes without melting when heated in the open. Arsenic acid is chemically different and is obtained by oxidation of white arsenic. It occurs in commerce as a true acid, a thick sirupy liquid packed in steel drums, and in the form of the acid anhydride—arsenic pentoxide, which by the addition of water forms arsenic acid. Both of these acids, as well as all soluble salts of arsenic, are extremely poisonous.

Arsenious acid is used in the manufacture of insecticides, chiefly lead and calcium arsenates, in plate-glass manufacture, as a preservative for green hides, and in the manufacture of arsenic acid and arsenic salts. Arsenic acid is used in the preparation of organic medicinal chemicals containing arsenic, and its salts have medicinal uses.

Mark all the uses of this item in the United States. It is used in the manufacture of plate glass, in the preservation of green hides, and in medicinal preparations. What is the production? What are the imports? And what is the value of the whole product? The commission further say:

The domestic production of white arsenic has increased from 1,497 short tons in 1910 to 6,323 short tons, valued at $1,213,000, in 1918. The 1919 output was 6,029 tons. White arsenic is obtained chiefly in the United States as a by-product of smelting copper and lead ores. Arsenic acid is manufactured by oxidizing white arsenic by means of either nitric acid or chlorine.

Imports of arsenic and arsenious acids from 1908 to 1918 have averaged 2,725,575 pounds, valued at $126,828, and have come chiefly from Germany, Canada, England, and Belgium. Later statistics follow.

I am not going to take the importations of the nine months of 1921, of 2,705,635 pounds; but I am going to take 7,479,485 pounds for the year 1920 and add it to the production in the United States. That amounts to only 20,000,000 pounds. The value of the whole 20,000,000 pounds, including the duty and everything else, was $1,339,826. Taking the amount in the year of greatest manufacture in the United States, and that brought in during the year of greatest importation, and adding them together, it gives 20,000,000 pounds, and at 2 cents a pound the tariff would

amount to $400,000. There is quite a difference between $18,000,000 and $400,000. Taking the imports alone the duty would amount to something over $100,000 at 2 cents a pound during the year of highest importations; but assuming it affected every pound produced in the United States and every pound imported it would amount to only $400,000, and it has been used in the manufacture of plate glass for the preservation of green hides, in chemical compounds, and for medicinal purposes in all parts of the United States. It is absurd to say that it costs the cotton growers of the South $18,000,000, when the whole cost, for all that was produced, and all that was imported, was $1,339,826.

Mr. OVERMAN. Whether it is $18,000,000 or $400,000 it is a tax of 2 cents in favor of the smelters, and the burden is on the farmer who buys the articles. That is the truth about it, whether it is $400,000 or $18,000,000.

Mr. SMOOT. There is quite a difference between the two.

Mr. OVERMAN. It is a burden of 2 cents a pound in favor of the smelters, giving them a tariff on the by-product and imposing a burden on the men who have to buy it.

Mr. SMOOT. Whatever they use, if you can count the 2 cents a pound it would be that much burden upon them; but great quantities of it are used in the manufacture of plate glass, great quantities are used for medicinal purposes, and these figures cover every purpose for which it is used in all the United States, not in one section.

Mr. McCUMBER. Mr. President, I do not think we can get a vote to-day on this schedule, and I am fearful that if we should attempt to call for a yea-and-nay vote we would have difficulty in obtaining a quorum at this hour in the afternoon on Saturday. Under the circumstances I shall not ask for the further consideration of the tariff bill this afternoon. I understand the Senator from Washington has a bill he would like to bring up for very short discussion.

Mr. WALSH of Montana. Mr. President, during the course of the debate a colloquy ensued between the Senator from Idaho [Mr. GOODING] and the Senator from Massachusetts [Mr. WALSH] concerning the importance of the Payne-Aldrich law in connection with the election of 1912, and the statement was made in that connection that the tariff was not an issue in that campaign as between the two wings of the Republican Party. I read from the platform of the Progressive Party adopted in Chicago on August 7, 1912, as follows:

> We demand tariff revision because the present tariff is unjust to the people of the United States. Fair dealing toward the people requires an immediate downward revision of those schedules wherein duties are shown to be unjust or excessive.
>
> * * * * * * *
>
> We condemn the Payne-Aldrich bill as unjust to the people. The Republican organization is in the hands of those who have broken, and can not again be trusted to keep, the promise of necessary downward revision.

So it is a fact that at least one-half of the Republican Party in 1912 was protesting against the Payne-Aldrich law.

Mr. WADSWORTH. Mr. President, may I inquire of Senators in charge of the tariff bill if it is their expectation to reach a vote on the woolen schedule or any important segment of it on Monday?

Mr. McCUMBER. I hope so. I hope to dispose of the first woolen proposition, both as to carpet wool and as to the duty upon scoured content.

Mr. WADSWORTH. I had hoped very much that we would not be expected to vote upon the main portion of the matter—that is, the duty on the scoured content—until Tuesday. There are some of us who have to be away on Monday to fill engagements which we can not very well break. We have been pretty patient in our attendance here for many weeks past, and I had hoped the matter might go over until Tuesday.

Mr. McCUMBER. The Senator can easily understand that we can not continue one step beyond in the schedule until we have first determined the duty upon the wool itself.

Mr. WARREN. As a matter of fact, all the matters relating to wool and wool cloth are related to the rate on the scoured content of the wool.

Mr. McCUMBER. That is necessarily so.

Mr. WADSWORTH. I understand that, of course. I thought there might have been some things passed over in the previous portion of the bill upon which the Senate would be ready to vote, which might be taken up on Monday. However, if the Senator insists——

Mr. SMOOT. I do not think the discussion will be concluded on Monday, I will say to the Senator.

Mr. WADSWORTH. To be frank, there are some of us who would like to have a little consultation about the wool schedule. We would like a little time in which to consult. So far as I am concerned, the consultation is to be carried on in a very friendly manner toward the Committee on Finance.

Mr. McCUMBER. No one can say on any morning whether we will get a vote that day before evenin . I hope we shall be able to get a vote upon it on Monday. It will depend upon the discussion.

Mr. WADSWORTH. For example, the Senator from Washington [Mr. JONES] has a bill of immense importance, the river and harbor legislative bill, which he gave notice the other day should be passed at this session of Congress.

Mr. McCUMBER. I hope we can pass it this evening.

Mr. WADSWORTH. I hope so. If not, it can be taken up on Monday.

Mr. McCUMBER. No; I could not consent to that.

Mr. SMOOT. I do not understand that the Senator from Washington is going to ask that the bill he has in charge shall be passed this evening?

Mr. JONES of Washington. No; I do not ask that it be passed to-day.

Mr. WADSWORTH. Very well.

NORTH CAROLINA STATE CLAIM.

Mr. OVERMAN. Mr. President, I submit the resolution which I send to the desk and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The Secretary will read the resolution.

The resolution (S. Res. 324) was read, as follows:

> *Resolved*, That the Comptroller General of the United States be, and he hereby is, requested and directed to reexamine and restate the account of advances and expenditures made by the State of North Carolina for military purposes in the War of 1812 to 1815 with Great Britain, computing interest on said advances and expenditures according to the rule which was applied in the settlement of a like account of the State of Maryland under provisions of the act of Congress approved the 3d day of March, 1857, and which was afterwards applied to like claims of the States of Massachusetts, Maine (July, 1870), New York, Pennsylvania, South Carolina, and Delaware, and report to the Senate the result of such statement.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. WADSWORTH. I have no objection to the resolution, but I hope the Senator from North Carolina will have better luck than New York had. New York's account was audited and checked up in every conceivable way.

Mr. OVERMAN. I do not know whether we will have any luck. We merely want a statement of the account.

Mr. WADSWORTH. Congress has consistently refused to appropriate the money which it owes to New York.

Mr. OVERMAN. We just want to be put on a par with New York, and get the information.

Mr. WADSWORTH. I wish the Senator better luck than New York has had.

The resolution was considered by unanimous consent and was agreed to.

REPORT OF EXECUTIVE NOMINATIONS.

Mr. LODGE. I ask unanimous consent, out of order, to make a report, as in executive session, from the Committee on Naval Affairs of two nominations of chaplains in the Navy, to go to the calendar.

The PRESIDING OFFICER. Without objection, the nominations will be received and placed on the Executive Calendar.

Mr. WADSWORTH. I ask unanimous consent, out of order, as in executive session, to make a report from the Committee on Military Affairs of nominations, to go to the Executive Calendar.

The PRESIDING OFFICER. Without objection, the nominations will be received and placed on the Executive Calendar.

RIVER AND HARBOR PROJECTS.

Mr. JONES of Washington. I ask unanimous consent that the Senate proceed to the consideration of the bill (H. R. 10766) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, with the understanding that any objected item or amendment shall go over. I ask simply for the adoption of such amendments as may be agreed to without any objection.

Mr. SMOOT. The Senator will also have it understood that in case there is objection later, after investigation, he will consent to a reconsideration of the vote by which any amendment was agreed to?

Mr. JONES of Washington. I shall ask for a reconsideration of any item that may be adopted to-day in case a request is made for its reconsideration.

Mr. McCUMBER. For that purpose I have no objection to temporarily laying aside the tariff bill for the balance of the day. I ask unanimous consent for that purpose.

The PRESIDING OFFICER. Without objection, it is so ordered. Is there objection to the request of the Senator from Washington?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 10766) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which had been reported from the Committee on Commerce with amendments.

Mr. JONES of Washington. I ask that the formal reading of the bill be dispensed with and that the bill be read for action on the committee amendments.

The PRESIDING OFFICER. Without objection, it is so ordered. The Secretary will report the first amendment.

The first amendment of the Committee on Commerce was, on page 2, after line 22, to insert:

Inland waterway from Norfolk, Va., to Beaufort Inlet, N. C.: The Secretary of War is hereby authorized to purchase, as a part of said waterway, the existing Lake Drummond Canal, together with all property rights and franchises appertaining thereto, at a price of not to exceed $500,000, in accordance with the report submitted in House Committee Document No. 5, Sixty-seventh Congress, second session.

Mr. JONES of Washington. I ask that the amendment may go over. The Senators from North Carolina are interested in it, and there are some Senators who are opposed to it. So I ask that it may go over.

The PRESIDING OFFICER. The amendment will be passed over.

The next amendment of the Committee on Commerce was, on page 4, after line 18, to insert:

Corpus Christi, Tex., in accordance with the report submitted in House Document No. 321, Sixty-seventh Congress, second session, and subject to the conditions set forth in said document.

Mr. WARREN. Mr. President, I notice that the project is predicated upon the report, House Document No. 321. What is the approximate amount of money contemplated by the several projects recommended by the committee?

Mr. JONES of Washington. The obligations upon the Government with respect to those projects reported by the committee will be something over $2,000,000; that is, for all the projects recommended by the Senate Committee on Commerce.

Mr. WARREN. The total expenditure to be estimated under these amendments of the committee will be something like $2,000,000?

Mr. JONES of Washington. A little over $2,000,000.

The amendment was agreed to.

The next amendment of the Committee on Commerce was, on page 6, after line 4, to insert:

Noyo River, Calif., in accordance with the report submitted in House Document No. 679, Sixty-sixth Congress, second session.

The amendment was agreed to.

The next amendment was, on page 6, at the end of line 13, to insert the following additional proviso:

Provided further, That no work shall be done above the Webster Street and Harrison Street Bridges until those bridges have been removed or so altered, in accordance with plans approved by the Secretary of War and the Chief of Engineers, as to provide suitable facilities for navigation.

The amendment was agreed to.

The next amendment was, on page 7, after line 10, to insert:

Umpqua River, bar and entrance, Oreg., in accordance with report submitted in House Document No. 913, Sixty-fifth Congress, second session.

The amendment was agreed to.

The next amendment was, on page 7, after line 16, to insert:

Siuslaw River, Oreg., Acme to entrance, in accordance with report submitted in House Document No. 173, Sixty-fifth Congress, first session.

The amendment was agreed to.

The next amendment was, on page 7, after line 16, to insert:

Lake Washington Ship Canal, Wash., below the locks, in accordance with report submitted in House Document No. 324, Sixty-seventh Congress, second session.

The amendment was agreed to.

The next amendment was, on page 10, after line 2, to insert:

Wrangell Harbor, Alaska, in accordance with the report submitted in House Document No. 161, Sixty-seventh Congress, second session, and subject to the conditions set forth in said document.

The amendment was agreed to.

The next amendment was, on page 11, after line 9, to insert:

Galena River Lock, Illinois.

The amendment was agreed to.

The next amendment was, on page 12, line 2, after the word "authorized," to strike out "and directed," so as to read:

SEC. 5. That the Secretary of War be, and he is hereby, authorized to construct six seagoing hopper dredges for use in improvement and maintenance work on authorized projects on the Atlantic, Pacific, and Gulf coasts, the cost of said dredges to be paid from appropriations heretofore made, or to be hereafter made, for the preservation and maintenance of existing river and harbor works, and for the prosecution of such projects heretofore authorized as may be most desirable in the interests of commerce and navigation.

The amendment was agreed to.

The next amendment was, on page 13, after line 21, to insert the following new section:

SEC. 9. That hereafter no project shall be considered by any committee of Congress with a view to its adoption, except with a view to a survey, if five years have elapsed since a report upon a survey of such project has been submitted to Congress pursuant to law.

The amendment was agreed to.

The next amendment was, on page 14, after line 2, to insert the following new section:

SEC. 10. That any work of improvement herein adopted, and any public work on canals, rivers, and harbors heretofore adopted by Congress, may be prosecuted by direct appropriations, by continuing contracts, or by both direct appropriations and continuing contracts, as may be provided in any act making appropriations to carry on such works.

The amendment was agreed to.

The next amendment was, on page 14, after line 8, to insert the following new section:

SEC. 11. That owners, agents, masters, and clerks of vessels and other craft plying upon the navigable waters of the United States, and all individuals and corporations engaged in transporting their own goods upon the navigable waters of the United States, shall furnish such statements relative to vessels, passengers, freight, and tonnage as may be required by the Secretary of War: *Provided*, That this shall not apply to the rafting of logs except upon a direct request upon the owner to furnish specific information.

That every person or persons offending against the provisions of this act shall, for each and every offense, be liable to a fine of $100, or imprisonment not exceeding two months, to be enforced in any district court in the United States within whose territorial jurisdiction such offense may have been committed.

The amendment was agreed to.

The next amendment was, on page 14, after line 23, to insert the following new section:

SEC. 12. That the contract dated July 29, 1921, executed by the Boston, Cape Cod & New York Canal Co., and transmitted to Congress by the Secretary of War and printed in House Document No. 139, Sixty-seventh Congress, second session, is hereby ratified on condition that such company files with the Secretary of War its consent in writing that paragraph 8 of such contract be amended to read as follows:

"8. The payment of the amount herein agreed to be paid, or any part of same, to the said canal company is to be upon the express condition that the Boston, Cape Cod & New York Canal Co. waives, in writing, any and all claims of any nature whatsoever that it may have against the President, the Director General of Railroads, or the United States, and upon such release the Director General of Railroads shall release the company from any claim or demand against the company growing out of Federal control."

Mr. JONES of Washington. That amendment will have to go over. There is objection to it and the Senator from Massachusetts [Mr. LODGE] is not here.

The PRESIDING OFFICER. The amendment will be passed over.

The next amendment of the Committee on Commerce was, on page 15, line 17, to change the section number from "9" to "13."

The amendment was agreed to.

The next amendment was, on page 17, after line 7, to insert:

Gowanus Creek Channel from the foot of Percival Street to Hamilton Avenue, Brooklyn, N. Y., with a view to deepening the same to 26 feet at mean low water.

The amendment was agreed to.

Mr. JONES of Washington. At this point I desire to offer the following amendment.

The PRESIDING OFFICER. The Senator from Washington offers an amendment, which the Secretary will report.

The READING CLERK. On page 17, after line 11, following the amendment just agreed to, insert the following:

Buffalo, outer and inner harbor, and Buffalo Creek, N. Y.

The amendment was agreed to.

The next amendment of the Committee on Commerce was, on page 17, line 16, after the word "navigation," to insert "and extending in a straight line in front of the dock of Edgewater about three-quarters of a mile farther north," so as to make the paragraph read:

Hudson River Channel, along the water front of Weehawken and Edgewater, N. J., with a view to providing a depth of 40 feet at mean low water or such lesser depth as may be necessary to serve the interests of navigation and extending in a straight line in front of the dock of Edgewater about three-quarters of a mile farther north.

The amendment was agreed to.

The next amendment was, on page 17, after line 21, to insert:

Oyster Creek, Atlantic County, N. J.

The amendment was agreed to.

The next amendment was, on page 17, after line 22, to insert:

Shrewsbury River, N. J.

The amendment was agreed to.

The next amendment was, on page 18, after line 4, to insert:

Manasquan Inlet, N. J.

The amendment was agreed to.

The next amendment was, on page 18, after line 5, to insert:

Passaic River, N. J., above the Montclair and Greenwood Lake railway bridge.

The amendment was agreed to.

The next amendment was, on page 18, after line 11, to insert:

Herring Bay and Rockhole Creek, Md.

The amendment was agreed to.

The next amendment was, on page 18, line 22, after the word "with," to strike out "Black" and insert "Back," so as to read:

Channel connecting York River, Va., with Back Creek to Slaight's wharf.

The amendment was agreed to.

The next amendment was, on page 19, line 4, after the word basin," to strike out "between Craney Island and the city of Norfolk" and insert "in the vicinity of Craney Island," so as to make the paragraph read:

Norfolk Harbor, Va., with a view to providing an anchorage basin in the vicinity of Craney Island.

The amendment was agreed to.

The next amendment was, on page 19, after line 6, to strike out:

Tallahatchie and Coldwater Rivers, Miss., and the tributaries of these rivers, with a view to devising plans for flood prevention and determining the extent to which the United States should cooperate with the State and other communities and interests in carrying out such plans, its share being based on the value of protection to navigation.

The amendment was agreed to.

The next amendment was, on page 19, at the end of line 17, to strike out "Manassa" and insert "Nevassa," so as to read:

Cape Fear River, below Wilmington, N. C., and between Wilmington and Nevassa.

The amendment was agreed to.

The next amendment was, on page 19, line 20, after the word "Mill," to strike out "Gut" and insert "Cut," so as to read:

Mill Cut, North Harlowe, Craven County, N. C.

The amendment was agreed to.

The next amendment was, at the top of page 20, to strike out:

Savannah River, below Augusta, Ga.

The amendment was agreed to.

The next amendment was, on page 20, after line 1, to insert:

Waccamaw River from Red Bluff, S. C., to Pireway, N. C., with a view to providing a 4-foot channel.

The amendment was agreed to.

The next amendment was, on page 20, after line 7, to insert:

Savannah River, below Augusta, Ga.

The amendment was agreed to.

The next amendment was, on page 20, after line 8, to insert:

St. Johns River, Fla., Jacksonville to Palatka.

Mr. TRAMMELL. Mr. President, I desire to offer an amendment to the committee amendment. In line 9 I move to amend by striking out "Palatka" and inserting "Sanford." My colleague [Mr. FLETCHER], who is the author of the original amendment, wishes to have the change made that is now proposed by the amendment just offered by me, and I, too, desire its adoption.

Mr. JONES of Washington. I have no objection to the amendment proposed by the junior Senator from Florida to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment of the Committee on Commerce was, on page 20, after line 9, to insert:

Bayou Chico, Fla.

The amendment was agreed to.

The next amendment was, on page 20, after line 10, to insert:

Blackwater Bay and River, Fla.

The amendment was agreed to.

The next amendment was, on page 20, after line 11, to insert:

Suwanee River, from Branford, Fla., to Channel No. 4, near Cedar Key.

The amendment was agreed to.

The next amendment was, on page 20, line 22, after the word "and," to strike out "Mississippi" and insert "Tennessee," so as to read:

Tombigbee River, Ala. and Miss., and canal connecting the Tombigbee and Tennessee Rivers.

The amendment was agreed to.

The next amendment was, on page 20, after line 22, to insert:

West side Mississippi River at St. Paul, Minn., with a view of establishing a harbor there.

The amendment was agreed to.

The next amendment was, at the top of page 21, to strike out:

Waterway from Bayou Teche, La., to the Mermentau River.

Mr. JONES of Washington. I ask that the amendment be disagreed to.

The amendment was rejected.

The next amendment was, on page 21, after line 2, to strike out:

Waterway from Lake Charles, La., to the Sabine River, Tex. and La., through the Calcasieu River and the Intracoastal Waterway from Calcasieu River, La., to Sabine River, Tex. and La.

Mr. JONES of Washington. I ask that this amendment also be disagreed to.

The amendment was rejected.

The next amendment was, on page 21, line 10, after the name "Bogue," to strike out "Falaya" and insert "Falia," so as to read:

Chefuncte River and Bogue Falia, La.

The amendment was agreed to.

The next amendment was, on page 21, after line 11, to insert:

Lake Fausse Pointe, La., with a view to securing a navigable channel by constructing and maintaining a canal from Grand Bayou to Sandy Point, or otherwise.

The amendment was agreed to.

Mr. RANSDELL. After line 14, page 21, I move to insert the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment proposed by the Senator from Louisiana will be stated.

The READING CLERK. On page 21, after line 14, it is proposed to insert:

Bayou Bonfouca, La.

The amendment was agreed to.

The next amendment of the Committee on Commerce was, on page 21, after line 17, to insert:

Tallahatchie and Coldwater Rivers, Miss., and the tributaries of these rivers, with a view to devising plans for flood protection and determining the extent to which the United States should cooperate with the State and other communities and interests in carrying out such plans, its share being based on the value of protection to navigation.

The amendment was agreed to.

The next amendment was, on page 21, after line 23, to insert:

Intracoastal canal from the Mississippi River at or near New Orleans, La., to Corpus Christi, Tex.

Mr. JONES of Washington. I ask that that amendment be disagreed to, as it is covered by an amendment which was adopted a moment ago.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was rejected.

The next amendment of the Committee on Commerce was, at the top of page 22, to insert:

Sabine-Neches Canal, with a view to revetment of north bank from what is known as Blands Bend Road, on the north, through the city to the southern limits of said city.

The amendment was agreed to.

The next amendment was, on page 22, line 5, after the word "and," to strike out "Sioux City, Iowa," and insert "Chamberlain, S. Dak.," so as to read:

Missouri River, between Kansas City, Kans., from the upper end of Quindaro Bend, and Chamberlain, S. Dak.

The amendment was agreed to.

The next amendment was, on page 22, after line 8, to insert:

Canoe Creek, Henderson County, Ky., at its junction with the Ohio River, with a view to dredging and establishing a harbor of refuge.

The amendment was agreed to.

The next amendment was, on page 22, after line 13, to insert:

Mississippi River, at Nauvoo, Ill.

The amendment was agreed to.

The next amendment was, on page 22, after line 14, to insert:

Mississippi River, at Dallas City, Ill.

The amendment was agreed to.

The next amendment was, on page 22, after line 17, to insert:

Petoskey Harbor, Mich.

The amendment was agreed to.

The next amendment was, on page 22, after line 18, to insert:

Cheboygan River, Mich., with a view to being dredged to the depth of 16 feet, from the State Street Bridge to Elm Street, in the city of Cheboygan.

The amendment was agreed to.

The next amendment was, at the top of page 23, to insert:

Illinois River, Ill., with a view to preparing plans, and estimates of cost, for the prevention and control of floods on said river and its tributaries, and to determining the extent to which the United States and local interests should cooperate in carrying out such plans.

The amendment was agreed to.

The next amendment was, on page 23, after line 12, to strike out:

Wilson Harbor, N. Y.

The amendment was agreed to.

The next amendment was, on page 23, after line 16, to insert:

Wilson Harbor, N. Y.

The amendment was agreed to.

The next amendment was, on page 24, line 1, after the name "Niagara River," to strike out:

And Tonawanda Creek.

The amendment was agreed to.

The next amendment was, on page 24, after line 1, to insert:

Tonawanda Creek, N. Y.

The amendment was agreed to.

The next amendment was, on page 24, after line 2, to insert:

Bloomfield Creek, Staten Island, N. Y.

The amendment was agreed to.

The next amendment was, on page 24, after line 10, to insert:

Oakland Harbor, Calif.

The amendment was agreed to.

Mr. JONES of Washington. After line 9, on page 25, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment proposed by the Senator from Washington will be stated.

The READING CLERK. On page 25, after line 9, it is proposed to insert:

The Columbia River between the mouth of the Willamette and the city of Vancouver, Wash., with a view to determine whether the United States should maintain the channel if it is deepened to 25 feet by the port commission of Vancouver, Wash.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Washington.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Commerce was, on page 25, after line 11, to insert:

English Bay, St. Paul Island, Alaska.

The amendment was agreed to.

The next amendment was, on page 25, after line 15, to insert:

Hilo Harbor, Hawaii.

The amendment was agreed to.

The next amendment was, on page 25, after line 16, to insert:

Kahului Harbor, Hawaii.

The amendment was agreed to.

The next amendment was, on page 25, after line 17, to insert the following new section:

SEC. 14. That the jurisdiction of the Mississippi River Commission is hereby extended from Cairo, Ill., to the Head of the Passes and to the tributaries and outlets of the Mississippi River, in so far as they are affected by the flood waters of the Mississippi River.

The amendment was agreed to.

Mr. JONES of Washington. Mr. President, that completes the bill with the exception of the amendments which have been passed over.

THE TARIFF.

Mr. CURTIS. I ask that the unfinished business may be laid before the Senate.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

RECESS.

Mr. CURTIS. I move that the Senate take a recess, the recess being, under the unanimous-consent agreement, until Monday next at 11 o'clock a. m.

The motion was agreed to; and (at 5 o'clock and 25 minutes p. m.) the Senate, under the order previously entered, took a recess until Monday, July 24, 1922, at 11 o'clock a. m.

SENATE.

MONDAY, *July 24, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. UNDERWOOD obtained the floor.

Mr. HEFLIN. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Gooding	Nicholson	Stanley
Ball	Harreld	Norbeck	Sterling
Borah	Heflin	Oddie	Swanson
Brandegee	Jones, N. Mex.	Overman	Trammell
Bursum	Jones, Wash.	Phipps	Underwood
Cameron	Kellogg	Pomerene	Wadsworth
Capper	Kendrick	Ransdell	Walsh, Mass.
Caraway	Ladd	Rawson	Walsh, Mont.
Colt	Lodge	Robinson	Warren
Culberson	McCumber	Sheppard	Watson, Ind.
Cummins	McLean	Smith	Willis
Curtis	McNary	Smoot	
Dial	Nelson	Spencer	
Elkins	New	Stanfield	

Mr. CURTIS. I wish to announce that the Senator from New Hampshire [Mr. KEYES] is detained on official business.

Mr. UNDERWOOD. I wish to state that the Senator from Nevada [Mr. PITTMAN] is absent owing to illness in his family, and that the Senator from Georgia [Mr. WATSON] is absent by reason of illness.

The PRESIDING OFFICER (Mr. LADD in the chair). Fifty-three Senators having answered to their names, a quorum is present.

RAILROAD SITUATION IN COLORADO.

Mr. NICHOLSON. Mr. President——

Mr. UNDERWOOD. I yield to the Senator from Colorado for a moment.

Mr. NICHOLSON. I desire to have read a telegram which I have received from citizens of my State, which is self-explanatory.

The telegram was read and referred to the Committee on Interstate Commerce, as follows:

[Western Union telegram.]

DELTA, COLO., *July 23, 1922.*

SAMUEL D. NICHOLSON,
United States Senator, Washington, D. C.:

At a meeting held in Delta this morning, attended by representatives from Montrose, Coalcreek, Olathe, California, Mesa, Delta, Cedaredge, Hotchkiss, and Paonia, it was decided that the railroad situation must be relieved or financial ruin faced. Both Delta and Montrose Counties' perishable products are now ready to move. Ten thousand cars is the railroad estimate from the above sections. We ask that the National Government immediately take charge, both as to the labor and management of the railroads, and draft the necessary employees if other means fail. We further represent the National Government is interested financially. Five thousand cars or more come from the reclamation project located in the Uncompahgre Valley. The farmers are obligated to pay the Government, and they now demand protection in moving and selling their crop, so their indebtedness may be met. We also request immediate action be taken to give the Labor Board powers that their mandates may be enforced both against capital and labor.

WALTER J. HOLLANDS, *Chairman.*
J. W. SARJENT, *Secretary.*

PETITIONS.

Mr. McLEAN presented a resolution adopted by Bricklayers, Masons, and Plasterers' International Union, No. 22, of Danbury, Conn., which was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

BRICKLAYERS, MASONS, AND PLASTERERS' INTERNATIONAL UNION, NO. 22,
Danbury, Conn., July 20, 1922.

At a special meeting of Bricklayers, Masons, and Plasterers' Local No. 22, held July 20, 1922, the following resolution was adopted:

"Whereas many thousands of wage earners have been out of employment for the past year; and

"Whereas manufactured goods are coming into our country from Europe, due to the cheap labor conditions, in competition with American labor; and

"Whereas if those conditions are allowed to continue our workers will still be in the army of unemployed, causing great suffering among the workers and their families and reducing the American standard of living with low wages: Therefore be it

"*Resolved*, That we go on record as favoring the tariff bill now in the United States Senate with the American valuation clause on manufactured goods, and a copy of this resolution be sent to our United States Senators at Washington, D. C."

Membership, 58.

CHARLES JOHNSON,
Corresponding Secretary.

Mr. McLEAN presented petitions, numerously signed, of sundry citizens of Norwalk, Conn., which were referred to the Committee on Finance, and the bodies of the petitions were ordered to be printed in the RECORD, as follows:

Hon. GEORGE P. McLEAN,
United States Senate, Washington, D. C.:

We, the undersigned, employees of the Young Hat Co., of Norwalk, Conn., respectfully urge you and the other members of the Connecticut delegation to do all in your power to enact a tariff bill as soon as possible in order to give adequate protection to men's straw hats, as we do not want to be put on a wage level with the employees of concerns manufacturing hats in foreign countries.

—

Hon. GEORGE P. McLEAN,
United States Senate, Washington, D. C.:

We, the undersigned, employees of the Crofut & Knapp Co., of Norwalk, Conn., respectfully urge you and the other members of the Connecticut delegation to do all in your power to enact a tariff bill as soon as possible in order to give adequate protection to men's straw hats, as we do not want to be put on a wage level with the employees of concerns manufacturing hats in foreign countries.

Mr. WILLIS presented a resolution adopted by Branch No. 17, the Chartered Society of Amalgamated Lace Operatives of America, of Elyria, Ohio, favoring very prompt passage of the pending tariff bill, which was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

THE CHARTERED SOCIETY OF AMALGAMATED LACE OPERATIVES OF AMERICA, LEVER SECTION, BRANCH NO. 17,
Elyria, Ohio, July 19, 1922.

Senator FRANK B. WILLIS,
United States Senate, Washington, D. C.

SIR: At a meeting of Branch 17, Elyria, Ohio, of the Amalgamated Lace Operatives of America held on July 18, 1922, it was

Resolved, That employment in the lace manufacturing industry has been decreasing steadily for the past 18 months or 2 years and to-day is extremely uncertain due to the fact that on many classes of laces domestic manufacturers can not compete with similar merchandise imported from abroad. That the delay in the enactment of the new tariff bill is against the interests of both the American manufacturers and the working men, and we call upon our representatives in the Senate and Congress to do all in their power to push the tariff bill to early completion so that the American manufacturers can again operate their mills for American labor and a living wage.

Trusting you will see the necessity of immediate action in this matter, we are,

Yours respectfully,

ARTHUR GILDER, *President.*
CLYDE M. HOTCHKISS, *Secretary.*

REPORTS OF THE COMMITTEE ON THE JUDICIARY.

Mr. NELSON, from the Committee on the Judiciary, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (S. 3799) for the relief of Louis A. Hogue (Rept. No. 834); and

A bill (S. 3800) for the relief of C. Pateras & Sons and C. Lemos, owners of the Greek steamship *Constantinos Pateras* (Rept. No. 835).

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WADSWORTH:

A bill (S. 3862) fixing the rank of the officer of the United States Army in charge of public buildings and grounds; to the Committee on Military Affairs.

By Mr. ASHURST:

A bill (S. 3863) granting a pension to Alfred Haught; to the Committee on Pensions.

By Mr. SWANSON:

A bill (S. 3864) to extend the benefits of the employers' liability act of September 7, 1916, to James Robert Allen; to the Committee on Claims.

A joint resolution (S. J. Res. 231) for the relief of the citizens of Cradock, Va.; to the Committee on Public Buildings and Grounds.

CLAIMS AGAINST GERMANY—GERMAN PATENTS.

Mr. UNDERWOOD. Mr. President, some days ago I introduced a bill, being Senate bill No. 3852, providing for the appointment of a commission to ascertain the claims of American citizens against Germany and looking to the ultimate payment of those claims. A great deal has been said in reference to the property held by the Alien Property Custodian and its condition. I think it advisable at this time to review the facts surrounding this matter in order that they may appear in the RECORD in such a way as to be readily obtainable.

The office of Alien Property Custodian was created by the act of October 6, 1917, known as the trading with the enemy act. Under that act as originally passed he was a mere conservator of enemy property. After investigation and determination of its enemy ownership he was authorized to demand and receive all property of every kind and character situate in the United States and its insular possessions which belonged to persons, corporations, or firms resident in enemy territory. In pursuance of this authority he gave public notice that persons having charge of such property should make reports thereof to him, and within a few months he had received reports to the number of 40,000, which were followed by demands for the property so reported, which resulted in his taking over property in the United States and its possessions of all kinds and descriptions owned by the enemy and allies of the enemy to the value of perhaps $600,000,000. He found when this property was in hand that in a general way it consisted of two kinds: First, the individual investment of a private German subject who invested his savings generally in small amounts in bonds, mortgages, or other securities in the United States, and second, the investment of the large industrial and commercial concerns of Germany, generally financed by the imperial banks of that country in large industrial and commercial enterprises in America.

When he had taken account of all of the stocks and other securities received by him he found that he had a controlling interest in more than 200 corporations and firms in the United States engaged in various lines of manufacture and commerce. Having caused the German stock holdings in these companies to be transferred to him, the Alien Property Custodian, being the controlling stockholder thereof, nominated and elected directors to represent him on the board of all these corporations, and they undertook the management thereof.

After some experience in this work, two interesting facts developed: First, a large number of these corporations were mere "spy centers" filled with agents of the German Government who were officers or employees of the corporations and who were charged with the duty of making reports to Germany of industrial, commercial, and other conditions in the United States, and, second, all of them were making large profits, and most of them were engaged in lines of business which were enormously profitable on account of war conditions. In other words, they were engaged in the manufacture of products necessary for the war. Upon a contemplation of these facts it seemed to the Alien Property Custodian to be an unconscionable and even unmoral proceeding for him to spend his time and the Government's money carefully conserving this property of the enemy and so operate it as to result in enormous profits for the enemy stockholders growing out of the very war for which they and their friends in Germany were responsible. A. Mitchell Palmer was then Alien Property Custodian. He appeared before the Committee on Appropriations of the Senate, of which I was a member, and described this situation to the committee.

It was the darkest day of the war in March, 1918. The enemy was within 50 miles of Paris and the world believed that Paris would fall. General Haig, of the British forces, had issued his famous statement that England was fighting with her back to the wall. Secretary of War Baker had just come back from the front with the gloomiest reports of conditions there. All the civilized world was mobilizing every energy to defeat the German onslaught. A. Mitchell Palmer, as Alien Property Custodian, stated to the Committee on Appropriations of the Senate that he could make his work an effective part of the war machine by hitting the enemy where it would hurt if he could be given authority to loosen the strangle hold which Germany had secured upon the industry and commerce of the United States. He was asked how this could be done and replied that he should be given the power to sell enemy properties in his hands to American citizens, and with this power he would divest the Germans of their control of American industry. The committee unanimously adopted an amendment to the trading with the enemy act offered by myself, granting to the Alien Property Custodian authority to sell these properties. The amendment, as finally adopted, was as follows:

The Alien Property Custodian shall be vested with all of the powers of a common-law trustee in respect of all property, other than money, which has been or shall be, or which has been or shall be required to be, conveyed, transferred, assigned, delivered, or paid over to him in pursuance of the provisions of this act, and, in addition thereto, acting under the supervision and direction of the President, and under such rules and regulations as the President shall prescribe, shall have power to manage such property and do any act or things in respect thereof or make any disposition thereof or of any part thereof, by sale or otherwise, and exercise any rights or powers which may be or become appurtenant thereto or to the ownership thereof in like manner as though he were the absolute owner thereof: *Provided*, That any property sold under this act, except when sold to the United States, shall be sold only to American citizens, at public sale to the highest bidder, after public advertisement of time and place of sale, which shall be where the property or the major portion thereof is situated, unless the President, stating the reasons therefor, in the public interest shall otherwise determine: *Provided further*, That when sold at public sale the Alien Property Custodian, upon the order of the President stating the reasons therefor, shall have the right to reject all bids and resell such property at public sale or otherwise as the President may direct. Any person purchasing property from the

Alien Property Custodian for an undisclosed principal, or for resale to a person not a citizen of the United States, or for the benefit of a person not a citizen of the United States, shall be guilty of a misdemeanor and, upon conviction, shall be subject to a fine of not more than $10,000 or imprisonment for not more than 10 years, or both, and the property shall be forfeited to the United States. It shall be the duty of every corporation incorporated within the United States, and every unincorporated association or company or trustee or trustees within the United States, issuing shares or certificates representing beneficial interests to transfer such shares or certificates upon its, his, or their books into the name of the Alien Property Custodian upon demand, accompanied by the presentation of the certificates which represent such shares or beneficial interests. The Alien Property Custodian shall forthwith deposit in the Treasury of the United States, as hereinbefore provided, the proceeds of any such property or rights so sold by him.

That amendment was adopted by the House of Representatives without a roll-call vote, and in the Senate on a roll call only one vote was recorded against it. In the circumstances it amounted to a statement of the Congress of the war policy of the Government and a positive direction to the Alien Property Custodian to sell the properties of the kind described.

The Alien Property Custodian then started upon his selling program. In order carefully to guard the integrity of these sales, to make certain that they were sold only to the highest bidder after wide advertisement and that the price should be adequate, and the purchaser a properly qualified American citizen, he requested President Wilson to appoint a committee on sales, whose duty it was to pass upon each and every sale, upon the adequacy of the price, the character of the purchaser, and all other facts and circumstances connected therewith. The President appointed as members of this committee Cleveland H. Dodge, well-known capitalist and philanthropist, of New York, independent in politics; Otto T. Bannard, chairman of the board of the New York Trust Co. and once candidate for mayor of New York, a Republican; George L. Ingraham, former chief justice of the appellate division of the Supreme Court of New York, a Democrat; Ralph Stone, president of the Detroit Trust Co., a Republican; and Benjamin Griswold, jr., head of the firm of Alexander Brown & Sons, bankers, Baltimore, a Democrat. Every public sale made by the Alien Property Custodian was passed upon by this committee, which for months met every two or three days each week. No sale was approved by the Alien Property Custodian unless it was approved by the committee. Every sale which was disapproved by the committee was disapproved by the Alien Property Custodian. The committee's action was absolutely final. It seems perfectly clear that no collusion, fraud, or conspiracy with respect to these sales can be charged without impugning the integrity of this committee of high-class American citizens.

After the selling program had started it was discovered that many of the properties were dependent for their business upon patents issued by the United States to the German subjects who owned the control of these companies and that in selling these industries it was necessary also to convey these patents. The Attorney General held that the patents could not be seized by the Alien Property Custodian under the trading with the enemy act. That law had provided with respect to enemy-owned patents that the Federal Trade Commission could issue licenses to Americans to use German-owned patents, and after the war the German owners could recover the royalties as well as the patents. In other words, the same principle of careful conservation had been applied to the patents by the original act. The Alien Property Custodian again applied to Congress, giving the information that its policy of selling these properties could not be carried out unless there was a further amendment to the act, and the Congress unanimously passed a further amendment providing that patents might be seized and sold. That amendment provided as follows:

(c) If the President shall so require any money or other property including (but not thereby limiting the generality of the above) patents, copyrights, applications therefor, and rights to apply for the same, trade-marks, choses in action, and rights and claims of every character and description, owing or belonging to or held for, by, on account of, or on behalf of, or for the benefit of, an enemy or ally of enemy not holding a license granted by the President hereunder, which the President, after investigation, shall determine is so owing or so belongs or is so held shall be conveyed, transferred, assigned, delivered, or paid over to the Alien Property Custodian, or the same may be seized by the Alien Property Custodian; and all property thus acquired shall be held, administered, and disposed of as elsewhere provided in this act.

Any requirement made pursuant to this act or a duly certified copy thereof may be filed, registered, or recorded in any office for the filing, registering, or recording of conveyances, transfers, or assignments of any such property or rights as may be covered by such requirement (including the proper office for filing, registering, or recording conveyances, transfers, or assignments of patents, copyrights, trade-marks, or any rights therein or any other rights); and if so filed, registered, or recorded shall impart the same notice and have the same force and effect as a duly executed conveyance, transfer, or assignment to the Alien Property Custodian so filed, registered, or recorded.

Whenever any such property shall consist of shares of stock or other beneficial interest in any corporation, association, or company, or trust it shall be the duty of the corporation, association, or company or trustee, or trustees issuing such shares or any certificates or other instruments representing the same or any other beneficial interest to cancel upon its, his, or their books all shares of stock or other beneficial interest standing upon its, his, or their books in the name of any person or persons, or held for, on account of, or on behalf of, or for the benefit of any person or persons who shall have been determined by the President, after investigation, to be an enemy or ally of enemy, and which shall have been required to be conveyed, transferred, assigned, or delivered to the Alien Property Custodian or seized by him, and in lieu thereof to issue certificates or other instruments for such shares or other beneficial interest to the Alien Property Custodian, or otherwise, as the Alien Property Custodian shall require.

The sole relief and remedy of any person having any claim to any money or other property heretofore or hereafter conveyed, transferred, assigned, delivered, or paid over to the Alien Property Custodian, or required so to be, or seized by him shall be that provided by the terms of this act, and in the event of sale or other disposition of such property by the Alien Property Custodian shall be limited to and enforced against the net proceeds received therefrom and held by the Alien Property Custodian or by the Treasurer of the United States.

It will thus be seen that while the war was on, for reasons which were good and sufficient, the Congress, after full consideration, deliberately adopted the policy of disposing to American citizens of these holdings of the junker class in Germany in the great industrial and commercial concerns of America, and of substituting for such properties in any settlement which might hereafter be made with the enemy the proceeds of the sale of such properties when sold according to the provisions of law. If this Government should now undertake to set aside those sales or to account to the German owners for anything else than the proceeds of the sales it would be a deliberate repudiation of a policy of the Government during the war which had much to do with breaking the morale of the German people behind the lines and, consequently, with finally winning the war. My own firm conviction is that the policy announced by the Congress during the war in respect to these matters was right and that we ought to stand by it. The sale of these properties by the Alien Property Custodian was justified by all circumstances then existing. Our allies had done practically the same thing. In Great Britain all the German properties were liquidated. They were not even sold as going businesses, but were disintegrated and practically destroyed. Action very similar was taken in France. There is no doubt whatever that this Government under its war powers had the legal right to take the action which I have mentioned.

That during war Congress enjoys the power to confiscate enemy property has since the case of Brown *v.* United States (1814, 8 Cranch, 110) not been open to argument. In that case Chief Justice Marshall said in part:

* * * That war gives to the sovereign full right to take the persons and confiscate the property of the enemy, wherever found, is conceded. The mitigations of this rigid rule which the humane and wise policy of modern times has introduced into practice will more or less affect the exercise of this right, but can not impair the right itself. That right remains undiminished, and when the sovereign authority shall choose to bring it into operation, the judicial department must give effect to its will. * * *

The trading with the enemy act, although not enacted as an act of confiscation, nevertheless reserves to Congress the full and complete authority to dispose of the properties held by the custodian as it may choose, section 12 providing that—

After the end of the war any claim of an enemy or of an ally of enemy to any money or other property received and held by the Alien Property Custodian or deposited in the United States Treasury shall be settled as Congress shall direct.

An examination of the committee hearings and debates on the bill will show that Congress appreciated that there would be many matters to be adjusted between the belligerent countries when the war was over and deemed it advisable that all such property should be withheld from the former owners pending the conclusion of the respective claims that might be asserted. (65th Cong., 1st sess., H. R. 4960).

It is thus seen that by the act the former enemy owners are estopped to bring any character of action with regard to the recovery of their properties, or the proceeds of the sale of such properties, until Congress has legislated upon the subject. The only exceptions were specifically provided by Congress. By various amendments to section 9 of the act, which is the relief section (acts of July 11, 1919, June 5, 1920, February 27, 1921), Congress permitted, among other proper claimants, certain of the German and Austro-Hungarian subjects who under the treaties of peace had acquired citizenship in newly created States or allied nations, chiefly by reason of the changes made in sovereignty over territories which prior to the war formed a part of Germany and Austria-Hungary, to recover from the custodian in kind any property he held belonging to them, or, if it had been sold, the proceeds of such sale.

In searching the records for American patents owned by German subjects it was found that a very large number of them were without any connection with any American business enterprises. In other words, they were not being worked in this

country. They were patents which had been taken out by German subjects not with the purpose of promoting industry in America but for the purpose of stifling industry. They were taken out here in order to prevent the manufacture of the articles patented and so as to give a monopoly to the Germans who imported the same articles made in Germany. These patents were, loosely speaking, of two general classes; of course, there were others, but the largest classes were these two: First, patents involving guns, ordnance, and other war materials; and second, patents on the processes of making dyestuffs and other chemicals, generally known as chemical patents.

It will be seen at a glance that these two classes of patents contained a tremendous power for good or ill, depending upon their owner. With their help Germany had built up a great war machine, including a chemical industry which dominated the world, and whose products of high explosives and poisonous gases nearly put civilization to rout in the early days of the war. In these chemical patents also was bound up the future of the medical science, with all that that means for the welfare of mankind.

These patents were not property in the usual sense, like houses and lots and horses and cattle. They were privileges granted by the Government of the United States for the purpose of promoting industry in this country. The purpose of granting those privileges had been flouted by the Germans. The spirit of our patent laws had been violated and our hospitality abused when the Germans took out patents here for the sole purpose of building up in Germany the great industrial and war machine with which it expected to subdue the world in 1914. It seemed to the Alien Property Custodian—and to President Wilson, who gave the matter much consideration—that it would be highly proper to turn over these patents to the American people for their benefit.

To accomplish this purpose in this country the Alien Property Custodian did two things: First, he transferred to the War and Navy Departments the right to use all of the patents on war materials—about 5,700 in number—during the life of the patent for a nominal consideration. He also transferred to the Navy Department the title to the wireless patents and the wireless plants which Germany had built in this country at Sayville, Long Island, and Tuckerton, N. J., for a consideration of $100,000, which was practically nominal. Second, he conceived the plan of the Chemical Foundation, which was designed as a conduit through which all the German chemical patents should flow for the general public benefit of the people of the United States.

The Government had been using many of the German patents in connection with war materials, and under the original trading with the enemy act it would have been compelled to pay royalties therefor. The action of the Alien Property Custodian saved the Government from this.

In his report which was submitted to Congress on February 22, 1919, A. Mitchell Palmer, as Alien Property Custodian, fully apprised the Government of his plans and purposes with reference to the Chemical Foundation and the reasons which actuated him in forming that corporation and selling nearly 5,000 chemical patents to it for a consideration of $250,000. In that report he said:

> The amendment of November 4 to the trading with the enemy act presented for the first time an opportunity for what appears to me to be the most important piece of constructive work which has been possible in my department. Until the enactment of this amendment it had not been possible to take over German patents. These patents, as had been already indicated, formed a colossal obstacle to the development of the American dyestuff industry. Evidently they had not been taken out with any intention of manufacturing in this country or from any fear of American manufacture, which the Germans apparently thought could not be successfully carried on under conditions prevailing in this country in regard to costs and to the supply of technicians and skilled labor. Upon consideration, however, it seemed that these patents offered a possible solution for the problem, hitherto unsolvable, of protecting the new American dye industry against German competition after the war. If they were not taken out in order to prevent American competition, they must have been obtained as a weapon against competing imports. If they were sufficient to stop importation of competing Swiss, French, and English dyes, they would presumably serve in American hands to stop the importation of German dyes. This was particularly probable in the case of the product patents, since most of the coal-tar dyestuffs are definite chemical combinations to which a product patent is entirely applicable.
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> The idea was accordingly conceived that if the German chemical patents could be placed in the hands of any American institution strong enough to protect them, a real obstacle might be opposed to German importation after the war, and at the same time the American industry might be freed from the prohibition enforced by the patents against the manufacture of the most valuable dyestuffs. Accordingly, these considerations were laid before various associations of chemical manufacturers, notably the Dye Institute and the American Manufacturing Chemists' Association. The suggestion was met with an instantaneous and enthusiastic approval, and as a result a corporation has been organized to be known as the Chemical Foundation (Inc.), in which practically every important American manufacturer will be a stockholder, the purpose of which is to acquire by purchase these German patents and to hold them as a trustee for American industry, "for the Americanization of such institutions as may be affected thereby, for the exclusion or elimination of alien interests hostile or detrimental to the said industries, and for the advancement of chemical and allied science and industry in the United States." The voting stock is to be placed in a voting trust, of which the trustees are to be the five gentlemen who for months have been acting as the sales committee which passes upon sales made by my department, that is to say, George L. Ingraham, former presiding justice of the appellate division, first department, New York Supreme Court; Otto T. Bannard, president New York Trust Co.; Cleveland H. Dodge; Benjamin H. Griswold, senior partner of Brown Bros., bankers, Philadelphia; Ralph Stone, president Detroit Trust Co.; and the charter is so framed that under the patents nonexclusive licenses only can be granted on equal terms to all proper applicants, and must be granted to the United States free of cost. The company is capitalized at $500,000, of which $400,000 is to be 6 per cent cumulative preferred stock and $100,000 common stock also limited to 6 per cent dividends. The first president of the Chemical Foundation (Inc.) will be Francis P. Garvan, of the New York bar, to whose clear vision and indefatigable industry I am chiefly indebted in the working out of this plan. By Executive order obtained under the provisions of the act, I have sold to this company for the sum of $250,000 approximately 4,500 patents; the remaining $250,000 has been provided for working capital, so that the company may be able to commence immediately and prosecute with the utmost vigor infringement proceedings whenever the first German attempt shall hereafter be made to import into this country. The charter of the corporation provides that surplus income is to be used for the retirement of the preferred stock and thereafter for the advancement of chemical and allied science and industry. The price thus paid was necessarily determined somewhat arbitrarily; the great majority of the patents were presumably valueless. The value of the remainder was entirely problematical and impossible to estimate. Substantially the entire industry having combined for the purpose of this purchase, it would have been impossible on public sale to find as a bidder any legitimate manufacturer. No other bidder could, therefore, have been found on public sale, except some speculative individual who might have bought them for purposes practically amounting to commercial blackmail. The combination was not objectionable to public policy since it was so organized that any genuine American, whether a stockholder of the company or not, could secure the benefits of the patents on fair and equal terms.
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> It is submitted that the organization of this institution constitutes the most important step that has been taken for the protection of the new industry. Tariff protection has proved utterly unavailing in the past. The German industry as hitherto organized, and still more as now organized, has had so much to gain by extending its foreign trade and by destroying the industry in other countries that it would undoubtedly give away its goods in this country for nothing in order to recover the American market. The Chemical Foundation, however, should prove a power sufficient to discourage in a most effective manner any German attempts in this direction. If, as their newspapers boast, the Germans have during the war worked out entirely new dyes superior to their past productions, the protection afforded by it will be invaluable. It has been the uniform experience of the industry that the introduction of new classes of dyestuffs follows only several years after the patenting of the original inventions on which their manufacture depends. Accordingly, the later dyes of to-day depend largely upon the patents of three or four years ago. The patents transferred to the Chemical Foundation include many German patents of 1917, and even of 1918, and also many applications still pending. These patents undoubtedly include the results of the research upon which must be based the manufacture of any new dyes which the Germans are now able to produce and market. Accordingly, at the very least, the institution will be able to protect the American industry for a considerable period, and this should be all it needs. It appears to be the universal view of the more competent manufacturers in this country that given five years of freedom from German competition the American industry can hold its own. Probably only a measure such as the embargo which appears to have been imposed by the British and French against all foreign dye importations can furnish this protection to the degree necessary to insure the safety of the American industry; but short of such an embargo, the Chemical Foundation would seem to furnish all the aid that possibly can be given.
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> At the same time, the new institution promises an incalculable benefit not only to the dye and chemical industries but to the whole American manufacturing world. The opportunities which it can offer and the rewards which it can hold out to competent research scientists should far exceed those of any institution unconnected with industry, and it may well, therefore, form the nucleus of the greatest research organization in the country.

It must be borne in mind that the Alien Property Custodian made this report to Congress on the 27th day of February, 1918, and it was not until the 10th day of April following, nearly two months, that the title to this property passed and the plan was consummated and carried out, and during those two months there was no objection raised, in the Congress or out of it, to the carrying out of this plan, although it was given absolute and full publicity in every one of its details.

This report effectually disposes of the charge that there was a fraudulent conspiracy on the part of those in the Alien Property Custodian's office who erected the Chemical Foundation and sold these patents to it. The charge has been repeatedly made that Mr. Garvan, as Alien Property Custodian, sold these patents to himself as president of the Chemical Foundation. It will be seen, however, from this report, which was made before Mr. Garvan became Alien Property Custodian, or had any thought of being appointed to that office, that the entire plan was devised and perfected and the sale made while Mr. Palmer was Alien Property Custodian. It was Mr. Garvan's announced purpose then to resign his subordinate place in the Alien Property Custodian's office and take the presidency of the Chemical Foundation without salary or compensation for expenses, but on March 4, 1919, Mr. Palmer was appointed Attorney General, and President Wilson, with full knowledge of the entire Chemical Foundation matter, made Mr. Garvan Alien Property Custodian. It is true that the actual assignment of the patents to the Chemical Foundation was not ready

until April 10, 1919, and it was signed by Mr. Garvan as Alien Property Custodian, but, as shown by Mr. Palmer's report, the entire matter had been concluded and consummated before Mr. Palmer went out of office, and the signing of the papers was a mere formality. Conspiracies to defraud are not committed in the open light of day. Conspiracies to defraud the Government are never reported to Congress by the conspirators in advance. How could any conspiracy be successfully charged here in view of the fact that the Alien Property Custodian, before the final act which transferred the property, made a full and complete report of his plans and purposes and the reasons therefor to the Congress of the United States, to which wide publicity was given at the time? If the Chemical Foundation had been a strictly private institution for profit, engaged in the manufacture of chemicals, the sale to it for $250,000 would have been properly subject to attack, for it would have given for a trifling consideration a monopoly in the production of chemicals. But it was just to avoid this kind of situation that the Chemical Foundation was formed. Its stock is controlled by voting trustees, who had served as a committee appointed by the President of the United States. It does not and can not engage in manufacture. Its profits above 6 per cent to its stockholders must go for the upbuilding of chemistry in the United States by education and research work. It must and does issue licenses for manufacture under the patents to all persons who apply therefor upon absolutely equal terms. It has been the only means of preventing monopoly and has been more responsible than any other cause for building up a great chemical industry in this country.

Now, President Harding has directed the present Alien Property Custodian to demand a return of these patents from the Chemical Foundation to the Government. The Chemical Foundation has refused to return them, and presumably the Attorney General will bring suit to set aside the sale by reason of constructive fraud growing out of the alleged inadequate consideration. The consideration was, in fact, adequate. In addition to the money consideration of $250,000, which may be admitted to be nominal, there was the further consideration that the Government itself should have the right to use the patents free of charge as long as these patents were in existence, and, further, and of paramount consideration, was the upbuilding of a great American chemical industry by the plan herein outlined, which should be for the benefit, security, and safety of the United States in peace and in war.

More than that, it was the only way in which the patents could be disposed of without creating a monopoly in somebody or some corporation, whereas going to this corporation it creates no monopoly and allows the use of the patent by every citizen of the United States upon the payment of nominal royalty charges.

The Germans are more interested to get these chemical patents back than they are to secure all the rest of their property, but there is reason to believe that they have hopes that if the present action against the Chemical Foundation is sustained and the sale voided by reason of inadequate consideration, they can drive the United States Government to the position where it must set aside many other sales of German property and return these properties to the German owners with all the profits which have accrued in the meantime. They have sent a commission to the United States, composed of eminent German lawyers, who take the position that with the President committed to the doctrine that German property could not be disposed of for any consideration that was inadequate, they will be able to compel the Government to set aside many other conveyances. The President has committed himself to the doctrine that the sale was a violation of a trust.

This is a mistaken theory of the law, for under the decisions the title to the property vested absolutely in the Government of the United States, and the Alien Property Custodian was not trustee for the German owners. He was a trustee only in the sense that every public officer is a trustee—"a public office is a public trust." But the Germans contend that he was a trustee for them, and as such trustee he had to be certain that every property brought its full value. Where will this lead? It will inevitably mean that the Germans, with the Chemical Foundation case as a precedent, will insist that the Government must return to the "trusteeship" the wireless plants and patents and all the patents on war materials; the great Hamburg-American and North German Lloyd Line terminals at New York, which were sold by the Alien Property Custodian to the President of the United States for about $7,000,000, and which the Germans can probably show to be worth much more than that. And then the Germans propose to collect on all patents used by American citizens and even by the American Government during the war for the very purpose of putting an end to the war which the Germans started.

One representative of the German claimants has been quoted as making this interesting statement:

> There was patented just before the war a most wonderful sight for a 3-inch gun. Nothing like it was in evidence. It was one that was the envy of all Army men who knew about it. Also it was one of the German patents seized by the Alien Property Custodian. He sold this to the Navy Department for about $100. Now, it just happens that there was a royalty agreement on this one patent alone providing for the payment of $35 for each gun sight made under the patent. Of course, the Army and Navy wanted it. Palmer, as Alien Property Custodian, sold it to the Navy. It was used on all the 3-inch guns that the United States had in France. At least 200,000 of these gun sights were made, and the royalties would exceed $8,000,000. With the idea now taken by the President there is nothing in the world to stop the collection of these royalties.

That is the viewpoint which the German lawyers take in reference to this action.

When it passed the trading with the enemy act Congress expressly reserved the right to make disposition of all enemy property after the war. I have already quoted the language of the law in making this reservation.

The Versailles treaty was so written as to preserve this power on the part of Congress. While the treaty provided several optional methods for the settlement of German claims against the United States and American claims against Germany, it left for future legislation by Congress the determination of the method which would be adopted in their settlement. The separate treaty of peace, in turn, reserved for the United States all rights reserved in the treaty of Versailles. Therefore it is up to the Congress to act. In my judgment there should be no further delay. I have, therefore, introduced a measure which carries out every obligation which this country has assumed with respect to property and claims of belligerents in full accord with the letter and spirit of the treaties.

Under this bill, if it shall become a law, all the American claims provided for in the treaties will be paid out of the enemy property in our hands, which by those treaties was left with the United States as a pledge to secure the payment of such American claims. There is no necessity for further negotiation with Germany in the matter. There is no need for an additional treaty. All the rights of both parties have been formally settled in the treaty now in effect, and under that treaty the Congress, having full power, should no longer delay in taking such action as will secure to the Government of the United States and to American citizens that measure of justice which has so long been denied them.

Mr. NELSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Minnesota?

Mr. UNDERWOOD. I yield.

Mr. NELSON. The bill which the Senator from Alabama introduced pertaining to this subject matter was referred to the Committee on the Judiciary and that committee has referred it to a subcommittee. The subcommittee has sent the bill to the State Department and to the Department of Justice.

We know from the public press, I take it, the fact that the Government has instituted or is about to institute a suit against the Chemical Foundation in respect of these German patents. A demand has been made upon Mr. Garvan, who was an employee of the Alien Property Custodian, I think, at the time these patents were sold, and the Government is about to bring a suit or has already brought it.

Now, I am greatly surprised at the conservative Senator from Alabama making such a profound argument. I have listened to the whole of it. The drift of it seems to be to defend and demonstrate the validity of the sale of the German dye patents to the Chemical Foundation. That seems to be the central part of his speech. I am not criticizing it as matter of fact, but it seems to me strange when the Government is about to bring a suit or has brought a suit to test the question in the courts, that we should attempt to try it here in the United States Senate. I am therefore, Mr. President, greatly surprised at the elaborate argument made here in behalf of the sale of the German patents to the Chemical Foundation. I did not know, I had not a suspicion when the bill came to the Senate that back of it was this move, and I am astonished at the conservative Senator from Alabama aiming to take a case of this kind out of the hands of the courts and to try it here in the Senate.

Mr. UNDERWOOD. Mr. President, I am more astonished than is the Senator that the conservative Senator from Minnesota should reach any such conclusion in reference to my intention. His is rather a remarkable statement. As I gave my statement to the press a few days ago and one of the young men of the press came to me afterwards and said, "I think your statement is a defense of the Chemical Foundation," he prob-

ably ran around to the Senator's office and told him in advance of the making of the speech that that was the subject, and I judge that the Senator took his line of thought rather from that statement than from the speech itself.

Now, Mr. President, the reason why I make the statement is not a question of trying to interfere with the courts, but I know that this attack on the Alien Property Custodian is coming from the German agents, the German lawyers in the country representing their clients, trying to get the property back. I know that they put up the Chemical Foundation as a man of straw to shoot at, to try to misrepresent to the American people what the rights of the claimants and the Government of the United States are in the property. I did not propose to let that proposition go by without putting in the RECORD the facts. There is not one word I said this morning that can be said to be argument. There is not one word of the statement that I put into the RECORD this morning in reference to the property taken by the Alien Property Custodian that is not a recital of fact. Is there anything in reciting honest facts to the Congress that is going to misinterpret a case before the courts of the land?

Mr. NELSON. But is it not an argument in its substance to show that the Government is mistaken in bringing the suit? Is not that the drift and purpose of the argument?

Mr. UNDERWOOD. I will say to the Senator that from my standpoint the Government is mistaken. I will not say as a matter of law, because that is a question for the courts to determine; but as a matter of looking after the great interests of the American people it is a mistake for the Government to take this action. because if the Government succeeds in having set aside the transfer of these chemical patents to the trust created for the benefit of the American people, what is going to happen? Where are they going? What is going to become of those patents if the transfer is set aside? Are you going to give them back to Germany, or where do they go? If you give those chemical patents back to Germany, they go to the German cartel, a trust in Germany.

Mr. NELSON. Mr. President, will the Senator allow me to interrupt him?

Mr. UNDERWOOD. I will.

Mr. NELSON. The Senator is assuming what is not demonstrated. He assumes that the Government is bringing suit to cancel the sale for a nominal price for the purpose of turning the property back to the Germans.

Mr. UNDERWOOD. Oh, no.

Mr. NELSON. That is an unwarranted assumption.

Mr. UNDERWOOD. The Senator's hearing is not good.

Mr. NELSON. As to the beneficiaries who got all these patents for the nominal sum of two hundred and fifty thousand and odd dollars, I am surprised to see the Senator shed tears over them.

Mr. UNDERWOOD. The only trouble with the Senator from Minnesota is that his hearing is not good this morning. He was listening to me, but he did not hear. I did not say they were going to turn this property back to the Germans. I asked, if we set aside the sale, what are you going to do with the property? If the Senator will allow me, I am going to ask him some more questions about what he is going to do with the property. That was only my first question. I asked the Senator if his plan was to turn the patents back to the Germans, to a monopoly in Germany.

Mr. NELSON. If the Senator will allow me to explain my position, I take it that the Government of the United States, if it again obtains control of these patents, will retain them for the benefit of the American people. I had rather trust the Government of the United States to handle them for the American people than to have that done by the Chemical Foundation, which obtained them for a merely nominal price.

Mr. UNDERWOOD. I applaud the Senator from Minnesota for coming to that conclusion, because that is my conclusion. I did not expect that the Senator was willing that these patents should be turned back to a German monopoly, once more to prey on the American people, and I did not say he was; but, I asked, What are you going to do with them?

Mr. NELSON. I have told the Senator what I think the Government will do with them. The Government will retain the patents for the benefit of the American people.

Mr. UNDERWOOD. Of course. Now, we are coming right down to the point. That shows how the whole case is punctured; that there is not anything in it except propaganda conducted by men in this country who four years ago were in arms as enemies of the people of the United States. The Senator from Minnesota is right. This property should not be turned back to the Germans, but it should be retained and used for the benefit of the American people. What was done in this matter?

Mr. NELSON. Mr. President, will the Senator from Alabama yield to me?

Mr. UNDERWOOD. Certainly.

Mr. NELSON. The Senator from Alabama talks about propaganda, but I desire to say that the only propaganda I have noticed—and I have received pamphlets and books and circulars and letters—in reference to this matter comes from the Chemical Foundation. I have discovered propaganda from no other source.

Mr. UNDERWOOD. Then the Senator from Minnesota has not read carefully, because, as I myself have noticed, the newspapers are full of such matter; but that is neither here nor there; the Senator from Minnesota is not responsible for what he has not seen. The Senator from Minnesota and I, however, are not apart; we are in agreement. The Senator says that this property should be held and should not be given back to the Germans—I am not in favor of giving it back to the Germans—that it should be held by the Government of the United States for the benefit of the American people.

What was done by President Wilson in reference to this matter? What was his action? He did exactly what the Senator from Minnesota proposes, and in the only way in which he could do it. He had this condition to face, as to whether he would hold this property and let the Germans obtain the patent rights and secure the profits and get the patents back after the war, or whether he would hold the patents for the American people.

Mr. NELSON rose.

Mr. UNDERWOOD. If the Senator will wait for a moment, I will explain the matter to him; but, of course, if the Senator wishes to ask me a question, I am always glad to yield to him. If he will listen to me for a moment, however, I think I shall show him what had to be done. Under the law when this property came to be disposed of, it had to be disposed of and sold to somebody. The Alien Property Custodian act provided that it must be sold and disposed of to somebody.

Mr. NELSON. Now, will the Senator yield to me for a moment?

Mr. UNDERWOOD. Yes; I am perfectly willing to yield to the Senator.

Mr. NELSON. The difference between the Senator from Alabama and me on this question, I think, is that the Senator from Alabama would like to have the Chemical Foundation retain these patents, and I should like to have them go into the hands of the Government.

Mr. UNDERWOOD. I will say to the Senator that, so far as I am concerned, I have no personal interest as to whether the Chemical Foundation retains the patents or whether somebody else obtains control of them. I only desire that they shall not go back to the German cartel and that the American people shall have the benefit of them. I have no interest one way or the other. But I desire to continue what I started to say. When this question faced President Wilson and he had to act, he could not conserve these patents for the Government; there was no law by which he could forfeit them to the Government. He did not want to sell them to private citizens in the United States, as he could have done, who would have probably purchased the patents at that time at an inadequate price, because they were not of great value during the war, although they were of great value after the war. If he put them up and sold them, as he did the wireless plants at Sayville and Tuckerton, the patents would have fallen into the hands of individual citizens, who would have created a monopoly—not a German monopoly but a United States monopoly—of these very valuable patents.

Now, what did the Government do? It created a corporation that had no financial interest in the matter whatever except to get 6 per cent on $500,000, which practically amounts to a loan.

Mr. WATSON of Indiana. Will the Senator permit an interruption?

Mr. UNDERWOOD. I will.

Mr. WATSON of Indiana. My attention has been diverted, so that I have not heard the Senator's remarks throughout; but I should like to ask the Senator whether or not it is the Senator's view that the Chemical Foundation, as such, holds these patents in fee simple, or simply as the trustee of the Government or the trustee of the owners?

Mr. UNDERWOOD. I think, of course, that the Chemical Foundation was organized in order to hold these patents. The transfer of the patents to the Chemical Foundation was an absolute sale.

Mr. WATSON of Indiana. An absolute sale?

Mr. UNDERWOOD. Yes; but as organized the Chemical Foundation stands as trustee for the American people, and the

trustees are not Mr. Garvan or Mr. Palmer. They had to do something to make a start.

Mr. WATSON of Indiana. Will the Senator permit a further interruption?

Mr. UNDERWOOD. Certainly.

Mr. WATSON of Indiana. The Chemical Foundation originally paid $250,000 for these patents?

Mr. UNDERWOOD. Yes.

Mr. WATSON of Indiana. How was the money raised and who subscribed it?

Mr. UNDERWOOD. I am going to tell the Senator right now. The Chemical Foundation sold $400,000 worth of cumulative preferred stock at 6 per cent, which is being paid off from the earnings of these patents and will be canceled. They sold $100,000 worth of common stock, with dividends limited to 6 per cent, with no power on the part of the stockholders to vote the stock. Therefore it practically amounted to a loan.

Who are the real controlling factors in the Chemical Foundation? They are not Mr. Garvan; they are not the stockholders, because it was a mere loan. The names of the men to whom the power is given to vote the stock and to control the corporation are as follows: George L. Ingraham, former chief justice of the appellate division of the Supreme Court of New York; Otto T. Bannard, president of the New York Trust Co.; Cleveland H. Dodge, to whom I referred awhile ago; Benjamin Griswold, jr., head of the firm of Alex. Brown & Sons, bankers, of Baltimore; and Ralph Stone, president of the Detroit Trust Co. Two of these gentlemen are Republicans, two of them are Democrats, and one, Mr. Dodge, is independent in politics. They are men whose character and standing may not be questioned by anybody in the United States. They have the voting power of the stock in their hands as trustees, and control in that way the Chemical Foundation for the benefit not of the stockholders, because the stockholders merely made a 6 per cent loan, but they control it in order that there may not be a monopoly created of these patents and that anyone in the United States who is willing to pay a reasonable royalty may use the patents when they want to. Of course, there was no other way under the law for President Wilson to insure that these patents would not go back to the German cartel—the German monopoly—or be sold to private citizens of the United States and a monopoly created in America, and that they would be preserved so that every American citizen might have a free and full opportunity to use them for his own benefit.

That is identically what the Senator from Minnesota is in favor of, except he does not approve of the machinery which has been set up to carry on this work for the benefit of the American people. The Senator would merely throw the property into the lap of the United States and have some bureau chief exercise authority and control over it. That is the only difference.

Mr. WATSON of Indiana. Mr. President, would it interrupt the Senator if I should ask him another question?

Mr. UNDERWOOD. No; I am delighted to yield.

Mr. WATSON of Indiana. The Senator has named certain gentlemen who he says hold and vote the stock as trustees. Trustees for whom? Trustees for what?

Mr. UNDERWOOD. They are trustees of the Chemical Foundation, but they own the stock. In one sense they are not trustees, but practically they are trustees for the American people. They have no pecuniary interest in the matter.

Mr. WATSON of Indiana. Let me ask you, Senator, another question. I understood the Senator to say awhile ago that the Chemical Foundation owns the patents in fee simple?

Mr. UNDERWOOD. Certainly the corporation owns them.

Mr. WATSON of Indiana. The corporation owns the patents in fee simple?

Mr. UNDERWOOD. Undoubtedly.

Mr. WATSON of Indiana. Of course, if that be true, then the suit of the Government will not lie. They can not be compelled to turn back to the Government property which they own in fee simple.

Mr. UNDERWOOD. I think the Senator is right about that, but I will not pass on that point——

Mr. WATSON of Indiana. I understand; but I am merely trying to ascertain the Senator's viewpoint.

Mr. UNDERWOOD. The Senator from Minnesota charged me a moment ago with attempting to enter into a legal discussion. I will not do that at this time.

Mr. BORAH. Mr. President, a fee-simple title can be set aside on account of fraud.

Mr. WATSON of Indiana. Of course, the sale could be set aside for fraud——

Mr. UNDERWOOD. Undoubtedly.

Mr. WATSON of Indiana. For, of course, fraud vitiates every contract.

Mr. UNDERWOOD. I am not discussing the question as to whether there was technical fraud, as to whether the sale of the patents could be set aside by the courts on account of inadequate consideration. That is a question for the courts to determine; but the idea that there was any actual fraud is absurd when it is considered that the whole proposition was laid before Congress two months before it was consummated and before the American people, and not a protest was made.

Mr. NELSON. Mr. President, will the Senator allow me to ask him another question at this point?

Mr. UNDERWOOD. I will.

Mr. NELSON. The Senator from Alabama has lauded the eleemosynary plan of the beneficent Chemical Foundation, which bought this property for a song and are going to administer it for a song, and so forth. Is there anything in the law of its creation which will prevent the Chemical Foundation from changing its program and adopting a different policy? Is there any law restraining them from doing that?

Mr. UNDERWOOD. The terms of the charter on which it acquired the property restrain them from doing anything of the kind. It acquired these patents in consideration of holding them for the American people and not making money out of them. That is in the charter itself. Of course, if it should violate that charter, it could be compelled by law to use the patents for the benefit of the American people and not for personal gain. There is not a thing in that.

As to the legal point that there must be adequate consideration, I do not think that is essential; but I am not going to decide or attempt to decide that law point. I only say that if that contention be carried to its utmost limit and the sale to the Chemical Foundation may be set aside for a technical fraud on the ground of inadequate consideration, then the sale of the great war patents to the Army and Navy Department may be set aside for technical fraud; the sale of the wireless plants in New Jersey and Long Island may be set aside for technical fraud; the sale of the great docks at Hoboken may be set aside for technical fraud, and we are on the way to turning back this property to the German owners. I make this statement, but I think the question should be fought out.

Mr. NELSON. Mr. President, will the Senator yield to me?

Mr. UNDERWOOD. Certainly; I yield.

Mr. NELSON. I will not interrupt the Senator, of course, if it is disagreeable to him.

Mr. UNDERWOOD. Not at all. I am very glad to discuss the question with the Senator from Minnesota.

Mr. NELSON. It seems to me that the Senator's attitude is that the Chemical Foundation ought to retain these patents after they have bought them under a sale for a nominal price. Now, let me put the question direct. Is the Senator opposed to the United States acquiring possession and control of those patents instead of the Chemical Foundation for its own use? There is where I think we differ. I am in favor of the Government acquiring those patents and holding them for the benefit of the people of the United States; and, if I understand the Senator correctly, he wants the Chemical Foundation to hold them.

Mr. UNDERWOOD. The Senator does not understand me correctly. As far as I am personally concerned it is a matter of absolute indifference to me whether these patents are administered in the public interest by the Chemical Foundation, or whether they are administered by the Government of the United States for the public. I am not concerned about that at all; but I am concerned about this sale being set aside for the purpose either of restoring these patents to the German monopoly or of selling them to people here who want to create a monopoly in the United States. There is where I object; and the reason why I have gone into this matter is not that I differ with the Senator from Minnesota in the idea that these patents should be controlled in the public interest. They are controlled in the public interest now, and if the court decides the other way I am perfectly willing for the Government to control them; but I am not willing to make an admission of record that this sale is illegal because of lack of consideration, when that admission of record goes to the validity of the title to the great piers at Hoboken, the civil plants, and the patents of the War Department, and may involve this Government of ours in endless disputes and turmoil.

I am not concerned about who owns these plants. I have merely made this morning a statement of facts, not of argument. There is not a fact stated in this statement that I read to the Senate that can be challenged as a fact. It is very carefully preserved in that way. What I want to do is to let the Ameri-

can people know that these attacks are being made upon this property by German lawyers, and they have a right to do it. They represent their clients; but they are German lawyers, trying to destroy the integrity of this property and its ownership by the Alien Property Custodian, and at the same time the Congress has withheld its hand and failed to give relief to American claimants who suffered in the Great War.

Mr. McCUMBER. Mr. President——

Mr. UNDERWOOD. I yield.

Mr. McCUMBER. I want to ask the Senator a question or two for information. If I understand him correctly, the $250,000 which was the moving consideration was obtained upon a sale of preferred stock. Am I correct in that?

Mr. UNDERWOOD. That is what the Alien Property Custodian reported to Congress, and I am sure he was correct, of course.

Mr. McCUMBER. What was the amount of preferred stock that was sold? Can the Senator inform me as to that?

Mr. UNDERWOOD. Yes; that is stated in the report, which has been before Congress a long time.

Mr. McCUMBER. I am asking for information. I have not it in my mind.

Mr. UNDERWOOD. Four hundred thousand dollars of preferred stock, bearing only 6 per cent interest, and $100,000 of common stock, limited to 6 per cent interest, was the entire capital that was raised.

Mr. McCUMBER. That was, then, $350,000?

Mr. UNDERWOOD. Five hundred thousand dollars was the total amount of capitalization that was raised—$400,000 of preferred stock and $100,000 of common stock.

Mr. McCUMBER. But what I want to get at, if I can, is this: In the sale of the stock, how much was the $400,000 worth of preferred stock, which was to bear 6 per cent interest, sold for? Was it sold for par?

Mr. UNDERWOOD. Yes; they sold it for par.

Mr. McCUMBER. They sold it for $400,000, then?

Mr. UNDERWOOD. They sold $400,000 of preferred stock for $400,000, and they sold $100,000 of common stock for $100,000, and the company had in its treasury at the end of the sale $500,000. Of that, $250,000 was paid to the Government of the United States, and the other $250,000 was used to start the running of this company.

Mr. McCUMBER. It has never been clear to my mind why, if this company was organized practically as a trustee, it was necessary to pay to the Government of the United States a quarter of a million dollars; and if the Senator has any information on the subject I wish he would explain to me why the Government reached out its hands and took a quarter of a million dollars from a corporation which was a nominal corporation organized only for its benefit and as its trustee, it acting on behalf of the people of the United States.

Mr. UNDERWOOD. I will say to the Senator that I think the sale could have been made for $1 and would have been just as legal as if it were made for $250,000, as long as the purpose was to organize a corporation to hold these patents in trust for the American people; but that is just my opinion. As to why the particular sum of $250,000 was paid instead of $100,000 or $500,000, I can not answer any more than I can answer why the sum of $100 was paid by the Navy Department for this particular patent, a gun sight, that this German agent referred to, that I read to the Senate a while ago. I do not know why the Government paid $100 for that patent instead of paying $1 or $100,000. It was a nominal amount, because they were selling practically to themselves for the benefit of the American people; and the real consideration in the transfer of these patents to the Chemical Foundation is that the patents are there, not held by a monopoly, kept away from the German cartel, which is a monopoly, not transferred to a monopoly of American citizens, but held for the benefit of the American people. I do not know why this was done, but I understand that out of the royalties that are being collected this preferred stock is being paid off, and therefore the Government of the United States is not injured by having received $250,000 instead of $1. The real consideration was the grants that it made in the public interest.

The thing with me is this: I know that the Senator is perfectly sincere in his position, but I know that every argument that has attacked this property—many of them made by sincere and honest American citizens—has had its inception in the brain of a German lawyer, who is trying to throw out his viewpoint to tear down our holding this property for American citizens.

Mr. McCUMBER. Mr. President, I do not think I have any particular interest one way or the other in the matter.

Mr. UNDERWOOD. Oh, I said the Senator did not. I know he does not.

Mr. McCUMBER. I am trying to find out where we stand in reference to it.

Mr. UNDERWOOD. Certainly.

Mr. McCUMBER. I have not even a conviction of what ought to be done; but here is the question: What interest has the Chemical Foundation in the matter at all other than the interest of trustee?

Mr. UNDERWOOD. None.

Mr. McCUMBER. All it does is to collect the money from the holders of the patents and use that money to pay the 6 per cent upon the loan and to take up the preferred stock and other stock.

Mr. UNDERWOOD. Except this, that it can not go into the manufacturing business, but under the terms of its charter whatever profits it gets out of the sale of these patents must be used for educational purposes in building up a chemical institute in the United States. It is in the public interest.

Mr. McCUMBER. Then the stockholders have no interest in that?

Mr. UNDERWOOD. None whatever.

Mr. McCUMBER. And the corporation has no interest in it, except as the individuals are desirous of building up the industry in the United States?

Mr. UNDERWOOD. It is purely, as I understand it, an eleemosynary concern, just like these great college foundations are eleemosynary concerns, where some rich man comes along and gives a number of million dollars to create a foundation for education. This is merely an arrangement by which, after paying the 6 per cent interest due on this money, all of the surplus money is used in the public interest.

Mr. McCUMBER. I have some arguments before me, however, in which the Chemical Foundation takes the ground that it has paid good consideration, full and adequate consideration, for these patents, that only a few of them were worth anything, that it has had to spend considerable money, and it seems to take the position that it is entitled to them, and to do whatever it sees fit to do with them, of course under the terms of its charter.

Mr. UNDERWOOD. Undoubtedly, I think, that is true. The sale was either valid or it was not valid; but so far as the Chemical Foundation is concerned, of course until the courts set aside the sale these trustees, Mr. Dodge and the others who control this stock and control the policies of the foundation, are going to regard it as a valid sale. Then they have these patents as the result of a valid sale, to exercise a trust in the interest of the American people, and that is to see that nobody gets a monopoly of these patents during their life, and that any surplus from the payment of royalties shall go to building up an American chemical industry in the way of educating the American people along that line. That is all there is in it. There is no pecuniary profit to an individual.

Mr. McCUMBER. Then the only thing in which the Congress is interested and the only thing in which the American people are interested is as to whether this trusteeship shall be exercised by the Government or whether it shall be exercised by the Chemical Foundation?

Mr. UNDERWOOD. Undoubtedly.

Mr. McCUMBER. It seems to me that if that were all there were in it, the Chemical Foundation would not be exhibiting the intense interest it is exhibiting in this matter, as long as it has no financial gain to be had.

Mr. UNDERWOOD. I think where gentlemen are appointed trustees, and where they are interested in building up a chemical educational institution in this country, they would naturally want to carry out the trust that had been imposed upon them; and I am inclined to think that this is a wise way to do it. So far as I am concerned, it is immaterial to me personally whether the Government administers this trust in the interest of the American people or whether the Chemical Foundation administers it. The thing that I am trying to bring before the Senate is not that.

I knew at once why the Senator from Minnesota [Mr. NELSON] was diverted this morning, because when I handed my manuscript—because I wanted some publicity to it—to the press I immediately got the reaction that that paper was a defense of the Chemical Foundation, when what I was trying to do was to lay before the Senate the facts in reference to this alien property, which could only be done by reviewing these facts. I saw at once that somebody else was trying to divert attention again from the real issue, trying to mislead the Congress and mislead the American people again from the real issue, and that is as to whether these American citizens whose families and friends were drowned in the *Lusitania*, whose ships were sent down at sea by German submarines, whose

property was destroyed, are going to have an opportunity to have a court or a commission established by the Congress before which they can come and present their claims. That is what these German lawyers have been trying to foreclose and prevent ever since the German treaty was signed, and they will continue to do so as long as they represent their clients; and they are throwing up a smoke screen by talking about the Chemical Foundation and talking about lack of consideration here and there.

The real and only issue in which I am interested is to have the Congress of the United States either act upon the bill I have presented, to give the American claimants who have just rights an opportunity to be heard, or, if the Congress is not satisfied with the bill I have presented, let somebody else present a bill by which the door will be opened and they may not any longer have to stay out in the wilderness whilst this alien property is being whittled to pieces, piece by piece, in the interest of German claimants, so that in a short time there will be nothing left to administer upon.

Mr. CUMMINS. Will the Senator yield to me for a question?

Mr. UNDERWOOD. I am ready to yield the floor.

Mr. CUMMINS. I want to ask the Senator a question.

Mr. UNDERWOOD. I yield.

Mr. CUMMINS. There is some confusion in the minds of some Senators, I think, with regard to the exact situation. I ask the Senator from Alabama if the Alien Property Custodian has now or ever had any authority to confiscate property?

Mr. UNDERWOOD. The Senator and I might disagree on the legal terms. I think the amendment I offered to the trading with the enemy act, authorizing the Alien Property Custodian to sell the property—for which amendment both the Senator from Iowa and myself voted—being a war measure, amounted to a confiscation of the property. But that may be in dispute and it is academic. There is no occasion for us to go into that question, because——

Mr. CUMMINS. It is not entirely academic.

Mr. UNDERWOOD. I hope the Senator will allow me to answer his question and to say why I think it is academic. It is because, no matter whether we took it as a trustee to hold for the benefit of the Germans or whether we confiscated it, the rights to the property as it now stands were fixed by the German treaty, that treaty incorporating in it the provisions of the Versailles treaty in reference to this property. Whether we confiscated it or whether we held it as trustee, its status to-day is that it is held as a pledge put up by the German nation for these American claims. That is its status.

Mr. CUMMINS. I do not disagree with the Senator from Alabama about the effect, or attempted effect, of the German treaty; but, as I understand the law under which the Alien Property Custodian acted, there is no power or authority for confiscation. There is authority to take, and subsequently the custodian was given authority to sell. When he came to sell these German patents it was his duty, of course, to sell them for the highest price which he could secure through advertisement and public bidding. If it is true that through the organization of the Chemical Foundation, and through other arrangements made at that time, the Alien Property Custodian did not sell the property at a fair and reasonable price, then, of course, criticism would necessarily arise with regard to that transaction. That is just as true of the sale or license that was given by the Alien Property Custodian to the Navy Department.

I think it ought to be well understood, in thinking of the suit which the President has authorized or directed the Alien Property Custodian to bring, that the ultimate disposition of the proceeds of the sale of these patents is not involved at all. The Senator from Alabama may be perfectly right in saying that if we retake this property and it is then resold for its real value, the proceeds ought to be held by the Government for the payment of the claims which American citizens have against Germany. I am not passing upon that at all. I am simply trying to make it clear that it was the duty of the Alien Property Custodian at that time to sell these patents for the best price he could obtain, leaving the money for such disposition as Congress might afterwards determine.

Mr. UNDERWOOD. I can not say that I agree with the Senator at all; but if the Senator takes that viewpoint, of course it involves this question: If that were the viewpoint the Government had occupied at that time, it would have had to sell these chemical patents on the open market to the highest bidder, and that bidder would have been some one who was financially interested, and therefore of necessity they would have been sold to somebody who wanted to use the patents to create a monopoly. If the Senator were right, the law possibly would have driven the Government to that; but I do not think he is right. In the first place, the Senator says we can not confiscate. I want again to call his attention to the quotation I made this morning.

Mr. CUMMINS. I did not say Congress could not confiscate.

Mr. UNDERWOOD. I thought the Senator said that.

Mr. CUMMINS. I said Congress had not given the Alien Property Custodian any authority to confiscate.

Mr. UNDERWOOD. I think the amendment to the act authorizing the sale amounted to confiscation, and it left no discretion or review. The Alien Property Custodian was the agent who acted, but the title ran in the name of the President of the United States, and the act did not provide for any review of the action of the President of the United States. However, the President of the United States did create a review, voluntarily, by the formation of the board which he appointed, of which Mr. Cleveland Dodge was the chairman, who did review the situation in reference to all sales where the question of value was considered.

It is admitted, and must be admitted, that the sale of the wireless plants to the Navy Department and the sale of the Hoboken docks to the War Department were not for their real value, but they went to the Government. I think this other sale was of value, because, outside of the money consideration, there was other value. But I contend that, so far as the Germans are concerned, even if this property had not been confiscated, their rights in it were foreclosed under the German treaty signed at Berlin.

Mr. CUMMINS. I am not disputing that.

Mr. UNDERWOOD. Then, if they have no right, how can the Government dispute its own act?

Mr. CUMMINS. Is it not true that the Alien Property Custodian did advertise for bids upon these patents or pretend to do it?

Mr. UNDERWOOD. I do not think he did. If he did, it is not within my information.

Mr. CUMMINS. I am not sure of it, but I think he did.

Mr. UNDERWOOD. Of course, I will not deny a statement I have no information about; but I do not think he did. I think that when the question of disposing of these patents came up, the first proposition considered was to sell them in the open market for their value, and then, realizing that that would create a monopoly in these valuable patents, the authorities determined to organize an instrumentality of some kind, which afterwards turned out to be the Chemical Foundation, to hold the patents for the interest of the American people. That was all there was to it.

Mr. CUMMINS. But, taking the Senator's own view of it, that the money we get for the German property seized during the war ought to be used for the purpose of paying American claims against Germany arising out of the war—and I am not disputing it at this time—we are immensely interested in seeing that the amount of the German property which we hold is sufficient to discharge and liquidate those claims.

Mr. UNDERWOOD. I agree with the Senator in that respect; but he must remember that at the time this action was taken, and this property was sold to the Chemical Foundation, there was ample property to pay all American claims, but since that time the Congress itself has passed acts which gave back to German citizens, or the wives of German citizens, a large amount of property, and the Alien Property Custodian himself, under section 9 of the act, has given away a good deal of property. So probably now there is not more than just sufficient to pay American claims, and if they dispose of any more of it there probably will not be enough. But at the time these patents were disposed of there was ample property to take care of American claims.

Mr. CARAWAY. May I interrupt the Senator?

Mr. UNDERWOOD. Certainly.

Mr. CARAWAY. Is there any more reason why the Government should pursue the patents than that it should pursue the Hoboken docks, or the wireless stations, or the gun sights, or innumerable other pieces of property they have obtained for absolutely nominal considerations?

Mr. UNDERWOOD. None that I know of. They are all in the same category, and if one goes down the others go with it.

Mr. ROBINSON. Is it not true that the former owners of this property still claim it?

Mr. UNDERWOOD. Undoubtedly.

Mr. ROBINSON. Is it not also true that they are seeking a method by which they may get legal title out of the Chemical Foundation for the purpose of asserting their claim to recover?

Mr. UNDERWOOD. Undoubtedly; that is my judgment.

Mr. ROBINSON. So it is not, upon the part of everyone concerned, admitted that even if the sale be set aside the property

would revert to the Government, to be held and used for the benefit of the people of the United States?

Mr. UNDERWOOD. Not at all.

Mr. ROBINSON. If the sale to the Chemical Foundation is set aside, the issue will then arise as to what shall be the disposition of the property, and the former German owners claim they are entitled, as private citizens, to have their property returned to them.

Mr. UNDERWOOD. Undoubtedly, and the importance of this particular case is that it does not relate only to the chemical patents, but, if it is successful, it goes to the root of the balance of this problem.

Mr. ROBINSON. All property which formerly belonged to private citizens and private corporations?

Mr. UNDERWOOD. Undoubtedly.

Mr. ROBINSON. So that it affects the validity of practically the transactions of the Alien Property Custodian during the former administration relating to private German property?

Mr. UNDERWOOD. Undoubtedly.

Mr. President, in conclusion, I want to say, in justice to the Senator from Iowa, that he is chairman of the subcommittee which has this bill in charge and that he has given me assurance that on next Thursday at 10 o'clock he will open the hearings and proceed to the consideration of the bill. My great interest and my only interest in the matter is that his committee may reach an early consideration of the measure.

Mr. WALSH of Montana. Mr. President, I want to say a word occasioned by the remarks of the senior Senator from Minnesota [Mr. NELSON]. I have served with the senior Senator from Minnesota on the Judiciary Committee for over nine years, and I hold him in very high esteem. As a rule, we are found in accord on the questions which come before that committee. I am not able, however, to share in his criticism made this morning of the Senator from Alabama for presenting succinctly the facts in relation to this Chemical Foundation.

Under all ordinary circumstances I would thoroughly agree with the Senator from Minnesota that, the matter being a subject of pending litigation, it might very properly be left to the consideration and determination of the courts. But I can not disabuse my mind of the idea that there is a political aspect to the litigation. The present administration has been in control now for almost a year and a half. The litigation is started upon the very eve of an election which is to take place in November, before which time it will be entirely impossible to secure a determination of the controversy. Meanwhile all the partisan press in the country carries the information that this valuable property, perhaps of the value of $10,000,000, was sold to a private corporation for $250,000, the Alien Property Custodian becoming the president of that corporation, for the express purpose, the remainder of the facts being undisclosed, of securing whatever political advantage may come from the imputation upon the officers of a former administration naturally carried in such a recital. Accordingly I think the Senator from Alabama is strictly within his rights and has performed a distinct public service in laying before the Senate and the country the facts in relation to the organization of the Chemical Foundation and the transfer of the patents to it.

Mr. WATSON of Indiana. Mr. President, will the Senator yield?

Mr. WALSH of Montana. Upon some other matters discussed by the Senator from Alabama I am in entire disagreement, and I shall have something to say about that presently. I now yield to the Senator from Indiana.

Mr. WATSON of Indiana. Is it not a fact, permit me to ask the Senator from Montana, that suits were first brought by the Chemical Foundation for the recovery of certain royalties?

Mr. WALSH of Montana. I understand so.

Mr. WATSON of Indiana. And that immediately after those suits were brought the President ordered the other suit in order to clear up the whole situation?

Mr. WALSH of Montana. Some such statement as that has been made before. The fact is that the Chemical Foundation brought certain suits to recover royalties. It is also a fact that the President ordered suit to be brought to recover back the patents. Those are facts which are indisputable. The relation between them, except in point of time, is not altogether clear.

Mr. WATSON of Indiana. I understood the Senator to say the one suit was brought by the Government at this particular time largely because of its political aspect.

Mr. WALSH of Montana. That is my judgment.

Mr. WATSON of Indiana. What I am trying to get at is that the suit was brought in response to the other suit, and it was not brought until the other suits were brought, and that brought into controversy the title of the property and it became necessary to settle the question of title in order properly to defend against the royalty suits if they were to be defended against.

Mr. WALSH of Montana. The two facts exist. The suits for royalty were brought and the suit to recover the patents was brought. Whether the moving consideration was to clear up the title, as suggested by the Senator from Indiana, or the moving consideration was political, is a matter of speculation, I have given my judgment about it.

Accordingly, I think the Senator from Alabama was entirely within his rights in presenting the facts at this time to the Senate. I do not care to take that up, but I do not want it to pass sub silentio that in March, 1918, the Congress of the United States resolved and determined to confiscate the German property, sell it, and utilize the proceeds as general revenues. I can not believe that the Congress had any such purpose whatever in the enactment of the legislation to which reference has been made, as indicated by me a few days ago.

Mr. CARAWAY. Mr. President, may I interrupt the Senator?

Mr. WALSH of Montana. Certainly.

Mr. CARAWAY. The Senator does not question the idea that Congress intended to take the particular property and dispose of it? His only contention is that whatever was taken must have been held in trust.

Mr. WALSH of Montana. It was to be held subject to such further disposition as Congress might make.

Mr. CARAWAY. Whatever property itself was seized the Government divested itself of the title to a great deal of it by selling it to private individuals. There is no question about that.

Mr. WALSH of Montana. I have no doubt at all about that. They converted the title to a large portion of the property and passed it into the hands of private owners whose title to the same, in my judgment, is entirely incontestable.

Mr. CARAWAY. Then the only question is that the proceeds were, in the Senator's opinion, to be held in trust to be determined finally by Congress whether they should be paid to the owners of the property or paid to the Government of the United States.

Mr. WALSH of Montana. The Government reserved the right to make such disposition as it saw fit of the proceeds. But I would not like to have the answer which I made to the Senator as indicating that in my judgment every sale made by the Alien Property Custodian is incontestable. Each must be judged by the attendant circumstances. A sale may be contested upon various grounds. I assert simply that assuming the sale to have been made in good faith and for an adequate consideration, the title passed.

I want to say a word about the subject, however, of the claim that under the act of March 18, 1918, the confiscation of all property seized was accomplished. That act does nothing more than give the right to sell the property. It is perfectly obvious that the Government of the United States intended to take the title to the property out of the hands of the Germans and transfer it to citizens of the United States. Whether that was a wise policy or an unwise policy it is too late to discuss now. Congress authorized that to be done at the time. My own judgment about the matter, as I reflect upon it now, is that it could not have been done with any expectation that it was going to have any effect whatever upon the prosecution of the war. It could not, in my judgment, in any wise affect the result of the war, whether the Government of the United States continued to hold the property through the Alien Property Custodian until the termination of the war or whether it transferred the property to private owners in the United States. It is said that it assisted in breaking the morale of the German people. I can not believe that it had the slightest effect in that direction. It undoubtedly looked toward conditions as they should exist after the war terminated. It was prompted by exactly the same consideration that led the Governments of Europe engaged in the war before we went into it to enter into an agreement to the effect that after the war was over they would insist upon trading with Germany only upon onerous conditions, which would operate to prevent her from regaining her commercial and industrial ascendancy as it existed prior to the war.

But, Mr. President, reference has been made by the Senator from Alabama to conditions which then existed and to the desperate state of the affairs of the Allies in the horrible war that was then going on. Quite right, Mr. President, and I submit that that was no time to consider the very serious question as to what should ultimately be done with the property, and it was not considered.

The great question as to whether our record of a century and a quarter against the policy of the appropriation of the private

property of an enemy should be departed from was not canvassed at all. The fact about the matter, as disclosed by the record, is that the amendment was offered by the then chairman of the Committee on Appropriations, Mr. Martin, and was adopted without any discussion of that interesting and important question. The Senator from Alabama is apparently in error in the statement he makes that he made a statement upon the floor of the Senate with reference to the policy he now contends was then proclaimed by the law. It must have been before the Committee on Appropriations, because it was passed in the Senate without any discussion whatever. No one called the attention of the Senate at that time to the stirring words of Alexander Hamilton in speaking of the Jay treaty, which I read, as follows:

> No powers of language at my command can express the abhorrence I feel at the idea of violating the property of individuals, which, in an authorized intercourse in time of peace has been confided to the faith of our Government and laws, on account of controversies between nation and nation. In my view every moral and every political sense unite to consign it to execration. * * * It would have been an inestimable gem in our National Constitution had it contained a positive prohibition against such a practice, except perhaps by way of reprisal for the identical injury on the part of another nation.

Nor was attention called to the words of Chief Justice Marshall, as follows, in the case of Brown against the United States, referred to by the Senator from Alabama:

> Although in practice vessels with their cargoes found in port at the declaration of war may have been seized, it is not believed that modern usage would sanction the seizure of the goods of an enemy on land which were acquired in peace in the course of trade. Such a proceeding is rare and would be deemed a harsh exercise of the rights of war.

Nor the brief review of the entire question by John Bassett Moore, now a distinguished justice of the international court, as follows:

> Referring to the practice of nations and the writings of publicists, he—

That is, Chief Justice Marshall—

> declared that, according to "the modern rule, tangible property belonging to an enemy and found in the country at the commencement of war, ought not to be immediately confiscated"; that "this rule" seemed to be "totally incompatible with the idea that war does of itself vest the property in the belligerent government"; and, consequently, that the declaration of war did not authorize the confiscation. Since effect was thus given to the modern usage of nations, it was unnecessary to declare, as he did in the course of his opinion, that "war gives to the sovereign full right to take the persons and confiscate the property of the enemy, wherever found," and that the "mitigations of this rigid rule, which the humane and wise policy of modern times has introduced into practice," though they "will more or less affect the exercise of this right," "can not impair the right itself." Nor were the two declarations quite consistent. The supposition that usage may render unlawful the exercise of a right, but can not impair the right itself, is at variance with sound theory.

I would regard it as singularly unfortunate if the country should believe that the Congress of the United States had, without discussion of the subject, repudiated these splendid sentiments which have been repeatedly expressed by our jurists and publicists and this splendid doctrine to which we have adhered, should have been abandoned by the United States without even a word said in defense of it. But if it had, I should say that we ought now to appeal "from Philip drunk to Philip sober" and reconsider the determination, if it ever was arrived at.

Mr. BORAH. Mr. President——

Mr. WALSH of Montana. I yield to the Senator from Idaho.

Mr. BORAH. The Senator has said that the amendment offered by Mr. Martin was not discussed in the Senate. I think the Senator is in error as to the amendment not being discussed, but the subject of the policy of the Government did not enter into the discussion.

Mr. WALSH of Montana. That is what I meant.

Mr. BORAH. In other words, the amendment itself was discussed and it was conceded by all parties that it did not change at all the original measure as it passed the Congress. The purpose of the amendment offered by the Senator from Alabama to the committee and afterwards offered by the Senator in charge of the bill, Mr. Martin, was to correct certain language which the conferees had put into the measure after it passed both Houses of Congress. But the original act providing authority for the Alien Property Custodian had in it the same provision that the amendment contained and therefore the debate showing that the original act was not intended as an act of confiscation is perfectly pertinent to the amendment also.

Mr. WALSH of Montana. That is what I intended to say. There was some reference to the provisions of the amendment.

Mr. President, I had occasion, as a member of the subcommittee considering the question of the confirmation of the nomination of Mr. Palmer as Attorney General, to participate in very extensive consideration of his activities as Alien Property Custodian. In that connection an attempt was made to throw some suspicion upon his acts in that capacity, but the showing was so perfectly complete as to his entire good faith and fidelity in discharging the duties of that high position that there was not even a dissenting voice on the committee, as my recollection is, with respect to the recommendation which the committee ought to make.

No one felt that there was any substance to the criticism made at that time, and the examination was reasonably thorough. So, Mr. President, whatever may be said concerning the validity of this sale by the Alien Property Custodian to the Chemical Foundation upon the basis of the power conferred upon him by Congress, I am entirely confident that the officers of the Government acting in that respect were actuated by the very highest motives and performed their duty in perfect good faith, and in the confident belief, however mistaken they may have been, that they were authorized to make the transfer which was made. I feel that it is only appropriate that this statement should be made at this time and that the facts in relation to the matter should be set out, because it is a reasonable inference, and one which I fear may be quite generally drawn from the bare statement of the outline, that there was something questionable from a moral standpoint in the transaction.

Mr. ROBINSON. Will my friend, the Senator from Montana, yield for a question?

Mr. WALSH of Montana. I yield.

Mr. ROBINSON. I am seeking information as to his viewpoint. The Senator has stated that his interpretation of the act of Congress in relation to this subject is to the effect that there was no intention to confiscate these properties. If that be true, why did the United States Government insist, both in the Versailles treaty and in the separate treaty with Germany, which was finally ratified, that the German Government effectuate the arrangement which was agreed to and virtually cede this property to the Government of the United States and make it or its proceeds available for the payment of claims which American citizens had against the German Government?

Mr. WALSH of Montana. Mr. President, that is a very pertinent question, and I think its answer is perfectly plain upon the transactions had. The Congress of the United States up to this time, if I am correct, has never declared its purpose with reference to the disposition or application of the proceeds of the sales of these German properties, nor of the avails which have been derived from their occupation and use.

It is perfectly well known that a division of opinion exists in this country with respect to that matter. Some of us feel that we can not consistently with public morals and with the policy which has been pursued in the past do otherwise than restore the avails of these properties to the owners. On the other hand, the Senator from Alabama [Mr. UNDERWOOD] believes—and many in this country believe with him—that the avails ought not to be given back, but that they ought first to be utilized for the satisfaction of the claims of our citizens against the German Government.

Our representatives in the executive department in negotiating the treaty of Versailles and in negotiating the treaty of Berlin very properly insisted that the German Government should surrender all claims to that property, leaving to the Congress of the United States the right to do with it whatever in its judgment seemed to it best.

Mr. ROBINSON. But does not the language employed in both treaties imply a purpose upon the part of this Government to use the proceeds of this German property for the payment of the claims of American citizens against Germany? I do not think any other construction may be placed upon the language employed in the German treaty. In view of the language that was in the Versailles treaty and the incorporation into the German treaty of certain articles contained in the Versailles treaty no other purpose could have been in the mind of the Executive, according to my viewpoint, than to make the fund arising from the sale of this property available for the payment of claims of American citizens against the German Government.

Now, another question.

Mr. UNDERWOOD. If the Senator will allow me to interpolate a sentence, the treaty says that identical thing.

Mr. WALSH of Montana. Certainly. There is no doubt about that.

Mr. ROBINSON. There is no room for a different construction. So far as the executive department was concerned, and so far as the Senate can commit itself in the ratification of a treaty to a legislative policy, the legislative policy was determined in that treaty.

Now, I want to ask the Senator another question.

Mr. WALSH of Montana. I wish to say to the Senator that I do not regard it in that way at all. I understand the treaty

simply to be a declaration upon the part of Germany that "it is satisfactory to us that you apply the proceeds and the avails in this way, if you see fit to do so." I fully agree with the Senator from Alabama that by virtue of these two treaties the Congress of the United States is fully at liberty to do whatever it sees fit with this property; but I do assert that Congress has never until this good day declared what it is its purpose to do.

Mr. ROBINSON. Now I understand the Senator's position on the proposition, and that brings me to the other question which I wanted to ask him.

Mr. STANLEY. Mr. President, the Senator from Arkansas interrupted the Senator from Montana for the purpose of seeking information. If the Senator from Arkansas will allow me, I should like to ask him a question for information. Is it the contention of the Senator from Arkansas that the fact that we were subrogated to certain rights under the Versailles treaty entails upon us any moral or legal obligation to exercise those rights or presumes any intention upon the part of the Government to exercise them? We knew nothing about what was the intention of other nations; but, out of a superabundance of caution, could we not have claimed the same concession that Germany had made to other nations without its entailing upon us the necessity of taking advantage of the concession obtained under the treaty?

Mr. ROBINSON. I think that under the treaty we contracted with the German Government to apply the proceeds from the sale of this property to the payment of the claims of American citizens against the German Government. At least we reserved the right to do so. The German Government has an interest in that she is a party to the contract; her liability is reduced in that way. The contract is a mutual obligation. It can not be said that Germany is bound by the provisions of our contract with her and that the United States is under no obligation by reason of the fact that Germany ceded any claims that she or her nationals might have to this property and agreed to reimburse her nationals. Germany was liable for these claims and Germany entered into a contract with us that we might take the proceeds of this property and apply it in the payment of claims due Americans for which she was liable. We are bound either to collect these claims out of this property or leave American claimants without remedy. I agree with the Senator from Alabama.

I wanted to ask the Senator from Montana a further question, although I think he has made clear what his answer will be.

If an action shall be instituted to set aside the sale made by the Government to the Chemical Foundation and that action should prevail, what will be the legal status of the property then, and what will be the duty of the United States respecting all the private property involved in the suit?

Mr. WALSH of Montana. I think that is perfectly clear. If the sale is annulled by the court for any reason, the property goes back to the Government of the United States, represented by the Alien Property Custodian, and it will be just exactly the same as other property now held by the Alien Property Custodian which has not been disposed of; for instance, stocks and bonds.

Mr. ROBINSON. And which the Senator thinks, if I understand him correctly, should be returned without question to the former owners.

Mr. WALSH of Montana. That is my judgment.

Mr. ROBINSON. I believe the Senator from Montana himself pointed out that he did not agree with the statement then of the Senator from Minnesota, that the only effect that such a suit would have would be to restore directly to the custody of Government agents this property, and that the Government then would be under obligation to administer the property for the benefit of the citizens of this Nation. The Senator's viewpoint is that the effect of the suit will leave it within the power of Congress to take any action that it chooses, and that it is morally bound to return the property to its former owners.

Mr. WALSH of Montana. I do not understand that there is any difference between the Senator from Minnesota and myself with respect to that matter except——

Mr. ROBINSON. Yes; there was this difference——

Mr. WALSH of Montana. I do not think there is any difference. We both agree that the property——

Mr. ROBINSON. The Senator from Minnesota——

Mr. WALSH of Montana. Let me state my position.

Mr. ROBINSON. Certainly.

Mr. WALSH of Montana. The Senator from Minnesota has stated that when the property goes back it will be the duty of the Government to administer it for the best interests of the people of the United States.

Mr. ROBINSON. Yes; and that, of course, implies——

Mr. WALSH of Montana. Just a moment. Just how the Government will administer it for the best interest of the citizens of the United States the Senator from Minnesota has not stated. That may mean that the Government should keep the property and put it into the hands of a corporation created by the Government and hold the property or its avails indefinitely, or the Senator from Minnesota may agree with me that it is to the best interest of the people of the United States that it be given back to the German owners.

Mr. ROBINSON. Now, if the Senator will permit me, I can not by any possible application of the rules of construction give to the language of the Senator from Minnesota the last meaning of which the Senator from Montana says his language is capable. My understanding of the statement of the Senator from Minnesota was that this property should be taken away from the Chemical Foundation because that foundation does not properly represent the people and the Government of the United States, and that it should be taken back by the Government and used for the benefit of the people of this Nation. The Senator from Minnesota is in the Chamber, and he can say whether, in his opinion, if the suit shall prevail the property should be returned to its owners.

Mr. WALSH of Montana. The Senator from Minnesota has not yet been asked that question.

Mr. LODGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Massachusetts?

Mr. WALSH of Montana. I yield to the Senator from Massachusetts.

Mr. LODGE. Mr. President, unfortunately, I was not present when this discussion began, having been detained at one of the departments; but there is an element involved in this question which seems to me to have been passed over. There is no doubt whatever about the trend of international law and still less about the traditional position of this Government from the days of Hamilton down in regard to the confiscation of private property. But, Mr. President, the right to take the property and prevent its being used by an alien enemy against us I do not think has ever been affected by that at all. That action we took. Then the treaty of Versailles made provision for giving to the United States and to the other powers the right to use such property, if they saw fit, for any purpose they chose, and we reserved that right in the treaty with Germany; but I do not quite understand those provisions to mean that we are bound to complete the confiscation of that property and use it to the exclusion of all other funds for the settlement of our claims against Germany. If Germany should pay all her claims, I think it would be entirely open to our Government to return, if it saw fit, the money taken and put in the hands of the Alien Property Custodian during the war in order to protect our interests against an alien enemy.

The point I wish to call attention to in connection with the bill is this——

Mr. ROBINSON. Mr. President, if the Senator will pardon me, I do not know that I disagree with him as to his last statement, but, in the practical aspect of the question, in all probability the only way by which payment of the claims of American nationals against Germany can ever be secured is in the way contemplated by the Versailles treaty and German treaty, by the appropriation of the proceeds of this private property.

Mr. LODGE. I agree to that proposition that we have the right to do it under the treaty.

Mr. ROBINSON. There is not the slightest likelihood, in my opinion, of the contingency last referred to by the Senator from Massachusetts ever occurring. Germany is not going to pay these claims. She is, in the first place, unable to do so under existing conditions, and, in the next place, she has agreed that we may pay ourselves out of this property. Of course, I still think that we would have the right to make whatever disposition of the property we wanted to make. I do not understand that returning the property to its former status would preclude the Government from taking any action in disposing of it that it saw fit. On the other hand, I am assured that many would like to see the suit against the Chemical Foundation prevail, because it would give the former owners a chance to get back the property.

Mr. LODGE. I did not intend to enter into the question of the title of the Chemical Foundation to the patents which it has. The point I desired to make, and which I really rose to make, if the Senator will kindly allow me to, was this:

We are already engaged in negotiating with Germany for the establishment of a commission to determine the amount of our claims, which is the usual course to take. We have an

Anglo-American commission sitting at this moment, and as soon as an agent is appointed it will continue to sit.

Mr. UNDERWOOD. Mr. President, if the Senator will allow me to interrupt him, he says "the usual course."

Mr. LODGE. The almost invariable course, if the Senator will allow me to explain what I was going to say.

Mr. UNDERWOOD. I was going to call the Senator's attention to the fact that there are dozens of cases where claims of this class have been determined solely by an American commissioner.

Mr. LODGE. Mr. President, there is a distinction perfectly well known both in history and in diplomacy, and that is that when the Government is caring for the claims of its citizens that is one thing, but when the Government assumes the claims itself it takes a step to which the next step would be armed force. That is when the Government makes the claim its own. In this case what the Government is seeking to do first is to determine the amount of the claims. For that purpose we have almost invariably, I think—because I do not now recall a case in which we have made a private claim our own; there may be such—joined with the nation against which we had the claim, unless we could do it wholly through diplomatic channels, and agreed as to the amount if we could. That is the first and normal step. The completion of that treaty has been delayed by the unfortunate assassination of Rathenau, the German minister; but we have been pursuing that course, and I think the proper course diplomatically, in order to reach as a preliminary what Germany owes us. Nobody knows now what she owes us. You can not take the claims without investigation. This bill admits that. You can not take the claims as they happen to be named. The usual way to determine them is by a commission of the two powers which shall reach an agreement as to the amount of the claims. If we are going to throw that step aside and at once determine the claims for ourselves, from which there can be no appeal, and say to Germany, "Here are the claims as we figure them out," we are taking a very much more serious step.

I had hoped that we should agree on the amount of the American claims which Germany ought to pay us; and then, if she declines or is unable to pay, I do not think there is any question that under the treaties, as the Senator from Arkansas has pointed out, we have the right to use this fund. Meantime, however, it seems to me that when the claims are assessed it is better at least to give Germany the opportunity to pay, and if she does pay from other funds or in other ways then we could follow out our traditional policy and return German funds.

I only wanted to express the hope that the subcommittee of the Committee on the Judiciary, when they take up this matter, will remember that the State Department has it under negotiation, that it is under negotiation now, and that there is one method of reaching a settlement, the payment of the American claims, on which I do not disagree at all with my friend the Senator from Alabama that that ought to be considered before we adopt another and a wholly different method.

Mr. NELSON. Mr. President, will the Senator yield to me a minute?

Mr. LODGE. Certainly.

Mr. NELSON. This bill of the Senator from Alabama has been referred to the State Department.

Mr. LODGE. Has it?

Mr. NELSON. Last week it was referred to the State Department, and I suppose we will get information as to what steps the department has taken.

Mr. LODGE. I am very glad to know that. That is just what I was suggesting.

Mr. NELSON. It has also been referred to the Department of Justice.

Mr. WALSH of Montana. Mr. President, I merely desire to say that the point raised by the Senator from Massachusetts now touches the question of the character of the legislation or the course that ought to be taken toward the adjustment of these claims. I may say that I would not care to submit to any arbitral tribunal the question as to the liability of Germany on most of the claims that are preferred by the Government of the United States in behalf of its citizens, but I fully agree that inasmuch as the primary liability to the Government of the United States is upon the part of the Government of Germany it ought to have a representation upon any tribunal which is to determine the amount of those claims.

Mr. LODGE. That is all I intended. I did not mean an arbitral tribunal in the broad sense as to the right.

Mr. UNDERWOOD. Mr. President, I want to say just a word in reference to the suggestion of the Senator from Massachusetts.

In the first place, the bill that I have introduced provides for the ascertainment of the American claims. Then it provides that an opportunity shall be given to Germany to pay them; and then, if they are not paid by Germany, they can be paid out of this property in the hands of the Alien Property Custodian.

Mr. President, I think there is a very marked difference, and the issue will probably be very clearly drawn. I voted with the Senator from Massachusetts in ratifying the German treaty of peace. One of the reasons why I did so was because in that treaty Germany had provided, at least as I understood, for the settlement of these American claims, the American claimants ratifying to that extent the powers in the Versailles treaty.

As I understand that treaty and understood it then, Germany did not claim the right to have any voice in ascertaining these American claims. She has foregone that right, as she has in all her claims in the settlements with our allies. She has not had a voice in the amount of the reparations or the amount of the claims that have been set up. She has not even had a voice in the amount of the indemnity that she should pay; and it seems to me that if we are to take the position now that we are to invite the German Government in to determine whether or not she ought to pay reparations to the heirs of the people who died on the *Lusitania*, it is a complete backdown from the position we have heretofore taken.

Mr. LODGE. Mr. President, if the Senator will allow me, I never intended anything of the sort. I never suggested anything of the sort.

Mr. UNDERWOOD. I misunderstood the Senator, then.

Mr. LODGE. I said simply as to the amount of the claims. As the Senator from Montana pointed out, I am not urging an arbitral tribunal to decide whether Germany owes us anything for the destruction of the lives on the *Lusitania*, but it seems to me she ought to have a hearing as to the total amount of the claims.

Mr. UNDERWOOD. But the decision as to the amount of the claims is the decision itself.

Mr. LODGE. Oh, I do not think so.

Mr. UNDERWOOD. In a number of these cases, if Germany were in court, she might raise the question as to whether she owes anything to the victims of the *Lusitania*, because she has denied it up to this time; but as to a number of ships that she sank with her torpedoes before we went into the war she probably would not dispute the fact that an indemnity was due, but the decision as to the amount of the claim would be the real decision. Germany has not demanded of our allies that she shall sit in court. She could not. She was a conquered nation, and she committed these acts of war, and I think the issue is very clearly drawn.

Mr. LODGE. She has been discussing the amount of her reparations for about four years and has not made them yet.

Mr. UNDERWOOD. Yes; but she has only discussed what she would pay.

Mr. LODGE. The amount—precisely.

Mr. UNDERWOOD. How much she can pay.

Mr. LODGE. That is all. That is all I propose to discuss.

Mr. UNDERWOOD. She has objected to the amount; but the Senator suggests, as I understand, that this legislation be postponed or that the State Department will postpone it until we can have a tribunal established by another treaty—because it can be done only by another treaty——

Mr. LODGE. Certainly.

Mr. UNDERWOOD. Because the first treaty fixes the rights up to this time. It fixes our right to act alone; and if we are to have another treaty, and it is to be decided then, it means that this legislation will not pass, and that the American claimants against Germany will have no court into which they can go to present their claims and get payment; and if the matter goes to an international tribunal there is no telling how long it will last. That is the very thing to which I object. I think it is very doubtful.

Mr. LODGE. It seems to me, if the Senator will allow me, that he is intepreting what I said in a way very differently from what I intended, and giving it a construction which I did not intend. I am sure the Senate in taking up this matter ought at least to consult with the department charged with our foreign relations before it decides to pass legislation here. I think that is only ordinary courtesy.

Mr. UNDERWOOD. Of course, I have no objection in the world to consulting with the State Department; but I think right now, under the German treaty as it exists, we have a perfect right to establish a tribunal.

Mr. LODGE. I do not deny that at all.

Mr. UNDERWOOD. I am glad the Senator does not; and if that is the case we have the right to establish a tribunal and

give these American claimants a chance to establish their claims before their witnesses die, and while they have an opportunity to present their evidence. Then there is no real issue between us; but I want to say this to the Senator: In looking over the authorities—I can put them in the RECORD later; I can not call the names—I recall a number of instances in which a tribunal of American citizens only was established to decide claims of this kind. That was done in the Spanish war case in 1831, growing out of a question of facts of this kind.

Mr. LODGE. Oh, that was done because Spain undertook to pay certain claims, and we undertook to pay certain other claims. It is like the case with Mexico.

Mr. UNDERWOOD. That is exactly the case here. Germany turns over to us certain property which we agree in the treaty to use for our citizens, and she agrees in the same treaty to reimburse her own citizens at home. It is not a confiscation.

Mr. LODGE. Oh, no. I say, that has been done many times.

Mr. UNDERWOOD. By way of taxing them she takes this property under her power of government and turns it over to us to pay our claims, and she says: "In lieu of that we will pay the owners of that property back in Germany."

Mr. LODGE. Oh, yes; that has been done frequently; but that is by agreement with the other power, of course.

Mr. UNDERWOOD. To be sure. That agreement is made. Here is the agreement. Here is the property. Of course my bill contemplates that after we file the claims Germany may have an opportunity to pay them before we exercise our right to have them paid out of the property; but here is the property and here are the claims. Why should we go into a tribunal made up of one American, as I understand, and one German, and an arbitrator, to determine the rights of these American citizens, when Germany has conceded them? I can not see any reason for that.

Mr. LODGE. I do not propose that.

Mr. UNDERWOOD. But I wanted to call the Senator's attention to this: With Spain in 1831 we made a settlement of claims when there were only American citizens on the tribunal. The tribunal that made the settlement of the claims growing out of the Mexican War was composed only of American citizens; and in looking through the authorities I have run across dozens of similar tribunals set up where an international claim existed, but only American citizens sat in the tribunal. I do not see any reason in the world why we should hesitate in this matter and forego the rights of our people who have suffered, and who have had no opportunity to have their claims passed on because their own Government will not give them a court in which to stand.

Mr. LODGE. Mr. President, I think they ought to be paid every dollar, and if necessary, and we can not get the money in any other way, I think we have a right to take this fund, and I favor doing it. But I see no reason in the world why it should be done without any regard to the usual methods, or without discovering what Germany is ready to pay, and what she is ready to do.

Mr. UNDERWOOD. The usual method is the method I have proposed to pursue. There is precedent after precedent for this procedure, and so far as Germany is concerned, Germany has already said, in the treaty of Berlin, that we may go ahead and settle in this way.

Mr. LODGE. There is no "precedent after precedent," because there has never been a case in our history where we have seized a lot of enemy property and held it as we are holding this property to-day.

Mr. UNDERWOOD. There is no issue between us and Germany about the enemy property, and the Senator must concede it. I say that the precedent exists in the fact that an American tribunal alone can decide the rights of American citizens as against this country, that an American tribunal alone shall find the verdict.

Mr. LODGE. We have security in the fund in the hands of the Alien Property Custodian, which has never occurred before, to my knowledge. Before we finally confiscate private property, I think we want to be very careful of our steps. Before we shatter a doctrine of that sort finally, we want to have the best possible ground to stand on.

Mr. UNDERWOOD. The Senator has already admitted that Germany has yielded this property. We are not shattering any doctrine. It is not a question of confiscation. It ceased to be a question of confiscation when the treaty of Berlin was ratified. It then became a contract.

Mr. LODGE. It will cease to be a question of confiscation when we take it, but at present it is security, and I believe in holding it until every dollar owing our claimants is paid, and, if necessary, in using that fund. But I regret the necessity, because I regret the final confiscation of private property.

Mr. ROBINSON. That is the way I understood the Senator in the beginning. He made himself clear to me that in his opinion this property should be held until the German Government pays, and if it does not pay these claimants, then the property should be subjected to the payment of the claims.

Mr. LODGE. Precisely.

Mr. ROBINSON. I want to ask the Senator a question which to my mind has great practical importance. In view of the financial condition of Germany and of the political conditions in Germany, how long does the Senator think American claimants should have their rights withheld in order to await the action of Germany and the determination of the question as to whether Germany is ever going to pay or not, and thus enable us to return the property to these private German citizens?

Mr. LODGE. Within a very reasonably limited time.

Mr. ROBINSON. Does not the Senator think, in view of the political conditions——

Mr. LODGE. I think the question ought to be settled now, if the Senator asks me that question.

Mr. ROBINSON. I agree with the Senator. I think we ought to proceed in some way at once. I have not the slightest hope that Germany would ever pay these claims, in view of the arrangements she has made in the treaty of Versailles and the arrangements she has made with us in the German treaty. I do not think we need ever expect these claims to be paid in any other way than through the properties which we have seized and which she has agreed we may use in that way. If we do not intend to subject that property to the claims of our nationals, and leave German citizens for their remedies against the German Government, it will be generations before any relief will come to our citizens who have these claims against Germany.

Mr. LODGE. The only point I desire to make is that if we are to abandon the policy of this Government in regard to private property, as we are undoubtedly about to do, I think we ought to have our case so clear that no question in regard to it could arise to plague us in the future. I want it dealt with at once.

Mr. ROBINSON. I have not the slightest objection to that statement. I concur in the conclusions of the Senator, but I can not see the benefits to be derived from waiting, in view of the conditions in Germany. There is not the slightest possibility that she will pay these claims, and if we ever expect our nationals to recover anything, the only way they can do it is by subjecting this property to the payment of the claims. I admit it is a very great hardship, and I am not precluding myself from the determination of the matter, if it is presented to Congress, from the standpoint of all good conscience and on a fair consideration of the precedents, but from a practical standpoint there is no benefit to be derived from waiting on the German Government to take action. She has no resources that she can make applicable to the payment of these claims, and she will not have in a long time.

Mr. UNDERWOOD. Under the treaty of Versailles—which, of course, binds Germany with our allies, if not with ourselves—she has no power to pay us, because all her revenues are bound up in the reparations she is bound to pay to the Allies. She will not have the opportunity to pay us until she settles her obligations to the Reparation Commission, which may be 50 years from now.

Mr. ROBINSON. That is one condition which is insurmountable. Another is her financial and economic situation, considered apart from the limitations imposed upon her actions by the Versailles treaty. If she were unrestrained and had the disposition, she could not do it until the most radical changes—changes we do not expect to occur in the early future—should take place. So, as a practical proposition, I think we might just as well go ahead and do what we are going to do, either return this property to the private owners and leave American citizens who have claims against Germany with no practical method of collecting their claims, or go ahead and carry out the implications of the Versailles treaty and our treaty with Germany and subject this property to the claims, and do it at once.

Mr. UNDERWOOD. That is the reason why I rose to object to the suggestion that any delay shall be had in legislation on the part of Congress until we make another treaty of peace with Germany. I do not take any interest in the suggestion which the Senator from Massachusetts has made, that we owe Germany some further obligation in this matter. We worked that out in the treaty of Berlin. Our rights are fixed. She recognized that we were going to take this property for our citizens, because she has agreed herself to reimburse her citizens, not

for the value of the claims but for the value of the property taken. Therefore, why should she be invited in to make a tribunal to determine the amount of the American claims? I believe that it would be not only unjust but such a proceeding would be repulsive to the American people, who feel that they won the war, that they suffered all these hardships, not by their fault but by an act of war on the part of Germany.

For us to wait for Germany to enter into a new tribunal to determine the rights of our own citizens in this matter, after it has been settled, is a thing I can not agree to at all. I think it is up to the Congress now to pass a law on the subject. I introduced a bill merely because nobody else has done so. It was not my responsibility, but when nobody else introduced a bill to take care of American citizens I did so. I am not wedded to that bill. If somebody else has a better bill, let him propose it and have it passed. But there is no doubt in my mind that this Government and this Congress will be recreant to their duty to American citizens if they delay this matter an hour longer than is necessary for the consideration of the case and a prompt determination of the question whether they are going to pass legislation or not.

Mr. LODGE. Mr. President, I do not want to have it delayed at all. I think it ought to be settled one way or the other. But the Senator overlooks entirely, and has throughout, that this is not the property of the German Government. It is private property, here under the protection of our laws, and lawfully here, and we have seized it and we hold it as security for just American claims. I am ready to pay out of that security if we can not get payment in any other way. But I dislike excessively not to give Germany the opportunity, at least, to admit the justice of our claims and pay them in some other way if she can. If she can not, we must take this private property, which is not the property of Germany but the property of private individuals, and run counter to what we have always held to be our policy in the past. We shall have to do it, I am afraid. I regret that we shall have to do it. I do not wish to have it delayed, but I do not wish to have overlooked the fact that the property we are taking and holding as security is private property, protected by all our laws heretofore and by our own policy, and property to which we get a legal title only by these two treaties. We undoubtedly have a legal title and can take the property.

THE TARIFF.

Mr. McCUMBER. Mr. President, having spent nearly three hours in the discussion of a subject which is not before the Senate at all—though I hope we have advanced the consideration of the subject to that extent—in humility may I now ask that we return to the consideration of the tariff bill.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McCUMBER. I ask that the Senate now consider paragraph 1017.

Mr. BORAH. What does paragraph 1017 cover?

Mr. McCUMBER. It covers sacks or bags made of plain woven fabrics.

Mr. UNDERWOOD. The Senator is correct in saying that we did divert from the subject before the Senate for a long time. But this is a matter we are going back to, and will the Senator not ask for a quorum in order that the absentees may know that we have taken up this subject?

Mr. McCUMBER. Very well. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ashurst	Harreld	Oddie	Stanley
Ball	Heflin	Overman	Sterling
Borah	Jones, Wash.	Phipps	Swanson
Bursum	Kellogg	Pomerene	Trammell
Capper	Kendrick	Ransdell	Underwood
Caraway	Lenroot	Rawson	Wadsworth
Colt	Lodge	Robinson	Walsh, Mass.
Culberson	McCumber	Sheppard	Walsh, Mont.
Curtis	McNary	Shortridge	Warren
Dial	Nelson	Smith	Watson, Ind.
Frelinghuysen	New	Smoot	Willis
Gooding	Nicholson	Spencer	
Hale	Norbeck	Stanfield	

Mr. TRAMMELL. I desire to announce the unavoidable absence of my colleague [Mr. FLETCHER] on account of illness.

The PRESIDING OFFICER. Fifty Senators have answered to their names. There is a quorum present.

Mr. SMOOT. I send to the desk a proposed substitute for paragraph 1017.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 137 the Senator from Utah proposes to strike out paragraph 1017, the matter beginning with line 24 down to and including line 2 on page 138, and to insert:

PAR. 1017. Bags or sacks made from plain woven fabrics of single jute yarns or from twilled or other fabrics composed wholly of jute, not bleached, printed, stenciled, painted, dyed, colored, nor rendered noninflammable, 1 cent per pound and 10 per cent ad valorem; bleached, printed, stenciled, painted, dyed and colored, or rendered noninflammable, 1 cent per pound and 15 per cent ad valorem.

Mr. SMITH. I understand this is to take the place of paragraph 1017?

Mr. ROBINSON. It has no relation to cotton bagging. These are bags the only importations of which are along the Pacific coast, and the rates are practically the same as those carried in the existing law.

Mr. SMOOT. The twills are very much less.

Mr. ROBINSON. The present rate is 10 per cent on the plain jute bags and 35 per cent on the twilled. The amendment reduces it to 10 per cent except in case of bleached, painted, and so forth, in which event it is 15 per cent, the 1 cent per pound being the compensatory duty made imperative by the rate carried on the raw material.

Mr. SMOOT. And the 5 per cent difference being between the bleached, printed, and so forth, and the not bleached, printed, and so forth.

Mr. ROBINSON. Of course, there is no duty on the raw material under the existing law, but in the pending bill by paragraph 1008 there is a duty of 1 cent per pound placed upon the raw material. In the amendment which the Senator from Utah now proposes there is a compensatory duty of 1 cent per pound, and in addition to that 10 per cent, except in the case of bleached, and so forth, in which event it is 15 per cent.

Mr. SMITH. May I ask the Senator from Utah what reason there is why a duty is imposed on the raw material when we do not produce of this nature of material anything like a sufficient quantity for domestic use in this country?

Mr. SMOOT. I suppose the Senator means jute?

Mr. SMITH. Yes; I mean the jute.

Mr. SMOOT. But this is on the burlap, I will say to the Senator.

Mr. SMITH. I understand it is burlap, but the burlap itself is a form of the bagging material of which our sacks are made, and is made out of the jute fiber.

Mr. ROBINSON. All this relates to jute.

Mr. SMITH. I understand that, but I want to know why we should pay a duty on the raw material when it is not produced here.

Mr. ROBINSON. We do not produce it at all.

Mr. SMITH. We do not produce a pound of it.

Mr. ROBINSON. I would like to have some one explain it.

Mr. SMOOT. The Senate has already agreed to the 1 cent per pound.

Mr. ROBINSON. But, as the Senator from South Carolina has stated, there is no justification for it whatever.

Mr. SMITH. I can understand very well why there should be the compensatory duty to which the Senator from Arkansas refers, when the committee have put a duty of 1 cent a pound on the raw material, but I can not understand on what ground we are going to tax the raw material of which under no consideration do we make sufficient amount to meet the necessities of the case.

Mr. SMOOT. That we discussed, and there are some others who think the same as the Senator from South Carolina, but as long as that duty is imposed we have to provide a compensatory duty.

Mr. SMITH. I understand, but I thought the Senator from Utah, having charge of the schedule for the committee, could propose that we take the duty off the raw material and then lower the duty on the finished product.

Mr. SMOOT. In order that the Senate may understand what this is, outside of the 1 cent compensatory duty, I will state that it is a 10 per cent duty upon the plain woven fabric that goes into the bagging when not bleached, printed, stenciled, painted, dyed, colored, or rendered noninflammable. When it is bleached, and so forth, it is 15 per cent, or a simple 5 per cent differential. Under the existing law, as already stated, there is 10 per cent upon the first. Upon the twilled, to which we have added here, together with the burlap, 5 per cent and given a rate of 15 per cent, under the existing law the rate is 35 per cent and under the Payne-Aldrich law 45 per cent. Therefore all twills are reduced over one-half outside of the compensatory duty.

Mr. ROBINSON. Mr. President, I agree absolutely with the statement of the Senator from South Carolina that there is no

justification whatever for the duty imposed in paragraph 1008 on the raw material which enters into this product. That duty has been considered, however, by the Senate. An examination of the subject discloses that we do not produce burlap in commercial quantities, and, since we have to import the raw material, the only possible justification for a duty on it is for revenue. In my judgment it is not a good article for a revenue duty. There is no propriety in imposing the raw-material rate in paragraph 1008. All of the raw-material rates on hemp, jute, and jute yarns in the bill are unnecessary and unjustifiable. I know there are many Senators on the other side of the Chamber who have studied the subject and are of the same opinion. I do not violate anyone's confidence, but I know some of them, who have studied it, who doubt the wisdom of imposing these high duties on the materials. However, since the Senate has disposed of that by imposing the duties, for the present I am not going to consume further time in discussing it, but when the opportunity is presented for individual amendments the Senate will have a chance then to pass upon the question again.

The PRESIDING OFFICER. The question is on agreeing to the substitute offered by the Senator from Utah for the committee amendment as printed in the bill.

Mr. BORAH. The Senator from Utah made a statement in regard to this matter, but my attention was distracted for the moment. I should like to ask the Senator from Utah how this rate compares with the rate of the present law?

Mr. SMOOT. On the unbleached the present law provides the same protective rate of 10 per cent. However, we have provided a rate of 1 cent a pound compensatory duty for the raw material, as has been stated by the Senator from Arkansas as well as by me. As to these fabrics when dyed and bleached, so far as the twilled fabric is concerned the rate is less than half of that imposed by the existing law, being 15 per cent ad valorem; in other words, the protection not only on the twilled but on the fabric that goes into the bag itself is 10 per cent when unbleached and 15 per cent when bleached.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the next committee amendment.

Mr. SMOOT. The next amendment is paragraph 1017a, relative to cotton bagging.

The READING CLERK. On page 138, after line 2, it is proposed to insert:

PAR. 1017a. Bagging for cotton, gunny cloth, and similar fabrics, suitable for covering cotton, composed of single yarns made of jute, jute butts, or other vegetable fiber, not bleached, dyed, colored, stained, painted, or printed, not exceeding 16 threads to the square inch, counting the warp and filling, and weighing not less than 15 ounces nor more than 32 ounces per square yard, six-tenths of 1 cent per square yard; weighing more than 32 ounces per square yard, three-tenths of 1 cent per pound.

Mr. SMITH. I understood the Senator from Utah to say that he had an amendment to propose to that paragraph. If he has not, I merely wish to call the attention of the Senate to the fact that the fabric on which it is proposed to levy a duty by the paragraph is a single-yarn fabric. So far as I know, the bulk of it is used for the covering of cotton. Therefore a duty imposed upon it will be just that much, of course, to be taken out of the value of the cotton which it covers.

As I have hitherto explained to the Senate, the situation is about as follows: The cotton producers of this country are not even paid for the bagging and ties that cover the cotton, but under our tare arrangement, both at home and abroad, 30 pounds of the weight of a commercial bale of cotton is deducted for tare. That means that we lose the bagging and the ties which are bought under protection, while our cotton is sold under free trade. We not only have that disadvantage but we have deducted from the weight of the bale, as I have stated, 30 pounds. If the producer does not happen to put into the bale 30 pounds of tare—that is, if the producer of cotton, as some do, put on only 25 pounds of tare, and has 30 pounds deducted—he not only loses the ties and bagging but loses 5 pounds of his cotton.

Furthermore, there is not a pound of this material produced in this country. This single-yarn stuff is made from the coarser forms of jute and weighs about 2 pounds to the square yard. There has been established in my State a manufacturing plant for the making of bagging, but it was a purely artificial arrangement for the convenience of those who desired to take advantage of the situation under protection and import into this country fiber of which not a pound was produced here. Those who desired to avail themselves of the use of such bagging had to pay the duty on the raw material and then the duty on the finished product, levied wholly for the purpose of building up a concern in this country whose foundation rested in India. If anything should occur to England which would cut off the supply of jute from India, the factory in America would not be worth the scrapping. The raw material is not produced here, and the machinery could not be adapted to the manufacture of anything else. The establishment is designed solely for the production of bagging and nothing else, and it depends entirely for every pound of raw material on India.

It is complained that in India, as has been set forth in a brief which has been handed to me by one of the Senators, coolie labor is employed for from 15 to 20 cents a day. It is stated that Americans are going to India and establish factories in Calcutta for the production of bagging which they can send here and sell at a price with which American producers can not compete. It is certainly begging the question in order to make an argument for protection in the case of an article which we do not produce and every pound of which has to be imported into this country to set up high protection for the manufacture at home as against foreign importations. The Ludlow bagging concern, as I understand—at any rate it is so stated in this brief—is going to India because when the Underwood tariff law took the duty off bagging it was not profitable to buy and import the foreign raw material and manufacture it here, although when it was absolutely protected it might do anything it pleased. With the protection removed, it goes to India, where it can get cheap Indian labor for 15 or 20 cents a day and manufacture a cotton product into an American utility and sell it here to us at about half what it would cost if made in America.

Mr. SMOOT. The Ludlow Co. is not going to India, but they have already gone and are manufacturing the fabrics in India to-day.

Mr. SMITH. That only substantiates what this brief is attempting to show. Now it is the competitors of the Ludlow Co. who are complaining that unless they are protected in this bill they will have to go to India and compete from there. Well, let them go to India, because if the cotton producers in this country and the other allied interests, such as the potato growers of Maine and other States along the coast, who use rough forms of jute baggings for their products, can thereby get these receptacles for the purpose of casing their products for the market at a less price, I submit that it is not only the part of good statesmanship but of business that we allow these people to go to India and convert that Indian product into a form that we can use, rather than let them import the raw material at a high cost and manufacture the finished article here, and force those who are compelled to use it to pay an extra price.

Mr. SMOOT. I may have misunderstood the Senator from South Carolina, and therefore I desire to ask him did I correctly understand him as saying that this article is used for potato bagging?

Mr. SMITH. Yes; the burlap is.

Mr. SMOOT. No.

Mr. SMITH. The finer counts of these burlap bags are made out of jute.

Mr. SMOOT. I thought the Senator meant that cotton bagging was used for that purpose. I did not want it understood that the article covered by this paragraph is used for bagging for potatoes or grain.

Mr. SMITH. No; this fiber is so coarse that anything small would go through the spaces between the threads. To put it into concrete form, I am protesting against transporting from India the coarse forms of jute, paying freight and all incidental expenses necessary to get it here, converting it in American mills into bagging, and then paying a duty on that, when the finished product may be manufactured in India cheaply, sent here, and sold ready for the packing and baling of cotton.

Mr. President, in view of these facts, and in view of the further fact that the difficulties surrounding the production of cotton are now almost insuperable, I shall ask that the committee amendment be disagreed to. I understand that disagreeing to this amendment will put the commodity on the free list.

Mr. SMOOT. If the amendment is disagreed to, then, of course, it will become necessary to mention it in the free list particularly.

Mr. SMITH. Very well.

Mr. ROBINSON. Mr. President, since, under the parliamentary situation, amendments can not now be offered placing cotton bagging on the free list, and being convinced that it ought to remain on the free list, where it has been for some time, I am going to offer an amendment to the committee amendment which will materially reduce the rate. Such an amendment will substantially test the sense of the Senate as to whether cotton bagging should remain on the free list.

As stated by the Senator from South Carolina, this paragraph relates to the manufactured product which is used solely for wrapping cotton. It is now on the free list. The imposition of this duty will cost the American cotton producer probably something like half a million dollars, because it will inevitably result in increasing the price of cotton bagging. That is the purpose of it.

It is true, according to the information furnished by the Tariff Commission, that two large concerns which have heretofore operated in the United States, for the purpose of getting the benefit of the cheap labor of India, are planning to manufacture cotton bagging in that country; and the American manufacturers who expect to continue operations here are complaining that they will be driven out of business unless some duty be imposed on importations of the product of these American concerns which are going to India.

The importations now are very small compared with the domestic production. In 1919 the total production was something like 75,000,000 square yards, and in 1920 it was 97,000,000 square yards. The imports during the fiscal years from 1911 to 1920 averaged a little more than 7,000,000 square yards, valued at a little more than a half million dollars. In the calendar year 1920 the imports amounted to 7,261,904 square yards, valued at $730,719. Senators may readily see that with the importations increased very slightly the value of the total imports had increased by almost 50 per cent, which means that already the American cotton farmer is paying for cotton bagging about 50 per cent more than he was paying about 10 years ago, and if this duty shall be imposed the price will be again advanced in all probability.

I move to amend the committee amendment by striking out "six-tenths," in line 9, and inserting in lieu thereof "one-tenth," and by striking out "three-tenths," in line 11, and inserting in lieu thereof "one-twentieth." That will leave the proportion the same, but it will leave this article practically on the free list.

Mr. SMITH. Mr. President, I should like at this point to inquire of either the Senator from Arkansas, who is in charge of the schedule on behalf of the minority, or the Senator from Utah, who is in charge of it for the majority. The committee is the author of this amendment. In paragraph 1017a cotton bagging has been separated from the bagging covered by paragraph 1017. Why would it not be in order now to amend the amendment proposing to insert paragraph 1017a so as to put cotton bagging upon the free list rather than to lower the duty?

Mr. SMOOT. The way to do that would be to disagree to the committee amendment and then later offer an amendment to the free list covering cotton bagging. If we did not specifically mention it in the free list, it would fall under the enumerated clause of manufactured articles.

Mr. SMITH. I understand that, but I was attempting to obviate the necessity of taking up those things when we get into the Senate, when specific amendments might be offered. I thought it might expedite matters.

Mr. ROBINSON. I have looked into that, and I am convinced that under the parliamentary agreement under which we are proceeding it is not now in order to move to place cotton bagging on the free list. If it were, I should certainly do so, because, as I have already stated, I think it ought to remain there. It is unjust to burden the American cotton-growing industry with this duty. I think it is unnecessary; and if it be true that those who have heretofore manufactured most of this commodity have reached the conclusion that the industry ought to be carried on in another country, and they have expatriated themselves and their industry for the purpose of conducting it in India, the best thing the American people can do is to let it be manufactured in that country, because the bulk of it is being manufactured by these concerns that now claim they are moving their business to India.

As stated by the Senator from Utah the other day, there are some manufacturing enterprises in which this country can not successfully compete with other countries; and this commodity is such a necessary article, and is in such common use, so essential to the prosperity of the cotton business, that I believe we would be justified in placing it upon the free list. If those who have manufactured it heretofore choose to move their industries to a foreign country in order to be able to make it cheaper than they are now manufacturing it, I do not know of any reason why the American farmer, who consumes it, should be required to pay for it an additional amount in the form of a tax.

Mr. McCUMBER. Mr. President, I call attention to the fact that the Senator from Arkansas has just stated that this tariff will add about $500,000 annually to the cost of cotton bagging in this country. Just exactly how he arrives at that conclusion, of course, I am not prepared to say. The entire imports of cotton bagging during 1921 were 3,372,000 square yards valued at $309,897. An additional cost of $500,000 would be more than the entire value of the goods imported. The value was 9 cents per square yard. The real ad valorem duty, however, amounts to 6⅔ per cent, which is certainly not a very heavy duty; and when we recall that only about 6 per cent of all the bagging used in the United States is imported at all, a duty of 6⅔ per cent upon the bagging that is imported would not amount to a great deal.

The Senator, I assume, takes the position that the duty will raise the cost of every yard by an amount equivalent to the duty imposed upon that which is imported. Even with that, however, I do not think it would amount to as much as the Senator contemplates.

Mr. ROBINSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Arkansas?

Mr. ROBINSON. I thought the Senator had concluded.

Mr. McCUMBER. No; I just want to put a few matters in the RECORD.

Mr. ROBINSON. Then, if the Senator has concluded the discussion of this particular matter, I should like to say that in my judgment, irrespective of the imposition of this duty, cotton bagging, particularly new bagging, will hereafter be manufactured abroad. The two concerns that have heretofore manufactured the bulk of it in this country have announced their purpose to remove their plants to India, and those now engaged in the manufacturing industry contend that it will be impossible for them to compete with these American concerns who are beginning to manufacture in India. I am speaking upon the theory that the importations will be largely increased, and that the price of this commodity will be increased by substantially the amount of the duty; that the American farmer who consumes cotton bagging hereafter will pay just about as much more for the product than he would be required to pay if no duty were imposed as the amount of the duty; and in that view of the matter a 12,000,000-bale crop would bear something like $450,000 additional expense for wrapping. This would be approximately the figure that I have stated. I do not pretend to say that I or anyone else can state with accuracy what the additional cost to the American cotton farmer will be by reason of this duty.

Mr. McCUMBER. Mr. President, I think the Senator's own argument will dispel the idea of the farmers paying at least more than they are paying now, because, if I correctly understand the argument of the Senator, it is that the firms that are going abroad to manufacture this product will be able to drive the American manufacturer out of the market. The only way in which they can drive the American manufacturer out of the market is by selling for a less price than the American manufacturer can produce it for, and sell it at a profit; and if they do that, they are bound to bring down the price, tariff or no tariff.

Mr. ROBINSON. Yes; Mr. President——

Mr. McCUMBER. But, if the Senator will allow me, I think there are other reasons than this to establish the fact that the tendency of prices probably will be downward instead of upward, no matter whether this little tariff of 6⅔ per cent ad valorem is placed upon the product or not. Let us remember that only 6 per cent of the product used in the United States is now imported at all. Now, let us take the other 94 per cent and see by whom it is produced. The Senator will find that there is a great deal of competition, not only as between manufacturers manufacturing the product new but they also have to compete against those who use second hands, against those who manufacture out of old sugar bags, and so forth. Therefore there is a great deal of complaint on the part of the manufacturers, and therefore they have to sell down as low as possible to hold the trade as against those who use the old second hand jute bagging and patch it over, and those who make bagging out of sugar bags.

Only 48 per cent of the product used in the United States, which includes the 6 per cent which is imported, is a new product. Ten per cent of the yardage used is made up of old sugar bags; 8 per cent is made up of old bags which have been rewoven, and 28 per cent is of the second line. With all of those five or six different interests in sharp contest with each other, I think we need have little fear of prices going upward because of a levy of 6⅔ per cent ad valorem upon the 6 per cent which is imported.

Mr. ROBINSON. Mr. President, of course the object of American manufacturers in going to India to manufacture this product is to make a greater profit by manufacturing it cheaper. It does not necessarily follow that they will sell it cheaper. I do

not think the Senator is justified in the conclusion that there will exist material competition in the sale of new bagging, because that never has existed. During last year I ask the Senator from South Carolina if he could buy a yard of bagging in Charleston for a price in any degree different from what it would cost him in any other city in the South, and he told me he could not. The price is absolutely regulated; and the result will be that the price to the American consumer of cotton bagging will be advanced by just the amount of duty we levy upon it. Of course, the total amount that the duty will cost the American cotton farmer will be dependent upon the amount imported.

Mr. POMERENE. Mr. President, all of which means that this will be an additional burden on an already established industry, with no possibility or little possibility of developing a new one.

Mr. ROBINSON. Yes; that is true.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Arkansas [Mr. ROBINSON] to the amendment of the committee.

Mr. ROBINSON. I ask for the yeas and nays on that amendment.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. CARAWAY (when his name was called). I transfer my pair with the junior Senator from Illinois [Mr. MCKINLEY] to the senior Senator from Nebraska [Mr. HITCHCOCK] and will vote. I vote "yea."

Mr. KELLOGG (when his name was called). I have a pair with the senior Senator from North Carolina [Mr. SIMMONS]. In his absence I withhold my vote.

Mr. MCCUMBER (when his name was called). I have a general pair with the junior Senator from Utah [Mr. KING], who is necessarily absent from the Senate. I transfer that pair to the junior Senator from Maryland [Mr. WELLER] and vote "nay."

Mr. NEW (when his name was called). I transfer my general pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from Pennsylvania [Mr. PEPPER] and vote "nay."

Mr. ROBINSON (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the Senator from Missouri [Mr. REED] and vote "yea."

Mr. WATSON of Indiana. I transfer my pair with the Senator from Mississippi [Mr. WILLIAMS] to the Senator from Washington [Mr. POINDEXTER] and vote "nay."

The roll call was concluded.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from New York [Mr. CALDER] with the Senator from Georgia [Mr. HARRIS];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON].

Mr. BALL. I have a general pair with the senior Senator from Florida [Mr. FLETCHER], which I transfer to my colleague [Mr. DU PONT] and vote "nay."

Mr. HALE. I transfer my pair with the Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Vermont [Mr. PAGE] and vote "nay."

Mr. WATSON of Georgia. I have a general pair with the Senator from California [Mr. JOHNSON]. In his absence, I withhold my vote. If permitted to vote, I would vote "yea."

Mr. STANLEY. I have a general pair with the junior Senator from Kentucky [Mr. ERNST]. Being unable to get a transfer, I withhold my vote. If permitted to vote, I would vote "yea."

Mr. DIAL. I have a pair with the Senator from Michigan [Mr. TOWNSEND]. I transfer that pair to the Senator from Montana [Mr. MYERS] and vote "yea."

Mr. JONES of New Mexico (after having voted in the affirmative). I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Nevada [Mr. PITTMAN] and allow my vote to stand.

I desire to announce that the senior Senator from North Carolina [Mr. SIMMONS] is necessarily absent, and that he is paired with the Senator from Minnesota [Mr. KELLOGG]. If the senior Senator from North Carolina were present, he would vote "yea."

Mr. TRAMMELL. I desire to announce the unavoidable absence of my colleague [Mr. FLETCHER] on account of illness.

The result was announced—yeas 18, nays 35, as follows:

YEAS—18.

Ashurst	Gerry	Robinson	Underwood
Borah	Heflin	Sheppard	Walsh, Mass.
Caraway	Jones, N. Mex.	Smith	Walsh, Mont.
Culberson	Overman	Swanson	
Dial	Pomerene	Trammell	

NAYS—35.

Ball	Gooding	McNary	Smoot
Broussard	Hale	Nelson	Spencer
Bursum	Jones, Wash.	New	Stanfield
Cameron	Kendrick	Nicholson	Sterling
Capper	Keyes	Norbeck	Wadsworth
Colt	Lenroot	Oddie	Warren
Cummins	Lodge	Ransdell	Watson, Ind.
Curtis	McCumber	Rawson	Willis
Frelinghuysen	McLean	Shortridge	

NOT VOTING—43.

Brandegee	Glass	McKellar	Poindexter
Calder	Harreld	McKinley	Reed
Crow	Harris	Moses	Shields
Dillingham	Harrison	Myers	Simmons
du Pont	Hitchcock	Newberry	Stanley
Edge	Johnson	Norris	Sutherland
Elkins	Kellogg	Owen	Townsend
Ernst	King	Page	Watson, Ga.
Fernald	Ladd	Pepper	Weller
Fletcher	La Follette	Phipps	Williams
France	McCormick	Pittman	

So Mr. ROBINSON's amendment to the committee amendment was rejected.

The PRESIDING OFFICER (Mr. WILLIS in the chair). The question is on agreeing to the committee amendment.

Mr. ROBINSON. Mr. President, I want the attention of the Senate for just a moment. We will have another vote on the question as to whether a tax shall be imposed on cotton bagging. The House of Representatives, in paragraph 1517, left it on the free list. By the amendment which is now under consideration the Senate committee proposes to take it off the free list and impose on it duties based upon the two classes produced in this country. In the first part of the amendment the committee seeks to impose a duty of six-tenths of 1 cent per square yard, and in the other part of the amendment a duty of three-tenths of 1 cent per pound on that classification.

If the committee amendment is not agreed to, by following up and disagreeing to another committee amendment striking out paragraph 1517, which paragraph puts the article on the free list, we can at this time settle the subject and leave cotton bagging on the free list.

I want to point out to Senators who voted a moment ago to impose this duty that, as a matter of fact, this is not a protective duty. There is not a manufacturer of cotton bagging in the United States who regards it as a protective duty. Every manufacturer of cotton bagging who has discussed the subject, within my knowledge, has contended that a duty of from a half cent to a cent and a quarter is necessary in order to make the rate protective. One manufacturer, corresponding with the Senator from North Carolina about the subject, has said that while a duty of not less than 1 cent per square yard is necessary to make the rate protective, if the Senate will impose a duty of six-tenths of a cent per square yard he will try to get along, but nearly all of the others have insisted upon a much higher rate of duty than that which the committee has proposed.

The result is that I think we may fairly conclude that this is a revenue rate, and, as I have already said, I do not believe we ought to seek to raise revenue on this article, which is indispensable to the marketing of one of the largest crops in the United States. I do not care to consume time further.

Mr. POMERENE. May I ask the Senator a question?

Mr. ROBINSON. I yield to the Senator from Ohio.

Mr. POMERENE. What, as estimated, will be the cost to the cotton producers of the country if this amendment is agreed to?

Mr. ROBINSON. I think that hereafter, whether a duty be imposed or not, cotton bagging will be manufactured abroad. I think the conditions of the industry are such that, with the two principal manufacturers moving their plants to India in order to get the benefit of cheap labor, we are going to import practically all of the bagging we use hereafter. It is impossible to say what percentage of bagging used will be affected by this rate; but a few moments ago I said that, figuring upon the basis of a 12,000,000-bale crop and the wrapping of practically the entire crop in new bagging, the cost would be approximately $450,000, figuring 50 per cent as the ratio between old bagging and new bagging, which is about the ratio the Tariff Commission reports. I would say that it could not be less than a quarter of a million dollars.

On this question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. SMITH. Mr. President, before the vote is taken I want to say that I have not looked into the bill sufficiently to say, but I was under the impression that this item is taken care of. The Senator from Arkansas calls attention to the fact that if the committee amendment in paragraph 1517 is disagreed to and the committee amendment here is disagreed to, then the bagging will be left on the free list, just as the House contemplated doing. I submit to Senators on the other side that this is not protecting an American industry, but is really subtracting from an already established industry. It is simply putting a burden on an industry which has carried the balance of trade for this country for something like 50 or 60 years. So far as revenue is concerned, the revenue produced would not in any way compensate for the enhanced value of cotton that could be baled in these bags.

Mr. SMOOT. There appeared before the committee representatives of the manufacturers of bagging in the United States, with the exception of Ludlow and the American Manufacturing Co. As I understand it, the American Manufacturing Co. is a subsidiary of the Ludlow Manufacturing Co., and they, too, have gone to India for the purpose of making cotton bagging. Of course, they would like to have it on the free list, but every other manufacturer, those located in New York, Massachusetts, New Jersey, Virginia, North Carolina, Georgia, Louisiana, and Texas, represented to the committee that if the committee wanted this industry to survive in America they would have to give a duty upon this bagging. We manufacture about 90 per cent of the bagging used in the United States, or have done so in the past.

Mr. ROBINSON. What percentage of the new bagging is made in this country by the Ludlow people and the American Manufacturing Co.?

Mr. SMOOT. I have not the figures before me; therefore I can not say.

Mr. ROBINSON. I am informed by the expert that it is over 90 per cent of the new bagging.

Mr. SMOOT. I am quite sure that the Ludlow Manufacturing Co. can destroy the balance of the manufacturers of this article in the United States. Then they could fix the terms to be paid for the product, of course. I think that was their object in going to India.

Mr. SMITH. May I suggest to the Senator that if the American manufacturer can not compete with the men in Calcutta upon a product that is peculiar to that country and that we can not possibly make in this country, then it goes without saying that it will come cheaper from the manufacturers in India than in America. The finished product would be cheaper. Now, so far as the price of bagging is concerned I, as a considerable purchaser of that article all my life, have never seen bagging vary in price. There was a uniformity of price throughout the country. If there was any competition the purchasers of it were never aware of that fact.

Mr. POMERENE. Does the Senator mean that the price did not vary from year to year?

Mr. SMITH. I mean that whenever we bought from one company we paid exactly the same as when we bought from another company.

Mr. ROBINSON. The prices were absolutely alike so far as the retail trade was concerned. We could not buy a pound of bagging at one point in the South for one one-hundredth part of a cent less than it could be bought for anywhere else. It is absolutely controlled.

Mr. SMITH. So far as any competition is concerned, the only competition we have seen at all—and that was really not competition in manufacture—was where they had some industry that had sprung up putting together the piece bagging in the factory, where the factories had taken the old bagging and put it on the picking machine, remaking the bags and selling it back to the trade.

Mr. POMERENE. Mr. President, will the Senator yield while I ask the Senator from Utah a question?

Mr. SMITH. Certainly.

Mr. POMERENE. A statement was made by the Senator from South Carolina and by the Senator from Arkansas as well to the effect that there is one and the same price in every cotton market in the Southern States for cotton bagging. Does not that indicate to the Senator's mind that there is some sort of a combination or one sales agency which fixes the price? It can not happen by accident that the price is the same everywhere.

Mr. SMOOT. I understand that the quoted price is the same, and then there is a discount according to the quantity used.

Mr. SMITH. But that is uniform.

Mr. ROBINSON. The discounts are always uniform. There is no competition whatever in this commodity so far as the retail trade is concerned, and there has not been in 30 years.

Mr. SMOOT. I think most likely the Senator is right as to the retail trade, and that is just what I was coming to. I admit that I think the Senator was right when he said the price in the retail trade was absolutely the same. I do not think there is any doubt about that, but——

Mr. SMITH. If the Senator will allow me, there is one possible feature in the matter. It is possible that the importation of the product from abroad can not reach any very excessive price, for the reason that there has been a tremendous substitution for cotton bagging of what is called sugar sacking; that is, the old sacks in which sugar is imported. They rip those open and use them to cover with.

I want to call the attention of the Senator from Arkansas and Senators from other Southern States to what occurred when the farmers of the South revolted against the absolute monopoly of the bagging business—I am not sure of the date, but I can ascertain the exact time. The price had been doubled, and they boycotted the Bagging Trust and bagged their cotton in old quilts, and so forth, and some of the cotton was packed without any bagging at all, and they broke the trust figures.

Mr. ROBINSON. I remember that occurrence very distinctly.

Mr. SMITH. It was the most notorious and unblushing exhibition of power that was ever known. There are letters here to the effect that the Ludlow people want to go to Calcutta and establish their factories in order to get cheaper labor, that they can not manufacture it here without a protective duty, but they can expatriate themselves and go to India and there manufacture it and make a profit. If it is profitable to the consumers of America, who do not produce a pound of it, why not let them go? They produced a combination here to such an extent that the farmers of the country absolutely revolted and signed a pledge to the effect that until the price of bagging came down to where it was reasonable and one that had obtained theretofore, they would not use a pound, and they did not use a pound until they broke the power of the trust and got the bagging back to something like reasonable figures.

Mr. SMOOT. I do not care about voting in order to accommodate these people who expatriated themselves from America and went to India to manufacture bagging with cheap labor to enable them to enter this market free of duty. I do not agree to that, and that is the only reason why I think there ought to be a duty on this article.

Mr. SMITH. It should also be taken into consideration that they are the ones who produce 90 per cent of all the bagging.

Mr. SMOOT. In substantiation of what the Senator says as to the use of other kinds of materials than what is termed "new cotton bagging," I want to say that all the cotton bagging used in the United States in years past has only taken 48 per cent of new cotton bagging. Six per cent of it is imported; 10 per cent is of old waste sugar sacks; 8 per cent of rewoven cloth—that is, they take the old cloth, pick it up again, and weave it into cotton bagging—and 28 per cent is of second-hand cotton bags. That is the proportion in which the bags are used in the United States to-day.

Mr. SMITH. That may be true; but it does not enter into this argument at all, because the raw material is imported here from India and the parties manufacturing have a monopoly here. What is the difference between a monopoly in America protected by your high protective tariff and a monopoly in India and free trade here?

Mr. SMOOT. The only difference is, if it was manufactured in India, they could dictate the price to America, and we would have to pay the price because it is not manufactured here. If there is a monopoly in the United States and there is a duty upon that article, and they bring it in here, they have to pay a duty, and then we get that much money out of it. But I have no sympathy whatever with either one of those conditions.

Mr. POMERENE. There will probably be this difference that if there was a monopoly here they would have to pay some internal-revenue tax, but if they have a monopoly over there they would join with those other Americans who are doing business abroad and ask Congress to relieve them from all internal-revenue tax.

Mr. SMOOT. And from duties of every kind.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Does the Senator from Utah yield; and if so, to whom? The present occupant of the chair is going to exercise his right to enforce the rule against interruptions without addressing the Chair.

Mr. SMOOT. The Chair can do that now, and I yield the floor.

Mr. SMITH. I was under the impression that I had the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee, on which the yeas and nays have been ordered.

Mr. SMITH. Before the vote is taken, Mr. President, I desire to say a further word. I can not see where we are justified in placing a duty upon an article the raw material of which or the foundation of which is wholly within a foreign country and which can not be established here except upon a supply obtained from abroad. We could not offer the argument that we want to build up an industry here in order that, in case of an emergency, we would be independent of a foreign country. We have not the raw material. If the raw material is cut off, the factory must close. It is notoriously true that they claim that under the Underwood law they could not make any money, and yet they made 90 per cent of the new bagging that was used in this country, and I believe the American manufacturers made about 94 per cent of it. That would leave only 6 or 7 per cent that was imported into the country.

But if they move their factories abroad under free trade, this article being on the free list, they will be in a better position to sell it at a less price and make a greater profit, because they get their labor for 15 or 20 cents a day there as against $1.50 a day here, and the additional advantage of shipping the finished product rather than shipping by water the raw material, which is always uneconomical, and then converting it here and distributing it in the interior as the finished product. If they finish it in India, they conserve space, get rid of waste, and distribute it from the seaboard towns in the form in which it comes, which would be a saving in the item of freight, as well as in the item of labor, and they should be enabled to and doubtless would sell a great deal cheaper than they are now selling for when they have to bring in the raw material and convert it here.

Mr. HEFLIN. Mr. President, I hope Senators on the other side of the Chamber will not vote to impose this tax upon the cotton producers of the United States. That is just what it is. If there is an industry in the country that needs to be aided now, it is the cotton industry. Here is an article the price of which is shown by Senators who live in the cotton-producing States to be absolutely controlled by a trust. There is no competition in the trade. These people now, in order to get the opportunity to raise the price on bagging, threaten to leave the United States. Mr. President, that is an old, old story—an industry flourishing, the price of its product controlled absolutely, no competition to disturb it in the market, now holding up the lawmaking body and threatening to leave the country unless the taxing power is employed to put money, more money, into its pockets.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. HEFLIN. I yield to the Senator from Utah.

Mr. SMOOT. They are not threatening to leave. They have already done it, and are now shipping goods into the United States. Ludlow & Co. have gone to India and the American Manufacturing Co. have gone to India. They are erecting their mills there to make this bagging and ship it back into this country. It is not a mere threat.

Mr. HEFLIN. Then we had better let them go to even a warmer climate than India. [Laughter.]

Mr. SMOOT. But that does no good to the consumer in this country.

Mr. HEFLIN. We had better do that than to permit them to use the taxing power of the United States to increase the price of bagging to the cotton farmers in the United States. That is the point I am making. The Senator from Arkansas [Mr. ROBINSON] and the Senator from South Carolina [Mr. SMITH] are truly right in their contention, and I hope this tax will not be imposed upon bagging. It simply means the wrongful taking by law of money out of the pockets of hard-pressed cotton farmers and giving it to the Bagging Trust.

Mr. ROBINSON. Mr. President, with respect to the last statement made by the Senator from Utah, while I think it is undoubtedly true that both the American and the Ludlow companies are preparing to begin the manufacture of bagging in India, their activities have not yet extended so far as the Senator from Utah thought; at least, that is the statement of the Tariff Commission in a letter to the senior Senator from North Carolina [Mr. SIMMONS]. It is undoubtedly true that they are preparing to begin operations there.

Mr. SMOOT. I can show the Senator the manifest which proves that they have already shipped goods. I called attention to it the other day when we had the matter under discussion.

Mr. ROBINSON. I do not know that that is very material. As I have already stated, the important point is, of course, that they have expatriated their industries and removed them to India in order to get the benefit of the cheap labor there. So now they will not object to the imposition of a duty which will enable them to raise the price of their product in conjunction with other manufacturers, for we have shown conclusively that the price is controlled by the manufacturers, or at least it is controlled by somebody. There is no competition in the selling of bagging.

I want to put in the RECORD an interesting and important letter from the Tariff Commission to the Senator from North Carolina [Mr. SIMMONS] setting forth all the facts in connection with the removal of the Ludlow and the American manufacturing companies to India and the advantages which the Indian industry has over the domestic industry, and setting forth also other important facts. I also wish to have printed in the RECORD a letter from Mente & Co., manufacturers of burlap and bags, a telegram from the Carolina Bagging Co., and a letter from Young & Metzner (Inc.), all contending that a duty of approximately 1 cent per pound or more is necessary if the rate is to be made protective, although Young & Metzner, as I have already stated, indicate that they will try to get along on the rate proposed in the bill.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

UNITED STATES TARIFF COMMISSION,
Washington, February 21, 1922.

Hon. FURNIFOLD MCL. SIMMONS,
United States Senate, Washington, D. C.

MY DEAR SENATOR: In reply to your letter of February 16 relating to the production of bagging in India by American companies, it is a fact that the American Manufacturing Co. and a subsidiary of the Ludlow Manufacturing Associates, which produce practically all the new bagging woven in the United States, are now each erecting or have recently completed a mill in India. The subsidiary of the Ludlow Manufacturing Associates, known as Ludlow Jute Co. (Ltd.), was incorporated in January, 1920, with a capital of $5,000,000, all of which is owned by the parent company.

The combined output of cotton bagging by the American Manufacturing Co. and by the Ludlow Manufacturing Associates normally constitutes about 60 per cent of domestic consumption. In 1920 the output was low, amounting to 48 per cent of the total. The remaining 52 per cent of the bagging consumed in 1920 consisted of (1) imported bagging, 6 per cent; (2) re-woven old bagging, 8 per cent; (3) sugar-bag cloth made by cutting up heavy jute bags which were originally used as containers for imported raw sugar, 10 per cent; (4) secondhand bagging, 28 per cent. The consumption of secondhand bagging in 1920 was much larger than usual, amounting to over twice the quantity used prior to 1914.

The American Manufacturing Co. has three domestic mills producing bagging. These are located at Brooklyn, N. Y.; Charleston, S. C.; and St. Louis, Mo.; whereas the production of the Ludlow Manufacturing Associates is confined to one of a group of mills located at Ludlow, Mass.

Both companies have shipped abroad a part of the bagging machinery formerly operated in this country. One company has already signed up and sent a number of its skilled workers to India. It is not known if the second intends to do likewise.

With tariff legislation on bagging still pending and with our data at hand incomplete regarding the amount of machinery shipped or intended to be shipped abroad, the commission is unable to state what effect the establishment of mills in India will have upon the bagging manufacturers who remain in this country.

The bagging mills under construction abroad will enjoy the advantages which have made India the world's leading manufacturer and exporter of jute products. Normally India's exports of cloth and bags are equal to about 40 per cent of the world's consumption of jute manufactures. The next largest manufacturer and exporter of jute products is Dundee, Scotland, whose shipments are limited practically to the very highest type and constitute about 12 per cent of the world's consumption. In the fiscal year ended March 31, 1921, India's shipments of cloth, principally burlap used in making bags, was 1,352,000,000 yards; and of heavy bags, chiefly of the type used in sacking raw sugar, 533,000,000 bags. The combined weight of the cloth and bags was about 825,000 tons, valued at $170,140,000. In contrast, the domestic consumption of bagging, which is the only type of jute fabric produced in this country, amounted in the same time to 97,042,000 yards, or about 86,620 tons.

India's advantages for producing jute manufactures are, briefly: (1) Production of the world's supply of jute in close proximity to centers of manufacture, thus enabling her to save freight charges. Jute is the world's cheapest fiber, and in quantity produced is second only to cotton. (2) Low labor costs. The average weekly wages paid in January, 1921, to four classes of American operatives, as obtained from domestic bagging manufacturers by the commission, amounted to $16.58 for a week ranging from 48 to 55 hours; and in January, 1920, to corresponding classes of jute workers in a Calcutta mill, as reported by the Indian Government, to $1.85 for a week ranging from 54 to 60 hours.

Indian bagging is generally superior to the bulk of domestic bagging. In turn, the domestic product is of a better quality than that imported from the United Kingdom, which has been the chief source of our imports in the past. Indian bagging, though superior in quality to the English product, is entered at a lower price. The average value per square yard of imported Indian bagging was 5.1 cents in the fiscal year 1912, 5.2 cents in 1914, and 8.4 cents in 1921, as compared with English bagging entered in the same years at 6.9 cents, 7.9 cents, and 13.2 cents, respectively. The superiority of Indian bagging over the best domestic bagging arises from the fact that it is more closely woven and made from all new jute butts. The bulk of domestic production is

manufactured chiefly from old, worn bagging and from cordage wastes. American cotton as a whole is the poorest baled in the world.

Indian bagging is used chiefly in the Mississippi Delta, where the best grades of American cotton are grown and where the demand is for the best covering available. The wholesale selling price of the best quality of Indian bagging in the United States in the cotton season of 1921 ranged between 10 cents and 10¼ cents, as compared with 7½ and 10 cents for the best domestic grades manufactured by the American Manufacturing Co.

The commission has in the course of printing a report on jute cloths, which discusses in detail the domestic and import trade in cotton bagging. As soon as this report is printed, which will be within the next two weeks, I shall be pleased to forward you a copy.

Very truly yours,

THOMAS O. MARVIN, *Chairman.*

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NEW ORLEANS, U. S. A., *January 20, 1922.*

Hon. F. McL. SIMMONS,
Finance Committee, United States Senate, Washington, D. C.

DEAR SENATOR: The writer wishes to thank you for the courteous attention shown him when he called on you with Mr. Fauntleroy, of New Orleans, on the subject of getting protection on jute bagging for covering cotton.

We herewith inclose you a short brief that we got up. We made it as short as possible so it will not take much of your time in reading, and would like you to read same carefully, and assure you if it was not absolutely necessary for us to get this protection to remain in this manufacturing business we would not be so persistent. This really means we can not exist without a duty of 1 cent per pound on jute bagging, since the two important factories—the American Manufacturing Co. and the Ludlow Associates—have moved their plants to Calcutta and, on account of the cheap coolie labor, will be able to sell at really a lower price than it will cost us to manufacture the goods even though the raw material was given to us free.

In former briefs these two manufacturers have always stated that if the raw material was given them free they could not compete against the cheap coolie labor of India and sell goods to compete with Calcutta manufacturers.

Anything you can do to assist us in securing a duty of 1 cent per pound on jute bagging for covering cotton will be appreciated.

Yours very truly,

MENTE & CO. (INC.),
J. C. WERNER, *President.*

—

HENDERSON, N. C., *March 29, 1922.*

Hon. FURNIFOLD M. SIMMONS,
Finance Committee, Washington, D. C.:

Understand agitation for free jute bagging for cotton coverings is being worked up through southern agents representing companies who have removed their plants from this country to Calcutta. That their purpose is to destroy the independent plants remaining in this country with comparatively high labor cost is obvious. With competition obliterated, Indian monopoly on bagging would be far more costly in the end to the producer of cotton. We believe you will agree with us that one-half cent per pound would be a more equitable adjustment, because under the present ruling of six-tenths cent per square yard jute patches, weighing from 2½ to 3 pounds per yard, 24 to 30 inches wide, would receive very little protection. Bagging weighing 3 pounds per yard has a value of about 50 per cent more than 2-pound bagging, and for that reason we suggest the change. Would certainly appreciate any effort you may see fit to make in our behalf.

CAROLINA BAGGING CO.

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LONG ISLAND CITY, N. Y., *May 17, 1922,*

Hon. FURNIFOLD McL. SIMMONS,
United States Senate, Washington, D. C.
(H. R. 7456, par. 1017a.)

DEAR SIR: Careful reading of the reports in the CONGRESSIONAL RECORD of the discussion on the tariff bill has impressed on our minds that any duty in excess of difference of cost of production is not favored by many of the Senators.

When paragraph 1017a of the bill, imposing a duty of six-tenths of 1 cent per yard on jute bagging for covering cotton, is reached we wish to have it in the minds of the Senators that this duty is not in excess of the difference in cost of production—in fact, it is much less.

We state specifically that wages in our bagging department, based strictly on factory labor only, average $24.75 per week of 54 hours, as low as we think labor here can endure.

Wages in the bagging mills of India, where our two largest American makers have moved their mills recently, are from $1.38 to $1.50 per week of 72 hours.

Allowing that three Indian laborers are required to do the work of one workman here, we have a comparative cost of $4.50 per week in India as against $24.75 per week here, a difference impossible to overcome without protection.

This need of protection is now imperative as against our own expatriated American makers. This is our first request for protection; we could compete with makers while their mills were here.

On a production basis we should have a duty, to equalize manufacturing costs, of about 1¼ cents per yard, but we will try to continue business under a duty of six-tenths of 1 cent per yard, and we hope for your support of this rate of duty.

Southern Senators should recall the cost to their constituents of the last monopolistic control of bagging here, and we respectfully remind them that the continued operation of the independent mills in the United States is the only guaranty against a foreign monopoly in the production of bagging for covering cotton.

Yours very truly,

YOUNG & METZNER (INC.),
JAS. W. MANSON, *Vice President.*

The PRESIDING OFFICER. The question is on the committee amendment on page 138, on which the yeas and nays have been ordered.

The Assistant Secretary proceeded to call the roll.

Mr. CARAWAY (when his name was called). Making the same announcement as to my pair and transfer as on the previous vote, I vote "nay."

Mr. DIAL (when his name was called). Making the same announcement as to my pair and its transfer as on the former ballot, I vote "nay."

Mr. KELLOGG (when his name was called). Making the same announcement of my pair as before, I withhold my vote.

Mr. ROBINSON (when his name was called). Announcing the same pair and transfer as on the last vote, I vote "nay."

Mr. STANLEY (when his name was called). I have a general pair with the junior Senator from Kentucky [Mr. ERNST]. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and vote "nay."

Mr. WARREN (when his name was called). Transferring my general pair with the Senator from North Carolina [Mr. OVERMAN] to the senior Senator from Maryland [Mr. FRANCE], I vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as to my pair and its transfer as on the last roll call, I vote "yea."

The roll call was concluded.

Mr. BALL. Making the same transfer of my pair as on the previous vote, I vote "yea."

Mr. NEW. Making the same announcement as to the transfer of my pair as made on the last vote, I vote "yea."

Mr. HALE. Making the same announcement as to the transfer of my pair as on the previous vote, I vote "yea."

Mr. JONES of New Mexico. Making the same announcement as to the transfer of my pair as on the previous vote, I vote "nay."

I also desire to repeat the announcement which I made heretofore as to the absence of the Senator from North Carolina [Mr. SIMMONS] and to state that if he were present he would vote "nay."

The roll call resulted—yeas 31, nays 17, as follows:

YEAS—31.

Ball	Gooding	Lodge	Smoot
Broussard	Hale	McLean	Spencer
Bursum	Harreld	McNary	Stanfield
Cameron	Jones, Wash.	Nelson	Wadsworth
Capper	Kendrick	New	Warren
Colt	Keyes	Norbeck	Watson, Ind.
Curtis	Ladd	Oddie	Willis
Frelinghuysen	Lenroot	Phipps	

NAYS—17.

Ashurst	Heflin	Smith	Walsh, Mass.
Borah	Jones, N. Mex.	Stanley	Walsh, Mont.
Caraway	Pomerene	Swanson	
Dial	Robinson	Trammell	
Gerry	Sheppard	Underwood	

NOT VOTING—48.

Brandegee	France	McKinley	Ransdell
Calder	Glass	Moses	Rawson
Crow	Harris	Myers	Reed
Culberson	Harrison	Newberry	Shields
Cummins	Hitchcock	Nicholson	Shortridge
Dillingham	Johnson	Norris	Simmons
du Pont	Kellogg	Overman	Sterling
Edge	King	Owen	Sutherland
Elkins	La Follette	Page	Townsend
Ernst	McCormick	Pepper	Watson, Ga.
Fernald	McCumber	Pittman	Weller
Fletcher	McKellar	Poindexter	Williams

The PRESIDING OFFICER. On the committee amendment the yeas are 31 and the nays are 17. The Senator from Minnesota [Mr. KELLOGG] is present, but paired, making a quorum. The yeas have it, and the committee amendment is agreed to.

Mr. SMOOT. Mr. President——

Mr. BORAH. I wish to know if I correctly understand the parliamentary situation. If I should want a separate vote in the Senate on paragraph 1017 and paragraph 1017a, is it necessary to reserve that vote at this time?

The PRESIDING OFFICER. If a separate vote in the Senate is desired on an amendment which is adopted as in Committee of the Whole it is customary, at any rate, to reserve the right to have such vote.

Mr. BORAH. Then I reserve a vote in the Senate on those two paragraphs.

The PRESIDING OFFICER. The Senator from Idaho reserves the right to ask for a separate vote in the Senate on paragraphs 1017 and 1017a.

Mr. SMOOT. I now ask that the Senate return to paragraph 1517, and ask that the amendment in that paragraph may be agreed to.

Mr. ROBINSON. That amendment follows as a logical result from the two votes last taken.

The PRESIDING OFFICER. The amendment to paragraph 1517, page 213, will be stated.

The ASSISTANT SECRETARY. On page 213, after line 19, the Committee on Finance propose to strike out paragraph 1517, as follows:

PAR. 1517. Bagging for cotton, gunny cloth, and similar fabrics, suitable for covering cotton, composed of single yarns made of jute, jute butts, seg, Russian seg, New Zealand tow, Norwegian tow, aloe, mill waste, cotton tares, or other material not bleached, dyed, colored, stained, painted, or printed, not exceeding 16 threads to the square inch, counting the warp and filling, and weighing not less than 15 ounces per square yard; and waste of any of the foregoing articles suitable for the manufacture of paper.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment will be stated.

The ASSISTANT SECRETARY. On page 214, after line 4, the Committee on Finance propose to insert a new paragraph as follows:

PAR. 1517. Waste bagging and old sugar sack cloth.

Mr. SMOOT. Now, I wish to modify the amendment by striking out the word "old" before the words "sugar sack cloth" and to insert the word "waste," so as to read:

Waste bagging and waste sugar sack cloth.

Mr. ROBINSON. That is a mere verbal amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee as modified.

The amendment as modified was agreed to.

Mr. SMOOT. I ask that the Senate now return to paragraph 1020, in reference to common China, Japan, and India straw matting, and so forth. I have heretofore proposed an amendment to the paragraph.

The PRESIDING OFFICER. The Secretary advises the Chair that an amendment to the amendment is pending.

Mr. SMOOT. That is true.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. After the word "cotton," in the amendment proposed by the Senator from Utah [Mr. SMOOT] on behalf of the Committee, the Senator from Arkansas [Mr. ROBINSON] proposes to insert the words "20 per cent ad valorem."

Mr. POMERENE. Let me ask the Secretary to read that amendment as it would stand if amended as proposed.

The ASSISTANT SECRETARY. So that if amended the paragraph will read:

PAR. 1020. Common China, Japan, and India straw matting, and floor coverings made therefrom, 3 cents per square yard; carpets, carpeting, mats, matting, and rugs, made wholly of cotton, 20 per cent ad valorem; flax, hemp, or jute, or a mixture thereof, 35 per cent ad valorem; all other floor coverings not specially provided for, 60 per cent ad valorem.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Arkansas to the committee amendment.

Mr. ROBINSON. I think we had better have a yea-and-nay vote on the amendment. It has heretofore been discussed.

Mr. POMERENE. Do I understand that the amendment offered by the Senator from Arkansas has already been adopted?

Mr. ROBINSON. No. Did the Senator from Utah agree to accept the amendment?

Mr. SMOOT. No.

Mr. ROBINSON. This amendment was presented on last Friday just before the Senate took a recess; and when a purpose to have a record vote was announced the Senator from Utah asked to have the matter go over. It had been pretty fully discussed.

My amendment, if adopted, will continue the present rate on the cheapest grade of carpeting that is available for use, while the rate which the committee proposes will probably prevent all importations of this grade; it is designed and expected to accomplish that purpose. I do not know of any reason why poor people ought not to have an opportunity to obtain this ordinary form of carpeting without a high rate of duty. For that reason I propose the present rate, under which very little is imported, and request a record vote on my amendment. The committee amendment will simply enable the home manufacturers to put up the price, which is already too high, on these necessary commodities.

I ask for the yeas and nays.

Mr. SMITH. Mr. President, if the Senator from Arkansas will allow me to ask him a question, this is an article that is made out of the coarser and cheaper forms of cotton?

Mr. ROBINSON. Yes; it is the very cheapest and commonest kind of carpet that is made, made out of rags.

Mr. SMOOT. Many times, and perhaps in more cases than otherwise, they are novelties that somebody picks up in some country and ships here to this country.

Mr. ROBINSON. Yes; but the mere fact is, as I see it, that by the committee rate we are putting a high duty, a prohibitive duty, on a very common article which is used almost exclusively by the poor; and I do not think we are justified in doing it.

Mr. SMOOT. I think most of them are mats for use in bathrooms. Almost all of them come from Japan. They are the rag mats and carpets that come in. They are the only ones that do come in.

Mr. ROBINSON. Mats are just as necessary for bathrooms as they are for bedrooms, under modern conditions of civilization. I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Arkansas to the amendment of the committee, on which the yeas and nays have been requested and ordered. The Secretary will call the roll.

The Assistant Secretary proceeded to call the roll.

Mr. DIAL (when his name was called). Making the same announcement as on the former ballot, I vote "yea."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. JONES of New Mexico (when his name was called). Making the same announcement as on the previous vote as to the transfer of my pair, I vote "yea."

Mr. KELLOGG (when his name was called). I transfer my pair with the senior Senator from North Carolina [Mr. SIMMONS] to the junior Senator from Michigan [Mr. NEWBERRY] and will vote. I vote "nay."

Mr. McCUMBER (when his name was called). Transferring my pair as on the previous vote, I vote "nay."

Mr. NEW (when his name was called). Transferring my pair as on the previous ballot, I vote "nay."

Mr. ROBINSON (when his name was called). Announcing the same pair and transfer as on the previous vote, I vote "yea."

Mr. STANLEY (when his name was called). Making the same announcement as to transfer, I vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "nay."

The roll call was concluded.

Mr. BALL. Making the same transfer as on the previous vote, I vote "nay."

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from New York [Mr. CALDER] with the Senator from Georgia [Mr. HARRIS];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON]; and

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON].

The result was announced—yeas 16, nays 34, as follows:

YEAS—16.

Ashurst	Heflin	Robinson	Swanson
Borah	Jones, N. Mex.	Sheppard	Underwood
Dial	Overman	Smith	Walsh, Mass.
Gerry	Pomerene	Stanley	Walsh, Mont.

NAYS—34.

Ball	Hale	McCumber	Spencer
Broussard	Harreld	McLean	Stanfield
Bursum	Jones, Wash.	McNary	Sterling
Cameron	Kellogg	Nelson	Wadsworth
Capper	Kendrick	New	Warren
Colt	Keyes	Oddie	Watson, Ind.
Cummins	Ladd	Phipps	Willis
Curtis	Lenroot	Ransdell	
Gooding	Lodge	Smoot	

NOT VOTING—46.

Brandegee	France	Moses	Reed
Calder	Frelinghuysen	Myers	Shields
Caraway	Glass	Newberry	Shortridge
Crow	Harris	Nicholson	Simmons
Culberson	Harrison	Norbeck	Sutherland
Dillingham	Hitchcock	Norris	Townsend
du Pont	Johnson	Owen	Trammell
Edge	King	Page	Watson, Ga.
Elkins	La Follette	Pepper	Weller
Ernst	McCormick	Pittman	Williams
Fernald	McKellar	Poindexter	
Fletcher	McKinley	Rawson	

So Mr. ROBINSON's amendment to the amendment of the committee was rejected.

The VICE PRESIDENT. The question recurs on the amendment of the committee.

The amendment was agreed to.

Mr. SMOOT. Mr. President, on line 25, paragraph 1020, I ask to strike out the numeral "60" and to insert "45."

The VICE PRESIDENT. The amendment will be stated.

The ASSISTANT SECRETARY. On line 25, in the proposed amendment of the committee, in lieu of "60," the sum proposed to be inserted, insert "45."

Mr. ROBINSON. Mr. President, that is a very substantial modification of the former amendment; and while I had hoped that the committee might reduce it further and make the rate 40 per cent, I shall not ask for a record vote.

The VICE PRESIDENT. The question is on the amendment of the committee, as modified.

The amendment, as modified, was agreed to.

Mr. SMOOT. Mr. President, in paragraph 1021, page 139, line 1, I ask that "9" be stricken out and "7" inserted.

The VICE PRESIDENT. The amendment will be stated.

The ASSISTANT SECRETARY. On page 139, paragraph 1021, it is proposed to strike out "9" and insert "7," so that, if amended, it will read:

Matting made of cocoa fiber or rattan, 7 cents per square yard.

Mr. ROBINSON. Mr. President, I offer an amendment to the committee amendment. I move to strike out "7" and insert "5," which is the present rate.

The VICE PRESIDENT. The question is on the amendment of the Senator from Arkansas to the amendment of the committee.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question is on the amendment of the committee.

The amendment was agreed to.

Mr. SMOOT. On line 2 I move to strike out "7" and insert "5," so as to read:

Mats of cocoa fiber or rattan, 5 cents per square foot.

Mr. ROBINSON. I move to amend the committee amendment by striking out "5" and inserting "3," and upon the amendment I merely wish to say that I am proposing to continue in effect the present rate.

The amendment to the amendment was rejected.

The amendment was agreed to.

The next amendment was, under "Schedule 11—Wool and manufactures of," on page 139, line 8, after the word "camel," to strike out "28 per cent ad valorem: *Provided*, That the duty shall not exceed 7 cents per pound. The duty on such wools, imported on the skin, shall be 24 per cent ad valorem, but not to exceed 6 cents per pound," and to insert "in the grease, 12 cents per pound; washed, 18 cents per pound; scoured, 24 cents per pound. The duty on such wools imported on the skin shall be 11 cents per pound: *Provided*, That such wools may be imported under bond in an amount to be fixed by the Secretary of the Treasury and under such regulations as he shall prescribe; and if within three years from the date of importation or withdrawal from bonded warehouse satisfactory proof is furnished that the wools have been used in the manufacture of rugs, carpets, or any other floor coverings, the duties shall be remitted: *Provided further*, That if any such wools imported under bond as above prescribed are used in the manufacture of articles other than rugs, carpets, or any other floor coverings, there shall be levied, collected, and paid on any wools so used in violation of the bond, in addition to the regular duties provided by this paragraph, 20 cents per pound, which shall not be remitted or refunded on exportation of the articles or for any other reason. Wools in the grease shall be considered such as shall have been shorn from the sheep without any cleansing; that is, in their natural condition. Washed wools shall be considered such as have been washed with water only on the sheep's back or on the skin," so as to read:

PAR. 1101. Wools, not improved by the admixture of merino or English blood, such as Donskoi, native Smyrna, native South American, Cordova, Valparaiso, and other wools of like character or description, and hair of the camel in the grease, 12 cents per pound; washed, 18 cents per pound; scoured, 24 cents per pound. The duty on such wools imported on the skin shall be 11 cents per pound: *Provided*, etc.

Mr. LENROOT. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The Secretary will report the amendment to the amendment.

The ASSISTANT SECRETARY. Add at the end of the paragraph the following proviso:

Provided further, That in no case shall the duty or duties imposed in this paragraph exceed 60 per cent ad valorem.

Mr. WALSH of Massachusetts. May I ask if the Senator does not intend to offer that amendment to the next paragraph?

Mr. LENROOT. I intend to offer it to both paragraphs.

Mr. WALSH of Massachusetts. If it is offered to the other one, it will apply to this as well.

Mr. POMERENE. Mr. President, I am obliged to leave the Chamber for a little while, and if the Senator has no objection I should like to ask him a question. Reducing these specific rates to an ad valorem basis, what, in his judgment, would they amount to?

Mr. LENROOT. In the first paragraph?

Mr. POMERENE. In the first paragraph.

Mr. LENROOT. I think the figures show that this year's imports are somewhat higher than last year's, but based upon last year's import prices it would make the rate 7.2 cents per pound, instead of 12 cents, in the grease.

Mr. POMERENE. That is, giving the specific rates on wool in the grease. What would the ad valorem be? The Senator's amendment provides that the duties shall not exceed 60 per cent ad valorem, and I am trying to find, if I can, what reduction that would mean.

Mr. LENROOT. It would reduce the specific rate, based upon last year's prices, from 12 cents per pound in the grease to 7.2 cents per pound in the grease. In other words, the present ad valorem equivalent, based upon last year's prices, is 100 per cent, and this reduces it to 60 per cent.

Mr. POMERENE. So that the Senator's amendment, reduced to common parlance, means that this would be a reduction, based upon present prices, of about 40 per cent?

Mr. LENROOT. Based on 1921 prices.

Mr. POMERENE. Yes.

Mr. LENROOT. It would be a reduction of about 40 per cent.

Mr. BURSUM. The Senator does not pretend to say that the ad valorem rate, figured on 33 cents, is 100 per cent?

Mr. LENROOT. Not based on 33 cents; it is based upon 24 cents—the scoured basis.

Mr. BURSUM. Thirty-three cents is the rate.

Mr. LENROOT. No; 24 cents. I am speaking now of the first paragraph, not the second.

Mr. BURSUM. Carpet wools?

Mr. LENROOT. Yes.

Mr. BURSUM. Carpet wools come in free, if they are used in the manufacture of carpets.

Mr. LENROOT. That is another question entirely, which we will discuss also.

Mr. McCUMBER. I want to call attention to the fact that carpet wools are supposed to be free. The duty we are imposing upon them is rather in the nature of a penalty for using them for clothing when they are brought in free. It is not intended so much to measure what ought to be the reasonable duty as to prevent them from being used for clothing purposes, which is always a fraud upon the administration of the law.

Mr. LENROOT. Yes; and before this debate is concluded I shall ask the committee to explain why they are willing to admit this wool free when used in carpets, but when used in clothes for the people they propose to charge 100 per cent ad valorem.

I want to discuss both of these paragraphs together very briefly before I come to a discussion of the amendment I have proposed.

I appreciate the necessity of maintaining the sheep industry in the United States. I appreciate the necessity of having such duty as will enable the industry to be maintained upon a cost basis, with a reasonable profit, and I am not going to oppose the committee proposition of 33 cents per scoured pound upon the finer wools. Such efforts as I shall make will be confined to the coarser wools, concerning which the Senator from Utah stated Saturday we produce only 1 per cent of our total consumption in this country.

But I do want to say a few words upon the cost of production of wool in this country. In the summary of the Tariff Commission on the cost of production of wool in the range States, prepared for the Finance Committee, the cost of the production of a pound of wool in 1919 is stated to be 45 cents per pound, including a charge of 6 per cent upon the investment. Excluding such charge, the cost of a pound of wool is found to be 37 cents.

The average price received in 1919 was 54.27 cents, leaving a profit of 9.54 cents per pound, including interest, or 17.04 cents per pound, excluding interest. That, I should say, as Senators know, is based upon the report of the Tariff Commission alloting total receipts from wool and mutton upon a basis they have arrived at, part to wool and part to mutton.

In this debate the cost is stated constantly to be 45 cents per pound, and that is the figure used by all the representatives of the woolgrowers in the hearings. The Senator from Idaho

[Mr. GOODING] has repeatedly stated that the cost of growing wool in the United States, as found by the Tariff Commission, is 45 cents a pound.

Mr. GOODING. That is in the grease, of course.

Mr. LENROOT. Certainly; in the grease.

Mr. GOODING. And the commission found that it cost just as much to grow one class of wool as the other.

Mr. LENROOT. We will come to that a little later. Of course, the Senator from Idaho will admit that in that cost of 45 cents per pound there is included 6 per cent interest upon the investment, will he not?

Mr. GOODING. Yes; that is the report, but I want to say, at the same time, that the farmers have been paying 8 and 10 per cent, so that is hardly a fair rate of interest on which to base an argument.

Mr. LENROOT. That is another question. The only point I am making now is that included in this cost is interest upon the investment, figured at 6 per cent.

I do not criticize this, but I call attention to the fact that the farmer raising sheep insists that before he can be said to make any profit he must first be allowed 6 per cent interest upon his entire investment.

The Esch-Cummins law has been severely criticized by some farmers as being too liberal in allowing returns to the railroads; and I may say, in passing, by some Senators it has been criticized as being too liberal in the return provided for in that law, some of the Senators who contend, when we come to wool and when we come to other farmers' products, that before we commence to figure any profit at all the farmer must be permitted a 6 per cent return upon his investment.

The point I want to make is that the maximum which the Interstate Commerce Commission was permitted to consider in fixing rates in the Esch-Cummins law was 6 per cent—and that, by the way, expired last year—exactly the same percentage that the woolgrower insists he should receive as part of his cost before making any profit.

Mr. GOODING. Mr. President, the Senator does not think it is a fair comparison to take the small investment of the farmer, who is forced to pay 8 or 10 per cent for what money he has to borrow, with the railroad, which can go on the market and borrow it at 4½ to 6 per cent and has millions involved?

Mr. LENROOT. Mr. President, at the time the Esch-Cummins law was passed no railroad could borrow money for less than 6 per cent. But the Senator from Idaho must understand that I am not criticizing the basis the Senator from Idaho takes with reference to what the farmer is entitled to consider in his costs, but I do object when any Senator criticizes the Esch-Cummins law because it permits a 6 per cent return and then insists that the farmer must have a 6 per cent return before he is to be considered as making any profit at all. That is the only point I make. I say that what is a rule for a farmer, if we would be just, should be applied to the railroad as well, whether it be 6 per cent or 4 per cent, or whatever the money may cost.

Mr. GOODING. Mr. President, if this Government will guarantee the farmer 6 per cent, he will be satisfied.

Mr. LENROOT. That is just the point I am coming to. I wonder if the woolgrowers of America would be willing to accept legislation regulating the wool industry in the same way that we have regulated the railroads? Does the Senator from Idaho think that they would?

Mr. GOODING. I want to say to the Senator that unless this Government stabilizes farm products in the near future the farmers of this country will not grow enough to sustain life here. This is the third successive crop of wheat that has been grown which will not pay the expense of production within 25 cents a bushel. Unless something is done for the farmer he can not go on and lose year after year.

Mr. LENROOT. The Senator is talking about something he and I have no quarrel about.

Mr. GOODING. But when the Senator compares the 6 per cent of the farmer as being a fair return, where there are only a few dollars involved——

Mr. LENROOT. I do not claim that.

Mr. GOODING. The Senator is holding that up——

Mr. LENROOT. I am not holding it up. I am objecting to Senators saying that 6 per cent is an unfair return to a railroad when they want 6 per cent included as interest on the farmer's investment before he gets any profit at all. That is the only point I am making.

Mr. BURSUM. Mr. President, I suggest to the Senator that he is putting up a straw man which does not exist.

Mr. LENROOT. Let us see if it does not.

Mr. BURSUM. There can be no relative comparison between operating railroads and the growing of sheep, which is a very hazardous business at best, dependent upon rainfall, subject to all kinds of diseases to which the sheep are subject, great losses occurring even under the best of conditions.

The sheepman or the woolgrower has no monopoly. He has no exclusive franchise to sell to the people and fix his prices, while on the other hand the railroad, of course, is a public-service corporation, is granted an exclusive franchise to do business all along its line, and is not subject to weather conditions, to drought or rainfall, and can not be compared with the sheep industry in any way.

Mr. LENROOT. Mr. President, I can not yield further.

Mr. BURSUM. I say it is setting up a ghost which can not possibly exist.

Mr. LENROOT. I must be very stupid in my attempts to express what I have in mind.

Mr. STANLEY. Mr. President——

Mr. LENROOT. I can not yield now. I will yield to the Senator a little later.

I wish to ask the Senator from New Mexico if the woolgrower is entitled, as a part of his cost, to 6 per cent interest on his investment whether the owner of a railroad is entitled to 6 per cent upon his investment?

Mr. BURSUM. That is a long question.

Mr. LENROOT. That is my whole point.

Mr. BURSUM. That is simply the estimate of the Tariff Commission. I do not know that the woolgrower has brought that matter up or that Congress or any other body has legislated upon the subject. As a matter of fact, the woolgrower has a great deal of capital invested which is not taken into account in expenditures, such as rent——

Mr. LENROOT. That is taken into account in the Tariff Commission's report.

Mr. BURSUM. I doubt it. With all due respect, I doubt it. I happen to know a little about that business, because I have been engaged in it a few years and know that the charge has been constantly increasing on the growers of wool in the matter of investment in ranches. It will run all the way from 50 to 100 per cent in ranges upon which to grow the wool and raise the sheep.

Mr. LENROOT. I do not question the investment. Of course the Tariff Commission does take that into consideration.

Mr. BURSUM. I will say to the Senator that all in the world the sheep and woolgrowing industry is asking for is a chance to live and make ends meet. They are not asking a chance to profiteer.

Mr. LENROOT. I am not criticizing that desire on their part.

Mr. BURSUM. They ask a chance to be able to preserve their industry.

Mr. LENROOT. I am not saying the woolgrower should be allowed but 6 per cent.

Mr. BURSUM. I will say to the Senator that the expenses in the past 30 years have increased more than eight times over the cost of producing the wool.

Mr. LENROOT. I am insisting that Senators who put before the Senate the cost of growing wool, including a return of 6 per cent before they shall count any profit, can not very consistently attack the provision of the Esch-Cummins law that directed the Interstate Commerce Commission in fixing rates to fix such rates as in the judgment of the commission would enable the roads to pay to their owners 6 per cent.

Mr. GOODING. Mr. President——

Mr. LENROOT. Have I made myself clear?

Mr. BURSUM. I do not think anyone begrudges the 6 per cent the railroads are making.

Mr. LENROOT. I am very glad the Senator is not one of those who are criticizing the Esch-Cummins law for being too liberal to the railroads.

Mr. BURSUM. I do not look upon it in that way at all.

Mr. LENROOT. I am very glad to know that.

Mr. BURSUM. There might be some question as to the advisability of the Esch-Cummins law but not from that standpoint.

Mr. GOODING. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Idaho?

Mr. LENROOT. I promised to yield to the Senator from Kentucky.

Mr. STANLEY. Mr. President, perhaps it would be just as well to lay the ax at the root of the tree. This colloquy is not without its lesson. The Government is out of its province when it assumes or attempts to guarantee a fixed return or an adequate return to any business, and when everybody demands a return and everybody has to pay it becomes reductio ad absurdum.

Mr. LENROOT. I can not agree with the Senator from Idaho that there is any guaranty in the tariff rate to the woolgrower or any guaranty in the provisions of the Esch-Cummins law to the owners of the railroads.

Mr. GOODING. Mr. President, the Senator's statement seems to be most remarkable when he compares the farmer with the railroad. If there is any watered stock in any farm of the country, I have never heard of it. I have heard of such a thing as watered stock in the railroads. I believe it is generally assumed that about 40 per cent of the stock of most of the railroads is watered stock upon which they are permitted to earn 6 per cent.

Mr. LENROOT. But the Esch-Cummins law does not permit one dollar of watered stock to be included.

Mr. GOODING. They have not discovered the watered stock yet, have they? Everybody knows it is there. The Senator from Wisconsin knows it is there.

Mr. LENROOT. If the law does not permit it, the law can not be blamed for the watered stock being there.

Mr. GOODING. Every citizen, I do not care how humble he is, knew when the law was passed that there was watered stock in all the railroads, or in a majority of them, anyhow.

Mr. LENROOT. I am not questioning that at this time. I do wish my good friend from Idaho could catch the drift of what I say.

I do not object to the farmer including in the value of his investment the increased value of the farm, although his farm may be worth much more than he ever put into it. Does the Senator from Idaho think that the farmer should be restricted in arriving at the cost of his farm and his profits only to the dollars that he put into it? The Senator does not think that?

Mr. GOODING. The farmer, as far as that is concerned, would be glad to get a profit on the actual labor put into his farm. There is not a farm in the country that would sell now for the cost of the improvements and what the farmer has put into it in labor. No class of business gets so little return as does the farmer. The Senator knows that.

Mr. LENROOT. The Senator said a little while ago that if the Government would guarantee profits to the woolgrower as it does to the railroads under the Esch-Cummins law they would be satisfied.

Mr. GOODING. No; I did not say that. I did say, however, that unless something was done to relieve the man on the farm, something done to stabilize conditions on the farm, we could not grow enough to sustain life. The struggle is too hard.

Mr. LENROOT. But the Senator forgets what he said just before that, and that is what I am referring to. I want to make this proposition, and I am not doing it in criticism of the return the farmer receives. I am drawing some comparisons this afternoon between the position that Senators take upon one proposition and the absolutely inconsistent position they take upon another proposition, and that is all. Let us apply the Esch-Cummins law to the woolgrower of America and see how many would be willing to accept it. We would first have the Secretary of Agriculture fix the price of all wool in the country.

Mr. BURSUM. Mr. President——

Mr. GOODING. Mr. President——

Mr. LENROOT. I will not yield just now. We would first have the Secretary of Agriculture fixing the price of all the wool in America. Then the law would say to the woolgrower, "If you can make 6 per cent on the price we fix, well and good. If you can not make 6 per cent, the loss will be yours, Mr. Woolgrower. But, Mr. Woolgrower, if you make more than 6 per cent on the price we fix the Government is going to take one-half of everything you make over 6 per cent."

Mr. GOODING. Mr. President, will the Senator yield?

Mr. LENROOT. That is what the Esch-Cummins law principle applied to the woolgrower would do. I want the woolgrowers and the farmers of the United States to realize that proposition. Now I yield to the Senator from Idaho.

Mr. GOODING. I want to say to the Senator from Wisconsin that all the railroads should be able to earn 6 per cent, because the freight rates to-day are 51 per cent higher than the pre-war freight rates. The farmer pays the increased freight rates all the time. Out in my State the farmer is getting 65 and 70 cents a bushel for wheat after he pays the freight rate. The wheat can not be grown for less than a dollar a bushel. How long will they keep that up? The Esch-Cummins law guarantees 6 per cent to the railroads——

Mr. LENROOT. It does not, and they do not get it.

Mr. GOODING. Some of them do.

Mr. LENROOT. Yes; some of them do, and the Government will take half of all they make over 6 per cent.

Mr. GOODING. The railroads that serve my section of the country do.

Mr. LENROOT. Perhaps they do.

Mr. GOODING. Out there they are making more money on their railroads than they ever did before the war.

Mr. LENROOT. Now, let us see about that. In 1921 the net returns to the railroads on the valuation fixed by the Interstate Commerce Commission was 3.16 per cent.

Mr. GOODING. That is on all the railroads.

Mr. LENROOT. While the Senator now insists that the woolgrower shall have 6 per cent before he begins to count any profit at all.

Mr. GOODING. No; I do not insist that the woolgrower should have 6 per cent. Those are the figures estimated in the cost of the wool in the grease, or on the grease pound.

Mr. LENROOT. The Tariff Commission in its report has given two figures, one based on 6 per cent, which comes to 45 cents, and one without 6 per cent, which comes to 37 cents; but the Senator from Idaho has not used the 37-cent figure in the Senate, and I do not see how he could.

Mr. BURSUM. The Senator states that the Tariff Commission says it costs 37 cents to raise wool?

Mr. LENROOT. Yes.

Mr. BURSUM. As a matter of fact, the wool is not selling for more than 30 to 35 cents under the present emergency tariff, which is much higher than the rate proposed in the pending bill. Under that statement of fact, the woolgrower would be losing money, even under the present law, and yet the Senator would reduce it to a lower rate.

Mr. LENROOT. Oh, no; not at all.

Mr. BURSUM. Taking the figures which the Senator just quoted, that is apparently what he wants.

Mr. LENROOT. My friend seems to be terrified about something he thinks I am going to do, rather than about anything I have said or done thus far.

Mr. BURSUM. We are taking the Senator as he makes his argument.

Mr. LENROOT. Apparently I have not made clear what I am trying to do. My effort has been thus far to insist that when the farmer insists that he shall receive 6 per cent as part of his cost he ought not to complain because the Esch-Cummins law provided that for two years rates should be fixed as in the judgment of the commission would yield 5½ or 6 per cent.

Mr. BURSUM. Who is complaining about the railroads? What has the pending question got to do with the railroads? The pending question is the tariff on wool.

Mr. LENROOT. That is the pending question, and I am raising this question with reference to the railroads because the Senator from Idaho [Mr. GOODING] indicated that the woolgrowers of America would be delighted if they could have the same treatment as the Esch-Cummins law gives the railroads.

Mr. GOODING. The statement I made was with reference to the farmers, that they would be delighted to have a similar guaranty.

Mr. LENROOT. But there is no guaranty in the Esch-Cummins law.

Mr. GOODING. The rates are fixed so they may earn it, and if they do not all earn it, most of the railroads do. Many of them do what they are doing in my State, and that is to see how much money they can spend in making permanent improvements and charging them up to maintenance. They are doing work in my State that has been left undone since the railroad was constructed, in order to use up their money and charge it to maintenance. They are building up their branch roads and building them into permanent main lines, and charging it all up to maintenance and then earning 6 per cent net, so far as the Oregon Short Line is concerned.

Mr. LENROOT. That is wrong if it is true. I want to ask the Senator from Idaho if he would favor the policy that the Secretary of Agriculture should fix the prices on all farm products and have the law require that if the farmer did not make 6 per cent on those prices the loss should be his, but if he made more than 6 per cent the Government should take half of the excess above 6 per cent?

Mr. GOODING. Mr. President, to my mind it is most unfortunate that the Government has got to do any regulating. I think when the Government reaches the point where it has to regulate in order to protect its people against the selfish interests of the country, it is a very serious matter. The question arises whether we are going to regulate the different industries of the country in order to keep them from making unreasonable profits, which we know they are doing, or else we have got to provide legislation so that the farmer, who only gets about 28 per cent of the cost of what the people pay for his products, which, of course, does not give him a fair

return at all, shall be adequately protected; in other words, the farmers in the last three years have practically lost money enough on the farm to build all the railroads in America. The farmer has lost not merely millions but he has lost billions of dollars.

Now comes the Senator from Wisconsin [Mr. LENROOT] and proposes a duty of 7 cents a pound—the lowest duty that has ever been proposed by any Republican—on wool which may go into clothing when the emergency tariff law gives 15 cents a pound.

Mr. LENROOT. Mr. President, I decline to yield further.

Mr. GOODING. Very well.

Mr. LENROOT. The Senator from Idaho ought to be more accurate in his statement. He says the amendment which I offered and which is now pending proposes the lowest rate of duty on wool that has ever been proposed by any Republican. The duty which I have proposed, based upon the 1921 price of wool, Mr. President, is a higher duty per pound than was provided in the Payne-Aldrich law. The Senator from Idaho may not know that, but it is true.

Mr. GOODING. The Senator from Wisconsin says that his amendment proposing a duty of 7 cents per pound will afford a higher duty than that in the Payne-Aldrich law. He is mistaken as to the Payne-Aldrich law. I understood him, in reply to the Senator from Ohio, to state that his amendment on a specific basis would be equal to 7 cents a pound on wool in the grease.

Mr. LENROOT. The duty I have proposed would be 7.2 cents per pound.

Mr. GOODING. That is lower than was the Payne-Aldrich law rate.

Mr. LENROOT. The highest rate of the Payne-Aldrich law, as the Senator from Idaho ought to know, under this paragraph was 7 cents a pound. The duty in that law ranged from 4 cents to 7 cents a pound.

Mr. BURSUM. The rate was supposed to be 11 cents per pound, as I now recall.

Mr. LENROOT. No; it was not. I am surprised that these wool experts do not know what was in the Payne-Aldrich law.

Mr. BURSUM. The Senator is talking about carpet wool?

Mr. LENROOT. Absolutely.

Mr. BURSUM. I was speaking about the other wool.

Mr. LENROOT. I am talking about the amendment which is now pending.

Mr. BURSUM. What I was going to say about the proposed amendment offered by the Senator from Wisconsin is that if in practice it works out as did the Payne-Aldrich tariff it is very possible that it will reduce the duties on wool at least one-half.

Mr. LENROOT. Mr. President, the provision now pending is for a duty of 12 cents a pound on wool in the grease and 24 cents a pound on scoured wool. My amendment is that the duty shall not exceed 60 per cent ad valorem. That is very plain.

Mr. BURSUM. The workings of an ad valorem duty have never been fair to the producer. The producer gets no chance. It is an encouragement to fraud; it is an encouragement to cheat the producer and to cheat the public.

Mr. LENROOT. Would the Senator rather have the provision in the Payne-Aldrich law of 7 cents?

Mr. BURSUM. I would rather have a specific duty, whatever it may be.

Mr. LENROOT. Well, perhaps we can get together on that. Then I should have no objection to making the specific duty on the carpet wool 7 cents a pound, if the Senator is willing to support it.

Now, Mr. President, I want to discuss the question of the cost of production.

Mr. BURSUM. I am not willing to support the Senator's proposition. A specific duty would be fairer, for, at least, it would show exactly what the duty was, while an ad valorem duty is not a fair duty, and its administration is not practical so far as raw wool is concerned.

Mr. LENROOT. What I propose is not an ad valorem duty, in the ordinary sense. It is merely a maximum rate which I propose.

Mr. GOODING. Will the Senator yield to me?

Mr. LENROOT. Yes; I yield.

Mr. GOODING. I should like to call the Senator's attention to the manner in which an ad valorem duty will work. The manufacturer is the sole market for the woolgrower in this country, and of course he takes advantage of every opportunity that he can. He goes into the world market and he buys the cheapest wool that he can buy and he brings it in here. In that way he beats down the American price. He is absolute master, and, under the Senator's amendment, he will do exactly what he did under the old Schedule K. Now, the proposition of the Senator from Wisconsin is no better, only it is on a smaller scale, than was Schedule K. The Senator from Wisconsin, of course, is not advancing the proposition in the interest of the manufacturer, but that will be the working of it, and that is the purpose of it. A month ago it was understood that there was going to be an effort here——

Mr. LENROOT. Mr. President, I decline to yield.

Mr. GOODING. Let me say this much——

Mr. LENROOT. I can not yield to the Senator to make a speech here every five minutes, with due respect to him.

Now, Mr. President, the Senator from Idaho says that if this ad valorem proposition is adopted the American manufacturer, being the sole purchaser, can go and beat down the American price. Does not the Senator know that this bill, as reported by the Committee on Finance, is based not upon American valuation but upon foreign valuation? The 60 per cent will apply upon the world price. Does the Senator say that the American manufacturer can control the prices of the world? And he will have to do that in order to make the Senator's objection tenable.

Mr. GOODING. Will the Senator yield to me?

Mr. LENROOT. I yield.

Mr. GOODING. I will say to the Senator that we use about 25 per cent of all the wool in the world; that the American manufacturers go abroad and buy their wool; that they are a mighty factor in controlling the price of the wool of the world; and it is to the interest of the manufacturers to beat down to the lowest point the price of wool.

Mr. LENROOT. I wish to pass on to another suggestion in reference to the labor cost; and I desire again to make it plain that I am not objecting to the cost of producing wool as contended for by the Senator from Idaho. During this debate there have been some Senators who insist that the only protection that should be given to an American producer, whether he be manufacturer or agriculturist, should be the difference in labor cost. I have always believed that there are differences in cost of production that should be reckoned with other than mere difference in labor cost. When we come to apply the difference in labor cost to the production of wool the Tariff Commission gives us some very interesting information. In the letter sent by the commission to the Committee on Finance, being a summary of and a chapter on the cost of production of wool as taken from the report of the United States Tariff Commission on the woolgrowing industry, they go into the cost of production of wool.

Among other things, they made an investigation of the labor cost in the range States, and they found that in 1920 the labor cost was 31 per cent of the total cost of 35.8 cents per pound of wool, excluding interest; in other words, the total labor cost was 12.1 cents per pound. Assuming now the shrinkage of the territory wools to be 66⅔ per cent, under the paragraph that will follow the one now pending, imposing a duty of 33 cents per scoured pound, the duty upon wool in the grease will be 11 cents per pound, or within 1.1 cents per pound of the entire labor cost in the production of wool as found by the Tariff Commission; in other words, if the duty were to cover only the difference in labor cost to warrant the proposed rate of 33 cents per scoured pound, the labor cost would have to be eleven times the labor cost of producing the foreign wool.

Again, Mr. President, I am not urging this as an objection to this duty, but when the woolgrower says that there are differences in cost of production other than labor in his own industry he ought to be willing to make the same concession with reference to other industries. As I have said, upon the great bulk of the wools that we grow here I think we need a duty at least as high as was fixed in the House bill, and perhaps as high as is proposed by the Senate committee upon the finer wools; but it ought to be understood that the actual duty imposed by this bill as compared with the actual duty in the Payne-Aldrich law upon raw wool is 83 per cent in excess of the duties imposed by the Payne-Aldrich law; in other words, as the Tariff Commission found, and as the chairman of the committee stated the other day, while the Payne-Aldrich law assumed to give to the farmer 11 cents a pound on wool in the grease and 33 cents a pound scoured, by reason of the lighter shrinkage and by reason of the skirting of fleece, the actual duty paid upon the importation of wools under the Payne-Aldrich law, instead of being 33 cents a scoured pound, was only 18 cents a scoured pound, while under this bill it would be 33 cents as proposed by the committee for every scoured pound, irrespective of the value of the wool.

Mr. BURSUM. Mr. President——

Mr. LENROOT. I yield.

Mr. BURSUM. If this wool is used for carpets, then it comes in free?

Mr. LENROOT. Yes.

Mr. BURSUM. So that the 33 cents would not be paid?

Mr. LENROOT. The 33 cents applies to the next paragraph and not this paragraph.

Mr. BURSUM. I understood the Senator was speaking of the first paragraph.

Mr. LENROOT. I am speaking now of the second paragraph. It is true, Mr. President, the manufacturer under the Payne-Aldrich law received a compensatory duty based upon 33 cents a pound, although the actual duty paid was only 18 cents, and it has been assumed by the committee that all of that protective duty hidden in the compensatory duty was paid by the consumer. Whether it was or not I do not know; I do not suppose anybody knows. I have not a doubt in the world that a part of it was, but I can not quite follow the chairman of the committee when he assumes that under the Payne-Aldrich law it was all passed on to the consumer. I had not supposed, Mr. President, that anyone holding to the doctrine of protection took the position that all of the protective duty was passed on to the consumer; that the consumer paid every dollar of rates that were imposed in a tariff law. Yet that is the position which the distinguished chairman of the committee takes in justification for this new rate. When, however, we come to get the facts we find that, under one paragraph at least, the compensatory duty in this bill is 5 cents a pound higher than any compensatory duty in the Payne-Aldrich law. That is made necessary by the fact that when we impose 33 cents duty on the scoured pound, every dollar of which the manufacturer has to pay, as the Senator from Utah has stated, then the additional 11 cents a pound in some cases does not cover the essential compensatory duty, and it becomes necessary to add 5 cents a pound more for that reason. Am I correct, I will ask the Senator from Utah?

Mr. SMOOT. I will say that the Senator is correct in his statement.

Mr. LENROOT. Mr. President, we must maintain this industry. The production of wool throughout the world is decreasing, and the people of the United States must have wool; and so, irrespective of this, so far as the great bulk of wools that are grown in this country are concerned, I shall vote for this duty of 33 cents a pound. When, however, we come to the lower and the coarser wools, concerning which there is very little production in this country, where the ad valorem rate proposed by the committee runs as high as 137 per cent based upon wool prices of last month, then I say we have come to a point where such rates can not be defended.

I have in my hand the prices in the world's markets of wool of different grades on May 15 last. I had the prices of June, but these seem to be those of May. Fine wool in the world's markets on May 15 last was quoted at 95 cents, one-half blood at 75 cents, three-eighths at 58 cents, one-fourth at 43 cents, and low at 24 cents; and yet the committee proposes to apply the same duty per pound on wool valued at 24 cents a pound as upon wool that is valued at 95 cents per pound.

Mr. BURSUM. Mr. President, is it not true that the Payne-Aldrich bill did practically the same thing? The same rate of duty was applied to all of the different grades of wool. There was no such thing as the quarter-blood or three-eighths blood or half-blood or fine wool. They were not taxed at different rates. As I recollect, there was only one separate rate, which was on graded wools, as I recall.

Mr. LENROOT. Does the Senator think that is an argument that would appeal to me? He may not know that I voted against the Payne-Aldrich bill, and very severely criticized it at every opportunity.

Mr. BURSUM. But the Senator was suggesting the Payne-Aldrich bill as a justification for his attack on this bill.

Mr. LENROOT. Oh, no, no, Mr. President. What I meant by that was that bad as the Payne-Aldrich bill was, and condemned as it was by the American people at the first opportunity, when a rate is now proposed that is in excess of the rate imposed in that bill I do not see how any Senator can stand on this floor and defend it. When I refer to the Payne-Aldrich bill and say that a rate is higher than that, that does not mean that I approve of the Payne-Aldrich bill. That simply means that bad as the Payne-Aldrich bill was, a particular rate that is higher is worse than that.

Mr. President, I have given those rates, and what do they amount to in ad valorems? On the fine wool the ad valorem would be 35 per cent; on the one-half blood, 44 per cent; on the three-eighths blood, 56 per cent; on the quarter-blood, 77 per cent; and on the low, 137 per cent.

Mr. BURSUM. But, Mr. President, what percentage of the total amount of wool does the low grade represent?

Mr. LENROOT. Not a very large percentage.

Mr. BURSUM. About 4 per cent.

Mr. LENROOT. About 1 per cent of the production. Am I correct?

Mr. BURSUM. About 4 per cent of the consumption.

Mr. SMOOT. Not of the production; about 1 per cent of the consumption.

Mr. BURSUM. About 4 per cent all told.

Mr. LENROOT. It is about 1 per cent of our production, is it not?

Mr. SMOOT. Put it this way: Four and one-half per cent of the total consumption is of the lower-grade wool, including the quarters, and of that 4½ per cent 80 per cent is imported and 20 per cent is raised in the United States, and 20 per cent of 4½ per cent is nine-tenths of 1 per cent.

Mr. LENROOT. Very well. Then, Mr. President, under the admission of the Senator, we are proposing to impose a duty of 137 per cent upon a wool where our own production of that kind of wool is only nine-tenths of 1 per cent of the total production.

Mr. President, how can that be justified? You say the production is not large, and yet you propose to pass on to the American consumer that 137 per cent, and that is pyramided at least once before it gets there, for what purpose? To protect nine-tenths of 1 per cent of the American production.

Mr. BURSUM and Mr. GOODING addressed the chair.

The VICE PRESIDENT. Does the Senator from Wisconsin yield, and, if so, to whom?

Mr. LENROOT. I yield to the Senator from New Mexico.

Mr. BURSUM. I suggest to the Senator from Wisconsin that that is hardly fair. While it may seem a small percentage, the great difficulty in this proposition is the matter of classification. If the Senator from Wisconsin were familiar with the wool business he would realize how very difficult it would be to administer the law under his proposed amendment and to segregate this very small percentage among all the wool of the country. He would realize how it would encourage fraud and injustice on the grower, in that he would not be receiving the amount of protection which it is intended that he shall receive in this law.

The amount of wool of this low grade which the Senator mentioned is not large, if there were some way by which it could be separated and honestly administered under the law; but you can not do it under your amendment. No ad valorem duty going onto a specific duty will have any other effect than to injure the grower of wool and demoralize the ratings under the law. The effect will be practically this: Instead of having 4 per cent of the low-grade wool when you come to settle for your duty you will have probably 50 per cent of that class which did not belong under that rate, and it will be impossible to separate it.

Mr. LENROOT. Do I understand from the Senator that an expert can not tell the difference between a quarter blood and a three-eighths or a low?

Mr. BURSUM. Not when you are dealing with millions of bales and shiploads of wool. It will be practically impossible.

Mr. LENROOT. I am not an expert upon wools, and the Senator is; and yet they are sold in the world's markets by those very grades today, and the Senator must know it.

Mr. BURSUM. Yes; but they are sorted before they are sold. They do not come in in that way. I call the attention of the Senator to the fact that not so very long ago a shipment of wool came in under our present law as carpet wool where fine wool was on the inside of the bale and carpet wool on the outside.

Mr. LENROOT. Oh, that is just plain fraud.

Mr. BURSUM. Under the provision offered by the Senator they would not have to practice such fraud in order to defraud this tariff rate.

Mr. LENROOT. I do not see what that has to do with it, because it is 60 per cent ad valorem, whatever the price and value may be.

Mr. BURSUM. Yes; but where do you get your price and value?

Mr. LENROOT. Where do you get it on importing anything?

Mr. BURSUM. You get it on a bill of lading, or you get it on an invoice. That is where you get it.

Mr. WADSWORTH. Mr. President——

Mr. LENROOT. I yield to the Senator from New York.

Mr. WADSWORTH. The Senator from New Mexico has depicted the insuperable difficulty of telling whether this wool is of the low grade or the three-fourths or the three-eighths.

Mr. LENROOT. He believes anyone can tell about the shrinkage in these wools.

Mr. WADSWORTH. That difficulty, or a difficulty of a similar kind, did not seem to dismay the committee at all. Look at pages 140, 141, 142, and half of 143, and note that the appraisers are going to be trusted, at least, to distinguish between a shrinkage of 60 per cent and a shrinkage of 63 per cent, a shrinkage of 57 per cent and a shrinkage of 60 per cent, in great bales of wool.

Mr. BURSUM. That is much easier to distinguish.

Mr. WADSWORTH. Without opening out the wool?

Mr. LENROOT. Of course, the Senator from New York will understand that while they could put fine wool on the inside of a bale and coarse wool on the outside if my amendment is adopted they could not do it under the committee amendment. Of course, he must understand that. [Laughter.]

Mr. WADSWORTH. That is so. I had not thought of that.

Mr. LENROOT. Mr. President, there is, I am very frank to say, one difficulty in applying a maximum ad valorem. I am not an expert either in growing wool or in the manufacture of wool, but I have consulted some experts—one of them a Senator on this floor—and I am informed that there will be no serious difficulty about carrying this into the tops, the yarns, and the cloths, except in one or possibly two paragraphs; but if there be difficulty in one or two paragraphs, and if, perchance, in those paragraphs a greater compensatory duty is given than is absolutely necessary, nevertheless the people will not be compelled to pay this outrageous ad valorem equivalent upon all that they have to purchase in the way of woolen goods. The great bulk of it can be separated; the great bulk of it can be given a lower compensatory duty for these coarse wools; and to the extent that it can be done, just to that extent will the people of the United States get the benefit of it.

Mr. President, getting back to the pending amendment with reference to carpet wools, under the importations of last year the rate proposed by the committee is equal to 100 per cent ad valorem on these low, coarse wools, the lowest that are known—100 per cent ad valorem!

Mr. POMERENE. Mr. President, does the Senator mean on the average?

Mr. LENROOT. On the average. That is to say, the total imports of carpet wools in 1921 average 12 cents a pound in the grease.

Mr. BURSUM. Mr. President, the carpet wools come in free.

Mr. LENROOT. I am not talking about duty; I am talking about value. If the value of carpet wools last year was 12 cents a pound, and you now impose a duty of 12 cents a pound, that is 100 per cent ad valorem.

Mr. BURSUM. But we do not, if they are manufactured into carpets; they come in free. What the committee has sought to do is to prevent a rank fraud through buying carpet wools, bringing them in free, manufacturing those wools into clothing, and then claiming the compensatory duty on the clothing basis. That is the reason for this provision. It is to prevent fraud on the people, fraud on the Government, and fraud on the producer.

Mr. LENROOT. Of course, if the Senate is going to sustain the committee, not only in this paragraph but in the next one, imposing a rate of 33 cents a pound on the scoured wool, with these low wools, and then be foolish enough to give the manufacturer a compensatory duty of 33 cents a pound, of course the Senator would be right; but I hope the Senate will have sense enough, if it does make a difference between those low wools, to get them down somewhere near where they ought to be, and we will carry that reduction into the other paragraphs of the wool schedule, so that the people of the United States will get the benefit.

Mr. BURSUM. Does not the Senator agree that if these wools are manufactured into carpets they come in free?

Mr. LENROOT. Yes. What has that to do with the question?

Mr. BURSUM. It has everything to do with it.

Mr. GOODING. Mr. President, I ask the Senator if he stands on the Republican platforms? Our platforms have always declared for a duty measuring the difference in the cost of production at home and abroad. Is he willing to give that to the woolgrower on the different classes of wool grown in America?

Mr. LENROOT. Yes; upon the great bulk of it.

Mr. GOODING. The Senator admits that it costs 45 cents per pound to produce wool?

Mr. LENROOT. Not based on the Republican platform.

Mr. GOODING. That is the finding of the Tariff Commission, that it costs 45 cents a pound in the grease.

Mr. LENROOT. No; they said that it costs 45 cents a pound if you include 6 per cent on the investment.

Mr. GOODING. Everybody will give the farmer 6 per cent.

Mr. LENROOT. Certainly; he ought to have more than 6 per cent.

Mr. GOODING. Let me tell the Senator that at that rate it cost $1.12½ to grow a pound of scoured wool. He admits that carpet wools came in last year at 12 cents a pound. I can not tell him what that would be on the scoured pound, but we do know that in London to-day the wool he is talking about, and even higher grade wools than that, are selling for 25 cents a scoured pound. A 60 per cent duty on 25 cents a pound is equal to 15 cents. So this class of wool can be laid down in Boston, duty paid, for 40 cents per scoured pound.

Forty cents from $1.12½ is the difference between the cost of production in this country and abroad, which he has not any protection for at all. There is not any question at all about that, if I have made myself plain. That is on the farm; that is not in Boston, after the freight is paid.

Mr. LENROOT. The Senator and I ought not to have any quarrel now. He says the same wool is selling in London at 25 cents a pound. If that is true, my 60 per cent amendment will not have any effect, because the rate of 12 cents a pound will apply.

Mr. McCUMBER. Mr. President, I assume, of course, that so far as carpet wool is concerned we purpose to allow it to come in free. Not to go into the question whether we ought to do so or not, but assuming it is all right that the low class of wool that is used only for carpets should come in free, should the manufacturer then be allowed to mix, say, 10 per cent of that wool with other wool in such a manner that you could not detect it and then get the full compensatory duty?

Mr. LENROOT. Could he mix it so that it could not be detected?

Mr. McCUMBER. The experts tell me that if you put about 10 per cent or less in the cloth it can not be detected.

Mr. LENROOT. It has to be yarn of less than 50, has it not?

Mr. McCUMBER. It does not depend on the size of the yarn, but the question is whether we can put a small admixture of carpet wool into the yarn, and, if that small admixture is put into the yarn, whether you would give the manufacturer the benefit of his 33 cents upon the scoured content when on one-tenth of it he is not entitled to any consideration at all? The real purpose of this duty, as I have stated, is to impose a penalty. If the manufacturer uses any portion of that free wool in the manufacture of clothing, he is given a duty based upon the 33 cents. He says he does not want it for that purpose, but for carpet purposes. He buys it for carpet purposes, and then he puts a portion of it into the cloth and gets the compensatory duty. We say that the penalty shall be so much per pound. The Senator says that the penalty shall not exceed 60 per cent ad valorem; and, after all, it is simply a difference in the penalty you will place upon the persons who attempt to commit the fraud against the Government.

Mr. LENROOT. The Senator is assuming that in the argument I am making I am supporting the compensatory duty of 33 cents a pound on wool. I am not.

Mr. McCUMBER. The Senator is assuming that this wool is going into clothing?

Mr. LENROOT. Yes.

Mr. McCUMBER. If it goes into clothing, then the manufacturer gets his 33 per cent.

Mr. LENROOT. He will not if we do not give it to him, and I do not propose that we shall give it to him.

Mr. McCUMBER. Then you would not give him the compensatory duty upon that in which he is entitled to receive it, because of the fact that you can not always tell whether he is putting the carpet wool into his yarn?

Mr. LENROOT. Of course not, but I think in this bill the committee has given, in one case I came across, the full compensatory duty upon an article where, if there were a few threads of wool in it, it carried the 33 cents a pound compensatory duty.

Mr. McCUMBER. It is not in the bill.

Mr. SMOOT. Does the Senator from Wisconsin make the statement that there is a paragraph in the bill like that?

Mr. LENROOT. There is a paragraph like that still in the bill. I will correct myself to-morrow if I am mistaken.

But, again, this bill gives to the manufacturer greater than 33 cents compensatory duty, because if the article is of chief value of wool, if 51 per cent in value is of wool and 49 per cent is of cotton, then he gets the full 33 cents a pound compensatory duty, does he not?

Mr. SMOOT. There could not be a case of that kind. The cotton does not cost what the wool does.

Mr. LENROOT. I said in value.

Mr. SMOOT. There could not be such a case

Mr. LENROOT. Why could there not be?

Mr. SMOOT. Because of the fact that we would have to have 90 per cent cotton and 10 per cent wool to take the cotton rate.

You could not put 10 per cent of wool in cloth and make woolen goods.

Mr. LENROOT. Does the Senator mean to say that this phrase "of chief value of wool" means nothing?

Mr. SMOOT. I will tell the Senator frankly what it means. There are many goods made with a cotton warp and an all-wool filling. In fact, some of the very finest linings, and particularly some of the velveteens, goods of that character, are so made. The cotton warp forms a small part of the weight of the goods. That class of goods is just as expensive to make as all wool, and perhaps in some cases, where they are really fine yarns, more expensive than if they were all wool, and we use the words "of chief value" because of the fact that we want no unfair provision in the bill, such as that carried in the Payne-Aldrich law.

Mr. LENROOT. I have the provision to which I referred. The Senator said it was not in the bill, and the chairman of the committee said it was not in the bill. I want to read it and see if it is not in the bill. It is provided in paragraph 1114 that—

Fabrics with fast edges not exceeding 12 inches in width, and articles made therefrom; tubings, garters, braids, laces, galloons, veils and veiling, bands, belts, suspenders, braces, cords, and cords and tassels; all the foregoing if wholly of wool, 49 cents per pound; if in part of wool, whether or not wool constitutes chief value, 33 cents per pound.

Mr. McCUMBER. That has already been modified in the committee.

Mr. LENROOT. Does the Senator charge me with knowledge of what the committee has done?

Mr. McCUMBER. I think the committee has reported it already.

Mr. LENROOT. I am talking about the bill which Senators have upon their desks, and which the committee did report as I stated it reported it, a paragraph in this bill under which, if there are two threads of wool, the committee proposes to give 33 cents a pound compensatory duty.

Mr. POMERENE. Allow me to suggest in this connection, Mr. President, that we have been repeatedly confronted with the statement that these amendments have been modified. I submit that when the Finance Committee has agreed upon an amendment it ought to be reported at once, so that we can have an opportunity to study it.

Mr. LENROOT. I should not be charged by the chairman of the committee with making a misstatement when I find something in the bill as reported by the committee, and have had no notice of any change to the contrary.

Mr. SMOOT. Mr. President, these are fabrics not exceeding 12 inches in width. Those are not cloth, and I thought the Senator said cloth.

Mr. LENROOT. No; I said there was such a paragraph in the bill.

Mr. SMOOT. I thought the Senator said a "cloth" paragraph in the bill. Perhaps it would be just as well to explain this now, rather than to explain it when I take the floor.

Mr. LENROOT. Has the committee changed it?

Mr. SMOOT. I do not think so, in this instance.

Mr. LENROOT. The chairman of the committee just stated the committee had changed it.

Mr. McCUMBER. The chairman of the committee is right. The committee has made that change or directed it to be made.

Mr. SMOOT. I did not know whether it had or not, but even if it has not, I want to say to the Senator that in the case of wool veils and veiling, under this paragraph, if there were any wool in them at all, or even without any wool, carry a higher rate, even with this compensatory duty. If that did not work that way, it would fall in paragraph 1430, and these classes of goods are not cloths. They are like tubings, and garters, and braids, and veils and veiling. I forgot whether we changed it or whether we did not, but even if we did not change it, it is not cloth.

Mr. LENROOT. There is, then, a hidden protection in the compensatory duty in this paragraph.

Mr. McCUMBER. Let us correct matters. If we made a mistake, let us correct it and correct it now. The Senator from Ohio is right when he says we ought to suggest amendments some days before, and this certainly ought to have been reported before. But several days ago the committee amended paragraph 1114, on page 149, by inserting after the word "wholly," in line 16, the words "or in chief value," and then afterwards we amended the 55 so that it would be 50.

Mr. LENROOT. Will the Senator state that again? I would like to have it in my own copy.

Mr. POMERENE. May I ask the chairman of the committee to read the whole amendment as it has been finally perfected by the committee?

Mr. McCUMBER. Paragraph 1114 provides, as amended:

Fabrics with fast edges not exceeding 12 inches in width and articles made therefrom; tubings, garters, suspenders, braids, cords, and cord tassels, all the foregoing, wholly or in chief value of wool, 49 cents per pound and 50 per cent ad valorem.

Mr. WALSH of Massachusetts. Why does not the chairman of the committee submit to the Senate the committee amendments changing the text of the bill?

Mr. McCUMBER. It was because we are trying to whittle this wool schedule, by referring to the very latest figures, down to the bone, from our standpoint of protection. While we agreed upon this rate several days ago, we did not agree upon the reduction from 55 to 50 until Saturday, and therefore it is time to get the matter before the Senate in this form as we desire to approve it. Whatever criticism may be aimed for not presenting this a day or two beforehand, there can be no criticism in the fact that we have cut the duty upon the very latest facts.

Mr. LENROOT. Will the chairman of the committee be good enough to admit that I was justified in the statement I made?

Mr. McCUMBER. Oh, yes, as it was originally reported; but I had my mind upon the last action of the committee.

Mr. SMOOT. I want to call attention to the fact that the original language was "all the foregoing, if wholly of wool, 49 cents a pound; if in part wool, whether or not wool constitutes the chief value, 33 cents a pound."

There is 16 cents a pound difference in the compensatory duty. It was originally written at 33 cents to take care of whatever there might be in it outside of wool itself, and a compensatory duty of only 33 cents is given instead of 49 cents. If the change is made, then, of course, we will have to strike out the other provision and have the whole of it as 49 cents.

Mr. LENROOT. That is what it is now, 49 cents.

Mr. SMOOT. If of chief value.

Mr. LENROOT. Mr. President, this illustrates the point I was trying to make. It is urged that there are two divisions of wool, one the coarse wool and one the finer wool, the coarse wool carrying a lower rate, determined by a maximum ad valorem. It is stated that can not be carried in the way of compensatory duties throughout the schedule, but it must be admitted they are carrying compensatory duties in the schedule now—and I am not criticizing it; perhaps there is no way of avoiding it—where they are giving a full compensatory duty upon an article when only part of it in chief value is of wool.

We can separate, and I have been advised that we can separate, the coarse wools from the finer wools and carry them through the schedule. We may make mistakes in one or two instances. We may make in some paragraph a larger compensatory duty than is necessary for the manufacturer, but the committee have done it in nearly every paragraph of the bill so far. If we did it in one case and in the rest of the paragraphs saved the American people large amounts of money it would be well worth doing. With regard to the manufacturer passing these duties on to the consumer, I want to ask the chairman of the committee if he believes all these duties are passed on to the consumer?

Mr. McCUMBER. As the Senator has for the third time made that statement, I want to correct it. In the first place, he will find no statement of mine to the effect that the duty was carried on to the consumer. What I did state or attempted to make clear was that the provision gave to the manufacturer a 33 cents per pound differential, whereas in his method of purchasing he only paid a difference of 18 cents a pound.

Mr. LENROOT. That is true.

Mr. McCUMBER. I did not state that he carried that to the consumer. I do not know whether he did or not. If the condition of the trade was such that he could charge enough to carry it on, I have no doubt that he did so. If it was not such that he could carry it on to the consumer, he perhaps did not do so. What I desired to say was that we intended to give him a benefit of 33 cents a pound on the scoured contents that went into his manufactured fabric; that, as a matter of fact, in buying his skirted wool and other wools abroad, they did not shrink the 66 per cent and, therefore, while he bought the wool that only shrunk from 30 to 40 per cent or 50 or possibly 52 per cent, he got the benefit of protection on the basis of 33 per cent. That is as far as I went in that discussion. I did not say whether he carried it on or whether he did not. I do not know whether he did or not.

Mr. LENROOT. Of course, if he did not carry it on, then the consumer did not pay it. But the consumer will have to

pay every penny of the 33 cents that is imposed by the bill. As the bill now stands, the consumer will have to pay it upon the low coarse wools as well as upon the fine ones. The consumer will have to pay 33 cents a pound upon wool valued at 24 cents a pound, as well as 33 cents a pound upon wool valued at $1 a pound.

Mr. McCUMBER. I do not know that I disagree with the Senator. He may or may not have to pay it, according to whether there is a good demand or whether the demand is slack. Very often it is found in the trade that the foreign producer stands some of the loss. Sometimes they can take the full amount and impose it upon the public. Sometimes they can not impose half of it, sometimes very little of it. It depends so much upon the trade and conditions that it is impossible to say whether it will be all carried on or not.

Mr. LENROOT. The American manufacturer has to import nearly half of the wool he uses, has he not?

Mr. McCUMBER. All right.

Mr. LENROOT. And he has to pay 33 cents a pound upon it, has he not?

Mr. McCUMBER. Yes.

Mr. LENROOT. And that becomes part of his cost, does it not?

Mr. McCUMBER. Yes.

Mr. LENROOT. Then before he can figure 1 penny of profit he has to figure 33 cents a pound on the 24-cent wool as well as on the $1 wool, has he not?

Mr. McCUMBER. I would want to know what he sold for before I could determine whether it is necessary for him to raise the price of his cloths to the extent of the additional duty. Possibly he has been selling for enough profit so that he can absorb the duty without carrying it up.

Mr. LENROOT. I am talking about cost of production to the manufacturer. On the 24-cent wool under the committee's proposition as it stands, under the second paragraph, he will have to pay, if he imports it, 57 cents a pound for the wool.

Mr. McCUMBER. Yes, that is true; that is absolutely true. We do not intend to allow him to have a 33-cent basis in his cloth and at the same time import his wool on only an 18-cent basis.

Mr. LENROOT. And he ought not to have the 33-cent basis on the coarse wool, nor should he have a 33-cent basis on his cloth made out of the coarse wool.

Mr. McCUMBER. That is a question as to what the farmer thinks he ought to have and what the Senator thinks he ought to have.

Mr. LENROOT. Oh, no. I said he ought not to have that in the coarse wool that we do not grow in this country, and that he ought not to have that compensation in the cloth.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER (Mr. WILLIS in the chair). Does the Senator from Wisconsin yield to the Senator from Ohio?

Mr. LENROOT. I yield.

Mr. POMERENE. In reply to a statement made by the Senator from Wisconsin a moment ago, the Senator from North Dakota in substance said there might be various circumstances which would change the situation so far as the payment of the 33 cents was concerned. Of course, we must all admit that there are various circumstances and that they to some extent affect the value. I think the Senator must admit, assuming all the circumstances to be the same, that then the 33 cents must be paid.

Mr. LENROOT. It is inevitable, of course.

Mr. McCUMBER. If the Senator will allow me, it is not inevitable. For instance, with a duty of 25 cents a bushel upon wheat, year after year, I could show that we were importing the wheat. They did not charge 25 cents a bushel more to the American consumer and miller. During those years the difference of 25 cents a bushel on wheat amounted actually to about 11 or 12 cents, so the duty is not always all carried on. Sometimes the foreign producer takes part of the loss and the American consumer takes up the other part.

Mr. LENROOT. The Senator will admit it is part of his cost of production.

Mr. McCUMBER. Why, certainly.

Mr. POMERENE. And in any event, the consumer holds the bag.

Mr. BURSUM. Mr. President——

Mr. LENROOT. I yield to the Senator from New Mexico.

Mr. BURSUM. I submit to the Senator from Wisconsin that it is not always the rule, and it does not work out in practice that the cost of the wool would be the exact amount of the tariff plus what may be the foreign price. For instance, at the present time, on the lowest grade of wool stated here, the very cheapest wool from abroad can be bought for 22 cents in London; yet that wool is only worth 44 cents on the Boston market, although we have a duty of 45 cents upon the scoured basis.

Mr. LENROOT. Is that 22 cents scoured?

Mr. BURSUM. That is scoured wool I am speaking of, 22 cents a pound scoured. It is worth 44 cents on the Boston market, and we have a 45-cent duty. These things are largely controlled by conditions of the market throughout the world. We might have a surplus here.

Mr. LENROOT. If he imports that 22-cent wool, then he has to pay 67 cents for it here?

Mr. BURSUM. Yes; but he may buy it for less abroad. The duty may not change the price.

Mr. LENROOT. That again illustrates this bogey that is being put up that we can not carry these compensatory duties on to the low-grade wool in the bill. Senators say now the farmer is not getting full compensation, and they say he presumably will not get the full compensation of 33 cents a pound, but that we are going to carry it into the bill for the manufacturer, whether he pays the domestic price and the full amount of the duty or not.

Mr. SMOOT. That is under existing law, and it comes about in this way.

Mr. LENROOT. I mean under the pending bill.

Mr. SMOOT. I think it refers to existing law. That is because of the fact that it comes here in the grease.

Mr. LENROOT. Oh, no. The Senator from New Mexico was asked the specific question by me if he referred to the scoured pound, and he just stated—and I presume he knows what he is talking about—that the scoured pound in London was selling at 22 cents, that the duty was 45 cents, making 67 cents in this country, whereas the Boston price of that scoured pound was 44 cents.

Mr. SMOOT. Of course that is under existing law. That is where they ship it here in grease under a rate of 15 cents a pound, and with the low shrinkage it makes that difference.

Mr. BURSUM. It would not equalize that difference in the duty.

Mr. SMOOT. What I mean to say is that under the 33-cent duty it would make no difference what the shrinkage was as the bill is reported here, but under existing law to-day it can be shipped in at 15 cents in the grease, and if the shrinkage is only 20 per cent then the scoured wool would be only 18 cents.

Mr. BURSUM. But anyway the scoured wool is 22 cents in London. The duty is 45 cents, the freight is about 2 cents, and the price in Boston is 44 cents. The difference is not absorbed. Competition at home, wools which we have on hand, is helping to fix the price.

Mr. LENROOT. Now I would like to ask the Senator from New Mexico as a practical wool man whether he thinks the woolgrower will receive the full benefit of the 33 cents a pound? Does he think so?

Mr. BURSUM. Well, to a large extent, but not entirely.

Mr. LENROOT. Just to the extent that he does not it is proposed under the bill to give the manufacturer a compensatory duty larger than he has to pay. Is not that true?

Mr. BURSUM. My understanding is that the manufacturer is allowed 4 pounds to the yard on the duty.

Mr. LENROOT. No; it is more than that.

Mr. SMOOT. It all depends upon the value of the goods. Upon the basis of the value of the goods we know whether it is all wool or whether it is not all wool, and it runs all the way from 30, I think, up to 49.

Mr. BURSUM. Of course the manufacturer ought not to have anything in excess.

Mr. LENROOT. He ought not to, but, of course, it may not be determined exactly.

Mr. BURSUM. That is probably true.

Mr. LENROOT. That is the point I am making now with reference to this division of coarse wools and fine wools; it can not be determined exactly; of course not.

Mr. SMOOT. There is not any question, if there is no change made, that every bit of clothing wool that comes in here will have to pay 33 cents.

Mr. LENROOT. I understand that.

Mr. SMOOT. I am referring to what the Senator said.

Mr. LENROOT. Yes; but, of course, it is possible—and I think that is what is in the mind of the Senator from New Mexico [Mr. BURSUM]—that the American buyers might say to the American woolgrower, "We will not pay you the full amount of the 33 cents that Congress tried to give you."

Mr. SMOOT. No legislation in the world could prevent that.

Mr. LENROOT. Of course not. But the only point I make here is that, although the farmer can not get the full amount we are giving the manufacturer the full amount, and necessarily so. I am not critizing it, but I am simply saying that

to divide these coarse and fine wools into different compensatories is no more uncertain or difficult than some of the things that have already been done in the bill, except as to one or two paragraphs.

Mr. STANFIELD. Will the Senator from Wisconsin yield to me?

Mr. LENROOT. I yield.

Mr. STANFIELD. The Senator's amendment only applies to the low-grade wools, the so-called carpet wools?

Mr. LENROOT. My amendment applies only to carpet wools, but I will say that to the next paragraph I shall offer a similar amendment. Under present prices, however, it would not apply to any wool finer than quarter blood.

Mr. STANFIELD. The Senator is discussing the manufacture of carpet wool into clothing?

Mr. LENROOT. Yes; into clothing.

Mr. STANFIELD. I should like to ask the Senator from Wisconsin what kind of clothing is manufactured from carpet wool?

Mr. LENROOT. Carpet wool is used in cheviots. I can tell the Senator exactly in a moment. The Tariff Commission says:

> Some are employed in coarse blankets, robes, and upholstery cloths, or, when mixed with pure wool, in the manufacture of rough tweeds or cheviots.

Mr. SMOOT. I will say to the Senator that most of it is used for backing for heavy-weight overcoats. I think that is where our great difficulty has come, and with the cheviots and tweeds.

Mr. STANFIELD. I should like to ask the Senator from Wisconsin, further, how he thinks that the question could be determined as to the amount of carpet wool that had been mixed with the finer wool and manufactured into this particular kind of cloth?

Mr. LENROOT. In the particular case of which the Senator speaks, with reference to overcoats, I do not know that it could be done.

Mr. STANFIELD. Or in the case of cheviots?

Mr. LENROOT. There would be but one grade of wool, and that would be the lower, coarser kind, and it would take the lower compensatory duty.

Mr. STANFIELD. How could the appraiser administer that?

Mr. SMOOT. I will say to the Senator that cheviot or tweed can not be manufactured from carpet wool. Cheviots and tweeds are made of coarse wool which is mixed with medium wool. They spin the mixed wool because they can thereby get a certain size thread out of it, but it is impossible to tell how much of each is in the yarn.

Mr. LENROOT. That is probably true of carpet wools as distinguished from quarter-blood and the other low-grade wools. I do not understand, however, and I have not understood from the Senator from Utah, that there would be any difficulty, except in one or two paragraphs, in having two classifications of the coarse wools in this schedule, not separately classify carpet wools, because all of them would take the same ad valorem of 60 per cent but quarter blood and lower and all the other wools.

Mr. STANFIELD. I understood the Senator to say that he was not concerned as to the duty to be proposed on the finer grades of wool.

Mr. LENROOT. I am not.

Mr. STANFIELD. Where does the Senator propose to make the limitation?

Mr. LENROOT. On quarter bloods.

Mr. STANFIELD. Quarter bloods and down?

Mr. LENROOT. Yes; quarter bloods and down.

Mr. STANFIELD. And on three-eighths and above the Senator would have the duty remain as it is?

Mr. LENROOT. Yes.

Mr. STANFIELD. Does it not occur to the Senator that that would perhaps result in all of the iniquities of the old Schedule K, under which the manufacturer claimed that he was entitled to a compensatory duty on wool shrinking 66⅔ per cent, whereas he was actually importing and using wools shrinking only about 40 per cent? Would not the same rule apply in this case, because of the inability of appraisers to administer the provision and tell how much of the coarser wool and how much of the finer wool is in the mixture?

Mr. LENROOT. Does the Senator mean to refer to imports in the raw state or of the manufactured product?

Mr. STANFIELD. I mean in the manufactured state, having reference to the compensatory duty. The point I am attempting to make is this: Would it not leave it open for the manufacturer to claim an unfair compensatory duty which would do the consumer no good, but would give to the manufacturer added protection?

Mr. LENROOT. Just to the extent that it may be determined the consumer would get the benefit of it, presumably, because we would provide a lower compensatory rate upon the coarser yarn and upon the coarser cloth than upon the finer grades. That is the point.

Mr. GOODING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Idaho?

Mr. LENROOT. I yield.

Mr. GOODING. The Senator is familiar with the manipulation of Schedule K by the manufacturers?

Mr. LENROOT. I am very familiar with that.

Mr. GOODING. There is no question that the Senator is putting up a most splendid argument in the interest of the manufacturer who wants to take advantage of this schedule, as he did of Schedule K. I can not see how any man who ever condemned Schedule K can vote for the Senator's amendment. If the Democrats vote for it, I want to say that their mouths are forever closed so far as Schedule K is concerned, because the working of the law under the proposed amendment will be practically the same as under Schedule K, only on a smaller scale; that is all; and that is the purpose of it.

Mr. LENROOT. Perhaps the Senator can not see it, but I think that nearly every other Senator would see, if we vote first for a lower duty upon the raw material, the raw wool, and then a lower compensatory duty upon articles made out of that raw wool, that we are not favoring the manufacturer but we are favoring the public who buy it.

Mr. BURSUM. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from New Mexico?

Mr. LENROOT. I yield.

Mr. BURSUM. How would the Senator segregate the coarser wools from the finer wools when once manufactured? How could they be segregated? Upon what would the compensatory duty be levied? Upon the price of the low, coarse wool or upon the price of the high-grade wool? How would the manufactured product be separated in order to determine how much of low-grade wool was used? It seems to me impossible, for the reason that it is conceded that the low-grade coarse wools can only be used in a mixture with other finer wools.

Mr. LENROOT. Mr. President, the Senator, I take it, is familiar with the Payne-Aldrich law, is he not?

Mr. BURSUM. I recollect something about the old Payne-Aldrich law. I think I recall——

Mr. LENROOT. The Senator is aware of the fact that under the Payne-Aldrich law there were two classes of clothing wool, if you please, sir. The criticism of the Payne-Aldrich law was not of the compensatory duties on those two classes of wool, but the criticism of the Payne-Aldrich law was, first, that the protective rates were exorbitantly and outrageously high. The criticism, next, was that, while assuming to give to the wool-growers protection of 11 cents a pound on wool in the grease and of 33 cents upon the scoured pound, as a matter of fact, the manufacturer was importing the wool and paying only upon the basis of 18 cents on the scoured pound instead of 33; and he had a hidden protection of 15 cents a scoured pound under the Payne-Aldrich law in addition to the exorbitantly high protective rate. But the criticism was never made, to my knowledge, that provision was made for two classes of wools in the Payne-Aldrich bill or that that provision could not be administered.

Mr. BURSUM. But the Senator has not answered my question. The question is, If a piece of cloth is manufactured from two grades of wool, partly from fine wool, which is a high-priced wool, and partly from a coarse wool, which is a low-priced wool, how will the compensatory duty to be given to that cloth be determined?

Mr. LENROOT. The Payne-Aldrich law treated of two classes of wool, making a difference based upon value, as the Senator knows.

Mr. SMOOT. Mr. President, I will say to the Senator that all compensatory duties were based on one class of wool in the Payne-Aldrich law.

Mr. LENROOT. I did not remember that.

Mr. SMOOT. If the Senator will notice that law he will see that wherever a compensatory duty is provided for fabrics, it is based upon class 1 wool.

Mr. LENROOT. I should like to look into that to satisfy myself. I would rather take the opinion of the Senator from Utah than that of any wool expert, because he is a wool expert and has been in the business himself; and before I offered this amendment I spoke to the Senator from Utah—and I do not

think I am violating any confidence, because the conversation certainly was not confidential—who said that there were some paragraphs where it would be difficult to carry the compensatory duty; and he referred especially to overcoats.

Mr. SMOOT. It would be impossible.

Mr. LENROOT. It is not impossible, because we can provide a duty that would be equal to the scoured pound and then certainly the manufacturer would be protected.

Mr. SMOOT. I mean to say that it is impossible to write in the law any specific compensatory duty that would cover those goods.

Mr. LENROOT. Exactly; it is impossible in the bill as it is drawn, because we can not cover the cotton warp and the wool.

Mr. SMOOT. We have covered that.

Mr. LENROOT. The bill gives a full compensatory duty, which is the same, and protection in addition.

Mr. SMOOT. That is only on a certain kind of goods, but it costs even more with a cotton warp than with a wool warp.

Mr. LENROOT. If it costs more, that is covered by the protective duty; I am speaking of the compensatory duty.

Mr. SMOOT. I am speaking of the compensatory duty.

Mr. LENROOT. The compensatory duty, as I understand, is to provide compensation for the amount of wool that goes into the fabric.

Mr. SMOOT. That is true.

Mr. LENROOT. For the duty imposed upon that wool; and when, under the guise of compensation, we give so much a pound, based upon it being all wool, although only a part of it is wool, then I say we have as much indefiniteness and uncertainty as we would have by dividing two classes of wool and carrying the compensatory duties there. But, Mr. President, I can not conceive that it is going to be impossible to frame a piece of legislation that can not differentiate between wool valued at 22 cents a pound and wool valued at a dollar a pound.

Mr. BURSUM. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from New Mexico?

Mr. LENROOT. I do.

Mr. BURSUM. If all of that were true, yet the Senator has admitted upon the floor that the net result of his amendment would be still to give the manufacturer the benefit of the 33 cents levied.

Mr. LENROOT. I have not admitted any such thing.

Mr. BURSUM. And to take away from the grower the 11 cents.

Mr. LENROOT. The Senator must not misquote me in such a way. If the Senator has done me the honor of listening to me at all he knows that I have been saying just the contrary here for an hour.

Mr. BURSUM. The distinguished Senator from Wisconsin, if I understood him correctly, just a moment ago referred to the possibility of a manufacturer recovering the 33 cents a pound compensatory duty, even though the article be not all wool and there be some cotton, and that at least the same opportunity would be afforded in the case of the compensatory rates upon these lower-grade wools, which, to my mind, if I understand the English language, is an admission that the manufacturer would continue to receive his 33 cents compensatory duty.

Mr. LENROOT. Mr. President, it is not anything of the kind. What I said was that there would be no more uncertainty in dividing these wools than there is in the present bill, because the manufacturer now in some cases, if I understand the bill correctly, is receiving full compensation although the fabric may not be entirely of wool. What I did say was this: In the case the Senator from Utah mentioned, where he said it would be impossible to arrive at a proper differentiation, I said that in that case, even though you gave him the full 33 cents in that paragraph, if we had a less compensatory duty throughout the schedule for the coarse wools the public at least would get the benefit of all the reductions that we did make, and they would not pay any more in any case than the committee now proposes.

Mr. SMOOT and Mr. GOODING addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Wisconsin yield, and, if so, to whom?

Mr. LENROOT. I yield to the Senator from Utah.

Mr. SMOOT. I think the Senator has followed each of the different paragraphs; and he will find in paragraph 1109 that, in the case of woven fabrics weighing more than 4 ounces to the square yard, wholly or in chief value of wool, valued at not more than 60 cents a pound, the duty is 26 cents a pound and 40 per cent ad valorem. We give only 26 cents a pound compensatory duty there. Why? Because anyone knows that a blanket selling at 60 cents a pound first has a cotton warp; second, it is not all wool. We know that. More than likely there will be 10 per cent of cotton and 50 per cent of wool waste in that blanket.

Speaking offhand, now, just as a manufacturer, I should say that that would be about what that blanket would be composed of—a full cotton warp, 50 per cent wool waste, 10 per cent cotton, and the balance wool. Therefore we divide it upon that basis, and instead of giving a duty of 49 cents a pound we give 26 cents a pound compensatory duty on it. That is the way these duties are figured out, and there would not be any question about it; if that is the price of that blanket per pound, we know just as well as we know that we live that it can not be all wool.

Mr. LENROOT. Yes; that is true. Here is a very good illustration of just what I am talking about. That very paragraph will impose a duty—protective and compensatory duties combined—of 100 per cent ad valorem on an article valued at 50 cents a pound. That is what it does. It is a very good illustration of the very objection I am making here to a duty of 33 cents a pound on all these coarse wools. Blankets will be made out of these coarse wools, and yet, under the paragraph that the Senator uses for an illustration, on a blanket valued at 50 cents a pound the committee proposes an ad valorem duty of 100 per cent.

Mr. SMOOT. Mr. President, the duty on the blanket itself is only 20 cents per pound.

Mr. LENROOT. I mean this woven fabric. If it is valued at not more than 60 cents a pound, there is 26 cents per pound compensatory duty and 40 per cent ad valorem duty. If it is valued at not more than 50 cents a pound, there is 20 cents a pound protection and 26 cents compensatory duty. That is 46 cents—not quite 100 per cent ad valorem, but very close to it. It is over 80 per cent ad valorem.

Mr. SMOOT. I am aware of that. I do not say that that is not so under the provisions of the bill as it is.

Mr. LENROOT. Yes. Now, Mr. President, if that woven fabric weighs more than 4 ounces per square yard, I will ask the Senator if it is not made of this coarse wool—I mean at that price?

Mr. SMOOT. Mr. President, the filling of that fabric more than likely would be made of quarter bloods if it were a cotton warp, and more than likely it would be a cotton warp; but if it were not a cotton warp they would have to have a wool strong enough to hold it, and that would be above quarter blood.

Mr. LENROOT. It would be worth more than 60 cents a pound then.

Mr. SMOOT. No; if it weighs more than 4 ounces to the square yard of course it is men's wear. This is women's wear below that. The 4 ounces is the dividing line, and generally it comes into the coarser goods just above the fine goods in women's wear. If it were men's wear, it could be 4 or 5 or 6 or 7 or 8 ounces to the square yard. That will all depend, of course; but to get it down to this weight, if it were only 4½ ounces of course they could not use that coarse wool, because they could not get the thread fine enough to make that weight of cloth; but if it were 8 ounces they could make it out of that coarse yarn. I do not mean carpet yarn; I mean clothing yarn. Carpet yarns are too frizzly and too brittle, and in order to make a warp it would be impossible to use it and have it strong enough to be woven; but it could be mixed with other wools.

Mr. LENROOT. Mr. President, I am not going to occupy the floor longer. I have already occupied it much longer than I should. I am frank to say for myself that until it is proven better than it has been that it is not possible to separate these coarse wools from the finer ones—and if it is necessary for the committee to take some time to consider that matter I should be willing that they should—I certainly am not willing to vote for a duty upon raw wools amounting to 137 per cent ad valorem.

I proposed the other day a maximum ad valorem of 75 per cent on gloves, in which a great deal of labor is involved and a great deal of machinery is involved.

I am not willing, upon a product of which we produce only 1 per cent, to impose upon the people any such ad valorem duty as 137 per cent; and I am satisfied that if this amendment be adopted with reference to carpet wools, and if a similar amendment be adopted with reference to the other wools, the committee will be able to find some way to carry into this schedule proper compensatory duties.

Mr. POMERENE. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Ohio?

Mr. LENROOT. I yield.

Mr. POMERENE. The committee in its wisdom has seen fit to provide here a specific duty of 33 cents a pound on the clean content of the wool. Of course, that specific duty is the same whether the wool is worth 15 cents a pound or 50 cents a pound, naturally.

Mr. LENROOT. It is.

Mr. POMERENE. The duty is the same—33 cents a pound on the clean-wool content. That clean-wool content, without the duty, may perhaps be worth 50 cents or $1 or $1.20 or $1.50 a pound, as the Senator from Utah suggests. If that clean-wool content is worth only 15 cents without the duty, it does not seem to me quite the right thing that it should pay an additional 33 cents to come in, or, if it is worth 50 cents, that it should pay 33 cents again, or, if the clean content is worth $1 or $1.20, that then the duty on that wool should be the same that it is on the 15-cents-a-pound clean content. I do not think that provision is right.

Mr. GOODING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Idaho?

Mr. LENROOT. I yield to the Senator.

Mr. GOODING. I think I have said this before, but it is true:

It costs just as much to grow a pound of this coarse wool as it does to grow a pound of the finer wool. The question is, Are you going to permit the industry to exist? Are you going to destroy one branch of the industry which is positively and absolutely necessary to build up a flock of sheep?

I do not know why one farmer should have a duty of 11 cents a pound, or 33 cents on the scoured basis, and another farmer, his next-door neighbor, who happens to have this low-grade wool, should have 7 cents, and with this ad valorem duty it might be even 5 cents; and it will have an effect on the neighbor's flock that has fine wool, because they will displace it wherever they can with this cheaper wool, and that is the purpose of it. There is not any question about following it as far as the wool is concerned. They can tell quarter-blood wool from half blood or three-eighths, but they can not follow it in the cloth where it is mixed. That is the point.

Mr. LENROOT. Mr. President, the Senator can argue that in his own time. I can not take the time to yield for that purpose.

Mr. President, in conclusion I think we ought to recognize that a duty of 33 cents a pound upon the finer wool is going to increase the cost of clothing in this country. I want to say to Senators upon this side of the Chamber that we are going to have difficulty enough with the consumers in our large cities in justifying the protection that we are giving to the wool-growers of America in these better wools; but we can not justify the enormous ad valorem duties that it is also proposed in this bill shall be given upon these coarse wools, amounting to over 100 per cent ad valorem as against 35 per cent ad valorem upon the finer wools.

Mr. President, it seems to me that Senators ought to stop and consider that proposition. So far as I am concerned, I do not propose by my vote to impose upon the American people any such duty as is proposed by the committee upon these low-grade wools that are not produced in this country to any appreciable extent, but that duty will help to increase the cost of living to the American people.

Mr. McCUMBER. Mr. President, the present rate of duty on the scoured content of wool is 45 cents per pound. The Senator from Wisconsin [Mr. LENROOT] says that if we impose the duty which we have imposed under this bill, which is 33 cents per pound, we are bound to drive the cost of clothing upward. I will leave the Senator to figure out how that is to be accomplished.

I am certain that with wool on the free list many yards of cloth, perhaps the most produced for American clothing, was about $5 per yard. I know that, notwithstanding the fact that since that time we have placed a duty of 45 cents per pound upon the scoured content, the prices of the same articles of clothing have gone down 50 per cent, or about half.

The Senator from Wisconsin takes the position that the prices are going up again, notwithstanding the fact that we have lowered the rate from 45 to 33 cents per pound. I can not agree with him. I do not think they will go up. I think they will go down, according to the conditions of the trade. They have already gone down with a 45-cent rate, and I think they will continue to go down somewhat, because they have not yet reached the lowest figures.

Mr. LENROOT. Mr. President, the Senator says the amount paid under the present law is 45 cents per scoured pound. Will the Senator state the actual duty paid on wool shrinking 25 per cent?

Mr. McCUMBER. I stated that the specific duty upon the scoured content of the imported wool is 45 cents a pound. Some wools will shrink 66 per cent, some of them will shrink only 20 or 30 per cent, but whatever the shrinkage is we are basing the duty not upon the grease content, with the assumption that it will shrink 45 per cent or 66 per cent; we are basing it now actually upon the scoured content, and that is the duty that is now being fixed.

Mr. LENROOT. Does not the wool come in now upon the grease content at 15 cents per pound?

Mr. McCUMBER. If it is the grease, unwashed, yes.

Mr. LENROOT. If it shrinks 50 per cent, that is 30 cents per pound, is it not?

Mr. McCUMBER. Thirty cents per pound if washed and 45 cents per pound if scoured. Anyway, it is a higher duty than the present duty.

Mr. LENROOT. It is not. The present duty of 33 cents a scoured pound upon wool shrinking 25 per cent is higher than the present emergency tariff.

Mr. LODGE. Mr. President, since the 1st of January last a hundred million pounds of wool, the largest amount for any similar period, have come into the port of Boston. The quantity is more than a hundred million pounds now. That is being held in bond because the men who imported the wool, who are going to use it in manufacturing, know that they will get it in at a lower rate than now prevails.

Mr. McCUMBER. Do Senators suppose for a single moment that if those importers of wool believed that this was a higher duty than that which obtains now they would be sending the wool in in bonds and holding it until this law shall pass?

Mr. LENROOT. The Senator must be fair to me.

Mr. McCUMBER. I try to be.

Mr. LENROOT. I referred only to the coarse wools, with a very light shrinkage. I admit that upon the finer wools the rate proposed in the pending bill is lower than the rate in the emergency tariff law, but upon the coarser wool, with light shrinkage, it is higher.

Mr. McCUMBER. Let us get at the real paragraph we are discussing, that covering wools used in carpet manufacturing. That is really what those wools are used for; it is really what they are imported for. They are not usually imported for clothing.

Of that wool we produce in the United States but a small proportion of what is consumed in the United States. Under the Underwood law carpet wool and all other wool came in free. The question arose with the committee as to whether they ought to put a duty upon the carpet wool. Taking into consideration the meager amount produced in the United States as compared with the vast amount consumed in the United States, the committee was of the opinion that we would not disturb the Underwood tariff law so far as it affected these very low grades of carpet wools.

Everyone knows that if you use any percentage of those carpet wools in cloths used in making clothing you detract from the character of those cloths. You can not always distinguish whether or not the low grade is used. The manufacturers may use in their yarn possibly some grades of those carpet wools which are brought in free. They may use 10 or 15 per cent of that kind of wool and immediately claim protection on the ground that they had paid 33 cents, and upon cloth we have given them protection in every instance on the basis of their paying 33 cents upon the scoured content.

I am not arguing whether that is just or unjust, but if we do that, then we must protect the American public and the American Treasury against fraud and deceit. We can not allow the manufacturer of cloth to bring in this wool free and use 10 or 15 or 20 per cent of it, and then insist upon his protection of 33 cents a pound upon the cloth that is produced from it.

Therefore we say that if you use any of this in the cloth, which injures the cloth, which is a fraud upon both the Government and the purchaser of the cloth, you have to pay 12 cents a pound upon the grease content or 24 cents upon the scoured content. That is all there is to it. They do not intend to use it, except that they may use it surreptitiously, and the committee determined that, so far as it could prevent it, they should not so use it. We do not prevent their using it. We say that they can use it in clothing provided they pay so much duty. We put it a little higher, for the very reason that we do not want them to use it for clothing, and for the very

reason that it is an invitation to commit a fraud if we allow them to bring it in and mix it in any manner without paying a rather high duty.

We say that the duty shall be 12 or 24 cents. The Senator from Wisconsin says it shall be so much, but not to exceed 60 per cent. It is a question, as I stated before, whether we want to penalize above 60 per cent, or whether we desire to never make the penalty above 60 per cent. I am assuming all the time that this low wool which we allow to come in free is to be used for carpet purposes only, because that is the only purpose for which we allow it to come in free.

The Senator has gone a little beyond the carpet question, and he has claimed that these rates are higher than the Payne-Aldrich rates. I asked the actuary of the Treasury Department to make a careful estimate of the ad valorem rates under the Payne-Aldrich law, and the ad valorem rates under the pending bill as we reported it, by paragraphs. We have since cut 5 per cent ad valorem in most of these rates, but I will take his statement, made before the cut.

It is true that on the raw wool, which came in imported with much less than 60 per cent of loss, the duty we now impose is considerably in excess of the Payne-Aldrich rate. Under the Payne-Aldrich law the average was 44.31 per cent. Under the pending bill, which protects the producer of the wool, and assures him that he will have the full protection of the equivalent of 33 cents per pound upon the scoured contents, it is 61 per cent.

On the wool waste, under the Payne-Aldrich law, the duty was 38.96 per cent. Under this bill it would be 49 per cent.

Now, let us get to the manufactured fabrics and see what the conditions were.

Wools, and so forth, advanced, including tops, and so forth, Payne-Aldrich rate, 105 per cent; rate under the pending bill, 58 per cent.

Yarns, Payne-Aldrich rate, 82.38 per cent; rate under the pending bill, 77 per cent.

Woven fabrics, Payne-Aldrich rate, 100.66 per cent; the rate under the pending bill, 76 per cent.

Pile fabrics, Payne-Aldrich rate, 102.34 per cent; rate under the pending bill, 76 per cent.

Blankets: Payne-Aldrich rate, 73.42 per cent; rate under the pending bill, 65 per cent.

Felts, not woven: Payne-Aldrich rate, 97.01 per cent; rate under the pending bill, 52 per cent.

Fabrics with fast edges, and so forth: Payne-Aldrich rate, 87.06 per cent; rate under the pending bill, 71 per cent.

Knit fabrics: Payne-Aldrich rate, 95.76 per cent; rate under the pending bill, 64 per cent.

Knit articles: Payne-Aldrich rate, 95.63 per cent; rate under the pending bill, 61 per cent.

Wearing apparel, not knit: Payne-Aldrich rate, 77.29 per cent; rate under the pending bill, 59 per cent.

Carpets and rugs: Payne-Aldrich rate, 60.66 per cent; rate under the pending bill, 53 per cent.

Manufactures not specially provided for: Payne-Aldrich rate, 94.5 per cent; rate under the pending bill, 55 per cent.

The total of wools and manufactures thereof would bring the figures to within about one-tenth of 1 per cent above the Payne-Aldrich rates. But you will see in all the manufactured products an enormous decrease.

Mr. President, I shall to-morrow put in the RECORD a table showing the value of the imports, but I wish to put it in a little more fully than I can do to-day. It will give a general idea of the very great reduction on manufactured articles in the matter of an ad valorem basis rate.

Mr. WALSH of Massachusetts. Mr. President, I ask permission to have inserted in the RECORD various letters from manufacturers and others protesting against the rates proposed by the committee in the woolen schedule.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

ANDREW J. SOLIS & CO.,
52 Chauncy Street, Boston, Mass., April 27, 1922.

Hon. DAVID I. WALSH,
United States Senator from Massachusetts,
United States Senate, Washington, D. C.

MY DEAR MR. WALSH: Inclosed please find my article. I hope you will find it worth while. I do not apologize for what I say regarding second-rate politicians. Will you please let me hear that this has reached you; and I shall watch for your action regarding it at the proper time, when the woolen schedule has been reached.

Thanking you for your kindness in this,

Sincerely yours,

ANDREW J. SOLIS.

A stream can not rise higher than its source, and that is why when second-rate politicians secure control of the Ways and Means Committee, the Senate Finance Committee, and other influential committees the country suffers from lack of vision and from a vagary of visionary schemes, some stupid but mostly vicious.

These men are riding for a fall, their proposed unbalanced tariff will bring disaster and not prosperity to the country, their aim, through methods which range from paternalism to State socialism, is to inflate the cost of raw material regardless of consequences.

The force behind these measures is the senatorial power of sparsely-settled States, which enables them to enforce consumption taxes, which have no bearing on the policy of protection, on the great consuming and manufacturing centers of the country. Thus, we find that a total constituency of 4,700,000 people represented by 20 Senators outvoting the interests of a single constituency of 10,000,000 people represented by only two Senators. Then we find that the power to force unjust and high taxation on the great consuming centers, placed in the hands of one Senator representing a constituency of 400,000, when a Senator representing a constituency of 4,000,000 people has no influence in protecting the interests of his State against the greed of class legislation.

Nevada	106,000
Wyoming	179,000
Arizona	250,000
New Mexico	410,000
Idaho	431,000
Utah	434,000
Montana	650,000
South Dakota	698,000
North Dakota	739,000
Oregon	835,000
Total (20 Senators)	4,732,000
New York (2 Senators)	10,380,000
Utah	434,000
Massachusetts	4,000,000

The pending tariff and chain of laws qualifying the tariff to force inflated values on the country are all farmer demands, regardless of party rule, justice, or expediency, and are based mostly on war paternalism. The senatorial farm bloc has many highly interesting and visionary propositions all subsidiary to the proposed tariff. Among others is the proposed law, introduced by Senator LADD, now in committee, which requires the expenditure of an appropriation of $1,000,000,000, with which to purchase the entire production of wheat, cotton, corn, and wool for resale to consumers at a fixed price.

The price for wool to be fixed at 55 cents per pound in the dirt, or $1.76 per pound clean, which means on a clean cost of $1 per pound above normal.

On wool alone the country would pay the sheep raisers for the American clip of 100,000,000 clean pounds $100,000,000 over price each year, or $1,000,000,000 every 10 years.

This is no Utopian dream, even if it is almost unbelievable paternalism, because we have in operation to-day laws quite as vicious.

We have an embargo on wool, which embargo has not only disrupted business, but it has inflated wool values 150 per cent in three months, which, to say the least, is a rather unusual method of reducing the high cost of living. Then we have the pending permanent tariff, in which, as written in the law, a duty of 33 cents per pound is placed on the scoured content of wool, regardless of grade or condition. With a possible duty of 49½ cents per pound on the scoured content, authorized by the additional duty of 50 per cent by Executive proclamation, all of which is camouflaged, to fool the public, by a flat duty on raw wool based on shrinkage, which in every case under the written rates figures 33 cents on the scoured content, but under the possible proclaimed rates would figure 49½ cents on the scoured content. This is a "joker" in the law which would carry the wool duty under certain conditions 4½ cents higher than in the emergency tariff.

This squarely places the burden of the whole wool duty on the poor man's wool supply, and this without considering the workability of collecting duty and handling commercially through the customhouse over 200,000,000 scoured pounds of imported wool, and which in addition bequeaths to business an endless litigation with the Government.

In times past the talk of levying a duty on the scoured content was always used as a miserable pretense of lowering the wool duty, but now, although unable to supply more than one-third of America's wool requirements, the woolgrowers' pretense is no longer in evidence, arrogant, and indifferent to the people's needs, their argument for inflation through an unjust wool tax rolls on echoing and reechoing through the Halls of Congress with parrotlike precision: "The sheep raisers interests are paramount; the sheep raisers interests are paramount."

Then there is that other subsidiary inflation law recently enacted by the farm bloc, which places in the hands of a governmental bureaucrat the power to fix the price of wool through the cooperative farm act, which calls for a price fixed on cost, plus 8 per cent. Thus, without a market barometer as supply and demand ebbs and flows, we find that fixed prices established by law means that domestic wool in the future can be inflated indefinitely to the price of foreign wool plus the duty, and the last vestige of domestic competition to reduce value is lost to consumers through authorized monopoly and price fixing through farm pools.

To afford some mitigation of this evil condition and to protect the public the wool duty ought to be levied on an ad valorem basis, as it is by this method only market value can be in any way regulated, and at the same time the iniquity of placing the highest burden of an indefensible tax on wool of the poor man's clothing supply can in a measure be remedied. Farm-bloc Senators aggressively maintain demands, conceding even the overt acts of monopoly. Senator NORRIS in advocating the enactment of this price fixing excused it on the grounds that the Government of the United States was unable to enforce its own laws.

We quote him as follows:

"The Steel Trust continues to control prices of steel products, and therefore farmers—woolgrowers—should also be allowed to control prices. We have dissolved trusts, but we find them doing business at the old stand."

What is true of the Steel Trust is also true of the Woolen Trust, the Oil Trust, the Harvester Trust, and every other trust with Wall Street stock-market connections.

Can we not see where this is leading? The destroying of private enterprise by encouraging private monopoly is bad enough, but when it is acknowledged that the Government can not enforce its own laws it is no longer a Government of law, because the people are at the mercy of some superruling class who are stronger than the will of the governed. That is why the majority of Americans, from consuming centers, must accept vague promises for substantial relief. The best judgment of five or six political bosses is called majority rule, and

from all obtainable evidence, the unavoidable suspicion is with us that legislative action of the future has been "hocked" to interests ever hiding behind the skirts of a legislature. Senator NORRIS proves by his statements that the country is "framed" by class legislation. Already the proposed tariff and auxiliary farm laws show that honest protection is in the discard and in its place has been substituted a system of gratuities.

The weakness of tariff legislation of the present day is the concealing of excessive and oftentimes unnecessarily high tariff rates by methods and phraseology. Fictitious valuation is an example. Dilettantists advocate this feature of the pending bill and argue for its support, without considering that it is dishonest, inasmuch as it defrauds the public by concealing the greater part of the duty in the assessment, not of actual value but on values which have been increased fictitiously. This method was first adopted January 10, 1827, by Chairman of the Ways and Means Committee Mallory, of Vermont, when introduced in the "woolens bill" with the principle of the "minima," the first fictitious valuation measure ever introduced.

The rates were applied as follows:

"Cloth which cost 41 cents per yard was held to be worth $2.50 per yard and the duty was collected on the fictitious value of $2.50. Wool which cost over 10 cents was held to be worth 40 cents per pound."

This was the principle of all tariffs and proposed tariffs from 1826 to 1828, inclusive. The difference between FORDNEY and Mallory is quite marked, because Mallory did not advance his duty rates over the tariff of 1816, relying on his applied minimum of fictitious value to get his increased duty. FORDNEY not only established his 150 to 200 per cent fictitious value but he also applied excessive duties of previous tariffs, thus making a double duty, the greater part of which was concealed in the fictitious values established by law.

Whether this valuation on which duties are levied is to be proclaimed or otherwise, the principle is the same, and any change of method is on a parity of trying to remedy the iniquities of Schedule K by calling it Schedule 11. If it is within the power of Congress to delegate its rights, fixed by the Constitution, then the duties of this proposed law are 50 per cent higher than the rates expressed and written in the law, with the right of the Executive not only to embargo merchandise but to carry on a tariff war by exclusion with every nation in the world. A rather dangerous weapon in the hands of anyone, even the President of the United States.

I believe in honest protection, which is disinterestedly placed for the benefit of all, but the present undertaking brings us again to the parting of the ways.

We are face to face with a 20-year reactionary swing back, again a protective tariff is perverted into a direct tax on consumption by the overt acts of monopolists and farmer blocs sanctioned by a senatorial majority, consisting of a minority representation.

The distressing effects of allowing private monopoly to dominate industry is apparent. According to the census during that other period of tariff juggling, although the capital invested in the woolen manufacturing increased, the number of manufacturing units decreased. The Director of the Census states that the capital invested in the woolen machinery increased from $256,000,000 in 1899 to $415,000,000 in 1909, but that the number of establishments decreased from 1,221 in 1899 to 912 in 1909, which proves that individual manufacturers are being driven out of business, not by foreign competition but by illegally perverting the law and constructing a monopoly which dominates business to the detriment of legitimate industry, and farmers now seek to imitate for themselves these overt acts.

The fruitage of perverting a tariff from public benefit to private monopoly and class interest has plainly left its mark on the body politic of the American people. Our self-complacent politicians direct us to abandon our struggle for reform and return to the old methods, although experience proves these methods responsible for the present system of commercial communism, the private enterprise destroying system, the gambling promoting system, which combines machinery production with margin speculation.

The result of all this is that the intelligent, the patriotic, and everyday American is the victim of misapplied legislation; they are being ground between the upper and nether millstones of class distinction, class legislation, and monopoly; they are being destroyed by creating class in a nation whose fundamental law declares that all men are created equal; they are being destroyed by unequal living expense brought about by political exigency, industrial trusts, farmer blocs, and speculators—each out "to get theirs."

This commercial communism which allows supercontrol of industry and by-sectional legislation is not protection; it is un-American and is against the spirit of 1776. It is fatal to the success of the woolen industry or any other industry, as it destroys individual initiative. It is a national catastrophe, as it affects adversely the efforts of those seeking to establish new enterprise, which a protective tariff is supposed to encourage. Therefore, before the proposed law becomes operative a provision should be provided which will compel the disintegration of so-called trusts by limiting the number of operatives which may be worked under the control of one management. In this way, and if we resist the present conspiracy of inflation, industrial America will be saved to industry rather than remain at the mercy of some invisible power.

Your pending bill, entitled "An act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes," will not provide revenue, will not promote foreign commerce, and, while encouraging private monopoly, will not encourage American industry. It will promote inflation, which begets deflation, and a reoccurrence of deflation at this time means widespread bankruptcy in the United States.

ANDREW J. SOLIS.

BOSTON, MASS., *June 23, 1922.*

Hon. PORTER J. MCCUMBER,
Chairman Finance Committee,
United States Senate, Washington, D. C.

DEAR SIR: Referring to the matter of the proposed new wool duties, I trust that you are giving attention to the well-taken points in the criticisms against the proposed rates that have been named for wool. These rates are excessive, and if put into effect would cause a great reaction against the Republican Party.

Furthermore, they are not equitable rates, as the percentage of duty figures out so much more on the lower grades of wool than on the finer grades of wool.

Then, again, no specific duty is equitable for wool. The rates should be ad valorem, and the ad valorem plan is the only reasonable, scientific, and equitable plan. If we must have a duty on wool, it should be at least a just duty, with no unfair discrimination, particularly as the discrimination is against the consumers of the cheaper clothing.

I hope all of this will have your considerate attention, and the importance of the protests will be heard before serious damage is done.

Yours very truly,

ISAAC M. SLOCUM.

AMALGAMATED CLOTHING WORKERS OF AMERICA,
OFFICE OF THE PRESIDENT,
New York, July 12, 1922.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

MY DEAR SENATOR WALSH: I am sending you inclosed a statement setting forth the objections of the Amalgamated Clothing Workers of America, an organization of over 175,000 workers in the men's clothing industry, to the wool schedule in the pending Fordney-McCumber tariff bill, and would ask your careful perusal and consideration of it.

Very truly yours,

SIDNEY HILLMAN,
General President.

NEW YORK, *July 12, 1922.*

In behalf of the 175,000 members of the Amalgamated Clothing Workers of America, I am writing to protest against the passage of the wool schedule in the pending tariff bill. The enactment of a duty of 33 cents a pound on raw wool with still higher "compensatory" rates on woolen cloths, as proposed, will place a heavy load on the men's clothing industry, materially affect the well-being of the wage earners in the industry, and greatly increase the price of clothing to the consumer.

Already, before the passage of the tariff bill, it has proven a great menace to the clothing industry. This spring, upon the termination of their agreements with the manufacturers in the clothing manufacturing centers of Chicago, Rochester, and Baltimore, the organized clothing workers accepted wage reductions, thus lowering costs and permitting the sale of clothing to the retail consumers at lower prices.

These wage reductions affected 40,000 workers in Chicago, 12,000 in Rochester, and 8,000 in Baltimore.

The consumer has not, however, secured the benefits of these sacrifices made by the workers. No sooner had the wage reductions become effective than an increase in woolen prices was put into effect by the American Woolen Co. and other woolen concerns. Two further increases in the price of woolen cloths have since been made. The reason given for the increase in woolen prices has been the higher duties imposed by the emergency tariff act and the extraordinarily high rates of duty in the pending tariff bill. The increase in the cost of men's clothing by reason of the higher prices of woolens is much greater than the saving made in labor costs because of the wage reductions accepted by the union. Prices of men's clothing instead of falling are therefore rising. Though the clothing workers' wages have been reduced and labor costs cut, prices have increased, and the ability of the consumer to buy clothing lessened.

Nor have higher prices for woolens resulted in increased wages for the workers in the woolen mills. The wages of the workers in the mills have been cut 22½ per cent, thus permitting the American Woolen Co., for example, to increase its net profits from $6,000,000 in 1920 to over $9,000,000 in the depression year of 1921. The net profits of the company in 1921 were three times as large as in 1910 and 1911, when the celebrated "Schedule K" of the Payne-Aldich tariff act was in effect. The rates in the present bill levy a duty almost twice as great as did the Payne-Aldrich act.

The pending tariff bill, moreover, levies a higher duty, proportionate to value, on the lower grades of wool, thus placing a greater tax upon the clothing of the worker. The result may be an increase in the use of "shoddy" with consequent loss to everyone.

The clothing industry has suffered much from the industrial depression. The clothing worker, subject even in more normal periods to much seasonal unemployment, has had to contend with loss in employment because of the general industrial conditions. The passage of the wool schedule in the tariff bill would greatly retard a revival in this important industry. Increase in price of clothing resulting from the high tariff at a time when the purchasing power of the mass of people is low because of wage reductions and unemployment will undoubtedly have a most depressing effect upon the demand for clothing.

A high tariff raising woolen prices would increase unemployment and make still more remote a revival in the industry.

Moreover, the wool tariff would prove a great burden to wage earners in other industries and to virtually all of the farmers in the country. Only a small proportion of the farmers of the country raise sufficient wool to market in commercial quantities. All farmers, however, who wear woolen clothing would be taxed, and heavily, if the wool schedule is passed in its present form.

There can be no justification for the passage of the proposed wool schedule. Its passage, in my opinion, would result in placing a great burden on one of the important industries of the country, endanger the standards of the wage earners in the industry, increase unemployment, and place a tax of several hundred millions of dollars on the consumers of clothing—wage earners and farmers alike.

I earnestly urge that you vote against the proposed wool schedule and that it will be rejected.

SIDNEY HILLMAN,
President Amalgamated Clothing Workers of America.

MARKS ARNHEIM (INC.),
New York, June 9, 1922.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: I am inclosing copy of advertisement which we are running in the principal New York newspapers this week and which, I am sure, will interest you.

In view of the fact that you are leading the fight in the Senate against the majority report of the Finance Committee on the proposed new tariff bill, you will, I am sure, be interested to learn that we initiated the campaign of opposition against the increased duties on wool which, during the past few weeks, has assumed such tremendous proportions not only in New York, but throughout the country. Indeed, evidences are being multiplied daily showing that the public approves our stand and will go the limit to defeat a proposal which is calculated to place a new burden on the shoulders of the consumer.

Wishing you success in the splendid fight you are waging, and assuring you of my desire to render you every possible assistance that lies in my power, I am,

Yours very truly,

W. W. ARNHEIM.

—

MARKS ARNHEIM (INC.),
New York, June 16, 1922.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: To everyone in close touch with general economic conditions, the fundamental weakness of the tariff legislation contemplated by Congress and its inevitably vicious results are daily becoming more evident.

As at present planned this tariff specifically means higher prices, radically higher prices, immediately. It makes these burning questions arise in the public mind:

Are we going to reconstruct or are we going back to the war prices that have wrought such general havoc throughout our entire country?

Is not the present state of business and the present frame of the public's mind the worst possible time in which to do anything to make living costs higher?

Shall we close our ports to the commerce of the world with a tariff wall and strangle that healthful competition which furnishes the only definite basis for lowering the cost of living and promoting general prosperity?

I write this feelingly as a citizen and advisedly as a merchant. No one can be in a better position to foresee the immediate results of such legislation than a merchant in my position.

Is Congress determined to add more burdens to the consuming public? This I hesitate to believe, as I have implicit confidence in the wisdom and patriotism of the men who represent us in both Houses of our National Legislature and their genuine solicitude for the welfare of the consuming masses of our people.

How can Congress reconcile this definite move to increase living costs with the statement of the Interstate Commerce Commission that rail wages can be reduced now without hardship because living costs are going down?

The great program of reconstruction started at the close of the war has been carried on without interruption and with splendid success. Why retard this great work now for the sake of benefiting certain selfish interests that are willing to add new burdens on the consuming masses in order to reap new benefits for themselves?

I have talked with hundreds, thousands, of people with whom I come in contact, and I know I speak for them. I feel, indeed, that I speak for the entire American public.

Yours very truly,

W. W. ARNHEIM.

—

HOBBS, TAFT & CO.,
Boston, June 14, 1922.

Hon. DAVID I. WALSH,
United States Senator from Massachusetts,
Washington, D. C.

DEAR SENATOR WALSH: I am informed that you are to lead the fight on the floor of the Senate against the duty on wool as proposed by the Committee on Finance. Although a Republican, I am of the strong belief that the Finance Committee's schedule is bad legislation and would do the Republican Party and, what is more important, the country at large a very great injury if it ever became law. I feel, therefore, that I am in no way disloyal to the Republican Party in writing you as I do.

I have given the wool schedule very careful consideration and have written three letters on the subject, all of which I inclose. I realize what a busy man you are, and therefore have blue penciled the paragraphs which seem to me the most important. In preparing your arguments against the wool tariff I do not think you would find it time wasted to look these over.

I have shown these letters to some of the most prominent members of the trade, and they have confirmed my facts, so that I think you could use them without danger of being misinformed. In fact, I have always tried to understate the case in order to be absolutely sure of my position.

Senator GOODING stated the other day in the Senate that the average duty in the agricultural schedule was only about 21 per cent. If this is the case, why should the duty on wool be so very much above this figure?

I saw it suggested in the paper the other day that if the woolgrower was in such dire need it would be better to subsidize wool rather than place a high duty on it. If this were done, of course it would mean an outlay by the United States Treasury instead of an income from duties, but it certainly would be a tremendous relief to the consumer.

Wishing you every success in your efforts to have this bill modified, I am,

Respectfully yours,

CONRAD HOBBS.

—

BOSTON, MASS., *July 21, 1922.*

The Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SENATOR: The proposed duty of 33 cents per pound on raw wool as outlined in Schedule 11 of the Fordney-McCumber tariff bill is, in my judgment, most excessive and unwarranted and I desire to enter most vigorous protest against its adoption.

A protective tariff I am in favor of, but this certainly is far beyond the point of protection and can be viewed in the light of being only in favor of a certain few and against the interest of the general public.

Yours truly,

WILLIAM J. BREEN & CO.,
By WILLIAM J. BREEN.

—

BOSTON, MASS., *July 21, 1922.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SENATOR WALSH: If you will look on page 13 of Thursday's Transcript, you will be interested to read Mr. Brigham's article on the tariff, and especially you will be interested to read the last paragraph, in which he tries to define Senator LODGE'S position as an upholder of the combine between the woolgrowers and the wool manufacturers of the country.

We inclose copy of a letter from Mr. Moir, our president, in answer to Mr. Brigham's article, which I think will interest you to read.

Yours very truly,

CARDED WOOLEN MANUFACTURERS' ASSOCIATION,
W. C. HUNNEMAN, *Director.*

—

WHY THE DUTIES ON WOOL SHOULD BE AD VALOREM—THE CASE OF DIAMONDS.

To the EDITOR OF THE REPUBLICAN:

In writing some weeks ago to F. J. Hagenbarth, president of the National Wool Growers' Association—who are obsessed with the idea that specific rates of duty on wool are the only correct, practical, and just way to assess wool duties—I put this query up to him:

"How can you justify the 33-cent specific duty rate to the different growers who raise different qualities of wool, where on dollar wool the 33-cent rate would equal 33 per cent and on wool worth only half as much the 33-cent rate would equal 66 per cent and on wool worth 33 cents per pound the 33-cent rate would equal 100 per cent?

"If 33 per cent is enough protection for the highest quality of wool, why is not it sufficient for wool worth 33 cents per pound or lower? If wool worth 33 cents per pound needs 100 per cent protection, why deny the same to the grower who raises wool worth $1 per pound?

"These are some of the puzzling questions that we can not understand. If you use specific rates, either on the grease wool or the scoured wool, you get these gross inequalities that are unjustifiable.

"The only way out is to use an ad valorem rate high enough to give adequate protection, and thus give the same rate of protection to all qualities of wool, for the market price in normal times always determines the grade of quality or value."

Tariff duties are assessed on imports in two ways—by specific duties or ad valorem duties. Specific duties are a specified, fixed sum assessed on some unit of measure, as on the weight of the article—so much per pound, per ounce, per ton, or so much per dozen, per gross, per square foot, per cubic foot, etc. Ad valorem duties are a per cent on the value of the article, as 1 per cent, 5 per cent, 25 per cent, 50 per cent, etc., figured on the invoice cost.

Therefore, on all articles of commerce that have a wide range of market price a specific duty would be discriminatory—higher (in proportion to value) on the low-priced article and lower on the high-priced article. This is a fundamental principle of tariffs and never changes.

Among the many articles of commerce that have a wide range of value and therefore call for ad valorem rates is wool, the market price on which varies from, say, 10 cents to 40 cents a pound in the grease and from perhaps 15 cents to $1 or more per scoured pound.

A Maine worsted manufacturer wrote me recently he had been using a coarse South American crossbred wool that cost 8½ cents in the grease and shrunk 30 per cent, making the clean cost 11¾ cents. If the "33-cent scoured wool" rate prevails, the duty would be 300 per cent on this class of wool.

No specific duty on wool can be justified any more than a specific duty could be justified on diamonds, for if there is one class of merchandise more than any other which has a wide range of market value it is cut diamonds. They have always carried ad valorem rates; specific duties on them would be the height of the ridiculous. Some diamonds may have a value of perhaps $30 or $40 a carat, and diamonds have been brought into Boston within a year that have been valued at $1,000 a carat. The duty is 20 per cent ad valorem on all, irrespective of their quality.

Do you think woolgrowers would vote in favor of a specific duty, say, of $10 per carat, which would be equal to 25 per cent on $40 stones, but only 1 per cent on $1,000 stones? No; ad valorem rates are the only ones applicable to diamonds, and it is equally true of wool or any article with a wide range in market price.

W. C. HUNNEMAN.

BOSTON, *June 2, 1922.*

—

BOSTON, MASS., *April 17, 1922.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: Regarding the present tariff bill, we beg to inform you that the wool schedule is not approved by either the manufacturers or importers, and we herewith inclose a written copy of our statement of views regarding carpet wools.

Respectfully yours,

THE FORINO CO.
J. WEINBERG.

—

ANDERSEN COAL SALES CO.,
Boston, July 21, 1922.

Senator D. I. WALSH,
United States Senate, Washington, D. C.

DEAR SENATOR: I desire to register my vigorous protest against schedule 11 of the Fordney-McCumber tariff bill, which proposes a duty on raw wool of 33 cents a pound.

It is excessive, unwarranted, and beyond the point of necessary protection.

It has been universally conceded that Schedule K of the Payne-Aldrich bill was too high—schedule 11 exceeds it. It will increase prices to the many for the benefit of the few, which is uneconomic at this time.

Kindly give this protest your earnest consideration.

Very truly yours,

C. P. ANDERSEN.

—

CLINTON CHAMBER OF COMMERCE,
Clinton, Mass., June 21, 1922.

Hon. DAVID I. WALSH,
Washington, D. C.

DEAR SENATOR: We have just recently learned of a proposed measure now pending before Congress, viz, the McCumber-Fordney tariff, proposing to levy a duty of 33 cents per pound on the clean content of raw wool.

It seems to us that if this measure should pass and become a law it would be a calamity, especially at this time, and that it would work a great hardship upon the majority of our people.

Should this extra high duty be imposed it would of necessity greatly increase the price of the finished product, and, conservatively estimated, the retailer would be obliged to sell the average garment for at least a $5 advance from his present price.

We have been straining every effort to bring down the selling price of clothing, and now to add this high tariff it will not even allow prices to remain as they now are but will very materially increase them.

We therefore petition you for your assistance to defeat the passage of such a measure.

Awaiting, as we trust we may receive soon, your favorable reply, and thanking you in advance for your help in behalf of what we believe to be the right stand, we are,

Very respectfully yours, the clothiers of Clinton,

J. W. FORRESTER & Co.
McQUAID BROS. CO.
HILLS & WIESMAN.
W. WALLACE & CO.
W. L. HUBBARD & CO.
HARRY N. JUREL.
HARRY MODOFF.
BARNES DRY GOODS CO.
MORRIS LONG.
KLEIN FRANKEL.
E. S. BEDRICK.

Mr. McCUMBER. Mr. President, I ask unanimous consent that when the Senate closes its session on this calendar day it recess until to-morrow at 11 o'clock a. m.

The PRESIDING OFFICER (Mr. WADSWORTH in the chair). Is there objection? The Chair hears none, and it is so ordered.

ABANDONED COTTON ACREAGE.

Mr. HEFLIN. Mr. President, about two weeks ago I introduced, and there was passed by the Senate, a resolution calling upon the Secretary of Agriculture for a report immediately on abandoned cotton acreage. The resolution was overlooked by the clerks and was not sent to the Department of Agriculture, so it is too late to get in the report this month. I now submit a resolution providing for an extension of time until the 25th of August, so that it will come out in the September report. I ask unanimous consent for the present consideration of the resolution.

The resolution (S. Res. 325) was read, considered by unanimous consent, and agreed to, as follows:

Whereas the Crop Reporting Bureau of the Agricultural Department has heretofore made no report on abandoned cotton acreage until the 1st of December each year; and

Whereas failure to obtain a good stand of cotton in many places and the increased ravages of the boll weevil in other sections of the cotton-producing States have caused abandoned cotton acreage to be larger than usual; and

Whereas the cotton producer, the spinner, and the public are entitled to know as early as the information can be obtained what percentage of cotton acreage has been abandoned: Therefore be it

Resolved, That the Secretary of Agriculture be, and he is hereby, authorized and directed to immediately confer with the commissioners of agriculture in the cotton-growing States and with the agricultural agents of the various counties in said States, and ascertain just what, in their opinion, is the percentage of cotton acreage abandoned since planting in the spring up to August 25, 1922.

Resolved further, That the Secretary of Agriculture shall publish said information in his September 1 Crop Condition Report.

EXECUTIVE SESSION.

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After seven minutes spent in executive session the doors were reopened, and (at 6 o'clock and 12 minutes p. m.) the Senate, under the order previously entered, took a recess until to-morrow, Tuesday, July 25, 1922, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate July 24 (legislative day of April 20), 1922.

SOLICITOR OF THE TREASURY.

Richard Randolph McMahon, of West Virginia, to be Solicitor of the Treasury, vice Lawrence Becker, resigned.

REGISTERS OF THE LAND OFFICE.

Earl B. Coffin, of California, to be register of the land office at Susanville, Calif.

Sydney M. Wharton, of New Mexico, to be register of the land office at Fort Sumner, N. Mex., vice William R. McGill, term expired.

UNITED STATES PUBLIC HEALTH SERVICE.

Dr. Frederick A. Franke to be assistant surgeon in the United States Public Health Service, to take effect from date of oath. This doctor has passed the necessary examination required by law.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY.

AIR SERVICE.

Capt. Earl Hamlin De Ford, Infantry, with rank from July 1, 1920.

First Lieut. Walter Raymond Peck, Infantry, with rank from July 1, 1920.

POSTMASTERS.

ALABAMA.

William J. Holloway to be postmaster at Opp, Ala., in place of Clarence Byrd, resigned.

CALIFORNIA.

Irene Beckley to be postmaster at Grimes, Calif., in place of Edward Smith, resigned.

Bertha E. Kelley to be postmaster at Palms, Calif., in place of L. W. McBride, resigned.

COLORADO.

Arthur I. Weaver to be postmaster at Creede, Colo., in place of H. D. Barnhart. Incumbent's commission expired January 24, 1922.

ILLINOIS.

Lulu L. Meyer to be postmaster at Deerfield, Ill. Office became presidential July 1, 1920.

Ida C. Revell to be postmaster at Stillman Valley, Ill. Office became presidential January 1, 1921.

Ulysses G. Dennison to be postmaster at Winnebago, Ill. Office became presidential April 1, 1922.

Raymond W. Peters to be postmaster at St. Joseph, Ill., in place of A. A. Funk, resigned.

KENTUCKY.

Gideon D. Ison to be postmaster at Blackey, Ky. Office became presidential October 1, 1921.

Everett Hickman to be postmaster at Burlington, Ky. Office became presidential October 1, 1920.

Edith Ashby to be postmaster at Uniontown, Ky. Office became presidential October 1, 1920.

William M. Maffett to be postmaster at Cynthiana, Ky., in place of J. B. Simpson. Incumbent's commission expired September 6, 1920.

George V. Auxier to be postmaster at Russell, Ky., in place of Jacob Fisher. Incumbent's commission expired February 4, 1922.

MAINE.

Luther C. Spiller to be postmaster at Mechanic Falls, Me., in place of F. A. Millett, removed.

Reed H. Ellis to be postmaster at Rangeley, Me., in place of T. C. Haley, resigned.

MASSACHUSETTS.

Charles H. Spaulding to be postmaster at Lexington, Mass., in place of J. H. Kane. Incumbent's commission expired January 24, 1922.

MICHIGAN.

Andrew W. Reinhard to be postmaster at Brimley, Mich. Office became presidential July 1, 1922.

MINNESOTA.

Raymond R. Swanson to be postmaster at Bronson, Minn. Office became presidential January 1, 1922.

Herman O. Hoganson to be postmaster at Perley, Minn. Office became presidential July 1, 1922.

Gustof A. Johnson to be postmaster at Hallock, Minn., in place of A. D. Bornemann. Incumbent's commission expired June 6, 1922.

James A. Christenson to be postmaster at Preston, Minn., in place of M. E. Gartner, resigned.

William A. Clement to be postmaster at Waseca, Minn., in place of Charles Spillane. Incumbent's commission expired January 24, 1922.

MISSISSIPPI.

William A. Shelby to be postmaster at Rosedale, Miss., in place of L. W. Nugent. Incumbent's commission expired July 21, 1921.

MONTANA.

Frank D. Worcester to be postmaster at Geyser, Mont. Office became presidential October 1, 1920.

T. Lester Morris to be postmaster at Corvallis, Mont., in place of J. M. Cochran, resigned.

NEVADA.

Helen M. Willis to be postmaster at Ruth, Nev., in place of T. B. Voog, resigned.

NEW JERSEY.

Israel C. Harris to be postmaster at Alloway, N. J. Office became presidential January 1, 1922.

Clair McFarland to be postmaster at Monroeville, N. J. Office became presidential July 1, 1922.

Harry J. Corwin to be postmaster at Paterson, N. J., in place of J. P. McNair, resigned.

NEW MEXICO.

John A. Dickson to be postmaster at Fort Bayard, N. Mex., in place of P. J. Reynolds, resigned

NORTH CAROLINA.

Claud S. Rowland to be postmaster at Pinetown, N. C. Office became presidential October 1, 1921.

Calvin Y. Holden to be postmaster at Wake Forest, N. C., in place of O. K. Holding, resigned.

OKLAHOMA.

Richard H. Everett to be postmaster at Broken Bow, Okla., in place of J. E. Wallace. Incumbent's commission expired February 4, 1922.

OREGON.

George C. Peterson to be postmaster at Bay City, Oreg. Office became presidential January 1, 1921.

Charles B. Wilson to be postmaster at Newberg, Oreg., in place of John Larkin. Incumbent's commission expired July 21, 1921.

PENNSYLVANIA.

Frank T. Stiner to be postmaster at Moylan, Pa. Office became presidential October 1, 1920.

George W. Murphy to be postmaster at Hawley, Pa., in place of J. F. Drake, resigned.

Harry C. Koller to be postmaster at Myerstown, Pa., in place of P. F. Leininger, deceased.

TEXAS.

George Rice to be postmaster at Jayton, Tex. Office became presidential October 1, 1920.

VERMONT.

George H. Millis to be postmaster at Groton, Vt., in place of G. N. Clark. Incumbent's commission expired January 13, 1921.

William C. White to be postmaster at Northfield, Vt., in place of G. F. Hubbell, resigned.

VIRGINIA.

John W. Ketron, jr., to be postmaster at Lebanon, Va., in place of A. A. Ferguson, removed.

WASHINGTON.

Raymond M. Badger to be postmaster at Winthrop, Wash. Office became presidential January 1, 1921.

WISCONSIN.

George W. Taft to be postmaster at Necedah, Wis., in place of F. E. Christensen, resigned.

Charles W. Pfeifer to be postmaster at Sheboygan Falls, Wis., in place of George Wildermuth. Incumbent's commission expired January 24, 1922.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 24 (legislative day of April 20), 1922.

MISSISSIPPI RIVER COMMISSION.

Col. George M. Hoffman, United States Army, to be a member of the Mississippi River Commission.

UNITED STATES DISTRICT JUDGE.

Robert M. Gibson to be United States district judge western district of Pennsylvania.

PROMOTIONS IN THE ARMY.

MEDICAL OFFICERS' RESERVE CORPS.

George Edmund de Schweinitz to be brigadier general.

SIGNAL OFFICERS' RESERVE CORPS.

Clinton Goodloe Edgar to be brigadier general.

ENGINEER OFFICERS' RESERVE CORPS.

William Barclay Parsons to be brigadier general.

FIELD ARTILLERY OFFICERS' RESERVE CORPS.

Burke Haddan Sinclair to be brigadier general.

MEDICAL CORPS.

Thomas Franklin Weldon to be captain.

AIR SERVICE.

Capt. Dudley Blanchard Howard, Infantry, Regular Army, by transfer.

First Lieut. John Dean Barrigar, Field Artillery, Regular Army, by transfer.

PROMOTIONS IN THE NAVY.

NAVAL RESERVE FORCE.

Edwin B. Niver to be chaplain.

John J. Brokenshire to be chaplain.

POSTMASTERS.

IOWA.

Frank K. Hahn, Cedar Rapids.
Benjamin S. Borwey, Eagle Grove.
Alfred G. Rigby, Independence.
George Banger, La Porte City.
Janette E. Gilliland, Melbourne.
Phillip T. Serrurier, Sabula.
Frank M. Hood, Sergeant Bluff.
Flossie K. Pfeiff, West Burlington.

SOUTH CAROLINA.

Edward H. Jennings, Charleston.

WASHINGTON.

Herman S. Reed, Redmond.
Otto F. Reinig, Snoqualmie.
Gladys Jacobs, Vashon.

WITHDRAWAL.

Executive nomination withdrawn from the Senate July 24 (legislative day of April 20), 1922.

POSTMASTER.

William B. Sasser to be postmaster at Opp, in the State of Alabama.

SENATE.

TUESDAY, *July 25, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	France	McCumber	Shortridge
Borah	Frelinghuysen	McKinley	Simmons
Brandegee	Gerry	McLean	Smith
Broussard	Gooding	McNary	Smoot
Bursum	Hale	Nelson	Spencer
Calder	Harreld	New	Stanley
Cameron	Heflin	Newberry	Trammell
Capper	Jones, N. Mex.	Nicholson	Underwood
Caraway	Jones, Wash.	Oddie	Wadsworth
Colt	Kellogg	Overman	Walsh, Mass.
Culberson	Kendrick	Pepper	Walsh, Mont.
Cummins	Keyes	Phipps	Warren
Curtis	Ladd	Rawson	Watson, Ind.
Dial	Lodge	Robinson	Willis
du Pont	McCormick	Sheppard	

Mr. GERRY. I desire to announce that the Senator from Nevada [Mr. PITTMAN] is absent owing to illness in his family, and that the Senator from Georgia [Mr. WATSON] is absent on account of illness.

The PRESIDENT pro tempore. Fifty-nine Senators have answered to their names. There is a quorum present.

PETITIONS.

Mr. CAPPER presented resolutions adopted by the Leavenworth Chamber of Commerce and the Kansas City Clearing House Association, both in the State of Kansas, favoring enforcement of the United States Supreme Court decree directing the divorcement of the Central Pacific Railway from the Southern Pacific Co., etc., which were referred to the Committee on Interstate Commerce.

RAILROAD SITUATION IN COLORADO.

Mr. PHIPPS. I ask unanimous consent to have read at the desk a short resolution which I have received from the Trinidad-Las Animas County (Colo.) Chamber of Commerce.

There being no objection, the resolution was read and referred to the Committee on Interstate Commerce, as follows:

THE TRINIDAD-LAS ANIMAS COUNTY CHAMBER OF COMMERCE,
Trinidad, Colo., July 21, 1922.

Hon. LAWRENCE C. PHIPPS,
United States Senate, Washington, D. C.

DEAR SENATOR PHIPPS: At a special meeting of the board of directors of the Trinidad-Las Animas Chamber of Commerce, held in this city Thursday afternoon, July 20, 1922, the following resolution was unanimously adopted:

"Whereas the present deplorable situation resulting from the strike of the railway shopmen is of common knowledge and resolves itself into the undeniable fact that this strike is not against the railways as employers but against the Government of the United States, and that it is an indisputable fact that when the arm of our Government

is opposed we are either Americans and Government supporters or we are not: Therefore be it

"*Resolved by the board of directors of the Trinidad-Las Animas County Chamber of Commerce*, That as the Railway Labor Board was duly organized under Federal law for solving problems which arise between railroad employers and employees, and upon public sentiment depends the success of the board's operations, and wage earners employed by the railroads have accepted decisions by said board increasing the pay of railroad employees, and the employing railways acquiesced in said decisions, we conceive it to be our duty as directors of the chamber of commerce and as citizens to give our fullest possible support to the President in his call upon the railroads and their employees to acquiesce in the decisions of the Railway Labor Board, whether such decisions affect the interests of the railroads or of their employees; therefore be it further

"*Resolved*, That we call upon all our citizenship to take a stand as to whether or not they are for our American institutions and whether or not a very small minority of the people in the United States can tie up their arteries of transportation and interfere with the United States mail by refusing to accept the rulings of the United States Labor Board, thereby defying our Government and imperiling our institutions upon which our freedom is based."

I have been instructed as secretary of this organization to transmit the above resolution to you for your information.

Very respectfully yours,

THE TRINIDAD-LAS ANIMAS COUNTY CHAMBER OF COMMERCE.
WILLIAM E. INGLIS, *Secretary*.

EXAMINING DIVISION OF CIVIL SERVICE COMMISSION.

Mr. STERLING. Mr. President, on behalf of the Select Committee on Civil Service appointed to investigate the Civil Service Commission and the examining division of the commission under Senate resolution 199, I submit a report (No. 836), which I send to the desk. I simply wish to say that there was a committee of five members appointed to conduct the investigation. Four members of the committee have joined in signing the report. The other member of the committee unfortunately was not in the city, and I understand that he will not be here for some time. I regret that he is not now here so that we might at least have conferred with him before submitting the report, but there has been already an extension of time, and the time has come when the report should be submitted. I ask that the report may be printed and lie on the table.

The PRESIDENT pro tempore. In the absence of objection, it will be so ordered.

PROPOSED COAL COMMISSION.

Mr. BORAH. I ask permission to introduce a bill to be referred to the Committee on Education and Labor.

The bill (S. 3865) to establish a commission to be known as the United States Coal Commission, was read twice by its title.

Mr. BORAH. This measure, I desire to say, is not intended to deal with the present immediate condition with reference to the coal industry. I should not want to have that impression obtain. It has for its purpose, however, the preparation which may be necessary in order to deal with the coal industry in the future.

I move that the bill be referred to the Committee on Education and Labor.

The motion was agreed to.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DIAL:

A bill (S. 3866) for the relief of George J. Hunter; to the Committee on Claims.

By Mr. KENDRICK:

A bill (S. 3867) authorizing the addition of certain lands to the Medicine Bow National Forest, Wyo., and for other purposes; to the Committee on Public Lands and Surveys.

SALARIES OF UNITED STATES ATTORNEYS AND MARSHALS.

Mr. BROUSSARD submitted an amendment intended to be proposed by him to the bill (S. 425) fixing the salaries of certain United States attorneys and United States marshals, which was referred to the Committee on the Judiciary and ordered to be printed.

LABOR CONDITIONS IN NEW ENGLAND COTTON INDUSTRY.

Mr. GERRY submitted the following resolution (S. Res. 326), which was read:

Resolved, That the Senate Committee on Education and Labor, or any subcommittee thereof to be appointed by it, is hereby authorized and directed to make a thorough investigation of the labor conditions existing in the cotton industry in New England, and report its findings to the Senate.

Mr. GERRY. Mr. President, I have offered the resolution just introduced because for a considerable time past there have been very serious labor conditions in New England, which have given rise to great hardship among the people. I believe that those conditions should be investigated; and I also believe that at this time, when we are debating the tariff, and we have just considered the committee amendments in the cotton schedule, it is very appropriate that we should take up and find out more in detail the cost of production and what labor is receiving in this industry.

I move that the resolution be referred to the Committee on Education and Labor.

The motion was agreed to.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The PRESIDENT pro tempore. The question is upon the amendment proposed by the Senator from Wisconsin [Mr. LENROOT] to the committee amendment. The Secretary will state the proposed amendment to the amendment.

The READING CLERK. It is proposed to add at the end of paragraph 1101 the following proviso:

Provided further, That in no case shall the duty or duties imposed in this paragraph exceed 50 per cent ad valorem.

Mr. WADSWORTH and Mr. HEFLIN addressed the Chair.

The PRESIDENT pro tempore. The Senator from New York.

Mr. WADSWORTH. Does the Senator from Alabama desire to present something for printing?

Mr. HEFLIN. I desire to make some remarks.

Mr. WADSWORTH. I shall not speak long.

Mr. President, I assume that it is proper to discuss at the same time the amendment offered by the Senator from Wisconsin [Mr. LENROOT] to the pending paragraph, and also the amendment which he has announced he intends to propose to the succeeding paragraph. I think the two may well be discussed together, as they both involve the same principle, namely, a maximum limitation upon the equivalent ad valorem duty to be collected upon wools imported into the United States.

At the outset, Mr. President, let me say that I am in complete accord with the Committee on Finance in its proposal that there shall be a duty of 33 cents a pound upon the scoured content of the finer grades of wool. I think the proposal which the committee has made is infinitely preferable, of course, to the Payne-Aldrich rate, which resulted in great disappointment to woolgrowers, and a species of tactics on the part of the manufacturers, and, perhaps, of the importers, which, to say the least, were contrary to the spirit of the law which was enacted by the Congress at that time. The imposition of a duty on the scoured content of the wool, I think, is the sound and most practicable way of reaching this problem, and I make no complaint against the imposition of the duty of 33 cents on the scoured pound of wool such as fine, one-half blood, and three-eighths. I think our wool producers are entitled to that degree of protection.

The wool industry in this country is of immense importance. It should be sustained, for it produces an article which the people need every day in their lives. For the wool industry of this country to be permitted to perish, even though it perish slowly and by degrees, would be contrary to the national interest. It turns out after an examination of this problem, however, that of the coarse or low-grade wools, so called, we produce a very small amount proportionate to our total production. I think the figures given yesterday by the senior Senator from Utah [Mr. SMOOT] were to the effect that of all the wools we produce in this country only 1 per cent is of the so-called low-grade; and of all the wools that we consumed in this country, both of the domestic and the imported, only 4 per cent is of that low grade.

The imposition of 33 cents a scoured pound, when carried down to include the coarser wools, results in the imposition of an exceedingly heavy rate—I think out of all proportion—upon the low-grade wools. As the Senator from Wisconsin stated on yesterday, the rate in the case of low-grade wools, which have the smallest degree of shrinkage, would run as high, at least based upon the prices of a month ago, as 127 per cent ad valorem equivalent.

Mr. KELLOGG. Mr. President, will the Senator yield to me?

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Minnesota?

Mr. WADSWORTH. I yield.

Mr. KELLOGG. I notice in a publication in 1912, issued by what is known as the National Association of Wool Growers, a table showing the production of wool by States, and in one column is the percentage of fine wool and in the other column of medium wool. That medium wool is not the coarse grade to which the Senator from New York refers?

Mr. WADSWORTH. I do not understand that it is.

Mr. KELLOGG. Then, practically there is none of that coarser wool produced in this country.

Mr. WADSWORTH. It comprises a very small percentage of the whole wool production, and yet it has an important function, as it were, from the consumers' standpoint. The coarser wools or low-grade wools, as they are called, are used to a certain extent in the manufacture of the cheapest clothing. In the rougher grades I think it is not inaccurate to say that those wools are used to a considerable extent, and in a somewhat important way in the manufacture of the poor man's clothing. The curious spectacle is exhibited by the rates as now proposed by the committee of the lightest tariff duty being imposed upon the rich man's clothing and the heaviest duty upon the poor man's clothing. The finer cloths are made largely, as I understand, from the so-called fine or half-blood wools. The equivalent ad valorem rate emanating from a 33 cents a pound duty on the scoured content rate on the fine is 35 per cent; on the half blood it is 44 per cent; and on the three-eighths it is 56 per cent. Those three grades of wool are the better grades or are the grades more frequently used in the manufacture of the better quality of clothing.

Mr. POMERENE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Ohio?

Mr. WADSWORTH. I yield.

Mr. POMERENE. Are the figures now being given by the Senator from New York based upon present prices of wool?

Mr. WADSWORTH. They are based upon the prices of May, 1922.

Mr. GOODING. I wish to correct the statement made by the Senator from New York in reference to the medium wools. In that classification of medium are included low-grade wools. That wool is all classed together in the table to which the Senator from Minnesota [Mr. KELLOGG] has referred. That table shows the percentage of fine and low grade and quarters and all the other grades. They are usually classed as medium wools. They are all shown there—the mixed and the braids, too.

Mr. WADSWORTH. The term "medium" is a somewhat all-inclusive term.

Mr. GOODING. Yes; it takes in half-blood wool and from half blood down.

Mr. WADSWORTH. But the term "low grade" or "quarter blood" is from three-eighths down?

Mr. GOODING. If the Senator from New York cares to be informed as to the figures, I will read the table which gives the quantity and the grades of wool produced by the States. I should like to read it to the Senator.

Mr. KELLOGG. There seems to be a dispute as to the quantity of low-grade wool which we import, the price of which in 1921 ranged from 15 cents to 22 cents in the foreign market, and now ranges, say, from 15 cents to 25 cents, or something like that, and I was trying to ascertain whether corresponding grades of wool are produced in this country to any extent.

Mr. WADSWORTH. To a very small extent.

Mr. GOODING. Mr. President, I will have to disagree with the Senator from New York as to that.

Mr. KELLOGG. The Senator from Idaho says they are; I do not know.

Mr. GOODING. Fully 10 per cent of the class of wool comparable to what are called the New Zealand cross-breds is grown in this country. It is now selling for 25 cents on the London market. That class of wool is largely grown on the farm. I should be glad if the Senator will let me put in the RECORD the figures contained in the bulletin of the National Association of Woolgrowers, so that he will be fully advised.

Mr. WADSWORTH. I am perfectly willing that the Senator should do that.

Mr. GOODING. I am sure the Senator wants to be correct.

Mr. WADSWORTH. Certainly.

Mr. POMERENE. For what year are the figures referred to by the Senator from Idaho?

Mr. GOODING. The figures are for the year 1912.

Mr. WADSWORTH. I think, however, the Senator will admit that since 1912 either fashion or some other element has intervened, with the result that there is a much greater demand for the fine wools than for the coarse wools.

Mr. GOODING. No; I can not agree with the Senator. The sheep used on the farm are largely what are called dual-purpose sheep. The ewes are coarse and large and produce lamb as well as wool. Maine produces 10 per cent fine—that is, merino wool—and 90 per cent medium wool.

Mr. WADSWORTH. Is the Senator going to read the whole table in my speech?

Mr. GOODING. I thought perhaps the Senator would care to know just what the figures are by States, so that they may be readily understood from the RECORD. New Hampshire produces 25 per cent of fine and 75 per cent medium; Vermont 20 per cent fine and 80 per cent medium. Massachusetts produces all medium wools, and no fine wools at all; in other words, the wools grown in Massachusetts are half blood down to low quarter. Connecticut produces all medium, and that is likewise true of Rhode Island. New York produces 33 per cent fine and 67 per cent medium; New Jersey all medium wools. Pennsylvania 60 per cent fine and 40 per cent medium; Delaware produces all medium; Maryland all medium; West Virginia 75 per cent fine and 25 per cent medium; Ohio 60 per cent fine and 40 per cent medium; Michigan 25 per cent fine and 75 per cent medium; Indiana 15 per cent fine and 85 per cent medium; Illinois 25 per cent fine and 75 per cent medium; Wisconsin 20 per cent fine and 80 per cent medium; Minnesota 20 per cent fine and 80 per cent medium; Iowa 30 per cent fine and 70 per cent medium; Missouri 15 per cent fine and 85 per cent medium. The States of Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Arkansas, and Tennessee produce all medium and no fine wool at all.

Those figures are all for 1912, but there has not been any change in character of sheep grown since that time, so far as breeds are concerned. They are practically the same to-day as they were then. So it is not the farmers of the West, as the Senator would have us believe, who are vitally interested in the coarser wools.

Mr. WADSWORTH. Mr. President, I have not said anything about the West; I have not tried to make anybody believe anything about the sheep men in the West as distinguished from the sheep men elsewhere. I have just as much interest in the sheep men of the East as I have in those in the West, and on a very small scale I am in the business myself in the East.

Mr. President, as I was saying a moment ago, the equivalent ad valorem rates in the three finer grades under the committee amendment run from 35 per cent up to 56 per cent. On the lower grades, however, the production of which in this country is exceedingly small as compared with the upper three grades, the equivalent ad valorem rates are 77 per cent for one-quarter bloods and 137 per cent for low grades. It is only against the last two that I am making any complaint. I do not believe that an equivalent ad valorem of 137 per cent or even 100 per cent or of 90 per cent——

Mr. WALSH of Montana. Mr. President, to which bracket does the Senator refer as being the two which he assails? I have been trying to follow the Senator, but I do not know to what particular classes he is addressing himself.

Mr. WADSWORTH. I am criticizing the committee rates as applied to one-quarter bloods and low grades.

Mr. WALSH of Montana. Where does the Senator find those expressed?

Mr. WADSWORTH. They can be identified in the bill by a comparison of the relative shrinkage.

Mr. WALSH of Montana. That is what I wanted to know. Where does the Senator commence and where does he leave off the changes which he suggests or is prepared to suggest?

Mr. WADSWORTH. Let me say to the Senator that I do not suggest any changes in the rates as fixed on pages 140, 141, 142, and the first part of 143, except the adoption of the amendment which is to be offered by the Senator from Wisconsin, fixing 60 per cent as the maximum equivalent ad valorem. The one-fourth blood averages a shrinkage of 33 per cent and a yield of scoured wool of 67 per cent. One might identify that in that long list.

Mr. WALSH of Montana. That would be commencing on line 13, page 142?

Mr. WADSWORTH. Line 13; yes.

Mr. WALSH of Montana. The Senator proposes to make some changes in the language following line 13, page 142?

Mr. WADSWORTH. I understand that it is the purpose of the Senator from Wisconsin [Mr. LENROOT] to offer an amendment, which probably will go in after line 8 on page 143, to this effect:

Provided, however, That no duty shall be collected in excess of 60 per cent equivalent ad valorem.

Mr. WALSH of Montana. That would apply to the whole paragraph, would it not?

Mr. WADSWORTH. Yes; that is true, but its effect would be confined to the two lower grades of wool, because the equivalent ad valorem on the three upper grades of wool is less than 60 per cent anyway.

Mr. WALSH of Massachusetts. In other words, Mr. President, its effect would be to put a maximum duty of less than 33 cents a pound upon the lower grades of wool?

Mr. WADSWORTH. Upon the lower grades of wool and only the lower grades. I have no criticism to make of a duty of 33 cents a pound on the upper grades. That is the kind of wool that we produce in this country in overwhelming proportions. The great majority of wool producers are engaged in the production of those three upper grades, probably mostly three-eighths and one-half bloods.

Mr. McCUMBER. Mr. President, I suppose the Senator has in mind, of course, just how he will fix the compensatory duty upon cloth when he adopts an ad valorem rate upon wools which may be one-tenth of one class and two-tenths of another and three-tenths of another and one-half of another. I certainly should be glad to be enlightened on that subject, because I confess I would not know how to do it.

Mr. WADSWORTH. Mr. President, that matter was discussed at great length yesterday afternoon by the Senator from Wisconsin [Mr. LENROOT], the Senator from Utah [Mr. SMOOT], the Senator from New Mexico [Mr. BURSUM], and others.

Mr. McCUMBER. And the Senator from Wisconsin admitted that he knew no formula whereby it could be worked out, but he thought it might be.

Mr. WADSWORTH. The Senator from Wisconsin, as I recollect—and I think I heard every word he said—admitted that there were certain difficulties in one or two instances, but he contended that those difficulties would not result in any greater degree of vagueness or indefiniteness than some of the provisions already in this bill. For myself, I believe with the Senator from Wisconsin that this thing can be worked out. I do not think it is an impassable barrier. There may be one or two difficulties which will cause some trouble; but the trouble which they will cause, in my humble judgment, is not to be compared to the trouble that will be caused when it is known all over this country that the cheapest garments are the heaviest taxed.

Mr. McCUMBER. Mr. President, I want the Senator to get right down to the real point that I am trying to bring to his attention. To simplify it, if he will allow me, if we put a duty of 25 cents a bushel upon wheat, and it takes 4½ bushels of wheat to make a barrel of flour, we have no difficulty in deciding that the duty on the flour should be $1.12½; but if we say that Scotch fife is worth $1.25 a bushel, and that blue stem is worth $1 a bushel, and that marquis is worth 75 cents a bushel, and then we adopt an ad valorem rate, and we mix these different kinds of wheat in different quantities, how are we going to say what the duty shall be upon a barrel of flour? If it is 25 cents a bushel, it is $1.12½, no matter whether it is made of 75-cent wheat or $1 wheat or $1.25 wheat; the flour would take the duty upon that bushel; but when it is mixed in all different kinds of ratios, I can not see for the life of me how we could possibly arrive at any one point and say that that shall be the duty upon the barrel of flour. I must admit that it is an impossibility, and I can not see the possibility of making a differential upon the different kinds of fabrics of wool which may have all of these mixtures in their make-up and say that the duty on a yard of cloth shall be so much. I should like to have the Senator explain how it can be done.

Mr. SMOOT. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Utah?

Mr. WADSWORTH. I yield.

Mr. SMOOT. It has been stated several times on the floor of the Senate that the cloth made into the poor man's suit carries a higher rate of duty than the cloth made into the rich man's suit. That can not be. I call the Senator's attention to paragraph 1109. That is where the cheap cloths come, and the cheap cloths are in the first part of that paragraph:

> Woven fabrics, weighing more than 4 ounces per square yard, wholly or in chief value of wool, valued at not more than 60 cents per pound, 26 cents per pound and 40 per cent ad valorem.

That is where the cheap cloths fall that go into the cheap suits. The duty is not 50 per cent; it is not 49 per cent; it is 26 cents a pound and 40 per cent ad valorem. I do not want to take the time of the Senator, but when I get the floor I want to explain to the Senate why those rates are fixed as they are, and I want also to explain to the Senate why it will be impossible to administer the provision proposed by the Senator if it is enacted into law.

I want to say frankly to the Senator from New York that I had a great deal of sympathy with the amendment, and thought if there was any way out of it I would be glad to support it. I worked nearly all night Saturday night, I worked the greater part of Sunday, and I worked Sunday evening, trying to get out some kind of a plan that could be administered if this amendment was agreed to; and I say to the Senator frankly that I have come to the conclusion that it is an absolute impossibility to administer it justly, and I can not see how it is possible. The only way we can get away from it at all and not have another rate that would give the manufacturer an undue compensatory duty, such as was given him in the Payne-Aldrich bill, is to do just exactly as we have done in this particular bill, in my opinion.

Mr. WALSH of Massachusetts. Mr. President, may I suggest to the Senators from Utah and New York that the House had no difficulty in levying a specific duty on the clean content, with a proviso for a maximum ad valorem, and they worked out compensatory duties, and the Senate committee have followed in large part the compensatory duties levied by the House committee.

Mr. SMOOT. No, Mr. President; the Senate knew too well that the House provision could not be administered.

Mr. WALSH of Massachusetts. The Senator agrees that they attempted to levy a specific duty on the clean content, with a maximum ad valorem.

Mr. SMOOT. Certainly.

Mr. WALSH of Massachusetts. And he says they failed when they came to translate that into compensatory duties.

Mr. SMOOT. Mr. President, if the House provision had become law as it is now, we would have had a Payne-Aldrich bill multiplied time and time again.

Mr. WALSH of Massachusetts. I am very glad to have that public information that the House was about to repeat the disastrous consequences of the Payne-Aldrich bill.

Mr. SMOOT. It would only be in the case of the wools referred to to-day, those coarse wools which are at an abnormally low price to-day in all the world. In fact, you see in nearly every week's London quotations, when they come to quarter bloods, that there is no demand; they are unsalable. Week after week they can not sell them at any price.

Mr. WADSWORTH. Mr. President, I can not pose as an expert in this matter as can—and very justly so—the Senator from Utah. It is very difficult for me to believe, however, that with all the experience that our administrations in the past have had in the appraisal of values and the examination of goods that are imported into this country, whether in the raw-material stage or in the manufactured stage, some way can not be worked out by which there can be distinguished in a piece of cloth that element which is not finer than 50s quality, which, I understand, is the maximum of quality that goes with the lowest grades of wool. I may be wrong about it, but I have some faith in the proposition that this thing can be worked out if it is approached in a sympathetic spirit.

I am not attacking this thing as a whole. I am not attacking the work of the Finance Committee as a whole. I think it has done excellent work in the greater portion of its task in connection with wool; but I do want the Senate to understand what the effect will be with respect to these lowest grades of wool. It is going to be almost impossible to defend the imposition of any such equivalent ad valorem duty. No explanation can be given of it, and if you go back to the people and say, "Oh, well, we had to do it, because there was no other way except to do it," you will not get a very encouraging reply from anybody. There must be some way.

Mr. GOODING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Idaho?

Mr. WADSWORTH. I yield.

Mr. GOODING. Is the Senator advised as to where these coarse wools are imported—in what ports they are imported?

Mr. WADSWORTH. I am not. I do not care where they are imported.

Mr. GOODING. Evidently the State of New York must be very largely interested in these coarse wools. I will read the importations of the different classes, and I will read just the millions.

There were imported into Boston, of class 1, 250,000,000 pounds—these are the figures for 1920—class 2, 7,000,000 pounds; class 3, 7,000,000 pounds.

New York: First class, 67,000,000 pounds; second class, 8,000,000 pounds; third class, 55,000,000 pounds.

Philadelphia: First class, 3,000,000 pounds; second class, 999,000 pounds; third class, 8,000,000 pounds.

So that 75 per cent of all the coarse wool the Senator is now discussing, which very largely displaces our quarters, low quarters, and braids, comes into New York. If that is true, evidently these wools which the Senator is now discussing are manufactured into carpets and other coarse fabrics in the State of New York very largely.

Mr. WADSWORTH. Mr. President, it is utterly immaterial to me where these wools are brought in or where they are manufactured into a finished product. The only thing I am interested in is this: No matter where they are brought in or

where they are manufactured, they are used finally all over the United States. Everybody is affected in one way or another. It is going to be very difficult, I say in all seriousness, to explain how it is that the wool that is manufactured into carpet pays no duty and the same wool when used in clothing pays 100 per cent. Clothing is just as necessary as is carpet. A good many people get along without carpets, but I have yet to meet the people who get along for any length of time without clothes. It is this inconsistency against which I am directing my remarks, not in any spirit of hostility to the woolgrowers or to any element of our population engaged in the business, directly or indirectly.

Mr. McCUMBER. Mr. President, may I ask the Senator whether he thinks, if we produce, say, 1 per cent of carpet wools, that we should place a duty upon the other 99 per cent to take care of that 1 per cent?

Mr. WADSWORTH. No; I have not suggested that.

Mr. McCUMBER. The Senator can not see any difference; but is there not a little difference, where we produce 1 per cent of one product and 50 per cent of another product used in the United States, in determining whether we should have one free and whether we should have a protection on the other?

Mr. WADSWORTH. Yes; if you will be consistent in the two uses and not have such a tremendous spread between.

Mr. McCUMBER. Suppose we produced no high-grade wool in the United States. Then the Senator would not be in favor of a duty on it, even though we had to put a 50 or 60 per cent duty upon the wool that was produced in the United States and went into the manufacture of clothing.

Mr. WADSWORTH. I did not say I would be against any duty on it. I said that I was against a duty of over 100 per cent.

Mr. McCUMBER. But the Senator was making his argument upon the assumption that he could see no reason whatever for a duty of any per cent we might see fit to place upon the clothing wool.

Mr. WADSWORTH. Oh, no.

Mr. McCUMBER. Here is the point: Suppose this duty is necessary for the protection of the clothing wool, no matter what it is; is the Senator willing to give the duty upon the wool that goes into clothing necessary to protect the American producer of wool?

Mr. WADSWORTH. Generally speaking; yes.

Mr. McCUMBER. Very well. Then because we have to put what might be regarded as a high duty on that character of wool, is the Senator in favor of putting a duty upon carpet wool, where we do not need it, even though it might not be one-tenth of a per cent of what the other was?

Mr. WADSWORTH. I have not urged putting a duty on carpet wools at all.

Mr. McCUMBER. I know; but it seems to me the Senator's argument is based upon the assumption that if we put a certain duty upon clothing wools there is no excuse for not putting some duty upon carpet wools. I can not agree with the Senator in that.

Mr. WADSWORTH. No; I approach it from this angle, that if we let carpet wools in free, we might be a little gentle, at least, in putting a duty upon the same wool used for clothing. I do not consider 100 per cent a gentle duty. I think 60 per cent on that kind of a product is enough.

Mr. McCUMBER. That depends on whether you want to give protection to the producer of the wool.

Mr. WADSWORTH. I think that will give it.

Mr. McCUMBER. If it takes a hundred per cent to protect him, I am in favor of giving it to him. If the Senator can show that it does not take a hundred per cent, I would be willing to cut it down to whatever percentage is necessary.

Mr. WADSWORTH. We may all have our ideas as to the cost of producing wool of the different grades, but it is up to the committee to prove that it takes a duty of 137 per cent to protect the American producer of the lowest grade wool.

Mr. McCUMBER. Does it cost any less to produce a pound of low-grade wool in the United States than of high-grade wool?

Mr. WADSWORTH. That depends on where it is produced, and an infinite variety of circumstances surrounding it.

Mr. McCUMBER. As a general rule, is there any difference between the cost of producing the higher grade and the cost of producing the lower grade? The sheep which produce the low-grade wool consume as much, and the labor in taking care of the sheep will be as high. I can not see that you can draw a line and say that a coarser wool costs less per pound to produce than the finer wool. It may be worth less, but the actual cost, if I have read the record correctly, is about the same. Therefore it would require as much duty to protect the one as to protect the other.

Mr. WADSWORTH. Mr. President, that is a question of calculation in different regions of the country. I would be sorry for the future of the wool industry in the United States if we came to the conclusion that 137 per cent ad valorem was necessary for its protection. I know what would happen. The imposition of any such duty over any period of years would result finally in the abolition of all duties, and we would not have any wool industry. That is what I fear.

Mr. McCUMBER. In answer to that, what I fear is that if you insist upon the duty upon the manufactured product, and refuse it to those who produce the wool, you will bring about exactly the same result, the abolition of the protection upon your manufactured product.

Mr. WADSWORTH. The Senator is exactly right, and I shall never insist upon any such thing. In fact, I shall insist against it.

Mr. LENROOT. I want to ask the chairman of the committee whether any woolgrower in America is producing quarter bloods and lower as a business for the purpose of growing wool?

Mr. McCUMBER. Mr. President, it does not make any difference whether he is producing it for mutton or whether he is producing it for wool. The two uses together make up the costs and the value, and we have to consider both the mutton and the wool with every class of sheep in determining the cost and the profit.

Mr. WADSWORTH. There is a different relative value in different grades of sheep.

Mr. GOODING. Mr. President, let us make that clear. Many flocks upon the farm are quarters and low quarters and braids.

Mr. WADSWORTH. They are the mutton sheep, are they not?

Mr. GOODING. They are growing wool, and that must be taken into consideration.

Mr. WADSWORTH. Is not the greater proportion of the income from the lambs?

Mr. GOODING. In those cases it is. At the same time the commission has found that it costs 45 cents to grow a pound of all classes of wool.

Mr. WADSWORTH. Forty-five cents, including 6 per cent interest on the invested capital.

Mr. GOODING. They pay even as high as 10 per cent for money. All this discussion, of course, is in the interest of the poor man; there is not any doubt about it. The Senator is not discussing it from any other point. It is not in the interest of the manufacturer, because this coarse wool is imported and comes through New York Harbor and is manufactured in New York State. I do not charge that.

Mr. WADSWORTH. The Senator does not charge it; he just mentions it.

Mr. GOODING. If the Senator will permit me, with a 45-cent duty on this imported wool to-day, a suit of clothes will cost the poor man $1.68 more. That includes the cost of the wool, the duty, and everything that goes with it. That duty is going to be reduced to 12 cents a pound when this bill passes. Then, when you take the low quarter, selling in Boston to-day for 44 cents on a scoured basis, a suit of clothes is going to cost him $1.32 more, made out of all wool, a yard wide. If you go back to January of this year, when wools were 15 and 20 and 40 per cent lower than they are now, the clothes were very much cheaper. Take the price of this coarse wool in Boston. A suit of clothes will cost the poor man about $1.10 more the suit if you give wool from 30 to 35 cents more on the scoured basis. That is all there is to this question.

I know the Senator from New York does not understand this, but a month ago there was an organization perfected, and the word went out that there was going to be a reduction on the low-grade wool, the cheap wool, at the present time, and overnight the price of wool went down 2 cents in all the Western States. They stopped buying for a time. They are not doing much now. The market has not gotten back to where it was. The Senator, of course, did not understand that. I am not charging that to him.

Mr. WADSWORTH. I am very much relieved, Mr. President. I do not intend to detain the Senate any longer. I merely wanted to make this general observation. I am sincerely and intensely interested in these agricultural rates. I think that the agricultural interests of the country are entitled, generally speaking, to the treatment given in this bill, and that that treatment should continue over a considerable period of years, as long at least as present economic conditions, expressed in world-wide figures, prevail.

What I fear is—and I address these remarks in all kindness to those Senators who have had special charge of the agricultural schedules, and upon occasion are termed the agri-

cultural bloc—what I fear is that in spite of the great good which has been done by or through them in the writing of these agricultural rates, generally, in this tariff bill, due to some glaring error which will arouse the animosity of millions of people who do not happen to be engaged in agriculture, there shall be a revulsion of feeling, and instead of making a correction here and there which may be needed in the agricultural schedules in years to come, the whole set of schedules will be attacked and torn down and destroyed and the American farmer put back where he had to start from some few years ago, before he was given any protection to amount to anything. It is that against which I warn. It is that which gives rise to my calling the attention of the Senate to an equivalent ad valorem duty of 137 per cent on a certain class of wool of which we raise only a small percentage. That is the kind of thing that is apt to destroy the agricultural schedules, and I am for their maintenance. I fear the effect of this thing.

Mr. WILLIS obtained the floor.

Mr. GOODING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from Idaho?

Mr. WILLIS. I yield.

Mr. GOODING. Mr. President, I merely want to make one observation. The Senator from New York seems to be very much alarmed by these high duties. Only last week he addressed the Senate, and I think put up a very good argument, showing that the glove manufacturers in his State needed a duty of from 92½ to 119 per cent, and I voted for it because I believe they do need it, with the world's conditions as they exist. He should have been alarmed about these high duties before to-day, it seems to me, when we are considering an agricultural product. The Senate gave him 75 per cent. I do not think the glove manufacturers have enough protection. I do not care how high a duty is. If the industry needs it, whether it is the rice industry, or the peanut industry, or any other industry, I have been voting for it, and I am going to continue to vote for it.

Mr. HEFLIN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from Alabama?

Mr. WILLIS. The Senator from Alabama told me that he has some remarks which he desires to make at this time. I have been recognized by the Chair and have the floor, but I will yield briefly to the Senator.

FEDERAL RESERVE BOARD.

THE GOVERNOR MUST GO.

Mr. HEFLIN. Mr. President, I rise to protest against the pernicious activities of the Federal Reserve Board in inspiring friendly news articles for certain newspapers and suppressing news items unfavorable to its reprehensible and dangerous conduct.

I want to read to the Senate a letter from an officer in the National and State Bankers' Protective Association, of Atlanta, Ga. It reads as follows:

DEAR SENATOR HEFLIN: I inclose herewith copy of a decision rendered June 26, 1922, making permanent an injunction granted by Judge Wolverton, United States judge for the district of Oregon, in favor of the Brookings State Bank, of Oregon, against the Federal Reserve Bank of San Francisco, which explains itself.

I do not see any references to this decision in the newspapers of this section of the country. I had a telegram with reference to it from the plaintiff and inquired of the Associated Press representative if they would carry the story, and he said it would be handled by the Pacific coast department.

Did the papers in Washington carry any news story of the decision on June 27? If not, it is pertinent to ask why an item of this sort, that is of interest to banking and business interests throughout the country, does not receive the same publicity that decisions that can be colored to appear as victories for the Federal reserve banks on the par clearance question are given.

Mr. President, I submit again to the President of the United States, to the Senate, and to the country that the Federal Reserve Board governor has dragged the Federal Reserve Board into partisan controversies and political activities to an alarming degree. The board's power is being used for purposes never dreamed of by those who created it. Let me again call the attention of the President and the Congress to a decision handed down by the Supreme Court of the United States in which it severely condemns the conduct of the Federal Reserve Board.

Is it not strange, Mr. President, that no item of news went out from Washington telling the people of the country of that important decision of the highest court in the land? Is the Federal Reserve Board using its powerful influence to suppress news unfavorable to it? An editorial was sent me from a paper out in one of the States asking why it was that this news was not sent out from the Capital? I ask the Senate and I ask the country now: Why is it that the decisions of the Federal district courts and the Supreme Court condemning and criticizing the conduct of the Federal Reserve Board are kept out of the newspapers of the country?

Mr. President, I am going to read in my time briefly from the decision of the Supreme Court to which I referred to show how a Federal reserve bank accumulated checks amounting to thousands and tens of thousands of dollars and rushed in upon a poor little country bank and demanded payment all in one day. Here is what the Supreme Court said about that conduct, and I ask that it be printed in 8-point type.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HEFLIN. The Supreme Court said:

"The defendants say that the holder of a check has a right to present it to the bank upon which it was drawn, for payment over the counter, and that, however many checks he may hold, he has the same right as to all of them, and may present them all at once, whatever his motive or intent. * * * Most rights are qualified. A man has at least as absolute a right to give his own money as he has to demand money from a party that has made no promise to him; yet if he gives it to induce another to steal or murder, the purpose of the act makes it a crime.

"A bank that receives deposits to be drawn upon by check of course authorizes its depositors to draw checks against their accounts, and holders of such checks to present them for payment. When we think of the ordinary case, the right of the holder is so unimpeded that it seems to us absolute. But, looked at from either side, it can not be so. The interests of business also are recognized as rights, protected against injury to a greater or less extent, and in case of conflict between the claims of business on the one side and of third persons on the other lines have to be drawn that limit both. A man has a right to give advice, but advice given for the sole purpose of injuring another's business, and effective on a large scale, might create a cause of action. Banks, as we know them, could not exist if they could not rely upon averages, and lend a large part of the money that they receive from their depositors on the assumption that not more than a certain fraction of it will be demanded on any one day. If without a word of falsehood, but acting from what we have called disinterested malevolence, a man by persuasion should organize and carry into effect a run upon a bank, and ruin it, we can not doubt that an action would lie. A similar result, even if less complete in its effect, is to be expected from the course that the defendants are alleged to intend, and to determine whether they are authorized to follow that course it is not enough to refer to the general right of a holder of checks to present them, but it is necessary to consider whether the collection of checks, and presenting them in a body, for the purpose of breaking down the petitioner's business as now conducted, is justified by the ulterior purpose in view.

"If this were a case of competition in private business, it would be hard to admit the justification of self-interest, considering the now current opinion as to public policy, expressed in statutes and decisions. But this is not private business."

Now, Senators, get this suggestion:

"The policy of the Federal reserve banks is governed by the policy of the United States with regard to them and to these relatively feeble competitors. We do not need aid from the debates upon the statute under which the reserve banks exist to assume that the United States did not intend by that statute to sanction this sort of warfare upon legitimate creations of the States."

And the business men and bankers of the country never knew about that decision of the United States Supreme Court.

Now listen, Mr. President, to this:

"It is alleged that, in pursuance of a policy accepted by the Federal Reserve Board, the defendant bank has determined to use its power to compel the plaintiffs and others in like situation to become members of the defendant, or at least to open a nonmember clearing account with defendant and thereby, under the defendant's requirements, to make it necessary for the plaintiffs to maintain a much larger reserve than in their present condition they need."

They were attempting to drive them out of business, to kill them, or to make them come in and join the system. Is it any wonder that the Federal Reserve Board did not want the business men and bankers to know that the highest court in the country had condemned its conduct? Listen to this:

"To accomplish the defendant's wish, they intend to accumulate checks upon the country banks until they reach a large amount, and then to cause them to be presented for payment over the counter, or, by other devices detailed, to require payment in cash in such wise as to compel the plaintiffs to maintain so much cash in their vaults as to drive them out of business, or force them, if able, to submit to the defendant's scheme."

Is not this a strong arraignment of the inexcusable conduct of the Federal Reserve Board's conduct in trying to destroy a country bank? Do you wonder that they wanted to keep that news out of the newspapers? Does anybody doubt that they did keep it out?

Now, Mr. President, here is another case almost identical with the one I have just mentioned. On June 26, 1922, in the case of the Brookings State Bank of Oregon against the Federal Reserve Bank of San Francisco, Judge Wolverton, United States district judge of Oregon, made permanent an injunction against the Federal Reserve Bank of San Francisco. His decision is in line with the one I read by the Supreme Court, but the news of this decision was likewise suppressed.

Mr. President, there seems to be no extreme to which this board will not go with its cruel, coercive policies and punishments. Is it any wonder that State banks are asking the President not to reappoint Governor Harding? Is it any wonder that members of the Federal reserve banking system are asking the President not to reappoint him?

Now, this decision of the Federal district court sustaining the position of a State bank recently in the State of Oregon is worthy of more than passing notice. I have scores of letters about it. I have had newspaper clippings about it. Quite a lot of literature upon the subject has strangely disappeared from my desk that I expected to use to-day. But, Mr. President, here is a letter from an officer of the National and State Banks' Protective Association asking a Senator at the Capitol why it is that the papers do not carry the news when Federal district courts and the Supreme Court decided a case against the Federal Reserve Board's oppressive orders and policies. I ask the question now.

Oh, Mr. President, I know that this bold and unbridled power that I am condemning is a dangerous power. It has its press agents to attack me in every quarter of the country. I firmly believe that inspired editorials attacking me are written and accounted for with coin at the instance of the Federal Reserve Board. A speech made in this body, which pleased the Federal Reserve Board, defended its policy, and the board took that speech and printed it by the thousands and hundreds of thousands and broadcast the country with it without a cent of cost to the man who made it.

Mr. President, is it right and fair to permit such perversion of the Federal Reserve Board's power? How long can a Senator who is not rich continue his fight for the rights and interests of the people against a paid press agency and the circulation in unlimited supplies of speeches attacking that Senator's position? If a Senator makes a speech favorable to them, they have him praised by their press agents and circulate his speech in large numbers without cost or expense to him. This is done at the expense of the banks and the Government. If a Senator assails their position and dares to criticize their conduct, they refuse to permit some of the newspapers to carry to the country the news of the fight that he is making. Senators, is that right and is it fair? Should the Federal Reserve Board, a Government institution, be permitted to do such things? Senators, this conduct is fraught with grave danger to the country.

Let me submit to the President and to the Senate what occurred with reference to similar conduct by another banking system at another time. Back in the days of President Jackson the banking system of his time went into politics. The President himself had a measure that he wanted to put through Congress for the good of the American people. The banks wanted a certain other measure passed. They went to the President and told him that he must couple them together or at least consent to the passage of their measure, too. President Jackson said, "No; I am against your measure. The other measure is right and ought to pass." Then they said, "We will not permit your measure to pass." He said, "Can you do that?" They said, "Yes." He said, "That is too d—— much power for any institution in the country to have, and I will take it from you," and he did take it from them. He drove them out of politics. I want to show what the Federal Reserve Board is doing toward meddling with politics and controversies of every kind right under the very eyes of a Republican Senate. A few months ago a Member of Congress in the other branch assailed the policy of the Federal Reserve Board. What happened to him? He received a letter written by a member of the Federal Reserve Board, no doubt inspired by the governor of the board, telling him that he had better "lay off" of it, telling him that they would oppose him in the primaries, telling him to watch out, that he would have opposition.

I want to tell the Senate that to-day that Member of the House who was thus threatened by the Federal Reserve Board has opposition. Are they carrying out the threat that they made to him? Are you going to permit such as that to go on, Senators? What would Jackson have done if he had gotten hold of a letter that the head of the banking system had written to a Member of Congress who dared assail its policy and threatening to have him defeated if he kept it up? What would Jackson have done? He would have removed him from office.

Is the power and the influence of this great banking system to be used to suppress the truth and prevent just and righteous attacks from being made upon the policies of the Federal Reserve Board? Are those who want to see the Federal Reserve Board kept true to the purposes for which it was created to be maligned and discouraged in their worthy efforts?

Now, what else do we find? We find them not only threatening a Member of the House but they criticized me in the letter which they wrote, saying that I had better "lay off" and that the other fellow had better "lay off." Well, they have already threatened me. A newspaper reporter from this city sent to my State an article in which he said, naming the man, that Governor Harding and his friends were grooming a certain gentleman to oppose Senator HEFLIN in his next race for the Senate. I mention this to show you how the governor of the board is using his office in the attempt to frighten a Senator away from the honest discharge of his duty. Some of the papers that he has thus early inspired to attack me are also boosting the gentleman that "Governor Harding and his friends" have suggested, and the political game of the Federal Reserve Board goes merrily on. All this is being paid for out of the funds of the banks, which I think includes Government money, because, I repeat, the earnings of those banks, if not misused or squandered for political purposes, would to the extent of 90 per cent of them go to the Government of the United States. Senators, do you believe that the people of the United States are going to submit to such practices?

Mr. President, I have here the letter from the bank of Dallas, Tex. I want to comment upon it in this connection. In that letter it is said:

> As indicated in my reply to the second question, the fund was provided by charging the same to our expense account and therefore came out of our earnings.

Well, Mr. President, everyone who is familiar with the provisions of the Federal reserve act knows that after the running expenses are paid, after dividends are paid, 90 per cent of the money left goes into the Federal Treasury. Now I hold that this board had no right to expend from $4,000 to $7,000 in circulating to thousands and thousands of people in the United States a speech made by one Senator full of inaccurate and incorrect statements criticizing and assailing another Senator and his speech. Therefore every dollar of the money which was used by the Federal reserve banks under the order of the governor of the Federal Reserve Board was misused. They had no right to expend that money in that way.

Mr. President, the other day when discussing this matter the Senator from Connecticut [Mr. MCLEAN], who has objected to granting me permission to secure the names of the people to whom this other speech was sent, said that I would deny the Federal Reserve Board free speech. I told him that there were various ways that the board had of reaching the country; that the newspaper columns were open to it; that pamphlets were written under its inspiration; that magazine articles were written and paid for by it; that speeches were made by members of the board and its agents and officials of the banks, their circulation paid for by the Government or the banks, and that there was no denial of free speech or free communication from the board to the people. I have here a newspaper, the Charlotte Observer, which is published in Charlotte, N. C. Governor Harding was down there a few months ago and made a speech, and that newspaper carried it all; here it is, and it covers one side of the newspaper. Does that look as though the governor of the Federal Reserve Board has no opportunity to get his views before the people?

Mr. President, there never was such a press agency in the world as this man has established. I asked the other day for permission to circulate my speech amongst the people who read the other speech sent out at the expense of the Government and the banks, a speech which assailed my position and which I claim is full of inaccurate statements; but the Senator from Connecticut persisted in his objection to my having that permission. Here is a letter from Quincy, Mass., just received, which reads:

> MY DEAR SIR: I am a reader of the RECORD. I want to congratulate you upon your exposé of the Federal Reserve Board. Keep up the good work. I am informed by credible authority that one of the banks here has made $150,000 in the past two years on Liberty loans and other United States securities. If all the factions here in Massachusetts will unite there is no doubt the senior United States Senator, H. C. LODGE, can be defeated.
>
> Yours respectfully, CHARLES W. HANSCOM.

Mr. President, here is a New England man—and I take it he is a Republican—congratulating me upon the fight that I have made, and here is another New England man, a United States Senator, who will not even permit me to obtain the names of the people to whom a speech was sent attacking the position which that man congratulates me for taking.

I want to analyze the position of the Senator from Connecticut for just a moment. The Senator from Connecticut said that he had taken an oath when he came into this body to support free speech. Well, Mr. President, I claim that the Senator is denying free speech to me. There were two speeches made in the Senate, the speech by the Senator from Virginia [Mr. GLASS], which was nearly five hours in length, and my reply, which was five and a half hours long, on the greatest question that has come before the American people in many years. Here is the situation: The Federal Reserve Board that conducted the deflation policy was defended by the Senator from Virginia, and was indicted, arraigned, criticized, and condemned by me; and the facts that sustained my contention were furnished me by a former Comptroller of the Currency, Hon. John Skelton Williams, who himself was at the time a member of the Federal Reserve Board. I submit to the Senate and to the country and to all fair-minded people everywhere, that if this board picks out that speech and prints it and distributes it, I, another Senator, and being the Senator assailed and the Senator taking the other side of the controversy, calling into question the conduct and deflation policy of the Federal Reserve Board, have a right to send my speech to those citizens who read the speech on the other side of the question; yet the Senator from Connecticut denies me the right to do that and then talks about free speech and fair play.

Mr. McLEAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from Connecticut?

Mr. HEFLIN. I yield to the Senator.

Mr. McLEAN. Of course the Senator from Alabama knows that I can not deny him the right to send his speech to anyone whom he desires to have read it. I did, however, object to the consideration of the resolution presented by the Senator from Alabama which called upon the banks to disclose to the public their private correspondence. I am but one Member of this body, and that was my view about the matter. I did not think it was any concern of the Senate or that the Senate had any jurisdiction over the subject. The Senator at that time insisted that the governor of the Federal Reserve Board had no right to send out the speech of the Senator from Virginia [Mr. GLASS], and he criticized me very severely because I objected to the resolution requesting private institutions to disclose their private correspondence. That is as far as my objection went; but now the Senator has offered a resolution censuring the governor of the Federal Reserve Board because he sent out the speech of Senator GLASS.

I think if the Senator from Alabama could comprehend the position which he takes that he would be the first to denounce it as offensive to every principle of right and justice and in direct contravention of the constitutional guaranty of freedom of speech.

That is all I have to say upon the subject. If the Senator can not look at it in the right light and he wants a vote of the Senate on the question he can have it at any time, as far as I am concerned. If he wants a vote now on his resolution censuring Governor Harding for sending out the speech of another Senator in defense of the board and in answer to a speech of the Senator from Alabama severely criticizing the board, he can have it at any time. His resolution is pending and he can have a vote now if he wants it. I simply wanted the resolution printed so that the Senate could realize its full purport, and because its adoption would simply make the Senate ridiculous, in my opinion.

Mr. HEFLIN. Mr. President, I have told some of the Senators that I would not take up the time to try to pass the resolution to-day because I was satisfied the Senator from Connecticut would object. He always has objected; he is the persistent Senator on the other side who has kept me from getting the information that I want. Mr. President, I believe all the constituents of the Senator, when I get the facts properly before them, as I will, will agree that he has done wrong in denying to me the right to send my speech to the people who read the speech attacking me and trying to refute the position which I have taken in the interest of truth, right, and justice.

I believe that the Senator is the only one in this body who can not draw the distinction between the Federal Reserve Board giving its views through the Federal Reserve Bulletin, giving out interviews in the newspapers, writing articles in magazines, and making speeches at public gatherings, and sending out a speech that is made in the Senate attacking another Senator and using the Government's funds to carry on a campaign in behalf of one idea and one Senator against another idea and another Senator. I have not asked for the correspondence of a single Federal reserve bank. I did want the letter sent out with the Glass speech, but I have abandoned that for the time being. I simply want the names and post-office addresses of American citizens who have had sent to them a speech attacking me and assailing my position so that I can send my speech to the same people. Is there anything unfair about that? I believe every Senator in this body will draw the distinction that I have made except the Senator from Connecticut. I would that the Senator from Massachusetts [Mr. LODGE], the leader of the other side, would induce the Senator from Connecticut to withdraw from his position. I trust that the Senator from Massachusetts will aid me in securing the list of those to whom 142,000 copies of the speech of the Senator from Virginia were sent.

Mr. McLEAN. Mr. President——

Mr. HEFLIN. I yield to the Senator briefly.

Mr. McLEAN. I tried to make it clear to the Senator that he can have a vote now if he wants it on his pending resolution.

Mr. HEFLIN. I told the Senator I had promised him and others I was not going to call it up for action to-day. I have already stated that. This news is going into his State from time to time, and I am going to keep it going in there through the medium of the hundreds of copies of the CONGRESSIONAL RECORD that go there, so that the people there shall know the truth. There is not a fair-minded man in the world—I do not care who he is—who will say if a speech is made in this body on a public question attacking another Senator and copies of it are sent out at the expense of a Government institution, at the instance of the Federal Reserve Board, that that other Senator is not entitled to know at least to whom that speech was sent in order that he may, of his own motion and out of his own purse, send them his speech if he wants to do so. That is the distinction I am trying to get into the head of the Senator from Connecticut.

Mr. McLEAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Alabama further yield to the Senator from Connecticut?

Mr. HEFLIN. Yes, sir; I yield to the Senator. Every time I yield to him he gets deeper and deeper in the mire. I yield.

Mr. McLEAN. The Senator from Alabama may be right about that. Let us find out. He has insisted several times that I was the only Member of this body who would object to the adoption of his pending resolution. I think, in fairness to me, he ought to let it come to a vote, and we will find out whether or not I am the only man in this body who is in the mire.

Mr. HEFLIN. Not to-day, because I promised that I would not call it up, and I am going to keep my word.

Mr. McLEAN. I do not know who the Senator promised that he would not bring up his resolution; but if he is going to make these statements accusing me of being the only Member of this body who is opposed to his pending resolution, I think he ought to be willing to risk a vote.

Mr. HEFLIN. I will bring it up. I may add something more to it before I bring it up. I should like to have a roll call on it when I do get it up.

Mr. McLEAN. I hope so; and I am rather confident that the Senator will modify his resolution, for I am satisfied that it would receive but few votes in this body. I repeat what I said before. I think the Senator from Alabama, if he could comprehend the position in which he has put himself, would be the first man in this body to denounce the proposal contained in his resolution.

Mr. HEFLIN. Mr. President, I realize exactly what sort of position I am putting some Senators in. The Bible tells us to announce on which side we are, and it says: "Who is on the Lord's side and who is on the side of Mammon?" That is the question here: Who is on the side of the people, who is on the side of fair play, who is on the side of just dealing—myself or the Senator from Connecticut?

I am trying to drive the Federal Reserve Board and banks out of politics, and the Senator from Connecticut is defending them and holding them in and encouraging them and aiding and abetting them in every way that he can upon this floor. I have witnessed it from time to time. I do not think there is any doubt in the minds of Senators here as to where the Senator from Connecticut stands. The Senator was probably raised in an environment that fitted him peculiarly for the service that he is rendering to the great Wall Street banking interest that holds the country by the throat and paralyzes every walk of business in its confines. I am assailing the mis-

use of a great power. I want to read again, for the benefit of the Senator, this quotation, which I have read before and not a line of it has ever been carried from the press of the Capital to the papers of the country. It is a quotation from Lincoln, the great martyred President. Here it is:

> Any movement to artificially deflate before the debt can be paid, to change the medium of circulation upon which the debt was contracted, would be a crime.

That is what I am fighting. What was done in this country? Debts were contracted. Who induced the people to contract them? The Government. What did it tell them? It said, "Buy Liberty bonds. Pay for them on the installment plan. You will never be pushed. You can get the money from the banks." Inflation was indulged in. Prosperity was here. People bought goods at the top-notch price. They went into debt for everything; and then what happened? Why, in the midsummer of 1920 deflation fell like a thunderbolt, caught these people by the throat, and compelled them to try to pay their debts incurred under inflation, as Lincoln says, with a deflated dollar. The Senator from Connecticut can not understand why I am trying to make that crime odious in the eyes of the living and odious in the eyes of those who shall come after us; and I intend to do it if I live.

If the Senator could see the letters that I have from his own State and from other sections of the country, he would see how the people out amongst the rank and file are feeling. I know how the purse-proud plutocrats who made their millions and hundreds of millions and even their billions out of the distress and losses of the people of the South and West, 60,000,000 of them, feel about it. They say, "Suppress this fellow. Do not give any publicity to his speech. Send out everything you can attacking him. Circulate the speeches of those who assail him. Pay for them out of the banks' earnings. Pay for them out of the money of the Government. Suppress him, fight it out, and make all those hereafter who dare to criticize any policy of the system know what fate awaits them."

That is the position of the millionaire Senator from Connecticut, who stands here and champions the cause of the plutocratic banking fraternity of Wall Street. This is not any child's play, and I will inform the Senator from Connecticut before this battle is over that he will realize that it is far from being a butterfly parade. It strikes at the very root of the people's business. They demand honest treatment, fair treatment of the business of the American man. I do not care whether he is a crossroads merchant or a hod carrier, a hoe hand, a farmer, a merchant, a clerk, a doctor, a preacher, a teacher, or what not; I demand fair treatment for him, and every dollar of currency and credit he needs to carry on his business. This country can do it, and has done it. I denounce the Federal Reserve Board's deflation policy as the robber scheme of Wall Street.

I want to read from Mr. Lincoln a few more lines. I am going to read this so often that I will have it haunting the Senator from Connecticut when these bank palaces of Wall Street loom in his visions and his dreams. I want Lincoln's words to ring in his ears as he sees the distress amongst the people in the South and West, men and women prosperous two years ago reduced to a state of poverty now. I want him to remember the words of Lincoln:

> I warn the American people not to permit a repetition of the crimes of history. Following great periods of inflation, if drastic artificial deflation is attempted disastrous results must follow. I warn them not to permit the money powers to take advantage of the condition of the people.

What did they do here? They took advantage of the condition of the people. What did they do? They permitted every farmer in the South and West to buy material for making the crop of 1920. They never even whispered "deflation" until the crop was planted, until agricultural implements had been bought at a high price, until fertilizers were bought at a high price, until tractors and other machinery to conduct the farm had been bought, and the farmers had gone into debt, and the merchants had let out their goods, and the banks were tied up with loans. Not a step was taken until that was done. Then deflation commenced, and they took advantage of the people, and that is what Lincoln was talking about:

> I warn them not to permit high and usurious interest rates, contraction of the currency, or any change in the circulating medium that will affect the debt contracted until it has been discharged.

There is the eternal doctrine.

Lincoln was right, and the Federal Reserve Board's deflation policy was criminal.

I stand for that doctrine. What would he think if he could come back and walk into this Chamber and see the head of the great Banking and Currency Committee of the Senate, the Senator from Connecticut, defending this deflation policy, inaugurating legislation for the purpose of carrying it out, the author of the progressive interest rate that charged from 7 per cent to 87½ per cent, the usurious rates that Lincoln denounced, growing out of the amendment offered and enacted at the instance of the Senator from Connecticut? What would Lincoln think? What would he say if he could find these men committing such crimes parading under the name of the party of Lincoln? He would lash them with thorns and scorpions, and then you talk about the Senator from Alabama, and say that "if he could realize" he would probably change his views!

Change my view, when I have seen the hollow look in the eyes of men, women, and children made miserable and desperate under this deadly deflation? Change my view, when I have looked upon mounds of earth where sleep men who killed themselves because of that policy? Change my view, when I have seen half the mother herds of the West driven to the market place and slaughtered and sold to enforce collections under that deflation policy? Change my view and remain silent, when I see our great banking system perverted and dragged into politics?

Mr. McLEAN. Mr. President, I dislike very much to interrupt the Senator.

Mr. HEFLIN. Make it very brief, please, because I want to finish my remarks.

Mr. McLEAN. If the Senator will pardon me once more, I will try not to interrupt the thread of his remarks again.

The Senator knows that the deflation policy which he condemns so severely was brought about when Mr. Wilson was President of the United States.

Mr. HEFLIN. President Wilson was sick, and did not know anything about this deflation. It was carried on while he was prone upon his back.

Mr. McLEAN. He was all the President we had at that time.

Mr. HEFLIN. You will find out from the speech that I made here February 9, 1922, who it was that started this policy, and it tells the story about the Senator from Connecticut. Maybe that is the reason why he does not want this speech to be circulated to the people who read the one sent out by the board. There it is, five hours and a half long; and I challenge the Senator, as the head of the Banking and Currency Committee, to refute these figures here about contraction and deflation, and I challenge him to refute any one of them.

Mr. McLEAN. Mr. President, I was about to add to the fact that this deflation policy was brought about when Mr. Wilson was President of the United States the further fact that the Federal Reserve Board at that time was composed of Democrats. I think the board at that time was composed entirely of Democrats.

Mr. HEFLIN. No, sir; there never have been but two Democrats on it at any one time—not over three, at any rate, according to my understanding.

Mr. McLEAN. The Senator is mistaken about that; but never mind.

Mr. HEFLIN. The Senator can make his speech in his own time. I do not want my speech filled up with these misunderstandings that the Senator has. I have studied this question.

Mr. McLEAN. I just wanted the Senator from Alabama to realize that he had magnified the importance of my influence over the deflation policy, as I had nothing whatever to do with it. So far as the officials of the United States were concerned in it in any way, they were composed entirely of Democrats.

Mr. HEFLIN. Was not the Senator the author of the progressive interest rate amendment?

Mr. McLEAN. No; I was not. That bill was prepared by the Federal Reserve Board.

Mr. HEFLIN. The Senator introduced it, did he not?

Mr. McLEAN. I did, at the request of the Federal Reserve Board.

Mr. HEFLIN. At the request of the Federal Reserve Board governor?

Mr. McLEAN. I did.

Mr. HEFLIN. That proves exactly my contention.

Mr. McLEAN. And it passed with very few dissenting votes. I do not know that there was any opposition to it. There was some slight opposition, I believe. I think very likely the Senator from Alabama opposed it.

Mr. HEFLIN. I was not here. It was in April, 1920, and I was making my race for the nomination to the Senate in the primary at that time. I wish I had been here.

Mr. McLEAN. I simply wanted to call the attention of the Senator to the fact that I had absolutely nothing to do with the deflation policy of the Democratic administration. The bill that the Senator refers to gave the board a wide discretion.

Mr. HEFLIN. Oh, Mr. President, it is interesting to hear the Senator from Connecticut at last deny any connection with deflation. He is the chairman of the Banking and Currency Committee of the Senate. He introduced the amendment that set this machinery in motion that charged an interest rate ranging from 7 per cent to 87½ per cent, usurious interest rates that murdered business, and the Senator now excuses himself by saying that the Federal Reserve Board governor asked him to do it, and he did it, and yet he had nothing to do with it. He was a Member of the Senate. He was, as now, the chairman of that committee. They asked him to introduce the amendment. He did introduce it. He asked that it be made a law. Is he not a party to it?

By their fruits ye shall know them.

If he did not indorse it, why did he not decline to introduce it? If he was not for it, why did he not fight it after he introduced it? By the fact that he introduced it, the fact that he sought its passage, the fact that he secured its passage, and all this ruin has come out of it, he is tied up with the governor of the Federal Reserve Board and ought to be made by his constituents to bear his share of the blame that attaches and for the ruin that it wrought.

Mr. McLEAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from Connecticut?

Mr. HEFLIN. I yield. I ask the Senator if he repudiates the deflation policy?

Mr. McLEAN. My only criticism of the Federal Reserve Board is that it did not begin to deflate a year earlier. The Senator knows very well that the delay was due to the fact that at that time Mr. McAdoo, Secretary of the Treasury, instead of issuing bonds or trying to secure the additional money required by taxation, issued three or four billions, and I think nearly five billions, of short-time certificates, and those certificates could not be absorbed by the public. Consequently the banks had to hold them, and in view of the rate which the Government paid the banks—I think it was 5 per cent at that time—it was impossible for the Federal Reserve Board to raise the discount rate, and it was entirely due to that mistake in judgment, which I think was a very serious one on the part of the Secretary of the Treasury, that the Federal Reserve Board could not begin its deflation policy earlier.

Mr. HEFLIN. Mr. President, the Senator says that is the only criticism he has to offer. The Senator knows, or should know, that the progressive interest rate, ranging from 7 to 87½ per cent, was applied only to the cotton section, the grain, and cattle sections of the United States. The banks at Atlanta, Dallas, St. Louis, and Kansas City had the progressive rate applied to them, but the other eight banks in the commercial territories and industrial territories did not have it applied to them. It was used only in the agricultural sections, to the ruin of the agriculture of the United States; and the Senator says he has no criticism except that it was not done soon enough.

I know men, of my own personal knowledge, who killed themselves on account of it. The Senator regrets they did not do it a year sooner, I presume. I know farmers whose farms were taken from them. I know men who were home owners who are now tenants. I know able-bodied men who were employed, making a living wage, and doing well, who are now out of employment, walking the streets, begging for something on which to live. And the Senator regrets that that was not brought about a year earlier.

Mr. McLEAN. If the deflation policy had been begun a year earlier the farmers would not have been led into the condition in which they found themselves, and for that reason they would have been saved many millions of dollars. I want to say to the Senator from Alabama that if the Government should follow his policy and attempt to cure inflation by more inflation we would find ourselves in precisely the position Russia, Germany, and Austria are in to-day.

Mr. HEFLIN. I did not yield to the Senator for a speech of that character. I would rather he would make it in his own time, because it is the character of speech that will not stand alone.

Mr. President, the Senator says we would have been in the fix Russia is in. I want to inform the Senator, who ought to know, as he is the chairman of the Banking and Currency Committee, that the gold reserve in the United States was lower in the fall of 1918 than it was in the year of deflation, 1920, and I challenge him to disprove that statement. The gold reserve was not even seriously approached in 1920. There was no danger from that source. There was no occasion for drastic, deadly deflation at the time it was brought about. That is why I am complaining. If it had been a matter of life and death it would have been a different proposition altogether, but there was nothing in the situation that justified or excused in any way the kind of deflation that was brought about. I charge that Wall Street saw an opportunity to make hundreds of millions of dollars out of Liberty bonds by driving them out of the hands of the people in the country, by refusing loans on them at the banks, and by getting them down in price and getting them into their own hands.

They thought they could make their hundreds of millions and they did it, just as I said they would. I said that Wall Street speculators wanted to beat the price of cotton down from 40 to 10 cents and make millions and hundreds of millions, and they did. I said those speculators wanted to beat the price of wheat and corn and oats down and make hundreds of millions, and they did. I said they wanted to force the cattle on the market, so that they could speculate and make millions and hundreds of millions on them, and they did. This thing was not a matter of just deflating for deflation's sake. It was carried on for the purpose of making money for the people who inspired it and ordered it. That is what I am talking about. That is what I know is true, and that is what the American people shall know. I do not intend that any highbrow shall stand in this place or elsewhere and deceive the people, and say that it had to be done. I am showing that it did not have to be done, and that the way it was done was a crime. That is what I am showing.

Mr. President, John Skelton Williams suggested a way. The editor of the Manufacturers' Record, Mr. Edmonds, suggested a way. Ex-Governor Stokes, of New Jersey, suggested a way. Colonel Armstrong, the author of the book dealing with deflation called "The Crime of '20," suggested a way; and I and others suggested a way; and it was not the mere running of a printing press. It was for keeping the gold reserve intact and issuing the credits which were unused, which we had at that time, without endangering the gold reserve. That is what could and should have been done.

Now I am going to read some figures to the Senator which will be in the RECORD, and it is open to him every day, as long as he is in this body, to refute them if he can.

I charge that on May 28, 1920—page 748, Federal Reserve Bulletin, 1920—loans, discounts, and bought paper held by all the 12 Federal reserve banks amounted to $2,938,031,000.

August 31, 1921—page 1240, Federal Reserve Bulletin, 1921—$1,527,255,000.

January 25, 1922, $932,882,000.

It was coming down, and down in a hurrry, like dropping something off Pikes Peak; and yet the Senator and others deny that there was deflation.

Contraction of credits by the 12 Federal reserve banks. I charge, and challenge the Senator from Connecticut to refute these figures, that from May 28, 1920, to August 31, 1921, contraction of credits by the 12 Federal reserve banks was $1,410,776,000, and from May 28, 1920, to January 25, 1922, was $2,005,149,000.

Contraction of Federal reserve notes in circulation, I charge, from May 28, 1920, to August 31, 1921, was $625,555,000.

May 28, 1920, to January 25, 1922, it was $923,020,000.

There is a way to settle this issue. I challenge the Senator from Connecticut, the chairman of the Banking and Currency Committee, to refute the figures that I have given.

They are as firm and impregnable as the Rock of Ages. If they are true the statements which the Senator from Connecticut is protecting, and which are being sent out in the Glass speech, are not true and are not the facts in the case.

That is a simple, plain, straightforward statement, and if that other speech contains misinformation it is wrong to circulate it, leaving out of consideration the question that another Senator was attacked and assailed in that speech. There are the figures. I challenge the Senator, the chairman of the Banking and Currency Committee, I challenge any member of the committee with him, to refute these figures.

Mr. President, the Senator says deflation was not commenced in time. I knew they were trying to have deflation before it was brought about. It was started when the senior Senator from Illinois [Mr. McCORMICK] passed through this body, a Republican Senate, a deflation resolution, on May 17, 1920, and just before that the amendment offered by the Senator from Connecticut, which enabled them to cut the throat of legitimate business the country over, had been enacted, and deflation was commenced.

The Senator says it did not commence soon enough. It has practically ruined the farmers of the country. It has bankrupted nearly every merchant in the South and West. It has tied up and literally choked to death the country banker. It has thrown out of employment 7,000,000 wage earners in the

country. Men fairly well to do have been hard pressed to raise money to pay their taxes. That is the deadly fruit of deflation, and the Senator from Connecticut helped to bring it about, defends it now, and only says that it did not commence soon enough to suit him.

Mr. President, he says ex-Secretary McAdoo would not permit it to start sooner. No; McAdoo would not permit it to start at all, as it was conducted. McAdoo had aided the South and aided the West with money when they were in dire distress. McAdoo would never have been a party to the deflation policy conducted and carried out. He is a friend to honest business. They never could have put any robber scheme over under the name of McAdoo while he held the office of Secretary of the Treasury.

If they had done as the Senator from Connecticut suggests, Liberty bonds would not have been sold, demoralization would have come quicker, and the deception would have been greater.

The Senator from Connecticut and others like him might just as well get it out of their heads that they can fool the people or Members of Congress any longer by having two or three astute politicians and expert bankers learn all they can about the banking business and get up and talk learnedly and deceive the public as to what has been done. We know now that the money supply of the country must be so handled that business can have it and credit be extended, or business will not prosper. We all know now that to contract the currency, to call money in, to force the collection of loans in drastic fashion in time of stress, to deny credit kills business, closes industry, turns laborers out of employment, and destroys agriculture. It is plain and simple. Thank God, some of us who represent the people have studied this question, and we know what has happened and how the people have suffered. We do not intend that Wall Street shall have this feast and hoard billions of dollars out of the distress and misfortune of sixty-odd million people of the South and West. Is there a way to get this truth to the country? Read the letters I am getting from every State in the Union and see. Yes; the CONGRESSIONAL RECORD is carrying the facts as we give them from the Government's record, and the truth is becoming known. Letters are coming in from every section indorsing my position. Why should not they indorse it when I stand here with the figures I have quoted and which have gone out in the CONGRESSIONAL RECORD?

I challenged the Senator from Connecticut to refute the figures and he is as silent as the tomb. I challenge him for tomorrow, for the next day, and for every day until this Congress adjourns to refute the figures that I have given on drastic and destructive deflation. If those figures are correct my position is correct. If those figures are correct the position of the Senator from Virginia [Mr. GLASS] is incorrect. The people are entitled to have the correct position. If they have the Glass speech, I contend that they have the incorrect position. My position being the correct one, I submit that they are entitled to have it. But I can not even get the names of those to whom the other speech, full of inaccurate and incorrect statements, has been sent at the expense of the Government and the Government banks.

Mr. President, before I conclude I want to touch very briefly again upon a subject to which I have previously referred. Here is the Federal Reserve Board carrying on a political propaganda, taking the speech of one Senator attacking the position of another Senator and sending it out and then writing to a Member of Congress—yes; daring to write to a Member of Congress—telling him to cease his criticisms of them or they will use their power to defeat him in the primary. Senators sit here and permit this Federal Reserve Board power to be perverted from the ends of its institution and used to intimidate and drive away from attacks upon their conduct Members of Congress sent here to represent their constituents and sworn to support the Constitution of the United States. Senators, it is my duty and the duty of all Senators to cry out against such dangerous conduct; but you are in power and can stop it if you wish to do so.

What else? Why, Mr. President, a speech is made in this body by a Senator, which appeals to them, which defends their conduct. Did they threaten him? Oh, no. What did they do in the other case? They wrote the Congressman a letter and threatened him with opposition in the primary. That is the substance of their threat. Is that the function of the Federal Reserve Board? What did they do to the Senator who defended their policy? They patted him on his back. They took his speech without expense to him at all, printed it and circulated it throughout the system, 142,000 copies of it, at an expense of between $4,000 and $7,000. What did they do to the Senator who assailed their position? They had their yelpers whom they have hired in the newspaper world to attack him on every side. What else? They refused even to tell him to whom they had sent the speech attacking him. Who defends them in that? The Senator from Connecticut [Mr. MCLEAN].

Mr. President, I did want to say something this morning about a gentleman who was on the pay roll of the board, but I shall do that at another time. From time to time, without wearying the Senate and consuming too much of its time, I shall wage this war against the governor of the Federal Reserve Board, who is using his office and using his power and every agency under his command to have himself reappointed. It would be a calamity to the country, a calamity to the business life of the Nation to reappoint him. It would be the worst thing the President could do, and I am hoping and praying for the good of the system itself and in the interest of restoring the Federal Reserve Board to confidence in the minds and hearts of the people of the country, that it will not be done. In the name of the honest, efficient, and fair administration of the Federal reserve banking system I hope and pray that the President will not reappoint him—and I predict that he will not.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. WILLIS. Mr. President, in the controversy between the Senator from Alabama [Mr. HEFLIN] and his distinguished friend the Senator from Connecticut [Mr. MCLEAN] we have drifted far afield. I shall address the Senate only very briefly, and in the time I shall speak I shall direct my remarks to the subject under consideration, namely, the amendment offered by the Senator from Wisconsin [Mr. LENROOT] to the amendment of the committee. I shall not undertake to go into the details of the production of wool or the manufacture of wool, because others here are more competent to do that than am I.

I want in the first place rather to call attention to the utterly unfair and untruthful representations that have been made throughout the country by propagandists against the bill. I say this without, of course, any reference to anything that anyone has said in the Senate, because there has been no misrepresentation here so far as I know. I approach this from a viewpoint friendly to the attitude taken by the able Senator my friend from Wisconsin [Mr. LENROOT]. He will recall that when he led the fight a few days ago, which he led quite successfully, in favor of lower rates of duty on the coarser yarns and the coarser grade of cotton cloth, I had the honor to follow his leadership. I can not follow him now, because I believe the facts are quite different in this case from what they were in that case, and because I think the reasons do not justify the adoption of the amendment which the Senator from Wisconsin has offered.

Now, Mr. President, what is the nature of the opposition in the country to the committee amendment in schedule 11, the wool schedule? I think it is the most unfair, the most deceptive, the best calculated to misrepresent, of any propaganda that I have ever seen in the country. I am speaking now because I want thus publicly to make answer to a letter which came to me this morning from a citizen of Pennsylvania, a gentleman in the city of Philadelphia, whose name I shall not give, because I do not believe this is the proper place for personal attacks upon citizens. His letter to me was prompted, I suppose, by something he had seen in some newspaper relative to a statement I had made in an address outside of the Senate and in some letters I had written to people who had written to me evidently under a total misapprehension of the facts.

A gentleman in my State had written me saying that if the proposed tariff rate of 33 cents per scoured pound of wool were enacted into law the prices of suits and overcoats would thereby be increased from $5 to $7 each. Of course, I wrote to the gentleman calling his attention to the facts. Of course, that could not possibly be true. All of the wool in a suit and all of the wool in an overcoat, including the duty, could not possibly cost $5. It is simply misrepresentation, and particularly is that true when it is stated, as it was stated and has been stated in the form letters which Senators have received, that because of the proposed change in the law it would be necessary immediately to bring about this increase in the retail price of clothing.

How perfectly absurd and inexcusable and indefensible is that proposition is apparent when it is realized that the present amendment, as the committee have reported it, proposes a reduction, not an increase, because it is, of course, well known that the present law provides a duty of 45 cents on the scoured pound, while the duty here proposed by the committee is 33

cents on the scoured pound. If these propagandists are to increase the price of a suit of clothes $5 because we decrease the rate of duty on wool 12 cents a pound, I wonder how much they would increase the price if we took the tariff off altogether?

I say it is propaganda calculated to deceive, and it has deceived some very good people. I do not know who these self-appointed guardians of the people's interests are. I have saved all the form letters which have come to me. I have quite an interesting collection of them, all printed on the same kind of paper, all couched in the same language. Where do they come from? Who is paying for them? It is inconceivable that hundreds of men in different sections of the country should happen to think of the terms of the bill in exactly the same way and to couch their statements in exactly the same phrases. Of course, it is perfectly apparent that certain gentlemen are getting up these form letters and sending them out and, through misleading circulars, are getting constituents of Senators to send the letters in here in the hope that they may frighten somebody by oft repetition of falsehoods and half truths.

I hold in my hand one of the form letters to which I have referred. Every Senator, I suspect, has received scores like it. I shall not take the time to read it all. As I said, I have large numbers of them, all printed on the same kind of paper, evidently gotten out in the office of some importers' organization somewhere, who are opposed to the passage of the bill because they are only interested in the maintenance of their own profits which they exact from the business which passes through our ports in case we continue to import a major portion of our wool and woolen goods. They are more interested in the maintenance of those profits than they are in the building up of the industries of the country and the prosperity of the American people.

I may say here that I think one of the things which enters into the propaganda is the influence of certain international bankers in the country who, because of their investments, are more interested in foreign countries and in foreign bonds than they are in the prosperity of this country. They are, therefore, willing to stand behind this propaganda of misrepresentation in order to build up somewhere else and make their bond holdings more secure, not caring particularly what happens in this country. Starting out with that sort of idea, they make these misrepresentations. I say they have deceived many honest people. I have here letters from manufacturers in my own State protesting against the protection for the farmers' products, and I have in another folder letters from the same men asking for protection on their own products. Well, either we shall have a protective tariff to take care of every legitimate industry in the country, including agriculture and wool-growing, or else there will not be any protective tariff for anybody. If legitimate protection is to be denied to the American farmer, in my judgment the American farmer will see to it that if he has to sell in a free-trade market others are to sell in a free-trade market.

What did these propaganda letters say? Here is one:

I desire to register my vigorous protest against schedule 11 of the Fordney-McCumber tariff bill that proposes a duty on raw wool of 33 cents a pound.

Now, Mr. President, just why did they state it that way in the letter—"a duty on raw wool of 33 cents a pound"? Because they want to use half truth as a means to deceive; that is why. Every Senator and everybody else who has investigated the question knows that no such proposition is contained in the pending bill. The 33 cents a pound duty is on the scoured content, but, supposing that the average citizen will not take the pains to look that up, the paid propagandist couches his letter in that form and says that this bill proposes a duty of 33 cents a pound on raw wool. That is misrepresentation No. 1.

The fact is—which everybody knows, as I have just stated—that 33 cents on the scoured pound of wool is approximately 11 cents a pound on the raw wool. It would not have been so much of a bogey if they had stated it as it is; if they had stated the duty as being 11 cents a pound, that would not have frightened the people so much. Consequently they put it in the other form, so as to create as unfavorable an impression as possible.

As I started to say, I replied to some of these letters simply stating the facts. I also made some addresses outside of the Senate, which apparently have been commented upon in the press. I do not know just how this gentleman was induced to write to me.

Mr. BURSUM. Mr. President——

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Does the Senator from Ohio yield to the Senator from New Mexico?

Mr. WILLIS. I yield.

Mr. BURSUM. Is it not true that the reason a great many oppose the duty being based on the clean wool and favor the duty being based on wool in the grease is because the duty on the wool in the grease affords an opportunity to cheat the Government and to cheat the public and to profit by that reduction in the duty?

Mr. WILLIS. That is true without doubt, because it will make possible the very monstrous scandal which occurred under the Payne-Aldrich law.

Mr. BURSUM. Absolutely.

Mr. WILLIS. And I very much fear, though I know the Senator from Wisconsin [Mr. LENROOT] does not intend it, that if his amendment shall be adopted we shall have a repetition of the indefensible situation which was created by the skirting clause of the Payne-Aldrich law. This gentleman in Philadelphia, evidently having seen something that I had said, writes me as follows:

Everybody who handles the wool—

I had made the statement which is, of course, simply a matter of arithmetic, that, taking the usual amount of wool that would be used and figuring the rate as it is proposed in the pending bill, the actual amount of duty on the wool in a suit of clothes would probably not be more than $1 or thereabouts. He says:

Everybody who handles the wool, from the finished wool up to the time it is ready to sell to the consumer, must add the additional profit which pyramids, and by the time it reaches the consumer the original $1 advance is considerably increased. For instance, if the wool man pays $1 advance and he does business on a 10 per cent profit he must naturally sell it to the yarn spinner at $1.10. The yarn spinner's gross profit is 25 per cent—

Senators will observe that this gentleman is viewing with great equanimity and great complacency the fact that the yarn spinner is to make a profit of 25 per cent; he figures that as being something absolutely necessary; that the wool man must make a 10 per cent profit; the spinner must make a 25 per cent profit; the manufacturer must have his gross profit of 25 per cent, which must be added to the $1.55. It is all right for the spinner to make 25 per cent; it is all right for the manufacturer to make 25 per cent; that must be provided for; but as soon as anybody suggests that the farmer who produced the wool is to have a little protection on his product, then these self-appointed guardians, the representatives of the free-trade importers, shed crocodile tears worrying about the dear consumers, whom they have plundered all these years, and they are trying to lay on the farmer and on the tariff their sins in so plundering the consumer.

Mr. BURSUM. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from New Mexico?

Mr. WILLIS. I yield.

Mr. BURSUM. Is it not a fact that the propaganda being sent out by certain importers and by some manufacturers to the effect that the proposed tariff, if adopted, will increase the cost is absolutely misleading, and is done for a malicious purpose and to serve their own ends; and also that that fact is apparent from the circumstance that there are around 100,000,000 pounds of wool now in bond waiting to come into this country upon the passage of the pending tariff bill should the bill be enacted into law?

Mr. WILLIS. Which incidentally, the Senator from New Mexico will, of course, recognize is the best possible proof of the statement which I made, that the pending bill proposes not to increase the present rates but to reduce them.

Mr. BURSUM. It proposes to reduce the rates.

Mr. WILLIS. That is why wool is piled up in the warehouses to-day, a hundred million pounds of it—awaiting the passage of the bill. Notwithstanding that fact, however, the propagandists fill the country with lamentations, on the theory that the passage of this bill is going to increase rates. To use no harsher term, that statement is a gross, unjustifiable, inexcusable, malicious misrepresentation. Other terms might be applied to it which I shall not use. This gentleman goes on:

The yarn spinner's gross profit is 25 per cent, which would be his price, $1.55; the manufacturer's gross profit is 25 per cent, which must be added to the $1.55, making his selling price $1.93; the jobber or clothing manufacturer's profit is 25 per cent.

To this must be added the retailer's profit; and goodness only knows what that will be; but it is known that we pay from $75 to $80 for a suit of clothes, when the total cost of the wool in such a suit would in a particular case not exceed $5—wool, duty, and all. It is somewhere along the line here among manufacturers, jobbers, and middlemen that the added expense comes in.

I again call attention to the fact that the gentlemen who are carrying on the campaign of misrepresentation throughout the

country are taking it for granted that the 10, 15, or 25 per cent profit of the middlemen and the manufacturers must be maintained, but as soon as anyone says anything about profit for the farmer or about any protection to him, then the country is supposed to be in very great danger. Unless proper protection is given to the wool industry it will go out of existence in the United States, and the American people will be dependent upon foreign countries for their supply of wool and mutton.

As I have shown, the proposed duty is not 33 cents a pound on raw wool, as is stated in the letter, but 33 cents a pound on the scoured content, which amounts to approximately 11 cents a pound on the raw wool.

In another letter the writer says:

It has been universally conceded that Schedule K of the Payne-Aldrich bill was too high—

I hold no brief for the Payne-Aldrich bill.

Schedule 11 exceeds it.

That is interesting if true. The Senator from North Dakota [Mr. MCCUMBER] yesterday placed in the RECORD, at page 10604, some figures which I think are illuminating in answer to that very proposition that the pending bill increases the Payne-Aldrich rates. For example:

Wools, and so forth, advanced, including tops, and so forth, Payne-Aldrich rate, 105 per cent; rate under the pending bill, 58 per cent.

Yet these gentlemen say that the rate is increased. As a matter of fact it is reduced from 105 per cent to 58 per cent. Take another item——

Mr. LENROOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Wisconsin?

Mr. WILLIS. I yield.

Mr. LENROOT. I know the Senator wishes to be accurate. While the rate on the face of the Payne-Aldrich bill was one thing, the rate actually imposed was a very much lower rate, as the Senator well knows. As a matter of fact, instead of 33 cents per scoured pound proposed to be imposed by the Payne-Aldrich bill the actual rate was 18 cents a pound.

Mr. WILLIS. The Senator will understand that I am not controverting the proposition that this bill as the committee have reported it imposes a higher rate on wool than was actually provided under the operation of the Payne-Aldrich law. I understand that perfectly well. Of course, on its face on scoured wool the rate was the same under the Payne-Aldrich law as here, but in the workings of that law, because of the skirting clause, with which we are all familiar, as a matter of fact the Payne-Aldrich law gave what was equal to about 18 cents protection on the scoured pound instead of 33 cents.

Mr. LENROOT. It was not alone due to the skirting clause. The lighter wools came in as well.

Mr. WILLIS. That is correct. I am not controverting the proposition that the rate provided in the pending bill is higher on raw wool than the rate provided in the Payne-Aldrich law as it actually worked out in practice, though it is not higher probably than the rate in the Payne-Aldrich law was intended to be. I am now, however, talking about the manufactured product, such as woven fabrics.

The Payne-Aldrich rate on such fabric was 100.66 per cent; under the pending bill the rate is 76 per cent. Yet the propagandist says the rate is higher. Of course, a fact does not stand in the way of the man who wants to fill the mind of the country with falsehood. He does not bother about a little thing like a fact, but just pushes it aside with a wave of the hand.

On pile fabrics under the Payne-Aldrich law the rate was 102.34 per cent, while under the pending bill it is 76 per cent. On blankets the Payne-Aldrich rate was 73.42 per cent and under the pending bill 65 per cent. There are many more instances where the rate is reduced. I merely wish to call attention to them at this point in my remarks. On knit fabrics, for example, the Payne-Aldrich rate was 95.76 per cent, but under the pending bill it is 64 per cent. Yet these gentlemen outside of the Senate, who have appointed themselves as the people's guardians, say the rate has been increased. As a matter of fact, on knit fabrics it is decreased from 95 per cent to 64 per cent. On wearing apparel not knit the Payne-Aldrich rate was 77.29 per cent, while under the pending bill it is 59 per cent. On carpets and rugs the rate of the Payne-Aldrich law was 60.66 per cent, but under the pending bill it is 53 per cent. On manufactures not specially provided for, under the Payne-Aldrich law the rate was 94.5 per cent, and under the pending bill 55 per cent, and so on. In other words, under the terms of this bill it is proposed now for the first time to give to the producer of wool that which in fact he was supposed to get under the Payne-Aldrich law, and, therefore, in effect the rate on raw wool would be higher; but upon the manufactured product, as shown by the figures I have quoted, not only are the rates under the pending bill not higher than they were under the Aldrich law, but they are very much lower. So misrepresentation No. 2 is disposed of.

Mr. President, the bill as reported by the committee is based upon the plan which the Tariff Commission has thoroughly examined and most explicitly recommended. I shall not take the time of the Senate now to read what the Tariff Commission says about that, but I ask permission to insert at this point of my remarks the observations of the Tariff Commission.

The PRESIDING OFFICER. Without objection, the matter will be inserted in the RECORD.

The matter referred to is as follows:

[Extracts from document entitled "The Woolgrowing Industry." Letter to the Committee on Finance, United States Senate, Sixty-sixth Congress, third session, submitting a summary of and a chapter on the cost of production as taken from the report of the United States Tariff Commission on the woolgrowing industry.]

The Tariff Board in 1911 came to a definite conclusion on some of these points. They showed in a report on Schedule K that the "4 to 1" ratio of compensation was more than adequate, and that some additional protection was thereby granted to wool manufacturers. The board also pointed out that there was no longer any good reason for distinguishing between Class I and Class II wools, because improvements in combing machinery now make it possible to use much shorter staple wools than formerly in the manufacture of worsteds. They favored levying the wool duty on the basis of the scoured content, and maintained that this would be superior to any ad valorem method or to any method of specific duties levied on grease wool at rates varying with the estimated shrinkage.

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Improvements in machinery are constantly bringing about a greater interchangeability in the use of different kinds of wool, and the case seems clear for doing away with the distinction. Furthermore, no matter which branch of the industry is more adversely affected by discrimination against the heavy shrinking wools, conditions will be equalized by imposition of the duty upon the scoured content. This would do away not only with discrimination between heavy shrinking and light shrinking wools, but also with the discrimination against scoured wool which resulted from the triple duty on it. This has been cited as discrimination against the woolen branch of the manufacturing industry, which bought more wool in the scoured condition than did the worsted branch.

The Tariff Board objected to ad valorem duty, not only because of the difficulty of administering it but also because when prices increase and protection is less needed the ad valorem duty rises, while a specific duty when prices are high becomes in effect a lower duty. When prices fall the converse of this proposition applies. In this way the ad valorem duty on wool gives the domestic woolgrower less protection when he needs more, and vice versa. Some manufacturers have, however, opposed this reasoning on the ground that the situation is entirely to the woolgrower's interest, while from the manufacturer's point of view an ad valorem duty would tend to equalize conditions for them in competition with foreign manufacturers. Inasmuch as their criticism is directed against the duty on wool, their reasoning seems illogical, as the compensation duty is intended solely to offset their higher costs for raw material. A duty on the scoured content of imported wools could only raise domestic wool prices by the amount of the duty, and a proper compensatory levy on importations of manufactures of wool is all that is necessary to offset that, irrespective of the rise or fall of world prices for wool.

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[Extract from document submitted by Tariff Commission, entitled "Recent Tendencies in the Wool Trade, with Special Reference to their Tariff Aspects, 1920–1922."]

In practice, in order to secure the largest possible amount of clean wool for every dollar of duty paid on imports in the grease, American buyers bought only the lighter shrinking foreign wools. Such wools had their shrinkage further reduced by removal of belly, neck, britch, and leg wool, and the dirtier portions along the lower part of the flanks. Then, too, this "skirting" was often more heavily done in the case of wools suitable for the American trade, or bought for shipment to America. Woolgrowers have severly criticized the specific grease pound duty for the foregoing reasons. Because of the preponderance of light shrinking wools in imports of fiber suitable for the manufacture of clothing, they have also criticized this duty on the ground that, through the importation of virtually nothing but light shrinking wools, the apparent protection given the domestic growers was greatly reduced. The Tariff Board found that the grease pound duty of 11 cents on wools actually imported was equivalent to a duty of only 18 cents per pound of clean content. The increase in price per grease pound of domestic wools, owing to the duty of 11 cents per grease pound under the acts of 1890, 1897, and 1909, has been estimated at approximately 8 cents. In any case, since the average shrinkage of domestic wools is about 59 per cent—i. e., 100 pounds in the grease gives about 41 pounds of clean scoured wool—the figures of the Tariff Board indicated an effective protection on domestic wools of only 7.38 cents per pound instead of the apparent protection of 11 cents.

A specific duty per clean pound meets the objections to a specific duty per grease pound, which permits imports of heavy shrinking wools only at a very high duty per pound of clean content. With a specific duty per clean pound, all wools, wherever grown and whatever their shrinkage, are on an equal footing with reference to the duty on wool in the condition as used by the mills. That is, the wool supplies of the world are open for selection by American buyers, and whatever the shrinkage, the duty is based only on the clean content of the wool, and not on the grease and dirt in addition to the clean content, as with specific grease pound duties. Such a duty, of course, shows a varying ad valorem equivalent on the clean value of different grades of wool, but on a normal market this variation, as will be shown later, is much narrower than that of the equivalent clean content duty of specific grease pound duties. A specific duty per scoured pound also meets the approval of woolgrowers in that it protects them approximately to the full extent of the duty written in the bill. The Tariff Board, after an exhaustive investigation of the different bases for levying a duty on raw wool, said:

"A full consideration of the above facts would seem to indicate that some method of assessing a specific rate on the clean content would remedy most of the primary faults of Schedule K; that it would best safeguard the important revenues derived by the Government from wool duties; that it would insure greater stability in the industries directly concerned than any other system."

The Tariff Commission also investigated this matter and likewise decided in favor of a specific duty per scoured pound. The National Association of Wool Growers also favored a specific duty per clean pound in 1913.

Mr. WILLIS. Mr. President, I wish to be frank in this discussion, as I am in all the discussions in which I participate. There exists a little element of injustice and a little inequality in that apparently a higher rate is levied on the coarser grades of wool. I said when I first took the floor that I approached this question from a viewpoint rather friendly to the position taken by the Senator from Wisconsin, but I have studied the question as carefully as I know how and obtained all the information possible from experts whose business it is to know, and there is no way under the sun that I have been able to figure out or that anyone has been able to figure out for me whereby the amendment proposed by the Senator from Wisconsin can be made workable.

Why can it not be? Here is the difficulty about the matter: If the 60 per cent limitation is adopted, as the Senator from Wisconsin proposes, the inevitable result will be that these coarser, light shrinkage wools will be imported not for the purpose of carpet making—carpet wools under the terms of the bill come in free of duty—but they will be brought into this country and will be used in the manufacture of clothing. There is no way under the sun that any expert can separate them. Suppose the manufacturer used so much of donskoi, a Russian wool, a coarse wool, and so much medium, and so much fine. After those wools have been worked up into the cloth there is no way that any expert on earth can figure out the proportions and say what the compensatory duty ought to be. The result will be—the Senator from Wisconsin did not so intend it, but the inevitable result will be, if this 60 per cent amendment is adopted—that you will have in this law a loophole, the same as you had in the Payne-Aldrich law. The cheaper wools will come in; they will be used in the manufacture of clothing; and while the farmer will have the 33 cents a scoured pound charged up against him, as a matter of fact he will not be getting it, while the manufacturer will be getting his compensatory duty and the consumer's price of clothing will not be reduced.

The virtue of the committee proposition is that it is clear; that it will give to the wool producer just what it says it will give him. It is written on the square. It can be administered. I think the proposition offered by the Senator from Wisconsin can not be administered and that it would render ineffective the penalty against fraudulent importations; and here is a peculiar situation: These coarse wools are now inordinately low, and consequently the rate seems to be, on an ad valorem basis, very high; but fashions will change. Tweeds and cheviots will come into fashion, and then these wools will come up again, and then these rates will not be the high ad valorem rates that they now seem to be; but the inevitable result of the amendment, if it is adopted as drawn by the Senator from Wisconsin, will be that you will be again indirectly defrauding the farmer and the producer of wool without in any way benefiting the consumer, as was done in the Payne-Aldrich law of 1909.

So, Mr. President, because the Tariff Board and the Tariff Commission found officially, upon most careful investigation, that this method of levying the duty on the basis of the scoured content is the fairest and best, and because, in my very humble opinion, the adoption of this amendment will make a hole in this law that you can drive a four-horse team through, and will lead to the same dissatisfaction and to the same scandal that grew out of the operation of the Payne-Aldrich law—because I believe that, I shall vote against the amendment offered by the Senator from Wisconsin and in favor of the committee amendment.

Mr. LODGE. Mr. President, before a vote is finally taken on the pending amendment, which goes to the very center of the whole question, I desire to say a few words on the general aspect and meaning of the wool schedule as I understand it.

The rates in the wool schedule in the pending bill must be determined on their merits and on existing economic conditions, and I say this because they are constantly being compared with the rates of the Payne-Aldrich bill. Those who are opposed to the protective policy are anxious to show that the rates in this bill are higher than those of the tariff of 1909, because Schedule K in that bill, whether justly or unjustly, achieved a bad reputation and much unpopularity. Those who believe in protection and defend this bill are much concerned to show that the rates here, as a whole, are lower than those of the tariff of 1909, and that where they exceed them the excess is slight and compensated elsewhere.

It really does not matter, and ought not to matter, whether these rates, tested by the legal and actually enforced rates of the Payne-Aldrich Act, are higher, or, if tested by the theoretical and also legal rates of the act of 1909, lower than those of the earlier law. The real question to be decided is whether, under existing conditions—very different from those of 1909, in view of the extravagantly depreciated currencies in Europe and of labor costs there and elsewhere—the rates here proposed will give due and sufficient protection to the American woolgrower and the American manufacturer of woolens.

So far as the comparison with the act of 1909 is concerned the rate of the Payne-Aldrich bill on the scoured content of wool was 33 cents a pound, exactly the same as that proposed in this bill. The difference on which the point has been made that these rates far exceed those of the Payne-Aldrich bill arises from the fact that under the Payne-Aldrich bill the duty was fixed on wool in the grease at 11 cents a pound with a differential of 22 cents for washed wool, or 33 cents for scoured wool, and 44 cents for cloth.

The reason that the Payne-Aldrich duties appear lower than those in the pending bill is because of this arrangement in regard to the duties based on wools in the grease, which was accompanied by deductions for shrinkage and skirted wools, the result being that the woolgrower, instead of receiving 11 cents, received 7 cents, and in many cases not over 5 cents a pound protection. The fact in practice was that the ostensible duty of 33 cents on the pound of scoured content was never actually received, and the woolgrower was therefore attacked for a very high protective duty which he never obtained. It was neither a fair nor an honest arrangement for either woolgrower, manufacturer, or consumer.

In this bill the arrangement on wool in the grease is abandoned and the rates are fixed at 33 cents flat on the scoured content. The Payne-Aldrich arrangement, as I thought at the time and still think, was especially unfair to the woolgrower, who was made to appear to have a high rate of protection which he never received. This bill, whether the rates are too high or too low or simply just, at least has the merit of being perfectly straightforward, and everyone is able to know exactly what the rate is.

It has seemed to me that the rate might have been adjusted so that there could have been allowance for the cheaper wools, the duty of 33 cents being admittedly a perfectly proper one on all the fine wools. But the main object must be an efficient schedule, and one which will maintain the industry without regard to comparisons with past tariffs. The committee has given compensatory duties, based on the 33 cents a pound for scoured content, to all woolen manufacturers, and also a protective duty, which was a fair and necessary arrangement, accepted by the woolen manufacturers. It is also to be remembered that if this bill fails we are not thrown back on the Underwood rates but on the rates of the emergency tariff act, which will continue in force until a new schedule is passed. The rate on scoured wool under the emergency tariff is 45 cents a pound, and the old difficulty about shrinkage is met, or attempted to be met—for I think the same provision was in the Payne-Aldrich bill—by the provision that wools washed in any other manner than on the animal's back or on the skin shall be considered as scoured wool. Then there is the further provision directed against the skirted wool of the Payne-Aldrich bill that wool sorted or increased in value by the rejection of any part of the original fleece shall bear twice the duty to which it would otherwise be subject, but not more than 45 cents per pound, which is the rate per pound on the scoured content.

If this emergency tariff remains, which it would in the case of the loss of the present bill, the duty on the scoured content of wool would be 45 cents instead of 33 cents; and this bill carries a reduction, therefore, of 12 cents a pound on the scoured content. As I stated yesterday, the fact that over a hundred million pounds of wool imported since January 1 are now stored in Boston in bond, awaiting the passage of this act, shows conclusively that those most interested know that this bill made law means to them a large saving in duties, a great reduction from the duties now existing.

It is idle to claim, and ingenuity is wasted in trying to demonstrate, that there is no gain over the present existing law by the passage of this bill. The people who have invested millions of dollars in imported wools, who have them now in bond, are holding them there with the object of bringing them in under the bill now pending, because they know that there will be a great saving in the duties on wool.

To leave the present rates in force would be most unfortunate for the woolen industry, in which Massachusetts and all our Eastern States are so largely interested. If the 33-cent rate on the scoured content is materially lowered throughout, it will probably bring a very great reduction in the protective as well as the compensatory duties on all our woolen manufactures, and this would be a most serious injury to the thousands of men and women employed in the mills. We could make no reductions in cost sufficient to meet foreign competition which would not be fatal to our wage schedule and destroy the advantage which our operatives now get from protective duties.

This brings me to a general consideration of the woolen industry of the United States, including both growers and manufacturers, which is too much lost sight of in differences as to specific rates and duties.

I ought to say, first, that this schedule, as has been the case in previous bills, is the central and most important and most contested schedule of the whole tariff bill. If it fails, it may carry the whole bill down with it, and it is a schedule on which, in my judgment, desiring, as I do, to pass a bill, and a protective bill, it is essential that we should unite. If further changes can be made in conference, well and good; but I think our duty now is to pass this bill, for the sake of the tariff itself, and the question now pending, of course, strikes at the basic element in the wool schedule, the duties on the wool.

There are certain industries and certain manufactured articles which have a character entirely different from the productions of most industries, valuable as they all are. I refer to those, very few in number, which, in addition to their importance to our industrial life and to the diversification and increase of employment, are also vital to the defense of the country in case of war or to the daily needs and economic existence of the people at large. Sugar is a case in point. The control of the sea by Great Britain during the Napoleonic wars, when the sugar consumed in Europe and elsewhere was cane sugar, meant the deprivation of this essential article of consumption to the people of Europe. Napoleon, therefore, started the industry of beet sugar in France. The beet-sugar industry could only be built up by bounties and protective duties or other special encouragements in the face of the competition of the cane sugars, but Napoleon believed that it was so vitally necessary to national independence that any cost almost was justified. One country after another in Europe followed the policy of France until the production of beet sugar in France, Germany, and Russia, to go no further, reached immense proportions under Government encouragement and finally caused such a surplus in the world's supply of sugar that the price of sugar fell very low and resulted in the ruin of many of the sugar islands which were obliged to compete in all the principal markets without the encouragement and help of the Government exercised through bounties or highly protective duties.

When the beet-sugar industry of Europe was abnormally diminished, and in many cases extinguished, by the Great War, we all remember what the difficulties and what the suffering produced by the shortage of sugar were and the high prices which it commanded, because at first the cane-sugar regions were not prepared to meet the sudden and high pressure of a world demand. I use this merely as an illustration of the proposition as to the existence of certain articles which have an essentially necessary character apart from economic or industrial uses. Sugar is an article of food consumption which the nations have deemed of such importance that they have been willing to spend enormous sums in the way of bounties and protective duties and privileges to stimulate its production. It is not at all a simple case of protection. It represents the endeavor of nations to make provision for times of danger by assuring the production of an essential article of food. We had the same experience in regard to dyes.

Germany had established a practical monopoly in the making of dyes and chemicals. The war came and the nations which had been relying for their industries and for their defense on German imports found themselves without any dyes, either for commercial use or for the production of explosives; and we all know of the money and energy which were expended in building up the dye industry and endeavoring by embargoes, as well as high duties, to establish the industry generally that each nation might be sure of the industry in its own country, and thus avoid the perils to which they all had before been exposed.

To take the illustration of war alone, it is as necessary to clothe the soldier as it is to arm him. It is as essential in time of peace to be able to clothe the people by our own industries without being helplessly dependent on foreign countries as it is to provide for and supply all the foodstuffs necessary to sustain life. Woolgrowing and the woolen industry have, therefore, an importance to every nation which is not shared by any other industry except cotton, and in the case of cotton we are well protected, as the Senator from South Carolina pointed out the other day, by the fact that American cotton possesses a quality with which no other country growing cotton can compete, except to a very limited degree. With wool, the situation is different, for it requires two widely distinct industries to support it. In the first place, it is necessary to have sheep. Our sheep had increased to 52,000,000 in 1910 and touched at one time 62,000,000. They have now declined to 45,000,000, practically the same number as we had in 1890 when, of course, the demand for wool was very much less than it is to-day. This decline is probably owing to the diminution in the great ranges where our sheep were pastured, and this diminution has not been met by small flocks kept by individual farmers which in the aggregate, if restored, would probably more than make up for all the loss of the ranges.

There are many countries crowded in point of population which nevertheless raise large numbers of sheep and produce a great deal of wool. That is true of Great Britain to a very high degree and simply proves that sheep can be successfully produced in great numbers in a country which for agricultural purposes is practically all in the hands of farmers. There is no reason of climate or pasture to prevent the existence of large numbers of these small flocks kept by farmers throughout all the Northern States, at least, of the Union, but for some reason it is not done. I have heard various causes mentioned, but my own judgment would be that the main cause is economic; that is, that it is very difficult in the United States to get the necessary labor, and the rate of wages is, of course, very high. It seems to me a matter of the first importance to the United States to increase and maintain the sheep, and under our economic conditions, as conditions now exist, this is impossible, especially as the ranges diminish, without tariff protection. This will not, in my judgment, be sufficient in the long run, and I hope to see both State and Nation take steps to develop sheep raising and encourage the farmers to restore the small flocks, which must in the end be the constant and most trustworthy source of supply.

As the question stands to-day, it seems to me that the woolgrower and the sheep owner, unless we wish to have this great industry extinguished, can not live in competition with the vast and unoccupied spaces of Australia, for example, or the cheaper labor of Europe unless they are amply protected, and the sheep industry and the wool which we get from the sheep are essential not only to the industries of the country but still more to its safety and well-being in times of stress. This makes inevitable a high rate of duty on American wools fully justified alike by every principle of protection and by the highest interests of the country, apart from the value which is derived from the building up of any useful and important industry. Therefore, assuming that the woolgrower must receive a generous rate of protection, the other branch of the woolen industry, the manufacturing, must also be sustained. We have to meet the competition of lower rates of wages in manufacturing wool. We have to maintain a scale of wages higher than other countries, the reduction of which would be a most severe injury to thousands of operatives, and the American woolen mills are also vitally necessary to the woolgrower.

The interests, therefore, of both the woolgrower and the woolen manufacturer run together and are, in fact, inseparable, and they must be prepared to help each other and not suppose for a moment that one can live if the other is destroyed. If the raising of sheep is extinguished in the United States, the manufacturers of woolens will go with it for they will be in the first place at the mercy of the foreign woolgrower, who can put them out of business at any moment, and who will be interested in doing so in order to benefit his own mills and factories. The State which I represent is one of the States chiefly interested in the manufacture of woolens, and it would be an almost ruinous disaster to the State to have these woolen industries, which have gone on for so many years, broken down and destroyed. In order to maintain them, they must have protection and a like protection must be given to the American woolgrower. My native city of Boston is the great wool market of the United States, a fact in which I take a great deal of pride. It is the center of the trade, and that trade would vanish if the mills which consume the wool were to be injured or broken down or if American wools were to disappear from the market.

Those of us who represent manufacturing States must make up our minds that the well-being of the woolgrower is fully as important to us as the well-being of our own manufacturer, and the woolgrower on the other side must understand that the American manufacturer is vital to the maintenance and prosperity of his flocks. If, instead of helping each other, they at-

tack each other there can be but one end; for separated both will be ruined; united both will be maintained by the good sense of the American people, who use and consume their product and who must realize the enormous value of the production of wool and the accompanying production of woolens not only to the industrial success of the United States but to its safety in times of danger.

If we have no American wool, there will be no competition with the foreigner, and consumers would bitterly regret the day when they were left to the tender mercies of foreign woolgrowers. If we have no manufactures, the woolgrower will have no domestic market and will be driven from the field. The strength of a nation does not rest on political, physical, and intellectual independence alone. Economic independence is as essential as any of the others. If a nation in the largest sense is to endure, to be at once safe and powerful, it must be, so far as possible, economically independent. It must be able to care for itself in the dark hours in the essential elements by which civilized life is made possible. One of those elements ranking with food in importance is the ability to clothe itself, and in our climate there must be warm clothing. Before the days of factories and machinery the sheep were in every farmstead and the spinning wheel in every house. When John Ball was leading the Wat Tyler insurrection he preached from a text of his own, now very familiar:

When Adam dolve and Eve span,
Who was then the gentleman?

We do not now associate Eve with a spinning wheel, but the English laboring man and peasant did so in 1381 and could only picture their condition by a man digging and a woman spinning. The making of warm clothing from first the skins, then the hair, fur, or fleece of animals is one of man's earliest instincts and is a true one. The Chancellor of Great Britain sits upon a wool-sack emblem of the foundation of England's trade and prosperity. Every nation must be able to clothe itself. We can not afford to have this power lost or dissipated in our modern, mechanical civilization when it flourished in the earliest days before the roar of machinery was heard in the land. We must maintain the woolgrower and the spinner of wool always, for their work makes an element in the completeness of our independence as a nation. Our duty is to see that they are protected against a competition deadly to the American standard of living and that they shall both have an assurance of profit which will amply repay their toil and enlarge their opportunities and their field of industry. This does not rest merely on the policy of protection of which it is a vital part, but on the greater law of self-preservation.

The cry that the retailer is going to raise the price is the cry of the moment, for the benefit of the politics of the moment; but under this question of the protection of the woolgrower and the wool spinner lies one of the basic principles of our economic independence. An increase in the raising of sheep in the United States is well worth all the money the people will ever spend upon those interests to make us, in peace or war, in sunshine or in storm, always independent, so that under any pressure which may come we shall always be able to clothe our own people.

Therefore, Mr. President, I feel very deeply the importance of this schedule, and whether I agree with every rate in it or not does not greatly matter. One great purpose of this bill is what ought to be one of the chief purposes of every other tariff bill, to give the woolgrower and the wool spinner alike protection enough to make their industries profitable and inviting to them. No money could be better spent, if we have to spend the money, and it would do the States no harm if they went further and gave more direct encouragement to the farmer in the raising of his sheep. That is the underlying reason why the wool schedule is always the central and the most contested schedule of every tariff bill, because it is the schedule that is more important to the welfare and independence of the country than any other single industry. The people of the United States can not permit themselves for a moment to fall into a condition where they must look to other nations to be clothed.

Mr. GOODING. Mr. President, I have discussed the wool tariff on several occasions and I shall take but a few minutes at this time to discuss the pending amendment. To my mind it is a tragedy that the live-stock industry of the country must every few years fight for its very existence. The foundation of all government rests upon the fertility of the soil. Live stock is nature's remedy for keeping up the fertility of the soil. It is not necessary that live stock must be kept on every farm. It is not necessary that the barnyard should be cleaned out and its output distributed upon the farm. But it is necessary to grow something upon the farm that live stock consumes. If we are going to keep up the fertility of the soil we must have a crop rotation of the proper kind. Corn takes very little of the fertility of the soil where there is proper cultivation, but it requires live stock to make a market for corn. So on down the line. If we are going to maintain the fertility of our soil we either have to have live stock upon the farm or grow those crops that live stock consumes. Wheat, sugar beets, practically everything that the human consumes tends to exhaust the soil; but clover, corn properly cultivated, practically everything that live stock consumes, is a fertilizer to the soil and places in the soil the nitrogen which is exhausted by the crop that the human consumes.

That is borne out by the history of civilization. When the soil of any nation has been exhausted the virile forces of the manhood of that country have gone down with the soil. It was true of Rome. When Rome went down to destruction they were only growing in that empire 4 bushels of wheat to the acre. If you will show me a farm anywhere where live stock has been maintained since the plow turned over the first furrow, I will show you a farm where the soil is just as rich as it was when it was first cultivated. Show me a farm where live stock has not been maintained or some crop has not been grown that live stock consumes and I will show you a farm where the soil has deteriorated; and I will also show you, if the struggle is too long continued, where the citizenship, like the soil, has gone backward. Only a few years ago in the great State of Ohio one-third of the male population of two counties of that great State were indicted for selling their votes. Investigation in those counties showed that the soil was so depleted that it was practically impossible for those who cultivated it to keep the wolf from the door.

So it seems to me strange that an industry which is so vital to civilization and to the life of the Nation must make a fight for its existence in this way. I am very glad to hear the senior Senator from Massachusetts [Mr. LODGE] speak as he has of the great live-stock industry, because I have always felt that all the people of Massachusetts were not against that great industry. If we listened to the junior Senator from Massachusetts [Mr. WALSH], we would be inclined to conclude that they do not believe in Massachusetts that it is possible for the sheep industry to exist in America; in other words, that it is a pioneer industry, which soon passes away; that as soon as the country becomes settled other live stock and other industries take its place, and that the sheep industry, like the hemp industry, which was once a great industry in America, passes away in a few years after we come to a permanent settlement of the country. That is not true in the West. It is not true in any part of this great country of ours.

I want to read something about the number of sheep in the country to show the junior Senator from Massachusetts that away back in 1840, before there was a sheep west of the Missouri River, the number of sheep in the country was not inconsiderable. I shall read only the millions. In 1840 there were 19,000,000 sheep in the United States; in 1850, 21,000,000; in 1860, 22,000,000; in 1870, 40,000,000. At that time, including Texas and all the States west of the Missouri River, there were only 4,000,000 sheep in the Western States. In 1880 there were 40,000,000 sheep, and at that time we had but 18,000,000 sheep west of the Missouri River. The peak in the number of sheep in the country was reached in 1903, when we had 63,964,876. I ask permission that the table to which I have referred may be printed in the RECORD without reading.

The PRESIDING OFFICER (Mr. LADD in the chair). Without objection, it is so ordered.

The table referred to is as follows:

Sheep population in United States, 1840–1920.

[Source: Statistical Abstract, 1920.]

	Sheep in United States.	Far West and Texas.
1840	19,311,374	
1850	21,773,220	
1860	22,471,275	
1870	40,853,000	4,666,000
1871	31,851,000	
1872	31,679,300	
1873	33,002,400	
1874	33,938,200	
1875	33,783,600	
1876	35,935,300	
1877	35,804,200	
1878	35,740,500	
1879	38,123,800	
1880	40,766,000	18,233,000
1881	43,569,869	
1882	45,016,224	
1883	49,237,291	
1884	50,626,626	
1885	50,350,242	

Sheep population in United States, 1840–1920—Continued.

	Sheep in United States.	Far West and Texas.
1886	48,322,331	
1887	44,759,314	
1888	43,544,755	
1889	42,599,079	
1890	44,336,000	19,203,000
1891	43,341,136	
1892	44,938,365	
1893	47,273,553	
1894	45,048,017	
1895	42,298,064	
1896	38,298,783	
1897	36,818,643	
1898	37,656,960	
1899	39,114,453	
1900	41,883,000	23,669,000
1901	59,756,718	
1902	62,039,091	
1903	63,964,876	
1904	51,630,144	
1905	45,170,423	
1906	50,631,619	
1907	53,240,282	
1908	54,631,000	
1909	56,084,000	
1910	52,448,000	24,666,000
1911	53,633,000	
1912	52,362,000	
1913	51,482,000	
1914	49,719,000	
1915	49,956,000	
1916	48,625,000	
1917	47,616,000	
1918	48,603,000	
1919	48,866,000	
1920	47,114,000	

Mr. GOODING. Mr. President, the present tariff bill is not an increase over any protection that has ever been given to the sheep industry heretofore. In fact, it is a material reduction from most tariff rates, with the exception of those in the Dingley law and the Payne-Aldrich law. If we go back to 1867, we find that we had a duty then of 10 cents a pound upon wool which was valued at more than 32 cents and an ad valorem duty of 11 per cent, which was equivalent to 13.5 cents; when valued at more than 32 cents a pound the duty was 12 cents and 10 per cent ad valorem, an equivalent duty of 13.2 cents per pound.

The act of 1872 reduced the duty to 9 cents a pound when valued at 32 cents and 9.9 per cent ad valorem, or 12.2 cents; when valued at more than 32 cents a pound it was 10.8 cents a pound and 9 per cent ad valorem, equivalent to 13.7 cents. The act of 1872 was a horizontal decrease of 10 per cent, which accounts for the percentages shown. In the act of 1875 duties were restored—that is, the 10 per cent was restored—and the duties made the same as in the act of 1867.

In the act of 1883 the duty on wool valued at 32 cents a pound was fixed at 10 cents a pound, and over 32 cents a pound at 12 cents. So that it might be said the average duty on first and second class wools, or that grade of wools, was about 11 cents a pound. Then came the act of 1890, which gave 11 cents a pound and 12 cents a pound; that is, 11 cents on first-class wool and 12 cents on second-class wool. Then came the act of 1894 placing wool on the free list. The act of 1897 fixed the duties of 11 cents and 12 cents, respectively. In the act of 1909 there was no change. Under the act of 1913 wool again went on the free list.

Then the emergency bill was passed in 1921, giving the highest duty to wool ever known in this country—a rate of 15 cents on the grease pound, 30 cents washed, and 45 cents scoured.

So the rate in the pending bill may be said to be the same as in the Payne-Aldrich law so far as the grease duty is concerned, with a difference that the pending bill bases it on the scoured content. It is merely going to give the woolgrowers of the country, in my judgment, somewhere near the full duty. They have never had the full amount of the duty, and never will have it, even with the emergency tariff rate of 45 cents a pound.

The manufacturer is the sole market for the American woolgrower. He buys his wool on the market just as cheaply as he can, and he always succeeds in beating the price down below the amount of the duty. On Ohio fine unwashed wool to-day we are getting a benefit of 35 cents a pound protection and not 45 cents. On territory fine staple we are getting a benefit of 36 cents a pound and not 45 cents. On Ohio half blood we are getting 25 cents protection and on territory half blood 30 cents; that is, when we take the market price in London and the market price in Boston. There ought to be by every right a difference of 45 cents, the full amount of the duty, but the manufacturer never has paid it, and he never will pay it. He is not paying it now.

On territory quarters we are getting 25 cents duty and on territory low quarters we are getting 23 cents protection, and not 45 cents. On territory braids we are getting 19 cents protection, and not 45 cents. So the manufacturer in this case has 26 cents protection more than he is entitled to, and the woolgrower gets that much less.

I have discussed the question of the tariff on wool and gone into Schedule K. I shall not take the time of the Senate to go into it further. I think the country has heard enough of Schedule K.

The Tariff Board finds the difference in the cost of production in this country as compared with the Argentine of a pound of all classes of wool is 34.6 cents. That is the difference between the cost of production in this country and the cost of production in the Argentine. So we are not getting on any class of our wool the actual cost of production at all. When we compare with New Zealand and Australia, where one man cares for 20,000 sheep the year round and where his total forage cost is only 9 cents a head, 33 cents a pound is not going to protect the American woolgrower at all.

Now, I want to take up Mr. Goldman's letter for just a moment, because the schedule which I placed in the RECORD the other day was not quite correct when it comes to the average weight in a suit of clothes. The Tariff Board finds the average weight is 12 ounces and that it takes 3½ yards of 12-ounce cloth to make a suit of clothes. When credit is given for all the waste that takes place from the time the wool is scoured down to the tailor's clippings, 3 pounds of scoured wool make 3½ yards of 12-ounce weight, the average weight of which men's clothes are made, and yet Mr. Goldman says that a tariff of 33 cents is going to increase the price of a suit of clothes $4.

With the duty at the present time 45 cents, and Ohio fine unwashed Delaine wool worth $1.31, all the wool in an all-wool suit of clothes costs only $3.93. When this bill is passed there is going to be a reduction on the scoured basis of 12 cents a pound, and by every right there ought to be a reduction in the price of the suit of clothes. Territory fine staple wool sells at the present time in Boston for $1.26 cents, and in a suit of clothes made of such wool all wool will cost $3.78. Ohio half blood sells at the present time in Boston for $1.08, and the wool in a suit of clothes made of that grade is going to cost $3.24. Territory half-blood wool sells at $1.15 in Boston, and all the wool in a suit of clothes made of that grade is going to cost $3.45. Territory three-eighths staple wool sells for 89 cents in Boston, and all the wool in a suit of clothes made from such wool is going to cost $2.67. Territory quarter-blood wool sells in Boston at the present time at 72 cents per scoured pound—and these are all scoured pounds which I have been discussing—and all the wool in a suit of clothes made of that grade is going to cost but $2.16. Territory low-quarter wool sells at the present time at 56 cents a pound in Boston, and all the wool in a suit of clothes made of that grade is going to cost $1.68.

Then coming to braid wool, selling at the present time for 44 cents, all the wool in the suit of clothes, if Senators please, made of that class of wool is going to cost only $1.32, and this is with a duty of 45 cents a pound. There is not a man in America who is so poor that he can not afford to pay even $3.93 for the wool in a suit of clothes, if he can be assured that it is all wool and not shoddy.

So it seems to me, Mr. President, so long as we know that the farmer is not getting the cost of production, if we are going to save the life of this industry, which is so vital to the American people, and assists so markedly in keeping up the fertility of the soil, we should retain the rate of 33 cents per pound proposed by the committee. If we cut the rate, it can have but one effect, and that is to do serious injury to a great industry which we ought to encourage, and as to which there should be no division of opinion at all on the question whether or not it should live or perish.

Mr. SMOOT. Mr. President, when this proposal was made last Saturday I thought it could be successfully worked out and properly administered on goods entering our ports. When I attempted, however, to frame a provision for the purpose of carrying the proposed amendment into effect and to apply it to the various stages from the wool to the cloth as the wool would pass through the woolen mill, I found that it was a most difficult thing. I thought, perhaps, it could be worked out on medium wool, and yet my experience told me, before even trying the experiment, that it would be next to impossible of administration. I soon learned that that was the case when I took into consideration as to each bracket of this paragraph, that the wool of which the cloth was made was medium wool.

I then undertook to provide for quarter bloods, which are known as 50 English quality, knowing to how fine a thread that wool can be drawn out and the character of goods into which such wool goes. I thought, perhaps, in that instance the proposal could be worked out and meet every situation. That, too, Mr. President, proved a failure after a study of hours and hours. I spent nearly all of last Saturday evening and a considerable portion of the Sabbath trying to frame some provision whereby not only the woolgrower himself would be protected, but the manufacturer should not proportionately receive any more compensatory duty than was given to the woolgrower. After all the study that I have been able to give to the subject, in the light of the experience which I have had in handling wools and yarns, I am compelled to say to the Senate that the provision is impossible of administration.

I want to tell the Senate why it is impossible. For instance, take cheviots and tweeds, which are made of a coarser wool than are the cassimeres. They do not require the same fineness in the thread, either in the warp or in the filling. A manufacturer can take a good medium wool, mix into that wool 10 or 20 per cent of the low-grade wool, make the thread that goes into a tweed or a cheviot out of the mixture of those wools, and no appraiser at any port of entry can ever tell what proportion of that wool is coarse wool and what proportion of it is medium wool. It can not be done.

Mr. President, if we lower the rate to 60 per cent in a case of that kind, under the abnormal prices of to-day, we can not go to the cloth paragraph and change the compensatory duty upon the wool which enters into tweeds or cheviots; that would be unfair.

Again I wish to call the attention of the Senate to the fact that the prices of coarse wools to-day are abnormal. Taking the world market, never in the history of the world has the difference between the prices of the fine wools and the prices of the coarse wools been so great. If there should be a normal demand for the coarse wools—and there will be at some time in the near future just as surely as the wool is grown—the abnormal prices for coarse wools will not be maintained. As I said last evening, taking the quotations of the London market each week, it will be found that the coarse wools are not now salable. They have been forced down, on the scoured basis, as low as 14 cents, and yet they can not be sold because there is no demand for them. I have bought coarse wools many times and I have paid for them as high a price as I have for the finest wool. I remember upon one occasion when cheviots were in fashion and no one in the United States would wear anything else during that season, the price of the coarse wools went higher than the price of the fine wools. If the prices return to normal, if the price of the coarse wools should become even one-half of the price of the fine wools, then the rates which we propose here are not going to be excessive.

But, Mr. President, we allow a compensatory duty on the wool as it is, based upon normal prices, and when that basis is disturbed, if it shall be disturbed, the compensatory duty to the manufacturer then becomes unjust when the prices are low, and it would not be just to the manufacturer when they are exceedingly high. So this bill is framed upon that basis. As we reach each paragraph of this schedule Senators will notice that the compensatory duties vary in the different paragraphs. As I have said, the compensatory duty depends upon the price of the goods by the square yard or the pound. That is the only way we can tell whether the goods are all wool or whether they are a mixture of low-grade wool with fine wool or a mixture of wool and cotton or whether there is a cotton warp and a wool filling.

Mr. KELLOGG. Mr. President, will the Senator yield?

Mr. SMOOT. Yes; I yield to the Senator from Minnesota.

Mr. KELLOGG. I understand the Senator to say that the only way to make the compensatory duty to the manufacturer is to have an equal specific duty per pound on all grades of wool.

Mr. SMOOT. On all grades of wool whenever there is a compensatory duty.

Mr. KELLOGG. Very well. Then, we are obliged to have a rate of duty either too low on one class of wools or too high on another.

Mr. SMOOT. That all depends upon the price of the wool, I will say to the Senator; but the compensatory duties, as I said before, are not the same.

Mr. KELLOGG. I appreciate that, but I understand the Senator to say that a compensatory duty can not be made unless the rate of duty per pound is the same on all grades of wool.

Mr. SMOOT. Mr. President, I did not put it that broadly—all grades of wool used in the cloth. I will say to the Senator that that is the only plan which can be properly administered; but you know from the price of the goods that it is not fine wool, nor is it all wool, and you know whether it is a mixture or whether it is not. Therefore the compensatory duty is different all the way through the bill, and that is the only way in which it can be handled.

Mr. POMERENE. Mr. President, will the Senator yield for a further question?

Mr. SMOOT. Yes.

Mr. POMERENE. The question which has been suggested by the Senator from Minnesota is one which I think I referred to on yesterday, and it is a very pertinent question; but if you are going to place a specific duty of 33 cents a pound on the scoured content of wool, whether it is of the coarser or cheaper grade or the other grade, ought you not to go further and provide also that there shall be a specific duty of so much per yard on the cloth, whether it is made out of the cheaper wool or the higher-priced wool, whether it is worth 50 cents a yard or $5 a yard?

Mr. SMOOT. Oh, no; I do not think so, and that is the reason why the compensatory duty is different in the various paragraphs according to the value of goods.

Mr. POMERENE. That being so, it must follow, I should think—at least, it is a fair argument—that the first plan is wrong, if you have a different duty.

Mr. SMOOT. No; I will say to the Senator that this is the theory: If the Senator will take the bill he will notice certain rates upon wool waste, beginning with mungo and advancing in value until you get to noils, and the rates upon all of those wool wastes are different, and they are worked out upon the difference in the value of them as mixtures with the wool.

Now, in some goods you can use a hard-end waste. In other goods you can not do so. In fine goods you can use the soft ends up to the time that they are made into a sliver or a roving, or the soft ends that may be taken from the spinning mule that have not been twisted, that have fallen as roving to the floor. That kind of waste is just as good and a little better than the wool itself, particularly the clean content of the wool; and, if the Senator will notice, throughout the bill that has been taken into consideration in the compensatory duties that are given on that class of goods.

For instance, Mr. President, we know that if we make a real fine piece of goods there is no waste in it. It has to be made of pure wool, because they can not draw the threads fine enough if they have waste in it, or in some cases finish it satisfactorily. We know this from experience in the manufacture of cloth; but when we have a tweed or a cheviot with a 20 filling or an 18 filling or a 22 warp we know that the manufacturer need not put all wool in the cloth. We know that he is going to use some of the wool waste that he makes in his mill. In many cases they can use 10 per cent of cotton in yarns and nobody would ever detect it unless you should take a sulphuric-acid bath and put the yarn or the cloth in it and have all of the wool eaten out, leaving the cotton itself, and that will give you the percentage of the cotton that is in the yarn or cloth. That is the only way you can test it. It can not be tested in any other way.

Mr. WALSH of Montana. Mr. President, I understood the Senator from Wisconsin yesterday to say that if the amendment which he tenders is adopted, he will look to the committee with confidence, as I understood him, to arrange in some way so that the compensatory duty should be scaled accordingly. I understand the Senator from Utah now to say that the committee, having wrestled with that problem, finds it an impossible one.

Mr. SMOOT. Yes; it is impossible.

Mr. WALSH of Montana. I was merely going to say, in that event, that while I must confess that I feel rather favorably disposed toward the amendment of the Senator from Wisconsin——

Mr. SMOOT. So did I, when it was first offered.

Mr. WALSH of Montana. Of course, however, that has to be worked out; and if the committee is unable to present a plan for equalizing the compensatory duty, of course we shall naturally look to the Senator from Wisconsin to take care of that situation.

Mr. SMOOT. I will say to the Senator from Montana that the committee has had the appraisers from the port of New York, it has had the men from the Tariff Commission, and they all say that the provision can not be administered; and I will call attention to some classes of goods where it can not be administered.

For years and years the Provo Mills made tricots—tricots that were known from one end of this country to the other. The light-weight tricots—that is, the 14-ounce tricots—we could not back at all. They had to be all straight medium wool in filling and warp; but when we came to make the heavy-weight tricot, the 18 to 20 ounce tricot, we would put a backing on it, and it was made of a coarser class of wool, and no manufacturer would think of doing otherwise. It would be economically wrong. The heavy-weight cloth with the backing of coarse wool is just as good as if it were all fine wool, but every face thread upon that cloth was a fine thread made of fine wool.

For instance, Mr. President, take overcoating. Take a 27-ounce overcoating or a 24-ounce overcoating. Nobody is going to make an overcoating of a certain kind unless he puts a backing upon it. The threads upon the face are all fine threads if it is a first-class overcoating. Of course if it is a coarse overcoating they would not be, because then you would not require the thread to be fine and it would not be affected in the least; but it would be if you were going to have a fine-faced overcoating, and in those cases I do not believe there is a living soul who can tell what proportion of medium or coarse wool there is unless you take the cloth all to pieces, and even then I doubt whether it can be done.

If it were part cotton, or if it were a vegetable fiber of any kind that was used as a mixture with wool, that is very easy to tell, because all you have to do is to put it into a sulphuric-acid bath, eat the wool out, take the cotton left and weigh it, and you know just what proportion there was used of cotton and wool.

Mr. KELLOGG. Mr. President, will the Senator yield for one moment?

Mr. SMOOT. Yes.

Mr. KELLOGG. Does the Senator propose to levy on imported cloth, the cheapest kind of cloth, made from part coarse wool, the same rate of duty as on the fine cloths?

Mr. SMOOT. No; Mr. President.

Mr. KELLOGG. Why?

Mr. SMOOT. Because of the fact that it does not cost as much per yard to make.

Mr. KELLOGG. It does not cost as much to make because part of it is cheap wool?

Mr. SMOOT. Not only that, but let me tell the Senator what difference there is in the labor cost.

Mr. KELLOGG. If you are going to determine what part is cheap wool and reduce the duty on the cloth because of that, why can you not determine it where you have different rates of duty on the different grades of wool?

Mr. SMOOT. Because one is determined on the size of the thread and the value, and in the other case it is indeterminable because of the fact that you do not know what proportions were used. You can not do it because both grades are wool, a coarse wool and a fine wool.

For instance, take paragraph 1109:

> Woven fabrics, weighing more than 4 ounces per square yard, wholly or in chief value of wool, valued at not more than 60 cents per pound, 26 cents per pound and 40 per cent ad valorem.

After reading that I am going to answer the Senator's question: "Why is that compensatory rate given, and why is 40 per cent given upon that as a protective rate instead of 50, or, as the bill was originally reported, 55?" This is the reason: In the first place, we know that that cloth at 60 cents a pound can not be all wool; that the threads of that cloth probably have part cotton in them and more than likely 50 per cent of wool waste—perhaps hard end waste, perhaps roving waste—and if you made a thread as coarse as No. 8, there is hardly any waste that you could not put in and secure that fineness of thread; and, to explain, when you are spinning that thread, if it is No. 18, that would mean that from a pound of wool a thread had to be spun 18 times 540 yards. That is what that means. If you have a fine cloth with a No. 40 thread, that means that 1 pound of wool has to be spun 40 times 540 yards into a thread. I explained the principle when the long-staple cotton was up, and the same thing applies to wool that applied to cotton, with the exception that cotton takes 840 yards to the number and wool takes 540 yards.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. SMOOT. Yes.

Mr. LENROOT. I would like to ask, in connection with the illustration that the Senator gives——

Mr. SMOOT. Just one minute, until I finish this. Then, again, Mr. President, on the cloth that will fall under this paragraph, with 26 cents a pound compensatory duty instead of 49—just a little over half—when that is put into the loom and woven into a piece of cloth, I do not suppose there would be a piece that would fall under that value that would have more than 24 picks to the square inch. You take a fine piece of cloth and it has many times 60. The loom can run at just exactly the same speed or the same number of picks per inch on one as it can on the other. It takes more than twice the time to weave a yard of the one cloth that it does to weave the other.

That is why we have 40 per cent instead of 50 per cent as the protective duty, and so it goes through all of the paragraphs of this bill. They are made upon the basis of what goes into the wool, and they are made upon the basis of how finely that wool must be drawn into a thread; and then the protective rate is given upon the character of the cloth and the cost of producing that and making it into cloth.

Now I yield to the Senator from Wisconsin.

Mr. LENROOT. Mr. President, taking the illustration the Senator gives, in the case of the first fabric, where it is valued at not more than 60 cents per pound, 26 cents per pound compensatory duty is provided.

Mr. SMOOT. Yes.

Mr. LENROOT. Now I should like to ask the Senator what duty would be provided if that was all pure wool?

Mr. SMOOT. Mr. President, I will say to the Senator that it could not be all pure wool at 60 cents a pound.

Mr. LENROOT. I am asking, for my purposes, what it would be. I am not asking what it could be. If it was all pure wool, what compensatory duty would be provided?

Mr. SMOOT. If it was a fine cloth——

Mr. LENROOT. No; of this cloth, weighing not more than 4 ounces per square yard.

Mr. SMOOT. It would not be made of pure fine wool.

Mr. LENROOT. Whether made or not, if it was all wool—and it could be all wool, of course; could it not?

Mr. SMOOT. Yes; it could be all wool, but not at that price.

Mr. LENROOT. I am not speaking about the price; I am getting the fact. If the fabric covered by this first clause was all wool, what compensatory duty would be provided?

Mr. SMOOT. It would be 49 cents; but I want to say to the Senator that such a case would not be known in commerce.

Mr. LENROOT. That is another thing. I am asking the Senator a question, and I shall be obliged if he will confine himself to the question.

Mr. SMOOT. Certainly.

Mr. LENROOT. Very well. Then the committee, in fixing this compensatory duty, figured that there would be twenty-six forty-ninths. Is that correct?

Mr. SMOOT. To the value of twenty-six forty-ninths.

Mr. LENROOT. Now, will the Senator inform the Senate how much wool the committee figured would go into this woven fabric under this clause?

Mr. SMOOT. Mr. President, that cloth will first have cotton warp, and that is a very small weight in the cloth itself. They can make that thread out of 75 per cent waste easily, and there would be a balance of about 20 per cent wool. We calculate the duties which are imposed on the different wastes with their rate of duty that would enter into that cloth.

I want to say that in a mill—I do not care what kind of a mill it is—they can not make cloth or yarn or any other fabric without waste, and that waste has to be taken care of. Some mills make the most of it into blankets, others into low-grade cloths, and some sell their waste.

Mr. LENROOT. I would like to ask the Senator whether in this fabric weighing more than 4 ounces per square yard one piece of fabric may contain more pure wool than another?

Mr. SMOOT. It could.

Mr. LENROOT. Would it?

Mr. SMOOT. I think the manufacturer would have to put about the same proportion in the goods that fall under the 60 cents a pound classification, or else he could not compete with other manufacturers who did. You would have to take about the proportions I stated in order to get the cloth within the 60 cents a pound classification.

Mr. LENROOT. Does any of the fabric which comes under this clause sell at less than 60 cents a pound?

Mr. SMOOT. If there is any, it is very little indeed. That is the lowest bracket I can think of that could be included in the wool schedule.

Mr. LENROOT. Take the next clause, "valued at more than 60 cents, but not more than 80 cents per pound," 40 cents per pound compensatory. Does the same amount of wool come into that piece of fabric under that clause?

Mr. SMOOT. Does the Senator mean on the spread?

Mr. LENROOT. Yes.

Mr. SMOOT. No; I should think there would be a difference, because the amount of the wool that goes into it regulates the price of the cloth.

Mr. LENROOT. Yet you give 40 cents compensatory duty, irrespective of the amount of wool in the fabric.

Mr. SMOOT. Absolutely, and you can not help it.

Mr. LENROOT. That is just the point I am getting at. The Senator now admits that the committee is unable to determine the exact compensatory duty with reference to what is already in the bill, but because it can not determine the exact compensatory duty under my amendment he thinks it is impossible. That is the position in which the Senator finds himself.

Mr. SMOOT. There is quite a difference between the one and the other. This duty can be administered. When this enters the port of entry we know the value of it; we know the value is between 60 and 80 cents; and therefore the provision can be administered. The price will greatly depend on the amount of waste and the amount of wool that is in the cloth, and the manufacturer who manufactures that knows what is in it, and his competitor must know what is in it, and perhaps within that bracket we will have 65 cents, 70 cents, 75 cents, 80 cents; but when you compare the 65-cent cloth with the 80-cent cloth you will find that there is quite a difference in the fabric itself. But the provision can be administered, whereas the other can not be administered, because you can not tell whether there are two grades of wool in the cloth or not.

I want to say to the Senator from Wisconsin that I worked as hard upon that proposition, to carry out his thought, as it was possible for me to do. I gave the very best that was in me in an effort to reach a conclusion in favor of his amendment, with a view of putting it in the bill. I know what will come. I know that what the Senator has said will be hawked from one end of this country to the other, that a certain grade of wool which will enter into the making of cloth will bear 139 per cent duty. That would be true under the conditions if it were not for the competition between the manufacturers themselves, just the same as it was true that there were 12 blankets brought into the United States in 1909 which bore an ad valorem rate of 485 per cent.

If anyone can tell me how we can overcome that and at the same time carry out the theory of the compensatory duty for the woolgrower and give him 33 cents upon the wools he grows, I am perfectly willing to support it, and I would be delighted if it could be done. If it could be done, I would stand here side by side with the Senator from Wisconsin and fight for it from beginning to end. But such a duty can not be administered.

Mr. BURSUM. Is it not true that the present low value of the low grade of wool, which is under discussion, is simply temporary, and that it is low on account of the great surplus that accumulated during the war; that it is a drug on the market, and that if that wool should increase ultimately in value from its pre-war value, which was about 31 cents, as the finer wools have increased, the values would likely increase to about 60 cents a pound?

Mr. SMOOT. Before the Senator came into the Chamber I told the Senate that many times I have paid more for coarse wool, per clean content, than I have for the fine, and I also said that prices were abnormal all over the world as a result of conditions brought about in part by the war.

Mr. BURSUM. Is there not just as much reason for an antidumping clause in this bill as there was at the time we passed the emergency tariff bill? Do not the same conditions exist with reference to the surplus of wool in the world market to-day as existed in the case of the commodities we sought to protect with an antidumping clause in the emergency tariff bill?

Mr. SMOOT. The trouble is that no antidumping law would apply to this class of wool under conditions existing in the world to-day, because of the fact that they are offering that wool to anyone in the world, to their own people, or to anybody who will take it, at the prices at which they are offering it to America. So an antidumping law would not apply to that at all. It is a condition existing in the wool market to-day, and nothing can change that until there is a change in the style of goods, and when that change comes you will see that the prices of these wools, which are so abnormal to-day, will rise not a hundred per cent but 200 per cent or more. If I wanted to speculate in wool to-day and I had the money available, there is nothing in all the world in which I could be surer of getting an immense profit than in the purchase of these coarse wools in the markets of the world to-day.

All you will have to do is to hold them until the cheviot or tweed style is in vogue, until there is a demand for that, and you will see the price go up, as it has when these wools are being used, not only in the United States but in the world. It is bound to come. It is just as sure to come as is the sun to rise to-morrow morning. I can not say whether it will be next year or two years from now, but I am sure that it will come, as it always has in the past.

Mr. POMERENE. Mr. President, if that is true, then when the Senate seeks to place the same specific duty on these wools it would be guaranteeing the speculation and the investment in these cheaper-grade wools to which the Senator refers.

Mr. SMOOT. I do not think so. I do not think it would have that effect at all. If I were going to buy wools, I would not buy them in this country. I would buy them on the London market and have them held. My insurance would be less there, and perhaps my warehouse expenses would be less. I certainly would not come here and pay the duty on them and hold them here, and have that much more money locked up in them.

If it were possible to take care of this by an amendment, I would propose any kind of an amendment to reach it, but it is not possible.

Mr. McCUMBER. Mr. President, would the Senator desire to reach it by any kind of an amendment that would take care of the prices as they are to-day——

Mr. SMOOT. It is impossible.

Mr. McCUMBER. When, as a matter of fact, this lower-class wool, on account of its being a drug in the market, brings only about one-third of the price it brought in 1914, while the price of the higher class is double what it was in 1914? Where the spread in 1914 between this class, under normal conditions, and the finer class of wool was 50 per cent, to-day the spread is 400 per cent between those two, and it is unfair to base a tariff law upon the supposition that there will be 400 per cent difference between the lower-grade wool and the finer grade of wool, as is the case to-day.

Mr. SMOOT. Mr. President, if anyone had told me in 1914 that you could buy on the London market a low-quarter wool on a scoured basis for 14 cents, 8 cents less than the price of cotton, I would have said it was impossible; that such a thing could never happen.

Mr. GOODING. Mr. President, I may say that I have on my desk a report of the American woolen manufacturers, which shows that for a number of years this coarse wool we have been discussing sold for a higher price in the grease than the finer wool, but on the scoured basis there has been usually about a 5-cent difference on the pound in favor of the finer wool. To-day the low grade is selling in Boston for 44 cents a pound, and the finer wool for $1.31 a pound, which shows just what the Senator from Utah has stated, that it is abnormally low. In London it is selling for 25 cents a pound. Of course, it will come back in time.

Mr. WALSH of Massachusetts obtained the floor.

Mr. HEFLIN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Alabama?

Mr. WALSH of Massachusetts. I yield to the Senator.

Mr. HEFLIN. Mr. President, Senators on the other side who are pleading for a high-tariff tax on wool seem to forget that the woolen industry was very injuriously affected by the deflation policy I discussed this morning. I want to read from the report on the wool trade from the United States Tariff Commission. Speaking of conditions in the spring of 1920, about which I talked this morning, it states:

> By April rising interest rates had begun to affect the merchandizing of wool and wool manufactures in both Europe and America, and the cancellations of orders previously placed at almost any price were already reaching the mills.

I told Senators that it was deflation which closed the woolen mills, which affected the buyers of wool in the country, and the people who wear woolen clothes and thus injuriously affected the sheep growers of the United States. That is just as true as that we live and are in this Chamber to-day discussing this question.

> Then, in an effort to release frozen credit—

I wish my friend from Connecticut were in the Chamber now.

> Then, in an effort to release frozen credit, the Federal Reserve Board decided on a policy of credit curtailment for nonessential industries, which, though not intended to affect the wool trade, for a number of reasons proved disastrous.

Some Senators on the other side come into this Chamber and endeavor to build up the falling fortunes of some by the use of the taxing power. Instead of using the power of this Government to release these money instrumentalities and permit credits and currency to go where they are needed, to help build up the woolen trade, the cotton trade, the grain trade, and every other kind of trade in the country, they are undertaking to employ the taxing power to take money out of the pockets of people who are not able to pay and put a tax upon wool, lifting up conditions that were thrown down by reason of efforts to make good to a few people by employing the taxing power to lay still heavier burdens upon the masses of the people of the country.

Mr. WALSH of Massachusetts. Mr. President, I desire to discuss two propositions—first, the amendment offered by the Senator from Wisconsin [Mr. LENROOT], and, secondly, the question of the extent to which the cost of woolen clothing would be increased by the rates levied in the pending bill.

First, as to the amendment offered by the Senator from Wisconsin, it is not satisfactory. It does not go far enough. The ad valorem rate of 60 per cent named by the Senator ought to be much lower. But we are confronted with the fact that it does result in lowering the duty upon the cheaper wools imported into the country, and for that reason I shall vote for the amendment offered by the Senator from Wisconsin. I repeat, it is after all a trivial reduction in the very high and excessive rate of 33 cents per pound upon clean wool fixed in the committee amendment.

I think I ought to point out, however, just what classes of wool would be affected by the amendment of the Senator from Wisconsin. My information leads me to believe that about 20 per cent of the cheaper wools used in the manufacture of clothing would be substantially affected by his amendment; in other words, that class of wool known as one-quarter blood would be substantially reduced by the adoption of the Senator's amendment. The Tariff Commission tables inform us that about 20 per cent of this class of wool is used in the making of clothing; that is, to be exact, 10.73 per cent is produced in the country and 9.49 per cent imported. So that 20 per cent of the cheaper wools which go into the making of the clothing of the poor would be reduced in price by reason of the amendment offered by the Senator from Wisconsin if it should become operative.

Now, let us see just what is the equivalent ad valorem on the different classes of wool imported into the country.

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Montana?

Mr. WALSH of Massachusetts. I yield.

Mr. WALSH of Montana. I did not quite understand the Senator's statement. Are we to understand that 20 per cent of all clothing consists of wools of this character?

Mr. WALSH of Massachusetts. Twenty per cent of all raw wool that is used in the manufacture of clothing—a fraction over 10 per cent produced in this country and a fraction over 9 per cent imported—would be affected by the duty which the amendment proposes shall be placed upon that class of wool.

Mr. WALSH of Montana. Twenty per cent of the wools used in the manufacture of clothing would be affected?

Mr. WALSH of Massachusetts. Exactly; 10 per cent of which we produce in this country and about 10 per cent of which we import.

Mr. President, translated into terms of ad valorem, the rate of 33 cents per pound represents, as far as the fine merino wools are concerned, the following ad valorem values: Patagonia wool, 46.3 per cent; Cape South Africa, 44.4; Australian 64s, 35 per cent; Australian 70s, 30 per cent. All of these merino wools, being the merino wools imported into this country, fall below the rate named by the Senator from Wisconsin in his amendment, to wit, 60 per cent. Therefore, based upon present prices the amendment offered by him would have no effect at all upon the high-grade wools. In other words, they would all be subject to the duty of 33 cents a pound.

But when we come to the crossbred wools, translating the present prices and the rate of 33 cents per pound into terms of ad valorem equivalent, what do we find to be the showing? On the South American crossbreds, first, we find 50s, in terms of ad valorem equivalent, would be 93.7 per cent; 40s, 120 per cent; 30s to 40s, 156 per cent. As to New Zealand, on 50s, 82 per cent; 40s, 135 per cent; 30s to 40s, 183 per cent. The 30s to 40s are of little consequence. As was said by the Senator from Utah [Mr. SMOOT], they are used for making braid and the importations are trivial; I think about 2 per cent. But the 40s and 50s are very important, because they are within the class to which I have referred as being affected by the amendment of the Senator from Wisconsin. So those wools, if we permit the rate of 33 cents to remain in the bill without amendment, would be taxed on their present value 123 per cent, 156 per cent, 82 per cent, and 93 per cent, respectively. The ad valorem rate of 60 per cent proposed by the amendment of the Senator from Wisconsin would reach these crossbreed wools and would be reduced to a specific rate considerably below 33 cents per pound.

Mr. GOODING. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. I yield.

Mr. GOODING. I ask the Senator if it is fair to charge up that high rate of duty or percentage that he speaks of, if the woolgrower does not get the benefit of the duty? The wool he is speaking of to-day is only bringing 44 cents on a scoured basis in Boston. The duty is 45 cents at the present time. Surely the public should not be charged with that tremendous increased percentage the Senator is discussing when they can buy the wool for less than the duty. That is the condition. The Senator will not disagree to that.

Mr. WALSH of Massachusetts. There has been a good deal said about present duties, and an attempt has been made to claim that the rate of 33 cents is less than the rate under the present law.

Mr. GOODING. But the Senator does not answer my question.

Mr. WALSH of Massachusetts. Will the Senator please wait? I should like to answer it in my own way.

Mr. GOODING. There is a supposed protection of 124 per cent, but the wool producer does not get one-half of it. There is no question of doubt about that.

Mr. WALSH of Massachusetts. The emergency tariff law has not been operative, it is not operative, and only within very recent weeks has the severity of the rates named in that law become apparent. My distinguished colleague, the senior Senator from Massachusetts, just a moment ago said more against that law than any man on this floor has said. He said that if the rates in the emergency tariff law were allowed to remain on the statute books it would destroy the wool industry. Why? Because these rates are so excessive and so extortionate that they amount to an embargo upon one-half of the wool that goes into the clothing of the American people.

Why has it not destroyed the industry already? If it has amounted to an embargo, why has it not destroyed the wool business already? Because, fortunately for the country, there was an oversupply of wool and the wool-manufacturing industry was depressed when that law became operative, and not until this spring were the woolen manufacturers made to realize that the domestic production was not sufficient, that the wool which had been stored here and the oversupply of wool they possessed was exhausted, and when they went into the foreign market to buy wool they found this embargo operating against them. So it is not fair to make comparisons between the present law and the proposed law or between the present prices in clothing and the likely prices of clothing, or what the effect of the pending bill would be upon clothing based on conditions in the past, and no man knows that better than the Senator from Utah [Mr. SMOOT]. If the emergency law remains upon the statute books there will be no wool industry, and there will be a panic in the country because of the inability of our woolen manufacturers to get wool at any reasonable price anywhere out of which to make the clothes and blankets needed by the American people.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. Yes.

Mr. SMOOT. I think it is due the Senate to know why the senior Senator from Massachusetts [Mr. LODGE] made that statement. If he did make it, I did not hear it. Of course, he did make the statement, or the junior Senator from Massachusetts would not say so.

Mr. WALSH of Massachusetts. One very strong feature of the argument of the senior Senator from Massachusetts was, "If you do not take the pending bill, you will have something worse, the emergency law. This rate is better than the emergency law, and the emergency law, if continued, means very serious injury, if not the destruction of the wool industry." He was quite correct in making that argument, because the pending bill is better than the emergency law, for that law spells ruin unless repealed.

Mr. SMOOT. Yes, for the woolen manufacturer; and I admit now that with the duty upon wool at that time there was no compensatory duty given to the clothing manufacturer. He had a protective rate of 35 per cent when wool was on the free list, but when 15 cents a pound was added to it under the emergency tariff law that 35 per cent rate was not changed and no compensatory duty given to him for the 15 cents a pound on wool. Of course the Senator knows, and I have admitted, that could not run on forever. The junior Senator from Massachusetts knows that it could not do that.

Mr. WALSH of Massachusetts. Will the Senator agree with me, then, that if the emergency tariff law is allowed to stand as it is to-day it means the destruction of the woolen business of the country?

Mr. SMOOT. If the emergency tariff law remains as it is to-day the woolen manufacturer would begin and would have begun already to take action. If the foreigners had thought for a moment it was going to remain on the books they would have flooded this market with woolen goods because of the fact that the American manufacturer was at a bad disadvantage. He

pays 15 cents a pound on wool in the grease and only has the same protective rate of 35 cents that he had with free wool, and of course he could not stand it.

Mr. BURSUM. But that is not on account of the price of wool.

Mr. WALSH of Massachusetts. To come back to my first proposition, because I do not care to take very much time in discussing my position on the matter, I want to repeat that the amendment offered by the Senator from Wisconsin will reduce the duty levied upon wools that are imported into the country and which go into the manufacture of clothing of the poor. A vote in favor of his amendment is a vote for a reduction of the rates on the cheaper wools, lowering the rate below 33 cents per pound. To vote against his amendment is a vote to keep up the high duties upon the cheap wools and to levy upon the cheap wools a higher ad valorem rate than upon the finer merino wools; to levy upon the wool in the clothes of the poor which will amount to from 75 to 150 per cent over the foreign cost, while we levy a rate upon the wool in the clothes of the rich which will amount to less than a 50 per cent increase over the foreign cost.

Mr. WALSH of Montana. The Senator makes a powerful argument in supporting the amendment offered by the Senator from Wisconsin and in the interest of the consumer, and very properly so. I inquire of the Senator if the consumer will get any benefit whatever from the amendment offered by the Senator from Wisconsin unless the compensatory duties are correspondingly reduced?

Mr. WALSH of Massachusetts. That is true, of course.

Mr. WALSH of Montana. Now, permit me to inquire of the Senator whether he has worked out any plan that is practicable for the reduction correspondingly of the compensatory duties?

Mr. WALSH of Massachusetts. I will say to the Senator that I am taking one thing at a time; that the proposition now is the duty upon raw wool.

Mr. WALSH of Montana. But we are expected to vote upon this other question.

Mr. WALSH of Massachusetts. When the time comes to discuss the amendments and to apply the compensatory duty, I think it will be possible to fix a compensatory duty that will meet the situation. What are the compensatory duties in this bill? Does anybody contend for a moment that they are scientific and accurate? It is impossible to make them so. It is impossible to figure compensatory duties down to the last cent and to the last fraction. They are at best a mere estimate of what is fair to the spinner and to the manufacturer in view of the duty levied of 33 cents per pound on scoured wool. They have been prepared for the Committee on Finance by the Tariff Commission with their best experts, just as in the House of Representatives a provision similar to the amendment offered by the Senator from Wisconsin [Mr. LENROOT], prepared for them by the experts of the Tariff Commission, fixed a compensatory duty that was as fair and just as they could make with all the information they possessed.

The Senator from Utah says that the House bill, if it were enacted into law—and it is well to remember that we may yet have it, for this bill has got to go to conference—would be worse than the Payne-Aldrich law. He has denounced the Payne-Aldrich law, but he says the Senate bill is all right. So we are asked to take the word of a Senator who has denounced the Payne-Aldrich law, who has denounced the House rate, and yet who voted for the Payne-Aldrich law. It is this Senator who says the amendment offered by the Senator from Wisconsin can not be worked out, but that if it is attempted to be worked out it may lead to the abuses of the Payne-Aldrich law.

Mr. SMOOT. Of course the Senator does not want to misrepresent me in any way. I stated that the provision in the Payne-Aldrich law was unjust, and nobody can deny it. I called attention here the other day to it.

Mr. WALSH of Massachusetts. But the Senator from Utah has stated that the pending bill as it passed the other House was worse than the Payne-Aldrich law.

Mr. SMOOT. I did say that the House provision was bad and in a greater degree. Will the Senator from Massachusetts yield in order that I may make a correction?

Mr. WALSH of Massachusetts. On the final vote we will be called upon to decide between the House provision and what the Senate now agrees to.

Mr. SMOOT. The Senate will decide that. Awhile ago in referring to the emergency tariff law I said that in that law a compensatory duty was not given for the duty upon wool; but, after again thinking it over, I desire to say that I believe I was mistaken in that, and that a rate of 45 cents per pound was allowed as a compensatory duty upon the cloth. Paragraph 19 of that law provides:

> Wool and hair of the kind provided for in paragraph 18, when advanced in any manner or by any process of manufacture beyond the washed or scoured condition, and manufactures of which wool or hair of the kind provided for in paragraph 18 is the component material of chief value, 45 cents per pound in addition to the rates of duty imposed thereon by existing law.

That being the case, Mr. President, then all the difference in that respect between the existing law and the proposition of the pending bill as reported would be that between 45 cents and 49 cents; and under this proposed law some of the compensatory duties begin as low as 30 per cent.

Mr. WALSH of Massachusetts. The compensatory duties in the bill now before the Senate run from 26 to 49 cents. They are all guesses as to how much wool is put into the cloth of a certain value.

Mr. SMOOT. I will say to the Senator that they are not all guesses.

Mr. WALSH of Massachusetts. I think it is only fair to say that they have been worked out as best as they can be, but, after all, they are estimates; one can not determine accurately what a cloth of 60 cents value contains exactly of wool and that the compensatory duty therefore should be definite and absolutely certain.

Mr. SMOOT. I want to say that the emergency tariff law does provide a 45 per cent compensatory duty based upon 15 cents a pound on wool in the grease, and so far as a compensatory duty is concerned the manufacturers in the United States have an advantage in that law over the pending bill.

Mr. WALSH of Massachusetts. I ask to insert in the RECORD the table from which I have hitherto read, which indicates the equivalent ad valorem of the duty of 33 cents per pound on the various wools which are imported into this country at present prices.

The PRESIDING OFFICER. Without objection, it will be so ordered.

The table referred to is as follows:

Table showing ad valorem equivalent on value per clean pound of specific grease pound and scoured pound wool duties, based on foreign valuations as of March 4, 1922.

Grade of leading imports of wool.	Scoured pound equivalent of specific grease-pound duty of 11 cents (Payne-Aldrich).	Ad valorem equivalent on foreign value per clean pound of specific duties on the scoured pound of—	
		25 cents (House).	33 cents (Senate).
Merinos:	*Cents.*	*Per cent.*	*Per cent.*
Patagonia	44.0	35.1	46.3
Cape, South Africa	29.7	33.7	44.4
Australian—			
64s	22.0	27.2	35.9
70s	20.0	25.5	33.6
Variation in points		9.6	12.7
Crossbred:			
South American—			
50s	15.5	71.0	93.7
46s	14.7	93.6	123.6
36/40s	14.5	118.5	153.4
New Zealand—			
50s	15.7	62.5	82.5
46s	15.3	97.2	135.8
36/40s	14.7	138.9	183.3
Variation in points		76.4	100.0

Mr. WALSH of Massachusetts. It is to be noted that the rate of 33 cents per pound of clean wool increases the duty on cheaper wools excessively. The rate of 33 cents increases the price on the finer wools less than 50 per cent, but the cheaper wools used in the clothing of the common people are increased from 75 per cent to 150 per cent.

The Tariff Commission, when requested by the Committee on Ways and Means to submit an outline for a wool tariff on the clean-content basis, recommended that there should be a limitation on the burden imposed on coarse low-shrinkage wools. As shown on page 17 of the Tariff Commission's report, "Recent Tendencies in the Wool Trade," the Tariff Commission submitted several tentative methods by which this could be accomplished, and the Committee on Ways and Means adopted the one of an ad valorem percentage limitation and wrote into the bill that no rate should exceed 35 per cent ad valorem. This proviso the tariff agricultural bloc protested against and succeeded in eliminating from the Senate bill.

Mr. SMOOT. The Senator from Massachusetts has stated that the House had adjusted its compensatory duties on the basis of a 35 per cent limitation.

Mr. WALSH of Massachusetts. I said no such thing. I said the House adjusted its compensatory duties after consult-

ing with, advising, and getting the judgment of experts of the Tariff Commission. That is all I said.

Mr. SMOOT. I will say, Mr. President, that the compensatory duties in the House bill, with the 35 per cent limitation, would give to the clothing manufacturers of the United States on the low values an undue protection, probably 200 per cent; at any rate, much greater than that accorded by the bill as reported by the Senate committee.

Mr. WALSH of Massachusetts. I am very glad to have the statement of the Senator, and I appreciate, as almost every Senator here must, that the Senator considers himself a better authority than are the experts on this subject; that his opinion is more valuable than that of those who, day in and day out and week in and week out and year in and year out, are studying this problem.

Mr. President, I desire to return to another phase of this subject suggested by reason of arguments made by the Senator from New York [Mr. WADSWORTH] and the Senator from Wisconsin [Mr. LENROOT], both of whom have pointed out the serious political consequences of the adoption of the high rate of duty proposed on wool. I wish to read from a leading Republican magazine, none other than The Protectionist, published by the Home Market Club, of Boston, Mass. The Protectionist is the leading exponent of protection in this country. It is supported and published by the Home Market Club, of Boston, and has been known for years to have been devoted to the cause of protection and the advocacy of the Republican policy of protection.

Mr. McCUMBER. Mr. President, may I ask the Senator a question right there?

Mr. WALSH of Massachusetts. I yield.

Mr. McCUMBER. The Senator says that the Protectionist is an exponent of protection. I wish to ask the Senator if in all the pages of that magazine he has ever found that it was in favor of protection for agricultural products?

Mr. WALSH of Massachusetts. Mr. President, I have not read all the pages of the magazine——

Mr. McCUMBER. It has been an ardent advocate of protection for the manufacturer.

Mr. WALSH of Massachusetts. But I know that the magazine has been greatly interested in protection; that it has taught protection and supported the Republican Party and supported the protection program of the Republican Party. If it has not in the past supported protection for agricultural products, then it is because it did not think it was necessary, but it has supported every attempt made by the Republican Party to establish high protective duties.

Mr. WALSH of Montana. Mr. President——

Mr. WALSH of Massachusetts. I yield to the Senator from Montana.

Mr. WALSH of Montana. I will say for the information of the Senator from North Dakota that we had the editor of the Protectionist before us at one time, and he was asked the direct question as to whether the magazine supported the duty on raw wool, and he said that it did.

Mr. WALSH of Massachusetts. I read from an article published in the July number of the Protectionist:

WOOL SCHEDULE DANGEROUS.

Protectionist Senators are approaching the wool schedule (11) with some nervousness. Schedule K, the old wool schedule, wrecked the Republican Party twice, and Schedule 11 presents grave dangers. The raw-wool duties were calculated by Senator GOODING, of Idaho, a sheepman, who says that twice he has been ruined by insufficient protection, and as Mr. GOODING has been the dominating mind of the farm bloc, and as the bloc has the votes to make or mar the present tariff revision, he has had his way, and the bill provides for a duty of 33 cents a pound on wool, scoured content, a higher duty than ever appeared in any tariff bill upon many grades of wool, particularly those going to make the clothing of the poor man.

What a wonderful campaign document for the Democracy!

Mr. GOODING. Mr. President——

Mr. WALSH of Massachusetts. I will ask the Senator to wait until I finish reading the article.

Mr. GOODING. I beg the Senator's pardon.

Mr. WALSH of Massachusetts. The article continues:

With the Payne-Aldrich rates reduced to a scoured-content basis, the actual duty decreased from the fine to the low-grade wools, but in the Senate bill the proposed duty so penalizes the lower-grade wools that they will pay duties running as high as 220 per cent, against only 30 per cent on the wools used in the clothing of the rich.

No wonder the Senator from New York and the Senator from Wisconsin, who have some appreciation of just how far tariff burdens can be thrust upon the public, protest against this rate and indicate its disastrous consequences to their own political party.

Such imposts are politically and economically indefensible and will give the Democrats their greatest talking point in the coming campaign. The House desired to increase the wool duties but carefully limited the amount to 35 per cent of the value, but the collections under the Senate bill may run sky-high—

Meaning that under the 33-cent rate without some such amendment as the Senator from Wisconsin proposes being adopted, the rates will run sky-high—

if the bill is enacted as it stands—

And I ask Senators to mark this statement—

the poorer consumer will pay a higher rate on wool than under any tariff bill ever enacted.

That is not a statement by a Democrat or by a progressive but by the Protectionist, the leading publication advocating protection in this country.

The foregoing is the talk circulating through the Senate, and it is having a profound effect. The manufacturers have brought no pressure to bear for a modification of the rates, for they are taken care of with compensatory duties, and they fear that any attempt to overturn the rates to which the farm bloc is pledged would wreck the bill. They believe the measure to be politically and economically unsound in its wool schedule, but they are in no position to reform it. But a score or so of Republican Senators are coming up for reelection this fall, and they know there are more voters in their States who wear clothes than who raise sheep.

One solution of the problem, if it is not too late to advance it, might be to grant a subsidy on wool, paying the farmer perhaps 6 cents on every pound of wool he raises and let the tariff take care of itself. Distinguished Republican economists may be found who declare that if this plan could be adopted the farmer would fare better than under the proposed plan; more sheep would be raised on more farms and over a wider area; manufacturers would not live for the next few years or so in deadly fear of a tariff comeback that spelled free trade, and clothing would be cheaper. The best friends of the Republican Party and the policy of protection to-day are not the farmer statesmen.

That is the Republican warning that I want to ask the Senate to reflect upon before we take this vote.

Mr. GOODING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Idaho?

Mr. WALSH of Massachusetts. I yield to the Senator from Idaho.

Mr. GOODING. I will ask the Senator what he thinks the poor man can afford to pay for the wool in a suit of clothes that is all wool. What will be a reasonable price?

Mr. WALSH of Massachusetts. I suppose the Senator is going to tell me how expensive clothing is and what a very high price is charged for clothing, and how little of the price that is charged for clothing is received at the outset by the woolgrower. That is what he is trying to demonstrate, of course.

Mr. GOODING. No; I am going to show the Senator that at the present time, in the case of the suit of clothes that is being sold to-day, the cost of the actual wool in that suit of clothes, if it was Montana three-eighths staple, which is very fine—the best western wool that is grown—is $2.07. If it is Ohio quarter blood, it is $1.68. If it is Soda Springs quarter blood—that is in Idaho—it is $1.62. If it is Soda Springs low quarter blood, it is $1.32. If it is braid, it is only $1.05—$1.05 for all the wool, and all the duty, and everything else.

I submit that it is not fair to charge up to the woolgrower or to alarm the people by this "excessive duty" that you are discussing when the wool is brought upon the Boston market for less than the present duty, regardless of what it costs to grow it, ship it to market, scour it, and get it in condition for the manufacturer to use it—less than the duty at the present time.

Another word, if the Senator pleases—I know he is always fair, and means to be fair—and that is this: If the amendment of the Senator from Wisconsin prevails, we could buy this wool to-day in London, or, if we had it on the free list, we could buy it in New York, for 25 cents a scoured pound. A duty of 60 per cent would mean 40 cents for a pound of scoured quarter-blood wool, of which the Senator admits that fully 10 per cent is grown in this country, as I understood him—about 10 per cent of quarter, low quarter, and braid.

Mr. WALSH of Massachusetts. Yes, sir.

Mr. GOODING. I think the Senator is correct in that. That means that that wool could be brought in here for 40 cents a pound on the scoured basis. At the same time the Senator from Wisconsin placed in the RECORD the fact that the Tariff Board found that it costs 45 cents a pound on the grease basis to produce a pound of wool in this country. On the scoured basis that would mean about $1.12 a pound.

Mr. WALSH of Massachusetts. That was in 1920, when labor, feedstuffs, overhead expenses, and everything else was at the peak.

Mr. GOODING. That was in 1920; yes. There may be a little reduction; but, even if there is, it is not great; so you are not going to give the woolgrower half what it costs to produce it in this country.

That is all there is to this question—whether you are going to permit an industry to exist upon which the very basis of

civilization rests—the live-stock industry. It is not a question in my mind of how much the duty should be; it is how much it needs to live; that is all; and the same thing applies to any other industry.

I think we must be fair, and I know the Senator intends to be fair; but I want to say to the Senator from Massachusetts that if the New England people continue to do as they have done in the past—and they have not been fair—and force raw materials on the free list, we are not going to continue to ship wool to Boston. We can not do it. It is economically all wrong to do it now; but we have been sending you the raw material for years and years and paying excessive freight rates over long lines of railroads, manned by expensive labor, and then we have been paying a high freight rate back to the West again on the finished product. There is not anything left for us to do except to move the manufacturers nearer to the source of supply of this raw material that we are discussing, if you please, and that is what is going to happen. If you force New England to become a goat pasture, the people of New England themselves will be to blame for it and nobody else.

Just give us a chance to live, as you have had a chance to live. That is all the West is asking. I want to say to the Senator, too, that this fight is going to go on. There is no question but that the West is going, when it gets an opportunity and Canada gets ready, to move the Atlantic Ocean out to somewhere near Chicago through the St. Lawrence and the Great Lakes. If it is a nice thing to have an ocean, we will move a little of it out there, at least, so the great vessels that carry freight all over the world can come somewhere near the center of population of America. We shall be forced to do that.

Mr. WALSH of Massachusetts. Mr. President, I think the Senator's remarks will make very interesting reading among the Republicans of New England who will be asked to support the Republican Party in the future.

Mr. GOODING. All we are asking is a square deal; that is all. I have been standing for the manufacturers for years.

Mr. WALSH of Massachusetts. Will the Senator permit me to continue now? I have been very lenient in yielding to him.

Mr. GOODING. Yes; the Senator has. I will say that.

Mr. WALSH of Massachusetts. I refuse to permit all the people of New England to be denounced for their selfishness in seeking protection. The Senator's indictment is against the Republican Party. He has made more speeches in the Senate denunciatory of the policy of the Republican Party than any other man on this floor. He has repeatedly denounced it as selfish, as greedy, as having absolutely no concern for the consumers or the agricultural interests of this country, but being devoted solely and alone to the interests of the manufacturer. He has said again and again that the Republican protective policy has been a policy to enrich the manufacturers of this country. He has used language stronger than any Democrat has used on this floor.

Mr. GOODING. Mr. President, if the Senator will permit me, I will say that again. Not until the emergency tariff bill was passed, and not until the bill was framed that is here before the Senate, with the Senator from North Dakota [Mr. McCUMBER] at the head of the present Finance Committee, did the farmers of this country ever get a square deal from the Republican Party. This is the first time.

I have denounced the Republican protective measures that have been passed in the past as far as the farmer is concerned. He never did have a square deal before. This is the first time he has ever had it; and I thank God we have had as chairman of that committee a man who has always been a friend of the farmer. They may send all the Senators they please here from North Dakota, but they will never send a better friend of the farmer than the chairman of the Finance Committee during all the years he has been in the Senate.

Mr. WALSH of Massachusetts. Mr. President, I still think that the policy the Senator ought to pursue should be one of voting to reduce the outrageous and extravagant and excessive duties that he charges have been levied in the past upon manufacturers, and that he is now supporting, for he knows the very rates he denounces are being repeated in this bill, instead of pleading to give the farmer what the manufacturers have had. He knows that they have not and can not get in any tariff bill the protection that the manufacturers have had. He knows that the manufacturer competes with Europe, and that the farmer sells to Europe, and that there is an entirely different protective principle involved when a group of Americans are competing with a group in Europe, and a group of Americans are selling to Europeans the things that are produced in America.

Mr. CARAWAY. Mr. President——

Mr. GOODING. Is not the farmer competing with Europe in farm products in this market?

Mr. WALSH of Massachusetts. I yielded to the Senator. I will have to ask him to let me continue my argument now.

Did the Senator from Arkansas wish to ask me a question?

Mr. CARAWAY. I was going to suggest, but possibly it is not worth while now, that the Senator seems to be so well pleased with his bill, which gives on an average 21½ per cent protection to the farmer, that he is wanting 200 or 300 per cent for the manufacturer. He says that is just. I was wondering, if he believes that a tariff should protect the farmer—and he seems to think so—why should he be content to ask for the farmer only 21½ per cent, and vote for the manufacturer 150 to 200 per cent?

Mr. WALSH of Massachusetts. I am not complaining about the position of the Senator from Idaho, but I want the country to know it.

Mr. CARAWAY. I do, too.

Mr. WALSH of Massachusetts. It amounts to this: The Republican Party in the past has stood for greed, has stood for special interests, has stood for levying on the American consumers toll to enrich the manufacturers of the East, and the Senator proposes now that the farmers of the West shall have some of the profits that he thinks the manufacturers of the East have had. He has a big stick in his hand, metaphorically speaking, and he says to his Republican colleagues, "Unless you give us the rates we want, down go your rates, and the day of greed and selfishness in the drafting of tariff bills will end."

EFFECT OF HIGH DUTIES ON WOOL.

Mr. President, if I understood the discussion of yesterday, the Senator from Wisconsin [Mr. LENROOT], the Senator from North Dakota [Mr. McCUMBER], and the Senator from New Mexico [Mr. BURSUM] each at one time or another in their speeches admitted that these duties on raw wool would be reflected in increased prices. Thus we have not the claim made here that it will not become operative, that there will not be any increased prices. It is pretty generally admitted that whatever we write into this wool schedule in the way of protective duties is going to come ultimately out of the pockets of the American consumers.

We have also cleared the field of discussion, so that we know that the duty levied in this bill is, according to the Senator from Wisconsin [Mr. LENROOT], 83 per cent higher than the duty levied in the Payne-Aldrich bill. According to the Tariff Commission, judging by the average imports in the past, it is at least 50 per cent higher; and when Senators assert that it is no higher than the rates in the Payne-Aldrich bill they can not produce facts to support their statement. We have, in addition, the information from the Protectionist that the duties in this bill are the highest duties ever levied. So we can proceed with these admissions: First, that whatever duty we levy here is going to come out of the consumer; second, that the duties levied here are higher than any that have ever before been levied.

During this discussion quite a few Senators have referred to "the present law," having in mind the emergency law, with its embargo rates. It has been said again and again—the Tariff Commission report states it—that only this spring did the excessively high rates in the emergency law begin to become operative in this country. I found, in looking through my file of communications the other day, a number of letters written in January and February and March from the manufacturers of New England, stating that their supply of wool was disappearing and that they were obliged to go into the markets of the world, and that they found for the first time just what the emergency law meant, and they were asking for the passage of this tariff law, no matter what rates were in it, in order to get rid of the embargo provisions of the emergency law. So, after all, the emergency law is not the standard with which to make comparisons. The only real test as to what the increased cost is going to be must be based upon what the cost was under the Underwood law before the war and what the cost will be under this bill after we get back to normal conditions.

A few days ago the Senator from North Dakota, with great and powerful dramatic effect, raised his hand and said, "Here is a piece of cloth that cost $5 a yard in 1920, and here is a piece of the same kind of cloth which cost $2.25 in 1921." Of course, everybody knows that the prices of everything increased during the war, and everybody knows that the peak of prices was reached in 1920. Everybody knows there has been a steady but constant decline in prices since 1920, including wool and wool cloths. This spring, because the emergency law was beginning to operate, there have been substantial increases in the price of wool cloths by the wool manufacturers of this country, and they have boldly and frankly and plainly stated that

it was due to the fact that the emergency tariff law compelled an increase in price.

I have on my desk the last report of the American Woolen Co. for this year. What do they say about wool duties? What do they say about whether or not they are reflected in increased prices?

They have abandoned their foreign selling offices. They have given up any attempt to create an export trade in woolen cloths, because the high rates on wool in the emergency tariff law and the proposed legislation prevent the possibility of developing any export trade. You are not only destroying whatever prospects there are for an export business but you are destroying your own business here at home, because there is a limit to what people will pay.

Have you ever heard of a "buyers' strike"? A buyers' strike is a strike by consumers against high prices. With wages going down, with no increase in the salaries of the salaried men and women of this country, we are proposing here to put into every clothing store window of this country signs to the effect that the prices of clothing has increased. Is there no limit to which the people can be expected to go in paying increased prices for clothing?

You are burning your own bridges. If you continue, you will greatly reduce the consumption of wool in this country. Our people will have to go and will go to cotton goods, or to cotton goods mixed with shoddies. This is a bill, so far as this schedule is concerned, to make it impossible for the American people to wear good, warm, all-woolen clothes, and to buy them at reasonable prices. It will compel our manufacturers to devise means of reducing the amount and quality of wool in dress goods and cloths in order to keep prices down.

Mr. President, there has been a good deal said about the cost to the public, and I have gone to a good deal of trouble to try to determine some facts to assist in estimating the extent to which this rate on raw wool will increase the cost of clothing to the public. For some weeks past Senators on the other side have made various statements about the extent to which these duties would be reflected in increased costs, but as yet no estimates have been made on this side of the Chamber. What I have to say is gathered entirely from information furnished by the Tariff Commission.

The Senator from New York [Mr. CALDER] received some communication from a clothing manufacturer in his State some weeks ago stating that the prices of suits and of overcoats were to be increased from $5 to $7, and that Senator, wanting to refute the statement of his constituent, and to enlighten him as to the fact that he was misinformed, and was overestimating the increased cost, sent the letter of his constituent to the Tariff Commission, and asked to be furnished with the information as to what the increased cost should be. The Senator from New York put into the RECORD the memorandum and the table which the Tariff Commission sent back to him, and based upon that table and that information I have made the deductions I am about to present. I should prefer not to be interrupted until I present my views on this subject of costs.

THE COST OF THE WOOL DUTIES TO THE PUBLIC.

Mr. President, in determining the cost of the wool duties to the public it is necessary to bear in mind, first, the cost of the duty upon raw wool, and second, the cost of the protective rates which have been levied upon the various manufactures. It is, of course, impossible for anyone to estimate either of these costs with precision, but it is possible to show in a large way what tremendous burdens will be imposed upon the consumer by the rates in this schedule.

Objections may be lodged against the entire schedule on the ground that the rates exceed those which would be necessary to cover the difference between conversion costs here and abroad (so far as can be shown by the data available), and that in some very important instances they are as bad as the repudiated rates in the old Schedule K.

Even if the rates in the present bill were barely sufficient to protect the industry, the question of the cost to the public would still be a very important one. But, with these rates far in excess of the amount required, the cost to the public is, indeed, a matter of very serious importance. I do not wish to imply that the industry is not entitled to protection, for I am convinced that with a reasonable amount of protection and with an honest and efficient financial and business administration the industry could prosper very well in this country. This protection, however, should be not only moderate, but should be applied without discrimination against one branch of the industry at the expense of the other. The inequitable, unjust, and scandalous manner in which the rates have been drawn up under former protective tariff acts, such as the Payne-Aldrich, has shaken the whole moral foundation for protection for this industry. Discrimination has been practiced and greed encouraged. Protection accorded to some branches of the industry has been so excessive as to result in extortionate profits and to destroy every incentive for the efficient conduct of the industry. The placing of the industry on a sound basis, under a régime of moderate protection, has been rendered far more difficult than it otherwise would have been.

Yet some manufacturers had the temerity to come again before the House Ways and Means Committee when it was drawing up the present bill and ask for a new Schedule K, which was practically a reenactment of the old and thoroughly repudiated Schedule K, and which would have given them a renewed license to exploit the public. Remembering the political disaster brought on by the old Schedule K, neither the House nor the Senate were willing to accept the most odious features, such as the concealed protection, in the old Schedule K. But the enormous increase in the duty upon raw wool, together with the virtual reenactment of the old Payne-Aldrich protective rates on wool manufactures, will nevertheless result in a burden upon the public at least as large as that imposed by the old Schedule K. Indeed, that higher prices are to be exacted from the public is already apparent from the fact that the high rates on raw wool in the emergency law, which have only recently begun to be effective in any substantial degree, and the prospect of the reenactment of these high rates in the present bill, are already being reflected in recent marked increases of prices of cloths and dress goods. A nation-wide protest from clothiers and merchants has followed these increases.

COST OF WOOL DUTIES TO THE INDIVIDUAL.

In estimating the cost of the raw-wool duty, let us first consider how it affects the individual by figuring how it will work out upon the garments which he wears. In this connection it is necessary first to show to what extent this duty will pyramid as the raw wool passes through the various stages of manufacture and distribution and finally is consumed in the garment worn by the individual.

There has recently been a wealth of discussion in the press and elsewhere regarding the cost of the raw-wool duty to the individual. Some of the wool growers have been arguing that upon an average suit of clothes the total cost of the duty would amount to only $1.15½. On the other hand, prominent clothing manufacturers have been contending that the duty will involve an additional cost of $5 per suit of clothes and as high as $7 per overcoat. Those who are arguing that the increase in cost will be very slight are unwilling to admit that there will be—or should be—any pyramiding of the duty as the wool passes through the hands of the various middlemen. Those who argue that the increase of cost will be around $5 per suit and $7 per overcoat, on the other hand, are contending that the pyramiding process will be practically complete and are assuming that the raw-wool duty will be fully effective.

Fortunately there is available a memorandum prepared by the Tariff Commission which contains a very conservative estimate of how this duty may pyramid and what its ultimate cost (within certain limitations) will prove to be to the consumer. I refer to the Tariff Commission's memorandum to Senator CALDER, which at the request of the Senator was printed with his comments thereon in the CONGRESSIONAL RECORD of July 14, pages 10246 and 10247. The memorandum is as follows:

JUNE 29, 1922.

Memorandum to Senator CALDER relative to a communication of the New York Clothing Trade Association in regard to the duty on raw wool.

The main question raised in the statement of the New York Clothing Trade Association is whether the proposed duty of 33 cents on raw wool, clean content—shown in their statement as 33 per cent, but presumably intended as 33 cents, since this is the actual basic rate proposed—will necessitate an increase of $5 in the price of a suit of clothes and $7 in the price of an overcoat.

It is impossible for anyone to state with certainty how much a duty of 33 cents per clean pound will enhance the price of a suit or an overcoat, even when assuming a standard specification of each article. That such a duty will tend to increase and certainly to check a decrease in the price of these articles seems inevitable, but no exact calculation can be made because of the variable factors involved. It is to be borne in mind that the price of wool may not be enhanced by the full amount of the duty. To be sure, the compensatory duties on the tops, yarn, and cloth are based on the assumption that the duty on the raw material will be fully effective, and if there were no competition in the domestic industry the failure of wool prices to rise by the full amount of the duty would make no difference in the price to the public. But since the duty is competitive, it may be prevented from reaping the full advantage of the compensatory duties under these conditions, except in periods of marked business activity. In such periods the duty on raw wool is likely to be fully effective. In estimating, therefore, the effect of the duty on the price of a suit or overcoat the assumption that the 33-cent duty per pound of clean

wool will enhance the cost to the weaver, and hence necessitate an increase of his price by the full amount of the compensatory duty—that is, 49 cents—is open to some qualification.

Another set of variable factors arises in connection with the pyramiding of the duty as the wool passes from the raw state through the various manufacturing and distributing stages to reach the consumer in the form of wearing apparel. Considerable latitude must be allowed in estimating such pyramiding. One result may be arrived at by adding to the compensatory duty of 49 cents the percentage of overhead and profit, respectively, of the wool dealer, the top maker, the spinner, the weaver, the cloth jobber, the clothing manufacturer, and the retailer. Or a different conclusion may be had by assuming that the wool passes through fewer hands; that all operations from the purchase of the raw material to the weaving of the cloth are integrated in the same establishment; that the margin for overhead and profit are therefore less than the aggregate margins of the specialized establishments; and that no cloth jobber intervenes between the weaver and the clothing manufacturer. Again, there may be some difference of opinion as to what margin for overhead and profit may be regarded as typical in certain instances.

The best method of making the calculation seems to be to assume that the duty will be fully effective and to add a conservative margin in each instance to cover the overhead and profit of the clothing manufacturer and the retailer, then to make such adjustments as may be deemed necessary to cover variable factors. These selling margins may be taken, respectively, as 10, 15, and 50 per cent. A margin of 10 per cent to the cloth maker—say, 6 per cent for profit and 4 per cent for selling expense—would appear to be a very conservative estimate. A margin of 15 per cent to the clothing manufacturer accords with the average conditions shown in the 1916 report of the Department of Commerce entitled "The Men's Factory-Made Clothing Industry." A margin of 50 per cent to the retailer on his purchase price—equivalent to 33⅓ per cent of his selling price—was taken as typical. In the report of the old Tariff Board on Schedule K, page 884, where the board stated: "Retail prices are taken as 50 per cent more than the net wholesale price, which the board considers a fair estimate of the lowest figures at which such garments are sold." An effective duty on clean wool of 33 cents per pound is equivalent to 49 cents per pound on all-wool cloth. Pyramiding 49 cents by 10, 15, and 50 per cent, respectively, gives 93 cents per pound of cloth in the garment.

Parenthetically, attention should be directed to the possible criticism that the various "middlemen" are not justified in adding their normal margin to that portion of their costs attributable to the duty, and that when competition is keen they will be unable to do so. Upon reflection it becomes clear that the addition of this margin rests upon a firmer basis than the mere custom of adding a fixed percentage. The enhancement in the cost of the cloth or clothing, as the case may be, resulting from the duty, involves an immediate increase in such expenses as interest charges, taxes, insurance, and an ultimate increase in wages. Fundamentally, it is difficult to differentiate an increase by reason of the duty from an increase in costs attributable to other causes.

The following table shows how a cost of 93 cents per pound of cloth would work out on suits and overcoats of the specifications shown. Additional columns, deducting 10 and 20 per cent, respectively, from the 93-cent computation, to make allowance for possible failure of the duty to pyramid to 93 cents, are also shown. Among the garments listed, suits made of 12-ounce cloth and overcoats of ordinary weight can probably be regarded as most typical. Each garment is, of course, assumed to consist wholly of virgin wool:

	Weight of cloth per linear yard (54–56 inches wide).	Linear yards required.	Weight of cloth in article.	Cost of duty per article.		
				Based on 93 [1] cents per pound of cloth.	Based on 93 [1] cents less 10 per cent.	Based on 93 [1] cents less 20 per cent.
	Ounces.		*Pounds.*			
Suits	10	3½	2 5/16	$2.03	$1.83	$1.62
	12	3½	2⅝	2.44	2.20	1.95
	14	3½	3 1/16	2.85	2.56	2.28
Overcoats:						
Ordinary style—						
Lined	20	2¾	3 7/16	3.20	2.88	2.56
Unlined	20	3	3¾	3.49	3.14	2.79
Heavy ulsters—						
Lined	28	3½	5 1/16	5.29	4.76	4.23
Unlined	28	3½	6⅛	5.70	5.13	4.56

[1] 93 cents includes merchandising costs and profit.

It is quite evident to anyone who will read this memorandum carefully that it is a very conservative estimate of how the cost of the duty will work out. For example, instead of computing the pyramiding by taking the maximum number of middlemen and making a maximum allowance for selling expense and profit in each instance, the Tariff Commission has very plainly, in the interest of moderation, chosen the minimum number of middlemen and has made allowances for selling expense and profit which are indeed conservative. They have been very careful also to explain that the duty upon raw wool probably will not be fully effective. Yet, with all these qualifications it is apparent that they are of the opinion that this 33-cent duty on raw wool will amount to practically 93 cents per pound of cloth *in the garment*, which would amount to approximately $2.50 on the average suit of clothes and $3.50 on an ordinary overcoat, and around $5.50 on a heavy ulster. To be sure, the commission has inserted additional columns making deductions of 10 and 20 per cent, respectively, on these computations of cost in order, presumably, to make allowance for the failure of the wool duty to become fully effective and for the failure of the pyramiding process to become complete. Yet they have shown such moderation in their assumptions as to the number of middlemen through whose hands the wool will pass and as to the percentage for profit and selling expense which will be applied in each instance, that one can not escape the conclusion that 93 cents is a very fair estimate of the probable cost of the 33-cent duty upon raw wool per pound of cloth *in the garment*.

The junior Senator from New York, in commenting upon this memorandum, has apparently sought to present an interpretation of it which a careful reading of the memorandum will not sustain. He states that this memorandum demonstrates "that the raw wool duty in a suit of clothes weighing 2⅝ pounds, exclusive of the merchandising cost, is about 92 cents, while the duty on an overcoat, exclusive of the merchandising cost, would be approximately $1.71." An examination of the memorandum fails to disclose the figures which the Senator has quoted. Nor is it apparent just how these figures may have been derived from any figures which appear in the memorandum. But even if the Senator were able to justify his figures from this memorandum, it would still be unfair to put the proposition in the manner in which he has put it. No computation which excludes the merchandising costs can be accurate or helpful, for these, as the Tariff Commission's memorandum plainly shows, are a genuine and substantial addition to the original cost of the duty. Try as they may, the proponents of this duty can not explain away the fact that it will involve a very serious increase—or serve to prevent a decrease—in the cost of clothing to the public.

If a political party can enact legislation that requires an increased cost in men's suits and overcoats and women's dresses from $2.50 to $5 and remain in control of the legislative branch of the Government, it will be the first time such a political miracle has occurred in America.

At the same time it is to be borne in mind that when we refer to an increase of, say, $2.50 per suit of clothing and $5 per overcoat, we are referring only to the probable cost of the *raw wool* duty. These figures do not take into consideration other factors which will serve to increase the cost of garments to the public, such as the increases in protective rates on wool clothing and the increases in the protective rates on wool cloths and other materials entering into garments, such as linings and trimmings.

The following table shows the increases in duties upon the principal materials entering into the manufacture of a suit of clothes and further serves to indicate how seriously the cost of production of clothing will be increased:

Materials.	Underwood law.		Senate bill.	
	Paragraph.	Rate.	Paragraph.	Rate.
Wool cloth:				
Value not over 60 cents per pound.	288	35 per cent	1109	26 cents per pound plus 40 per cent.
Value 61 to 80 cents per pound.	288	.....do	1109	40 cents per pound plus 50 per cent.
Value 81 cents to $1.50 per pound.	288	.....do	1109	49 cents per pound plus 50 per cent.
Value over $1.50.	288	.....do	1109	49 cents per pound plus 55 per cent.
Linings:				
Cotton	252	27.5 per cent maximum.	903–905a	45 per cent maximum.
Silk	318	45 per cent	1205	55 per cent minimum.
Trimmings:				
Buttons	339	35–45 per cent vegetable ivory.	1410	1½ cents per line per gross plus 40 per cent.
	339	40 per cent (not specially provided for).	1411	45 per cent.
Haircloth	353	6 cents per square yard (equivalent 6 to 18 per cent).	1426	35 per cent.
Canvas padding	408	Free (all jute)	1008a	60 per cent (linen).
	284	35 per cent (chief value jute).	1008a	55 per cent (jute).
	283	30 per cent (linen)		
Cotton thread	251	15 per cent	902	25 to 45 per cent.
Silk thread	313	.....do	1204	40 per cent minimum.

It is apparent from the foregoing table that upon every item entering into a suit of clothes the Senate bill imposes very substantial increases in the duty. In the case of cotton lining and cotton thread the rates in the amendment introduced by the Finance Committee were even higher than those here indicated, but their recent rejection on the floor of the Senate has resulted in some decrease.

COST OF WOOL DUTIES TO THE PUBLIC, IN THE AGGREGATE.

But, returning to the question of the cost of the raw-wool duty to the public, let us inquire how great the cost will be, not upon an individual garment but in the aggregate. Estimates of the aggregate cost have been various. For example, a pamphlet issued by the Carded Woolen Manufacturers' Association estimates that it will amount to $310,284,000. This is computed upon the assumption of an allowance for profit and selling expenses of 10 per cent, 15 per cent, 17½ per cent, 22½ per cent, and 33⅓ per cent, respectively, to the wool dealer, spinner, weaver, clothing manufacturer, and retailer, upon which basis the 33-cent duty on raw wool would pyramid to $1.01⅛ per pound of cloth in the garment. This pyramided duty is then multiplied by the annual rate of consumption of clean wool—taken as 306,000,000 pounds—giving, as stated, $310,284,000 as the total cost to the public.

But if it be contended that this association has a special interest in securing a reduction of the duty upon raw wool and that its figures are exaggerated, let us assume that the duty will pyramid to only 93 cents per pound in the manner indicated in the Tariff Commission's memorandum above quoted. Let us bear in mind, further, that this 93 cents is not the cost of the duty per clean pound of wool, but is rather the cost of a 33-cent duty upon clean wool *per pound of cloth in the garment*. It is then apparent that in computing the total cost to the public this 93 cents should be multiplied, not by the average quantity of *clean wool* consumed annually by the American public but rather by the number of pounds of *cloth* made from clean wool and consumed annually in garments and other articles. This latter figure can not be obtained from the census because the figures showing the quantity of cloth, blankets, and so forth, produced in the United States include large quantities of goods containing substitutes for new wool. It would, therefore, be unfair to multiply the total quantity shown in the census by the 93-cent pyramided cost above noted. The best means of deriving the desired figure seems to be to ascertain the number of pounds of clean wool consumed annually by the American public and then to make a deduction covering the net wastage during the processes of manufacture into cloth.

The production of wool in the United States during the past 40 years has averaged very close to 300,000,000 pounds in the grease. With a shrinkage of 60 per cent this yields about 120,000,000 pounds of clean wool. Imports of class 1 and 2 wool—disregarding class 3 carpet wool—that may be required from abroad may be estimated as at least 100,000,000 pounds clean content per year. During and since the war import figures would appear to justify a considerably higher estimate than this, but the above estimate is based upon the assumption of a substantial duty upon raw wool and takes into consideration the pre-war importation as well as that during and since the war. On these estimates, then, our total consumption of clean wool per year would amount to about 220,000,000 pounds. In converting this wool into cloth there is an initial wastage of about 33⅓ per cent, but the great bulk of these wastes are utilizable in woolens. The invisible and unrecoverable waste would not be so large as materially to reduce the estimate of the number of pounds of cloth made from new wool. Making a rough allowance for this, however, let us say that the 220,000,000 pounds of clean wool which we have taken as the annual consumption are equivalent to 210,000,000 pounds of cloth made from virgin wool. Upon this basis, the cost of the duty to the American public would amount annually to two hundred and ten million times 93 cents, or $195,300,000.

This is a much lower figure than the estimate of the Carded Woolen Manufacturers' Association above referred to, but it is even so a very staggering one. By this 33-cent duty it is proposed to tax the public at least $195,300,000 for the purpose of enabling the domestic woolgrowers to obtain 33 cents per clean pound more for their wool than the world market price. With a domestic production equivalent to about 120,000,000 pounds of clean wool annually, this 33-cent duty would amount to $39,600,000 to the woolgrowers. It is thus proposed to tax the public almost $200,000,000 in order to put about $40,000,000 into the pockets of the woolgrowers.

Incidentally, as regards this estimate of $195,300,000 as the cost of the wool duty to the public, it should be noted that this is the cost only on the *virgin* wool which enters into garments and other articles consumed by the public. It takes no cognizance of the increased price of *reworked* wool—shoddy, mungo, and so forth—which will occur by reason of the increased duty upon raw wool and the accompanying increases in the duties upon the reworked wool. Considering that the recovered wool fiber—shoddy, and so forth—produced, and mostly consumed, in the United States amounted in 1914 to 84,836,759 pounds and in 1919 to 96,391,273 pounds, it is obvious that the increased cost of reworked wool resulting from this tariff bill will in itself be an item of enormous importance to the public.

If the majority party believe that they can exact this unjustifiable and outrageous toll from the American people without a vehement protest they will have an awakening in the approaching elections.

COST TO THE PUBLIC OF THE PROTECTIVE DUTIES ON WOOL MANUFACTURES.

The foregoing discussion is designed to show the cost only of the *raw-wool* duty to the public. On top of all this there will be large increases in the prices of the wearing apparel and the other articles which the public consumes resulting from the protective rates levied upon these articles.

I am not unaware of the prolific arguments invoked by those who are supporting the rates in this bill to the effect that, after all, the duties upon wool manufactures do not really result in any substantial increase in prices to the public, because competition in the domestic industry will keep the prices down.

This line of argument is amusing. It assumes, apparently, that representatives of this industry, who flock like herds of sheep to the National Capitol when a tariff is under revision in an effort to secure high protective rates upon these goods, are here merely as sight-seers, and that they urge great increases in the duties only in order to allow them to compete more sharply than ever before and to force the prices down to the point where they were before the duties were raised. The suggestion that the protective tariff rates are not reflected in increased prices is only advanced when some one points out that the consumers have a very direct interest in tariff duties.

To attempt to compute in dollars and cents the actual cost of these protective duties upon wool manufactures would be futile, because they vary upon the different products in the schedule and because the total value of the manufactured wool products consumed annually by the public, upon which any estimated average ad valorem duty might be applied, would be at best only a very general estimate. We do know, however, from our analysis of the rates in the Senate bill that the average protective ad valorem rate would be very high. On cloths and dress goods, for example, it would probably average close to 50 per cent. On other wool products it varies; on some of them it is more than 50 per cent and on others less. Considering that a duty of 33 cents per pound on clean wool will involve a cost to the public of at least $200,000,000, it is not difficult to see that an average ad valorem duty of, say, 45 per cent on wool manufactures will involve an additional cost to the public which will be stupendous.

Mr. President, in levying these high duties on wool and wool manufactures, it is evident that the purchasing capacity of the consumer has been ignored, and the wool schedule is again made a vehicle for the interchange of benefits in which the public is forgotten. People whose wages have already been reduced and those without substantial increase in salary or income, constituting over 95 per cent of our consumers, if forced to meet abnormally high prices and high taxation, can go without that which the producer would sell. You may, if you choose, call it a buyer's strike, but it is due to the fact that you can not get "blood out of a stone." As you promiscuously distribute these special favors in the nature of governmental subsidies, you forget that high prices are without permanent benefit to anyone. High prices have before and they may again impoverish the buyer, ruin the seller, and finally deprive labor of employment.

Mr. WALSH of Montana. Mr. President, before the Senator from Massachusetts proceeds I think it is appropriate to remark that during this most invaluable contribution which the Senator from Massachusetts is making to this very important debate there are but five Republican Members in the Senate, only one of whom, the Senator from Minnesota [Mr. KELLOGG], seems to be giving the slightest attention to what the Senator from Massachusetts is saying.

Mr. WALSH of Massachusetts. Of course, they do not want to hear what is being said. It indicates that they do not intend to be influenced by any argument or by the Tariff Commission. There are Senators on the other side of the Chamber who in the course of the debate already have repudiated the information furnished by the Tariff Commission, and have practically said that it is worthless, that their experience, their self-interest, either as woolgrowers or manufacturers, is of more value and more consequence than is the disinterested report of honest and fair men who naturally would prefer not to exaggerate this information.

Mr. SMOOT. Will the Senator from Massachusetts yield to me?

The PRESIDING OFFICER (Mr. CAMERON in the chair). Does the Senator from Massachusetts yield to the Senator from Utah?

Mr. WALSH of Massachusetts. I yield for just a moment, because I want to hasten on.

Mr. SMOOT. Mr. President, the Senator from Massachusetts has referred to the self-interest of Senators, whether wool-growers or woolen manufacturers. I wish to say to the Senator that I do not know of any woolen manufacturer in the Senate but myself; and I have no interest whatever in a woolen mill to-day.

Mr. WALSH of Massachusetts. But the Senator did have; he admitted that himself.

Mr. SMOOT. Years ago I had, until a fire burned the mill down.

Mr. WALSH of Massachusetts. The Senator also admitted that he had voted for the Payne-Aldrich bill, and he denounced that bill; and also said that the pending House bill was worse than the Payne-Aldrich law, and he has led us on and on here to believe that everything has been rotten in the past, but that this is a pure wool schedule.

Mr. SMOOT. The New York newspapers made the statement yesterday that I admitted my interest in the woolen industry as a manufacturer. There is not a word of truth in that statement. I have not a head of sheep, nor have I had since Cleveland's election, when I sold every head of sheep that I then had. I do not own any interest in a woolen mill at all; but I speak as a manufacturer.

Mr. WALSH of Massachusetts. Will the Senator from Utah tell us when he was a woolen manufacturer?

Mr. SMOOT. That was before I came to the Senate.

Mr. WALSH of Massachusetts. How many years ago was that?

Mr. SMOOT. That was 20 years ago.

Mr. WALSH of Massachusetts. So that the Senator from Utah has not been in touch with the woolen business for 20 years?

Mr. SMOOT. Oh, no; I have not been in touch with it from the personal standpoint.

Mr. WALSH of Massachusetts. The Senator has not been as a manager or a director or a superintendent or in any way connected with it?

Mr. SMOOT. Not in the least.

Mr. WALSH of Massachusetts. Or has any investment in it?

Mr. SMOOT. I had an investment of a few thousand dollars in the Provo Woolen Mill when it was burned down.

Mr. WALSH of Massachusetts. When was that?

Mr. SMOOT. About 10 years ago.

Mr. WALSH of Massachusetts. Was that investment in existence at the time the Payne-Aldrich law was in effect?

Mr. SMOOT. I think it was.

Mr. WALSH of Massachusetts. What kind of woolen cloth did that mill make?

Mr. SMOOT. It was making blankets and cashmeres and suitings and overcoatings and yarns.

Mr. WALSH of Massachusetts. Of course, each Senator must answer for himself as to whether his interest is such that he ought not to vote on or discuss this bill.

There are, however, some parliamentary bodies in the world where men who have a selfish interest are forbidden to vote upon a measure such as we are now acting upon. I think the Senator from North Carolina [Mr. OVERMAN] is aware of the fact that when on a previous occasion in this body there was a suggestion made that Senators had a selfish interest or had a personal interest in votes that were cast here there was an investigation ordered by the Senate.

Mr. OVERMAN. Yes; a resolution providing for an investigation of the so-called lobby was presented by the senior Senator from Iowa [Mr. CUMMINS], and to that resolution an amendment was offered by the senior Senator from Missouri [Mr. REED] directing the Committee on the Judiciary to inquire of every Senator on this floor what his interest was in the matters which were to be legislated upon in the tariff bill, and the investigation developed some very strange things.

Mr. WALSH of Massachusetts. In what year was that?

Mr. OVERMAN. That was in 1912.

Mr. SMOOT. I wish to say, however, to the Senator from Massachusetts that it developed that the senior Senator from Utah had no personal interest whatever in any matter affected by the tariff. In fact, I have been so careful in whatever investments I have made that they have not been affected in any way, shape, or form by the tariff.

Mr. WALSH of Massachusetts. I am glad to hear that, because the Senator from Utah has repeatedly stated that he was a manufacturer, I suppose referring back to his experience of 20 years ago; but I inferred from his allusion that he was still interested in the manufacture of woolen cloth and that he was still a manufacturer.

Mr. SMOOT. I speak of woolens as a manufacturer.

Mr. WALSH of Massachusetts. It is not necessary for the Senator to make any further explanation.

Mr. SMOOT. I desire to say to the Senator now that I shall so long as I live consider myself a manufacturer. It is the only business that I ever really learned, and I derived more pleasure from it than from any other activity of my life. I do not care what may happen to me financially; I know that I can go into a woolen mill, and I can run a woolen mill and make a living. I think every man ought to learn a trade, and I wish that every boy of mine would learn some kind of a trade. I should not care what it was, provided it were some useful trade.

The only dollar I ever invested in the sugar business was an investment up in Idaho of $1,500, and I could not get that much money for my interest in that business now. The plant was moved from Idaho, it happened, into Utah. I have not had a personal interest outside of that.

Mr. WALSH of Massachusetts. I never heard that the Senator was engaged in the sugar business. I did hear that he was a trustee or director in some companies or corporations that were interested in that business, but I never heard that he personally conducted a beet-sugar business.

Mr. SMOOT. None whatever; no more than the Senator from Massachusetts has, with the exception that I have 440 shares of Utah-Idaho Sugar Co. stock that I bought in the plant in Idaho years ago. I have made that statement on the floor of the Senate heretofore. Directly or indirectly, I am not interested at all with that exception; and that stock to-day is worth about $1,300 or $1,400.

Mr. KELLOGG. Mr. President, will the Senator yield there? I should like to ask him a question.

Mr. WALSH of Massachusetts. I yield.

Mr. KELLOGG. I do not take it that the Tariff Commission gives it as its opinion that the duty levied in this bill would add that much over and above the duties provided in the emergency tariff act.

Mr. WALSH of Massachusetts. Oh, no; of course not. It is what the duty of 33 cents a pound on the raw wool will mean in the increased price of a suit of clothes.

Mr. KELLOGG. As compared with free wool.

Mr. WALSH of Massachusetts. Of course.

Mr. KELLOGG. I understand.

Mr. WALSH of Massachusetts. Mr. President, I have a table which will serve to show roughly the increases in duties upon the principal materials entering into the manufacture of a suit of clothes and how seriously the cost of production of clothing will be increased.

Mr. WALSH of Montana. Mr. President, before the Senator goes to that table I want to inquire of him whether this will be the situation if the amendment of the Senator from Wisconsin is adopted: The figures that he gives us as to the additional cost of clothing will be reduced only in respect to 20 per cent of the clothing?

Mr. WALSH of Massachusetts. That is all.

Mr. WALSH of Montana. And will be reduced only in the difference between the converted ad valorem rates, whatever they may be, and 60 per cent?

Mr. WALSH of Massachusetts. That is my opinion.

Mr. WALSH of Montana. So that these figures that the Senator has given us will obtain anyway with respect to 80 per cent of the clothing of the people?

Mr. WALSH of Massachusetts. There is no doubt about it.

This table is a table prepared at my request to show what duty has been placed in this bill upon the materials that go into the making of clothing other than cloth. The Senator will recall that during the discussion of some of the duties upon almonds and walnuts I introduced a table showing the tax upon the materials used by the candy manufacturers, and I showed that there were 77 articles used by the candy manufacturer that under this bill bore a duty. Now I am going to show what the increased duty is to the clothing manufacturer. Later I shall produce a table that will show that the manufacturer of boots and shoes has had 25 articles which go into the making of a shoe taken off the free list and a duty put upon them in this bill, and 25 more have had the duty increased.

That is the worst feature of this bill. It increases the cost of production all along the line. That is why progressive manu-

facturers are fighting this bill. That is why they want it defeated. That is why the Republican press are against this bill—because they realize that the protection has been so generally distributed and so elaborately passed around here, there, and elsewhere that the increase in the cost of production is going to be very serious.

I have here a table which gives the names of the materials, the rate under the Underwood law, the rate under the Senate bill, and the per cent of increase.

The per cent of increase over the Underwood law on wool cloth valued at not over 60 cents a pound is 230 per cent.

The per cent of increase over the Underwood law on wool cloth valued at from 61 to 80 cents per pound is 207 per cent.

The per cent of increase over the Underwood law on wool cloth valued at 81 cents to $1.50 per pound is 180 per cent.

The per cent of increase over the Underwood law on wool cloth valued at over $1.50 per pound is 130 per cent.

That answers the Senator's question of a moment ago. The increase on the high-priced cloth in this bill is 130 per cent. The increase on the poor man's wool cloth is 230 per cent.

Now we come to linings. In the case of cotton linings the increase over the Underwood law—I will not take the time to give the Underwood rate, or the rate of this bill—is 64 per cent. In the case of silk used for linings the increase is 12 per cent. Again, only the rich use silk in lining their suits. The rate of increase there, you will note, is very low.

On trimmings, buttons, the increase is 250 per cent. On hair cloth the increase is 216 per cent. On canvas padding the increase is 100 per cent on one kind and on another kind 57 per cent. On cotton thread the increase is 133 per cent. On the floor of the Senate the rate was reduced, but the increase is still 133 per cent. On silk thread the increase is 166 per cent.

Let us sum it up. On four articles the duty is increased more than 200 per cent; on five, from 100 to 200 per cent; on two, more than 50 per cent; and on two, less than 50 per cent. Yet Senators have the hardihood and the audacity to stand on this floor and, in the face of that record, tell us that the cost of clothes is not going to increase.

Mr. President, I ask that the table to which I have referred may be printed in the RECORD as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Materials.	Underwood law rate.	Senate bill rate.	Per cent of increase over present law.
Wool cloth:			
Value not over 60 cents per pound.	35 per cent	26 cents per pound plus 40 per cent.	230 per cent. (Average based on pound value of 20, 30, 40, 50, and 60 cents.)
Value 61 to 80 cents per pound.	do	40 cents per pound plus 50 per cent.	207 per cent. (Average based on pound value of 61, 65, 70, 75, and 80 cents.)
Value 81 cents to $1.50 per pound.	do	49 cents per pound plus 50 per cent.	180 per cent. (Average based on pound value of 81 cents, 90 cents, $1, $1.25, and $1.50.)
Value over $1.50	do	49 cents per pound plus 55 per cent.	130 per cent. (Average based on pound value of $1.60, $1.70, $1.90, $2, and $3.
Linings:			
Cotton	27.5 per cent maximum.	45 per cent maximum.	64 per cent.
Silk	45 per cent	55 per cent minimum.	12 per cent.
Trimmings:			
Buttons	35–45 per cent vegetable ivory.	1½ cents per line per gross plus 40 per cent.	250 per cent on 2-line button.
	40 per cent (not specially provided for).	45 per cent	11 per cent.
Haircloth	6 cents per square yard (equivalent 6 to 18 per cent).	35 per cent	216 per cent.
Canvas padding	Free, all jute 35 per cent, chief value jute.	60 per cent linen 55 per cent jute	100 per cent. 57 per cent.
Cotton thread	30 per cent linen 15 per cent	20 to 35 per cent	133 per cent.
Silk thread	do	40 per cent minimum	166 per cent.

Mr. WALSH of Massachusetts. Mr. President, do you wonder that the clothing manufacturers are protesting against this bill, when they have learned that all the materials which they use to make a suit of clothes are to bear a heavy duty, and when they know that the public are demanding a reduction in the cost of clothing?

It is apparent from this table that upon every item entering into a suit of clothes the Senate bill imposes very substantial increases in the duty.

At a time when everyone in this country is trying to cut down wages, to deflate, to cut down cost of production, and produce more, we are proceeding to increase the cost of production to every manufacturing establishment in this country; and that is why they are saying, "Take your protective duties off me, and give me some of these raw materials free or with a reasonable duty, and I will get along without protection." That is why they have changed their whole vision on the wisdom of a protective-tariff policy. That is why there are more men in the Republican Party to-day opposed to protection than ever before—because they realize that when it gets away from the protection of infant industries and becomes a bonus and a gift and a subsidy, it becomes an unbearable burden to the consumers and to the manufacturers who must use the raw material.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. Yes; I yield.

Mr. SMOOT. I just want to say this——

Mr. WALSH of Massachusetts. I will yield for a question. I wish the Senator would wait until after I get through to make his own speech, as I have no doubt he does not agree with what I am saying.

Mr. SMOOT. The wool manufacturers of the East or any other part of the country, and the manufacturers generally in times past, when they could get all the protection they wanted on the manufactured articles, were giving none to those that produced the materials that went into those manufactured articles. That time has passed.

Mr. WALSH of Massachusetts. So far as I have been concerned nobody is protesting against giving a reasonable protection. I have not done it. I have taken a position in favor of giving reasonable protection to some of these industries. What I am denouncing, and what the Republican press is denouncing in this country, are the extortionate and unreasonable rates levied in this bill. You can not get away from that by saying: "Oh, the manufacturer can not get along without doing something for the other man." The trouble with this bill is that you have given the manufacturer what he has had in the past, and you have burdened him with duties upon the material that go into the manufactured product that he can not bear.

Mr. SMOOT. The question is whether he can bear them or not. I say that he can.

Mr. WALSH of Massachusetts. Then, if he can bear them, you indict your party and yourself, because you have enacted here the same and often higher rates that are carried in the Payne-Aldrich Act.

Mr. SMOOT. No; the manufacturer not only had the rates that were in the Payne-Aldrich bill but he had all the rates between 18 cents and 44 cents compensatory duty. The Senator understands that.

Mr. WALSH of Massachusetts. I say that the rates in this bill are higher than ever named before; that in this bill protective duties have been levied upon more products than ever before, and that you have placed many of the manufacturing interests of this country in the position of being opponents of your own protection policy, and you are injuring your party and your own principles; as the Senator from New York says, you are injuring your own purpose. You are making protection unpopular where it ought to be popular. I do not know, as a Democrat, that I ought to complain, but that is what you are doing.

Mr. SMOOT. The Senator knows that on the other side of the Chamber we have had votes here for duties on raw materials. I could stand here and mention them. Does the Senator suppose those Senators think that they can have duties upon the raw material and not give a compensatory duty to the manufacturer? On the other hand, does the manufacturer think that he can have a duty and make everybody else in the United States a carrier of water and a hewer of wood for him?

The protective tariff is not going to be made that way in the future. If we are going to believe in protection, we are going to have protection—not spotted protection, but protection—and we are not going to give the manufacturers of the East any more protection than is necessary; and I say to the Senator now that they have a compensatory duty and a protective duty that will take care of their industry, and I admit that it is not as high as the other.

Mr. WALSH of Massachusetts. I will ask the Senator to be patient and wait until I finish my argument. I dislike this practice of certain Senators on the floor here, when they hear

an argument made that they find antagonistic to their own views, of getting up immediately and interrupting the Senator and making a speech. The Senator can make that speech when I get through. I insist upon my right to make my argument. The Senator can interrupt me for all the questions he wishes and catechize me and ask me to explain anything I have said, but I am not going to permit speeches to be made in answer to my arguments in the midst of my speech.

Mr. SMOOT. The Senator, of course, has that right, and he can object at any time. I will say to the Senator that I will yield to him at any time that he wants me to do so, either to ask questions——

Mr. WALSH of Massachusetts. I never yet have asked a Senator on this floor to yield to me to make a speech.

Mr. SMOOT. I have not made a speech. I have made an explanation, that is all.

Mr. WALSH of Massachusetts. Now, Mr. President, to come right back to the thing we are talking about, the Senator denounces these manufacturers.

Mr. SMOOT. No; I do not denounce them at all. I told the Senator the other day——

Mr. WALSH of Massachusetts. The Senator said they had been "getting theirs"; they had been getting the best end of it. The Senator said that. He does not dispute that, does he?

Mr. SMOOT. Because the woolgrowers got nothing.

Mr. WALSH of Massachusetts. The Senator said the Payne-Aldrich bill was nefarious, and he said the House bill was worse than the Payne-Aldrich bill.

Mr. SMOOT. No; I said that one provision that allowed a piece of goods coming into this country to carry a wool duty because it had one thread of wool in it could not be justified, and I say it again.

Mr. WALSH of Massachusetts. I want to ask the Senator if a man can not be an honest Republican and a good protectionist and advocate a duty of 25 cents per pound on raw wool? Must he take the exact rate which the woolgrower demands in order to be a good Republican?

Mr. SMOOT. Why, no; I did not say that, and nobody has intimated that.

Mr. WALSH of Massachusetts. In all the arguments I have heard made in this Chamber nobody has yet made an argument for free wool. All the arguments I have heard have been to try to force down this rate of 33 cents; but the Senator from Utah has led the forces that are contending for this rate, and has said that any rate less than this would not be satisfactory to him or to the country or to the Republican Party.

Mr. SMOOT. No; the Senator now has gone further than he ought to have gone. I never have made that statement upon this floor.

Mr. WALSH of Massachusetts. Will the Senator vote for a rate less than 33 cents?

Mr. SMOOT. Mr. President, I do not know what rate the conference committee will agree upon in the case of wool.

Mr. WALSH of Massachusetts. Will the Senator now, if a motion is made, vote for any rate, proposed by even a Republican, less than 33 cents?

Mr. SMOOT. No; I will not do it now, and the Senator knows why.

Mr. WALSH of Massachusetts. That is what I thought.

Mr. SMOOT. Another thing I will say to the Senator is this: You can not get your own side to vote for free wool. The Senator is talking about free wool. Let us see how many Democrats will vote for free wool.

Mr. CARAWAY raised his hand.

Mr. SMOOT. Yes; the Senator from Arkansas will.

Mr. WALSH of Massachusetts. Who is talking about free wool?

Mr. SMOOT. The Senator was just talking about free wool.

Mr. WALSH of Massachusetts. What did I say about free wool?

Mr. SMOOT. The Senator said that he would not give them free wool and that I would not give them free wool.

Mr. WALSH of Massachusetts. Did I make any such statement as that?

Mr. SMOOT. I will ask the reporter to read the statement the Senator made.

Mr. WALSH of Massachusetts. Does the Senator want to take up the time to refer to the reporter's notes?

Mr. SMOOT. If the Senator doubts it, I do.

Mr. WALSH of Massachusetts. All right; you can refer to the reporter's notes to find out just what I said about free wool. I said that nobody was talking in this instance about free wool.

Mr. SMOOT. No; no one was advocating free wool.

Mr. WALSH of Massachusetts. I said that we were talking about lowering this duty of 33 cents a pound.

Mr. SMOOT. The Senator said that no one was advocating free wool.

Mr. WALSH of Massachusetts. Yes; I said nobody was advocating it; nobody was talking about it.

Mr. SMOOT. That is exactly what I said.

Mr. WALSH of Massachusetts. No; the Senator said that I was talking about free wool.

Mr. SMOOT. Well, no one was advocating it—neither myself nor anyone else.

Mr. WALSH of Massachusetts. I do not want any personal controversy or argument about what I said or what I did not say. I say to the Senator that this rate is too high, that this rate is excessive, and if it is a fair and just rate it indicts the whole Republican House majority, who fixed the rate at 25 cents, with a clause providing that in the case of cheap wools it would be less.

Mr. SMOOT. As far as the rate is concerned, according to the report of the Tariff Commission, the 33 cents would be cheaper.

Mr. STANLEY. I assume the Senator from Utah means that the Democratic side would not as a body unanimously vote for free wool?

Mr. SMOOT. That is what I meant.

Mr. STANLEY. Not that no Democrats on this side would vote for free wool?

Mr. SMOOT. No; I did not say that.

Mr. STANLEY. I would welcome the opportunity.

Mr. SMOOT. Certainly; I know the Senator would.

Mr. STANLEY. There would be no more righteous vote I could cast, in the fear of the Lord and for my country.

Mr. WALSH of Massachusetts. There is no danger of getting free wool, and there is no danger of reducing this rate one cent. If the committee had brought in a rate of 50 cents per pound, it would go through this Chamber. There is an invisible club being wielded in this Chamber. It has been said again and again that the manufacturers were getting too much; that the day is past for protection for them; that the agricultural interests must come into their own now. This is an attack upon the manufacturing interests of this country, who have supported the Republican Party all these years and contributed lavishly to its campaign expenses. Many of them have grown prosperous and have expanded and enlarged because of the policy of protecting infant industries which that party has stood for. But the woolen industry is not an infant industry. It has been stagnant for 40 years, and if you should make this duty $1 a pound it would not revive that industry any more than the high duties upon flaxseed can revive that industry.

Mr. SMOOT. The Senator is in favor of free wool, then, I judge?

Mr. WALSH of Massachusetts. I will say to the Senator very frankly that I would vote for free wool. I will say further to the Senator that there is just as much reason for a protective duty of 33 cents per pound upon many other raw products as for such a duty upon wool. Of course a reasonable duty for revenue purposes would be proper and justifiable.

Mr. President, I have taken more time than I intended, but I felt it was of some importance to have from this side of the Chamber an estimate made of the cost of the duty to the individual and the cost to the public and some estimate made, although we really can not estimate it, of the cost to the public by reason of the protective duties upon woolen manufactures.

Mr. HITCHCOCK. Mr. President, of course, the Senator has only touched upon one or two articles of clothing. Wool enters into so many articles of clothing that it really would be a much larger item of cost upon the individual.

Mr. WALSH of Massachusetts. We have to determine how many pounds of wool are in a blanket, in a suit of clothes, in an overcoat, and we have the finding of the board that when that wool finally reaches the garment it is pyramided to the value of 93 cents per pound. With that information we can very easily determine, if we know the amount of wool in a given garment, what the increased cost to the public would be.

Now, Mr. President, I wish to conclude by stating that I shall vote for the amendment offered by the Senator from Wisconsin because it is a step forward in the attempt to reduce somewhat these outrageous rates. Politically speaking, it would be better for every Senator on this side of the Chamber to remain silent and let the bill go through with the rates unamended. But we owe something to our country. We owe it to our country to protest against the highest rates ever levied upon wool, levied in this crisis in the industrial life of our country.

The rate can not be justified except from the point of view of the woolgrower. They do not ask for a higher rate. This is the rate they named. Whoever heard of a manufacturer or

a producer of any article ever being given by an impartial tribunal the exact rate which they requested at the outset?

I am aware that this business has passed through a period of very serious depression. But, Mr. President, every industry in the country has passed through a period of depression. The woolgrowers have suffered no more than the cattle raisers. The cattle raisers have suffered no more than the cotton raisers. The cotton raisers have suffered no more than the manufacturers. The manufacturers have suffered no more than labor. If we are to levy tariff duties based upon the necessity of bolstering up depressed business, then why not begin with the men and women walking the streets of the country without any employment and without the wherewith to buy the necessities of life? If we are going to distribute bonuses and bounties and gifts by a tax levied upon the American people, why not begin with the unemployed?

Mr. President, these rates can not be defended. The cost to the American people will be stupendous. The American people will do to this bill and to the party that enacts it into law just what they did in the case of the Payne-Aldrich law. The day can not arrive fast enough to let them get to the voting polls next fall and register their protest against the imposition of this tax upon the consumers and against the placing of this burden upon the manufacturer as well as the consumer. It is indefensible. It is outrageous. But there is no use protesting. The die is cast. The high rate will be adopted. The amendment of the Senator from Wisconsin will be defeated. Every amendment proposed tending to reduce the rate proposed by the committee will be defeated. If the rate were 40 cents, it would go through just the same. It is from 33 to 50 per cent higher than the rate which the Republicans of the House adopted, but that is of no consequence, for the tariff agricultural bloc are the masters of the situation and they have named their terms. It is 33 cents per pound, or, what shall I say, a bolt, I suppose, against the rates on manufactures?

Mr. President, I am going to make a final protest against the rate and ask Senators upon the other side of the Chamber to pause and think of somebody else besides the woolgrower, to think of some of the millions of people in the country who have to buy clothes, who have to buy blankets, and who ought not to be penalized and taxed by such an outrageous increase in the duty upon raw wool, an increase of 50 to 81 per cent over the duties levied in the Payne-Aldrich law, which was so very quickly repudiated by the American people.

Mr. SMOOT. Mr. President, some time when I have a few spare moments I am going through the RECORD and gather together all the predictions that have been made on the opposite side as to the increased costs due to increased duties to the American people, covering the different schedules in the pending bill. I think in the end, if they continue those predictions in the same wild and exaggerated way as they have made them in the past, the amount predicted will be more than the cost of all goods consumed in the United States.

The Senator from Massachusetts [Mr. WALSH] has announced to-day costs computed for him probably by some clothing manufacturer that the rate of duty upon wool or the increased rates, as he said, will cost the American people three hundred-odd million dollars. Is it possible? No! I find that in 1919, with the values at nearly twice what they are to-day, the amount of cloths and flannels and dress goods made in the United States was $692,479,000.

Mr. SIMMONS. Mr. President, will the Senator permit me to ask upon what basis that is figured? Is it upon the retail selling price, or what is the basis?

Mr. SMOOT. It is the manufactured price.

Mr. SIMMONS. The Senator from Massachusetts was speaking about the retail price to the consumer.

Mr. SMOOT. I know that is what he was speaking of, and that is what I want to call attention to right now. The prices to-day are scarcely one-half what they were at that time. I have quotations here from five of the best mills in the United States.

Mr. WALSH of Massachusetts. Mr. President, does not the Senator know that the estimated value of the clothing in this country is over $2,000,000,000?

Mr. SMOOT. I am not talking about the estimated value of the clothing, but as to the value of flannels and the cloths and the dress goods, and the Senator made his prediction based on the increased duty on wools entering into a suit of clothes.

Mr. WALSH of Massachusetts. I was talking about the increased cost of the wool in the clothing to the country, and the clothing of the country amounts to over $2,000,000,000 in value.

Mr. SMOOT. I am not talking about the clothing. We are talking about the effect of the duty on wool. If it all was clothing wool and all went into dress goods and flannels, if all the cloth, every ounce of it, was wool, the whole value as shown for 1919 was only $692,479,000.

Mr. WALSH of Massachusetts. But the consumer does not buy cloth. He buys clothes.

Mr. SMOOT. Yes; and I want the consumer to know who makes that profit. I would like to have Mr. Goldman tell the American people who makes the profit. It is not the woolgrower. The claim is made that the proposed rate of duty upon the wool, if the prices were as quoted here by the Tariff Commission, would advance the price of goods more than all the cost of the goods and all the labor and all the material in them. It can not be. In other words, if they would give these people the cloth for nothing, make them a present of it, and then take the difference, it would show just who was making the profit. It is not the cloth manufacturer. It is not the woolgrower.

The Senator said the other day there were $72,000,000 worth of wool used in the clothing and that was multiplied and pyramided until it was over $300,000,000. Pyramided so that it will be increased 300 per cent. I have stated upon this floor many times that some time or other the American people would learn where the high cost of living came from, and that is in the mode of distribution of the goods after they are made. No better example has ever been made than the one just made by the Senator from Massachusetts to that effect.

I want to say that this is the most difficult schedule there is in the whole bill. The shrinkages of wool are so great and they are so varied——

Mr. McLEAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Connecticut?

Mr. SMOOT. I yield.

Mr. McLEAN. Did I correctly understand the Senator to say that the price of woolen cloth in 1919 was nearly twice what it is to-day?

Mr. SMOOT. I will say to the Senator that we are not making the same yardage. The price per yard of the cloths is only about one-half what it was in 1919.

Mr. McLEAN. Wool was free then.

Mr. SMOOT. Yes; but we all know why those values were so high. All prices were then out of all reason, but I do not want to take any advantage of that in the argument I am making. I know that the price of cloth to-day as compared with the price then is less than one-half. If they made as many yards as they made in 1919 the values would be correspondingly changed. At that time every wool-manufacturing concern in the United States was running full, and to-day they are not running 50 per cent. It seems to me it is time for Senators to stop and think. The propagandist statements sent broadcast throughout the country ought to be analyzed before they are swallowed hook and line.

Mr. WALSH of Massachusetts rose.

Mr. SMOOT. I know the Senator from Massachusetts is not responsible for it. I acquit him of it.

Mr. WALSH of Massachusetts. I would like to ask the Senator from Utah what he says would be the increased cost in a suit of clothes and an overcoat? Has he made any such calculation?

Mr. SMOOT. We will take a suit of clothes. I said the other day that the 3 pounds on an average is about the wool content on the lightweights, and the heavyweights, too. I even went further than that and said, "Let us say 4 pounds." If we have a duty of 33 cents a pound it is $1.32 upon the suit of clothes, allowing 4 pounds. I am speaking of the duty upon the wool, and that is in case all the cloth is made of all pure wool. The Senator knows it is not made of pure wool, and everybody else knows that it is not. I want to say, Mr. President, that the amount of the wool that is used in the manufacture of cloth varies, of course.

Mr. WALSH of Massachusetts. Will the Senator answer my question? There is a difference between us. I say $2.50 is the additional cost. Does the Senator say $1.20?

Mr. SMOOT. If it were 4 pounds, it would be $1.32. If it were only 3 pounds, it would be 99 cents.

Mr. WALSH of Massachusetts. I said $2.50, and the Senator makes no allowance for the merchandising costs, and so forth.

Mr. SMOOT. Mr. President, I am stating what the rate of duty is. If the manufacturers were given all of the wool for nothing, if the woolgrowers said to them, "You may have this wool for nothing; we are raising it for you and for your benefit; now please take our wool; we will even cart, unload, and put it in the mill and you need not pay us anything"; what difference would it make in the cost of a suit of clothes? The very finest wools that may be put in a suit of clothes are valued at $1.20 a pound; that would be $3.60 for the wool in a suit

of clothes. That is not the duty; that is the cost of the wool; but if all of it were given to the manufacturer and placed at his door and he were made a present of it, it would not reduce the price of the suit as much as is claimed the duty alone increases the price of a suit.

We were told the other day that as to one of these schedules the increased duty involved an additional cost of $50,000,000, but when one turned to the statistics he found that the value of all the articles produced in the whole schedule amounted to only about that much. It is all right, Mr. President, to put these sensational statements before the public, and they are always printed in headlines, but some time or other the truth is going to be known.

Before I was interrupted, however, I was stating that the wool schedule is the most difficult there is in the whole bill. We are dealing with a so-called raw material which shrinks all the way from 20 per cent up to 90 per cent. We have got to provide some basis for levying the duties. I remember in 1909 when Mr. Dolliver, of Iowa, insisted upon having an ad valorem rate upon wool, an ad valorem rate upon all the cloth, and having no specific duty and no compensatory duty mentioned in the bill. I remember the situation at that time; and I do not hesitate to say that I have not since then changed my mind a particle. Even under the scoured-content provision of the bill as it is now written there is not a living soul who can tell exactly what the scoured content will be. I know it can be ascertained within 2 or 3 per cent; I know that the Provo mills paid for my education, perhaps, while I was learning to gauge the shrinkage of wool so as to be equipped to purchase the millions and tens of millions of pounds of wool that I purchased for those mills. It cost them a good deal of money; but I say now that when I was buying millions of pounds of wool I could not say just what the shrinkage of the wool would be. I could say, however, within 2 or 3 per cent of what it would be. And the man who can not judge of the shrinkage of wool within 3 per cent the Government of the United States better not employ as an appraiser. If the Government does not have an appraiser who can judge the shrinkage within 1 or 2 or 3 per cent on every importation of wool into the United States, the importer will contest the rate of duty which is decided upon. There are, however, men who are educated in this matter. I know them, for I bought wool alongside of them for years and years, and I have seen time and again tests made in purchasing a clip of wool when all of the buyers would put down exactly what their view of the shrinkage of the wool might be, and it was very seldom when such purchasers of wool came together that the difference ever amounted to more than 2 per cent.

I wish it were possible so to frame a bill that all question of doubt as to shrinkage, whether 1 per cent or 2 per cent would be eliminated, but it is impossible to do so, I do not care what plan may be adopted.

Mr. President, is it better to have an ad valorem rate of duty than a specific rate of duty upon wool? I want to say to the Senator that under an ad valorem rate the valuation of wool which is imported into this country would show a much greater discrepancy than is possible under the scoured-content plan.

Mr. LENROOT. Mr. President, will the Senator yield to me?

Mr. SMOOT. Yes; I yield.

Mr. LENROOT. I am very much interested in the Senator's statement that the experts can not tell within 3 per cent of what the shrinkage of wool will be.

Mr. SMOOT. I said 3 per cent at the outside.

Mr. LENROOT. Now, I want to ask the Senator if that is so, if the committee's plan of all these brackets is not going to lead to endless litigation? Will it not be very much better, with the same 33-cent rate, to take the House provision upon the scoured content?

Mr. SMOOT. Yes; to a certain extent; and so far as the woolgrower is concerned, I will say, without a question of doubt, it is of no benefit to him, and if I had my way that is exactly what I would do.

Mr. LENROOT. From the standpoint of the Government also, and of everyone else, would it not be better to have it in that way?

Mr. SMOOT. I think so. There is this trouble about the bracket plan: The various brackets are based on 3 per cent gradations in the shrinkage; and in the administration of the law a contest may arise between the importer and the Government, the latter claiming that the wool falls in the class shrinking from 39 to 42 per cent, for instance, and the importer claiming the shrinkage is but 38½ per cent. That is the difficulty in the administration of the bracket system. When, however, we come to take an ad valorem rate and base the duty upon the price at which the wool is invoiced, I say now to the Senate that there will be a very much greater discrepancy in such a case than is possible under the bracket system or under the straight rate of 33 cents.

In the case of cotton there is no such difficulty; in the case of silk there is no such difficulty. The raw silk comes in free, and everybody knows just what it is. Cotton is purchased, and everybody knows just the weight of the purchase. It does not have to be scoured and no computation has to be made as to shrinkage. The only question is as to the length of fiber where there is any decision to be rendered.

Mr. President, if there is any business in all the world where there are leaks, it is in the woolen business. Just as soon as wool is clipped from the sheep's back every time it is handled there is a loss. The successful woolen manufacturer is a man who stops those leaks; and if he can not stop them in the same degree as his competitor stops them, he goes out of business. A retail merchant buys his goods, and all he has to think of is the turnover and the profit which he will make upon them; but when the manufacturer buys wool after it is clipped it goes, first, into a room where it is sorted, and there is a loss there; it goes next to the duster, and there is a loss there; it goes then to the washing machine, and there is a loss there; it goes to the picker room and goes through the picker, and there is a loss there; it goes to the cards, and there is a loss there; it goes to the spinning room, and there is a loss there. I want to repeat that it is the most difficult business in all the world of which to make a success. No man who has not had experience should go into the manufacture of woolen goods.

Mr. President, I want to say this much about the woolen schedule to indicate how difficult it is to arrange the rates satisfactorily to all concerned; but I desire to tell the Senate also that the plan proposed by the committee, while not perfect, is the best that could be devised, in my opinion, to make sure that the woolgrower will receive the rate of duty which is given to him.

There is a difference of view as to whether wool should be free or whether a duty should be imposed upon it, but I know that a majority of the Senate are in favor of a duty upon wool. When that is decided, the next question is how best to handle a compensatory duty for the manufacturer, and how best to impose the duties upon the items that fall under the different brackets of the schedule. I say, Mr. President, the plan which has been adopted by the committee is the most just plan that can possibly be put into the woolen schedule, in view of the imposition of a duty upon the raw wool. Of course, if we had free wool, and no compensatory duty to impose, then we could follow the plan of the Underwood-Simmons tariff law and provide an ad valorem duty upon the finished product.

Mr. POMERENE. Mr. President——

Mr. SMOOT. I yield.

Mr. POMERENE. I realize what great experience the Senator from Utah has had in the woolen business, and I realize, I think, that when the duty is placed upon the scoured content that that improves in that behalf this legislation over any that we have had heretofore; I think I see that pretty clearly; but the Senator now criticizes the amendment offered by the Senator from Wisconsin [Mr. LENROOT] on the ground that it is impossible to administer that provision if we make the duty on an ad valorem basis. I do not see that—and I say it with all due respect—I do not think the Senator has made that clear.

Let me make this further suggestion: The amendment offered by the Senator from Wisconsin does not, properly speaking, provide an ad valorem system for levying the duty. The specific rates remain, but the amendment provides, if I understand it correctly, that while the specific rates shall prevail, as set forth in the bill, the specific duties shall not be in excess of an ad valorem rate of duty of 60 per cent.

It does seem to me, from my meager knowledge of this subject, that if we have a specific rate of so much per pound, and we know what the price is—and we are talking of foreign valuation now—when we have that value, and we know that so many pounds of scoured content of wool have come in, and that the duty is 33 cents a pound, we ought to be able to estimate whether or not that 33 cents per pound specific duty on the scoured content is going to be in excess of 60 per cent of the foreign valuation.

Mr. SMOOT. Yes; but that is not the difficulty in administration. The difficulty in administration is that, for instance, in the same piece of cloth there is one class of wool that will be dutiable at 33 cents, and there is another class of wool, with the limitation of 60 per cent, that would be dutiable at 18 cents. When we give a compensatory duty under those circumstances no living soul can tell what it should be. If it were a straight ad valorem duty, I have already said that that could be admin-

istered; but you can not properly impose a compensatory duty when an ad valorem and specific duty on wools entering into the cloth are widely different.

Mr. POMERENE. Of course I was addressing myself to the ad valorem duty in so far as it relates to the raw wool.

Mr. SMOOT. If it were a straight ad valorem duty on all, then it could be imposed with an ad valorem duty; but it can not with a compound duty with different rates.

Mr. POMERENE. I think that is true; but we have ways and ways of getting information. We are not necessarily bound by invoices. Of course, ordinarily, I take it, the invoices are accepted at the customhouse. I think that is true ordinarily; but if there is any difficulty about this it does seem to me that a scheme could be worked out whereby we could provide a fairly equitable compensatory duty, even based upon the ad valorem rate.

Mr. SMOOT. Mr. President, I ask unanimous consent that when the Senate closes its session to-day it recess until 11 o'clock to-morrow morning.

The PRESIDING OFFICER. Is there objection?

Mr. UNDERWOOD. Mr. President, let me ask the Senator whether it is proposed to have an executive session this evening?

Mr. SMOOT. If any Senator desires it; but I have not heard anyone ask for it.

Mr. CURTIS. No nominations have come in, so there will not be an executive session, unless it is desired by some Senator.

Mr. UNDERWOOD. I just wanted to know.

Mr. CURTIS. There will be none.

Mr. UNDERWOOD. I have no objection to the request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah? The Chair hears none.

The question is on the amendment proposed by the Senator from Wisconsin [Mr. LENROOT] to the amendment of the committee.

Mr. WALSH of Massachusetts. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WALSH of Montana. Mr. President, before a vote is taken on this matter I desire to say that I represent in part in this body the greatest wool-producing State in this Union. I am entirely satisfied that the rates provided for in paragraph 1102 are unjustifiably large. I am desirous of voting for very much lower rates. I shall talk about that later.

I should like very much to vote for the amendment offered by the Senator from Wisconsin. The wools to which it would be applicable are not produced in any considerable quantity at least in our section of the country, and the effect would be indirect and not direct. But, Mr. President, I shall not vote to reduce the rates on the raw wool unless I can be fully assured that the compensatory duties upon the manufactured products are going to be reduced proportionately and in accordance with those rates.

The situation is thus at the present time: The Senator from Wisconsin [Mr. LENROOT], tendering his amendment, puts it up to the committee to propose a plan for a proportionate reduction of the compensatory rate. The committee advises the Senate that it is an insoluble problem; that at least the committee is unequal to the task of solving it. If that is the case, we then reduce the rate upon the raw product so that it shall be not to exceed 60 per cent, while the manufacturer will get a compensatory rate, according to the statement made here, of 130 per cent, or someth ng of that kind, upon certain classes of products.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. WALSH of Montana. I yield.

Mr. LENROOT. I will say to the Senator very frankly that I myself would not offer this amendment upon the raw wool unless I intended to follow it up with offering reductions in the compensatory figures proposed by the Senate committee.

Mr. WALSH of Montana. I suggest to the Senator, then—and that was my purpose in rising—that before a vote is taken upon this amendment it would be wise for him to submit what he proposes in the way of a reduction of the compensatory rate upon the manufactured product, because, as at present advised, it would seem as though that could not be accomplished; and I shall not vote for this amendment until the matter of the reduction in the compensatory rate is discussed to some extent at least. If the vote is taken immediately, what I shall do when the bill comes into the Senate and I see what is done with respect to the reduction of the compensatory rate, I reserve for decision at that time.

Mr. LENROOT. Mr. President, as I stated a moment ago, of course I should not think of offering this amendment with reference to raw wool unless I had in mind carrying the reduction of the duties upon these low-priced wools into the compensatory clauses of the manufactured product.

Mr. President, I assume in the first place that it is not impossible for the committee to work out a basis for a reduction if this amendment is adopted. I appreciate, of course, that the committee can not exactly determine what would be a proper compensation if this amendment is adopted; and the committee has not been able to determine, and the committee has not determined, in the bill that has been reported by the committee, a proper compensation clause with wool at 33 cents a pound. It is impossible to be exact. The committee can not know how much cotton is in a given fabric with reference to the duty imposed; it can not know how much shoddy is in a given fabric, how much waste is in a given fabric, and so on. It assumes that in fabrics of a given value there will be so much wool and gives a compensatory duty for it.

It may be less, or it may be more; and so the committee, if this amendment is adopted, can make the same kind of an assumption and reduce the compensatory duties in the following paragraphs of the bill. I will say, further, that if they do not, I will undertake to do so myself, and I frankly say that if no other basis be found, I shall take this basis:

It has been stated that about 20 per cent of the class of wools that will be affected by this amendment go into the clothing of the country. That being so, this amendment, under the present price of wool, would make a reduction of about 12 cents a pound in the duty upon 20 per cent of the wool that is used in the clothing. If this amendment is adopted, I shall upon these low-priced fabrics work out a reduction in compensation based upon the assumption that at least 20 per cent of the wool that is employed in these low-priced fabrics is this low-grade wool. That will be at least fair, because if 20 per cent of all the wool consumed is this character of wool, in the very fine fabrics none of it is used. That must be true; and in the other fabrics, the coarse fabrics, therefore, more than 20 per cent must be used. So it seems to me that it can be worked out, if the committee will sympathetically try to work it out, upon a basis of that kind.

Mr. President, I want to say one word more. I think, before this vote is taken, the Senate should realize just where it is coming to a little later in this bill, with the duties that are now proposed, if the amendment that I have proposed be rejected.

I made some computations this afternoon, and in the bill as reported by the committee the duty that will be imposed upon tops valued at 40 cents a pound will be 115 per cent ad valorem. The duty on tops with the rate reported by the committee on the imports of 1921, averaging 64 cents a pound, will be 80 per cent ad valorem. Under the bill as reported by the committee the duty upon yarns valued at 30 cents a pound will be 117 per cent ad valorem. Upon yarns valued at 60 cents a pound the duty will be 100 per cent ad valorem. Upon woven fabrics—that includes the cloth that goes into the clothing that the people wear—with the duties proposed by the committee, fabrics valued at 80 cents a pound will pay 100 per cent ad valorem. Upon blankets valued at 50 cents a pound, made of the same kind of wool that is covered by the amendment for which the committee will give 33 cents a pound compensation, based upon the reduction of the estimate for cotton, shoddy, etc., that may go into it, the duty will be 70 per cent ad valorem.

I want to ask Senators on this side if they realize the difficulties they are going to encounter between now and November in going before the American people and defending such duties as are now proposed by the committee in this bill, and whether this side will not exercise a little wisdom, and, without injuring the American woolgrower, at least afford some reduction in these duties?

Mr. POMERENE. Mr. President, I want to say a word with regard to this question. I am not prepared to go into the discussion of it in all of its details, but I confess that I am not able to accept the statement made by the distinguished Senator from Utah when he says that if we should adopt the ad valorem duties on the finished products they would be incapable of proper administration.

Mr. SMOOT. The Senator did not understand me. I did not say that. I said that if we adopted the ad valorem duties upon wool, and had a compensatory specific with an ad valorem duty, that could not be administered. That is quite a different proposition.

Mr. POMERENE. It is not materially different. I recognize the fact that years ago the duties levied in the tariff bills were more largely specific than ad valorem, and it has seemed to me, since I have been in the Senate, that every time it has been suggested that there should be an ad valorem duty we have always been confronted with the thought that it would be incapable of administration. But none the less, it appears that in each successive tariff bill the ad valorem duties have been extended so as to apply to more articles than in the bill before.

The Senator from Utah seems to admit, if I understand him, that if we had nothing further to consider than the duty upon the raw wool, it would be entirely practicable to limit these specific duties to a maximum of 60 per cent ad valorem. His objection seems to be that if we do that we will have our troubles when it comes to the compensatory duty.

In comparing the Payne-Aldrich law with the pending bill the Senator tells us very frankly that the present duties, based upon the scoured content, will be very much more equitable and be a very great improvement over the duty placed upon the wool in the grease, and I think I agree with him. But with all his experience as a manuafcturer and as a legislator the Senator has seen a new light even on that subject. Formerly the Senator believed that a duty based upon the scoured content would be wholly practicable as a matter of administration.

Mr. SMOOT. As to the exact amount of shrinkage, no doubt; and I have said so to-day.

Mr. POMERENE. But the Senator none the less is willing to accept it, even though it is thus impracticable.

Mr. SMOOT. It is the best we can do. I have just said it in the Senate, and the Senator must have heard me, that no living being can tell what the exact shrinkage will be. They can tell it within 3 per cent.

Mr. POMERENE. I suppose that is true, Mr. President, getting down to a mathematical nicety.

Mr. SMOOT. That is all I am talking about.

Mr. POMERENE. But we are talking about practical things and seeking to do them in a practical way. When the Payne-Aldrich bill was before the Senate the Senator was just as positive that basing a duty upon the scoured content would be as impracticable as he now insists it would be to adopt the ad valorem system when it comes to the question of fixing a compensatory duty upon the finished product.

Mr. SMOOT. Evidently the Senator has not yet comprehended my criticism in that regard. That is where you have a part of the wools on a scoured basis, at 33 cents, and then at the same time put in the same paragraph a provision that none shall be admitted exceeding 60 per cent. That proposition has never been made to the Senate before.

Mr. POMERENE. I am not saying that it was.

Mr. SMOOT. I say again that as between the ad valorem duty and the scoured basis duty, neither of them can be mathematically exact. The appraiser at Boston may appraise the goods quite differently from the appraiser at New York, but the variation would not be more than 3 per cent. The ad valorem would be at least that much, and with the undervaluation perhaps a great deal more. The only other method would be on the basis of the grease pound, and if the compensatory duty of 11 cents a pound had been carried through and the woolgrower had gotten it nobody could have objected. But that has not been the case. The woolgrower has not received more than 5 or 6, and sometimes 7, cents a pound instead of 11.

Mr. POMERENE. I know how very positive the Senator is in a statement of his opinions, but during the debate on the Payne-Aldrich bill, when an amendment was pending to place a duty upon the scoured content, the Senator from Utah said, on June 8, 1909, as appears on page 2953 of the CONGRESSIONAL RECORD:

> I wish to state that that is not the reason why I would oppose any such proposition, but the reason is that it is absolutely impossible of administration. That is one objection. Another is that to administer it every pound of wool that comes into this country would have to be scoured.

Then, following something said by Senator Beveridge, the Senator again said:

> Every manufacturer of woolen goods first wants to assort his own wool, and the success or failure of a woolen mill many times depends upon the assorting of wool. One man may have a half dozen grades; another man, a manufacturer of woolens, may have only 3; another may have 10. The manufacturer wants to assort the wool for the particular goods that he makes to suit his own idea as to what the effect and result of the assortment will be.
>
> This amendment is impossible of administration. Take one fleece of wool; I can take out of one fleece of wool five grades of wool. Who is going to administer the provision? Is it going to be assorted at the port of New York or Boston, or whatever port it enters into the United States? Is it going to be scoured there?
>
> Mr. President, there are hardly two manufacturers in the United States that scour their wool the same way or with the same process. Why? One, perchance, will want to scour with caustic soda, another with caustic potash, another with a manufactured article for scouring wool, all depending upon the judgment of the manufacturer.
>
> Another thing, Mr. President, every manufacturer wants his wool in the grease.

Later on he said:

> Mr. SMOOT. I will say again, I am positive that it can not be administerd successfully, and no manufacturer in this country would approve of any such plan.

That is pretty positive language.

Mr. SMOOT. I have said the same thing to-day.

Mr. POMERENE. I know that; but the difficulty is that my very good friend, with all his experience as a manufacturer and as a legislator, has surrendered his former convictions, and he brings in this statement. If what he said in 1909 was true, I am afraid my good friend's name will be anathema to all the manufacturers and importers of the country.

Mr. SMOOT. I want to say to the Senator that I do not think the manufacturers want this rate at all, and I said so to-day. I did not know the Senator was going to repeat the statement I made in 1909 or I would not have made a statement to-day. I would have contented myself with saying that I agree with what I said then.

Mr. POMERENE. The Senator agrees with what he said then, but he has surrendered his convictions and accepted this other plan. I did not say this for the purpose of finding fault, because we all change our views——

Mr. SMOOT. I have not changed my views.

Mr. POMERENE. Convinced against your will, you will be of the same opinion still, I suspect.

Mr. SMOOT. I was speaking there of scoured wool.

Mr. POMERENE. I understand that.

Mr. SMOOT. No manufacturer wants the duty based on scoured wool.

Mr. POMERENE. I simply want to call the Senator's attention to the change in his situation, at least, whether his views are the same or not, with the hope that with further study he will be willing, with the assistance of the distinguished Senator from Wisconsin, to work out some scheme so far as the duties on the manufactured products are concerned.

Mr. WALSH of Massachusetts. Mr. President, I request unanimous consent to have printed in the RECORD a communication from Mr. William Goldman, clothing manufacturer of New York, in which he claims that the cost of the 33-cent duty on raw wool in a finished pound of cloth will be $1.06½ instead of 93 cents as claimed by me. In view of the great public interest in this matter of cost I think the communication from a clothing manufacturer will be enlightening.

Mr. SMOOT. I think the communication ought to go in the RECORD because if Mr. Goldman continues to climb, we shall have his estimate of the rate higher than all the goods made in the United States.

There being no objection, the communication was ordered to be printed in the RECORD, as follows:

NEW YORK, *July 24, 1922.*

Hon. D. I. WALSH,
United States Senate, Washington, D. C.

DEAR SENATOR WALSH: In view of the very conservative statement presented by you to the Senate to-day with regard to the implications of the raw-wool duty, let me hand you herewith copy of a statement of corrections and omissions to be made to the Tariff Commission's report, which I have just forwarded to Senator CALDER for the purpose of having it incorporated in the RECORD.

On the basis of this report you will notice that I make the cost of the 33-cent duty on wool in the finished pound of cloth $1.06½ instead of 93 cents. You will find this statement well worth reading in its entirety, because it shows how the costs on the individual garments are made very much higher than shown in the Tariff Commission's report.

Very truly yours, WILLIAM GOLDMAN.

The Tariff Commission's report to the effect that the duty of 33 cents on the clean content of wool would involve a cost to the consumer of 93 cents per pound of cloth, $2.85 on a full-weight suit of clothes (made of 14-ounce cloth), and $5.70 on an unlined ulster (cloth weighing 28 ounces) is inaccurate, and I desire to point out certain omissions and necessary corrections to that statement.

The Tariff Commission bases its findings on the average conditions shown in the 1916 report of the Department of Commerce entitled "The men's factory-made clothing industry," and assumes that this report would indicate that a 10 per cent mark up on cost (9 per cent on selling price) would cover overhead, selling expense, and profit for the woolen industry, and 15 per cent on cost (or 13 per cent on selling price) would cover these same items for the clothing industry.

These figures are so much under the actual experience of clothing manufacturers as to cause me to refer back to a very exhaustive report contained in the Tariff Board's report on wool and manufacturers of wool published in 1912, and which, on page 860 of volume 3, presents an accurate ascertainment on all grades of clothing of the percentages of mark-up required to cover selling expense, overhead, and profit for the clothing industry. These are as follows:

	Per cent.
Cheap ($8 and under)	17
Medium ($8 to $15)	19.6
High grade ($15 and over):	
Class A	19.1
Class B	23.1
Children's	19.2
Special order (tailor to the trade)	27

With an average cost for the entire industry of 20 per cent. This figure is, of course, on selling price.

The figures for the woolen trade are not worked out in a table of this kind in this same report, but those familiar with costs of distribution in this industry claim that 9 per cent on selling price is entirely too low to cover overhead, selling expense, and profit. A figure of 15 per cent on cost or 13 per cent on selling price would be a very conservative figure as indicating the mark-up for the woolen trade to cover these items.

To both of these costs, those of the clothing trade and of the woolen trade, must now be added 1¼ per cent to cover Federal and State taxes imposed since this report was published in 1912.

But because my figures for the woolen trade are estimated, I shall disregard the item of taxes in that industry, and using the same method of figuring as that used by the Tariff Commission we arrive at a cost of $1.06¼ per pound of cloth as reflecting the cost to the consumer of the 33-cent duty on raw wool, instead of 93 cents.

It is to be said, however, that in addition to these items of taxes the overhead has somewhat increased since that time for clothing manufacturers, due chiefly to a greater diversification of product on account of the style factor.

The Tariff Board has not included in its calculation, too, the trade discounts earned by the retailer in considering his mark up, and which are usually in addition to the 33⅓ per cent calculated by the Tariff Commission.

In the item covering the cost to the consumer of the suit of clothes there was omitted by the Tariff Board any mention of linings, which item is covered by a table on page 875 of this same Tariff Board report, and which calls attention to the fact that in the medium and high grade clothing—which would mean all wool clothing—the lining used for the inside of the coat and the back of the vest is woolen (mohair) and that about 2¼ yards are used. And mohairs are taxable under the proposed tariff the same as other wools.

The Tariff Commission in giving its figures for overcoats does not exceed 28-ounce cloths, whereas the type of ulster overcoat, which is the one of predominating sale at present, is made out of fabrics weighing from 30 to 32 ounces—31 ounces being a fair average. In computing therefore the cost on a winter overcoat it is necessary for the Tariff Commission to add another classification on overcoats to cover those overcoats of most general distribution.

It will be seen from the foregoing that the statements made by clothing manufacturers that the 33-cent duty would cost the consumer $1 on the finished pound of cloth, and that a full-weight suit of clothes will cost approximately $4 more and an overcoat $7.50, were all approximately correct and fairly reflected the situation.

RECESS.

Mr. SMOOT. I move that the Senate take a recess, the recess being, under the unanimous-consent agreement, until to-morrow morning at 11 o'clock.

The motion was agreed to; and (at 6 o'clock p. m.) the Senate, under the order previously made, took a recess until to-morrow, Wednesday, July 26, 1922, at 11 o'clock a. m.

SENATE.

WEDNESDAY, *July 26, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Gerry	McNary	Smoot
Ball	Glass	Nelson	Spencer
Borah	Gooding	New	Stanfield
Brandegee	Hale	Newberry	Stanley
Broussard	Heflin	Nicholson	Sterling
Bursum	Jones, N. Mex.	Norbeck	Swanson
Calder	Jones, Wash.	Overman	Trammell
Cameron	Kellogg	Pepper	Underwood
Capper	Kendrick	Phipps	Wadsworth
Caraway	Keyes	Pomerene	Walsh, Mass.
Colt	Ladd	Rawson	Walsh, Mont.
Culberson	Lenroot	Robinson	Warren
Curtis	Lodge	Sheppard	Watson, Ind.
Dial	McCumber	Shortridge	Willis
du Pont	McKinley	Simmons	
Frelinghuysen	McLean	Smith	

Mr. GERRY. I was requested to announce that the Senator from Nevada [Mr. PITTMAN] is detained on account of illness in his family.

I was also requested to announce that the Senator from Georgia [Mr. WATSON] is absent on account of illness.

Mr. TRAMMELL. I desire to announce the unavoidable absence of my colleague [Mr. FLETCHER] owing to illness.

The VICE PRESIDENT. Sixty-two Senators have answered to their names. A quorum is present.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BURSUM:

A bill (S. 3868) granting a pension to Jose Padilla; to the Committee on Pensions.

By Mr. TRAMMELL:

A bill (S. 3869) for the relief of Lewis G. Norton; to the Committee on Public Lands and Surveys.

By Mr. McCORMICK:

A joint resolution (S. J. Res. 232) proposing an amendment to the Constitution of the United States relative to child labor; to the Committee on the Judiciary.

NATIONAL EXPENDITURES.

Mr. OVERMAN. Mr. President, the taxpayers of the country are entitled to know how their money is spent and what appropriations are made. In obedience to a provision of law the distinguished chairman of the Committee on Appropriations, the Senator from Wyoming [Mr. WARREN], a few days ago presented to the Senate an itemized statement in which he set forth all the appropriations made, and comparing the fiscal year 1923 with the fiscal year 1922 he showed that there was a balance in favor of the fiscal year 1923 of $319,000,000.

Mr. President, we have seen headlines in the newspapers followed by interviews by department chiefs and others with reference to the great savings by the present administration and the great economies which have been brought about by the Budget system. I want to say that that is all a "pipe dream." There is nothing in it, as the figures will show. Of the $319,000,000 that were saved, according to the statement made by the chairman of the Committee on Appropriations, more than $200,000,000 was saved by Congress and not by the Budget system.

The man who is entitled to the great credit for that saving is the distinguished and able Senator from Idaho [Mr. BORAH] who led the fight, supported by this side of the Chamber, to reduce expenses of the Navy to the extent of over $100,000,000. That was done by Congress. It was also under the leadership of the able Senator from Idaho, assisted by the junior Senator from Wisconsin [Mr. LENROOT], that we saved, in reducing the size of the Army, nearly $100,000,000 more. Those two great items together with some other reductions that Congress made largely account for the $319,000,000.

But, Mr. President, I have made a comparison of the appropriations for the fiscal year 1923 with those for the fiscal year 1915, the appropriations three years before the war with those five years after the war. Let us see what that comparison will show. It is a most remarkable statement. I have had experts in the Treasury Department give me the cold figures which speak the truth—not what some man says has been saved, not what some newspapers say has been saved, not what some member of the Budget Bureau says has been saved.

Mr. President, I am not here to criticize the Budget. I think it has a useful purpose, but when it is said that the Budget has made any such saving it is not true, and I call upon the chairman of the Appropriations Committee now to say whether, if we had appropriated according to the estimates sent down to the Committee on Appropriations by the Budget Bureau, we would have appropriated $200,000,000 more than we actually did appropriate. The Committee on Appropriations cut down to the extent of over $200,000,000 the estimates sent to the Congress by the Budget Bureau.

According to the statement from the Treasury Department, comparing the appropriations for the fiscal year 1923 with those for the fiscal year 1915, we find that for the fiscal year 1923 the appropriations are $3,181,000,000 plus, while for the fiscal year 1915 they were $793,000,000 plus, a difference in favor of the Wilson administration against the Harding administration of $2,388,906,000.

Mr. KELLOGG. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from North Carolina yield to the Senator from Minnesota.

Mr. OVERMAN. I yield.

Mr. KELLOGG. Does not the Senator know that about $1,300,000,000 of that was interest on the foreign debt and that about $600,000,000 of it was paid out for the benefit of the ex-soldiers?

Mr. OVERMAN. If the Senator will wait until I get through, I will take care of that. I am going to make a statement along that line in just a moment.

Mr. KELLOGG. The Senator stated there was over $2,000,000,000 in favor of the Wilson administration.

Mr. OVERMAN. Does the Senator deny it?

Mr. KELLOGG. I do absolutely deny it.

Mr. OVERMAN. The figures of the Treasury experts show that the appropriations were as I have stated.

Mr. KELLOGG. And I further say to the Senator that nearly $2,000,000,000 of it was due to the war.

Mr. OVERMAN. I am not talking about that now. I am coming to that directly. But the Senator can not deny that, as is shown by the books of the Treasury Department, the appropriations for the fiscal year ending June 30, 1923, were more than $3,000,000,000, and for 1915 they were $793,000,000 plus, showing a difference in appropriations for the two years of $2,388,000,000. Nobody will deny that; nobody can deny it.

Mr. SMOOT. The Senator from North Carolina ought to state in that connection the amounts paid out for interest on our obligations and to care for the veterans of the late war.

Mr. OVERMAN. I am coming to that; I want to be perfectly fair; but I can not say it all in one breath. The Senator from Minnesota rises here and criticizes this statement which is taken from the books of the Treasury Department.

Mr. KELLOGG. I wish to say that I was not criticizing the statement taken from the books of the Treasury, but I was criticizing the statement of the Senator from North Carolina; and it should be criticized.

Mr. OVERMAN. The Senator has not yet heard me through; I trust he will possess his soul in patience and hear me, and see if I do not make a fair statement. Giving credit for all the extraordinary war expenses—and that should be done—it will be shown that the expenditures of the Harding administration have been greater than those of the Wilson administration by $2,639,725,000. I ask, Mr. President, that the tables from which I am now quoting be inserted in the RECORD as a part of my remarks, in 8-point type, so that they may be read and understood by the Senator from Minnesota.

The PRESIDING OFFICER (Mr. LADD in the chair). Is there objection to the publication in the RECORD of the tables referred to by the Senator from North Carolina? The Chair hears none, and it is so ordered.

The tables are as follows:

TABLE I.—*Comparison of appropriations, fiscal years 1915 and 1923.*

	Appropriations fiscal year 1915.[1]	Appropriations fiscal year 1923.[1]	Decrease (−) or increase (+) 1923 compared with 1915.
Legislative (Congress):			
Regular annual	$13,956,639.60	$12,788,324.95	[2] −$1,168,314.65
Permanent and indefinite	800.00	800.00	.....
Total	13,957,439.60	12,789,124.95	−1,168,314.65
Executive Office and independent offices:			
Regular annual—			
Shipping Board	.....	100,459,000.00	+100,459,000.00
Veterans' Bureau	.....	418,063,843.45	+418,063,843.45
Executive and other independent offices	9,415,867.22	18,115,928.00	+8,700,060.78
Total	9,415,867.22	536,638,771.45	+527,222,904.23
Permanent and indefinite [3]	57,630.00	6,017,000.00	+5,959,370.00
Total	9,473,497.22	542,655,771.45	+533,182,274.23
State Department:			
Regular annual	6,033,716.54	10,443,488.16	+4,409,771.62
Permanent and indefinite	171,000.00	106,000.00	−65,000.00
Total	6,204,716.54	10,549,488.16	+4,344,771.62
Treasury Department:			
Regular annual	56,790,428.76	118,835,308.81	+62,044,880.05
Permanent and indefinite	[4] −92,943,000.00	[5] 1,375,396,910.63	+1,282,453,910.63
Total	149,733,428.76	1,494,232,219.44	+1,344,498,790.68
War Department:			
Military activities—			
Regular annual	[6] 137,573,971.32	[6] 256,411,169.67	+118,837,198.35
Permanent and indefinite	5,893,000.00	1,265,000.00	−4,628,000.00
Total military activities	143,466,971.32	257,676,169.67	+114,209,198.35
Nonmilitary activities—			
Regular annual	34,942,629.63	[7] 68,753,323.00	+33,810,693.37
Permanent and indefinite	3,424,600.00	6,521,300.00	+3,096,700.00
Total nonmilitary activities	38,367,229.63	75,274,623.00	+36,907,393.37
Total War Department—			
Regular annual	172,516,600.95	325,164,492.67	+152,647,891.72
Permanent and indefinite	9,317,600.00	7,786,300.00	−1,531,300.00
Total	181,834,200.95	332,950,792.67	+151,116,591.72
Navy Department:			
Regular annual	147,060,498.47	[8] 294,336,577.00	+147,276,078.53
Permanent and indefinite	1,881,477.00	3,433,672.00	+1,552,195.00
Total	148,941,975.47	297,770,249.00	+148,828,273.53

[1] Deficiencies and special acts are included in figures for 1915. In 1923 only the regular annual and permanent and indefinite appropriations passed up to July 1, 1922, are included. Deficiency and special acts for the service of 1923 to be passed in the future must be added for purposes of exact comparison.

[2] This decrease is due largely to the transfer of appropriations for printing and binding to the various departmental bills for 1923. Departmental appropriations for printing and binding for the fiscal year 1915 are carried under "Legislative."

[3] In 1915 these appropriations are for the Smithsonian Institution; in 1923 they are for Federal Board for Vocational Education, the Smithsonian Institution, and for the Territory of Alaska.

[4] Includes sinking fund, $60,717,000, and interest on the public debt, $22,900,000.

[5] Includes sinking fund, $283,838,800; interest on the public debt, $975,000,000; and public debt redemptions payable from ordinary receipts, $85,500,000.

[6] Includes appropriations for Panama Canal.

[7] Includes an increase of $16,125,054.45 for rivers and harbors over amount appropriated for 1915, and $7,500,000 for Muscle Shoals development, for which no appropriation was made in 1915.

[8] Includes an appropriation of $343,440 for "Temporary government for West India Islands."

TABLE I.—*Comparison of appropriations, fiscal years 1915 and 1923*—Continued.

	Appropriations fiscal year 1915.	Appropriations fiscal year 1923.	Decrease (−) or increase (+) 1923 compared with 1915.
Interior Department:			
Regular annual—			
Pensions	$169,150,899.20	$252,000,000.00	+$82,849,100.80
Interior Department proper	22,707,702.74	45,565,108.67	+22,857,405.93
Total	191,858,601.94	297,565,108.67	+105,706,506.73
Permanent and indefinite	19,820,500.00	27,562,900.00	+7,742,400.00
Total	211,679,101.94	325,128,008.67	+113,448,906.73
Post Office Department (payable from postal revenues), regular annual (only)	[1] 316,169,190.50	565,064,786.50	+248,895,596.00
Agricultural Department:			
Regular annual	23,994,640.64	36,929,173.00	+12,934,532.36
Roads, construction of	.....	[2] 10,000,000.00	+10,000,000.00
Permanent and indefinite	5,999,200.00	12,250,000.00	+6,250,800.00
Total	29,993,840.64	59,179,173.00	+29,185,332.36
Commerce Department:			
Regular annual	11,539,919.06	18,743,245.00	+7,203,325.94
Permanent and indefinite	3,000.00	3,000.00	.....
Total	11,542,919.06	18,746,245.00	+7,203,325.94
Labor Department, regular annual (only)	3,790,769.97	6,916,920.00	+3,126,150.03
Department of Justice and the judiciary:			
Regular annual	10,615,400.10	17,851,221.00	+7,235,820.90
Permanent and indefinite	147,500.00	.....	−147,500.00
Total	10,762,900.10	17,851,221.00	+7,088,320.90
District of Columbia:			
Regular annual	12,371,016.08	22,841,609.80	+10,470,593.72
Permanent and indefinite	854,700.00	1,624,600.00	+769,900.00
Total	13,225,716.08	24,466,209.80	+11,240,493.72
Increased compensation ($240 per annum)	.....	38,735,173.00	+38,735,173.00
Grand total:			
Regular annual	976,113,289.83	2,274,119,027.01	+1,298,005,737.18
Permanent and indefinite	131,196,407.00	1,434,181,182.63	+1,302,984,775.63
Increased compensation	.....	38,735,173.00	+38,735,173.00
Grand total	1,107,309,696.83	3,747,035,382.64	+2,639,725,685.81
Less Post Office (payable from postal revenues)	314,245,638.39	565,064,786.50	−250,819,148.11
Total, exclusive of Post Office [3]	793,064,058.44	3,181,970,596.14	+2,388,906,537.70

[1] Includes $1,923,552.11 for Post Office Department proper, payable from ordinary receipts (General Treasury). In 1923 all expenses of the Post Office Department are made payable from postal revenues.
[2] In the fiscal year 1923, $50,000,000 for this purpose is included in the Post Office Department appropriation act, which will be paid out of postal revenues.
[3] In the fiscal year 1915, Postal Service, payable from postal revenues only, was excluded as the expenses for Post Office Department proper were payable from ordinary receipts.

TABLE II.—*Comparison of appropriations, fiscal years 1915 and 1923.*

[The major expenses arising out of the World War have been excluded from the statement for the fiscal year 1923 in order that the two years may be more nearly comparable.]

	Appropriations fiscal year 1915.[1]	Appropriations fiscal year 1923.[1]	Decrease (−) or increase (+) 1923 compared with 1915.
Legislative (Congress):			
Regular annual	$13,956,639.60	$12,788,324.95	[2] −$1,168,314.65
Permanent and indefinite	800.00	800.00	.....
Total	13,957,439.60	12,789,124.95	−1,168,314.65

[1] Deficiencies and special acts are included in figures for 1915. In 1923 only the regular annual and permanent and indefinite appropriations passed up to July 1, 1922, are included. Deficiency and special acts for the service of 1923 to be passed in the future must be added for purposes of exact comparison.
[2] This decrease is due largely to the transfer of appropriations for printing and binding to the various departmental bills for 1923. Departmental appropriations for printing and binding for the fiscal year 1915 are carried under "Legislative."

TABLE II.—*Comparison of appropriations, fiscal years 1915 and 1923*—Continued.

	Appropriations fiscal year 1915.	Appropriations fiscal year 1923.	Decrease (−) or increase (+) 1923 compared with 1915.
Executive Office and independent offices:			
Regular annual—			
Shipping Board		$459,000.00	+$459,000.00
Executive and other independent offices	$9,415,867.22	16,689,503.00	+7,732,635.78
Total	9,415,867.22	[1] 17,148,503.00	+8,191,635.78
Permanent and indefinite [2]	57,630.00	6,017,000.00	+5,959,370.00
Total	9,473,497.22	23,165,503.00	+14,151,005.78
State Department:			
Regular annual	6,033,716.54	10,443,488.16	+4,409,771.62
Permanent and indefinite	171,000.00	106,000.00	−65,000.00
Total	6,204,716.54	10,549,488.16	+4,344,771.62
Treasury Department:			
Regular annual	56,790,428.76	[3] 75,235,308.81	+18,444,880.05
Permanent and indefinite	[4] 92,943,000.00	[4] 124,675,110.63	+31,732,110.63
Total	149,733,428.76	199,910,419.44	+50,176,990.68
War Department:			
Military activities—			
Regular annual	[5] 137,573,971.32	[5] 256,411,169.67	+118,837,198.35
Permanent and indefinite	5,893,000.00	1,265,000.00	−4,628,000.00
Total military activities	143,466,971.32	257,676,169.67	+114,209,198.35
Nonmilitary activities—			
Regular annual	34,942,629.63	[6] 68,753,323.00	+33,810,693.37
Permanent and indefinite	3,424,600.00	6,521,300.00	+3,096,700.00
Total nonmilitary activities	38,367,229.63	75,274,623.00	+36,907,393.37
Total War Department—			
Regular annual	172,516,600.95	325,164,492.67	+152,647,891.72
Permanent and indefinite	9,317,600.00	7,786,300.00	−1,531,300.00
Total	181,834,200.95	332,950,792.67	+151,116,591.72
Navy Department:			
Regular annual	147,060,498.47	[7] 294,336,577.00	+147,276,078.53
Permanent and indefinite	1,881,477.00	3,433,672.00	+1,552,195.00
Total	148,941,975.47	297,770,249.00	+148,828,273.53
Interior Department:			
Regular annual—			
Pensions	169,150,899.20	252,000,000.00	+82,849,100.80
Interior Department proper	22,707,702.74	45,565,108.67	+22,857,405.93
Total	191,858,601.94	297,565,108.67	+105,706,506.73
Permanent and indefinite	19,820,500.00	27,562,900.00	+7,742,400.00
Total	211,679,101.94	325,128,008.67	+113,448,906.73
Post Office Department (payable from postal revenues), regular annual (only)	[8] 316,169,190.50	565,064,786.50	+248,895,596.00
Agricultural Department:			
Regular annual	23,994,640.64	36,929,173.00	+12,934,532.36
Roads, construction of		[9] 10,000,000.00	+10,000,000.00
Permanent and indefinite	5,999,200.00	12,250,000.00	+6,250,800.00
Total	29,993,840.64	59,179,173.00	+29,185,332.36

[1] This total is exclusive of the following appropriations, which are considered as resulting from the World War: Emergency Fleet Corporation, $100,000,000; Veterans' Bureau, $418,063,843.45; United States Housing Corporation, $1,056,425; and the Alien Property Custodian, $370,000.

[2] In 1915 these appropriations are for the Smithsonian Institution; in 1923 they are for Federal Board of Vocational Education, the Smithsonian Institution, and for the Territory of Alaska.

[3] This total is exclusive of $43,600,000 deducted on account of expenses in the Bureau of Internal Revenue and the public debt service, which are considered as arising out of the World War.

[4] In 1915 this total includes $60,717,000, contribution to the sinking fund, and $22,900,000, interest on the public debt. In 1923 similar amounts are included to cover similar charges on account of the pre-war debt; but the charge on the public debt arising out of the World War, i. e., interest, contribution to the sinking fund, and public-debt redemptions out of ordinary receipts, are excluded.

[5] Includes appropriations for Panama Canal.

[6] Includes an increase of $16,125,054.45 for rivers and harbors over amount appropriated for 1915, and $7,500,000 for Muscle Shoals development, for which no appropriation was made in 1915.

[7] Includes an appropriation of $343,440 for "Temporary government for West India Islands."

[8] Includes $1,923,552.11 for Post Office Department proper, payable from ordinary receipts (General Treasury). In 1923 all expenses of the Post Office Department are made payable from postal revenues.

[9] In the fiscal year 1923, $50,000,000 for this purpose is included in the Post Office Department appropriation act, which will be paid out of postal revenues, or from the General Treasury in case of a deficit in the postal revenues.

TABLE II.—*Comparison of appropriations, fiscal years 1915 and 1923*—Continued.

	Appropriations fiscal year 1915.	Appropriations fiscal year 1923.	Decrease (−) or increase (+) 1923 compared with 1915.
Commerce Department:			
Regular annual	$11,539,919.06	$18,743,245.00	+$7,203,325.94
Permanent and indefinite	3,000.00	3,000.00	.....
Total	11,542,919.06	18,746,245.00	+7,203,225.94
Labor Department, regular annual (only)	3,790,769.97	6,916,920.00	+3,126,150.03
Department of Justice and the judiciary:			
Regular annual	10,615,400.10	17,851,221.00	+7,235,820.90
Permanent and indefinite	147,500.00	.....	−147,500.00
Total	10,762,900.10	17,851,221.00	+7,088,320.90
District of Columbia:			
Regular annual	12,371,016.08	22,841,609.80	+10,470,593.72
Permanent and indefinite	854,700.00	1,624,600.00	+769,900.00
Total	13,225,716.08	24,466,209.80	+11,240,493.72
Grand total:			
Regular annual	976,113,289.83	1,711,028,758.56	+734,915,468.73
Permanent and indefinite	131,196,407.00	183,459,382.63	+52,262,975.63
Grand total	1,107,309,696.83	[1] 1,894,488,141.19	+787,178,444.36
Less Post Office (payable from postal revenues)	314,245,638.39	565,064,786.50	−250,819,148.11
Total, exclusive of Post Office [2]	793,064,058.44	1,329,423,354.69	+536,359,296.25

[1] The appropriations for increased compensation are excluded as an expense arising out of the World War.
[2] In the fiscal year 1915 only postal service payable from postal revenues was excluded, as the expenses for Post Office Department proper were payable from ordinary receipts.

Mr. OVERMAN. Mr. President, in order to be perfectly fair and just to this administration—and I hope the Senator from Minnesota will listen, for he went off half cocked—there should be deducted from the difference of $2,639,725,000 in favor of the Wilson administration all expenditures which were made for extraordinary purposes growing out of the war, which the present administration was compelled to make. I have therefore deducted the following items: For the Emergency Fleet Corporation, $100,000,000; for the Veterans' Bureau, $418,000,000; for the United States Housing Corporation, $1,000,000; and for the Alien Property Custodian, $370,000. I have also deducted $38,000,000 on account of the bonus allowed to employees of the Government. I do not know whether or not I ought to deduct that, but I thought, in fairness, I would do so, in order that there might be no criticism whatever. So I have deducted even the bonus of $38,000,000. I have also deducted $43,000,000 on account of additional expenditures of the Bureau of Internal Revenue and the public debt service. That deduction will cover the additional appropriations to the Internal Revenue Bureau in connection with the collection of extraordinary income taxes. Is that fair and just? I also deduct the item—and I ask the Senator from Minnesota to listen—of $1,260,000,000 out of the public debt fund, including sinking fund and interest on the retirement of public debt from ordinary receipts, and $30,000,000 for the retirement of the public debt from the Federal reserve bank franchise tax. After deducting all these items the amounts which have been appropriated under the Harding administration for running the Government for the fiscal year 1923 exceeded by $596,000,000 the appropriations for the fiscal year 1915 under the Wilson administration.

The Senator from Minnesota will see that I have been fair and just in deducting the tremendous sum of money which I have stated with which the Harding administration ought not to be charged in estimating the legitimate ordinary running expenses of the Government. I asked the Treasury Department, whose officials prepared these figures, to obtain the facts, and after deducting from the $2,000,000,000 every cent paid out by the present administration for extraordinary matters growing out of the war, there is still left a balance of $596,000,000 in favor of the Wilson administration.

How was this brought about? I have the items of appropriation for the various departments. I have taken the appropriations for the Treasury Department, the War Department, the Navy Department, and every other department of the Government, and those appropriations for the fiscal year 1923, as compared with the appropriations for the fiscal year 1915, are as follows:

Under the head of "Executive and independent offices" the appropriations under the Harding administration for 1923 amounted to $23,000,000, as compared with $9,000,000 in 1915 under the Wilson administration, making a difference of $14,000,000. What has the Senator from Minnesota to say about that? He is as silent as the grave. There is a difference of $9,000,000 in favor of the Wilson administration as against the Harding administration in the running of one department only.

Under the head of the State Department the appropriations for 1923 were $10,000,000, as compared with $6,000,000 in 1915, making a difference of $4,000,000 in favor of the Wilson administration. What has the Senator from Minnesota to say about that? I am talking now of the legitimate expense of running the Government before the war and after the war in time of peace.

Mr. KELLOGG. Does the Senator ask me that question?

Mr. OVERMAN. Yes.

Mr. KELLOGG. I have this to say about it: The Senator from North Carolina knows that during the war wages and salaries were increased; that the departments were filled with employees; and when the Harding administration came in they were overflowing with employees who had to be discharged.

Mr. OVERMAN. And yet it is shown, with all the discharges made, that there is a difference of $9,000,000 in favor of the Wilson administration.

Mr. KELLOGG. Does the Senator from North Carolina claim that the wages and salaries are the same to-day as they were in 1915?

Mr. OVERMAN. I have left out the bonus; I have deducted that from the expenses of the Harding administration.

Mr. SMOOT. But the Senator from North Carolina also knows that there are about 75 per cent more employees to-day than there were in 1915.

Mr. OVERMAN. I know that; and that is where the trouble is. A great many of them ought to be discharged. The claim as to the great saving and economy under this administration I want to say is a "pipe dream."

Mr. SMOOT. The Senator from North Carolina is a very fair man.

Mr. KELLOGG. Will the Senator from North Carolina yield to me?

Mr. OVERMAN. I will yield to the Senator from Minnesota after I yield to the Senator from Utah [Mr. SMOOT].

Mr. KELLOGG. I beg pardon.

Mr. SMOOT. The Senator from North Carolina is a very fair man; but he must admit that the World War inaugurated activities of the Government and produced conditions under which it would be impossible at the present time to carry on the work of the Government with the same number of employees that there were in 1915. Everybody admits that.

Mr. OVERMAN. The Senator from Utah is right about that, and, as I have shown, I have deducted from the expenditures of the Treasury Department, where they are now collecting the income tax and other taxes, the sum of $43,000,000. I thought that was fair and just and that we ought not to compare the great appropriations for the Treasury Department at present with the appropriations of 1915, when we were not collecting all these income and other taxes. I admit that the department has to have more employees also in order to enforce the Volstead law.

Mr. KELLOGG. Mr. President, will the Senator yield?

Mr. OVERMAN. Yes; I yield.

Mr. KELLOGG. On March 4, 1921, nearly three years after the close of the war, does not the Senator know that the personnel of the departments had not been greatly reduced and comparatively few employees had been discharged during the three years?

Mr. OVERMAN. Then, why has not the present administration reduced the number?

Mr. KELLOGG. The number has been reduced since that time, but it was not reduced up to March 4, 1921.

Mr. OVERMAN. The figures presented by me show that there has been very little economy except by the Senator from Idaho [Mr. BORAH] and the Senator from Wisconsin [Mr. LENROOT], who were instrumental in saving nearly $200,000,000 by Congress, and supported from this side of the Chamber.

Mr. SMOOT. Does the Senator from North Carolina refer to the Senator from Idaho [Mr. BORAH]?

Mr. OVERMAN. I refer to the Senator from Wisconsin and also to the able Senator from Idaho, who lead in connection with the efforts to reduce expenditures for the Army and Navy. However, they are not given credit for the $200,000,000 reduction in the expenditures for the Army and Navy, although the fight which was made on this floor by the able Senator from Idaho [Mr. BORAH] and the able Senator from Wisconsin resulted in that great saving. Not even Congress is given the credit, but the Budget Bureau is given the credit, when, as a matter of fact, the Budget Bureau has asked that we appropriate $200,000,000 more than we did appropriate.

I have some other facts here to which I will call the attention of the Senator from Minnesota. For instance, in the case of the Interior Department——

Mr. SIMMONS. Mr. President, does the Senator mean to tell the Senate that the Appropriations Committee had to cut down the Budget estimate by $200,000,000?

Mr. OVERMAN. I do, and the able chairman of that committee, the Senator from Wyoming [Mr. WARREN], will agree with me as to that.

Mr. WARREN. Mr. President, I am not interrupting the Senator, because at best he can make out but a poor case. I am willing that he should complete his case before I make any remarks concerning it.

Mr. OVERMAN. I will let the Senate say whether it is a poor case or not, but the Senator from Wyoming will not deny the facts I have stated; he can not deny them. The Senator from Wyoming in stating in his remarks some days ago that there has been a reduction in appropriations this year as compared to last year of $319,000,000 does not show a single deficiency item for which it will be necessary to appropriate from time to time. As we know, there will come before the Congress in December next a deficiency bill, and no one can tell how large it will be, but a great sum will be appropriated.

Under the Interior Department for 1923 the appropriations are $325,000,000, as compared with appropriations in 1915 of $214,000,000, making a difference of $113,000,000 in favor of the Wilson administration.

The appropriations for the Agricultural Department for 1923 are $59,000,000, as compared with $30,000,000 in 1915, making a difference of $29,000,000 in favor of the Wilson administration.

Under the Department of Labor for 1923 there have been appropriated $6,000,000, as compared with $3,000,000 in 1915, making a difference of $3,000,000 in favor of the Wilson administration.

For the Department of Justice for the fiscal year 1923 $17,000,000 have been appropriated, as compared with $10,000,000 in 1915, making a difference of $7,000,000 in favor of the Wilson administration. In the appropriations for the District of Columbia there is a difference of $11,000,000 in favor of the Wilson administration.

After deducting all the extraordinary expenses incident to the war, I have tried to get down exactly to the expenses for running the Government legitimately, without regard to any expenditures growing out of the war. I know, Mr. President, that the present administration has been called upon to appropriate many millions of dollars for extraordinary expenses growing out of the war, and it is entitled to have those expenditures deducted in making the comparison. I have deducted every cent of those expenditures. I have merely taken the actual running expenses of the respective departments of the Government and shown by these tables prepared from the books of the Treasury Department that the Wilson administration was run for $536,000,000 less than the present administration; in other words, this administration is costing that much more than the Wilson administration, not counting war expenses, but simply the legitimate expenses of running this great Government.

Nobody can dispute the tables, and nobody will dispute the facts which I have submitted. I think I have answered the Senator from Minnesota, and, in line with his suggestion, I think I have made a fair statement when I have deducted the amounts to which he referred.

Mr. KELLOGG. Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. OVERMAN. I yield.

Mr. KELLOGG. Is the Senator through?

Mr. OVERMAN. Yes.

Mr. KELLOGG. I wish to take the floor if the Senator from North Carolina has concluded his remarks.

Mr. President, I shall not take the time of the Senate to reply to the Senator. I do not dispute the figures which he gave from the tables presented by him, but his statement and his inferences are all wrong, and it is perfectly evident that they are wrong. The Senator knows that the number of employees of the Government during the war enormously increased and the number of those employed now is necessarily larger than it was in 1915. The Senator knows very well that the salaries paid are greater now than they were then. He further knows that in many of the departments, for instance, the Internal Revenue Bureau, the activities of which have enormously increased; the Veterans' Bureau, and other bureaus, the number of employees has greatly increased. The Senator also knows that on March 1, 1921, nearly three years after the close of the war, this Government was running at full blast and the departments were jammed full of employees, and the Government was costing the people at the rate of nearly $6,000,000,000 a year, and no effort whatever had been made to cut down the expenses of this Government.

I am not surprised that the Senator does not like the statements carried by the newspapers showing the great savings since March 4, 1921. I am not at all surprised that the Senator does not like them. The figures speak for themselves, and everybody knows it.

The President has coordinated the departments. He has signed a budget bill, which President Wilson vetoed. I do not claim that the Budget bill will do everything; but it helped to coordinate the departments and to save money for the Government. I say that the present administration has made a splendid record, and the Senator knows that it has made a splendid record.

I did not rise, however, to discuss the economies of the Government or the speech of the Senator from North Carolina.

Mr. SIMMONS. Mr. President, will the Senator permit me to interrupt him for one minute?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from North Carolina?

Mr. KELLOGG. Yes; I yield.

Mr. SIMMONS. The Senator said that President Wilson vetoed the Budget bill.

Mr. KELLOGG. Yes; he vetoed the Budget bill.

Mr. SIMMONS. The Senator knows that, as everybody knows it; but the Senator also knows that President Wilson, while approving of the Budget bill that went to him, vetoed it because of the unconstitutionality of a certain provision in it; and when it was called to the attention of the country and the Senate, I think we all agreed that he was correct in his interpretation.

Mr. KELLOGG. I do not agree that he was correct. I have not the slightest doubt that that provision was constitutional, and I think the veto message was a mere excuse. That is my opinion.

Mr. SIMMONS. The Senator is the first lawyer that I have heard dispute the unconstitutionality of that provision.

Mr. KELLOGG. I do not think it was unconstitutional at all.

Mr. SIMMONS. I do not wish, however, to controvert that matter with him.

Mr. WALSH of Montana. Mr. President, it is quite significant that the feature objected to by President Wilson was not carried into the bill that did eventually pass and was approved.

Mr. KELLOGG. I do not think the Budget bill was unconstitutional. That is what I said.

Mr. WARREN. Mr. President——

Mr. SIMMONS. Mr. President, I want to state this——

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from North Carolina?

Mr. WARREN. If I have the floor, I am willing to yield.

Mr. SIMMONS. I beg pardon; I asked to interrupt for just a moment.

Mr. KELLOGG. Mr. President, I thought I had the floor.

Mr. WARREN. I understood that the Senator had finished. I am willing that the Senators shall have the floor for the remainder of the day if they wish.

Mr. KELLOGG. I am going ahead with a few remarks on the tariff.

Mr. SIMMONS. Mr. President, may I interrupt the Senator?

Mr. KELLOGG. I decline to yield just now.

Mr. SIMMONS. Very well. I was simply going to reply to a statement the Senator has just made.

Mr. WATSON of Indiana. Mr. President, will not the Senator from Minnesota permit the Senator f.om Wyoming first to make a brief statement on the financial situation?

Mr. KELLOGG. I will yield to the Senator for that purpose.

Mr. WARREN. Mr. President, I have only a few remarks to make at this time.

Mr. SIMMONS. Mr. President, I wish to inquire if the Senator from Minnesota meant to be discourteous to me?

Mr. KELLOGG. Oh, not at all. I beg the Senator's pardon if he thinks I was discourteous.

Mr. SIMMONS. I thought he refused to yield to me, and immediately yielded to the Senator from Wyoming.

Mr. KELLOGG. I thought the Senator was through.

Mr. SIMMONS. No; I stated that I desired to make a reply to the last statement of the Senator.

Mr. WATSON of Indiana. Mr. President, will the Senator pardon me just a moment?

Mr. KELLOGG. Yes.

Mr. WATSON of Indiana. I will say to the Senator from North Carolina that the Senator from Minnesota declined to yield, and said he wanted to make some remarks on the tariff bill, whereupon I asked him if he would not wait until the Senator from Wyoming had made his statement on the financial conditions, and then go on with the tariff.

Mr. SIMMONS. So little has been said about the tariff that, of course, I should be glad to hear the Senator from Minnesota on the tariff; but I really wanted to make just one additional statement about this budget matter.

Mr. KELLOGG. I have no objection.

Mr. SIMMONS. I do not think anybody desires or ought to desire to put President Wilson in a false position with reference to his attitude toward the Budget system. I had very much to do with the passage of that particular budget bill. I was one of the committee and one of the subcommittee that framed that bill, and I know the attitude of President Wilson with respect to it. I know that that bill had his approval, and the country knew that that bill had his approval, and that he would gladly have signed it, and he made that fact known as emphatically as he could; but he was restrained by his oath of office, because he was advised and believed that a certain provision of it was unconstitutional, and when the bill was reenacted that provision was left out.

Mr. KELLOGG. Now I yield to the Senator from Wyoming.

Mr. WARREN. Mr. President, as to the speech made and the figures submitted by the distinguished Senator, I shall touch only a few high points now in reply.

As chairman of the Committee on Appropriations I presented, not long since, in a condensed form the condition of the Treasury, the amount that we had appropriated for the coming year, the amount that had been appropriated the year before, the amount of the estimates, and so forth. My good friend, the Senator from North Carolina [Mr. OVERMAN], has discussed that, and has presented his figures, although I did not see them until late yesterday, so I am not going into that particular line of smoke screen to quote figures without number and column after column to befuddle hearers, figures which do not fix themselves in the mind of the hearer unless they are accompanied by a full statement on paper within sight.

The Senator says that we are spending more money than in 1915. A man would be insane and foolish to say that we are not. Furthermore, we expect to spend more; and the Senator probably will not live to see the year, nor will I, when Congress will drop back to the same expenses that we had in 1915. This is a growing country, and the expenses grow.

When I came to the Senate the total expenses of every nature in a year's Congress were less than half a billion dollars. Today half a billion dollars—more than we spent a few years ago for the entire Government—is spent in a year for taking care of disabled soldiers. We did not have that to do in 1915. We had so little expense then and so large an income that we were not called upon to maintain, for instance, any sinking fund. It is true that there was a law that required the maintenance of a sinking fund, but because of having plenty of funds we passed over that. Now we are paying half a billion dollars or so annually into a sinking fund.

We are paying in interest more than a billion dollars. We are paying various other things of that nature; and to give an idea of it, the Senator might have gone a little further.

The Senator makes some allowance for a few of the expenses added since 1915 but only a slight proportion of the many, many things which have been authorized and money expended for during the intervening years between 1914 and 1923—for instance, the Shipping Board and Fleet Corporation, but a trifle less than $4,000,000,000, and we are paying out many millions of dollars a year yet on that account, that being one of the hangovers of the war.

And there was the Federal control of transportation systems after 1915 and up to the present date, amounting to over a billion and three-quarters.

We paid employees of the Government larger wages by incidental advancements made in the several departments amounting to several millions, and in addition to that it cost for increased employees' compensation or bonus $38,750,000; it cost $1,000,000,000 for the wheat-guaranty fund and $100,000,000 for the European food relief; fuel control, nearly $200,000,000; operations under the mineral act, mining for precious metals, more than $50,000,000; War Finance Corporation and Capital Issues Committee, over $500,000,000; purchase by the Government of farm-loan bonds, $200,000,000; Bureau of War Risk Insurance, more than $200,000,000. Then we have the Federal Board for Vocational Education, in which we appropriate for cooperation with the several States. This was established since 1915, and increases every year. Then comes the maternity law, a million and a quarter to commence with, to expend in cooperation with the States. This last may be too small to speak of, but it is a part of the "uplift" that has been going on.

Then there is all of the highway road building that we have appropriated for.

The Senator might have taken 1915 as a starting point, as he has done, and then have gone up successively through the intervening years to the present.

In 1913, when Wilson came into power, we expended $617,382,178.34.

In 1915, which the Senator quotes, we expended $674,497,625.16.

In 1916 there was expended $678,677,858.70.

All of this was before the war, and yet it will be noticed amounts were rising each year.

In 1917 expenditures were $1,178,908,96[illegible].99.

In 1918 expenditures were $18,901,966,814.09.

In 1919 expenditures were $27,072,094,720.07.

In 1920, the war over and everyone trying, of course, to get back on terra firma, expenditures were $7,337,597,282.05.

The Republicans came in in 1921. We reduced expenditures in 1921 to $4,780,829,510.03.

In 1922 expenditures were $4,066,316,366.74.

The amount appropriated for 1923 is $3,747,035,382.64. That covers every dollar that we have appropriated.

We speak of the Budget. While it is not an unusual fact, still it is a condition worth noting. The junior Senator from North Carolina speaks rather discouragingly of the Budget.

Mr. OVERMAN. No, Mr. President; I said I did not criticize the Budget; that I thought it had many useful points, but that all this claim in the newspapers that it had saved any money was all wrong; there was nothing in it. I was not criticizing the Budget, because I think it is a very useful adjunct of the Government.

Mr. WARREN. I am glad to get that admission from the Senator, because that is more than I have ever heard before.

The Senator from North Carolina and his colleague, of course, indorse the Budget and indorse the good intentions of President Wilson, and of course they must indorse the good intentions of President Harding in signing the bill.

As to going further under the submitted smoke screen of clouds of figures, I do not intend to do it at this time. I may at some future time, but the authorizations made during Mr. Wilson's administration have been too many to take the time of the Senate to enumerate more than I have already done when important matters are before it. The Senator mentions a few of them, but in mentioning those he mentions only a portion.

I have given but a little résumé of some of the important large items, while there are innumerable more of lesser nature as to amounts and importance that could be named.

It is nonsense to talk about comparing the expenses of to-day with the expenses of 1915, and claim that the increase has any reference whatever to the conduct of the business of this Government by the Presidents, or at any time, for that matter. We are not in a wooden shoe. We are going to grow, but we are going to reduce the present expenses of running this Government. While we are growing and while we are having more property and better property to collect from, we are on the road, we are doing well, and we are reducing expenses every year. We can not get around that. We give the totals.

A Senator may stand on this floor and quote the general running expenses of the Government as distinguished from the total expenses, because, in the proposition that we have made to better the system of bookkeeping, we state separately the running expenses of the Government, and the appropriations that are annual, and those that are miscellaneous. We state those separately; but it is unfair to state that the expenses of the Government are the one figure as against the other—the statement that we make of the total expenditures. In this long list of expenditures there is not, I think, a single bracket where the proper running expenses of the Government, as we may term them under this division, are not separate from the various and sometimes exceedingly large amounts that are of a nature that are not quoted as general expenses.

We may take the Post Office Department, if you please. That costs several times as much as it did a few years ago. We are spending now some five or six hundred million dollars for that purpose and getting back a very large proportion of the expenditure. I can remember when $40,000,000 was a great sum to be appropriated for the Post Office Department.

But I am not going to follow these smaller matters. The matters of billions, which hung over from the war, we are meeting and paying out upon almost daily. During the last year we paid a large number of these hang-over claims of the war. We did not have those in 1915.

Mr. President, I may at a later time look into this matter further, but at present I simply say that my committee colleague, Senator OVERMAN, has been as fair as he can be in his presentation of the dull, dead figures of 1915, and I shall say further that the minority in the House and the minority in the Senate have endeavored to make the best showing they can. But the fact remains that we have greatly reduced the expenses of the Government, and propose to further reduce them, and the Senator from North Carolina is one of the faithful men working with us to reduce them. I shall give him credit for that.

Mr. OVERMAN. I want the Senator to understand that I was not criticizing his figures at all.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. KELLOGG. Mr. President, I desire to state very briefly my position on the amendment to the wool schedule offered by the Senator from Wisconsin [Mr. LENROOT]. I expect to vote for that amendment, and I wish to give my reasons. I realize the necessity of this country protecting its essential industries, and sheep raising and wool raising is one of the greatest industries necessary to the stability and prosperity of agriculture, as well as the production of a fabric necessary to clothe the people.

I agree with the Senator from Massachusetts [Mr. LODGE] that a nation can not afford to be helpless in the matter of the production of a great commodity necessary to clothe the people. But I am not willing to place upon the American people an unreasonable burden, even for the purpose of encouraging an essential industry. I do not believe that the amendment offered by the Senator from Wisconsin will discourage production, and I do believe the balance of the duties are ample to protect the woolgrowers in the grade of wool principally produced in this country.

Mr. GOODING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Idaho?

Mr. KELLOGG. I yield.

Mr. GOODING. I ask the Senator if he knows what percentage of wool would be affected by the Lenroot amendment?

Mr. KELLOGG. I do not know exactly the percentage, but I will state my views on that before I get through.

Mr. GOODING. I would like to have the Senator's attention on a few things, if he will permit me to ask him a few questions.

Mr. KELLOGG. I will take my own way to deliver my own argument, and the Senator can reply to it to any extent he pleases. I decline to yield to the Senator now.

Mr. GOODING. I thank the Senator.

Mr. KELLOGG. At this time, when the Nation is trying to readjust itself and to get prices near to normal, it is not wise to place an unreasonable duty on an essential raw material which enters into the production of clothing, not only such a duty as is necessary to protect the wool but one which I believe is unnecessary and goes too far.

There are certain grades of coarse wool which we do not produce to any extent, which are used in the manufacture of carpets, which come in free, of course, and also enter into the manufacture of cheap clothing to some degree, which grades are imported from foreign countries. The amount of those cheap wools which are imported appears from the statistics to have been from 35,000,000 pounds to 95,000,000 pounds per annum between 1918 and 1921. As I understand, those wools are not grown in this country to any appreciable extent. It is true that we do raise some low-grade wools, but the wools I am speaking of, the lowest grades, are not produced to any extent in this country.

It is true, of course, that we do not produce all the wool necessary of any grade, and that the wool industry ought to be encouraged, for it appears that we import from 200,000,000 pounds to 375,000,000 pounds per annum. Undoubtedly during the war, and for some time afterwards, importations were curtailed by reason of the war.

It seems to me that the objection to the Senate committee amendment is that we place the same duty, 33 cents a pound, upon the high grades, upon the medium grades, and upon the lowest grades of wool, the latter of which we do not produce to any great extent, and which we use to a very large extent in making carpets and cheap grades of clothing. I am not willing to place two or three times the rate of duty upon the cheapest wools that is placed upon the high-grade wools and the high-grade clothing. It seems to me we should not do that.

It is true that in 1921 the low-grade wools were very cheap. I have the prices for 1922 of scoured wools, and the duty on each grade under this Senate committee amendment. Fine wool is 95 cents per pound scoured. The duty on that would be 35 per cent, on the basis of 33 cents a pound. The next grade is 75 cents a pound. The duty on that would be 44 per cent. The next grade is 59 cents per pound, and the duty on that would be 56 per cent.

Those are the high-grade wools used for the best clothing, as I understand. The duty on them is only from 35 to 56 per cent. It is stated that that duty is necessary to protect the wool industry in this country. If it is, I want it imposed, because, of course, I do not believe it is in the interest of agriculture to destroy the sheep-raising business. It is one of the great and necessary industries of the farm.

But follow down these low-grade wools. The one-quarter grade is 43 cents. The duty there would be 77 per cent. Under the Lenroot amendment the duty would be 60 per cent. It would seem, as to that low-grade wool, that 60 per cent ought to be a reasonable protection. That grade does undoubtedly to some extent come in competition with the wools produced in this country. A large amount of the wools produced in this country would come within that category, and they would get 60 per cent. But those wools are used in the manufacture of cheaper clothing.

On May 15, 1922, the lowest grade wool was 24 cents a pound, and the duty on that would be 137 per cent. As I understand, that wool is not grown in this country and does not come in competition with the wool produced by our farmers. It is used, of course, for the manufacture of carpets and for a certain amount of the cheaper grades of clothing.

Mr. SIMMONS. The Senator said that was the lowest rate. What per cent did he say that would be?

Mr. KELLOGG. One hundred and thirty-seven per cent. That is based on prices of May 15, 1922. Of course, the percentage would vary with the prices. In 1921, when these low-

grade wools were very low, the rate would have been more on the very cheapest grades of wool. It depends very largely on the price, of course. But I have the prices given me as of May 15, 1922.

Mr. BURSUM. Mr. President, the Senator of course realizes that this wool is at the present time a glut on the world's market, that there is a great surplus. There is a surplus in this country, caused by the importation of wools by the Government, which were placed on the market, and which are reflected in the Boston price of 44 cents a pound.

Mr. KELLOGG. The Government has not imported any wool since the close of the war.

Mr. BURSUM. But they have been placed on the market since that time. They were sold at auction last year by the War Department.

Mr. KELLOGG. They must have been exhausted by this time.

Mr. BURSUM. The Government has disposed of them, but they have not been consumed. They are still in the hands of dealers, and the price in Boston is only 44 cents.

Mr. KELLOGG. That can hardly be the fact, because during 1922 over 3,000,000 pounds of this lowest grade wool were imported, and we took it out of the customhouses.

Mr. BURSUM. It is a glut on the market all over the world.

Mr. KELLOGG. Then why are we importing it in 1922?

Mr. BURSUM. Because it is so cheap.

Mr. KELLOGG. Those wools are not very cheap now. The lowest grade is selling at 24 cents.

Mr. BURSUM. I understand those were carpet wools, which come in free.

Mr. KELLOGG. Not all of them were carpet wools.

Mr. BURSUM. In a normal market those wools would be higher than they are now, and it would be as justifiable at this time to protect the sheep growers of this country from an immense importation of wools, at prices which are ruinous to the American grower, as it was to ask for an embargo in the emergency tariff law, the so-called antidumping clause. Furthermore, I will say to the Senator that the duty on these low-grade wools in this proposed amendment will more seriously affect the Senator's State and other similar farming States than it will the extreme West. Those wools come from fine sheep. You get those wools from Shropshire and Hampshire downs. They come from those grades.

Mr. KELLOGG. Mr. President, according to that statement there should be an absolute embargo on the importation of any wool. That is the position of the Senator, I understand.

Mr. BURSUM. Not on any wool. I say that there would be as much justification to ask for an embargo on the importation of high-class wools as there was to ask for the antidumping clause in the emergency tariff law.

Mr. SIMMONS. Mr. President, I understand the Senator from Minnesota is talking about the low-price wools.

Mr. KELLOGG. I am.

Mr. SIMMONS. The very lowest price wools?

Mr. KELLOGG. That is correct.

Mr. SIMMONS. The Senator says they are now a drug on the market.

Mr. BURSUM. They are—all over the world.

Mr. SIMMONS. And are selling for 44 cents.

Mr. BURSUM. In Boston.

Mr. SIMMONS. What was the price before the war?

Mr. BURSUM. Long before the war the price of fine wool was nothing like what it is now.

Mr. SIMMONS. What were the prices of these classes of wools before the war?

Mr. BURSUM. The only fair comparison would be to compare relative prices prior to the war. Prior to the war, before the effect of the World War began, prior to 1913, fine wools were selling at about 63 cents.

Mr. SIMMONS. But we are not talking about fine wools.

Mr. BURSUM. I am coming to them. These same wools at that time were 31 cents in the world's market outside. Fine wools are up as high as $1.35.

Mr. SIMMONS. Now?

Mr. BURSUM. Yes; fine wools. So that the relative values, as would be naturally the case, would demonstrate that the coarse wools ought to be worth probably 60 to 70 cents a pound.

Mr. SIMMONS. That would be nearly double what they were before the war.

Mr. BURSUM. Yes; because all other wools are double what they were long before the war. The fine wools are nearly double what they were before the war, and coarse wools should naturally take their places, relatively speaking, with the finer wools. I think they will take that place whenever the world is rehabilitated to the extent of its ability to absorb the great surplus which is on hand all over the world.

Mr. SIMMONS. Does the Senator think that a product which is now selling for 100 per cent more than it was before the war is in distress?

Mr. BURSUM. Yes; that is very possible. The cost of production is what counts. It is not the gross receipts.

Mr. SIMMONS. That ought to apply to everything; and that means that the Senator thinks that prices in the country to-day ought to be 100 per cent higher than they were before the war.

Mr. BURSUM. All prices are higher than they were before the war. So is labor. So are freight rates.

Mr. SIMMONS. Not 100 per cent higher. Most prices of agricultural products are not much higher than before the war.

Mr. BURSUM. Some of them are 150 per cent higher.

Mr. KELLOGG. Mr. President, I can not yield further for a colloquy between the Senators. If it is true, as the Senator from New Mexico said, that the lowest grade of wools are a glut on the market and are bringing 24 cents a pound now, a 60 per cent addition to that ought to be a reasonably fair protection. That is the point I make.

On the other hand, I have no sympathy with a great deal of the propaganda now being industriously circulated by importers to the effect that the duty proposed in the bill will increase the price of clothing from $3 to $5, $6, or $7 a suit. They know that statement is not true. They know that the rate proposed in the pending bill is a reduction under the rate provided in the emergency tariff law.

Mr. BURSUM. Yes; that is true.

Mr. KELLOGG. And they know when they make that statement that the entire cost of all the wool put in a suit would not amount to that much.

Mr. GOODING. Mr. President, I wonder if the Senator, after yielding so much to other Senators, would be kind enough to yield to me?

Mr. KELLOGG. Yes. I yield to the Senator from Idaho.

Mr. GOODING. I know the Senator wants to be fair. I am afraid, however, that the Senator has no real information as to the amount of wool that will be affected by the Lenroot amendment. Will he permit me to send to the desk a telegram and have it read? I think it is rather important that it should be read in this connection.

Mr. KELLOGG. The Senator may send the telegram to the desk and have it read when I shall have finished. I am nearly through. The Senator may have it read then.

Mr. GOODING. The only point I want to make is that I know the Senator does not want to destroy the sheep industry in America.

Mr. KELLOGG. I do not, of course.

Mr. GOODING. And that is what the Lenroot amendment will do.

Mr. KELLOGG. Of course, I do not wish to destroy the sheep industry. When I am through with my remarks I have no objection to the Senator having his telegram read and placed in the RECORD.

Mr. President, I know, of course, that propaganda has gone out over the country, industriously circulated by clothing importers in New York—statements that can not possibly be substantiated. The increased cost which they claim is more than all the wool in a suit would cost. Of course, the rate proposed is a reduction under the present emergency tariff rate. But it does seem to me, in view of the fact that we are trying now to get prices down to a reasonably normal basis, when 110,000,000 people must buy clothing, that we must, as well as protecting the farmer, also protect the purchaser—the man who has to buy the clothing.

Mr. GOODING. Mr. President, every Republican who believes in protection and stands upon the party platform should be willing to give to any industry the honest difference in the cost of production at home and abroad, at least an industry that has existence and that can be developed into a great industry. There is no question that the Lenroot amendment will affect 22½ per cent or more of all the wool grown in America. It will directly affect 60 per cent of all the wool grown upon the farm.

On the statement put into the RECORD by the Senator from Minnesota [Mr. KELLOGG] that wool can be bought abroad for 15 to 25 cents a pound on the scoured basis, a 60 per cent ad valorem duty would land the wool that can be bought for 15 cents in Boston at 24 cents, and the wool that can be bought for 25 cents at 40 cents for the scoured pound. Let us not forget, however, that when an invoice appears here with a bill of lading attached for the wool, the freight rate is not a part of the amount on which the duty is paid. That amount is merely the cost that is paid to the foreigner for the wool, which alone enters into the question of the duty paid. The Senator, I think,

knows that the Tariff Board has found that it costs $1 practically to produce a pound of scoured wool in America.

At this point, Mr. President, I send to the desk the telegram to which I referred a moment ago and ask that it may be read.

The PRESIDING OFFICER. The telegram will be read as requested.

The Assistant Secretary read as follows:

CHICAGO, ILL., *July 26, 1922.*

Hon. F. R. GOODING,
United States Senate, Washington, D. C.:

Lenroot amendment strikes blow at medium cross-bred wools, which include approximately 65 per cent domestic production. Is it possible that some of our mid-West Senators would throttle an agricultural industry rapidly developing in Corn Belt, where medium wools are grown almost exclusively? Strenuous protest being made from agricultural industry of all sections. American woolen opens 1923 spring at lower values than now prevailing on heavy weight. Believe consumers stand for a square deal for agriculture.

DIRECTOR OF WOOL MARKETING OF AMERICAN FARM BUREAU.

Mr. GOODING. Mr. President, I am quite sure that the Senator from Wisconsin and the Senator from Minnesota and those who are supporting this amendment have not realized how vitally their amendment will affect the wool grown upon the farm, especially that class of wool which is coming in competition with the cheap wool from foreign countries. A suit of clothes made of that class of wool contains wool only to the extent of from $1.16 to $1.32, including a duty of 45 cents. The facts are that with a duty of 45 cents on the scoured basis the men who are growing this coarse wool are getting to-day a duty of only 19 cents. The Tariff Board finds that it costs just as much to grow that class of wool as it costs to grow any other class of wool.

That is not the worst of it all. I want to say again that any Senator who votes for the Lenroot amendment will have his mouth forever closed as far as Schedule K is concerned, because when we come to take into consideration that it affects 22½ per cent of all the wool that is grown in this country and 60 per cent that is grown upon the farm, we know, of course, it gives the manufacturer an opportunity to go abroad, buy cheap wool, and bring it in here and destroy the wool industry upon the farms of America, for no farmer can grow a pound of wool for 25 cents or for 40 cents, or for anything less than the Tariff Board has found after an exhaustive investigation.

I think both the Senator from Wisconsin and the Senator from Minnesota must know and understand that it can not be followed into the cloth. The Lenroot amendment merely means the destruction of a great industry, and those Senators who vote for it must be ready to take the responsibility if the Lenroot amendment is agreed to, because I know what the result is going to be.

I want to say to the Senator from Wisconsin that when we came to the item of butter, 8 cents a pound duty was given on butter. There are different grades of butter. Eight cents a pound duty was given on substitutes for butter. If he would take the foreign valuation of butter substitutes in the Argentine to-day, he would have 100 per cent of an ad valorem duty on butter substitutes.

I do not know why the wool industry has been singled out to be destroyed. If the Lenroot amendment wins, Goldman wins—the biggest Shylock that America has ever known. I say that without reservation, because I investigated the jobbers of this country—Mr. Goldman's kind—a few years ago and I found that they were taking more for distributing a yard of cloth to the merchant tailors of the country than all the other effort toward producing that yard of cloth. He is the man who will win—Goldman, who is trying to create a condition in this country so that when the pending tariff bill is enacted into law he can go out and again rob the American people and lay it to the tariff. There never has been such an organized propaganda as has been put forth with reference to the wool schedule. Never were people more wrong and more outrageously dishonest and crooked—let us say crooked, although that is pretty rough language to use.

I want to say to Senators that if Mr. Goldman stated the truth when he said that a 33-cent duty on a pound of wool is pyramided until it reaches $1, then it is a most damnable indictment of the Senate for not protecting the people against such outrages. If the duties are pyramided on wool they are pyramided on the manufactures of wool, and they are pyramided on every other schedule that is in the tariff bill. Why has wool been picked out and singled out, if you please? Why is it that the farmer's wool, which he grows, is picked out and singled out to be destroyed? Tell me, if you please, how they can follow it and know that it is pyramided three times over, that the price of a suit of clothes, in which the wool, the manufacture, and everything else costs only $1.32, is going to be increased $4, and all such stuff as that?

I will say to the Senate that if they do not investigate the propaganda that has been put out over the country they are neglecting a great duty which they owe to the American people; because if it is true simply because a tariff must be put on any industry to protect it and save the life of that industry that the profiteers of the country shall use it as an excuse to pyramid and charge exorbitant prices, this Government can not live under any such conditions as that. Selfishness and greed create anarchy. Selfishness, greed, and anarchy have destroyed every civilization the world has ever known. It is working overtime in Russia to-day. There are many people who think it is time for a revolution here in America. I refer, Mr. President, to the selfishness and greed in this country such as Mr. Goldman is trying to bring about, such as he has been practicing for years, and such as Senators encourage—unknowingly, if you please, of course, because they do not understand the motives of such men as Goldman in this propaganda that he is putting out over the country. I am sure they do not understand the Lenroot amendment and the effect it will have on 60 per cent of the wool grown upon the farms. The Senator from Wisconsin did not understand that, or I do not believe it would have been offered.

There has been a good deal of discussion about it affecting 1 per cent of the wool consumed. That is carpet wool. That is wool that is grown down in Arizona called Navajo wool. When we come to quarters and low quarters and braids, and wool, if you please, at the present market price for wool spinning, it will affect an average of 40 per cent of all the wool in America.

If Mr. LENROOT'S amendment prevails, the woolgrowers will have the magnificent duty of a protection, with his 60 per cent ad valorem, of 9 cents on a scoured pound on the wool which can be bought abroad for 15 cents. In other words, again, these wools can be landed in Boston for 24 cents. On imported wools costing 25 cents abroad, with a 60 per cent ad valorem duty, these wools will be landed in Boston for 40 cents per pound.

Yet Senators stand here as Republicans upon a Republican platform which has always guaranteed to the American producer a tariff rate equal to the difference between the cost of production at home and abroad. Are Senators willing to give the farmers such a duty? If Republican Senators are not willing to stand upon their platform, let us have an understanding about it, for there is not any question about the truth of the whole matter. Twenty-four cents a pound for a scoured pound of wool landed in America! I am not going to take up the time of the Senate showing why that has come about. We all know that there has been a great war and that there was little market for the coarse wools; that they were a drug on the world's market. Oh, if Senators wish to start in and pick out schedules, then tell me, if you please, why the man who grows the coarse wool, which costs as much to produce as does the fine wool, should not have the same protection? We give protection to butter. There is no dividing line, no dead line, as to butter; that is all right. The highest duty that Congress has ever given was accorded, and I think that the article was entitled to it; but do not let us confine protection to Minnesota or Wisconsin and forget the remainder of the country and an industry that is for the benefit of all.

I wish again to say, Mr. President, that if we destroy the live-stock industry of America we destroy its civilization. The agriculture in this country can not survive without live stock, which affords nature's remedy for keeping up the fertility of the soil, without which the citizenship can not be maintained. Are we going to spend millions and hundreds of millions of dollars in developing a fertilizer plant in the country in order to keep up the fertility of the soil and yet destroy nature's remedy for keeping up that fertility?

We can not grow wool in this country to compete with the character of wool which is brought in here at 15, 20, or 25 cents per pound. The damnable thing about it all is—and I am not going to censure the manufacturers so much in reference to the matter, for everyone drives the sharpest bargain that he can—that the manufacturers will go abroad and buy the most inferior wool they can buy, under an ad valorem duty, and bring it in here, manufacture it into cloth, and the American people themselves will be the ones to suffer by the transaction.

If Senators will take the advice of experts on this question and if they understand the question, as they should understand it from the discussions which have taken place here, they must not claim to be friends of the farmers if they agree to this

proposition. Oh, there are many people in this world who are always posing as friends of the farmer, but when a question touches the railroads or when it touches the manufacturer there their friendship for the farmer stops.

Mr. KELLOGG. Will the Senator yield to me?

Mr. GOODING. Yes; I yield.

Mr. KELLOGG. Does the Senator claim to be a friend of the farmer?

Mr. GOODING. Yes; I do, and I know I am the friend of the farmer.

Mr. KELLOGG. Does the Senator claim to have been a friend of the farmer when he was trying to crowd down the throat of the Senate a duty on shingles that took money out of the pockets of every farmer in the country?

Mr. GOODING. Yes; and I would again vote for that duty. I think the farmers would have accepted it, if the question could have been left to them. They are given protection in all their efforts and on all their labor. When it comes to shingles I know this to be true, because I happened to be on the council of defense in my State when there was a great strike on in all the Western States where shingles are manufactured. The settlement was brought about in this way: In the woods of Washington and Oregon and Idaho the lumbermen were put on an 8-hour-day basis, something which does not exist in the lumber industry anywhere else in America. Over in Canada they have a 10-hour day; they also are employing Japs and Hindus in the woods; and no man can tell me they are not producing shingles in Canada cheaper than they are being produced in America.

I do not care anything about the reports of the Tariff Board on the question. They are a farce. Most of the time the Tariff Commission is putting in is in disagreeing, as we are here in the Senate, on tariff questions. The board is made up of free traders and protectionists. Every kind of expert is to be found serving the board that one may want. The most remarkable spectacle that I have ever seen occurs on the floor of the Senate every day. Experts sit with the Committee on Finance in the morning; they come into the Senate and divide up; one goes on the Republican side and the other on the Democratic side. I do not know what "dope" they hand out to each Senator, but I know that Senators do not then agree, while I know that they did agree in the morning. That is the kind of condition we have.

We ought to repeal the law which created the Tariff Commission. They justified Goldman, in a way, in the interest of whom? I wrote a letter to the Tariff Commission and asked them to tell me why, if the merchants pyramided on wool, they did not pyramid on the manufactures of wool. I have received a letter from them this morning in which they practically say nothing at all, as they do in every other communication; but I think any sane man, any honest man, must admit that if the merchants of this country are pyramiding on one duty they are pyramiding on all. I repeat, in order to emphasize the fact that at the present time a suit of clothes made of quarter-blood wool and containing no cotton threads and no shoddy, costs, so far as the wool is concerned, only $1.68. Then on the lower quarters, as they are called, the cost is $1.32. Let Senators who are shedding tears for the poor man and trying to destroy an industry upon which the fertility of the soil rests, if they succeed in doing it, be ready to meet the responsibility.

It may not be out of place, Mr. President, for me to say at this time that the sheep industry has been my life work, and therefore I know something about it. There has been whispered from time to time around here for many months something as to my being in a wool pool and selling a million pounds of wool and making a great deal of money out of it. Mr. President, it has become the custom in this country to pool the wool all over the country. The Farm Bureau is doing it; it is being done in every State in the Union; for years it has been done in the West. It is true there was a wool pool in Idaho at a little town called Shoshone, controlling about a million pounds. Probably I was the smallest owner in the pool. It sold the wool which it controlled for 30 cents a pound. I knew nothing about it until I read of it in the newspapers.

A brother of mine interested in the pool thought it would be a very nice thing to take care of my clip and let my wool go into that pool. He telephoned down to a partner whom I have living in the little town of Hagerman and told him that he could get in the pool if he wanted to, and that the price was 30 cents. My partner said, "All right." The next day wool around the little town of Hagerman, where the few sheep which I have left were being fed at winter quarters, sold for 31 cents a pound, and the wool of all the other pools that were formed in the West sold for from 31 cents a pound up to 38 cents a pound. I was unfortunate enough to be in the pool which sold its wool for 30 cents a pound. Something about that transaction has been whispered around the Senate Chamber for a long time. I do not think, however, that any Senator will accuse me of being dishonest or will intimate that that transaction controlled my motives in any way, so far as that is concerned.

I have been in favor of protection to every industry, and I have not cared what it was if it was an American industry, because I know, Mr. President, we have reached a milestone in the life of this Nation, and unless we develop every industry in this country which is now undeveloped—and I care not whether it be an agricultural industry, a mining industry, or a manufacturing industry—this country has reached its peak of greatness. We will stand still for a while, but then the backward trend will set in and there will be no help for us. I want to say again that unless we do what every other country in the world is doing, namely, close our ports against the importation of those commodities which we can manufacture and produce in this country we will never see all the men in this country employed; we will always have an army of unemployed. Unless the President takes the circumstances into consideration and exercises the power proposed to be given to him by the pending bill to apply the American valuation to some of the imports which are coming into this country we will go into the winter with six or eight million unemployed, and nothing can save us. We are to-day the lowest tariff country in the whole world, and we are the last country in all the world since the war to increase the protection to its manufacturers. I do not make an exception even of free-trade England. We are the only nation in the world where there is presented the spectacle of two great parties quarreling over the question of protection to domestic industries. In no other nation does such a situation exist.

Every other nation on earth has considered the tariff question an emergency matter, but we are making political football of the business interests of the country, which if we continue will prove disastrous.

Mr. LENROOT. Mr. President, I did not intend to say anything further on this amendment, but the references of the Senator from Idaho to me call for a very brief reply.

I wish to say to the Senator from Idaho, to the Senate, and to the country that, while the Senator occupies the position which he has assumed entirely in good faith, he is unwittingly the greatest enemy that the woolgrower and the farmer in America have to-day, because of the policies which he advocates.

Mr. GOODING. Will the Senator name those policies?

Mr. LENROOT. I am going to do so in just a moment.

Mr. GOODING. Very well.

Mr. LENROOT. The Senator stands for the sky the limit as to every rate which has been proposed in this bill. I do not know of a single rate which has been voted upon where the Senator has not voted for the highest rate proposed by the committee.

When we come to this particular matter of wool, the Senator does not realize, but the Senator ought to realize, that the effect of his policies will be to destroy the protective policy, to give a Democratic Congress and a Democratic President in 1924, and instead of a reasonable protection to the farmers of America, including the woolgrowers of America, he will once more have, under a Democratic administration, free wool. That is the inevitable result of the policies espoused by the Senator from Idaho.

Mr. GOODING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Idaho?

Mr. LENROOT. I yield.

Mr. GOODING. I want to say to the Senator that I can defend any rate in this bill, especially when the duty does not represent the difference between the cost of production in the country and abroad; and the Senator's amendment will give by way of protection only 25 per cent of the difference between the cost of production in this country and abroad. I am not uneasy about defending a protective tariff of that kind, and I can defend every rate in this bill under the world conditions that exist to-day.

Mr. LENROOT. But unfortunately the Senator from Idaho can not convince the American people of the correctness of the position that he takes, that no tariff is too high to suit him. The Senator wants an embargo upon everything that we produce, and, if that policy could be carried into effect, he would strike a blow at every wheat grower in America, at every farmer in America who must have a foreign market for his surplus.

Where does the Senator think that Europe is to get the money or the credits to purchase the surplus wheat, to purchase the

surplus corn, to purchase the surplus agricultural products of America, if we are going to build a tariff wall so high that nothing can come in with which to pay for those products?

Mr. GOODING. Mr. President, I will say to the Senator that we will always buy a billion dollars' worth of foreign products that we do not produce.

Mr. LENROOT. How much?

Mr. GOODING. Pretty close to a billion dollars' worth of foreign products that we do not produce.

Mr. LENROOT. If the Senator has his way, will we?

Mr. GOODING. Why, we do not produce them in this country. I think the amount was $890,000,000 last year.

Mr. LENROOT. What will we get from Europe to pay for our wheat?

Mr. GOODING. I am more interested in——

Mr. LENROOT. No; answer my question.

Mr. GOODING. I will answer it. Europe will buy its wheat wherever it can buy it the cheapest. So will everybody else, regardless of any tariff or anything else. I am more interested in putting the laboring man to work in this country than I am in whether Europe ever pays us a single dollar or not.

Mr. LENROOT. Very well.

Mr. GOODING. There is nothing more destructive to honest citizenship than an army of unemployed.

Mr. LENROOT. Mr. President, I decline to yield further.

Mr. GOODING. It breaks down the morale of the people.

Mr. LENROOT. I decline to yield.

Mr. GOODING. No greater menace——

Mr. LENROOT. I decline to yield, Mr. President. Does the Senator understand me?

Mr. GOODING. Yes; I understand the Senator.

Mr. LENROOT. Mr. President, let us see where the logic of the Senator from Idaho leads us. He is willing, he says, that we put up a tariff wall so high that Europe can not establish any credits here; that Europe can not pay us for any of our surplus products. He is willing to drive Europe to Australia and to South America to purchase all of its wheat. He is willing that the 100,000,000 or 200,000,000 bushels of surplus wheat that is produced in this country shall not find any outlet abroad, and thus reduce the domestic price of wheat to 50 or 60 or 75 cents a bushel. That is the kind of a friend of the farmer that the Senator from Idaho is in the policy that he advocates; and what is true of wheat is true of other agricultural products.

Mr. President, let us see from another standpoint the friendship for the farmer in the policy advocated by the Senator from Idaho.

The farmer of the United States is entitled to two kinds of protection. He is entitled, first, to a reasonable protection upon the things that he produces in order that he may fairly compete with those who are producing like commodities abroad. He is also entitled—and this the Senator from Idaho forgets—to purchase at a reasonable price the things that he must have to live and exist. The Senator thinks only of the woolgrower, of the farmer who produces the things——

Mr. GOODING. Oh, Mr. President——

Mr. LENROOT. I do not yield.

Mr. GOODING. The Senator is mistaken about that.

Mr. LENROOT. I do not yield. I did not interrupt the Senator. The Senator has no regard for what the farmer must pay for the things that he must purchase.

I am not financially interested in wool, Mr. President. I am not financially interested in manufactures. I am not financially interested in anything that is covered by this tariff bill. I deem it my duty, as a Senator of the United States, to represent as best I can the producer, the manufacturer, and the consumer, who is lost sight of entirely by the Senator from Idaho. I have made a fight against rates in this bill to protect the farmer of the United States when the Senator from Idaho has been voting against him.

Let us take one illustration, and it is typical of the Senator's attitude throughout this bill. The question of a tariff upon cotton gloves came before the Senate a short time ago, when a rate was proposed amounting to 119 per cent ad valorem—a glove used by every farmer's wife and daughter in the United States. I proposed an amendment restricting the maximum ad valorem upon those things of common use to 75 per cent, for the protection of the farmer; but the Senator from Idaho voted for 119 per cent ad valorem on those gloves. The Senator from Idaho voted to make the farmers of the United States pay twice as much as they ought to pay.

Mr. GOODING. Mr. President, will the Senator yield now?

Mr. LENROOT. I will yield for a question, but not for a speech.

Mr. GOODING. Then I think I will wait until the Senator gets through.

Mr. LENROOT. Very well.

I have gotten rather tired, Mr. President, of these constant attacks upon those of us on the floor of the Senate who are standing for protection for American industries, but at the same time have some regard for the general public and the consumers of this country. The Senator may think that he can convince the people of Idaho that they would support his theory of building a tariff law so high that nothing can come in; but I say to the Senator from Idaho that if the Republican Party should be so unfortunate as ever to adopt his policy, and he should be reelected, he would be mighty lonesome in the Senate of the United States, because he would have very few Republican colleagues.

Mr. President, we do not need to go very far back to see the results to the woolgrower and to the farmer of the policy that the Senator from Idaho advocates, only he is so much more extreme than anything that has heretofore been proposed.

The Payne-Aldrich bill defeated the Republican Party. The Payne-Aldrich bill, because of the exorbitant rates in this very schedule, resulted in what? In free wool within three years.

Mr. GOODING. Mr. President, I will ask the Senator a question now, with his permission. I will not make any speech.

Mr. LENROOT. Very well.

Mr. GOODING. I want to say to the Senator that the objectionable thing about the Payne-Aldrich bill was not the high rates in that bill, but the fact that it was crooked, indefensible. The trouble was not with the rates of the bill.

Mr. LENROOT. Mr. President, let us see about that.

Mr. BURSUM. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from New Mexico?

Mr. LENROOT. No; I will not yield now. Let us see about that. The American people are interested in the effects and results upon them. That is what the American people are interested in. The Payne-Aldrich bill was crooked, yet if it had not hurt the American people, the consumers of America, there would have been no such rebellion against it. There would have been no such political revolution as followed. It was because the American people were hurt; and the difference between the Payne-Aldrich bill and this bill is that while the effect upon the American people would be very much the same if this schedule should be adopted as originally reported, the manufacturer will not get the same benefit out of it, and the woolgrower will get a greater benefit out of it; but, so far as the cost of living to the American people is concerned, there is very little difference between the wool schedule as reported by this committee and the wool schedule as contained in the Payne-Aldrich bill.

Mr. BURSUM. Mr. President——

Mr. LENROOT. Now I yield to the Senator from New Mexico.

Mr. BURSUM. Does not the Senator believe that it is a little unfair to charge the defeats of political parties altogether to the merits of the Payne-Aldrich bill or other tariff bills? Is it not a fact that after the passage of the McKinley tariff bill there was a reaction in the country, and that there have been reactions at different times in our history after the enactment of tariff bills on account of propaganda and agitation that has caused the country to turn down the party in power, and that after years of experience, such as followed immediately after the defeat of the Republicans on account of the passage of the McKinley bill, and the hard times which the country suffered under practically free trade, the people then realized the benefits of protection, and restored the reins of Government to the party which was in favor of a protective policy; and are not these things likely to repeat themselves?

Mr. LENROOT. Mr. President, I hope the Senator has concluded.

Mr. BURSUM. It may possibly be true that we may be defeated; the party may be turned down; but it is very likely that if we are turned down, a short period of time will furnish such experience to the people as will again restore the country's confidence in the Republican Party on the basis of a protective policy.

Mr. LENROOT. What the Senator says about the McKinley bill is true; but, on the other hand, the Payne-Aldrich bill was in force not for two months, not for three months before an election, as the McKinley bill was, but the Payne-Aldrich bill was in force three years before the election which finally put the Democrats into power.

Mr. GOODING. Mr. President, will the Senator just let me give him the figures? I merely want to say that in that election Roosevelt and Taft polled 1,500,000 votes more than did Mr. Wilson, so it was not the tariff question, after all, that de-

feated the Republican Party. We ought to be fair in discussing these questions, it seems to me. It was the fact that there were two wings in the Republican Party; that is all.

Mr. LENROOT. Yes; one wing of the Republican Party condemned the Payne-Aldrich law, and if that wing could have been successful in that election we might have gone through, but not otherwise.

I have a very great admiration for the Senator from Idaho. He is one of the best fighters I ever saw in any legislative body anywhere. He is sincere and honest. I do not believe for a moment that any personal interest the Senator might have with reference to wool would make the slightest difference in his attitude. Indeed, he has shown that he is for unlimited high tariffs upon everything, and it is entirely consistent that he should take the position he does with reference to wool. But the Senator implied that the Finance Committee is giving high protection to products from Wisconsin and Minnesota and is unwilling to give fair protection to other sections of the country.

We raise sheep in my State, over a half million of them. I have not a doubt in the world that the position I am taking here to-day will be used against me politically in Wisconsin. But I do not care to serve one hour longer as a Senator of the United States unless I can stand here and express my own convictions, with the study I have given a subject, and if I am satisfied that a given rate of duty is ample protection to the woolgrower of Wisconsin, the woolgrower in the West, or any other portion of the country, I am going to stand for that rate and take whatever political consequences may result.

Mr. BURSUM. Mr. President, the attitude taken by the Senator from Wisconsin is very commendable, and that being his attitude I suppose he thinks the effect of this action on the fortunes of the Republican Party, or any other party, at the next election should be no concern and consideration of this body.

Mr. LENROOT. Mr. President, inasmuch as the Senator has made that statement, I am going to give him my judgment, without reflecting upon any colleague of mine here. I am going to give it as my judgment that if we should have a vote upon this proposition alone, without any other rate being involved, if the sole question before the Senate was as to what the duty upon coarse wools should be, I have not a doubt in the world but that this amendment would carry by an overwhelming majority.

I know what goes on about this Chamber, where Senators fear that if they vote against this rate or that rate there will be retaliation upon the part of some one else by voting against some rate in which they are interested. I appreciate that very fully, Mr. President.

Mr. GOODING. Mr. President, will the Senator yield just for a moment?

Mr. LENROOT. I yield.

Mr. GOODING. I want to say to the Senator from Wisconsin that I have been in the Senate now something like a year and a half, and until the tariff question came before this body I took very little part in the debates upon the floor. During that time there was no man in the Senate I learned to have a higher regard for than for the junior Senator from Wisconsin, and I still have that high regard for him. The only trouble has been, as I see it, that the Senator did not understand that 60 per cent of the sheep upon the farms would be affected by his amendment. We discussed here very fully the fact that it was only 1 per cent. There is carpet wool grown in this country which will be affected, and that is only about 1 per cent. I know the Senator intends to be just as good a friend to the farmer as I am. It may be that I do not know what we ought to do in his interest. God knows I try to do the best I can. I know what he has suffered. I know what he went through in the free-wool period. There is no question about that. There is no man in the Senate I have a higher regard for than I have for the Senator from Wisconsin.

Mr. LENROOT. Mr. President, I thank the Senator, and I may be permitted to say that I have already expressed my sentiments toward him personally.

Getting back to what I started to discuss when I was diverted, the Senator's intimation was that Wisconsin and Minnesota were securing rates which we were now trying to deny to the woolgrowers, and he referred to the duty of 7 cents a pound on butter. That is the rate on butter fixed in the bill. What ad valorem rate on butter would that be? It would be about 25 per cent, while the maximum I have proposed for the woolgrower is 60 per cent. So there is the difference between 25 and 60 per cent in favor of the woolgrower; that is all.

With reference to these low-grade wools, of course it is understood that the farmer who raises these coarse wools is not raising the sheep for wool; he is raising it for mutton. The wool is a by-product, and he ought not to expect to be put in the same class with the man who is raising sheep to grow wool, that being his primary purpose.

Mr. GOODING. The Senator would want to be corrected, I am sure. In all flocks of sheep the wether is sent to the market, whether it is the coarse or the fine sheep. It is only in the pure-bred herds that the exception is made. So there is no difference in that respect.

Mr. LENROOT. There is a difference. The Senator from Idaho knows a thousand times more about this than I do, but he knows that this low quarter blood and better is more profitable and better for mutton than the fine-wool sheep.

Mr. GOODING. I want to say to the Senator that the Tariff Commission found that it cost 45 cents a pound to grow this coarse wool, when the lamb was taken into consideration.

Mr. LENROOT. I spent an hour discussing that here the other day and I am not going to repeat the argument. The Senator from Idaho has discussed it many, many times in many speeches, and I do not propose to cover the ground again. One word more about the pyramiding. The Senator from Idaho says that the outside limit of the duty on wool in a suit of clothes is $1.32, and I agree with him. Then, by some peculiar process of reasoning which I have been unable to follow, he says he thinks there should be no profit on that investment of $1.32, the duty on the wool. He thinks that should be carried on to the consumer without any profit to the spinner, without any profit to the cloth manufacturer, without any profit to the jobber, without any profit to the retailer.

Mr. GOODING. Mr. President, I will ask the Senator to let me correct that. I said as far as the woolgrower was concerned. I understand that all other people are entitled to a reasonable profit.

Mr. LENROOT. Now, we are going to get together, because the crucial question is, What will this duty cost the American consumer who buys the clothes? That is the crucial question. I agree that some estimates are too high. The very lowest and most reasonable estimate, I think, will lead to the conclusion that this $1.32, by the time it is finally paid by the man who buys a suit of clothes, will rise to $2.50, without any undue or exorbitant profit to anybody.

I do not object to that in so far as it is a reasonable cost to impose upon the American people, but I do say that in this, as in every other rate in this bill, there comes a limit; that we do not have a right to insist the American people shall pay, that we do not have a right to insist that laboring men of America, who may be compelled by their circumstances to buy the cheapest and coarsest of clothes, shall be called upon to pay as high as 137 per cent ad valorem upon the wool that is contained in their clothes, pyramided as it is. That is the case I present to the Senate. That is the wrong I seek to avoid by the amendment I propose, and that is all.

In conclusion, I want once more to repeat that I am a better friend of the woolgrower than is the Senator from Idaho, because I want to see such rates imposed in this bill, not only upon wool but manufactures of wool, and every other article embraced within its pages, as will be sustained and indorsed by the American people. I do not want to see such rates in this bill as will result in a Democratic Congress next year and a Democratic President in 1924, with a return to free wool and a repetition of the suffering and the hardships the farmers have endured in past Democratic administrations.

Mr. McCUMBER. Mr. President, I am not so much interested in the question whether the Senator from Wisconsin or the Senator from Idaho is the only real friend of the farmer in the Senate. Nor am I so greatly interested in their almost calling each other names in the beginning of an argument and then passing the loving cup at its close. I am more interested in ascertaining what duty will afford reasonable protection for the woolgrower in the United States.

Senators on this floor quite often approach the subject from entirely different angles. Some of them from the beginning determined that they were going to vote against this bill, and they are trying to fortify themselves with ample excuses. There are some, even on this side of the Chamber, who could never be induced to vote for a Republican tariff bill—an adequate protective measure.

I shall not in any way attempt to argue with those Senators. Their minds were made up in the beginning. They intend to fight this bill all along the line. Nor will I take much time to discuss the subject with those who are looking for an excuse to vote against the bill or any schedule in it. When one is ear-

nestly looking for an excuse he will generally find one that is satisfactory to him.

My good friend from Minnesota [Mr. KELLOGG] thinks that we ought not to have a greater duty than 60 per cent upon the coarse wools. Let me ask him why he wants to give the farmer a greater degree of protection on one grade of wool than on another grade? Why should there be a difference in what the wool producer receives on a pound of wool? I know something about the State of Minnesota, my native State, as well as about the State of Wisconsin. The sheep that grows the coarse wool eats as many tons of hay in a year as the sheep that grows the fine wool. The labor in caring for a coarse-wool sheep is exactly the same as in caring for a fine-wool sheep. The cost of production per pound is absolutely the same.

Now, I want to ask the Senator from Minnesota and the Senator from Wisconsin to consider just one feature of their own arguments and say whether or not those arguments are just to themselves, just to the Senate, and to those whom they wish to convince. They are founding all of their arguments against this rate upon the lower grade of wool because of the excessively low price of that wool to-day. Their ad valorem rates are based upon that foundation. Why, Mr. President, 36-40s, the lowest grade of wool mentioned in the class covered by this amendment, in July, 1914, sold for 31 cents a pound. In May, 1922, that same wool, when everything else had doubled and trebled and quadrupled in value, had gone down to 22 cents, or about 45 per cent ad valorem. Is it fair to assume, in making your ad valorem computation, that 22 cents a pound, the price of the coarse wool that is now coming in, is to be the prevailing price in 1923 or 1924 or whenever we reach normal conditions? In 1914 the spread between these classes of wool and the higher classes was about 50 per cent. That is the normal spread. To-day it is 450 per cent. And yet Senators are asking us to make a low ad valorem rate upon an abnormally low price, and which based upon this low price would be no protection whatever. It is when these excessively low importing prices prevail that the greater protection is needed.

Mr. SIMMONS. Mr. President, will the Senator yield to me?

Mr. McCUMBER. I yield.

Mr. SIMMONS. I do not wish to interrupt the Senator for the purpose of engaging in argument about the matter, but this morning the Senator from New Mexico [Mr. BURSUM] made a statement, in reply to a question which I asked him, to the effect that the low-priced wools were selling before the war at 31 cents a pound and now selling for 44 cents a pound. I understand the Senator from North Dakota just said that the wool which sold at 31 cents before the war is now selling for only 22 cents. He may be talking about one wool and the Senator from New Mexico may have been talking about another kind of wool.

Mr. McCUMBER. Undoubtedly.

Mr. SIMMONS. I think, however, that the Senator from North Dakota——

Mr. McCUMBER. I am taking a particular class of wool. I am taking 36-40s in July, 1914, when the price was 15½ pence, which is equivalent to 31 cents. Now, 36-40s in September, 1921, was only 8 pence, which would be the equivalent to 16 cents. But taking 36-40s of this class in May, 1922, it was 11 pence, or 22 cents, as compared with 31 cents in 1915, or 45 per cent lower than during those days when the average price of products were not to exceed one-half the present prices. If the normal ratio prevailed between the coarser and the finer grades of wool, the price of this coarse wool would be three or four times what it is selling for to-day.

Mr. SIMMONS. Why, of course, there is no disagreement between the Senator and myself about that.

Mr. McCUMBER. I think not.

Mr. SIMMONS. He is talking about the application of the tariff. But at that time we were discussing the present prices of wool in this country as compared with prices before the war, with a view to ascertaining whether the woolgrowers in this country, especially those growing low-priced wool, were in any distress by reason of the low prices.

Mr. BURSUM. They would be in distress if we adopted the Lenroot amendment.

Mr. SIMMONS. At the time of the colloquy between the Senator from New Mexico and myself, we were discussing the question of the lowest-priced wool. The Senator from Minnesota [Mr. KELLOGG] just made a statement about the lowest priced wools and I asked the Senator from New Mexico, who had risen to make some observation, what those low-priced wools, which the Senator from Minnesota was discussing, had sold for anterior to the war. I understood him to say 31 cents a pound. I then asked what they were selling for now, and he said in the Boston market they were selling for 44 cents a pound.

Mr. McCUMBER. But I am not taking the Boston market. I am taking the Liverpool market. I am quoting the foreign price, and it is the foreign price with which we are dealing, not the American price in the American market, as the Senator well knows.

With the permission of the Senate I want to take up one other argument that has just been made by the Senator from Wisconsin [Mr. LENROOT]. It has been made again and again on the Democratic side of the Senate, but so far as I know the Senator from Wisconsin is the first Senator on the Republican side who has agreed with it, namely, that we must take Europe's products in order that we may sell our products. I do not agree with that.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. McCUMBER. Certainly.

Mr. LENROOT. Does the Senator say that the Senator from Wisconsin is the only Republican Senator who has ever made that statement? Does the Senator say that is not the prevailing Republican opinion in the United States?

Mr. McCUMBER. Yes; I say it is not. Why, Mr. President, if the Senator will go over the exports and imports of this country for the last 50 years he will find that the greater the spread between the exports and the imports in our favor the greater the prosperity in the United States. There is not a single exception. Our prosperous conditions are best when we sell three times as much as we buy. We do not need to purchase products of the kind that we produce. We will take from China her tea. We will take from Brazil her coffee. We do not produce them. But we produce wool and we produce cotton and we produce manufactured fabrics from them. The prosperity of the American people does not depend upon one yard of cotton cloth or one yard of woolen cloth being imported into the United States.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. McCUMBER. I yield.

Mr. LENROOT. I would like to ask the Senator if our exports should be maintained at three times the value of our imports, how are we to be paid for our exports?

Mr. McCUMBER. Great Britain deals with India. She has a big trade there. Great Britain deals with South Africa. She has a big trade there. She sells her products into those countries and she makes a profit, and out of that profit she must obtain whatever she must pay us. A poor policy, indeed, it would be to surrender our own production and have it replaced by British or French or Italian production so that we might get our debts paid.

Mr. LENROOT. Mr. President, will the Senator yield once more?

Mr. McCUMBER. Certainly.

Mr. LENROOT. Repeating my question, if our exports are three times in value our imports, with what will any foreign country pay us?

Mr. McCUMBER. Again I say the foreign country does not need to pay it out of profits obtained in our markets.

Mr. LENROOT. Oh, no; but will the Senator——

Mr. McCUMBER. The foreign Government can pay out of the profits obtained out of the country to which it sells its goods, and that does not necessarily mean the United States.

Mr. LENROOT. No; but will the Senator answer with what they will pay? That is my question. With what will they pay? Will it be gold? Must it not be either gold or goods?

Mr. McCUMBER. All right. Let us say it is gold or goods. I would take the gold and not the goods.

Mr. LENROOT. We have the gold now, and they have not any more with which to pay.

Mr. McCUMBER. I think they will have a way to pay us without taking our markets. I can not understand for the life of me what economic advantage it is to close an American mill in order that a foreigner may supply the products of that mill in order to pay us.

Mr. LENROOT. Mr. President, will the Senator yield for one further question?

Mr. McCUMBER. Certainly.

Mr. LENROOT. I would like to ask the Senator, then, if his reasoning does not lead him to the position of the Senator from Idaho, to wit, Why have any imports at all? Why not raise an embargo on everything we produce, according to the Senator's reasoning?

Mr. McCUMBER. Oh, Mr. President, I will answer that.

Mr. GOODING. Mr. President, if the Senator will yield, I wish to say to the Senator that practically every other country on earth has done exactly that thing. England and France are practically the only exceptions. Some of them have raised an

embargo entirely on all manufactured goods. Germany has done it, Austria has done it, Belgium has done it, and other countries have done the same thing.

Mr. McCUMBER. Mr. President, the prevailing reason, the only good reason, for allowing products to come into this country which compete with our own is to hold down and prevent any extortionate charges being made by the producers in our own country. We want foreign competition to prevent combination. We do not need it for any other purpose that I know of. If we could produce every pound of wool needed for consumption in the United States at reasonable prices, I can not understand the philosophy that we should import wool instead of raising it in the United States. The woolgrowers do not now produce sufficient to supply our demand. It would take them years to produce all we need in the United States. If they should have a tariff that would be prohibitive, they could mulct the American people in any sum they saw fit. Therefore we should build our tariff wall sufficiently high only to assure a fair price to our wool producers.

I wish to answer some of the arguments not only of the Senator from Wisconsin [Mr. LENROOT] but of the Senator from Massachusetts [Mr. WALSH] at the same time. Both those Senators have reiterated the old statement that Schedule K wrecked the Republican Party. I deny it. What did wreck the Republican Party? Taft had been President of the United States; he had made a good President. The policy of the Republican organization had always been to compliment their President by a second term, if he had given reasonable satisfaction. Roosevelt, the idol of the American people, ambitious for a third term, wanted to be elected President of the United States. The Chicago convention nominated Taft. Roosevelt and his followers refused to abide by the decision of the convention, and Roosevelt ran as an independent candidate, so there were two Republican candidates running. That gave the minority the Presidency of the United States.

Taft had become unpopular, for what reason? The only unpopular thing of which I know that he did was just exactly what the Democrats said he ought to have done. He advocated free trade with Canada. He said, "Bring in Canadian farm products free." The Republicans, with the exception of a few who would follow their President anywhere, fought that policy. The western Republicans were opposed to it, I think, practically to a man; it did not receive the majority of the Republican votes in the Senate; but the minority of those votes, together with a solid Democratic vote, carried the Canadian reciprocity bill through. The American people damned Taft more for that act than for any other thing he had done in American politics.

Mr. BORAH. I merely wish to correct the Senator and to say that it was the stalwart Republicans who supported the reciprocity bill very generally.

Mr. McCUMBER. Some of them did and some of them did not. I said they were opposed to it, except those who were inclined to follow the President no matter what his course might be.

Mr. BORAH. And that was the most of them here in the Senate Chamber.

Mr. McCUMBER. Well, the majority of the Republicans were against it. That was one of the reasons for the defeat of President Taft. Everyone knows that Schedule K was scarcely spoken of in the campaign of 1912, so far as I know, and I took some part, at least, in the campaign for Taft. It was not so much that the Republicans loved Taft less but Roosevelt more.

Mr. LENROOT. Mr. President, the Senator from North Dakota certainly has forgotten one of the most important features of that campaign. It centered very largely about President Taft's speech at Winona, Minn., in defense of Schedule K.

Mr. McCUMBER. Yes; there were some remarks made by Mr. Taft, but I say that that did not seem to have the influence that many other things had. It was "Teddy" Roosevelt and his popularity as against the nominee of the Republican Party; and, as has already been suggested by the Senator from Idaho [Mr. GOODING], there were, if I remember rightly, 1,500,000 more votes for the two Republican candidates than for the Democratic candidate who became the President of the United States.

I probably could call attention to some other things which defeated Taft, but I will state one thing that the Republicans did in 1909 which was their undoing. They refused to put print paper upon the free list; that was the real crime. Every great newspaper in the United States was in favor of free print paper, and through their organization and the president of the publishers' association they put this matter straight up to the committee. It is no secret. They said in substance: "Give us free print paper and we will support the administration; refuse to give it, and we will destroy you, if we can." Well, we took our chances—there were not very many cowards on the Republican side in those days—and we refused to give them free print paper and suffered defeat more for this cause than for any other. We stood for principle, and to the extent that this refusal assisted in our undoing we died for principle. That is the real thing that was back of the defeat of the Republican Party in 1912. That was the one thing that brought the great press of the country against him.

Immediately after that refusal the great magazines began an insidious battle against the administration; not directly, first striking at the President's Cabinet and others, but all the time cutting the grave clothes for the Republican Party. It was not Schedule K at all which defeated the Republican Party in 1912. One might just as well say because we give 7 cents a pound on Pima cotton it is going to wreck the Republican Party to-day.

Now, I wish to refer to the remarks of the Senator from Massachusetts [Mr. WALSH] on yesterday, merely to correct some of his statements. Twice he declared that I had admitted that the tariff upon wool proposed by the pending bill would be reflected in higher prices. Mr. President, I have made no such statement as that. What I did say, in answer to his question, was that the tariff, of course, would be considered as a part of the expense of manufacturing and would, therefore, be considered in the price of the goods; but I stated then, as I state now, that the price of woolen goods is not going up because of the proposed tariff. The price went up to $5 a yard under free wool, not because wool was free, but because the conditions of the country enabled the manufacturer to get that price; that is what fixed the price.

The prices have gone down since the passage of the emergency tariff bill not because the emergency tariff bill, which imposed a duty of 45 cents per pound on the scoured content, drove them down, but they went down simply because the American public would not pay greater prices. The manufacturer at all times will charge and will receive exactly what the trade will bear; and if the trade will bear a greater price than the $2.50 a yard now charged the price will go up. If the trade will not stand that figure, the price will go down, tariff or no tariff.

Mr. President, the Senator from Massachusetts made a very long speech upon the question of pyramiding, and attempted to show that if a few cents a pound duty are imposed on the raw product by the time the finished product reaches the ultimate consumer the additional cost will be in dollars. Mr. President, that depends upon the length of the pocketbook of the ultimate consumer. That is what settles the question of price. The duty will not be pyramided if the ultimate consumer will not pay for it. There are some things for which the ultimate consumer will always pay a good price. We purchased some 300 articles from the stores of New York to ascertain the prices at which those stores retailed articles which they purchased abroad for a very low price. There were two things we did not purchase—millinery and ladies' gowns. We did not have the capital to indulge in such luxuries. A woman will pay $40 for a hat which does not contain $3 worth of material, because that $40 seems to her to measure the real value of the hat. I think on imported millinery every dealer can pyramid his charges. But that is because the trade will bear it.

Mr. President, the duty will not be pyramided unless the conditions of trade allow it to be; and I believe that with our factories open, with manufacturers pushing the sale of their goods, there will be sufficient competition to hold the prices down.

The Senator from Massachusetts says that there is an invisible club that is being raised above the Members of the Senate. Oh, Mr. President, he is mistaken. It is not invisible; it is mighty visible, and we all know what it is. It is the great metropolitan press, representing the importers who buy a string of beads for 15 cents and want to continue to sell it for $15. That is the club that is hanging over the Senate of the United States, and the only club.

Mr. SIMMONS. Mr. President——

Mr. McCUMBER. Mr. President, I believe in teamwork. I think the Republican Party ought to stand together, get the best bill possible, and then work together for it. I know that the Republican Party always has the uphill work, the laboring oar, to maintain the things for which it stands. It believes in a protective tariff, a simple proposition; it believes in sound and stable currency, a simple proposition. Any party that looks to the ultimate good of the country as against an immediate little advantage always has uphill work. It is much easier for the average man to understand that a tariff makes his coat cost him $1.65 more than it is to make him understand that his

wage and his job may depend on that very tariff. So while the Democratic Party can always find a ready response when it appeals to prejudice the Republican Party must always be a party of education. It must appeal to reason.

Did the Senator from North Carolina wish to interrupt me?

Mr. SIMMONS. Mr. President, the Senator was appealing to his party, and I cast my eyes over there, and at the time he began his appeal I saw only one Republican in his seat.

Mr. McCUMBER. The Senators who will vote on this matter have their minds made up, enough of them. They will come in at the ring of the bell.

Mr. SIMMONS. I thought the Senator might yield to me to suggest the absence of a quorum, in order that he might have a better audience.

Mr. McCUMBER. Mr. President, in 1896 the Republican Party was faced with the proposition either of standing for sound money or of standing for free silver. The popular side was free silver, of course. The majority of the people seemed to think that if there were twice as much money in the country they would get more of it and they would be benefited by it.

Had we had an election in July of 1896 the Republican Party would have been swept off the face of the earth. It was a matter of education. We went at it unitedly, not with somebody stabbing us in the back. We guided the old Republican craft through those stormy times. There were those who were attempting to scuttle the ship even in those days, but we got through. There were others who jumped off and said, "It is stormy, and I do not think the old craft can stand it"; but it did stand it, and I do not know any of those that jumped overboard that ever came back. So in these tariff bills I have known Republicans to leap from the old ship. Some of them were strong enough swimmers or skillful enough to get around the rocks and land again some years afterwards, but the majority of them were not so successful. It may be that there are storms ahead, but the old ship of Republican protection is not sinkable. The waves may wash over it for a time, but it will ride them again. Give us but a few years of free trade and the people will not stop to question what any rate of protection duty shall be.

I have great admiration for the old Democratic Party because it stands for a principle, even though that principle may be absolutely at variance with my conviction of what is for the welfare of the country, and you can generally count upon its members to act unitedly. They are good teamworkers; and it is because of that that the old Democratic Party through many a defeat rises from the grave of adversity and challenges our party for supremacy.

Mr. President, we are going to try to make the very best tariff bill we can. We are not going to attempt to make a free trade bill, nor to put on any duties that will cut off importations. We do intend to give the American producer and the American manufacturer the best of it, if we can. If any Republican feels that he can not stand for that view of this case—that is, if he feels that he must have his own way on every proposition, or else that he will desert the ship—of course he is privileged to do so.

I have no complaint against any Senator who disagrees with me. I think, if I remember rightly, that the Senator from Wisconsin [Mr. LENROOT] voted to put a duty of $200 each upon the importation of foxes—a little bit of a fox, so long [indicating]—and yet he can not stand this duty upon a pound of wool. My policy is to allow the breeders to come in free, which has been the Republican policy. I condemn no Senator because he differs from me upon that subject; but I do not think he has a right to take the whole party to task because it insists that for the first time in the history of the country the farmer shall have protection upon the wool which he grows.

Mr. HEFLIN obtained the floor.

Mr. WATSON of Indiana. Mr. President, may I ask the Senator a question?

Mr. HEFLIN. Certainly.

Mr. WATSON of Indiana. Does the Senator expect to speak on the wool schedule?

Mr. HEFLIN. I do. It is a very interesting subject, Mr. President. I can not permit this opportunity to go by after all that I have heard on the other side, without saying a few words about this item; and I want to begin by reading from a great Republican daily.

The New York Herald of to-day in an editorial says:

A wool tariff by wool Senators.

This is bound to be an interesting editorial.

The shocking thing about the tariff duties on wool now being jammed through the United States Senate is not merely that they are extravagantly, inordinately, incomparably excessive. Other tariff duties framed by the Finance Committee and adopted by the general membership of the Senate are, from the point of view of economic sense and of consideration for the consuming public, so high as to be outrageous. The wool schedule, therefore, has plenty of bad company. But that is not all there is to say against the wool tariff.

The worst indictment of the wool schedule and of the men responsible for it, bad as is the wool tax itself, is that the wool duties were made and are being driven through the Senate under whip and spur by United States Senators who are financially interested, directly and heavily, in the growing of sheep and the production of wool. The circumstances are flagrant.

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Their performance is the last word in personally interested, private-pocket statesmanship.

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Yet Members of the United States Senate, up to their necks in the business of growing sheep and producing wool, have not hesitated to make the highest wool duties in the history of the country—have not hesitated in a matter deeply touching their own private pockets, to put an extra wool tax on the American people estimated at not less than $200,000,000 a year.

It is possible, it is even probable, since the Congress tariff makers are going the limit on all duties, that the Senators in question would be just as strong for their excessive wool duties if they did not have a dollar of private interest in the sheep and wool business. It is possible, it is even probable, that if they did not have a dollar in the business these Senators would put the wool duties still higher if they dared to do so, because they have simply gone tariff mad. But what do they think the American voters are going to do at the polls against a wool tariff monstrosity made by United States Senators, who themselves are personally and deeply interested in the sheep and wool business and taxing the consuming public an extra $200,000,000 a year?

Mr. President, that presents a very serious situation to the Senate and to the country. The time was when Members of both Houses who were interested as these Senators are would not participate in the debate or vote upon the question; but we find a combination of big wool interests here speaking for and voting for measures that put money in their own pockets. The Senator from Idaho is loud in his appeal for the adoption of this program to tax the American people to put money directly into the pockets of the wool kings of America. Are men here to be permitted to use the taxing power of the Government to take money from the people to enrich themselves? I submit that it is a perversion of legislative power as the fathers intended that it should be used.

The Senator from Idaho, in speaking so appealingly to the Senate for this tariff tax on wool, reminds us that the live-stock industry is imperiled; that we must come to the rescue of the cattle industry of the United States and the sheep industry of the United States, all covered under the head of the live-stock industry. Mr. President, I do not intend that Senators shall ever, as long as I am in this body, attribute the injury done to any particular industry by the deflation policy of the Federal Reserve Board to other than the real cause without having the RECORD show that somebody pointed out exactly what it was that brought about that distressing situation.

As the Senator from Idaho was speaking, I thought of what a western man testified before our Committee on Agriculture and Forestry. Here is what he said:

When this call came for money—

That was under the deflation drive of 1920 and 1921—

when the eastern banks called on the western banks for money, the western banks called on the cattle men, with the result that the cattle men simply pushed into the market what they had, liquidated their cattle; they played square, gave what they had to settle, and tried to settle. Then started an absolute flood of cattle going into the market back yonder, beginning in the spring, when the cattle should have gone to the range. In other words, instead of those cattle going to the range, as is customary and as should be the case, on account of this calling of loans they went to Chicago, Omaha, and Kansas City. As far as I could find out on my trip, there is probably not more than 50 per cent as many cattle on the range in the northwestern country as there was a year ago. This situation is due altogether, so far as I can see, to the fact that they had to liquidate.

There is the truth of the situation and there is the bitter fruit of drastic deflation.

Why is it that Senators on the other side will not join with me, the Senator from South Carolina [Mr. SMITH], the senior Senator from North Carolina [Mr. SIMMONS], the junior Senator from North Carolina [Mr. OVERMAN], the junior Senator from Georgia [Mr. WATSON], and the senior Senator from Georgia [Mr. HARRIS], and others I might mention, in condemning the deflation policy which brought this evil about? Why is it that the Senator from Idaho has not lifted his voice, during his whole term in the Senate of two years, when this ruin was being wrought to the wool industry and the cattle industry of his section? Why is it that Senators over there will not come out and point out the real evil, point out the thing that has done this great injury to the various industries of our country?

Are they afraid? Is this mysterious influence so powerful that Senators are intimidated? Why is it that they will not cry out against it? They simply tell us that the wool industry

is in bad shape, the cattle industry is in bad shape, and that they want a tariff tax to lift them out of the ditch, where they have been knocked by the deadly blow of deflation. Do you want to know how to aid these industries? You can do it by unloosing the money instrumentalities and permitting currency and credits to go where they are needed in the country. I could take a billion dollars, put it in circulation, and start things going in a little while. But they are not going to permit you to do that. They are going to continue to hold their carnival in stocks and bonds until they have finished their feast.

Things are picking up a little, due to the efforts of the War Finance Corporation, which I and others here helped to create. The Federal Reserve Board's policy has not helped toward getting away from the ruinous condition that deflation produced. Yet the Senator from Idaho and others are as silent as the tomb. What is it that makes them afraid to cry out against this system? Are men to occupy places in this body and permit some great giant concern to become so powerful in politics and business that men dare not assail and condemn it? Where is the courage that belonged to men who stood in this Chamber in the days that are gone and dared to smite, hip and thigh, evil influences that sought to ruin the country? I appeal to the spirit and the courage of the Senator from Idaho to cry out against the real evil.

Senator LADD, of North Dakota, is the only one of you who has had the courage to speak out against this big predatory interest, the real evil.

One of my brothers, while touring the Old World a few years ago, sitting upon a bench in a park in England, came across this poem in a newspaper and brought it to me:

> The law imprisons man or woman
> Who steals a goose from off the common;
> But lets the greater culprit loose
> Who steals the common from the goose.

I commend the thought contained in that poem to some of the Senators on the other side. Big concerns, big money interests, predatory power exerting influences to silence those who dare speak the truth and criticize their criminal conduct, undertake to present and keep to the front through the part of the press they can control and through other agencies issues which are inconsequential compared to the great and important issues involved. Some Senators will eagerly seize by the throat some small and unimportant issue, while they fail and refuse to speak above a whisper where some big concern is involved.

The Senator from North Dakota [Mr. MCCUMBER] says that Schedule K did not have anything to do with Republican defeat of 1912. Mr. Taft was already condemned by many Republicans before the split between the two factions of the Republican Party got under headway. I recall that while President, when Schedule K had been enacted, in the worst tariff law ever written until this monstrosity was brought here, Mr. Taft said, before they carried it to him for his approval, that Schedule K was "inexcusable and indefensible," using those words. Yet under the pressure of the powers of his party he signed his name to the bill.

The American people did repudiate that tariff law, and I say to the Senator from North Dakota that the hundreds of thousands who supported Theodore Roosevelt opposed Schedule K. Roosevelt himself attacked it upon the stump. Democrats criticized and condemned it. So that Schedule K and the Republican Party's Payne-Aldrich tariff bill were voted against by two-thirds of the voters in the progressive ranks and in the Democratic ranks in the election of 1912.

The Senator from North Dakota reminds us of 1896, when he said free silver was a mighty issue—and it was—and that his party stood for sound money. Silver is good money; gold is good money; Federal reserve notes are good money. All money put out and backed by the Government is good money. But I want to tell the Senator from North Dakota what the trouble was in 1896. It was the same kind of trouble we have to-day, and that we had during and following the drive of drastic deflation. There was not enough currency in circulation to answer the needs of the people. There was not enough credit accommodation to serve their business purposes. It was called in and made scarce for a purpose. That was the trouble. Somehow or other we did not seem to understand it then. I understand it perfectly now. Every other thoughtful man and woman in America is beginning to understand it. But the purse-proud "high brows" try to keep the people in ignorance upon this question.

What is the matter? We need more silver, more gold, more currency, of whatever kind it is, in actual circulation, backed by the sound policies of the Government, always in keeping with the principles of sound banking. They know that we stand for a sound financial policy, and yet they get up here and tell us, "You are in favor of running a printing press; you just want to issue money as Russia does or as some other power does." We do not want to do any such thing. We have a gold supply that would enable us to-day to issue $2,000,000,000 and more and never approach the reserve supply required by the law. It is simply a question of having the amount of money necessary to meet the business needs of the people issued.

I will tell you what they have done, and the country is waking up to it. Whenever money becomes plentiful and the people begin to prosper the money lords in Wall Street issue an edict, quietly and secretly. They have money called in and credits curtailed, and whenever they commence to do that the symptoms of hard times are seen, and then you hear people talking about a slowing up of business, and how trade generally is being injuriously affected. They do it quietly, secretly, cutting off the currency supply and calling in loans. They get ready to make a killing on stocks and bonds on the exchanges of New York. They whisper around, "Certain stocks are going down, are bound to go down, because it is feared that a panic is coming."

How many times have we heard that in the past? That is the way they played the game. Yet, when we established the Federal reserve banking system, we established a system that would absolutely prevent panic and prevent serious business distress, and a system that would furnish every dollar needed by every man and every woman, in every kind of business, in every State of the Union, and not until the control of that system passed into the hands of Wall Street did business distress and financial panic come to curse our people.

We are fortunate in having learned how this brutal and criminal trick is done.

I do not propose to go into that subject any further to-day. The wool schedule of the Payne-Aldrich tariff bill called forth bitter opposition from people in every section of the country. Here comes the cry from your own Republican paper in New York City opposing the wool schedule and calling this tariff bill a monstrosity, pointing out the fact that this schedule, which takes out of the pockets of the American people $200,000,000 annually, is to fill the purses of the big men interested in the wool industry.

Oh, Mr. President, it will not be long now before the people will have an opportunity to speak at the polls. The Senator from Wisconsin [Mr. LENROOT] served notice upon the Senator from Idaho [Mr. GOODING] that if he and others persisted in their course they would have a Democratic Congress and a Democratic President in 1924. There is nothing this side the judgment that would do so much to restore hope in the hearts of the American people as the restoration of the time-honored Democratic Party to power, a party that has never yet truckled to the predatory interests of the land; a party that has never been driven to do the will of the money kings of the country; a party which in all its long history, in season and out, has stood for right and fair treatment to the common man and woman; a party, in the language of the father of Democracy, Thomas Jefferson, devoted to "equal rights to all and special privileges to none." It is a party that is as old as the Government itself, a party that has seen other parties come and go, while this party lives on forever. Why does it live? Because it is the party of the people; it is the party that stands for justice to the humblest individual in the country. It safeguards the principles of constitutional government. That is why it has lived.

Do you know why we are not in power now, and why we have been driven out of power on other occasions? As soon as we got into power and the big interests knew that they had to walk the line of decent and honorable conduct, they commenced calling in the currency and deflating credits, in order to produce hard times, and then would go to the very people who had elected the Democratic Party and say, "Now you see what you have done. You have elected the Democrats, and they have produced hard times," when the truth is those who controlled the money supply did it themselves, when they called in the money and curtailed credits. They produced the hard times, and the people in that disturbing situation were deceived as to the cause, and while in that frame of mind turned right around and voted against the party which would have given them relief, which would have restored the instrumentalities to their proper functions in the Government.

That is what we have had. But I am living in the hope that the intelligent men and women of America have reached a time when they can not be deceived any more by such arguments as that. We are going to win in the coming election. We are going to carry the House, gain some seats in this body from the other side, and I think elect a President in 1924. I think the fear expressed by the Republican Senator from Wisconsin is well founded. The Senator from Wisconsin denounced this bill

himself, and this schedule in particular, and called on his party brethren to desert it, to abandon it, if they do not want to see the party driven from power. The New York Herald editorially to-day, I repeat, denounces what is being done here and calling the bill a monstrosity. This Republican mouthpiece condemning the work of the Republican Senate is certainly significant.

Oh, Mr. President, little by little, day by day, we get the issue to the country. I owe it to the people in the Nation, other Senators owe it to them, to make contributions to the discussion, hot as it is at the Capitol, to carry the truth home to the people whose rights are being taken away, who are being outrageously imposed upon, who are being robbed by the misuse or abuse of the taxing power. Let us continue the fight. Let them understand just how it is here because of those who think the Government belongs to them on account of contributions that they have made to win Republican elections. Let us have the people whose Government it is wake up to the fact that it is high time that the men and women of America were facing about and with unity of purpose marching in solid phalanx until the party is driven from power and the Government restored to the rule of the people.

Mr. ROBINSON. Mr. President, it is not my intention to discuss in detail the tariff on wool, but I rise with particular thought concerning a statement made by the Senator from North Dakota [Mr. McCUMBER] during an address which he delivered this morning.

Mr. SIMMONS. Mr. President——

Mr. ROBINSON. I yield to the Senator from North Carolina.

Mr. SIMMONS. I make the point of no quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Gerry	McLean	Simmons
Ball	Glass	McNary	Smith
Borah	Gooding	Moses	Smoot
Brandegee	Hale	Nelson	Spencer
Broussard	Harreld	New	Stanfield
Bursum	Heflin	Newberry	Stanley
Calder	Jones, N. Mex.	Nicholson	Sterling
Cameron	Jones, Wash.	Norbeck	Swanson
Capper	Kellogg	Overman	Trammell
Caraway	Kendrick	Pepper	Underwood
Colt	Keyes	Phipps	Wadsworth
Culberson	Ladd	Pomerene	Walsh, Mass.
Cummins	Lenroot	Ransdell	Walsh, Mont.
Curtis	Lodge	Rawson	Warren
Dial	McCormick	Robinson	Watson, Ind.
du Pont	McCumber	Sheppard	Willis
Frelinghuysen	McKinley	Shortridge	

Mr. TRAMMELL. I desire to announce the unavoidable absence of my colleague [Mr. FLETCHER] on account of illness.

The PRESIDING OFFICER. Sixty-seven Senators have answered to their names. There is a quorum present. The Senator from Arkansas will proceed.

Mr. ROBINSON. Mr. President, the schedule in the bill relating to wool is unquestionably, from my standpoint, one of the worst and most indefensible in the bill. It is of interest and concern to nearly all citizens of the country. I stated before the absence of a quorum was suggested that my immediate purpose in taking the floor at this time is to challenge a statement made by the Senator from North Dakota which, in my opinion, reflects upon the integrity of the press of America and which it seems can not be sustained by evidence.

The Senator from North Dakota ridicules the idea that Mr. Taft was defeated for a second term because of his changed attitude respecting tariff subjects, and particularly as they related to the wool schedule. The Senator from Wisconsin [Mr. LENROOT] pointed out the historical course taken in connection with the subject, the fact that Mr. Taft had made his first campaign, with the support of Mr. Roosevelt, largely upon a platform favoring the reduction of tariff rates, and that after his election he had apparently completely reversed his pre-election attitude and had signed a bill which he himself had characterized as utterly indefensible.

The Senator from North Dakota then repeated with emphasis a declaration which he had previously made to the effect that Mr. Taft's defeat was not due to Schedule K but to the newspaper publishers of America. He said, as nearly as I can quote him from notes taken at the time, "We all know that a committee representing the newspapers of the country came here and urged free print paper. They told the Finance Committee that if we would grant this the newspapers would support Mr. Taft, but if their request was refused they would wreck the administration." Continuing, the Senator from North Dakota said, in substance, that the Finance Committee had rejected that corrupt demand, had stood for principle, and because it would not yield to the demand of the newspapers of America to place print paper upon the free list the Republican Party had been exalted to a place of martyrdom and had suffered defeat.

Mr. President, if the statement of the Senator from North Dakota is accurate, if his declaration is true that because the newspapers could not intimidate the Finance Committee into doing something which the Finance Committee regarded as wrong, the newspapers of the country turned against the Republican Party and brought about its defeat, it is a terrible and an appalling indictment against the press of the United States, the men who own it, and the men who control its policies.

I call upon the Senator from North Dakota for definite and complete information; and I ask him to tell the Senate and the country whether the declaration by that committee to which he has referred was made in open or secret session of the Committee on Finance. I challenge the Senator from North Dakota to tell the Senate and the country who constituted the committee which appeared before the Finance Committee of the Senate and threatened that committee with the united and concerted opposition to Republican candidates and policies if the Finance Committee refused to accede to its demand.

Important as are the provisions of the wool schedule, the issue presented by the declaration of the Senator from North Dakota is far more important. It goes to the integrity of the press of the United States; it assails, in my judgment, the honor and the honesty of the newspapers of this Nation. There ought to be the fullest publicity concerning this matter. There can be no justification for concealment or for secrecy respecting it.

Who were the committee? Whom did that committee represent? Were the statements reduced to writing or was an attempt made to utter them in confidence? It matters little now what were the underlying causes of the defeat of Mr. Taft for a second term unless the declaration of the Senator from North Dakota that it was encompassed through corruption on the part of the press of the Nation be true.

How does it happen that the years have come and gone; how does it happen that Mr. Taft went down to defeat, overwhelming and humiliating, and that the real cause has been withheld from the public and not published until to-day? When the newspaper representatives made that challenge to them that they must either write into the Payne-Aldrich tariff act a provision sent in by the newspapers of the country and advocated and desired by them or suffer the united opposition of the press of the Nation, why did not the Finance Committee then publicly accept the challenge and meet the issue?

I am not asking these questions for political purposes or for political effect; I am asking them for information. The statement of the Senator from North Dakota was to the effect that when the Finance Committee, with courage and dignity, stood for principle and rejected the demands of the representatives of the newspapers of the Nation, those papers unitedly turned against the Republican Party and its nominee, and for that reason Taft went to his political grave. If that be true, why were the facts withheld at the time? If it be true, why are the details now withheld?

My recollection is that the Republican press of the United States did not turn against Mr. Taft; my recollection is that comparatively few metropolitan newspapers supported Mr. Roosevelt. I can recall from memory now only one great group of Republican newspapers that did repudiate Mr. Taft and support Mr. Roosevelt.

The truth is that Mr. Taft made a campaign under the auspices of Mr. Roosevelt upon certain principles. He had declared over and over, as stated by the Senator [Mr. LENROOT], that the time for prohibitive tariffs had passed; that the time had arrived when wisdom and justice required a general and material reduction in tariff rates. Upon that issue in his first campaign, championed and encouraged and advised by the gallant Roosevelt, he rode to victory in triumph. No sooner, however, was he elected than he turned his back upon the ladder by which he had climbed to power; reversed his attitude on the one great question which more than any other had inspired the confidence and secured the votes of the American people. From a champion of tariff reduction, he became the apologist for the most indefensible statute ever enacted concerning the tariff. When he did that Roosevelt repudiated him, and thousands, aye, millions of others who had supported him in his first campaign took the same course that Mr. Roosevelt did. Like any other President, he had the organization of his party within his own control, or within the hands of those he did control; and the result was his second nomination was forced through that organization and in spite of the bitter objection and resentment of Republican voters throughout the Nation.

As already stated, nearly all the Republican newspapers, that is, the recognized Republican newspapers, if my memory serves me correctly, continued a lukewarm support. The Munsey

papers, to which I have already indirectly referred, changed their attitude, and, perhaps, some others did so; but the indictment of the Senator from North Dakota against the press of America that because they could not control the consciences of the members of the Finance Committee of the Senate they turned against the Republican Party and encompassed its overwhelming defeat in Mr. Taft's second campaign is unjust, and, in my opinion, unfounded; and I call and shall continue to call for specific and definite information respecting the subject.

This is a question that, having once been raised, can not be treated with indifference or unconcern. If the newspapers of the United States pursued the course that the Senator from North Dakota says they took, then they are unworthy to give expression to public events and public thought. If the charge is unfounded, if it is based upon the irresponsible and unauthorized utterances of individuals who spoke without authority to represent the newspapers of the Nation, I take it that they repudiate the statement as an unjust slander.

Again, I ask, when was the statement constituting a threat of the worst nature made by this newspaper committee? Who constituted the committee? Who was its spokesman? Were the statements made in public or in private? Why have they not been published heretofore? Why did Mr. Taft and his associates in the campaign which resulted in his humiliating defeat suffer that to occur without complaint and without resentment, when an honest exposure of the causes which were driving him to the wall in hopeless political ruin would have resulted in bringing to his standard honest men throughout the Nation who are unwilling that the politics of the country should be dominated by selfish or corrupt influences?

Let us have answer to these questions. The Senator from North Dakota assumed to speak with authority. He professed to know all about the matter. When the Senator from Wisconsin [Mr. LENROOT] challenged him he manifested impatience, if not resentment. Let us have the facts.

While the wool schedule as written in this bill will impose almost unbearable burdens on the American people, it never can accomplish the harm that results from practices such as that described by the Senator from North Dakota. If the newspapers of my country—which I have come to regard as agencies for the distribution of news and for the elevation of the standards of citizenship and of public service—have descended so low that in order to get an advantage by placing upon the free list a commodity which they use, they are willing to wield their power for the election of a candidate whose representatives are ready to make that concession, I want to know it. If, on the other hand, they are willing from resentment and in a spirit of revenge to combine to destroy honest public representatives who can not in good conscience yield to their demands, if they are willing to convert themselves concertedly and unitedly into political agencies to achieve vindictive purposes for a refusal on the part of Congress to enact legislation to please them, the sooner the country finds it out the better and the safer it will be. Let us have the facts.

Mr. STANLEY. Mr. President, I have been profoundly impressed by all that the eloquent and forceful Senator from Arkansas [Mr. ROBINSON] has so well said; and I rise in my place with some diffidence to comment briefly upon this vital and startling situation.

This is no petty charge, made by no petty man, and in no obscure place. This is, in a way, an impeachment of the honor of the press in the Senate of the United States by the acknowledged spokesman of his party upon a great question. The chairman of the Finance Committee, speaking with authority, chiding his party, rallying them to the support of a political organization with the authority of a commander, condemning the recalcitrant, defying the disobedient and the rebellious, announces on the floor of the Senate that the attitude of the press of the United States was determined not by any public sense of duty, not by any regard for the truth, but that their editorials, false as dicers' oaths, sprang from petty resentment and the denial of special privilege; that first the press of a great Nation came to the Finance Committee, openly or secretly—it does not appear, but we are left to presume that they came to the Finance Committee as Nicodemus came to Christ, by night—and intimated that it would be better to grease the press, better to fix this great agency of publicity, or there would be trouble; and that the Finance Committee, with the courage of a hero, the virtue of a martyr, and the loquacity of a sphinx, refused to do it, but said nothing about it.

Mr. President, I remember as well as if it were yesterday in my youth I heard that great rostrum orator, Dougherty, of Philadelphia, in that wonderful and never-to-be-forgotten address on "Orators and oratory." He gave a graphic account of the passing of the orator. He described, as only Dougherty could, the majesty of Clay, the resounding periods of Webster, the invincible logic of Calhoun, the gallantry and magnetism of Hayne. He told of a period when the public sat at the feet of great and accomplished forensic orators who molded public opinion, and who guided by their genius and inspired by their eloquence the great public of America. He told of the passing of the silent thousands who sat enthralled under the spell of those mighty men, whose tones still linger within this historic building and whose lives are an inspiration to generations yet to come, and to them he paid the tribute that not one of the great orators of that day had ever "sold the large space of his great honors for so much trash as may be grasped thus" [indicating]; not one had ever soiled his garments or stained his tongue of fire by the putrid touch of corruption; and, said the great Dougherty, "The age of the orator has passed, because he no longer informs the public. The press has superseded the orator on the rostrum, in the Senate, in Congress, for the reason that to-day"—even in Dougherty's time—"we took up the morning paper and saw what has transpired the day before. The press of the United States to a greater or less extent is not only the purveyor of news, it is the molder of public opinion."

The honor of public men, the fate of public policies, the attitude of the Nation in peace and war are in a great measure dependent upon the wisdom of this mightiest influence for good or evil, for right or for wrong, and we are told that that thing may be bought and sold for a petty duty upon print paper; that an effort was made to get the press of America, crawling on its belly, to eat out of the filthy hands of the purveyors of graft, and that they repudiated it. Repudiated it when and how?

The press of the country did demand free print paper, and there never was a more righteous demand. I remember that long inquiry into the cost of producing print paper in the United States and Canada, conducted by the indefatigable JAMES R. MANN, of Illinois. The report of that investigation showed that the labor cost in the production of print paper was greater in Canada than in the United States. There was no ground for that duty. That plea of equalizing the cost of production at home and abroad had no place there. There was no pauper labor in Canada to threaten the pulp mills of the United States.

More than that, as a member of the Committee on Agriculture it was brought home to me that to-day millions and hundreds of millions are being spent to save and to conserve the forests of America. The forests of America are not endangered by the wise cutting of timber. There are forests in Germany to-day, or were prior to the war, and all over Europe, in a finer condition than they were five centuries ago, from which five centuries have cut their timber. By the wise and scientific cutting of timber forests are increased in value. The thing that denudes the hillsides, that adds to the terrific force of ever-recurring and destructive floods, is the cutting of timber as you cut grain, all of it as you go; and a paper mill takes everything, from a sapling to a saw log.

You are wasting the resources of a country, you are spending millions from the Federal Treasury, to conserve forests that were being denuded to feed the paper mills instead of availing yourselves of the illimitable spruce of Canada. The tax upon print paper was not only a tax upon the metropolitan press but it was a tax upon every schoolbook. It was a tax upon intelligence. Of course, I can not blame the Republican Party for placing a tax upon intelligence. That was a measure of self-defense. Because the press denounced that naked, unscientific abomination its integrity must be impugned.

Again, because now without regard to party alliances, without regard to the fate of political organizations, inspired by a sense of common justice, reflecting a universal revolt, the press of the country, Democratic and Republican, bull moose and cow moose, mugwump, and every other kind of press, from the weekly newspaper to the metropolitan papers of the great cities of New York and Chicago and New Orleans, all join in expressing their just abhorrence of this aggregation of blunders and legislative crimes, this heterogeneous mass of unscientific monstrosities, because the press now condemns your effort to please everybody everywhere who has a pull or a vote, and to spread this graft over farm and field and factory, to fill everybody's mouth who can condemn and silence everybody's opposition who can oppose you, a bill destructive of every industry, pregnant with state socialism, ill-considered, misbegotten, abominated by the intelligence of America, as expressed by the press of America, you once again seek to meet the intelligent argument of the great dailies of the country by impugning the integrity of the papers, by spreading the poison over this country that they are subsidized and bought by a handful of merchants who are importing from foreign countries, as if all the importers in the United States have the wherewith which one great protected industry can command in an hour.

The practice of indulging in careless and wanton attacks upon the character of public men has become so universal that when you do catch a rascal nobody pays any attention to the exposure of it. This thing of damning the press without regard to its guilt or innocence is a protection to that part of the press which is subsidized. It is unjust, it is unfair, it is indefensible—this attack upon that part of the press which has the courage of its convictions.

The Senator from Arkansas is right. The press should demand, the Senate should demand, and the people should demand to know whether this great instrumentality for informing the public, for molding its opinion, comes from the heart and soul of great journalists, doing a great work in the fear of God and in the love of their country, or whether they are a lot of petty grafters piqued because they are no longer in the pay of the Finance Committee, which, by some strange oversight, overlooked one powerful beggar for graft, the first powerful beggar who was ever disappointed.

Mr. SMOOT. Mr. President, in the absence of the Senator from North Dakota [Mr. McCUMBER] I want to recite what I know happened in 1909, and from which it might be the Senator from North Dakota drew his conclusions as stated to-day. Whether those conclusions are right or not, it is not for me to say, but, in reply to the request of the Senator from Arkansas, I think it is the proper time now to state just what happened regarding the duty on print paper when the Payne-Aldrich bill was being considered in committee.

The Senator from North Dakota was a member of the Finance Committee in 1909. I also was a member of that committee at that time. Senator Aldrich was chairman of the committee. As Senators know, there were no open hearings held on the Payne-Aldrich bill by the majority Members of the Senate. The hearings which had been held before the Ways and Means Committee of the House were taken as a basis for the consideration of the bill by the Finance Committee of the Senate.

As I remember, the House had placed a duty upon newsprint paper of $2 per ton. When the bill was under consideration by the Finance Committee the then senior Senator from Maine, Mr. Hale, also a member of the Finance Committee, insisted that $2 a ton was not sufficient to protect that industry, Maine at that time, I believe, producing more wood pulp and print paper than any other State in the Union.

Mr. John I. Norris, representing the Newspaper Association of America, requested that the committee hear him on the question of the House duty upon print paper. The committee decided that the proper course to pursue was to appoint a subcommittee to hear Mr. Norris, and the committee appointed a subcommittee consisting of Senator Aldrich and myself. One evening was set apart for that subcommittee to hear what Mr. Norris had to say in relation to the duty on print paper.

Before that meeting, however, the majority members of the Finance Committee tried to agree upon a compromise rate on print paper. It seemed as if that was impossible in the committee, and the subcommittee of the Finance Committee met Mr. Norris, who made his statement as to why he thought print paper should be upon the free list.

Senator Aldrich and myself tried to reach some compromise with him, he representing the Newspaper Association of America. I think for two hours and a half that question was discussed, and I remember very well making a final appeal to Mr. Norris, asking him if, under the circumstances and conditions then existing, we could not make some compromise, telling him that if we could the subcommittee would take it to the full committee with a recommendation that the full committee adopt it.

I remember well the reply made by Mr. Norris and how emphatic he made it, and if I had my diary here I could give his answer word for word. But I have repeated it many times in the past, and I think I can repeat it now almost word for word. This is what Mr. Norris said:

"I will not consider a compromise of any kind. We demand free paper, and if I had the power I would lay a tribute upon the newsprint manufacturers of America, and if a duty is placed upon newsprint paper the Republican Party will be driven from power."

If it is the last word I ever utter in this world, that was, in substance, what John I. Norris said to the subcommittee.

The subcommittee reported that to the full committee, and I have no doubt but that the Senator from North Dakota was there at the time the report was made. As to what happened, or what influence it had upon the newspapers of the country, I have never stated; but that is what took place.

Mr. ROBINSON. Will the Senator yield for a question?

Mr. SMOOT. Certainly.

Mr. ROBINSON. Does the Senator state that Mr. Norris's reply to his appeal for a compromise was that "if a duty is levied on print paper the Republican Party will be driven from power"; that if the Republican Party would put print paper on the free list the newspapers would support Mr. Taft, and if they did not put it on the free list they would oppose him and wreck his administration, or anything like that?

Mr. SMOOT. Nothing was said like that, nor did I draw any such conclusion from what was said.

Mr. ROBINSON. That last statement is interesting, if the Senator will pardon me. I presume he took the floor to vindicate the position taken by the Senator from North Dakota——

Mr. SMOOT. Oh, I arose to state what happened in 1909, when the question of a duty on print paper was being considered.

Mr. ROBINSON. Let me finish my statement. I am asking the question so as to get his conclusion. Does the Senator from Utah, who heard the statement made by the Senator from North Dakota [Mr. McCUMBER], support his statement and conclusion, namely, that Mr. Taft was not defeated because of his attitude respecting the wool schedule or tariff question, but because of the refusal of the Finance Committee to put newsprint paper on the free list?

Mr. SMOOT. I would go further and say there were a good many things that occurred that brought about the defeat of Mr. Taft for President in his second campaign. I am not going to take the time now to enumerate them. I think that one of the greatest causes was his advocacy of reciprocity between this country and Canada. I have always thought so. There were numerous other causes, of course, that I might mention.

The reason why I rose was because I wanted, as long as the question had been brought to the attention of the public, to have the public know just what took place. I say, Mr. President, that this is what took place, and this is the statement as it was made by Mr. Norris. Mr. Norris simply said that the Republican Party would be driven from power. He was representing the Newspaper Association of America. I do not think the newspapers of the country authorized Mr. Norris to say what he did.

Mr. ROBINSON. Let us take that up a little——

Mr. SMOOT. Wait a moment. I want to say to the Senator that that is what he did say, and I think most of the newspapers and magazines of the country opposed a duty on print paper. If the Senator would look back through the columns of the press in those days, he would find they were almost universally opposed to the duty on newsprint paper.

Mr. ROBINSON. That is true, and they were right then and they are right now in opposing it. But what I resent, if the Senator will permit such language in his time, is the statement by a Senator of the United States that the press of America, through their authorized representative, knowingly and deliberately presented to the Finance Committee of the Senate of the United States a proposal that if they would put newsprint paper on the free list the press of the Nation would support Mr. Taft, and if they did not do it the newspapers would wreck his administration. That is almost literally a part of the language used by the Senator from North Dakota. Now, the Senator from Utah straddles the issue.

Mr. SMOOT. The Senator from Utah does not straddle the issue. I did not hear what the Senator from North Dakota said, and I am not going to put any words in his mouth or put any construction upon what he meant or what he said. I simply took the floor for the purpose of making public an historical fact, and I wanted it to appear just as it occurred. I am not going to color it one way or the other, and the Senate can draw its own conclusion.

Mr. ROBINSON. Mr. President, will the Senator yield for a further question?

Mr. SMOOT. Certainly.

Mr. ROBINSON. Did the Senator from Utah understand at the time that Mr. Norris, for the newspaper association, was making a threat to the Finance Committee that if they did not put print paper upon the free list the newspapers of the country would turn against the administration and fight it?

Mr. SMOOT. I understood that Mr. Norris, when he made that statement, had in his mind that as far as he was concerned he would do everything in his power and use all the influence of the position that he held to drive the Republican Party from power. That is exactly what I understood Mr. Norris meant by his statement.

Mr. ROBINSON. Mr. President, when the statement of the Senator from North Dakota [Mr. McCUMBER] was challenged, when a demand was made for specific and definite information, the only purpose the Senator from Utah [Mr. SMOOT] could

have in submitting the statement he made was to vindicate in part the attitude and conclusion of the Senator from North Dakota. After I took the floor the absence of a quorum was suggested. I had announced, before the absence of a quorum was suggested, what my purpose was in taking the floor, that it was to investigate and discuss the statement made by the Senator from North Dakota.

The declaration of the Senator from Utah is interesting in connection with long past transactions of the Finance Committee. He states that the Finance Committee appointed a subcommittee to deal with the question of the duty on newsprint paper, and that the then Senator from Rhode Island, Mr. Aldrich, and he, the Senator from Utah, were placed upon that subcommittee and that they sought to make some kind of compromise; that he himself appealed to Mr. Norris for some compromise. Mr. Norris, representing the Newspaper Publishers' Association of America, said, "There is and can be no compromise. If the Republican Party puts newsprint paper upon the dutiable list, the Republican Party will be driven from power."

That upon its face is very different, significantly different, from the declaration made by the Senator from North Dakota [Mr. MCCUMBER]. He said more than once, and reaffirmed his declaration when the Senator from Wisconsin [Mr. LENROOT] challenged it when he was making it, that the real reason Mr. Taft was defeated was not because of his attitude on the tariff question, nor his relationship to the wool schedule, but it was because the Finance Committee stood on principle and refused to barter with the representatives of the newspapers of America, who had threatened the Finance Committee that unless newsprint paper was put upon the free list the Republican Party would be driven from power through the concerted and united action of the press—an indictment which can not be treated indifferently.

The Senator from Utah now quotes from memory a statement made 13 years ago. He said if he had his diary he was satisfied that it would further refresh his memory. I would like to see his diary. I imagine if my friend the Senator from Utah kept a diary of the events that occurred in the secret sessions of the Finance Committee in those days, it would reveal other facts of interest to the American people. But the significant thing is that he kept that threat locked within his breast, concealed from the public of the United States, and permitted his friend Mr. Taft, who only carried the States of Utah and Vermont in his second campaign, to go down to overwhelming, discreditable defeat through an influence which, according to his statement now, was deliberately and corruptly exercised to accomplish his defeat. Eight votes in the Electoral College, from Utah and Vermont, were all that Mr. Taft received.

This pitiable, almost pathetic, repudiation by the electors of America, according to the Senator from North Dakota, came because of the incorruptible, unassailable, and virtuous attitude of the Finance Committee, represented by the then Senator from Rhode Island [Mr. Aldrich] and the Senator from Utah [Mr. SMOOT], and so lacking in sympathy for a just cause was the Senator from Utah that he remained silent, so far as the public was concerned, for 13 long years respecting that statement, from 1909 until 1922. How did it happen? What was the motive in concealing this alleged corrupt purpose, deliberately formed and frankly asserted by representatives of the newspaper association of America, to wreck Mr. Taft's administration, to drive from power the party represented by the Senator from Utah? The Senator from North Dakota was silent, the Senator from Utah was silent, from 1909 to 1922.

I have not the slightest doubt that Mr. Norris knew and almost everybody else knew the rising tide of public sentiment against the administration represented by the then Senator from Rhode Island and by the Senator from Utah. I have not the slightest doubt that Mr. Norris wanted newsprint paper upon the free list. But I do not believe, and the Senator from Utah has not said that he believes and will not say that he believes, that Mr. Norris had any authority, or claimed to have any authority, to barter the influence of the press of America for a miserable mess of pottage, for exemption of print paper from duty in the Payne-Aldrich tariff law.

The significance of this issue can not be overlooked. I know the Senator from North Dakota meant what he said. I wonder, since he is in the Chamber now, if he can offer any justification, any explanation, of the statement that he made at least twice during his address this morning, that the real cause for Taft's defeat was not to be found in the Payne-Aldrich law or in the wool schedule, but it was to be found in the vindictive action of the press of America, which, because it could not obtain exemption from a duty on newsprint paper, openly asserted its purpose to wreck Mr. Taft's administration and to drive the Republican Party from power; and in pursuance of that combination and conspiracy, all of the great newspapers of America turning against Mr. Taft, his administration was wrecked and the Republican Party was driven from power.

Mr. WATSON of Indiana. Mr. President, I do not know that the recital of personal experiences is of very serious consequence in the debate that is now being engaged in by the Senate. Indeed, it throws no very great light upon the subject in hand. And yet, inasmuch as the newsprint paper question has been brought before the Senate, and the relation of Mr. Herman Ridder and Mr. Norris to that question in 1908 and 1909 has been discussed, I think perhaps it would not be out of order, as throwing some light upon the situation, if I were to relate what I personally know about it. I use the personal pronoun only that I may show my relation to the situation.

At that time I happened to be the whip of the House of Representatives and had been for some time. I was likewise a member of the Ways and Means Committee of that body, which considered and formulated the Payne-Aldrich tariff law.

At that particular time I happened to be living with the then Speaker, JOSEPH G. CANNON, who at that time lived on Vermont Avenue, and, therefore, I had first-hand knowledge of the matters concerning which I speak.

Mr. ROBINSON. Mr. President, will my friend yield to a question?

Mr. WATSON of Indiana. Yes.

Mr. ROBINSON. Did the Senator keep a diary?

Mr. WATSON of Indiana. No; and I did not pay board.

Mr. SMOOT. I think it would be very much better if many more Senators would keep diaries.

Mr. ROBINSON. Well, they should bring them here as evidence when they undertake to speak from them.

Mr. WATSON of Indiana. I will say this to my genial friend from Arkansas, that what I am about to relate I have related time without number on the stump in my State, and in Illinois, and all over Uncle JOE CANNON'S district, and repeatedly since at banquets where he was being entertained, in order to show the incorrigible fiber of the old man's manhood. That is all I know about it, and there are gentlemen yet living who were present and who can attest the truthfulness of my remarks if my friend doubts it.

The first time this question came up in the other House—and I think that the minority leader of the Senate [Mr. UNDERWOOD] will remember the fact, for my recollection is that at that time he was a member of the Ways and Means Committee, though I am not certain as to that—was when JOHN SHARP WILLIAMS, who was then the Democratic floor leader and a member of the Ways and Means Committee, introduced a resolution into the House providing for free print paper and free wood pulp. I think the Senator from Alabama will remember that. In regular course of procedure the resolution came to the Ways and Means Committee, and when the vote was taken, just pro forma, it was voted down and given no further thought. But the newspaper publishers and the magazine editors of the country did not take it so lightly, and immediately thereafter in large numbers they swarmed into Washington and imperatively and imperiously demanded that that resolution should be taken up and be reported out by the Ways and Means Committee and put up to the House to pass it.

Mr. Herman Ridder, who was afterwards the treasurer of the Democratic National Committee, and a very sturdy and honest character, was then the president of the American Newspaper Publishers' Association, if I remember correctly the name of the organization. Among others, he journeyed here to Washington for the purpose of seeing that the resolution to which I have referred should be reported out by the Ways and Means Committee and should be passed by the House of Representatives. He made his first appearance that I knew anything about one morning at Uncle JOE CANNON'S house, on Vermont Avenue. Mr. Busbey, at that time and now Mr. CANNON'S secretary, was present. Certain conversations were there engaged in as to the passage of that resolution. Mr. Ridder at that time did not bring forth any threats of destruction upon the Republican Party, but took the opposite track, saying to the Speaker that if he would permit the resolution to come up he would be made President of the United States. The Speaker said to him that he would rather not have that subject mentioned to him again there or on any other occasion.

Two or three days subsequently, after all of the many newspaper men and magazine publishers had an opportunity to talk to the Republican Members, and particularly to the members of the Ways and Means Committee—and I was interviewed by a

very great number of them myself, some from my own State, whose particular favor I have not always enjoyed from that day to this—Mr. Ridder came again to the House of Representatives. I happened to step out of the front door leading over to the Senate and met Mr. Ridder. He said to me, "I want to see the Speaker again." I replied, "Very well; I will take you around to him." So I took Mr. Ridder around to see the Speaker. We went into his private room, where there were then some five or six gentlemen present.

I remember very well who they were. They were all Members of the House of Representatives except Mr. Busbey, who was also present. Mr. Ridder said, "Uncle Joe"—for he called him familiarly "Uncle Joe"—"I spoke to you the other day about this matter and you passed it over very lightly, but I come back now for the purpose of impressing upon you what I have in mind, and that is the necessity of passing this measure if the Republican Party is to secure the support of the newspapers and magazines of the country." Uncle Joe passed that off with a light remark or two. Then Mr. Ridder said to him, "Now, Mr. Speaker, you have been in the House of Representatives a great many years; you have served faithfully; you have had a very wonderful career, and you had just as well close that career as President of the United States. If you will permit this resolution to come up—and you have the authority and the power to do it—we will hold a great banquet here of the newspaper and magazine publishers of the United States; we will start your boom for the Presidency, and we will make you the President of the United States." Uncle Joe rose to his feet when that remark was made and went over toward Ridder and said, "Ridder, I remember reading in a book when I was a boy—induced to read in it by my mother; I have not read as much in that book perhaps as I ought to have read—about a certain individual taking another individual up into a high mountain and waving his arm around and saying to him, 'I will give you all of this if you will fall down and worship me,' when he knew that he did not own a G— d—— foot of it." [Laughter.] That is the exact language employed by Uncle Joe, and everybody knows that is the exact language he would employ. Ridder turned upon him and said, "Then we will destroy you; you will not only never be Speaker again but you shall never be elected to the House of Representatives again; and we will destroy the Republican Party unless this is done." Then Uncle Joe said to me, "Jim, tell Neal to come here." Neal was the colored man who stood for many years at the Speaker's door. I stepped there and called Neal in. Uncle Joe said to him, "Neal, this is my private room, which is set apart by the rules of the House for my use and occupancy. I have no right to say who shall come to any other of these rooms or into the hall, but if this fellow comes in here again, throw him out and I will be responsible for it." Then he said to Ridder, "Get out of here, and don't you ever enter my room again." Ridder went out, and one by one the others drifted out except myself.

I sat there smoking one of Uncle Joe's choice cigars, until finally he came over to me and put his hand on my shoulder, and said, "Jim, what do you think of it?" "Well," I said "Uncle Joe, from the standpoint of principle you have done exactly the right thing, but from the personal standpoint you have done the wrong thing." "Well," he replied, "does not everybody know that I am responsible? I have authority under the rules either to recognize Mr. WILLIAMS to call the resolution up or not to recognize him, and therefore I am responsible. Does not everybody know that if I should recognize him under the rules of the House the resolution would be subject to every amendment to each of the 4,000 items in the tariff law that any Member of the House might want to propose, and that we would soon be revising the tariff on the floor of the House without previous consideration or formulation by any committee? Suppose we could put it through under whip and spur, under the rules of the House and our organization, and it went over to the Senate, does not everybody know what will happen in the Senate, and does not everybody know they would revise the tariff on the floor of the Senate and debate it until election day and the Republican Party would be destroyed?" Then he said, "I will never consent to any such thing as that." I said, "Uncle Joe, why should you take upon yourself all this burden? Why do you not put it up to the House or to the Republican Members of the House and let them decide it?" He replied, "No; the responsibility is mine, and I intend to decide it." I answered, "Very well; you can decide it if you like, but Mr. Ridder is right about it; these men will destroy you; they will drive you out of public life." I remember just as well what the old man said to me as I remember the last word uttered by my friend from Arkansas. He said, "Well, they may destroy me; they may drive me out of public life; but after I am gone no man shall ever be able to say that I betrayed my party or turned my back on any principle in which I believed." Thereupon he strode out of his room.

Senator Hemenway, then Senator from Indiana, and I were great friends, and he was also a companion of the Speaker, and a very intimate one. I called him that evening, and we went over to the Speaker's house and endeavored in every way we could to dissuade Uncle JOE CANNON from that course, saying that he would be destroyed by the newspapers and magazines if he persisted in the course, and that in all probability the Republican Party would be beaten; but the old man closed the conversation at midnight by saying to us, "Boys, you are young and I am old, and you will live a good while; but all of us had better have millstones about our necks and be cast into the middle of hell than to agree to that proposition." That is exactly what happened on that occasion.

After that, when the tariff bill was under formulation, the same men came back, and, animated by the same purpose and inspired by the same determination, made the same threats, and they carried them into execution; but not, indeed, in 1908, I will say to my friend; for what happened? Canadian reciprocity came on, and then it was that our friend Norris, a very ingenious man—John I. Norris, not George Norris, I will say to the Senator from Utah——

Mr. SMOOT. I may have gotten the name wrong.

Mr. WATSON of Indiana. John I. Norris became an agent in some way of the Treasury—and it was entirely proper, of course; I have nothing but words of praise for Mr. Norris; he very ingeniously carried out the work committed to his keeping—and the publishers got free print paper, and it was the only thing the United States got out of the Canadian reciprocity proposition, as I now recall.

But what did Taft get? He got the united opposition of the whole farming community of the entire West. It was utterly impossible when 1912 came around to rally any of them to his support. I know, for I tried. I was elected a Taft delegate at large to the national convention, and I was the Taft floor leader in that convention. So I know something about that fight, and I know of the difficulty in securing men for Taft from any of the farming sections in all the western section of the country. They were not for him, and they were not for him on account of Canadian reciprocity, and that one thing more than anything else militated against Mr. Taft in 1912.

Those threats that were made, I want to say to my friend from Arkansas, I do not attribute to the whole newspaper fraternity of the United States, but to their accredited representatives and to their authorized and recognized president, coming here for the purpose of saying, "If you do not do this thing that we want done, we will destroy the Republican Party."

Mr. ROBINSON. Mr. President, will the Senator yield for a question?

Mr. WATSON of Indiana. I yield.

Mr. ROBINSON. The Senator's statement has just disclosed that his party did yield finally and newsprint was put upon the free list.

Mr. WATSON of Indiana. Not in that tariff.

Mr. ROBINSON. Prior to Mr. Taft's second campaign.

Mr. WATSON of Indiana. No, no; not until after Taft became President and Canadian reciprocity came on.

Mr. ROBINSON. I understood——

Mr. UNDERWOOD. Mr. President, I want to call the Senator's attention to the fact that the Republican Party did not put newsprint paper on the free list.

Mr. WATSON of Indiana. We did not put it on the free list.

Mr. ROBINSON. But the Senator stated just a moment ago that they did.

Mr. WATSON of Indiana. In Canadian reciprocity.

Mr. ROBINSON. But that went through in Taft's administration.

Mr. UNDERWOOD. Canadian reciprocity did not go into effect. Canada never accepted it.

Mr. WATSON of Indiana. But that part of it went into effect.

Mr. UNDERWOOD. Oh, no.

Mr. WATSON of Indiana. Why, to be sure; and they have free print paper and free wood pulp to-day because of it.

Mr. ROBINSON. The point I am making is, if the Senator will permit me, that there is an irreconcilable conflict at least in the conclusions reached by the Senator from Indiana and the Senator from North Dakota.

Mr. WATSON of Indiana. Not at all.

Mr. ROBINSON. The Senator from Indiana says that in the Canadian reciprocity act, which was passed during Mr. Taft's

administration, and which was passed prior to his second campaign, newsprint was put on the free list; and while the Canadian reciprocity act did not go into effect, he has just said that the newspapers, after having demanded it as a condition of supporting the Republican candidate, refused to carry out their implied promise.

Mr. WATSON of Indiana. No; not at all. The Senator puts words in my mouth.

Mr. UNDERWOOD. Mr. President——

The PRESIDING OFFICER (Mr. MCNARY in the chair). Does the Senator from Indiana yield to the Senator from Alabama?

Mr. WATSON of Indiana. I yield.

Mr. UNDERWOOD. If the Senator will allow me, I do not want him to take credit for something that is not due. Newsprint paper was put on the free list in the bill passed by the Democrats after Mr. Wilson became President of the United States.

Mr. WATSON of Indiana. Which I have already stated. If I did not, I intended to. It was not put on the free list by the Republicans in 1908.

Mr. ROBINSON. The Senator stated a moment ago that it was not put upon the free list in the Canadian reciprocity act. That is the statement that the Senator made.

Mr. WATSON of Indiana. By Canadian reciprocity. That is what I claim now.

Mr. ROBINSON. And the Senator followed that up by saying that notwithstanding they had put it upon the free list, when he went out and tried to get the newspapers to support Taft in his second campaign they would not do it.

Mr. WATSON of Indiana. No, no, no. The Senator may be right in charging me with error——

Mr. ROBINSON. That is what I am doing.

Mr. WATSON of Indiana (continuing). In saying that they secured free print paper by means of Canadian reciprocity. It was put in the reciprocity treaty, and I had the impression that that was the one part of it that went through. I may be in error about that, but it does not make any difference whether that is true or not. That was simply an inaccuracy of recollection.

Mr. ROBINSON. Of course, that only reflects upon the statement of the Senator from Indiana that after the Republicans had done that he went out in the campaign for Mr. Taft and did all he could, and that he knew what he was talking about, and that he could not get the newspapers to line up for Mr. Taft notwithstanding the fact that newsprint had gone on the free list in that treaty.

Mr. WATSON of Indiana. Oh, not at all.

Mr. ROBINSON. The Senator made that statement.

Mr. SIMMONS. Mr. President, let me ask the Senator whether the conversation he has just related between Mr. R dder and Mr. CANNON was with reference to putting print paper on the free list in the Canadian reciprocity treaty?

Mr. WATSON of Indiana. Not at all. It was about passing a joint resolution that had been introduced in the House of Representatives by JOHN SHARP WILLIAMS in the early part of 1908. That was before we began to formulate the Payne-Aldrich tariff bill at all. Afterwards, the question came up again; but I mention this only in order to show the insistence and the persistence of our newspaper friends in their efforts to secure free print paper and free wood pulp, and their determination finally, when they could not do it, to destroy the Republican Party.

Mr. ROBINSON. Mr. President, will the Senator yield to a question?

Mr. WATSON of Indiana. To be sure.

Mr. ROBINSON. I want to understand the Senator's position. If I understand the Senator from Indiana, he supports the declaration of the Senator from North Dakota that the newspapers did, through their accredited representatives, threaten the authorities of the Republican administration that unless they put newsprint upon the free list the newspapers would act concertedly to encompass the defeat of the Republican administration, and that they did carry out, or attempt to carry out, that threat.

Mr. WATSON of Indiana. Yes. I did not hear the Senator from North Dakota make the statement, but I know that we incurred the hostility of those gentlemen, and I know that this conversation occurred that I tell you about, and I know that in 1912 Uncle JOE CANNON was beaten, and I know that in 1912 nearly all the Republicans were beaten.

Mr. ROBINSON. The Senator has quoted the former Speaker of the House of Representatives, who stood steadfast in the purpose to refuse to grant recognition in the House for the purpose of calling up the joint resolution to which he has referred. The Senator commends the Speaker for that act, I take it.

Mr. WATSON of Indiana. I do.

Mr. ROBINSON. Why, then, did the Senator use his utmost endeavor to get the Speaker to recognize some one to call up the joint resolution?

Mr. WATSON of Indiana. For this reason, I will say to my friend: In the first place, I was commending the Speaker for adhering to principle as he did, which is always to be commended in any man.

Mr. ROBINSON. But the Senator——

Mr. WATSON of Indiana. In the next place—I will tell the Senator if he will kindly wait a minute.

Mr. ROBINSON. Very well.

Mr. WATSON of Indiana. In the next place, I did not believe that the Speaker should bear off into the wilderness on his own shoulders the sins of the whole party, and I did say to him that I thought he ought to put it up to the Republican Members. That he declined to do. He said: "It is my responsibility, and I will discharge it." I did not believe that he ought to do that, because I thought that if these gentlemen got after him personally they would make it pretty hot for him, and they did; but I did believe that he ought to put it up to the Republican membership and let the Republican membership decide it in a caucus; so I urged that course, and so did my friend Hemenway, but we were not able to dissuade the Speaker from the course he had adopted. My friend knows that that was not always easy of accomplishment. It was not always easy of accomplishment to move Uncle Joe from a chosen course.

Mr. SIMMONS. Mr. President, I do not quite understand the Senator.

Mr. WATSON of Indiana. I am very sorry.

Mr. SIMMONS. If I understand the Senator now, this conversation took place some time in 1908 and referred only to a joint resolution which had been offered in the House of Representatives by the present Senator from Mississippi [Mr. WILLIAMS] about print paper.

Mr. WATSON of Indiana. That is my recollection.

Mr. SIMMONS. Between that time and the time when Taft became a candidate for the Presidency, in which campaign it was alleged that the Republican press was against him because of this print-paper business——

Mr. WATSON of Indiana. I am not sure about these dates.

Mr. SIMMONS. Between that time and his becoming a candidate we passed a reciprocity bill here.

Mr. WATSON of Indiana. No; I think not.

Mr. SIMMONS. Oh, yes; we passed a reciprocity bill before the campaign in which Mr. Taft was defeated.

Mr. WATSON of Indiana. No; I think not. The Senator is wrong about that.

Mr. SIMMONS. The Senator has just said that the reciprocity treaty——

Mr. UNDERWOOD. If the Senator will allow me, I have the reciprocity treaty in my hand.

Mr. SIMMONS. Just one minute. The Senator has just said——

Mr. WATSON of Indiana. The reciprocity treaty, if my friends will permit me, was passed in 1911. Taft became President on the 4th of March, 1909.

Mr. SIMMONS. Then I probably was referring to Taft's second campaign.

Mr. WATSON of Indiana. We all get these dates confused, and I may be inaccurate in my recollection as to some of them.

Mr. MCCUMBER. Mr. President, inasmuch as my statement has been attacked by Senators, I think it proper to make a very brief reply.

I do not think that in all my political life I have done a great deal of truckling to get newspaper support of any kind. But I shall not condemn those that do so if they think it worth their while. I was a member of the Finance Committee in 1909. It was the first year that I had been a member of that committee. I attended every session. I not only attended every session, but I also attended, when I was invited, the little meetings outside of the regular sessions. I think what I have stated with reference to the threat made by the publishers' association in 1909 has been pretty fully corroborated by the Senator from Utah [Mr. SMOOT] and the Senator from Indiana [Mr. WATSON]. I did not seek to go into any particulars. I wanted to show that the hostility of the press which was directed for a whole year against Taft was due to the fact that the committee failed to put print paper upon the free list; and I reiterate that, not with a voice as loud as that of the Senator from Arkansas but with a conviction that no voice can drown.

Now, let us see. I was at one of these meetings. I was one of those Senators who would have been very willing to have free print paper. I was for conserving our timber supply; I was for conserving our coal supply; and I was perfectly willing that Canada should furnish the pulp and the paper.

Mr. ROBINSON. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Arkansas?

Mr. McCUMBER. Certainly.

Mr. ROBINSON. Was the Senator also willing to conserve his political supply?

Mr. McCUMBER. Very well; I am going to give the Senator the facts, simply because he has challenged them. I did not care about calling the dead from the grave, but I was present at one of these meetings in which the representative of the American Newspaper Publishers' Association was present. One of the strongest Senators on the committee against free print paper was Senator Hale, of Maine; and I think except for his earnest and strenuous battle for a tariff upon print paper it would have been placed upon the free list. We knew, of course, the power of the great press of the country and we were trying to compromise, and on one of these occasions we were discussing the subject with this representative, not in committee but when a few Senators were present. I can not and would not attempt to give exactly the language that was used. I can remember one "cuss word" that was used by the representative of the publishers' association. He said, in substance, that if we would put print paper on the free list we would have no concerted action of the press of the country against us, but he said: "We will not yield one penny." We wanted to compromise from, I think, some $6 a ton to about $2.45, and he used this expression: "No; we won't compromise one damned cent, and if you fail to give us free print paper we will destroy the Republican Party and the Republican administration, if we can do it." Those are practically the words that were used.

Prior to the next election they got what they wanted in the Canadian reciprocity agreement, provided Canada would accept it; and so the Senator from Arkansas is mistaken when he says that these great papers were still fighting President Taft. They were not. The Republican papers of the State of New York were supporting President Taft in his second campaign.

The Democratic papers may have been fighting him, but that is not true of the Republican press generally of the State of New York, as I now remember.

Mr. UNDERWOOD. I am very much interested in what the Senator is stating. He should bear in mind that the Canadian reciprocity bill, as it passed the House in the first years of the Taft administration, failed of passage in the Senate.

Mr. McCUMBER. Certainly; I think I ought to remember it. I did what I could to talk it out of existence.

Mr. UNDERWOOD. If the Senator will allow me, it was not passed until President Taft called an extra session of Congress, called the Democratic Party into power in the House, and I introduced a bill for Canadian reciprocity, which came to the Senate and was signed by the President. It was afterwards rejected. So that the Republican Party had no credit for the passing of the bill.

Mr. McCUMBER. I am giving the Senator the discredit of that bill, if he wants it.

Mr. UNDERWOOD. What I want the Senator to do is to give the Democratic Party the credit of defeating a monopoly that was about to destroy the press, and ultimately putting newsprint paper on the free list, when the present tariff law was passed. It was not until that time that newsprint paper was put on the free list.

Mr. McCUMBER. Mr. President, I have generally given the Democratic Party credit for most of the evils that have befallen the country.

Mr. ROBINSON. Will the Senator from North Dakota yield?

Mr. McCUMBER. I just want to take one minute, and then I will close, and I think we ought to have a vote upon the pending question.

I simply want to reiterate the statements I have made. They were made in good faith. I think that was one of the great causes which tended to make President Taft unpopular. It was an insidious propaganda that was pounding at him from every side, through the magazines and through the general press of the country, and that continued until the reciprocity pact was brought into the light. Mr. President, it was not Schedule K; it was the division in the party between Roosevelt and Taft that made Mr. Wilson President.

Mr. UNDERWOOD. Mr. President, I would like to ask the Senator how he reconciles those statements, that the country turned from Taft because of Canadian reciprocity and went to the Democratic Party, which championed Canadian reciprocity? It was a Democratic House that put it through; it was the Democratic Party that supported it in the Congress preceding. It was Democratic Senators on the floor of the Senate who supported Canadian reciprocity. If that was the cause of Mr. Taft's defeat, why did the country turn from Taft, who favored Canadian reciprocity, to the Democratic Party, which championed Canadian reciprocity?

Mr. McCUMBER. Mr. President, the country did not turn; it simply divided between Taft and Roosevelt. There was no gain in the vote of the Democratic candidate at all. Two Republican candidates simply divided the Republican vote and elected a Democratic President by a minority vote. The West was against Taft on account of reciprocity. The agricultural sections of the East were against Taft on account of his reciprocity stand. It is true, undoubtedly, that many of the manufacturing interests were in his favor. They thought through reciprocity they would extend the scope of their trade without any injury to themselves and the loss, if any, would fall on the farmer.

Mr. SMOOT. Mr. President, this is about how the country turned to Wilson in that year. The popular vote of the combined candidates over the Wilson vote was 2,448,560. It is just as the Senator has said, it was a division of the Republican vote. Wilson did not get enough votes to carry this country if we had had one Republican candidate.

Mr. ROBINSON. Mr. President, with respect to the last statement of the Senator from Utah, everyone knows that the combined votes of Mr. Taft and Mr. Roosevelt exceeded the vote cast for the Wilson electors alone, but I point out the fact that, notwithstanding that is true, there occurred a political revolution in the United States in that election. The House of Representatives became Democratic by an overwhelming majority, and so did the Senate. In fact, as suggested to me by my colleague, the House became Democratic by a large majority in 1910, while Mr. Roosevelt was hunting big game in Africa.

We have had an interesting meeting this afternoon. It has been in the nature of an experience meeting; not in the nature of a revival, mark you, but rather of a confession, in which the conspirators, if I may use that word humorously——

Mr. STANLEY. Mr. President, the Senator from Arkansas, with all due respect, is not right yet. It was not a revival, it was not a confession; they are on the mourners' bench.

Mr. ROBINSON. Very well, Mr. President.

Mr. CARAWAY. I should like to suggest that really it is a post-mortem.

Mr. ROBINSON. I find that without the assistance of my colleague, the junior Senator from Arkansas, and the Senator from Kentucky I have been enabled to express my meaning with accuracy. Whether you term the testimony of the Senator from Utah, the Senator from Indiana, and the Senator from North Dakota a confession or the result of a revival, or a mere expression of repentance, I leave it to those who have heard the debate to determine. The fact is that they have failed to make their case. I wanted all the facts, and I accomplished my purpose. I presume that every Senator in attendance to-day who knows anything about this subject has told the truth, the whole truth, and nothing but the truth.

The testimony at last rests upon the conclusion of the Senator from North Dakota, the statement made by the Senator from Utah, and the statement made by the Senator from Indiana. The Senator from Utah was trying to get some sort of compromise with the representatives of the newspapers for political purposes. There is no other conclusion to be arrived at than that what was in his mind at that time was a fear of this representative of the newspaper association.

Mr. SMOOT. The Senator does not want to misjudge me, I know.

Mr. ROBINSON. Not for anything in this world would I do an injustice to my friend the Senator from Utah.

Mr. SMOOT. I want to correct the Senator.

Mr. ROBINSON. I can do him absolute justice and still differ with him about almost every public question.

Mr. SMOOT. I want to say to the Senator that I thought that under the conditions existing at that time newsprint paper ought to have a duty upon it. I felt it just as sincerely as I felt that it was necessary to have a duty on any other article mentioned in the bill.

Mr. ROBINSON. I have no doubt about that. While the Senator does not go to the extent of the statesman from Idaho [Mr. GOODING] in his advocacy of tariff duties, he believes in a tariff upon almost everything. I disagreed with the Senator from Utah in 1909, and I disagree with him now, as to the duty on newsprint paper. I think it is a direct tax upon intelligence. I think it is unjustified from the standpoint of economics or

from any other standpoint that ought to appeal to public men who are representing the general public interests. But I have no controversy with my friend the Senator from Utah. The only point I make is that when he volunteered to testify in support, impliedly, of the charge made by the Senator from North Dakota that the cause of Mr. Taft's defeat was not the tariff or the wool schedule, but was the vindictive action, the concerted and united action, of the press of America, induced by the refusal of the Finance Committee to place newsprint paper upon the free list, he failed in the facts stated to support the conclusion of the Senator from North Dakota. His statement was merely that the representative of the newspaper association uttered a prophecy that the Republican Party would be driven from power, and his prediction proved true. It was scourged out of authority by the action of the American people.

The Senator from North Dakota at first said that the repudiation of the Republican press, because of the refusal of his administration to comply with the demand that print paper be put on the free list, was the one substantial cause of Mr. Taft's defeat. Now he says it is true that most of the metropolitan Republican papers continued to support Mr. Taft. That is a very important modification of his original statement. Nevertheless, he adheres to the conclusion that the real cause of the reaction in the election which defeated Mr. Taft in his second campaign was the influence of the newspapers and magazines of the country.

The Senator from Indiana characteristically testified. He became reminiscent. He recalled days that are accomplished and political figures that are vanishing. I would not for a moment question the sincerity or good intentions of the Senator from Indiana, but when I recall that within 90 days the Senator from Indiana volunteered on this floor to testify to a conversation he had had with the Attorney General, which the Attorney General subsequently totally and emphatically repudiated, I justify myself in questioning the accuracy of the memory of my friend the Senator from Indiana. If he could not remember correctly a conversation with the Attorney General a few weeks before, how can he expect his friends to rely implicitly upon his recollection of events that occurred 12 or 15 years ago?

His statement is that Herman Ridder, a Democrat, representing some news publishers' association, made a threat to the representatives of the organization of the Republican Party in Congress that if they did not put print paper upon the free list the newspapers would unite in opposing the administration. His statement is that he did everything in his power to induce the Speaker to permit the resolution to be brought forward, no doubt knowing that the resolution would pass if the Representatives of the American people in Congress could have an opportunity to vote upon it. In one breath he justifies the Speaker for the exercise of an autocratic power in refusing to permit the House of Representatives to vote upon the resolution, and in the next breath he tells us to what extent he, the Senator from Indiana, went to prevent the Speaker from pursuing that course and to secure consideration of the resolution.

In view of the history of this tariff legislation and the way the advocates of protection have secured any rate they desired by merely expressing their desire, the one impressive and incredible thing about the story of the Senator from Indiana is that the request was not granted.

The PRESIDING OFFICER. The yeas and nays having been ordered, the Secretary will call the roll.

The reading clerk proceeded to call the roll, and Mr. ASHURST responded in the negative.

Mr. SIMMONS. Mr. President——

Mr. ASHURST. Mr. President, one response has been made to the roll call. This is the second time this has happened to-day. I insist that the roll call shall proceed.

The PRESIDING OFFICER. The Secretary will call the roll.

Mr. SIMMONS. Mr. President, this is the second or third time an attempt has been made to get a quick vote by an immediate call of the roll when a Senator was on his feet. I ask unanimous consent, under the circumstances, that I may be permitted to proceed.

The PRESIDING OFFICER. The Chair did not understand the request of the Senator from North Carolina.

Mr. SIMMONS. I ask unanimous consent that I may proceed. I was on my feet at the time the Chair directed the Secretary to call the roll.

The PRESIDING OFFICER. The Senator from North Carolina asks unanimous consent that he be allowed to proceed.

Mr. SIMMONS. I will not, under the circumstances, insist upon it.

The PRESIDING OFFICER. The Secretary will call the roll.

Mr. SIMMONS. But I want to say now, if I may be permitted to do so, that there is too much hurry about taking these votes.

Mr. ROBINSON. Mr. President, the question has not been stated. I rise to a parliamentary inquiry. What is the pending question? Is it the amendment of the Senator from Wisconsin [Mr. LENROOT] to the amendment of the committee?

The PRESIDING OFFICER. The pending question will be stated.

The READING CLERK. The question is on the amendment offered by the Senator from Wisconsin to the amendment of the committee to add, at the end of paragraph 1101, the following additional proviso:

Provided further, That in no case shall the duty or duties imposed in this paragraph exceed 60 per cent ad valorem.

The PRESIDING OFFICER. The Secretary will proceed with the call of the roll.

The reading clerk resumed the call of the roll.

Mr. BALL (when his name was called). I transfer my pair with the senior Senator from Florida [Mr. FLETCHER] to the junior Senator from Vermont [Mr. PAGE] and vote "nay."

Mr. CALDER (when his name was called). I am paired with the senior Senator from Georgia [Mr. HARRIS]. In his absence I withhold my vote.

Mr. DIAL (when his name was called). I am paired with the Senator from Michigan [Mr. TOWNSEND]. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. HALE (when his name was called). I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Maryland [Mr. WELLER] and vote "nay."

Mr. McCUMBER (when his name was called). I transfer my general pair with the junior Senator from Utah [Mr. KING] to the junior Senator from Nevada [Mr. ODDIE] and vote "nay."

Mr. McLEAN (when his name was called). On this vote I have a pair with the senior Senator from Montana [Mr. MYERS]. I transfer that pair to the senior Senator from Maine [Mr. FERNALD] and vote "nay."

Mr. NEW (when his name was called). Transferring my pair with the junior Senator from Tennessee [Mr. McKELLAR] to the junior Senator from Washington [Mr. POINDEXTER], I vote "nay."

Mr. ROBINSON (when his name was called). Transferring my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the senior Senator from Missouri [Mr. REED], I vote "yea."

The roll call was concluded.

Mr. UNDERWOOD. I wish to announce that the Senator from Mississippi [Mr. HARRISON] is paired with the Senator from West Virginia [Mr. ELKINS]. If the Senator from Mississippi were present, he would vote "yea."

Mr. WATSON of Indiana. I have a general pair with the senior Senator from Mississippi [Mr. WILLIAMS], who is necessarily absent. I am informed that if the Senator from Nevada [Mr. PITTMAN] were present he would vote as I shall vote. Therefore, I transfer my pair with the Senator from Mississippi [Mr. WILLIAMS] to the Senator from Nevada [Mr. PITTMAN], and vote "nay."

Mr. GLASS. I have a general pair with the senior Senator from Vermont [Mr. DILLINGHAM]. Not knowing how he would vote on this question, I am compelled in his absence to withhold my vote. If permitted to vote I would vote "yea."

Mr. JONES of New Mexico (after having voted in the negative). I am advised that my general pair, the Senator from Maine [Mr. FERNALD], upon this question would vote as I have voted, and I therefore permit my vote to stand.

Also, I desire to confirm the statement made by the Senator from Indiana [Mr. WATSON] regarding the vote of the Senator from Nevada [Mr. PITTMAN]. If the Senator from Nevada [Mr. PITTMAN] were present and not paired, upon this question he would vote "nay."

Mr. STANLEY (after having voted in the affirmative). Has the junior Senator from Kentucky [Mr. ERNST] voted?

The PRESIDING OFFICER. That Senator has not voted.

Mr. STANLEY. I am unable to obtain a transfer and for that reason withdraw my vote. If permitted to vote I would vote "yea."

Mr. McCUMBER (after having voted in the negative). I think I ought to explain the transfer of my pair with the junior Senator from Utah [Mr. KING]. I tried to ascertain what his vote would be upon this question and was informed by his office that he is in favor of a reasonable tariff upon wool. I am

in favor of a reasonable tariff upon wool, but inasmuch as we might possibly disagree as to what constitutes a reasonable tariff on wool, I felt that I should recognize the pair and have it transferred.

Mr. CURTIS. I wish to announce the following general pairs:

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON].

I also wish to announce that the junior Senator from Nevada [Mr. ODDIE] is necessarily absent. If present he would vote "nay."

The result was announced—yeas 22, nays 43, as follows:

YEAS—22.

Borah	Hitchcock	Pomerene	Trammell
Caraway	Kellogg	Rawson	Underwood
Cummins	Lenroot	Robinson	Wadsworth
Dial	McCormick	Simmons	Walsh, Mass.
Gerry	Nelson	Smith	
Heflin	Overman	Swanson	

NAYS—43.

Ashurst	Frelinghuysen	McKinley	Sheppard
Ball	Gooding	McLean	Shortridge
Brandegee	Hale	McNary	Smoot
Broussard	Harreld	Moses	Spencer
Bursum	Jones, N. Mex.	New	Stanfield
Cameron	Jones, Wash.	Newberry	Sterling
Capper	Kendrick	Nicholson	Walsh, Mont.
Colt	Keyes	Norbeck	Warren
Curtis	Ladd	Pepper	Watson, Ind.
du Pont	Lodge	Phipps	Willis
France	McCumber	Ransdell	

NOT VOTING—31.

Calder	Fletcher	Myers	Shields
Crow	Glass	Norris	Stanley
Culberson	Harris	Oddie	Sutherland
Dillingham	Harrison	Owen	Townsend
Edge	Johnson	Page	Watson, Ga.
Elkins	King	Pittman	Weller
Ernst	La Follette	Poindexter	Williams
Fernald	McKellar	Reed	

So Mr. LENROOT's amendment to the amendment of the committee was rejected.

Mr. SIMMONS. Mr. President, when I rose just as the Secretary began to call the roll I did not intend to make a speech. I intended to read a couple of letters, which can be read hereafter just as well as they could have been read at that time. My expression of resentment at the speed of the Chair and the Secretary was not because I was disappointed in not being permitted to make a speech. Nearly all the speaking that has been done upon this particular paragraph of the bill, especially to-day, has proceeded from the opposite side of the Chamber. There has been but very little discussion on this side of the Chamber.

I do not understand why all at once there has been inaugurated here a movement by which, almost before a Senator who has the floor has taken his seat, the Secretary begins to call the roll. Ordinarily we have had a statement by the Chair of the pending question, which has been made without any appearance of speed, and the Secretary would then proceed, when he was ordered to do so, to call the roll in a reasonably moderate way. But twice to-day I have noticed that as soon as the Senator addressing the Senate sat down, there was a peremptory order, "Call the roll," and the roll call was speedily begun. I think this is the second time during the day that has happened. I do not think that is quite in conformity to the dignified way in which we have conducted the business in this Chamber.

Mr. LODGE. Mr. President, if the Senator will allow me——

Mr. SIMMONS. Certainly.

Mr. LODGE. Certainly I do not believe in cutting anyone off, but the call of the roll on this question was ordered 48 hours ago and actually one name had been called at that time when, I think, the Senator from Wisconsin [Mr. LENROOT] rose, and the debate has gone on ever since.

Mr. SIMMONS. But it is not the custom of the Chair after roll call has been ordered to have it begin without stating the question.

Mr. LODGE. He ought to state the question. I thought the question had been stated.

Mr. SIMMONS. I do not think the question was stated, but there was a peremptory order to the Secretary by the Chair to call the roll, and the Secretary with unusual speed started to call the roll.

Mr. President, Senators are not jumping jacks; they are not expected to sit in their seats with their hands on their desks ready to jump up instantly when the Senator who has had the floor sits down. If this practice is to continue we shall all have to do that, or we shall be confronted by the situation which confronted me. I do not like to complain; I ordinarily do not complain, but I have noticed this incident to-day, and I felt some little resentment, because I got upon my feet just as quickly as I possibly could after the Senator who was addressing the Senate took his seat, but I found the Secretary calling the roll. I trust that hereafter, Mr. President—and I am not saying this in any bad temper——

Mr. ASHURST. Mr. President——

Mr. SIMMONS. The Senator responded to his name quickly, but I am not complaining of him at all.

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Arizona?

Mr. SIMMONS. I yield.

Mr. ASHURST. Any Senator who would attempt to shut off the esteemed Senator from North Carolina [Mr. SIMMONS] would be guilty not only of unfairness, but of an impropriety. The alacrity with which I responded was due not to the fact that I am opposed to the amendment but because, more than three hours ago the question was stated, my name was called and I voted but the roll call did not proceed. I made no complaint at that time as I thought other Senators might wish to speak, and I did not insist on the point of order, although I had voted, but I felt that when the roll was called for the second time I ought to insist on my point of order. I assure the Senator from North Carolina that if the debate had for the past three hours been confined to the pending question, I would not even have responded to my name; I would have been glad to have the debate on the main question go on; but I will say that Senators must be prepared for a prompt response from me when they wander from the question, and I desire to tell the Republican Senators now that they have wasted our time to-day and for days past, and they can not henceforth accuse any of us on this side of filibustering.

I do not want to hear another word in this Congress from a Republican Senator about a Democratic filibuster. I have kept a rather brief record which shows that Republican Senators are speaking three hours to our one.

Mr. SIMMONS. Mr. President——

Mr. CARAWAY. Mr. President, will the Senator from North Carolina yield to me?

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Arkansas?

Mr. SIMMONS. I yield.

Mr. CARAWAY. I was on my feet and addressed the Chair two or three times before the Senator who had the floor had sat down, and before the Chair ordered the Secretary to call the roll, but, of course, I got no recognition. The Senator from Arizona [Mr. ASHURST] and the Chair, I thought, had an understanding.

Mr. ASHURST. If the Senator from North Carolina will yield to me, I desire to say that is true only in so far as the Chair and myself believe in transacting the business of the Nation and not talking about political history of 10 or 12 years ago. The Chair and I have the understanding that we have this Nation to serve instead of relating experiences and gossip of events that happened years ago.

Mr. CARAWAY. I suggest that the Senator from Arizona said nothing about the matter so long as the Republicans stood on the other side and talked, but it was only when the Democratic Senators on this side tried to get recognition that he intervened.

Mr. SIMMONS. I do not blame the Senator from Arizona [Mr. ASHURST]. I do not think he enters into this controversy at all. His name was called, and he answered it quickly, as he usually does; but what I am complaining of, Mr. President, is that, notwithstanding the fact that the yea-and-nay vote had been authorized two or three hours before, I think it has been the custom in this Chamber before the Secretary is directed to call the roll for the Chair to state the pending motion. Because the Chair did not state the pending motion in a few minutes after the roll call was started there was an inquiry all over the Senate Chamber as to what was the pending question upon which we were voting. I may be mistaken about it, but I do not think the Chair stated the pending question.

The PRESIDING OFFICER. The present occupant of the chair will make this statement of fact: More than two hours ago the roll was ordered called, and a response was made by the Senator from Arizona [Mr. ASHURST] when his name was called. Prior to that time the Secretary stated the pending question.

Mr. SIMMONS. But at the time the Chair ordered the roll call did the Chair announce what was the pending question?

The PRESIDING OFFICER. The last time the Chair ordered the calling of the roll the Chair did not state the pending question, but it had been stated a little earlier.

Mr. SIMMONS. The question had been stated a little while earlier? That is what I thought.

The PRESIDING OFFICER. The Chair desires to conclude his statement. The point of order was very properly made by the Senator from Arizona and was sustained by the Chair.

Mr. SIMMONS. All the Chair said, according to my recollection was, in a quick tone, "Call the roll"; and with equal quickness the Secretary began to call the roll. There was no opportunity for a Senator to get the attention of the Chair after the Senator who was addressing the Senate had sat down.

I do not want to dignify this little incident, but I am referring to it because I think it is a very bad practice. I think Senators ought to have a reasonable time when they are discussing these measures, after the Senator who is addressing the Senate sits down, to rise and in a dignified way address the Chair and proceed with their arguments, and that a Senator ought not to be put in a position where he must be constantly on the alert and ready to jump up at any minute in order that he may protect his rights. I care nothing about the matter personally; I hope no Senator in this Chamber believes that I would care anything about such a small matter; but the practice has obtained here in the last three or four days with reference to this measure, and I intended sooner or later to call attention to it.

Mr. WALSH of Massachusetts. Mr. President, I do not intend to make any motion to reduce the rate provided by the committee amendment; in view of the last vote, it would be useless; but I wish to call attention to the fact that a vote against the Senate committee amendment is a vote to restore the House rate, which is 25 cents per pound on the clean content of the wool instead of 33 cents per pound.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

Mr. WALSH of Montana obtained the floor.

Mr. WADSWORTH. Mr. President, I should like to suggest that the Senator from Massachusetts is not correct in his statement.

Mr. SMOOT. The Senator from Massachusetts——

The PRESIDING OFFICER. The Senator from Montana has the floor. Does he yield to the Senator from Utah?

Mr. SMOOT. I was simply going to say that the Senator from Massachusetts had reference to the wrong paragraph.

Mr. WALSH of Massachusetts. I beg pardon. The Senator is right. I had in mind the second paragraph instead of the first.

Mr. SMOOT. That is what I was going to say.

Mr. WALSH of Montana. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Montana will state his parliamentary inquiry.

Mr. WALSH of Montana. I understand the question now pending stated in a parliamentary way is to strike out everything on page 140 included within lines 9 to 15 and to substitute therefor paragraph 1102 as reported by the committee.

The PRESIDING OFFICER. The Chair is informed by the Secretary that that point has not yet been reached.

Mr. WALSH of Massachusetts. I was under the same apprehension.

The PRESIDING OFFICER. The Senate is now considering the amendment in paragraph 1101.

Mr. WALSH of Montana. Will the Chair state the pending question?

The PRESIDING OFFICER. The Secretary will state the pending amendment.

The ASSISTANT SECRETARY. In paragraph 1101, on page 139, the committee proposes in line 8, after the word "camel," to strike out "28 per cent ad valorem: *Provided*, That the duty shall not exceed 7 cents per pound. The duty on such wools, imported on the skin, shall be 24 per cent ad valorem, but not to exceed 6 cents per pound," and to insert "in the grease, 12 cents per pound; washed, 18 cents per pound; scoured, 24 cents per pound. The duty on such wools imported on the skin shall be 11 cents per pound: *Provided*, That such wools may be imported under bond in an amount to be fixed by the Secretary of the Treasury and under such regulations as he shall prescribe; and if within three years from the date of importation or withdrawal from bonded warehouse satisfactory proof is furnished that the wools have been used in the manufacture of rugs, carpets, or any other floor coverings, the duties shall be remitted: *Provided further*, That if any such wools imported under bond as above prescribed are used in the manufacture of articles other than rugs, carpets, or any other floor coverings, there shall be levied, collected, and paid on any wools so used in violation of the bond, in addition to the regular duties provided by this paragraph, 20 cents per pound, which shall not be remitted or refunded on exportation of the articles or for any other reason. Wools in the grease shall be considered such as shall have been shorn from the sheep without any cleansing; that is, in their natural condition. Washed wools shall be considered such as have been washed with water only on the sheep's back or on the skin," so as to read:

PAR. 1101. Wools, not improved by the admixture of merino or English blood, such as Donskoi, native Smyrna, native South American, Cordova, Valparaiso, and other wools of like character or description, and hair of the camel in the grease, 12 cents per pound; washed, 18 cents per pound; scoured, 24 cents per pound. The duty on such wools imported on the skin shall be 11 cents per pound: *Provided*, etc.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the Committee on Finance will be stated.

The ASSISTANT SECRETARY. On page 140 the committee proposes to strike out all of paragraph 1102, as printed in the House bill, and to insert a new paragraph 1102, as follows——

Mr. WADSWORTH. Mr. President, may I ask the Senator in charge of the bill if it is necessary for the Secretary to read the entire amendment, which embraces two and a half pages?

Mr. SMOOT. If there is no objection on the part of any Senator, I think it may be considered as having been read.

The PRESIDING OFFICER. The Chair will state that by unanimous consent the reading may be dispensed with at this time.

Mr. WADSWORTH. I myself had expected to offer an amendment to the committee amendment. Is it in order now?

The PRESIDING OFFICER. Is there objection to dispensing with the reading of the amendment? The Chair hears none, and it is so ordered.

The amendment reported by the Committee on Finance was, on page 140, after line 8, to strike out:

PAR. 1102. Wools, not specially provided for, and hair of the Angora goat, alpaca, and other like animals, imported in the grease or washed, 25 cents per pound of clean content; imported in the scoured state, 26 cents per pound; imported on the skin, 24 cents per pound of clean content: *Provided*, That none of the foregoing shall pay a higher rate of duty than 35 per cent ad valorem.

And to insert:

PAR. 1102. Wools, not specially provided for, and hair of the Angora goat, Cashmere goat, alpaca, and other like animals, imported in the grease or washed, shall pay duty at the following rates:

If the shrinkage in cleaning exceeds 93 per cent, 1.6 cents per pound.

If the shrinkage in cleaning exceeds 90 and does not exceed 93 per cent, 2.6 cents per pound.

If the shrinkage in cleaning exceeds 87 and does not exceed 90 per cent, 3.6 cents per pound.

If the shrinkage in cleaning exceeds 84 and does not exceed 87 per cent, 4.6 cents per pound;

If the shrinkage in cleaning exceeds 81 and does not exceed 84 per cent, 5.6 cents per pound;

If the shrinkage in cleaning exceeds 78 and does not exceed 81 per cent, 6.6 cents per pound;

If the shrinkage in cleaning exceeds 75 and does not exceed 78 per cent, 7.6 cents per pound;

If the shrinkage in cleaning exceeds 72 and does not exceed 75 per cent, 8.6 cents per pound;

If the shrinkage in cleaning exceeds 69 and does not exceed 72 per cent, 9.6 cents per pound;

If the shrinkage in cleaning exceeds 66 and does not exceed 69 per cent, 10.6 cents per pound;

If the shrinkage in cleaning exceeds 63 and does not exceed 66 per cent, 11.6 cents per pound;

If the shrinkage in cleaning exceeds 60 and does not exceed 63 per cent, 12.5 cents per pound;

If the shrinkage in cleaning exceeds 57 and does not exceed 60 per cent, 13.5 cents per pound;

If the shrinkage in cleaning exceeds 54 and does not exceed 57 per cent, 14.5 cents per pound;

If the shrinkage in cleaning exceeds 51 and does not exceed 54 per cent, 15.5 cents per pound;

If the shrinkage in cleaning exceeds 48 and does not exceed 51 per cent, 16.5 cents per pound;

If the shrinkage in cleaning exceeds 45 and does not exceed 48 per cent, 17.5 cents per pound;

If the shrinkage in cleaning exceeds 42 and does not exceed 45 per cent, 18.5 cents per pound;

If the shrinkage in cleaning exceeds 39 and does not exceed 42 per cent, 19.5 cents per pound;

If the shrinkage in cleaning exceeds 36 and does not exceed 39 per cent, 20.5 cents per pound;

If the shrinkage in cleaning exceeds 33 and does not exceed 36 per cent, 21.4 cents per pound;

If the shrinkage in cleaning exceeds 30 and does not exceed 33 per cent, 22.4 cents per pound;

If the shrinkage in cleaning exceeds 27 and does not exceed 30 per cent, 23.4 cents per pound;

If the shrinkage in cleaning exceeds 24 and does not exceed 27 per cent, 24.4 cents per pound;

If the shrinkage in cleaning exceeds 21 and does not exceed 24 per cent, 25.4 cents per pound;

If the shrinkage in cleaning exceeds 18 and does not exceed 21 per cent, 26.4 cents per pound;

If the shrinkage in cleaning exceeds 15 and does not exceed 18 per cent, 27.4 cents per pound;

If the shrinkage in cleaning exceeds 12 and does not exceed 15 per cent, 28.4 cents per pound;
If the shrinkage in cleaning exceeds 10 and does not exceed 12 per cent, 29.4 cents per pound;
If the shrinkage in cleaning does not exceed 10 per cent, 33 cents per pound.
The duty on such wools, imported in the scoured state, shall be 33 cents per pound.
The duty on such wools, imported on the skin, shall be 1 cent less per pound than is imposed in this paragraph on other wools of the same class and condition.

Mr. WALSH of Montana. I desire to address myself to the first part of the pending motion, which is the motion to strike out paragraph 1102 as adopted by the House. I inquire of the Chair, would it now be in order to amend the portion proposed to be stricken out by striking out the proviso, which reads:

Provided, That none of the foregoing shall pay a higher rate of duty than 35 per cent ad valorem?

The PRESIDING OFFICER. In the opinion of the present occupant of the Chair such a motion is now in order.

Mr. WALSH of Montana. Then I move to amend the House text by striking out that part of the proviso. I make the motion, Mr. President, in the hope that if the paragraph is so amended it, rather than the substitute for the paragraph proposed by the committee, will have the approval of the Senate; in other words, the question will then be directly presented as to whether the Senate will approve of the duty of 25 cents on the scoured pound, as proposed by the House, with the exception suggested, or will adopt the Senate proposal, which is practically the equivalent of 33 cents per pound of scoured content. Mr. President, I think that ought to be an acceptable solution of this vexed question. I think, upon reflection, every Senator will concede that the proviso found in paragraph 1102 as it came from the House is scarcely just.

Much may be said in favor of the peculiar position which this particular commodity—wool—occupies in connection with legislation of this character. It has been pointed out heretofore how desirable it is that our country should have a domestic supply and should not be obliged to rely under all circumstances upon a foreign supply, as it would if, for any reason, the industry were ruined. There is, however, another reason which, it seems to me, ought to have very serious consideration in this connection, and that is that there are vast areas of land out in the western country, where the greater portion of the wool is produced, which is and always will be incapable of cultivation and tillage; that is, it is mountain land, rocky, which produces natural forage, but is incapable of cultivation. That land is particularly adapted for the prosecution of the sheep industry.

Mr. POMERENE. Mr. President——

Mr. WALSH of Montana. I yield.

Mr. POMERENE. I am not quite clear that I understand the import of the Senator's amendment. Do I understand that it is to restore all of the House provision, save and except the proviso?

Mr. WALSH of Montana. Yes. If the proviso is stricken out we will then be presented with the question of fixing the duty at 25 cents per scoured pound or 33 cents.

Mr. POMERENE. Admitting that those rates are proper, does not the Senator think that there should be some regulation so far as the quality of the wool is concerned?

Mr. WALSH of Montana. I am obliged to take exactly the same position with respect to that that I did with respect to the amendment of the Senator from Wisconsin, and I dare say that the attitude of the Senate will be the same with respect to the matter. I will say quite freely to the Senator from Ohio with respect to this that if you can devise any plan by which the reduction will be carried into the compensatory duties upon the finished product I shall be very glad to entertain a proposal to make the rate lower upon the lower grade of wools; but up to the present time no one has suggested how that can be accomplished.

Mr. President, I was going to say that the natural habitat of sheep is in the mountain country. No variety of wild sheep is grown except those that occupy the high mountains, and accordingly the breeding of sheep in all countries is conducted in mountainous regions as a rule. It will be singularly unfortunate if the vast value of forage there that is available for the culture of sheep should be lost by reason of the destruction of the industry. If it be possible to preserve it with some kind of governmental aid a very little addition will result in the production of a vast amount of wealth which otherwise would be entirely lost. So there are considerations which make a more or less powerful appeal for some consideration of this particular commodity. But, Mr. President, I have no hesitancy at all in saying that the rates proposed in the Senate substitute are, in my judgment, unreasonably and unjustifiably high; but see how this proviso would operate. It would operate in this way, and I ask the particular attention of the Senate with respect to it:

Whenever the price of wool goes down, if you put on this ad valorem limit, the protection that is given is proportionately reduced. In other words, when the sheep raisers need the protection most they get the least of it, and accordingly it assists in the destruction of the industry.

Mr. McCUMBER. Mr. President, may I ask the Senator a question to get at just exactly what he desires to have the vote on? My understanding is that he first wants to perfect the House provision by striking out the proviso on lines 13 to 15, inclusive.

Mr. WALSH of Montana. Yes.

Mr. McCUMBER. Then does he propose to support the House provision as against the Senate provision?

Mr. WALSH of Montana. As against the Senate amendment.

Mr. McCUMBER. And have the vote directly upon that question?

Mr. WALSH of Montana. Exactly. I hoped that we might get a square vote upon 33 cents per scoured pound or 25 cents per scoured pound.

Mr. McCUMBER. I can see no objection to that.

Mr. SMOOT. None whatever, Mr. President. I will say to the Senator that as far as I am concerned I will accept the amendment, because I would have offered the amendment if the Senator had not, if the House provision had prevailed over the Senate provision. The Senator, I think, has taken the right course by perfecting the House provision, and, as far as I am concerned, there is no objection to his proposal.

Mr. WALSH of Montana. Very well. I just want to give a few figures to show the operation of this.

So long as the price of wool in the grease exceeds 23.8 cents per pound, the proviso would not come into operation at all. Until it got as low as 23.8 cents per pound in the grease the specific rate would become applicable; but whenever the price of wool in the foreign market, the export price, falls below 23.8 cents per pound, then the ad valorem rate would become operative and it would operate thus:

If wool abroad fell to 20 cents, the duty then would be only 7 cents. If, unfortunately, the price of wool should fall to 15 cents, when the woolgrowers would most need whatever protection could be given to them, the duty would be only 5.27 cents; and if it should fall to 12 cents a pound abroad, the duty would be only 4.2 cents per pound. In other words, Mr. President, the more vigorous, the more dangerous, the more destructive the competition becomes the less and less protection the producer gets. Accordingly, I am very much gratified, indeed, that the chairman of the committee has signified his willingness to accept this amendment, so that we will have a straight vote upon these two rates.

The PRESIDING OFFICER (Mr. LADD in the chair). The amendment will be stated.

The ASSISTANT SECRETARY. In lieu of the amendment proposed by the committee, proposing to strike out all of the House text, the Senator from Montana [Mr. WALSH] moves to strike out the proviso in that text beginning on line 13, as follows:

Provided, That none of the foregoing shall pay a higher rate of duty than 35 per cent ad valorem.

Mr. WALSH of Montana. Mr. President, before the vote is taken I want to say a further word in explanation of the position I take.

I think it has been pretty well demonstrated that by reason of the skirting clause and other provisions of the Payne-Aldrich law, the actual, effective protection that was given by that law never did exceed 7 cents per pound, and often went as low as 4 cents. I think it is the general belief of the woolgrowers of the West that that law gave a protection of not exceeding 7 cents, and, as I indicated, it sometimes ran as low as 4 cents. This provision to which I have signified my adherence gives an actual protection to the woolgrower of 8½ cents a pound. If he is given a higher protection, a better protection than he was given under the Payne-Aldrich law by a cent and a third a pound, I believe the woolgrower ought to be, and I think he will be, satisfied.

Mr. GOODING. Mr. President, I should like to call the attention of the Senate to the fact—and I have mentioned this before, but I think this is a good time to repeat it—that the Tariff Board has found that it costs 34.6 cents more, on the scoured basis, to grow a pound of wool in this country than in the Argentine. If we are going to protect an industry and give it a chance to live, that protection ought to be high enough so that it represents at least the honest difference, as we call it, between the cost of production at home and abroad. If we are not, we might just as well strangle it first as last, and put it on

the free list, and let the men who are in the business find something else to do. Whenever you do, however, as far as the West is concerned, where there is but very little humus in the soil, and where only one or two crops can be grown without fertilization, such as alfalfa, that country will have to give up an effort to exist, because without the alfalfa and without a rotation of crops to bring up the fertility of the soil and without a forage that sheep consume that country must go back, and the people must give up an effort to exist out there. At least one-third of all the arid portion of this country must be in alfalfa every year to keep up the fertility of the soil, and if you have less than that at any time the soil goes backward, and the people will have to give up the fight.

So, if we are going to let the industry live at all, let us give it at least somewhere near the honest difference in the cost of production between this and a foreign country. If we are Republicans believing in protection which represents the honest difference in the cost of production, we ought not to hesitate about it at all.

Mr. WALSH of Massachusetts. Mr. President, as I understand the situation now, the pending question is the committee amendment to paragraph 1102; and the Senator from Montana [Mr. WALSH] moves that the House text, omitting the proviso, be substituted for the committee amendment.

Mr. SMOOT. No. The pending amendment is to strike out the proviso in paragraph 1102 as written by the House; or, in other words, the Senator from Montana is perfecting the House provision, and then the vote will recur upon the Senate amendment to the House provision as amended.

Mr. WALSH of Massachusetts. I think I understand the situation. We are voting, then, upon whether we shall strike out the House provisions of paragraph 1102?

Mr. SMOOT. Yes.

Mr. BURSUM. Mr. President, if I correctly understand the amendment of the committee, the committee proposed an amendment as a substitute for the House provision. Is that right?

Mr. SMOOT. Yes; that is true.

Mr. BURSUM. Then how can another amendment be submitted now to perfect the House provision?

Mr. SMOOT. Because under Rule XVIII either the amendment or the original proposition can be perfected. The Senator from Montana now offers an amendment to the House provision to perfect that provision, and that is in order.

Mr. BURSUM. That is, to take out the proviso?

Mr. SMOOT. To take it out; and as far as I am concerned, and I think the same thing is true of the members of the Senate Finance Committee generally, I am perfectly willing to accept the amendment offered by the Senator from Montana.

Mr. BURSUM. That is to make the road clear to have a vote on the amount of the duty?

Mr. SMOOT. As between a straight 25 cents a pound and 33 cents a pound.

Mr. BURSUM. That will come on a subsequent vote?

Mr. SMOOT. Yes.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Montana.

The amendment was agreed to.

Mr. WADSWORTH. Mr. President, I desire also to offer what might be termed perfecting amendments to the House text. The Senate has just voted to perfect it by striking out the proviso, following the amendment of the Senator from Montana [Mr. WALSH]. Personally I am not satisfied that 25 cents per pound of clean content will be sufficient in every case. I think it will be insufficient in a great many cases. I therefore move to amend the House text on line 11 of page 140 by striking out "25 cents per pound" and inserting "28 cents per pound"; on line 12, by striking out "26 cents per pound" and inserting "28 cents per pound"; and on line 13, by striking out "24 cents per pound" and inserting "27 cents per pound."

The real purpose of the amendment, of course—as is apparent to anybody who has the text before him—is to fix the specific duty at 28 cents per pound on the scoured content, to be followed clear on down through all the grades of wool. With 28 cents as the specific duty on scoured content, the fine wools will be bearing an ad valorem equivalent to 29 per cent, as contrasted with an ad valorem equivalent of 35 per cent under the Senate committee amendment. That percentage of equivalent ad valorem, starting with the finest wools and going down through the half bloods, three-eighths, and one-quarter bloods, to and including the low or coarsest grades, will reach an ad valorem equivalent of 116 per cent, as contrasted with 137 per cent provided for as an ad valorem equivalent in the Senate committee amendment.

In all seriousness, let me submit to my colleagues that those ad valorem equivalents would certainly seem sufficient, varying from 29 per cent on the finest wools to 116 per cent on the coarsest. It would also seem sufficient to impose a straight specific duty on all these grades of wool of 28 cents per scoured pound.

If the proposal made by the Senator from Montana should be adopted by the Senate it would eliminate the difficulty which the Senator from Utah has described so often, of carrying these rates with a maximum ad valorem into the compensatory duty. That difficulty is completely wiped out and no more importance can be placed on any utterance with regard to it. A reduction from 33 cents to 28 cents does in a very considerable degree mitigate the extraordinary situation which exists with respect to the ad valorem equivalents among the coarsest wools, and will go very, very far in eliminating the criticism which the Senator from Wisconsin and some of the rest of us believe will inevitably be leveled against this wool schedule in the event the Senate committee rates are allowed to stand as printed.

I ask the Senators who have the preservation of the wool industry at heart to reflect, first, that this is a great, big country, with 110,000,000 people engaged in every conceivable occupation; that it is mighty difficult to persuade them that the Congress has a right—moral, legal, or otherwise—to impose an ad valorem equivalent of 130 per cent; and to think, next, that, failing to persuade them, the danger will be that they will turn and rend these rates at some future session of the Congress, a thing which I would regret infinitely. When I say "these rates," I mean the agricultural rates generally, as contained in this bill.

I think the proposal of 28 cents per scoured pound will protect the wool industry of this country, and I believe if we were given an opportunity and time, we could bring woolgrowers to Washington who would admit that 28 cents is sufficient protection. I know it is difficult to persuade some of those who think of nothing but wool, but I am trying to think of something else at the present time.

Mr. BURSUM. Mr. President, I would like to ask the Senator from New York how the 28 cents would cure the ill of which he complains in reference to the low-grade wool?

Mr. WADSWORTH. I do not think it cures it entirely. I said it mitigated it. It does reduce the equivalent ad valorem duty by over 20 per cent in the highest figures.

Mr. BURSUM. While the ill might be mitigated as to the lower grade, it would be slaughtering the great bulk of the industry.

Mr. WADSWORTH. I hope the Senator will not use the word "slaughtering." A duty of 28 cents is not going to permit the woolgrower to be "slaughtered."

Mr. GOODING. Mr. President, I want to say just a word to the Senator from New York, and more especially with respect to that part of his remarks in which he talked about the people not standing for the excessive rates called for. I again want to remind the Senator that only last week he stood in this Chamber for a duty of 192½ per cent in one class, and 119 on the other, in the matter of gloves.

Mr. WADSWORTH. Never 192 per cent.

Mr. GOODING. I meant to say 92 per cent, and again 119 per cent. The rate the Senator asked for before the committee was 150 per cent.

Mr. WADSWORTH. Again the Senator is mistaken. I never asked for 150 per cent before the committee.

Mr. GOODING. It was asked for by the glove people.

Mr. WADSWORTH. The Senator mentioned me. I did not ask for 150 per cent.

Mr. GOODING. The Senator asked for 119 per cent, did he not?

Mr. WADSWORTH. I did, for an industry that is closed down and dead.

Mr. GOODING. God knows the sheep industry was dead until the emergency tariff law passed.

Mr. WADSWORTH. It is not dead now.

Mr. GOODING. The emergency tariff law revived it, but it was dead. We merely want to give it a chance to live. I want to say again to the Senator from New York, and to any other Senator, as far as that is concerned, that when it is shown conclusively that 28 cents is not the difference in the cost of production between this country and foreign countries, any man who believes in the principle of protection can go out and defend these rates before any audience in any part of America.

Mr. LENROOT. Mr. President, I shall be very brief, but I would like to ask the Senator from Idaho, or the Senator from

Utah, to state the average shrinkage in the case of quarter bloods and under.

Mr. GOODING. It would depend on what part of the country it is grown in.

Mr. SMOOT. The average shrinkage in the United States, I think, is about 38, 39, or 40 per cent in quarter bloods and below.

Mr. WADSWORTH. About 33 per cent.

Mr. BURSUM. Will not the Senator speak so that we on this side can hear?

Mr. SMOOT. The question was, What is the average shrinkage in wools produced in the United States in the case of quarter bloods and lower? And I said from 38 to 40 per cent.

Mr. BURSUM. It will reach up to as high as 50 per cent.

Mr. SMOOT. The Senator asked me for the average shrinkage; and that, I think, is what the Tariff Commission gives, and that is what I think it would figure. Of course, as soon as you get the mediums, fine mediums, and fines, there is a different story.

Mr. BURSUM. The average shrinkage in the western country in wools of low grade—that is, carpet wools—is 50 per cent.

Mr. SMOOT. The Senator did not confine himself to carpet wools.

Mr. LENROOT. Thirty-three and one-half would be a fair average, would it not?

Mr. SMOOT. The Senator did not ask me about carpet wools. He asked me about quarter bloods.

Mr. LENROOT. The point of my inquiry was this: Will 33 cents a scoured pound upon the fine wools, shrinking 66⅔ per cent, give a protection of 11 cents a pound in the grease?

Mr. SMOOT. That is correct.

Mr. LENROOT. Upon the coarse wools 33 cents a pound will give a protection of 22 cents a pound in the grease. Am I right?

Mr. SMOOT. I will figure that out.

Mr. GOODING. Mr. President, I want to say that, as far as Idaho and the West generally are concerned, the coarse wools shrink anywhere from 50 to 55 per cent, unless it is the Soda Springs wool. There is no wool I know of in America that shrinks 33 per cent unless it is washed. I think I have the records here from the manufacturers, if I can find them.

Mr. SMOOT. It is slightly over 22 per cent.

Mr. LENROOT. That is the point I wanted to bring out, that, as a matter of fact, a duty of 33 cents on the scoured pound will, upon the average, afford a protection of 11 cents a pound upon the fine wool, and the same rate will afford a protection, if the shrinkage is 33⅓ per cent, of 22 cents a pound on the coarse wool, and if the shrinkage is 50 per cent, instead of 33⅓ per cent, the protection upon the coarse wool in the grease would be 16⅔ cents a pound, as against 11 cents a pound upon the fine wool.

Mr. SMOOT. The Senator has figured it correctly, I think. If it were 50 per cent, and the wools were 15 cents, it would be 30 cents scoured.

Mr. LENROOT. So, Mr. President, the point I want to make is that the rate of 33 cents a pound, as proposed by the committee, does give a very much higher rate of duty upon the coarser wools than upon the finer wools.

Mr. STANFIELD. The Senator is undoubtedly aware of the fact that the difference in the shrinkage is due to the amount of grease and dirt in the fleece. The grower is not concerned about the protection on the grease and dirt.

Mr. LENROOT. My only point was that when we are figuring the amount of protection on the wool in the grease, it does give that protection on the wool in the grease.

Mr. STANFIELD. But there is the dirt and grease, which does not need protection.

Mr. LENROOT. If fine wool in the grease is worth 50 cents a pound and the coarse wool in the grease is worth 24 cents a pound—my rates are all too high, of course; but I am giving those figures simply for purposes of illustration—in the one case the 33 cents duty will add 11 cents a pound to the 50-cent wool and 22 cents a pound to the 24-cent wool, but to the grower it gives about the same protection per pound.

Mr. BURSUM. I submit that the difference is only due to the fact that there is more dirt and more grease in one wool than in the other.

Mr. LENROOT. The Senator from Wisconsin is not a sheepman, but he does understand that.

Mr. BURSUM. The duty is based on clean wool and nothing else.

Mr. LENROOT. I understand that.

Mr. BURSUM. While we are on this question, of course, it is impossible to impose any duty on a specific plan or any other plan which would give absolute justice to every grade and class of wool.

Mr. LENROOT. I understand that.

Mr. BURSUM. Under an amendment providing for a maximum of 60 per cent, I have analyzed what would be the effect——

Mr. LENROOT. I do not yield for the Senator to make a statement of that sort. That is water which has gone under the bridge. That has been settled by the Senate. I have accepted the decision of the Senate. I hope the Senator from New Mexico will let it go at that. I am not renewing the proposition. I have not offered any amendment.

Mr. WADSWORTH. Does not the Senator know that you can not talk without interruption here? So why try?

Mr. BURSUM. We passed on only one paragraph.

Mr. LENROOT. I have just stated that I was beaten upon that, fairly beaten, and I accept the decision of the Senate. I have not offered a 60 per cent amendment in this paragraph, and I am not going to offer one.

Mr. BURSUM. I understood the Senator had offered an amendment to the first paragraph and a similar amendment to the second paragraph.

Mr. LENROOT. If my amendment to the first paragraph had prevailed, I probably would have offered it to the second, but it did not prevail. So the Senator has it his way; and is he not satisfied?

Mr. BURSUM. I simply wanted to submit this analysis for the RECORD, for the enlightenment of Senators.

Mr. LENROOT. Every time I get upon my feet I am not permitted to talk consecutively for five minutes, and I wonder why?

Mr. BURSUM. I beg the Senator's pardon. I will not interrupt him any more.

Mr. LENROOT. As I said, I am not going to offer any amendment to this section, but I do want to take this opportunity, because I hope I will not have to speak again upon this paragraph, of entering my protest against the amendment of the committee, in the form it proposes to impose the duty, as against the plan of the House, giving the duty, whatever is to be imposed, upon the scoured content, and I am very eager to know how the committee can by any possibility justify this bracket system they have reported to the Senate. Under this bracket system, if wool comes in, for instance, with a shrinkage of 67 per cent, it will take a rate of 10.6 cents per pound. But 1 per cent higher will mean just 1 cent per pound difference in duty. How can that be justified? The endless litigation that is sure to result from the bracket system must be admitted.

Mr. GOODING. Mr. President, I think if the Senator from Wisconsin will support the schedule with the brackets out and make it straight 33 cents the committee will take that amendment. We will agree to that if the Senator will agree to it.

Mr. LENROOT. I very much hope the bracket system will be stricken out, because that certainly would be something gained; but, of course, the Senator from Idaho does not want to make trades with me on the floor here in that way.

So, Mr. President, I simply enter my objection. If the committee are going to insist upon the bracket system it seems to me before it is voted upon they ought to be willing to defend it, so that we may know, whether it be 33 cents or 28 cents upon the scoured content as determined is fair to everybody, that it will be fair to the consumer and fair to the grower. The bracket system can not possibly be fair.

Mr. WADSWORTH. Do I understand there is any objection to my proposal to perfect the House text by substituting 28 for 25?

Mr. SMOOT. There may be objection to it, especially if we strike out the House provision and put in the paragraph without the brackets.

Mr. WADSWORTH. In any event the issue would be 33 or 28.

Mr. SMOOT. Yes; I know that.

Mr. WADSWORTH. What I want to know is this: Would the Senator rather have the issue between 23 and 33 on the one side, or between 28 and 33 on the other side?

Mr. SMOOT. We might as well have the question determined between 25 and 33, and then if the Senator wants a vote on reducing it from 33 to 28, he can get at it in that way. There are a number of Senators who do not feel like voting for 28. Of course, they would vote for it as against 25, but they do not want to be placed on record as voting for 28 cents.

Mr. WADSWORTH. I suppose I must be very careful about the sensibilities of some of my colleagues. If that is the case, of course, I shall relieve them of all embarrassment.

Mr. LENROOT. No Senator would be in the position of voting for 28 as against 33 if this is accepted, because they still would have the opportunity of voting upon 23.

Mr. WADSWORTH. The Senator from Wisconsin fails to appreciate the tender sensibilities of some Senators.

Mr. JONES of Washington. Mr. President, it seems to me we ought to have the House provision perfected if we want to vote for it or against it. If it requires unanimous consent to do what has been suggested, I shall not object to it myself.

Mr. WADSWORTH. I merely asked if there was any objection to perfecting the House provision.

Mr. JONES of Washington. Perfect it, and then we will vote upon the question as between that and the Senate committee provision.

Mr. McCUMBER. There could be no objection to making the motion. The Senator has that right.

Mr. WADSWORTH. I have made the motion.

Mr. McCUMBER. I shall vote against it.

Mr. WADSWORTH. My amendment would make it 28 instead of 25.

Mr. McCUMBER. I would like to vote against that and then vote in the next paragraph for 33.

Mr. WADSWORTH. Mr. President, a parliamentary inquiry. In the event the Senate declines to permit perfection of the House text by increasing 25 to 28 cents and the committee amendment of 33 cents is substituted for the original 25-cent rate of the House, would it then be in order to offer an amendment to reduce 33 cents to 28 cents?

The PRESIDING OFFICER. In the opinion of the Chair it would not be in order.

Mr. WADSWORTH. May I ask, if Senators are willing to say in advance what they will do, if no change is made in the House text before the issue is joined as between the Senate committee amendment and the House text as now perfected by the Senator from Montana, will it then be in order to move to insert 28 cents instead of 33 cents?

Mr. McCUMBER. It is possible I do not understand the question, but it seems to me the Senator can move at any time before we vote on it to amend the proposed committee amendment. If the committee amendment is 33 cents, there is no question in my mind but that the Senator can move to strike out "33" and insert "28," if that is what he wants.

Mr. WADSWORTH. The Senator knows perfectly well that the Senator from New York would have to send for a professor of mathematics to make any such change in the committee amendment. See what it does. It starts in with the bracket providing 93 per cent shrinkage and 1.6 cents duty per pound and runs over two and a half pages down to a shrinkage of not to exceed 10 per cent and a rate of 29.4 cents. We would have to work out all of those decimals. All I ask is that we do it in a sensible way. If the Senator insists that we shall not change the House text in the direction which the Senator himself desires by comparison, I shall have to ask for a roll call in order to get the views of the Senate as to whether it prefers 28 cents to 25 cents. That is all there is to it.

Mr. McCUMBER. If the Senator will allow me, the Senator can move as a substitute for all the brackets an amendment that will simply read 33 cents upon the scoured content, if he so desires, or he can say 28 cents upon the scoured content. There is nothing to prevent the Senator in a single sentence moving to amend the Senate committee amendment in that way.

Mr. WADSWORTH. Move to amend the Senate committee amendment?

Mr. McCUMBER. Certainly; by substituting for all these brackets a declaration that the duty shall be 28 cents upon the scoured content.

Mr. WADSWORTH. It is just as easy to do it one way as another. I thought my way was just as easy. It will take a roll call, and only one roll call in any event. I am more than willing to follow the guidance of the chairman of the committee, and when it is all over I would like him to tell me privately what he has gained.

Mr. McCUMBER. I am inclined to think that possibly before we get through there may be a change in these brackets to a straight 33 cents per pound rate.

Mr. SMOOT. I am perfectly willing right now to withdraw the brackets and put it in at 33 cents on the scoured basis.

Mr. POMERENE. Mr. President, I would like to understand the matter, if I may interrupt whichever Senator has the floor. The Senator from North Dakota has just said that they might change a certain section here so as to make the rate 33 cents a pound. What does that mean?

Mr. SMOOT. It means to strike out all the brackets, which are equivalent to 31 per cent, with a 3-cent difference, and simply impose a duty of 33 cents on the scoured content and do away with all the brackets.

Mr. WALSH of Montana. That would make it necessary to revise the language so that it would read:

Wools, not specially provided for, and hair of the Angora goat, alpaca and other like animals, imported in the grease or washed, 33 cents a pound.

Mr. SMOOT. So it would read 33 cents a pound on the clean content.

Mr. WALSH of Montana. That is identically the language of the House text. So in lieu of that why may we not just amend the House provision by substituting 33 for 25?

Mr. SMOOT. There is some difference in the House provision.

Mr. POMERENE. What is expected to be gained by that change?

Mr. WALSH of Massachusetts. After the matter has been before the committee all these months, they do not know what language to use in the paragraph!

Mr. SMOOT. It would be very much easier to administer. The officials of the Tariff Commission claim that it would be very much easier to administer, and I myself think that it would be.

Mr. POMERENE. It would be easier to administer, perhaps, if we would put diamonds and doughnuts under the same rate of duty.

Mr. SMOOT. But that is not what this is. I think we are doing exactly what the Senator from Ohio would like to have done.

Mr. POMERENE. I would like to have it in some form so that I can study it, if possible.

Mr. SMOOT. The Senator has studied the House provision, no doubt?

Mr. POMERENE. I think I understand it fairly well.

Mr. SMOOT. It would be exactly the same as the House provision, although we would make a flat 33 cents a pound on the clean content of the wool.

Mr. POMERENE. Will it be the purpose of the Finance Committee to accept the House provision with that amendment rather than the amendments to paragraph 1102 which are proposed here in the bill?

Mr. SMOOT. That is the object of it, but there will be a little change in the House provision. In other words, if the Senator will follow the language of the House provision, if the change is made, it will read as follows:

Wools, not specifically provided for, and hair of the Angora goat——

Mr. WADSWORTH. Mr. President, I understood that I had the floor.

The PRESIDING OFFICER. The Senator from New York has the floor.

Mr. WADSWORTH. I merely wish an opportunity to offer an amendment. I would not interrupt the Senator at all, but I want to know that my amendment is the pending question. I send the amendment to the desk. In lieu of the matter proposed to be substituted by the committee, I move the following. I withdraw my other amendment which I have previously offered.

The PRESIDING OFFICER. The amendment will be stated.

The ASSISTANT SECRETARY. In lieu of the matter proposed to be inserted by the committee as paragraph 1102, the Senator from New York proposes to insert the following:

PAR. 1102. Wools, not specially provided for, and hair of the Angora goat, Cashmere goat, alpaca, and other like animals, imported in the grease or washed, 28 cents per pound of clean content; imported in the scoured state, 28 cents per pound of clean content; imported on the skin, 27 cents per pound of clean content.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York to the amendment of the committee.

Mr. JONES of New Mexico. Mr. President, may I inquire of the Senator from New York why he does not offer this as an amendment to the committee amendment?

Mr. WADSWORTH. That is just what I have done.

Mr. JONES of New Mexico. I understood that the Senator had changed his first proposal.

Mr. WADSWORTH. The effect of the amendment is to wipe out all of the brackets as provided in the Senate committee amendment, to eliminate, as suggested by the Senator from Montana, the original language providing a maximum ad valorem and substituting 28 cents for 33 cents.

Mr. SMOOT. Will the Senator allow us to perfect the committee amendment now and then offer his amendment reducing the 33 cents to 28 cents?

Mr. WADSWORTH. I will allow the committee to do anything they desire to do so long as I may get a vote on 28 cents in lieu of 33 cents. I am following the advice of the Senator from North Dakota.

Mr. POMERENE. Under this arrangement will there be an opportunity to vote on the 25-cent rate?

Mr. SMOOT. Yes; there will be an opportunity to vote on 25 cents on the amendment that I wish to offer at this time. If Senators will take the bill and look at paragraph 1102 I will read it as it is proposed to have it amended.

Mr. WALSH of Massachusetts. Does the Senator intend to offer that amendment for the committee to-day?

Mr. SMOOT. Yes; I do. As proposed to be amended now the paragraph would read:

PAR. 1102. Wools, not specially provided for, and hair of the Angora goat, alpaca and other like animals, imported in the grease or washed, 33 cents per pound of clean content; imported in the scoured state, 33 cents per pound; imported on the skin, 32 cents per pound of clean content.

That is the way it would read if amended.

Mr. SIMMONS. Does the Senator offer that as a substitute for the committee amendment?

Mr. SMOOT. I do.

Mr. McCUMBER. Before the Senator offers that amendment I call his attention to the fact that the House text, paragraph 1102, leaves out Cashmere goat, which the Senate committee inserted, and I think that change ought to be made before the Senator offers the other amendment.

Mr. SMOOT. I will say that the reason of that is because of a decision which has been rendered by the Treasury Department as to what Cashmere wool is. With that modification, I will say to the Senator from North Carolina, I now offer the amendment.

Mr. WALSH of Massachusetts. So that the situation is that the committee has withdrawn its amendment and substitutes another amendment, which the Senator from New York proposes to amend by reducing the rate.

Mr. SMOOT. If the Senator from New York would allow me to offer the amendment proposing 33 cents, then the Senator from New York could offer his amendment proposing 28 cents.

Mr. WADSWORTH. Clearly this is the situation: If the amendment now proposed by the Senator from Utah is adopted, I can offer no further amendment to the committee amendment, for it would be an amendment in the third degree.

Mr. SMOOT. But the Senator may, by unanimous consent, offer an amendment after this amendment shall have been adopted, and I do not think there will be any objection to his doing so.

Mr. LENROOT. That may only be done by unanimous consent.

Mr. SMOOT. It may be done by unanimous consent.

Mr. WADSWORTH. But I am not going to take that chance.

Mr. McCUMBER. I desire to raise this point for the consideration of the Chair and of the Senate: The Senate committee under the offer made by the Senator from New York withdraws the previous amendment and substitutes another proposed amendment. The Senator from New York may move to amend the substitute before it is voted upon.

Mr. SMOOT. And the amendment of the Senator from New York would not then be in the third degree.

Mr. McCUMBER. The Senator from New York does not need to wait until the committee amendment is voted on.

Mr. WADSWORTH. Will I have a right to do that in a parliamentary sense?

Mr. SMOOT. Certainly. In offering the new amendment I withdraw the committee amendment in paragraph 1102, beginning in line 16, page 140, down to and including line 11 on page 143.

Mr. SIMMONS. Mr. President, I had generally understood before we took up the pending bill that a committee bringing in an amendment, like an individual Senator bringing in an amendment, could perfect the amendment at any time before it was voted on, but I have understood the Chair has heretofore held that that rule did not obtain with reference to the pending measure, and I do not think we have been proceeding under that rule.

Mr. SMOOT. I will say to the Senator that the method of procedure he has referred to is in accordance with Rule XVIII.

Mr. SIMMONS. That is the rule which has always obtained up to this time, but we have been operating under a different rule, and when the Committee on Finance has desired to change its amendment we have taken a vote upon the question. If it is now proposed to do so, I think we should have to do it by unanimous consent.

Mr. SMOOT. No; for in this case the committee withdraws the first amendment and offers another amendment, and that is an amendment only in the first degree.

Mr. LENROOT. Will the Senator yield to me?

Mr. SMOOT. Yes.

Mr. LENROOT. Merely to get the parliamentary situation in proper state, I desire to ask by what right it is that the chairman of the committee or a Senator who is a member of the committee withdraws or modifies an amendment? Have they been authorized to do so by the committee? I am only speaking from a parliamentary standpoint.

Mr. McCUMBER. It may only be done by unanimous consent, of course.

Mr. SMOOT. That is correct.

Mr. SIMMONS. Under the rule under which we have been operating that is absolutely true.

Mr. BURSUM. I understood the Senator asked unanimous consent.

Mr. McCUMBER. Of course.

Mr. SMOOT. In order that there may be no mistake about the matter, I ask unanimous consent that the amendment to paragraph 1102 as submitted by the committee be withdrawn and that the following amendment be made to paragraph 1102 of the House provision——

Mr. WALSH of Montana. Not "made" but "proposed."

Mr. SMOOT. That the amendment be proposed as a substitute therefor.

Mr. WADSWORTH. Before that question is put, may I again ask the Senator from Utah [Mr. SMOOT] and the Senator from North Dakota [Mr. McCUMBER] what objection there is to giving me permission to perfect the House text?

Mr. SMOOT. The Senator will get a vote upon the 28-cent rate.

Mr. WADSWORTH. But the Senator from North Dakota objects.

Mr. McCUMBER. No; I do not object.

Mr. WADSWORTH. The Senator so stated to me. Of course, I can put it to a vote, I suppose, but I simply want to know the situation. Here comes the committee and completely reverses itself as to the mechanics of the provision assessing this duty, and asks leave by unanimous consent to change the whole mechanism of appraising the wool as it comes in, or very largely so, in its administrative features. Yet when a Senator gets up on the floor and asks leave to change a rate from 25 cents to 28 cents in the House text the chairman of the committee objects. What is the idea?

Mr. LODGE. Mr. President, if I may say a word, I desire to suggest that it is not a matter that requires unanimous consent under our rules.

Mr. WADSWORTH. I have said that it did not.

Mr. LODGE. Under our rules a Senator may modify the original text which it is proposed to strike out——

Mr. WADSWORTH. That is what I wanted to do without forcing the Senate to a roll call.

Mr. LODGE. Or he may move to amend the language which is proposed as a substitute. He may perfect both the part proposed to be stricken out and the part proposed to be inserted.

Mr. WADSWORTH. I offered my amendment to the House text.

Mr. LODGE. The Senator has a perfect right to do that.

Mr. WADSWORTH. But I thought I could avoid a roll call on it. I have been begging for 15 or 20 minutes to do that, but some Senators seem to be sensitive about voting as between a rate of 25 cents and 28 cents.

Mr. SMOOT. Does the Senator from New York object to the committee amendment being offered?

Mr. WADSWORTH. Not at all.

Mr. LODGE. The Senator from Utah has a right to offer the amendment. The Senator from New York could not object to that.

Mr. SMOOT. Then, I now offer the amendment, which is as follows:

Wools, not specially provided for, and hair of the Angora goat, Cashmere goat, alpaca, and other like animals, imported in the grease or washed, 33 cents per pound of clean content; imported in the scoured state, 33 cents per pound; imported on the skin, 32 cents per pound of clean content.

Mr. WILLIS. Does the Senator from Utah propose to strike out all of the brackets?

Mr. SMOOT. Yes; I ask unanimous consent that that may be done.

The PRESIDING OFFICER. Is there objection?

Mr. LENROOT. That is, there is no objection to a modification of the amendment?

Mr. SMOOT. No.

Mr. ASHURST. Of course, I do not object to the request of the Senator from Utah, but I make the point he does not need to ask unanimous consent. It is the procedure, the practice being followed, to which I object.

Mr. SMOOT. I was compelled to ask unanimous consent to withdraw the amendment which has been reported by the committee. That is the only purpose for which I asked unanimous consent, and that was granted. Now I offer the amendment.

Mr. ASHURST. I am not objecting; but this is the same question we had up a month and a half ago, when I tried to point out the error into which we would fall. The Senator from New York does not need unanimous consent to offer his amendment.

Mr. SMOOT. No.

Mr. ASHURST. There is no rule of parliamentary law more clearly fixed than that the matter proposed to be stricken out and the matter proposed to be inserted in lieu thereof may each be perfected. Neither the Senator from New York nor the Senator from Utah needs unanimous consent, and I hope they will withdraw their requests for unanimous consent.

Mr. LODGE. Mr. President, despite what the Senator from Arizona says, there is nothing to prevent them from asking unanimous consent if they want to. A Senator may ask unanimous consent for anything.

Mr. SMOOT. I ask that a vote be taken upon the amendment I have offered.

Mr. WADSWORTH. Mr. President, I think my motion is preferential. I therefore withdraw the last amendment which I sent to the desk, and I renew the motion which I made before—that is, on line 11, page 140, to strike out "25" and insert "28"; on line 12, to strike out "26 cents" and insert "28 cents"; on line 13, to strike out "24 cents" and substitute "27 cents," and, if the Senate does not object—and I am sure it will not—on line 10, after the words "Angora goat," insert "Cashmere goat."

Mr. WALSH of Montana. Mr. President, I notice in the House text there is a difference of 1 cent per pound fixed between the rate on the clean content of wool in the grease or washed and wool in the scoured state, but there is no difference in the rate fixed by the Senator from New York in his amendment. I can not myself understand why there should be a difference in the rate on the clean content and the rate on the scoured content; but, apparently, there must be some reason, because the distinction was made. I wondered what the reason was, and I should like to have the Senator from New York consider whether there should not be the same differential in his amendment. Perhaps the Senator from Utah can explain why, but I notice that the Senator from Utah in his amendment also fixes exactly the same rate.

Mr. WADSWORTH. I followed the example of the committee in that respect.

Mr. WALSH of Montana. I should like to ask the Senator from Utah, then, to explain to us why this differential was put in the House text and he neglected to put it in his amendment?

Mr. SMOOT. The House must have taken into consideration that wool coming in here in the grease or washed had to be scoured, and for that reason they made a cent a pound difference between the content of the grease and the washed wool and the content of the scoured wool. The Finance Committee, however, can not see any reason why that should be done, and I am quite sure that there should not be any difference.

Mr. BURSUM. Mr. President, was not that extra 1 cent a pound put in for the purpose of affording some little benefit to the scouring mills of this country? I think that was the only object of placing a higher duty on the scoured wool than upon the clean content of the other wool.

Mr. SMOOT. I will say to the Senator that, in my opinion, there is no reason for it whatever.

Mr. BURSUM. I think that was the reason it was placed there—simply to afford the scouring mills of this country a 1-cent advantage over the foreign scouring mills.

SEVERAL SENATORS. Vote!

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from New York.

Mr. WALSH of Montana. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WADSWORTH. My amendment, the Senate will understand, is to perfect the House text.

Mr. WALSH of Massachusetts. Mr. President, if the amendment offered by the Senator from New York prevails, those who want an opportunity to vote for a rate of 25 cents per pound on the clean content of wool will be deprived of that opportunity. If his motion prevails, there will then be merely a choice between the rate of 33 cents and a rate of 28 cents. Therefore a vote against his amendment is a vote to retain the opportunity to vote against the committee amendment and for a 25-cent rate.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. I yield.

Mr. LENROOT. That is hardly correct, I will say, because the Senator would still have the opportunity to amend the committee amendment as it now stands to reduce the rate from 33 cents to 25 cents.

Mr. WALSH of Massachusetts. Yes; that is true.

Mr. WADSWORTH. My amendment is to the House text, and it will not deprive the Senator the opportunity to which he refers.

Mr. LODGE. Mr. President, we have gone at it in rather a complicated way, but the purpose I understand is to substitute 28 cents for 33 cents.

Mr. WADSWORTH. Not on this vote.

Mr. LODGE. Not on this vote, and therefore this vote does not greatly matter. Whatever is done as to the amendment of the Senator from New York, a vote will come later as between the 28-cent rate and the 33-cent rate. The pending amendment merely affects the House text, but the decisive vote will have to come on leaving the House text and defeating the committee amendment.

Mr. LENROOT. I should like to state just what the effect of the amendment is. If this amendment is not adopted and the committee amendment is defeated it will leave the rate at 25 cents. If the committee amendment is defeated and the amendment of the Senator from New York is adopted, it will leave the rate at 28 cents.

Mr. SMOOT. The Senator has stated correctly.

Mr. WARREN. That is, so far as the Senate is concerned, but the House will have to act upon it.

Mr. WALSH of Montana. Mr. President, in order that the test may be altogether fair, I think that the two motions ought to be pending at one and the same time. Of course, if the amendment now offered by the Senator from New York, to reduce the rate from 33 cents to 28 cents, should be defeated, it would be useless for any Senator to propose an amendment to the amendment offered by the Senator from Utah on behalf of the committee to reduce the rate from 33 cents to 25 cents. Therefore the matter will be foreclosed for all practical purposes if the motion of the Senator from New York shall be defeated.

An opportunity ought to be given to perfect both texts; so that the motion, it seems to me, should lie on behalf of anyone who desires to make it—possibly the Senator from Massachusetts [Mr. WALSH]—to amend the amendment offered on behalf of the committee by the Senator from Utah to reduce the rate from 33 to 25 cents. Then there would be the two motions pending, the one applicable to the House text and the other applicable to the Senate text. Then the question would arise as to which should have precedence.

Mr. LODGE. Mr. President, the fact that an amendment is offered to perfect the House text, and is defeated, does not in the least prevent the same amendment being offered to perfect the proposed Senate amendment.

Mr. WALSH of Montana. I will say to the Senator from Massachusetts that I appreciate that perfectly; but the Senator from Massachusetts will appreciate equally as well that if the amendment offered by the Senator from New York is defeated it will signify that the Senate does not desire to reduce the rate to 28 cents, and it would then be useless to offer the other amendment, unless, indeed, some Senators might vote, conceding that it was too high.

Mr. WADSWORTH. Mr. President, will the Senator yield?

Mr. WALSH of Montana. I yield.

Mr. WADSWORTH. In so far as I may authorize it, I have no objection whatsoever to anyone on the other side or anyone in the Senate offering an amendment to the committee amendment before my amendment is voted on.

Mr. WALSH of Montana. Let me make this suggestion to the Senator from New York——

Mr. WADSWORTH. Or I will withhold my amendment until any other amendment is offered.

Mr. WALSH of Montana. That was my suggestion. Possibly the Senator from Massachusetts [Mr. WALSH] will care, then, to make the motion which I suggested.

Mr. WADSWORTH. Then, do I understand that if I withdraw this amendment temporarily another amendment will be offered?

Mr. WALSH of Massachusetts. I will do that; yes, sir.

Mr. WADSWORTH. To the committee amendment?

Mr. WALSH of Massachusetts. Yes, sir.

Mr. WADSWORTH. Very well.

Mr. WALSH of Montana. I am not sure, upon reflection, that that would be pertinent, because that would be merely restoring the House text.

Mr. WALSH of Massachusetts. No; it would not be restoring the House text, because the proviso would be out of the House text.

Mr. LENROOT. But we would have a vote upon the 25 cents.

Mr. WADSWORTH. Does the Senator want to offer it?

Mr. WALSH of Massachusetts. I can not do it.

Mr. LENROOT. Yes; the Senator can offer it to the committee amendment.

Mr. WALSH of Massachusetts. Then I will offer the amendment.

The PRESIDING OFFICER. Does the Senator from New York temporarily withdraw his amendment?

Mr. WADSWORTH. I do.

Mr. WALSH of Massachusetts. Upon reflection, Mr. President, I prefer not to offer the amendment at this time.

Mr. SIMMONS. Let us vote upon the amendment offered by the Senator from New York.

Mr. WADSWORTH. I renew my amendment, Mr. President.

Mr. LODGE. That amendment is to the House text?

Mr. WADSWORTH. To the House text.

The PRESIDING OFFICER. The question is upon the amendment offered by the Senator from New York to the House text. The amendment will be stated.

The ASSISTANT SECRETARY. It is proposed to amend the House text in four particulars, so that if amended it will read:

PAR. 1102. Wools, not specially provided for, and hair of the Angora goat, Cashmere goat, alpaca, and other like animals, imported in the grease or washed, 28 cents per pound of clean content; imported in the scoured state, 28 cents per pound; imported on the skin, 27 cents per pound of clean content.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New York, on which the yeas and nays have been demanded and ordered. The Secretary will call the roll.

The Assistant Secretary proceeded to call the roll.

Mr. BALL (when his name was called). Making the same transfer as on the previous vote, I vote "nay."

Mr. DIAL (when his name was called). Making the same announcement of my pair and transfer as on the previous vote, I vote "nay."

Mr. GLASS (when his name was called). I have a general pair with the senior Senator from Vermont [Mr. DILLINGHAM]. In his absence, and not knowing how he would vote on this question, I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. LODGE (when his name was called). I have a general pair with the Senator from Alabama [Mr. UNDERWOOD]. I am informed, however, that on this question that Senator would vote as I intend to vote, and I am therefore at liberty to vote. I vote "nay."

Mr. McCUMBER (when his name was called). Transferring my pair as on the previous vote, I vote "nay."

Mr. NEW (when his name was called). Again transferring my pair as on the previous ballot, I vote "nay."

Mr. ROBINSON (when his name was called). Transferring my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the Senator from Missouri [Mr. REED], I vote "nay."

Mr. STANLEY (when his name was called). Transferring my pair with my colleague [Mr. ERNST] to the Senator from Rhode Island [Mr. GERRY], I vote "nay."

Mr. WATSON of Indiana (when his name was called). Transferring my general pair with the Senator from Mississippi [Mr. WILLIAMS] to the Senator from Maine [Mr. FERNALD], I vote "nay."

The roll call was concluded.

Mr. CALDER. I am paired with the senior Senator from Georgia [Mr. HARRIS], and therefore withhold my vote.

Mr. JONES of New Mexico. Making the same announcement regarding my pair as on the previous vote, I vote "nay." I also desire to announce that the Senator from Nevada [Mr. PITTMAN], if present and not paired, would vote "nay."

Mr. SMITH (after having voted in the negative). I inquire if the Senator from South Dakota [Mr. STERLING] has voted?

The PRESIDING OFFICER. He has not voted.

Mr. SMITH. I have a pair with that Senator, but I am informed that if present he would vote as I have voted, so I will allow my vote to stand.

Mr. GLASS. I find that I can transfer my general pair with the Senator from Vermont [Mr. DILLINGHAM] to the Senator from Alabama [Mr. UNDERWOOD], which I do, and vote "nay."

Mr. CURTIS. I have been requested to announce the following general pairs:

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON]; and

The Senator from Connecticut [Mr. McLEAN] with the Senator from Montana [Mr. MYERS].

The result was announced—yeas 6, nays 54, as follows:

YEAS—6.

Borah	Kellogg	McCormick	Wadsworth
Jones, Wash.	Lenroot		

NAYS—54.

Ashurst	Glass	Nelson	Smith
Ball	Gooding	New	Smoot
Brandegee	Hale	Newberry	Spencer
Broussard	Harreld	Nicholson	Stanfield
Bursum	Heflin	Norbeck	Stanley
Cameron	Hitchcock	Overman	Swanson
Capper	Jones, N. Mex.	Pepper	Trammell
Caraway	Kendrick	Phipps	Walsh, Mass.
Colt	Ladd	Pomerene	Walsh, Mont.
Curtis	Lodge	Ransdell	Warren
Dial	McCumber	Robinson	Watson, Ind.
du Pont	McKinley	Sheppard	Willis
France	McNary	Shortridge	
Frelinghuysen	Moses	Simmons	

NOT VOTING—36.

Calder	Fletcher	McLean	Reed
Crow	Gerry	Myers	Shields
Culberson	Harris	Norris	Sterling
Cummins	Harrison	Oddie	Sutherland
Dillingham	Johnson	Owen	Townsend
Edge	Keyes	Page	Underwood
Elkins	King	Pittman	Watson, Ga.
Ernst	La Follette	Poindexter	Weller
Fernald	McKellar	Rawson	Williams

So Mr. WADSWORTH's amendment was rejected.

The PRESIDING OFFICER. The question now is on the committee amendment, as modified.

Mr. WADSWORTH. Mr. President, I move to amend the Senate committee amendment by striking out "33 cents" and substituting "28 cents" in both places where the figures "33" occur; and where the figures "32" occur, I move to substitute "27."

Mr. McCUMBER. Is not that what we have just voted on?

Mr. LODGE. No; this is a proposal to amend the committee amendment.

Mr. SMITH. Mr. President, may I ask the Senator from New York if this is an amendment to the committee amendment?

Mr. WADSWORTH. It is, and it brings up squarely the question of 33 cents or 28 cents.

Mr. BURSUM. Is not that what we have just voted on?

Mr. WADSWORTH. No; we voted as between 25 cents and 28 cents.

Mr. SIMMONS. In other words, the only alternative is either 33 cents or 28 cents.

Mr. WADSWORTH. In my amendment.

Mr. SIMMONS. There is no other chance to amend.

Several Senators called for the yeas and nays, and they were ordered.

Mr. HITCHCOCK. I ask to have the amendment stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. It is proposed to amend the modified committee amendment as follows:

Strike out "33" where it first occurs and insert "28"; where it occurs the second time, strike out "33" and insert "28"; and in the last line, where the numerals "32" occur, insert "27," so that, if amended, it will read:

PAR. 1102. Wools, not specially provided for, and hair of the Angora goat, Cashmere goat, alpaca, and other like animals, imported in the grease or washed, 28 cents per pound of clean content; imported in the scoured state, 28 cents per pound; imported on the skin, 27 cents per pound of clean content.

Mr. LODGE. That is the proposed amendment?

The PRESIDING OFFICER. It is. The yeas and nays having been ordered, the Secretary will call the roll.

The Assistant Secretary proceeded to call the roll.

Mr. BALL (when his name was called). Making the same transfer as before, I vote "nay."

Mr. CALDER (when his name was called). I have a pair with the senior Senator from Georgia [Mr. HARRIS], and in his absence I withhold my vote.

Mr. DIAL (when his name was called). Making the same announcement as to my pair and its transfer, I vote "yea."

Mr. GLASS (when his name was called). I have a pair with the senior Senator from Vermont [Mr. DILLINGHAM]. I can

not get a transfer, and therefore I withhold my vote. If permitted to vote, I should vote "yea."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. LODGE (when his name was called). I transfer my pair with the Senator from Alabama [Mr. UNDERWOOD] to the Senator from Pennsylvania [Mr. CROW] and vote "nay."

Mr. McCUMBER (when his name was called). I transfer my pair as on the previous vote and vote "nay."

Mr. NEW (when his name was called). Transferring my pair as on the previous ballots on this day, I vote "nay."

Mr. ROBINSON (when his name was called). Announcing the same pair and transfer as on the last vote, I vote "yea."

Mr. SMITH (when his name was called). I have a general pair with the Senator from South Dakota [Mr. STERLING], and being unable to secure a transfer I withhold my vote. If permitted to vote, I would vote "yea."

Mr. STANLEY (when his name was called). Making the same announcement as to my pair and transfer, I vote "yea."

Mr. WATSON of Indiana (when his name was called). I am informed that if the Senator from Nevada [Mr. PITTMAN] were present, he would vote "nay." Therefore I transfer my general pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the Senator from Nevada [Mr. PITTMAN] and vote "nay."

The roll call was concluded.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Connecticut [Mr. McLEAN] with the Senator from Montana [Mr. MYERS];

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON]; and

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN].

Mr. JONES of New Mexico. I desire to announce that the Senator from Nevada [Mr. PITTMAN] is absent on account of illness in his family, and if he were present he would vote "nay."

The result was announced—yeas 19, nays 38, as follows:

YEAS—19.

Borah	Jones, Wash.	Pomerene	Trammell
Caraway	Kellogg	Robinson	Wadsworth
Dial	Lenroot	Simmons	Walsh, Mass.
Heflin	McCormick	Stanley	Walsh, Mont.
Hitchcock	Overman	Swanson	

NAYS—38.

Ashurst	France	McKinley	Sheppard
Ball	Frelinghuysen	McNary	Shortridge
Brandegee	Gooding	Moses	Smoot
Broussard	Hale	New	Spencer
Bursum	Harreld	Newberry	Stanfield
Cameron	Jones, N. Mex.	Nicholson	Warren
Capper	Kendrick	Norbeck	Watson, Ind.
Colt	Ladd	Pepper	Willis
Curtis	Lodge	Phipps	
du Pont	McCumber	Ransdell	

NOT VOTING—39.

Calder	Gerry	Myers	Shields
Crow	Glass	Nelson	Smith
Culberson	Harris	Norris	Sterling
Cummins	Harrison	Oddie	Sutherland
Dillingham	Johnson	Owen	Townsend
Edge	Keyes	Page	Underwood
Elkins	King	Pittman	Watson, Ga.
Ernst	La Follette	Poindexter	Weller
Fernald	McKellar	Rawson	Williams
Fletcher	McLean	Reed	

So Mr. Wadsworth's amendment to the committee amendment as modified was rejected.

The PRESIDING OFFICER. The question is on the committee amendment as modified.

Mr. WALSH of Massachusetts. I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. BALL (when his name was called). Making the same transfer as before, I vote "yea."

Mr. CALDER (when his name was called). I am paired with the senior Senator from Georgia [Mr. HARRIS], and in his absence I withhold my vote.

Mr. DIAL (when his name was called). Making the same announcement as to my pair and its transfer as on the former ballot, I vote "nay."

Mr. GLASS (when his name was called). If permitted to vote, I should vote "nay," but I have a general pair with the senior Senator from Vermont [Mr. DILLINGHAM], and in his absence I shall have to withhold my vote.

Mr. HALE (when his name was called). Making the same announcement as before, I vote "yea."

Mr. LODGE (when his name was called). Making the same transfer of my pair as before, I vote "yea."

Mr. McCUMBER (when his name was called). Transferring my pair as on the previous vote, I vote "yea."

Mr. NEW (when his name was called). Repeating the announcement as to the transfer of my pair, I vote "yea."

Mr. ROBINSON (when his name was called). Announcing the same transfer as on the last vote, I vote "nay."

Mr. SMITH (when his name was called). Making the same statement as to my pair and being unable to get a transfer, I withhold my vote. If permitted to vote I would vote "nay."

Mr. STANLEY (when his name was called). Making the same announcement with reference to my pair and its transfer, I vote "nay."

Mr. SWANSON (when his name was called). On this question I have a pair with the senior Senator from Kansas [Mr. CURTIS], and in his absence I withhold my vote. If he were present and voting he would vote "yea" and I would vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as on the last roll call, I vote "yea."

The roll call was concluded.

Mr. JONES of Washington. I desire to announce that the senior Senator from Kansas [Mr. CURTIS] is necessarily absent on account of illness, and that the Senator from Nevada [Mr. ODDIE] is necessarily absent. If present these Senators would vote "yea."

I also desire to announce the following pairs:

The Senator from Connecticut [Mr. McLEAN] with the Senator from Montana [Mr. MYERS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON]; and

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON].

The result was announced—yeas 38, nays 16, as follows:

YEAS—38.

Ashurst	Frelinghuysen	McCumber	Sheppard
Ball	Gooding	McKinley	Shortridge
Brandegee	Hale	McNary	Smoot
Broussard	Harreld	Moses	Spencer
Bursum	Jones, N. Mex.	New	Stanfield
Cameron	Jones, Wash.	Newberry	Warren
Capper	Kendrick	Nicholson	Watson, Ind.
Colt	Keyes	Pepper	Willis
du Pont	Ladd	Phipps	
France	Lodge	Ransdell	

NAYS—16.

Borah	Hitchcock	Pomerene	Trammell
Caraway	Kellogg	Robinson	Wadsworth
Dial	Lenroot	Simmons	Walsh, Mass.
Heflin	Overman	Stanley	Walsh, Mont.

NOT VOTING—42.

Calder	Gerry	Nelson	Smith
Crow	Glass	Norbeck	Sterling
Culberson	Harris	Norris	Sutherland
Cummins	Harrison	Oddie	Swanson
Curtis	Johnson	Owen	Townsend
Dillingham	King	Page	Underwood
Edge	La Follette	Pittman	Watson, Ga.
Elkins	McCormick	Poindexter	Weller
Ernst	McKellar	Rawson	Williams
Fernald	McLean	Reed	
Fletcher	Myers	Shields	

So the committee amendment as modified was agreed to.

Mr. McCUMBER. I ask unanimous consent that when the Senate closes its session on this calendar day it recess until to-morrow at 11 o'clock.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE SESSION.

Mr. LODGE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 6 o'clock and 5 minutes p. m.) the Senate, under the order previously made, took a recess until to-morrow, Thursday, July 27, 1922, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate July 26 (legislative day of April 20), 1922.

REGISTERS OF THE LAND OFFICE.

Harry B. Drum, of Montana, to be register of the land office at Billings, Mont.

James Edgar Hays, of Nebraska, to be register of the land office at Lincoln, Nebr.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 26 (legislative day of April 20), 1922.

RECEIVER OF PUBLIC MONEYS.

Charles Henry Lutz to be receiver of public moneys, Roswell, N. Mex.

POSTMASTERS.

INDIANA.

John E. Ward, Gas City.

MISSOURI.

John T. Garner, Carrollton.
Charles E. Bedell, Hale.
George E. Richars, Lilbourn.

MONTANA.

John J. Pietila, Roberts.

NEW YORK.

Maurice M. Parker, Deferiet.
Harry M. Barrett, Mahopac.

OKLAHOMA.

Joseph C. Eversole, Grandfield.
Warden F. Rollins, Noble.

VIRGINIA.

Lula E. Northington, Lacrosse.

WISCONSIN.

Lyle H. Nolop, Alma Center.
Joseph R. Frost, Avoca.
Grant E. Denison, Carrollville.
Floyd B. Hesler, Glenbeulah.
William H. Ware, Loganville.
Fred J. Marty, New Glarus.

REJECTION.

Executive nomination rejected by the Senate July 26 (legislative day of April 20), 1922.

POSTMASTER.

Washington H. Carlisle to be postmaster at Alexander City, Ala.

SENATE.

THURSDAY, *July 27, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

AMENDMENTS OF THE SILK SCHEDULE.

Mr. McCUMBER. Mr. President, the Committee on Finance have gone over the silk schedule and propose to offer a number of amendments to it. In order that they may be printed and lie on the table so that Senators may have a chance to examine them, I ask that an order to that effect may be made.

The VICE PRESIDENT. Without objection, it is so ordered.

HOSPITALIZATION OF DISABLED EX-SERVICE MEN.

Mr. WALSH of Massachusetts. Mr. President, I ask that there may be printed in the RECORD in 8-point type a letter from Mr. A. A. Sprague, chairman of the American Legion's national rehabilitation committee, addressed to Brig. Gen. Charles E. Sawyer. The letter is a protest on the part of the representatives of the American Legion against the delay in the building of new hospitals under recent appropriations by Congress, and asserts that unnecessary and harmful results will follow. I regret that the tariff bill debate prevents my discussing this situation. Evidently the rehabilitation committee of the Legion is desirous that the construction of these hospitals be proceeded with without further delay and desires the backing of Congress and public opinion in order to get action.

There being no objection, the letter was ordered to be printed in the RECORD in 8-point type, as follows:

"CHICAGO, July 24.—A. A. Sprague, of Chicago, acting officially for the American Legion as its chairman of the Legion's national rehabilitation committee, has written to Brig. Gen. Charles E. Sawyer, President Harding's personal physician, sending a copy to President Harding for his information, requesting General Sawyer to 'stand aside and allow the program of the Veterans' Bureau to go into effect at once.'

"The request is in answer to a recent letter of General Sawyer, who was appointed by Harding from Marion, Ohio. General Sawyer, as chief coordinator of the Federal Board of Hospitalization, is accused of obstructing a prepared program, thereby injuring thousands of mentally sick war veterans maintained in contract hospitals away from their homes and friends against the advice and national program agreed upon by the Director of the Veterans' Bureau of Washington, a board of neuropsychiatrists, and the Legion.

"General Sawyer's recent letter is declared to be 'one of the explanations of a policy of interference, shameful delays, and neglect,' and a statement in the Sawyer letter that 'few are there, indeed, who have particular concern in the disabled war veteran,' is called an indictment of every American citizen. The letter from Sprague to General Sawyer and President Harding follows:

LETTER TO GENERAL SAWYER.

"'Your letter to me of July 12 presents certain statements and conclusions regarding the Government's care of sick and disabled service men, which it is imperative that the American Legion should answer without delay or equivocation.

"'You say: "Up to the present the whole subject of the World War veterans has been one largely of sentiment by many people. A year and a half ago, when I came to my office in Washington, there were not minutes enough in the day to give attention to the people who were here sympathizing with the World War veteran and wanting to do something special for him. To-day the story is very different. Few are there, indeed, who have particular concern."

"'I maintain that the first interest of every citizen of this country, as it is the first purpose of the American Legion, is to secure the fairest and best treatment possible for our men and women who are suffering from services rendered to our country under the colors in war.

INDICTMENT OF EVERY AMERICAN.

"'Your assumption that "few are there, indeed, who have particular concern" with the disabled World War veteran is an indictment of every American citizen, to which each must respond for himself. It ignores the positive, continuous efforts of the American Legion, which have never stopped, no matter how disheartening the results. While your statement is a revelation of your own analysis of the country's attitude, it is also one of the explanations of a policy of interference, shameful delays, and neglect of men and women to whom this country can not give too much, nor deal with too fairly, nor can they afford to have it truthfully said that they have violated their solemnly given promises and pledges.

"'You also say: "I am opposed to the domination of people outside of the Government forces in this matter. I regard and will always regard with the greatest respect the opinions of any who may have opinions to offer and they will all be considered when occasion demands, but if the Government is to be influenced by outside organizations, associations, or specialists' committees, we will continue to be in trouble."

"'Your opposition to the Government being influenced "by outside organizations, associations, or specialists' committees" exists in spite of the fact that every bit of legislation now in effect for the disabled veteran was put through Congress by the American Legion. It was in correction of miserable neglect.

STILL FAILS TO ACHIEVE.

"'It still fails to achieve for the veteran what the country desires he should have. This failure, we are convinced, is not due to the interference of organizations which are seeking honest, constructive cooperation with the Government, but to the constant injection of obstacles to the program as agreed upon, such as your failure to understand and interpret it in a helpful manner. These programs have been arranged at conferences between representatives of the Legion and those who are actually charged with the responsibility of administering this care, and the best group of medical consultants in this country.

"'The policy of the American Legion has always been one of constructive criticism and of close and hearty cooperation with the Government. Our effort has been directed toward a centralized, unified, responsible Government bureau. By legislation such a body has been created in the Veterans' Bureau. We are giving this body our fullest support and with increasing confidence that if not interfered with by the other Government agencies, it will do the work satisfactorily.

"'A national program for the hospital care of service men who are suffering with mental and nervous diseases was agreed upon between the Director of the Veterans' Bureau, the Board of Neuro-Psychiatrists, who are recognized leaders in this country, and the American Legion.

DISTRESSING DELAYS.

"'This program was decided upon after long delays, which have been distressing to the Legion but still more distressing to thousands of men who might have been cured, but who are now doomed to a life of mental darkness.

"'In every district of the United States the largest and most pathetic problem is the care of these men who are mentally sick. They can not speak for themselves. We intend to speak for them until their needs are fairly met.

"'This program is now being curtailed and delayed. The beds for nervous and mental patients have already been reduced 1,270 from the 3,800 beds to be provided by that program. When we remember that these recommendations were based upon money available and not upon needs, and that in several districts the total number of beds would be unquestionably filled by patients now in unsuitable contract institutions, we claim that such a reduction is absolutely inconsistent with an honest attempt to provide permanent cure for this class of patients.

"'You say in your letter to me: "Because the Langley bill has given us these millions of dollars, not mandatory, thank Heaven, to use, let us be careful in the disposition of it so that finally those who are now charged with the responsibility of laying the foundation for this great proposition be given credit, with due sense and careful regard of the interests of the general public for, after all, this same soldiery and their progeny are to be the ones who must pay for what is given now."

MORAL MANDATE IN BILL.

"'If there ever was a bill which carried a moral mandate to the Government it was the second Langley bill. You will remember that the Legion fought to have the money appropriated under this bill awarded to the Veterans' Bureau. We won in this fight. It was a fight against your effort, against your appeal, to have this money awarded to the Federal Board of Hospitalization, of which you are chief coordinator. We were disgusted with the delays in the former appropriation of $18,600,000. We did not want similar delays in the expenditure of this new appropriation. The purpose of the bill and the expenditure to be made were clearly and definitely set forth in the preliminary hearings of the committees and in the report of Congressman MADDEN, for the Committee on Appropriations, to the House. They include 1,060 beds for tuberculosis, 3,800 beds for neuropsychiatrics, and 600 beds for general and medical hospitals.

"'As a business man, and aware of the opinion of business men of this country, as well as that of the Legion, I want to state that there has never been shown any disposition on the part of the American people to economize at the expense of the real heroes of the war. The president of one of the largest business organizations in America wrote me:

PRESENT SYSTEM CRUEL.

"'"I have yet to come in contact with a man or woman who is not in full sympathy with providing the best that the land affords for disabled veterans. Mental disability is the most distressing of all, and to house victims of shell shock with men who are crippled is cruelty, in my opinion. I am strongly inclined to think that there isn't a business man or a business institution in the country, of any size, that would not contribute generously to any plan that would insure the boys who "went over the top" receiving what they have earned—the best possible treatment."

"'I am confident that the future citizen is far more liable to condemn failure to provide the best possible care than he is to complain if better provision than was ever made before is made for these men.

"'Your statement "that the peak of hospitalization has been passed and that there are now 10,000 beds vacant in Government institutions, * * * that we have hospitals enough except in two particular districts," is not only misleading, but will tend to cause the American public to be satisfied with treatment which is unsatisfactory.

PEAK TO BE IN 1926.

"'The experts of the country have repeatedly set up that the peak of hospitalization will not be reached until 1926. You have stated that these hospitals will not be long needed. Sir, they are needed now—the question of the length of time does not enter into the problem any more than it did when we set up hospitals at the front. They were needed. That fact alone was considered. Without a whimper we appropriated $3,000,000,000 at the end of the war to discharge uncompleted contracts, scrapping temporary structures right and left. Is the disabled men's treatment alone to be given a parsimonious supervision?

"'The American Legion for four years has been trying to secure real medical care in Government-owned hospitals for the mental and nervous wreckage of this war. For the first time, several months ago—in the passage of the Langley bill—we felt that the victory had been won and that an adequate hospital program would be put through with speed. To-day over 4,500 mental cases are still in contract institutions, and of the remaining 4,714 only 3,500 are in hospitals entirely devoted to their attention and cure. When you say that there are hospitals enough and beds to spare you unwittingly strike at the most defenseless and yet most important group we have in our hospitals—namely, those who are in contract institutions and who will have to remain there unless proper hospitals are constructed. If this is not done soon, the attempt to cure these men will be futile—many of them are now past help and will be subject to custodial care for the rest of their lives.

PROPER CARE IS URGED.

"'The American Legion is whole-heartedly against the suggestion that any arrangement will do for the mentally and nervously sick. It is true that they have been shoved into overcrowded State institutions where the majority of the patients are dying, demented old people, or in general hospitals where only a partial temporary care can be given them.

"'Is it too much to ask the Government of the United States to put the 10,000 mentally and nervously disabled service men in hospitals owned and operated by the Government? These hospitals are not now in existence. The fact that there are 1,600 beds available for tubercular patients in the southwest of the country has little or nothing to do with the proper hospitalization of these mental and nervous veterans for whom the Legion is now appealing.

"'These men should be hospitalized as near their own homes as possible. I do not agree with your statement made before the congressional committee that "after 25 years' experience I should say that location as regards one's family is of no importance." I do not believe it, because I know the men who have been hospitalized too well, and I know how their families feel about it, and I know that their contentment and the encouragement of their friends is often the chief factor in their return to health and strength.

NO WAR EXPERIENCE.

"'I recognize the fact that before becoming chief coordinator of the Federal Board of Hospitalization you had no contact with the men and women who were serving in the Army and Navy during the war, and no experience either in the field or in Government service that would give you a chance to really know how men feel who lose their nerve, their health, and their minds in their devotion to duty, or how their families look upon these men who went out in the strength of their youth to invest their life in their Nation's service.

"'Those of us who served with them know that these men, many of whom have been hospitalized long periods, need the encouragement of their families and friends, and that encouragement is one of the chief factors in their restoration and cure. This is particularly true of the type for whom we are now asking the Government to provide hospitals.

"'It is almost unbelievable that, having satisfied Congress that these hospitals were needed and that they should be built to capacity, we now have to reply to your statement that they are unnecessary. Sir, ask the boys in the contract asylums and their families, ask the men whose nerves have been shattered by this war, who have suffered for the lack of adequate hospitalization, ask the thousands or tens of thousands of people throughout the United States who no longer come to your office in Washington but who are seeking for hospitals nearer home for those whom they have loved but have given to their country.

BEST CARE DEMANDED.

"'The reply of the American Legion and of every real American is "Give these men the best care that medical science can provide in Government institutions maintained at the highest standard of equipment and administration—and near to their own homes so that if rehabilitated they can be returned to civil life with greater ease, and if doomed to a life of hospitalization they can be near those whom they love best."

"'Four years have already passed and the veteran is not yet provided for. A belated program is now being held up and changed. It is being changed to meet your approval.

"'I appeal to you, sir, to stand aside and allow this program of the Veterans' Bureau to go into effect and at once.'"

Mr. WILLIS subsequently said: Mr. President, this morning the Senator from Massachusetts [Mr. WALSH] has inserted in the RECORD certain criticisms or charges relative to the work

of Gen. C. E. Sawyer, in connection with the hospitalization of veterans of the World War. I think it only fair that the statement which Doctor Sawyer has issued in reply to those criticisms should appear in the RECORD following the statement that was inserted by the Senator from Massachusetts.

I therefore ask unanimous consent that Doctor Sawyer's statement appear in the RECORD in 8-point type just following the insertion that was made at the request of the Senator from Massachusetts. We all desire to get the facts.

Mr. WALSH of Massachusetts. Mr. President, of course, there is no objection. It is perfectly proper that the letter should be inserted in the RECORD. What I had printed in the RECORD was not a statement but was a letter from the chairman of the rehabilitation committee of the American Legion. It is very proper, however, that the reply or communication of General Sawyer should also appear in the RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

To the public:

Answering A. A. Sprague's charges that Brig. Gen. C. E. Sawyer is delaying and obstructing hospitalization, the following testimony is presented:

NEW YORK, N. Y., *June 21.*

Brig. Gen. CHARLES E. SAWYER,
12 Drake Hotel, Chicago, Ill.:

American Legion officials in statement to N. E. A. Service make charges that you are responsible for delay in hospitalization program for disabled soldiers. They also question your eligibility, because of age limit, for your Army post. N. E. A. Service offers you opportunity to answer charges. Will you wire us 100 or 200 words, press rate, collect?

FRANK RYAN,
Editor, N. E. A. Service,
461 Eighth Avenue, New York.

—

SPRAGUE'S ANSWER.

JUNE 21, 1922.

Mr. FRANK RYAN,
461 Eighth Avenue, New York City, N. Y.:

General Sawyer has shown me your telegram. I have been as closely in touch as any one individual with the hospital program for disabled ex-service men and I know and state here that the charge that the general has delayed the hospital program is false. The latter part of the charge is too trivial and futile to answer. General Sawyer has given much valuable advice and assistance to this work, and I am sure that misinformation and ignorance of facts are responsible for this ridiculous and unfortunate statement.

A. A. SPRAGUE,
Chairman National Rehabilitation
Committee of the American Legion.

(Copy to General Sawyer.)

The American public should know the hospital situation as it really exists at the present time and they will then be able to determine whether or not the United States Government is making effort to take care of its disabled World War veterans, and whether or not the charges by Sprague as set forth in the Associated Press reports are just.

At present under Government control and operation there are in the United States of America 99 Government hospitals with a capacity of 28,412 beds, 10,191 of which are at the present time unoccupied.

The White committee has supplied and turned over to the Veterans' Bureau 2,386 beds and will have provided in its completed program 6,169 beds.

The Veterans' Bureau has under the process of construction at the present time 3,500 additional beds which have already been located and work commenced.

The 99 Government hospitals, with a total bed capacity of 28,412 patients, including the 10,191 unoccupied beds, are distributed throughout the United States and are all now operated upon a standardized plan of service which guarantees the very best of hospital treatment which can be provided.

There is engaged in this hospital service a personnel of about one attendant to each patient. In this personnel are men and women of the highest type of scientific, professional, and medical rehabilitation skill, working daily for the promotion of the interests of those who by the vicissitudes of war become incompetent.

When the hospitalization plan of the Government for the care of the ex-service men shall have been completed as now contemplated—and which is being hurried to early completion—it will represent in all of the departments a total expenditure of approximately $800,000,000.

These facts certainly show that the United States Government is doing every consistent thing possible for the disabled veterans, and for the length of time at its disposal everything has been achieved which human agency could accomplish.

It is the determination of the present administration to give to the disabled World War veterans the very best of hospital service that can possibly be provided, and it shall be my constant effort and my policy to proceed with reason, efficiency, and economy in carrying out such of its affairs as come to the attention of the Federal Board of Hospitalization. From this position I will not be forced, cajoled, or stampeded.

STATISTICS, FIGURES, AND FACTS RELATIVE TO THE CARE AND TREATMENT OF WORLD WAR VETERANS.

(By Brig. Gen. Charles E. Sawyer, Chief Coordinator Federal Board of Hospitalization.)

The following reports from the Veterans' Bureau, the Treasury Department, and the Federal Board of Hospitalization give such detailed account of affairs at present existing relative to the subject of World War veteran hospitalization that I submit them in full for careful consideration.

Data taken from the report of the Veterans' Bureau under date of June 15, 1922, reveal the following facts:

The Government now has under its own control and operation 99 hospitals, providing 28,412 beds, 10,093 of which are unoccupied at the present time. Since February the number of unoccupied beds has been increasing at the rate of 250 per month, indicating beyond doubt that the peak of hospitalization has been reached.

That there may be no errors in figures presented, a complete list of all Government owned and operated hospitals is given herewith. This list shows department to which hospitals belong, number of beds available in each, and the number of beds occupied and unoccupied in each. At the end of the list appears a diagrammatic illustration of the class of patients they serve, which speaks for itself:

Location.	Beds available.		Total.
	Occupied.	Unoccupied.	
UNITED STATES VETERANS' BUREAU.			
Boston, Mass.	317	149	466
Sterling Junction, Mass.	35	13	53
West Roxbury, Mass.	214	14	228
Bronx, N. Y.	297	39	336
New Haven, Conn.	439	48	487
Philadelphia, Pa.	369	33	402
Fort McHenry, Md.	387	404	791
Perryville, Md.	191	232	423
Washington, D. C.	205	20	225
Atlanta, Ga.	70	35	105
Augusta, Ga.	247	3	250
Biltmore, N. C.	191	145	336
Oteen, N. C.	675	411	1,086
Greenville, S. C.	352	342	694
Lake City, Fla.	114	113	227
Mobile, Ala.	34	20	54
New Orleans, La.	190	6	196
Alexandria, La.	498	.....	498
Gulfport, Miss.	118	39	157
Fort Thomas, Ky.	143	2	145
Dawsonsprings, Ky.	245	101	346
Chillicothe, Ohio.	9	30	39
Chicago, Ill.	530	92	622
Dwight, Ill.	141	79	220
Maywood, Ill.	739	178	917
Waukesha, Wis.	180	59	239
Kansas City, Mo.	123	2	125
St. Louis, Mo.	403	243	646
Colfax, Iowa.	120	81	201
Knoxville, Iowa.	173	.....	173
Minneapolis, Minn.	193	134	327
St. Paul, Minn.	173	164	337
Helena, Mont.	124	32	156
Fort Bayard, N. Mex.	697	396	1,093
Las Animas, Colo.	297	402	699
Fort McKenzie, Wyo.	.....	100	100
Arrowhead Springs, Calif.	151	1	152
Camp Kearney, Calif.	259	247	506
Palo Alto, Calif.	360	222	582
Prescott, Ariz.	577	171	748
Tucson, Ariz.	156	92	248
Tacoma, Wash.	227	59	286
Walla Walla, Wash.	171	41	212
Boise, Idaho.	71	39	130
Portland, Oreg.	48	52	100
Houston, Tex.	449	220	669
North Little Rock, Ark.	153	86	239
Total.	11,855	5,416	17,271

Location.	Beds available.		Total.
	Occupied.	Unoccupied.	
UNITED STATES PUBLIC HEALTH SERVICE.			
Boston, Mass	5	18	23
Vineyard Haven, Mass	.....	13	13
Portland, Me	18	1	19
Buffalo, N. Y	14	16	30
Stapleton, N. Y	13	88	101
New York, N. Y	2	4	6
Pittsburgh, Pa	26	31	31
Tanners Creek, Va	.....	31	31
Savannah, Ga	45	22	67
Key West, Fla	3	25	28
Memphis, Tenn	32	36	68
New Orleans, La	85	92	177
Mobile, Ala	15	.....	15
Carville, La	5	.....	5
Evansville, Ind	43	.....	43
Cleveland, Ohio	33	37	70
Louisville, Ky	43	8	51
Chicago, Ill	9	.....	9
Detroit, Mich	51	3	54
St. Louis, Mo	.....	15	15
San Francisco, Calif	39	36	75
Port Townsend, Wash	25	6	31
Total	506	466	972
ARMY.			
Washington, D. C	390	360	750
Denver, Colo	862	331	1,193
San Francisco, Calif	66	351	417
El Paso, Tex	151	63	214
San Antonio, Tex	210	90	300
Hot Springs, Ark	69	81	15
Chelsea, Mass	72	468	540
Portsmouth, N. H	13	204	217
Newport, R. I	19	247	266
Brooklyn, N. Y	208	192	400
League Island, Pa	108	142	250
Washington, D. C	85	165	250
Norfolk, Va	72	28	100
Charleston, S. C	4	213	217
Key West, Fla	.....	40	40
Pensacola, Fla	2	25	25
Great Lakes, Ill	289	361	650
Mare Island, Calif	17	.....	17
San Diego, Calif	12	.....	12
Total	2,667	3,341	6,007
SOLDIERS' HOMES.			
Togus, Me	5	178	183
Hampton, Va	18	7	25
Johnson City, Tenn	659	193	852
Dayton, Ohio	520	98	618
Marion, Ind	681	74	755
Danville, Ill	12	.....	12
Milwaukee, Wis	155	33	188
Leavenworth, Kans	7	184	191
Hot Springs, S. Dak	84	76	160
Los Angeles, Calif	292	7	299
Total	2,433	850	3,283
Washington, D. C	878	.....	878
Total	878	.....	878
Grand total	18,319	10,093	28,412

The following report of the White committee shows in detail just what is being done with the $18,000,000 allotted the Treasury by the first Langley bill.

Through the White committee 6,169 beds are being added to the Government-owned list; 2,096 of these are all occupied or are ready for immediate occupancy; and just as soon as it is humanly possible to complete the balance of them they will be turned over to the Veterans' Bureau.

To Brigadier General Charles E. Sawyer, from consultants on hospitalization.

Bed space ready.

U. S. V. H. No. 63, Lake City, Fla.: Two hospital units completed and opened ..... T. B.. 100

U. S. V. H. No. 50, Whipple Barracks, Ariz.: Project completed ..... T. B.. 422

Prov. Hospital No. 2, Little Rock, Ark. (Fort Logan H. Roots): Project completed and opened ..... N. P.. 257

U. S. V. H. No. 42, Perryville, Md.: Construction practically completed; movable equipment at the site. Doubtless will be ready to open within two weeks. Capacity, 300 beds N. P.

Prov. Hospital No. 2, Fort Walla Walla, Wash.: Project completed and opened ..... T. B.. 165

Bed space ready.

U. S. V. H. No. 27, Alexandria, La.: Work here consisted of constructing kitchen, mess hall, water supply system, refrigerating plant, etc. Completed.

N. H. D. V. S., Milwaukee, Wis.: Report of June 30—57 per cent completed. To be finished in August. Capacity, 612 T. B.

N. H. D. V. S., Dayton, Ohio: Report of June 30—60 per cent completed. To be finished in August. Capacity, 306 T. B.

N. H. D. V. S., Marion, Ind.: Report of June 30—50 per cent completed. To be finished in August. Capacity, 80 N. P.

Prov. Hospital No. 4, Rutland, Mass.: New work (contract), 77 per cent completed; remodeling (purchase and hire), 98 per cent. Capacity, 220 T. B.

U. S. V. H. No. 62, Augusta, Ga.: 62 per cent completed. Capacity, 265 N. P.

U. S. V. H. No. 55, Fort Bayard, N. Mex.: Complete and dedicated ..... T. B.. 250

U. S. V. H. No. 60, Oteen, N. C.: 33 per cent complete. Capacity, 200 T. B.

Fort McKenzie, Wyo.: Project complete ..... N. P.. 242

U. S. V. H. No. 81, Bronx, N. Y. (total capacity, 1,000 N. P.): 99.5 per cent completed. Already turned over and opened for ..... N. P.. 650

Negro hospital, Tuskegee, Ala.: 12 per cent complete. Capacity, 500 N. P., 500 T. B.

U. S. V. H. No. 24, Palo Alto, Calif.: 22 per cent complete. Capacity, 500 N. P.

Western Pennsylvania: Early decision expected on site. Capacity, 250 T. B.

St. Louis, Mo. (Jefferson Barracks): Bids have been opened this week. Contract to be awarded at once. Capacity, 250 general.

Metropolitan District, N. Y.: Site chosen. Preliminary studies under way. Capacity, 250 T. B.

Total (to which will shortly be added 300 beds at Perryville) 2,086

NOTE.—In a number of instances, in addition to the bed units which have been constructed, it was also necessary, in order to give a working station, to construct various accessory buildings, such as quarters for doctors, nurses, aids, and attendants, vocational training, mess halls, and kitchens, power house, laundry, garage, water supply, sewerage system, extensive roads, etc.

Total number of beds contemplated out of Public Act 384, 6,169.

HOSPITALS TO BE PROVIDED UNDER SECOND LANGLEY BILL, RECOMMENDED BY THE VETERANS' BUREAU AND INDORSED BY THE FEDERAL BOARD OF HOSPITALIZATION.

District Nos.:		Beds.
1. Northampton, Mass	N. P..	400
2. Tupper Lake, N. Y	T. B..	250
5. Memphis, Tenn	Gen..	200
6. Gulfport, Miss	N. P..	350
7. Chillicothe, Ohio	N. P..	400
8. Great Lakes, Ill	N. P..	500
9. Knoxville, Iowa	N. P..	400
10. Location not yet determined	N. P..	350
12. Livermore, Calif	T. B..	400
13. Camp Lewis, Wash	N. P..	250
Total		3,500

Sites and locations for the above have been determined upon and some of the work of construction is already on the way.

RELEVANT FACTS AND GENERAL COMMENTS.

When the present administration assumed the reins of government March 4, 1921, all of the Government hospitals caring for the disabled World War veteran were operating under many disadvantages. Particularly was there lacking cooperation and coordination of the various departments of Government which had to do with this matter.

Realizing the importance of the subject of the World War veteran and being desirous of correcting its deficiencies, the present administration began very early to investigate the subject, with a determination to discover discrepancies and provide relief.

As the first step in the general procedure of clearance and establishment of a proper plan for the care of the disabled soldier, a committee known as the Dawes committee was called

to take under advisement and into consideration affairs as they actually presented themselves at that time.

Careful observation disclosed the fact that the subject presented two definite propositions—first, immediate hospitalization needs; second, a future hospitalization program, with some definite policy for execution.

While the Dawes committee were considering the emergency aspect it was discovered that there were at the command of the Government 12,000 vacant beds in the various departments of the Government which were not being used.

Some of these beds, it is true, were in institutions which were not ideal, but they were the best the Government had at command, and they were offered freely and willingly for the service of the World War veteran, and under ordinary circumstances would have been agreeably accepted by them.

But an antigovernment hospital sentiment was created which made the thought of Army and Navy hospitals displeasing to the veterans. This was due to a propaganda of publicity, which should never have been carried on, for, had a proper sentiment of understanding and of reasonable consideration prevailed in the matter of the hospitalization of the World War veteran, there would never have been and would not be now justifiable complaint as to favorable hospitalization of the afflicted veterans.

The objection made to the use of the then available beds in the Government hospitals—Army and Navy—was a dislike for the Army and Navy discipline.

At the meeting of the Dawes committee it was shown that the Army and Navy both had many available beds, and it was the effort of those concerned that they might be made immediately available as an emergency measure for the care of the men, and because of an effort to afford this assistance to the disabled veterans, which was all the Government had at its command, a propaganda of fault-finding was begun against some of those who were most earnestly trying to solve the difficult problem, and, unfortunately for all concerned, that attitude is still being maintained by those who really do know better but still persist in being unfair.

It was understood then, just as it is now, that a building program for the future involved things which would necessarily and naturally take time and careful consideration in the proper carrying out of the various needs presenting.

The Dawes committee sought to bring about an understanding of the entire hospital situation and to provide immediate means for the care of all of the men at that time, never losing sight of the fact that the bigger and broader and more important subject had to do with a building program for the future which must be undertaken with care and deliberation if it was to be competently and effectively carried out.

In order to exercise proper judgment in this great subject it was necessary to study, first, location; second, available property; and, finally, to in some way get something like a clear conception of what the final needs, so far as hospitalization was concerned, were going to demand.

In contemplating the expenditure of $18,000,000, which at the time of the meeting of the Dawes committee was available, the policy adopted was to appoint a committee of specialists. This resulted in the constituting of the White committee. Such was their deliberation, care, and consideration and action that within a reasonable time this $18,000,000 worth of hospitals will have been completed.

If the last of the projects under the White committee are completed within a period of two years from the time the committee began its operations, the Treasury Department will be entitled to much credit.

The program the White committee laid out involved not only a proper expenditure of $18,000,000 but much of consideration as to fitting locations and other conditions which affect very materially the outcome and usefulness of all the hospitals they are constructing.

It has been charged that representatives of this administration have delayed the progress of the work; that the Architect's office of the Treasury has been slow in carrying out their plans; that there were some who were disposed to curtail the development of the hospital project; but all of those charges are absolutely groundless and ultimately will be known to have been made without due consideration of fact.

As chief of the Federal Board of Hospitalization, prompted by a desire to promote the best interests of the World War veterans' hospitalization which will finally return to the soldier something worth the while, I say without fear of contradiction that everything so far that the Government has had to do with the hospitalization of the World War veterans has been done with earnestness, interest, and enthusiasm; furthermore, as expeditiously, economically, and efficiently as the circumstances and conditions would possibly permit.

The unfortunate part of the whole business was and is that there has been a lack of cooperation between those being served and those serving.

To-day in Government-owned hospitals there are 10,000 beds available that could well be used for the various classes of cases which are now applying, and they would be so used but for the fact that some of the men who claim they require hospitalization will not accept the hospital care that is available, because it is not in their own immediate community or because they have some personal feeling as to the influence of location upon their particular disorder.

As illustration of this, we find that some of the T. B. cases belonging in the Middle West and the metropolitan district have gone to the far West or into northern New York and overcrowded the institutions there. This, too, because of their own personal feeling that they would be better off, while in fact they would be just as well off in their homes.

Again, we find that many of the men suffering from so-called neurotic or psychotic disturbances will not go to the institutions provided because of some personal feeling of their own regarding the locality of the hospital presenting.

As an illustration of this there are to-day at the Great Lakes Naval Training Station 750 beds in splendid buildings as perfectly and thoroughly equipped as are any of the hospitals in the country. Here, too, is a wonderful personnel of experienced, expert specialists, who are ready, willing, and qualified to do everything that science and scientific skill can do for cases of this kind, and yet where 1,000 beds could be provided only 361 are used.

What is true of the naval hospital at the Great Lakes is likewise true of many other institutions. In the city of Washington there are to-day at least 1,236 empty hospital beds which might well be utilized for the treatment of the World War veterans and would be but for the fact that the veteran will not accept the change necessary to utilize the beds available.

It is no more possible or convenient for the Government to provide all of the hospitals that would be asked for than it would be possible for the Government to provide universities and colleges in which to educate our young men if they, too, declined to go where the facilities were provided.

What must finally result will be the establishment by the Government of hospitals in fixed localities, so equipped and operated as to give the very best of attention than can be given, and then the sick soldier or sailor who would avail himself of such treatment must go where he is directed. So soon as this policy has been put into effect, both the troubles of the disabled veteran and the National Government will be overcome. This can be and will be very quickly accomplished if only a proper spirit of education and publicity propaganda is carried on by all concerned.

What we need now is getting together in a spirit of quieting the present unrest, of making the best of what we have, and of getting on to something that will ultimately be what we need.

This being true, it is only reasonable that in the contemplation of the needs of the hospitals for the future, we look the whole subject squarely in the face, wring out of it all sentiment, and deal with it as a matter of fact.

If everybody would look into the administration of hospitalization affairs with constructive intention, carrying out the policies now proclaimed, history will record of those administering these affairs as having had both courage of conviction and a constructive vision, and all will be better off.

If we will be firm and determined to look upon this subject from a business man's standpoint, if we adopt and pursue with care, if we hearken to the direction of individuals who have business sense in the conduct of such matters, ultimately the whole country will say that this administration, in which has been laid the foundation for the care of these veterans of the Government for all the years to come, will have served well. On the other hand, if we are sentimental, improvident, and unmindful of the real facts as they exist we will have failed.

So far as my own observations go, I have never met a single individual who was not anxious, ambitious, and more than ready and willing to do the best that possibly could be done for the promotion of the interests of the hospitalization cause.

It is charged that the Federal Board of Hospitalization has become an obstruction between the Director of the Veterans' Bureau and the quick consummation of the Veterans' Bureau plans.

It seems well here that all should know of whom this Board of Hospitalization consists:

"Maj. Gen. Merritte W. Ireland, Surgeon General United States Army, whose experience in this country and abroad in the building of hospitals and caring for the afflicted soldier is unequaled.

"Rear Admiral E. R. Stitt, Surgeon General of the Navy, who has had long years of experience in the hospitalization of sailors, with years of practical application of hospital principles.

"Gen. George H. Wood, president National Home for Disabled Volunteer Soldiers, whose years of experience in caring for the infirm and afflicted of the Civil War makes him competent and capable and brings to the service of the World War veteran the greatest institutions any nation knows, so far as equipment, location, general surroundings, and economy of operation are concerned.

"Dr. William A. White, who has had charge of the largest single Government institution, St. Elizabeths Hospital, for many years, who knows the needs of the neuropsychiatric subject perfectly.

"Mr. Charles H. Burke, Commissioner of Indian Affairs, who has studied the subject of proper legislation, of legal requirements necessary in all of the cases, and because of his years in the United States Congress and his practical experience in 80 hospitals connected with the Indian Service, is specially qualified to render helpful assistance.

"Surg. Gen. H. S. Cumming, of the United States Public Health Service, who has handled the great subject of caring for all of the public health institutions since the great burden of war liabilities has been resting upon the Government.

"Colonel Forbes, the head of the Veterans' Bureau, who fought his way through the trenches from a lieutenancy to a colonelcy during the late war and who to-day is giving everything there is within him to the promotion of the interests and the welfare of the World War veteran and doing everything that lies within his power to help to bring about the best attention and care that can be provided.

"For myself, Dr. C. E. Sawyer, I have had the experience of living on the ground and in hospitals with the sick and afflicted for a third of a century."

These men are varied in their experience, broad in their views, generous in their disposition, practiced in their professions, and as such I would like to submit to a thinking public whether or not they might justifiably be classed as a capable and worthy body of men with whom to counsel in all matters pertaining to disabled soldier hospitalization and domiciliation.

An emergency and lack of attention have passed. We no longer have any possibility of being reasonably and justly charged with not being able to hospitalize such patients as need Government care. That being true, then it is only sensible that we proceed judiciously and with caution; that we do not do things which ultimately will prove to have been unwise and submit ourselves to the same charge of extreme wastefulness that is now being charged to those having the responsibility for the conduct of the affairs of preparation for the World War.

That experience should be an example for us and should stand as a reasonable and sensible warning against inconsiderate action in the expenditure of the money which finally this same soldier will have to reimburse.

After all, it does not matter as much how many hospitals we have or where they are located as it matters the character of the personnel and the manner in which they are conducted.

The Federal Board of Hospitalization has made that subject one of special study and has created a standardized basis of operation, has fixed a personnel and corps of operators that guarantee to the World War veteran the very best attention that can possibly be given.

If all concerned, and that means every American citizen, were to use their influence in behalf of harmony, in encouragement, in helping to carry out the ideas that are promulgated by those who should know, then we could all proceed with a program that would be harmonious and effective.

So long as there is not absolute need for beds, so long as the Government has at its command places where it can hospitalize all who apply, so long as there are over one-third of all the beds in Government institutions unoccupied, there is certainly no occasion for other construction, or such hurry as to bring about waste and would locate our institutions out of sections in which they really belong and build more than is really necessary.

These are some of the obstructions which have been charged in some of the articles that have recently come to my attention by those decrying the progress of the work.

It is easy indeed for those who only wish to complain and find fault to get blatant evidence supporting their position.

It is not in my heart to charge anyone with deliberate desire to misrepresent facts or conditions relative to this vital and important subject.

I would like to call the attention of those who are in charge of these affairs, who speak for the bodies they claim to represent, who are giving out information which must influence the American citizen generally and particularly our defenders, it is only proper that they be as fair as they would have others be in order that together we may proceed in justice to all.

It is only proper that we deal with this subject as though it were a personal affair. Certainly no business man engaged in the hospital business would think of building large additions to his plant without having prospect of patients to fill them.

Reviewing the subject as best we can from every angle, it is my candid opinion that to-day if the unoccupied beds were used discreetly, if they were occupied as they should be by those who could avail themselves of them, there would be no need of more hospital beds to take care of the sick World War veteran, either now or in the future.

Personally I have but one concern in the matter of hospitalization and that is the concern that every doctor of medicine must have for his patient, which is that the end results shall prove that the attention he gave was efficient and helpful in bringing back into health again in the best way possible those who have been submitted to the necessity of hospital attention.

The charge that there are two men dying every week from suicide because of not having hospital care is ridiculous. If the same men who were in the service could be measured as to their deficiencies and disturbances, if they had not been in the service it would be found that a large percentage would be tubercular, an equal portion of them would have been medical and surgical, and about the same percentage neuropsychiatric.

Melancholia and suicidal disposition is a characteristic of our rapid-going race, and if the records of the past for the same number of men were looked into the same rate of self-destruction would be found to exist as is existing now.

This suicide charge is a senseless, sentimental one, made apparently with no other thought than to act upon the emotion of the public generally. Because of such statements, much unrighteous complaint is made and much unjustifiable criticism is developed.

It is my prediction that—

When the history of the hospitalization of the World War veteran is finally written, dictated as it will be by unbiased opinion, the subject will certainly be presented in a much less garbled and dramatic manner than as at present by those who assume to express Legion opinion. When radical sentiment shall have yielded to sober reflection, present complaints will have been exchanged for expressions of gratitude and praise. Ultimately all of the scenes connected with the subject of World War hospitalization will have been shifted and critical business judgment will rise to compliment that which is now being questionably accepted.

Governed by a definite purpose and a burning desire to build well for the real World War veteran, it shall be my continued determination to seek for and help to deliver to the sick soldier the best of treatment, the most helpful surroundings, and the most effective environment with which he can reestablish himself in the normal, active affairs of a great American Republic.

If I can help to bring some afflicted, halt, or faltering veterans to such a degree of recovery as to make them strong, capable, self-confident, and independent, then I will have been more than compensated for the effect put forth and slander endured.

The unvarnished truth about the hospital matter is that it has been a subject of misrepresentation by some ever since the service man became a subject of governmental concern.

If those who jeer and find fault would encourage and aid, the hospital subject would soon be well on its way to final solution; certainly at least to its physical completion.

If all of the forces interested will unite upon a plan and then go courageously forward to its accomplishment, there will be absolutely no cause for reasonable complaint, and the delays now charged to political influence will be dissipated.

So long as articles appearing in the press shall continue to assume an adverse attitude toward those seeking to help, so long will the afflicted service man be disgruntled. If, on the other hand, the veterans' press, legionnaire, or what not, would support with encouragement any plan which they might help to adopt, it would go forward with expedition and with an effectiveness that would be satisfying to all.

THE MERCHANT MARINE.

Mr. RANSDELL. Mr. President, I ask unanimous consent to have printed in the RECORD, in 8-point type, a 1-page leaflet prepared by Mr. C. A. McAllister, vice president of the American Bureau of Shipping, giving 10 good reasons for the ship subsidy. It is brief and full of meat.

There being no objection, the leaflet was ordered to be printed in the RECORD, as follows:

TEN GOOD REASONS FOR THE SHIP SUBSIDY.

1. World conditions now make sale of goods in competitive foreign markets more difficult than ever. The American farmer, miner, merchant, and mechanic can not compete in selling their excess products abroad unless we have our own delivery system, owned and operated by Americans.

2. A merchant marine is as essential for the national defense as the Navy itself. Without this Government help we will have no merchant marine, hence our means for defense would be crippled one-half. The cost of the entire subsidy will be less each year than the cost of building one modern battleship.

3. We have by sale of Liberty bonds during the war raised and invested over $3,000,000,000 in merchant ships. Without this subsidy these vessels can not be operated at a profit to private owners. Hence they can not be sold, and we face the loss of nearly the entire amount invested. By making ship operations profitable in private ownership the ships can be sold for at least $500,000,000, an amount far in excess of the 10 years' total subsidy. The taxpayer will thereby eventually have his taxes reduced instead of increased.

4. The operation of ships under present Government management has vastly increased our foreign trade. It is, however, costing the taxpayer directly over $50,000,000 per year to make up the losses of Government operation. This amount will be saved almost in toto in placing these ships in private hands by means of the subsidy.

5. Heretofore we have been paying an average of $300,000,000 annually for freight and insurance to foreigners for carrying our goods. This vast amount can mostly be kept in our own borders through the means of the subsidy act. In other words, considering shipping alone, an investment of $1 by the Government will keep $10 at home.

6. The creation of a permanent and efficient merchant marine by means of the subsidy act will furnish additional employment to over 100,000 Americans on board ship, in the shipyards, the steel mills, the iron mines, and in the many other industries which are necessary to build and operate ships for the foreign trade. Every man thus employed must be well fed, and the American farmer will be benefited by raising and selling the food to them and their families.

7. The history of the past is the best guide for the future. No nation in the world's history has been truly great without owning and operating its own naval and merchant vessels. We all aim to make the United States the greatest nation upon which the sun has ever shone. This can not be done unless we encourage our merchant marine.

8. We Americans have the money and the desire for foreign travel. Heretofore we have had to be humiliated by traveling everywhere abroad under alien flags, and seldom, if ever, seeing our flag displayed on the ocean. Our national pride need no longer be offended, as the passage of this bill will place and keep Old Glory on the seas. A citizen without national pride is undesirable and unworthy, is a disgrace to himself and to his country.

9. Without this encouragement to our merchant marine we will build no more ships. We have by international agreement already stopped the building of fighting vessels. Hence, without any work to do, shipbuilding will become in America a lost art. Without shipbuilders and shipbuilding facilities this Nation will be helpless both for commerce and for self-defense—an emasculated giant in the family of nations.

10. Our rivals for the world's trade view with great alarm the prospects of the passage of this bill, and their emissaries, masquerading in many instances as patriotic citizens, are spreading insidious propaganda and doing their utmost to defeat the measure. This is the strongest evidence possible why the bill will benefit America and why it should receive the support of patriotic Americans.

CALL OF THE ROLL.

Mr. HEFLIN. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Colt	Heflin	Lodge
Ball	Culberson	Hitchcock	McCumber
Borah	Curtis	Jones, N. Mex.	McLean
Brandegee	Dial	Jones, Wash.	McNary
Bursum	du Pont	Kellogg	Moses
Calder	Ernst	Kendrick	Nelson
Cameron	Gooding	Keyes	New
Capper	Hale	Ladd	Newberry
Caraway	Harreld	Lenroot	Nicholson
Norbeck	Sheppard	Swanson	Watson, Ind.
Pepper	Simmons	Trammell	Willis
Phipps	Smith	Walsh, Mass.	
Ransdell	Smoot	Warren	
Robinson	Spencer	Watson, Ga.	

The PRESIDING OFFICER (Mr. SPENCER in the chair). Fifty-three Senators having answered to their names, there is a quorum present.

PETITIONS AND MEMORIALS.

Mr. NELSON presented a resolution adopted by the Bar Association of the first judicial division of the Territory of Alaska protesting against the passage of the bill (H. R. 11905) to provide for the establishment of the Supreme Court for the Territory of Alaska, imposing additional duties on the district judges, which was referred to the Committee on the Judiciary.

Mr. CAPPER presented resolutions adopted by the McPherson (Kans.) Chamber of Commerce, favoring enforcement of the United States Supreme Court decree directing the divorcement of the Central Pacific Railway from the Southern Pacific Co., which were referred to the Committee on Interstate Commerce.

Mr. WILLIS presented the petition of William J. Bauer, president, and sundry other members of the Merchant Tailors' Exchange, of the city of Cincinnati, Ohio, praying for inclusion in the pending tariff bill of a flat duty of 100 per cent ad valorem on manufactured woolen clothing, eliminating specific or weight duties, which was referred to the Committee on Finance.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MCNARY (for Mr. JOHNSON):

A bill (S. 3870) granting a pension to William Roach; and

A bill (S. 3871) granting an increase of pension to William Kenny; to the Committee on Pensions.

By Mr. ASHURST:

A bill (S. 3872) granting an increase of pension to Richmond Bridges; to the Committee on Pensions.

TARIFF BILL AMENDMENT.

Mr. JONES of New Mexico submitted an amendment intended to be proposed by him to House bill 7456, the tariff bill, which was ordered to lie on the table and to be printed.

THURSTON W. TRUE.

Mr. SMITH. Mr. President, I ask unanimous consent for the present consideration of the bill (S. 2984) for the relief of Thurston W. True. It is a bill that has been reported favorably, with an amendment, from the Committee on Claims. It is a claim that has been carried over for three or four years, and I would like to get the matter settled now if possible. I wish to make just a brief statement with reference to the purpose of the bill.

The land in question was land the owner of which was notified in 1918 to vacate for the Government, which he did. He vacated and was out of possession of his premises for a year. The time lapsed under the law for him to make his claim to the land. The Secretary of War has stated that it is a worthy claim.

There seems to have been a committee appointed, or the regular local appraising committee, which met with Mr. True, and they agreed, according to his understanding, that they would make a cash settlement of a certain amount. His understanding was that he agreed to the cash settlement. He has put in a claim for eleven hundred and some odd dollars. He agreed with the local appraisers, but they did not pay, and three years have gone by. In view of the fact that prompt cash settlement, as he understood it, has not been made and as the time has passed, nearly four years having gone by since the Government took possession of the property, he now asks that he be allowed the remainder of his claim, some $300. The total amount for which the claimant asked was $1,135. The War Department recommended the payment of $794, but the Secretary of War in his report to the Committee on Claims says:

> While this report of the local examining board was not reviewed by the War Department board of appraisers, there is no reason for assuming that the recommendation was not adequate.

That shows that the reviewing board did not make an examination of the matter. I desire to move to amend the amendment reported to the bill by the committee, if I may have unanimous consent for the consideration of the bill.

The PRESIDING OFFICER. Unanimous consent for the present consideration of Senate bill 2984 is asked by the Senator from South Carolina.

Mr. CURTIS. Let the bill be read in order that we may understand what it is.

The PRESIDING OFFICER. The Secretary will read the bill.

The bill (S. 2984) for the relief of Thurston W. True was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to Thurston W. True, of Columbia, S. C., the sum of $1,135, out of any money in the Treasury not otherwise appropriated, in full satisfaction of all claims for damages against the United States arising out of the vacating by such Thurston W. True of his premises for several months during the war against Germany, in compliance with an order issued under authority of the War Department that such premises were to be used by the United States Government for a military camp.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. McCUMBER. Before agreeing to unanimous consent, I desire to ascertain what amendment to the bill the Senator from South Carolina proposes. Does the Senator seek to change the amount of compensation which is proposed to be allowed the claimant by the bill as reported by the committee?

Mr. SMITH. The compensation which was asked for when the bill was introduced was $1,135, but along in 1919 a compromise was agreed upon, as I understand, that the claim should be settled by a cash payment to the claimant of $794. The claimant signed for that, but he never has heard anything more in reference to the matter. The War Department has stated that it is a just claim.

Mr. McCUMBER. The committee reports in favor of the payment of $794. That being true, it seems to me if the amount is to be changed, the bill should be recommitted to the Committee on Claims, in order that they may reconsider it. It does not seem as though we should take up the time of the Senate now in considering an amendment which is in opposition to the report of the committee.

Mr. SMITH. I should like to have the member of the committee who reported the bill make a statement with reference to it. The bill was reported by the senior Senator from Arkansas [Mr. ROBINSON].

Mr. ROBINSON. Mr. President, this claim would have been cognizable under the act of March 2, 1919, providing for the payment of damages resulting from notice of intention by the Government to acquire land, but for the fact that it was not presented within the time limitation fixed in the statute. As has been stated by the Senator from South Carolina, an award, however, was made by the board which was appointed by the War Department to investigate the claim. The board found the amount due the claimant to be $794. The claimant had applied for $1,135. The items embraced in his claim were for rent, for damage to land by the removal of timber and other property from it, also the cost of moving some property off the place, and two or three small items which the committee did not think were allowable. Those items, however, I repeat, were only for small sums.

In view of the fact that the board made this award after an investigation, the committee thought it best to report the amount found due by the board. However, I will say that there is some question as to what is the correct amount. I do not think the claim is fully sustained for quite all of the items, though the evidence might sustain an increase above the amount reported by the committee. The committee took the view that the award of the board should be sustained.

Mr. SMITH. I wish to call the Senator's attention to the statement of Secretary Weeks, in which he says:

While this report of the local examining board was not reviewed by the War Department Board of Appraisers there is no reason for assuming that the recommendation was not adequate.

It is evident, and I think the Senator will agree with me, that the understanding was that the $794 which Mr. True said he would accept at the time should be promptly paid, but it has not yet been paid. It was recommended to be paid, but three years have gone by and he has not yet received any compensation. After the award, it seems as though a prompt payment would have been due, but the payment has not been made even of the amount agreed upon.

Mr. ROBINSON. There is no question in my mind but that the Government owes this claimant at least the amount of the award. The War Department held at the time the claim was presented that there was no legal liability for rent of land except that which had actually been possessed and used by the Government; but there was no question as to the right of the claimant to recover the amount of the award.

Mr. McCUMBER. Mr. President, it does seem to me that the committee at least ought to have a chance to reconsider the matter before it is brought into the Senate, if there is a disagreement between the committee and what the Senator desires.

Mr. ROBINSON. I think the bill can be disposed of in a few moments. Here is the statement by one of the members of the board:

Q. How did the local board arrive at $794 in settlement of his claim for $1,135?—A. We allowed $534 on his first two items.

For the first two items the claim was $820.

The second item of rent—that is, the appraised rental valuation for a year—and I can not come across any evidence that he was notified. I am supposed to have notified these people five of us went out, but I don't know who should have seen him. In April I undertook to write a personal letter to each claimant in the area, and I have copies of the letters, but I fail to find this gentleman's name in the files. On his third item we allowed $195 instead of $250. I looked over this place and found about 65 cords removed, and the balance are the same.

That is the testimony of a member of a board who made the investigation upon which the finding of $794 was based.

Mr. SMITH. The officer who testified said that he did not notify the claimant in this case along with other claimants; so it seems as if the dereliction, if there was any, was on the part of the board.

Mr. ROBINSON. He said he could not find where he had notified the claimant.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. McCUMBER. Mr. President, I will not make any objection if the Senator can settle the matter right away.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

Mr. ROBINSON. Mr. President, I will make this statement: The claimant agreed to accept $794 in settlement of his claim. Of course, that was with the understanding that it was to be paid promptly. The board, however, afterwards found, for the reasons which I have stated, that it had no power to settle.

The amount in controversy between the committee and the Senator from South Carolina is very small, and the difference grows out of the facts which I have stated. The board made an award and the claimant agreed to accept it, with the understanding that it should be promptly paid. The board afterwards discovered that they had no power to pay it at that time. So the claim came to Congress.

Mr. SMOOT. The bill as reported by the committee carries $794.

Mr. ROBINSON. The committee, under the circumstances, recommended the amount of the award, which amount the claimant agreed to accept, the committee taking the view of the matter, as there was some dispute as to the items which were eliminated by the board and the claimant having agreed to accept that amount, although it was neither his fault nor the board's fault that the award was not promptly paid, the amount of the award should govern. I am inclined to think that the Senator from South Carolina should be satisfied with the sum recommended by the committee.

Mr. SMITH. Mr. President, the only point that I make—and then I will allow the measure to come to a vote and have nothing further to say about it—is that the understanding of the claimant was that there would be a prompt payment. He was a poor man and owned the one hundred and some odd acres of land. The Government notified him to get off and he got off, and he stayed off for a year; he was deprived of the use of the rental and proceeds of his farm, and now for three years no settlement has been made, and no settlement could be made except upon the recommendation of the War Department. The War Department recommends that the claim should be paid, but the claimant says that in view of the circumstances he ought to be allowed the amount which he claimed.

I shall offer an amendment, Mr. President, and let the Senate vote upon it. If the amendment shall not be adopted after my statement, I shall accept the judgment of the Senate. The interest on the amount for three years would really entitle him to an increase over the amount recommended.

Mr. ROBINSON. Mr. President, I suggest to the Senator from South Carolina that I think the evidence would sustain an award of $1,000. I do not know how the chairman of the committee feels, but I am inclined to support an amendment increasing the amount to $1,000, and I think the testimony shows that such an award is justified.

Mr. SMITH. I will accept that. I move to amend the amendment of the committee in line 5 by striking out "$794" and inserting "$1,000."

The PRESIDING OFFICER. The question is upon the amendment of the Senator from South Carolina to the amendment reported by the committee, which will be stated.

The READING CLERK. On line 5, after the words "sum of," it is proposed by the committee to strike out "$1,135," and in

lieu thereof to insert "$794." That amendment the Senator from South Carolina proposes to amend by striking out "$794" and inserting "$1,000."

Mr. CAPPER. Mr. President, I wish to call the attention of the Senator to the statement made by Colonel Bell, a member of the board, which appears on the last page of the report and which gives the reason why the full amount was not allowed. He says:

Items 5, 6, and 7 could only be allowed if it were shown that this damage was done by soldiers or agents of the Government. The evidence does not show this to be a fact, and it is recommended that these items be disallowed.

Mr. ROBINSON. If the Senator will pardon me, those items were $2, $10, and $3, respectively. I referred to that. They would only make a difference of $15 in the amount of the claim.

Mr. SMITH. That is true.

Mr. ROBINSON. Items 2 and 3 were for $200 and $250, respectively, and as stated by the member of the board, item 3, for $250, was reduced by the board to $195. The testimony would support a finding of $1,000, but it would not support a finding of $1,135.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from South Carolina to the amendment reported by the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The bill was reported to the Senate as amended and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SOUTHERN PACIFIC AND CENTRAL PACIFIC RAILWAYS.

Mr. HITCHCOCK. Mr. President, I ask to have inserted in the RECORD a resolution adopted by the Nebraska State Railway Commission protesting against any action by Congress or any action by the Interstate Commerce Commission which would tend to nullify or modify the recent decision of the Supreme Court of the United States divorcing the Central Pacific Railway from the Southern Pacific Railway, and then I ask that the resolution may be referred to the Committee on Interstate Commerce.

There being no objection, the resolution was ordered to be printed in the RECORD and referred to the Committee on Interstate Commerce, as follows:

Resolution of the Nebraska State Railway Commission of the State of Nebraska.

Whereas the Supreme Court of the United States has recently ordered and decreed that the Southern Pacific Railway Co. divest itself of its interests in and control over the Central Pacific Railway Co., the short-line Pacific coast connection from the great central Mississippi Valley; and

Whereas it is of vast importance to the State of Nebraska that the free flow of commerce from west to east seek its natural route over the great railway routes which connect directly with the eastern terminus of the Central Pacific and cross Nebraska, instead of being forced over the circuitous southern route of the Southern Pacific; and

Whereas the decision of the high court makes possible again renewed traffic between east and west over its short-line route through this State: Therefore

The Nebraska State Railway Commission urges that Congress should give no heed to efforts to secure legislation which would approve previous arrangements in restraint of free flow of traffic that the court has said violates the Sherman Act; we respectfully suggest that when the Interstate Commerce Commission considers the matter of railroad consolidations it give grave attention to the normal transcontinental connections east and west of Ogden already embodied in the tentative plan of consolidation; and we direct that copies of this resolution be sent to the Members of Congress from Nebraska.

[SEAL.] NEBRASKA STATE RAILWAY COMMISSION,
H. G. TAYLOR,
THORNE A. BROWNE,
H. L. COOK,
Commissioners.

Dated at Lincoln, Nebr., this 14th day of July, 1922.

I do hereby certify that the above and foregoing is a true and correct copy of a resolution passed by the Nebraska State Railway Commission of the State of Nebraska at its meeting on the 14th day of July, 1922, the original of which is now on file in this office.

JOHN E. CURTISS, *Secretary.*

Mr. HITCHCOCK. I also ask to have referred to the Committee on Interstate Commerce a resolution of similar tenor adopted by the Valley Commercial Club of Nebraska.

There being no objection, the resolution was referred to the Committee on Interstate Commerce.

INDUSTRIAL CONDITIONS.

Mr. WILLIS. Out of order I ask unanimous consent to present a resolution in the nature of a petition adopted by the Westerville Chamber of Commerce referring to the present industrial situation. I ask that the resolution be printed in the RECORD without reading.

There being no objection, the resolution was ordered printed in the RECORD as follows:

THE WESTERVILLE CHAMBER OF COMMERCE,
Westerville, Ohio, July 24, 1922.

Resolutions adopted by the Westerville Chamber of Commerce.

Whereas one of the first duties of a government is to uphold law and order and protect the life and property of its citizens; and

Whereas, whenever such protection is not rendered, conditions arise similar to those now prevailing in Russia; and

Whereas in various parts of our great country law and order are openly defied and United States citizens vauntingly murdered and property vauntingly destroyed; and

Whereas it is apparent that no earnest attempt has been made by various State and local authorities to bring the murderers and incendiaries to justice: Therefore be it

Resolved, That we, citizens of the State of Ohio and of the United States of America, do hereby appeal to the President of the United States of America that the strong arm of the law be applied as well to those who have openly broken law and order as also to those officers who deliberately shirk their duties which their oaths of office require them to perform;

Whereas, whatever the merits of the disputes between the striking railroad men and their employers may be, the people through their Government have created a Labor Board in which both the contending parties and the public have all three each equal representation to settle such disputes in a fair and lawful manner without recourse to ruinous conflicts like the present: Therefore be it

Resolved, That we herewith petition Congress to provide authority and power to said Government board to enforce its decrees.

Whereas in time of public danger the Executive should be assured of the support of good citizens: Therefore be it

Resolved, That we commend President Harding for his fair and courageous stand in behalf of justice in the face of tremendous difficulties. We appeal to every law-abiding citizen to uphold the hands of the President in his firm determination to preserve law and order and to insure equity between employer and employee and to insure the well-being and happiness of the public.

A true copy.

GUSTAV MEYER,
President of Westerville Chamber of Commerce.
CHAS. R. BENNETT, *Secretary.*

READMISSION OF ALIENS.

Mr. McCORMICK. Out of order, I ask unanimous consent to introduce a joint resolution; and if there be no objection—and I anticipate none—I should like to ask for the immediate consideration of the joint resolution by unanimous consent, as it touches a matter that is somewhat urgent.

Mr. SMOOT. Let it be read.

The joint resolution (S. J. Res. 233) extending the operation of joint resolution of October 19, 1918, and excepting certain aliens from the operation of the quota law, was read the first time by its title, and the second time at length, as follows:

Resolved, etc., That the operation of the joint resolution of October 19, 1918, entitled "Joint resolution authorizing the readmission to the United States of certain aliens who have been conscripted or have volunteered for service with the military forces of the United States or cobelligerent forces" shall not be held to limit the application for readmission to one year after the termination of the war of aliens lawfully resident in the United States who during such residence enlisted or were recruited in America for the Polish Army in France, created by virtue of a decree issued by the French Government and recruited in this country under express permission of the War Department and who by the limitation of application to one year after the termination of the war can not now apply for readmission under the joint resolution of October 19, 1918, and such aliens shall, if otherwise entitled to admission under the said joint resolution, be readmitted to the United States if application for readmission is made and the alien is readmitted within the period of two years from March 3, 1921.

SEC. 2. That all aliens entitled to readmission into the United States under the provisions of this joint resolution, together with their wives and children under the age of 18 admissible under the provisions of the immigration laws, and all aliens who while lawfully resident in the United States were recruited or enlisted for service in the Polish Army in France and who return to the United States on or before March 3, 1923, and are found to be admissible under the immigration laws, together with their wives and children under the age of 18 admissible under the provisions of the immigration laws, shall be exempt from the operation of the act of May 19, 1921, entitled "An act to limit the immigration of aliens into the United States," as amended and extended by the act approved May 11, 1922, and from the operation of the head tax provisions of the immigration act of February 5, 1917, and they shall not be counted in reckoning any of the percentage limits provided by the act of May 19, 1921, as amended and extended by the act of May 11, 1922.

Mr. WALSH of Massachusetts. Mr. President, will the Senator state briefly just what the joint resolution provides for?

Mr. McCORMICK. The joint resolution, in brief, extends the terms of the so-called Sabath resolution to some 1,200 men enlisted in Haller's army in 1918, but who have been held on the Bolshevik front until this time. The Senator will recall that at the beginning of the war between the United States and the central empires some thousands of foreigners resident in this country, many of them Italians and many of them Poles, were enlisted in foreign armies under the terms of agreements between our Government and the allied Governments. Provision was made by the Sabath resolution for the return of the men so enlisted during the period stipulated by that resolution. It fell out that after the invasion of Poland by the red armies, and their repulse, a few of these men were

compelled to continue on the Bolshevik front of Poland. It has only been possible within the last few weeks to secure their discharge and permission for them to return to the United States. They are about to sail from Danzig to the United States.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). The Chair thinks the joint resolution ought to go to the committee and be reported by the committee. Being a joint resolution, it can not pass both Houses until after the 15th of August, and that will give ample time. The Chair may have no objection to it, but thinks it ought to go to the committee, and will therefore object to its present consideration. It will be referred to the Committee on Immigration.

Mr. McCORMICK. Of course, if the Chair insists, it will go there; but I may say that I have submitted the joint resolution to the members of the Committee on Immigration.

The PRESIDING OFFICER. The Chair anticipates that they can report it very promptly.

Mr. WALSH of Massachusetts. Of course, the joint resolution has much merit.

The PRESIDING OFFICER. Yes; the Chair thinks so himself.

Mr. WALSH of Massachusetts. But I think it is a very bad precedent to come in and introduce and ask for the consideration of a bill or a joint resolution without having it take the ordinary course of going through the committee.

Mr. McCORMICK. I ask for its reference, then.

Mr. WALSH of Massachusetts. I believe the joint resolution has very much merit and ought to be passed.

The PRESIDING OFFICER. The joint resolution will be referred to the Committee on Immigration.

DEFLATION POLICY OF THE FEDERAL RESERVE BOARD.

Mr. HEFLIN. Mr. President, I have here two letters from the former Comptroller of the Currency, Hon. John Skelton Williams, addressed to myself, and attached to those letters some comments by Mr. Williams upon certain statements and acts of certain Federal bank officials, and also some correspondence had between the Comptroller of the Currency and the governor of the Federal Reserve Bank of Atlanta. This includes some correspondence between Governor Harding and the governor of the Federal Reserve Bank of Atlanta. I ask unanimous consent to have them printed in the RECORD in 8-point type.

There being no objection, the matter referred to was ordered to the printed in the RECORD in 8-point type, as follows:

PROOF THAT 87½ PER CENT INTEREST RATE WAS CHARGED.

RICHMOND, VA., *July 25, 1922.*

Hon. J. THOMAS HEFLIN, *Washington.*

DEAR SENATOR HEFLIN: It is not surprising that some Members of the Senate should find it hard to believe the grave charges which have been made against the administration of our Federal reserve system. It does seem incredible that the system could in so short a time have been so prostituted and diverted from the high purposes and uses for which it was organized, but unfortunately these serious charges of "favoritism," "extravagance," and "extortion" have been completely proven.

When you stated on the floor of the Senate some time ago that a Federal reserve bank had actually exacted from a small country bank in a time of need interest as high as 87½ per cent per annum, your assertion was questioned by one of the Senators from New York, who seemed to regard it as impossible that a Federal reserve bank should ever have charged an interest rate more than six times as great as was ever charged by any Government bank in any other country on earth, and he asked you what proof you could offer that such an exaction had been made.

I am fortunately in a position to furnish you the proof, and I hand you with this a copy of a letter which I received under date of February 23, 1921, from Governor Harding, of the Federal Reserve Board, addressed to me, in which he incloses a copy of a letter of Governor Wellborn, of the Federal Reserve Bank of Atlanta, dated February 21, 1921, giving details of loans aggregating $112,446, made to a country bank in Alabama between September 16 and September 30, 1920, upon which the average interest rate charged for that period for that accommodation was approximately 45 per cent per annum, and for a portion of this money as high as 87½ per cent per annum was exacted. From the schedule attached to Governor Wellborn's letter you will note this little bank was allowed in that period a "basic line" of only $2,765. That was the total amount they were permitted to borrow at 6 per cent for the period mentioned, except that they were allowed a further exemption from the progressive rates of $35,000 additional, as the reserve bank gave an exemption on farm-production paper to the extent of the bank's capital and surplus, which was $35,000, making the total amount upon which normal rate was charged $37,765, while the loans upon which the progressive rates were exacted amounted to $112,446, and for every $691 which this little bank had to borrow, in addition to the exemption above stated, the reserve bank increased the rate one-half of 1 per cent, so that by the time its loans, in addition to the exemption, had reached $26,000, the reserve bank was charging it as high as 25 per cent per annum; when those loans reached $60,000 the reserve bank was charging it for a portion as high as *50 per cent* per annum; by the time its additional loans reached $94,000, the Atlanta Reserve Bank was exacting 75 per cent per annum on some loans; and when its accommodation, in excess of $37,765, reached $112,446 the reserve bank was actually charging it on a portion of the loan as high as *87½ per cent per annum.*

The reserve bank had a complicated and unfair method of fixing what it called the "basic line" for each two weeks' period, and the reserve bank availed itself of an accidental circumstance to impose these infamous rates upon this little bank, the basic line being based upon "the average reserve balance of the preceding two weeks."

It appears that a note due to the reserve bank of $17,500 fell due on September 14, and instead of renewing it, the reserve bank charged the amount against the reserve balance of the little member bank, so that its account appeared overdrawn for two days, $17,300 one day and $16,300 another day. The omission of the reserve bank to renew or carry this maturing note for a day or two longer was the excuse for reducing the so-called basic line of the small bank to $2,765. It was under these circumstances that the reserve bank proceeded to enforce its theory of progressive rates, and required the little country bank to pay *an average* of about *45 per cent per annum* for the use of *$112,446* in its hour of need in crop-moving times from September 16, 1920, to September 30, 1920.

If the Federal reserve banks should furnish to the Senate a list of all instances where these reserve banks exacted extortionate interest rates, ranging from 10 per cent per annum to 87½ per cent per annum, from their helpless member banks between May, 1920, and May, 1921, the period of acute distress, during which period the reserve banks contracted their loans approximately one thousand million dollars, it would be most illuminating.

The Federal reserve authorities tried to excuse themselves by claiming that, despite the exaction of the progressive rate in many cases, the "average rate" charged for the period was not high, but that is no consolation to the victims of their malpractice.

When I, as a member of the board, discovered that such rates were being exacted by the reserve banks I offered a resolution in the Federal Reserve Board to abolish the progressive rates and limit interest to 6 per cent per annum, but my resolution was promptly voted down. I then offered another resolution, urging that the interest be limited to 10 per cent, but that was not enough to satisfy insatiable greed, and it was also voted down.

I also called upon the board to reimburse to the suffering banks the unconscionable interest exacted from them, but this they also refused to do until the sunlight of publicity had been turned upon these practices, and an aroused public opinion forced the Reserve Board to authorize partial restitution and finally abolish the progressive rates in all districts where they were still in vogue.

I was much struck with an extract from a letter from a prominent banker west of the Mississippi, which you read on the floor of the Senate a few days ago, in which, in a letter to one of your colleagues in the Senate, the bank president said:

"MY DEAR SENATOR: Unless something is done to check the extravagance and grave mismanagement which has been and is still being displayed in the administration of our Federal reserve system, of which I have been an ardent supporter, I fear the system will be doomed.

"*Its gross mismanagement has already occasioned widespread dissatisfaction and discontent. Such reckless extravagance as has been displayed in the erection of banking palaces in New York City and other places must be curbed and cured. There is a real danger that the people will rise in their wrath and not only throw out the men responsible for its mismanagement but may also try to do away with the system itself, unless abuses are corrected.*"

I am, as you are, a profound believer in the tremendous power for good of our great Federal reserve system properly

administered, but it can not survive a continuance of such abuses and mismanagement as those from which it has suffered at times in the past.

I earnestly hope that these wrongs and abuses can be corrected, and that wise, experienced, and courageous men, in the interest of the whole country, may be placed in charge of its administration.

With high regard, believe me,

Sincerely yours,

JOHN SKELTON WILLIAMS.

—

FEDERAL RESERVE BOARD,
OFFICE OF THE GOVERNOR,
Washington, February 23, 1921.

Hon. JOHN SKELTON WILLIAMS,
Comptroller of the Currency.

DEAR MR. COMPTROLLER: Referring to your letter of the 18th instant, relative to the rate of discount charged the ——— National Bank of ——— Alabama under the progressive rate schedule which was in effect in the Atlanta district, I am inclosing for your information copy of communication received to-day from the governor of the Federal Reserve Bank of Atlanta.

It would be interesting to know if the loans of this bank increased during the time it was deficient in its reserves. If so, it would appear it has been guilty of a violation of the provision of section 19 of the Federal reserve act, which prohibits member banks from making new loans while deficient in their reserves.

Very truly yours,

W. P. G. HARDING, *Governor.*

—

FEDERAL RESERVE BANK OF ATLANTA,
February 21, 1921.

Hon. W. P. G. HARDING,
Governor Federal Reserve Board,
Washington, D. C.

DEAR GOVERNOR HARDING: Yours of February 19, relating to the rates charged the ——— National Bank of ——— Alabama under our progressive schedule which was in effect some months ago.

When adopting the progressive rate schedule on May 29, 1920, we established a normal or basic discount line for each bank, which was arrived at in the following manner:

Sixty-five per cent of the average reserve balance maintained during the preceding reserve computation period, plus the bank's investment in our capital stock, multiplied by 2½.

Originally only the direct notes of member banks, secured by Liberty loan bonds or Victory loan notes actually owned by the borrowing banks on April 1, 1920, or secured by Treasury certificates of indebtedness actually owned by the borrowing banks were exempt from the normal line. Three weeks later we added as an exemption from the normal line notes the proceeds of which had been or were to be used for strictly farm production, to an amount not exceeding the paid-in and unimpaired capital and surplus of the member bank.

For the reserve computation period, September 1 to September 15, the required reserve of the bank under consideration, based on its report of net deposits, was $9,433; its actual average reserve balance with us during that period was $86. Sixty-five per cent of this amounted to $55.90. Its investment in our capital stock at that time was $1,050, making a total of $1,105.90, which, multiplied by 2½, established a normal line for the period, September 16 to September 30, of $2,765. Their average rediscounts during the latter period was $150,211.

Amount subject to normal rates (basic line)	$2,765
Farm-production paper exemption (capital and surplus of bank)	35,000
Total exemption	37,765
Leaving as subject to progressive rates	112,446

As you know, our schedule progressed one-half of 1 per cent for each 25 per cent of the basic line, so that this bank was subject to an interest charge of one-half of 1 per cent progressively for each $691 of the remaining $112,446 of rediscounts. A list showing the cost incurred by the bank on each 25 per cent is attached.

Their small average reserve balance during the period September 1 to 15 was brought about by reason of the bank's account being overdrawn on September 14 and 15 approximately $17,300 and $16,300, respectively. This was occasioned by their failure to provide funds or discounts to cover their direct note for $17,500 which matured on September 14.

The period September 16 to 30 was the only one in which the rate against this bank went to such a high figure, viz, 81½ per cent. During the preceding period the highest rate charged was 13½ per cent.

It was with regret that we made the extremely heavy charge, but we did not feel justified in eliminating it, as it would have been discriminatory.

From the comptroller's memorandum it would seem that he is under the impression that all farmers' paper was exempt from the normal line and the progressive rate schedule, which obviously is in error, as exemption on that class was being granted only to the extent of the capital and surplus of the borrowing bank.

I trust the above gives you the desired information, but if any further details are desired will be pleased to furnish same.

Very truly yours,

M. B. WELLBORN, *Governor.*

(*Copy.*)

Reports of members other than reserve city banks borrowing in excess of basic line for period September 16 to September 30.

ATLANTA ZONE.

Name and location.	Average borrowings in excess of basic line during report period.	Superrates applied to excess borrowings.[1]	Amount of discount charges at superrates.
		Per cent.	
Alabama. ——— national bank; basic line, $2,765.	$691	½	$0.14
	691	1	.28
	691	1½	.42
	691	2	.57
	691	2½	.71
	691	3	.85
	691	4	1.14
	691	4½	1.28
	691	5	1.42
	691	5½	1.56
	691	6	1.70
	691	6½	1.84
	691	7	1.99
	691	7½	2.13
	691	8	2.27
	691	8½	2.41
	691	9	2.56
	691	9½	2.70
	691	10	2.84
	691	10½	2.98
	691	11	3.12
	691	11½	3.26
	691	12	3.41
	691	12½	3.55
	691	13	3.69
	691	13½	3.83
	691	14	3.98
	691	14½	4.12
	691	15	4.26
	691	15½	4.40
	691	16	4.54
	691	16½	4.63
	691	17	4.83
	691	17½	4.97
	691	18	5.11
	691	18½	5.25
	691	19	5.40
	691	19½	5.54
	691	20	5.68
	691	20½	5.82
	691	21	5.96
	691	21½	6.10
	691	22	6.25
	691	22½	6.39
	691	23	6.53
	691	23½	6.67
	691	24	6.82

[1] "Superrates" are the rates charged *in addition* to 6 per cent per annum interest.

Reports of members other than reserve city banks, etc.—Contd.
ATLANTA ZONE—continued.

Name and location.	Average borrowings in excess of basic line during report period.	Superrates applied to excess borrowings.	Amount of discount charges at superrates.
		Per cent.	
Alabama—(Continued)....	$691	24½	$6.96
	691	25	7.10
	691	25½	7.24
	691	26	7.38
	691	26½	7.52
	691	27	7.67
	691	27½	7.81
	691	28	7.95
	691	28½	8.09
	691	29	8.24
	691	29½	8.38
	691	30	8.52
	691	30½	8.66
	691	31	8.80
	691	31½	8.94
	691	32	9.09
	691	32½	9.23
	691	33	9.37
	691	33½	9.51
	691	34	9.56
	691	34½	9.80
	691	35	9.94
	691	35½	10.08
	691	36	10.22
	691	36½	10.36
	691	37	10.51
	691	37½	10.65
	691	38	10.79
	691	38½	10.93
	691	39	11.07
	691	39½	11.22
	691	40	11.36
	691	40½	11.50
	691	41	11.64
	691	41½	11.78
	691	42	11.93
	691	42½	12.07
	691	43	12.21
	691	43½	12.35
	691	44	12.49
	691	44½	12.64
	691	45	12.78
	691	45½	12.92
	691	46	13.06
	691	46½	13.20
	691	47	13.35
	691	47½	13.49
	691	48	13.63
	691	48½	13.77
	691	49	13.91
	691	49½	14.06
	691	50	14.20
	691	50½	14.34
	691	51	14.48
	691	51½	14.62
	691	52	14.77
	691	52½	14.91
	691	53	15.05
	691	53½	15.19
	691	54	15.33
	691	54½	15.48
	691	55	15.62
	691	55½	15.76
	691	56	15.90
	691	56½	16.04
	691	57	16.19
	691	57½	16.33
	691	58	16.47
	691	58½	16.61
	691	59	16.75
	691	59½	16.90
	691	60	17.04

Reports of members other than reserve city banks, etc.—Contd.
ATLANTA ZONE—continued.

Name and location.	Average borrowings in excess of basic line during report period.	Superrates applied to excess borrowings.	Amount of discount charges at superrates.
		Per cent.	
Alabama—(Continued)....	$691	60½	$17.18
	691	61	17.32
	691	61½	17.46
	691	62	17.61
	691	62½	17.75
	691	63	17.89
	691	63½	18.03
	691	64	18.17
	691	64½	18.32
	691	65	18.46
	691	65½	18.60
	691	66	18.74
	691	66½	18.83
	691	67	19.03
	691	67½	19.17
	691	68	19.31
	691	68½	19.45
	691	69	19.59
	691	69½	19.74
	691	70	19.88
	691	70½	20.02
	691	71	20.16
	691	71½	20.30
	691	72	20.45
	691	72½	20.59
	691	73	20.73
	691	73½	20.87
	691	74	21.01
	691	74½	21.16
	691	75	21.30
	691	75½	21.44
	691	76	21.58
	691	76½	21.72
	691	77	21.86
	691	77½	22.01
	691	78	22.15
	691	78½	22.29
	691	79	22.43
	691	79½	22.58
	691	80	22.72
	691	80½	22.86
	691	81	23.00
	691	[1] 81½	16.88
Total.....	.....	.....	1,891.44

[1] 81½ per cent "superrates," added to the normal 6 per cent, makes the total interest rate 87½ per cent per annum.

EX-COMPTROLLER WILLIAMS TURNS LIGHT ON DEFLATION AS CONDUCTED BY FEDERAL RESERVE BANK OF ATLANTA.

RICHMOND, VA., *July 25, 1922.*

HON. J. THOMAS HEFLIN,
United States Senate, Washington.

MY DEAR SENATOR: I received some weeks ago a clipping from the Mobile Register of May 20, containing what purported to be an address made by Governor Wellborn, of the Federal Reserve Bank of Atlanta, before the Alabama Bankers' Association, in defense of the administration of the Federal reserve system, which contained a number of statements so flagrantly incorrect and misleading that I thought it proper to write Governor Wellborn as I did on May 26, asking whether he had been correctly quoted.

I received from him a letter under date of June 1, admitting that his statements to which I directed attention were inaccurate.

I replied to his communication on June 10 in a letter in which I deprecated promulgation by the officials of the reserve system of statements which were obviously incorrect, and remonstrated against policies and practices which were bringing discredit upon the reserve system, and urged the importance of reformation before it might be too late.

Governor Wellborn replied to my letter on July 20, but did not attempt to deny or controvert a single one of the statements and charges which my letter contained.

As my letter discussed matters which I regard as of supreme importance to the whole country, I had it printed, giving on the first page of the printed copy a résumé of the correspondence which had preceded it.

When Governor Wellborn learned that I had made my letter public, he became greatly exercised and wrote a letter complaining bitterly of my doing so, and declared that I should have printed a certain letter of his at the same time. I wrote him in reply that I would be pleased to make public our entire correspondence, including a personal letter which he had written me under date of June 26, in which he assured me of his deep appreciation of my work, both as Comptroller of the Currency and as a member of the Federal Reserve Board, and so forth. He replied July 17, objecting to my making public his letter of June 26, 1922, expressing unqualified commendation of my work as comptroller and member of the Federal Reserve Board, but I wrote him in answer on July 22 that I felt it entirely proper under the circumstances for me to make public our complete correspondence on the subject. I therefore hand you herewith copies of my letters to Governor Wellborn of May 26, June 10, June 24, June 29, July 15, and July 22, and Governor Wellborn's letters to me of June 1, June 20, July 3, and July 17, but I omit at the present time, at Governor Wellborn's earnest request, the publication of his letter to me of June 26, commending my work as a member of the Reserve Board and as Comptroller of the Currency, although, if the occasion in my judgment should at any time call for it, I will make that letter public also.

The correspondence gives a view of some of the inside operations, methods, and practices of the Federal reserve system, especially of one of the Federal reserve banks, which I believe is of real interest to the public, especially in connection with the recent activities of the 12 Federal reserve banks in distributing throughout the country more than 140,000 copies of a Senate speech which contains, as you have openly pointed out on the floor of the Senate, and as the authorities of the several reserve banks are presumed to have known, before disseminating it, so many inaccurate and wholly incorrect statements concerning the operation and policy of these same banks.

With high regard, I am,

Sincerely yours, JOHN SKELTON WILLIAMS.

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"All progress of the human race and of individuals is based on understanding of our blunders. My hope is to expose and explain blunders that have been made, to try to make them so thoroughly understood that they will not be repeated or continued." (John Skelton Williams, in address at Augusta, Ga., July 14, 1921.)

FAVORITISM, EXTRAVAGANCE, AND EXTORTION IN THE MANAGEMENT OF THE FEDERAL RESERVE SYSTEM—OUR FEDERAL RESERVE SYSTEM A NATIONAL BLESSING; ITS MISMANAGEMENT A PUBLIC CALAMITY—AVERAGE OF 68 PER CENT INTEREST EXACTED ON $50,000 BY RESERVE BANK FROM SMALL COUNTRY BANK WITH $25,000 CAPITAL—ABOUT SAME TIME TWO BIG SPECULATIVE BANKS IN CITY ARE FAVORED WITH $250,000,000, GROSSLY EXCEEDING THEIR NORMAL QUOTA, AT AVERAGE INTEREST CLOSE TO 6 PER CENT—FEDERAL RESERVE OFFICIALS SCATTER BROADCAST, AT PUBLIC EXPENSE, UNTRUE AND MISLEADING STATEMENTS CONCERNING RESERVE BANK OPERATIONS.

The Mobile (Ala.) Register of May 20, 1922, printed what purported to be extracts from an address delivered in Mobile before the Alabama Bankers' Association by Governor Wellborn, of the Federal Reserve Bank of Atlanta, containing several important statements so directly contrary to established facts, and so misleading to the public, that I thought it proper to write Governor Wellborn on May 26, 1922, to ask if he had been correctly quoted. The newspaper had represented Governor Wellborn as saying, inter alia, that the so-called "progressive interest rates" (under which the Atlanta Reserve Bank had charged as high as 87½ per cent to a member bank) had not been applied on any paper issued for "agricultural purposes," and he also declared that from January 1, 1920, to January 1, 1921, the reserve banks "extended their accommodations to member banks around $1,000,000,000." He then added: "I challenge the severest critic of the Federal reserve system to successfully refute the statement."

Governor Wellborn replied to my letter on June 1, 1922, and admitted that both of his statements which I had challenged were inaccurate. (I shall be pleased to send, upon request, to those desiring them, complete copies of my letter to Governor Wellborn of May 26, 1922, and his reply of June 1, 1922.)

In his answer the governor of the Atlanta Reserve Bank asserts that he had "inadvertently" omitted to state that the paper issued for agricultural purposes exempted from the progressive rate was limited to the "capital and surplus" of the borrowing bank, and that in declaring the reserve banks had "extended" their accommodations around $1,000,000,000 he had not referred to the increase in accommodations but to the total accommodations granted, and then explaining that he had made an error of $2,000,000,000, and he should have stated that the total accommodations granted, instead of being "around one billion," had been "around three billion." About three-fourths of his letter, however, was devoted to an effort to show, first, that the Federal Reserve Board, by refusing the Atlanta bank's request for the abolition of the progressive rate on August 31, 1920 (some weeks before the bank had imposed the barbarous rates it subsequently exacted), had "held us" (Atlanta Reserve Bank) "chained to the rocks to be preyed upon later" by critics, claiming that I, as a member of the board, was "bound to assume all mistakes, if any, where you (I) participated in its deliberations," and second, that as I had praised the Federal reserve system and its "functioning" in my annual report as Comptroller of the Currency, dated December 6, 1920, I could not now consistently criticize the mismanagement of that system. Governor Wellborn's claims and criticisms are fully covered in my reply, which follows.

JOHN SKELTON WILLIAMS.

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(Letter from John Skelton Williams to the governor of the Federal Reserve Bank of Atlanta.)

RICHMOND, VA., *June 10, 1922.*

Mr. M. B. WELLBORN,
Governor Federal Reserve Bank of Atlanta.

DEAR GOVERNOR WELLBORN: Your letter of the 1st instant in response to mine to you of May 26 has been read with interest and concern. It causes me to fear that you have not studied closely the facts and figures of the Federal Reserve Board reports and statements, or have studied them so assiduously that you have become confused regarding their meanings. Knowing your usual care and accuracy in statements on important matters and the clarity of your mind, I am forced to believe that one of the two conditions I have suggested must explain the remarkable position in which you have put yourself by your address at Mobile, as published in the newspaper I saw, and your explanation or elucidation of it in your letter to me.

GOVERNOR WELLBORN MAKES A SLIP OF A BILLION DOLLARS.

If in that address you intended the word "extended," as applied to accommodations by Federal reserve banks to member banks in the year from January 1, 1920, to January 1, 1921, to mean "allowed" or "granted," you understated the amount, as you tell me, and as the undisputed records show, by more than a billion dollars, which is a respectable sum worthy of consideration and recollection. If you intended it, as I understood it, to mean "increased," or "expanded," you overstated the amount by about three-quarters of a billion dollars—also a respectable sum.

Either way, it seems to me, the error is so considerable as to impair very seriously the credibility of any assertions on this subject you may present. My understanding of what you meant, I respectfully submit, is justified by the context of your remarks as published. Accepting myself as a person of average and usual intelligence, I think I might fairly suppose that the impression of your meaning made on my mind was made also on the minds of many of your hearers and the readers of the newspaper reports.

REFRAINS FROM MAKING PUBLIC CORRECTION WHEN ERRORS WERE EXPOSED.

For that reason I asked your attention to the statements published as coming from you. I felt that I might assume your purpose not only to be accurate but to give the public accurate information and, therefore, might reasonably expect that when informed that your statements had been or might be misconstrued you would hasten to make clear what you did mean and what the reserve banks actually did in the year 1920, that you would write me such an elucidation, and that you would straighten, publicly, the misunderstanding the newspapers appear to have had or had given their readers. I regret that no correction has been forthcoming.

My interpretation of your meaning perhaps was based partly on the fact that you appeared to follow so closely the statement of a very able and distinguished, but very sadly misled, United States Senator to whose speech in the Senate in defense of the course of the Federal Reserve Board you have given wide circulation. There can be no possible misunderstanding of this gentleman's meaning. He spoke, referring, apparently, to this same year 1920, to which you refer, of the *expansion in Federal reserve credits aggregating nearly $1,000,000,000 within the 12 months' period of falling prices.*

He named the same amount you named and alluded, it seems, to the same year to which you alluded. I submit it was natural for me to assume that you intended to convey by your word "extended" precisely the same meaning he had conveyed, unmistakably, by the word "expansion." I had showed you when you called at my office with Chairman McCord a month or two ago a chart distinctly disproving the Senator's statement on this very point, which also was overwhelmingly disproved by another Senator on the floor of the Senate. Substantially the only variation you made from the Senator's contradicted and disproved statement was to say that the billion dollars of credit had been "extended" instead of "expanded," and it now appears you should have said the credit "extended" was more than $2,000,000,000.

DISTORTERS OF STATEMENTS COMPARED TO MACBETH'S WITCHES.

Without intending to be discourteous, I can not avoid being reminded that the business interests of the country, suffering so cruelly in that year 1920 for lack of credit which one gentleman says was "expanded" and another says was "extended," might have applied the remark of Macbeth of the witches:

"And be these juggling fiends no more believed
That palter with us in a double sense,
That keep the word of promise to the ear,
But break it to our hope."

In giving widespread circulation, as I am informed you did, to the speech of the Senator above referred to, who had been so gravely misled by some one, you have placed yourself in a serious position. Obviously the Senator who made that speech had been deceived by unworthy informants—had he been better informed he would not have made such statements—but you had not been deceived. You knew officially that vital statements in the speech of the Senator referred to were untrue, and yet you gave widespread currency to them.

FEDERAL RESERVE OFFICIALS DELIBERATELY AND KNOWINGLY GIVE CIRCULATION TO ERRONEOUS AND MISLEADING STATEMENTS.

It is encouraging to note, however, that the United States Senate on June 8, 1922, adopted unanimously a resolution calling upon the Federal Reserve Bank of Atlanta to furnish the Senate a list of the names and addresses of all citizens in Alabama—before whose bankers' association you also made your misleading speech—to whom copies of the Senator's speech, above referred to, were sent by you, and also how much money was expended in thus printing and distributing that incorrect and erroneous document, which you knowingly sent broadcast.

I am sorry that, like various others who have undertaken to defend and uphold the policies and course of the board, you use, in your speeches and elsewhere, so many words and so much space in endeavors to assail my action and, by implication, to impugn my motives. This is unpleasantly like the old trick of attacking the Commonwealth's attorney in default of other defense. Thus far, I may say, incidentally, the most energetic theorizing and ingenuity have failed to develop a motive in me so satisfactory to these assailants as to tempt them even to suggest it definitely. Perhaps their failure is explained by the simple fact that they have assumed that my motives must be evil and can not by any possibility be good. Imagination, apparently, has failed to grasp the possibility that I really may be trying to do a public service by pointing out errors and wrongs that have been committed with the hope that repetition of them may be avoided hereafter.

As a matter of fact, however, my motives and my actions as a member of the Federal Reserve Board are absolutely immaterial and irrelevant in this discussion, except to myself. Let anybody who finds pleasure or relief in the process assume that my motives are the worst and that I connived at, or aided in, all the wrongdoing of the board. That assumption can have no possible bearing on the real question. That question is *whether the policies and methods of the Federal Reserve Board and banks in 1920 were wrong and responsible for so much of the strain to which the commerce of the country was subjected and the many instances of ruin and irreparable loss which attended the process of readjustment of business.*

EFFORTS TO CONFUSE THE CLEAR-CUT ISSUE WILL FAIL.

Yet, to keep the record straight and to prevent assertions regarding myself from winning acceptance as true because allowed to go unchallenged, I am compelled to answer and refute in some detail misleading statements regarding myself in my own behalf, just as I am impelled by sense of duty to answer and refute misleading statements regarding the general administration of the Federal reserve system in behalf of the public and the future. The more important general issues must be taken up first, however.

I understand you to tell me, in your letter to me referred to, that another statement attributed to you in the newspaper reports of your address I saw is a misunderstanding of your meaning or an error. You are reported as having said that in the summer of 1920 you took the precaution to *exempt* from operation of the repressive and oppressive progressive rates charged for accommodations all "borrowings of member banks for agricultural purposes." What you intended to say, you tell me, was that you exempted such borrowings or accommodations "up to capital and surplus." This difference is rather important, inasmuch as exemption limited to capital and surplus would apply to but a minor portion of many banks' legitimate and necessary borrowings, in many instances to one-fifth or one-sixth or even one-seventh of their borrowings.

GOVERNOR WELLBORN TOLD ALABAMA BANKERS' CONVENTION 6 PER CENT HAD BEEN MAXIMUM CHARGED ON DISCOUNTS FOR AGRICULTURAL PURPOSES—OFFICIAL FIGURES INDICATE 87½ PER CENT WAS EXACTED.

It is not hard for the public to see that charging on a loan for agricultural purposes 60 per cent, 70 per cent, and 87½ per cent is very different from limiting your charges on such paper to 6 per cent per annum, as you boldly assured the Alabama bankers in your Mobile address you had done.

Of course, it was impossible for me to know what you intended to say or what the newspapers omitted from what you did say, just as it was impossible for me to know that when you spoke of "extending" a billion dollars of credit in 1920 you meant to refer to and include the two billions allowed before that year. You can see, and I understand you to concede now, that *the statements attributed to you in the newspaper reports of your address, and what you now admit you made, were untrue and misleading on vitally important points of a vitally important question of vast and direct concern to the business interests and the general public.*

I trust you will agree that, seeing such publication and having the real facts in my possession, my duty as a citizen demanded that I file a protest and call for correction. If by any means, or through any misunderstanding or misconception, appearance of public approval of the course of the Federal reserve management is obtained, similar management may continue, with the result of disaster and destruction worse than we already have seen and felt.

This duty of protest and correction is made the more imperative by the determined, systematic effort apparently being made in Congress, through newspapers in all parts of the country, and by addresses from persons supposed to be well informed, and propaganda in other forms to prove that the system has been wisely and faithfully conducted and its machinery and resources have been used in the best possible way.

PROPAGANDA BY FEDERAL RESERVE OFFICIALS MISINFORMING THE PUBLIC AND INJURING THE SYSTEM.

In view of facts painfully evident to all, the inevitable consequence of this propaganda must be to shake public confidence in the entire system, causing the conclusion that if the system was used in the best possible way and failed to avert the dire consequences that came under its operation, it must be a hindrance rather than a help, a curse rather than the blessing it was intended to be and should be and, properly administered, unquestionably would be.

I am doing all I can to strengthen public confidence in the system by proving, as I think I have proved incontestably, that its partial and disastrous failure at the very pinch and the supreme moment of test and emergency was not caused by defect in the system itself, either in its theory or its plan, and was caused by misuse of it and the stubborn blunders of those to whom its management had been intrusted.

Let us consider a little more in detail a claim you make that figures which you have from the Reserve Board "show an expansion of $472,000,000 in discounts for the year 1920," and you add that "This in itself conclusively shows that there was no contraction of loans, but on the contrary a very large increase." I consider that statement very misleading.

DENIALS OF CREDIT CONTRACTION FUTILE—DEFLATION CRUELLY DRASTIC.

While you "parade" the claim that in the year 1920 there was an increase in "discounts" by the reserve system of $472,000,000, *you withhold the fact* that in another class of credits or accommodations by the reserve system, namely, in "purchased paper," there was, in the same year 1920, an actual contraction of $320,000,000.

Furthermore, in order to show an "increase" you combine the first five months of 1920, while prices were still going up or had remained stable, with the last seven months when the great fall in prices was under way. The fact is that the great collapse in prices in this country practically began in May or June, 1920. It received its impetus when the reserve system between May 28, 1920, and June 25, 1920, called in or contracted credits for that one month over $107,000,000, and began exerting pressure all along the line. From May 28, 1920,

to January 28, 1921, the actual contraction in Federal reserve credits, according to the official figures given out by the Federal Reserve Board, was $315,857,000, and from January 28, 1921, to August 31, 1921, while prices were tumbling heavily, there was a further contraction of $1,094,919,000.

The shrinkage in outstanding credits of the Federal reserve system from May 28, 1920, to August 31, 1921, amounted to $1,410,776,000. And from May 28, 1920, to January 25, 1922, the actual shrinkage was $2,005,149,000.

These figures show whether there was "inflation" or "deflation" in credits by the reserve banks in the period of the great fall in prices. You will hardly deny the figures, although they contrast rather vividly with yours.

STATEMENTS OF RESERVE BANK GOVERNOR SPECIOUS BUT DISINGENUOUS.

My letter to you of May 26 showed that the total increase in amount of accommodations granted by the 12 reserve banks between January 2, 1920, and December 30, 1920, was only $169,018,000, not $472,000,000, as a layman, not knowing that the word "discounts" did not include "bought paper," which was really one form of "discounts," would naturally infer from your statement. Moreover, there was an increase in credits granted from January 30, 1920, to May 28, 1920, of over $200,000,000, and in that period the prices of commodities remained stable or advanced.

It was only by eliminating one class of "discounts" or credits in which there was a heavy shrinkage of about $320,000,000 in the period that you were able to figure, as you claim, an expansion of $472,000,000 in "discounts" for the year 1920, omitting items in which there was a heavy shrinkage.

During the summer of 1920 loans were being called in right and left by the reserve system, and although many banks previously accommodated were being made to pay up other banks which had not previously been borrowing were allowed moderate accommodations.

UNFAIR EFFORTS TO SUPPRESS VITAL FACTS AND FIGURES.

The whole atmosphere at that time was so surcharged with the "deflation" propaganda that many leading and experienced men were apprehensive of a panic. On July 28, 1920, I gave to the press a reassuring statement calling attention to the fact that the Federal Reserve Board had an unused lending power at that time of about $750,000,000. The reaction from that statement from all parts of the country was exceedingly salutary and beneficent, and I have been assured that my statement at that time had been most helpful in averting a still more acute situation or panic. However, my colleagues on the Federal Reserve Board, save one, and the chairman of the Federal Reserve Bank of New York became quite incensed over my reassuring and encouraging publication and complained that I *was interfering with their well-laid deflation schemes and plans, which, subsequent events proved, were so ruinous to the country.*

Now, as to your attempts to excuse or palliate the inhuman interest rates charged in certain instances by the Federal Reserve Bank of Atlanta.

GOVERNOR WELLBORN CHARGES THE FEDERAL RESERVE BOARD HELD HIM AND HIS ASSOCIATES "CHAINED TO THE ROCKS TO BE PREYED UPON."

In extenuation of exactions imposed by you under your so-called "progressive-rate system" you claim that that plan was approved by the Federal Reserve Board at a meeting which I attended in May, 1920, and that when a request from the Atlanta reserve bank for permission to abolish the "progressive rate" was presented on August 31, 1920, I was present at *the meeting* and did not vote in favor of its termination, and that *therefore* I held you "chained to the rocks to be preyed upon later" by your critics.

It is not important whether I was or was not present at that meeting, and that point is not essential, for up to that time—August 31, 1921—the barbarous and unconscionable rates subsequently imposed by your bank had not been applied. It was not until the latter part of September, 1920, that you charged a country bank in Alabama 50 per cent, 60 per cent, and 70 per cent, and as high as 87½ per cent for the use of Federal reserve funds.

THE "BIRDS OF PREY."

I am very willing to let the public decide which was the "bird of prey"—the reserve bank which was devouring the entrails of the struggling country bank by exacting from it unconscionable and ruinous interest all the way from 50 per cent to 87½ per cent on "accommodations" amounting to twice the capital of the country bank, or whether the vulture was the little bank which was forced to pay those extortionate rates to the reserve bank, although the little bank was lending money at that very time to its farmer customers at about 8 per cent per annum.

A FEDERAL RESERVE BANK CHARGED INTEREST SIX TIMES AS HIGH AS WAS CHARGED BY ANY GOVERNMENT BANK IN ANY OTHER CIVILIZED COUNTRY ON EARTH.

The official records show that you exacted, sir, in the guise of "interest" from the small country bank referred to, *an average of over 69 per cent per annum on over $50,000, a rate more than six times as great as the maximum charged by the Government banks of any other civilized country on earth*—during that period, or at any time, as far as I have been able to discover, and you now have the effrontery to boast of the "*sympathetic attitude*" of Federal reserve officials toward farmers and other borrowers!

I am sure you will not deny these figures. If you do, I shall have to confront you with your own signed confession that you did exact the inhuman interest rates stated by me. However, as you lay such emphasis on my presence or absence from a certain board meeting, I am glad to take this opportunity to get the true facts on this point in the record.

In the first place, I do not believe that I was present at the August 31, 1920, meeting to which you refer. In the stenographic report of proceedings before the Agricultural Joint Commission Congressman MILLS claimed that the records show that I had been present. I told him that if the record did show me present, I did not care to dispute it, but I informed the commission that I had no recollection of any such occasion and called attention to the fact that frequently matters were taken up by the board after I had been excused from meetings in order to give time to more urgent matters demanding my care in the comptroller's office.

Subsequently Chairman Anderson, of the commission, informed me that the records—the stenographic report of the hearing—showed that I was *not* present at the meeting of August 31, 1920, when the request of the Atlanta bank for permission to abolish the progressive rate was acted upon, and it was Chairman Anderson himself who, when his attention was called to the matter, inserted in the transcript of the proceedings before the commission the note which says, on page 174, that "*the record shows that Mr. Williams was not present at the meeting of August 31, 1920.*"

Subsequently Chairman Anderson wrote me that the minutes of the reserve board, as it was claimed they then stood, indicated that I *was* present, and therefore he directed that the official record of the minutes of the meeting, as quoted by Representative MILLS, which in the stenographic report originally submitted to me read "*Mr. Williams was absent*" should be changed, and that was done.

In a letter to Chairman Anderson, October 14, 1921, I had said:

"Please note that both the stenographer's report and the galley proof which were sent me some time after your letter of August 16, above referred to, report clearly *in regard to the August 31* meeting that '*Mr. Williams was absent.*'

"My letter to you of September 3, 1921, in which I returned the galley proof, which also contained, in the body of the testimony on proof 68 LG, the statement:

"'The record shows that *Mr. Williams was not present at the meeting of* August 31, 1920.'

"I, of course, assumed from your letter of August 16 and the notation above quoted, that the question of my absence at the meeting referred to had been duly checked up and that the stenographic report that I was absent was correct. I do not believe that I was present at that meeting. I was quite surprised to-day to find in part 13 of the hearing, page 173, that since my return to you of the stenographic report and the galley proof that the *text was changed* to read 'Mr. Williams was present,' instead of 'Mr. Williams was absent.'"

And in another letter to Chairman Anderson, October 18, 1921, I had said:

"In view of the conflict in testimony concerning the Federal Reserve Board meeting of August 31, 1920, as to which the extract of the minutes read by Congressman MILLS on August 2, as shown by the stenographic record, reported me 'absent' from that meeting and the subsequent claim of the reserve board that the minutes showed me to be 'present,' I will greatly appreciate it if you could, without embarrassment, procure and send me, as requested in my letter to you of the 14th instant, a certified copy of the entire minutes of that meeting."

Chairman Anderson wrote me under date of October 22, 1921:

"I have asked the Federal Reserve Board to furnish the commission with a certified copy of the record of the proceedings of the board meeting of August 31, 1920."

But from that day to this I have heard nothing further from him on this subject—and I am more fixed than ever in my belief as expressed to the commission that I was not present at the meeting when that subject came up and never at any time voted against the abolition of the progressive rate.

RESERVE BOARD TWICE VOTES DOWN MR. WILLIAMS'S MOTIONS TO LIMIT INTEREST RATES CHARGED MEMBER BANKS TO 10 PER CENT OR LESS.

Will also add that, although my colleagues on the reserve board voted down my resolution offered about the 1st of February, 1921, to prevent the exaction of anything over 6 per cent, and another resolution limiting charges to 10 per cent by any reserve bank in any district, I can hardly conceive that they would have voted at any time to approve such rates as those which were charged and collected by the Atlanta Reserve Bank in certain notorious instances. It was not until January, 1921, that I discovered that your bank had charged, in September, 1920, over 60 per cent, 80 per cent, and 87½ per cent on loans, and by that time the progressive rate had been abolished by the Atlanta Reserve Bank, the progressive rate in that district having been rescinded by the board in November, 1920.

I can not see how you can restrain the blush of shame for collecting such unconscionable rates. When you found that the "progressive" rate plan yielded such results you should have notified the board at once. It seems inconceivable that the board under such conditions would have allowed such rates to be continued. *Yet when I discovered later on that extortionate rates were still being charged and demanded of the board, first in letters and then in public addresses, that they should abolish all progressive rates and reimburse the sufferers, they refused to act for some months, until an aroused public opinion forced them to make restitution.*

In your efforts to establish character for the management of the reserve system and to justify its administration you appeal to the commendation of the system itself contained in my annual report as Comptroller of the Currency for the year 1920, submitted under date of December 6, 1920.

RESERVE OFFICIALS SEEK TO DEFEND THEIR CONDUCT BY APPEALS TO COMPTROLLER'S COMMENDATION IN HIS 1920 REPORT.

I noticed also in some newspaper a few days ago extensive quotations taken from the same report by Governor Harding in his effort to establish character; but your arguments, and his, are fully answered by my statement before the Joint Congressional Commission of Agricultural Inquiry, of which you are doubtless well informed, for you refer in your letter specifically to that testimony. On pages 124–125 of that report appears the following clear and categorical statement which I think dissipates and destroys your claims. I said to the commission:

"I have stated, clearly and repeatedly, that the curbing efforts of the board and of the reserve banks were, for part of the time in the past two years, distinctly helpful and beneficial in restraining inflation and in stabilizing values. But when the upward movement was halted, and the downward rush of prices set in, the Federal Reserve Board, whether from inertia or from an inability to comprehend the meaning of events and the radically changed conditions, distinctly failed in the supreme trial.

"The lack of sympathy displayed by the board, and its apparent impotence to meet courageously and resourcefully a situation demanding instant and sagacious action was in my opinion unpardonable.

"I am convinced that if the Federal Reserve Board had heeded the urgent suggestions, recommendations, and warnings contained in my clear-cut letters and memoranda of August 9, 1920, October 21, 1920, and December 28, 1920, and had revised its policies and methods to meet and respond to the great changes which had already taken place and were going on in the world of business and finance, that it could, as I said in my Washington address on April 15, 1921, 'have saved us from a fall so precipitate and smashing, and from much of the distress and ruin through which we have been dragged. It could have made the shrinkage of values more gradual and uniform instead of violent and sporadic, could have helped strongly to keep the circulating currents of commerce at more even flow, so that the losses of each producer might be offset by reasonable reduction in the cost of what he must consume.'

RESERVE BOARD DEAF TO REMONSTRANCES AGAINST ITS FATAL POLICIES.

"On December 28, 1920, in advocating a liberalization of policies, I had said, inter alia:

"'Events, developments, and conditions warn us to remember that a stoppage too sudden may be disastrous as an explosion, that an unyielding barrier thrust into the path of a runaway machine may only hasten wreckage and assure a smash which skillfully regulated guidance might prevent.

"'Two months of actual experience which have elapsed since my letter to you of October 18, 1920, was written tend to intensify rather than diminish my fears for the immediate future.'

"The Reserve Board, however, refused to act favorably upon the urgent recommendations for more liberal policies made by me as a member, and also by many of the best minds in the financial and business world, and the great decline in values went on. I am happy to note, however, that the board, moved, presumably by the force of an aroused public opinion, has been at last compelled to change and to put into effect lower interest rates and more liberal measures, which, if they had been adopted at the time that I urged them upon my colleagues, would, I believe, have saved the country from a large part of the losses and suffering so needlessly forced upon it."

Extracts from my report as Comptroller of the Currency for 1920 have been assiduously distributed far and wide by Governor Harding and the Federal reserve officials who have been criticized by me, and diligent efforts have been made to secure editorial indorsements from newspapers based upon my statements.

AN EDITOR OF NEW YORK NEWSPAPER, PARTICULARLY ACTIVE IN DEFENDING THE RESERVE BOARD, FOUND ON PAY ROLLS OF THE FEDERAL RESERVE SYSTEM.

A New York paper, one of whose editors I am advised has been for some time past on the pay roll of the reserve system, some weeks after my testimony before the Agricultural Commission, printed an editorial claiming that the excerpts from my annual report furnished "an adequate reply" to Reserve Board critics. Promptly upon reading that editorial I addressed a communication to the editor of the paper, and as they apply equally as well to certain comments in your letter as to the editorial referred to, I take the liberty of quoting here the following extracts from my letter to the editor:

"Governor Harding, speaking at Charlotte, N. C., on September 22, quoted from the last annual report made by me to the Congress—for the fiscal year ending October 31, 1920, dated December 6, 1920, and submitted to Congress early in February, 1921—in which, in reviewing the work of the Federal reserve system in the past, I spoke in warmly earnest terms of the Federal reserve act and the great work which it had done, especially under the wise, conservative, and forward-looking influence during the entire period of the war of Secretary McAdoo, and for more than a year after the armistice with the strong and beneficial authority of Secretary GLASS. Unfortunately, for more than 18 months past the board has been without the salutary dominance and help of either of those leaders and has suffered from their absence.

"You republished these extracts used by Governor Harding in his speech, and you describe them as 'An adequate reply' to all that has been said by myself and others against the administration of the law and the system by the board. I have not changed my opinion of the law or of its earlier administration. * * *

"If an engineer was accused of wrecking a train on September 20 by flagrant disregard of signals, I submit that evidence that he had taken the same train safely through a storm on September 18, two days before, would not be 'An adequate reply.' It seems to me that the fact that the system brought us safely through the war and through the 12 or 18 months following, and then *failed* to bring us through the period of readjustment since the spring of 1920 safely and without the ruin of which we now see so many evidences on all sides is strong if not conclusive proof of mismanagement. *When a machine functions perfectly in its first tests and then, bereft of certain strong and guiding influences, fails, we must suspect faulty operation and management rather than defects in the machine itself.*

"No one can contend that results have been pleasant or satisfactory since inflation was halted. To advert to the simile used by Governor Harding in his letter to me of January 13, 1921, in which he said: 'We hold that the shrinkage which has taken place is somewhat analogous to that which occurs when a balloon is punctured and the gas escapes,' let me emphasize here my reply in which I remonstrated against 'puncturing' the balloon and bringing it to earth to collapse and ruin; urging that we should endeavor to effect a safe landing by the intelligent use of ballast and valve ropes.

"Governor Harding seems to agree with me that the system is as nearly perfect as the human mind can devise. When he concedes that, he forces on us the conclusion that the system has not been properly used.

"The official records show that as far back as January, 1920, I protested earnestly against the manner in which the funds of the system were being used to feed the fires of speculation, and remonstrated against the prodigal way in which the funds of the system were being dispensed to certain favored interests.

"In July and August, 1920, from my post as comptroller and member of the Federal Reserve Board, I saw vividly the dangers of the situation and gave warning to my colleagues. I could quote for you page after page of letters from August 20, increasing in earnestness and vehemence, until my retirement in March, 1921, urging that the situation was critical and dangerous, beseeching that the process of compulsory deflation be slackened and modified to meet changed conditions.

"While I was preparing my report for Congress in the autumn and winter of 1920 I was, at the same time, remon-

strating energetically against the policies by which the board was guiding its actions. I could not know and was unwilling to believe that the board would persist in those policies in the face of cumulating evidence of the destruction and demoralization which they were causing.

"My arguments with the board were against the methods in use, especially in certain sections of the country which were encouraging speculation and usury which should have been restrained or discouraged and were restraining production and actual useful commerce and business which should have been fostered and encouraged.

"It is not my purpose or aim to injure or punish anybody, or to offend or ruffle anybody's sensibilities. My plain purpose is to make clear as possible to the public and to those in authority what I regard as the disastrous mistakes and misuses of the splendid machine and system so that repetition of those mistakes may be avoided. For that reason I ask your indulgence to this contribution to the evidence and arguments in the case.

REPENTANCE AND REFORMATION NEEDED.

"In my view the only 'adequate reply' possible for Governor Harding and the Reserve Board is recognition of the errors of the past and intelligent study of the varying seasonal, territorial, and special needs of the country's commerce and variation and flexibility of policy and method to meet those needs impartially, courageously, and adequately, without fear and without favor.

"Consideration which should be based on plain facts, clear reasoning, and actual needs is clouded, and I think degraded, by attempts to obtrude upon it the familiar dodge of the police-court lawyer, endeavoring to discredit and put on the defensive the accusing witness, and the equally familiar trick of the cheap politician so *juggling and garbling quotations and dates as to make an utterance based upon one condition to apply to an opposite condition.*

"I am not skilled in such controversial arts and have no ambition to acquire them. All I want and ask in this regard is that we have such intelligent and faithful management of the Federal reserve system as will facilitate business and make our country prosperous everywhere, with our financial and commercial establishments safe and hopeful. Results and conditions prove that we have not had such management. I am contributing what I can to make sure that we shall have it soon and always, not only in one locality or section but throughout our whole country."

You appear to claim that in commending in my report as Comptroller of the Currency of December 6, 1920, the "functioning" of the Federal reserve system in a certain period, that I thereby gave a clean bill of health to its management and administration; but I must respectfully differ with you there. It is quite conceivable that the wonderful machinery of the steamship *Olympic* might "function" admirably on a trip across the ocean and yet be wrecked on the rocks by incompetent, drunken, or faithless officers responsible for steering her.

FEDERAL RESERVE OFFICIAL'S CONCEPTION OF A "SYMPATHETIC ATTITUDE."

In answer to your statements as to the "*sympathetic attitude*" of Federal reserve officials I will conclude my letter by quoting the following extract from an address I delivered in April, 1921, before the People's Reconstruction League in Washington:

"Precisely in point with what I have been saying and as illustration as what I may call callous, if not the brutal, attitude of some of our officials, let me read you a paragraph or two from the New York financial article printed in the newspapers the day before yesterday.

"The writer of the article said:

"'From a talk I had to-day with one of the important officials of the Federal reserve bank here it appears that there is a consensus of opinion among the different governors of the Federal reserve banks favoring a continuation of present policies despite the criticism heard from all quarters for lower interest rates and withdrawal of pressure to force payment of outstanding loans. There are three general policies which might be adopted, it was pointed out.

"'One would be to ease up on interest rates, but that policy, with the heavy inflow of gold, it was argued, might result in a renewal of dangerous speculation and inflation.

"'*Another policy might be adopted that would result in putting on still more pressure, thus cleaning up the after-war mess in a hurry and getting it over. But if that course were adopted, it was pointed out, "we would be a long time in picking up the pieces caused by the many forced failures."*

"'By far the best plan, it was argued, was the one now being followed, which permits continuous but moderate liquidation.'

"It must be noted that the only objection mentioned by the 'important official' of the Federal reserve bank quoted to the plan for '*putting on still more pressure*' was not the cruel injustice, the disregard of every principle for which the Federal reserve measure was created which it would involve, but the probability that they 'would be a long time in picking up the pieces'—i. e., the dead bodies—'caused by the many forced failures.'

ONE PLAN FEDERAL RESERVE OFFICIAL SAYS WAS DISCUSSED WAS, IN EFFECT, A PRELIMINARY MASSACRE OF BUSINESS.

"*One* policy 'might' cause renewal of dangerous inflation and speculation. *Another* would mean acute panic forced by unskillful or indifferent management or wanton mismanagement of the machinery ably devised to give relief and prevent panics. It is proposed to check disease and give the doctors and nurses surcease from troubles and responsibility by killing all the patients in the hospitals, a plan actually under discussion being to restore business to general sound condition by a preliminary *massacre* of business.

"The now prevailing method is supposed to be a compromise between these two, and we are told there is a consensus of opinion among the governors of the Federal reserve banks to let it continue. The suggestions offered by the 'important official' of the Federal reserve bank quoted above, are, I assume, a reflection of the attitude of the board, for which I can conceive of no excuse. Apparently it has not occurred to the board that it may be possible, by anxious and alert vigilance and careful responsiveness to daily situations and varying sectional requirements, to avoid either of the alternatives described above—delirium on one side, death on another, or a sleeping sickness, as at present.

"The man who put an automobile on the road with steering gear set and let it run, or the doctor who failed to adapt his treatment to stimulate or retard heart action, as conditions indicated, would be liable to indictment for murder.

"The policy outlined in this newspaper paragraph, as obtained from a Federal reserve bank official, is precisely that against which I war and against which I hope all of us will war. It is the policy of setting the steering gear and letting her go; of applying the same treatment to high fever and paralysis—the 'bureau' method of hard and fixed rules.

"*The Federal reserve system was not intended to be worked that way. It presupposes attention, intelligence, flexibility of thought in those who operate it, the capacity to feel and understand and to value the welfare of the country and of each of the individuals composing it as more important than official dignity, pride in an adopted policy, or blind and slavish allegiance to rules by those who first create them, and then abjectly worship them.*"

"HERO MEDAL" SOUGHT FOR SAVING SOME OF THE PASSENGERS OF VESSEL THEY HAD WANTONLY TORPEDOED.

You have claimed with much fervor that the reserve banks are entitled to great credit for saving the lives of numerous banks and business houses throughout the land during the period of extreme deflation and contraction which they themselves were so instrumental in bringing upon the country. On the other hand, men who are well-informed have likened our great Federal reserve system to a magnificent battleship, designed and built for the protection of the country, its commerce, and all its interests, which, through some colossal blunder, overtakes and torpedoes one of our own merchantmen, with thousands of passengers and a precious cargo, and having sent the merchant ship to the bottom of the sea, then launches lifeboats and picks up *some* of the drowning passengers. The officers of the battleship thereupon solemnly assume the rôle of life-savers and after having wrought such terrific destruction they brazenly ask Congress to bestow upon them the life-saver's medal for having rescued from the waves some of those whom the frightful blunder of those same officers had thrown into the jaws of death.

If you expect from the people of this country, when the facts are fully known, a reward for such a feat, you will find yourself bitterly mistaken. Our people will not scrap that battleship, but they will place it under the command of more worthy officers and they will visit upon those guilty for such a crime the punishment they richly deserve.

This letter I respectfully commend to your thoughtful consideration and study; and let me express the hope that in your future speeches in defending the management of our great Federal reserve system, which is capable of being of such tremendous value to our whole country and in which you hold so important an office, you will be more correct in the presentation of your arguments and claims and not stray so far from truth and fact.

Yours very truly, JOHN SKELTON WILLIAMS.

*"There are many economists who persist in their belief that the ruthless policy of deflation adopted by our financial managers after the war was largely responsible for the great depression that swept like a plague over the land, and from the ravages from which our industries are just beginning to make a progressive recovery; * * * there are many well-equipped business men, among them our exporters almost to a man, who still maintain that less drastic measures could have been adopted, or, at least, applied with less suddenness and severity. * * **

" * * the Federal Reserve Board was pursuing its policy of deflation ruthlessly, and the regional banks, as a result thereof, were piling up enormous profits and building gilded palaces from the sweat of the brow of American business."* (New York World, June 19, 1922, S. S. Fontaine, financial editor.)

It seems incredible, but it is nevertheless true, that four Federal reserve banks—New York, Boston, Cleveland, and Chicago—had, before the scandal was made public, planned, and were, with the sanction of the board, proceeding with the erection of banking palaces the aggregate cost of which was estimated, according to the confession made by the Federal Reserve Board in its report to the Senate, at $49,878,914.

This huge sum of money, nearly fifty million dollars, if it had been applied to the erection of Federal bonded warehouses in the South, together with the warehouses already available, would have provided storage for the entire cotton crop of the South, or, say, 10,000,000 bales; or, if it had been appropriated for the erection of grain elevators and warehouse facilities for agricultural products in the West, would have afforded invaluable aid and given infinite benefit and relief to tens of millions of our people instead of being squandered on costly banking palaces for the sumptuous delectation of four reserve banks. An eminent man of very high standing, writing recently from the North concerning this scandal, said:

"If you think the Tweed ring in their days and ways was any comparison with the Federal Reserve Board transaction you misapprehend the size. I lived in those days and I remember their sensations, which were tame when compared with these. If only the same men who got after Tweed could get after these they would prove an ornament to the generation and have a life estate that would perpetuate the recollections."

In connection with the millions of dollars ruthlessly wasted by the reserve banks, it is interesting to note that the Reserve Board's report to the Senate shows that in the New York Reserve Bank 33, or 80 per cent, of its officers had been given salary increases amounting in the aggregate to 3⅓ per cent, while the aggregate increase granted to 12 of those officers was 5⅓ per cent.

A former member of the Federal Reserve Board, a man of ability and broad progressive ideas, with whom I had the honor of serving on the board, who had seen its operations on the inside and who is also particularly well informed as to the credit situation in the West, to whom I had sent a copy of my address before the People's Reconstruction League, in which I exposed abuses and errors in the administration of the system and called for reform, wrote me, upon its receipt, a letter in which he said frankly:

"We all feel just as you do."

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Within the past few weeks a bill has passed Congress by a big majority and has been signed by the President which limits the expenditures which may be made for any one Federal reserve bank building without the express authority of Congress to $250,000; which adds an additional member to the board and provides for giving the great agricultural interests of the country representation on that board.

Much has already been accomplished toward correcting the grave abuses in the administration of the Federal reserve system to which attention has been directed, but much still remains to be done. The power of public opinion, however, when once aroused is irresistible.

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In a letter to Mr. Williams from Washington, under date of March 18, 1922, a distinguished publicist and author, in referring to exposures concerning the mismanagement of the Federal reserve system, which he describes as "startling revelations," said:

"Here is a national scandal. What is the reason the newspapers ignore it? Believe me, they would not have ignored it 25 years ago, nor the magazines 15 years ago. The fact of the suppression is more momentous than the scandal that is suppressed, tremendous as that is. These are disquieting conditions."

"I ask attention to the important fact that not a single one of the many serious criticisms and charges which it has been my unpleasant duty, in behalf of our Federal reserve system and in the public interest, to make against the administration of the reserve system has ever been refuted. They stand today unshaken and unshakable."—(John Skelton Williams in letter printed in CONGRESSIONAL RECORD December 19, 1921.)

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"Right and wrong are in the nature of things. They are not words and phrases. They are in the nature of things, and if you transgress the laws laid down, imposed by the nature of things, depend upon it, you will pay the penalty."—(Lord Morley.)

(Copies of other published letters and addresses by Mr. Williams in behalf of a better management of the Federal reserve system may be obtained, while the supply lasts, upon application.)

The following extracts from an editorial which appeared in the columns of the Manufacturers' Record, of Baltimore, of August 11, 1921, show the effect which an aroused public opinion and the revelations made by Mr. Williams in his speech at Augusta, Ga., July 15, 1921, and his criticisms and disclosures made in preceding months as to the policies and administration of the Federal Reserve Board had in bringing about a reversal of those policies and a relaxation in money and credit conditions:

FEDERAL RESERVE BOARD FORCED TO REVERSE ITSELF HURRIEDLY AND DRASTICALLY ALL ALONG THE LINE—SIGNIFICANT DEVELOPMENTS.

"It had been arranged that Mr. Williams should testify before the joint committee of the Senate and House of Representatives now investigating agricultural conditions, on Tuesday, July 26, and Mr. Williams was in Washington prepared to go on the stand. He was informed that a postponement until the following Tuesday had been decided on.

"During the intervening week there were some spectacular events filled with meaning. The White House, for instance, gave out a statement intended to show the accomplishments of the administration to date. In that statement emphasis was laid, strongly laid, on the fact that a *change in the policy of the Federal Reserve Board had been brought about;* that the rediscount rate had been *forced down*, and it was intimated that it *would be forced still further down.* * * *

"A week's delay meant that the Federal Reserve Board could come into court, say, with cleaner hands. Likewise it would not be the disposition of the investigating committee, we may assume, to press the board too hard. provided that before the hearing it held, let us say, definite promises from the board that it was already quietly correcting some major abuses and could show, forsooth, that—

"(a) It had ordered a return in the Atlanta district of the usurious graduated charges made last winter.

"(b) That it had abandoned the graduated rates entirely.

"(c) That it was not now coercing State banks.

"(d) That it would no longer compel indiscriminate liquidation, etc.

"(e) That it had given orders for liberality in financing this season's crops.

"Instantly, we may say, following news that there would be a congressional investigation, the board drew over its lion's skin the mantle of a lamb. It would not be able to answer Mr. Williams on the date originally set for the hearing, it averred, but it could a week later.

"This significant fact stands out: *Mr. Williams, reinforced by public opinion from all over the United States, had scored a tremendous victory before he even took the witness stand. His Augusta speech had forced the issue.*

"Rather than meet it, the board hurriedly and drastically reversed itself all along the line. It (a) saw that rediscount rates were cut; (b) abandoned the system of graduated rates; (c) receded from drastic liquidation of farm products, urging the various reserve banks to be liberal hereafter and not to force on the market commodities for which only ruinous prices could be got.

"If it had not done these things the personnel of the board would have dissolved and a new board, responsive to common sense and public opinion, would have sat in its place. * * *

"The comment of one Congressman on the situation is very enlightening. 'If you accuse the board,' he says, 'of having brought about this great debacle, the members deny that they are in any way responsible. But if you congratulate the board on having knocked the bottom out of the markets and on having raised the gold reserve ratio to a point that is in itself a national scandal, they one and all take off their hats, bow solemnly and say, "We thank you; we did it."'"

RICHMOND, VA., *May 26, 1922.*

M. B. WELLBORN, Esq.,
Governor Federal Reserve Bank of Atlanta.

DEAR GOVERNOR WELLBORN: Some one has sent me a clipping from the Mobile Register of the 20th instant containing what purports to be copious extracts from a speech made by you before the Alabama Bankers' Association, devoted in large part to the defense of the management and policies of the Federal reserve system. The newspaper report quotes you as saying:

"I have attended all the conferences of both governors and chairmen with the Federal Reserve Board at Washington," and that, therefore, you feel that you are "pretty thoroughly posted regarding the policies of the Federal reserve system ever since it began operations."

Your alleged address contains a number of sweeping statements which are exceedingly misleading and directly contrary to the record and official figures; but I shall not go into them all in this letter. My purpose at the moment is to deal with a particular statement, as to the accuracy of which you boldly challenged criticism.

As you very well know, I am not and have not been a critic of the Federal reserve system, but I am a critic of the administration of that system, and I have denounced its erroneous policies, its extravagance, and its mismanagement, and I think I have proved all of my charges.

Although your challenge is not, therefore, directed to me, I shall accept it. The particular statement which you challenge critics of the reserve system to refute was this:

"In view of the fact that the reserve banks extended their accommodations to member banks around $1,000,000,000 from January 1, 1920, to January 1, 1921, who has the temerity to say that there was a constriction of currency or restriction of credit? I challenge the severest critic of the Federal reserve system to successfully refute this statement."

I deny your statement that the reserve banks "extended their accommodations to member ranks around $1,000,000,000 from January 1, 1920, to January 1, 1921," and in support of this denial I give you the following figures, taken from the official bulletin published by the Federal Reserve Board:

Total amount of bills discounted and bought paper held by all 12 reserve banks January 2, 1920	$2,805,818,000
Total amount of bills discounted and bought paper held by all 12 reserve banks December 30, 1920	2,974,836,000
The actual increase for the period mentioned by you therefore was	169,018,000

and not "$1,000,000,000," or even approximately, or "around $1,000,000,000." If these official figures, taken from the Federal Reserve Board Bulletin, are correct, your statement is grossly incorrect and misleading, and I respectfully ask that you inform me whether you have been correctly quoted by the newspaper. If you have been correctly quoted I ask that you give me the official figures to corroborate your claim that there was an expansion of "around $1,000,000,000" in the period mentioned, and give me the source of your authority.

The dates which I have given above in the first instance was "January 2, 1920," instead of "January 1, 1920," and in the second instance I give "December 30, 1920," instead of "January 1, 1921," for the reason that the Federal Reserve Bulletin publishes the figures at the close of each week, and I have not the exact figures for the precise dates you mention; but the difference of a day or two will make no material change.

The statements made in your address, as quoted in the newspaper, indicate that your remarks and claims apply to the Federal reserve system, and not only to a Federal reserve bank. How far you intend your sweeping statements to cover other Federal reserve banks I do not know; but a speech made by Representative SWING in the House of Representatives on May 23, 1922, which I have just read in the CONGRESSIONAL RECORD, suggests how matters were handled in the twelfth Federal reserve district. Congressman SWING said:

"I can not understand how men can continue to deny that the deflation policy adopted by the Federal Reserve Board was not deliberately aimed at the farmers of this country. I was present at a meeting of the bankers of southern California, held at El Centro, in my district, in the middle of November, 1920, when W. A. Day, then deputy governor of the Federal Reserve Bank of San Francisco, spoke for the Federal reserve bank and delivered the message which he said he was sent there to deliver. He told the bankers there assembled that they were not to loan to any farmer any money for the purpose of enabling the farmer to hold any of his crops beyond harvest time. If they did he said the Federal reserve bank would refuse to rediscount a single piece of paper taken on such a transaction. He declared that all the farmers should sell all of their crops at harvest time, unless they had money of their own to finance them, as the Federal reserve bank would do nothing toward helping the farmers hold back any part of their crop, no matter what the condition of the market.

"Mr. COOPER of Wisconsin. Did the gentleman from California hear that?

"Mr. SWING. I did. * * *

"The Federal reserve bank deliberately set out to 'bear' the market. They succeeded so well that they broke the market; not only broke the market but broke the farmers as well. We there saw the strange spectacle of the farmer citizens of this country being ruined by being forced to sell their products on a glutted market at less than what it cost to grow them, as a direct result of a policy adopted by their own Government, a Government created to aid them, not to harass them. I say it was criminal, it was damnable for this all-powerful agency of our Government to deliberately crucify the farmers of this country." * * *

It is unnecessary for me to express here an opinion on the question related by Judge SWING, the Congressman from California, or on the policies prevalent in that district. My views on the administration of the Federal reserve system are well known to you.

Before closing this letter, however, there is another statement in your speech, as reported, to which I must take exception. You are quoted as saying:

"So far as the farmers were concerned, we at no time denied them credit. Our officers and directors recognize that agriculture is foremost of all industries in this district, and consequently we have ever been watchful of the needs of the smaller member banks which serve directly the farming interests. In the summer of 1920, when the progressive rates were in effect, we took the precaution to exempt from the operations of the progressive-rate schedule borrowings of member banks on paper the proceeds of which were used for agricultural purposes. This action on our part gave our member banks ample credit to take care of their agricultural customers to the fullest extent. I desire to call your attention to the sympathetic attitude of our board of directors to the farming interests."

Despite this statement, which you are quoted as making at Mobile to the Alabama Bankers' Association, the official records show that in September, 1920, in making advances to a small country bank in Alabama, whose loans were nearly all to farmers and live-stock raisers, you not only did not exempt from the operation of the progressive rate farmers' paper but you charged for the accommodations granted to that bank interest as high as 8½ per cent on a portion of its loans—the average interest charged for the use of about $112,000 for the last two weeks in September being about 40 per cent.

The statement made in your address at Mobile that you "took the precaution to exempt from the operations of the progressive-rate schedule borrowings of member banks on paper the proceeds of which were used for agricultural purposes" impresses me as being inconsistent with a statement which you made to Governor Harding in a letter dated February 21, 1921, in which you said, categorically, that the exemption of farmers' paper from the normal line and the progressive-rate schedule "was being granted only to the extent of the capital and surplus of the borrowing bank."

The capital of that small bank was $25,000, and, according to the official figures, it appears that you were good enough to let them have about $2,765 at the rate of about 6 per cent per annum; but as the bank found it necessary to borrow something over $110,000 to meet the urgent needs of its customers, principally farmers, you exacted for the next $34,000 in excess of $2,765, which the bank had to have, an average of about 21 per cent.

For the next $27,000 which the bank had to borrow the bank was required to pay for some of the money as high as 50 per cent—an average of about 40 per cent per annum.

For the next $34,000 with which the reserve bank accommodated this little country bank it demanded and received an average of over 60 per cent, for a portion of the funds exacted 75 per cent, and for the last $7,000 or $8,000 gotten at that time the bank paid an average of over 80 per cent per annum; for a portion of the money they actually paid 87½ per cent.

Is this, may I ask, an illustration of what the newspaper report states that you described to the bankers at Mobile as "the sympathetic attitude of our board of directors"?

I do not think you will deny these figures.

In letters addressed to the Federal Reserve Board and in public addresses, I demanded early in 1921 that these unconscionable and barbarous rates exacted from farmers and business men by reserve banks be refunded to them, and I understand that pursuant to my demands and warnings the Reserve Board did pass a resolution authorizing certain reserve banks to make restitution of interest exacted in excess of 10 per cent or 12 per cent. The official records show that resolutions offered by me in the Reserve Board in February, 1921, to prevent the exaction of interest in excess of 10 per cent by reserve banks were voted down by my colleagues.

Later on, after public attention had been called to these abuses and exactions, the progressive interest rate was abolished in reserve banks in which it was still in force.

I think it due to you that I should state here that the efforts of the Federal Reserve Bank of Atlanta in the summer of 1920 to adopt a more liberal policy toward its member banks were frustrated and prevented by the refusal of the Federal Reserve Board itself to act favorably upon recommendations looking toward a more liberal policy which were made to the Reserve Board by the officers and directors of the Federal Reserve Bank of Atlanta.

I hope to receive a prompt reply to this letter, in which I have directed your attention to the very misleading and incorrect statements which you, the governor of the Federal Reserve Bank of Atlanta, are reported to have made before the Alabama Bankers' Association at their recent meeting.

If you have been incorrectly quoted, I respectfully submit that you owe it to yourself to make public correction. But if you have made the statements attributed to you by the newspapers to which I have referred, I must denounce the utterances referred to as misleading, incorrect, and contrary to the official records accessible to you, and call upon you as the governor of the Federal Reserve Bank of Atlanta to give your authority for the statements so wholly unjustifiable.

It is a very serious thing for you to inform the public that between two certain dates the Federal reserve banks granted an increase in accommodations of "around $1,000,000,000" if official records available and presumably familiar to you show that the expansion referred to was scarcely one-sixth of the amount stated by you if you do not exempt "bought paper," or even if you exempt "bought paper" for the period indicated the aggregate increase was scarcely one-half of the amount that you represented it to have been. I am wondering what excuse you will offer for such a glaring discrepancy in the presentation of deeply important and significant figures.

Until you shall have had a reasonable opportunity to advise me as to whether the newspaper reports of your speech are correct, I shall prefer to assume that you have been incorrectly quoted and did not make the statements contained in the article.

Awaiting your reply, I remain,

Very truly yours,

JOHN SKELTON WILLIAMS.

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FEDERAL RESERVE BANK OF ATLANTA,
OFFICE OF GOVERNOR,
June 1, 1922.

JOHN SKELTON WILLIAMS, Esq.,
Care of Richmond Trust Co., Richmond, Va.

DEAR MR. WILLIAMS: Replying to your letter of May 26, I wish to say that I am surprised to note that you criticize the Federal Reserve Bank of Atlanta for the effect of the operation of its progressive rate schedule in the autumn of 1920, for the reason that you, as a member of the Federal Reserve Board, were present at the meeting of the board on May 28, 1920, when these rates were approved by that body; and you did not vote against our bank's putting them into effect. Again, on August 31, 1920, when the Atlanta Reserve Bank sought to abolish the progressive rates, you attended the meeting at which the board declined to permit us to do so; and you did not then vote in favor of allowing us to terminate the operation of this progressive rate schedule. Thus you not only took part in the meeting where the rates were approved which you now so loudly condemn but you also took part in the meeting of the board where that body refused to allow us to get from under those very rates, for which you now so severely criticize us. On the contrary, you held us chained to the rocks, to be preyed upon later by yourself and other critics. I contend that you can not now escape from the responsibilities of your actions while you were a member of the board, but are bound to assume all mistakes—if any—where you participated in its deliberations.

I want to impress the fact upon you that the meeting of the Federal Reserve Board on this question which you attended was held on August 31, 1920, this being several weeks prior to the time the high progressive rate was charged the Alabama bank to which you refer. Had you then, by official action, heeded the request of the Atlanta Reserve Bank to abolish the progressive rates, the incident of the Alabama bank—which you so frequently refer to as the "horrible example"—would never have occurred. Therefore, it seems to me that, in view of your official actions at that time, it is improper for you to now parade this matter and endeavor to make capital out of it in order to work up a plausible case against the Federal Reserve Board and the Atlanta Reserve Bank. The record is so clear as to your participation in this "awful crime" that I think the officers and directors of the Atlanta bank might well exclaim with Cæsar "Et tu, Brute!" and with Brutus, "This was the most unkindest cut of all." Your record in these matters was published in the report of the hearings before the Joint Commission of Agricultural Inquiry in August, 1921.

In referring to my address delivered at Mobile on May 19, 1922, you take exception to the following statement: "In view of the fact that the reserve banks *extended their accommodations* to member banks around $1,000,000,000 from January 1, 1920, to January 1, 1921, who has the temerity to say that there was a contraction of currency or a restriction of credit?" Preceding that statement, I showed that there was an increase of approximately $328,000,000 in Federal reserve notes during the period between January 1, 1920, and January 1, 1921. The only correction I wish to make in any figures which I gave is this: I should have said that the Federal reserve banks extended accommodations to their members around *three* billion dollars instead of *one* billion. Your own figures bear me out in this. I beg that you will note carefully that I used the word "extended" and neither the word "increased" nor the word "expanded," as you seem to have understood from your criticism. These last two words were not used by me at all in the parts of my address you quote.

The figures I have from the Federal Reserve Board show an expansion of $472,000,000 in discounts for the year 1920. This in itself conclusively shows that there was no contraction of loans, but, on the contrary, a very large increase.

Permit me to again refer to your record when, as Comptroller of the Currency, on December 6, 1920, your official report to Congress reads in part as follows: "Largely through the aid and excellent functioning of the Federal reserve system, the business and banking interests of the country have passed successfully through the perils of inflation and the strain and losses of deflation without panic and without the demoralization which has been produced in the past at various times from far less serious and racking causes. Those banking and other interests which, at the outset, so vigorously opposed the Federal reserve system are now among its warmest advocates."

In your letter to me you say that you are not a critic of the Federal reserve system, but that you *are* a critic of the *administration* of that system. Really I am at a loss to understand your attitude, for, as I have shown in the beginning of this letter, you criticize and condemn a Federal reserve bank for the operation of the progressive rate schedule in the case of a small Alabama bank; and yet, as I have pointed out, it appears clearly from your official record that you not only approved those rates when they were adopted but you later refused to vote to allow the Atlanta bank to discontinue them when the hardships which their continued application would entail had become increasingly manifest.

In the above quotation from your report to Congress you speak of "the excellent functioning of the Federal reserve system." If you meant what you then wrote, it seems to me that this statement constitutes a strong indorsement of the *administration* of the system. Permit me to call your attention to the fact that this was written immediately after the crisis of 1920, at a time when all events were fresh in your mind and you were best able to make a calm survey of the situation. What has caused your radical change of view I am unable to comprehend.

I still maintain that our board displayed a sympathetic attitude toward the farming interests, as shown by its action in exempting from the operation of the progressive rate schedule borrowings, up to the capital and surplus, of member banks on paper the proceeds of which were used for agricultural purposes. In my address at Mobile I regret to say that the words "up to the capital and surplus" were inadvertently omitted.

Very truly yours,

M. B. WELLBORN, *Governor.*

FEDERAL RESERVE BANK OF ATLANTA,
June 20, 1922.

Mr. JOHN SKELTON WILLIAMS,
Richmond, Va.

DEAR MR. WILLIAMS: This is to acknowledge receipt of your letter of June 10.

It is my opinion that this communication requires no answer. I simply wish to close the correspondence between us by making the statement that the keynote of my Mobile speech is to be found in the following words: "There was no deflation of Federal reserve bank credits nor any diminution of Federal reserve notes for the period of the tremendous fall of prices in agricultural products which took place in 1920." I do not believe that this statement can be successfully assailed.

In your letter you are at particular pains to lay stress upon the question as to whether or not you were present at the meeting of the Federal Reserve Board on August 31, 1920. I accept your explanation for what you intended it to be, and I am sure that you much regret by now not paying closer attention to your duties as a member of the Federal Reserve Board during the crisis which developed in the autumn of 1920. Surely, by virtue of your official position, you were then much more able to be of assistance to the economically oppressed of the country than you are in your present situation.

I have heard you upon occasion chastise verbally directors of banks when their sole fault was a failure to find out what was going on in the institution with which they were connected. Consistency demands that you now apply just as stringent a rule to your own conduct in the fall of 1920. The Atlanta bank was at that time endeavoring, by every means in its power, to secure the abolishment of the progressive rates. We must surely be given credit for our foresight in sounding the alarm. I believe that we were the only reserve bank which recommended the discontinuance of the progressive rates at that time. Perhaps if you had kept up more closely with the doings of the Federal Reserve Board the famous Alabama case, of which you so persistently complain, would never have occurred. Who, if anyone, is to be blamed for what happened? Surely not the Atlanta bank, and you yourself, being a member of the Federal Reserve Board, can not escape responsibility for its actions.

Very truly yours,

M. B. WELLBORN, *Governor.*

—

RICHMOND, VA., *June 24, 1922.*

Mr. M. B. WELLBORN,
Governor Federal Reserve Bank of Atlanta.

DEAR GOVERNOR WELLBORN: I have your letter of the 20th instant.

You are decidedly mistaken in your assumption when you say:

"I am sure that you [I] must regret by now not paying closer attention to your [my] duties as a member of the reserve board during the crisis which developed in the autumn of 1920. Surely by virtue of your official position you were then much more able to be of assistance to the economically oppressed of the country than you are in your present situation."

I have no apologies or regrets whatsoever to offer in that connection, for no duties were ever shirked by me either as a member of the board or as the Comptroller of the Currency. The record will bear out this plain statement.

Page 172 of the hearings before the Joint Commission of Agricultural Inquiry shows that I was present during the whole or part of 851 of the 1,283 meetings of the reserve board held from August 10, 1914, to March 2, 1921.

In my address at Washington April 15, 1921, before the People's Reconstruction League, in speaking of my occasional absence from meetings of the board when so much time was wasted in trivial discussion while important matters were overlooked or sidetracked, I said:

"I really felt that I could employ my time more usefully than in attending board palavers and in listening to discursive discussions, beginning nowhere and ending in precisely the same place, conducted by eminent gentlemen."

Incidentally I am reminded of a witticism of a distinguished member of the Cabinet, who, when he heard that soon after the organization of the board much valuable time had been dissipated on different occasions by some of the members—informally, of course—in discussing where they should be placed at public receptions and what the position of the board members was compared with other public functionaries in Washington, remarked that in his opinion members of the Federal Reserve Board ought to be allowed to march *immediately after the "fire department."* That, for the time being, had the effect of putting a quietus upon the social soarings of some of my esteemed and ambitious colleagues. Subsequent events, however, suggest that members of the Federal Reserve Board, responsible for certain deadly policies, might, with some propriety, come some distance after any department of the Government whose energies were devoted to the preservation rather than the destruction of property and life.

In a previous letter you referred to my testimony before the Joint Commission on Agricultural Inquiry in August, 1921. Possibly you have not read carefully the whole of my testimony at that time. If you had done so, you would have realized that the record shows that I expostulated and protested repeatedly against the unwise policies of the board and urged change and reformation. If I had been present at the board meeting of August 31, 1920, you allude to, I have not the slightest idea that with the board composed as it was then that my protest against a continuance of the Atlanta bank's progressive rate would have availed. As a matter of fact, at a meeting of the board earlier in the same month I had urged a liberalization of its policies, but my arguments and remonstrances were in vain.

I will remind you of the following statement, made by me before the Joint Commission on Agricultural Inquiry in August last, showing my attitude in the matter of the progressive rates charged by certain reserve banks:

"I did approve of the theory of some increase on excessive loans, but it never entered my mind, in discussing the question of progressive rates, that any such increases as those exacted subsequently would ever be considered for a moment or ever be tolerated, or if the rules ever produced such rates, that they would not be immediately modified. * * *

"I do not recall whether I was present at the particular meeting of the board which took that action, but you may assume that I was. But if I did vote for it, I never contemplated for an instant that it could be so distorted and abused. The main point is, *when I found out how it was being mismanaged, I tried immediately to do away with it.*"

As to your statement that as a member of the board I was then in a position to be of more assistance to the "economically oppressed" than in my "present situation," I think the record will probably show that I have been able to accomplish more in this particular matter by influencing public opinion, as I have tried to do, from outside of the board than I was by direct appeals to my colleagues while a member of the board. On this point I shall take the liberty of quoting the following extract from an editorial which appeared in the Manufacturers' Record of August 11, 1921. It refers to certain things that happened in Washington shortly after my address to the Georgia Press Association, in which I had felt it my duty to expose and criticize what I considered to be errors and abuses in the administration of the reserve system and demanded a change:

"It had been arranged that Mr. Williams should testify before the joint committee of the two Houses, now investigating agricultural conditions, on Tuesday, July 26, and Mr. Williams was in Washington prepared to go on the stand. He was informed that a postponement until the following Tuesday had been decided on.

"During the intervening week there were some spectacular events filled with meaning. The White House, for instance, gave out a statement intended to show the accomplishments of the administration to date. In that statement emphasis was laid, strongly laid, on the fact that a change in the policy of the Federal Reserve Board had been brought about; that the rediscount rate had been forced down, and it was intimated that it would be forced still further down. * * *

"A week's delay meant that the Federal Reserve Board could come into court, say, with cleaner hands. Likewise, it would not be the disposition of the investigating committee, we may assume, to press the board too hard, provided that before the hearing it held, let us say, definite promises from the board that it was already quietly correcting some major abuses and could show, forsooth, that—

"(a) It had ordered a return in the Atlanta district of the usurious graduated charges made last winter;

"(b) That it had abandoned the graduated rates entirely;

"(c) That it was not now coercing State banks;

"(d) That it would no longer compel indiscriminate liquidation, etc.; and

"(e) That it had given orders for liberality in financing this season's crops.

"Instantly, we may say, following news that there would be a congressional investigation, the board drew over its lion's skin the mantle of a lamb. It would not be able to answer

Mr. Williams on the date originally set for the hearing, it averred, but it could a week later.

"*This significant fact stands out: Mr. Williams, reinforced by public opinion from all over the United States, had scored a tremendous victory before he even took the witness stand. His Augusta speech had forced the issue. Rather than meet it, the board hurriedly and drastically reversed itself all along the line. It (a) saw that rediscount rates were cut; (b) abandoned the system of graduated rates; (c) receded from drastic liquidation of farm products, urging the various reserve banks to be liberal hereafter and not to force on the market commodities for which only ruinous prices could be got. If it had not done these things, the personnel of the board would have dissolved and a new board, responsive to common sense and public opinion, would have sat in its place.*"

You say that you have heard me upon occasion criticize "directors of banks when their sole fault was a failure to find out what was going on in the institution with which they were connected," and you remark, "Consistency demands that you now apply just as stringent a rule to your own conduct in the fall of 1920." I am quite willing to apply such a rule. I had obtained information in regard to mistakes of management and abuses which I endeavored earnestly to correct, but yet there *appeared to be, at times, a studied effort to keep from me information upon matters which my colleagues, or some of them, knew or thought I would not approve.* I invite your attention to the following extract from my letter to Senator OVERMAN of December 2, 1921:

"The people of the country have unfortunately been kept in ignorance of scandalous conditions upon which the light of publicity has now been thrown. While Comptroller of the Currency and member ex officio of the reserve board, I tried earnestly and persistently, as the record clearly shows, to correct evils and to effect reforms as I learned of the necessity for them, but I have reason to believe that there was a studied effort at times to keep from me a knowledge of such things. Referring to certain errors, omissions, and operations in connection with which the New York Reserve Bank had been criticized Governor Strong, of that bank, in testifying before the Agricultural Commission in Washington, on August 9, 1921, *with ostrich-like assurance declared, 'Now, the comptroller (Mr. Williams) did not know anything about these things.'*

"'He was not running the Federal Reserve Bank of New York. And I never discovered anything in his attitude that invited very frank discussion of these matters, and did not consider that it was very much of his business.'" (P. 709, Agricultural Inquiry Hearings.)

You refer to the board's balking the efforts of the Atlanta bank for permission to deal more liberally with member banks. You know, for I have had occasion to inform you on more than one occasion, that I endeavored to persuade the board to give the Reserve Bank of Atlanta permission to deal more fairly with its members, especially in the matters of loans on Government bonds, and you yourself have more than once expressed your appreciation of the assistance which I endeavored to render you.

I should, indeed, be filled with regret if I should imagine that an additional remonstrance from me which would have been effective in preventing the imposition of the cruel and unusual rates inflicted by the Atlanta bank under its progressive rate plan was not given.

But there is no reason to believe that such a request from me at the time you speak of would have been any more effective than those which I had already made so earnestly. As to the attitude of the board in those days, let me remind you of the suggestion quoted by an eminent member of the board at that time with seeming approval, and which was referred to in my speech at Augusta in July last, that "it was better to be unanimous than right," surely a sordid parody on the utterance of the great American statesman who declared that he had "rather be right than President."

Let me say in conclusion that if you knew all of the facts of the case you would probably agree that the then Comptroller of the Currency was a truer friend of the Federal Reserve Bank of Atlanta and of that district than any other member of the board. I not only voted in 1914 as a member of the original organization committee (the other two members being the Secretary of the Treasury and the Secretary of Agriculture) to locate the bank in Atlanta, but I interposed earnestly to check or prevent movements which were started several times for the abolition or removal of the Atlanta Reserve Bank, while the governor of the board, the only other southern man on the board, impressed me as being not only unsympathetic with the Atlanta bank but I might say at times hostile to it.

The official records of the board, if they have not been destroyed, will throw an interesting light on the efforts of certain members of the board to abolish three or four of our reserve banks. I have in my possession an important document bearing on that subject which will make interesting reading for a good many people if it should be made public.

Yours very truly,

JOHN SKELTON WILLIAMS.

—

JUNE 29, 1922.

M. B. WELLBORN, ESQ.,
Governor Federal Reserve Bank of Atlanta.

DEAR GOVERNOR WELLBORN: I have your letter of the 26th[1] instant and I am glad to know that you do appreciate my work at Washington.

I thought it a little strange that you should seem to reproach me for neglect of duty, but I did not permit your taunt to disturb my equanimity, for, in the language of the bard whom you quoted in your letter of the 1st instant, I felt that my position was so impregnable that I could afford to let your criticism "pass me by as the idle wind, which I regard not."

If the Comptroller of the Currency had been negligent of his duties we would hardly have had the record which was shown in 1919 of 8,000 national banks under supervision, with 20,000,000 depositors and twenty billions of resources and not one dollar of loss to any depositor by the failure of a national bank in the entire country for that whole year.

With my best wishes for yourself personally and for the Federal Reserve Bank of Atlanta and our great Federal reserve system as well, I remain,

Sincerely yours,

JOHN SKELTON WILLIAMS.

—

FEDERAL RESERVE BANK OF ATLANTA,
OFFICE OF THE GOVERNOR,
July 3, 1922.

HON. JOHN SKELTON WILLIAMS,
Richmond, Va.

DEAR MR. WILLIAMS: I am in receipt of the pamphlet printed by you and containing in full your reply to my letter of June 1, which was itself not accorded the privilege of publication. Without consulting me on the subject at all you have taken it upon yourself to reproduce garbled extracts from my letter, which procedure I regard as being unfair to me and unethical on your part. In fact, no similar example of a correspondent's taking advantage of another in this fashion has ever come to my notice. Evidently you are reluctant to allow my letter to appear side by side with yours, that an impartial reader might judge between us with full knowledge of the facts of the case and with the arguments for both sides presented for his consideration.

The whole business suggests to me nothing so much as a boxing match supposed to be held between two fair and upright opponents, where immediately after the sound of the gong one boxer strikes the other a foul blow beneath the belt. I believe that your action would be so regarded by any fair-minded referee. I marvel how you can reconcile such tactics with the clear conscience you so continually profess.

Very truly yours,

M. B. WELLBORN, *Governor.*

—

RICHMOND, VA., *July 15, 1922.*

Mr. M. B. WELLBORN,
Governor Federal Reserve Bank of Atlanta.

DEAR SIR: Absence from Richmond prevented an earlier acknowledgment of your letter of July 3, in which you complain bitterly that I should have given publicity to my letter to you of June 10, which, I frankly admit, is a severe and, I believe, an unanswerable indictment of yourself and certain others in the management of our Federal reserve system.

My letter referred to was official and not personal. You apparently regarded it as unanswerable, for after contemplating it for more than a week you wrote me on June 20:

"This is to acknowledge receipt of your letter of June 10. It is my opinion that this communication requires no answer." * * *

You did not in your letter attempt to deny or refute a single charge or statement contained in my letter. But after asserting

[1] The letter here referred to was a letter dated June 26, 1822, from Governor Wellborn, marked "Personal," strongly commending Mr. Williams for his work both as Comptroller of the Currency and member of the Federal Reserve Board, which Mr. Wellborn in a subsequent letter besought Mr. Williams not to make public.

in your reply that during a certain portion of the period of falling prices Federal reserve credits and notes did not decline you offered the suggestion that I probably regretted that I did not pay closer attention to matters in the Federal Reserve Board while I was a member of that body, and after commenting that I ought to have been better posted as to what was taking place in the board you again suggested that the reserve board and not the Atlanta Reserve Bank should be blamed for the monstrous interest rates exacted in your district.

I answered your letter of June 20 on June 24, called your attention to the fact that I had been present at the whole or part of 851 of the 1,283 meetings of the board while I was a member of it, informed you that I had no apologies or regrets whatsoever to offer as far as I was concerned, as no duties had ever been shirked by me as a member of the board or as the Comptroller of the Currency. The records of the comptroller's office, which show that for the year 1919, with 8,000 national banks under my supervision and with over twenty billions of resources, there was not one dollar's loss to any one of the 20,000,000 depositors from a failed bank, do not suggest negligence there.

You acknowledged my letter of June 24 on June 26, 16 days after my letter of June 10 had been written, and you still not only did not challenge or deny a single one of the charges contained in my letter of June 10, to which you now suddenly object, because it has been made public, but you very courteously informed me that you "have never let an opportunity pass to speak highly of your [my] work as comptroller and as a member of the board." And you also declared that you "want you [me] to know that I [you] fully appreciate all the good things you [I] did at Washington."

My letter to you of June 10 was written 23 days before your letter of July 3, in which, for the first time, you claim that it does you an injustice, although you do not show how, and you intimate that it deals you a blow "beneath the belt," which is untrue.

On the first page of my published letter of June 10 I summarized correctly the reply which you made under date of June 1 concerning the flagrant errors contained in your Mobile speech, to which I had called your attention in my letter of May 26. *I challenge you now to point out, specifically, any expressions or statements made by me in the letter you criticize which you claim gives an incorrect interpretation of your statements.*

Among the charges contained in my letter to you of June 10, which you did not deny and can not refute, I remind you of the following:

"In giving widespread circulation, as I am informed you did, to the speech of the Senator above referred to, who had been so gravely misled by some one, you have placed yourself in a serious position. Obviously, the Senator who made that speech had been deceived by unworthy informants—had he been better informed he would not have made such statements—but you had not been deceived. *You knew officially that vital statements in the speech of the Senator referred to were untrue, and yet you gave widespread currency to them.*"

In commenting upon your admission that certain statements in your Mobile speech were inaccurate, I said:

"It seems to me the error is so considerable as to impair very seriously the credibility of any assertions on this subject you may present."

Referring to the exorbitant interest rates exacted by the reserve bank of which you are governor, I said:

"The official records show that you exacted, sir, in the guise of 'interest' from the small country bank referred to, *an average of over 69 per cent per annum on over $50,000*, a rate more than *six times as great as the maximum charged by the government banks of any other civilized country on earth*, during that period, or at any time, as far as I have been able to discover, and you now have the effrontery to boast of the 'sympathetic attitude' of Federal reserve officials toward farmers and other borrowers!

"*I am sure you will not deny these figures. If you do, I shall have to confront you with your own signed confession that you did exact the inhuman interest rates stated by me.*"

You now take exception to my publication of my letter to you of June 10, which was wholly official and which I, having a special knowledge of the facts in the case, addressed to you in the public interest; although it was not published until after I had received your letter acknowledging its receipt and saying that in your opinion it "requires no answer."

You suggest in your letter of July 3 that I am "reluctant" to allow your letter to appear side by side with mine. You are again wrong. This is an important subject and one upon which I think the public ought to be fully posted. Therefore I now inform you that if it meets with your approval I shall be pleased to make public, at once, our entire correspondence on this subject beginning with my letter to you of May 26, including your letters to me of June 1, 20, and July 3, and my letters to you of June 10, 24, 29, and July 15, and your brief personal letter of June 26, as you declared to me in that letter that you "have never let an opportunity pass" to commend my work as Comptroller of the Currency and as a member of the Federal Reserve Board during all those years, up to the present time. That generous assurance of what you sincerely thought and publicly expressed was presumably not a confidential communication.

If you really think an omission to make public your letter of June 1 is unfair to you—although I specifically offered on the first page of my letter as printed to send complete copies of it to anyone desiring it—and you desire the correspondence mentioned to be made public, I shall be pleased to have you telegraph me upon receipt of this letter and I will proceed accordingly.

Yours very truly, JOHN SKELTON WILLIAMS.

FEDERAL RESERVE BANK OF ATLANTA,
OFFICE OF GOVERNOR,
July 17, 1922.

Mr. JOHN SKELTON WILLIAMS,
Richmond, Va.

DEAR SIR: I have your letter of July 15, and must say that I admit few of your statements as true.

You evidently intend this last letter for publication, inasmuch as you quote freely therein from a personal letter of mine to you under date of June 26, a thing which you had absolutely no right to do. This letter was, of course, intended to be regarded as confidential, as I endeavored to indicate by marking it "personal," writing it in my own handwriting, and not signing it officially. This letter was not intended to have any direct connection with the subject matter of our previous official correspondence. The commendation of your services as comptroller and as a member of the Federal Reserve Board referred, of course, to the time previous to the autumn of 1920. Your conduct at that time, and subsequently, I had criticized in my official correspondence with you. I found fault with you for failing to do then what you since have so vociferously reproached the board for failing to do at the same time, while you were a member of that body, in connection with the abolishment of the progressive rates.

I feel that I must, therefore, decline to allow you to publish my personal and confidential letter to you of June 26, or any extracts therefrom. This letter, as I have already pointed out, was written after our official correspondence had already been terminated. Since you have taken the unwarrantable liberty of publishing your entire letter in a pamphlet with only garbled excerpts from mine, I feel that I am justified in making the statement that you acted wrongly in lending yourself to such a one-sided publication. As you have shown yourself to be unfair and unreliable in preparing materials for publication, I can not bring myself to give you authorization for any further activities along this line. The publication of the pamphlet you have already brought out is so palpable a breach of the proprieties and such a gross violation of the ethics I have always understood to apply in such cases, that I must herewith decline to have any further correspondence—personal or official—with you.

Very truly yours,

M. B. WELLBORN.

RICHMOND, VA., *July 22, 1922.*

Mr. M. B. WELLBORN,
Governor Federal Reserve Bank, Atlanta, Ga.

DEAR SIR: On or about May 20, 1922, you made an address before a convention of bankers at Mobile in which, in attempting to defend the mismanagement of the Federal reserve system, you made certain statements which were so far from the truth, as I know it to be, that I wrote you on May 26 directing attention to their incorrectness and asking whether the newspaper which printed your speech had quoted you correctly.

You replied June 1 in a brief letter and admitted that both of your statements to which I had referred were inaccurate, but you then sought to draw attention from your own errors by reverting to the charge I had previously made against your bank for the exaction of inhuman interest rates. You charged that it was the Federal Reserve *Board* which had held you (Atlanta Reserve Bank) "*chained to the rocks to be preyed upon*," and that I, as a member of the reserve board, shared its responsibility. Incidentally let me mention here that the

Federal Reserve Board held *three other* Federal reserve banks in the West and South, as you express it concerning the Atlanta bank, "chained to the rock" of "progressive" rates for *many months after* I had offered resolutions in the board to abolish those unconscionable rates and reduce the maximum to 6 per cent, and when the board refused I asked that they limit them to 10 per cent instead of 20, 30 per cent, or higher, but my resolutions were promptly voted down by the reserve board, although at that very time two big banks in New York City were being favored with $250,000,000 of Federal reserve funds at about 6 per cent.

You also in your letter of June 1 charged that as I had at one time praised the workings of the reserve system, I was estopped from criticizing.

In my reply to you on June 10, written in reply to yours of June 1, I went into the facts of the case in some detail, exposed further errors and delinquencies in the management of the reserve banks, established the correctness of my criticisms, and defied you to deny specifically my charges. I offered to prove by your own written confession the exaction by your bank of extortionate interest rates, running up to as high as 87½ per cent per annum. I then waited for your reply, which you sent under date of June 20.

In your answer of June 20 you did not deny a single one of my charges, but being, it seemed to me, cornered as you were, you declared that you did not think my letter required an answer. You added that you presumed I regretted that when I was a member of the reserve board I had not paid closer attention to preventing or relieving the "economically oppressed," and suggested that I should have kept up more closely with "*the doings of the Federal Reserve Board.*"

I replied to you June 24 that I had no regrets on that score. I reminded you that I had responded to 851 of the 1,283 meetings of the Reserve Board, besides attending to my duties as Comptroller of the Currency, and mentioned that, as the record showed that in the 8,000 national banks under my supervision in the year 1919, with twenty billions of resources, not one of their twenty millions of depositors had lost one penny from a bank failure, I hardly thought anyone could suggest "negligence" there.

To that communication you replied June 26, in a letter marked personal, in which you did not take issue with any statement in my letters of June 10 or June 24. On the contrary, in your letter, after declaring that you wanted me to know how *fully* you appreciated all the good things I had done at Washington, you informed me, in so many words, that you had "*never let an opportunity pass to speak highly*" of my work, *both as Comptroller of the Currency and as a member of the Federal Reserve Board.* You closed the letter with further expressions of confidence and commendation.

If your declaration is true, as I, of course, assume it to be, that you have never let an opportunity pass to commend my work at Washington, there can be no possible impropriety in my quoting your apparently unqualified commendation which you tell me you have so often and so publicly proclaimed up to the time of writing your letter of June 26, 1922. I confess it did not occur to me that you intended to censure and criticize me, directly or indirectly, publicly and officially, while holding your reiteration and assurance of your frequent commendations of me under seal of confidence.

Believing that my letter of June 10 contained facts concerning the management of the reserve system which ought to be made public, and as you had not in your reply been able to deny or question a single charge, I had the letter printed, along with a brief résumé of the preceding correspondence, stating on the first page of the printed letter that I would be pleased to send complete copies of the correspondence to those desiring it. I signed and mailed you the first copy of the letter when printed.

The disastrous and humiliating conditions and evidences of mismanagement set forth in my letter of June 10 you were unable to explain away or deny. You must have realized that my charges were all true when you avoided meeting the question of their accuracy by saying they did not "require" an answer.

But when you see the indictment printed and circulated, you protest loudly that you have been given a blow "below the belt," and claim that I ought to have printed your letter of June 1 along with mine, although I had printed a correct summary of your letter on the outside of the pamphlet and had stated there that I would be pleased to send to anyone desiring them a complete copy of your letter.

After receipt of your letter of July 3, I wrote you, on July 15, that I would gladly make public our entire correspondence on this subject, including your personal letter of June 26, if you would telegraph me on receipt of my letter permitting me to do so. You wrote back, on July 17, refusing to allow me to print your personal letter of June 26, although it contains nothing except your declaration that, up to the time of writing that letter, June 26, 1922, you "*have never let an opportunity pass*" without commending my work both as a member of the reserve board and as Comptroller of the Currency, and further assurances and acknowledgements of a complimentary character to myself. But as an afterthought, you now claim that your commendations, expressed unqualifiedly as late as June 26, 1922, referred only to the first *six and one-half years* of my term of office, and not to the last *six months*, when I had occasion to criticize severely the board's deflation policies, its favoritism, etc.

I think it extremely probable that you *have*, as you had asserted so positively before I printed my letter of June 10, on various occasions commended my work at Washington. I know that you have so declared yourself personally a number of times when you called at the Treasury, and as late as *this spring*, a year *after* I had left Washington, you called at my office in Richmond with Chairman McCord, of the Atlanta Reserve Bank, and again complimented my administration as comptroller, and told me that but for my work there would have been many more bank failures than there have been in the crisis.

In my letter of July 15 I challenged you to deny specifically any one of the statements and charges embraced in this correspondence. You limit yourself in reply to the statement, which impresses me as feeble, that you "admit few of my statements as true," but you deny none of them. It is not necessary for you to "admit" them. They are established, and you can not shake them.

The publication I suggested would comply fully with the desire you have indicated to have the record put verbatim before all who may be interested in the subject. It would meet all the suggestions of unfairness on my part that you have recently presented. Yet in your letter to me of July 17, because I proposed that *nothing* be omitted, you undertake to close the correspondence with flat refusal to accept my offer to do precisely what you complained I have failed to do. You say that my publication of abstracts of and extracts from your letters to me—although you do not question the accuracy of abstracts or extracts—is unfair. When I offer to publish your letters to me in full, along with my letters to you, so that the public may have, as you said it ought to have, "full knowledge of the facts of the case," I am met with the reply that you "decline to allow" such publication.

As I have said many times, my hope in all this correspondence is to try to show that the administrators of the Federal reserve system have done precisely what they should not have done and have reversed exactly the beneficent and wise purposes of the Federal reserve act, making it for a considerable period under their misdirection an instrument of calamity instead of the means of protection and safety it was intended to be. I have been at much pains and have invited and incurred some strong antagonisms in efforts to demonstrate the fearful errors of the board and their unhappy consequences, so that neither this board nor any of its successors may repeat those errors and bring on the country like results. It is the cause of keen regret to me that I have been compelled frequently to turn aside from the main and only issue—the wisdom or unwisdom, propriety or impropriety of the reserve board's policies and management—to meet and repel baseless attacks on my motives and official conduct. These attacks really are apart from the merits of the case. I am compelled to think they were merely the familiar device of assailing the prosecuting witness in absence of evidence for successful defense; therefore it has been made necessary to uphold that witness to prevent any possible weakening of the case made by him.

In the circumstances I can not concede or recognize your right to limit publication of the correspondence between you and myself or to close the correspondence at your will, although, frankly, I have no desire to hear further from you.

Please be advised that I intend to use such proper means as I may elect to have the entire record put before the American public that it may be informed of the wrong that has been done, of the grievous mistakes, in my opinion, reaching the gravity of crimes, that have been made, with the hope that public sentiment may be so aroused to knowledge and vigilance that such wrongs and mistakes shall hereafter be impossible.

Yours very truly,

JOHN SKELTON WILLIAMS.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The PRESIDING OFFICER (Mr. SPENCER in the chair). The Secretary will state the next amendment of the committee.

The next amendment was, on page 143, after line 20, to strike out—

PAR. 1105. Top waste, slubbing waste, roving waste, and ring waste, 25 cents per pound; garnetted waste, 20 cents per pound; noils, carbonized, 20 cents per pound; noils, not carbonized, 16 cents per pound; thread or yarn waste, and all other wool wastes not specially provided for, 14 cents per pound; shoddy and wool extract, 14 cents per pound; mungo, woolen rags, and flocks, 6 cents per pound.

And in lieu thereof to insert—

PAR. 1105. Top waste, slubbing waste, roving waste, and ring waste, 33 cents per pound; garnetted waste, 26 cents per pound; noils, carbonized, 26 cents per pound; noils, not carbonized, 21 cents per pound; thread or yarn waste, and all other wool wastes not specially provided for, 18 cents per pound; shoddy and wool extract, 18 cents per pound; mungo, woolen rags, and flocks, 8 cents per pound. Wastes of the hair of the Angora goat, Cashmere goat, alpaca, and other like animals shall be dutiable at the rates provided for similar types of wool wastes.

Mr. WALSH of Massachusetts. Mr. President, in view of the fact that the rates in this paragraph are based upon the rate of 33 cents upon the clean content of raw wool, I do not feel that I ought to delay the Senate by making any serious objections to these rates. I think they are too high, as I thought the rate of 33 cents was too high; but I understand that the rates on these different wastes have some relationship to their present value in the market and to the duty of 33 cents a pound upon the clean content of wool. Under those circumstances I think it futile for me to take up the time with a long argument upon this paragraph, and I shall be content with simply making the protest and voting against the paragraph.

Mr. WILLIS. Mr. President, I desire to submit an inquiry to the Senator from Utah [Mr. SMOOT]. I have been comparing the rates proposed by the committee with the rates in the act of 1909. Of course, we know that there is a slight increase in the actual rate on the scoured pound of raw wool.

On top waste the duty in the act of 1909 was 30 cents a pound, and here we make it 33. That is all right and is consistent with the slight increase on scoured wool to which I have referred.

Now we come to the next item. In the act of 1909 shoddy is made dutiable at 25 cents a pound. The duty here is proposed to be reduced to 18 cents a pound.

The duty on woolen rags, mungo, and flocks in the act of 1909 is 10 cents a pound, and is here reduced to 8 cents a pound.

We know, of course, that those various commodities—shoddy and mungo and flocks and noils, and carbonized noils, and so forth—are used to some extent to take the place of virgin wool. What is the reason for the action of the committee in reducing the duties on those various wastes?

Mr. SMOOT. I will say to the Senator that the reason of it is because this is a more scientific schedule and the rates are based upon the actual use of the wastes and their value in making the woolen goods in which they are used. It is a very much better provision than that which was contained in the Payne-Aldrich bill.

Mr. WILLIS. The Senator sees the point I am making?

Mr. SMOOT. Yes.

Mr. WILLIS. We are increasing slightly the actual rate on raw wool, and yet we are decreasing—apparently, anyhow, and actually, I presume—the rates on mungo, flocks, wool waste, noils, and these various things that are used by way of adulteration in the manufacture of cloth and to take the place of virgin wool.

Mr. SMOOT. Of course, the duty on mungo and wool rags and flocks at 8 cents a pound is rather a high duty even to-day. For instance, take flocks: Flocks are the shearings that are taken from a piece of cloth. They are not a sixteenth of an inch long, and all they are used for at all in the manufacture of cloth is that where they have a very coarse back goods they take these flocks and put them in the puller and place them between the cloths and pull them into the cloth to make the weight.

Mr. WILLIS. I understand that; they use them for fulling and for finishing.

Mr. SMOOT. Only as fulling, and to increase the weight of the cloth by the flocks going into the woven threads in the cloth.

Mr. WILLIS. That is true of flocks, but that is not true of noils or carbonized noils or mungo or shoddy.

Mr. SMOOT. Oh, no. Of course, I will say to the Senator that top waste, slubbing waste, roving waste, and ring waste at 33 cents a pound are just as good as scoured wool and take the place of scoured wool.

Mr. WILLIS. I understand that.

Mr. SMOOT. If you can get a good ring waste or a good slubbing waste, I prefer it as a manufacturer, as far as I can use it, to a straight clean wool, because everything has been taken out of it and it is the first process of manufacture.

Mr. WILLIS. I think the action of the committee in increasing the rate on top waste and slubbing waste and roving waste to 33 cents a pound is perfectly justifiable for the reason that the Senator has just given, but I am simply inquiring why the rates on these various things to be used as substitutes and adulterants in the manufacture of cloth should be reduced.

In my own view neither the country in general, nor consumers and producers in particular, are benefited by lower rates on mungo, flocks, rags, and carbonized noils, and the possible larger importations of those materials the use of which might lower the quality of cloth manufactured and decrease the percentage of strong, new wool used.

Mr. SIMMONS. Mr. President, I am advised that these rates on wastes, and so forth, have been worked out by the Tariff Commission in conformity with the rates placed upon wool.

Mr. SMOOT. Yes; they have.

Mr. SIMMONS. And they have been found to be on a parity with those rates.

Mr. SMOOT. In the Tariff Summary, on page 960, about the middle of the page, the Tariff Commission gives a description of each of these wastes, and the basis of the rates proposed.

Mr. SIMMONS. Of course, I am opposed to these rates upon the same principle and for the same reasons that I opposed the rates upon wool; but we fought that question out yesterday, and the Senate decided it adversely to our contention, and I see no reason why we should repeat that contest here. We will content ourselves by registering our opposition to these rates, as we had to do in the other case.

Mr. SMOOT. I will assure the Senator that if the rates upon scoured wool were decreased, every one of these rates should be decreased; and they are in proportion to the 33 cents a pound on the scoured wool.

Mr. SIMMONS. That is what I understand.

Mr. WALSH of Massachusetts. Mr. President, the Senator from North Carolina has very correctly stated the attitude of the minority. These rates naturally follow the fixing by the Senate of the duty of 33 cents per pound on the clean content of wool. For comparison's sake, however, I should like to have printed in the RECORD the rates upon these various wastes as fixed in the act of 1913, the act of 1909, the House bill, and the Senate bill. I ask permission to place them in the RECORD; and of course I join with the Senator from North Carolina in protesting against these rates, as I protested against the rate of 33 cents a pound fixed in the bill yesterday.

The PRESIDING OFFICER. Without objection, the matter referred to by the Senator from Massachusetts will be printed in the RECORD.

The matter referred to is as follows:

Wool wastes.

	Act of 1913.	Act of 1909.	House bill.	Senate bill.
		Cts. per lb.	*Cts. per lb.*	*Cts. per lb.*
Top waste, slubbing waste, roving waste..	Free.	30	25	33
Garnetted waste	Free.	30	20	26
Noils, carbonized	Free.	20	20	26
Noils, uncarbonized	Free.	20	16	21
Thread waste and waste n. s. p. f.	Free.	20	14	18
Shoddy—wool extract	Free.	20	14	18
Mungo, woolen rags, and flocks	Free.	10	6	8

The PRESIDING OFFICER. The question is upon agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, on page 144, after line 12, to strike out—

PAR. 1106. Wool which has been advanced in any manner or by any process of manufacture beyond the washed or scoured condition, and not specially provided for, including tops and roving, valued at not more than 40 cents per pound, 16⅔ cents per pound and, in addition thereto, 10 per cent ad valorem; valued at more than 40 cents per pound, 27½ cents per pound and, in addition thereto, 10 per cent ad valorem.

And in lieu thereof to insert—

PAR. 1106. Wool, and hair of the kinds provided for in this schedule, which has been advanced in any manner or by any process of manufacture beyond the washed or scoured condition, including tops, but not further advanced than roving, not specially provided for, 36 cents per pound and 25 per cent ad valorem.

Mr. SMOOT. Mr. President, on behalf of the committee, I desire to substitute 20 per cent instead of 25 per cent, on line 2, page 145.

The PRESIDING OFFICER. The modification will be stated.

The READING CLERK. On page 145, line 2, in lieu of "25" it is proposed to insert "20," so that it will read "20 per cent ad valorem."

Mr. WALSH of Massachusetts. Mr. President, paragraph 1106 covers wool which has advanced beyond the scoured state but not beyond roving. We must now consider, if we are going to fix these rates upon a scientific basis, whether the proposed compensatory rate is just and fair and also whether or not the protective rate is just and fair. The amendment just offered in behalf of the committee is a slight reduction in the rate named by the committee in the printed text.

Mr. SMOOT. Mr. President, will the Senator yield for just a moment?

Mr. WALSH of Massachusetts. In just a minute. Let me say to the Senator of the majority in charge of this schedule that it is not fair to the minority, it is not fair to the country, when a paragraph is reached for consideration to have the representative of the Finance Committee arise and move to change the rate named in the printed bill. The Members of this body upon this side of the aisle have had only the House text and the Senate text to study and consider in the preparation of whatever they desire to say in protest against these rates. These daily changes in your bill are putting you in the position before the people of the country as being unable to determine what is the fair rate to fix in this bill.

Mr. SMOOT. I will say——

Mr. WALSH of Massachusetts. Pardon me; I will yield to the Senator in just a moment. Here we have had before us for months the rates named in the House bill which the Republican majority of the House after long deliberation said were fair, just, and proper.

The Finance Committee had months of discussion and hearings and the majority members of the Finance Committee, after many secret sessions and long deliberations, reported amendments which are printed in the bill before us, and which have remained as the judgment of the committee up to this very hour. To-day, two years after this bill was first introduced and more than three months after the bill was reported by the Finance Committee, another amendment is presented by the committee. We have one rate named by the House; we have another rate named by the Senate Finance Committee when they reported this bill to the Senate; and we have another rate named to-day.

I will say to the Senator from North Carolina [Mr. SIMMONS], in charge of this bill for the minority, that we could do no better service to this country than to keep this bill before the Senate for another year, because every time we fight these rates we frighten the committee into making slight reductions. Frequently when a serious discussion has been entered into upon the rates named in this bill, there has been some slight concessions by the advocates of these high rates. What does it indicate? It means that the committee, if they could get away with it, would make these rates sky-high. It means that the discussion of these questions upon the floor of the Senate and the discussions in the press of the country have compelled the committee which now admits that it has sought to put into this bill exorbitant rates to take a change of position, and submit rates lower than those first presented.

In all my public experience I have never seen a more flagrant confession than we have witnessed in this Chamber during the past few weeks of incompetency, of neglect, of absolute disregard of the caution and care which ought to be taken in the imposition of taxes upon the American people.

Mr. SIMMONS. Mr. President, I suppose the Senator means that the discussions which we have already had upon this bill have brought forth astonishing truths.

Mr. WALSH of Massachusetts. That is the explanation.

Mr. SIMMONS. And if we could have further time for its discussion, and for the enlightenment of the country as to what it signifies, it would bring forth still better fruits.

Mr. WALSH of Massachusetts. There is no doubt about it. The attention which has been called to the high duties levied in the various schedules, and the protests from the American people have at last penetrated—shall I say the hides of the members of the Finance Committee? And they are now being forced by the power of public opinion to say "you are right. The minority is right. The press of the country is right." Protests have been made that these duties are too high, and the majority are beginning to admit it themselves.

How much confidence can the American people repose in a body of their representatives in the United States Senate who repudiate rates fixed by the members of their own party in the other branch of Congress, and after long and extended hearings fix other rates, and then later, not, however, until the whole press of the country and the minority Members of this Chamber spend weeks and months denouncing the high and excessive rates named, they admit that it is all too true, and thereby confessing that they attempted to put through a protective tariff bill with rates they now admit were too high?

I ask the Senator from Utah if his committee has any more amendments to offer to this schedule? If so, that they be submitted now in the interest of expediting the business of the Senate, and in order that we may have the whole record before us, so that when these succeeding paragraphs are reached the Senator in charge on this side will not find himself prepared to discuss one amendment and discover that he is obliged to discuss an entirely different amendment when he gets upon his feet.

Mr. SMOOT. I want to say to the Senator that when the cotton schedule was first taken up the Senator from North Carolina, and I think the Senator from Arkansas, asked me if there were to be any reductions in the wool schedules. I answered at that time that wherever there was a rate of 55 per cent fixed I had no doubt that that would be reduced to 50 per cent. The Senator from North Carolina remarked, "Then it is only a 5 per cent decrease?" I said, "Yes; it is only a 5 per cent decrease, as far as I am aware."

I will say to the Senator from Massachusetts that wherever there is a duty of 55 per cent named in the wool schedule that duty will be reduced to 50 per cent, just as I stated when the cotton schedule was first taken up, and I have stated it once or twice since that time in answering a question put by some one on the other side of the Chamber. I intend to offer all those amendments to-day. Wherever there is a rate of 55 per cent it will be reduced to 50 per cent, so that the highest protective rate in this schedule will be 50 per cent. The compensatory rates are exactly the same, and will be exactly the same throughout the bill, because of the fact that the Senate has already voted 33 cents on scoured wool.

I want to say still further that there is one paragraph, paragraph 1119, providing as follows:

PAR. 1119. Screens, hassocks, and all other articles composed wholly or in part of carpets or rugs, and not specially provided for, 40 per cent ad valorem.

Paragraph 1118 provides:

Ingrain carpets, and ingrain rugs or art squares, of whatever material composed, and carpets and rugs of like character or description, not specially provided for, 30 per cent ad valorem.

In the latter paragraph, covering ingrain carpets, the committee proposes to make the rate 25 per cent instead of 30 per cent, and on screens, hassocks, and so forth, the rate will be reduced from 40 per cent to 30 per cent.

Mr. WALSH of Massachusetts. May I ask the Senator if the reason for the reductions in these rates is because the committee have learned that the danger of foreign competition is not as great as it was a few months ago, when this bill was drafted?

Mr. SMOOT. I was going to answer the statement made by the Senator about the committee when he got through, and perhaps I had better wait until he does get through.

Mr. WALSH of Massachusetts. I think that would be more satisfactory.

Mr. SMOOT. I will make a statement then, for I want the Senator from Massachusetts and other Senators and the country to know why the changes have been made.

Mr. WALSH of Massachusetts. The Senator will agree with me that it is a very unusual procedure for the members of an important committee, such as the Finance Committee, to come upon the floor and, as each paragraph is reached, to say, "We have a modification we wish to make. We want to change that amendment." It is either one of two things—an admission that you were honestly mistaken in the beginning and you want now to correct the mistake or that you were trying to put something over on the American people if it was possible to do so unobserved and undiscovered.

Mr. SMOOT. That is not the case. The committee did not want to put anything over on the country. The committee wanted to fix rates as low as possible under the then existing conditions. I know it is an unusual thing; I admit it. But we are living in an unusual time. Conditions all over the world are unusual, and what Senator more than the senior Senator from New Mexico [Mr. JONES] has called attention to the changed conditions in Germany? It is due to those changed conditions that the changes have been made which have been submitted to this body.

Mr. WALSH of Massachusetts. That is why I think the Senator and the majority members are making a great mistake, in attempting to fix rates in this bill upon conditions which are changing rapidly, which they admit have changed to such extent in the last six months as to already require a readjustment of these rates. If the revision of the tariff were put off for another year, there is no doubt but what the committee would be obliged to make the rates very much lower than they are now; but if the bill goes through with these high rates, and is in operation next year, when the conditions will have changed further, the consumers of America are going to be the sufferers.

Mr. SMOOT. If this bill should pass and if the German mark, from some cause unknown to-day, should advance to 12 cents instead of being worth a quarter of 1 cent, if the moneys of all the countries of the world should be as they were before the war, and if conditions became normal, as they were before the war, I would want some power given to the President to change the rates; and there is a power granted to the President for that purpose, either to increase or decrease the rates. The Senator must have heard me state several times upon the floor that I thought that power would be exercised by the President, if exercised at all, more in the direction of decreasing the rates than in increasing rates. I believe that just as firmly as that I shall live until to-morrow morning.

I will frankly admit to the Senator that if conditions were normal there are rates in the bill which I would not support, which I could not support, because whatever rate I do support I support it because I believe in all my heart that it is right. I have admitted several times upon the floor of the Senate that conditions have changed since the committee reported the bill. Some of the changes in the bill are being made because of that fact coming particularly to the knowledge of the members of the committee.

Mr. WALSH of Massachusetts. Mr. President, I want to assist in the expedition of this bill and this schedule. I want to make an agreement with the Senator that he and I both do everything possible to have this schedule finished by to-morrow night at 6 o'clock.

Mr. SMOOT. I would be glad to have it finished by to-night.

Mr. WALSH of Massachusetts. Also this agreement, that on any of these paragraphs we limit ourselves, except perhaps the paragraphs covering cloth, to half an hour's discussion.

Mr. SMOOT. I am perfectly willing to agree to that.

Mr. WALSH of Massachusetts. Of course, we can not control anyone else; but let us agree that on all paragraphs we limit our discussion to half an hour and on the two cloth paragraphs to a discussion of an hour, and that we will do our utmost to have the wool schedule disposed of by to-morrow night. Is that satisfactory?

Mr. ROBINSON. That would please me immensely; but I suggest to Senators that they might get an agreement for a limitation of debate upon the paragraphs.

Mr. WALSH of Massachusetts. I do not think we could control the time of other Members—the Senator from Wisconsin [Mr. LENROOT] and others.

Mr. SIMMONS. I think that would be inadvisable.

Mr. ROBINSON. I am inclined to think that an agreement could be reached, and I wish Senators would try to get it. I am afraid the suggestion of the Senator from Massachusetts will merely result in the elimination of him and the Senator from Utah from the debate—which I would regard as a calamity from the Democratic standpoint—and the injection into the debate of others who know less about the subject.

Mr. WALSH of Massachusetts. I think in the case of some of these paragraphs very few Senators will speak at length.

Mr. SMOOT. Let us limit the debate just as far as possible.

Mr. WALSH of Massachusetts. Of course, I do not want to have this schedule expedited so fast that the committee will not have a chance to meet and reduce rates in the other schedules. We may get too far ahead of them, and that would be a calamity.

Mr. SMOOT. The committee is ready to go right along with every schedule.

Mr. SIMMONS. I think it is very well that the Senator from Utah and the Senator from Massachusetts, who are managing the schedule, respectively, for the majority and the minority members of the committee, should have this understanding. Both Senators have doubtless very thoroughly studied the schedule and digested in their minds what they intend to say; and they have reached the conclusion that they can say what they desire within the limitation mentioned. I have knowledge of some Senators who desire to discuss certain paragraphs, not many of them, probably a little more extensively than either the Senator from Utah or the Senator from Massachusetts will discuss them. I regard this as one of the most, if not the most, important of the schedules in the bill. I regard the compensatory rates imposed in the schedule as utterly unreasonable. I should not like to have a limitation placed upon the discussion of the more important paragraphs, especially those which relate to yarn and to cloth.

Mr. WALSH of Massachusetts. I had in mind what the Senator said and, therefore, was only limiting the discussion as to the Senator from Utah and myself.

Mr. SMOOT. Mr. President, we need not take any more time in discussing the limitation, but I will say to the Senator that I shall do everything in my power to hasten the consideration of the schedule. I am very glad to have the Senator from Massachusetts say that he will do the same. I have no desire whatever to cut the debate short if anyone desires to ask questions or discuss the matter. I think I can prove beyond question of doubt, even to the Senator from North Carolina, that the compensatory duties here are justified if we have 33 cents per pound on the scoured content of wool.

Mr. SIMMONS. Both are bad, in my judgment. Of course in the judgment of the Senator from Utah they are not bad.

Mr. SMOOT. I am speaking of the compensatory duties if we have 33 cents on scoured wool. Then the compensatory duties are upon the basis that even the Tariff Commission have said they should be.

Mr. SIMMONS. I do not agree with the Senator from Utah about the compensatory rates. I think we shall be able to show that the compensatory rates are altogether out of plumb.

Mr. WALSH of Massachusetts. Mr. President, as I stated a few moments ago, there are two questions to be considered in connection with this paragraph. First, is the compensatory duty a fair duty, and can it be justified in view of the rate of 33 cents a pound upon clean wool? The second question is whether the protective duty is fair.

How are we going to determine whether the proposed duties are fair? There are various ways of doing it. First of all, we can compare the rates named in the bill with the rates named in previous laws—the Underwood law and the Payne-Aldrich law. When we come to consider the question of protective duties we can consider what information is obtainable in reference to the difference in the cost of conversion here and abroad. Mr. President, let us first make a comparison with the House bill.

Mr. President, so far as concerns the compensatory duty on tops, the Senate amendment makes no important change in the House text. To be sure, the 36 cents per pound in the Senate amendment is higher than the 27½ cents per pound in the main bracket of the House text, but this is due to the increase of the duty on raw wool in the Senate bill. In other words, the compensatory duty in the Senate bill bears the same relation to the duty on wool in the Senate bill as the compensatory duty in the House bill bears to the duty on raw wool in the House bill.

The abandonment in the Senate amendment of the valuation bracket for tops valued at not more than 40 cents per pound constitutes no essential change, inasmuch as few, if any, tops would have such a low value.

As regards the protective ad valorem duty, while it is difficult to make a comparison because of American valuation in the House bill and foreign valuation in the Senate bill, it seems highly probable that the duty of 20 per cent foreign valuation in the Senate bill constitutes a substantial increase over the duty of 10 per cent American valuation in the House bill.

Mr. SIMMONS. Mr. President, I wish to suggest this thought to the Senator: The compensatory rates are the same with reference to all classes of wool. On the item under discussion it is 36 cents a pound. On clothing it runs up as high as 49 cents a pound of the wool content. There is a very great difference in the value of wool. The compensatory rate is supposed to be given to measure the value of the raw wool that is used. Some wools sell for as low as 20 cents a pound and some for as much as $1.32 per pound.

Mr. WALSH of Massachusetts. Of course, tops are all wool.

Mr. SIMMONS. Yet the same compensatory rate is given on the wool that sells for 20 cents a pound that is given on a pound of wool that sells for $1.32.

Mr. WALSH of Massachusetts. But we voted yesterday to put the same tariff duty on cheap wool as high-priced wool, 33 cents per pound, so that the high compensatory duty is due to fixing the rate on raw wool at 33 cents.

Mr. SIMMONS. That is what I was saying. I was not saying that this is out of touch with the rates which have been made on wool, but that the fundamental, the primary, the basic

rate on wool is absolutely wrong. The rate given on the wool content is 33 cents per pound. If we carry that forward as a compensatory duty and allow 33 cents to the manufacturer on the wool that is used the paragraph makes no distinction between the characters of wool, and any wool entitles him to the same compensatory duty. If we carry that forward and give the manufacturer the benefit of it, he gets as much benefit by way of protection where the wool has cost him only 20 cents a pound as he gets where the wool has cost him $1.32 a pound. I was speaking about the fundamental basis of the whole proposition.

Mr. WALSH of Massachusetts. There is no difference between the Senator and myself on that matter, and that is the reason why many believe a specific duty on wool is wrong; that it should be ad valorem.

Mr. SIMMONS. I am not comparing the two paragraphs at all. I think the Senator is right about the two paragraphs. Probably if the first paragraph which we adopted, which fixes the rate of duty upon raw wool, is to stand, then the compensatory rate on this particular item might have to follow that rate; but I am talking about when it gets into the yarns and cloths.

Mr. WALSH of Massachusetts. I am very glad the Senator made the explanation, because I thought at first that we were apart upon the matter of compensatory duty. I agree with him that the rate of 33 cents a pound is not justifiable. It is excessive; it is even discriminatory. It applies alike to the cheap wools and to the fine wools. It will result in giving compensatory duties of very high amounts to the various manufacturers of wool, regardless of the quality and value of the wool.

Mr. SIMMONS. It will give 33 cents protection to the manufacturer who uses 28 cents per pound wool. It will give only 33 cents protection to the manufacturer who uses the $1.32 per pound wool.

Mr. WALSH of Massachusetts. In this connection it might be interesting, and I am sure the Senator from North Carolina will be interested in this, to translate the duties proposed in this paragraph into ad valorem terms and compare these ad valorem rates with the ad valorem rates in the Payne-Aldrich law, in the text of the House bill, and as proposed by the committee amendment. What do we find?

Tops which are valued, foreign valuation, at 15 cents, carried, under the Payne-Aldrich law, an ad valorem duty of 188 per cent; under the rates fixed in the House text the ad valorem equivalent would be 138 per cent; and under the proposed rates in the Senate committee amendment 265 per cent. Tops valued on a foreign valuation at 17.5 cents carried an ad valorem rate under the Payne-Aldrich law of 171 per cent; under the House bill they carry a rate of 189 per cent; and under the Senate committee bill of 231 per cent.

Mr. SMOOT. Will the Senator also state that the rates of duty of which he is speaking are based on the prices in 1909 and not on to-day's prices?

Mr. WALSH of Massachusetts. They are based on recent prices, and the percentages cover the specific and ad valorem rates in the Payne-Aldrich law and in the House bill and in the Senate committee bill.

Mr. SMOOT. Does the Senator find that tops are priced to-day at the figures of which he is speaking?

Mr. WALSH of Massachusetts. No, sir.

Mr. SMOOT. That makes a great difference.

Mr. WALSH of Massachusetts. The Senator from Utah has not allowed me to finish. I am proceeding with the cheapest tops at 15 cents and going up to $1. The prices of tops vary from 15 cents to $1.50. The table works out correctly regardless of the date of the prices.

Mr. SMOOT. That makes all the difference in the world.

Mr. WALSH of Massachusetts. In America the prices vary from 25 cents to $1.50. This table begins on tops which are valued at 15 cents and goes to tops which are valued at $1.

Mr. SMOOT. What I wanted to say was this——

Mr. WALSH of Massachusetts. The same relationship exists even if the foreign price is lower or higher than the time these prices were prevailing.

Mr. SMOOT. If the same prices existed to-day as existed in 1910, the Senator's figures would be applicable. That is all I wanted to say.

Mr. WALSH of Massachusetts. Let us, regardless of dates, take tops valued at 80 cents. Under the Payne-Aldrich law the ad valorem rate would be 76 per cent; under the House bill, 51 per cent; and under the Senate committee bill it is 70 per cent. On tops valued at 50 cents the rate would be 103 per cent under the Payne-Aldrich law, 74 per cent under the House bill, and 97 per cent under the Senate committee bill. On tops valued at $1 the ad valorem rate under the Payne-Aldrich law would be 67 per cent, under the House bill 43 per cent, and under the Senate committee bill 61 per cent. I have called attention to these percentages to indicate how close the total protection afforded to the manufacturer of tops by the pending bill is to protection afforded by the high duties of the Payne-Aldrich law, and how much greater duties are granted under the bill as reported by the committee than under the duties levied in the House bill.

Mr. SMOOT. I desire to say to the Senator from Massachusetts that under the Payne-Aldrich law not only did the manufacturers have that 67 per cent duty on the price of the wool, to which the Senator has referred, but they had it on the basis of 33 cents on the scoured content; and as they bought the wool in the grease it did not cost them 22 cents, the average being 18 cents a pound. So they made 67 per cent and the difference between 18 cents on the scoured content and 33 cents. That is what the manufacturers had in 1910.

Mr. WALSH of Massachusetts. The Senator from Utah had better be a little careful about how he denounces the Payne-Aldrich rates, because before we get through with this schedule I expect to show that the rates in this bill parallel them; and, despite the fact that the Payne-Aldrich rates are as bad as the Senator from Utah says they are, he is practically going to adopt those rates in this bill.

Mr. SMOOT. Not in the least.

Mr. WALSH of Massachusetts. To be sure, the manufacturer may not get quite as much protection, because these compensatory rates are fixed upon a duty of 33 cents per pound on raw wool, while the Payne-Aldrich compensatory rates were fixed upon the duty of 11 cents upon wool in the grease; yet the total duties, compensatory and protective, levied in the various paragraphs of this schedule approach the total duties levied in the Payne-Aldrich law.

Mr. SMOOT. But the difference between 18 cents and 33 cents is given to the woolgrower and not to the manufacturer. What the Senator states, however, is true, so far as the rate is concerned.

Mr. WALSH of Massachusetts. It is given to the woolgrower and not to the manufacturer; the Senator from Utah is, in part, right about that, the manufacturer will not get as much; but the Senator must admit that the consumer is going to be taxed just as much.

Mr. SMOOT. Not as much.

Mr. WALSH of Massachusetts. The Senator from Utah has succeeded in his endeavor to shift a little bit of the protection which the manufacturer has been getting to the woolgrower.

Mr. SMOOT. A little!

Mr. WALSH of Massachusetts. Well, considerable, if the Senator insists.

Mr. SMOOT. I should say it was.

Mr. WALSH of Massachusetts. But the result to the consumer is that he is up against the Payne-Aldrich law again, with all its high duties and high rates. I think the Senator from Utah will agree to that.

Mr. SMOOT. Outside of whatever rates have been decreased, of course, I agree to that; there is no doubt about it; but, I will say, compensatory rates in some cases have been decreased, notwithstanding the rate of 33 cents on scoured wool. I want to say further to the Senator that the compensatory duties provided for the manufacturer are absolutely necessary because of the duty of 33 cents a pound on scoured wool; and the Senate has decided that the rate of 33 cents shall be provided by a vote of 38 to 16.

Mr. WALSH of Massachusetts. I agree with the Senator as to that.

Mr. SMOOT. So that there is no need of going back to that at all. Whatever increase there is in the wool rates is given to the farmer; there can be no question as to that. The manufacturer does not get anything at all out of the wool shrinkage under this bill, as I have before stated.

Mr. WALSH of Massachusetts. In other words, it is proposed to reenact the Payne-Aldrich wool schedule with this addition: Instead of so much hidden, concealed, and stolen protection being given to the manufacturers, as was given to them in the Payne-Aldrich law, some of it has been passed over to the sheep raisers.

Mr. SMOOT. All of it has been passed over to the farmer who raises the wool.

Mr. WALSH of Massachusetts. But there is still a heavy duty for the benefit of the manufacturers.

Mr. SMOOT. I thought the Senator was speaking of the compensatory duties.

Mr. WALSH of Massachusetts. I am speaking of both protective and compensatory duties.

Mr. SMOOT. The protective duties are lower in this bill than they were in the Payne-Aldrich law. For instance, on tops the rate in the Payne-Aldrich law was 30 per cent, while in this bill it is 20 per cent. Then, I notified the Senate two weeks ago, and also to-day, that there will not be a protective rate in this bill on cloths above the 50 per cent, while in the Payne-Aldrich law the rates were 55 per cent.

Mr. WALSH of Massachusetts. Fifty per cent is high enough.

Mr. SMOOT. That is what the manufacturers get, and that is all. From now on, I will say to the Senator, about the only question there is to discuss is as to the protective rates in this bill which are given to the manufacturer, and they run, as the Senator will notice, all the way from 20 per cent up to 50 per cent, according to the stage of manufacture.

Mr. WALSH of Massachusetts. What I desire to call attention to from the table from which I have quoted is that the total levy upon the American consumer who buys tops is substantially the same as in the Payne-Aldrich law, in some instances being higher, but higher always in the case of cheap tops that go into the manufacture of cheap clothing, and, in other cases, lower, but always lower in the case of the finer wool tops, and, consequently, that the combined duties, the compensatory and protective duties, on tops in this bill are very much heavier than in the House bill.

I now desire to ask this question: What facts did the Senate Finance Committee possess which the House committee did not possess? The House committee sat in the midst of the industrial depression; they were deliberating during the first six months of 1921 and the latter months of 1920, when there was the most serious financial and industrial condition in this country; they had presented to them the gloomiest and the worst industrial condition this country has probably ever faced; and yet, after all their deliberations, they reported duties upon tops which are very much lower than the rates reported by the Senate committee. Months have now passed and the industrial situation has improved; the threat of cheap foreign competition has subsided, and yet the Senate committee report in favor of protective duties much higher than those provided by the Republican Members of the House who drafted the corresponding paragraph in the House bill. What are the facts? What information came to the Senator from Utah—and he may answer me now or later in his own time——

Mr. SMOOT. I can answer in a very few moments——

Mr. WALSH of Massachusetts. What information came to the committee that made them say, "The House is all wrong; their rates are too low; they have not given sufficient protection to the manufacturers of tops. We propose to give them the higher rates which we have provided in the committee amendment."

Mr. SMOOT. The answer is a very simple one, in my opinion. The House provided a duty on scoured wool of 25 cents, while the Senate committee has reported a duty of 33 cents.

Mr. WALSH of Massachusetts. I am speaking about the combined duties.

Mr. SMOOT. If the Senator will wait I will consider both duties. The Senator himself says that a rate of 36 cents is justified if we have a duty of 33 cents on scoured wool, and he is correct in that.

Mr. WALSH of Massachusetts. Yes, sir.

Mr. SMOOT. There is no doubt about that. So that does away with a great deal of the increase to which the Senator refers. There is another fact which should be taken into consideration. In the House bill the protective duty is 10 per cent on the American valuation. In the case of tops, for instance, the price of 40s to-day in the United States is 55 cents, while in England it is 25 cents. Upon that basis alone the rate of 20 per cent in the Senate bill is more than justified. The prices I have indicated are those of July 15 of this year.

Mr. WALSH of Massachusetts. Right there let me say that I dispute the difference the Senator finds between the price of tops here and abroad. I will proceed, however, and call attention to that later.

Mr. SMOOT. I say that on July 15, 1922, wool tops, 40s, were 55 cents in America, while the English price was 25 cents, and the landing price was 31 cents; that is, allowing 3 cents a pound for landing charges, freight, marine insurance, and so forth, and 10 per cent to cover the expenses and profit of the importer. The price of 31 cents a pound includes all of those items, although the foreign price as quoted on the London market was 25 cents. Therefore, Mr. President, the Senate committee provided a rate on the basis of 36 cents, because on the clean content of the wool we provide a rate of 33 cents. No one can say that is not right. The House provided 10 per cent upon the foreign valuation of the tops, which, as I have said, on July 15, 1922, in the case of 40s, was 25 cents, while the American price was 55 cents.

Mr. WALSH of Massachusetts. It amounts, then, to this: That the price of tops when the House drafted this bill was different from the price at the present time; that the spread between the foreign price and the domestic price was less when the House drafted this bill than it is now. That is the Senator's position, is it not?

Mr. SMOOT. No; that is not what I stated. I said that they did not take the question of what the foreign price was into consideration at all. They simply considered the American valuation of tops and put a duty of 10 per cent upon the American valuation.

Mr. WALSH of Massachusetts. But the ad valorem duty they imposed upon the American valuation was a protective duty?

Mr. SMOOT. It was a protective duty, and the 20 per cent rate upon the foreign valuation as reported by the Senate committee is a protective duty. Twenty per cent upon the foreign valuation of 25 cents would amount to 5 cents, while the 10 per cent rate upon the American valuation of 55 cents would amount to 5½ cents; in other words, there is a reduction under the Senate committee amendment.

Mr. WALSH of Massachusetts. In order to determine what was a fair protective duty on the American valuation you must know the foreign valuation of tops.

Mr. SMOOT. No. They had to give on the American valuation the equivalent production for transforming the wool into tops, and they considered that 10 per cent upon the American valuation of tops was absolutely necessary. We changed the basis to the foreign valuation, and 20 per cent of 25 cents is 5 cents, while 10 per cent upon the 55 cents is 5½ cents. So that 20 per cent is even less than the 10 per cent rate in the House bill.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. I yield to the Senator from Wisconsin.

Mr. LENROOT. I should like to ask on what price of wool the committee figured the London price of scoured wool?

Mr. SMOOT. On 40s.

Mr. LENROOT. No; I said, on what price of scoured wools, at the same time that the committee estimated the foreign price of tops?

Mr. SMOOT. I should think that would be perhaps about 20-cent wool, clean content, because it costs 5 cents to make it into tops, with a loss.

Mr. LENROOT. Scoured wool?

Mr. SMOOT. Oh, no; I am speaking now of 40s, of tops. That is coarse wool. It would be at least 20 cents; or, in other words, quarters and lower are used to make 40 tops, and that was the figure that the Senator had spoken of before I took the floor.

Mr. WALSH of Massachusetts. Mr. President, I am going to proceed to discuss the protective rates in this paragraph. Before doing that, however, I should like to yield to the Senator from Arkansas [Mr. ROBINSON], provided, of course, that I can still retain the floor.

Mr. ROBINSON. Mr. President, yesterday while the present schedule was under consideration the Senator from North Dakota [Mr. MCCUMBER], chairman of the Committee on Finance, made a statement, the accuracy of which was later challenged on the floor of the Senate. The statement by the Senator from North Dakota was substantially as it appears in this morning's RECORD at page 10656. He said:

> I probably could call attention to some other things which defeated Taft, but I will state one thing that the Republicans did in 1909 which was their undoing. They refused to put print paper upon the free list; that was the real crime. Every great newspaper in the United States was in favor of free print paper, and through their organization and the president of the Publishers' Association they put this matter straight up to the committee. It is no secret. They said in substance: "Give us free print paper and we will support the administration; refuse to give it, and we will destroy you, if we can." Well, we took our chances—there were not very many cowards on the Republican side in those days—and we refused to give them free print paper, and suffered defeat more for this cause than for any other. We stood for principle, and to the extent that this refusal assisted in our undoing we died for principle. That is the real thing that was back of the defeat of the Republican Party in 1912. That was the one thing that brought the great press of the country against him.

Mr. President, believing that this declaration, coming from the source that it did, justified serious consideration, I called upon the Senator from North Dakota and other Senators who might possess information respecting the subject to furnish details, and to inform the Senate who constituted the committee representing the Newspaper Publishers' Association, and what individuals were chargeable with responsibility for the threat

and the conduct set forth in the statement made by the Senator from North Dakota. The Senator from Utah [Mr. SMOOT] subsequently said that one John I. Norris, the accredited representative of the Newspaper Publishers' Association, had stated to members of the Finance Committee that there could be no compromise on the question as to whether print paper should be placed upon the free list; that if the Finance Committee refused to put it on the free list the Republican Party would be driven from power.

The Senator from Indiana [Mr. WATSON] took the floor and made a statement attributing to Mr. Herman Ridder a direct threat to the former Speaker of the House of Representatives, Mr. CANNON, that unless print paper were put upon the free list Mr. CANNON would be politically destroyed.

The Senator from Indiana [Mr. WATSON] during the course of his remarks detailed an incident which he said occurred between Mr. Herman Ridder and the former Speaker, Mr. CANNON, in which Mr. Ridder is alleged to have made a corrupt proposal to Mr. CANNON, and to have offered him the support of the newspapers of the United States for President if he would permit a joint resolution placing print paper upon the free list to be called up for consideration in the House of Representatives. The Senator from Indiana declared that the then Speaker, Mr. CANNON, had indignantly refused to grant the request of Mr. Ridder, and had defied Mr. Ridder. He further said that a colored messenger was called and informed that Mr. Ridder was not to be permitted to enter the Speaker's private room again, and that the messenger was instructed to throw him out if he attempted to do so.

Both Mr. Norris, referred to by the Senator from Utah, and Mr. Herman Ridder, mentioned by the Senator from Indiana, are dead. It is a remarkable coincidence that the charge of attempts to corrupt the Finance Committee should be laid against two individuals both of whom are dead.

Mr. CARAWAY. Mr. President, I should not like to interrupt a serious argument, but was either one of these conversations a telephonic conversation?

Mr. ROBINSON. The statement of the Senator from Utah is that Mr. Norris's threat or prediction was made, as I understand, to him and the then Senator from Rhode Island, Mr. Aldrich, they constituting the subcommittee. There was no telephone used in that instance. The statement of the Senator from Indiana respecting the alleged activities of Mr. Herman Ridder was that Mr. Ridder had threatened the Speaker of the House of Representatives in his presence and in the presence of other Representatives if he did not yield to the demand that the joint resolution putting newsprint paper on the free list be considered by the House of Representatives.

Mr. CARAWAY. As I recall, the Senator from Indiana was in favor of surrendering, was he not?

Mr. ROBINSON. Oh, the Senator from Indiana stated that while he thought the Speaker was morally right, he was diplomatically and politically wrong, and that he appealed to the Speaker in every way that he could devise to yield to the demand of Mr. Ridder and permit the joint resolution to be considered by the House of Representatives.

In this morning's New York Times is contained a statement by Mr. Don C. Seitz, business manager of the New York World, who was on the paper committee of the American Newspaper Publishers' Association with Messrs. John I. Norris and Herman Ridder in 1909. In this statement Mr. Seitz uses language which, under the rules of the Senate, can not properly be incorporated in the RECORD. A portion of his statement, however, relates to the accuracy of the memories of the Senator from Utah and the Senator from Indiana. It is as follows:

It is my impression that Mr. Taft was defeated by Theodore Roosevelt and not by the newspapers—

Said Mr. Seitz.

As a matter of fact, most of the newspapers were for Mr. Taft. The newspapers had no grievance, and, far from having been turned down by the Senate, had reached a very satisfactory arrangement.

Nothing of the kind described by Senator MCCUMBER ever happened. The paper tariff discussions began way back in Roosevelt's time, when John Hay was Secretary of State and was trying to get 21 reciprocity treaties with other countries signed by the Senate. He said at the time that it was impossible to get anything with common sense and honesty back of it through the United States Senate. I remember his words very well.

There had been a Canadian joint high commission which dealt with such subjects as we wished to discuss, and we went to Mr. Hay to see if he could not revive the commission. It was then that he told us how his treaties had been killed by logrolling in the Senate.

We never used threats, but we finally made a decent arrangement by which wood pulp was let into the country free if its price did not go higher than 2 cents a pound. Later that figure was revised upward—I have forgotten the exact figures. But it was not necessary to mix in politics to get that done, and the American Newspaper Publishers' Association never did mix in politics.

The article continues:

The remarks of Senator WATSON with regard to Herman Ridder's talk with "Uncle JOE" CANNON were read to Mr. Seitz, who indignantly repudiated them.

"I don't believe Ridder ever said anything of the kind," he exclaimed. "I was with him on both his visits to CANNON, and I did not hear him saying anything like that. The American Newspaper Publishers' Association never did anything of the kind. We didn't have to threaten. We were getting what we wanted by a perfectly decent arrangement, satisfactory to everyone concerned, and there was no need for threats. The entire statement is ridiculous."

Mr. President, in view of the fact that both Mr. Norris and Mr. Ridder are dead, I have felt it not improper to submit the statement of Mr. Seitz to the Senate, inasmuch as he was a member of the committee, and claims to have been present when the conversations between Mr. Ridder and ex-Speaker CANNON occurred. There can be no doubt that the newspapers of the country, as a rule, favored the placing of newsprint paper on the free list then, as they do now. I do not believe the charge made by the Senator from North Dakota, that the accredited representatives of the newspaper publishers of America deliberately and intentionally sought to intimidate the Finance Committee, by threats of destroying the Republican Party, into placing newsprint paper on the free list. I do not believe that the statement made by the Senator from North Dakota that, as a result of the failure of the Finance Committee to yield to the demands for free print paper, the newspapers of the country unitedly and concertedly turned against the Republican administration and wrecked it can be sustained. I do not believe the press of America, the reputable newspaper men of this country, would indulge in practices of that nature.

The reasons for the defeat of Mr. Taft were numerous. They are now generally understood. In the course of his administration he had alienated the political friendship of the one public man, Mr. Roosevelt, who, more than any other, and more than all others, was responsible for the prominence of Mr. Taft in politics.

Mr. CARAWAY. If I may interrupt the Senator, I did not know Mr. Taft was defeated; I thought he went out by unanimous consent.

Mr. ROBINSON. Mr. Taft's defeat for a second election was the most overwhelming and humiliating known to American political history, and it could not have been due to any other cause than the fact that the members of his own party repudiated the course taken by him in public office.

For a long time it has been customary to make politics of the reputations of men in public life. For a long time it has been customary to seek to discredit great agencies which are influential in American public life. This should not be carelessly indulged in, for it endangers our institutions. If the newspapers in this country committed the acts attributed to them by the Senators from North Dakota, Utah, and Indiana, they were hopelessly corrupt and deserved censure. The facts stated by Mr. Seitz show that there was no necessity for making a proposition such as the Senator from North Dakota claims was made by Mr. Norris and others to the Committee on Finance, and I am unwilling to accept the evidence submitted as convincing proof of the very serious charges against the newspaper publishers of America.

If Mr. Norris had taken the course attributed to him, it could not be chargeable to the press of America. Does anyone believe that the newspaper men of this country are so abandoned or were so abandoned as knowingly to permit their representative in Washington to say, "If you will give us free print paper we will support the present administration and we will support Mr. Taft in the coming election, but if you refuse to do that we will wreck the administration without regard to other questions vitally affecting the public interest"?

This is an important issue. The testimony brought to sustain this wholesale charge of corruption on the part of the press of this country is alleged to be based on threats from lips which have long been sealed. The statement of a surviving member of the committee of the Newspaper Publishers' Association is that no such incident occurred. I leave the matter to the judgment of the Senate and the country.

Mr. MCCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from North Dakota?

Mr. WALSH of Massachusetts. I yield to the Senator.

Mr. MCCUMBER. The Senator from Arkansas says that he does not believe the statements made by the Senator from Utah or the Senator from Indiana or the Senator from North Dakota are sustained. They all agree upon the facts. The Senator can do as he likes about believing. If it is his desire to believe the writer of that article as against the three Senators, of course, he has the privilege of doing so. It does not change the facts one iota.

I mentioned no names. The Senator from Massachusetts, whom I was answering, had stated that the defeat of the Republican Party in 1912 was due to the action of the Congress in passing Schedule K—the wool schedule. I denied that. I still deny it. In the course of that discussion I stated one thing which had a great deal more influence in bringing about an ill feeling against the then Republican administration and the President of the United States, and which was partially, at least, a cause for the resulting division of the Republican Party in 1912.

I have never claimed that the threats made by the papers or their representatives were the sole cause of that defeat. I have stated again and again that the sole cause was that we had two Republican candidates, which divided the vote, and allowed a minority vote to elect a President of the United States. Both of those things had their influence in bringing about that division in the party.

Mr. ROBINSON. Mr. President——

Mr. McCUMBER. Just a moment. Possibly if there had been no assault upon President Taft—and we all know the assault continued viciously for a year—Mr. Roosevelt would not have been a candidate at all, and we would have had but a single candidate. So, whatever may have been the precise language which I used yesterday, my intention was to convey that thought, and we must have the entire statement which I made in order to determine what thought I intended to convey.

Mr. ROBINSON. Will the Senator yield for a brief statement?

Mr. McCUMBER. I yield.

Mr. ROBINSON. In this connection——

Mr. McCUMBER. The Senator read correctly what I stated.

Mr. ROBINSON. The Senator does not dispute making the declaration which I read?

Mr. McCUMBER. No; I do not.

Mr. ROBINSON. It is in the CONGRESSIONAL RECORD as a part of the Senator's remarks.

Mr. McCUMBER. We must take that in connection with other declarations which I made. The Senator did not read the other declarations, and, of course, they must all come in together in conveying the idea.

Mr. President, it was the poison created by the assault upon President Taft which, in my opinion at least, brought about the division in the party. I do not say it was that alone, because I gave other reasons. I stated that President Taft incurred the hostility of a great many Republicans of the North, and possibly I might say the entire agricultural section of the North, because of his espousal of Canadian reciprocity. That, I think, had a more direct bearing upon the feeling engendered against him, which resulted in his defeat. I am candidly of the opinion, however, that if we had had but one Republican candidate, either Taft or Roosevelt, there would have been no Wilson administration. But that is mere conjecture.

The whole question which was raised, and which I sought to answer, was this: A Senator upon the other side attributed the defeat of the Republican Party to the ill feeling engendered throughout the country by the enactment of Schedule K, the wool schedule, in the Payne-Aldrich bill. I took issue with that, and stated that that which had infinitely more influence than the wool schedule was the refusal of the Republican Party to place print paper upon the free list. Those statements have been made and reiterated time and again.

I was a member of the Committee on Finance at that time, as I have stated. I heard all the testimony given in regard to the matter. Mr. Ridder was diplomatic in his presentation of the matter before the committee. He departed very far from diplomacy, however, when he discussed the matter privately with a few Senators, and he used the language which I have stated and which I restated many times after the utterance was made. That statement was made to but a few Senators who happened to be present at a committee meeting in the committee room of the Finance Committee.

I think the Senator from Indiana [Mr. WATSON] can generally be regarded as a truthful man. I do not think he has made up a wild story, with no foundation of truth. The Senator from Arkansas may carry that belief if he sees fit, but anyone who knows the Senator from Indiana will believe him. That remark is true also of the statements made by the Senator from Utah [Mr. SMOOT]. If the Senator from Arkansas wants to investigate the subject, there is one man still living who was a party to the conversation, and the Senator can get his information from Uncle JOE CANNON. After he has gotten it he may come into the Senate and say that JOE CANNON is mistaken; that no such thing ever happened; but I do not think he would.

The PRESIDING OFFICER. The question is upon agreeing to the committee amendment as modified.

Mr. WALSH of Massachusetts. Mr. President, I want to discuss now the protective rates proposed by the Senate committee. I want to call attention to the protective rates in former laws, and I want to call attention to the fact that there have been no importations of tops, even under former laws, in which the protective rate was very much lower than this rate.

COMPARISON OF DUTY ON TOPS IN SENATE BILL WITH THAT IN PRESENT AND PREVIOUS LAWS.

Mr. President, the emergency tariff law imposes a duty of 45 cents per pound upon all manufactures of wool of the kind commonly known as clothing wool in addition to the rates already existing under the Underwood law. This applies not only to semimanufactured products, like tops and yarns, but also to finished products, like cloths and articles made therefrom. This 45 cents duty is intended to compensate for the duty imposed upon raw wool in the emergency law.

The duty now assessed upon tops is therefore 45 cents per pound plus 8 per cent, the latter being the rate previously in existence in the Underwood law. The effect of this duty upon tops has been particularly striking. It has amounted to practically a prohibition of imports. Under normal conditions the importation of tops has never been large, because of the very high rate of duty to which they have been subjected under protective tariff laws. Nor was the importation large under the Underwood law, when the rate was only 8 per cent—at least not until the winter and spring of 1921. At that time, owing to the large stocks of tops on hand in Great Britain and available for liquidation, and in anticipation of the enactment by the United States of a high emergency tariff duty upon raw wool, there was a striking increase in the imports of tops into this country.

Thus in March imports amounted to 4,102,208 pounds; in April, 4,805,558 pounds; and in May, 2,137,131 pounds. From this point they dropped, with the enactment of the emergency law, to 264,635 pounds in June, 271,922 pounds in July, and thereafter to only a few thousand pounds each month. During the calendar year 1921 approximately 15,000,000 pounds of tops were imported, but practically all of these came in before the enactment of the emergency law. The statistics plainly indicate that so far as concerns tops the emergency law has been practically prohibitive. This is logical enough when one stops to consider that the compensatory duty alone upon this product, which is only one step removed from the raw material, is 45 cents per pound.

The Underwood law imposes a duty of 8 per cent upon wool tops and 20 per cent upon tops made from the hair of the Angora goat, alpaca, and other like animals. These latter do not, however, enter largely into commerce, and for purposes of comparison with the present bill we may confine our attention to the duty of 8 per cent upon wool tops.

The Underwood rate of 8 per cent on wool tops can not be said to have led to any formidable invasion of our markets by foreign top makers. It is true that there was some increase in importations immediately after the enactment of the Underwood law. In the first half of the calendar year 1914, for example, they amounted to 3,228,237 pounds, or slightly more than 3 per cent of the quantity consumed in domestic worsted spinning, and in the following year, 1915, they amounted to 3,412,250 pounds, again approximately 3 per cent of the consumption; but this can hardly be regarded as a serious invasion of our markets. Considering that the imports under the Payne-Aldrich law had been practically prohibited, some increase of imports under the 8 per cent duty was inevitable. And so far as regards the importation of almost 15,000,000 pounds of tops in anticipation of the emergency law this is not a fair criterion by which to judge of the Underwood duty. At that particular time there was a heavy surplus of tops on the British market and this surplus was being liquidated with little or no reference to cost. Furthermore, it is a well-known fact in the wool trade that those who were attempting to lay in large stocks of raw material in anticipation of the emergency duty upon raw wool bought heavily of British tops, because these could be had much more promptly than could stocks of wool from more distant sources. In other words, there was a better chance to obtain tops before the enactment of the emergency law than there was to obtain wool.

The truth of the matter is that the duty of 8 per cent upon tops in the Underwood law is in substantial accord with the findings of the Tariff Board of 1912 as to conversion costs here and abroad. Regarding the amount of duty required, more will be said later.

In the Payne-Aldrich law the duty imposed upon tops was as follows: On those valued at not more than 20 cents per pound the duty was 24¾ cents per pound plus 30 per cent; on those valued at more than 20 cents per pound the duty was 36⅔ cents per pound plus 30 per cent.

The duty on tops valued at less than 20 cents per pound was practically inoperative, because very few tops of such low value entered into commerce. For practical purposes the duty upon tops was 36⅔ cents per pound plus 30 per cent. The 36⅔ cents per pound was intended as a compensatory duty, but as is shown in the old Tariff Board report, this was distinctly in excess of the amount required, for it assumed a shrinkage of 70 per cent, whereas the domestic worsted mills actually used mainly the lighter shrinking wools. In other words, it contained a large amount of concealed protection. When to this concealed protection is added the duty of 30 per cent, it is not surprising that imports under the Payne-Aldrich Act were almost negligible. Indeed, as will be shown later, 30 per cent alone is far in excess of the amount required for protection on a product which contains so low a proportion of conversion to total cost as do tops.

In 1910, for example, the importation of tops amounted to only 1,868 pounds, valued at $838. This is not surprising when it is observed that the equivalent ad valorem duty amounted to 111.69 per cent, and that 81.69 per cent represented the compensatory duty alone. In 1911 there was no importation of tops. In fact, as has been stated, under the Payne-Aldrich law imports were practically prohibited.

THE RELATION OF THE SENATE DUTY ON TOPS TO THE DIFFERENCE OF CONVERSION COST HERE AND IN THE UNITED KINGDOM.

The protective rate upon tops in the Senate bill was 25 per cent, but is now 20 per cent. This is distinctly in excess of the amount required. It is nearly 200 per cent higher than the Underwood rate, which, as we have just noted above, is in substantial accord with the findings of the old Tariff Board, and was fixed at 8 per cent. The fact that the House proposed a rate of 10 per cent (American valuation) shows that it was quite aware that any such rate as that proposed in the Senate bills is unnecessary. The extent to which the Senate rate of 25 per cent exceeds the actual requirement is plainly indicated in the following table, which contains a comparison of the cost of conversion of tops here and in the United Kingdom based upon current conditions.

Wool tops—British and domestic conversion costs in relation to the protective duty in the Senate bill.

Grade.	Tearing.[1]	Commission combing rate.			Total conversion costs.[2]			British prices of tops June 15, 1922.[5]		Duty at 25 per cent, Senate bill.		Per cent required to cover difference in conversion costs.
		British.[3]		Domestic.[4]	British.	Domestic.	Excess of domestic over British.	Pence.	Converted.[6]	Equivalent in cents per pound.	Amount above or below difference in conversion costs.	
		Pence.	Converted.[5]									
				Cents.	*Cents.*	*Cents.*	*Cents.*				*Cents.*	
80s	4 and under 5 to 1	6⅔	12.58	17.00	18.87	25.50	+6.63	78	$1.4539	36.35	+29.72	4.56
70s	do	6⅔	12.58	17.00	18.87	25.50	+6.63	57	1.0625	26.56	+19.93	6.24
64s	do	6⅔	12.58	17.00	18.89	25.50	+6.63	54	1.0036	25.17	+18.54	6.59
60s	do	6⅔	12.58	17.00	18.87	25.50	+6.63	48	.8947	22.37	+15.74	7.41
58s	5 and under 7 to 1	6½	11.65	15.00	17.48	22.50	+5.02	40	.7456	18.64	+13.62	6.73
56s	do	5⅔	10.72	15.00	16.08	22.50	+6.42	32	.5965	14.91	+8.49	10.76
50s	do	5½	9.79	14.00	14.68	21.00	+6.32	21½	.4008	10.02	+3.39	15.76
48s	do	5½	9.79	14.00	14.68	21.00	+6.32	17½	.3262	8.16	+1.84	19.37
40s	6 and under 8 to 1	4⅔	8.85	10.50	13.27	15.75	+2.48	14	.2610	6.53	+4.05	9.50
36s	do	[7] 3⅔	6.99	[7] 9.00	10.48	13.50	+3.02	13½	.2470	6.18	+3.16	12.22
32s	do	[7] 3¾	6.99	[7] 9.00	10.48	13.50	+3.02	13	.2423	6.06	+3.04	12.46

[1] "Tearing" refers to the percentage of noils removed in combing. "Tearing 5 and 1" means the product consists of 5 parts tops and 1 part noils. The higher the "tear" the higher the combing charges. The ratios shown are the most representative. (See p 622, "Tariff Board Report on Schedule K," 1912.)

[2] This has been calculated by adding 50 per cent to the combing rates. This takes into account such additional charges as storage, scouring, sorting, and losses from off sorts. (See p. 11, "The Tariff Board and Wool Legislation," by W. S. Culbertson, Doc. 50, 1st sess. 63d Cong., 1913; also p. 640, "Report of Tariff Board, 1912.") Losses from off sorts properly constitute an additional charge to raw material rather than to conversion; but since the compensatory rate on tops of 1.1 times the duty on scoured wool, as computed by the Tariff Board, did not allow for losses from off sorts, allowance is made here.

[3] British combing tariff, July 18, 1921.

[4] Combing tariffs of several American establishments, issued on or about July 1 1921.

[5] Wool Record and Textile World, June 15, 1922.

[6] Rate of exchange June 15, 1922 (pound=$4.4751).

[7] Rates are for "preparing" only.

Both the domestic and British combing rates used are the latest available and so far as can be ascertained are still in effect.

The most significant figures in this table are in the last column. These show only one instance where a need of more than 15 per cent to cover the difference in conversion cost is necessary, and in this instance—on 48's—it is evident that the British price is abnormally low in relation to the other grades of tops. In more than half of the cases indicated 10 per cent would be adequate to cover the difference in conversion costs. Under normal conditions 10 per cent would probably be sufficient on all grades for a product containing so low a percentage conversion to total cost. Certainly, 15 per cent would be more than adequate.

Nor are the figures in this table open to the criticism that the British prices are abnormally high in relation to conversion cost and that a duty of 25 per cent, or even 20 per cent, yields relatively much more than it would under normal conditions. The fact is that while the British prices are higher than the pre-war prices, they have undergone a greater post-war liquidation, on account of the great drop in the prices of raw wool, than have the conversion costs here and abroad.

In view of the high duties on tops it is, of course, obvious that there could be no exports of tops. The high duties on raw wool make this impossible.

As the only recent imports were under abnormal conditions described above, just before the enactment of the emergency tariff law, how can a protective duty of 20 per cent be justified when 8 per cent resulted in no substantial increase in importations? And how can it be justified in the light of the comparison of conversion costs here and abroad which has just been presented?

Mr. President, is protection merely a license to extort from the American people? I am going to demand and insist that every single protective duty that goes into this schedule shall be based upon what is actually the difference in the cost of conversion at home and abroad.

I come from a manufacturing State and I would not knowingly protest against a single duty that would deprive the manufacturing interests in my State of sufficient protection to meet the difference in conversion costs. The manufacturer is entitled to protection to meet the difference in conversion costs, but he is entitled to no more; and nothing less than indisputable figures showing the actual difference will guide me in voting for the protective duties. I can not oppose high duties to the agriculturists of this country and vote for excessive duties in favor of the manufacturing interests of this country, and I do not propose to do it.

Mr. President, I ask that a table comparing American prices and British prices of tops be inserted in the RECORD in this connection. This table shows that 10 per cent protective duty would be ample.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Without objection, it is so ordered.

The table is as follows:

Wool tops—American and British prices as of July 15, 1922.

American in United States.	English in England.	English in United States.[1]	Difference.	Emergency duty.	Senate bill.		
				45 cents plus 8 per cent.	35 cents plus 20 per cent.	36 cents plus 10 per cent.
Fine territory, $1.60.	70s average 55d, equals $1.02.	$1.16	$0.44	$0.53	$0.56	$0.46
½ blood, $1.30	60s ordinary 45d, equals 83 cents.	.95	.35	.52	.53	.44

[1] Allowing 3 cents a pound for landing charges (freight, marine insurance, etc.) and 10 per cent to cover expenses and profit of importer.

Wool tops—American and British prices as of July 15, 1922—Continued.

American in United States.	English in England.	English in United States.	Difference.	Emergency duty.	Senate bill.	
				45 cents plus 8 per cent.	36 cents plus 20 per cent.	36 cents plus 10 per cent.
High ⅜ blood, $1.10.	58s comeback 40d, equals 74 cents.	$0.85	$0.25	$0.51	$0.51	$0.43
Low ⅜ blood, 98 cents.	56s average 29d, equals 54 cents.	.63	.35	.49	.47	.41
High ½ blood, 95 cents.	50s average 21d, equals 39 cents.	.46	.49	.48	.44	.40
44s, 64 cents.....	44s average 14d, equals 26 cents.	.32	.32	.47	.41	.39
40s, 55 cents.....	40s average 13½d, equals 25 cents.	.31	.24	.47	.41	.39

Mr. WALSH of Massachusetts. Mr. President, I come now to a very important aspect of this question. I have tried to show that, based upon information available as to prices of British-made tops sold in the American market and as to prices of American-made tops sold in the American market, there is no justification for this protective rate of 20 per cent; that, indeed, a rate of 10 per cent would be ample.

Mr. President, what is the conclusion we arrive at from this study? It has been a somewhat long and tedious study, but an important one. The conclusion is that the 8 per cent protective duty named in the Underwood law was fair and could be justified upon the information available at that time in regard to the difference in the costs of conversion; that the rate named in the bill as it passed the House of 10 per cent—and that rate, of course, was based upon the American valuation—would have been fair and just if that 10 per cent were based upon the foreign valuation instead of the American valuation. The information at hand shows that there is no evidence before the Senate or before the committee, so far as I know, at least of an unprejudiced and disinterested character, justifying this protective duty of 20 per cent.

In the light of the information we have as to the conversion costs here and abroad, in the light of the prices in the American market of British tops and American-made tops, this rate can not be justified. In the light of the fact that the rate fixed upon raw wool—33 cents—is so high, anyway, that we are not likely to have any serious competition, because in every instance the compensatory duty takes care of what the manufacturer must pay for his raw wool, and in this instance the compensatory duty levied is ample and sufficient to take care of the cost to the manufacturer of raw wool, I am going to move that the protective rate be fixed at 15 per cent instead of 20 per cent. I think that is more than the facts justify. I think it is extremely liberal. The woolgrowers might properly accuse me, in proposing this rate, of leaning toward the interests of the manufacturers. By the way, I notice that the woolgrowers' advocates have all abandoned the Senate Chamber. It is all over for them. They got their rate, and they are no longer interested.

Mr. SMOOT. They will not do it if they know where their interest really lies.

Mr. WALSH of Massachusetts. But the Senator from Utah will agree with me that for the last three or four days every Senator who represents a woolgrowing State has been here. Are they here now?

Mr. SMOOT. They may be at luncheon.

Mr. WALSH of Massachusetts. They have not been here this morning, and the Senator knows it. Many distinguished Senators have been more regular in their attendance upon the Senate since the commencement of the discussion upon raw wool than they have been during the whole session, and that might be said of all the Senators who come from the woolgrowing States. I am not complaining, but I am asking them not to abandon us yet, but to stay here and consider these other duties. Having won their fight, they abandon the Chamber, and will only come in when the roll is called, and they will ask those representing the manufacturing interests, "What do you want us to do? We have our rate, and we will now give you what you want."

Mr. SMOOT. The Senator is wrong again, because they are just as vitally interested in tops as they are in wool. If there is not a protective duty upon the tops sufficient to keep them out, the tops will come in instead of wool, and that is exactly why they are as interested in tops as they are in wool itself, if not more so.

Mr. WALSH of Massachusetts. They are not manifesting their interest by their presence. The Senator will agree to that.

Mr. SMOOT. I admit that; but the Senator can see that that is the case, because if you give a dollar a pound on wool and then give only a dollar a pound on tops, tops will come in instead of wool. So every man who is interested in the protection of wool is certainly interested in the protection of the tops, because without that protection the tops would come in instead of the wool, and the top is the first step in the manufacture when the little fine clippings and other things are taken out of the wool.

Mr. WALSH of Massachusetts. They knew that when they won their fight yesterday that the Senate was going to levy every compensatory duty necessary to meet that 33 cents per pound, and they know that the protective duties named by the committee will be adopted. They know that the understanding arrived at or the arrangement which was made, but which was threatened to be broken during the fight upon the paragraph fixing the duty on raw wool, has been restored, so that the program will go through, and the manufacturers will get the rates fixed in this bill, because the woolgrowers yesterday got the rates named upon raw wool.

I have talked a good deal longer than I intended, but this paragraph, which for the first time raises the question of a fair compensatory duty and a fair protective duty, is one I thought required perhaps more discussion than the other paragraphs will require.

Mr. SHEPPARD. Mr. President, may I ask the Senator a question? Does his amendment involve the specific duty as well as an ad valorem duty?

Mr. WALSH of Massachusetts. It involves only the ad valorem duty, a protective ad valorem duty. I propose to change the rate named by the committee of 20 per cent to 15 per cent.

Mr. SHEPPARD. The ad valorem rate named by the committee is in addition to a specific rate.

Mr. WALSH of Massachusetts. The specific rate named by the committee is a compensatory rate, and I do not propose to change that. The specific rate named by the committee is the compensatory protection, and the compensatory protection is based upon the theory that there will be a pound and a tenth of wool used in making a pound of tops, and in view of the information furnished by the Tariff Commission that that is a fair estimate of the amount of raw wool that will be used in making a pound of tops, of course, I can not, in view of the action of the Senate yesterday, make a contest upon the compensatory duty. The objection I make is to the protective duty, which is given to the manufacturer, and ought to be based upon the difference in the costs of conversion here and abroad.

Mr. SHEPPARD. I thank the Senator for his explanation. As I understand it, the difference between him and the committee is that in the amendment he proposes the rate is 5 per cent lower than in the amendment proposed by the committee?

Mr. WALSH of Massachusetts. Exactly. I am going to ask to have put in the RECORD a table which shows the equivalent ad valorem rates of all the duties levied on tops under the Payne-Aldrich law and all the duties proposed in the House and Senate bills. This table shows the duties in the Senate bill in most instances greatly exceed the House rates, as well as the Payne-Aldrich rates.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Comparison of ad valorem equivalents of total duties based on foreign valuation.

TOPS.

Foreign value (cents per pound).	Payne-Aldrich.	Fordney-McCumber.	
		House.	Senate.
	Per cent.	*Per cent.*	*Per cent.*
15	188	138	265
17.5	171	189	231
30	152	116	145
50	103	74	97
80	76	51	70
100	67	43	61

Mr. SMOOT. Mr. President, this paragraph covers tops, the first step taken in the manufacture of wool goods, and I agree that the compensatory duty of 36 cents per pound is necessary, since the Senate has decided upon 33 cents on the scoured content. So I will give no time at all to that question.

The only question is as to the protective duty of 20 per cent ad valorem. I want to say to the Senator from Massachusetts

that, as far as I am concerned, I am a consistent Republican. I do not claim protection for an industry at one place in the United States that I would not willingly give to a like industry anywhere in the United States. I want to call the Senate's attention to the fact that the American people do not buy tops, and this pragraph has to be consistent from the wool to the finest finished piece of cloth, and if there is one place in it where it is not consistent and a protective duty is not given, then the woolgrower will suffer by the product coming in at that stage of the finished product, and every pound of it will displace a pound of wool grown in the United States. What would happen if you have a 5 per cent protective duty on tops with a 36 cents a pound compensatory duty? The scoured wool would not come in and the grease wool would not come in; the top would come in, and when the top comes in the whole structure, from the beginning of the first step in the manufacture to the finished cloth is upset. Such importations would displace American wool.

If they can bring in the tops and they displace $1\frac{1}{10}$ pounds of American wool for every pound imported into this country, there would be no protection that would equal the 33 cents which the Senate has voted upon scoured wool. In other words, if the rate is decreased in the protection of this article, then it means that in order to compete with the imported article in the United States the woolgrower in the United States will find his 33 cents duty is decreased.

Mr. President, I do not think it is necessary at this time to go into detail in answering the Senator from Massachusetts. The Payne-Aldrich law provided 30 per cent protection, the existing Underwood tariff law provides 8 per cent, and the committee amendment provides 20 per cent.

Mr. SHEPPARD. And the Senator from Massachusetts proposes 15 per cent?

Mr. SMOOT. Yes; he proposes now to make it 15 per cent. On the basis of present prices the result of his amendment would be that, instead of having 33 cents on the scoured wool we would have 33 cents less the 5 per cent.

There is another amendment which I desire to offer to the paragraph, which makes no difference in the rate whatever, but the words are unnecessary. On page 145, line 1, when the proper time comes, I shall move to strike out the words "not specially provided for" and the comma. Those words are meaningless because the items in this paragraph are not provided for in the bill in any other place and are not necessary to be provided for other than in this paragraph.

Mr. President, I think there is no necessity for further discussion of the subject unless some Senator desires to ask a question.

Mr. LENROOT. Mr. President, I desire to say only a few words upon the proposed amendment, but I would first like to ask the Senator from Utah [Mr. SMOOT] upon what theory the increase from 8 per cent to 20 per cent in the protective duty is justified in view of the importations under the 8 per cent duty?

Mr. SMOOT. Taking half bloods and above, and I might say, perhaps, taking quarter bloods and above, the differential would hardly be 20 per cent.

Mr. LENROOT. Why did they not come in in great volume when wool was on the free list and there was an 8 per cent duty upon tops, if it requires a 20 per cent duty now? That is my point.

Mr. SMOOT. All I can say is that conditions in the wool market, as it exists to-day, are quite different than they were when this rate of duty was in effect. Of course, it is in effect now, but the Senator knows the emergency tariff law is such that it would virtually prevent them coming in now.

Mr. LENROOT. I do not mean under the emergency tariff law. I mean normally in 1919 and 1920. Of course, in 1921 they came in very heavily just before the emergency tariff law went into effect, so as to get the benefit of the lower rate.

Mr. SMOOT. That was the reason why.

Mr. LENROOT. But normally they did not seem to come in in any volume under the 8 per cent duty.

Mr. SMOOT. If things were normal and the prices of wool were normal—I mean as to all grades—I would say frankly to the Senator that I think 15 per cent would be ample, as the proposed amendment of the Senator from Massachusetts provides. But I think the policy ought to be that if we are going to establish the wool industry in the United States it ought to be established so that wherever they begin the purchase of the wool, and particularly the American wool, it ought to be handled from the raw wool clear through to the finished product.

Mr. LENROOT. I agree with the Senator.

Mr. SMOOT. Therefore, I say that in making a tariff bill the question as to the ultimate consumer should be the protection that is upon the cloth itself.

Mr. LENROOT. That depends, does it not, upon the protection also given upon the tops, the yarns, and so forth?

Mr. SMOOT. Yes, and as one Senator I want them amply protected so that half of the business can not be taken away from the manufacturer in the United States, and leave only the other half perhaps to be done here.

Mr. LENROOT. I am entirely in accord with that proposition, but I can not see, when the imports were almost prohibited normally under an 8 per cent protective duty, why it becomes necessary to jump it to 20 per cent at this time.

Mr. SMOOT. I think to be perfectly safe, with the wool of quarter bloods and more as low as they are in price, that we can not keep them out if we do not have 20 per cent. If they were normal, I would say we would not need that amount. I virtually admit that at this time, but as I have said so many times, the coarse wools are abnormally low and I can not say how long they will continue. That is the only answer I can give the Senator.

Mr. LENROOT. Mr. President, this illustrates what the consumer will have to pay by reason of the action that was taken by the Senate with reference to the coarse wools.

Mr. SMOOT. The Senator has decided that question.

Mr. LENROOT. Yes; I know it. I say it merely illustrates how it is now necessarily carried on into tops, into yarns, into fabrics, into blankets, and every other item. I am not criticizing. I am simply stating the fact.

Because of the action with reference to the rate on tops, for instance, valued at 40 cents a pound, we are now compelled, by reason of the excessive compensatory duty—I say excessive, not by way of relationship, but on the value—to pay an ad valorem duty of 110 per cent. In other words, under the bill as it now stands, tops valued at 40 cents a pound must pay a tariff duty of 44 cents a pound.

Mr. SMOOT. That is absolutely true, because of the fact that the wool itself bears a rate of 36 cents.

Mr. LENROOT. I understand, of course, because if we are going to impose a duty of 36 cents upon the coarse wool we necessarily have to carry that compensatory duty into the tops, into the yarn, and into the cloth. I am not criticizing. I am simply stating now where the consumer must necessarily be affected when it gets into the final product by reason of the compensatory duties made necessary by the action of the Senate already taken.

Mr. SMOOT. That is, so far as the low-priced wools are concerned.

Mr. LENROOT. Exactly. I do not want to go over the matter upon which the Senate has taken action, but the Senator from Idaho [Mr. GOODING] yesterday repeatedly made the statement that the Tariff Commission found that it cost just as much to raise a pound of wool of the quarter-blood class and lower as it does of the fine wool. I do not think the Senator from Utah [Mr. SMOOT] will concur in that statement, because the Tariff Commission have never made any such finding.

They have made a finding that is exactly to the contrary. Yesterday when the statement was made I did not have the information which I thought was contained in the report of the Tariff Board, and therefore I was not in a position to challenge the statement of the Senator from Idaho. The fact is, as the Senator from Utah will admit, that the report of the Tariff Commission, where they found that the cost of raising a pound of wool, including interest, was 45 cents, and without interest from 35 to 37 cents, covered only the territory wools, only the wools in the range States, only the high-shrinkage wools. They made no finding in their recent report upon wools upon the farms east of the range States. Their report covered only the territory wools.

But in 1911 the Tariff Board, in a very comprehensive investigation which it made at that time, went very thoroughly into the question of the cost of raising the wool of the cross-bred sheep and of the fine wool, and I now have that information and I want to put it in the RECORD.

In the Report of the Tariff Board, volume 2, pages 368–369, they found that of the finest class of wools the actual cost—that is, the cost to be charged to that wool—was 40 cents a pound when the selling price was 28 cents a pound, a loss to the woolgrower of 12 cents a pound.

Mr. POMERENE. I do not think the Senator stated to which wool that refers. The Senator from Utah informs me it refers to the finer wools. I merely want the RECORD to show that.

Mr. LENROOT. I am just now referring to the fine wools.

Mr. POMERENE. I was not sure that the Senator so stated. I merely wanted the RECORD to show.

Mr. LENROOT. That refers to the finest wool. On the next grade they found the cost to be charged to wool was 32 cents a pound when the selling price was 27 cents. On the next grade it was 27 cents cost and the selling price 26 cents. On the next grade it was 22 cents cost and the selling price 27 cents. On the next grade it was 12 cents cost and the selling price 24 cents. Then they have a separate table upon the cost of raising wool of the crossbred, which is three-eighths and lower, and instead of there being any charge against the wool of the crossbred, there was a credit in 1911 of 2 cents a pound. In other words, the receipts on the first class——

Mr. SMOOT. Of course, the Senator knows those figures would not apply to-day?

Mr. LENROOT. Oh, no. It is, of course, only a question of relationship. The figures I am giving have no bearing upon present cost whatever, but I think the Senator will admit that they are important as bearing upon the relationship.

Mr. SMOOT. They are relatively so, with this exception: Of course, there is a plan now of disposing of lambs as against disposing of wethers in years past, which has changed the relative cost of the wool. But I say to the Senator frankly that there is something of a difference even to-day in the different classes of wool.

Mr. LENROOT. On the first class upon which the Tariff Commission reports the net charge per head was $2.81, while the receipts per head, wool and mutton, were $2.10. On the next class $2.59 was the charge and the receipts were $2.24. On the next class the net charge per head was $2.50 and the total receipts were $2.49.

Now we come to crossbreds. The charge was $2.78 and the receipts were $4.38 per head. Of course, that tells the story of why the farmers are raising crossbreds at all in the United States. It is because their chief value is for mutton and not for wool. The relationship of that is given by the Tariff Commission. While for the finest wools the percentage of receipts for wool is 78 as against 22 for mutton, when we come to the crossbreds the receipts for wool are only 33 per cent as against 67 per cent for mutton. Will anyone say, then, that it costs as much to raise wool from the crossbreds as it does from the merino? Of course not.

Now, then, to carry the matter one step further and give the conclusions of the Tariff Commission, they say, on page 372:

> In the case of crossbred flocks the receipts from other sources are derived almost entirely from mutton, and since the schedules show but few mature sheep sold except the ewes culled from the flock, such receipts must consist mainly of returns from sales of fat lambs. The wool sold is chiefly from the breeding ewes, as but few or no wethers are kept.

Again, further on they say:

> In the case of the crossbred flocks the average total maintenance costs per head are, as already stated, $2.78, and the average receipts per head from other sources than wool are $2.92. The receipts, therefore, pay the total costs and afford a balance of 16 cents, which, added to the total receipts per head from wool—$1.46—produce a total of $1.62 per head as profit.

In their summary they say:

> In the western region of the United States, with approximately 35,000,000 sheep, the net charge against a pound of wool is about 11 cents.

Under the present figures it would be 37 cents as against 11 cents as reported in 1911. That is correct, is it not?

Mr. SMOOT. That is in the grease, I will say to the Senator.

Mr. LENROOT. I understand it is all in the grease.

> In the other sections, with about 15,000,000 sheep, the net charge against a pound of wool from the merino sheep, which number approximately 5,000,000, is about 19 cents, and the net charge against the wool grown on sheep of the crossbred type is negligible.

Mr. President, basing the proposition upon the report of the Tariff Commission, I think I have demonstrated the accuracy of what I said last night that the tariff rate of 33 cents will afford very much higher protection, based upon the cost of production, to the growers of crossbred sheep than it will to the growers of wool of the high shrinkages. I wanted to get those facts into the RECORD, because I do not want to be understood as standing here upon the floor and advocating a lower rate of protection proportionately for one class of sheep growers than I do for another class of sheep growers.

Mr. President, I am not going to preach any funeral sermon over what has been done, but if we could have made a distinction between the quarter blood and lower we would have given to the growers of the quarter blood the same equal proportionate protection that we do to the growers of the territorial wool, and yet we could have reduced prices to the consumers in this country very materially.

Mr. SMITH. Mr. President, I do not think there is any more appropriate time than the present to call attention to some of the difficulties under which the farmers and truck growers of this country are laboring. An old preceptor of mine once said to me that one illustration was worth an hour's argument. I have listened to this debate from the beginning of the tariff discussion until now, and I have wondered what effect the debate would have upon the American public. The judgment of the American people will be based upon what law you finally pass. I have here a communication from a constituent of mine relative to one of the products of the farm and of our State.

I have formerly taken occasion here to call attention to the fact that it is practically impossible for the farmer to receive certain benefits which you are trying to secure to the American farmer; that it is impossible for the farmer, situated as he is, to receive anything like his share of such benefits under the proposed tariff.

We have on the statute books a law which empowers the Interstate Commerce Commission to fix such rates, fares, and charges on the railroads as shall approximately yield a return of 6 per cent for the capital invested by the railroads for the public use. That commission doubtless has endeavored to do that, and that is illustrated in the letter which I am going to read.

There are organized commission men who have a fixed charge; there are organized fertilizer men who have a fixed charge. Now, I wish the Senate to listen to this letter, which is written to me and which incloses some New York commission house accounts of sale of the article in question, showing what part of the proceeds were received by the farmer who in the heat and cold went out and caused to be produced in his fields edibles for the people in the city to which they were shipped. I am going to read the letter. It indicates that, while we are busy passing laws of which, because of the nature of their organization, the manufacturers and the financiers can avail themselves, we have utterly neglected to provide means by which the agricultural interests of the country can capitalize their work in such manner as to force a just division of the proceeds from the wealth which they produce. The letter is written to me by a man who lives in the heart of the truck-producing section of my State. He says:

> DEAR SIR: I am just wondering if I'm doing the right thing in taking a minute of your valuable time to listen to a complaint that is general in this section this year. The inclosed sales of melons will explain in a glance what I mean. I shipped these melons to New York, and they sold for less than the freight and commission. In other words, the railroad company charged me from $132.50 to $150.34 on the same cars' melons, the commission man got his commission, and, under my guaranty, I will have to send my check for $63.48 to square accounts, having already lost the melons. In other words, I paid $63.48 for the privilege of giving New York three cars of good melons. The railroad got theirs, the commission man his, and me and my hands sweated over these for several months and then was called on to pay $63.48, in addition to losing fertilizer, seed, and all the work done. Can this be remedied? Seems to me that it's so unfair for the farmer to lose all, that the railroad should be made to refund at least $50 a car on this year's shipments, and that rates should be fixed for another season so that the farmer could at least live. I don't know what you can do, perhaps nothing, but if anything can be done I'm sure that you with the help of the others can do it.

Mr. President, I ask to have printed in the RECORD the three accounts of sale which accompany the letter.

The PRESIDING OFFICER. Without objection, it is so ordered.

The accounts of sale are as follows:

(Frank Hewitt & Co., wholesale fruit and produce and commission merchants, 23 and 24 Bronx Produce House, One hundred and thirty-second Street and Willis Avenue. Sales No. 4838. Received 7/12. Via New Haven. Car No. Sea 27691.)

NEW YORK, *July 18, 1922.*

Sold for the account of S. W. Copeland, Ehrhardt, S. C.:

1 car melons	$135.00
Freight	150.34
Commission	13.50
Total	163.84
Sold	135.00
Deficit	28.84

(Frank Hewitt & Co., wholesale fruit and produce and commission merchants, 23 and 24 Bronx Produce House, One hundred and thirty-second Street and Willis Avenue. Sales No. 4839. Received 7/13. Via New Haven. Car No. Sea 27481.)

NEW YORK, *July 18, 1922.*

Sold for the account of S. W. Copeland, Ehrhardt, S. C.:

1 car melons	$125.00
Freight	132.14
Commission	12.50
Total	144.64
Sold	125.00
Deficit	19.64

(Frank Hewitt & Co., wholesale fruit and produce and commission merchants, 23 and 24 Bronx Produce House, One hundred and thirty-second Street and Willis Avenue. Sales No. 4800. Received 7/11. Via New Haven. Car No. ACL 22325.)

NEW YORK, *July 18, 1922.*

Sold for the account of S. W. Copeland, Ehrhardt, S. C.:

1 car melons	$135.00
Freight	136.50
Commission	13.50
Total	150.00
Sold	135.00
Deficit	15.00

Mr. SMITH. As will be noted, the figures indicate a total deficit which had to be met by the grower and shipper of the melons of $63.48 on the three cars of melons.

Mr. President, some of us who patronize restaurants give 20 cents for one-eighth of a watermelon, representing a retail price of $1.60 for the melon. The writer of the letter which I have read gives all his time, his land rent, and the labor of himself and his employees, and then pays $63.48 for the privilege of shipping the melons produced by him to the city. The main point is that the railroads, for melons shipped on an open car, which is very often a cattle car, received $150 for one car from Ehrhardt, S. C., to New York, while the producer of the melons, at the mercy of a combination in the sale of his product, has to pay from $12 to $15 a car for the privilege of sending his melons to New York.

Mr. WATSON of Georgia. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Georgia?

Mr. SMITH. I yield.

Mr. WATSON of Georgia. I should like to ask the Senator from South Carolina whether or not the outrageous freight charge imposed upon the melon shipper has been legalized by the Interstate Commerce Commission?

Mr. SMITH. As a matter of course, under the present law the Interstate Commerce Commission was converted into a taxing machine for the benefit of the railroads.

Mr. WATSON of Georgia. Then, Mr. President, is not the real crime in the case—the crime of robbery—that of the Interstate Commerce Commission, and can not we handle it?

Mr. SMITH. Yes. The fact of the business is that we, a legislative body, ought not to take into account alone certain public utilities which necessarily belong to our jurisdiction, but, in adjusting the compensation for the work rendered by the carriers and other public utilities, there ought to be taken into consideration the condition under which the carriers are supported. What I mean to say is that if we by legislative enactment—and I do not know but that we should do it—are going to determine rates and take over the regulation of what the railroads shall charge, then we, as legislators, ought to provide a method by which those who produce the freight shall have means at their disposal by which they may graduate their prices in accordance with the overhead which we impose upon them.

What have we done in the way of legislation that would enable these men to form a system of selling by which, when the man knew that the freight would cost him $150 a car, he could regulate the price of his melons to a point where it would absorb the $150 and still leave him a profit? What provision have we made to our agricultural classes in the form of banking legislation or credit legislation that meets their needs as adequately as we have provided for the needs of the ordinary commercial enterprises of this country?

Mr. WATSON of Georgia. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Georgia?

Mr. SMITH. I yield.

Mr. WATSON of Georgia. On the Interstate Commerce Commission there are two members from the State of New Jersey—a State which is notoriously crisscrossed by railroads and electric lines, and has almost no agricultural interests at all. The great southern coast of this country, from Kentucky on up to north Virginia, including the seaports of Galveston, of Miami, of Fernandina, of Brunswick, of Savannah, of Charleston, of Norfolk, has no representative whatever on that commission. What redress will we ever get so long as we stand here and talk about it, and do not get together and agree to do something?

Mr. SMITH. Mr. President, I think it is unfortunate that the southeastern division of the freight tariff has not a representative on the commission; but, in all justice to the Interstate Commerce Commission, it must be said that they are operating under the laws that Congress passed. We have granted them the power and laid upon them almost a command to fix rates, fares, and charges at a point that will average 6 per cent, not upon the active roads alone but upon the property devoted to the public use. We are busy here with a tariff under the plea that we hope to preserve the American scale of wages and American industries for the American people, providing by this very law a means by which competition is practically stifled, because no man can read this bill and compare it with those that have gone before without agreeing that it approximates an embargo. The truth of the matter is that protection, when it gets away from the idea of aiding in the development of an infant industry, assumes the aspect of an embargo. By no process of reasoning can you arrive at any other conclusion. It is, to all intents and purposes, a legalized form of destroying foreign competition with the domestic manufacturer. Organized means are necessary and essential for any artificial production, such as that of the manufacturer. He can avail himself of this law because he can control his output. He can curtail his production at any hour; but when it comes to the natural producer, he has no control over either the quantity he is to make or the quality of what he is to make; and hence, not being able to take an order for future delivery with the knowledge that he can fill it both as to quantity and as to quality, he must wait until the product is ready, and when millions of his fellows in like condition with himself are ready, you have a 12 months' supply on the market that must be disposed of within 30 to 90 days to meet the obligation incurred in its production. What is the result? The man or the men who are organized and have the means buy the product on the market, discounting the carrying charges for the next 12 months, and then giving the producer what in their judgment it would be safe to give him and allow the buyer to have a safe profit.

I say that we have been derelict in our duty. After 150 years of American history, those who have clothed us and fed us and shod us have to go hungry and barefoot and naked in the midst of plenty, because we have not provided the means by which they can dispose of the wonderful wealth they produce in such a manner and in such quantities as will guarantee them a living profit.

Where is there written upon the statute books a banking system or a credit system by which such absurd things as the return sales that I have read would be possible? Each year, with the fluctuations of governmental control from Republicans to Democrats and back again, we hear the cry of a tariff. It is a paramount issue, and up until the present Congress I thought it was the dividing line between the two parties. I am beginning rather to modify my ideas about that; but, anyhow, we have considered the tariff the dividing line between the two parties, and we were doing what? Every man knows that we were legislating for special interests to get special profits.

Think of the absurdity of a body of men such as the United States Senate is reputed to be legislating as we do and claiming that we are doing it for the benefit of American labor! We put on this tariff under the guise of wanting American labor to have the benefit of protection against the competition of the pauper labor of Europe. Show me one line in this bill or in any tariff bill ever written where we have provided that the rise in price accruing by virtue of the tariff should be paid to the labor employed in producing the articles. There is not a line nor a suggestion of a line which says that whatever additional price accrues shall go to labor, or shall even be divided with labor. You give it to the manufacturer in the sale of his goods and trust his philanthropic impulses as to what he will give labor.

I think that at some time during the discussion of this bill I shall introduce an amendment to the bill to the effect that whatever difference in price accrues to any manufactured article produced in this country under this bill shall be given to the labor employed in its production, or at least a certain percentage of it; and I will make provision in my amendment that the Federal Government shall indicate the proper officer to see that that is done.

If we are doing this for labor, let us write labor in this bill and see that they do get it. Instead of giving it to the manufacturers and saying to them, "We are going to protect you against the competition of the pauper labor of foreign countries in order that you may give a decent American wage to American labor," let us, as honest men, put it in the bill and make provision that it shall be carried out.

Here is a laborer, and he pays $63.48 of actual money out of his pocket for the privilege of giving New York three carloads of watermelons, besides his land rent and his fertilizer and his time and his money that he spent in producing them. We can not sit here and do this thing forever and forever, with a constituency feeling the grind of the unfairness and the in-

consistency of this condition, without danger to us and danger to the Republic. We are not deceiving the American people as well as we think we are. These things can not go on and this country prosper politically, socially, or morally. We are charged with the duty of regulating these things. We are charged with the duty of seeing that our commercial and economic laws are so framed that every man shall have an equal chance to benefit according to his ability. Read this bill and see how much we have equalized or proposed to equalize the burden.

We are going to put a tax on bagging; we have a tax on ties; and the southern farmer puts his free cotton in taxed bagging and ties, and under the 30 per cent tare he has to give away his bagging and ties to the purchaser of the cotton. He not only pays the ordinary price but he pays a duty on them and gives them away.

Mr. DIAL. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to his colleague?

Mr. SMITH. I yield.

Mr. DIAL. They even tax the arsenic with which the grower of watermelons tries to keep the bugs off the watermelons, do they not?

Mr. SMITH. That is a fact. I had not thought of that. It did not occur to me. They come in here with a duty on a by-product called arsenic that the melon grower of the South is depending upon now to keep what is called the cucumber bug from eating up his watermelons. They actually put a duty on the arsenic by which he hopes to poison the insect that possibly would ruin his watermelon crop. He not only has to pay for his arsenic, but now they propose to put a duty on it. He pays all the freight and the overhead charges and gives up his land rent, and then goes into his pocket and takes out $63.48 of money that he earned in some other way and makes that a present to the people who take his watermelons.

Mr. WALSH of Massachusetts. Perhaps it is to prevent the disheartened and discouraged consumers who have to pay the taxes levied in this bill from poisoning themselves.

Mr. SMITH. I do not think they are going to poison themselves; but, God bless your soul, they are going to poison some other people. Now, you can remember that. This poisoned bait, designed to kill off all foreign competitors, is going to kill off some home people. You can not do this thing.

I sat here the other day and listened to the discussion as it wandered off into details and minutiæ, and I thought: "What is the issue?" The issue was, from the Republican standpoint, what was a reasonable rate of duty to measure the difference between the cost at home and abroad? What were you doing? You were discussing how much was imported and how much was exported, and when you got it down to the last analysis the question was, How much did the manufacturer say he wanted? That is the basis upon which this bill is written.

Mr. President, I am not going to bring a railing accusation against the other side. Some one has said that the most dangerous thing in the life of a man or a community is the horrible inertia of habit. We have actually gotten into the habit of thinking in terms of manufacturers and their prosperity, while the consumers and producers of the raw material never seem to cross the legislative brain. Their cry comes up, and it is unheeded. When organizations are formed by people to protect themselves we are disposed to think that they are outside the law. When we thoughtfully, or thoughtlessly, provide the very means by which one class of our citizens may organize for their own benefit and to the hurt of others, we need not be surprised when the helpless ones organize to protect themselves. The logic of modern events is combinations. It is the absolute sequence of modern law and its modern application. We will never be able to destroy the tendency toward combination. Combinations are inherent and natural forces of the creative hand. But we should provide that each and every necessary organization in this country should have the same law, and the same opportunity under the law.

I had not intended to say this much, but I do feel acutely the existence of these conditions right at the time when we are spending weeks and months devising means by which the manufacturers of this country may be protected and their profits guaranteed. I am not inveighing against the stand of the Republican Party, but I do say that, in this bill, we should have a reasonable regard for the men who produce the material out of which the manufacturer must live. I think we ought to amend our transportation act now. I think we ought to incorporate into this bill at least such a modification of the rates proposed here as will give the consumer and the producer an opportunity to live.

Before I take my seat let me call the attention of the Senate to another thing. I took occasion to go down street the other day to purchase a pair of shoes, and so far as the retail price of shoes is concerned, there has been practically no diminution from the war peak. I paid $14.50 for a pair of shoes which readily sold for $5 or $6 before the war. I went to my tailor to have a suit of clothes made, and he charged $107 for a suit that just before the war I could get for from $45 to $50.

With that kind of thing going on, and the purchasing power of the dollar of the ordinary laborer and farmer shrinking to one-quarter its pre-war purchasing power, so far as we can avoid it we should not pass any law by which any discrimination in prices would be possible. I think it would be a wholesome lesson to the shoe dealers of America if we were to take the duty off shoes, as we did in the case of hides; take it all off. I do not know whether that would avail or not, for the reason that we have to wake up to the fact that the facilities for transportation and communication have become so perfect the world over that we have international combinations now where there used to be only national combinations. The markets of the world, as I attempted to show when I had charge of the duties on thread in the cotton schedule, are under the control of these gentlemen, and they fix prices regardless of tariffs and regardless of whatever financial system you may set up. They have the power to crush competition and reimburse themselves at their pleasure. They have a worse power than that. They have a power to invite competitors to join and make it possible for them to join, and when they reach that stage competition dies. Those are the conditions existing now.

Mr. SMOOT. Mr. President, the Senator's watermelon story is not half as bad as one I can tell about a carload of peaches which came all the way from Utah to Chicago. Not only did we not get anything for the peaches—they were dumped into the river—but we had to pay for the peaches and the freight and the boxes the peaches were put in. How is the Senator going to arrange the distribution of these products? For instance, peaches have to go onto the market within 30 days after they are picked; the whole crop has to be marketed within that time. The incident to which I referred happened a few years ago, not in one case but in hundreds of cases. Following that, I know of whole orchards of peach trees, of 10 acres, 20 acres, or 30 acres, which were absolutely dug up, which cost at least a thousand dollars an acre to plant and grow, and which were bearing peaches. How does the Senator intend to regulate the distribution of such perishable goods? I think the watermelons to which the Senator referred went on the New York market, and perhaps the market was overflooded with watermelons and the price went tumbling down.

Mr. SMITH. It always does in such a case.

Mr. SMOOT. I have said many a time on the floor of the Senate that there is something radically wrong with our distribution system. There is something wrong not only with the amount of profits charged the consumer, but the distribution and the handling of them need remedying. That is one of the greatest questions we have in America to solve to-day.

Mr. SMITH. Mr. President, it is a significant fact that for nearly 50 years the Republicans have been in power, and they never even approached a solution of the problem. We did make a start under the Democratic administration through a modification of our banking and currency law.

I will say to the Senator from Utah that perhaps there is a dawn of relief from the splendid object lesson of the California Fruit Growers' Association. They had to combine and sell their products on the ground. They fixed the price and told the purchasers to come and get it. Through our miserable lack of initiative in taking care of those who are helpless under present conditions we are driving them into mutual cooperative organizations. It is going to force them to take the marketing business in hand and dictate their own terms. Labor, in order to protect itself, has organized, and we are beginning to have an object lesson now as to what the organization of labor means.

Mr. STANLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Kentucky?

Mr. SMITH. I yield.

Mr. STANLEY. The Senator is talking about a subject that is of very great interest to me, and one to which I have for the last 20 years given such poor thought as I could.

I have heard a great deal of talk, a great deal of discussion, of the farmer taking the market into his own hands. The farmers in Kentucky time and again have in a measure dictated the price of their tobacco. I saw them start tobacco at 3 cents a pound and run it up to 12 cents. That is easily understood.

Here is an area you can cross in a few hours by automobile, from north to south, or east to west, cultivated by intelligent men, who can meet for the purpose of cooperation.

The volume of the commodity is such that it can be controlled. They can fix the price for the time being, if not permanently. The fruit growers in California and the truck farmers on the Eastern Shore of Maryland can do the same. The growers of long-staple cotton might do it.

But take wheat, which is grown on every acre of arable land between the Tropic of Capricorn and the Tropic of Cancer and the polar zones. It is grown under all sorts of conditions, by all sorts of people, men speaking all sorts of languages, with all sorts of customs. If you held every bushel of wheat raised in the United States you would not materially affect its price.

Suppose the farmer held his corn; what good would it do him? He would have to control the price of wheat, he would have to control the price of other things which could be substituted for corn.

As a friend of the farmer it is my candid opinion that anything like a control by cooperative action of the staple commodities he sells is utterly impossible, except under the conditions I have named. On the other hand, everything he buys can be controlled by the manufacturer and producer.

In my own State of Kentucky they have lately repealed perhaps the best antitrust law ever put on the statute books.

I can conceive of no worse friend to the farmer than he who comes to him with the story that he will benefit him by repealing antitrust laws, by exempting him from any kind of law preventing combination in restraint of trade, by fattening him with the filthy usufruct of a protective tariff, by endowing him with political rights as a class instead of endowing him with political rights as a citizen. Those who talk that way may think they are the friends of the farmer, but to the judicious they are the most dangerous enemies agriculture has to-day; not that they are not sincere, not that they are not well meaning, not that they are demagogues—although many demagogues play upon that chord—but if they believe it they are mistaken; if they say it without believing it, there is no necessity for any characterization.

Mr. SMITH. Mr. President, the idea the Senator has advanced, the history of the past seems to bear out.

I wish to make one further statement, and then I am not going to discuss the subject further. I said a moment ago that the logic of events, the natural sequence of modern employment of mechanical forces in the production of the world, have made combinations absolutely necessary in order to meet——

Mr. STANLEY. Mr. President, if the Senator will pardon me, I hope I shall not be misunderstood as in any way opposing farmers' organizations for collective bargaining. They are perfectly right and proper. What I mean is that the farmers should form those organizations within the antitrust laws, which is easy enough, and not seek for exemption or repeal of those laws, because they would suffer more than they would gain by it.

Mr. SMITH. The thoughtful, I am sure, will agree with the statement I have made that combinations are the necessary result of the logic of events and the natural sequence of modern employment of mechanical forces in the production of the world, and, therefore, the corollary of that is equally true, that the tremendous, incalculable power that grows out of these combinations will be used for the purpose of enriching the members of the combination, and under another natural law, viz, that everything moves along the line of least resistance; the unorganized, being in position to offer the least resistance, become the necessary victims. Therefore the agriculturists of the country must learn to lose their identity as individuals in the sale of their produce, just like members of a corporation lose their personal identity as stockholders, leaving it to the sales agents to transact the business for them.

I think we are rapidly approaching that condition, but right at the very beginning of this necessary and commendable effort on the part of agriculture to combine for the purpose of distributing the wealth they have produced over the season when the trade will absorb it they find themselves totally without a banking or credit system which will meet that condition. We have provided a system of commercial banking for 30, 60, or 90 day paper that will challenge the world. Every one of the principal civilized Governments of Europe has an agricultural banking system to meet the necessities of the agriculturists of their country; but in the very beginning of the effort on the part of the agriculturists of this country to combine to meet combination they find themselves totally unprovided with any system by which they can meet the peculiar exigencies which necessarily inhere in their business.

Mr. WALSH of Massachusetts. Mr. President, I ask for the yeas and nays upon my amendment.

The yeas and nays were ordered.

Mr. WALSH of Massachusetts. I ask that the Secretary report the amendment which I have proposed to the committee amendment.

The PRESIDING OFFICER (Mr. SPENCER in the chair). The Secretary will report the pending question.

The READING CLERK. On page 145, line 2, the Senator from Massachusetts [Mr. WALSH] moves to strike out "20" in the amendment of the committee as modified and insert "15," so that it will read "15 per cent ad valorem."

The reading clerk proceeded to call the roll.

Mr. GLASS (when his name was called). I transfer my general pair with the senior Senator from Vermont [Mr. DILLINGHAM] to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. HALE (when his name was called). I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Maryland [Mr. WELLER] and vote "nay."

Mr. JONES of New Mexico (when his name was called). I transfer my general pair with the senior Senator from Maine [Mr. FERNALD] to the senior Senator from Nevada [Mr. PITTMAN] and vote "yea."

Mr. McCUMBER (when his name was called). The junior Senator from Nevada [Mr. ODDIE] if present would vote "nay" upon this question. Therefore I transfer my pair with the junior Senator from Utah [Mr. KING] to the junior Senator from Nevada [Mr. ODDIE] and vote "nay."

Mr. NEW (when his name was called). Transferring my pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from Washington [Mr. POINDEXTER], I vote "nay."

The roll call was concluded.

Mr. BALL. I have a general pair with the Senator from Florida [Mr. FLETCHER]. I transfer that pair to the junior Senator from Vermont [Mr. PAGE] and vote "nay."

Mr. BURSUM. I have been requested to announce, on behalf of the senior Senator from California [Mr. JOHNSON], that if he were present he would vote "nay" on this question. Had he been present on the previous vote he would have voted in favor of the committee amendment.

Mr. McCUMBER. The junior Senator from Idaho [Mr. GOODING] is necessarily absent from the Chamber. If he were present, he would vote "nay."

Mr. McLEAN. I transfer my pair with the senior Senator from Montana [Mr. MYERS] to the junior Senator from Idaho [Mr. GOODING] and vote "nay."

Mr. DIAL. I am paired with the senior Senator from Michigan [Mr. TOWNSEND]. I transfer that pair to the junior Senator from Rhode Island [Mr. GERRY] and vote "yea."

Mr. WALSH of Montana (after having voted in the affirmative). I inquire if the Senator from New Jersey [Mr. FRELINGHUYSEN] has voted?

The PRESIDING OFFICER. That Senator has not voted.

Mr. WALSH of Montana. I have a pair with that Senator, and in his absence, being unable to obtain a transfer, I withdraw my vote.

Mr. SMITH (after having voted in the affirmative). I have a general pair with the Senator from South Dakota [Mr. STERLING], who is absent. Being unable to secure a transfer, I shall have to withdraw my vote. If permitted to vote, I would vote "yea."

Mr. WATSON of Georgia. I have a pair with the senior Senator from California [Mr. JOHNSON]. In his absence, being unable to obtain a transfer, I withhold my vote.

Mr. CURTIS. I wish to announce that the junior Senator from California [Mr. SHORTRIDGE] and the senior Senator from South Dakota [Mr. STERLING] are absent on official business.

I also wish to announce the following general pairs:

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS]; and

The Senator from West Virginia [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. ROBINSON].

The result was announced—yeas 21, nays 33, as follows:

YEAS—21.

Ashurst	Heflin	Pomerene	Underwood
Borah	Hitchcock	Sheppard	Walsh, Mass.
Caraway	Jones, N. Mex.	Simmons	Watson, Ga.
Dial	Kellogg	Stanley	
Glass	Lenroot	Swanson	
Harris	Overman	Trammell	

NAYS—33.

Ball	Calder	Colt	Hale
Broussard	Cameron	Curtis	Harreld
Bursum	Capper	Ernst	Jones, Wash.

Kendrick	McKinley	Newberry	Spencer
Keyes	McLean	Nicholson	Warren
Ladd	McNary	Pepper	Willis
Lodge	Moses	Phipps	
McCormick	Nelson	Ransdell	
McCumber	New	Smoot	

NOT VOTING—42.

Brandegee	Frelinghuysen	Oddie	Stanfield
Crow	Gerry	Owen	Sterling
Culberson	Gooding	Page	Sutherland
Cummins	Harrison	Pittman	Townsend
Dillingham	Johnson	Poindexter	Wadsworth
du Pont	King	Rawson	Walsh, Mont.
Edge	La Follette	Reed	Watson, Ind.
Elkins	McKellar	Robinson	Weller
Fernald	Myers	Shields	Williams
Fletcher	Norbeck	Shortridge	
France	Norris	Smith	

So the amendment of Mr. WALSH of Massachusetts to the amendment of the committee was rejected.

Mr. SMOOT. On page 145, in line 1, I move to strike out the words "not specifically provided" and the comma.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The READING CLERK. In paragraph 1106, page 145, line 1, the Senator from Utah proposes to strike out the words "not specially provided for" and the comma.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee as modified.

The committee amendment as modified was agreed to.

The next amendment of the Committee on Finance was, on page 145, after line 2, to strike out—

PAR. 1107. Yarn, made wholly or in part of wool, valued at not more than 55 cents per pound, 20 cents per pound and, in addition thereto, 15 per cent ad valorem; valued at more than 55 cents but not more than $1.50 per pound, 30 cents per pound and, in addition thereto, 18 per cent ad valorem; valued at more than $1.50 per pound, 30 cents per pound and, in addition thereto, 20 per cent ad valorem.

And in lieu thereof to insert:

PAR. 1107. Yarn, made wholly or in chief value of wool, valued at not more than 30 cents per pound, 26 cents per pound and 30 per cent ad valorem; valued at more than 30 cents but not more than $1 per pound, 39 cents per pound and 35 per cent ad valorem; valued at more than $1 per pound, 39 cents per pound and 40 per cent ad valorem.

Mr. WALSH of Massachusetts. Mr. President, this is an important amendment. I wish to point out, first, that there are three distinct changes proposed in the Senate committee amendment when compared with the House provision. The first change is that the Senate committee amendment proposes to increase the compensatory rate. That probably is justified upon the ground that the rate upon raw wool has been increased. While the compensatory rate may be justified upon that ground, the fact remains that the burden to the consumer is being carried along through all of these various items by reason of the oppressive and very high rate of 33 cents per pound upon the raw wool.

The second change to be noted is that the ad valorem protective duties in the House text have been doubled in the Senate committee amendment. That may be explained in part by reason of the fact that the House ad valorem rates were based upon American valuation, while the Senate rates are based upon foreign valuation; but that does not fully account for the doubling of the ad valorem rates. There has been an added protection given to the makers of yarn by the high rates provided in the Senate committee amendment.

Thirdly, the Senate committee amendment lowers the brackets. The lowest bracket provided by the Senate committee amendment, namely, yarns valued at not more than 30 cents per pound, is useless, because it is inoperative. There is no yarn made with a lower valuation than 30 cents a pound, and the only purpose of including that bracket is for camouflage, to make it appear that a lower rate has been fixed upon yarns of less value than 30 cents per pound than upon yarn of a higher value than 30 cents. So we are concerned about the other two brackets which deal with yarn valued at more than 30 cents and not more than $1, where the specific rate is 39 cents per pound and the ad valorem protective rate is 35 per cent; and yarns valued at more than $1 per pound, where the compensatory duty is 39 cents per pound and the protective duty is 40 per cent ad valorem.

As regards these brackets, we are again confronted with the questions which we considered when we were discussing tops: Are the compensatory duties provided in the Senate committee amendment fair, and can they be justified in the light of the information available as to the shrinkage of clean wool in making yarn? Are the protective duties fair, and are they justified by the difference in conversion costs in America and the United Kingdom?

I do not know that I can put the cases before the Senate in any better way than to call attention to what these rates indicate in ad valorem terms. Yarn valued at 30 cents per pound will bear an ad valorem duty of 116⅔ per cent, which means that a pound of yarn coming into the port of Boston, New York, Savannah, or New Orleans that represents a foreign valuation of 30 cents when bought by the manufacturer to be made into cloth will cost over 65 cents a pound.

Yarn valued at $1, under the rate provided in the committee amendment, will bear an ad valorem duty of 74 per cent, while yarn valued at $2 will bear an ad valorem rate of only 59 per cent. Thus it will be noted that the cheaper yarns instead of bearing a lower duty, as the wording of the bill would on its face indicate, bear a much higher duty. So when we come to vote upon the duties in this paragraph I want it clearly and distinctly understood that a vote for the committee amendment is a vote to double the price of yarn to the manufacturer who wants to buy foreign yarns made from the cheaper grade of wool and to make a lesser increase in the price of yarns made of the high-grade wool.

In order that we may understand more fully the excessive character of this protective duty, I should like to call attention to the duties levied in other laws.

Mr. SIMMONS. Mr. President——

Mr. WALSH of Massachusetts. I yield to the Senator from North Carolina.

Mr. SIMMONS. I merely wish to ask the Senator a question. I understood the Senator to say that the proposed rate upon yarn valued at not more than 30 cents was practically double some other rate, but I did not catch with what the comparison was made. Was the Senator making the comparison with the present law or with the Payne-Aldrich law?

Mr. WALSH of Massachusetts. The rates provided in the Senate bill, translated into ad valorem terms, represent an ad valorem duty of 116⅔ per cent upon yarns valued at 30 cents foreign valuation, and upon yarns valued at $1 the Senate rate translated into the ad valorem equivalent represents a duty of 78.6 per cent.

Mr. SIMMONS. I understand that, but I understood the Senator in speaking about the rate on the low-grade yarns to say that the ad valorem equivalent was double some other rate.

Mr. WALSH of Massachusetts. No. I intended to say, and I think I did say—perhaps the Senator did not understand me—that the ad valorem rate was so high that the price would be doubled, that the foreign price of 30 cents would become to the American manufacturer buying foreign yarns, after the duty was paid, 65 cents.

When we come to consider the question of protection we ought to ask ourselves not only what is the conversion cost in the making of yarn in America compared with the conversion cost abroad, but also is there any danger to this industry from a flood of imports of yarns which will destroy the business of the American spinner?

The facts are that practically the only imports of yarns under any of the laws of the past have been yarns of such a character—fancy-made yarns—as the American manufacturers of certain fabrics require and which are not made in this country. There has been practically no direct competition whatever through the importation of yarns with the yarns made by the American spinners. So it can not be argued that a situation exists in this country which requires protection because the market is being flooded or is likely to be flooded with the cheaply made yarns which would endanger the business of the American spinner.

Before I take up the question of the cost of the foreign yarns of a given grade and the American cost of yarns of a like grade, to determine the difference between the two and to see how it fits into this duty, I wish to discuss corresponding provisions of previous laws.

In the first place, take that much repudiated and condemned act, the Payne-Aldrich law. I do not know whether Senators have observed it or not, but no one has condemned it more vigorously than the Senate Finance Committee and nothing has condemned it as severely as the record which the Senate Finance Committee have produced here.

Mr. POMERENE. And they have condemned it as much as they defended it before.

Mr. WALSH of Massachusetts. As the Senator from Ohio suggests, they have condemned it as vociferously and as earnestly as they praised it when they sought to enact it into law. I challenge any Senator on this floor to state that he has heard a word of favorable comment in this Chamber about the Payne-Aldrich law. Has one voice been raised to pay tribute to that law or to those who voted for that law? Yet, with a rate of

11 cents per pound on grease wool in the Payne-Aldrich law and a rate in this bill of 33 cents a pound on the clean content of wool, the compensatory duty is the same.

That is an admission by this committee that a compensatory duty of 39 cents was all that in fairness and in honesty could be asked when the duty levied upon raw wool was 33 cents; yet the Payne-Aldrich law provided for a compensatory duty of 38 cents on wool bearing a duty of 11 cents per pound, grease content. It is, of course, a confession and an admission that the Payne-Aldrich duty was exorbitant. In fact, the extent to which protection was given in a concealed and veiled way through the compensatory duty levies was astounding.

I do not know whether the Senate understands me or not; but under the Payne-Aldrich law the spinners of yarns and the weavers of cloth all were given a compensatory duty that was more than compensatory, and in addition to that were given a protective duty, so that the protective duty that they had was not the total protection which they received, but they had in the compensatory duty a concealed protection which the public could not discern and could not appreciate; and not until the Taft Tariff Board made its exposé in 1912 did the people of the country become aware of the scandalous, the outrageous, the almost criminal method adopted in levying compensatory duties in the Payne-Aldrich law.

Mr. President, I desire without interruption to discuss the duties levied in previous laws.

COMPARISON OF THE COMPENSATORY DUTY ON YARN IN THE SENATE AMENDMENT WITH PREVIOUS LAWS.

It is difficult to make a comparison because any compensatory duty which is purely compensatory must reflect whatever rate of duty is imposed upon raw wool; that is, it must be worked out in scientific relation to the duty upon raw wool under the tariff act. The raw wool duty has, of course, varied. Under the emergency tariff act the compensatory duty upon yarn—as upon other wool manufactures—is 45 cents per pound. This is 6 cents per pound more than the compensatory duty in the main brackets of the Senate bill. But it must be remembered that in the emergency law, owing to the skirting joker, the duty upon raw wool, assuming an average shrinkage of 50 per cent, would be 60 cents per clean pound; whereas in the Senate bill it is 33 cents per clean pound.

Under the Underwood law there was, of course, no compensatory duty, since wool was admitted free.

Under the Payne-Aldrich law the compensatory duty on yarns in the lowest bracket was 27½ cents per pound. But upon those falling in the remaining brackets—and this comprised the bulk of yarn—the compensatory duty was 38½ cents per pound. Considering that the duty upon raw wool in the Senate bill is 50 per cent higher than the duty in the Payne-Aldrich law, it is obvious that a compensatory duty of 38½ cents per pound bears a peculiar aspect in the light of the compensatory duty of 39 cents per pound in this bill. The explanation is, of course, that the compensatory rates in the Senate bill are based upon the findings of the old Tariff Board, while the compensatory rates in the Payne-Aldrich law were ostensibly compensatory but were in fact loaded with concealed protection. It is a belated acknowledgement of the iniquities of Schedule K.

COMPARISON OF PROTECTIVE RATES ON YARN IN THE SENATE AMENDMENT WITH HOUSE BILL.

The protective rates on yarn in the House text were 15, 18, and 20 per cent, respectively, as the valuation of the yarn increased. But it must be remembered that these rates are based upon American valuation. The protective rates in the Senate amendment, based upon foreign valuation, are 30, 35, and 40 per cent, respectively, for the equivalent brackets. It is difficult to compare the relative height of the House and Senate texts because of the basis of valuation. If we contrast the prices on comparable grades of yarn it is necessary to make allowance for the fact that the domestic price includes the higher cost of raw material owing to the emergency tariff law. It is quite probable, however, that the protective rates contained in the Senate bill constitute an actual increase over the House rates. Certainly the changes of rates made in the Senate amendment will not redound to the disadvantage of the domestic spinner.

COMPARISON OF PROTECTIVE RATES ON YARN IN THE SENATE AMENDMENT WITH EMERGENCY LAW.

Ostensibly the emergency law contains no protective rate other than that of 18 per cent, which already existed in the Underwood law. The fact is, however, that the compensatory duty of 45 cents per pound includes a substantial amount of protection, because the duty upon raw wool in the emergency law has not yet, at least, resulted in such an increase in the domestic prices of raw wool as to require a compensatory duty of 45 cents per pound upon yarn.

IMPORTS UNDER THE EMERGENCY TARIFF LAW.

The emergency law does not appear to have led to any great curtailment in the imports of yarn, though it should be noted that these have not been large either before or since the passage of the law as compared with the production in this country. Even in 1914, when imports amounted to 4,760,610 pounds and were larger than during recent years, they amounted to only 2.7 per cent of the domestic production of worsted yarn. Practically all our imports are worsted yarns. As a matter of fact, both before and after the enactment of the emergency law imports of yarns have ranged on the average around 300,000 pounds monthly, except during the three months preceding the law and while it was being discussed in Congress. At this time importations increased in the same manner and for the same reasons as in the case of tops, which has already been discussed. It being apparent that importers, anticipating the passage of the law, were storing up more than usual, so as to avoid the paying of the high duties threatened by the passage of the emergency law, it is fair to assume that the emergency law has operated to reduce the importations of the coarser and cheaper yarns, and had little effect in keeping out the finer and higher-priced yarns.

COMPARISON OF THE PROTECTIVE DUTY IN THE SENATE AMENDMENT WITH THE UNDERWOOD LAW.

The protective duty levied in the Underwood law was 18 per cent. The Senate amendment, therefore, on the higher priced and finer grade yarns constitutes an increase of over 122 per cent over the Underwood law.

While there was some slight increase of imports during the early years of the Underwood law, these, as noted above, constitute only 1 or 2 per cent of the domestic production. It is to be noted that the bulk of these yarns very likely consist of special yarns, types not directly competing with American yarns.

COMPARISON OF THE PROTECTIVE DUTY IN THE SENATE AMENDMENT WITH THE PAYNE-ALDRICH LAW.

The Payne-Aldrich law imposed a protective duty of 35 per cent and 40 per cent ad valorem. The rate named in the Payne-Aldrich law was condemned and repudiated, as is well known.

It is not necessary to discuss now the finding of the old Tariff Board to the effect that the Payne-Aldrich protective duty was altogether too high and that it led to the complete prohibition of the coarser yarns and almost a complete prohibition on even the finer and higher priced yarns, and thereby gave a protection to the American yarn maker which was unwarranted.

The Underwood law, which followed the Payne-Aldrich law, was in substantial accord with the Tariff Commission's findings in fixing the protective duty at 18 per cent.

RELATION OF THE SENATE PROTECTIVE DUTY TO CONVERSION COSTS.

The normal conversion cost of woolen yarn ranges from 25 to 40 per cent of the total cost. Thus those protective rates in the Senate bill which are most likely to be operative, namely, 35 and 40 per cent, amount all the way from 87½ per cent to 150 per cent of the foreign conversion costs. Yet the old Tariff Board concluded, after an exhaustive study of the conversion costs on yarn here and abroad, that the domestic cost of converting the tops into yarn exceeded the foreign, on the average, by about 100 per cent. Inasmuch as they found that the domestic conversion cost of tops from raw wool exceeded the foreign by only about 80 per cent, on the average, it follows that the total domestic cost of converting clean wool into yarn must have exceeded the foreign cost by a figure somewhere between 80 and 100 per cent—see Tariff Board Report of 1912, page 16. Nor do the subsequent investigations made by the Tariff Commission indicate that this ratio of domestic to foreign conversion costs has been substantially changed in subsequent years. Thus it appears that the protective rates upon yarn in this bill are in direct violation of the findings of the old Tariff Board, and of conditions as they exist to-day in this branch of the industry.

Mr. President, I base my objections to this paragraph on four chief grounds:

First. The rate of 18 per cent was fixed in the Underwood Simmons law after consultation and investigation by the Tariff Board as to the conversion costs of yarns in this country and abroad.

Second. There has been no increase in the spread or in the difference in the conversion costs between 1913 and the present time.

Third. There have been no importations under a rate of 18 per cent.

Fourth. The prices to-day of English yarns and American yarns in New York and Boston do not justify such increased protection as is proposed.

The comparatively slight difference in the prices of British and American yarns, it must be borne in mind, includes the increased cost of the domestic product by the existing duty on raw wool, because the American yarn now is being made under a very high duty upon raw wool, which, of course, is reflected in the price. To make a correct estimate of what would be a fair protective duty we ought to remove entirely from the American yarn the compensatory duty under the emergency law, so as to treat the prices upon the basis of free wool, but I am not doing that. The following prices are of July 15, 1922, and apply to American-made yarns made from wool dutiable at the rates named in the emergency law:

The British price of yarn of a given grade is $1.71. The American price of yarn of the same grade is $2.40—a difference of 69 cents.

In the case of another grade, the price in America of the British yarn is $1.55. The price of a corresponding grade American yarn is $2.

The British yarn in America of another grade is selling at $1.44, and the domestic yarn at $1.85.

The British yarn of the next grade is selling in America at $1.27, and the domestic yarn at $1.65.

The British yarn of the next grade is selling in America at 97 cents, and the American yarn at $1.45.

The British yarn of the next grade is selling in America at 64 cents, and the American yarn at $1.

In the case of the first grade named the difference in price is 69 cents. The amendment proposed by the Senate committee gives to the spinner of yarn 97 cents in that instance. In other words, the Senate amendment licenses the American spinner to charge the American consumer the difference between the American price and the foreign price, and in addition 28 cents, which he can put in his pocket. In this case the duty gives the entire conversion cost, plus 27 cents on every pound of yarn, to the manufacturer. Just figure up, when you come to consider 100,000 pounds or 1,000,000 pounds of yarn, just what an enormous gift that is.

In the case of grade No. 2, the difference in price is 45 cents. This amendment gives a protection of 91 cents, a sum equaling the cost of conversion, plus 46 cents on every pound of yarn for the American spinner.

These duties upon yarn constitute the most outrageous case that has been presented in the whole discussion of this bill. In this case you are giving the manufacturer 100 per cent more than the difference in the conversion costs.

Now, let us take the third case. The difference between the cost of the British yarn and the American yarn is 41 cents. The Senate amendment gives the manufacturer of yarns a protective duty upon that difference of 87 cents—46 cents this time, gratis; 46 cents more than the difference in the cost of converting the wool into yarn in this country and abroad.

The next, 38 cents, the difference in the costs of producing the two yarns, gives the spinner 81 cents. The next, 48 cents, gives the spinner 66 cents. The next, 36 cents, gives the spinner 56 cents.

Are we going to stand for that? Will anybody listen, and, in the light of these figures of July 15, in the light of this information of 10 days ago, vote any such bounty or subsidy to the spinners? I ask that the table from which I read be inserted in the RECORD at the close of my remarks. (See Appendix A.)

Now I intend to translate all the duties levied under the Payne-Aldrich law, and all the duties proposed to be levied under the bill as it passed the House, and all the duties proposed to be levied by the Senate committee amendment into ad valorem rates and find out just how much more we are expecting the American people to pay for the different grades of yarn, based upon ad valorem rates, instead of specific and ad valorem rates, as levied in this amendment.

I shall not take the trouble to read all of the 10 or 12 grades of yarn in the table which I have in front of me. I shall not take the trouble and time of the Senate to point out the difference in the ad valorem duties in the extreme cases. I will pick out just one or two grades of yarn which are most commonly used.

The Payne-Aldrich law levied duties on the 36-ply yarn representing 144 per cent ad valorem.

The bill as it passed the House levied duties of 199 per cent ad valorem and the Senate committee amendment proposes to levy a duty of 143 per cent ad valorem, practically exactly the same as the Payne-Aldrich rates, which have been so very sharply criticized and strongly condemned by the majority party in this Chamber.

You are proceeding to levy upon yarns an ad valorem duty of from 65 per cent, in the case of the cheapest yarns, to nearly 150 per cent, yet the information which all experts upon this subject have given is that the cost of manufacturing yarns out of the raw wool represents only between 25 and 40 per cent of the value of the wool. I want to repeat that, as against a conversion cost, upon the authority of experts, justifying between 25 and 40 per cent of the cost of the article we are providing in this amendment for a conversion cost of from 65 per cent to 150 per cent.

Let the majority go on with this business of bestowing these gifts promiscuously without any impartial data or information to justify them. They spell political disaster for the Republican Party.

My only fear is the effect that the imposition of these duties will have upon American business and foreign commerce, and my only sympathy is with the American consumers who will have to pay the cost. The worst part of an unscientific tariff bill is that when the American people demand, as they will demand, a change in these duties we will find the protected industries so accustomed to these protective duties and to the profits which come from them that we will be unable to strike, without much difficulty and business disturbance, a rate which will be fair to them, fair to the consuming public, and fair to all concerned.

These duties are not fair to the American consumer.. They are not fair to the great competitive business interests of America. Yet this amendment will be adopted by the majority. If I could point out that these duties meant a 500 per cent increase in prices, the amendment would go through just the same under the iron heel of the agricultural bloc and those who represent other favored interests.

I ask that the table showing the ad valorem rates in the Payne-Aldrich law, the bill as it passed the House, and the Senate amendment be printed in the RECORD at the close of my remarks. (See Appendix B.)

Mr. President, I move now that on page 145, line 12, the numeral "30" be stricken out and the numeral "20" inserted; that on line 14 the numeral "35" be stricken out and the numeral "25" inserted; and that on line 15 the numeral "40" be stricken out and the numeral "30" inserted; so that if amended the amendment would read:

Yarn, made wholly or in chief value of wool, valued at not more than 30 cents per pound, 26 cents per pound and 20 per cent ad valorem; valued at more than 30 cents but not more than $1 per pound, 39 cents per pound and 25 per cent ad valorem; valued at more than $1 per pound, 39 cents per pound and 30 per cent ad valorem.

APPENDIX A.

Comparative prices of worsted yarns in England and the United States.

Domestic.		British.		Price of British yarn in United States, excluding duty.[3]	Difference, United States vs. British in United States.	Emergency duty (45 cents plus 18 per cent).	Senate bill (39 cents plus 35 percent, 39 cents plus 40 per cent).
Quality.	Price.[1]	Quality.	Price, specific duty, United States.[2]				
	Per lb.						
2/50s, fine	$2.40	2/48s of 70s	6/6=$1.44	$1.71	$0.69	$0.75	$0.97
2/40s, ½ blood	2.00	2/40s of 60s	5/10=1.30	1.55	.45	.68	.91
2/32s, ¼ blood	1.85	2/32s of 60s	5/5=1.20	1.44	.41	.66	.87
2/36s, ⅜ blood	1.65	2/36s of 58s	4/9=1.05	1.27	.38	.64	.81
2/20s, ⅜ blood	1.45	2/20s of 56s	3/6=.78	.97	.48	.59	.66
2/20s-2/24s, low ½	1.00	2/24s of 44s, crossbred.	2/2=.48	.64	.36	.54	.56

[1] Textile World, July 15, 1922.
[2] Bradford Wool Record and Textile World, July 13, 1922.
[3] Allowing 5 cents per pound for landing charges and 10 per cent for importer's overhead and profit.

APPENDIX B.

Yarn.

	Rate in Payne-Aldrich law.	Rate in bill as it passed the House.	Senate committee rate.
	Per cent.	*Per cent.*	*Per cent.*
36 (sgle)	144	129	143
52.5 (sgle)	133	96	109
63 (sgle)	101	85	97
88 (sgle)	84	72	79
154 (sgle)	65	53	65
36 (ply)	144	129	143
59 (ply)	105	88	100
96 (ply)	80	69	76
142 (ply)	67	56	67
82 (mix)	87	76	83
157 (mix)	64	53	65

Mr. LENROOT. Mr. President, it seems very clear to me, from such investigation as I have been able to make, that the protective duties provided in this paragraph are excessive. In reporting this paragraph the committee has assumed that it would require twenty-six thirty-thirds of a pound of scoured wool to make a pound of yarn. At the very lowest rate of the low-blood wool quoted in the London markets last month of 24 cents a pound it would make the very lowest cost of the wool 21 cents a pound, leaving for the first clause 9 cents a pound for the entire conversion cost, whereas the rate of duty at 30 per cent ad valorem would give 9 cents per pound protective duty, 100 per cent, or just double the conversion cost in the case of the very cheapest yarns that could be produced.

The Tariff Board of 1912 went into a very thorough investigation of the difference in the cost of spinning yarn in Great Britain and America, and they found that the cost ranged from 70 per cent to 94 per cent greater in America. But we have in the survey of the British wool-manufacturing industry, made by the Tariff Commission in 1920, a new survey of the situation between England and the United States as to yarn costs. I first want to read the general conclusions of the commission with reference to wages in England and the United States. On page 89 they said:

> With respect to comparative wage scales, it is interesting to note the relative changes in wages in the two countries since the pre-war period, and, in view of the generally appreciated difference in wage levels then obtaining, to judge whether the competitive position of the American industry has or has not improved in the interim. As far as England is concerned, it may be stated that wages have risen on the average 160 to 170 per cent, including the increase due to the shortening of working hours, the cost of living bonus, and the addition to basic wages which is becoming general throughout the industry.

Then they say further:

> For the United States no general authoritative figure of average advances of wages since 1914 exists. The best data available indicate that the increase has been approximately 125 to 135 per cent.

So, according to the report of the Tariff Commission, the spread in cost in Great Britain and in the United States is less to-day, so far as labor cost is concerned, than it was in 1912. But on page 79 of the survey the commission give the comparative cost of yarns, giving the American price and the English price, and then say:

> Here, as in the case of the tops, there is a much closer approximation of the English figures to those in the domestic market than existed before the war. It will be noted that, were the duty on yarns as contained in the present tariff, 18 per cent, to be added to the above prices of the English yarns, it would not be advantageous to import them into this country. Charges for freight, insurance, commissions, and the like would, of course, increase the imported price still further.

So that the commission find that 18 per cent, the rate in the Underwood law, is adequate to-day to cover the difference in price, and yet the committee propose to increase that rate from 18 to 30 per cent in one case and from 18 to 40 per cent in another case.

Mr. McCUMBER. Mr. President, will the Senator yield?

Mr. LENROOT. I yield.

Mr. McCUMBER. Have the commission made any report as to the cost of production in France and in Germany compared with the cost in the United States?

Mr. LENROOT. Not that I know of.

Mr. McCUMBER. France imports quite considerable and Germany not as much, but of course her capacity for doing such is unquestioned if the conditions become favorable for it.

Mr. LENROOT. England imported 4,800,000 pounds in 1921 and France imported 1,000,000 pounds.

Mr. McCUMBER. But that is considerable. It is not, of course, as much as Great Britain imported, but at the same time we have to take the country of lowest production cost as well as the country of the highest production cost in determining what the duty shall be.

Mr. LENROOT. The Senator said the importation of France is considerable. Let us see how considerable it is compared with our own production of yarn.

Mr. WALSH of Massachusetts. Mr. President, may I suggest to the Senator, while he is looking for that information, that while the emergency tariff law was pending it became apparent that increased duties were intended to be levied and there was a considerable increase in the imports of yarn so as to escape the duties about to be levied under the emergency tariff law.

Mr. LENROOT. Oh, yes; the tariff board so stated.

Mr. WALSH of Massachusetts. Of course, those fancy yarns must be imported anyway. They are not made in America.

Mr. LENROOT. I do not have the figures showing our own production in 1921, but the Senator, I think, will admit it was over 500,000,000 pounds. I do not want the question of fact to be in dispute.

Mr. McCUMBER. I do not have them in mind just now, but I understand the Senator has about the right proportion between the British and the German.

Mr. LENROOT. So that with our production of 500,000,000 pounds and over, an importation of 1,000,000 pounds of course is a bagatelle.

Mr. SMOOT. I will say to the Senator, however, that the 1,000,000 pounds are certain kinds of yarns that would come in here as specialties. But if we change the rate here to take care of the low-grade yarns at the price of wool to-day, and if they advance in price, there would be no protection and the door would be wide open.

Mr. LENROOT. I want to understand that. Why does the Senator say that if wools advance in price there would be no protection? I am not speaking of the compensatory duty.

Mr. SMOOT. No; I did not say advance. I say if they decline in price.

Mr. LENROOT. The low wools?

Mr. SMOOT. No; the medium wools. If the medium wools decline in price, then the rate we have provided here would be hardly compensatory because, as the Senator knows, with the 20 per cent decrease there, the line of danger would be immediately marked. It is true that the fine and medium wools are exceptionally high and the low-bred wools are exceptionally low. I can figure out to the Senator on the low rate that the amount provided for in the paragraph necessarily would be 100 per cent, but if the wool advanced from 18 and 20 cents, the price to-day, to the normal price of 40 cents, then it would be cut absolutely in two, and it would be very much less than the emergency tariff rate.

Mr. LENROOT. If the committee are right in the compensatory duty in the first clause, there could not be any imports, because there could not be any yarn valued at less than 30 cents.

Mr. SMOOT. I am aware of that; and I will admit, so far as the brackets are concerned, that that has happened in every one of our tariff laws where the brackets have been used, and necessarily will happen when they are used. The reason for that is because in making the law it is the desire to provide for every emergency that may happen. We thought we had it provided for in the Underwood law to take care of the price of wool, no matter how low it went. If the Payne-Aldrich law was in effect to-day it would not take care of the abnormally low prices of the coarse wools. I know the difficulties there, and I know what the Senator said is absolutely true as to the enormous percentage that falls now through the compensatory duty of 31 cents. There is no doubt about it at all. But if these wools advance 100 per cent—and I believe they will advance 100 per cent—it would be different.

I say now, as I said the other day, that there is no more chance of losing money, if a man wanted to speculate upon coarse wool, than there is that the heavens will fall. Just as surely as he could pack these wools he would make money upon them. Never have they been known to be so low as they are to-day. Those rates, of course, are not going to affect the cloth, because the Senator knows there is not a protective duty here of more than 50 per cent on the cloth anywhere, and those rates are made so they will be step by step in normal times. I could criticize this most mercilessly to-day, so far as rates are concerned, if we had normal conditions and normal priced wool. I could criticize them just as severely as the Senator can criticize them or just as severely as the Senator from Massachusetts has criticized them if conditions were normal and the prices were as they generally are.

Mr. LENROOT. The Senator will admit that if the price goes up the protective-tariff rate translated into terms of ad valorem equivalent also increases.

Mr. SMOOT. Yes; we have to do that on the lower wools.

Mr. LENROOT. I understand that. If the price of wool goes up, the cost of conversion does not go up.

Mr. SMOOT. Not at all.

Mr. LENROOT. By reason of the increased price of wool the cost of conversion does not go up, but the protection does go up when the price of wool goes up.

Mr. SMOOT. That is true; and on the lower bracket, as the Senator will notice, we only have 30 per cent ad valorem, and on the tops 20 per cent. The steps necessary from that are based on the 10 per cent conversion cost.

Mr. LENROOT. That can hardly be, because the bill as originally reported carried 25 per cent on tops, and the next step was 30 per cent upon yarns.

Mr. SMOOT. Now, Mr. President, in order that the Senator may know and in order that the Senate may know, I am perfectly willing to state just why that is. There was a feeling

in the country and there was a feeling in the committee, so far as tops are concerned, that we do not want them to come in and do not want them to displace wool. The 25 per cent rate was put in there as an embargo, pure and simple, and it would be an embargo. I think I told the Senator that in our conversation upon the item. It was put in there for that purpose.

Mr. LENROOT. I think that is true, but, of course, that rather destroys the Senator's argument that the 10 per cent advance was the necessary advance.

Mr. SMOOT. It was not 10 per cent as reported to the Senate. It was only 5 per cent.

Mr. LENROOT. That is what I said.

Mr. SMOOT. But I do say, when it was reduced to 20 per cent, that 10 per cent was the original advance between the tops and the next step. The Senator will notice we only gave 26 cents a pound.

Mr. LENROOT. That would be 26/33 of a pound of wool.

Mr. SMOOT. That is what it means. That is what we put into yarns, and there is no question but what we could make that yarn in normal times at 30 cents, but they would have to have that amount of waste or other material.

Mr. LENROOT. Let me ask the Senator, although I do not care to make any contention about it, will not a yarn that is part cotton come in under this paragraph?

Mr. SMOOT. Yes; if it is mixed with wool and the chief value is wool.

Mr. LENROOT. So that we have, and I am not criticizing the committee for it, given a hidden protective duty in such cases where it is not all wool.

Mr. SMOOT. No; we have taken off the 39 cents and made it only 26 cents. In other words, there would have to be an increase of 50 per cent on the 26 cents to make it 39 cents.

Mr. LENROOT. But it has to be twenty-six thirty-thirds of a pound of wool, according to the committee. That would only leave seven thirty-thirds of a pound of anything else. It might be wool waste.

Mr. SMOOT. More than likely this is what would happen. They would put in perhaps 12½ per cent cotton and the balance of wool waste, and of course the remainder of it would have to be wool. If they should put cotton in it the thread would be so hard that it could not be finished so it would pass in commerce as a wool article.

Mr. LENROOT. I appreciate that there is no way of avoiding an excessive or protective duty in giving a compensatory rate if you are to carry into the compensatory rate the rate on the pure wool. I do not question that. It is simply a fact that necessarily through the whole schedule there are hidden rates, not designedly so, but actually working out that way, and the Senator will admit that, I think.

Mr. SMOOT. I have admitted it, and I admit it again. With the abnormal situation now existing we can not get away from it.

Mr. LENROOT. To get back to the pending proposition, the Senator says if wool rises in price a different situation will prevail; but if the cost of wool rises, the conversion cost does not necessarily change at all.

Mr. SMOOT. No.

Mr. LENROOT. But if wool does rise in price the protective rate rises with it.

Mr. SMOOT. Yes; but the equivalent ad valorem on one kind of wool would then be very much lower than the equivalent ad valorem duty on the other. The fine wools are not going to advance; they are now abnormally high. If there shall be any change whatever I think the price will decrease. On the other hand, if there shall be any change in the case of the low-blood wools the price will increase.

Mr. LENROOT. Then, I think the Senator from Utah will admit that the rate provided in the first bracket is really prohibitive; there can not be any importations under that rate for it is over 100 per cent.

Mr. SMOOT. I do not think that there will be very much wool falling in the 30-cent bracket; in fact, I know of no yarn to-day that could be bought for 30 cents; but if conditions should change, or anything should happen which we do not now foresee, there might be such a thing. However, if the Senator from Wisconsin will look at the importations he will find that there is no such yarn imported. I will further say to the Senator that there is no such yarn of which I know made in the United States to-day.

Mr. LENROOT. I think that is true; I do not think there is any such yarn imported, because the 18 per cent rate is absolutely prohibitive, and I do not think there is any such yarn made in the United States.

Mr. SMOOT. The bill as it came from the House starts out with wool which is valued at not more than 55 cents a pound. There are yarns that are of less value than 55 cents a pound. Then we made a new bracket. Of course, the House rates were based upon American valuation, and we changed those and based them on foreign valuation. Of course, the Senator also knows that these rates are lower than the Payne-Aldrich law rates.

Mr. LENROOT. I think that is true; but, according to the Tariff Commission, the 18 per cent rate is normally prohibitive; and yet it is proposed to increase it to 30 per cent.

I am not going to take further time, Mr. President. I appreciate there is no use in trying to secure a reduction in the rates in this schedule. It simply can not be done; and it can not be done no matter what facts may be shown to the Senate. The votes are here to put the rates through just as the committee proposes them. I appreciate that, and I am not going to take a great deal of time. I am merely going to ask for a test vote on certain of these paragraphs, particularly with reference to clothes. Then I shall be content to let the schedule go through, for I realize the utter futility of arguing the merits of the different rates which are proposed in this schedule.

Mr. McCUMBER. Mr. President, I think the Senator from Wisconsin will admit that the present price of low grades of wool is only about half what it was in 1915, and that, therefore, in all probability it will at least double in price under normal conditions. If such wool should bear the relation that it bore to the higher-priced wools in 1915 it would have to be increased in price about fourfold in order to maintain the difference that prevailed at that time. Let us assume that the price will simply be doubled; then does the Senator think that the rates which we have proposed to impose on the ad valorem basis, outside of the compensatory rate, would be excessive?

Mr. LENROOT. I certainly should, for, if the committee had proposed these rates as allowing fair compensation upon the present prices when the price is doubled, the protection is doubled.

Mr. SMOOT. But there would not be any greater equivalent ad valorem on the wool than if the price were just as low as it is to-day.

Mr. LENROOT. But does not the Senator see that if wool which costs 30 cents a scoured pound is converted into yarn and the conversion cost is 30 per cent, or 9 cents, and if that wool goes up to 60 cents a pound the conversion cost will be 9 cents but that the duty will be 18 cents?

Mr. McCUMBER. But the equivalent ad valorem would be very much lower.

Mr. LENROOT. I know that; but equivalent ad valorems are for the purpose of covering the difference in actual costs, are they not?

Mr. SMOOT. That is true, I will say to the Senator; but, on the other hand, the Senator must admit that that does not apply to wools above three-fourths bloods.

Mr. LENROOT. I will admit that when the wool goes up there can not be the same amount of wool coming in under the lower bracket, of course.

Mr. SMOOT. That is true. The Senator from Wisconsin and I do not disagree as to that.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Massachusetts [Mr. WALSH] to the amendment of the committee.

Mr. UNDERWOOD. Mr. President, I think the Senator from Massachusetts [Mr. WALSH], who is in charge of this schedule but who happens for the moment to be absent from the Chamber, would probably desire a yea-and-nay vote on his amendment.

Mr. SMOOT. I ask for the yeas and nays, Mr. President.

The yeas and nays were ordered.

The Assistant Secretary proceeded to call the roll, and Mr. ASHURST voted in the affirmative when his name was called.

Mr. WALSH of Massachusetts. Mr. President, I ask that the Secretary may state my amendment.

The PRESIDING OFFICER. By unanimous consent, the roll call will be suspended, and the Secretary will again state the amendment offered by the Senator from Massachusetts to the amendment reported by the committee.

The ASSISTANT SECRETARY. In the amendment of the committee, on page 145, being the yarn provision, on line 12, it is proposed to strike out "30" and insert "20"; on line 14 to strike out "35" and insert "25"; and on line 15 to strike out "40" and insert "30."

Mr. LODGE. Mr. President, I make the point of order that there can be no interruption of the roll call.

The PRESIDING OFFICER. The point of order comes too late. The Secretary will proceed with the calling of the roll.

The Assistant Secretary resumed the calling of the roll.

Mr. BALL (when his name was called). Repeating the statement made on the previous roll as to the transfer of my pair, I vote "nay."

Mr. DIAL (when his name was called). Making the same announcement as to my pair and transfer as on former ballots, I vote "yea."

Mr. McCUMBER (when his name was called). Transferring my pair as on the previous vote, I vote "nay."

Mr. McLEAN (when his name was called). I transfer my pair with the senior Senator from Montana [Mr. MYERS] to the junior Senator from Colorado [Mr. NICHOLSON], and vote "nay."

Mr. NEW (when his name was called). Repeating the announcement made on previous votes as to the transfer of my pair, I vote "nay."

Mr. WALSH of Montana (when his name was called). I have a general pair with the Senator from New Jersey [Mr. FRELINGHUYSEN] which I transfer to the Senator from Missouri [Mr. REED], and vote "yea."

The roll call was concluded.

Mr. McKINLEY (after having voted in the negative). I note that my permanent pair, the Senator from Arkansas [Mr. CARAWAY], has not voted. I transfer that pair to the junior Senator from North Dakota [Mr. LADD], and let my vote stand.

Mr. HALE. Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. JONES of New Mexico. Making the same announcement as on the previous vote concerning the transfer of my pair, I vote "yea."

Mr. STANLEY (after having voted in the affirmative). I observe that my pair, the junior Senator from Kentucky [Mr. ERNST], has not voted. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and allow my vote to stand.

Mr. CALDER (after having voted in the negative). I transfer my pair with the senior Senator from Georgia [Mr. HARRIS] to the junior Senator from Delaware [Mr. DU PONT] and allow my vote to stand.

Mr. CURTIS. I wish to announce that the Senator from North Dakota [Mr. LADD] is necessarily absent on account of illness in his family.

I also desire to announce the following pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from West Virginia [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. ROBINSON];

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON]; and

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS].

The result was announced—yeas 19, nays 31, as follows:

YEAS—19.

Ashurst	Jones, Wash.	Sheppard	Trammell
Borah	Kellogg	Simmons	Underwood
Dial	Lenroot	Smith	Walsh, Mass.
Heflin	Overman	Stanley	Walsh, Mont.
Jones, N. Mex.	Pomerene	Swanson	

NAYS—31.

Ball	Gooding	McKinley	Phipps
Broussard	Hale	McLean	Ransdell
Bursum	Harreld	McNary	Smoot
Calder	Kendrick	Moses	Spencer
Cameron	Keyes	Nelson	Sterling
Capper	Lodge	New	Warren
Colt	McCormick	Newberry	Willis
Curtis	McCumber	Pepper	

NOT VOTING—46.

Brandegee	France	Myers	Shields
Caraway	Frelinghuysen	Nicholson	Shortridge
Crow	Gerry	Norbeck	Stanfield
Culberson	Glass	Norris	Sutherland
Cummins	Harris	Oddie	Townsend
Dillingham	Harrison	Owen	Wadsworth
du Pont	Hitchcock	Page	Watson, Ga.
Edge	Johnson	Pittman	Watson, Ind.
Elkins	King	Poindexter	Weller
Ernst	Ladd	Rawson	Williams
Fernald	La Follette	Reed	
Fletcher	McKellar	Robinson	

So the amendment of Mr. WALSH of Massachusetts to the amendment reported by the committee was rejected.

The PRESIDING OFFICER. The question recurs upon the amendment of the committee.

Mr. WALSH of Massachusetts and Mr. SMOOT called for the yeas and nays, and they were ordered.

The PRESIDING OFFICER. The Secretary will call the roll.

The Assistant Secretary proceeded to call the roll.

Mr. BALL (when his name was called). Making the same announcement as on the preceding vote as to the transfer of my pair, I vote "yea."

Mr. DIAL (when his name was called). Making the same announcement of my pair and transfer as on the former ballot, I vote "nay."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "yea."

Mr. McCUMBER (when his name was called). Transferring my pair as upon the previous vote, I vote "yea."

Mr. McKINLEY (when his name was called). Making the same announcement as before, I vote "yea."

Mr. McLEAN (when his name was called). Making the same announcement as before, I vote "yea."

Mr. NEW (when his name was called). Transferring my pair as on the previous vote, I vote "yea."

Mr. STANLEY (when his name was called). Making the same announcement as before with reference to my pair, I vote "nay."

Mr. WALSH of Montana (when his name was called). Transferring my pair as on the last vote, I vote "nay."

The roll call was concluded.

Mr. COLT (after having voted in the affirmative). I transfer my pair with the junior Senator from Florida [Mr. TRAMMELL] to the senior Senator from Maryland [Mr. FRANCE], and will allow my vote to stand.

Mr. JONES of New Mexico. Making the same announcement as on the previous vote regarding my pair, I vote "nay."

Mr. CALDER. Making the same announcement as on the former vote as to the transfer of my pair, I vote "yea."

Mr. CURTIS. I desire to announce that the Senator from Nevada [Mr. ODDIE] is necessarily absent. If present he would vote "yea" on this question.

I have been requested to announce the following pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON];

The Senator from West Virginia [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. ROBINSON]; and

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS].

The result was announced—yeas 31, nays 19, as follows:

YEAS—31.

Ball	Gooding	McLean	Shortridge
Broussard	Hale	McNary	Smoot
Bursum	Harreld	Moses	Spencer
Calder	Kendrick	Nelson	Stanfield
Cameron	Keyes	New	Sterling
Capper	Lodge	Newberry	Warren
Colt	McCumber	Pepper	Willis
Curtis	McKinley	Phipps	

NAYS—19.

Ashurst	Jones, N. Mex.	Pomerene	Swanson
Borah	Jones, Wash.	Sheppard	Underwood
Cummins	Kellogg	Simmons	Walsh, Mass.
Dial	Lenroot	Smith	Walsh, Mont.
Heflin	Overman	Stanley	

NOT VOTING—46.

Brandegee	Frelinghuysen	Myers	Robinson
Caraway	Gerry	Nicholson	Shields
Crow	Glass	Norbeck	Sutherland
Culberson	Harris	Norris	Townsend
Dillingham	Harrison	Oddie	Trammell
du Pont	Hitchcock	Owen	Wadsworth
Edge	Johnson	Page	Watson, Ga.
Elkins	King	Pittman	Watson, Ind.
Ernst	Ladd	Poindexter	Weller
Fernald	La Follette	Ransdell	Williams
Fletcher	McCormick	Rawson	
France	McKellar	Reed	

So the amendment of the committee was agreed to.

Mr. JONES of New Mexico. Mr. President, I present an amendment to the pending bill and ask that it be printed and lie upon the table.

I desire to say that I had intended, in connection with the presentation of this amendment, to discuss its provisions; but I have finally concluded that it would be advisable to let the amendment be printed, so that Senators may have copies of it before the discussion begins. I will state generally that it is an amendment to extend the powers of the Tariff Commission, and is offered, in effect, as a substitute for the pending bill.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

Mr. SMOOT. Mr. President, we have now reached the woven-fabrics paragraph of this bill. Paragraph 1108 deals

with the lightweight woven goods, and I desire at this time to modify two of the rates in the paragraph. On page 146, line 7, I ask to substitute "50" for "55," and on line 10 I ask to substitute "50" for "55."

It may be asked, as long as the ad valorem rate is 50 per cent, why there should be two brackets bearing the ad valorem rate of 50 per cent. I will say that of course the compensatory duty is different, and for statistical purposes we desire that they should be separated; and that will appear in one or two other paragraphs. No matter where it appears, if the protective rate is 50 per cent in two of the brackets, we do that, even though the compensatory rate is the same but the value is different, for the purpose of statistics, and so that we may know the quantity of goods of various prices coming into the country.

Mr. WALSH of Massachusetts. Mr. President, paragraph 1108 covers the lighter weight fabrics of wool, mohair, and so forth; that is, women's and children's dress goods, coat linings, bunting, and the like. It contains two sets of duties, those relating to such fabrics when not having a cotton warp and those relating to such fabrics having a cotton warp—the latter being the proviso clause. The provisions covering those not containing a cotton warp fall into two brackets, according to the value of the goods; that is, whether under or over 80 cents per pound. Upon those valued at less than 80 cents per pound the rate is 40 cents per pound plus 50 per cent ad valorem. Upon those valued at more than 80 cents per pound the rate is 49 cents per pound and 50 per cent ad valorem. On the cotton-warp goods—proviso clause—the duty is 39 cents per pound and 50 per cent ad valorem.

The compensatory duty of 49 cents per pound in the second bracket is based upon the Tariff Board's computations relating to compensatory duties upon clothing, which indicate that upon an all-wool cloth the wastage in manufacture is such that, after the value of the waste is credited, there is required about 150 per cent of the clean-content duty to serve as the compensatory on cloth. Thus, with a duty of 33 cents on the clean wool, about 49 cents would be required on the cloth. The assumption here is that any cloth which is valued at more than 80 cents per pound is likely to contain nothing but virgin wool.

In the first bracket the compensatory duty has been fixed at 40 cents rather than at 49 cents per pound, because it has been assumed that fabrics valued at less than 80 cents per pound contain substantial proportion of substitutes for virgin wool. This is presumably an estimated allowance only.

The situation respecting the compensatory duty of 39 cents per pound on cotton-warp dress goods is similar to that in the case of lower valued all-wool fabrics; that is, since the fabric is composed in part of cotton (upon which no compensatory duty is necessary, or if it be of long-staple cotton upon which the compensatory required would be much less than in the case of wool) it is assumed that 39 cents per pound will provide adequate compensation to the manufacturer.

COMPARISON OF THE SENATE PROTECTIVE RATES WITH THE HOUSE RATES.

While no exact comparison can be made because of the difference in the basis of valuation used in the two texts, it is practically certain that the protective rates in the Senate bill constitute a distinct increase over those in the House text. For example, when the $1.25 per pound value used as an upper limit of the first bracket in the House text was converted from the American valuation, upon which it was based, to the foreign valuation basis for the Senate text, it was reduced to 80 cents per pound; that is to say, by 36 per cent. At the same time the protective rate was increased from 22 per cent in the House text to 50 per cent in the Senate text—in other words, by 127 per cent. To have maintained the same relationship between the protective rates in the two texts as was set up for the valuation bracket it would have been necessary to impose a duty of only about 35 per cent on these goods. Likewise upon the higher bracket the rate was raised from 27½ per cent in the American valuation to 50 per cent foreign valuation in the Senate text. On cotton-warp goods the change was from 22 per cent to 27½ per cent—according to value—in the House text to 50 per cent in the new Senate amendment.

It is pertinent to inquire what facts and information the Senate committee had before them that the House committee did not possess which justified them in increasing the protective rate so excessively.

To what extent these high compensatory and protective duties will burden the consumers can be illustrated by the rate fixed upon cloth valued at 80 cents per pound. Adding the 49 cents per pound compensatory duty and the 50 per cent ad valorem protective duty, it is easily seen that the price of the 80-cent wool cloth will be increased to the consumer by about 100 per cent if the duties are effective, of course. In other words, foreign cloth worth 80 cents per pound will, by reason of these duties, be sold to the consumer in America at 80 cents more.

To put it another way, it means the purchasers of ladies' dress goods which cost in the foreign market 80 cents per pound will pay in America $1.60 per pound, which would include the duty imposed on this material. On an average of 4 yards to the pound this would mean that ladies' dress goods bought in America and made abroad would be advanced about 41 cents per yard, in addition to which would have to be added, of course, exchange rates, cartage, insurance, and so forth. On an average of 5 yards to the pound, it would amount to about 35 cents per yard.

On woven cloth valued at $2 per pound in England—16-ounce cloth, 1 yard to the pound, which really falls in paragraph 1109 of this bill—the duty would be 49 cents per pound, equaling 24½ per cent ad valorem and 50 per cent ad valorem protective duty, making a total duty of 74½ per cent ad valorem on foreign valuation, which would mean a tariff tax of about $1.50 on cloth valued at $2.

Mr. POMERENE. Mr. President, the Senator has just said that the reason for this differential lies in the fact that these goods contain a certain percentage of cotton. Is the Senator able to gather information as to what that percentage is, approximately?

Mr. WALSH of Massachusetts. It averages about 25 per cent. So we will bear in mind in the discussion of this paragraph that we are dealing with fabrics which have a cotton warp; that means fabrics which have about 25 per cent of cotton in them, and also fabrics without a cotton warp.

Mr. NELSON. Mr. President, if the Senator from Massachusetts will yield to me——

Mr. WALSH of Massachusetts. Certainly.

Mr. NELSON. I have not said anything before on the tariff bill, but if the Senator from Massachusetts does not mind being interrupted a moment, I shall address my remarke to the Senator from Utah. The pending amendment reads, in part, as follows:

> Woven fabrics, weighing not more than 4 ounces per square yard, wholly or in chief value of wool, valued at not more than 80 cents per pound, 40 cents per pound and 50 per cent ad valorem.

The duty amounts to 100 per cent on woolen goods. The people in my part of the country, and we live in a cold region, have to buy woolen goods for clothing, and this means that we shall have to pay a duty of 100 per cent on woolen clothing. I think it is an outrageous proposition.

Mr. SMOOT. Of course 40 cents and 50 per cent ad valorem are proposed here, but I doubt if there is any 80 cent goods coming into the country.

Mr. NELSON. It amounts to this, I want to say, that if a yard of cloth comes in here and the export price is $5 a yard it will cost $10 a yard before it gets through the customhouse.

Mr. SMOOT. No; the Senator is wrong there, because if it costs $5——

Mr. NELSON. The duty is then 100 per cent.

Mr. SMOOT. Oh, no; I will say to the Senator.

Mr. NELSON. Yes, let me read it. Here are the figures. It is provided that where the fabric is valued at not more than 80 cents a pound, the duty shall be 40 cents a pound and 50 per cent ad valorem. Fifty per cent of 80 cents is 40 cents, and adding 40 cents to that 40 cents makes 80 cents, exactly what the article costs.

Mr. SMOOT. Let me figure it out to the Senator the way it really is.

Mr. NELSON. If that is the kind of tariff it is proposed to inflict on the American people, we want to know it.

Mr. SMOOT. I will say to the Senator that if that cloth costs $5 a yard the duty would be 40 cents on the $5, which would be just 8 per cent. Eight per cent and 50 per cent are 58 per cent, and not 100 per cent on $5 cloth.

Mr. NELSON. I am referring to the language of the bill. Can the Senator figure out anything else from that language? The language is "40 cents per pound and 50 per cent ad valorem.' If the cloth is not worth more than 80 cents a pound, the duty is 40 cents specific and 50 per cent ad valorem. Those two added together make 80 cents, and is not that 100 per cent of 80 cents?

Mr. SMOOT. Yes; but the Senator——

Mr. NELSON. Can the Senator make anything else out of those figures?

Mr. SMOOT. Yes; I can, and I did from the example the Senator stated, showing it was 58 per cent. That is all it could be. It is true that if the value is not more than 80 cents a pound, it would take exactly 80 cents, as the Senator

has stated. Fifty per cent of the 80 cents would be 40 cents, and that added to the 40 cents would be 80 cents. There is no doubt about it on that particular kind of cloth.

Mr. NELSON. Are not the people entitled to that particular kind of cloth without paying 100 per cent duty on it?

Mr. SMOOT. Yes; if there was such a thing coming into the country. But let me say to the Senator that the 40 cents per pound is a compensatory duty given upon the wool. If we were going to have free wool, then we could cut out the 40 cents a pound.

Mr. NELSON. The 40 cents is not a compensatory duty.

Mr. SMOOT. Certainly it is.

Mr. NELSON. It is more than compensatory.

Mr. SMOOT. No; it is not.

Mr. NELSON. The Senate has fixed a rate of duty of 33 cents a pound on scoured wool.

Mr. SMOOT. Yes; that is right.

Mr. NELSON. There is not a pound of scoured wool in a pound of cloth.

Mr. SMOOT. Then they do not get the 40 cents. It is only 40 cents a pound.

Mr. NELSON. They have to pay 40 cents as provided in the amendment, and in addition to that 50 per cent. I never heard of such an unconscionable duty in my life.

Mr. SMOOT. Let us get at it right. The Senator wants to be fair, I know.

Mr. NELSON. Then the Senator should be fair to the American people——

Mr. SMOOT. That is what I want to be.

Mr. NELSON. And not so exceedingly fair to the woolen manufacturers.

Mr. SMOOT. The woolen manufacturer is getting just 50 per cent duty. That is all he is getting and no more. These are light-weight goods. The Senator said 33 cents on scoured wool is the duty, and that is true, but he can not take a pound of scoured wool and make a pound of cloth from it. It is impossible to do that. There is a waste every time the wool is handled, and in the pending paragraph we have allowed 7 cents for waste. The Tariff Commission says on all woolen goods there is 50 per cent——

Mr. NELSON. But there is a great deal more waste to the poor devil who has to buy the cloth or who has to buy a coat and pay 100 per cent ad valorem duty on it. What about that waste?

Mr. SMOOT. Then the Senator ought to have free wool. If we had free wool, the 40 cents a pound proposed here would come out, but as long as we have 33 cents duty on scoured wool we have to give this compensatory duty. The manufacturer does not make one penny out of it. There is not a penny of protection in that to him. The only protection that he has is the 50 per cent ad valorem. That is his protective tariff. The other 40 cents is for the duty upon the wool, and, as I said, there is not a penny gained in the 40 cents duty.

Mr. NELSON. I am very glad to find out how the Senator from Utah justifies that enormity of a tariff on the woolen cloth that we all have to wear.

Mr. SMOOT. I think the Senator voted for the duty on wool, did he not?

Mr. NELSON. I voted for the amendment of the Senator from Wisconsin [Mr. LENROOT].

Mr. SMOOT. That proposed a duty on wool.

Mr. NELSON. Yes; but that was not such a duty as this.

Mr. SMOOT. The amendment of the Senator from Wisconsin did not affect these very goods at all. These are light-weight goods under 4 ounces per square yard. They are all dress goods. The amendment of the Senator from Wisconsin imposed a duty on coarse wools that never can be made into these goods at all, and they were given 33 cents a pound under the amendment of the Senator from Wisconsin. The Senator from Minnesota certainly does not want to vote 33 cents a pound duty on wool and then say that the manufacturer shall not have a compensatory duty. That is the situation, and I knew if he understood it——

Mr. NELSON. In some way it has been fixed so that on the cloth that we buy, that we can all afford to wear—and when I say "we" I mean the common people of the country—we have to pay a 100 per cent duty, unless the Senator takes the theory that the common people have no business to wear that kind of cloth, and would remit us back to cloth made from carpet wool.

Mr. SMOOT. I have stated what the Senate has done. It has voted a duty of 33 cents a pound on scoured wool. These are lightweight goods, none of them over 4 ounces to the yard. They are dress goods, with the exception of the last provision as to cotton warp, and those are for linings; they are nearly all linings. We have said there should be 33 cents a pound upon scoured wool, and upon this bracket we have given a compensatory duty of 40 cents for that 33 cents on scoured wool, which the Senator from Massachusetts [Mr. WALSH] himself will say is not an exorbitant compensatory rate of duty. I am speaking now of the 33 cents duty on wool. I think no one who knows anything about it will question that.

Mr. NELSON. I want to say in all Christian spirit to the Senator from Utah that I shall be ashamed to go back to the people of Minnesota and tell them that we have enacted a law providing a duty of 100 per cent on the cloth they and I must buy and wear, cloth that we have to wear in the winter. We shall have to pay 100 per cent duty on it under this provision.

Mr. SMOOT. All I can say is to repeat that if we want a duty upon wool of 33 cents a pound, we must give a compensatory duty upon the cloth. The Senator must admit that. We can not get around that. In the bill there is no paragraph relating to fabrics where the manufacturer gets more than a 50 per cent duty. This is the highest protective duty upon woven fabrics that there is in the bill. All the compensatory duties come from the fact that there is a duty of 33 cents a pound on scoured wool. That is all there is to it. Those are the facts in the case.

Mr. POMERENE. Mr. President, will the Senator from Massachusetts yield to me for a moment?

Mr. WALSH of Massachusetts. Certainly.

Mr. POMERENE. The Senator from Minnesota has put a very pertinent question to the Senator from Utah. According to the judgment of the Senator from Minnesota, the duty here is about 100 per cent. I know that the Senator from Massachusetts has had the constant aid of experts from the Tariff Commission on the subject, and in the interest of certainty I would like to ask the Senator from Massachusetts what the duty is going to be. What information has he been able to gather, if any, from the Tariff Commission or other experts on the subject?

Mr. WALSH of Massachusetts. I have several tables which give in different ways the information desired by the Senator from Ohio and which confirm what the Senator from Minnesota has stated.

Mr. SMOOT. The Senator does not understand that I deny that 40 cents a pound on an 80-cent piece of cloth and 50 per cent ad valorem added to that make 100 per cent?

Mr. WALSH of Massachusetts. I did not understand the Senator to deny that.

Mr. SMOOT. What I said is that the 40 cents a pound is a compensatory duty, and the Senator from Massachusetts knows that if we are going to have 33 cents a pound on wool, the manufacturers must have a compensatory duty.

Mr. WALSH of Massachusetts. There is no doubt of the fact that we have to have a compensatory duty. It is because the duty was proposed to be levied on yesterday that the compensatory duty here has to be so high.

Mr. SMOOT. That is what I have said.

Mr. LODGE. Mr. President, if I may make a suggestion, the only proposition here is to give the manufacturer 50 per cent.

Mr. WALSH of Massachusetts. Yes.

Mr. SMOOT. The Senator will admit there is not a piece of that fabric referred to in the bill, in the amendment I have submitted, carrying a protective duty of over 50 per cent.

Mr. WALSH of Massachusetts. That is true.

Mr. SMOOT. That is all there is to it.

Mr. WALSH of Massachusetts. But the Senator from Minnesota was translating these duties into ad valorem duties and basing it upon the fact that both together, the compensatory duty and the protective duty, show that the American people will have to pay 100 per cent higher price for their dress goods than they would if wool was on the free list and there was no protective duty.

Mr. SMOOT. If cloth was free and if wool was free, then there would be a difference of 100 per cent. But 50 per cent of the 100 per cent is for the wool and 50 per cent for protective purposes. The Underwood law, with free wool, imposed a duty upon these cloths of 35 per cent.

Mr. WALSH of Massachusetts. Fifty per cent for the woolgrower and 50 per cent for the manufacturer. The American public must pay $2 instead of $1, or the equivalent of 50 cents to the woolgrower and 50 cents to the manufacturer. That is how the price has increased.

Mr. McCUMBER. The manufacturer gets a duty simply of 15 cents more than he had under the Underwood law.

Mr. SMOOT. Yes; I wanted to say to the Senator from Minnesota that the only difference between the protection in this paragraph and that in the Underwood law, so far as the manufacturer is concerned, is 15 per cent.

Mr. NELSON. I do not care what the difference is. I do not care about this sublime argument about compensatory duty, nor do I care about some other refinements here. I only know that this paragraph fixes a duty of 100 per cent on woolen goods that we all have got to wear. I say that is an outrageous duty.

Mr. SMOOT. I say 50 per cent of that is for protection to the manufacturer who makes the cloth, and the other is for a compensatory duty because of the duty that was placed upon scoured wool.

Mr. STANLEY. Mr. President——

The PRESIDING OFFICER (Mr. McNARY in the chair). Does the Senator from Massachusetts yield to the Senator from Kentucky?

Mr. WALSH of Massachusetts. I yield.

Mr. STANLEY. I did not understand the Senator from Massachusetts to state that the compensatory duty of 40 cents, or whatever it is, is the limit of the amount that the purchaser of the cloth will have to pay as a result of the imposition of that duty. As I understand, wherever this duty attaches the man who pays it will pass it on with his added profits so that when the purchaser buys the cloth he will pay the duty upon the raw wool, the duty on the scoured wool, the duty on the tops and noils, the compensatory duty, and a fair profit to every man who advanced the money from the initial stage until the completed fabric is turned over by the retailer to the ultimate consumer. Is that true?

Mr. WALSH of Massachusetts. The Senator states the fact, as I understand it.

Mr. SMOOT. Mr. President, I wish to say to the Senator from Kentucky that in the past, and it is so to-day, to the woolen mills it is not so much a question of what the price of a fabric is per yard but of the number of yards they can produce in a year. If a woolen mill figures on a profit of 10 cents a yard, it does not make any difference whether the cost of the fabric is $2 or $1, it makes 10 cents a yard. It is for that and to that end it is working. It is not a question with the mill as to whether wool is free or dutiable. The looms in the mill can turn out just as many yards with dutiable wool as they can with free wool. The profits of the woolen mill are upon the yardage and not upon the cost per yard of the goods.

Mr. WALSH of Massachusetts. Now, to answer the question of the Senator from Kentucky [Mr. STANLEY], the proposed duties mean just this: When a pound of dress goods arrives at the customhouse and its foreign valuation is under 80 cents a pound the customs officials say, "You must pay 40 cents duty for the wool in that pound of cloth and you must also pay 50 per cent protective duty," which together amount to 100 per cent, so that the price of that 80 cents' worth of English cloth before it may be taken away from the customhouse is fixed at $1.60. Does the Senator from Kentucky now understand the operation of these proposed duties?

Mr. STANLEY. I understand.

Mr. WALSH of Massachusetts. The importer sells to the jobber, the jobber sells to the retailer, and the price, of course, is pyramided.

Mr. STANLEY. I think the Senator from Utah [Mr. SMOOT] misapprehended the purpose of the question which I asked.

Mr. SMOOT. The Senator from Kentucky said a profit was added all the way from the raw wool to the noils, the waste wool, the yarn, and so forth. That was stated in the Goldman letter, which no doubt led the Senator from Kentucky to make the statement he did. The statement of the Senator from Kentucky would be true if the woolen mills sold upon a percentage on the cost of their production in dollars and cents, but the woolen mills charge upon the yardage which they produce. If a woolen mill has 100 looms everybody knows what those looms should produce in yardage in 12 months. The woolen mill manager says, "Upon that yardage I shall ask a profit of so much a yard." That is all there is to it.

Mr. STANLEY. Whether it be a woolen manufacturer or anybody else, I assume that whenever he invests his money, at any point in the integration of the plant, no matter where it starts, from the time the fleece is purchased until the finished fabric is produced—whenever he invests his money in a commodity which brings a certain price as the result, first, of the value of the article, and second, of the accrued duty, he is going to recoup himself for that investment with a margin of profit.

Mr. SMOOT. With a merchant that is always the case, but with a woolen manufacturer, I repeat, it is a question of the yardage which the looms can turn out. The manufacturer knows what his profits have got to be per yard, and those, I will say to the Senator, are always figured by the woolen mill.

Mr. STANLEY. I can readily see that; but that is a mere matter of bookkeeping, is it not?

Mr. SMOOT. No; it is not a matter of bookkeeping.

Mr. STANLEY. Is the mill owner not bound to get back the money that he put into the wool plus the amount that he paid to convert it into a fabric, plus a profit?

Mr. SMOOT. But the profit we are speaking of here is so much per yard for all the fabrics his looms produce. With a merchant it is different. The merchant charges a certain profit upon the goods that he buys, but the woolen manufacturer reckons merely a profit of so much per yard.

For instance, a woolen mill makes a heavyweight tricot and a lightweight tricot. The heavyweight tricot is for the winter season and the light tricot is for the summer season. No woolen mill charges more per yard as a profit on the heavy tricot than it does upon the light tricot, although the heavy tricot costs more to manufacture. The mill takes its orders nearly six or eight months before ever the cloth is made; many times, in fact, practically always, even before all of the wool is bought which is to go into the cloth. The woolen mills figure that if they have 100 looms and their capital is so much, then they have got to make so much profit a yard upon those goods, whether they be heavyweights or whether they be lightweights, in order to pay their dividends as they anticipate. That is all there is to it. In the case of a merchant, I repeat, it is quite different.

Mr. STANLEY. I see that; but suppose we were running a woolen mill and we wanted to make a profit, say, on the yard. Of course, if it costs $1 a yard to produce the cloth, and if there are so many thousand yards produced, we would want to sell that cloth, say, for $1.20 a yard. I can readily see that. However, in estimating that 20 cents, or whatever the profit may be, we would count all the overhead charges in the cost of the cloth; we would count the deterioration of the plant; we would count the interest on the money invested; we would count the amount paid for labor, and so forth, would we not?

Mr. SMOOT. That is, in the cost of the cloth.

Mr. STANLEY. I do not care where it comes in.

Mr. SMOOT. That is the only difference between the woolen mill and the general merchant, so far as that feature of the business is concerned.

Mr. STANLEY. Exactly. I do not care where it comes in; it is a difference, after all, if the Senator will pardon me, in the bookkeeping, because, as the Senator has stated it, the woolen manufacturer is bound, if he is a good business man, to charge in his overhead; he is bound to charge interest on the money which he invests, and necessarily so, whether he invests it in his mill, or whether he invests it in his machinery, or whether he invests it in his material. That is where this pyramiding will infallibly come in, and it does not matter whether he charges so much a yard, or whether he charges so much a pound, or whether his charges are based upon the cost of conversion or the cost of his material; in the end he is not going to invest money without he gets that money back, with a fair return.

Mr. SMOOT. The important consideration to the woolen mills is the number of yards produced. In 1893, when prices were lower than were ever known, a woolen mill did not think of making less per yard than it did when the prices were exceedingly high. It is the yardage that counts, I will say to the Senator. That is the only business of which I know which is conducted in that way.

Mr. POMERENE. Mr. President——

Mr. STANLEY. If the Senator from Ohio will pardon me, my purpose was not to go into a detailed argument as to the method of calculation, but to indicate that the intricacies of this schedule and the accumulating costs are but another evidence of the inherent vice that is found, not only in this schedule but in all the schedules of this bill, in attempting to impose duties from the bottom to the top, and then, by a system of guesses and intricate and double-twisted calculations, to put another duty on this duty and another duty on that duty, and to build it up with a constantly growing weight upon the consumer. I am perfectly willing to admit that when a duty of 30 or 40 cents a pound is imposed on wool, unless that is made good to the woolen manufacturer, his mill would have to be closed. It would be eminently unfair to the American manufacturer, especially to the woolen manufacturer, to ask him to compete on any other basis.

I am of the opinion that if we had free wool in this country and free wool in the world, so that all woolen manufacturers were put on an even basis, yet—and in this respect woolen manufacture is different from any other business—the American woolen manufacturer would be at more or less of a disadvantage as compared to the English manufacturer. The wool puller of England, as I understand, has been at that business for thousands of years, and I doubt if there are in this country, so far as the finer cloths are concerned, as expert manufacturers as there are in Great Britain.

Mr. SMOOT. There is one concern in New Jersey that makes just as fine goods as are made in the world.

Mr. STANLEY. But, as a rule, the foreign fabrics are perhaps better. At any rate, there are more expert weavers in England, for instance, than there are in the United States. Opposed as I am to the principle of protectionism, I would never favor putting a duty on wool and leaving the manufacturer to pay it, because he could not do so; it would close his mill. When a duty of 33 cents a pound is imposed on raw wool in this way—and it is more or less of a guess—it becomes necessary to adopt the whole pernicious system. It is contrary to every principle of sound business; it is contrary to every principle of political economy; it is contrary to every principle of common sense as well as to the principles of democracy to initiate a policy of this kind. The wool schedule simply illustrates the absurdity and the folly of it.

Mr. SMOOT. Mr. President, there is no difference in principle, so far as the duty upon wool is concerned, between this bill and the existing law; not a particle. The existing law starts with a duty of 8 per cent on tops, instead of 20; then, when it comes to yarn, there is a duty of from 20 per cent to 25 per cent; and then, when it comes to cloth, there is a duty of 35 per cent.

The same principle has been applied in every tariff bill that has ever been written. In other words, there is a higher rate of duty imposed upon the finished product than upon the product in any partial stage of manufacture. That can not be avoided. It may be called pyramiding by some, but it is the only way that the tariff can be arranged.

Mr. STANLEY. I admit that the complicated and burdensome system is inevitable whenever the policy is adopted of a duty upon the raw material.

Mr. SMOOT. Or on intermediates of any kind.

Mr. STANLEY. Yes.

Mr. SMOOT. The Senator's policy would be——

Mr. STANLEY. But I want to say that whenever the duty is graduated from the bottom up the worse the situation becomes. When the duty is imposed on the finished product there is an opportunity for the beneficiaries of that duty from the ground up to share it, but when the duty is imposed on the product at the bottom it is going to be pyramided in spite of all that can be done, and by the time it gets to the ultimate consumer we have a monstrosity.

Mr. SMOOT. Mr. President, in every tariff bill which has ever been written, if a duty is levied on the raw product at all, the rate or percentage of duty is lower than is provided when the article advances through the stages of the manufacture. At every stage of advancement the product carries a higher rate of duty. That is true no matter whether it be the tariff law of Canada or England or any other country, and that is the only way in which a tariff law can be framed. It makes no difference whether the measure be a protective tariff or a revenue tariff, progressive rates have got to be applied.

Mr. STANLEY. As I understand that, whenever a duty is imposed anywhere in the process of manufacture it is just like a snowball on the side of a hill. The farther the ball rolls the larger it gets; and if it rolls from the hide of the animal, if it rolls from the fleece on the sheep, if it rolls from the chemical ingredients in a piece of refractory brick, if it rolls from the coke and coal and ore in the case of steel, you are going to have just what you have here. When you get through you are going to have a duty that may well call for the astonishment and the reprobation of the Senator from Minnesota and of everybody else who stops to consider it.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Ohio?

Mr. WALSH of Massachusetts. I yield.

Mr. POMERENE. It would seem from the statement made by the Senator from Minnesota [Mr. NELSON], which, as I understand, is admitted to be correct by the Senator from Massachusetts——

Mr. WALSH of Massachusetts. There is no doubt about it.

Mr. POMERENE. That the duties provided for in this section, all told, add 100 per cent to the cost of the cloth. I want to put that, if I can, in a form that will be intelligible to the men and women of this country who do not have the time to study the intricacies of a tariff bill, and if I am right I should like the Senator from Massachusetts so to say.

Reduced to its final analysis, it has developed here in the course of this debate that if there were no duty on wool and no duty on the finished cloth, and a yard of cloth thus made out of free wool and without any tariff on the finished product were worth $1, then if these duties on the raw wool and those which are provided for in this section are added that yard of cloth would cost $2.

Mr. WALSH of Massachusetts. Absolutely. Nobody can question that.

Mr. POMERENE. In other words, it costs 65 cents per yard more than would the same cloth under the same circumstances under the Underwood bill.

Mr. WALSH of Massachusetts. Yes. The Underwood protective tariff was but 35 cents. There was no compensatory duty. Therefore under the Underwood tariff the duty on cloth valued at $1 would be 35 cents, and under this bill the duty on cloth valued at $1 would be $1.

Mr. POMERENE. So that, assuming that there are 3½ yards of cloth in a suit of clothes, and not taking into account trimmings or anything of that sort, the initial cost of the cloth to the merchant tailor will be three and one-half times 65 cents, or $2.27½ more than it would be under the Underwood law.

Mr. WALSH of Massachusetts. That is correct. The Senator has very plainly and clearly stated the effect upon the price to the consumer through the levying of these duties.

To come back to the table that I was about to discuss, I am going now to take different grades of dress goods that fall within the different brackets in this paragraph, apply the compensatory and the protective duties proposed to be levied under the Senate amendment, and translate them into equivalent ad valorem duties. Let us begin with the lowest bracket.

In the case of cloth valued at 80 cents per pound the Senate bill levies a compensatory duty of 40 cents per pound upon that 80-cent cloth, and a protective duty of 50 per cent ad valorem. That is equivalent to an ad valorem duty of 100 per cent upon the 80-cent cloth.

In the case of cloth valued at 81 cents—just over the 80-cent bracket, in the second bracket—there is a compensatory duty under this amendment of 49 cents and a protective duty of 50 per cent, or an equivalent ad valorem duty of 110½ per cent.

In the case of cloth valued at $1, the compensatory duty is 49 cents and the protective duty 50 per cent, or an equivalent ad valorem duty of 99 per cent.

In the case of cloth valued at $2, the compensatory duty is 49 cents and the protective duty 50 per cent, or an equivalent ad valorem duty of 74½ per cent.

I call attention especially to what has been said before, that these duties upon the cheaper dress goods are very much higher than those upon the more expensive goods.

Translating these duties into equivalent ad valorem rates, the table which I have just read from shows that the cheaper dress goods bear ad valorem duties of 100 and 110½ per cent, while the dress goods valued at $2 bear an equivalent ad valorem duty of 74½ per cent.

Now let us take the cotton-warp dress goods.

In the case of those falling in the first bracket, of the value of 60 cents per pound, the compensatory duty is 39 cents, the protective duty 50 per cent, the equivalent ad valorem duty 115 per cent.

In the case of cloths valued at 80 cents a pound, the compensatory duty is 39 cents, the protective duty 50 per cent, the equivalent ad valorem duty 98¾ per cent.

In the case of cloths valued at $1 per pound, the compensatory duty is 39 cents, the protective duty 50 per cent, the equivalent ad valorem duty 89 per cent.

You see the drop there from 115 per cent ad valorem duty in the case of the cheaper dress goods to 89 per cent in the case of the more expensive dress goods.

As against all of these ad valorem duties, ranging from 74½ per cent to 115 per cent, we have the Underwood law with simply an ad valorem duty of 35 per cent.

Let us work that out. Let us take the case of dress goods valued at $2 per pound.

The duty on a pound of dress goods valued at $2, when the proposed duties become effective, will be 74½ per cent of the $2, so that the price of that $2 piece of cloth will be increased approximately $1.49 per pound by the levying of these duties, so that the $2-a-yard foreign-valuation cloth the moment it leaves the customhouse office in New York or any other port will represent to the American jobber a cost of $3.49.

Now, let us take the Underwood law, and see what that cloth valued at $2 per pound would be taxed. The foreign valuation is $2. There is a protective duty under the Underwood law of 35 per cent, and no compensatory duty. Therefore that cloth would bear a duty of 70 cents, and would represent $2.70 per pound in value to the importer or to the jobber, while under this bill the same piece of cloth will stand the importer or the jobber $3.49 per pound.

In other words, the duties upon all of these cloths under the Underwood law would be about 65 per cent less than it is proposed to levy in this bill; but I want to pass now from the question of costs for the moment. I am going to return to that

question later, because I have the prices of some English dress goods and the prices of American-made dress goods, and I am going to compare those prices, and the price comparisons will show that this protective duty of 60 per cent can not be justified.

Before I come to that, however, I want to make some comparison between the duties proposed to be levied in this amendment and those levied in the emergency law.

The emergency law levied a compensatory duty of 45 cents per pound on all wool manufactures. The framers of that law made no distinction between the compensatory duty upon tops, which is the first step in the manufacturing process of converting wool into cloth, and yarns or cloths; but levied a sweeping compensatory duty of 45 cents.

The protective duty in the Underwood law, which also continues in operation, is 35 per cent. That this compensatory duty of 45 cents per pound, plus the Underwood rate of 35 per cent on the main class of goods, namely, dress goods, constituted a formidable barrier to importations is shown by the fact that importations declined from a monthly average of from 125,000 to 150,000 pounds prior to the enactment of the emergency law to from one-third to one-half of this quantity since the passage of the emergency law.

Mr. STANLEY. Mr. President, it occurs to me to suggest right here that were it not for the 33-cent duty on the raw material, the compensatory duty would in fact be only about half as much. If it were not for this duty on wool, the duty would amount to practically only half as much to the consumer. The compensatory duty is doubled by the imposition of the specific duty. Is not that correct?

Mr. WALSH of Massachusetts. The Senator is correct. Now I am going to give some information about those imports, because I am going to ask the question, How can you justify increasing the protective duties when imports have decreased under lower rates?

The importations declined from a monthly average of 125,150,000 pounds prior to the enactment of the emergency law to from one-half to one-third of that quantity since the passage of that law.

With the decline in the importation of dress goods under a lower rate, how can we justify this increased rate? Indeed, there have never been any considerable amount of importations of dress goods into this country. The protective duties levied in the Payne-Aldrich law and those levied in all other laws, including the Underwood law, have kept out all dress goods, excepting fancy goods, such as the people who want to keep up with the styles in English clothing will import regardless of the duty.

Mr. SIMMONS. Mr. President, the Senator states that there are practically no importations of this cloth. I think an increase in duty under such circumstances is full of suspicious import, to say the least.

Mr. WALSH of Massachusetts. Except cloths of a special character not made in this country. There are no importations of consequence which compete with anybody.

Mr. SIMMONS. It has developed very frequently in these discussions that there were no importations, and it was proposed, even under those conditions, to greatly increase the protective rates. The answer has been made more than once, and it was made before the committee when we were holding general hearings, that under those conditions, if there are no imports, an increase in the duty can do no harm. I want to ask the Senator what he thinks of that proposition?

Mr. WALSH of Massachusetts. I am very well aware of the fact that that claim has been made repeatedly.

Mr. SIMMONS. I did not try to answer the question myself. I wanted to see what the Senator would say.

Mr. WALSH of Massachusetts. Being a pupil in the able Senator's tariff school, I am very happy to answer his question. But I know it will not begin to be as clearly or as ably answered as the Senator from North Carolina would answer it. I am very proud to be a pupil and to sit at the feet of the distinguished Senator from North Carolina to learn the problems growing out of tariff legislation. There is no abler man in this country, in my opinion, no man possessed of more knowledge of tariff questions than the Senator from North Carolina. He can express more clearly, and he has a better conception of the rights of the producer, of the manufacturer, and of the consumer than any man I know of. I do not except the able Senator from Alabama. I have been delighted and proud to be associated with a man who has such sound and just and fair views upon the tariff question as the Senator from North Carolina. He has insisted upon taking a fair, square stand on all of these questions, and has always put his country and the general welfare of all first, rather than selfish interests. The Senator will pardon me for paying this tribute to him in his presence, a tribute which I have often paid him when he was not present.

Mr. SIMMONS. I think an increase in duty under the present circumstances is full of suspicious import, to say the least.

Mr. WALSH of Massachusetts. There is no doubt about it. In an industry like this, which is gradually and steadily becoming trust controlled, that is true. The price is more or less controlled. There is not a woolen manufacturer in this country who announces prices on dress goods or woolen cloths until the great combination, the American Woolen Co., first makes the announcement. That concern leads the way and dictates the price, and that trust is steadily and constantly gathering full control of the large and competitive woolen manufacturers of this country. In the last report of the American Woolen Manufacturing Co. I found that last year three great mills had been added to the combine, and I make the prediction now that before many years have passed the entire manufacture of dress goods and of woolen goods will have passed into the hands of this organization. If you study the history of high protective tariff duties, you will read side by side with that history the story of the birth, the growth, the development, and the control by trusts of the merchandise upon which high protective duties are levied. It is one of the significant things in the economic history of our country, in the history of the last 30 years, that side by side with the bestowal of high protective duties have come combines.

That is easily explained. Those men first meet for propaganda purposes. Every woolen mill in this country is part of an association. They send their representatives here to ask for these high protective tariff duties. They become friendly; they become cooperative; and they can understand and see that by eliminating domestic competition they can make these tariff duties more effective in raising prices, by the larger plant absorbing the smaller plant, and before I get through I expect to tell a story about the combinations which have gone on in the woolen business which will not be creditable to our protective and trust-controlled systems. I expect to show that we are levying protective tariff duties upon industries which are reeking with watered stock, which have made so much money out of protective duties in the past that they have expanded and profiteered without limit.

The American Woolen Co. produces 25 per cent of all the woolen cloth and dress goods produced in this country, and, of course, it is rapidly expanding. So that it has such a volume of production that it is the dictator and the leader in price announcements.

Then consider labor! Senators stand here and justify these rates and tell us that the laboring man's condition is better in this country than anywhere else, and that if we do not put these rates on, labor will have its wages cut. For every $5 that has gone to the manufacturer through protection $4 of it has gone into the pocket of the manufacturer and $1 to labor. The whole thing is a story of legalized robbery of the consumers, the American people, and labor has been asked to keep its mouth shut, even to support the system, because they have been given grudgingly a small share of the plunder, while the big share has been taken by these great manufacturing interests. I say that reluctantly, and I want to make it clear that I do not think all the manufacturing industries of this country are in that line of business, by any means. I know manufacturers who have been conducting an honest and legitimate business, but they eventually, if this keeps up, must become part of the system.

I received a letter from a manufacturer in my State to-day protesting against my vote against some of the high duties in the cotton schedule. That cotton manufacturing company during the war years distributed two stock dividends of 100 per cent each to their stockholders.

Do you wonder that there is unrest in this country? Do you wonder that there are strikes? Do you wonder that there is a tremendous movement against our present economic system, when men who toil and labor read of these excessive and extortionate profits, and realize that the recipients have gotten them largely through licenses granted by the Government to tax the consumers? Do you wonder that there is a movement in this country to check the profits and to limit the amount of money which can be made?

I have thought of drafting an amendment before I get through—and I wish the Senator from North Carolina would help me—providing that the manufacturers shall set aside all of the money which they receive through the operation of these protective duties and file with the Secretary of the Treasury a statement that they have given the great bulk of that to labor.

Mr. SIMMONS. They will have to double their wages in the majority of cases if they do it.

Mr. WALSH of Massachusetts. We ought to draft some such amendment, because their claim is that they need these duties to meet the difference in the costs of labor. So we ought to put a proviso here that this 50 per cent protective duty shall be converted by the manufacturers into the wages of the employees. If that was done they would not ask for 50 per cent. They would not want their labor to get it. These protective duties have been used for the purpose of giving a mite to the working people and putting the rest in the pockets of the corporations.

Mr. SIMMONS. Along the same line on which he is speaking now, has the Senator had his experts make any calculations as to the entire wage costs in the woolen mills with reference to the cost of production?

Mr. WALSH of Massachusetts. I asked one of the experts to prepare for me the exact conversion cost on tops. The task is very difficult, very laborious. That was prepared, and I have put it in the RECORD to-day. It shows the difference in the cost of labor and the production cost between this country and abroad is very small.

Mr. SIMMONS. That is not the idea I had in mind. I think if the Senator would have his expert make a calculation he would find that the entire labor cost in the woolen mills is not much more than half the amount of the duty.

Mr. WALSH of Massachusetts. In the case of yarn the Tariff Commission said the conversion cost is 25 to 40 per cent. The Senator states that in the case of cloth, if we could get the figures, the estimate would be about 50 per cent.

Mr. SIMMONS. I think so. The Senator has given a very lucid and illuminating statement about the tendency of the textile industry toward monopolization, toward single control. I want to ask the Senator if he does not think that the high duties lend themselves to the encouragement of monopolization?

Mr. WALSH of Massachusetts. There is no doubt about it. The wise men in a tariff-protected industry know that monopolistic control of the domestic production makes the protection levied always operative. No trust takes in companies that are failures. The American Woolen Co. is not paying for any mills that are not profitable, but it is because they can see an opportunity for them to buy a mill at one price and increase its capitalization, end competition, and control prices, that makes them form monopolies. It is the incentive to enrich themselves, to get more profits, that has led, in my opinion, to the creation of many of the large organizations.

Mr. SIMMONS. When the industry is monopolized, largely because of these high and unnecessary duties, can not the manufacturer in that condition, whether there are any importations into the country or not, take in the increased price of his product the benefit of the full duty imposed?

Mr. WALSH of Massachusetts. There is no question about that.

Mr. SIMMONS. Then that is the vice and the danger of giving increases in duties upon a product where the present duty is practically prohibitory.

Mr. WALSH of Massachusetts. I agree with the Senator.

Mr. SIMMONS. It enables the monopoly, if there is one, to take advantage, in increases of its prices, of the full amount of the additional duty that may be imposed.

Mr. WALSH of Massachusetts. I want to stop directly, because I know the distinguished Senator from North Dakota desires to move a recess.

Mr. President, these duties promote greed, greed, greed! I would be the last man knowingly to deprive a manufacturer of an honest protective duty that would represent the honest difference in conversion costs. If anyone can show me an honest difference in conversion cost, I will go as far as anybody else to protect the domestic industry, because I do not purpose to stand in the way and see the American laboring man put at a disadvantage with the foreigner. But I will not support protective duties in order to enable producers to pay dividends upon watered stock. That is what this bill will do.

Mr. President, I do not wish to proceed further this evening. I shall conclude to-morrow.

Mr. McCUMBER. Mr. President, before moving to take a recess I desire to take a moment or two to answer the Senator from Minnesota [Mr. NELSON].

Yesterday, by a vote of more than two to one, the Senate of the United States declared it to be their purpose to give the growers of wool a protective duty of 33 cents per pound upon the scoured content. Now, if we give that protective duty of 33 cents per pound upon the scoured content of the wool we must necessarily give a compensatory duty. Even the Senator from Minnesota, I think, would recognize that principle.

The Senator from Wisconsin [Mr. LENROOT] thought that upon the coarser wools that was too high a duty, and he moved an amendment to provide that the duty should not exceed 60 per cent ad valorem upon those kinds of wool. But he left the higher kinds of wool untouched by his amendment. The Senator from Minnesota [Mr. NELSON] voted with him, but the amendment was voted down.

Thereupon the Senator from New York [Mr. WADSWORTH] moved to reduce the rate of 33 cents per pound to 28 cents per pound, a reduction of 5 cents a pound. The Senator from Minnesota [Mr. NELSON] voted against that amendment. Therefore, I assume that he is in favor of 33 cents per pound on the scoured content of the wool. Now, we have to carry that 33 cents per pound upon the scoured content into whatever is made out of it, and in the making of these cloths, considering first the waste in the yarn and second the waste in the manufacture of the cloth, with the experts at our side we arrived at the conclusion that there was a loss of about 7 cents a pound, which would have to be taken into consideration, and therefore we made the duty 40 cents a pound upon the product.

Now, being compelled to give 40 cents per pound upon the cloth from which the wool was made, the next question was, What, if any, duty shall we give as protection? The conclusion of the committee was that the cost of producing on the average, not upon the American value, not upon the retail price, not upon the wholesale price in the United States, but upon the manufacturers' price in a foreign country, required a 50 per cent ad valorem duty to equalize that cost with the cost of producing in the United States. Therefore we gave a rate of 50 per cent ad valorem. Now, if anyone can establish the fact to the satisfaction of either the committee or the Senate that 50 per cent ad valorem is too high, I think we can get a reconsideration and vote for what we may consider necessary for the protection part.

If we put our compensatory duty too low, lower than that which measures the 33 cents a pound upon the scoured content and the waste in making that first into yarn and then into cloth, the cloth and the yarn will come in and the farmer is not getting his protection because the price must necessarily come down. So also if we fail to give a protective duty that will equal the difference in the cost of producing these fine grades of cloth in the foreign country and in this country, then the cloth will come in and the American manufacturer must reduce the price that he pays to the farmer and the farmer will not get his protection.

It seems to me that the position of the Senator from Minnesota is something like that of a man who orders pie from a bill of fare and then does not want to pay for it. If we eat our pie, we have to pay for it. If we give 33 cents a pound upon the scoured content of the wool, of course we have to pay for it. If it should happen upon some class of goods to be 100 per cent, based upon the foreign valuation, if that does measure the difference, then we ought not to complain because we pay that duty. If the Senator from Minnesota is not satisfied, then he should move to reduce the protection which is given to the American producer. If he is not willing to have that reduction, he is compelled by every principle of mathematics to make this allowance and carry it into the finished product.

Now, Mr. President, I move that the Senate take a recess until to-morrow at 11 o'clock a. m.

The motion was agreed to; and (at 6 o'clock and 15 minutes p. m.) the Senate took a recess until to-morrow, Friday, July 28, 1922, at 11 o'clock a. m.

SENATE.

FRIDAY, *July 28, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Borah	Ernst	Lenroot	Nicholson
Broussard	Gooding	Lodge	Norbeck
Bursum	Hale	McCormick	Oddie
Cameron	Harreld	McCumber	Overman
Capper	Harris	McKinley	Pepper
Caraway	Heflin	McLean	Phipps
Colt	Jones, Wash.	McNary	Pomerene
Culberson	Kellogg	Moses	Ransdell
Cummins	Kendrick	Nelson	Robinson
Curtis	Keyes	New	Sheppard
Dial	Ladd	Newberry	Shortridge

Simmons	Stanley	Walsh, Mass.	Willis
Smith	Sterling	Walsh, Mont.	
Smoot	Trammell	Warren	
Spencer	Underwood	Watson, Ind.	

Mr. UNDERWOOD. I wish to announce that the senior Senator from Nevada [Mr. PITTMAN] is absent on account of illness in his family. I ask that this announcement may stand for the day.

Mr. TRAMMELL. I wish to announce that my colleague [Mr. FLETCHER] is necessarily absent. I ask that this announcement may stand for the day.

The PRESIDENT pro tempore. Fifty-seven Senators having answered to their names, a quorum is present.

MISSISSIPPI RIVER FLOOD CONTROL.

Mr. RANSDELL. Mr. President, I ask unanimous consent to have printed in the RECORD in 8-point type three very valuable and instructive articles relating to floods in the Mississippi River. One is entitled "The water fighters," from the pen of the well-known author, Harris Dickson, which appeared in the Saturday Evening Post of the 15th instant. Another is by J. Bernard Walker, editor of the Scientific American, and appears in that journal for August under the caption "Curbing the Mississippi," and the third is an interview with myself prepared by Henry L. Sweinhart and produced in the Outlook on the 26th of this month, entitled "Mastering the Mississippi." The three articles would give a great deal of very important information to the country on the subject. Therefore I ask that they be inserted in the RECORD.

The PRESIDENT pro tempore. Without objection, the order will be made as requested.

The articles referred to are as follows:

[From the Saturday Evening Post of July 15, 1922.]

THE WATER FIGHTERS.

(By Harris Dickson.)

In these postwar days of floundering and inefficiency, of clock watchers and grumblers and grafters, it makes the heart beat faster to see a man-sized job bravely tackled and honestly well done. During our high-water fight along the Mississippi River we saw an exhibition of human courage and tenacity that gave a sparkle to the eyes of men. Ten years ago I wrote for the Saturday Evening Post a story of failure, of broken levees, and disaster. Now I joyfully record a success. The world is not lost while men can yet stand resolute. Confronting their ancient enemy, our valley dwellers assembled with such an organization and sturdy work that old Jonah Q. Grouch himself now admits a possibility of hope for the Republic.

The average river dweller is an incurable optimist, undismayed as the peasant who rebuilds his home upon the volcanic slopes of Vesuvius. Like his pioneer father before him, Col. Damascus Swampwood swats mosquitoes, borrows money to ration free negroes, puts all his credit into growing cotton, and starts over again when the Mississippi runs amuck and washes away everything except his mortgage. Being a dead-game sport, the colonel never whines over spilt milk, but plasters his property with a second mortgage to some innocent financier, patches up his levee, corrals more negroes, and plants more cotton, all in the sublime assurance that one good crop will land him on Easy Street. Two bumper crops in succession would make the colonel disgustingly rich, which he doesn't crave. All he wants is plenty for himself and his friends.

Overflows and hope deferred have taught Colonel Swampwood to be a long-shanked wader and a cheerful loser. In lean years he eats corn bread with the same grace that next season he smashes European speed laws. He believes in the valley, and sticks to it. "Consider the postage stamp, my son; its virtue consists in sticking to one thing until it gets there." His country has a glorious future, 40 feet deep in fertility from the erosions of a continent. When the river has become a servant instead of a master, and drainage an established fact, then the two-legged world must wear his cotton breeches and pay tribute to the colonel. Until that sure millennium arrives he swears by his country, and swears at it. In drought years he cusses high whisky, and in wet years he cusses high water.

This has been a wet year. The colonel has cussed and fought, and beat the Mississippi to a fare-you-well. To-day, May 24, the whipped river is running away, and folks who perch upon the mountain tops must pardon us if we strut a bit, and flirt our tail feathers free from mud. I say "we," because everybody did it. We forced our levees to serve our turn long after they were gone; when water towered 2 feet over their tops we halted it, and held a fighting line four times longer than the battle front in France.

For the past five years old Father Mississippi has behaved himself pretty decently, with only local outbreaks. Waterspouts in Wyoming, torrents in the Yellowstone, and chunk floaters in western Pennsylvania all subsided like a village hell-raiser in New York City when they got lost in a vaster channel. Little streams cut up mightily at home, but died before they reached first base. One at a time they have no more effect upon the lower Mississippi than squirting a garden hose into the Atlantic.

This year, however, they all seemed to synchronize their watches and agree upon a zero hour. The Monongahela and the Platte, the Cumberland, Arkansas, Missouri, Ohio, and Tennessee—all went over the top together. Deluges from Denver, Buffalo, and Winnipeg, wave upon wave, crest upon crest, came raging down the valley.

"Told ye so! Told ye so!" Old croakers gleefully shook their heads and based predictions of calamity upon their observation of crawfish prophets.

Colonel Swampwood tightened his belt and realized what a general overflow would mean. Under present business conditions the best he can do is to hang on by his eyelashes, stave off taxes, extend his notes, and draw three cards. With 10 feet of water blanketing his plantations the tenants must swim out and keep swimming, for unless they make a crop this year none of these negroes can get a dollar until Santa Claus comes down his chimney in 1923. If the levee broke, it would depopulate the country. The levees must be held.

A delusion exists in certain unfortunate cities which are so far distant from Vicksburg that they can not be expected to know much—a delusion that our levees are huge dams of stone or concrete, reinforced, buttressed, and impregnable. When Colonel Swampwood takes his rightful seat in heaven he'll plunk his harp in peace behind a levee like that; but in this vale of tears and swears he fights to hold a ridge of dirt so very soft that it melts in his mouth. And his mouth gets hot enough to melt anything.

Our valley is built up of material brought down and deposited by the river, and Father Mississippi had more gumption than to fetch stone or concrete that could be used to bar him from his happy playground. He brought only the mushiest kind of stuff that levees are made of.

Near 2,000 miles of these ridges barricade the river on either bank, and every inch is a danger point; when floods stand for weeks against it not even the strongest levee can be left unguarded.

Our present trouble lies in a lack of uniformity in height and strength, because the system itself is an evolution.

Originally the colonial planter threw up his private embankment to protect his own tater patch; a neighbor joined him, and another, the community, the county, the State—and a system developed. Independent levee boards cherished different ideas as to dimensions or piled up dirt as far as their dough permitted—until the Federal Government became a partner, and the Mississippi River Commission established its standard, designed to keep off any water. Learning the lessons of failures and success, one fact stands forth: A levee constructed according to specifications of the river commission will hold off the highest known water, and everybody is now struggling toward bringing our dikes up to "commission grade and section"—a standard phrase for a standard levee.

This can not be accomplished in a day. The work itself can be pushed only during fair weather and as far as the money will stretch. Frequently we see a huge levee machine standing idle because of rains or failure of appropriations, an abandoned and futile thing gazing upon the tragedy of its unfinished task.

Up to the point where it stopped we walk along a stalwart dike, proof against any flood, and beyond it tremble at the weakness of a temporary sacking. The thick dike gives no anxiety, but thousands must labor upon the thin one.

During overflow after overflow we suffer through this agony, when Federal appropriations are not sufficient and the larger funds raised by local taxation have become exhausted. Much of this money is expended in emergency work, the cost of which sometimes runs as high as $10,000 a mile; all wasted, for it must be torn away when standard levees take its place. The pity of it is that losses from a single crevasse would probably pay for completion of a system that insures immunity, confidence, and increased production.

However devoutly we might wish it otherwise, lower and weaker levees do join the standard levees and are first threatened by the floods.

When the waters rose this year they found a small and experienced force already at the front, and as weak points developed the cry for help went out. With the Anglo-Saxon genius for organization this help assumed the form of a feudal military system. In brave days of old the barons, earls, and dukes marched to war with their king, followed by retainers in

proportion to the lands they held. So did plantations and towns now furnish labor. If a planter objected to diverting labor from his crops he was bluntly reminded that unless the levees were held he'd get 20 feet of water. So the labor came.

An enormous trough, brimful of water, ran down the middle of this continent. On either side lay farms and towns and homes, 10 to 30 feet lower than the rim of the trough. The rim is not made of steel or wood, but of mellow dirt that dissolves like sugar. And if that rim should break more water will pour out than Niagara ever dreamed of.

Such was the menace at Arkansas City. In May the water in front of the town stood 2 feet higher than the crest of their levee, being kept out only by a topping of dirt-filled sacks. The rains fell and the storms raged and the waves dashed against it. It seemed that puny man could never hold the line in defiance of a maddened river. Perhaps not, but they would try. First they towed some heavy barges loaded with logs and moored them alongshore to break the wave wash, while volunteers waded in the river itself, nailing together a plank revetment outside the levee.

Inch by inch, as the bubbling waters climbed, the people stacked up sacks and more sacks, fighting like rats to keep from drowning. But they were loading too much weight on their levee, already weakened by its soaking, with water creeping through every pore and converting it into slush. Engineers realized this, levee officials knew it, and looked for their superstructure to tumble down like a house of cards. It did, or tried to.

On the night of the crisis—such calamities always occur about 2 o'clock a. m.—the levee began to slough—pronounced "sluff." This means that their ridge began to cave on the land side, to slide like mush, and sink. Should that embankment collapse by to-morrow morning there might be a lake 50 feet deep where Arkansas City once stood and no vestige of a town. Scared? Of course they were scared, with a terror that makes men clinch their jaws and die hard.

Yet the girl in the drug store, 30 feet below, never batted an eye as she inquired, "Sassapriller? Choc'late? Strawberry?" The hotel business kept going as usual; most of it was going, for skittish traveling men declined to occupy rooms on the ground floor and departed. Townsfolk set up scaffolding in their homes, hoisted babies to the second story, and wired Little Rock for more convicts. Nobody slept. Folks didn't seem to be tired. Convicts and college professors, lawyers and laborers and ladies—everybody—worked knee deep in mud on the levees.

A sloughing levee is the delirium tremens of the water fighter. While the banquette stands firm as a rock, he can pile sacks on top and keep three seconds ahead of strangulation. But when the water-sogged embankment wabbles like a bowl of gelatin and begins to spread at the base he gets squeamish in the pit of his stomach, for the top is fixing to crumble, and a torrent come rushing through.

THE HERO OF ISSAQUENA.

With a terrific pressure of water against it their slushy levee kept sliding and must be stopped—stopped right now. A water fighter never pesters his head about red tape; he uses the first thing that comes handy, no matter who may own it or who protests. In this case of emergency they grabbed a railroad track which ran along the banquette, just inside the levee and some 20 feet below its top. Somebody had several carloads of coal standing on this track. Long beams of wood were braced against them, and the tottering top of the levee held in place. This makeshift would serve for a while, but might give way at any moment; the entire structure must be made more substantial. A sand-and-gravel company had been dredging up sand from a bar in front of town. There stood the idle dredge and here were empty barges. Tugboats got busy, the dredge began to work, pumping material into the barges—90 per cent solid matter, the water being allowed to run off. At the danger point a force of convicts and citizens filled their sacks with sand, hundreds of thousands of sacks, and piled them at the base of the embankment. This adds weight and steadies the wavering mass.

During that crucial night 1,100 tons of material were sacked by hand and piled in the slush to make it firm. And the levee held. By all fair rules of courtesy it should have held, as a testimonial to the grit and tenacity of those indomitable people. After this flood goes down nobody can look at that rickety ridge without taking off his hat to the men who defended it against every power of the river. At this point the waters rose some 65 feet above their lowest level.

Crevasses, however, are not always caused by water pouring over the levee's top. Their crests can generally be kept above the flood by a topping of sacks; loose earth does no good, but the covering of cloth prevents it from dissolving and washing. These sacks are so carefully laid and trampled down that surprisingly little seepage water comes through. Seepage is always a problem and often a peril. Every schoolboy thrills at the Little Hero of Haarlem who stopped a leaky dike with his finger and got himself immortalized in a poem, but poets are unfair, and fail to record every deed of valor. On our Issaquena Levee a far more gallant exploit has gone unsung for lack of a local poet. It was an anonymous hero who discovered not a trickling leak but a miniature crevasse, 2 feet wide and 3 feet deep, far too big for anybody's finger. The hero of Issaquena had no coal cars, no sacks, no sand-and-gravel company. He had only himself, and used his material by squeezing into the crevasse. He saved his country, yet no songster has garlanded his feat in poesy—which might be difficult. "Hero's finger" rhymes with "lovers linger" and "spring's harbinger"; but the broad hero of Issaquena didn't stop that crevasse with his finger; he sat down in it.

THE CURE FOR SAND BOILS.

If Issaquena's hero hadn't sat down on the psychological spot, in 10 minutes this overtop station would have passed beyond control. Which sometimes happens, but more frequently the pressure of water searches out a stratum of sand far below the levee or a pocket of decayed vegetable matter. The levee itself may have been constructed across the bed of a lake, one of those cast-off coils that was anciently a channel for the capriciously changing river. Through crevices or crawfish holes the water is forced beneath a levee that seems more solid than the Republican majority in Vermont, until it bursts up like a fountain in the rear. This warns the engineer of an underground stream, and he immediately diagnoses a sand boil. A boil hurts, but there's no sense in damming it, although hot-tempered engineers use this treatment while they apply other remedies. Dams only irritate a sand boil, and make it break out somewhere else.

An undiluted gunny sack is to a levee doctor what calomel and quinine are to the country practitioner—first aid in every case. His prescription to cure a sand boil calls for thousands of sacks full of dirt copiously applied in a ring around the boil—like a corn plaster, leaving the center open. The doctor applies these sacks in a circle, erecting a hollow leak-proof tower, and lets the water rise within. This creates a column of water inside the levee to counterbalance the column outside. Theoretically the inside column should rise to a level with the river. But it doesn't. Yet it checks the underground current and minimizes friction until the boil ceases to bring up mud. Then the doctor knows that interior caving has stopped.

Such a sand boil, violent and terrifying, broke loose behind the Vaucleuse Levee at 2 a. m. This boil spouted like a geyser 3 feet across, and tossed a cypress stump 4 feet into the air, just to show how strong it was.

The night patrol instantly detected it, and summoned the fighters with a barge of sacks. It seems queer to meet again upon an Arkansas levee the same little trench sacks that protected our lads in France. Soldiers and water fighters get mighty chummy with their efficient friend who stops a bullet or an overflow.

The malignant boil at Vaucleuse was ripping the very bowels out of their levee. Round and round its festering head the experts placed their sacks, accurately as a skilled mason lays his bricks. But the marsh behind it threatened other boils or an even more disastrous slide. So two small sublevees were hurriedly built, inclosing the entire area. In this precarious situation a levee needs weight, quick weight, substantial weight behind it. The most available commodity is water, siphoned over the main levee from the river and filling the sublevee. Tons upon tons of water were pumped across to offset the pressure outside. Human intelligence and courage had saved the levee at Vaucleuse.

Perhaps our most ticklish fright came at Fulton Lake. Here the levee crosses low ground, an extraordinarily high embankment that lays an enormous load upon its soft foundations. The flood had been standing against it for weeks, and the water-soaked ridge began to slide. An avalanche slipped off from the inside, leaving only a thin barrier of dirt 14 inches thick at the top. A one-legged grasshopper might have kicked this over; yet that flimsy wall alone stood between the country and destruction. Another hour, another minute, top, base, and sides might be washed away together, overflowing 7,000 square miles of cotton and sugar lands—about the area of Connecticut added to Delaware.

But the line did not break, for determined men were guarding it. The top must be held, the base, the sides—everything done

at once—for the entire levee seemed rotten to its core. As a good general holds ready his reserve, an ample force, principally convicts, rushed forward and built a double bulkhead of timbers across the weakest point. This had to be set in the river itself, for the levee's top was practically gone. Between bulkheads they filled in sand from the barges, while other men swarmed like ants below to strengthen the foundation. Sacks, sacks, sacks; more sacks, additional sacks, tier upon tier of sacks were stuffed with sand by the convicts, sent whizzing down the chutes, and laid along the base of the threatened levee. Again the levee held; again the river was beaten.

During a water fight the United States assistant engineer is busier than a one-armed man with the itch that continually breaks out in a new place. His telephone tingles. Another sand boil? The spur at Ashbrook? A hurry call for sacks? No. The sheriff.

"Hello! Hello! Say, I've got to do something about your fellow in jail."

"What fellow?" The engineer had forgot.

"The man you grabbed for pasturing hogs on your levee."

"Oh, that fellow?"

"Sure," the sheriff explained. "I've held him for two weeks without a warrant. He's getting peevish. Send up your witnesses and have a trial."

"Can't spare a man. Hold him. Good-by."

Constitutional rights are apt to get sidetracked when folks are wrestling with an overflow. This backwoodsman had waded out of the swamp with his drove of hogs—an Arkansas razorback being more sacred than cats in Egypt. With his hogs he fetched a steel-blue eye and a wicked-looking rifle. Levees are also sacred. Hogs root them up and cause crevasses. But this drove did not make a crevasse; they made pork chops.

SHIFTING WATERS.

During a previous low water the official inspection steamer had gone chugging up White River, raising waves that jostled the shanty boats. A fisherman's boat is his castle; the rains may beat upon it and the winds may whistle through it, but no stiff-necked brass-buttoned fellow is allowed to jostle it. Fishermen opened fire on the pilot, and the official steamer slowed down.

Which is only their simple-hearted method of asserting a fisherman's low-water rights. High-water rights, however, must be construed more strictly. At the very crest of this flood a bank began caving on the Mississippi side. Men and material hurried there in a barge to find that a shanty-boat man had already preempted the locality. A long-bearded river rat shooed them off with his rifle—for 10 minutes. He is now a jail rat, while the caving bank has been revetted.

This cannibal propensity to eat his own banks is what makes the maintenance of levees a never-ending job. If old Father Mississippi would settle once for all just where he wants to run, and stay there, we could possibly complete our levee system and be done with it. But the river is a restless person, who always craves to ramble somewhere else. This year he meanders along the Mississippi shore, throwing up a big sand bar and letting willows grow on the western side, as if he had no intention of ever consorting again with Louisiana. Next year he takes a notion to hug Louisiana some more, picks up the sand bar and deposits it next to Mississippi a few miles downstream. The willows he uproots and totes away for souvenirs. He swings round in a long bend and hurls his power against Louisiana as if to wipe that State off the map. By constant gnawing he reaches the levee and eats it up, unless the engineers stop him by sinking a mattress or revetting the banks with rocks. Usually these methods will save a levee, but sometimes it must be abandoned for a new line a thousand yards to the rear. This character of repair work will probably continue indefinitely, or until the river gets old enough to lose its pep.

Caving banks frequently cause what is called a cut-off, where the tortuous river carves a brand-new channel for itself through some narrow neck of land and lops off a portion of its own length.

For ages this process has been going on, and many detached fragments of Louisiana now lie east of the river, while sections of Mississippi find themselves divorced on the west.

In 1863, for instance, the Mississippi River at Vicksburg twisted itself into a bend 9 miles long. The Confederates held fortified positions above and below the city, which General Grant found it costly if not impossible to pass with his gunboats. So Grant attempted to dig a canal and make an artificial cut-off. But the Mississippi River, for malicious motives of its own, declined to patronize Grant's canal, and the project failed. Thirteen years later, in 1876, after consulting with nobody, Father Mississippi chose a route that pleased him and made a cut-off to suit himself, which now became his main line of march. This left the horseshoe Lake Centennial of stagnant water, and demoted Vicksburg to the rank of an inland town, for the ends of Lake Centennial filled up.

THE FIGHT FOR ASHBROOK SPUR.

The Yazoo River at that time emptied into the Mississippi, 20 miles above. To provide a water front for Vicksburg, and improve navigation, the Government constructed a canal, built dams, and dredged the channel. This forced Yazoo water down what was formerly the Mississippi and gave Vicksburg the added distinction of being the only great city on earth that has moved from one river to another without budging a foot.

Father Mississippi is now trying his same old tricks of cut-up and cut-off just above Greenville, Miss., which would erase Greenville from the list of water towns and necessitate a rearrangement of levee lines on both sides of the river. To prevent such a cut-off a spur had been constructed at Ashbrook neck, hoping to deflect the current. But when Father goes on a rampage it takes a lot to divert him. He rose in his wrath and attacked the spur, not only by tearing at its end but by a sloughing in its middle. The end crumbled, the center caved, and tidings of disaster went over the land that "Ashbrook is caving! Ashbrook is lost!" For weeks the fight to save Ashbrook spur was one of the dramatic spectacles of our flood. Thousands of sacks filled with gravel were sewed together on wire cables, the cables being securely moored before the sacks were sunk. Engineers dropped line after line of gravel sacks into the torrent, causing the waters to hesitate and become irresolute, which gave them time to protect its end. Ashbrook spur is saved, and the sacks are now held in position by cables as taut as those that support the Brooklyn Bridge.

Every foot of levee is being watched every minute. Keen-eyed men patrol its crest and its banquette and its base. By night hundreds of lanterns swing low against the ground like ignes fatui that hover about the swamps. The slightest weakness is marked, and the inspector sees little stakes flying a white flag; not the flag of surrender but the flag of fight. He examines each tiny rivulet of seepage or soggy spot or depression.

For every trickle there's a man with a spade, testing it out, seeing where it comes from, and leading it away by a trench. Clear leaks do no harm; but when they bring mud, showing an interior erosion, the defenders mobilize.

It is deplorably true that a levee did break on the Louisiana side nearly opposite to Natchez, Miss., and another crevasse occurred below New Orleans, at Poydras. There were also two other breaks on the Atchafalaya. It is true that 5,000 square miles in southeastern Louisiana and western Mississippi are now under water, that enormous property damage has been done, with loss of life, and that 40,000 people are refugees. Yet these distressing facts only emphasize another fact—the levees that gave way were not up to "commission grade and section." Engineers did not expect them to afford protection against such unprecedented water. And they did not. On the contrary, no standard levee has broken, shown weakness, or given serious trouble. Behind those standard levees the plowman now works unafraid. His live stock has not been drowned, his property has not been swept away; no child is homeless and fed by charity. Thousands of square miles are being successfully cultivated that would otherwise be under water, a protection that experienced men insist can be extended to our entire valley.

The partial overflow in the State of Mississippi is not due to levees breaking. Our inundated section lies at the junction of the Yazoo and Mississippi Rivers, at the southernmost angle of our delta. The Yazoo River is not leveed, and backwater stands upon its unprotected lands. No trouble whatever came from the Mississippi River front, where all embankments were held intact.

The Yazoo & Mississippi Valley Railroad traverses this country, where backwater invades its coaches, and the pilots' union kicks like a mule because locomotive engineers are permitted to navigate tributaries of the Mississippi River without a pilot's license.

An adventurous traveler observed a section foreman climb into the train and hitch his skiff behind. The traveler got into the skiff alone and enjoyed the novelty of being towed by a northbound express until they reached a higher stretch of track and his skiff went bumping over crossties.

Throughout this fight our railroads have rendered notable service. For example, the Government had 4,000,000 sacks stored in a warehouse at Schenectady, N. Y., doing nobody a particle of good. So a trainload was shot along its route to Greenville, Miss., 1,450 miles away. Limited specials sulked on the siding, and millionaires waited while the humble sacks

went by, the shipment reaching our levees in 89 hours—a world's record for the movement of freight. Hard-headed jurors who used to soak the soulless corporations are now holding love feasts and passing flowery resolutions, while cynics wonder if their Damon and Pythias performance will last until the next term of court.

In this sweet and gentle springtime old folks discuss the levees and a young man's fancy lightly turns to thoughts of river control. Behind receding waters the usual crop of cross-roads theorists is sure to germinate. Each one presents a sizzling panacea and writes a piece to the editor, writes to every editor. They orate at public meetings, get red in the face, and sweat like a negro under oath seeking to convince a bunch of stupid professionals who persist in doing the wrong thing. These reformers are even more earnest than some of our junior civilian officers during the late war, who invented brand-new plans for revolutionizing strategy, unaware that their patents had been plagiarized and discarded by Alexander the Great. We hear a lot about spillways and the resuscitated error that levees make the bottom of our river fill up. The wiseacre on Pikes Peak is positive. But the trained engineer who has chosen the Mississippi as his life's work, who takes accurate soundings year by year and compares records—this engineer reports that the channel shows no tendency to fill; on the contrary, it is scouring deeper. Innocent bystanders can also remember when boats used to tie up at Natchez in low water because they could go no higher; and pilots were always wondering whether they could cross a certain bar. Boats now proceed to St. Louis, for navigation is far better than it was 50 years ago.

After all, the outstanding feature of this flood is how an undaunted people rallied to the fight. In leisure hours they may squabble, but, like good Romans, they get together when the barbarians hammer their gates. Hillmen helped the valley men; the planter left his plow in the fields; the merchant closed his shop and went to the levee. Everybody worked and everybody won. Now we turn to the future with more than hope that we shall have a standard levee system to the Gulf, strong as that which conducted without a break from St. Louis to Natchez the highest flood in recorded history.

[From the Scientific American of August, 1922.]

CURBING THE MISSISSIPPI—LEVEE CONSTRUCTION THE ONLY PRACTICABLE METHOD FOR RESTRAINING THE FLOODED RIVER.

(By J. Bernard Walker.)

The Mississippi Valley, from Cairo to the Gulf, has recently passed through the most trying and dangerous experience in the history of its long struggle with the flood waters of the great Mississippi River. The distance by the tortuous river is about 1,000 miles, and for long stretches of this distance the inhabitants on either bank have been threatened in the spring of every year with heavy inundation, accompanied with the loss of life, the sweeping away of homes and farm buildings, and of crops and live stock.

It was inevitable that the early settlers in the Mississippi bottom lands would make some effort to protect themselves against this ever recurring peril; but it will be news to many of the readers of the Scientific American to learn that as far back as the year 1717 the early colonists were attempting to control the floods by building levees, or artificial embankments, outside the river banks. Within the next hundred years or so the work was carried on so far as the means of the country permitted, and by 1828 the levees had been extended up the left bank of the river to Baton Rouge, and along the right bank as far as the mouth of the Red River.

Finally the Federal Government came to the assistance of the local communities in this unequal combat with the mighty forces of the river, and in 1850 all the unsold swamp and overflowed lands below the Ohio were granted to the several States along the Mississippi, the object being to raise a fund for reclaiming the lands that were subject to inundation. Under this stimulus the construction of levees was carried forward more rapidly; and by the year 1860 all the basins of the great delta were provided with stretches of levee covering the most exposed positions, and, therefore, possessed a certain degree of flood protection. This levee work, it should be understood, was not comparable to that which exists to-day, the average height being only about 4 feet as compared with the present average height of 18 feet.

However, under the stimulus of the sale of swamp and overflowed lands, the work was carried on with more or less continuity until the year 1879, when the Federal Government, realizing that this big problem could be solved only after a thorough study of the problem by competent engineers and by cooperation with the several States affected, created the Mississippi River Commission. This commission was instructed to make surveys and draw up and put into execution plans for the improvement of the river; they were to "correct, permanently locate, and deepen the channel and protect the banks of the Mississippi River, improve and give safety and ease to the navigation thereof, prevent destructive floods, promote and facilitate commerce, trade, and the Postal Service."

Before passing on to consider the work which has been done and which now is being carried on by the Mississippi River Commission, it would be well to consider the vast extent of the United States that is included within the drainage basin of the Mississippi, which has a total area of 1,240,050 square miles. The eastern boundary line reaches into western New York, south of Buffalo; the extreme western boundary is found in Montana, west of Butte; the northern boundary reaches 70 miles to the north of the boundary line between Canada and the United States, and the southern boundary is formed by the shores of the Gulf of Mexico. The drainage, or run-off, of 30 out of 48 States empties into the Mississippi. The basin measures 1,822 miles east and west, and 1,449 miles north and south. That the Mississippi below Cairo has a tremendous task to perform in conveying the spring freshets to the sea will be understood when we state that over this great area of nearly one and a quarter million square miles the average annual rainfall is about 30 inches. As a matter of fact, when the river has risen to the top of its banks it can carry only about one-half of the maximum flood discharge, which at the upper end of the delta is about 2,000,000 second-feet. The volume of water can be visualized, also, when it is stated that the extreme rise of water, from low to high, reaches 60 feet at Vicksburg and Arkansas City.

Now, when the Federal Government took hold of the problem through the Mississippi River Commission there was a large amount of dissatisfaction with the levee system as such. The local authorities were naturally disheartened by the many and continuous ruptures of the levees, followed by disastrous loss of life and property. During the years 1881, 1882, and 1883, in which there were heavy floods, the levees were broken in no less than 712 places. The opponents of the levee system claimed that as the levees were carried up the deposits of silt caused the bed of the river to rise also. The fallacy of this was proved by extended investigation, which showed that there had been no such progressive elevation of the bed of the river. Indeed, the latest data proves that where the river is reinforced by levees of adequate height there is a tendency for the river to enlarge its cross section and lower its original bed. It should be mentioned here that before any attempt was made to control the Mississippi its floods extended for a width of 60 miles, and the annual floods as they overflowed the river channel deposited most of their silt near the river banks, with the result that there developed a slope of the land away from the river of from 3 to 15 feet per mile. Consequently the drainage would be from the river toward the bordering higher land, where it flowed into various streams which emptied the overflow into the Mississippi when they joined the main river.

From the time when the commission was formed down to the present day there has been a steady rapid fire of criticism directed against levee construction as such. This criticism was most vigorous after the floods of 1881 to 1883, and was due, as we have said, to the large number of breaks which had occurred in that period. On the other hand, all competent engineers have realized that levee failures have been due to the fact that the early structures were more or less of a makeshift character and were not based upon that exhaustive study of the problem which must ever underlie successful engineering works. The engineers of the commission—that is, the Engineer Corps of the United States Army—indorse the levee as being the only practicable solution of Mississippi flood control; but they are careful to point out that levees can be completely successful only when they are of sufficient height to overtop everywhere the maximum flood stage, and only when they are built to a predetermined width and slope and are protected on their river side with some form of antiscour protection.

Several alternative schemes for river control have been suggested. There is the plan for by-passing the flood waters through artificial canals paralleling the river; a scheme which might relieve the stretch of land through which it was cut, but would do so by producing more troublesome floods below the point at which the canal reentered the river.

Then there has been a great deal of unconsidered speech and writing in advocacy of the construction of reservoirs in the upper approaches of the river in which to impound the floods and release them gradually without damage to the country below. Now, in the first place, there are no natural basins, with narrow outlets suitable for dam construction, to be found

in the upper reaches of the Mississippi Basin, and in the lower reaches of the river and its tributaries the construction of such reservoirs would not only be prohibitive but, indirectly, they would flood some fully settled communities and involve the blotting out of large sections of valuable farm land. As a matter of fact, it would be a physical impossibility, and certainly an economic impossibility, to hold back these flood waters by any system of reservoirs. At the Natural Drainage Congress, held in St. Louis in 1913, Col. C. McD. Townsend, United States Army, then president of the Mississippi River Commission, presented a graphic statement showing how the floods on the lower Ohio and Mississippi Rivers are due to rainfall upon their lower tributaries rather than upon the distant headwaters in the mountains, where the advocates of reservoir control proposed to store the water.

He showed that in the great Ohio River flood of 1913 the city of Cairo, at the junction of the Ohio and Mississippi, was so threatened that women and children were sent away and the city was more than half depopulated. The crest of this flood reached a greater height at Cairo than any before recorded. Suppose there had been a huge storage reservoir available, not merely on the headwaters of the Allegheny and Monongahela but at the city of Pittsburgh itself. Suppose there had been another such huge reservoir at St. Paul, Minn., capable of taking all the flow of the upper Mississippi. Suppose another had existed at St. Joseph, Mo., sufficient for the whole flow of the Missouri.

The length of time required for a flood wave to pass downstream from these several points to Cairo is known. Suppose, therefore, said Colonel Townsend, that in order to protect Cairo and the lower Mississippi Valley from the recent flood, the gates of these reservoirs had all been closed, so that not a drop of water would have been allowed to flow past Pittsburgh or St. Paul or St. Joseph until the floods would be too late to meet the flood from the lower Ohio tributary and add to the volume at Cairo. In spite of this restriction the flood flow of 2,000,000 cubic feet per second, which the river at Cairo attained at its record height, would have been diminished by only 35,000 cubic feet per second by such reservoirs. That is to say, it would have been diminished by less than 2 per cent of its total volume.

So much for reservoir protection.

Thanks to the cooperation of the Federal Government with the various States, the Mississippi levees are now completed to standard height and width for about 500 miles. The whole length of the levee line has been built up to a level that will withstand the normal floods. From now on the work to be done consists of completing the levees to standard height, width, and cross section.

Much has been heard naturally of the recent breaks in the levees at certain points, with the usual resulting losses; but it is a matter for congratulation and confidence that no break occurred in those portions of the levee which had been carried up to grade on the standard cross section determined by the Army engineers who have this work in hand. Ask any of the Army Engineer Corps who are concerned in levee construction whether they are satisfied with the way in which the work stood up against the highest flood on record and they will tell you that they are more than satisfied, and that they have the fullest confidence that when the work is completed such a thing as disastrous overflow of the Mississippi River will be extremely unlikely, if not impossible—provided, of course, that every care is taken to maintain the work in first-class condition.

A levee is a simple earth embankment located generally at a considerable distance inshore from the river bank, its exact location being determined by the topography of the ground and by the lay of the river and general flood conditions. Construction is carried on by excavating the material from borrow pits located usually on the land side of the levee, and it is done by the use of the scraper and other customary methods for such work. The cross section of a standard levee is shown in the accompanying illustration. It has a width of crown of 8 feet at a height 3 feet above the highest flood stage. The sides have a slope of 1 to 3, supplemented on the land side by banquettes 20 feet wide for levees from 10 to 13 feet high, 30 feet wide for levees 13 to 16 feet high, and 40 feet wide for levees more than 16 feet high, the tops of the banquettes being from 5 to 8 feet below the top of the levee.

To protect the levees from erosion by rain they are sodded with Bermuda grass. They are protected against the wash of waves by a layer of 4 inches of concrete or by a board protection.

We show illustrations of the methods of revetment which have been developed as a protection against bank erosion. There are three types—the willow mattress, the articulated concrete mat, and the solid concrete mat. In the articulated type each unit is 3 inches thick, 11½ inches wide, and 3 feet 11 inches long, the whole being reinforced with 12-inch wire mesh. Solid concrete mats are 50 feet by 150 feet in area and 3 inches thick. They are launched and sunk in a semiplastic state by pulling the launching barge out from under.

The question of when this great and urgently needed work will be completed is not one of engineering, for the Army engineers have solved the technicalities and demonstrated the complete efficiency of their methods. It is a question of the provision of the necessary funds, and this is for Congress and the several States concerned to decide. The present program is the appropriation of $45,000,000, to be available in annual installments of $10,000,000, these moneys to cover the control of the Mississippi and also of the Sacramento River, Calif.

Such, in broad outline, are the Mississippi flood-control problem and the approved means for its solution. It is not claimed that the latter are absolutely final. Each year's experience suggests new appliances, such as the concrete mats above referred to; and in a later issue we shall return to this subject with the presentation of a new type of brushwood or tree dike, designed to make the river build up again, by silting, stretches of land which have been washed away.

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[From the Outlook of July 26, 1922.]

MASTERING THE MISSISSIPPI—AN AUTHORIZED INTERVIEW WITH JOSEPH E. RANSDELL, UNITED STATES SENATOR FROM LOUISIANA.

(By Henry L. Sweinhart.)

Man's fight to keep the Mississippi from pouring over its banks into territory marked for human habitation began away back in 1719, when De Bienville laid out the beautiful city of New Orleans. A levee was provided in his plan to confine the father of waters to its channel.

Ever since that early day, more than 200 years ago, this fight to make man the master has been going on. Begun in a small way when the Mississippi Valley was still the home of the Indian, the work proceeded in a slow, sporadic way until the past 40 to 50 years. During this latter period most of the levees that line the Mississippi from Rock Island to the Gulf have been built.

In spite of the enormous amount of work which has been accomplished in making life and property along this giant river safe, much remains to be done before that permanent degree of security which is desirable for—in fact, demanded by—a great modern civilization can be assured. The flood damage of the past few months, which is a heavy loss to the wealth of the entire United States, and the floods of other recent years furnish striking and sufficient evidence of the need of completing the protecting walls along the Mississippi.

Most of this work in the past has been carried on and paid for through State and local initiative, although there has been considerable Federal aid. But the time has come when the assistance of the National Government is needed in a larger way if the levee system of the Mississippi, already so nobly begun, is to be completed in the near future, as it should be. To finish the herculean undertaking, thereby reclaiming millions of acres of valuable overflowed land all the way from Iowa and Illinois to the Gulf, adding many hundreds of millions of dollars to the permanent assets of the Nation, increasing its agricultural output, and preventing the almost annual deprivation and suffering which are caused by floods along the great central drainage artery of the country, it is necessary that a larger appropriation be made from the National Treasury.

The amount needed would be trifling in comparison with the benefit derived, and, moreover, a large part of it would be repaid to the Federal Government, with interest, so that it would be in reality a gilt-edged investment.

Thus was the situation described by United States Senator JOSEPH E. RANSDELL, of Louisiana, who for many years past has taken a deep interest in national river and harbor matters, particularly those affecting the Mississippi River.

"Experts of the Mississippi River Commission estimate that it would require from $30,000,000 to $35,000,000 to complete all the levees on the river from Rock Island to the Gulf to the full section and grade which the commission recommends," said Senator RANSDELL. "This seems a pitifully small sum when one considers the enormous value of the property behind the levees and the large number of human beings and live stock of every kind whose very existence is dependent upon them.

"The national character of the Mississippi as a channel of commerce needs no comment, and protection from its flood ravages is a matter of national importance, calling for national

attention and support. This mighty stream has been well called the Nation's drainage ditch. The waters from 31 States, including western New York, Pennsylvania, Maryland, Virginia, Georgia, and northern Alabama, and as far west as Idaho, pour through the well-named father of waters into the Gulf; and when the torrents of many States converge at the same time the burden becomes a colossal one even for this mighty stream.

"The riparian lands along its banks have borne a large part of the expense of fighting the floods which rush upon them from these 31 other States; and they are still willing to do their full part. They believe, however, that the Nation should handle this question in a big, broad way; that it should appropriate at once all the money necessary to complete the levee system; that it should continue systematically the work of revetment to prevent further caving in of the banks until the permanence of the levee is absolutely assured; and that if any other means of relief can be found to assist in solving the problem for any material portion or portions of the Mississippi River Valley it should be adopted."

The latest plan of Federal aid which seems to have met with widespread approval, declared Senator RANSDELL, is that which has been advanced by Senator MCKINLEY, of Illinois, commonly referred to as the McKinley plan. This provides that the National Government advance the money for completion of the levees in four or five years. This would be repaid into the United States Treasury by the localities protected through the issuance of long-term bonds bearing 4 per cent interest and 1 per cent added for amortization. The people along the river who derive the benefit would be willing and glad to repay this advance if given a sufficient time in which to do so.

Along with the levees, however, and in order to make them permanent, there must ultimately be a total of between four and five hundred miles of revetment work done, which would require from 25 to 40 years to complete, at an annual cost to the Government of about $4,000,000. This work has been recommended by the Mississippi River Commission and should be paid for by the National Government, declared Senator RANSDELL, as it is a permanent river improvement measure.

"For some years past," he continued, "the commission has been revetting the caving banks of the river with willow mattresses weighted with stones, which are placed in the caving bends when the water is at its lower stage. These revetments have proved very effective, and it is entirely feasible to protect all of these eroding places on the river in such manner as to make the banks permanent and prevent any of the levees from being washed away. This work of bank protection is absolutely essential, not only to protect the levees and in many cases large towns and cities from caving into the river, but also to maintain the navigability of the stream; and the Government is fully committed to its prosecution. The levees by keeping the water in the main channel exercise a scouring effect and cause the river to deepen, thereby benefiting navigation, whereas shallow bars form in the stream a few miles below every crevasse."

In speaking of the floods this spring, Senator RANSDELL asserted that there is much misconception as to the amount of damage done. Although accurate statistics are not yet available, he stated that, in his judgment, the levees have protected from 90 to 95 per cent of the cultivated lands which they were expected to protect, which, he thinks, is a very good showing for them.

"In making this computation," he explained, "one must not overlook the fact that there are several gaps in the levee system, notably at the mouths of the St. Francis, the White, and the Arkansas Rivers, in Arkansas; the Yazoo, in Mississippi; and the Red and Atchafalaya Rivers, in Louisiana. The levees in some instances extend down to the mouths of these rivers and in others come to a sudden stop several miles above the mouths, as at the Yazoo and the Red. When the waters rise above the normal banks of the river and are restrained by the levees they flow in large volume through these gaps and gradually cover very considerable areas adjacent to the lower portion of the tributary rivers, flooding in the aggregate between two and three million acres.

"In saying that the levees protected from 90 to 95 per cent of the area behind them I do not include the lands adjacent to the mouths of these tributary streams, which are flooded by the back water from the river rather than by breaks in the levee system.

"Much has been said about the crevasse at Ferriday, in Concordia Parish, La., which caused heavy losses. This levee was much below the standard grade and section recommended by the Mississippi River Commission as necessary for safety. Col. Charles L. Potter, president of the commission, says this levee contained only 48 per cent of the yardage of earth recommended by the commission. If this levee had been enlarged as recommended, I am sure the crevasse would not have occurred. It is certain that at no place where the levees were fully completed was any danger apprehended or experienced, except, as occasionally happens, a gap is made in a standard levee through the rapid caving of the river banks, owing to the erosive effects of its swift currents.

"Such a break occurred recently at Poydras, a few miles below the city of New Orleans. The levee there had been constructed very close to the bank of the river, and the water was quite high against it, several feet above the level of the country. The bank at that point eroded so rapidly when the water was at high stage that the entire levee caved into the river, making a breach through which the flood poured into the adjacent country with very disastrous effect. A similar crevasse was barely averted at Old Town levee, below the city of Helena, Ark., where the people had sufficient warning and were able to construct with rapidity and heavy cost a protection levee back of the old line.

"But the Senators and Representatives who made a recent inspection tour of the Mississippi from Memphis to New Orleans found the residents of the valley unanimous in their expressions that wherever their levees had been built according to the plans and specifications of the Mississippi River Commission they had experienced no trouble whatever and did not feel the least bit uneasy.

"Unfortunately, there are still many miles of levees in a very unsatisfactory condition, much smaller than the commission considers essential to safety."

In addition to completing the levees along the Mississippi proper approximately an equal amount of work should be done on some of the tributaries so far as they affect flood conditions in the larger stream, Senator RANSDELL stated. This would include levee construction along the banks of the streams near the mouths of the St. Francis, White, Arkansas, Yazoo, Atchafalaya, and Red Rivers. This, it is estimated, would cost approximately the same as the completion of the flood protection system along the Mississippi itself—that is, about $30,000,000. A bill is now pending in Congress, legislative in character and not carrying any appropriation, which would enlarge the jurisdiction of the Mississippi River Commission so that it would cover these tributary bodies of water. The section of the bill making this provision has met with the approval of the Senate Commerce Committee, and it is believed that it will pass both the Senate and House.

About 29,000 square miles, or 18,500,000 acres, of overflowed area in Iowa, Illinois, Missouri, Arkansas, Kentucky, Tennessee, Mississippi, and Louisiana, only about one-half of which is now under cultivation, but all of which is very rich agricultural land, would be added to the tillable acreage of these States, said Senator RANSDELL, through the completion of the levee system. Louisiana has 14,000 square miles of land subject to overflow, while Mississippi and Arkansas each have between 6,000 and 7,000 square miles.

Senator RANSDELL emphasized the fact that the increase in height of flood stages in the lower Mississippi has been caused by the clearing and draining of lands farther north, thus bringing the waters down the river during a shorter period of time than in the days when there were more natural reservoirs and forest cover in the northern States to hold the waters of heavy rains in check.

"A common impression prevails," he went on, "that the bed of the river is constantly rising, thereby necessitating higher and higher levees. It is not true that the bed is rising. Accurate statistics of Government officials for the past 60 years and very elaborate study of the subject by the Mississippi River Commission since its creation 43 years ago prove that the bed of the Mississippi River is not rising, but is lowering, if undergoing any change.

"It is true, however, that the surface plane of the river is materially higher than it was 40 years ago. United States Weather Bureau statistics prove this by their flood-stage figures over a number of years. These show, for instance, that the river at Cairo during the flood of 1882 measured 51.9 feet and this year 53.6; while farther south they are even more convincing. At Arkansas City in 1882 the river stood at 47 feet and this year at 58 feet, while at Baton Rouge, where 35 feet is the flood stage, it was 36 in 1882 and 44.6 this year.

"This rise in the surface plane of the river is due to the rapid and very thorough system of drainage in States like Kentucky, Ohio, Indiana, Illinois, Iowa, Missouri, and Arkansas, where most of the rains fall which produce the great floods of the Mississippi. Formerly there were many shallow lakes, ponds, swamps, and forests in these States, which held large quantities of rain water until it evaporated, constituting

in the aggregate vast natural reservoirs. After the drainage of these sections was perfected and the former shallow lakes, swamps, and forests became cultivated fields, the rain waters were carried rapidly through ditches and canals into the nearest rivers, which in turn poured them into the Mississippi, thereby greatly enlarging its normal volume of water. This increased elevation of surface plane has continued to grow higher and higher, as the various sections have completed and perfected their drainage systems; but the Mississippi River Commission believes that the full height of the surface plane has now been reached and that levees constructed according to their specifications will furnish adequate protection against any anticipated floods."

Senator RANSDELL, in passing, paid high tribute to the work of the Mississippi River Commission and to the character of its members, which has included Benjamin Harrison, later President of the United States; James B. Eads, the distinguished engineer; and many other able men. He declared that this board has studied in a most thorough and intelligent manner every problem connected with flood control and navigation of the Mississippi.

There are many persons in Louisiana, he said, who believe that, in addition to levees, below the mouth of Red River there should be one or more controlled spillways to carry off the crest of the flood when it reaches a moderately high stage, thereby taking off some of the strain and preventing an extreme height of flood. This question has been studied for a long time, he added, and many engineers are opposed to the spillway theory. Some engineers, however, and a great many laymen believe very strongly in the efficiency of spillways, and the subject is being studied further with great care.

This vitally interesting question of flood control on the Mississippi and relief for those who live along its banks and who suffer untold hardship and heavy financial loss whenever the high waters of the river break through a levee is one which will be of continuing concern until the National Government, which alone is able financially to handle the problem, comes to the rescue.

PROCLAMATION AND ADDRESS BY GOVERNOR MORRISON.

Mr. OVERMAN. Mr. President, I ask unanimous consent to have printed in the RECORD, in 8-point type, a proclamation and an address to the people of Cabarrus County, N. C., by the governor of that State. It is an able and patriotic address.

There being no objection, the proclamation and address were ordered to be printed in the RECORD in 8-point type, as follows:

A PROCLAMATION AND AN ADDRESS TO THE PEOPLE OF CABARRUS COUNTY.

(By Gov. Cameron Morrison, at Concord, August 19, 1921.)

A PROCLAMATION.

Representations of such character were made to me through sources which I credited that I thought it my duty to send State troops to the city of Concord to aid the local officers in keeping the peace. I hope this condition will quickly disappear, so the troops may be withdrawn. I recognize the industrial condition there creates a delicate situation, and I want to warn the people of the county to be prudent and temperate in conduct, and respect the legal rights of all parties.

People who desire to go in any of the mills and work have a legal right to do so, free from menace, insult, or intimidation of any character. The strikers have the right to present their cause by fair argument and in an orderly manner, through such representatives as do not amount to an overawing crowd, to such of the ingoing laborers as are willing to hear them; but they have no right to menace or threaten the ingoing laborers in their effort to present their cause; they have no right to force any person even to listen to them talk unless he wants to; they have no right to assemble such numbers as by their weight and demonstration to put the ingoing laborer in fear.

ORDINANCE NOT RECOGNIZED.

I will not recognize the validity of the ordinance of the city of Concord which forbids representatives of the strikers by fair argument to endeavor to make laborers who desire to take the place of strikers agree with their cause and refrain from work. I believe in the basic law of the land. The strikers have a right, when they will do so respectfully and in good nature, and without threat or menace, to present their argument to a person about to take their place, and if such a person agrees with them, to induce him to quit work, or not commence, because a person about to go to work, being a freeman and having a right to do so or not do so, as he pleases, it then follows that a person breaks no valid law who undertakes to persuade another to do that which he has a legal right to do.

I will, therefore, request the officer in command of the military forces on duty to permit reasonable-sized committees, as long as they will conduct themselves peacefully and respectfully, to present their cause to anybody they may see fit to present it to, but the officers will be directed to disperse all large assemblies brought together for the purpose of overawing and intimidating, by a display of numbers, those who desire to go to work, and to suppress all effort at intimidation and insult of every character calculated to produce a breach of the peace and riotous conditions. Striking laborers have a right to use argument to such extent as they can do so orderly, but they have no right in any manner whatsoever to put a person about to take their place in fear and by manifestations of physical force or thus, through display of numbers or manifestations of violence of any kind, to drive him from an exercise of his free will to work when and where he pleases.

MUST RESPECT LIBERTY.

The liberty of every person must be respected in this State, and order maintained.

As Governor of North Carolina, I appeal to all law-abiding men and women in the county of Cabarrus to respect the orders and directions of all military and police forces in the county of Cabarrus, and that they make such resistance as they feel should be made to such orders only in court and through due processes of law.

It is the solemn purpose of your governor to cause the military forces of the State to respect the legal right of all persons, and take no part in any peaceful economic battle which the conflicting forces of your county may engage in, but all must realize that our State is one of law and order, and that the full power of the State should be exercised to suppress any effort to substitute force and intimidation for argument in a controversy in this State.

Issued from the city of Asheville, on this the 15th day of August, 1921.

[SEAL.]

CAMERON MORRISON,
Governor of North Carolina.

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AN ADDRESS TO THE PEOPLE OF CABARRUS COUNTY BY GOV. CAMERON MORRISON, AT CONCORD, AUGUST 19, 1921.

My fellow citizens, my own judgment was against my coming here and speaking on this occasion; but Mr. Barrett, head of the Federation of Labor, and other prominent officials of organized labor, after our conference in Asheville on Wednesday the 17th, gave me most positive assurance that in their opinion my views of the situation and of the difficulties which beset all concerned here would be of great benefit. I frankly confess that I yielded my judgment in the matter to theirs because of my great desire for them to know that I was ready and anxious to do any proper thing to help arrive at a composition of the difficulties so distressing to all good people which surround this community and threaten others in the State.

I have not come here to apologize for sending State troops here at the urgent request of the mayor, the chief of police, and upon the statement of the sheriff that he and the police could no longer control the situation. If I erred, it can not be helped now; but I do want to express in the most emphatic language I can command that these soldiers were sent here simply to uphold the law and preserve peace, and that if they, or any one of them, take sides in any improper manner, I will use my influence as commander in chief of the troops to bring them to military trial for such misconduct.

I want to take them away from here at the very earliest moment that orderly conditions can be established, and that I can get the reasonable assurance of the local officers that they can control the situation, protect liberty, and preserve peace.

As patriotic North Carolinians and loyal citizens of our country, let us calmly and with charity for all, even those who err, consider the principles involved, and see if we can arrive at a basis and agree upon principles which ought to control every good man and woman interested in this situation.

What is the duty of the Government in respect to industrial controversies such as yours? After deep reflection, I declare to you that it is my honest judgment that if this really is a land of orderly liberty, then the Government has nothing whatever to do with it, except to preserve the peace and let the contending parties in an orderly way exercise their liberty and determine for themselves the questions involved.

It is the highest duty of any orderly government to protect the liberty of its citizens and preserve order, so that its citizens can make their contracts and transact their business about labor or any other matter free from intimidation and fear. I do not believe that the executive branch of the Government, or the judicial, has anything whatsoever to do with the settlement of a situation such as yours, except to uphold the

law as it has already been made by the legislative branch of the Government. Let us examine the principles involved fearlessly and honestly seek a sound basis from which to act.

I do not deem it wise or proper for the Governor of North Carolina to interpose and interfere with the making of a contract between citizens of this State.

The freedom of contract involves the very foundation of free government. For the Governor of North Carolina to endeavor to force men to make a contract in this State against their will is, in my judgment, a very improper thing to do.

Labor in North Carolina has a legal right to organize and to collectively bargain when organized, provided, however, that they can get somebody willing to bargain with them. Their right to collectively bargain can not be taken away from them under the constitutional securities of liberty, which are the very life of our Republic. No man has any right to call labor to the bar of public sentiment and lecture it for seeing fit to exercise its undoubted right to organize, and endeavor when organized to bargain for all concerned. I declare to all North Carolinians that it is wrong to undertake to create prejudice against and excite enmity to the labor people in North Carolina because they see fit to exercise their liberty for their interest in their own way. So far as I am informed, organized labor does not contend for any principles or legal right of importance of which I have not been, and am now, as a citizen, a champion. As to how they shall exercise their liberty, and whether they always exercise it wisely or not, is no man's business, and the lecturing and abuse of them which emanates from some quarters should be stopped.

On the other hand, employers with whom they want to contract have the right to contract with them or not contract with them as they see fit and deem it to their interest. This would no longer be a free country if citizens were forced to contract with any individual or group of individuals with whom they did not want to contract. There is no law under which the governor or any other offical can make them contract. None could be enacted under our Constitution. Dearer than our entire industrial fabric and all the wealth we have accumulated is the principle of liberty involved in the right, duly regulated by law, to freely contract and be contracted with about any lawful and moral matter properly the subject of a contract. It is true that we are our "brother's keeper," but I think the time has arrived when we had better recognize more of our brother's liberty, and permit him to attend to his own business. No man owes anybody an apology in this country for entering into or refraining from entering into any business contract, or refusing to enter into a business contract, which he may see fit to refuse to enter into.

There is a wide opinion that public sentiment must jerk up every large employer of labor and by abuse and vilification bring him into contempt when he exercises his undoubted privilege to refuse to enter into a contract which he does not want to enter into with his employees. It is his own business, and no man has any right, even those who want to make the contract which the employer in the exercise of his undoubted liberty will not make, to become angry with him, and abuse him and hate him. We are coming upon serious times in this Republic, and we had better recur to the primary principles of liberty, and reorganize the freedom of contract, and respect it. If the mill employers of this city and country will not enter into contracts with union labor, or with the individual laborers concerned, which labor wants them to enter into, it is absolutely nobody's business but their own.

If the foregoing statement of principles is not correct, then freedom of contract is destroyed in this Republic and we are no longer free, but under an absurd interpretation of the principle that we are our brother's keeper we have reached the place that no man can attend to his own business, but must transact it as liberty-despising public sentiment, fostered by ignorant leaders, requires him to do. Let us, before it is everlastingly too late, recognize the liberty of each citizen or group of citizens, as long as they will act orderly and respect the peace, to transact their business according to their own sweet will.

Without any law to justify me, if I should interpose in a controversy over a contract of employment in this State, the stage would finally be reached when I thought one side or the other willing to do the right thing, and then such influence as my high office has would be thrown against the side I disagreed with. This would result in an effort to do by moral official force that which every intelligent citizen will readily admit can not be done by force of law, and which would result in an end of free government if it could be done by law. I am unwilling to throw the influence of my office against any citizen or group of citizens to force him or them to enter into any contract which they may not desire to enter into, however foolish or unwise his course may be.

I would be most happy to see a freely arrived at adjustment between the conflicting industrial forces of Cabarrus County or elsewhere, but I am satisfied that settlement arrived at through coercion, governmental or otherwise, other than purely economic, would not bring permanent understanding. We must go to basic principles about these controversies and recognize the absolute freedom of individuals or groups of individuals in this State to contract and be contracted with, without coercion by influential public officials or by intimidating coercive assemblies engaging in insult and intimidation.

I believe in recognizing every legal right of organized labor but I also believe in recognizing every legal right of employers of labor and every legal right of unorganized labor.

Furthermore, if I should inject myself into this controversy and endeavor to adjust it, I fear I would no longer have the confidence of the side I had come to a judgment against in my efforts to uphold the law which a continued conflict might necessitate.

In respect to the disorder which had assumed threatening proportions in Cabarrus County, I think it arose largely from the fact that the local police officers did not clearly comprehend their duty more than from any unwillingness to discharge it. There has been much confusion in the public mind as to what would constitute illegal practices in a tense situation produced between striking laborers and those about to take their place. I announced in my letter to Sheriff Cochrane, of Mecklenburg, some time ago—by the way, the widely published statement that Sheriff Cochrane called for troops was untrue: he merely asked me for instructions—that it was the duty of the local police authorities to use all the necessary power to keep order and suppress intimidation and interference of anybody's rights, but that I would unhesitatingly send troops anywhere they were needed, whatever cause produced the trouble.

Of course, I recognize that there will be criticism of my action in sending troops to Cabarrus County, but I thought it to be my duty, and I declare now that during my term of office as governor liberty, law, and order shall not be stifled in any community in this State; no citizen who wants to work shall be intimidated and prevented from doing so through fear of any influence, however powerful.

If all officials, from the highest to the lowest, and the public will recognize that liberty to contract and be contracted with, or not to contract and be contracted with, is more priceless than any other principle of liberty except that of life and personal security, and that this liberty must be orderly enjoyed, and under this principle let conflicting parties to these industrial disputes settle their own difficulties as other people have to do, we will have arrived at a basis which will clear up the whole situation.

If public sentiment, high State officials, and the press were to undertake to dictate to the farmers of North Carolina and those who work for them, the merchants and other business people in the State employing small numbers of laborers, how and when and at what price they should make their contracts, it would become laughable and would not be tolerated by the freemen of this State for one moment. The underlying principles are the same. A controversy between a great manufacturing plant and 1,500 employees is of no more sacred importance, and should be dealt with upon the same principle as a controversy between a merchant and his two clerks or a farmer and his two plow hands.

As governor of North Carolina I have nothing to do with the contracts made between the people of this State about matters subject to contract and which are not illegal or immoral in their nature, other than when conditions arise which threaten the peace and order of the community in which they are being made, and it then becomes my duty to uphold the law.

Hundreds of men and women in Cabarrus County wanted to go to work. I have nothing to do with whether they ought to have gone or not. They had a legal right to work, and a government which would not protect them from jeering, insulting, and intimidating crowds, numbering hundreds, would be unworthy of the loyalty of patriotic men.

Troops under my command will not in this emergency, or any other, violate the liberty of any citizen of this State, or interfere, further than the preservation of peace may require, with the orderly movement of its citizens; but as I understand my duty I propose to see that peace and order prevail in every community of this State. The troops under my command will not overawe and intimidate any human being in North Carolina, save one who stands for the standard of insurrection and enmity to orderly government. To the insurrectionist or champion of mob government the State of North Carolina, so far

as I control its official action, has nothing to offer save its righteous condemnation and the assertion that to the full power intrusted in the commander in chief of the military forces of this State they will be suppressed and made to live in order and respect the liberty of the humblest laborer as well as the largest property owner within the State's borders.

I think I fully understand the legally established rights of laborers on strike and of those who may desire to take their place. I set them forth in the proclamation which I issued a few days ago to the people of Cabarrus County. I do not know who was to blame for the condition of threatened lawlessness here which caused the mayor, the chief of police, and many good citizens to call upon me as governor of the State to send troops here to preserve the peace and protect life. I pass no judgment. The immediate provocations may have come either from the ingoing laborers or from those on strike, or not from either but from meddlesome sympathizers; but, however this may have been, my sole desire was to preserve the peace, protect human life, and allow a peaceful struggle under the law between the conflicting forces here.

No law-abiding citizen should look with awe and dread upon the heroic men who wear our country's uniform. I suspect the lawful intention of any citizen of this land of law and order who hates the sight of the men who wear the uniform of our country's military forces, and who, in the hours of peril to our liberties and all we hold dear, will take the lead in standing forth to preserve for us and our children the principles of liberty upon which the country rests. Some of the men who are trying to bring into derision and contempt the military forces of this State ought to remember that most of them are men who stepped under the country's flag with a courage worthy of the heroes who established this country and met on Europe's bloody battle fields the hosts of the Hun, and through sacrifice and suffering kept every flag symbolizing liberty on earth from being torn down and tramped under foot by the autocrat.

The troops here are under the command of Gen. J. Van B. Metts, who commanded the One hundred and nineteenth Infantry Regiment of the Thirtieth Division in the Hindenburg-line fight, and side by side with the One hundred and twentieth Infantry Regiment, commanded by another North Carolina colonel, carried the standard of law and order and liberty through the Hindenburg line and finished the downfall of the liberty-hating Hohenzollern and Hapsburg dynasties. He loves liberty and peace, and has made proof of it as daring as any patriot who ever faced shot and shell and fire and death for free government. No man except the enemy of order and liberty and peace need fear any body of men under the command of Metts and the heroic captains who command the three companies in this county.

But I want to move them away from here, and I appeal to all men in this county, whether you are standing under the standard of union labor and doing what you can to aid the striking laborers or on the other side. Whoever you are and wherever your sympathies may be, I appeal to you as a citizen of North Carolina to give your influence quickly and without delay to the sheriff and the police officers and establish by common concord of all good men in this county a respect for order, liberty, and peaceful argument which will justify me in moving the troops here from your county. They neither want to stay nor do I want them to stay. They are here at immense sacrifice to themselves, and only for the purpose of enabling each side to this controversy to enjoy all the liberty guaranteed its followers by the law of the land. It is along these lines and upon these principles that we can continue to enjoy liberty in this State and country.

Finally, I want to appeal to all conflicting classes to submerge and forget their class consciousness and class interest in an unselfish devotion to the precious principles of our Government. This country ought not to be governed, and must not be governed, by direct group government, nor by the overpowerful and rich, nor by any class, but it must be governed by men who, above material things and above any class, stand together upon the great basic principles of human freedom.

I beg in conclusion that the Christians and patriots in this community quickly come together as brothers and establish law and order and quiet in your community, and if this industrial conflict can not be settled—which I devoutly hope the parties to it can do—then let it proceed until one side or the other has whipped in a peaceful economic contest.

TRANSPORTATION RATES FOR VETERANS.

Mr. CAPPER presented a resolution unanimously adopted by Garfield Post, No. 25, Grand Army of the Republic, of Wichita, Kans., favoring the passage of the so-called Jones bill (S. 3463) relating to transportation rates for veterans, and for other purposes, which was referred to the Committee on Interstate Commerce.

SUPPRESSION OF MOB VIOLENCE.

Mr. SHORTRIDGE. Mr. President, I ask unanimous consent, by direction and on behalf of the Judiciary Committee, to report with amendments the bill (H. R. 13) to assure to persons within the jurisdiction of every State equal protection of the laws and to punish the crime of lynching, and I submit a report (No. 837) thereon.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the report will be received.

Mr. SHORTRIDGE. I also ask unanimous consent that the report may be printed in the RECORD, and, in addition, I desire to give notice that I shall seek and take advantage of the earliest opportunity to bring the bill before the Senate for its consideration.

The PRESIDENT pro tempore. Without objection the report submitted by the Senator from California will be printed in the RECORD.

The report (No. 837) is as follows:

[Senate Report No. 837, Sixty-seventh Congress, second session.]

ANTILYNCHING BILL.

Mr. SHORTRIDGE, from the Committee on the Judiciary, submitted the following report to accompany H. R. 13:

The Committee on the Judiciary, to which was referred the bill (H. R. 13) to assure to persons within the jurisdiction of every State the equal protection of the laws and to punish the crime of lynching, having considered the same, report the bill favorably to the Senate with the following amendments, and as so amended recommend its passage:

1. On page 3, in line 19, strike out all of section 4 after the word "therein," and insert in lieu thereof the following:

"*Provided*, That it shall be charged in the indictment that by reason of the failure, neglect, or refusal of the officers of the State charged with the duty of prosecuting such offense under the laws of the State to proceed with due diligence to apprehend and prosecute such participants the State has denied to its citizens the equal protection of the laws. It shall not be necessary that the jurisdictional allegations herein required shall be proven beyond a reasonable doubt, and it shall be sufficient if such allegations are sustained by a preponderance of the evidence."

2. On page 4, in line 17, after the word "shall" and before the word "forfeit," insert the following words:

"if it is alleged and proven that the officers of the State charged with the duty of prosecuting criminally such offense under the laws of the State have failed, neglected, or refused to proceed with due diligence to apprehend and prosecute the participants in the mob or riotous assemblage."

3. On page 5, in line 3, strike out the word "should" and insert in place thereof the word "shall."

The bill, with the amendments reported by the committee, will read as follows:

An act to assure to persons within the jurisdiction of every State the equal protection of the laws, and to punish the crime of lynching.

Be it enacted, etc., That the phrase "mob or riotous assemblage," when used in this act, shall mean an assemblage composed of three or more persons acting in concert for the purpose of depriving any person of his life without authority of law as a punishment for or to prevent the commission of some actual or supposed public offense.

SEC. 2. That if any State or governmental subdivision thereof fails, neglects, or refuses to provide and maintain protection to the life of any person within its jurisdiction against a mob or riotous assemblage, such State shall by reason of such failure, neglect, or refusal be deemed to have denied to such person the equal protection of the laws of the State, and to the end that such protection as is guaranteed to the citizens of the United States by its Constitution may be secured it is provided:

SEC. 3. That any State or municipal officer charged with the duty or who possesses the power or authority as such officer to protect the life of any person that may be put to death by any mob or riotous assemblage, or who has any such person in his charge as a prisoner, who fails, neglects, or refuses to make all reasonable efforts to prevent such person from being so put to death, or any State or municipal officer charged with the duty of apprehending or prosecuting any person participating in such mob or riotous assemblage who fails, neglects, or refuses to make all reasonable efforts to perform his duty in apprehending or prosecuting to final judgment under the laws of such State all persons so participating except such, if any, as are or have been held to answer for such participation in any district court of the United States, as herein provided, shall be guilty of a felony, and upon conviction thereof shall be punished by imprisonment not exceeding five years or by a fine of not exceeding $5,000, or by both such fine and imprisonment.

Any State or municipal officer, acting as such officer under authority of State law, having in his custody or control a prisoner, who shall conspire, combine, or confederate with any person to put such prisoner to death without authority of law as a punishment for some alleged public offense, or who shall conspire, combine, or confederate with any person to suffer such prisoner to be taken or obtained from his custody or control for the purpose of being put to death without authority of law as a punishment for an alleged public offense, shall be guilty of a felony, and those who so conspire, combine, or confederate with such officer shall likewise be guilty of a felony. On conviction the parties participating therein shall be punished by imprisonment for life or not less than five years.

SEC. 4. That the district court of the judicial district wherein a person is put to death by a mob or riotous assemblage shall have jurisdiction to try and punish, in accordance with the laws of the State where the homicide is committed, those who participate therein: *Provided*, That it shall be charged in the indictment that by reason of the failure, neglect, or refusal of the officers of the State charged with the duty of prosecuting such offense under the laws of the State to proceed with due diligence to apprehend and prosecute such participants the State has denied to its citizens the equal protection of the laws. It shall not be

necessary that the jurisdictional allegations herein required shall be proven beyond a reasonable doubt, and it shall be sufficient if such allegations are sustained by a preponderance of the evidence.

SEC. 5. That any county in which a person is put to death by a mob or riotous assemblage shall, if it is alleged and proven that the officers of the State charged with the duty of prosecuting criminally such offense under the laws of the State have failed, neglected, or refused to proceed with due diligence to apprehend and prosecute the participants in the mob or riotous assemblage, forfeit $10,000, which sum may be recovered by an action therefor in the name of the United States against such county for the use of the family, if any, of the person so put to death; if he had no family, then to his dependent parents, if any; otherwise for the use of the United States. Such action shall be brought and prosecuted by the district attorney of the United States of the district in which such county is situated in any court of the United States having jurisdiction therein. If such forfeiture is not paid upon recovery of a judgment therefor, such court shall have jurisdiction to enforce payment thereof by levy of execution upon any property of the county, or may compel the levy and collection of a tax therefor, or may otherwise compel payment thereof by mandamus or other appropriate process; and any officer of such county or other person who disobeys or fails to comply with any lawful order of the court in the premises shall be liable to punishment as for contempt and to any other penalty provided by law therefor.

SEC. 6. That in the event that any person so put to death shall have been transported by such mob or riotous assemblage from one county to another county during the time intervening between his capture and putting to death, the county in which he is seized and the county in which he is put to death shall be jointly and severally liable to pay the forfeiture herein provided.

SEC. 7. That any act committed in any State or Territory of the United States in violation of the rights of a citizen or subject of a foreign country secured to such citizen or subject by treaty between the United States and such foreign country, which act constitutes a crime under the laws of such State or Territory, shall constitute a like crime against the peace and dignity of the United States, punishable in like manner as in the courts of said State or Territory, and within the period limited by the laws of such State or Territory, and may be prosecuted in the courts of the United States, and upon conviction the sentence executed in like manner as sentences upon convictions for crimes under the laws of the United States.

SEC. 8. That in construing and applying this act the District of Columbia shall be deemed a county, as shall also each of the parishes of the State of Louisiana.

That if any section or provision of this act shall be held by any court to be invalid, the balance of the act shall not for that reason be held invalid.

An elaborate report was made by Mr. DYER for the Committee on the Judiciary of the House upon the original bill (H. Rept. No. 452), which sets forth so fully the situation which the proposed legislation seeks to remedy, and the grounds upon which the bill is based, that we feel that we can not do better than to incorporate the same as a part of this report.

The substance of the report, omitting only the text of the bill reported by the House, is as follows:

"The prevalence in many States of the spirit which tolerates lynching, accompanied too often with inhuman cruelty and the inability or unwillingness of the public authorities to punish the persons who are guilty of this crime, threaten very seriously the future peace of the Nation. Not only is lynching a denial of the right secured by law to every man of a fair trial before an established court in case he is charged with crime, not only does it brutalize the communities which suffer it by breeding a spirit of lawlessness and cruelty in the young people who see barbarities unpunished and uncondemned, not only does it terrorize important bodies of our citizens, but it inevitably leads the people whose rights are thus trampled upon to leave the regions where their lives, their families, and their property are in danger, and move to others where they can find peace and protection, thus disturbing the labor situation all over the country. It also blots our fair name as a Nation, for we can not claim to be civilized until our laws are respected and enforced and our citizens secured against the hideous cruelties of which we are constantly furnishing fresh examples.

"The people of the United States suffer justly under the grievous charge that they continue to tolerate mob murder. It is well known that the innocent, equally with the guilty, suffer the cruel inflictions of mob violence. Mobs have even invaded court rooms and prisons to seize and murder prisoners whose punishment had already been fixed. Local and State authorities frequently offer only the feeblest objection to the actions of the mob which is permitted to do its will unchecked. Rarely are the members of a mob sought out and prosecuted even when, undisguised and in full daylight, they have participated in murder, and only in a few isolated cases has any lyncher ever been punished. Patriotic citizens throughout the country feel the shame which lynchings cast upon the Nation. The time has come when the United States can no longer permit the setting at naught of its fundamental law. We can no longer permit open contempt of the courts and lawful procedure. We can no longer endure the burning of human beings in public in the presence of women and children; we can no longer tolerate the menace to civilization itself which is contained in the spread of the mob spirit.

"The Republican Party, which received such a large majority at the last general election, adopted as a part of its platform at Chicago the following:

"'We urge Congress to consider the most effective means to end lynching in this country, which continues to be a terrible blot on our American civilization.'

"President Harding, in his first message to the Congress, on April 12, said:

"'Congress ought to wipe the stain of barbaric lynching from the banners of a free and orderly representative democracy.'

"Ex-President Wilson, on July 26, 1918, issued an appeal to the American people to stop lynchings. He said:

"'I therefore very earnestly and solemnly beg that the governors of all the States, the law officers of every community, and above all, the men and women of every community in the United States, all who revere America and wish to keep her name without stain or reproach, will cooperate, not passively merely, but actively and watchfully to make an end of this disgraceful evil. It can not live where the community does not countenance it.'

"Ex-Attorney General Gregory, May 6, 1918, in an address to the American Bar Association, said:

"'We must set our faces against lawlessness within our own borders. Whatever we may say about the causes for our entering this war, we know that one of the principal reasons was the lawlessness of the German nation—what they have done in Belgium and in northern France, and what we have reason to know they would do elsewhere. For us to tolerate lynching is to do the same thing that we are condemning in the Germans.

"'Lynch law is the most cowardly of crimes. Invariably the victim is unarmed, while the men who lynch are armed and large in numbers. It is a deplorable thing under any circumstances, but at this time, above all others, it creates an extremely dangerous condition. I invite your help in meeting it.'

"These and similar appeals have gone for naught. Lynchings continue. This is evidenced by many lynchings that have taken place this year. It is impossible to get data touching all these outrages. Many lynchings take place and the facts never reach the public. I include a memorandum showing some of the very recent lynchings, to wit:

Lynching, 1921.

Name.	Date.	Place.	Manner of lynching.
1. Jim Roland	Jan. 2	Mitchell County, Ga	Shot.
2. Robert Lewis	Jan. 4	Meridian, Miss	
3. Sam Williams	Jan. 6	Talbotton, Ga	Hanged.
4. William Beard (white)	Jan. 13	Jasper, Ala	Shot.
5. Alfred Williams	Jan. 24	Norlina, N. C	Do.
6. Plummer Bullock	...do	.....do	Do.
7. Henry Lowery	Jan. 26	Nodena, Ark	Burned.
8. George Werner	Feb. 1	Port Allen, La	Hanged.
9. ———	Feb. 4	Vicksburg, Miss. (near)	
10. Elijah Jones	Feb. 12	Ocala, Fla	Do.
11. Ben Campbell	Feb. 10	Wauchula, Fla	Do.
12. ———	Feb. 12	Odena, Ala	
13. John Eberhardt	Feb. 16	Athens, Ga	Burned.
14. Richard James	Mar. 13	Versailles, Ky	Hanged.
15. William Bowles	Mar. 14	Eagle Lake, Fla	Do.
16. Browning Tuggle	Mar. 15	Hope, Ark	Do.
17. Adolphus Ross	Mar. 19	Water Valley, Miss	Do.
18. Arthur Jennings	Mar. 20	Hattiesburg, Miss	Do.
19. Phil Slater	Mar. 22	Monticello, Ark	Do.
20. Sandy Thompson	Apr. 4	Langford, Miss	Do.
21. Rachel Moore	Apr. 9	Rankin County, Miss	Do.
22. Tony Williams	Apr. 15	Rodessa, La	Shot.
23. ———	Apr. 25	Carriere, Miss. (Picayune)	Hanged.
24. Roy Hammonds	Apr. 29	Bowling Green, Mo	Do.
25. ——— (white)	Feb. 6	Monroe, La	Burned.
26. Berry Bolling (white)	May 7	Huntsville, Tenn	Hanged.
27. Sam Ballinger	May 8	Starke, Fla	Do.
28. Leroy Smith	May 11	McGhee, Ark	
29. George Marshall	Apr. 15	Lauderdale, Miss	Shot.
30. John Henry Williams	June 18	Moultrie, Ga	Burned.
31. ———	...do	Enid, Miss	Shot.
32. Herbert Quarles	June 19	McCormick, S. C	Do.
33. Louis Wimberly	June 20	Jackson, Miss	Hanged.
34. "Red" Bilbro	June 29	Madison County, Miss	Do.
35. Casey Jones (white)	July 23	Hattiesburg, Miss	Do.
36. ———	Aug. 3	Lawrenceville, Va	Do.
37. Alex. Winn	Aug. 15	Datura, Tex	Hanged (body burned).
38. Walter Smalley	Aug. 16	Augusta, Ga	Do.
39. Will Allen	Aug. 24	Chapin, S. C	
40. William Anderson	Mar. 4	Baker County, Ga	
41. ———	Jan. —	———, Ga	Shot.
42. ———	.....	———, Ga	Hanged.
43. ———	.....	———, Ga	Drowned.
44. ——— (woman)	.....	———, Ga	Do.
45. Mansfield Butler	Sept. 8	Aiken, S. C	Shot.
46. Charlie Thompson	...do	.....do	Do.
47. Gilman Holmes	Sept. 13	Columbia, La	Hanged (body burned).
48. Ernest Daniels	Sept. 18	Pittsboro, N. C	Hanged.
49. Edward McDowell	Sept. 19	McComb, Miss	
50. Jerome Whitfield	Aug. 14	Jones County, N. C	Do.
51. Ed. Kirkland	Oct. 24	Allendale, S. C	Shot (body burned).
52. Sam Gordon	Oct. 25	Winneboro, La	Hanged.

"In the 30 years from 1889 to 1918, 3,224 persons were lynched, of whom 2,522 were negroes, and of these 50 were women. The North had 219; the West, 156; Alaska and unknown localities, 15; and the South, 2,834, with Georgia leading with 386 and Mississippi following with 373. Yet in Georgia negroes paid taxes on 1,664,368 acres and owned property assessed at $47,423,499. Of the colored victims 19 per cent were accused of rape and 9.4 per cent of attacks upon women. In the year 1919, 77 negroes, 4 whites, and 2 Mexicans were lynched. Ten of the negroes were ex-soldiers, one was a woman. During 1920 there were 65 persons lynched; 6 were white and 59 were negroes; 31 were hanged, 15 shot, 8 burned, 2 drowned, 1 flogged to death, and 8 manner unknown; 24 were charged with murder, 2 assault on woman, 15 attack on woman, 3 insulting woman, 1 attempted attack on woman, 1 attack on boy, 1 stabbing man, and 3 assaulting man.

"The Congress must provide the means of ending this cowardly crime. It is in punishing those who take part in it or who permit it. Congress has the power to enact this bill into law.

"The fourteenth amendment to the Constitution provides that no State 'shall deny to any person within its jurisdiction the equal protection of the laws,' and further provides that 'the Congress shall have power to enforce, by appropriate legislation, the provisions of this article.' It is well settled by decisions of the Supreme Court of the United States that the denial forbidden is not alone a denial by positive legislation but that 'no agency of the State or of the officers or agents by whom its powers are exerted shall deny to any persons within its jurisdiction the equal protection of the laws.'

"It is thus made the duty of the Congress under the Constitution to enact such laws as may be needful to assure that no State shall deny to any person within its jurisdiction the equal protection of the laws. Within the limits of the jurisdiction thus conferred the Congress has the right to exercise its discretion as to laws or what means can best accomplish the desired end.

"In nearly all cases of lynching the person put to death is taken by a mob from the sheriff, marshal, or other police officer of the State, whose failure to defend and protect him denies to him the equal protection of the laws.

"In Ex parte Virginia (100 U. S. 339, 346) the Supreme Court in a unanimous opinion by Mr. Justice Strong, speaking of the prohibitions of the fourteenth amendment, says:

"'They have reference to actions of the political body denominated a State, by whatever instruments or in whatever modes that action may be taken. A State acts by its legislative, its executive, or its judicial authorities. It can act in no other way. The constitutional provision therefore must mean that no agency of the State or of the officers or agents by whom its powers are exerted shall deny to any person within its jurisdiction the equal protection of the laws. Whoever by virtue of public position under a State government deprives another of property, life, or liberty without due process of law, or denies or takes away the equal protection of the laws, violates the constitutional inhibition, and as he acts in the name and for the State, and is clothed with the State's power, his act is that of the State. This must be so or the constitutional prohibition has no meaning. Then the State has clothed one of its agents with power to annul or to evade it.

"'But the constitutional amendment was ordained for a purpose. It was to secure equal rights to all persons, and to insure to all persons the enjoyment of such rights power was given to Congress to enforce its provisions by appropriate legislation. Such legislation must act upon persons, not upon the abstract thing denominated a State, but upon the persons who are the agents of the State in the denial of the rights which were intended to be secured.' (See also the very recent cases of Home Telephone Co. v. Los Angeles, 227 U. S. 278, 290; Buchanan v. Worley, 245 U. S. 60, 77.)

"A distinguished southern judge has given this definition:

"'By "equal protection of the laws" is meant equal security under them to everyone in his life, his liberty, his property, and in the pursuit of happiness. It not only implies the right of each to resort on the same terms with others to the courts of the country for the security of his person and property, the prevention and redress of wrongs, and the enforcement of contracts, but also his exemption from any greater burdens and charges than such as are equally imposed on all others under like circumstances.'

"The Supreme Court of the United States says of this provision:

"'When the facts shown establish an administration directed so exclusively against a particular class of persons as to warrant and require the conclusion that, whatever may have been the intent of the laws as adopted, they are applied by the public authorities charged with their administration, and thus representing the State itself, with a mind so unequal and oppressive as to amount to a practical denial by the State of that equal protection of the laws which is secured to the petitioners as to all other persons, by the broad and benign provisions of the fourteenth amendment to the Constitution of the United States, though the law itself be fair on its face and impartial in appearance, yet if it is applied and administered by public authority with an evil eye and an unequal hand, so as practically to make unjust and illegal discriminations between persons in similar circumstances material to their rights, the denial of equal justice is still within the prohibition of the Constitution.'

"In another case the same court said:

"'An actual discrimination against a negro, on account of his race, by officers intrusted with the duty of carrying out the law is as potential in creating a denial of equality of rights as a discrimination made by law.'

"Article I, section 8, of the Constitution gave the Congress the power 'to provide for organizing, arming, and disciplining the militia and for governing such part of them as may be employed in the service of the United States,' as well as 'to provide for calling for the militia to execute the laws of the Union, suppress insurrections, and repel invasions,' but it was not until long after the adoption of the fourteenth amendment that our courts construed 'insurrections' to include mobs and riotous assemblages. Under these two provisions quoted there can be no doubt whatever as to the power of Congress to define and punish the crime of lynching.

"One can not conceive a more humiliating or shameful admission to be made by a Government claiming to be a sovereign State than the confession that it is without the power to make good the guaranty in its Constitution that no person shall be deprived of life, liberty, or property without due process of law. It is nevertheless the fact that in almost numberless instances our State Department has so stated in official communications to civilized nations like France, Spain, China, Italy, and Great Britain.

"The Congress has appropriated and the Government has paid to other Governments no less a sum than $792,499.39 to compensate the murder by lynching of their citizens by American mobs, and there are now with the Department of State unadjusted claims to a large amount for similar murders of Austrians, Greeks, Japanese, and Italians. Every diplomatic letter sent by our foreign office to another nation with regard to these claims has stated that the Federal Government is impotent to protect strangers within our borders and seeks to lay the blame on the State governments under which the lynchings have occurred. Every such letter admits the dereliction of Congress in not enforcing the guaranties of the fourteenth amendment and adds to the appeal to Congress to delay action no longer in enacting the legislation in contemplation when the fourteenth amendment was adopted in 1868.

"This sum of $792,499.39 was paid for less than 100 lives of foreigners taken by mobs. The inquiry is pertinent that if we have paid $800,000 for less than 100 murdered foreigners, how much has the country lost by the murders of 3,307 Americans killed by mobs since 1889?

"The bill reported by this committee seeks (1) to prevent lynchings as far as possible by punishing State and municipal officers who fail to do their duty in protecting the lives of persons from mobs; (2) to punish the crime of lynching; and (3) to compel the county in which the crime is committed to make compensation.

"Section 5 exacts from the county in which a person is lynched a penalty of $10,000, recoverable in an action directed to be brought by the district attorney in the name of the United States for the use of the dependent family, if any, and if there be no dependent family, for the use of the United States.

"Such provisions are common in State legislation and are justified as to citizens lynched by the fact that the penalty makes it to the interest of every taxpayer of the county to prevent the lynching.

"This section does nothing more than adopt the South Carolina and Ohio laws imposing a penalty on the county in which the laws against lynching have failed of enforcement, and such laws have been held constitutional in both States by their respective supreme courts, the law of South Carolina in Brown v. Orangeburg County (55 S. C. 45; 32 S. E. 764), and the Ohio law in Commissioners v. Church (62 Ohio St. 318). The committee can find no stronger argument for this remedy for an admitted evil than in the following words from the opinion of the Supreme Court of South Carolina:

"'It has been held that statutes making a community liable for damages in cases of lynchings and giving a right of recovery to the legal representatives of the person lynched are valid on the ground that the main purpose is to impose a penalty on the community, which is given to the legal representatives not because they have been damaged but because the legislature sees fit thus to dispose of the penalty. Such statutes are salutary, as their effect is to render protection to human life and make communities law-abiding."

Hon. Guy. D. Goff, assistant to the Attorney General of the United States, appeared before the committee on July 20 with reference to this bill. His statement, in part, is as follows:

"This bill seeks to confer upon the Federal courts jurisdiction to enforce the law and maintain the peace of the United States, which is nothing more than the so-called police power of the United States. You are familiar with that 'excursion,' if I may so term it, of the Supreme Court into the field of Federal police power. It was first announced in Gibbons v. Ogden (9 Wheat. 202), and has found definite application in the so-called white-slave cases. I recall those decisions distinctly because at that time I was engaged as an attorney for the United States in the interpretation and enforcement of the white slave law. In Gibbons v. Ogden, supra, Chief Justice Marshall (at p. 202) said: 'It is obvious that the Government of the Union in the exercise of its express powers * * * may use means that may also be employed by a State in the exercise of its acknowledged powers.' In the case which held the white slave law constitutional, Hoke against the United States (227 U. S. pp. 308 and 309), the court said:

"'While our dual form of government has its perplexities, State and Nation having different spheres of jurisdiction, we are one people and the powers reserved to the States and those conferred on the Nation are adapted to be exercised, whether independently or concurrently, to promote the general welfare, material and moral.

"'The white slave traffic act is a legal exercise of the power of Congress under the commerce clause of the Constitution and does not abridge the privileges or immunities of citizens of the States or interfere with the reserved powers of the States, especially those in regard to regulation of immoralities of persons within their several jurisdictions.'

"In Hoke v. United States (227 U. S. 308, 323), speaking expressly of the power of Congress over interstate transportation, it was said 'the power is complete in itself, and that Congress, as an incident to it, may adopt not only means necessary but convenient to its exercise, and the means may have the quality of police regulations.'

"And in Wilson v. United States (232 U. S. 563, 567), speaking of the white slave law, which was held constitutional, the court said:

"'As has already been decided, it has the quality of a police regulation, although enacted in the exercise of the power to regulate interstate commerce.'

"In Seven Cases of Eckman's Alterative v. United States (239 U. S. 510, 515) it was said:

"'Congress is not to be denied the exercise of its constitutional authority over interstate commerce, and its power to adopt not only means necessary but convenient to its exercise, because these means may have the quality of police regulations.'

"And an even more direct statement to this effect is:

"'Congress may establish police regulations as well as the States, confining their operations to the subjects over which it is given control by the Constitution; * * * Gloucester Ferry Co. v. Pennsylvania (114 U. S. 196, 215), citing Cooley's Constitutional Limitations, 732.'

"In other words, when necessary for the proper exertion of its express powers, Congress may use exactly the same means which the State may use for the exertion of its own powers. This is no new doctrine. In Gibbons v. Ogden, supra, it was said:

"'It is obvious that the Government of the Union, in the exercise of its express powers, that, for example, of regulating commerce with foreign nations and among the States, may use means that may also be employed by a State, in the exercise of its acknowledged powers; that, for example, of regulating commerce within the State.'

"And again, in the very recent case, Hamilton v. Kentucky Distilleries Co. (251 U. S. 146, 156) (decided December, 1919), involving the constitutionality of the war time prohibition act, Mr. Justice Brandeis, speaking for the court, stated the principle thus:

"'That the United States lacks the police power, and that this was reserved to the States by the tenth amendment is true. But it is none the less true that when the United States exerts any of the powers conferred upon it by the Constitution, no valid objection can be based upon the fact that such exercise may be attended by the same incidents which attend the exercise by a State of its police power, or that it may tend to accomplish a similar purpose.'

"We had a somewhat hazy comprehension of the police powers of the State and the corresponding rights of the Federal Government. This line of cases holds that there is a Federal police power. Now, if here is a Federal police power, it must be by virtue of some power conferred on the Federal Government by our Constitution. It was conferred in the White Slave cases by the commerce clause. I assume, therefore, in this argument that there is such a Federal police power, a concomitant, as it were, to preserve law and order, and to see that the laws are equally enforced, and to see that no man is denied or deprived of the common right to enjoy life, liberty, and property, and that such rights are conferred upon the Federal Government by the fourteenth amendment to the United States Constitution.

"A case which has caused some discussion is the case of James v. Bowman (90 U. S. 127). I refer to this case, first, because it may be cited in contradiction of the underlying principles of the statement I have made. This case involved the fifteenth amendment to the United States Constitution. It grew out of an indictment in the State of Kentucky, based upon section 5507 of the Revised Statutes of the United States, which sought to punish anyone who attempted to interfere with a person going to or from the polls, or intimidate those who sought to exercise their prerogative to vote as they saw fit. The Supreme Court held that the indictment was improvidently conceived and said that the fifteenth amendment, which reads 'the right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude" was an amendment which prohibited

the State but did not reach the individual. Such was the underlying principle which controlled and which differentiates this case from the other cases. Mr. Justice Brewer wrote the opinion and, in addition to holding that the fifteenth amendment was a curb upon the Federal and State Governments, expressly said that it did not in any sense relate to individuals. He recognized the undoubted existence of the police power of the State and, in the last lines of the decision, remarked that the act was unconstitutional because it was too broad in its terms.

"Congress, he concluded, has no power to punish bribery at all elections. The limits of its power are in respect to elections in which the Nation is directly interested, or in which some mandate of the National Constitution is disobeyed, and courts are not at liberty to take a criminal statute, broad and comprehensive in its terms, and in these terms beyond the power of Congress, and change it to fix some particular transaction for which Congress might have legislated, if it had seen fit.'

"The court recognized the rule, with which we are all familiar, that while a statute may be constitutional in some provisions and unconstitutional in others, the courts will hold it constitutional if they can separate, without destroying the purpose of the statute, the unconstitutional from the constitutional; or, if you prefer, that where a statute can not be separated or resolved into its constituent parts without committing judicial legislation, the courts will not, under such circumstances, attempt to hold the statute constitutional, but will declare it unconstitutional and deny the application of a comity rule of the judiciary, which strives to sustain legislation wherever possible. This case, as I say, recognized that where an inhabitant of a State attempted to interfere with the exercise of a general right which did not relate to a Federal election, that he was not guilty of violating this act. But I must draw this conclusion and emphasize it: I do not think the court attempted to decide that if the same acts so attempted under the broad general terms of the law, which the court felt constrained to hold as beyond the authority of Congress, had been attempted or accomplished in a specific general Federal election, that such acts would not have been a violation of the fifteenth amendment to the United States Constitution, obviously a law meeting the facts of such a situation would be constitutional. In Ex parte Virginia (100 U. S. 339, 346), construing the provisions of the fourteenth amendment, it was said:

"'They have reference to actions of the political body denominated a "State," by whatever instruments or in whatever modes that action may be taken. A State acts by its legislative, its executive, or its judicial authorities. It can act in no other way. The constitutional provision, therefore, must mean that no agency of the State, or of the officers or agents by whom its powers are exerted, shall deny to any person within its jurisdiction the equal protection of the laws.'

"In view of that interpretation and merely for the purposes of convenience and accuracy, permit me to refer expressly to the amendment:

"'No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property without due process of law: nor deny to any person within its jurisdiction the equal protection of the laws.'

"Justice Brewer in the Bowman case, referring to the leading case of Ex parte Virginia, supra, gives to the fourteenth amendment, clearly and unequivocally, this interpretation: That no State shall deprive any person—not as a mere abstract entity, but through its legislative, its executive, or its judicial functions—of life, liberty, or property. In other words, the fourteenth amendment to the Constitution of the United States, in so far as it guarantees to the people of this country life, liberty, and property, means that the legislative department of a State shall in no sense encroach upon such common rights; it means that the executive department—that is, any person empowered with the enforcement of legislative acts, be it a governor, sheriff, or police official, acting under the municipal law of a State—shall not deny to any person the rights which the fourteenth amendment pronounces shall be preserved, nor deny to any person the equal protection of the laws of that State.

"The learned justice also quotes from the very important case of United States *v.* Cruikshank (92 U. S. 542, 554). He adopts the statement:

"'The fourteenth amendment prohibits a State from denying to any person within its jurisdiction the equal protection of the laws; but this provision does not, any more than the one which precedes it and which we have just considered, add anything to the rights which one citizen has under the Constitution against another. The equality of the rights of citizens is a principle of republicanism. Every republican government is in duty bound to protect all its citizens in the enjoyment of this principle, if within its power. That duty was originally assumed by the States, and it still remains there. The only obligation resting upon the United States is to see that the States do not deny the right.'

"The State can deny this right through an executive officer as readily as it can through a legislative or a judicial act. If a State, acting through its highest judicial officers, denies this right, there is a direct appeal, if the record has properly raised the point, to the Supreme Court of the United States. If the legislative department denies the right, we know, of course, how the right is preserved and enforced.

"The mere fact that the Congress of the United States has never affirmatively, so far as I have been able to find, invaded the field, and by appropriate legislation under this constitutional provision sought to restrain the executive officers of the States from denying this right is no reason why Congress should not now take such appropriate action as will tend to protect their and similar rights. Therefore, without citing additional authorities, I unhesitatingly make this deduction:

"Wherever the Constitution has delegated to Congress certain rights and duties which Congress is permitted or bound to enforce and to carry out, the extent to which Congress may go in thus enforcing rights or fulfilling duties within the limitations prescribed by the Constitution is sufficiently great to permit of the exercise of a Federal police power, and the exercise of this Federal police power is neither repugnant to nor superior to the police power of the State. Each is concurrent with the other. Thus, if in the proper use of its taxing power, or in the constitutional regulation of commerce, or in the establishment of war-time rules, it becomes necessary to resort to measures which partake of the nature of or are, in fact, equivalent and similar to the police regulations of a State, Congress has the right to adopt such measures and to enforce them. How appropriately might the quotation from Gibbons *v.* Ogden be paraphrased to fit any of the express powers of Congress? Is it not a logical step to adopt this principle of constitutional law to the fourteenth amendment as to any other provision? If it be so applied, and if the aforementioned opinion be so paraphrased, is it not correct to say, with the great Chief Justice—

"'It is obvious that the Government of the Union, in the exercise of its express powers, that, for example, of providing to all citizens equal protection of its laws, may use means that may also be employed by a State in the exercise of its acknowledged powers.'

"In a word, it has been definitely established that there is a Federal police power; that Congress can invoke this power within the limits and according to the provisions of constitutional limitations; and that Congress having so invoked the power can enforce it to the fullest extent. If the State, in the mind of Congress, denies this right because all legislation assumes the existence of an evil to be corrected, then Congress, having legislatively determined that fact (and the courts will not consider whether Congress was or was not justified, but will assume because of Congress having passed appropriate legislation that the States have denied the rights in question), obviously, Congress possesses the authority under the fourteenth amendment and under the interpretation which the courts have given it to go forward and say that since the States of this country have denied to many people within their borders because of race and nationality the right to be protected in their property, in their lives, and their liberty, and have also denied them the equal protection of the laws, a necessity exists that not only justifies but compels adequate and appropriate legislation to the end that the people of our several States may enjoy and be secure in those rights which the organic law guarantees them.

"We have, as you know, a great many instances where a State takes jurisdiction before the Federal Government and where the Federal Government may have and take concurrent jurisdiction. Those are the cases where the same act is a crime against separate sovereignties. If one government proceeds to punishment before the other, the punishment of the first government is generally pleaded as 'an equitable defense' in criminal law to the imposition of a penalty by the other sovereignty, and I think that would be a case presenting possibly the situation you suggest. If Congress saw fit to pass a law which came within the meaning, as the courts have defined that meaning, of the fourteenth amendment, that then the courts could not conduct an inquiry as to whether Congress was justified in deciding what is generally termed a legislative fact. Congress, as we know, can take affirmative action or not upon many questions within its jurisdiction. I recall, as you will, the law relative to bankruptcy. A few years ago we had no national bankruptcy law, merely the State insolvency laws. The mere fact that Congress sees fit to decide that the time has come, within the life of this country as a sovereign Nation, to determine in favor of the affirmative exercise of a power which it has permitted to lie dormant is not to be questioned after Congress has so acted. Neither is the existence of the power to be questioned, merely because of congressional inaction, default, or neglect.

"The Supreme Court, speaking through Mr. Chief Justice Waite, in the case of the United States against Cruikshank (92 U. S. p. 542), said, addressing himself to a very exhaustive consideration of the fourteenth amendment:

"'The fourteenth amendment prohibits a State from depriving any person of life, liberty, or property without due process of law.'

"And from denying to any person within its jurisdiction the whole protection of the laws.

"'But this adds nothing to the rights of one citizen as against another. It simply furnished an additional guaranty against any encroachment by the States upon the fundamental rights which belong to every citizen as a member of society.'

"The duty of protecting all of its citizens in the enjoyment of rights was originally assumed by the States, and it still remains there. Will you please note this:

"'The only obligation resting upon the United States is to see that the States do not deny the right.'

"My conclusion is this: Must the Congress of this country sit supinely by when it knows that a State, either affirmatively or negatively, is denying that right? If the State omits to give or withholds protection through motives of indifference or inability, is the guaranty performed and the duty of the Federal Government discharged? In a word, is the fourteenth amendment meaningless because of State negativity? I hope not, and I think not. The Congress of the United States clearly is charged under the Constitution, as interpreted by the Supreme Court, with the duty of seeing that the States do not neglect this right. Then, if the Congress of the United States decides that the States have, by omission, neglect, in apacity, or local prejudice, if you please, failed to insure and secure to every citizen within those States the full protection of the laws and the right of life, liberty, and property, then does not the obligation arise to protect these rights?

"We are all familiar with that state of affairs where if the Congress of the United States—and it has recently decided it—concludes as a matter of fact that a republican form of government does not exist in a State because the State has not the means or the instrumentalities by which such forms of government are recognized and protected; that it, the Congress of the United States, has the right to go into that State and see that a republican form of government is maintained and preserved. It was done only recently, as you know, in the State of West Virginia, and a committee of the Senate of the United States, merely upon a determination of the legislative fact that a republican form of government did not exist there, invaded the State to see whether the State was properly enforcing its laws under its constitution and the Constitution of the United States.

"If a State omits affirmatively to legislate upon such questions, it has denied this protection by not taking affirmative action; if it takes affirmative action and does not enforce that action, or if it says it will take no action because, within the judgment of the State, no action along those lines should be taken, then I say the Federal Government can say to that particular State, 'You have denied negatively,' 'You have failed to give,' 'You have defaulted,' if I may so phrase it, 'to the citizens of these States the protection that the Constitution of the United States, as interpreted by the Supreme Court, says they are entitled to receive.' Now, I contend that under the general police power, the Federal Government may go in, and, side by side with the States, as it does in bankrupcty, aid the States in securing the protection which for any reason the local governments can not give.

"The Federal Government was given the power to curb the States in these particulars—and the States reserved the correlative right to so 'police' its citizens that in maintaining order it would not deprive any person of life, liberty, or property. And if it fails to preserve these rights—and the Congress concludes that such rights are denied the people and that they are deprived of due process of law, no matter the cause—then are we to be told that these guaranties can not be enforced by appropriate legislation?

"Section 5 of the fourteenth amendment says:

"'The Congress shall have power to enforce, by appropriate legislation, the provisions of this article.'

"This has received special consideration in Logan *v.* United States (144 U. S. 263, 293), where Mr. Justice Gray stated its meaning to be:

"'Every right created by, arising under, or dependent upon the Constitution of the United States may be protected and enforced by Congress by such means and in such manner as Congress, in the exercise of the correlative duty of protection, or of the legislative powers conferred upon it by the Constitution may, in its discretion, deem the most eligible and best adapted to attain its object.'

"There is a limitation, however, in the amendment itself upon the power of Congress. The clause of the amendment under consideration provides that Congress may enforce the provisions of the amendment by 'appropriate legislation,' and the right to judge what is appropriate legislation rests with the lawmaking body of the Government—that is, with Congress.

"Mr. Justice Lamar, in United States *v.* Sanger, said:

"'The provision of the fourteenth amendment authorizing Congress to enforce its guaranties by legislation means such legislation as is necessary to control and counteract State abridgement.'

"The Supreme Court of the United States has held that Congress would have no right to provide for the enforcement of the provisions of this amendment in the following cases:

"'When the State has been guilty of no violation of its provisions; when it has not made or enforced any law abridging the privileges or immunities of citizens of the United States; when no one of its departments has deprived any person of life, liberty, or property without due process of law or denied to any person within its jurisdiction the equal protection of the laws; when, on the contrary, the laws of the State as enacted by its legislative and construed by its judicial and administered by its executive departments recognize and protect the rights of all persons the amendment imposes no duty and confers no power upon Congress.'

"But by implication when a State has been guilty of violating any of the above provisions then Congress may provide for the enforcement of the provisions of the amendment.

"In Ex parte Virginia, supra, Mr. Justice Strong stated the rule to be:

"'Congress is authorized to enforce the prohibitions by appropriate legislation. Some legislation is contemplated to make the amendments fully effective. Whatever legislation is appropriate—that is, adapted to carry out the objects the amendments have in view—whatever tends to enforce submission to the prohibitions they contain, and to secure to all persons the enjoyment of perfect equality of civil rights and equal protection of the laws against State denial or invasion, if not prohibited, is brought within the domain of congressional power.'

"In McCray *v.* United States (195 U. S. 27) the authorities are reviewed and reference is especially made to Ex parte McCardle (7 Wallace, 506), where the court said:

"'We are not at liberty to inquire into the motives of the legislature. We can only examine into its power under the Constitution; and the power to make exceptions to the appellate jurisdiction of this court is given by express words.'

"The courts have no right to question the expediency or the reasonableness of legislation. In Treat *v.* White (181 U. S. 264) the court said:

"'The power of Congress in this direction is unlimited. It does not come within the province of this court to consider why agreements to sell shall be subject to the stamp duty, and agreements to buy not. It is enough that Congress, in this legislation, has imposed a stamp duty upon this one and not upon the other.'

"When Congress determines upon the question what its legislative judgment should be, that Congress takes into consideration not the facts which exist in some one State, to the exclusion of facts existing in another State, but that Congress takes into consideration what is the greatest good for the greatest number.

"Congress must be charged sometimes with altruism when it legislates upon any great question; Congress must not be charged with having taken into consideration conditions in one State to the exclusion of conditions in another, because if it did it would be guilty of penalizing a State where, possibly, the legislation would not affect the individuals of that State for the benefit of the greater number of the people of the United States.

"The words 'necessary and proper' have been held as endowing the Federal Government with every authority the exercise of which may in any way assist the Federal Government in effecting any of the purposes the attainment of which is within its constitutional sphere. In United States *v.* Fisher (2 Cranch, 358), decided in 1804, Chief Justice Marshall declared:

"'It would be incorrect and would produce endless difficulties if the opinion should be maintained that no law was authorized which was not indispensably necessary to give effect to a specified power. Where various systems might be adopted for that purpose it might be said with respect to each that it was not necessary, because the end might be obtained by other means. Congress might possess the choice of means which are in fact conducive to the exercise of a power granted by the Constitution.'

"Take the condition that exists in this country to-day. There is not a State—of course, this is a mere truism—that has not a law against murder. Now, in the act which bears the name of your distinguished chairman there are provisions which confer jurisdiction upon the Federal Government to prosecute assaults upon officers engaged in the enforcement of that act. There is a question in the minds of many people whether or not that act should not have conferred upon the Federal Government the right to prosecute cases of murder. It does concede the right to prosecute assaults. Now, I have in mind a case where men living in a certain State shot down, as they claimed in self-defense, the officers of the law who came to search their premises for intoxicating liquor. These men have been tried twice for murder in the State court and the juries have disagreed. The law has not been popular in that State. Now, suppose the condition which exists in the State to which I refer were found to exist in other States of the Union. It is only an easy step to the psychology of our people. We know that the way the people of one State of this Union view a given state of facts is likely to be the view entertained in other sections of the country, unless you should give the facts a political coloring, which this act does not, because it would be based upon the Constitution, and apply to all—red, white, and black—citizen, alien, resident, and inhabitant. Now, in view of the general knowledge of the so-called unpopularity everywhere of this law, Congress could pass a law conferring upon the Federal courts the right to punish murder wherever officers enforcing that law were assaulted and killed.

"If Congress did that, who could question the judgment of Congress? I do not see who could run 'along the highway' and say Congress was not justified in doing this, because in the New England States or in the Southern States they do not shoot down men so engaged. I do not think we should or that we could make it in any sense a sectional question, because we are all the same people; we all entertain the same views of life in the final, ultimate analysis. Our late World War demonstrated that. We forgot our politics; we were American citizens for the once, and we forgot that we had ever been Democrats and Republicans. We met the same situation in the same way. There may be differences depending upon temperament or environment, because, after all, we are initially the products of the conditions that started us, brought us up, and pushed us forward in this great fight in life, but when all of that is ironed out we are the same. So I say that when you find conditions existing in one State you can conclude legislatively as well as actually that if the same 'cause irritant' makes its appearance in the other State you will find the same conditions in its train.

"The fact that such acts carried a penalty might in their deterrent effect prevent just such crimes. If a mob, in defiance of law, destroys property or commits arson, is the taxpayer without remedy because the authorities were ignorant?

"In Crandall *v.* Nevada (6 Wallace, 35) the court discusses and classifies some of the distinctively Federal rights. It is said to be the right of the citizen, protected by implied guaranties of the Constitution, 'to come to the seat of government to assert any claim he may have upon the Government, to transact any business he may have with it, to seek its protection, to share its offices, to engage in administering its functions. He has the right of free access to its seaports, through which all operations of foreign countries are conducted, to the subtreasuries, land offices, and courts of justice in the several States.'

"And in the Slaughterhouse cases (16 Wallace, 36, 79) it is said:

"'Another privilege of a citizen of the United States is to demand the care and protection of the Federal Government over his life, liberty, and property when on the high seas or within the jurisdiction of a foreign Government. Of this there can be no doubt, nor that the right depends upon his character as a citizen of the United States. The right to peacefully assemble and petition for redress of grievances, the privilege of the writ of habeas corpus, are rights of the citizen guaranteed by the Federal Constitution. The right to use the navigable waters of the United States, however they may penetrate the territory of the several States, all rights secured to our citizens by treaties with foreign nations, are dependent upon citizenship of the United States, and not citizenship of a State. One of these privileges is conferred by the very article under consideration. It is said that a citizen of the United States can of his own volition become a citizen of any State of the Union by a bona fide residence therein, with the same rights as other citizens of that State.'

"In Maxwell *v.* Dow (176 U. S. 581) the court in its majority opinion announced that the mere fact that a certain privilege was granted against Federal infringement did not operate to make such privileges distinctively Federal in character. In that case Justice Harlan delivered one of his famous dissenting opinions based upon the proposition that the privileges and immunities enumerated in the first eight amendments of the Constitution belong to every citizen of the United States. However, in the course of the majority opinion delivered by Mr. Justice Peckham the language of the court In re Kemmler (136 U. S. 436, 448) was repeated and approved. It will be observed that the decision turns upon the question whether the trial of a person accused as a criminal by a jury of only 8 persons instead of 12 was an encroachment by the State upon those fundamental rights inhering in citizenship and which the State governments were created to secure. The court said:

"'The fourteenth amendment did not radically change the whole theory of the relations of the State and Federal Governments to each other, and of both Governments to the people. The same person may be at the same time a citizen of the United States and a citizen of a State. Protection to life, liberty, and property rests primarily with the States, and the amendment furnishes an additional guaranty against any encroachment by the States upon those fundamental rights which belong to citizenship and which the State governments were created to secure. The privileges and immunities of citizens of the United States, as distinguished from the privileges and immunities of citizens of the States, are indeed protected by it; but those are privileges and immunities arising out of the nature and essential character of the National Government and granted or secured by the Constitution of the United States.'

"Obviously, if the State by direct legislation abridged any of these rights, the act would encroach on the privileges protected. The State would then positively violate the Federal provisions. But does the State not violate and render meaningless the provisions of the amendment by neglecting to legislate, refusing to enforce its laws, or by allowing its laws and its officials to drift into a condition of utter helplessness and indifference? Are 'citizens' and 'persons' to be thus deprived of life, liberty, and property when the people of the States have clothed the Federal Government with power to see that they, the States, do not deny such rights, and have expressly empowered the Congress and directed it 'to enforce' such commands by appropriate legislation?"

We quote some additional authorities as to the constitutionality of the antilynching bill submitted by Hon. MERRILL MOORES:

"The case of James *v.* Bowman (190 U. S. 127) is not in point as to the proposed antilynching bill, for the reason, in addition to those stated by Colonel Goff, that it concerns a statute based solely on the fifteenth amendment, while the proposed bill is based on the fourteenth amendment, which is totally different in its provisions.

"The fourteenth amendment guarantees that no State 'shall deny to any person within its jurisdiction the equal protection of the laws,' a guaranty equivalent to one that each State shall secure to every person within its jurisdiction the equal protection of the laws.

"The fifteenth amendment is as follows:

"'The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude.' To enforce this provision Congress enacted Revised Statutes 5507, to punish 'every person who prevents, hinders, controls, or intimidates another from exercising or in exercising the right of suffrage, to whom that right is guaranteed by the fifteenth amendment to the Constitution of the United States, by bribery or threats,' etc.

"Certain men were indicted under this statute for bribing colored voters of Kentucky not to vote at a congressional election. The court held that under the amendment providing that the right of citizens to vote shall not be denied or abridged on account of race, color, etc., the Congress could not pass a statute punishing election bribery of negroes. It is hardly worth while discussing the propriety of this decision, in view of the fact that it has no bearing at all on the questions at issue.

"The fourteenth amendment forbids the withholding of the equal protection of the law by any State to any person within its jurisdiction. This bill simply provides that the State governments shall treat all persons within their jurisdiction alike in discharging the highest function of government, the protection of life and liberty of the governed.

"The first principle stated in the Declaration of Independence is as follows:

"'We hold these truths to be self-evident: That all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness. That to secure these rights governments are instituted among men, deriving their just powers from the consent of the governed.'

"In framing the Constitution, our fathers, recognizing that governments are instituted among men to secure the rights of life, liberty, and the pursuit of happiness, stated in the preamble its purpose to be to form a perfect union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity.

"With these principles as their purpose, all the State governments were established and the principles are restated in every State constitution.

"The fourteenth amendment is simply declaratory of the principle that a State in which life, liberty, and property are not protected for every person within its boundary does not perform the first and greatest function of government—the protection of the personal rights of the governed. It is for this purpose that all State officers are chosen and paid. It is for this that taxes are collected and the States policed.

"It goes without saying that in a civilized government like ours if any person is assaulted, beaten, maimed, or lynched by a mob, some officer whose sworn duty it is to enforce the laws has been derelict in his duty and has violated his official oath. The often-quoted words of Mr. Justice Matthews in the Yick Wo case are in point as to the moral liability of the State for the dereliction of its officer:

"'Whatever may have been the intent of the ordinances as adopted, they are applied by the public authorities charged with their administration and thus representing the State itself, with a mind so unequal and oppressive as to amount to a practical denial by the State of that equal protection of the laws which is secured to the petitioners, as to all other persons, by the broad and benign provisions of the fourteenth amendment to the Constitution of the United States. Though the law itself be fair on its face and impartial in appearance, yet if it is applied and administered by public authority with an evil eye and an unequal hand so as to make unjust and illegal discriminations between persons in similar circumstances, material to their rights, the denial of equal justice is still within the prohibition of the Constitution.' (Yick Wo *v.* Hopkins, 118 U. S. 356, 373.)

"This language has been quoted with approval by the same court in construing a cigarette law of Tennessee unequally enforced. (Austin *v.* Tennessee, 179 U. S. 343, 350.)

"It has also been followed in its reasoning in the Los Angeles Gas Works case. (Dobbins *v.* Los Angeles, 195 U. S. 223, 240.)

"It was again quoted and followed in the Wisconsin Salvation Army case. (Re Garrabad, 84 Wis. 592–593; 36 Amer. St. 952, 953; 19 L. R. A. 858, 864.)

"It was followed again in the trial of Caleb Powers, where, in a community almost equally divided in politics, Powers being on trial on a charge of the murder of a political opponent, no member of the political party with which Powers was identified was drawn on the jury in three successive trials. (Commonwealth *v.* Powers, 139 Fed. 452, 461. See also In re Orozco, 201 Fed. 106, 117.)

"The Supreme Court of the United States has repeatedly stated that the last clause of the first section of the fourteenth amendment guarantees the equal protection of the laws by the States to all persons within their jurisdiction. The common definition of a guaranty is 'an agreement by one person to answer to another for the debt, default, or miscarriage of another.' Mr. Justice Story thus defined it:

"'A guaranty is the collateral undertaking by one person to be answerable for the payment of some debt or the performance of some duty or contract for another person, who stands first bound to pay or perform.' (2 Story, Contracts, 5th ed. 319.)

"Under the Constitution the States, by ratifying the fourteenth amendment, have bound themselves to perform and discharge the duty of affording to all persons within their respective boundaries the equal protection of the laws, and the Federal Government has guaranteed the performance. The duty to perform is a positive, affirmative duty of equal protection. Wherever this duty is not performed, regardless of the excuse, there is a breach by the State of the contract, and the obligation falls on the guarantor, the Federal Government, to assure performance.

"The Supreme Court has laid down the rule of construction as to guaranties that 'the words of the guaranty are to be taken as strongly against him (the guarantor), as the sense will admit.' (Drummond *v.* Prestman, 12 Wheat. 515, 518.) If this is the rule as to the guarantor, it goes without saying that it is also binding on the principal debtor.

"The general rule as to the liability of private corporations for torts committed by agents within the scope of their authority (briefly and well stated in 10 Cyc. 1205, 1222) certainly furnishes an analogy where a constitutional guaranty had been given by State and Nation for performance by the State. As to cases in point there is a paucity of authority, due to the fact that neither State nor Nation may be sued without its consent. There are, however, cases fully in point.

"The State of New York, having constructed or acquired certain canals, consented to be sued as to claims 'for damages sustained from the canals, from their use and management, or arising from the neglect of an officer in charge, or from any accident or other matter connected therewith,' excluding, however, 'claims arising from damages resulting from the navigation of the canals.' In Rexford *v.* State (105 N. Y. 229), Rexford, while navigating a canal boat on the Erie Canal, left his boat at Syracuse to obtain a clearance, and, returning to his boat, was severely injured by the fact that the agents of the State had negligently permitted a ladder to become unsafe. The court held the State liable for the negligence of the officers charged with the duty of keeping the canal and its appurtenances in order.

"For a stronger case in point, see Gibney *v.* State (137 N. Y. 1; 19 L. R. A. 365). See also as to the liability of a State for the negligence of an officer or agent: Green *v.* State (73 Calif. 29); Chapman *v.* State (104 Calif. 690; 43 Amer. St. 158); note to Houston *v.* State (42 L. R. A. 65–69); 36 Cyc. 882, n. 16.

"These cases are all to the effect that where a State consents to be sued in tort it becomes liable as a private corporation for the negligence of an officer or agent as to acts within the line of his duties.

"As to the right of the United States to sue a State or a county there can be no question. (United States *v.* North Carolina, 136 U. S. 211; United States *v.* Texas, 143 U. S. 621; United States *v.* Michigan, 190 U. S. 379; Lincoln County *v.* Luning, 133 U. S. 529.)

"Originally a State might be sued by a citizen of another State. (Chisholm *v.* Georgia, 2 Dall. 419.)

"This decision led to the adoption of the eleventh amendment, which provides:

"'The judicial power of the United States shall not be construed to extend to any suit in law or equity commenced or prosecuted against one of the United States by citizens of another State, or by citizens or subjects of any foreign State.'

"It will be noted that this amendment takes away the right neither of the United States nor of any other State to sue a State, but simply restricts the right of citizens of other States to bring suits.

"As to the constitutionality of statutes imposing a penalty upon counties or municipalities for lynching or mob violence, the following additional authorities are submitted: Dale County *v.* Gunter (46 Ala. 111); De Kalb *v.* Smith (47 Ala. 407); Cantey *v.* Clarendon County (101 S. C. 141); Atchison *v.* Twine (9 Kans. 350); Cherryvale *v.* Hawman (80 Kans. 170; 23 L. R. A. (N. S.) 645); P., C., C. & St. L. Ry. Co. *v.* Chicago (242 Ill. 178; 44 L. R. A. (N. S.) 358; 11 Cyc. 500, 501).

"To summarize the argument it would appear that the United States, by the joint action of the States, has guaranteed that no State shall deprive any person of life, liberty, or property without due process of law, nor deny to any person within its jurisdiction the equal protection of the laws.

"It further appears that every State maintains a system of policing the State for the protection of life, liberty, and property, and that in certain of the States the equal protection of the law is, and for years has been, denied. There can be no question that the denial to persons of a class of the equal protection of the laws by officers of or under the State charged with their equal enforcement is the act of the State, and that the failure of the State, through its officers, to give the equal protection of its laws to a class must justify the intervention of the United States under the fourteenth amendment to carry out its guaranty of equal protection.

"In bringing this brief reference to authorities to a conclusion it is proper again to refer to two propositions of law laid down by the Supreme Court as to constitutional questions, the first quoted being in the words of Mr. Justice Bradley and the second in those of Mr. Chief Justice Marshall:

"'We hold it to be an incontrovertible principle that the Government of the United States may by means of physical force exercised through its official agents execute on every foot of American soil the powers and functions that belong to it.' (Ex parte Siebold, 100 U. S. 371, 395.)

"'Let the end be legitimate, let it be within the scope of the Constitution, and all means which are appropriate, which are plainly adopted to that end, which are not prohibited but consistent with the letter and spirit of the Constitution, are constitutional.'" (McCullough *v.* Maryland, 4 Wheat. 316, 421.)

DEPARTMENT OF JUSTICE,
OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., August 9, 1921.

Hon. A. J. VOLSTEAD,
Chairman Committee on the Judiciary,
House of Representatives.

MY DEAR MR. VOLSTEAD: I beg to acknowledge receipt of your letter of the 26th ultimo, transmitting a copy of House Resolution 13, to secure to persons within the jurisdiction of every State the equal protection of the laws and to punish the crime of lynching, and inviting suggestions and recommendations with a view to making the bill more effective or to avoid possible constitutional objections.

While under the statutes governing my office I am not authorized to give an official opinion to your committee relative to the bill, my interest in securing to persons within the jurisdiction of every State the equal protection of the laws, especially with reference to lynching, is so great that I feel warranted in submitting to you as my personal and not official opinion certain thoughts which have occurred to me as the result of a somewhat hasty examination of the bill.

As pointed out by Colonel Goff in his statement before your committee, the first seven sections, providing for the removal of cases under certain conditions to the Federal courts, and providing for the punishment of persons obstructing or resisting officers of the United States, are in effect but elaborations of existing law. They appear to be well drafted and within the competency of Congress to enact.

Considerable discussion has taken place as to the constitutionality of the proposed legislation, it being contended that the fourteenth amendment gave Congress power to legislate so as to prevent a denial of the equal protection of the laws by the States and not as to acts of individuals not clothed with State authority. In support of this proposition the following cases have been cited: United States *v.* Cruikshank (92 U. S. 542); Virginia *v.* Rives (100 U. S. 313); Ex parte Virginia (100 U. S. 339); Civil Rights cases (109 U. S. 3); United States *v.* Harris (106 U. S. 629); James *v.* Bowman (190 U. S. 127); Hodges *v.* United States (203 U. S. 1); United States *v.* Wheeler (254 U. S. 281).

Colonel Goff has very thoroughly gone over this question in his statement before your committee, and I heartily concur in the views he there expressed. It will be observed that in the cases above cited the court holds that the State may act through its legislative, its judicial, or its executive authorities, and the act of any one of these is the act of the State. This is concisely set forth in the opinion of the court in Ex parte Virginia (100 U. S. 339, at 346):

"We have said the prohibitions of the fourteenth amendment are addressed to the States. They are, 'No State shall make or enforce a law which shall abridge the privileges or immunities of citizens of the United States, * * * nor deny to any person within its jurisdiction the equal protection of the laws.' They have reference to actions of the political body denominated a State, by whatever instruments or in whatever modes that action may be taken. A State acts by its legislative, its executive, or its judicial authorities. It can act in no other way. The constitutional provision, therefore, must mean that no agency of the State or of the officers or agents by whom its powers are exerted shall deny to any person within its jurisdiction the equal protection of the laws. Whoever, by virtue of public position under a State government, deprives another of property, life, or liberty without due process of law, or denies or takes away the equal

protection of the laws, violates the constitutional inhibition, and as he acts in the name and for the State and is clothed with the State's power his act is that of the State. This must be so or the constitutional prohibition has no meaning. Then the State has clothed one of its agents with power to annul or to evade it."

Of course, if the act of one of these agencies of the State is a denial of the equal protection of the laws, since the act of such agent is the act of the State itself, such act is within the prohibition of the fourteenth amendment to the Constitution. The authorities above cited hold that a statute that prohibits the act of an individual, irrespective of any action by the State or its officers, is beyond the power of Congress to enact under this fourteenth amendment. To my mind there can be no doubt that negativity on the part of the State may be, as well as any act of a positive nature by such State, a denial of the equal protection of the laws, and thus be within the prohibition of the fourteenth amendment so as to give Congress power to act with reference to it. That such was in the mind of the court when pronouncing the decisions above cited is clearly shown by the following excerpts from the opinion of the court, speaking through Mr. Justice Bradley, in the Civil Rights cases, supra, at pages 13 and 14:

"In fine, the legislation which Congress is authorized to adopt in this behalf is not general legislation upon the rights of the citizen, but corrective legislation; that is, such as may be necessary and proper for counteracting such laws as the States may adopt or enforce, and which, by the amendment, they are prohibited from making or enforcing, or such acts and proceedings as the States may commit or take, and which, by the amendment, they are prohibited from committing or taking. It is not necessary for us to state, if we could, what legislation would be proper for Congress to adopt. It is sufficient for us to examine whether the law in question is of that character.

"An inspection of the law shows that it makes no reference whatever to any supposed or apprehended violation of the fourteenth amendment on the part of the States. It is not predicated on any such view. It proceeds ex directo to declare that certain acts committed by individuals shall be deemed offenses and shall be prosecuted and punished by proceedings in the courts of the United States. It does not profess to be corrective of any constitutional wrong committed by the States; it does not make its operation to depend upon any such wrong committed. It applies equally to cases arising in States which have justest laws respecting the personal rights of citizens, and whose authorities are ever ready to enforce such laws, as to those which arise in States that may have violated the prohibition of the amendment. In other words, it steps into the domain of local jurisprudence and lays down rules for the conduct of individuals in society toward each other, and imposes sanctions for the enforcement of those rules, without referring in any manner to any supposed action of the State or its authorities."

And again, at page 23:

"Many wrongs may be obnoxious to the prohibitions of the fourteenth amendment which are not, in any just sense, incidents or elements of slavery. Such, for example, would be the taking of private property without due process of law; or allowing persons who have committed certain crimes (horse stealing, for example) to be seized and hung by the posse comitatus without regular trial; or denying to any person or class of persons the right to pursue any peaceful avocations allowed to others."

My examination of the proposed legislation causes me to believe that all of its provisions are predicated upon some action—either negative or positive—upon the part of the States and that therefore the same is wholly within the competency of Congress to enact.

Section 10 imposes a penalty upon every county in which an unlawful killing occurs, and section 11 imposes a like penalty on every county through which the victim may be carried before being put to death. While the question whether the United States may penalize an instrumentality of a political subdivision of a State may cause some doubt, it is at least an open one so far as the decisions of the Supreme Court are concerned. There has been conferred on Congress the power by appropriate legislation to enforce the prohibitions of the fourteenth amendment, and the imposition of penalties is a well-established means of enforcing the laws, and is so recognized by numerous decisions of all courts and is no doubt an appropriate method of so enforcing the law. This being true and the States having consented by their adoption of the provisions of the Constitution and its amendments to such enforcement of the law by the Federal Government, it would seem there could be but little question of the power of Congress to provide for such penalties.

Section 12 and section 13 provide for the punishment of State and municipal officers who fail in their duty to prevent lynchings or who suffer persons accused of crime to be taken from their custody for the purpose of lynching. These sections seem to me to strike at the heart of the evil, namely, the failure of State officers to perform their duty in such cases. The fourteenth amendment recognizes as preexisting the right to due process of law and to the equal protection of the law and guaranties against State infringement of those rights. A State officer charged with the protection of those rights who fails or refuses to do all in his power to protect an accused person against mob action denies to such person due process of law and the equal protection of the laws in every sense of the term. The right of Congress to do this is fully sustained by the decision of the court in Ex parte Virginia, supra. (See pp. 346, 347.)

Section 15, providing for the punishment of unlawful acts committed against citizens or a subject of a foreign country, meets a long-standing need which has been expressed by a number of Presidents. In Missouri v. Holland (252 U. S. 416) the court has upheld the power of Congress to enact laws necessary and appropriate to the effectuating of treaties.

I am, in a separate letter, to which is attached a copy of the proposed bill, calling attention to some slight modifications that I am taking the liberty to suggest, most of them being directed to matters of clarity in such proposed legislation.

Yours very truly,

H. M. DAUGHERTY, *Attorney General.*

The committee, in considering the constitutional questions involved, has had the benefit of certain briefs prepared and filed by eminent lawyers.

Mr. Moorfield Storey, of Boston, submitted a brief from which we quote:

THE REMEDIES.

It is clearly idle to hope that the Constitution can be amended so as to increase the powers of Congress in this matter. The States where racial prejudice prevails are too numerous.

The alternative therefore is clear. Either Congress has the power to pass effective legislation against lynching or the United States can not protect its own citizens from murder and their property from destruction at the hands of their fellow citizens who are subject to its jurisdiction. It can impose burdens, but it can not defend rights. It can tax, but it can not save the taxpayer. That lynching is a nation-wide evil, that no action by the States can be expected, and that the evil should be abated for the sake of the Nation quite as much as for the sake of those who suffer by it must be conceded.

To admit that the Nation is powerless to abate such an evil and to protect its own citizens is to admit that our Government is weaker than any other civilized government. This is an admission which we should be ashamed to make.

We should therefore expect to find that the National Legislature has power to end a national abuse in the interest of the Nation. Salus populi suprema est lex is the rule which should control our actions.

There are three sources from which the power to pass this law may be derived.

THE FOURTEENTH AMENDMENT.

The one which is generally considered first in any discussion of the question is the fourteenth amendment of the Constitution, of which the first section reads as follows:

"All persons born or naturalized in the United States and subject to the jurisdiction thereof are citizens of the United States and of the State wherein they reside. No State shall make or enforce any law which shall abridge the privilege or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property without due process of law, nor deny to any person within its jurisdiction the equal protection of the laws."

The last section of the amendment expressly gives Congress the "power to enforce by appropriate legislation the provisions of this article." This grant of power can not be ignored.

It is not necessary to point out that this amendment was adopted in order to assure to the freedmen the rights of American citizens. The language of the amendment makes them American citizens first, and apparently as a consequence citizens of the State in which they reside. It forbids the abridgment of the rights belonging to "American citizens," and it is evident that importance was attached to their position as citizens of the United States.

The situation which this amendment was intended to meet was a very practical one, and the amendment should receive a construction equally practical, a construction calculated to accomplish its purpose, not to defeat it. The enfranchised negroes were dwelling in communities where they had been held as slaves, and in those communities had been regarded and treated as chattels, not as men. Their elevation to the rank of citizens was regarded with absolute hostility, and it was clear that their rights would not be protected unless they were maintained by the United States. The amendment was passed to secure these rights and to give Congress the power to maintain them. It never was the intention of the people who adopted the amendment that the States so recently in rebellion should be able to nullify the amendment by simple nonaction, and should be able to plead that the persons who trampled on the new citizens were merely private persons for whose acts the State was not responsible.

The rule laid down by Chief Justice Marshall should be applied. When speaking of the Constitution he said:

"This instrument contains an enumeration of powers expressly granted by the people to their Government. It has been said that these powers ought to be construed strictly, but why ought they to be so construed? Is there one instance in the Constitution which gives countenance to this rule? * * * If from the imperfection of human language there should be serious doubts respecting the extent of any given power, it is a well-settled rule that the objects for which it was given, especially when those objects are expressed in the instrument itself, should have great influence in the construction. * * * We know of no rule for construing the extent of such powers other than is given by the language of the instrument, which confers them taken in connection with the purposes for which they are conferred." (Gibbons v. Ogden, 9 Wheaton 187, 188.)

Speaking of the power to regulate commerce, he says, at page 196:

"This power, like all others vested in Congress, is complete in itself, may be exercised to its utmost extent, and acknowledges no limitations other than are prescribed by the Constitution. * * * The wisdom and the discretion of Congress, their identity with the people, and the influence which their constituents possess at elections are in this as in many other instances, as that for example of declaring war, the sole restraints on which they have relied to secure them from its abuse. They are the restraints on which the people must often rely solely in all representative governments."

Again, at page 204:

"It is obvious that the Government of the Union, in the exercise of its express powers, * * * may use means that may also be employed by a State in the exercise of its powers."

We must inquire what action by the State was contemplated and forbidden. How could the State deprive a person of life? No one could have supposed that these words were intended to forbid a law decreeing the death of an individual or a group of individuals, nor was a law directly taking liberty or property at all probable.

"The denial of rights given by the fourteenth amendment need not be by legislation." (Saunders v. Shaw, 244 U. S. 317, p. 320.)

The judicial power ex vi termini could not act without process of law.

The action forbidden by these words must be the acts of individuals who, whether officers of the State or private persons, would under the laws of any State be criminals if they took either life, liberty, or property without due process of law. Such acts are murder, assault, and robbery or larceny. No words better describing lynching and mob violence can be framed than "taking life, liberty, or property without due process of law." This difficulty was met very early.

In Ex parte Virginia (100 U. S. 339, 346) the Supreme Court, in a unanimous opinion by Mr. Justice Strong, speaking of the prohibitions of the fourteenth amendment, says:

"They have reference to actions of the political body denominated a State, by whatever instruments or in whatever modes that action may be taken. A State acts by its legislative, its executive, or its judicial authorities. It can act in no other way. The constitutional provision, therefore, must mean that no agency of the State, or of the officers or agents by whom its powers are exerted, shall deny to any person within its jurisdiction the equal protection of the laws. Whoever, by virtue of public position under a State government, deprives another of property, life, or liberty without due process of law, or denies or takes away the equal protection of the laws, violates the constitutional inhibition; and as he acts in the name and for the State and is clothed with the State's power, his act is that of the State. This must be so, or the constitutional prohibition has no meaning. Then the State has clothed one of its agents with power to annul or to evade it.

"But the constitutional amendment was ordained for a purpose. It was to secure equal rights to all persons; and to insure to all persons the enjoyment of such rights power was given to Congress to enforce its provisions by appropriate legislation. Such legislation must act upon persons, not upon the abstract thing denominated a State, but upon the persons who are the agents of the State in this denial of the rights which were intended to be secured."

If the officers and people of a State sit quietly by, year after year let lynchers murder, rob, and destroy and never take any steps to prevent them; if their governors, as have the Governors of Georgia, Mississippi, and other States, declare that they have no power to prevent them; if they never try to exercise such power, if the lynchers are known and never punished but on the other hand praised, is not the State, the body of citizens who elect the legislature, the judges, and all the officers of the State, are not they privy to and responsible for these crimes? If not, how can the State do what the amendment forbids? Well did President Wilson, in his appeal to the people against lynching, say, "It can not live where the community does not countenance it."

Suppose a State were to pass a law providing that its officers should surrender negroes charged with crimes to mobs bent on lynching them, and that no person taking part in lynching a colored man should be prosecuted for any offense, would not such legislation justify action by Congress? What practical difference is there between such a law passed by the legislature and the practice which prevails by common consent?

How little sympathy the community has with any attempt to protect the rights of these citizens may be gathered from the minority report of the House Judiciary Committee on the Dyer bill, which is signed by five members and is very brief. It contains no recognition of the evil, no expression of regret at the outrages which have continued so long, no suggestion that there is any hope of changing these conditions by the action of the States themselves. It simply denies the power of Congress to pass the law, and with a certain naïveté says that this proposed intervention of the Federal Government "would tend to destroy that sense of local responsibility for the protection of person and property and the administration of justice from which sense of local responsibility alone protection and governmental efficiency can be secured among free peoples."

It is almost humorous to think that these gentlemen dread the destruction of a "sense of local responsibility" which has in many years never punished a lyncher.

Coming next to the clause which forbids the State to deny to any person the equal protection of the laws. Can not that denial be made as well by inaction as by action; by omission to act as well as by deed; by gross negligence as well as by misfeasance?

Does not this amendment impose upon the State a duty to protect? Must it not pass the laws which give protection, and must it not see that those laws are enforced? Every civilized community employs policemen to protect its citizens against criminals. If in any State or city the protection of the police is not given to one class of citizens, if those who attack, kill, or rob them are never arrested or punished, if this goes on for years and the community acquiesces, though having the power by changing its officers to afford that protection, is not the class so treated deprived of the protection to which it is entitled—"the equal protection of the laws"?

The Supreme Court has said that an actual discrimination against a negro on account of his race by officers intrusted with the duty of carrying out the law "is as potential in creating a denial of equality of right as a discrimination made by law." (Tarrana *v.* Florida, 188 U. S. 519, at p. 520.)

The sheriff who does not defend the jail against a mob, the officers who do not resist the persons who take a prisoner from their custody, knowing in both cases that he will be lynched, deny him the protection of the law, and, in the words of Justice Strong, their "act is that of the State."

This proposition is clearly sustained by the unanimous opinion of the court, delivered by Mr. Chief Justice White, in Home Telegraph & Telephone Co. *v.* Los Angeles (227 U. S. p. 278).

The headnote contains this statement:

"Under the fourteenth amendment the Federal judicial power can redress the wrong done by a State officer misusing the authority of the State with which he is clothed. Under such circumstances inquiry whether the State has authorized the wrong is irrelevant."

The court distinctly overrules the contention that "the prohibitions and guaranties of the amendment are addressed to and control the States only in their complete governmental capacity," saying, on the contrary, that "the provisions of the amendment, as conclusively fixed by previous decisions, are generic in their terms, are addressed, of course, to the States, but also to every person, whether natural or juridical, who is the repository of State power. By this construction the reach of the amendment is shown to be coextensive with any exercise by a State of power in whatever form exerted."

It further deals with the proposition that "the terms of the fourteenth amendment reach only acts done by State officers which are within the scope of the power conferred by the State," and overrules it, saying, on the contrary:

"Here again the settled construction of the amendment is that it presupposes the possibility of an abuse by a State officer or representative of the powers possessed and deals with such a contingency. It provides, therefore, for a case where one who is in possession of State power uses that power to the doing of the wrongs which the amendment forbids, even although the consummation of the wrong may not be within the powers possessed if the commission of the wrong itself is rendered possible or is efficiently aided by the State authority lodged in the wrongdoer."

Adding:

"The amendment contemplates the possibility of State officers abusing the powers lawfully conferred upon them by doing wrongs prohibited by the amendment."

Apply this language to the question whether "the equal protection of the laws" is denied to the negroes. If the jailer or officer in charge of the victim surrenders him to the lynching mob, and all the officers of the State from the governor down take no steps to insure him against the mob, or to prosecute the lynchers, do not these officers "use their power" to deny the protection of the law? What protects us all but the laws against crime and their enforcement by the proper officers of the law? Refusal to enforce is denial of protection.

The Chief Justice cites from Virginia *v.* Rives (100 U. S. 318):

"It is doubtless true that a State may act through different agencies, either by its legislative, its executive, or its judicial authorities; and the prohibitions of the amendment extend to all action of the State denying equal protection of the laws, whether it be action by one of these agencies or by another."

Assuming that Congress is satisfied that the occasion exists for the exercise of its power to enforce the provisions of the fourteenth amendment by "appropriate legislation," what form would that legislation naturally and reasonably take? It is not possible by any law to force sheriffs and peace officers to resist a mob, grand juries to indict, prosecuting officers to prosecute witnesses to testify, or governors to call out troops. Congress can not force a State and its officers to do their duty.

It would be almost equally impracticable to enforce a law providing for the punishment of State officials who refuse or neglect to do their duty.

The only remedy is for Congress to provide that the officers and courts of the United States shall step into the gap left by the State and its officers and give that protection to which the citizen is entitled and punish all who take from him life, liberty, or property without due process of law. Congress may also, following the analogy of those laws which impose upon a city liability for losses caused by riots, a punishment almost as old as the common law, make the communities which tolerate lynching responsible in damages, and these are the remedies which Congress has deemed appropriate.

The argument under the fourteenth amendment may be stated briefly.

Congress by the express language of the amendment is given power to enforce it.

Whether at any given time the occasion exists for the exercise of that power is a question of fact, and Congress has the right to decide that question. Who but Congress can decide it? No court can try such an issue and decide whether or not Congress ought to legislate. The passage of a law is a decision by Congress that the occasion for legislation exists.

Congress, which has the power to pass appropriate legislation, has the power to decide what legislation is appropriate.

In Virginia *v.* Rives (100 U. S. at p. 318) the court says:

"Congress, by virtue of the fifth section of the fourteenth amendment, may enforce the prohibitions whenever they are disregarded by either the legislative, the executive, or the judicial department of the State. The mode of enforcement is left to its discretion."

In the Cruikshank case (92 U. S. pp. 552, 553) Chief Justice White says:

"The fourteenth amendment prohibits a State from depriving any person of life, liberty, or property without due process of law; but this adds nothing to the rights of one citizen as against another. It simply furnishes an additional guaranty against any encroachment by the States upon the fundamental rights which belong to every citizen as a member of society."

Mr. Justice Bradley, in First Woods Circuit Court Reports, page 315, in the Cruikshank case said:

"It seems to be firmly established by the unanimous opinion of the judges in the above-quoted case that Congress has power to enforce by appropriate legislation every right and privilege given or guaranteed by the Constitution. The method of enforcement, or the legislation appropriate to that end, will depend upon the character of the right conferred. It may be by the establishment of regulations for attaining the object of the right, the imposition of penalties for its violation, or the institution of judicial procedure for its vindication when assailed or when ignored by the State courts, or it may be by all of these together. One method of enforcement may be applicable to one fundamental right and not applicable to another."

In Logan *v.* United States (144 U. S. 263 at p. 293) Mr. Justice Gray, delivering the opinion of the court, said:

"The whole scope and effect of this series of decisions is that, while certain fundamental rights, recognized and declared but not granted or created, in some of the amendments to the Constitution, are thereby guaranteed only against violation or abridgment by the United States, or by the States, as the case may be, and can not therefore be affirmatively enforced by Congress against unlawful acts of individuals; yet that every right created by, arising under, or dependent upon the Constitution of the United States may be protected and enforced by Congress by such means and in such manner as Congress, in the exercise of the correlative duty of protection, or of the legislative powers conferred upon it by the Constitution, may in its discretion deem most eligible and best adapted to attain the object."

On page 294:

"Any government which has power to indict, try, and punish for crime, and to arrest the accused and hold them in safekeeping until trial, must have the power and the duty to protect against unlawful interference its prisoners so held, as well as its executive and judicial officers charged with keeping and trying them."

THE PEACE OF THE UNITED STATES.

Another source of the power to legislate is found in the doctrine that there is a peace of the United States which Congress has the right to maintain.

The doctrine is well stated by Mr. Justice Bradley in Ex parte Siebold (100 U. S. 371, 394):

"Somewhat akin to the argument which has been considered is the objection that the deputy marshals authorized by the act of Congress to be created and to attend the elections are authorized to keep the peace; and that his is a duty which belongs to the State authorities alone. It is argued that the preservation of peace and good order in society is not within the powers confided to the Government of the United States, but belongs exclusively to the States. Here, again, we are met with the theory that the Government of the United States does not rest upon the soil and territory of the country. We think that this theory is founded on an entire misconception of the nature and powers of that Government. We hold it to be an incontrovertible principle that the Government of the United States may, by means of physical force, exercised through its official agents, execute on every foot of American soil the powers and functions that belong to it. This necessarily involves the power to command obedience to its laws, and hence the power to keep the peace to that extent. This power to enforce its laws and to execute its functions in all places does not derogate from the power of the State to execute its laws at the same time and in the same places. The one does not exclude the other, except where both can not be executed at the same time. In that case the words of the Constitution itself show which is to yield. 'This Constitution and all laws which shall be made in pursuance thereof * * * shall be the supreme law of the land.' * * *

"The United States must execute them on the land as well as on the sea on things as well as on persons. And, to do this, it must necessarily have power to command obedience, preserve order, and

keep the peace; and no person or power in this land has the right to resist or question its authority, so long as it keeps within the bounds of its jurisdiction."

Again in Tennessee *v.* Davis (100 U. S. 257, p. 262) the court, speaking through Mr. Justice Strong, said:

"The United States is a Government with authority extending over the whole territory of the Union, acting upon the States and the people of the States. While it is limited in the number of its powers, so far as its sovereignty extends it is supreme. No State government can exclude it from the exercise of any authority conferred upon it by the Constitution; obstruct its authorized officers against its will; or withhold from it for a moment the cognizance of any subject which that instrument has committed to it."

The leading case is In re Neagle (135 U. S.) and the opinion of the court by Mr. Justice Miller with the authorities cited is pertinent.

There Neagle in California had killed a man. He claimed that he was acting as the duly appointed guard of Mr. Justice Field then on his way to hold court, that the man whom he killed was threatening Justice Field's life, and he killed him in the discharge of his duty as guardian to defend the judge. The offense was a common-law offense committed in California, and Neagle was indicted in that State, whose courts were competent to try him. He was taken by habeas corpus issued by the Federal court from the custody of the State officers and discharged, and this action was upheld by the Supreme Court.

If there is a peace of the United States, it exists not only for the Federal officer in the discharge of his duty but for the American citizen who is murdered or robbed in violation of the fundamental rights which are secured to every citizen.

Wells *v.* Nickles (104 U. S. 444) is a case very much in point. The facts are thus stated by Mr. Justice Miller in the Neagle case (135 U. S. p. 65–66):

"That was a case in which a class of men appointed by local land officers, under instructions from the Secretary of the Interior, having found a large quantity of this timber cut down from the forests of the United States and lying where it was cut, seized it. The question of the title to this property coming in controversy between Wells and Nickles, it became essential to inquire into the authority of these timber agents of the Government thus to seize the timber cut by trespassers on its lands.

"The court said: 'The effort we have made to ascertain and fix the authority of these timber agents by any positive provision of law has been unsuccessful.' But the court, notwithstanding there was no special statute for it, held that the Department of the Interior, acting under the idea of protecting from depredation timber on the lands of the Government, had gradually come to assert the right to seize what is cut and taken away from them wherever it can be traced, and in aid of this the registers and receivers of the land office had, by instructions from the Secretary of the Interior, been constituted agents of the United States for these purposes, with power to appoint special agents under themselves. And the court upheld the authority of the Secretary of the Interior to make these rules and regulations for the protection of the public lands."

No one can doubt that Congress could exercise the authority which in that case was conceded to a Cabinet officer. It could pass a law to protect the timber which belongs to the United States and to punish the thief who should steal it. It could do this notwithstanding theft was an offense under the laws of the State where the timber was cut, because the United States has the right to protect its property by its own officers and its own courts. It can not be left to depend on State officers and State courts, who may sympathize with their own fellow citizens against the Government. State courts and their juries could not have been relied on to enforce the fugitive slave law.

Has the United States a right to protect a tree and no right to protect a man? Has it no interest in one-fifth of its people, potential soldiers, actual taxpayers, men and women, the best asset that a nation can have? We should be slow to admit that a tree is more valuable to the United States than an American citizen.

Let us suppose that this question had arisen before the Civil War while these colored citizens were slaves and therefore property, that in building a fort or other public work the Government had contracted with a slave owner to furnish slave labor, that some labor organization anxious to discourage their competition had attacked and killed many of the slaves, as Chinese laborers were attacked years ago at Rock Springs, could not Congress have passed laws to protect the slaves and punish those who attacked them in the Federal courts, though all that was done was criminal under the State laws? Were negroes as slaves entitled to protection which is denied to them as freemen, or would such a law have been sustained only because the attack interfered with work prosecuted by the United States?

Must we admit that property is more sacred in our country than human life; that the United States can protect its officers and not its citizens against murder and robbery; that there is a peace of the United States for the judge or the marshal and none for the private citizen? Under imperial Rome the cry "I am a Roman citizen" was a shield against wrong wherever the eagles of Rome were flying. Shall the cry "I am an American citizen" uttered by an American in Mexico bring all the power of the country to his aid, but uttered in Georgia fall on deaf ears? The answer to this question is in the hands of the Senate.

THE FIFTH AMENDMENT.

But there is yet a third source of power.

Suppose that in order to give Congress a power to protect our citizens which no one could question we should decide to amend our Constitution and should adopt the broad form of the thirteenth amendment:

"Neither slavery nor involuntary servitude * * * shall exist within the United States or any place subject to their jurisdiction."

Could we use better language to effect our purpose than this?

"No person shall be deprived of life, liberty, or property without due process of law."

Those words would assure this fundamental right to every person under the protection of the Constitution.

But those words are already in the Constitution, introduced by the fifth amendment.

It is answered that the first 10 amendments were passed to protect the citizen against abuse by the Federal Government and must be construed merely as limitations and not as grants of power.

It is true that this has been held by the Supreme Court in a series of cases, but that court has frequently overruled its own decisions, and no rule not required by the very words of the instrument can prevail against the demand of 10,000,000 citizens for the protection of their dearest rights.

It is doubtless true that the fear of abuse by the General Government led to the adoption of the 10 amendments, but while the first in terms limits the power of Congress, the fifth contains no such language and is rather an assertion of fundamental rights belonging to every citizen of the new Nation. There was no reason why these should be protected against the Federal Government and be left at the mercy of the States. A fear led the people to legislate, but their legislation must be interpreted by its words. The courts have again and again refused to interpret an act by its purpose, as disclosed by words used in debate when it was passed, and have insisted that its meaning is to be found in its language—"within the four corners of the instrument."

If we are going to interpret the language of an instrument by the purposes of those who framed it, let us remember for what the American Revolution was fought and our Government was founded. In England, from which we desired to be separated, it has been well said that King, Lords, Commons, and all the powers of the State existed to get 12 men into the jury box; in other words, to make sure that no man was deprived of life, liberty, or property without due process of law. Our fathers, who resisted what they considered the "tyranny" of England, who in their Declaration of Independence recited the inalienable rights which they fought to secure, and who framed the Constitution in order to establish a government under which those rights would be safe, certainly did not intend that their Constitution should be interpreted so as to take from their Government the power to protect its own citizens in the enjoyment of those rights.

The people who after the Civil War made their colored fellow men their fellow citizens, and passed the thirteenth, fourteenth, and fifteenth amendments to secure their rights as citizens against hostile action by their former masters, never intended that they should be left to depend upon those masters for protection, and therefore gave Congress power to enforce the amendments.

Take the Declaration, the Constitution, and the amendments together, one purpose runs through them all, and if the purpose governs the language must be construed to carry it out. We ask that a rule of interpretation be applied which was announced by Mr. Justice Story in Prigg *v.* Commonwealth of Pennsylvania (16 Peters, 417, at 421):

"How, then, are we to interpret the language of the clause? The true answer is, In such a manner as, consistently with the words, shall fully and completely effectuate the whole objects of it. If by one mode of interpretation the right must become shadowy and unsubstantial and without any remedial power adequate to the end, and by another mode it will attain its just end and secure its manifest purpose, it would seem upon principles of reasoning absolutely irresistible that the latter ought to prevail. No court of justice can be authorized so to construe any clause of the Constitution as to defeat its obvious ends when another construction equally accordant with the words and sense thereof will enforce and protect them."

The sound rule is that the intention must be found in the words of the instrument. The fifth amendment contains not a word which makes its language merely a limitation in the power of the Federal Government. It declares in the broadest terms that under the Constitution "No person shall be deprived of life, liberty, or property without due process of law." It is a statement of fundamental rights belonging to every person under our flag and an assurance to those who would become citizens. Its language is clear and should be given full effect.

If, on the other hand, the purpose of those who framed and adopted the amendment is to prevent, can anyone doubt that the Dyer bill carries out the purpose of the fourteenth amendment?

But it is said that Congress is not given power to enforce the fundamental rights of our citizens. It is well settled that an express grant of power is not needed.

Mr. Justice Bradley, in First Woods Circuit Court Reports, page 314, in dealing with the Cruikshank case, said:

"It is undoubtedly a sound proposition that whenever a right is guaranteed by the Constitution of the United States Congress has the power to provide for its enforcement, either by implication arising from the correlative duty of Government to protect wherever a right to the citizen is conferred or under the general power (contained in Art. I, sec. 8, par. 18) 'to make all laws necessary and proper for carrying into execution the foregoing powers and all other powers vested by this Constitution in the Government of the United States or any department or officer thereof.'"

In Strauder *v.* West Virginia (100 U. S. 310, 311) the language is:

"A right or an immunity, whether created by the Constitution or only guaranteed by it, even without any express delegation of power, may be protected by Congress."

So in United States *v.* Reese (92 U. S. 214) it was said by the Chief Justice:

"Rights and immunities created by or dependent upon the Constitution of the United States can be protected by Congress. The form and manner of the protection may be such as Congress in the legitimate exercise of its legislative discretion shall provide. These may be varied to meet the necessities of the particular right to be protected."

The citizen of the United States is entitled to protection from the Government to which he owes allegiance. The two are inseparable. The essential rights of the citizen, assured by the Constitution, must be supported by the Government which the Constitution created to do the Nation's work and to enforce and insure the rights of its citizens.

THE CASES RELIED ON BY THE OPPONENTS OF THE BILL.

Let us now consider the language of the Supreme Court in the cases which are relied upon to defeat this enactment. They are gathered in the case of James *v.* Bowman (190 U. S., p. 136 et seq.). Ex parte Virginia has been discussed already.

In United States *v.* Cruikshank (92 U. S. 542 at p. 553) the court says:

"The equality of the rights of citizens is a principle of republicanism. Every republican government is in duty bound to protect all its citizens in the enjoyment of this principle, if within its power. That duty was originally assumed by the States, and it still remains there. The only obligation resting upon the United States is to see that the States do not deny the right. This the amendment guarantees, but no more. The power of the National Government is limited to the enforcement of this guaranty."

This recognizes the right of Congress to act when the States "deny the right."

In the Civil Rights cases (109 U. S. 3, at p. 13):

"Until some State law has been passed or some State action through its officers or agents has been taken adverse to the rights of citizens sought to be protected by the fourteenth amendment, no legislation of the United States under said amendment, nor any proceeding under such legislation, can be called into activity, for the prohibitions of the amendment are against State laws and acts done under State authority.

Of course, legislation may and should be provided in advance to meet the exigency when it arises, but it should be adapted to the mischief and wrong which the amendment was intended to provide against, and that is State laws or State action of some kind adverse to the rights of the citizen secured by the amendment. * * * The legislation which Congress is authorized to adopt in this behalf is not general legislation upon the rights of the citizen, but corrective legislation; that is, such as may be necessary and proper for counteracting such laws as the State may adopt or enforce, and which by the amendment they are prohibited from making or enforcing."

Again this recognizes that Congress may act when some State action through its officers or agents has been taken adverse to the rights to the citizen.

Decided by a divided court and dealing with "civil rights," so called, not fundamental right like the right to life and liberty and due process of law, the authority of this case is weakened. The statement that "the prohibitions of the amendment are against State laws and acts done under State authority" is overruled by Home Insurance Co. *v.* Los Angeles (supra).

This is true also of the statement that the legislation which Congress may adopt is only such as may be proper "for counteracting such laws as the States may adopt or enforce."

"The denial of the rights given by the fourteenth amendment need not be by legislation." (Mr. Justice Holmes, in Saunders *v.* Shaw, supra.)

United States *v.* Harris (106 U. S. 629–639):

"When the State has been guilty of no violation of its provisions; when it has not made or enforced any law abridging the privileges or immunities of citizens of the United States; when no one of its departments has deprived any person of life, liberty, or property without due process of law or denied to any person within its jurisdiction the equal protection of the laws; when, on the contrary, the laws of the State, as enacted by its legislative and construed by its judicial and administered by its executive departments, recognize and protect the rights of all persons, the amendment imposes no duty and confers no power upon Congress."

But where these conditions do not exist Congress must act.

Ex parte Virginia recognizes the officers or agents by whom the powers of the State are exercised as the State, and provides that they shall not deny to any person within its jurisdiction the equal protection of the laws.

United States *v.* Cruikshank holds that the obligation which rests on the United States is to see that the States do not deny the right of the citizens to the enjoyment of fundamental rights, that the equality of the rights of citizens is a principle of republicanism, that every part of the Government is bound to protect its citizens in these rights, and that the power of the National Government extends to the enforcement of this guaranty.

In the Civil Rights cases the court recognizes the fact that legislation may and should be provided in advance to meet the exigency when it arises, but it should be adapted to the mischief or wrong which it was intended to provide against; that is, State laws or State action of some kind adverse to the rights of the citizens secured by the amendment.

United States *v.* Harris holds that the Congress can not act when no one of the departments of the State has denied to any person within its jurisdiction the equal protection of the laws, but where such denial has taken place it can act.

All these cases recognize that conditions may arise which will render action by Congress necessary to enforce the guaranty of the fourteenth amendment.

To hold otherwise is to strike out entirely the grant of power in the amendment itself.

We have in hundreds of cases the executive officers of the State, the persons who are in possession of suspected persons and charged with the duty of securing for them due process of law, surrendering to the mob these persons, making no effort to hold the jail against attack or to defend the prisoners from being taken out of their custody, although it must be perfectly apparent to them that the purposes of the mob is to lynch the prisoner without due process of law. These officers are the agents of the State by which its power is exercised, and by their acts toward these accused persons and the mob they deny their prisoners the equal protection of the law, and when their action is ratified by their higher officers and by all the people of the State, it is clear that the State has denied to these citizens the equal protection of the laws.

Unless Congress has power to deal with this situation, if it can not remedy the abuses which have gone unchecked for a generation and more, the manifest intent of the fourteenth amendment is defeated entirely, and by refusing to pass this law either as it stands, or amended if amendment is needed, Congress says to the colored people of this country, "We are powerless to aid you and can hold out no hope that we can ever help you. Alone of all the citizens of the United States, you may be deprived of life, liberty, or property whenever a mob of white men chooses to murder or rob you." Should the Constitution of the United States be so interpreted as to justify this conclusion?

The Supreme Court has never sustained such an interpretation, and in my judgment never will.

It would seem clear in any event that Congress should not refuse to do its duty because of the fear that the Supreme Court might not agree with it as to the necessity and legality of the act which the House of Representatives has passed. The distinction between the cases which have hitherto been presented to the court and this case is very clear, and if Congress errs the Supreme Court will have the power to correct the error, but if Congress refuses to act it is responsible for the continuance of the infamous practice which the bill is framed to stop.

MOORFIELD STOREY.

The following is a brief prepared by Mr. Herbert K. Stockton, of New York, and submitted to Senator BORAH, chairman of the subcommittee having the bill under consideration:

BRIEF OF HERBERT K. STOCKTON ON THE DYER ANTILYNCHING BILL.

NEW YORK, *June 5, 1922.*

Hon. WM. E. BORAH,
United States Senate, Washington, D. C.

MY DEAR SENATOR BORAH: I have studied with the keenest interest the Dyer bill (H. R. 13), the decision to which you directed me in your letter of May 12 and other decisions of the Supreme Court, as well as Mr. Moorfield Storey's brief in support of the bill.

I have come to the conclusion that the Dyer bill is probably constitutional, and I will state briefly why I think so, as my reasons bear a somewhat different emphasis from Mr. Storey's; and I will also state why I think the bill should be reported out (with slightly changed wording) and passed, even though you may feel that its constitutionality is not a matter of certainty.

In view of the many judicial interpretations the Constitution and its amendments have received, it may be well to begin by clearing away certain lines of decisions which might at first sight be thought fatal to the proposed law, but which I think can be shown to be irrelevant. It must first be observed that—

(I) The Dyer bill rests, or should rest, squarely and solely on a single clause of section 1 of the fourteenth amendment of the Constitution, which reads: "Nor shall any State * * * deny to any person within its jurisdiction the equal protection of the laws."

I hope to show later that the proposed law is within the scope of this provision and its supplementary section 5, which empowers the Congress to enforce the provision quoted by appropriate legislation. Meanwhile it helps clear the issue to note that—

(*a*) The Dyer bill does not invoke the rights of the citizens of the United States as distinct from the citizen of the individual State.

Therefore the line of decisions culminating in the Bisbee deportation cases, United States *v.* Wheeler (254 U. S. 281), has no application. It would be futile, it seems to me, to base an antilynching law on the constitutional rights of the citizen of the United States in view of that decision. Though not appearing in the statement of facts, I am told the county authorities were part of the armed mob which seized the United States citizen in question, because they were members of the I. W. W., locked them in box cars, and ran them out of Arizona into New Mexico. Mr. Chief Justice White, after stating that the court below had quashed the indictment on the ground that no power had been delegated by the Constitution to the United States to forbid and punish the wrongful acts complained of, as the right to do so was exclusively within the authority reserved by the instrument to the several States, cited Corfield *v.* Coryell (4 Wash. C. C. 371); Slaughterhouse cases (16 Wall. 36); Paul *v.* Virginia (8 Wall. 168); Ward *v.* Maryland (12 Wall. 418), and on the strength of these cases affirmed the judgment of the court below, observing at page 298:

"* * * No basis is afforded for contending that a wrongful prevention by an individual of the enjoyment by a citizen of one State in another of rights possessed in that State by its own citizens was a violation of a right afforded by the Constitution. This is the necessary result of article 4, section 2, which reserves to the several States authority over the subject, limited by the restriction against State discriminatory action, hence excluding Federal authority except where invoked to enforce the limitation, which is not here the case. * * * A conclusion expressly sustained by the ruling in United States *v.* Harris (106 U. S. 629, 645), to the effect that the second section of article 4, like the fourteenth amendment, is directed alone against State action."

See also United States *v.* Harris (106 U. S. 629); James *v.* Bowman (190 U. S. 127).

It is to be noted from this quotation and from these cases (1) that in United States *v.* Wheeler the Federal authority to enforce the limitation on the States (e. g., against denying equal protection) was not invoked as it is invoked by the Dyer bill, and (2) that the Dyer bill, to be constitutional, must be shown to be "directed alone against State action," as I hope to show that it is directed. By the same course of reasoning we must also put aside such cases as Logan *v.* United States (144 U. S. 263), where lynchers of a United States marshal's prisoners were held to be subject to Federal indictment. That case involved the rights of a citizen of the United States, and this fact gave the Federal Government power to act directly upon individuals as distinguished from the State.

(*b*) The Dyer bill does not invoke the power of the United States to enforce the thirteenth amendment, which prohibits slavery and involuntary servitude.

Accordingly, we can eliminate such cases as Hodges *v.* United States (203 U. S. 1), where it was held that the Federal Government could not by legislation act against persons intimidating negroes from working for wages. This decision was placed on the ground that inability to contract was not an essential element of slavery. Also we can disregard the Slaughterhouse cases and the Civil Rights cases (109 U. S. 3), in so far as they deal with the thirteenth amendment. On the authority of Hodges *v.* United States, the Supreme Court, in United States *v.* Powell, defeated an attempt of Congress to deal with individual lynchers. It is to be noted, however, that the indictment of the lynchers in the Federal court was under sections 5508, 5509, Revised Statutes, prohibiting conspiracy to injure a citizen in his enjoyment of rights secured to him by the Constitution. The court in the Hodges case said, by Mr. Justice Brewer (p. 14):

"That prior to the three post bellum amendments to the Constitution the National Government had no jurisdiction over a wrong like that charged in this indictment is conceded; that the fourteenth and fifteenth amendments do not justify the legislation is also beyond dispute, for they, as repeatedly held, are restrictions upon State action, and no action on the part of the State is complained of."

We are thus brought squarely to the question, Do the provisions of the Dyer bill aim to reach the lynching evil by acting on individuals or on States?

(II) The proposed law constitutes appropriate Federal action under the fourteenth amendment to prevent the individual State from denying to persons within its jurisdiction the equal protection of its laws.

We find the solid ground of fact under our feet at once when we regard the proposed law from this angle, for the States in fact do not give equal protection.

You know and I know, everybody, even the individual members of the Supreme Court know, that the victims of lynching mobs do not get the equal protection of the State's laws, that State and county officials do not try to prevent this crime as they try to prevent other crimes, that they do not try to punish this crime as they try to punish other crimes. This is susceptible of overwhelmingly convincing demonstration. And it is of the greatest importance, in my estimation, that a strong record, showing in graphic detail the unequal protection afforded the victims of lynching mobs, should be made before the committee which has the bill under consideration, or in whatever place and manner is appropriate, so that this record can be brought before the Supreme Court when it passes on the constitutionality of the law.

It is worth noting in passing that it is in accord with the fundamental purpose of this amendment for the Federal Government to take action to insure the negroes particularly equal protection. Their plight was the cause of the amendment being adopted; their plight now is the occasion of this legislation.

But is such inequality as the negroes suffer in connection with lynchings the denial of equal protection by the States which the Constitution prohibits? To anticipate such an objection we should next ob-

serve that inequality in administration is a denial of equal protection of the laws.

It hardly seems possible to make any definition which more exactly fits the existing conditions with respect to lynchings than the constitutional phrase "deny the equal protection of the laws." It is clear that this must not be taken to mean only the passage of discriminating statutes or ordinances. The language of the provision we rely on is sharply distinct from the language of the preceding provision against discriminating legislation, which is that "no State shall make or enforce any law which shall abridge the privileges or immunities," etc.; not to deny that equal protection of laws imports not only an obligation to make no laws which discriminate but equally an obligation to enforce all State laws in existence, so that all persons within the jurisdiction of the State enjoy equal protection from them. But the Supreme Court has said this very exactly:

"The denial of rights given by the fourteenth amendment need not be by legislation." (Saunders *v.* Shaw, 244 U. S. 317, p. 320).

So, in Tarrance *v.* Florida (188 U. S. 519), Mr. Justice Brewer said, page 520 (the italics are mine):

"The contention of plaintiffs in error is that they were denied the equal protection of the laws by reason of an actual discrimination against their race. *The law of the State is not challenged but its administration is complained of.* As said by their counsel:

"'We do not contend that the colored men are discriminated against by any law of the State in the selection of names for jury duty, nor do we contend that a negro being tried for a criminal offense is entitled to a jury composed wholly or in part of members of his race, but we do claim that when a negro is tried for a criminal offense he is entitled to a jury selected without any discrimination against his race on account of race, color, or previous condition of servitude; and when this is not the case he is denied the equal protection of the laws as guaranteed by the fourteenth amendment to the Constitution of the United States.'

"*Such an actual discrimination is as potential in creating a denial of equality of rights as a discrimination made by law.* But such an actual discrimination is not presumed. It must be proved or admitted.

Again, in Yick Wo *v.* Hopkins (118 U. S. 356), which seems to me a decision helpful to the Dyer bill, plaintiff in error (petitioner for writ of habeas corpus below) maintained that the ordinance under which he was imprisoned was unconstitutional. The ordinance made it unlawful to maintain laundries under certain circumstances "without having first obtained the consent of the board of supervisors." The opinion of the court below (quoted in the statement of facts) contains the following significant declaration (at pp. 362 and 363):

"If the facts appearing on the face of the ordinance, on the petition and return, and admitted in the case, and shown by the notorious public and municipal history of the times, indicate a purpose to drive out the Chinese laundrymen and not merely to regulate the business for the public safety, does it not disclose a case of violation of the provisions of the fourteenth amendment to the National Constitution * * *? That it does mean prohibition, as to the Chinese, it seems to us must be apparent to every citizen of San Francisco who has been here long enough to be familiar with the cause of an active and aggressive branch of public opinion and of public notorious events. Can a court be blind to what must necessarily be known to every intelligent person in the State?"

Mr. Justice Matthews, in delivering the opinion of the court, said (pp. 373 and 374) (italics mine):

"* * * The facts shown establish an administration directed so exclusively against a particular class of persons as to warrant and require the conclusion that, whatever may have been the intent of the ordinances as adopted, *they are applied by the public authorities charged with their administration, and thus representing the State itself, with a mind so unequal and oppressive as to amount to a practical denial by the State of that equal protection of the laws which is secured to the petitioners as to all other persons, by the broad and benign provisions of the fourteenth amendment to the Constitution of the United States.* Though the law itself be fair on its face and impartial in appearance, *yet if it is applied and administered by public authority with an evil eye and an unequal hand,* so as practically to make unjust and illegal discriminating between persons in similar circumstances, material to their rights, *the denial of equal rights is still within the prohibition of the Constitution.* This principle of interpretation has been sanctioned by this court in Henderson *v.* Mayor of New York (92 U. S. 259); Chy Ling *v.* Freeman (92 U. S. 275); Ex parte Virginia (100 U. S. 339); Neal *v.* Delaware (103 U. S. 370); and Som Hing *v.* Crowley (113 U. S. 702).

* * * * * * *

"The fact of this discrimination is admitted. No reason for it is shown, and the conclusion can not be resisted that no reason for it exists except hostility to the race and nationality to which the petitioners belong, and which in the eye of the law is not justified. The discrimination is therefore illegal, and the public administration which enforces it is a denial of the equal protection of the laws and a violation of the fourteenth amendment of the Constitution."

I believe that the Supreme Court will come to adopt the reasoning ably expressed by Krekel, D. J., in his charge to the jury in United States *v.* Blackburn (Fed. Cas. No. 14603):

"By the equal protection of the laws spoken of in the indictment is meant that the ordinary means and appliances which the law has provided shall be used and put in operation in all cases of violation of law. Hence if the outrages and crimes shown to have been committed in the case before you were well known to the community at large, and that community and the officers of the law willfully failed to employ the means provided by law to ferret out and bring to trial the offenders because of the victims being colored, it is a depriving them of the equal protection of the law."

Having established that in fact the victims of the lynchings, generally negroes, are being denied the equal protection of the laws by the States, in the sense contemplated by the fourteenth amendment, we next come to the question whether the proposed law is "appropriate legislation" to enforce the prohibition which the Constitution has declared against such denial. We find it settled law that in forcing the State to afford the equal protection of the laws the Federal Government can act directly upon such individuals as are the agents of the State, and whose act or neglect constitutes the denial by the State of the equal protection.

This was strikingly exemplified in Ex parte Virginia (100 U. S. 339), where the petition of J. D. Coles, a county judge of Virginia, for writ of habeas corpus was denied and the act under which he was indicted for excluding negroes from his jury list was found constitutional. The act provided that no citizen otherwise qualified should be disqualified for jury service on account of race, color, or previous condition of servitude, and that any officer or other person charged with any duty in the selection or summoning of jurors who shall exclude or fail to summon any citizen for the cause aforesaid shall, on conviction thereof, be deemed guilty of a misdemeanor, and be fined not more than $5,000.

Mr. Justice Strong says, on page 345, that in Strauder *v.* West Virginia (100 U. S. 303):

"We held that immunity from any such discrimination is one of the equal rights of all persons, and that any withholding it by a State is a denial of the equal protection of the laws within the meaning of the amendment."

The court says further (p. 345) of the fifth section of the amendment:

"It is not said that the judicial power of the General Government shall extend to enforcing the prohibitions and to protecting the rights and immunities granted. It is not said that branch of the Government shall be authorized to declare void any action of a State in violation of the prohibition. It is the powers of Congress which have been enlarged. Congress is authorized to enforce the prohibition by appropriate legislation. * * * Whatever legislation is appropriate—that is, adapted to carry out the objects the amendments have in view—whatever tends to enforce submission to the prohibitions they contain, and to secure to all persons the enjoyment of perfect equality of civil rights and equal protection of the laws against State denial or invasion, if not prohibited, is brought within the domain of congressional power.

* * * * * * *

"It is said the selection of jurors for her courts and the administration of her laws belong to each State; that they are her rights. * * * But in exercising her rights, a State can not disregard the limitations which the Federal Constitution has applied to her power. * * * Nor can she deny to the General Government the right to exercise all its granted powers though they may interfere with the full enjoyment of rights she would have if those powers had not thus been granted. * * *

"We have said the prohibitions of the fourteenth amendment are addressed to the States. * * * A State acts by its legislative, its executive, or its judicial authorities. It can act in no other way. The constitutional provision, therefore, must mean that no agency of the State, or of the officers or agents by whom its powers are exerted, shall deny to any person within its jurisdiction the equal protection of the laws. * * * Power was given to Congress to enforce its provisions by appropriate legislation. Such legislation must act upon persons, not upon the abstract thing denominated a State, but upon the persons who are the agents of the State in the denial of the rights which were intended to be secured. Such is the act of March 1, 1875, and we think it was fully authorized by the Constitution."

As lately as 1912 in Home Telephone & Telegraph Co. *v.* Los Angeles (227 U. S. 278), Mr. Chief Justice White said, at pages 286 and 287:

"* * * The provisions of the (fourteenth) amendment as conclusively fixed by previous decisions are generic in their terms, are addressed, of course, to the States, but also to every person whether natural or judicial who is the repository of State power.

"* * * The settled construction of the amendment is that it presupposes the possibility of an abuse by a State officer or representative of the powers possessed and deals with such a contingency."

And at page 296:

"The immediate and efficient Federal right to enforce the contract clause of the Constitution as against those who violate or attempt to violate its prohibition, which has always been exerted without question, is but typical of the power which exists to enforce the guaranties of the fourteenth amendment."

The provisions of the Dyer bill are within the scope of these decisions.

The bill is entitled "An act to assure to persons within the jurisdiction of every State the equal protection of the laws."

The definition placed on the lynching mob is an assemblage which is usurping the State's prerogative to prevent and punish crime. I suggest here the alteration of line 5, page 2, "to the citizens of the United States by its Constitution" to read "to persons within the jurisdictions of the several States, or to citizens of the United States, by the Constitution of the United States," this in order to make it clear that the bill is resting on the principle of equal protection and not on the rights of United States citizens.

Section 2 creates a reasonable presumption of denial of equal protection from the State's failure, neglect, or refusal to "provide and maintain protection to the life of any person within its jurisdiction against a mob"; the presumption does not arise merely from failure actually to prevent or punish the taking of life, which might be held unreasonable, but from failure to provide and maintain protection. It is easy to show that the States are providing and maintaining this within reasonable human limits, except as to lynching.

Section 3 acts upon the State or municipal officer in the same way that the statute declared constitutional in Ex parte Virginia acted on the county judge. The officer is held because through him the State fails, neglects, or refuses to make all reasonable efforts to prevent or punish homicide when committed under certain circumstances, thereby denying the equal protection of the laws to the victim slain under those circumstances.

There is perhaps more question as to the provision against "those who so conspire, combine, or confederate with such officer" (lines 10 to 12, p. 3), but they are conspiring with the State itself to deny the equal protection of its laws. It would be highly desirable to have such a provision sustained by the Supreme Court; if it should not be, this, under section 8, would not invalidate any other provision of the law.

Section 4, giving the Federal court jurisdiction to prosecute in case of a refusal, failure, or inability on the part of State agencies to prosecute, constituting a denial of equal protection, should be held constitutional under the opinion of Mr. Justice Strong in Virginia *v.* Rives (100 U. S. 313, at 318) [italics mine]:

"Congress by virtue of the fifth section of the fourteenth amendment may enforce the prohibitions wherever they are disregarded by either the legislative, the executive, or the judicial department of the State. The mode of enforcement is left to its discretion. *It may secure the right—that is, enforce its recognition—by removing the case from a State court in which it is denied into a Federal court where it will be acknowledged.* Of this there can be no reasonable doubt. Removal of cases from State courts into courts of the United States has been an acknowledged mode of protecting rights ever since the foundation of the Government. Its constitutionality has never been seriously doubted."

Section 5 certainly is designed to act upon the State and not upon individuals in the traditional way of imposing a fine on the municipal body. If it be said that the power to tax the State subdivision is the power to destroy, the answer must be that Congress is authorized by the Constitution of the United States to go to such stern measures if they are necessary to prevent the denial to a man of the equal protection of the laws.

I suggest changing "should" to "shall" in line 13, page 4.

Section 6 can not be complained of if the preceding sections are approved.

Section 7 appeals to the Federal authority derived from treaties. Sections 8 and 9 are unexceptionable.

Now, sir, I urge upon you the conclusion that you should not refuse to force this bill out of committee and urge its passage with all the power at your command merely because neither you nor I can guarantee that the Supreme Court is going to take the view of this bill that I have set forth above. The bill is very ably drawn. It is probably the best bill that can be framed under the peculiarly artificial restrictions of our Constitution. It ought to be held constitutional by the Supreme Court. I think it is entirely true to say that the court can hold the bill constitutional on sound reasoning if it wants to. This is a case, therefore, where the problem ought to be put squarely up to the court; it is not a case of passing the responsibility to the court because the legislature does not want to incur the popular odium of refusing the remedial statute.

But look at the matter from a broader point of view. Suppose the constitutionality of the act doubtful. The evil is rampant, it is hellish in particular instances, it is dangerous to the Nation in its increasing threats of race war and mob rule. To cure such a cruel cancer in our body politic every curative force should be set in motion. Even if the court should make vain your efforts, it is tremendously important that the most representative body in the world should go on record as opposing lynching and desiring to stamp it out. At least the lyncher will no longer be able to say that the toleration he and his neighbors feel for his bloody sport exists also in a Congress which raises no protesting voice. We need not deceive ourselves that this law, even if upheld to the last comma and enforced fearlessly, is going of itself to do away with lynching. No law perfectly fulfills its object until the public sentiment behind it renders it practically superfluous. The necessary change of public opinion must perhaps be effected by publicity, education, example; possibly by the removal of such fear as may beset the whites through agencies such as a State constabulary to insure against crimes in sparsely settled districts by blacks against whites as well as by whites against blacks; but those are other questions. The first step, the step which we are looking now to you to take, is to report out the Dyer bill and to get it passed by the Senate.

Very respectfully,

HERBERT K. STOCKTON.

The committee has devoted much time and earnest thought to the consideration of this bill and has reached the conclusion that as amended the bill is constitutional and should pass. That conclusion is reached by different processes of reasoning and by reliance on different provisions of the Constitution; but whatever process of reasoning is adopted or whatever provisions of the Constitution are relied on, we hold that the proposed legislation is "appropriate legislation" to cure or prevent the evil of lynching wherever in the United States and subject to the jurisdiction thereof that evil exists or is committed.

White or black, "all persons born or naturalized in the United States and subject to the jurisdiction thereof are citizens of the United States," and no State may by affirmative legislative, judicial, or executive action, or by failure, neglect, or refusal to act, deprive any person of life, liberty, or property without due process of law, or deny to any person within its jurisdiction the equal protection of the laws.

A careful and dispassionate study of the provisions of this bill as amended will, the committee thinks, convince Senators that it is "appropriate legislation," within the competency of Congress to enact, to safeguard and protect those rights to life, liberty, and property which are guaranteed by the Constitution of the United States.

The proposed legislation is not, and should not be considered, in any sense sectional. The evil it is designed to cure is not confined to any particular section or State, north or south, east or west. This monstrous evil, which is a disgrace to the Nation, we should strive to wipe out by a firm and just exercise of every legitimate power conferred upon and residing in the Federal Government.

The proposed legislation is not an invasion or subversion of the rights of the States, nor is it designed to relieve the States from the performance of their duty to secure to all persons within their several jurisdictions equal protection of the laws; on the contrary, the proposed legislation is in aid of the several States and will be impartially administered by the people of the several States.

It is sincerely hoped and confidently believed that the early passage of this bill as amended will have a salutary effect and go far toward insuring that "equal protection of the laws," State and Federal, to which "all persons born or naturalized in the United States and subject to the jurisdiction thereof" are entitled.

American citizenship is indeed a *badge of honor;* it should be, and this bill seeks to make it, a *shield of protection* to every American citizen, man, woman, and child, native and naturalized, who stands on American soil, hedged round and guarded, as they are, by the Constitution of the United States.

D. C. DARROCH.

Mr. CAMERON, from the Committee on Military Affairs, to which was referred the bill (S. 2946) for the relief of D. C. Darroch, reported it without amendment and submitted a report (No. 838) thereon.

OFFICER IN CHARGE OF PUBLIC BUILDINGS AND GROUNDS.

Mr. WADSWORTH introduced a bill (S. 3873) fixing the rank of the officer of the United States Army in charge of public buildings and grounds, which was read twice by its title and referred to the Committee on Military Affairs.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The PRESIDENT pro tempore. The Secretary will state the pending question.

The READING CLERK. The pending question is on the amendment of the committee as modified, which is to strike out paragraph 1108 and to insert in lieu thereof:

PAR. 1108. Woven fabrics, weighing not more than four ounces per square yard, wholly or in chief value of wool, valued at not more than 80 cents per pound, 40 cents per pound and 50 per cent ad valorem; valued at more than 80 cents per pound, 49 cents per pound and 50 per cent ad valorem: *Provided,* That if the warp of any of the foregoing is wholly of cotton or other vegetable fiber, the duty shall be 39 cents per pound and 50 per cent ad valorem.

Mr. WALSH of Massachusetts. Mr. President, I think I had proceeded on yesterday with my discussion in opposition to the amendment of the committee to the paragraph up to the point where I was about to make a comparison between the rates proposed by the Senate committee and the rates named in the Underwood law.

COMPARISON WITH THE EMERGENCY LAW.

The emergency law provided for a compensatory duty of 45 cents per pound upon all woolen manufactures, including, of course, these dress goods, in addition to the protective duty of 35 per cent on dress goods, linings, and so forth, and 40 per cent on mohair fabrics already imposed in the Underwood law. That this compensatory duty of 45 cents per pound, plus the Underwood rate of 35 per cent on the main class of goods, namely, dress goods, constituted a formidable barrier to importations is shown by the fact that importations declined from a monthly average of from 125,000 to 150,000 pounds prior to the enactment of the emergency law to from one-third to one-half of this quantity since the passage of the emergency law.

COMPARISON WITH THE UNDERWOOD RATE.

The Underwood rate upon dress goods, linings, and so forth, as upon other wool fabrics was 35 per cent, no distinction being drawn between dress goods and cloths. Upon mohair fabrics, which fall largely in paragraph 1108 of the Senate bill, the duty in the Underwood law was 40 per cent, but these are relatively unimportant. So far as the protective rates are concerned, it is apparent that the Senate text raises the duty 40 per cent on the cheaper dress goods and 55 per cent upon those of higher value.

Was the Underwood protective rate sufficient to cover the difference in conversion costs? Attention is called to a table in an article entitled "The Tariff Board and Wool Legislation," by William S. Culbertson, House Document No. 50, Sixty-third Congress, second session. This table derives from the findings of the old Tariff Board computations of the difference between conversion costs here and in the United Kingdom on a large number of samples of wool fabrics. On various samples that would be included under paragraph 1108 the ad valorem duties necessary to cover the difference in conversion costs here and in the United Kingdom were as follows:

Sample No.	Name of cloth.	Ad valorem rate necessary to cover difference in conversion cost.
		Per cent.
4	Women's cotton warp sacking	29.82
2	Fancy cotton worsted	22.18
8	Women's homespun	25.89
12	Women's worsted serge	38.33
15	Women's worsted cheviot	41.01
27	Women's cheviot	38.23
10	Women's all-wool blue serge	38.92
17	Women's all-wool sacking	26.60

Thus, taking these samples as representative, it is apparent that the rate of 35 per cent subsequently enacted into the Underwood law represented a very liberal average of the ad valorem duties necessary to cover the difference between conversion cost here and abroad as indicated in the table above.

It may, of course, be argued that the great changes in prices and labor costs since 1913 have in part invalidated these figures. This argument can not be sustained. The fact of the matter is that while labor costs have greatly increased both here and abroad there is no evidence to be found that the ratio of the domestic to the British conversion cost is any larger than it was before the war. This matter is discussed in great detail in a report issued by the Tariff Commission in 1920, entitled "A Survey of the British Wool-Manufacturing Industry."

For instance, on page 76 of this report, it is interesting to note the following—referring to the comparison of the manufacturing cost, other than combing and spinning, here and in England:

For manufacturing proper and dyeing, the data which have as yet been secured indicate that the difference in both cases, except, perhaps, for fancy cloths, would surely be below the low figure in 1911 (100 per cent) and perhaps as low as from 60 to 80 per cent.

Nor does a comparison of prices seem to reflect any increased advantage to the British manufacturer in the matter of conversion, as is indicated by the following table and comment thereon contained on pages 80 and 81 of the same report:

Comparative prices of certain wool cloths in England and the United States.

Type of fabric.	American wholesale price per yard.	English net mill prices per yard, costing plus profit.
Botany serge	$4.90	$4.14
Botany clay	5.50	5.06
Crossbred serge	3.00	2.29
Botany lightweight serge	1.02	1.13
Cotton warp henrietta	.49	.67
Cotton warp, luster sicilian	.73½	.90
Crossbred unfinished worsted	6.75	4.50
Fancy worsted	11.00	5.58
Fancy woolen	4.25	1.41

While there are important irregularities among these figures, certain conclusions are possibly warranted. The tendency for English and American prices to approximate one another, already noted in the case of tops and yarns, is here also evident. Even making allowances for minor variations between the estimates of English values and those actually prevailing, there are obviously cloths of several types with regard to which no considerable differences of price exist between the English and American markets, while in some instances the domestic manufacturer really has an advantage. It is noteworthy in this connection to recall that in a similar, though more comprehensive, comparison made by the Tariff Board in 1911 there was no fabric of which the English price was higher than the American, nor, indeed, any which came nearer than 20 per cent of the American price.

Again, the difference in comparative advantage among the several types of cloth is fairly clear. Values in the two markets are much closer together in the case of serges and cotton-warp dress goods than in that of fancy fabrics. With regard to the former, no importation is possible, at least over the 35 per cent duty of the present tariff law, but for the latter the present rate is apparently inadequate. Just where the dividing line lies and to what extent the domestic production of cloths is of the more self-sufficient types could be determined only by a wide and thoroughgoing inquiry.

It is apparent from the foregoing quotation that, at the time that this report was written at least, prices did not reflect any advantage in labor cost in the British over the domestic industry comparable to the very high rates of duty provided in paragraph 1108 of this bill.

In view of this information, the latest and most accurate available, how can a protective duty of 50 per cent and 55 per cent on the wool fabrics included in paragraph 1108 be justified?

Finally, a further criterion of whether a rate of 35 per cent is sufficient is provided by the movement of the imports since the enactment of the law.

In the first six months of the calendar year 1914 imports of dress goods, linings, and so forth, amounted to 5,987,628 pounds, and in the fiscal year 1915 they amounted to 7,797,435 pounds.

The census does not segregate the lighter-weight fabrics, such as dress goods, from the heavier-weight fabrics, such as cloths. But, considering that the production of all fabrics in 1914 was 522,919,228 square yards and in 1919 was 491,961,000 square yards—equivalent to 298,190,000 pounds—it is quite apparent that the imports which followed the enactment of the Underwood law could not have been a serious handicap to the domestic industry. Some idea of the size of our production of dress goods is indicated by the 1909 census figures, as shown on page 153 of the old Tariff Board's report. The total production of dress goods, linings, and so forth, is shown as 231,399,981 square yards. On this basis, also, the imports above shown were very small. In fact, the imports which followed the enactment of the Underwood law did not increase in anything like the proportion which might have been anticipated as a result of the material reduction made in the duty. Indeed, considering the fact that there is always a holding back of goods in anticipation of a reduction of duty, the increase in importations was a rather moderate one. In fact, while the quantities of dress goods imported under the Payne-Aldrich Act are stated partly in square yards and partly in pounds, so that they can not be compared with those under the Underwood law, the value of the imports in 1914 and 1915 was even smaller than in 1909 and 1910, and about the same as in 1911.

COMPARISON WITH THE PAYNE-ALDRICH LAW.

The rates on these light-weight fabrics in the Payne-Aldrich law were as follows:

On dress goods, and so forth, containing a cotton warp, the rate ranged from 7 cents per square yard plus 50 per cent on those falling in the lower bracket to 8 cents per square yard plus 55 per cent on those falling in the higher bracket, with an additional proviso that any such goods weighing more than 4 ounces should take the same duty as cloths, less 5 per cent.

On dress goods, and so forth, not containing a cotton warp, the rate ranged from 11 cents per square yard plus 50 per cent to 11 cents per square yard plus 55 per cent.

So far as the protective ad valorem rates are concerned, it is apparent that the rates in the Senate bill are substantially the same as those in the Payne-Aldrich law. Of course, this does not mean, necessarily, that the manufacturer would be afforded the same amount of protection in this bill as in the Payne-Aldrich law, for, as has been previously stated, the old Schedule K was loaded with concealed protection in addition to the very liberal unconcealed protection which it afforded. In fact, the net protection accorded to the manufacturer by the Payne-Aldrich law was so absurdly high that it is a small compliment to the present bill to say that the dress-goods rates probably afford a somewhat lower net protection to the manufacturer than did the Payne-Aldrich rates.

For example, the old Tariff Board report shows that on cotton-warp dress goods the compensatory duties of 7 and 8 cents per square yard—depending upon the value—worked out so that, with a duty of 11 cents per pound on grease wool, the compensatory duty of 7 cents per square yard—or 56 cents per pound, assuming a 2-ounce cloth—was predicated upon a ratio of $5\frac{1}{11}$ pounds of grease wool for each pound of fabric. Even when assuming 3 ounces of wool per square yard, the compensation was 37½ cents per pound—only 6⅜ cents less than 44 cents, the maximum compensation on cloth—and when assuming only 1 ounce of wool the compensation amounted to $1.12 per pound. The situation was similar for the cotton-warp goods (upon which the compensatory duty was 8 cents per square yard) and for dress goods not having a cotton warp. The compensatory rates on these latter were predicated upon the assumption of an average shrinkage from grease wool to goods ranging all the way from 75 per cent on a 4-ounce fabric to 87½ per cent on a 2-ounce fabric; i. e., they assumed a ratio of grease wool to fabric ranging from 4 to 1 and higher. In all of these cases it is apparent that the ratios upon which the compensatory duties were based were absurd, for the Tariff Board clearly showed that even the 4 to 1 ratio was grossly excessive. It is not surprising, therefore, that with the concealed protection as here shown, in addition to the very high ad valorem duties, no invasion of our markets by foreign competitors was possible—not even a faint threat.

However, when we say that the net protection afforded by the Payne-Aldrich law was probably somewhat higher than that in the Senate bill, owing to the concealed protection in the compensatory rates, this does not mean that the total cost to the consumer in the present bill will be less, for in reckoning this latter we must also consider the compensatory duty necessitated by the very high duty upon raw wool. So far as the consumer is concerned, it matters not whether the benefits of the duty—both compensatory and protective—imposed upon the fabrics in the clothing which he wears go to the wool-grower or to the wool manufacturer. The consequences are just the same to him.

RECAPITULATION OF THE DISCUSSION RELATING TO DRESS GOODS.

The foregoing discussion clearly shows—

First. That the protective rates in the Senate bill are substantially the same as in the Payne-Aldrich law.

Second. That the net protection to the manufacturer in the Payne-Aldrich law was probably somewhat higher, owing to the larger amount of concealed protection in the compensation rates.

Third. That the protection in the Senate bill is from 40 to 55 per cent higher than in the Underwood law.

Fourth. That the rate of 35 per cent in the Underwood law is substantially in accord with the average of the rates shown as necessary upon dress goods in a very careful analysis of the Tariff Board figures prepared by one who is now a member of the Tariff Commission.

Fifth. That there has been no change in the ratio of conversion cost here and in the United Kingdom of a character which would tend to invalidate the conclusions drawn from the earlier investigation.

Sixth. That the rates named in the Senate amendment, if effective, will result in higher prices to the consumer than under any previous laws.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee as modified.

Mr. NELSON. I ask for the yeas and nays on that question.

Mr. LENROOT. Mr. President, I should like to ask the Senator from Utah one or two questions for information.

What is the Treasury Department's interpretation of the phrase "wholly or in chief value?"

Mr. SMOOT. The interpretation of the department is that an article coming in will fall under the classification of the material within the article of chief value. That is, it has to be of chief value of wool before it takes the rate provided for in this paragraph.

Mr. LENROOT. Does that mean, for instance, that if there are several materials, and the wool in it is the material of chief value, it takes the wool rate?

Mr. SMOOT. It takes the wool rate.

Mr. LENROOT. Although the aggregate value of the other materials might be more than the value of the wool?

Mr. SMOOT. No; there would have to be 50 per cent or more of wool in the fabric.

Mr. LENROOT. What is the difference between the phrase "wholly or in chief value" and "component material of chief value"?

Mr. SMOOT. The component material of chief value would be the wool itself. I do not think there is any material difference between the two expressions. Sometimes they use one and sometimes the other; but the decision of the Treasury Department is that wherever the words "wholly or in chief value of wool" are used it means that there must be 50 per cent of wool in the article.

Mr. LENROOT. In value?

Mr. SMOOT. No; in quantity. I thought it was the other way; I thought it was the value; but the Tariff Commission man tells me that it must have 50 per cent or more of wool.

Mr. LENROOT. That can hardly be. Does the Senator say it goes by quantity, then?

Mr. SMOOT. That is what I am informed. I always thought it went by value.

Mr. LENROOT. Suppose 40 per cent of it was silk. Would it take the wool duty?

Mr. SMOOT. So I am informed.

Mr. LENROOT. I have not been able to find the Treasury decisions upon that point.

Mr. SMOOT. The Senator will find the definition given in the last paragraph of the bill, on page 207. According to that definition, if two or more rates of duty are applicable to an article, it is dutiable at the highest rate.

Mr. LENROOT. I am just informed by one of the experts that it is hardly as stated by the Senator from Utah; that, in fact, if the total value of the pound is a dollar and 60 cents of that is wool, it will take the wool rate.

Mr. SMOOT. That is as I have understood it.

Mr. LENROOT. But if the chief value was that of the silk——

Mr. SMOOT. And it was 60 per cent——

Mr. LENROOT. It would not take the wool rate, although there might be more wool than silk in it.

Mr. SMOOT. Yes.

Mr. LENROOT. That is contrary to what the Senator has just stated, however.

Mr. SMOOT. I think that is the decision. One of the Tariff Commission men told me just a moment ago, before he went out—I suppose he has gone for the decision—that it was otherwise, but I can not think of it being otherwise than that. That is the material of chief value.

Mr. LENROOT. It ought to be otherwise, because if the fabric comes in worth $1 a pound and the wool in it is worth 60 cents, then, of course, it ought to take the compensatory rate, but if the wool in it is worth 40 cents, it ought not to take this compensatory rate.

Mr. SMOOT. I was going to call the Senator's attention to the definition given on page 207 of the bill.

Mr. LENROOT. That is, of the phrase "component material of chief value"?

Mr. SMOOT. Yes.

Mr. LENROOT. The component material of chief value, as I understand from the Treasury decisions, might be 85 per cent cotton, but if 15 per cent were wool, the wool would then be the component material of chief value, and the article would take the rate. I certainly hope the words "wholly or in chief value" are not synonymous with the words "component material of chief value."

Mr. SMOOT. I think there is only one way to construe the words "wholly or in chief value of wool," and I think they will be construed that way.

Mr. LENROOT. Which way?

Mr. SMOOT. It is my opinion, and I do not see how they could be construed in any other way, that if there were 40 per cent wool and 30 per cent cotton and 30 per cent silk, and the wool was worth more than 50 per cent of the value of the goods, the goods would take the wool rate. I can not see it in any other way.

Mr. LENROOT. That would be proper. There is no objection to that construction. But that would not be the construction of the phrase "component material of chief value."

Mr. SMOOT. But this is "wholly or in chief value."

Mr. LENROOT. I understand, but the Senator said he thought they were synonymous.

Mr. SMOOT. I think they are.

Mr. LENROOT. If they were synonymous, then a single thread of silk would be the component material of chief value, if silk were worth more than wool.

Mr. SMOOT. If worth more than all of the balance of the article.

Mr. LENROOT. It would not come in under this provision at all.

Mr. SMOOT. It would not anyhow, under any circumstances or conditions. "Component material of chief value" means that material has to be 50 per cent of the value of the article.

Mr. LENROOT. Do I understand that if there is one material of greater value than wool, although it may be 5 per cent of the contents of the fabric, then the paragraph would not apply? In other words, under the phrase "component material of chief value," wool must be the material of the highest value, no matter how little wool there may be in it?

Mr. SMOOT. I am told by the Tariff Commission that they are exactly the same, and are so construed to-day. I do not see how it could be otherwise.

Mr. LENROOT. There might be about 5 per cent of wool in a fabric, and the rest of it cotton, and if the Senator's theory be correct, although the cotton actually in the fabric might be worth twice the value of the wool, it would take a compensatory duty of 40 cents a pound.

Mr. SMOOT. No; it would not.

Mr. LENROOT. That is what the Senator just said.

Mr. SMOOT. If I said any such thing, I did not mean it. I think the Senator misunderstood me.

Mr. LENROOT. I do not think so. If the Senator says that the phrase "component material of chief value" and the phrase "wholly or of chief value" are the same, I certainly am right in saying that with the words "component material of chief value" there may be 5 per cent of wool and the rest cotton, and it would take the rate, under the phrase "component material of chief value," as I have been informed by one of the experts that under this phraseology the aggregate value of the fabric will be taken into consideration, and if the wool in it is worth more than 50 per cent it will take the wool rate.

Mr. SMOOT. That is, under the words "wholly or in chief value of wool."

Mr. LENROOT. That is a different thing from "component material of chief value."

Mr. SMOOT. We are not using those words, and there is a dispute, I suppose, between the two officials. We are using the words "wholly or in chief value of wool," and that we agree upon.

Mr. LENROOT. I hope they are not synonymous with "component material of chief value," as I understand the decisions.

Mr. SMOOT. I shall telephone to the commission and find out if they have any decision there, and ask them to send me a copy of it they have one.

Mr. LENROOT. If there were a fabric with 5 per cent wool and all the rest of the fabric cheaper material, the committee did not intend to have that take the wool rate?

Mr. SMOOT. No; and of course it would not, because we use the words "wholly or of chief value."

Mr. NELSON. Mr. President, there can not be any mistake about the meaning of these words. They are based upon value; they are not based on quantity of the material put in, but on the value of the goods.

Mr. LENROOT. I was troubled with the thought whether, if wool were the most valuable material in the article, it would take the wool rate. The other construction would be that if the wool in it were worth more than all the rest of the material, then it would take the wool rate.

Mr. SMOOT. I have sent the expert to telephone to the department to see if they have any written decision upon the question. But the Senator and I agree as to the wording used in this schedule.

Mr. LENROOT. The Senator will agree that if the Treasury decision should not be clear on it, in conference it will be made clear that it is based upon the aggregate quantity, the wool being more valuable than all other materials contained.

Mr. SMOOT. There is no doubt of it.

Mr. SIMMONS. I think the Senator from Utah in his last statement is absolutely correct. I think we have always understood, and the departments have always held, that where the words "chief value" are used, as in this bill, they meant if the wool or other material in the article was of greater value than the other contents——

Mr. SMOOT. All the other contents.

Mr. SIMMONS. Then it took the rate.

Mr. SMOOT. I will say to the Senator that if there is any doubt about it, after receiving word from the commission, I will ask unanimous consent that it be changed; but I am quite sure there will be no question about it.

Mr. SIMMONS. I would like to call the attention of the Senator from Wisconsin, at this point, to another circumstance which I think of very great importance in connection with the "of chief value" provision. It is a common thing for cloths to be made of part wool and part cotton, "fifty-fifty," as we say. Those are sold as woolen goods. They are woolen goods, in the sense that the wool in them is of greater value than the cotton, and under the language of this bill the duty would apply.

Mr. SMOOT. The compensatory duty does not apply, because we only give 40 cents on that instead of 49.

Mr. SIMMONS. The duty does apply, but is adjusted and regulated to some extent, to a very slight extent, however, by the cost of the article.

Mr. LENROOT. If it were half cotton, of course there would be a hidden protection on account of the weight.

Mr. SMOOT. That is impossible. If it were 50–50, as the Senator says, it would fall under the 40-cent rate instead of the 49-cent rate, and that is midway between the 33 and the 49 cent rate.

Mr. LENROOT. If it were half wool, of course; under this rate of 40 cents, it is assumed that $1\frac{7}{13}$ pounds of wool was required. So, whenever the cotton in the article would rise above nine thirty-thirds of the total weight, there would be a hidden protection.

Mr. SMOOT. If it went over 25 per cent, or one-quarter of the 33 cents, which is $8\frac{1}{4}$, that would be true. But there is no such case.

Mr. SIMMONS. I am advised that it is possible to make a cloth with $33\frac{1}{3}$ per cent wool and the balance of other fiber, like cotton, in which wool would be the chief element. Of course, that would be a very fine grade of wool in value.

Mr. SMOOT. If you put $66\frac{2}{3}$ per cent cotton in the cloth, you would not find very much wool in it, and you would never sell it to any people in the world as woolen goods.

Mr. SIMMONS. I do not know whether you would or not. You would probably sell it as part wool and as part cotton. The price would probably be reduced on account of the fact that there was so much cotton in it. But certain grades of wool are mixed with certain grades of cotton in the proportion of 1 to 2, where the wool would be of more value.

Mr. LENROOT. Take a case where wool is worth $1 a pound and cotton is worth 20 cents a pound. Two-thirds of the fabric in weight might be cotton, and yet the article would take the wool compensatory duty.

Mr. SIMMONS. Certainly.

Mr. SMOOT. But no manufacturer is ever going to spoil his goods so that he could not get anything out of the wool at all. If you took a blanket with cotton in it—I do not mean the warp, because that is taken care of, but I mean filling—and tried to wash that blanket, you would see whether there was any wool in it or not.

Mr. LENROOT. I think that is true. Quite often during my life I have found that we buy things as wool, but when we wash them we find they are of something else.

Mr. SIMMONS. You do not find it out until you buy them.

Mr. SMOOT. No manufacturer is going to try to build a reputation in that manner, when he knows that if he does that kind of thing he can not make a second sale.

Mr. SIMMONS. I think you will find that a great many goods on the market which are sold as woolen goods contain less than 50 per cent wool. The other ingredients may not be altogether cotton, but of some other fiber. In that case the cloth would take the compensatory rate of practically all-wool goods, only reduced somewhat by the value of the cloth.

In many instances it is reduced slightly. In the case of these "fifty-fifty" goods the reduction in the cloth is but slight, because it is a very rare thing that you get all wool goods in this country. Where the cost is reduced only slightly the manufacturer would get a compensatory duty upon a pound of wool, whereas there was not a pound of wool in the cloth, but only half a pound, so you certainly would have concealed protection there. Upon a half a pound of wool he would be getting at the rate of 66 cents a pound.

Mr. LENROOT. I have some illustrations of that kind.

Mr. SIMMONS. That is only modified by the price of the cloth, and I say that modification is not sufficient to make up the difference which would grow out of the duty in case only one-half of it is wool.

Mr. SMOOT. If it is all wool it is 49 cents, and we give a compensatory duty of only 40 cents. There is a difference between the 33 cents and the 40 cents of only 7 cents instead of a difference between 33 and 49, which is 16. That is more than 50 per cent of the compensatory duty on the cloth above the scoured wool, upon that priced goods. I arrive at that figure because I know just about what will happen in making that class of goods under normal conditions.

Mr. LENROOT. The Senator does not deny that in this schedule there is concealed protection; I do not mean intentionally so, but inevitably so.

Mr. SMOOT. In practice I do not know where it is.

Mr. LENROOT. I think I shall be able to convince the Senator with reference to that point before I get through.

Mr. SMOOT. I do not know what kind of goods it is in practice.

Mr. SIMMONS. The Senator just stated that if it is all wool it gets 49 cents and if it is not all wool it gets 40 cents.

Mr. SMOOT. That is on goods of a certain price.

Mr. SIMMONS. Suppose it is not all wool, but there is enough wool to get a duty. Suppose it is 50 per cent wool, the compensatory duty is reduced to 40 cents instead of 49 cents, so that by reason of the fact that there is 50 per cent of it cotton we would have to reduce the duty only 9 cents.

Mr. SMOOT. No; it would not be 50 per cent cotton.

Mr. SIMMONS. In other words, if it is all wool it is entitled to 49 cents, but if half of it is wool and half of it is cotton it is entitled to 40 cents. Is it not perfectly clear that it is 40 cents in that case for half a pound of wool?

Mr. LENROOT. I have an illustration right here that comes very near to the illustration stated by the Senator from North Carolina. I hold in my hand a letter from Mr. Dale, editor of Textiles, in which he incloses and permits me to use an editorial appearing in that magazine this month. It is on the question of hidden protection; and when I say "hidden protection" I do not use it in the sense of criticizing the committee, because with the scheme or plan which the committee has adopted in the bill, if it is to give a proper compensatory protection where it is all pure wool, hidden protection on this plan necessarily results where a part of it is wool and would still take the full wool compensatory duty.

Mr. Dale gives this illustration as to suitings, 54 inches, 14 ounces. Those would not come under the pending paragraph, of course; they would come under the next paragraph, but the illustration holds good. Suitings, 54 inches, 14 ounces, value 97 cents per pound; 42 per cent cotton and 58 per cent wool. The duty upon a thousand pounds of this fabric at 49 cents would be $490, or an ad valorem equivalent of 50.5 per cent. The 50 per cent ad valorem, therefore, would amount to $485, making a total duty, compensatory and protective combined, of $975, or 105 per cent. Remember, this was 42 per cent cotton and 58 per cent wool, and the compensatory duty actually required in the fabric, according to Mr. Dale, would mean 870 pounds of scoured wool paying a rate of 33 cents a pound, or a total of $287.10, against an actual compensatory duty covered in the paragraph of $490. Therefore the actual protection upon the piece of woolen suiting would amount to $687.90, or an ad valorem of 70.9 per cent instead of 50 per cent, as is provided in the bill. In other words, there is a hidden protection upon this piece of cloth of 20.9 per cent ad valorem.

Mr. SIMMONS. Mr. President, I want to say to the Senator that I have quite a number of letters working it out in the same way, and there can not be any doubt about it.

Mr. LENROOT. As I said, if the plan is to be adopted, I do not know that that can be avoided; but I want to ask the Senator from Utah this question: Under the phrase "wholly or in chief value of wool," it will be necessary for the appraisers to appraise and ascertain all the elements in the fabric. They

will have to ascertain and appraise the wool; they will have to ascertain and appraise the cotton or the wool extract or the wool waste, or whatever it may be, in order to arrive at a determination of whether or not it is wool of chief value. Is not that correct?

Mr. SMOOT. Not wool waste and not wool content of any kind. That they would not have to ascertain. All they would have to ascertain would be whether any silk or cotton was in it. The wool wastes are counted as wool.

Mr. LENROOT. But they would have to ascertain the value.

Mr. SMOOT. They would have to ascertain the value of the wool.

Mr. LENROOT. They would have to ascertain the value of everything other than wool.

Mr. SMOOT. Yes; and that would only be cotton, unless it would be some few silk threads that may go into a suiting, and they do not amount to anything so far as value is concerned.

Mr. LENROOT. If they have to ascertain the value of the material other than wool, why would it not be equally possible for them to ascertain the wool content of the fabric in weight?

Mr. SMOOT. Certainly they can. If it is cotton or vegetable fiber of any kind, they simply take the small piece of cloth, which they can put into an acid bath which eats out the vegetable fiber, and they then know what percentage of it is vegetable fiber.

Mr. LENROOT. So they can ascertain the proportionate weight of wool in any given fabric?

Mr. SMOOT. Yes; but they can not ascertain whether it is waste or whether it is wool. That it is impossible to ascertain.

Mr. LENROOT. I understand. Then, if that is correct, why have not the committee, in providing for compensatory rates, provided for a compensatory rate upon the wool content instead of the entire weight of the fabric?

Mr. SMOOT. I did not catch what the Senator means.

Mr. LENROOT. The Senator said it was easily possible for the appraiser to ascertain the proportionate quantity of wool in a fabric or an article by weight. I grant that. Now, my question is, that being true, if the appraisers can ascertain whether a given article is 60 per cent or 50 per cent or 75 per cent of wool, why have not the committee provided compensatory duties upon the wool content of an article instead of the entire weight of the article?

Mr. SMOOT. In that way, without putting in the value, they would have to test every single piece that came in.

Mr. LENROOT. It would have to be done anyway.

Mr. SMOOT. Oh, no; not at all. They can very easily test first as to the value, which they must have, and then, if the value is low enough, it takes only 40 cents, and if it is higher it takes 49 cents.

Mr. LENROOT. They will have to test for value.

Mr. SMOOT. Yes; they will have to test for the element of chief value, but not the value of the cloth.

Mr. LENROOT. They will have to do that, and the Senator has said that it is easy also to determine by weight the proportionate content of the wool in the article.

Mr. SMOOT. I would not want to give a rate of 49 cents here if the value of the cloth was low, made so by the putting in of all wool waste and having no cotton waste or cotton in it at all.

Mr. LENROOT. No; of course not; but the committee could adopt here the same rule they have adopted elsewhere, allowing a lower compensatory rate for wool waste.

Mr. SMOOT. But they can not ascertain the percentage of waste in it.

Mr. LENROOT. No; they have to guess at it, just as the committee have done in the bill.

Mr. SMOOT. We have simply arrived at the value of the cloth, knowing that it could not be all wool.

Mr. LENROOT. Exactly so; and in making their estimates on a low value, in assuming that so much of it is pure wool, so much of it wool waste or other waste of wool, the committee could then, according to the Senator's own statement, eliminate all cotton or other material and give a compensatory duty based upon the wool alone.

Mr. SIMMONS. Mr. President, if the Senator will pardon me, that applies to yarns as well as to cloth.

Mr. LENROOT. It certainly does.

Mr. SIMMONS. Will the Senator pardon me a moment further?

Mr. LENROOT. Certainly.

Mr. SIMMONS. I have in my hand a statement sent me by the Carded Wool Manufacturers' Association, 146 Summer Street, Boston, Mass. After discussing an ad valorem rate as the proper one to adjust the difficulty growing out of the methods adopted by the committee, the statement proceeds:

> We have thus far referred only to goods made wholly of wool. The compensatory duty on goods made of mixture of wool and other fabrics represents a special problem that requires solution. The phrase "wholly or in part of wool" in the old Schedule K, which is also in the present House bill, resulted in a scandalous excess of compensatory duties on mixed goods. The phrase "wholly or in chief value of wool," which the Finance Committee has substituted in the present bill, is a very inadequate remedy, leaving, as it does, huge amounts of protection concealed in the compensatory duties. To avoid this defect we recommend that the compensatory part of the ad valorem duty on mixed goods be made proportionate to the percentage of wool in the weight of the goods, a recommendation that we made to the Finance Committee on December 14, 1921, and which has been ignored by both the Finance Committee and the Tariff Commission.

Now, the Senator suggests that way of meeting the difficulty. It is a complete remedy, in my judgment, for the difficulty growing out of the concealed protection in the compensatory duties. If it is necessary to find, as it is necessary to find, the content of chief value in any article where the rate of duty is to be determined by whether a given thing constitutes the element of chief value in the article, that happens in the tariff schedule in a great many instances. In this particular instance it is no more difficult than in others. As the Senator very well said, it is absolutely necessary in the first instance for them to find that the element of chief value is cotton or wool, and when they have found that, then they could apply the ad valorem principle to the wool.

Likewise in the cloth, as the Senator has said, in order to determine the question of whether or not it is entitled to a compensatory duty at all, it is necessary to find that wool is the chief element of value. When that has been found, what is the difficulty in fixing the compensatory rate upon the basis of the percentage of the wool in the article instead of fixing it upon the total contents of the article?

Mr. LENROOT. Mr. President, I am frank to say I had supposed, without having had opportunity to make any careful inquiry into the subject, that there would be a considerable degree of difficulty in ascertaining the wool content; but the Senator from Utah [Mr. SMOOT], a woolen manufacturer and an expert upon this subject, states that there would not be such difficulty. That being so, I can not, for the life of me, see why this compensatory duty is not based upon the wool content so that we may at least prevent this hidden protection where the fabric or the article to from 30 to 50 per cent is made of some other material than wool.

Mr. President, in order to test the sense of the Senate, I move to amend the pending amendment by inserting after the word "pound," in line 6, page 146, the words "upon the wool content thereof."

The PRESIDENT pro tempore. The question is upon the amendment proposed by the Senator from Wisconsin to the committee amendment.

Mr. SIMMONS. Mr. President, I had not intended at this time to enter into a discussion of these compensatory duties, but the Senator from Wisconsin [Mr. LENROOT] has brought the matter up, and I have some very decided views about it which I wish to express. Besides, I have some data in reference to the matter which I wish to lay before the Senate.

All during the discussion of the duties upon yarns and fabrics, whenever it has been brought to the attention of the committee that the rates proposed seemed to be outrageously excessive, the Senator in charge of the bill has replied, "We are compelled to provide these high compensatory rates because of the duty which is placed upon wool." Members of the committee have spoken of that duty rather apologetically as a rate they were forced to impose and as to which they could not help themselves.

Mr. President, who is responsible for the high duties upon the raw material? The Republican Party in this Chamber have themselves placed those duties in the bill. That party alone is responsible for them. Republican Senators, therefore, can not excuse themselves when complaint is made that the compensatory rates are too high by saying "We were forced to make them thus high because of the high rates on wool."

There has never been in the framing of a tariff bill in the United States a case of such gross discrimination as there is in the fixing of the duties upon raw wool in the pending measure. It is entirely proper, Mr. President, to impose a fixed and rigid specific duty upon a product which is of uniform value and of reasonably uniform quality; there is no inequity in that. Every purchaser of the article pays a duty at the same rate and every producer gets the benefit of the same rate; but here we have an article, raw wool, that divides itself into as many parts and grades as do cotton and tobacco. Its value is determined altogether by its quality. We do not overcome that discrimination when we impose the same rate of duty upon the scoured content of wool of one grade as we impose upon the scoured content of wool of another grade. It

is true the duty applies to the same quantity in both cases, measured by weight, but the scoured content of certain wools is worth 20 cents a pound in the foreign market to-day; indeed, certain inferior grades sell for as low as 16 cents a pound in foreign markets to-day, while the scoured content of another kind of wool is worth in the foreign market $1.20 a pound.

The scoured content of certain lower grades of wool in this country to-day is selling in the Boston market at 41 cents a pound; the scoured content of higher grades of wool is selling in the Boston market, I think, for $1.35 a pound. I am not quite sure that my figures are correct as to that, but they are substantially correct. In between these two extremes there is a vast variety of wools in which the scoured content sells for one price and another price and another price according to its grade of coarseness or fineness.

To levy a flat and rigid duty upon that raw material without any reference to its price when the price ranges from 41 cents a pound to $1.35 a pound in the American market and from 16 cents to $1.35 in the foreign market is to inject into this tariff bill with reference to this vital product, which is made the key to the duty upon cloth and the clothes which the people wear, an element of uncertainty and of discrimination without a parallel, I think, in tariff history.

This discrimination, resulting in the rankest injustice to everybody concerned, especially to the consumer who is the purchaser of the cloth, is necessarily carried forward in the duty on the yarn and on the cloth and on the garments and other articles made of woolen goods.

Mr. President, that could have been avoided. It can be no possible excuse for an injustice and a discrimination of this kind to say that it was difficult to arrange it in any other way; that there were administrative difficulties which were almost impossible to overcome. A rate of this sort that works this kind of injustice which is necessarily carried on, getting larger and larger until, in the last analysis, the people are the victims, ought not to be tolerated. To say that there is no other way by which we can tax these raw materials except by imposing a specific duty upon them in bulk, without reference to the grade or quality or value, is to repudiate the whole tariff history of the country and the method of dealing with it that has heretofore been followed. It is also to confess that the present majority party is not able properly to formulate a tariff bill.

At least, Mr. President, if the committee felt that there were administrative difficulties connected with ad valorem rates upon raw wool which could not be overcome without great trouble to the department, they might have divided the wool into classes, the classification to be based upon the value or the quality, and might have imposed one specific rate upon one quality and a different specific rate upon another quality. That has been done heretofore; that would be better than the plan proposed in the pending bill, under which all are bulked together—the Australian wool, the New Zealand wool, the wools of all the countries of the world—without any reference to variety or quality, the same fixed, unyielding rate of duty being imposed upon each. The man who buys wool of a foreign value of 16 cents a pound in order to bring that wool into this country has to pay a duty of 33 cents a pound upon it, and in the last analysis the ultimate consumer of that article has to pay that rate.

Mr. SMOOT. Mr. President, I think the Senator will want to correct that statement.

Mr. SIMMONS. I am talking about a scoured pound.

Mr. SMOOT. The Senator did not say that.

Mr. SIMMONS. Of course, I am talking about a scoured pound, as is plain, or ought to be, to everyone. We are not dealing with wool in the grease in this schedule at all. I am talking about the raw-wool schedule. There is no provision there about taxing wool in the grease. Wool is taxed on the scoured content, and what I am saying is that there are certain classes of wool sold in Great Britain to-day as low as 16 cents a pound and there are other classes sold at $1.20 a pound, and to-day in the Boston market there are scoured wools of the lower grades selling for 41 cents a pound, and there are high-grade wools selling for $1.35 a pound.

What I said was this, and the official records will bear me out: There is some wool sold on the London market for 16 cents a pound. I am referring to scoured content, of course. That wool, when it comes into this market, has to pay a duty of 33 cents a pound. That is practically twice as much as it costs in the foreign market. The man who brings in foreign wool that costs $1.20 a pound in Great Britain or anywhere else in the world pays only the 33 cents a pound. He pays as a duty one-third of the price of the wool he bought. The other man, who buys the 16-cent wool, pays as a duty double the price at which he bought the wool. I say that no such monstrous discrimination and injustice as that has ever before found its way into a tariff bill in this country.

I am not going to argue the question of whether it was entirely feasible to impose an ad valorem duty upon raw wools and carry that forward in the products of raw wools; but in the letter from the Carded Woolen Manufacturers' Association, which I will ask to have published in the RECORD without reading, that question is discussed, and I think the conclusion is reached that it is entirely feasible. I want to say, however, that I can go through this bill, and I can pick out various other provisions of it that assimilate themselves to this situation, in which we have found it feasible to deal with it from the standpoint of ad valorem rates.

It was not, however, that phase of the matter that I rose to discuss. I refer to that simply for the purpose of showing that the fundamental trouble about this whole situation is the erroneous and the misleading and the discriminating method employed by the committee in fixing its duty upon the raw material. That error having been once committed, of course it will pursue us to the end of this schedule. There is no escape from it. Senators do not avoid their responsibility to the public by saying, when we get to the cloths, that they are forced to place upon them these excessive and unheard-of duties, ranging as high as 100 per cent upon the coat that a man wears, because of the high duties upon the raw material for which the manufacturer must be compensated. They can not escape the blame with that sort of an excuse, because they are responsible for these high duties on raw wool and for the outrageously unjust and unequal manner in which they have imposed these rates, working wrong and injustice and discrimination all through the schedule.

Now, Mr. President, I get to the subject that I really rose to discuss, and that is the subject of these compensatory rates. The rates that are imposed on woolens in this bill for the purpose of protection are very excessive, and they are wholly unnecessary and unjustified, as was proven by the Senator from Massachusetts [Mr. WALSH], who in the very able and exhaustive presentation that he made yesterday, showed conclusively that with respect to the most of the products of wool on which these high compensatory rates are imposed the Underwood rates have been so effective that they have reduced importations in many instances to a minimum, and in some instances have practically excluded importations.

His facts and figures have not been disputed or overthrown; and in that situation there would seem to be no excuse or equity in raising these rates higher, especially in view of the fact that the compensatory rates are going to put the price of these cloths up to a point where, in my judgment, very little wool of the lower grade will be imported, and we shall have a flood of domestic goods bearing the name of woolens made of shoddy and noils and the waste products of wool.

The ability of the consumer to buy must sometimes be taken into consideration. Woolen goods are now so high that poor people have to put up with some substitute, or have to buy the very cheapest quality of woolen goods, which they understand to mean goods made out of cotton with a little shoddy or waste wool in it. With these high duties practically doubling the price of many of the products of wool, especially the clothing worn by the common people as well as by the rich—an article that is absolutely necessary in certain sections of the United States in times of winter—they will be so high that it will be difficult for the consumer of moderate means, especially the man who has to earn his living by the sweat of his brow, to buy anything except the very cheapest clothes made of these materials, or into which these materials enter to any extent whatsoever. In that situation, with the distress that exists among a large class of the consumers in America, with 50 per cent of them, the farming classes, unable, generally speaking, to make ends meet in their operations, making nothing upon their capital, and in many instances when fortunate enough to come out even, having no profits whatever, there is certainly no justification for levying these excessive duties on the lower grades of raw wool, two or three times as high as the duties imposed on the finer grades of raw wool. I repeat, there can be no excuse for the majority's proposition of not only levying these high and excessive rates upon the raw material, which are carried forward in the finished product by way of compensation, but actually increasing in these conditions a protective rate that has for 9 or 10 years, when raw wool was free, proved adequate not only to protect the wool manufacturers of the United States but practically to exclude certain outstanding products of the woolen mills, giving our wool manufacturers a virtual monopoly of the market, which they have taken advantage of and greatly raised their prices;

indeed, they are to-day, by reason of protection which is practically an embargo, selling their goods at a rate out of proportion to the standard of wage and the standard of profit under which two-thirds of the people of this country are living.

What do they want higher duties for, when the present duty is highly protective or prohibitive? When I have asked that question heretofore, when a situation exactly like this has developed, the answer I have gotten, and the only answer, is: "Well, if no importations are coming in, increasing the duty will do no harm." Why, then, do they want these duties increased? As the able Senator from Massachusetts [Mr. WALSH] yesterday showed, in this industry—and it is true of practically the whole textile industry; less so, probably, in the cotton industry than others, because in that industry the number of mills is many times larger—but in the textile industry as in the steel industry of this country and in many other industries of this country, unfortunately the process of consolidation and combination and agreement and monopoly has progressed to the point where the industry has been either monopolized altogether or sufficiently controlled by monopoly methods to enable the producer to fix his price arbitrarily, subject only to two conditions: First, the amount that the traffic will bear; second, the danger of foreign competition in case the price is raised above the level of the duty imposed.

In most of these cases where the industry is monopolized or trust controlled as to prices, as in the case of the woolen industry, the price has been raised practically to the level of the present duty. They have not raised it higher because the minute they raise it higher they invite foreign competition. They want to raise prices, and they are raising prices. There is not a day that we do not read in the newspapers of some increase in the price of woolen goods here and there. Since this bill has been under consideration the prices of certain woolen goods have advanced first 10 and then 25 per cent. They can not go any higher without inviting foreign competition. Probably present prices would have invited some but for the demoralized and crippled condition of the industries in the Old World. These protected profiteers want to go higher. They intend, the minute this bill is passed, to go higher.

It is common knowledge that there is going to be a jacking up of prices all along the line as soon as this bill is passed. Some men in the big trust-controlled industries are sufficiently wise and prudent to restrain themselves until the bill is passed, because they are afraid that if they should begin to increase prices before it passes it might have a deleterious effect upon the prospects of the bill. But the woolen industry in many of its branches has not been able to restrain itself. It has been raising prices in anticipation. What do they want with more duties? They want them for the purpose of enabling them to further increase their prices and at the same time, by reason of the increase in the duty upon the product, to continue to be immune from foreign competition.

In these debates I have heard some most amazing statements. The Senator from Indiana [Mr. WATSON], a member of the Finance Committee, a bright particular star in the Republican firmament, in an address which he made in the Senate at the time he staged that vaudeville exhibit which rather sickened the country, and which has become the subject of laughter and of jest from one end of the country to the other, made this broad statement, in effect: "Take care of the producer and the consumer will take care of himself."

Mr. President, with production in these industries in the hands of monopolies, in the hands of price-controlling trusts, how can the consumer take care of himself? If we add additional duties, the consumer, who is now not able to take care of himself, as everybody knows, will be confronted by a still harder proposition in his attempt to take care of himself. Take care of the producer and let the consumer take care of himself! How is he taking care of himself now? He is taking care of himself now by being forced to pay from 50 to 100 per cent more for many of the common things of life than they are intrinsically worth and than is warranted upon any basis of cost of production. He is utterly helpless. Yet this shining light of the Republican Party suggests that our business here in legislating is to provide for the producer and protect him, confer upon him all sorts of favors through the tariff, stop trust prosecutions, and put no impediment in the way of the formation of trusts. That is a magnificent way of taking care of the producer.

The Republican Party has been in power over a year and I have not heard of any prosecutions of trusts, although we all know that during the war the trusts in the United States multiplied and multiplied, and that their power to-day is infinitely greater than it has ever been in the history of this country, and we all know that if this bill passes the hands of the trusts will be further strengthened and the further monopolization of the industries of this country will be invited.

Oh, yes; help the producer. Do not prosecute him if he is in a trust. Do not interfere with his trust organizations. Give him a free hand to monopolize, and then give him enough tariff duty to enable him to raise his present skyward prices until they bump the sky. That was his theory, and the country should know that such is the doctrine of the Republican Party as represented by its leaders in this Chamber.

Mr. NICHOLSON. Will the Senator yield to a question?

The PRESIDING OFFICER (Mr. MOSES in the chair). Does the Senator from North Carolina yield to the Senator from Colorado?

Mr. SIMMONS. No; I do not wish to be interrupted. I am going to make this speech without interruption. I have been drawn off from the things I was talking about on former occasions, and I am not going to be diverted now.

Later we had another most remarkable declaration made here from another very conspicuous and unique figure in connection with this tariff legislation. Of course, I need not name him, because everybody will recognize him at once by the description I have given. I refer to the junior Senator from Idaho [Mr. GOODING], the man who has succeeded in out-Heroding Herod in his demands for protection. He is the leader of the agricultural "tariff" bloc upon the other side of the Chamber. He is the man who dictated these high rates upon wool and all other agricultural products. He made his demand of his Republican colleagues as spokesman of the bloc, and he got what he wanted, every bit of it, and he is demanding of the Senate to-day his pound of flesh. The Finance Committee has shown quite a disposition during the past two or three weeks, while we have been dealing with the cotton schedule and some of the schedules before that, to meet the demands of the country and to recognize the growing opposition of the public and the growing opposition among Senators on the other side of the Chamber. Day after day they have come in and cut their rates, sometimes unexpectedly cutting them almost to the bone, cutting them down almost to the level of the Underwood rates.

That became a common practice. Sometimes their changes covered five or six pages, numbering scores of amendments, expected to be offered that day or subsequently. But it is noticeable that since we reached the wool schedule the committee has come to a sudden halt, and we have no more concessions worth mentioning. Why is that? Why suddenly change this policy of reducing these rates, proven and established and recognized by everybody as being excessive and unjust and unwarranted? Why suddenly stop when we reach wool? I will tell the Senate why. Wool is the very keystone which has bound the other side of the Chamber together in a hard and fast compact, whether implied, expressed, or understood. That has become absolutely necessary to the integrity of the bill and to enable it to be passed through the Senate at all.

The rate on raw wool is the key to the whole situation. If you cut that, look for rebellion on the part of the "agricultural tariff" bloc; look for the slaughter of your high rates upon the manufactured articles.

Mr. President, I think one might safely say that with the increased protective rates in the wool schedule and the increased protection they are going to get in the way of this camouflaged tribute in the compensatory duty, the woolen manufacturers of this country are going to have a protection which will be so satisfying, so complete and all-embracing, that at least for many years to come we will hear no complaint from the woolen people about importations from abroad. But the people will indeed groan under their exactions.

These protective rates, plus the protection in the compensatory clauses of the bill, are going to give the producers not merely control of the American market but are going to give it to them without any interference or the possibility of interference by competition from abroad. The embargo during the war was not more protective and prohibitive than will be these rates.

But, Mr. President, I was speaking of the junior Senator from Idaho [Mr. GOODING]. The Senator from Idaho, I said, is the "master mind" in connection with the wool schedule. He has forced terms upon the Republican Party in the Senate, and he is not going to let them out, and the minute they undertake to interfere with the rates he forced upon the schedule there is going to be trouble about the rates the others on that side want.

But what I desire to call particular attention to in connection with the part of the junior Senator from Idaho in this matter were certain observations which he has made in the

Senate, not once, not twice, but repeatedly, showing that it is a fixed conviction in his mind, to the general effect that he is in favor of a tariff so high that nothing which is produced or can be produced in this country shall be subject to foreign competition. In other words, properly interpreted, the Senator, if not in express terms, though I think it was practically expressed in language that he used, means that he wants to establish a universal embargo, throw all around our borders a high protective wall, and exclude the product of every other country in the world if that product can be or is produced in this country even by the "hothouse method." That means, of course, the establishment in the United States of a policy which was inaugurated in another quarter of the globe centuries ago.

China, the oldest civilization in the world, with a philosophy and a science and a religion that antedates ours, with an industrious population, with exhaustless supplies of all the essential raw materials—I doubt whether there is any country upon the face of the globe so favored with the essential and vital raw materials of manufacture—with a rich and fertile soil, with a reasonably salubrious climate, centuries ago established the policy of seclusion and isolation. Notwithstanding the balance of the world since that time has advanced in economic and financial resources and status beyond the dreams of the philosophers and statesmen of the olden time, or even of the middle of the past century, China to-day stands but little further advanced industrially, economically, or financially than she was when that policy was first inaugurated.

That is the policy which would be inaugurated here by this gentleman representing a great State of the Union, the head of the "agricultural" bloc, whose mandate was honored by the committee and who stands here with a whip in his hand and restrains the Finance Committee from regulating and correcting the evils which are denounced by Senators upon both sides of the Chamber who have studied the question and who understand it, and whose complaints are not even heeded or answered. He has made that declaration. And on the Republican side there comes no repudiation, no rebellion, against the high hand of the modern tariff Herod.

What, I inquire of Senators, will be the effect upon the wheat, cotton, and tobacco farmers of the United States if this suicidal policy is adopted and they should as the result of it, as they would, lose their foreign market for the sale of their great surplus? Will not wholesale bankruptcy and ruin inevitably result?

Now, Mr. President, I come back to the wool schedule. The Senator from Wisconsion [Mr. LENROOT] has rendered a distinct service, although I think it has been entirely futile in its effect upon the Finance Committee and in its effect upon the Senate. Notwithstanding the clear, manifest, undeniable, and practically uncontroverted justice of his position calling for the application of the reductions and the readjustments which the committee have been making now for three or four weeks, the Senator from Wisconsin recognizes, as I think we all recognize, that upon this schedule we are absolutely hopeless and nothing can be accomplished. The cards have been stacked. The deal has been arranged. The rates of this schedule are the basis of the coalition between the Republican factions. It is to that coalition what the blood which palpitates in my heart is to my life. It must not be touched. Touch it and the whole bill is wrecked. The Senator from Wisconsin recognizes that situation as we recognize it, although he may not be quite so open or bold as I am in his expression about it.

There is another feature to which the Senator from Wisconsion called attention this morning that is very interesting. The compensatory duties are levied not exactly as they were in the Payne-Aldrich law. The rule is different. They are not levied as in other Republican tariff laws which have been enacted. The pending bill provides that the application of the duty of 33 cents, when translated into rates that are proposed to be corresponding when the wool is converted into yarn and cloth, whether the rate be on the raw material or in the translated state on the finished or semifinished product, shall be upon the basis of 33 cents a pound. That is the basis of the compensatory rate, different in decimals only because of the waste and loss in conversion. This rate is to apply to all articles, raw wool or finished product, when the wool in the article is the element of chief value—not chief quantity, not chief quality, but when it is the element of chief value.

Mr. President, it may be all right to carry forward that raw-wool duty of 33 cents by way of compensation at the full rate on the raw product, provided the article upon which the tax is to be levied and the duty collected is all wool. If it is not all wool, then if the full rate is levied manifestly the producer will get the benefit of the protection not measured by the wool content, but measured by the content of wool plus the content of cotton or of silk or of any other fiber. Just in proportion as those foreign substances exist as compared with the major substance, namely, wool, just in that proportion will the compensatory rate allowed exceed the proper measure of compensation and be in the nature of additional protection.

I do not think that proposition requires elaboration. The committee have attempted, in some slight measure, to meet this situation by providing a certain rate when the article is worth a certain sum and a certain higher compensatory rate when the article is of a higher value. That does, to some extent, meet the situation, but to a very limited extent. I do not wish to take up too much of the time of the Senate in elaborating that, but I wish to read a letter which I have received from one whom I regard as a very high authority. The letter is from Mr. W. C. Hunneman, of Boston. Mr. Hunneman is a director of the Carded Woolen Manufacturers' Association. He is a man who, as this letter shows, has given very careful study to this aspect of the question. The letter is dated July 24 and is addressed to myself. It reads:

> One feature of the Finance Committee's wool schedule, the concealed protection in the compensatory duty, has not received the attention it deserves.

It has received little attention, Mr. President, although it is one of the most important things in this bill; it is also one of the greatest outrages in the bill. It is a subterfuge and a miserable fraud. It is an attempt to get protection under a false pretense, and it deserves the most unqualified and unmeasured denunciation, in my judgment. Mr. Hunneman continues:

> First let us take goods made of mixtures of wool and cotton. If, as is easily possible, wool is the component material of chief value in a fabric composed of 50 per cent wool and 50 per cent cotton by weight—

Of course the wool is worth twice as much as the cotton, and it is, therefore, necessarily "of chief value"—

> the compensatory duty under the Fordney-McCumber bill, and the compensatory duty actually required—

That is to say, that the manufacturer was actually entitled to by reason of the duty upon the raw material—

> assuming the value to be $1 per pound, would be as follows: Compensatory under Finance Committee bill 49 cents per pound; ad valorem 49 per cent; compensatory required 24.5 cents; ad valorem 24.5 per cent; concealed protection 24.5 cents; ad valorem 24.5 per cent.

In other words, one half of the compensatory duties that the manufacturer gets in that case, according to Mr. Hunneman, he is entitled to because of the wool that is in the fabric, and the other half he is not entitled to because it is not wool but cotton.

Mr. President, how outrageous it is to say that I shall have a duty of 33 cents upon my woolen goods by way of compensation for the 33 cents duty on wool, and then to give me 33 cents a pound upon an article in which there is 50 cents worth of cotton and 50 cents worth of wool, or in which wool constitutes one half and cotton constitutes the other half! Of course, it is concealed protection; it can not be anything else. It is stolen protection; it is sneaked-in protection. Proceeding, Mr. Hunneman says:

> It is impossible to say how small a percentage of wool might be used in a wool and cotton mixed fabric in which wool is the component material of chief value; but let us suppose it could run as low as 30 per cent of wool. Then the concealed protection would be as follows, taking cloth worth $1 per pound for illustration: Compensatory under Finance Committee bill, per pound, 49 cents; ad valorem, 49 per cent; compensatory required, 14.7 cents; ad valorem, 14.7 per cent; concealed protection, 34.3 cents a pound; ad valorem, 34.3 per cent.

I do not know how low the wool element might descend and wool still remain the element of chief value; but I know that woolens and cottons are mixed and I know that wool of the highest qualities is selling for around $1.35 per pound in the United States. That is the quotation furnished me yesterday. I have not the exact figures before me, but, on the average, it is somewhere around there. The lower grade is selling in Boston at 41 cents a pound, and the higher grade, as I have just stated. at $1.35, while cotton is still low, being at this time worth around 21 cents a pound. So it is possible that if one-third of the fabric was wool of a higher grade it might constitute the element of chief value.

This talk about all goods being up to the standard of the complete wool garment is bosh, and everybody knows it. The country is now flooded with mixed goods; I should say, upon a rough guess, that one-half and perhaps two-thirds of all the woolen goods that are upon the market to-day are mixed with cotton or some other fiber. I have no doubt that the cheaper cloths, such as poor people use, are not only made of the cheaper grades of wool but they are greatly mixed with other fibers than wool. Yet, Mr. President, however cheap the

grade may be, however much it may be diluted with cotton and other fibers, under this bill practically the same rate of compensation will be allowed upon those goods, and the coarser the quality of the goods the higher the rate of protection given by way of compensatory duty.

Proceeding, Mr. Hunneman says:

We learn from the press reports—

I will not read that, because it is personal to the Senator from Utah and it is not necessary to read it. After alluding to some statements of the Senator from Utah, calling them in question and criticising them, he says:

Furthermore, the Finance Committee bill, while theoretically making the compensatory duty on all wool goods equal to what is required, does in fact give concealed protection, and for these reasons:

On medium and low-priced wool the scoured-content duty acts as an embargo on imports—

That is exactly what I said a little while ago, that on medium and low-priced wool the scoured-content duty acts as an embargo on imports—

and medium and low-priced all-wool goods will then be manufactured by substituting wool by-products—noils and shoddy—for new wool. The Finance Committee's bill places the full compensatory duty on such goods because they are all wool. Thus the Finance Committee's bill prevents the wool manufacturer from obtaining medium and low priced wools. It also prohibits by high duties the importation of wool by-products, noils, and shoddy. It thus places the wool manufacturers in a position where they can not import any of these raw materials and gives the domestic producers of wool by-products, noils, and shoddy a monopoly of the domestic market, enabling them to force prices of these materials to excessive heights, the ultimate consumers, of course, paying in the end.

The fact is that the Finance Committee has merely camouflaged the old "wholly or in part" provision—

That was the provision in the Payne-Aldrich law—

leaving the compensatory duty on both mixed goods and all-wool goods as objectionable as in the House bill and Schedule K.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Utah?

Mr. SIMMONS. I said awhile ago I was going to make this speech without yielding. The Senator can reply when I conclude.

Mr. SMOOT. I did not intend to refer to anything the Senator himself said, but he has placed in the RECORD statements that some one wrote him, and I wish to say that the statements made in the letter are not true.

Mr. SIMMONS. I have read the statement as being that of Mr. Hunneman, but it is signed by the "Carded Woolen Manufacturers' Association, W. C. Hunneman, director." I am not vouching for the truth of all of his statements, but I do not doubt that they are substantially correct with reference to his comment on this bill.

Mr. SMOOT. That is what I wanted to make clear.

Mr. SIMMONS. The Senator is at perfect liberty to express his opinion of the veracity of Mr. Hunneman after I conclude.

Mr. SMOOT. The Senator from North Carolina knows that the compensatory duty on cloth of which the writer of the letter speaks is 26 cents a pound, and on blankets it is only 20 cents a pound, and not 49 cents. The letter is deceptive from beginning to end.

Mr. SIMMONS. Mr. Hunneman was discussing goods of a value of $1 a pound. That is the basis of his figures.

Mr. SMOOT. Then his conclusions are absolutely wrong.

Mr. SIMMONS. The Senator can point that out and write to Mr. Hunneman about it if he cares to do so.

Mr. SMOOT. I do not care anything about what Mr. Hunneman says.

Mr. SIMMONS. I presume Mr. Hunneman has also written to the Senator from Utah, because I have a copy of a letter here which is addressed to the Senator from Utah, but which has never been read into the RECORD.

Now, Mr. President, I want to put in the RECORD a statement with respect to this matter by the Carded Woolen Manufacturers' Association, whose chief office is at 146 Summer Street, Boston, Mass. I want to read only a very short part of it, but not all of it.

To the Members of the Sixty-seventh Congress:

In the revision of Schedule K the truth about the compensatory duties should be kept in mind, not only because of its importance in the wool tariff but because of the errors regarding it that have been disseminated for 55 years. The facts are as follows:

1. Specific duty on grease wool: It is impossible to adjust the compensatory duties to a grease weight specific duty on wool, any attempt to do so being certain to result in wide variations, the old Schedule K with its concealed protection being an example.

2. Specific duty on scoured content: If wool were a product of uniform value like gold, silver, and copper, with all kinds of wool selling at one price per scoured pound, a scoured content wool duty would give access to all wools on equal terms, and a compensatory duty on goods could be made approximately to balance the scoured content specific duty on wool. Instead, however, of being uniform in price, scoured wool varies widely in value—from 16 cents to $1.20 per pound on wool in large quantities at the present time—as a result of which any specific duty on the scoured content is bound to result in a very low ad valorem equivalent duty on high-priced wool—

The kind that the rich buy; a very low duty on that—

and a very high ad valorem equivalent duty on low-priced wools—

The goods that the poor people of this country buy.

Mr. President, I say that no party can stand before the American people and defend putting an ad valorem equivalent rate of 206 per cent—and that is what Mr. Hunneman says is involved here, as I shall read in a minute—upon the low-priced woolens that are purchased and used by the average man who makes his living by the sweat of his brow, whose occupation in this life is to earn its necessaries, and at the same time putting a duty of only 27 per cent ad valorem equivalent upon the high-priced woolens, which are largely purchased and used by men of means and of wealth. The thing is intolerable. The thing will not be submitted to by the American people. They will repudiate the act and repudiate the agents responsible for the act. They ought to. No more horrible wrong can be done in this world than to discriminate in the cost of the necessaries of life between the poor man and the rich man in favor of the rich. It is cowardly as well as iniquitous.

Proceeding, Mr. Hunneman says:

In the case of the 33-cent duty the variation being from 27 per cent to 206 per cent ad valorem on present values.

Now, an essential factor in the problem is that, regardless of quality or value, every pound of wool, whether new or reworked, and every pound of cotton compete with every other pound of wool, owing to the possibilities of substitution, so that when the ad valorem equivalent of the scoured content duty rises above the purchasing power of the consumer it operates as an embargo, the lower-priced cotton, shoddy, and other fibers being substituted for new wool in order to keep the price of the cloth within the consumer's purchasing power.

That is just what will happen, in my judgment.

Then the theoretically correct compensatory duty ceases to be a compensatory duty, and, combined with the protective rate, operates as an embargo on imports of goods. This fact makes it impossible to adjust a compensatory duty to the increased cost of wool resulting from a scoured content wool duty.

Mr. President, before that article concludes there is a statement that last December this association, through its representatives, appeared before the Finance Committee and suggested an amendment to the wool schedule to cure this difficulty, and in order to accomplish that result they recommended that the compensatory part of the duty on mixed goods be made proportionate to the per cent of wool in the goods. Unless I change my mind, or unless somebody else offers it, I shall offer such an amendment here. I hope somebody else will, because I have discovered the utter futility of amendments coming from this side of the Chamber. To be successful they must come from the other side, in order that the Republican Party may get such credit as there is in the reduction of these rates, or the change and remedy of these unjust arrangements. I hope some one on the other side will offer an amendment by which the compensatory rate shall be imposed upon the wool content of the garment or of the yarn, because I think it will to some extent correct this evil, and it is an evil which ought to be corrected. It is simple justice to the people of this country, and it can be done without injustice to the wool manufacturers.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. SIMMONS. Yes; I yield.

Mr. LENROOT. I will say that that is the amendment now pending, making the basis of the compensatory duty the wool content of the article.

Mr. SIMMONS. Did the Senator offer it?

Mr. LENROOT. I did and it is now pending.

Mr. SIMMONS. I did not know that. I was not present when it was offered. It had not been called to my attention. It is a very just amendment, and I hope it will prevail. It will help this situation wonderfully. It will eliminate this concealed protection, and if there is one thing we ought to do it is that we permit the people of the country to know exactly what rate of protection we are giving to these interests, and let them know exactly what rate they are going to have to pay upon a certain product, whether that duty is upon the product itself or whether it is smuggled in and camouflaged and screened in the way that these compensatory duties are arranged by the committee.

APPENDIX.

THE TRUTH ABOUT COMPENSATORY WOOL DUTIES.

To the Members of the Sixty-seventh Congress:

In the revision of Schedule K the truth about the compensatory duties should be kept in mind, not only because of its importance in the wool tariff but because of the errors regarding it that have been disseminated for 55 years. The facts are as follows:

1. Specific duty on grease wool: It is impossible to adjust the compensatory duties to a grease-weight specific duty on wool, any attempt to do so being certain to result in wide variations, the old Schedule K with its concealed protection being an example.

2. Specific duty on scoured content: If wool were a product of uniform value like gold, silver, and copper, with all kinds of wool selling at one price per scoured pound, a scoured-content wool duty would give access to all wools on equal terms, and a compensatory duty on goods could be made approximately to balance the scoured-content specific duty on wool. Instead, however, of being uniform in price, scoured wool varies widely in value (from 16 cents to $1.20 per pound on wool in large quantities at the present time), as a result of which any specific duty on the scoured content is bound to result in a very low ad valorem equivalent duty on high-priced wool and a very high ad valorem equivalent duty on low-priced wools; in the case of the 33-cent duty, the variation being from 27 per cent to 206 per cent ad valorem on present values.

Now, an essential factor in the problem is that, regardless of quality or value, every pound of wool, whether new or reworked, and every pound of cotton compete with every other pound of wool, owing to the possibilities of substitution, so that when the ad valorem equivalent of the scoured-content duty rises above the purchasing power of the consumer, it operates as an embargo, the lower priced cotton, shoddy, and other fibers being substituted for new wool in order to keep the price of the cloth within the consumer's purchasing power. Then the theoretically correct compensatory duty ceases to be a compensatory duty, and, combined with the protective rate, operates as an embargo on imports of goods. This fact makes it impossible to adjust a compensatory duty to the increased cost of wool resulting from a scoured-content wool duty.

3. Ad valorem duty on wool: If the percentage of increase in the American cost of converting wool into cloth were equal to the ad valorem rate on wool, both being, say, for illustration, 50 per cent, an ad valorem duty of 50 per cent on goods would provide both compensation for the wool duty and protection to the wool manufacturer without any variable factor whatsoever, regardless of the relative proportions of wool cost and conversion cost that make up the total cost of the goods.

It is generally believed that the American cost of converting wool into wool goods is double that of the foreign cost; that is, 100 per cent higher, while the ad valorem equivalent of the Payne-Aldrich wool duty was about 50 per cent. This difference of 50 per cent between the increase of the conversion cost and a duty of 50 per cent on wool, combined with the variation in the relative proportions of wool cost and conversion cost of goods, introduces the only variable factor in the adjustment of a compensatory duty in an ad valorem wool schedule.

Substantially all variations in the relative proportions of wool cost and conversion cost of goods are included within the extremes of 40 per cent for wool and 60 per cent for conversion, and 60 per cent for wool and 40 per cent for conversion. Let us assume that an ad valorem tariff on wool and wool goods is based on relative costs of 50 per cent for wool and 50 per cent for conversion. Let us also assume that the wool duty is 50 per cent ad valorem and the American conversion cost is 100 per cent higher than the foreign. Then the compensatory rate on goods costing 50 per cent for wool and 50 per cent for conversion would be 25 per cent ad valorem, and the protective rate 50 per cent, making the total duty on goods 75 per cent ad valorem.

Under such a wool schedule the one extreme of 40 per cent for cost of wool and 60 per cent for cost of conversion means that 10 per cent of the total cost which the tariff assumes to be the wool cost, requiring a protection (compensation) of 50 per cent ad valorem, is in fact conversion cost requiring a protection of 100 per cent ad valorem; that is, this 10 per cent of the total cost receives a protection 50 per cent less than is required. Now 50 per cent of 10 per cent is 5 per cent, so that the extreme of 40 per cent for wool cost and 60 per cent for conversion cost would result in the 75 per cent ad valorem being imposed on goods that actually required 80 per cent.

In like manner at the other extreme of 60 per cent for wool cost and 40 per cent for conversion cost, 10 per cent of the total cost on which the tariff places a protection of 100 per cent ad valorem on the assumption that it is conversion cost is in fact wool cost requiring a protection of 50 per cent ad valorem, this resulting in 75 per cent ad valorem being placed on these goods which require only 70 per cent.

Thus under the assumed relations between foreign and American costs, the actual duty collected would not vary more than 5 per cent from what is required, while the great bulk of wool goods would come very close to the assumed proportions of wool and conversion costs, and thus be subject to only negligible variations.

THE TRUTH ABOUT COMPENSATORY DUTIES.

From the above it is plain that a compensatory duty on goods can not be made to balance either a grease weight or scoured weight specific duty on wool, while a compensatory duty can be easily adjusted to balance an ad valorem duty on wool with but negligible variations.

SUPPRESSING THE TRUTH FOR SIXTY YEARS.

Why have the reverse of the facts about compensatory duties on wool goods been paraded before the public since 1867 in order to make the uninformed believe that falsehood is truth, and truth is falsehood? It is because specific duties on wool give unfair profits to favored interests, while ad valorem duties make all equal under the law.

From 1867 to 1913 the worsted spinners spread the error in order to maintain their special privilege under the grease weight specific wool duty, and did this in spite of the astounding degree of concealed protection in the four to one compensatory duty under Schedule K. (See pp. 3624–3626, 1922 hearings before Finance Committee for illustrations of the protection concealed by the compensatory duty in the grease weight specific wool tariff.) The extent of their special privilege under that wool tariff is shown by the fact that from 1870 to 1910 the value of raw materials used in the worsted mills increased 1,352 per cent while the raw materials used by their carded woolen competitors decreased 35 per cent during the same period.

Since the agitation for the specific duty on the scoured content was started in 1909 the same misstatement about the compensatory duty in an ad valorem schedule has been circulated by the woolgrowers in order to promote the 33-cent scoured-content form of special privilege, which places an embargo on a large part of the foreign supply of wool by duties whose ad valorem equivalents run up as high as 200 per cent or more.

Some among each of these two groups of seekers of special privilege have deliberately sought to mislead others on this question. Many have carried on the propaganda in ignorance of the truth. And it goes without saying that the error was readily accepted by the vast majority of legislators and the public, who were neither worsted spinners nor woolgrowers, and who neither had the truth laid before them nor had the time to dig it out for themselves.

A particularly flagrant and wholly inexcusable form of the error is now being circulated by the Tariff Commission (Recent Tendencies with Reference to Wool Tariff Aspects, by L. G. Connor, p. 13), where the variations in relative costs of wool and conversion are exaggerated, without even the pretense of supporting the claim by evidence and without referring either to the facts we have stated above, which were accessible to the commission, or to the impossibility of adjusting the compensatory duty to a specific duty on wool.

COMPENSATORY ON MIXED GOODS.

We have thus far referred only to goods made wholly of wool. The compensatory duty on goods made of mixtures of wool and other fibers presents a special problem that requires solution. The phrase "wholly or in part of wool" in the old Schedule K, which is also in the present House bill, resulted in a scandalous excess of the compensatory duty on mixed goods.

The phrase "wholly or in chief value of wool," which the Finance Committee has substituted in the present bill, is a very inadequate remedy, leaving, as it does, huge amounts of protection concealed in the compensatory duty.

To avoid this defect we recommend that the compensatory part of the ad valorem duty on mixed goods be made proportionate to the percentage of wool in the weight of the goods, a recommendation that we made to the Finance Committee on December 14, 1921, and which has been ignored by both the Finance Committee and the Tariff Commission.

Respectfully,

CARDED WOOLEN MANUFACTURERS' ASSOCIATION,
146 Summer Street, Boston, Mass.

JULY 25, 1922.

BOSTON, MASS., *July 24, 1922.*

Hon. F. M. SIMMONS,
United States Senate, Washington, D. C.

DEAR SIR: One feature of the Finance Committee's wool schedule, the concealed protection in the compensatory duty, has not received the attention it deserves.

First, let us take goods made of mixtures of wool and cotton. If, as is easily possible, wool is the component material of chief value in a fabric composed of 50 per cent wool and 50 per cent cotton, by weight, the compensatory duty under the Fordney-McCumber bill and the compensatory duty actually required, assuming the value to be $1 per pound, would be as follows:

	Compensatory.	
	Cents per pound.	Per cent ad valorem.
Compensatory under Finance Committee bill	49	49
Compensatory required	24.5	24.5
Concealed protection	24.5	24.5

It is impossible to say how small a percentage of wool might be used in a wool and cotton mixed fabric in which wool is the component material of chief value, but let us suppose that it could run as low as 30 per cent of wool. Then the concealed protection would be as follows, taking cloth worth $1 per pound for illustration:

	Compensatory.	
	Cents per pound.	Per cent ad valorem.
Compensatory under Finance Committee bill	49	49
Compensatory required	14.7	14.7
Concealed protection	34.3	34.3

We learn from the press reports that Senator SMOOT claimed, with a great flourish, on Saturday that no provision similar to the "wholly or in part" provision of the old Schedule K and the House bill was in the Finance Committee's wool schedule. The above comparisons show plainly that Senator SMOOT is mistaken.

Senator SMOOT's story about the cotton blankets with a wool selvage being subject to the full compensatory rate represents an extreme case of no real importance in the trade. For all practical purposes the degree of concealed protection in the Finance Committee's compensatory rates is as bad as in the House bill or the Payne-Aldrich Schedule K.

Furthermore, the Finance Committee's bill, while theoretically making the compensatory duty on all wool goods equal to what is required, does in fact give concealed protection, and for these reasons:

On medium and low-priced wool the scoured content duty acts as an embargo on imports, and medium and low-priced all-wool goods will then be manufactured by substituting wool by-products, noils, and shoddy for new wool. The Finance Committee's bill places the full compensatory duty on such goods because they are all wool. Thus the Finance Committee's bill prevents the wool manufacturers from obtaining medium and low priced wools. It also prohibits by high duties the importation of wool by-products, noils, and shoddy. It thus places wool manufacturers in a position where they can not import any of these raw materials and gives the domestic producers of wool by-products, noils, and shoddy a monopoly of the domestic market, enabling them to force prices of these materials to excessive heights, the ultimate consumers, of course, paying in the end.

The fact is that the Finance Committee has merely camouflaged the old "wholly or in part" provision, leaving the compensatory duty on both mixed goods and all-wool goods as objectionable as in the House bill and Schedule K.

In the interest of honest tariff revision, these facts should be made known at once.

Respectfully,

CARDED WOOLEN MANUFACTURERS' ASSOCIATION,
W. C. HUNNEMAN, *Director.*

Mr. LENROOT. I demand the yeas and nays on my amendment, Mr. President.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Wisconsin [Mr. LENROOT] to the committee amendment as modified. On that question the yeas and nays are demanded.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. GLASS (when his name was called). I have a general pair with the senior Senator from Vermont [Mr. DILLINGHAM], which I transfer to the senior Senator from Rhode Island [Mr. GERRY], and vote "yea."

Mr. McCUMBER (when his name was called). I transfer my pair with the junior Senator from Utah [Mr. KING] to the junior Senator from North Dakota [Mr. LADD], and vote "nay."

Mr. NEW (when his name was called). Transferring my pair with the junior Senator from Tennessee [Mr. McKELLAR] to the junior Senator from Washington [Mr. POINDEXTER], I vote "nay."

Mr. ROBINSON (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the Senator from Missouri [Mr. REED], and vote "yea."

Mr. WALSH of Montana. I transfer my pair with the Senator from New Jersey [Mr. FRELINGHUYSEN] to the Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. WATSON of Indiana (when his name was called). I transfer my general pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the junior Senator from Vermont [Mr. PAGE] and vote "nay."

The roll call was concluded.

Mr. STERLING. I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Maryland [Mr. WELLER] and vote "nay."

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON]; and

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON].

Mr. McLEAN. I transfer my pair with the senior Senator from Montana [Mr. MYERS] to the senior Senator from Pennsylvania [Mr. CROW] and vote "nay."

Mr. HALE. I transfer my pair with the Senator from Tennessee [Mr. SHIELDS] to the Senator from Delaware [Mr. DU PONT] and vote "nay."

Mr. JONES of Washington. The senior Senator from Virginia [Mr. SWANSON] is necessarily absent. I am paired with him for this afternoon, but I understand that if present he would vote as I shall vote, and therefore I vote. I vote "yea."

Mr. HARRIS. I transfer my pair with the junior Senator from New York [Mr. CALDER] to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

I wish to state that my colleague [Mr. WATSON of Georgia] is absent on account of illness. He is paired with the Senator from California [Mr. JOHNSON]. If my colleague were present he would vote "yea."

Mr. DIAL. I am paired with the senior Senator from Michigan [Mr. TOWNSEND]. I understand that if he were present he would vote as I shall vote, and therefore I feel at liberty to vote. I vote "yea."

Mr. JONES of New Mexico. I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Nevada [Mr. PITTMAN] and vote "yea."

The result was announced—yeas 25, nays 33, as follows:

YEAS—25.

Borah	Heflin	Overman	Underwood
Capper	Jones, N. Mex.	Pomerene	Wadsworth
Caraway	Jones, Wash.	Robinson	Walsh, Mass.
Cummins	Kellogg	Sheppard	Walsh, Mont.
Dial	Lenroot	Simmons	
Glass	McCormick	Stanley	
Harris	Nelson	Trammell	

NAYS—33.

Broussard	Harreld	New	Spencer
Bursum	Kendrick	Newberry	Stanfield
Cameron	Keyes	Nicholson	Sterling
Colt	Lodge	Oddie	Warren
Curtis	McCumber	Pepper	Watson, Ind.
Ernst	McKinley	Phipps	Willis
France	McLean	Ransdell	
Gooding	McNary	Shortridge	
Hale	Moses	Smoot	

NOT VOTING—38.

Ashurst	Fernald	McKellar	Shields
Ball	Fletcher	Myers	Smith
Brandegee	Frelinghuysen	Norbeck	Sutherland
Calder	Gerry	Norris	Swanson
Crow	Harrison	Owen	Townsend
Culberson	Hitchcock	Page	Watson, Ga.
Dillingham	Johnson	Pittman	Weller
du Pont	King	Poindexter	Williams
Edge	Ladd	Rawson	
Elkins	La Follette	Reed	

So Mr. LENROOT's amendment to the amendment of the committee was rejected.

Mr. LENROOT. I now move to amend, on line 7, page 146, by inserting after the words "49 cents per pound" the words "upon the wool content thereof."

The PRESIDING OFFICER. The Secretary will state the amendment.

The READING CLERK. On page 146, line 7, after the word "pound" where it appears the second time, insert the words "upon the wool content thereof," so that if amended it will read:

Valued at more than 80 cents per pound, 49 cents per pound upon the wool content thereof, and 50 per cent ad valorem.

Mr. LENROOT. I doubt very much whether there were many Senators who voted against the amendment just rejected who knew what they were voting upon, and in offering this amendment I want to ascertain whether the Senate of the United States is going deliberately and willfully to impose a hidden protective duty under the guise of a compensatory duty to the woolgrower. That is the question.

One of the great scandals of the Payne-Aldrich law was that while it purported to give to the woolgrower 11 cents a pound in the grease, as a matter of fact it gave 5, 6, or 7 cents a pound, and yet when they came to the cloth they gave the manufacturer a compensatory duty based upon the assumption that the woolgrower had received 11 cents per pound.

Another of the scandals of that law was just what is involved here, that it assumed to give a full compensatory duty upon an article when only a part of it was made of wool. Under this amendment there can be no excuse, as was urged in regard to the amendment just voted down, that the committee had made allowances for other material, and therefore the rate was fixed at 40 cents compensatory instead of 49 cents. But in this clause the committee assumes that every part of the fabric is composed of pure wool, and therefore it gives 49 cents a pound. All my amendment provides is that if it is pure wool, there shall be 49 cents a pound, there shall be compensation because of the 33 cents a pound given to the woolgrower, but if a part of the fabric is not wool, that we shall not commit a fraud upon the public by giving 49 cents a pound upon something upon which the manufacturer has not paid a cent of duty.

I wonder how the sheep growers on this side of the aisle are going to justify voting against this amendment? How are they going to justify increasing the price of woolen clothing to the farmers of America, when the vote they will cast will merely increase the profit of the manufacturer, and not give one cent additional compensatory duty to them?

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Utah?

Mr. LENROOT. I yield.

Mr. SMOOT. I see no objection whatever to the amendment to this particular paragraph. As the Senator said, there is a difference between this and the other. This takes the full compensatory duty of 49 cents, and is supposed to be all wool. I have no objection, personally, to agreeing to the Senator's amendment in this paragraph of this schedule.

Mr. LENROOT. I propose to follow it up wherever the full 49 cents compensation is provided in the bill.

Mr. SMOOT. The next paragraph provides for 39 cents.

Mr. LENROOT. I say, wherever it is 49 cents, I propose to offer the amendment.

Mr. SMOOT. I do not see a particle of objection to the amendment offered by the Senator in this paragraph.

Mr. LENROOT. I am very glad indeed the Senator from Utah has taken that position.

Mr. SMOOT. I will say to the Senator that the Senator from Utah has tried to write this bill so that the manufacturer would not get one single percentage of hidden protection, and I think the Senator from Wisconsin will agree to that.

Mr. LENROOT. I am not criticizing the Senator.

Mr. SMOOT. Therefore I can not take any other position than that I have taken, and, as I have stated upon the floor, I

do not want any hidden protection. I have no objection to the amendment offered by the Senator from Wisconsin.

Mr. LENROOT. I am glad indeed that we at least have accomplished something, then, by this debate and the procedure this morning. In the illustration I gave, this amendment will mean a saving of 20 per cent ad valorem upon one cloth I cited.

Mr. SMOOT. That, of course, would not fall in this bracket.

Mr. LENROOT. There will be at least less duty upon the articles falling in this paragraph, with the low rate, than in the next one.

Mr. SMOOT. I will say to the Senator that there is one thing in which the manufacturer would be at a disadvantage. We put 10 cents a pound on long-staple cotton, and if the goods were made of long-staple cotton he would be at that disadvantage.

Mr. LENROOT. Not under this amendment. With this amendment in the paragraph the manufacturer would still have the advantage of being able to use wool waste, of being able to use wool extract, and still get the 49 cents a pound compensatory duty.

Mr. SMOOT. The only trouble with that is that they can not use those extracts in making a thread so fine as to go in this bracket. During the operation of the Payne-Aldrich law, in 1910, the cloth averaged 60 cents a pound, and many in the second bracket averaged about 65 cents a pound. But they can not make the thread that would make this class of prime dress goods, because these are the finest there are. But wherever the cotton warp is used they would get that compensatory duty upon the cotton warp. With the Senator's amendment they would not get any compensatory duty upon the cotton warp, although the cotton warp no doubt will be made from long-staple cotton, in order to get the fineness of the thread. But I am perfectly willing to go as far as the Senator has gone in this paragraph, and I see no objection whatever to accepting the amendment.

Mr. LENROOT. While we are on that subject, will the Senator also agree to a like limitation in the next paragraph?

Mr. SMOOT. Yes; I am perfectly willing to do that.

Mr. LENROOT. Then, perhaps, I will modify my statement and say that if we can get that in the illustration I have given we will have saved at least 20 per cent ad valorem on the price of cloth.

Mr. SMOOT. So that there may be no misunderstanding, on the lower grade cloths, in the next paragraph, we give only 26 cents, and not 49 cents.

Mr. LENROOT. I am speaking of the 49-cent rate.

Mr. SMOOT. I will say to the Senator that 90 per cent of the cloths affected by the 49-cent rate will be all wool and will not be affected by the Senator's amendment at all, but if for any reason there should be a cloth where they could not get the thread fine enough and stout enough for warp and they made cotton warp of it, then, of course, they would lose that amount, and I am perfectly willing that they should.

Mr. LENROOT. Very well. I am very glad to have that concession on the part of the Senator from Utah.

Mr. WALSH of Massachusetts. Mr. President, may I ask a question? Do I understand the amendment of the Senator from Wisconsin has been accepted as to the second bracket of paragraph 1108, but has not been accepted as to the first bracket?

Mr. SMOOT. The first bracket provides 40 cents, but the second bracket provides 49 cents.

Mr. WALSH of Massachusetts. Why is it not made to apply to the first bracket as well as to the second bracket?

Mr. SMOOT. Because we only have a compensatory duty of 40 cents in the first bracket instead of 49 cents.

Mr. WALSH of Massachusetts. But the question of how much wool is included in the product is as important in the first bracket as in the second.

Mr. SMOOT. No; in the cloth in the first bracket they use a great deal more woolen waste and different classes of waste than in the cloth covered by the second bracket. The goods in the second bracket are generally the very finest fabrics that are made of wool.

Mr. WALSH of Massachusetts. The only purpose of any compensatory duty is to compensate the manufacturer for the wool he puts in the cloth. What is the objection to applying the amendment of the Senator from Wisconsin to the first bracket as well as to the second bracket?

Mr. SMOOT. Because of the fact that we have not given 49 cents in the first bracket. We have given 40 cents there and not 49 cents.

Mr. WALSH of Massachusetts. I shall not prolong the discussion now. I can not see any difference, however.

Mr. SMOOT. The Senator and I disagree; that is all. If I had the time I would be glad to go into detail and tell the Senator why.

Mr. McCORMICK obtained the floor.

Mr. SMOOT. Will the Senator allow us to have a vote on the pending amendment?

Mr. McCORMICK. I shall be very glad to yield for a vote, but I wish then to speak very briefly.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. LENROOT] to the amendment of the committee.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now recurs upon the amendment of the committee as amended.

Mr. WALSH of Massachusetts. There will be some discussion of that.

The PRESIDING OFFICER. The Chair will state to the Senator from Massachusetts that the Senator from Illinois has the floor.

Mr. WALSH of Massachusetts. I am leaving the floor to the Senator from Illinois but explaining why the vote can not be taken now. I am only explaining why I do not want the question put while he has the floor.

SENATOR JAMES A. REED.

Mr. McCORMICK. Mr. President, at the hazard of being criticized for filibustering for a few moments pending the vote, I venture to invite the consideration of those of my colleagues who are on the floor to some aspects of the primary elections which are to be held next Tuesday. Hitherto my very dear friend from Mississippi [Mr. HARRISON], who is absent, has nearly monopolized consideration of primary contests and results.

Without seeking to read into next Tuesday's primaries in advance of the nominations therein to be made a meaning which none of us can forecast, it is interesting to realize that in some of them we shall learn whether the voters—and I speak more particularly of the Democratic voters—may choose for themselves their nominee, or whether the nomination shall be made conformably with the judgment of the one-time arbiter of Democratic destinies. That, I say, notably in Missouri, will be determined next Tuesday.

If I had been here the other day when allusion to the Missouri primary was made, I should not have sought this opportunity to speak. Far be it from me to seek to pass judgment upon the qualifications of a candidate in the Democratic primary in Missouri. I am informed and I am led to believe that Mr. Breckenridge Long is a most estimable gentleman, but the issue appears to be REED. JAMES A. REED has truly great qualities, but it may be that the Democracy of Missouri may decide that the usefulness of JAMES A. REED is past. I do not know. If he be nominated, I shall be joined to those who, upon the domestic issues which to-day divide us, will oppose the reelection of Senator REED. But, Mr. President, at this time, looking back over the months in which I have served in the Senate with JAMES A. REED, I should count myself a poor American if I did not find occasion to say that if his opponents to-day hold that his usefulness as a Senator is gone, there was a time when in his judgment, as in mine, the sovereignty and the liberties of the Republic were imperiled, JAMES A. REED showed himself an indomitable American, a man of incomparable courage.

I trust my colleagues on the other side of the Chamber, some of whom have borne witness to his great qualities and others who will doubtless do so, will not resent what may appear to be an intrusion in a contest in the Democratic Party. I should hold myself ungenerous and unappreciative of his great services if I had not sought and found an opportunity to bear witness to the courage, self-sacrifice, and devotion with which JAMES A. REED served his country in an hour of danger. His name will live when those of most of us are forgotten.

Mr. CARAWAY. Mr. President, I merely wish to say that I presume the Senator from Illinois, by his laborious argument and oratory commending the Senator from Missouri [Mr. REED] for being a true American, referred to the time when the Senator from Missouri so very vigorously opposed the so-called four-power pact. I think the country agreed with him, although the Senator from Illinois voted the other way.

Mr. STANLEY. Mr. President, I am quite sure the Senator from Illinois referred to Senator REED's bitter fight against the four-power pact and his splendid fight for the soldiers' bonus, and his sound Democracy. REED is so superbly equipped for service here that he commands that much deference even from those who disagree with him.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. WALSH of Massachusetts. Mr. President, I move to amend the committee amendment on page 146, paragraph 1108, by striking out, in line 6, the numeral "50" and inserting "35"; in line 7, by striking out the numeral "50" and inserting the numeral "35"; and in line 10, by striking out the numeral "50" and inserting the numeral "35," so as to make the paragraph read:

PAR. 1108. Woven fabrics, weighing not more than 4 ounces per square yard, wholly or in chief value of wool, valued at not more than 80 cents per pound, 40 cents per pound and 35 per cent ad valorem; valued at more than 80 cents per pound, 49 cents per pound and 35 per cent ad valorem: *Provided*, That if the warp of any of the foregoing is wholly of cotton or other vegetable fiber, the duty shall be 39 cents per pound and 35 per cent ad valorem.

In brief, the amendment proposes to substitute the protective-duty rates now the law for the excessive and high rates named in the bill. Whatever votes have been had heretofore have been with reference to the compensatory rates named in the Senate committee bill. There has been no vote taken to reduce the rates named in the committee amendment. The evidence presented this morning tends to show that there have been no records of imports. The report of the Tariff Commission and the comparison of the prices of foreign and domestic cloths covered by this paragraph do not justify a rate higher than 35 cents.

Upon my amendment to the amendment I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. HALE (when his name was called). Making the same announcement as before in reference to my pair and its transfer, I vote "nay."

Mr. HARRIS (when his name was called). Making the same announcement as to my pair and its transfer as on the previous vote, I vote "yea."

Mr. McCUMBER (when his name was called). Transferring my pair as on the previous vote, I vote "nay."

Mr. McLEAN (when his name was called). Making the same announcement as before with regard to my pair and its transfer, I vote "nay."

Mr. NEW (when his name was called). Repeating the announcement which I made on previous ballots as to the transfer of my pair, I vote "nay."

Mr. ROBINSON (when his name was called). Announcing the same pair and transfer as on the last vote, I vote "yea."

Mr. WALSH of Montana (when his name was called). Transferring my pair as on the last roll call, I vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before in reference to my pair and its transfer, I vote "nay."

The roll call was concluded.

Mr. JONES of New Mexico. Making the same announcement as to my pair and its transfer as on the previous vote, I vote "yea."

Mr. DIAL. I am paired with the Senator from Michigan [Mr. TOWNSEND], but I transfer that pair to the Senator from Arizona [Mr. ASHURST] and vote "yea."

Mr. GLASS. Making the same announcement as to my pair and its transfer as on the preceding vote, I vote "yea."

Mr. WATSON of Georgia. I am paired with the Senator from California [Mr. JOHNSON]. Being unable to obtain a transfer of my pair, I refrain from voting.

Mr. CURTIS. I am requested to announce the following pairs:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON]; and

The Senator from South Dakota [Mr. STERLING] with the Senator from South Carolina [Mr. SMITH].

The result was announced—yeas 17, nays 36, as follows:

YEAS—17.

Caraway	Jones, N. Mex.	Simmons	Walsh, Mass.
Dial	Overman	Stanley	Walsh, Mont.
Glass	Pomerene	Swanson	
Harris	Robinson	Trammell	
Heflin	Sheppard	Underwood	

NAYS—36.

Brandegee	Cameron	Cummins	Gooding
Broussard	Capper	Curtis	Hale
Bursum	Colt	Ernst	Harreld
Jones, Wash.	McCumber	Newberry	Spencer
Kellogg	McKinley	Oddie	Stanfield
Kendrick	McLean	Pepper	Wadsworth
Lenroot	McNary	Phipps	Warren
Lodge	Moses	Shortridge	Watson, Ind.
McCormick	New	Smoot	Willis

NOT VOTING—43.

Ashurst	Fletcher	McKellar	Rawson
Ball	France	Myers	Reed
Borah	Frelinghuysen	Nelson	Shields
Calder	Gerry	Nicholson	Smith
Crow	Harrison	Norbeck	Sterling
Culberson	Hitchcock	Norris	Sutherland
Dillingham	Johnson	Owen	Townsend
du Pont	Keyes	Page	Watson, Ga.
Edge	King	Pittman	Weller
Elkins	Ladd	Poindexter	Williams
Fernald	La Follette	Ransdell	

So the amendment of Mr. WALSH of Massachusetts to the committee amendment was rejected.

Mr. WALSH of Massachusetts. Mr. President, I presume it is futile to attempt to lower the protective rates which are carried in the pending bill, but I am still going to persist. I move, on page 146, paragraph 1108, lines 6, 7, and 10, before the words "per cent," to substitute in each instance the numeral "40" for the numeral "50." If that motion prevails, the protective duty levied on the fabrics embraced in this paragraph will be 40 per cent instead of 50 per cent.

Mr. LENROOT. I desire to ask the Senator from Utah has the committee reduced the rate of duty carried in this paragraph from 55 per cent to 50 per cent in each instance?

Mr. SMOOT. Yes; the committee amendment now provides for that reduction.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Massachusetts [Mr. WALSH] to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is on the committee amendment as amended.

Mr. WALSH of Massachusetts. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. LENROOT. The vote is now on the committee amendment, as I understand, Mr. President?

The PRESIDING OFFICER. The question is on the committee amendment as amended.

Mr. LENROOT. I wish to say just a word in explanation of the vote that I shall cast.

My opinion is that the committee amendment fixes the rates, both compensatory and protective, too high, but it is also my opinion that the rates proposed by the House provision are too low.

I shall, therefore, vote for the committee amendment as between the two propositions, although I still think the Senate committee amendment imposes excessive rates.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. DIAL (when his name was called). Making the same announcement as to my pair and its transfer as on former ballots, I vote "nay."

Mr. HALE (when his name was called). Making the same announcement as before with regard to my pair and its transfer, I vote "yea."

Mr. HARRIS (when his name was called). Making the same announcement as heretofore with regard to my pair and its transfer, I vote "nay."

Mr. McCUMBER (when his name was called). Transferring my pair as on previous votes, I vote "yea."

Mr. McLEAN (when his name was called). Making the same announcement as before with regard to my pair and its transfer, I vote "yea."

Mr. NEW (when his name was called). Repeating the announcement as to the transfer of my pair, I vote "yea."

Mr. ROBINSON (when his name was called). Announcing the same pair and transfer as on the last vote, I vote "nay."

Mr. WALSH of Montana (when his name was called). Transferring my pair as heretofore announced, I vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before with regard to my pair and its transfer, I vote "yea."

The roll call was concluded.

Mr. JONES of New Mexico. Making the same announcement as to my pair and its transfer as on the last vote, I vote "nay."

Mr. GLASS. Making the same announcement as to my pair and its transfer as on the preceding vote, I vote "nay."

Mr. WATSON of Georgia. I am paired with the Senator from California [Mr. JOHNSON]. Being unable to obtain a transfer, I abstain from voting. If allowed to vote I should vote "nay."

Mr. CURTIS. I have been requested to announce the following general pairs:

The Senator from South Dakota [Mr. STERLING] with the Senator from South Carolina [Mr. SMITH];

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON].

The result was announced—yeas 35, nays 19, as follows:

YEAS—35.

Brandegee	Gooding	McLean	Shortridge
Broussard	Hale	McNary	Smoot
Bursum	Harreld	Moses	Spencer
Cameron	Jones, Wash.	New	Stanfield
Capper	Kendrick	Newberry	Wadsworth
Colt	Lenroot	Oddie	Warren
Cummins	Lodge	Pepper	Watson, Ind.
Curtis	McCumber	Phipps	Willis
Ernst	McKinley	Ransdell	

NAYS—19.

Caraway	Jones, N. Mex.	Robinson	Trammell
Dial	Kellogg	Sheppard	Underwood
Glass	Nelson	Simmons	Walsh, Mass.
Harris	Overman	Stanley	Walsh, Mont.
Heflin	Pomerene	Swanson	

NOT VOTING—42.

Ashurst	Fletcher	McCormick	Reed
Ball	France	McKellar	Shields
Borah	Frelinghuysen	Myers	Smith
Calder	Gerry	Nicholson	Sterling
Crow	Harrison	Norbeck	Sutherland
Culberson	Hitchcock	Norris	Townsend
Dillingham	Johnson	Owen	Watson, Ga.
du Pont	Keyes	Page	Weller
Edge	King	Pittman	Williams
Elkins	Ladd	Poindexter	
Fernald	La Follette	Rawson	

So the amendment of the committee as amended was agreed to.

The PRESIDING OFFICER (Mr. ODDIE in the chair). The next amendment of the committee will be stated.

The next amendment was, on page 146, after line 10, to strike out:

PAR. 1109. Woven fabrics, weighing more than 4 ounces per square yard, wholly or in part of wool, valued at not more than 75 cents per pound, 20 cents per pound and, in addition thereto, 18 per cent ad valorem; valued at more than 75 cents but not more than $1.25 per pound, 25 cents per pound and, in addition thereto, 21 per cent ad valorem; valued at more than $1.25 but not more than $2.50 per pound, 30 cents per pound and, in addition thereto, 24 per cent ad valorem; valued at more than $2.50 per pound, 36 cents per pound and, in addition thereto, 27½ per cent ad valorem.

And in lieu thereof to insert:

PAR. 1109. Woven fabrics, weighing more than 4 ounces per square yard, wholly or in chief value of wool, valued at not more than 60 cents per pound, 26 cents per pound and 40 per cent ad valorem; valued at more than 60 cents but not more than 80 cents per pound, 40 cents per pound and 50 per cent ad valorem; valued at more than 80 cents but not more than $1.50 per pound, 49 cents per pound and 50 per cent ad valorem; valued at more than $1.50 per pound, 49 cents per pound and 55 per cent ad valorem.

Mr. SMOOT. Mr. President, in the first place I want to modify the committee amendment by striking out "55" and inserting "50" on line 5, page 147. Then I will say to the Senator from Wisconsin [Mr. LENROOT] that when he offers his amendment there will be two places in the paragraph to which it will apply, and there will be no objection to that amendment.

Mr. WALSH of Massachusetts. Why not have that modification made, and have the record complete in that respect?

Mr. SMOOT. The Senator can offer his amendment now.

Mr. LENROOT. I move, in line 4, page 147, after the word "pound," to insert the words "upon the wool content thereof."

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The READING CLERK. On page 147, line 4, after the word "pound," it is proposed to insert "upon the wool content thereof," so that it will read:

Forty-nine cents per pound upon the wool content thereof, and 50 per cent ad valorem.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin to the amendment of the committee as modified.

The amendment to the amendment was agreed to.

Mr. LENROOT. Now, in line 5, after the word "pound," I offer the same amendment.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The READING CLERK. On page 147, line 5, after the word "pound," where it appears the second time, it is proposed to insert the words "upon the wool content thereof."

The PRESIDING OFFICER. The question is upon agreeing to the amendment offered by the Senator from Wisconsin to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. SMOOT. Mr. President, this paragraph provides duties upon all woven fabrics weighing more than 4 ounces per square yard. The paragraph that we have just adopted covers the lightweight dress goods. It is true that some flannels fall within paragraph 1108, but the great bulk of flannels made not only in this country but in foreign lands fall under this paragraph. Ninety-five per cent of the goods falling under this paragraph, however, are what are known as cloths for the making of clothing.

The Senate will notice that the compensatory duty begins with 26 cents per pound on the first bracket; on the second it is 40 cents per pound; and on the other two brackets it is 49 cents per pound, modified by the amendment of the Senator from Wisconsin [Mr. LENROOT].

Mr. President, I sent to five of the principal woolen mills in the United States and asked them to give me samples of cloth that they made at the opening in April, 1920, at the opening in July, 1921, and at the opening in February, 1922. When I say "opening" I speak of the opening of the samples for sale. I have those samples here from five different mills, ranging from the finest of cloth to the heaviest 27-ounce overcoating; and while it will take too long a time to call attention to each of the samples submitted I am going to take one or two samples of cloth from each of the mills and call attention to the prices of these cloths on the dates of opening that I have already named.

The first are the samples from the mill of the G. C. Hetzel Co. They are located in Pennsylvania. This is a cloth weighing 15 to 15½ ounces per yard. This sample is made of all pure wool, with the exception of the silk thread that is found in the stripe in order to give a striped effect to the cloth. The price of this cloth in April, 1920, was $5.85 per yard.

In July, 1921, the price of that same identical cloth, made of the same kind of wool, decorated with silk in the same fashion, and weighing the same number of ounces per yard, was $2.72 per yard instead of $5.85 in 1920. In the opening in February, 1922, that same piece of cloth was put upon the market for $2.50.

Mr. President, I have here the increased prices of woolen goods since the opening in February, 1922, up to July 18, 1922.

Mr. WALSH of Massachusetts. Mr. President, will the Senator permit an interruption right there? Was the great drop in prices in one year on the fabrics referred to by the Senator due to importations from abroad?

Mr. SMOOT. No. I may come to the importations later.

Mr. WALSH of Massachusetts. So that the drop in prices of 50 per cent is not due and can not be attributed to the importations of comparable wool fabrics?

Mr. SMOOT. No; I think it is because the competition is so keen that it has brought about that result.

Mr. WALSH of Massachusetts. I wish I could think so. The drop has been due to the fact that the prices of all products have dropped from 25 to 50 per cent in the last year.

Mr. SMOOT. Oh, the Senator knows, of course, that there is to-day the keenest kind of competition in woolen goods.

Mr. WALSH of Montana. Mr. President, that leads me to inquire if it is the opinion of the Senator that the price in 1920 was a profiteering price?

Mr. SMOOT. I think they were exceedingly high prices—unjustifiable.

Mr. WALSH of Montana. And that the manufacturers are satisfied with less profits now?

Mr. SMOOT. I judge so.

Mr. WALSH of Montana. Is not this element likewise involved—that in 1920 the manufacturer was producing his product from wool that sold for 60 cents in the grease and now he is manufacturing a wool that cost last year 20 cents per pound? Is not that the explanation of the difference?

Mr. SMOOT. He is not buying to-day upon the basis of 20 cents a pound.

Mr. WALSH of Montana. No; but he did a year ago. The goods on the market now, of course, were produced not from wool that was bought this year but from wool that was bought a year ago.

Mr. SMOOT. Of course, the wool that will go into these cloths this year more than likely is not bought yet.

Mr. WALSH of Montana. Quite likely.

Mr. SMOOT. There is not any doubt about it. No manufacturer is going to pile up a lot of goods unless he has sold them. These goods are for next spring. They are not goods for this fall. I have said many times on the floor of the Senate

that in the case of woolen goods they open in February for the cloths that will be made up into suits in the fall and sold for the next spring.

Mr. WALSH of Montana. The point I am making is that the goods that are now on the market were not made from wool bought or sold this year. They were made from wool that was sold last year.

Mr. SMOOT. They will have to buy the wool this year, because they have not the wool on hand to make the cloths I have shown. There is not any doubt but that the increase of prices that has taken place since the opening in February has been brought about because of the increased price of wool.

Mr. WALSH of Montana. But I am not talking about the cloth that will be made. The cloth that is now made, that is ready for sale at this price, was made from wool that was bought last year at 20 cents a pound. The cloth that was made the year before was made from wool that was shorn in 1919 and 1920 and sold at sixty-odd cents a pound in the grease.

Mr. SMOOT. Mr. President, I simply want to say to the Senator that these cloths are being sold to-day at a less price than they were in July, 1921.

Mr. WALSH of Massachusetts. Mr. President, what is the Senator's explanation of that? Does the Senator claim that because these cloths are selling to-day for less than they did a year ago a high protective tariff duty should be levied in this bill?

Mr. SMOOT. I am not saying that at all.

Mr. WALSH of Massachusetts. What connection has it with a tariff bill?

Mr. SMOOT. It has a great deal to do with a tariff bill when you have an ad valorem duty, as the Senator must know. An ad valorem duty on $5.85 is quite a different thing from an ad valorem duty on $2.10.

Mr. WALSH of Massachusetts. But the ad valorem duty is not based upon the American valuation. The Senator knows that. It is based upon the foreign valuation of these fabrics and not the American price. That is a misleading statement.

Mr. SMOOT. The Senator knows that they are both based on the same identical valuation.

Mr. WALSH of Massachusetts. The Senator has given the American prices of those fabrics. The tariff duty levied here is based upon the foreign prices of comparable fabrics, not the American prices.

Mr. SMOOT. Then, if it will suit the Senator better, I will say that the ad valorem duty on $1 is quite different from the ad valorem duty on 40 cents.

Mr. WALSH of Massachusetts. The ad valorem duty upon a piece of goods made in Europe that cost $2 is quite different from the ad valorem duty upon goods made in America that cost $5.

Mr. SMOOT. Nobody has ever denied that.

Mr. WALSH of Massachusetts. The ad valorem duties in this bill are based solely and alone upon the foreign prices of fabrics and not upon the American prices of fabrics.

Mr. SMOOT. It does not make a particle of difference. There was comparatively the same spread in foreign values there was in values in this country, and if there was an ad valorem duty upon $2 of foreign valuation in April, 1920, and to-day's price on the basis of foreign valuation is $1, the protection is quite different in the two cases. That is what I am contending, and I know that there is no Senator who will deny it.

Mr. WALSH of Massachusetts. Pardon me; I do not want to interrupt the Senator's argument; but how can the Senator justify levying any duty upon any price that he has named, when he admitted just a moment ago that he has made no inquiry into the financial standing of these concerns to find out whether or not they are making a profit at the lower price and what profit they were making at the higher price?

Mr. SMOOT. Mr. President, perhaps some mills could make a profit at this price and some could not. There may be a mill in the United States that could not make these goods at all at any price without losing money, while other mills may make them and make money. Are you going to provide a rate of duty to take care of both classes, or which class are you going to take care of?

Mr. President, here is another lot of samples. The price in April, 1920, was $5.10 a yard. In July, 1921, it was $2.75. In February, 1922, it was $2.25. The mills are in Pittsfield, Mass.

Mr. WALSH of Massachusetts. Mr. President, will the Senator be kind enough to state the 1914 prices of those fabrics?

Mr. SMOOT. I have not the 1914 prices here.

Mr. WALSH of Massachusetts. Does not the Senator think that we ought to compare present prices with those of 1914, rather than with the peak prices of the war?

Mr. SMOOT. We are comparing the prices of last year and this year with the prices of the early part of 1920.

Mr. WALSH of Massachusetts. The Senator is comparing the peak prices following the war with the present prices, at a time of great depression; and he has made no comparison between present prices and the prices in 1914, before the war.

Mr. SMOOT. Mr. President, that all depends upon the price of wool; and what is the difference whether the wool is low and the price is low or the wool is high and the price is high? The conversion cost means whether the labor is high or whether it is low, whether the material that goes into the product is high or whether it is low.

To save time, I want to say that the same comparative decline in prices upon every kind of goods, from the light weights to the overcoatings, took place.

Mr. WATSON of Indiana. Where were those goods made?

Mr. SMOOT. These overcoatings were made at Pittsfield, Mass. Here is a very fine class of goods. [Exhibiting.] These goods are made by Frederick Clark, at Talbot, Mass., and the prices of those are about in the same ratio. There is no need of my taking more time of the Senate or filling the RECORD with these things.

Mr. WALSH of Massachusetts. I do not think there is a man on this floor who doubts for one moment that there have been substantial increases in the prices of everything in the last two years.

Mr. SMOOT. I would not say everything. There have been reductions since the war—since the peak prices of 1919 and 1920—but I do not think the Senator can find where the raw material entering into an article is higher than it was; that is, in the case of the fine goods and the finished product lower in price. The prices have dropped in comparison with the drop in prices of woolen goods.

Mr. WALSH of Massachusetts. But I claim that the Senator can not justify the levying of any protective tariff duty—not a compensatory duty, but a protective tariff duty—upon these fabrics, simply because there has been a drop in prices. He must first demonstrate that these companies are losing money at the prices at which they are selling these fabrics, and he is not able to do it.

Mr. SMOOT. I think I could go out and find a number of companies which are losing money, and other companies that are making money. In fact, I know that is true. You can not base a tariff bill upon any such proposition. We hear in this Chamber so often some particular case pointed to and held up as being typical of the conditions in this country. Yesterday we were told of the experience of the shipper of a carload of watermelons; and is the whole law to be changed because of the fact that there was a glut of watermelons in New York, and when that glut took place they did not get enough out of the car of watermelons to pay the freight and expenses? When there is a glut of any article, particularly a perishable article which must seek the great centers of population to be sold, and that article arrives at a time when there is no sale for it at all, they are not going to get a good price for it. I called attention to the fact that one year carload after carload of peaches were shipped from my section which did not bring enough to pay for the boxes the fruit was put in, and in many cases they did not bring anything whatever, the shippers claiming that they had to be dumped into the Chicago River. I do not think all the laws of the United States ought to be changed to meet a condition of that kind, nor do I think so in relation to the watermelons.

I have before me, in the German language, an original copy of a contract which has been made between the textile manufacturers of Germany and the employees of the Rhineland district of Germany. I have had that contract translated into English, and it shows what the wages in Germany in May of this year are, not only in the textile industry but a few other industries of that country. I have also had figured the equivalents in United States money, granting that the mark was worth one-third of a cent. The mark is not worth one-third of a cent, but I want to be perfectly fair in the figures presented here, because the mark may go higher than it is to-day. It is only worth one-fourth of a cent now, but it may reach a third of a cent. All indications point to the fact that it is going lower. I hope it will not, for the great German people's sake and for the German Government's sake. I do not want to see

the German Government disrupted. I do not want to see civil war in Germany and that great people and that great nation destroyed. Let us see what those wages are. This is a textile worker's contract, for males and females. I will first give the wages of the males and then the wages of the females.

Mr. WATSON of Indiana. For May?

Mr. SMOOT. It begins with the month of May. This is the last contract that has been made.

Mr. WILLIS. What year?

Mr. SMOOT. In 1922. For a male, 14 years old, the base wage is 4.2 marks per week. The bounty given to cover the cost of living for April is half a mark. These are the increases they received up to that time in this contract. The increase was half a mark a week—not a day. These are weekly wages—not daily wages. The total applicable to May in marks was an increase of 1 mark, together with the cost of living allowance. The per-hour total wage for May was 5.2 marks.

Change that into equivalent United States money, on the basis of a mark being worth one-third of a cent, and the male, 14 years old, working in the textile industry in Germany, receives 74.8 cents a week—not a day, but a week. The 15-year-old receives 84.9 cents. The 16-year-old receives $1.12 a week. The 17-year-old receives $1.26 a week. The 18-year-old receives $1.65 a week. The 19-year-old receives $1.84 a week. Those 20 years and over receive $2.80 per week.

Let us see what the pay of female workers in this industry is.

Mr. WALSH of Montana. Up to the present time I have understood that our real competitor in the manufacture of woolens was Great Britain and not Germany.

Mr. SMOOT. I will come to that later. I will say to the Senator that as to special cloths, in cases where our nobby Americans will not wear other than the English goods, they do come from England.

Mr. WALSH of Montana. I received the other day from the Department of Agriculture a bulletin, which gives a gratifying piece of news. It says:

> German imports of merino and crossbred wool in the grease and washed during the last six months of 1921 were over three times those for the corresponding period of 1920, and about one-fifth greater than those of July–December, 1913.

That is to say, the German mills are beginning to absorb the wool which ordinarily is marketed from Antwerp, and that fact accounts to a very large extent, I am sure, for the improved foreign market for wool as reflected in an improved price in this country.

But I rose because I thought this was an opportune time to call attention to the fact that the conditions in Germany to which the Senator now alludes is not, as we understand it, at all favorable to the export trade.

Mr. SMOOT. If the Senator will let me make my speech, I may be able to explain.

Mr. WALSH of Montana. I just want to put this information in in connection with what the Senator was saying. I clipped from the paper of two mornings ago, under the heading "Wall Street Gossip"——

Mr. SMOOT. What paper?

Mr. WALSH of Montana. The Washington Post, which, as the Senator is aware, is not unfavorable to his side of the contention.

Mr. SMOOT. I do not know. I have not seen that the Washington Post has said anything very favorable of the pending bill.

Mr. WALSH of Montana. I do not care to controvert that. It submits a consideration important in this connection. The clipping reads as follows:

> Although it seems a far cry from the foreign exchange markets to the domestic steel situation, the virtual collapse of German exchange constitutes one of the strongest factors in the prosperity of the Crucible Steel Co. The products of this company have little competition from domestic producers, but in normal times German mills are well able to handle the same sort of business. The unsettled financial situation in Germany is practicaly eliminating mills of that country from foreign markets, and it is partly for this reason that Crucible has been doing so well.

So the facts to which the Senator invites attention, far from indicating that competition with American wool manufacturers is going to be keener, would clearly indicate that the difficulties surrounding manufacturers over there, by reason of the collapse of the mark, are so great that Germany is practically retiring from the world market.

Mr. WALSH of Massachusetts. Will the Senator from Montana permit me to suggest that of the imports into this country last year—that is, in 1921—of woven fabrics, only 1.3 per cent came from Germany, and the importations were very small anyway. One and three-tenths per cent of the importations, which were negligible, came from Germany.

Mr. SMOOT. Mr. President, we are not making this tariff bill for to-day. I know that it is difficult for Germany to buy, under her depreciated currency, the high-priced wool of the world to-day. She does not raise one pound of it in her borders, and every pound she buys she has to pay for in gold or in goods. We know that. But how long is that going to last? If we were making this bill for the conditions of to-day, it would be made quite differently, and if we could change the tariff rates every month, the rates would not change, perhaps, that often, but there would be a great many changes made.

Mr. WATSON of Indiana. Aside from the question of the basic raw material, there is still the question of wages.

Mr. SMOOT. Certainly; and another thing, I want to say frankly to the Senator that I suppose Germany finds for her excess woolen goods perhaps a better market.

Mr. WALSH of Massachusetts. Does the Senator claim that Germany makes enough woolen goods for home consumption? Does the Senator make that claim here, with his knowledge of the woolen industry?

Mr. SMOOT. Why, of course no country makes all of the woolen goods that it uses. Germany does not make the same classes of goods that she imports. I have never made any such statement as that, but I do claim that Germany makes goods in competition with the goods that are made here and found in the paragraph we are discussing. Those are the goods she makes.

Now, what are the females paid in German mills? Females 14 years old are paid 63 cents a week; 15 years old, 73 cents a week; 16 years old, 91 cents a week; 17 years old, $1.02 a week; 18 years old, $1.29 a week; 19 years old, $1.44 a week; 20 years old and over, $2.18 a week.

What are we paying in our mills in this country? Is it 100 per cent more? Is it 200 per cent more? Is it 300 per cent more? Is it 400 or 500 per cent more? Is it 600 or 700 or 800 or 900 per cent more? Yes; it is 1,000 per cent more. I would not want to live to see the day when the working people in the textile industry in this country would be compelled to work for the pittance that is paid in Germany to-day.

Mr. President, outside of the compensatory duty provided for in this paragraph there is no rate of protection to the American manufacturer of more than 50 per cent. The cotton manufacturer was given 45 per cent. The woolen manufacturer given 50 per cent. I have been asked how I could justify that 5 per cent differential. I have tried many times to run a loom at a higher speed than 83 picks to the inch of cloth a minute.

Mr. WALSH of Massachusetts. Does the Senator compare the manufacturer's method of running looms with the method in vogue when he ran them?

Mr. SMOOT. Certainly.

Mr. WALSH of Massachusetts. Has there been no improvement?

Mr. SMOOT. As relating to many of these goods, there has not been.

Mr. WALSH of Massachusetts. So there has been no development or improvement in the weaving of woolens in the last 30 years?

Mr. SMOOT. In the last 20 years. The Crompton loom is as good as any made in all the world, and they do not run any faster. If they undertook to run faster it would never pay them because the breaks would be too frequent.

Mr. WALSH of Massachusetts. Does the Senator contend that a weaver does not run more woolen looms to-day than he did 30 or 40 years ago?

Mr. SMOOT. Certainly, on the same kind of goods. We have no automatic woolen looms. This is not a case where you can put up 20 looms along an aisle and have one woman running up and down the aisle, and whenever an automatic stop is made fix the thread and set it going, while the other 19 looms are running all the time. I want to say there is no one who can take a piece of fancy woolen goods and run more than one six-quarter loom. I do not care whether he lives in England or America, and England claims to have the best weavers in the world.

Mr. WALSH of Massachusetts. Of course, the Senator does not mean to claim that all weavers run only one loom?

Mr. SMOOT. I say on fancy cashmeres.

Mr. WALSH of Massachusetts. On extremely heavy fabrics they run one loom, but on the lighter weaves they run two and three looms, and the Senator knows it.

Mr. SMOOT. On plain fabrics they may have run two looms, but when it comes to fancy cloths, I do not care whether it is 16 or 24 ounces, they run only one loom, and it takes a pretty

good weaver to-day to do it if the pattern is complicated, particularly where there is a check in it. On the other hand, in a cotton mill, as I said, on plain goods they may run as high as 15 and 16 automatic looms, automatic not only as to the stopping of them when the filling breaks or runs out, but with every thread that breaks in the warp. They have no woolen loom that can do it. Somebody has to watch the warp all the time, and if a thread breaks in the warp in a fancy pattern and the loom runs very long, there will be not only one thread broken, but from 10 up to perhaps 100 of them. Then when the threads are drawn in, if they are drawn in properly and drawn in straight and the pattern in the cloth maintained, I want to say right now that it takes a good weaver to do it.

In the cotton looms they run 140 picks to the minute, and the highest I have ever run on the Crompton loom was 83 picks. So, Mr. President, every minute a cotton loom with the same number of picks produces three-fourths more in the length of cloth then it would in wool if the pick is of the same size thread. Therefore the difference between the 45 per cent and the 50 per cent.

The highest rate of protection in the Payne-Aldrich law was 55 per cent, where we have 50 per cent in the pending bill, but in the Payne-Aldrich law was an unhidden protection that came to them because of the fact that they had 11 cents upon wool in the grease and 33 cents on the scoured wool. The average of all the wools in the grease which they imported cost but 18 cents clean content. So between 18 cents and 33 cents was the hidden protection under that law. I do not say that applied to all woolens. It was not so on western wools, because those wools average 60 per cent shrinkage, but under the law of 1919 the importer was allowed to import wools with a shrinkage of from 20 per cent to 40 per cent, and the difference of shrinkage was the unhidden protection of the manufacturer.

I do not know that I have anything further to say on the matter. The Senate has decided that there should be 33 cents on the scoured content of the wool. The compensatory duties in the paragraph are simply the amounts of the compensatory duties necessary to take care of the 33 cents on the scoured content. The protective duty, as I said, is in this case 50 per cent.

I ask unanimous consent to have inserted in the RECORD, following my remarks, a copy of the wage agreement to which I have referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

WAGE AGREEMENT.

DISTRICT GROUP OF RHINELAND NATIONAL WORKERS' ASSOCIATION FOR THE TEXTILE INDUSTRY FROM MAY 5, 1922.

1. May wages according to the base tariff of the textile workers' tariff for males and females.

The new operative wages from May 1, 1922, for such male and female workers who receive only the rates of the base tariffs are as follows:

	Base wage.	Cost of living for April.	Increase for May.	Total applicable to May.	Per hour new total wage for May.	Per week equivalent in United States dollars, at 1 mark equals .003 cent.[1]
(a) Males:						
Day workers who are paid the fixed rates—	*Marks.*	*Marks.*	*Marks.*	*Marks.*	*Marks.*	
14 years	4.20	0.50	0.50	1.00	5.20	$0.7488
15 years	4.50	.70	.70	1.40	5.90	.8496
16 years	5.80	1.00	1.00	2.00	7.80	1.1232
17 years	6.20	1.30	1.30	2.60	8.80	1.2672
18 years	8.35	1.65	1.50	3.15	11.50	1.6560
19 years	8.90	2.10	1.80	3.90	12.80	1.8432
20 years and over	13.50	3.40	2.60	6.00	19.50	2.8080
Pieceworkers, 20 years and over	13.00	3.40	2.60	6.00	19.00	2.7360
(b) Females:						
Day workers who are paid the fixed rates—						
14 years	3.60	.40	.40	.80	4.40	.6336
15 years	3.90	.60	.60	1.20	5.10	.7344
16 years	4.65	.85	.85	1.70	6.35	.9144
17 years	4.95	1.10	1.10	2.20	7.15	1.0296
18 years	6.40	1.40	1.20	2.60	9.00	1.2960
19 years	6.70	1.70	1.60	3.30	10.00	1.4400
20 years and over	10.40	2.70	2.10	4.80	15.20	2.1888
Pieceworkers, 20 years and over	10.00	2.70	2.10	4.80	14.80	2.1312

[1] The United States equivalents are not in the original agreement, but have been added for convenient comparison.

2. For those who are engaged in branches of the industry having distinctive branch tariffs, all day and piece workers are allowed the same cost of living additions for May as are given in column 4 above.

3. The foregoing wage agreement is effective until May 31, 1922, and continues itself automatically for one month unless one week's notice is given before the expiration of the month by either party.

4. The family allowance remains as heretofore.

Tariff agreement for clerical and technical forces of the following industries for the month of April, 1922.

	Salaries per month.	Salaries per month equivalent in United States dollars, at 1 mark equals 0.003 cents.[1]
Metal and wood industry:	*Marks.*	
1. Art draftsman, class A (30 years old)	4,000	$12.000
2. Works assistants (22 to 24 years)	3,925	11.775
Works assistants (over 24 years)	4,525	13.575
3. Independent construction men	5,400	16.200
3a. Independent construction men	6,000	18.000
Overseers	6,000	18.000
Branch and department overseers	5,400	16.200
Second hands	4,725	14.175
Machine fixers (button industry)	4,325	12.975
Textile industry:		
Storeroom keeper, first dyer	6,000	18.000
Head overseer	5,400	16.200
Department overseer	4,725	14.175
Second hand	4,325	12.975
Draftsmen, mill clerks, class A (30 years)	4,000	12.000
Paper industry:		
Draftsman, etc., up to	3,925	11.775
Technical and laboratory men (22 to 24 years)	4,525	13.575
Technical and laboratory men (over 24 years)	5,400	16.200
Independent construction men	6,000	18.000
Overseer	5,400	16.200
Branch and department overseer	4,725	14.175
Second hand	4,325	12.975
Chemical industry:		
Draftsmen, etc	3,925	11.775
Technical (22 to 24 years)	4,525	13.575
Technical (over 24 years)	5,400	16.200
Independent construction men	6,000	18.000
Carpenter and machinists, etc., overseer	5,400	16.200
Works and laboratory overseer, first year	4,725	14.175
Works and laboratory overseer, second year	5,100	15.300
Works and laboratory overseer, third year	5,400	16.200
Piano industry:		
Branch and department overseer	5,700	17.100
Second hand	5,175	15.525
Apprentices, first year	400	1.200
Apprentices, second year	600	1.800
Apprentices, third year	800	2.400

[1] The United States equivalents are not in the original agreement, but have been added for convenient comparison.

Family allowance, 200 marks. Allowance per child, 100 marks.

GERMAN OVERSEERS' ASSOCIATION,
Office, Barmen.

BARMEN (ELBERFELD DISTRICT), *February 25, 1922.*

Tariff revision of the clerical and technical forces for February and March.

CLERICAL SALARIES PER MONTH.

	Males.				Females.			
	Feb.	Equivalent in United States dollars at 1 mark equals 0.003 cent.[1]	Mar.	Equivalent in United States dollars at 1 mark equals 0.003 cent.[1]	Feb.	Equivalent in United States dollars at 1 mark equals 0.003 cent.[1]	Mar.	Equivalent in United States dollars at 1 mark equals 0.003 cent.[1]
	Mks.		*Mks.*		*Mks.*		*Mks.*	
17 years	975	$2.925	1,050	$5.150	825	$2.475	900	$2.700
18 years	1,150	3.45	1,250	3.750	975	2.925	1,050	3.150
19 years	1,325	3.975	1,450	4.350	1,125	3.375	1,225	3.675
20 years	1,525	4.575	1,650	4.950	1,275	3.825	1,400	4.200
21 years	1,675	5.025	1,800	5.400	1,425	4.275	1,550	4.650
22 years	1,850	5.550	2,000	6.000	1,575	4.725	1,725	5.175
23 years	2,025	6.075	2,200	6.600	1,750	5.250	1,900	5.700
24 years	2,225	6.675	2,400	7.200	1,900	5.700	2,075	6.225
25 years	2,400	7.200	2,600	7.800	2,050	6.150	2,250	6.750
26 to 29 years	2,600	7.800	2,800	8.400	2,250	6.750	2,425	7.275
30 and over	2,800	8.400	3,000	9.000	2,400	7.200	2,600	7.800

[1] The United States equivalents are not in the original agreement, but have been added for convenient comparison.

Class B 25 per cent additional to the foregoing.
Class C 50 per cent additional to the foregoing.

Tariff revision of the clerical and technical forces for February and March—Continued.

SALARIES OF TECHNICAL OVERSEERS—METAL INDUSTRY.

	February.	Equivalent in United States dollars at 1 mark equals 0.003 cent.[1]	March.	Equivalent in United States dollars at 1 mark equals 0.003 cent.[1]
Group I. Draftsmen same as class A.				
Group II. Detail construction men, 22 to 24	*Marks.* 2,625	$7.875	*Marks.* 2,950	$8.850
Detail construction men, over 24	3,100	9.300	3,400	10.200
Group III. Independent construction men	3,700	11.100	4,050	12.150
Group IIIa. Independent construction men	4,125	12.375	4,500	13.500

[1] The United States equivalents are not in the original agreement, but have been added for convenient comparison.

The salaries of the technical forces of the chemical, paper, and general wood industry are identical with those of the technical forces of the metal industry.

Group II. Draftsmen, etc., in the textile industry, department clerks, same as Class A of the clerical salaries.

Group III. Assistant designers, assistant superintendents, department clerks, same as Class B of the clerical salaries.

Group I. Head of designing, head calculator, etc., same as Class C of the clerical salaries.

OVERSEERS' SALARIES.

	February.	Equivalent in United States dollars, at 1 mark equals 0.003 cent.[1]	March.	Equivalent in United States dollars, at 1 mark equals 0.003 cent.[1]
Metal and wood industry:	*Mark.*		*Mark.*	
Head overseer	4,125	$12.375	4,500	$13.500
Branch and department overseer	3,700	11.100	4,050	12.150
Second hands	3,250	9.750	3,550	10.650
Machine fixers (average)	2,975	8.925	3,250	9.750
Textile and paper industry:				
Assistant superintendent, first dyer, storeroom keeper	4,215	12.675	4,500	13.500
Head overseer, second dyer	3,700	11.100	4,050	12.150
Branch and department overseer	3,250	9.750	3,550	10.650
Second hand	2,975	8.925	3,250	9.750
Chemical industry:				
Branch overseer	3,700	11.100	4,050	12.150
Manufacturing and laboratory overseer, 1 year service	3,250	9.750	3,550	10.650
Manufacturing and laboratory overseer, 2 years' service	3,560	10.680	3,825	11.247
Manufacturing and laboratory overseer, 3 years' service	3,700	11.100	4,050	12.150
Piano industry:				
Branch and department overseer	3,925	11.775	4,275	12.825
Second hand	3,575	10.725	3,875	11.625

[1] The United States equivalents are not in the original agreement, but have been added for convenient comparison.

To these salaries are to be added after Feb. 1, 200 marks per month for husband or wife who is not employed, and for each child 100 marks per month.

The foregoing general tariff and salary agreement will discontinue March 31, 1922, without notice.

Mr. SMOOT. Mr. President, I ask unanimous consent that when the Senate closes its session to-day it take a recess until to-morrow morning at 11 o'clock.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WATSON of Indiana. Mr. President, I have no desire to make any extended remarks on the subject. Had it not been that the Senator from Utah [Mr. SMOOT] has presented the facts for the consideration of the Senate and for publication in the RECORD, I perhaps should not have claimed the attention of those present long enough even to have asked the privilege of inserting similar and supplementary figures for publication.

It has been asserted repeatedly on the floor that wages in Germany are increasing, and that they have increased constantly almost from the time of the close of the war, and occasionally clippings have been read from newspapers to show that wages have increased in that country. Of course, in order to prove that, the wages are stated in marks. Stated in marks an increase is shown but stated in American money it is not an increase, as the Senator from Utah has already so well shown.

The figures which I have were compiled by the Tariff Commission from German sources after a thorough study and full survey of the whole situation. They refer not only to the textile industry, male and female, but also to a great many other industries—metal, chemical, building, bricklayers, stonemasons, carpenters, and miners of different kinds, iron ores, and so forth. The Senator from Utah has stated the wages received in the textile industry in Germany. He did not give the cities.

Mr. SMOOT. It was in the Rhineland district.

Mr. WATSON of Indiana. I have the report for as many as 15 different cities in the textile industry for September, 1921; December, 1921; March, 1922; and April, 1922, supplementing what the Senator from Utah has already given for May, 1922. These figures show that in Germany in September, 1921, the average wages paid females in the textile industries in all those cities, stated in marks per hour, was 5.65; in December, 1921, 7.93; in March, 1922, 9.75; in April, 1922, 12.02. This would show a steady increase stated in marks, but when stated in American money it shows there has not been an increase, as the Senator has already said. In September, 1921, in terms of American money it would be the equivalent of 5.07 cents per hour; in December, 4.26 cents per hour; in March, 1922, 3.21 cents per hour; and in April, 1922, 4.95 cents per hour, showing, instead of an increase, a decrease when measured in American money. I ask permission to insert in the RECORD the statement to which I have just referred.

The PRESIDING OFFICER (Mr. MOSES in the chair). Without objection, it is so ordered.

The table is as follows:

Wages in German textile industry (union workers, female, full time).
(Source: German official reports.)

Cities reporting over 1,000 workers in the industry.	Number of workers reported.	September, 1921.		December, 1921.		March, 1922.		April, 1922.	
		Marks per hour.	Dollars per hour (mark at $0.008067).[1]	Marks per hour.	Dollars per hour (mark at $0.00538).[1]	Marks per hour.	Dollars per hour (mark at $0.003294).[1]	Marks per hour.	Dollars per hour (mark at $0.003606).[1]
Aachen	5,347	7.13	0.0639	12.30	0.0662	14.20	0.0468	17.95	0.0647
Augsburg	11,085	5.45	.0489	6.25	.0336	9.50	.0313	13.70	.0494
Berlin	3,120	5.85	.0524	6.60	.0355	9.65	.0318	15.51	.0559
Bielefeld	3,011	5.30	.0475	7.50	.0403	10.00	.0329	11.30	.0407
Braunschweig	1,325	4.10	.0368	6.60	.0355	8.20	.0270	.....	.....
Breslau	1,007	4.80	.0430	6.25	.0336	7.10	.0234	9.60	.0346
Chemnitz	14,086	6.30	.0565	8.64	.0465	9.85	.0324	13.20	.0476
Dresden	2,083	6.30	.0565	8.64	.0465	9.85	.0324	13.20	.0476
Elberfeld	4,027	6.72	.0602	11.04	.0594	10.60	.0349	15.40	.0555
Gera	5,183	6.70	.0601	8.56	.0460	12.00	.0395	12.00	.0433
Goppingen	3,813	4.83	.0433	6.90	.0371	8.60	.0283	12.25	.0442
Hamburg	3,895	5.80	.0520	7.50	.0403	8.80	.0290	11.10	.0400
Hanover	1,948	4.80	.0430	6.96	.0374	8.50	.0280	8.50	.0306
Leipzig	6,657	6.30	.0565	8.64	.0465	9.85	.0324	13.20	.0476
Mannheim	1,005	5.05	.0453	7.40	.0398	11.30	.0372	11.30	.0407
Plauen i. B	2,153	6.70	.0601	9.20	.0495	9.85	.0324	13.20	.0476
Stuttgart	4,385	4.83	.0433	6.90	.0371	9.00	.0296	12.75	.0460
Ulm a. d	1,128	4.83	.0433	6.90	.0371	8.60	.0283	12.25	.0442
Average	.....	5.65	.0507	7.93	.0426	9.75	.0321	12.02	.0459

[1] Wages in marks converted to dollars at average value of mark from 1st to 15th of the given month.

Mr. WATSON of Indiana. I have another table with reference to the textile industry, showing the rates paid to male workers, covering the same time, September and December, 1921, and March and April, 1922. I shall not recite the figures, because they will speak for themselves. I ask permission to have that table inserted in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

Wages in German textile industry (union workers—male—full time).
(Source: German official reports.)

Cities reporting over 1,000 workers in the industry.	Number of workers reported.	September, 1921.		December, 1921.		March, 1922.		April, 1922.	
		Marks per hour.	Dollars per hour (mark at $0.008067).[1]	Marks per hour.	Dollars per hour (mark at $0.00538).[1]	Marks per hour.	Dollars per hour (mark at $0.003294).[1]	Marks per hour.	Dollars per hour (mark at $0.003606).[1]
Aachen	4,070	7.13	0.0639	12.30	0.0662	14.20	0.0468	17.95	0.0647
Augsburg	6,108	6.85	.0614	8.15	.0438	11.40	.0375	18.50	.0667
Berlin	2,100	7.90	.0708	9.70	.0522	12.50	.0412	17.50	.0631
Bielefeld	1,810	6.90	.0619	9.55	.0514	13.00	.0428	14.90	.0537
Chemnitz	5,229	8.50	.0762	12.00	.0646	12.25	.0403	15.75	.0568
Elberfeld	2,917	8.64	.0775	13.80	.0742	14.00	.0461	20.00	.0721

[1] Wages in marks converted to dollars at average value of mark from 1st to 15th of the given month.

Wages in German textile industry, etc.—Continued.

Cities reporting over 1,000 workers in the industry.	Number of workers reported.	September, 1921.		December, 1921.		March, 1922.		April, 1922.	
		Marks per hour.	Dollars per hour (mark at $0.008967).	Marks per hour.	Dollars per hour (mark at $0.00538).	Marks per hour.	Dollars per hour (mark at $0.003294).	Marks per hour.	Dollars per hour (mark at $0.003606).
Gera	5,348	7.75	0.0695	9.85	0.0530	14.05	0.0463	14.05	0.0507
Goppingen	1,011	6.85	.0614	9.75	.0524	12.10	.0398	16.50	.0595
Hamburg	1,130	7.95	.0713	11.25	.0605	13.20	.0435	16.70	.0602
Hanover	1,003	6.48	.0581	9.36	.0504	12.75	.0420	12.75	.0460
Leipzig	2,224	8.50	.0762	12.00	.0646	12.25	.0403	15.75	.0568
Plauen i. B	2,348	7.80	.0699	10.65	.0573	12.25	.0403	15.75	.0568
Average		7.65	.0682	10.70	.0575	12.83	.0422	16.34	.0589

Mr. WATSON of Indiana. In addition to that I desire to submit a table comparing German wages in gold and in terms of wholesale prices and cost of living, covering various industries and a very great number of employees, something over a million, possibly a million and a quarter. The table gives the wages in dollars per hour, the equivalent wholesale purchasing power, and the equivalent in cost of living; that is to say, the average for all the workers reported for September, 1921, was 6.19 cents per hour, but the equivalent wholesale purchasing power of the mark thus paid at that time was 11.21 cents per hour, while the equivalent in the cost of living was 21.36 cents per hour. That explains why it is that, although the German workers are receiving such low wages measured in American money, yet, trading among themselves, their money is of sufficient value to enable them to live as they do live in Germany. These figures are quite instructive, if anyone cares to study them, and they explain very fully the situation. It is a fact that the factories in Germany are all open and they are all at work and running full time, and they show as large a percentage of employment as ever before in the history of Germany. I have those facts here, which I do not care to insert in the RECORD. I desire, however, to place in the RECORD the table to which I have referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

Comparison of German wages in gold and in terms of wholesale prices and cost of living.

Industry.	Number of workers reported.	September, 1921.			December, 1921.			March, 1922.			April, 1922.		
		Wages, dollars per hour (mark at $0.008967).	Equivalent wholesale purchasing power (mark at $0.0167).	Equivalent in cost of living (mark at $0.0318).	Wages, dollars per hour (mark at $0.00538).	Equivalent wholesale purchasing power (mark at $0.0096).	Equivalent in cost of living (mark at $0.0503).	Wages, dollars per hour (mark at $0.003294).	Equivalent wholesale purchasing power (mark at $0.0058).	Equivalent in cost of living (mark at $0.0104).	Wages, dollars per hour (mark at $0.03606).	Equivalent wholesale purchasing power (mark at $0.0057).	Equivalent in cost of living (mark at $0.0095).
Metal industry	508,070	$0.0695	$0.1175	$0.2238	$0.0545	$0.0962	$0.2087	$0.0486	$0.0855	$0.1534	$0.0606	$0.0958	$0.1597
Textile industry (male)	35,298	.0682	.1277	.2433	.0575	.1029	.2204	.0422	.0744	.1334	.0589	.0931	.1552
Textile industry (female)	75,258	.0507	.0943	.1797	.0426	.0753	.1633	.0321	.0565	.1014	.0459	.0685	.1142
Chemical industry (male)	52,977	.0582	.1100	.2095	.0543	.0958	.2076	.0434	.0764	.1371			
Chemical industry (female)	18,417	.0377	.0701	.1335	.0348	.0615	.1335	.0286	.0498	.0893			
Building industry—Bricklayers, stoneworkers, and carpenters (average)	88,730	.0725	.1349	.2570	.0651	.1150	.2493	.0564	.0994	.1781			.1627
Miners (total)	372,320	.0701	.1306	.2487	.0596	.1053	.2282	.0509	.0899	.1612	.0713	.1042	.1737
Pitcoal	317,647	.0767	.1430	.2722	.0653	.1168	.2501	.0552	.0962	.1725	.0754	.1223	.2038
Brown coal	36,278	.0654	.1217	.2318	.0564	.0994	.2157	.0461	.0812	.1457	.0682	.1072	.1787
Potash	14,120	.0592	.1102	.2100	.0513	.0905	.1963	.0441	.0777	.1394			
Iron ore	4,275	.0608	.1132	.2156	.0499	.0882	.1914	.0486	.0856	.1535	.0704	.1113	.1855
Average (all workers reported)		.0619	.1121	.2136	.0532	.0931	.2016	.0445	.0759	.1363	.0591	.0904	.1531

Mr. WATSON of Indiana. Mr. President, in addition to that I wish to have printed in the RECORD some tables which have just been compiled by the Bureau of Labor and which I received on yesterday. The first table shows the number of employees and their earnings per hour in cotton manufacturing in Massachusetts and in five Southern States in 1920 and 1921 by occupations. The other tables show the number of employees and earnings per hour in the metal trades in specified cities in the same year; the number of employees and earnings per hour in the building trades in specified cities in 1920 and in 1921; the number of employees and earnings per hour in the bituminous coal mining in the United States in 1919 and 1921 and also in anthracite coal mining.

The PRESIDING OFFICER. Without objection, it is so ordered.

The tables are as follows:

Number of employees and earnings per hour in cotton manufacturing in Massachusetts and in five Southern States, in 1920 and 1922, by occupations.

Occupation.	Males.				Females.			
	1920		1922		1920		1922	
	Number of workers.	Earnings per hour.	Number of workers.	Earnings per hour.	Number of workers.	Earnings per hour.	Number of workers.	Earnings per hour.
MASSACHUSETTS.								
Picker tenders	207	$0.511	160	$0.408				
Card tenders and strippers	219	.588	194	.436				
Card grinders	87	.637	77	.525				
Drawing frame tenders	95	.523	79	.361	283	$0.409	247	$0.314
Slubber tenders	129	.663	126	.479	33	.559	31	.430
Speeder tenders	184	.674	267	.501	1,034	.514	987	.402
Spinners, mule	141	.909	108	.751				
Spinners, frame	95	.605	124	.375	1,642	.506	1,585	.386
Doffers	416	.519	418	.403	228	.423	193	.344
Spooler tenders					729	.473	693	.353
Creelers or tyers-in					110	.374	116	.289
Warper tenders					184	.492	180	.387
Beamer tenders	127	.778	192	.583	20	.739	2	.602
Slasher tenders	133	.706	147	.564				
Drawers-in					217	.525	215	.419
Warp-tying machine tenders	33	.681	46	.527				
Loom fixers	617	.791	643	.620				
Weavers	1,719	.598	1,967	.460	3,022	.548	2,856	.415
Trimmers or inspectors	8	.664	5	.365	282	.375	268	.303
Other employees	2,930	.490	3,237	.375	1,234	.368	1,239	.316
ALABAMA, GEORGIA, NORTH CAROLINA, SOUTH CAROLINA, AND VIRGINIA.								
Picker tenders	400	.360	386	.227				
Card tenders and strippers	576	.400	582	.246				
Card grinders	168	.547	168	.348				
Drawing frame tenders	392	.439	400	.246	144	.289	129	.178
Slubber tenders	381	.501	374	.315				
Speeder tenders	1,094	.497	1,242	.311	431	.414	432	.260
Spinners, frame	117	.332	297	.202	3,045	.371	3,352	.224
Doffers	1,857	.432	1,887	.259				
Spooler tenders					1,560	.343	1,739	.206
Creelers or tyers-in	19	.436	27	.287	231	.328	220	.210
Warper tenders	68	.513	76	.311	145	.405	170	.282
Beamer tenders	85	.659	114	.536				

Number of employees and earnings per hour in cotton manufacturing in Massachusetts and in five Southern States, etc.—Continued.

Occupation.	Males.				Females.			
	1920		1922		1920		1922	
	Number of workers.	Earnings per hour.	Number of workers.	Earnings per hour.	Number of workers.	Earnings per hour.	Number of workers.	Earnings per hour.
ALABAMA, GEORGIA, NORTH CAROLINA, SOUTH CAROLINA, AND VIRGINIA—continued.								
Slasher tenders	240	$0.469	268	$0.305				
Drawers-in					178	$0.400	227	$0.256
Warp-tying machine tenders	79	.533	97	.348				
Loom fixers	1,075	.587	1,160	.384				
Weavers	2,776	.528	3,574	.313	1,755	.457	2,082	.283
Trimmers or inspectors	43	.405	64	.217	377	.290	454	.186
Other employees	7,144	.453	8,355	.230	2,067	.270	1,999	.176

Number of employees and earnings per hour in metal trades in specified cities in 1921 and 1922.

Occupation and location.	1921		1922	
	Number of workers.	Rate of wages per hour (cents).	Number of workers.	Rate of wages per hour (cents).
Blacksmiths:				
Chicago, Ill	400	110.0	400	110.0
New Orleans, La	93	80.0	73	83.0
New York, N. Y	450	72.0	450	72.0
Philadelphia, Pa	55	110.0	51	100.0
Pittsburgh, Pa	100	90.0	175	90.0
Seattle, Wash	125	80.0	80	75.0
Boilermakers:				
Boston, Mass	211	80.0		
Chicago, Ill	225	74.0	225	70.0
Detroit, Mich	50	100.0		
New Orleans, La	300	80.0	150	75.0
New York, N. Y	1,300	72.0	1,300	64.0
Philadelphia, Pa	213	90.0	45	80.0
Pittsburgh, Pa	249	82.5		
Seattle, Wash	75	80.0	75	72.0
Machinists, manufacturing shops:				
Chicago, Ill	12,000	90.0	4,000	83.0
New Orleans, La	500	80.0	750	75.0
New York, N. Y	11,000	85.0	9,000	85.0
Philadelphia, Pa	3,500	75.0	1,125	75.0
Seattle, Wash	690	80.0	400	72.0

The above figures are based on wage agreements between employers and labor unions and do not necessarily represent wages actually paid.

Number of employees and earnings per hour in building trades in specified cities in 1921 and 1922.

Occupation and location.	1921		1922	
	Number of workers.	Rate of wages per hour (cents).	Number of workers.	Rate of wages per hour (cents).
Bricklayers:				
Boston, Mass	1,500	100.0		
Chicago, Ill	3,327	125.0	3,979	110.0
Detroit, Mich	1,496	100.0	1,450	100.0
New Orleans, La	325	100.0	310	100.0
New York, N. Y	5,116	125.0	6,000	125.0
Philadelphia, Pa	1,500	130.0	1,400	125.0
Pittsburgh, Pa	900	150.0	1,100	130.0
Seattle, Wash	167	112.5	167	112.5
Carpenters:				
Boston, Mass	7,000	100.0		
Chicago, Ill	13,400	125.0	13,456	110.0
Detroit, Mich	2,493	85.0	2,025	85.0
New Orleans, La	1,800	100.0	1,800	100.0
New York, N. Y	21,997	112.5	18,720	112.5
Philadelphia, Pa	4,500	112.5	4,500	90.0
Pittsburgh, Pa	4,500	125.0	4,500	100.0
Seattle, Wash	2,000	87.5	2,000	87.5
Plasterers:				
Chicago, Ill	1,200	125.0	1,400	110.0
Detroit, Mich	450	125.0	350	112.5
New Orleans, La	170	100.0	275	100.0
New York, N. Y	3,735	125.0	3,914	125.0
Philadelphia, Pa	550	125.0	500	125.0
Pittsburgh, Pa	325	125.0	320	112.5
Seattle, Wash	60	125.0	80	112.5
Plumbers:				
Boston, Mass	650	100.0		
Chicago, Ill	2,180	125.0	2,400	110.0
Detroit, Mich	600	100.0	500	100.0
New Orleans, La	250	100.0	200	90.0
New York, N. Y	1,900	112.5	2,150	112.5
Philadelphia, Pa	1,050	115.0	500	90.0
Pittsburgh, Pa	675	125.0	700	112.5
Seattle, Wash	185	112.5	185	100.0

The above figures are based on wage agreements between employers and labor unions and do not necessarily represent wages actually paid.

Number of employees and earnings per hour in bituminous coal mining in the United States in 1919 and 1921.

Occupation.	1919		1921	
	Number of workers	Earnings per hour.	Number of workers.	Earnings per hour.
Inside work:				
Brakemen	1,005	$0.581	1,333	$0.779
Bratticemen and timbermen	932	.610	996	.820
Cagers	220	.626	185	.871
Drivers	2,372	.609	2,080	.824
Laborers	2,319	.585	2,967	.697
Loaders	13,345	.774	22,560	.902
Miners, hand	11,379	.785	8,429	.840
Miners, machine	1,721	.926	2,371	1.274
Motormen	894	.619	1,296	.815
Pumpmen	344	.586	452	.734
Trackmen	1,122	.598	1,393	.826
Trappers (boys)	536	.339	393	.472
Total	36,189	.726	44,445	.877
Outside work:				
Blacksmiths	376	.621	339	.857
Carpenters	260	.585	427	.752
Engineers	380	.601	267	.820
Firemen	443	.537	327	.745
Laborers	2,860	.502	2,407	.649
Total	4,319	.534	3,767	.700
Grand total	40,508	.699	48,212	.863

Number of employees and earnings per hour in anthracite coal mining in Pennsylvania in 1920 and 1922.

Occupation.	1920		1922	
	Number of workers.	Average earnings per hour.	Number of workers.	Average earnings per hour.
Inside work:				
Blacksmiths	20	$0.578	23	$0.685
Bratticemen	111	.569	136	.657
Cagers	197	.511	196	.604
Car runners	233	.504	402	.592
Door tenders (boys)	156	.306	190	.342
Drivers	272	.498	539	.580
Engineers	100	.562	152	.647
Laborers	736	.521	1,426	.608
Laborers, company miners	308	.526	774	.629
Laborers, consideration miners	202	.541	339	.654
Laborers, contract miners	1,191	.679	3,383	.773
Machinists	19	.584	31	.678
Masons	29	.579	51	.677
Miners, company	367	.576	775	.697
Miners, consideration	480	.659	626	.883
Miners, contract	3,188	.925	6,209	1.088
Motormen	202	.554	327	.648
Motor brakemen	178	.497	310	.585
Pumpmen	99	.417	180	.627
Timbermen	97	.578	161	.677
Trackmen	123	.578	177	.675
Total	8,308	.690	16,407	.839
Outside work:				
Ashmen	53	.449	67	.525
Blacksmiths	39	.574	64	.667
Cagers	84	.449	100	.536
Carpenters	163	.548	221	.661
Car runners	46	.450	87	.529
Dumpers	57	.448	85	.530
Engineers	185	.532	203	.646
Firemen	217	.501	249	.595
Jig runners	54	.426	109	.507
Laborers	718	.438	1,349	.527
Loaders	142	.449	187	.531
Machinists	117	.509	89	.655
Oilers	42	.440	69	.525
Platemen	112	.429	181	.530
Repairmen	21	.480	94	.585
Slaters (boys)	345	.303	410	.333
Timber cutters	92	.448	181	.537
Trackmen	26	.455	60	.549
Total	2,513	.453	3,805	.532
Grand total	10,821	.625	20,212	.781

Mr. WATSON of Indiana. Mr. President, all these facts and figures become of value in any consideration of the tariff, which is largely a question of wages. It is quite true that when Germany goes out in the open market of the world to buy wool she must pay the same prices that any other nation pays, plus the cost of transportation; but, nevertheless, as compared with ourselves, there is a vast contrast in the wages paid. We protect our laboring people as against those wages, not as against the raw material. This whole question always resolves itself into a question of wages.

When the Payne-Aldrich tariff bill was framed the rates provided therein were no higher on the whole than are the rates in this bill; indeed, the honorable chairman of the Committee on Finance a few days ago placed a statement in the RECORD showing that on the whole the rates in the pending bill are lower than those in the Payne-Aldrich law, and yet at that time the currency of Germany was normal; at that time the manufacturing industries of Germany were running along full blast, as, indeed, they are now; at that time her laboring people were paid in money at par. Now there is a vast contrast, there is a tremendous difference between wages there and here; and yet we are making the tariff rates no higher now than we made them then. I think the rates are entirely justifiable if we are to take into consideration at all the question of the difference in the conversion costs as between this and competing countries. But these considerations seem to be lost sight of. Some Senators on the other side of the Chamber and some on this side are always discussing the question as to whether or not the pending rate is as high or is higher than the corresponding rate in the Payne-Aldrich tariff law. To me that does not amount to anything. The question is, Are the rates proposed essential to protect the American laboring man in the particular industry in which he is engaged? And that has reference wholly to conversion costs in this and competing countries. Whether the rates were too high in the Payne-Aldrich law or too low in the Wilson law or the Underwood law has not anything to do with the question. Does the rate measure the difference? That is the only question that ought to be asked.

We are all the time making comparisons with previous tariff laws for the purpose of showing that the rates in the pending bill are higher or that they are lower than the rates in some other bill. The question is, Are wages lower over there now? Nobody denies that they are. Are they higher here now? Nobody disputes that. So we must fix such a rate as will save the American laboring man from that withering and blasting competition that comes from vast imports from abroad. That is the sole question which is involved, especially in the wool schedule, where the raw material costs as much to all countries which engage in the business as it costs us.

Mr. LODGE. Mr. President, in connection with what has been said by the Senator from Utah [Mr. SMOOT] and the Senator from Indiana [Mr. WATSON], I desire to read into the RECORD a short quotation from one of the leading news papers of Germany. I think it will interest my friend from Indiana, if he will listen to it.

Mr. WATSON of Indiana. I shall be very glad to hear it.

Mr. LODGE. It is from Vorwärts, controlled by Maximilian Harden, one of the most important newspapers in Germany. The extract which I am about to quote is taken from the Living Age, a magazine published in Boston, of the issue of Saturday, July 22, 1922, on page 188:

> Vorwärts ascribed this covert opposition to the desire of Stinnes and his associates to prevent a rise in the value of the mark, lest it deprive them of the huge profits they are making by selling abroad, at gold prices, goods produced by underpaid German workers whose wages are in depreciated currency. "Foreign trade is becoming the most profitable field of German industry. Our home markets have sunk to comparative unimportance, although manufacturers can extort any price they wish from domestic consumers without fear of foreign competition." However, the flooding of foreign markets has been overdone. German firms now have on hand vast stocks of raw materials and half-manufactured goods, sometimes exceeding many times over the value of their capital stock and reserves; and they welcome a still further depreciation of the mark to enable them to dispose of these stocks in manufactured forms abroad at additional profits.

There is a confession of the whole thing by a leading German newspaper. It shows that the contention as to the volume of German export trade is not an invention of this side of the Chamber.

Mr. GOODING. Mr. President, at this point it might be well to mention also that Germany controls all imports through a license system and that no license may be granted for any particular imports with any assurance that the license will hold good for any length of time. All goods of a character such as the Germans manufacture themselves are entirely excluded from Germany under her license system, which, therefore, amounts to an embargo; so that, so far as our manufactures are concerned, the doors of Germany are closed.

The PRESIDING OFFICER. The question is on the adoption of the committee amendment as amended.

Mr. NELSON. Mr. President, I do not think that there is much value in the statistics which have been cited. Conditions in Germany are in a state of flux. Conditions there affecting wages, as well as the currency, are chaotic. Therefore I apprehend that the figures presented will not be of great value as a permanent guide.

I am unable to bring before the Senate and to translate any statement emanating from Germany; but paragraph 1109 of the bill which we are now considering is written in plain English, and I can state what its provisions imply to me. I may be very obtuse, but, taking the second bracket of the paragraph, the duty provided on cloths valued at not more than 80 cents per pound is 100 per cent. Allowing 33 per cent for the scoured wool, there is left for a margin 67 per cent.

In the next bracket, covering cloth valued at more than 80 cents but not more than $1.50 per pound, on a fabric valued at $1.50 a pound the protective duty is 124 per cent. Deducting the 33 per cent for the scoured wool, leaves 91 per cent protection.

When we come to the last bracket, covering goods valued at more than $1.50 per pound, taking a fabric valued at $1.55 a pound, or $1.51 a pound, for if the value exceeds $1.50 it falls within this bracket, the duty on that is 131 per cent. Deducting 33 per cent for the scoured wool, leaves a margin of 98 per cent.

Mr. President, I have voted for a good many paragraphs in the pending tariff bill. I have been anxious to have considered by the Senate a tariff bill which I could support. I have always been in favor of a moderate protective tariff. At the Chicago convention I was on the committee on resolutions, and was instrumental—in fact, I think I there proposed the language which was written into the platform—in securing the declaration that the measure of protection should be the difference in the cost of production here and abroad. In many paragraphs of this bill the rates exceed that degree of protection, and to my mind profits have been included.

Taking this bill as it has been arranged by the Finance Committee of the Senate in its entirety, it increases the rates of the House bill, and the bill in its entirety is a more radical and more extreme measure, so far as protection is concerned, than even the Payne-Aldrich law.

While I am anxious to support proper tariff legislation, yet it is very hard for me to vote for these excessive rates. It seems that the woolmen in four or five Western States, where the sheep are kept on the ranges, which to a considerable extent are Government land, control the subject of the tariff on wool.

Mr. President, I desire to remind the Senate of the fact that, while States such as New Mexico, Arizona, Wyoming, and Idaho, which are sheep-producing States, are very strong in the Senate, the State of Minnesota, while it has only two Senators here, yet in the Electoral College has more votes than all of the wool States I have mentioned combined.

I had hoped, Mr. President, that protection would not run mad, as it has done. I have sat here quietly. I have voted for many schedules here that I felt were entirely unjustified, hoping against hope that there would be a modification, but every once in a while it seems that the Finance Committee meet, and they come in here with their program for an increase or a change. They get new light as a result of new hearings. I never in all my life saw such a swarm of men as were around the Finance Committee while they had this bill before them. Day after day they came there with their handbags. They swarmed in the corridors, and the bill indicates that most of them got their work in well.

I am very sorry that the committee have gone to such extremes as they have. Take this woolen schedule. It is perhaps in one respect more important to the American consumer than any other schedule in the bill. In the northern half of the country, during a large part of the year, we have cold weather, and we are compelled to wear woolen goods, and the men who use these woolen goods are a great army of people compared with the men who raise the wool, and they all have to suffer more or less because of this excessive duty on wool. It seems to me that there should be a more moderate duty on wool in the grease, for instance. Instead of 11, 12, or 13 cents a pound, as the case may be, it seems to me there should perhaps be a duty of from 5 to 6 cents a pound.

As an illustration of the excessive duties in this bill, I come from an agricultural State, one of the biggest dairy States in the Union, and I have thought that the duties on some of the agricultural products in this bill were too high. I think the duty on wheat in the Payne-Aldrich bill was 20 cents a bushel. It seemed to me that that was ample protection, and yet in this bill they put a duty of 30 cents a bushel on wheat; and on the other cereals—flax, oats, and barley—they have gone to extreme lengths, unnecessarily so. I suppose it is to make a big showing for the farmer and make him believe that he will get all that excessive duty in one form or another, and to make it easier for him to swallow the high duties on manufactured goods and on wool.

It is evident, it seems to me, that the Senator from North Dakota [Mr. MCCUMBER], in his zeal to put such an immense tariff on these agricultural products—higher than we have ever had before, higher than there was any necessity for—has done so simply to oil the protection machine for the woolen schedule and some other schedules in the bill. I do not want to do the Senator from North Dakota any injustice. This is simply a notion of mine. I do not make the charge against him, of course. I would not think of doing that. It is only a notion and a suspicion of mine.

I had hoped that we would have a tariff bill not based on the chaotic and fluctuating conditions which prevail at this time in Europe, but having a tangible and reasonable basis that would make it a permanent measure.

There is nothing more disturbing to business than to have tariff legislation very frequently. This bill is evidently based on the chaotic financial conditions that prevail in Europe to-day, on the low rate of the mark, the franc, the lira, the pound, the crown, and the kroner. We are all hoping and expecting, however, that those financial conditions may change and gradually improve. We know that they have improved in some countries, notably the pound sterling in England, notably the crown in Sweden and Denmark, and I think to some extent the franc has been lower than it is to-day.

It seems to me we ought to base our tariff legislation on a moderate and reasonable amount of protection. This parading of wages in Europe is an old story. Whenever a tariff bill has been up I have always heard the same thing, the same horrible story about the low wages in Europe. To be sure, they are lower than in this country. They are lowest, perhaps, in Germany at this time, owing to their inflated currency and owing to the World War, as a result of which they have great trouble in paying the compensation that is expected by France and the other allied countries.

Some of those who support these rates will go back to the farmers and say, "We have given you 30 cents a bushel on wheat, 40 cents a bushel on flaxseed, so much protection on butter, so much on cattle, and therefore you ought to tolerate these high duties on cotton and woolen goods." I am not as great an expert as the Senator from Utah [Mr. SMOOT] is; I can not go into such minutiæ or particulars; but, on the whole, it strikes me that the wool schedule, from first to last, is the most vicious schedule in this entire bill.

Minnesota is not a wool State in the same sense that the range States are. Our farmers have a few sheep. There are probably between four and five hundred thousand sheep in the entire State. The farmers raise these sheep mainly for the mutton that is in them. Lands are high and sheep are not very much favored, because they are hard on the pasture lands. Years ago I tried to raise sheep on my place, but I was very unfortunate. I did not have much of a flock. I think I had 50 or 75 sheep, but I did not have enough so that I could afford to hire a herder to stay with them or to pen them up at night, and every family in town had a dog and every dog called on my sheep.

Mr. SMOOT. We have coyotes now, and they run wild.

Mr. NELSON. I felt at that time as though I wanted something in the shape of a Payne-Aldrich bill to protect me against the inroads of those dogs.

If we look at this matter of the sheep, the Tariff Commission have some wonderful statistics about the cost of raising sheep. I do not know how they get them. The sheep in the range States are pastured to a large extent on public lands, and except in forest reserves they get pasture free, and where it is not public land it is a species of land that is good for nothing in the world except as a sheep range; and I never could see the validity of the figures that they give us about the cost of raising sheep in those range countries. Where they have free ranges or practically free ranges, where, as in New Mexico, they have such mild winters that they need not feed or stable their stock, and the only cost of taking care of the sheep is a few herders, their food and equipment, and the losses incident to managing the herds, I can not see how in the State of New Mexico, for instance, or in other States where similar conditions prevail, it can cost the amount that the Tariff Commission have figured out. Even in Minnesota, where land is high and where we are engaged in general farming, I do not believe that the cost of raising wool is what they have estimated.

But, Mr. President, this is all "love's labor lost." We are in the hands of the wool Philistines. They have us by the throat, and perhaps it would be wiser for us to take the medicine in silence and turn our heads toward Providence and hope to get relief from that source.

Mr. WALSH of Massachusetts. Mr. President, I have listened with attention to the arguments of the Senators on the other side to hear some justification expressed for the high protective rates named in this schedule and to hear some answer to the objections made by the minority. Stripped of all verbiage, just what did the Senator from Utah and the Senator from Indiana say in justification of these rates? First, the Senator from Utah took in his hand a piece of woven wool fabric and said it cost about $5 in 1920, and that the price now is about $2.50. He drew no conclusion; he made no further reference to the fact but that there had been a depreciation in the price of woven wool fabrics in the American market.

Secondly, he said that the wages paid in Germany are ridiculously low, that they are very, very much beneath the standard of wages paid in this country, and therefore we should levy the protective tariff duties named in this schedule. If it is true that Germany is competing with the American woolen manufacturers, then his 50 per cent ad valorem duty is not worth anything, because it ought to be 1,000 per cent on his own statement. Think of a Senator in charge of this bill presenting such an argument to justify these high rates; first, that cloth has declined in price since the war peak; secondly, that the wages paid in the woolen mills of Germany are scandalously low.

I might just as well come in here and say that the wages paid in India are scandalously low; that the wages paid in China are scandalously low. No woolen cloth comes to America from China, none comes from India, and none of any consequence comes from Germany. Of the few imports into this country last year—1921—as the Senator well knows, only 1 per cent of all the imports of woven woolen fabrics were made in Germany, and all imports comprised only 2 per cent or less of our production.

Mr. STANLEY. Mr. President, has the Senator any data on the capacity of German woolen mills? Before they can overrun this country with German fabrics they must have the looms, and then Germany must collect her raw materials from all over the world. If Germany could supply one-tenth of the things it is feared she will supply, she would be the richest country on earth in natural resources and in industrial equipment.

Mr. WALSH of Massachusetts. Germany has to import practically all her wool. Her consumption of wool before the war was 464,000,000 pounds. She produced only 25,000,000 pounds. She had to import 439,000,000 pounds. The Senator from Utah and the Senator from Indiana did call attention to the fact that, as the mark went down, the wages paid to the laborers of Germany went down, but they refrained from stating that as the mark went down the cost of the imported wool to the woolen manufacturers of Germany went up. They did not tell you that. The Senator from Utah did not tell you what the cost of production was. He drew a red herring across the trail, as the Senator from Minnesota has well pointed out, by shouting about low wages in Germany.

I ask any Senator to state a single argument that has been made in favor of these high protective duties other than the argument that domestic made woolen cloth has depreciated in price and that the wages paid in Germany are exceedingly low. Not one word has been said about competition with or difference in cost of conversion between the only slight competitor we have—Great Britain.

Let us come to the facts. Let me present a table as to costs of cloth. Let me read this table of prices of wool cloths and then ask Senators how, by reading this table, I can justify either an argument for these duties or an argument against these duties.

I have in my hand a table showing the cost of Washington standard clay worsteds, quality No. 200, weighing 68 ounces per yard. I have the price of that cloth as announced by the woolen manufacturers every year from 1911 to 1923. Let me read them to you, the prices of one standard piece of woolen cloth:

Fall of 1911	$1.42½
Fall of 1912	1.47½
Fall of 1913	1.62½
These are under the Payne-Aldrich law.	
Spring of 1914	$1.42½
Fall of 1914	1.37½
Under Underwood law.	
Fall of 1915	$1.55½
Under Underwood law.	
Fall of 1916	$1.82½
Under Underwood law.	
Fall of 1917 (war prices)	$2.37½
Fall of 1918 (war prices)	4.15
Fall of 1919 (war prices)	3.50
Fall of 1920 (after-war prices)	6.02½

That is the year the Senator from Utah quoted, the peak year.

Fall of 1921	$3.80
Spring of 1922	3.10
Fall of 1922	3.05
Spring of 1923	3.32½

Tell me how those figures would justify me in making an argument for or against these protective duties. What is there about those figures that would justify me in saying that these rates are too high, or what is there about those figures to justify me in saying that this is the reason why we have named these high duties in this amendment? Of course, there is no reason.

But they do show something else. They show that if these manufacturers were able to make these standard woolen cloths in 1911, 1912, 1913, 1914, and 1915 for from $1.42 to $1.55, unless there has been a tremendous increase in the cost of production, they were not justified in charging $6.02 in 1920 or charging $3.35 in the present year.

Mr. SMOOT. The wool alone would cost them more than that. It did in 1910. It would cost that if they did not put a single cent of labor on it.

Mr. WALSH of Massachusetts. The Senator means, of course, because of the emergency tariff law it has cost them more in 1922.

Mr. SMOOT. No; I mean to say that wool to-day, quoted on the market in London, not here, is about $1.20 a pound.

Mr. WALSH of Massachusetts. The Senator does not mean to tell me that he claims that wool would cost manufacturers more when we had free wool, except for the war, than when we did not have free wool?

Mr. SMOOT. I did not say that. I do not claim anything of the kind.

Mr. WALSH of Massachusetts. I am claiming that these high prices are attributable to war conditions, and chiefly to excessive profiteering indulged in during the war by woolen manufacturers and other manufacturers, and in part to the increased cost of production during that period of time.

Mr. SMOOT. The Senator referred to the price of those goods in 1911, saying it could not be justified in any other way than as he stated. The Senator must know that you could not buy the wool for that amount, taking into consideration the loss in the wool itself.

Mr. WALSH of Massachusetts. Then, of course, the Senator will admit that the costs he produced here to show that there had been a depreciation in price also proved that there had been a depreciation in cost of production. He produced a piece of cloth and said the price in 1920 was approximately $5, and that the price now is $2.50, and he drew no argument from that fact at all. He did not say that proved we ought to levy these protective duties, or should not levy these duties; why the Senator produced those cloths and why he called attention to them is beyond my comprehension. I might just as well produce here a web of cotton cloth and say that the price in 1921 was $5 per yard and the price this year was $2.50 per yard, and ask for these high duties upon woolen cloths because of the great decrease in the cotton-cloth prices.

Mr. SMOOT. I was interrupted.

Mr. WALSH of Massachusetts. I ask the Senator now what argument he intended to make to support these duties by bringing here a piece of woolen fabric and saying that there had been a decrease in price, any more than I could argue from this price table that there has been a constant fluctuation and change of prices and that the duties ought to be lowered rather than increased.

Mr. SMOOT. When I come to think about it, I was interrupted so many times that I did not conclude what I had to say in relation to that matter. I could hardly make a statement consecutively because of the interruptions, and I think myself that the Senator is justified in asking that question now

The object I had was that it has been stated from one end of this country to the other that if these rates on wool are imposed there will be an increase of $4.75 in the price of a suit of clothes and $7 in the price of an overcoat. When we had free wool in 1920 the price of cloth was a great deal higher than in 1921, when there was no peak price. The prices are lower than they were then, with the 45 per cent rate imposed on the wool under the emergency tariff law.

Mr. WALSH of Massachusetts. Does the Senator say that free wool was the reason for high prices in America in 1920?

Mr. SMOOT. I did not say so.

Mr. WALSH of Massachusetts. Does not the Senator admit that the peak of high prices and wages and the high cost of production was reached in 1920, and that there has been a steady decline since that time?

Mr. SMOOT. I did not say any such thing. There was no emergency tariff law in 1920.

Mr. WALSH of Massachusetts. The Senator called attention to the fact that there was free wool.

Mr. SMOOT. There was free wool in 1920 and up until May, 1921.

Mr. WALSH of Massachusetts. Did not the Senator call attention to the fact that there was free wool, and mean that somebody should infer that free wool was responsible, in part, for the high prices of 1921? Otherwise it could have had no association with the price.

Mr. SMOOT. Not at all. I called attention to the fact that when the emergency tariff bill was passed there was a duty of 45 cents a pound on wool, figuring on the scoured basis, and with that 45 cents a pound on the scoured basis for 1921 the price was higher than it is this year.

Mr. WALSH of Massachusetts. Will the Senator agree with me that when you levy high protective tariff duties on some article that has been on the free list one of two things is going to happen, either there is going to be an increase in the price of the article or there is going to be a check on the decrease in price by the levying of the duty? Will the Senator agree to that proposition?

Mr. SMOOT. I will agree that it is true in many cases. For instance, where there is no competition in the United States a duty will increase the price, I have no doubt, unless the market is absolutely controlled by some foreign country charging us just exactly what they want to charge. But I can not say that it will increase the price in all cases. It does not.

Mr. WALSH of Massachusetts. Of course, it does not as to some agricultural products.

Mr. SMOOT. Competition is what has brought the prices down to where they are to-day. The Senator knows that the prices of these wools are higher than they have been for years and years, with the exception of the period when the Government was purchasing the wool for war purposes.

Mr. STANLEY. Mr. President——

The PRESIDING OFFICER (Mr. STANFIELD in the chair). Does the Senator from Massachusetts yield to the Senator from Kentucky?

Mr. WALSH of Massachusetts. I yield.

Mr. STANLEY. I understood the Senator from Utah to state that we produce half of the wool consumed here and buy the other half. Is not that the fact, that we buy about half of it?

Mr. SMOOT. No; we buy about 40 per cent of it.

Mr. STANLEY. Well, that is nearly half. If we buy 40 per cent of our wool and pay a duty of 35 cents per pound on it, does not the Senator believe the 35 cents is added to the price of wool in the country?

Mr. SMOOT. If there is a demand for that particular kind of wool, I do not think it would be added. I want to give an example to the Senator. For instance, to-day scoured wools are selling at 41 cents on the Boston market, and yet there is a duty of 45 cents on those wools. That is the example I had in mind, I will say to the Senator, when I said "if there is a demand for the wool."

Mr. STANLEY. Under ordinary circumstances?

Mr. SMOOT. When the market has to buy it.

Mr. STANLEY. Under normal conditions?

Mr. SMOOT. When the market can not get it from this country, or when there is an active market in the foreign lands all fighting for the wool, then they will get the duty.

Mr. STANLEY. If it did not result in an increase in price, there would be no reason to produce it.

Mr. SMOOT. Yes; in a case like that.

Mr. STANLEY. I understood the Senator to say that the woolen mills make a profit upon the yards produced. It does not matter whether they are weaving wool that costs $1 a yard or wool that costs 10 cents a yard, they charge so much for converting the wool into cloth.

Mr. SMOOT. Those are extremes that never occur.

Mr. STANLEY. But that is the system?

Mr. SMOOT. The system is to charge so much per yard.

Mr. STANLEY. So much per yard for reducing the wool to the cloth condition? They charge for the process?

Mr. SMOOT. Yes; and the price regulates that in the end.

Mr. STANLEY. Then, if it cost 30 cents or 40 cents or $1 a yard to change the wool into cloth, the cloth would cost just $1 a yard more, or 50 cents a yard more, if there was 50 cents worth more of wool in the cloth. Is not that true?

Mr. SMOOT. Yes.

Mr. STANLEY. If there is a charge of $1 for converting the wool into a yard of cloth——

Mr. SMOOT. That is, provided the full duty amounted to that and they had to pay the full duty.

Mr. STANLEY. If the wool in the cloth costs $1 more, we would have to pay $1 more per yard; if it costs $1 less, we have $1 less to pay.

Mr. SMOOT. Provided they have to pay the full duty.

Mr. STANLEY. Then, under normal conditions the 35 cents about which the Senator is talking will necessarily be reflected in the cost of the cloth when it passes from the woolen mill.

Mr. SMOOT. Certainly.

Mr. STANLEY. And the whole compensatory duty is based upon that assumption.

Mr. SMOOT. Why, certainly. If we give a compensatory duty on long-staple cotton, it is upon the same principle.

Mr. STANLEY. And that is just as bad as this.

Mr. SMOOT. I would say it is worse than this, because it is a fact that in that case, of course, we do not produce any such cotton in this country at all, and they have the market at their command, anyhow. I said we produce no such cotton in this country at all; I mean outside of a little that is raised in Arizona.

Mr. STANLEY. I agree with the Senator that the duty on long-staple cotton is worse, if anything, than the duty on short-staple wool, and that both are an abomination in the sight of the Lord.

Mr. CARAWAY. Both are as bad as they could possibly be, and therefore they could not be any worse.

Mr. STANLEY. I believe long-staple cotton is really the worst, because it is reflected in a greater charge.

Not to interrupt the Senator from Massachusetts unduly, I wish to suggest this proposition, and then I shall cease to divert him. I want to ask the Senator from Massachusetts if the Tariff Commission have made any figures upon the cost of producing the cloth in Germany and in England? If it be true, as the Senator said, that no cloth is imported from Germany to amount to anything and that the Germans have no mill capacity, this is purely a bogey man. The Germans could not build cotton mills to enter into the export business.

Mr. SMOOT. I did not understand the Senator from Massachusetts to say that they had no mill capacity in Germany.

Mr. STANLEY. None for export purposes.

Mr. SMOOT. They imported over 400,000,000 pounds of wool. Our consumption, all that we have used in the United States, including all that we have produced and all that we have purchased, was about 575,000,000 pounds in the grease.

Mr. STANLEY. In addition to what we raise here?

Mr. SMOOT. No; that is all of it. We only raised about 230,000,000 pounds, and with importations and all, the highest year ever known was 575,000,000 pounds. So Germany certainly has some capacity for manufacturing woolen goods.

Mr. WALSH of Massachusetts. I want to call the attention of the Senator from Kentucky to the imports of woven fabrics and wool. No one until this day has ever considered that we competed with any country except the United Kingdom in the matter of wool fabrics. The Tariff Commission, of course, has made no investigation about cost in Germany, because there are no importations from Germany. This is done to camouflage the real facts with the public. It is all done to make it appear to the working people of the country that if we did not levy these high duties, which will mean an increase in the cost of their clothing, they would be obliged to accept reductions in wages. The record of the imports tell the story better than anything I can say.

Mr. SMOOT. Mr. President, I simply want to say in that connection, if the Senator will yield to me——

Mr. WALSH of Massachusetts. I yield.

Mr. SMOOT. The Senator must remember that I stated that under conditions existing to-day even in Germany, with the way she is situated to-day, we are not making a tariff for that condition. It is for the future that we are making the tariff.

Mr. WALSH of Massachusetts. The Senator's argument and the argument of his colleagues is that this tariff bill is made upon fear and not facts; that this tariff bill is made, as he just said now, for fear of the future and not upon facts. He does not attempt to give facts. He can not give us facts to justify these rates. There are no facts to justify these high rates. They present a fear of competition with low wages in Germany, not that they have any sympathy for the workingmen, not that they care for the working people, but, as a matter of fact, it is done as a cloak to help them levy duties which they have agreed to levy in the interest of those producers who would benefit by high protective duties.

Now, let us return to the question of imports, because I want that cleared up on the record. I want to show that there are substantially no imports coming into the country from Germany. I am going to give the figures for the years 1913 and 1921.

The total amount of woolen dress goods, women's and children's, imported into this country in 1913 was $3,321,626. Paragraph 1108 deals with dress goods and the pending paragraph deals with cloth. The total amount of cloths imported in 1913 was $4,488,477, a total importation of $8,210,073 worth of wool fabrics. From Germany there came $521,141 worth of dress goods and $940,906 worth of cloth, making a total importation from Germany of $1,462,047 worth of dress goods and woolen cloth. That was 17 per cent of the total importations of that year under the Payne-Aldrich law and before the Underwood law became operative.

In 1921 the total importations of dress goods were $3,189,458, the total importations of woolen cloths were $11,353,352, making a total importation in 1921 of $14,542,810 worth of woolen fabrics. From Germany there came $182,772 worth, which represents 1.3 per cent of all the imports. In 1913 there were 17 per cent of the imports came from Germany and in 1921 there were 1.3 per cent of the imports came from Germany. The total imports for the year 1921 were negligible compared to the total production. I think they were something less than 2 per cent. When I return to the line of argument which I want to pursue after I finish answering what has been said by those on the other side of the aisle, I shall give that exact figure. But here we have only 1 per cent of our imports coming from Germany and all our imports absolutely of no consequence and no factor in influencing or controlling the price in the domestic market.

Mr. POMERENE. Mr. President, will the Senator refresh my mind a moment? In 1913 was not the duty on this class of goods 50 per cent?

Mr. WALSH of Massachusetts. It was 55 per cent.

Mr. POMERENE. And in 1921 it was 35 per cent?

Mr. WALSH of Massachusetts. In 1921 the protective duty was 35 per cent. My notes to which I referred just a moment ago remind me of the fact that there were less importations in 1921 of woolen cloth than there were during the time when the Payne-Aldrich law was in effect.

Mr. SIMMONS. Mr. President, I would like to ask the Senator if, during the whole year of 1921, when we had the pending bill before the committee, the demand for the increased duties was not based upon the alleged claim that Germany and other European countries, especially Germany, were flooding this market with German goods?

Mr. WALSH of Massachusetts. The claim was made repeatedly and repeatedly, in the face of the record showing a great decrease in our imports, that the market was being flooded with manufactured articles of various kinds and therefore the prices at home were likely to be driven down by reason of foreign competition.

Mr. STANLEY. Mr. President——

Mr. WALSH of Massachusetts. I yield to the Senator from Kentucky.

Mr. STANLEY. In that same connection there has been talk here about Germany utilizing her war stocks to flood this country. It is a notorious fact that during the war Germany developed the use of paper to the highest degree ever known in the world. She made twines and clothes out of paper. She buried the dead in paper clothing. Her wool was so entirely exhausted that at the close of the war Germany was literally clothed in paper. The idea of people clothed in paper sending their woolens to this country is absurd.

Mr. SIMMONS. At an earlier stage of the remarks of the Senator from Massachusetts he gave the Senate the prices, I think, of certain fabrics.

Mr. WALSH of Massachusetts. A certain fabric. I gave the price every year for the last 10 years.

Mr. SIMMONS. Under the Payne-Aldrich law the price he gave for that cloth was $1.40, I think, and the present price or the price in 1921 was what?

Mr. WALSH of Massachusetts. Between $3 and $3.50.

Mr. SIMMONS. That is, more than twice what that fabric was selling for under the Payne-Aldrich law before the war?

Mr. WALSH of Massachusetts. Yes.

Mr. SIMMONS. Now, can the Senator give us any reason or can the Senator conceive of any reason, when that fabric is selling to-day in the American market at more than twice what it sold for before the war under the Payne-Aldrich law, why we should increase the protection upon it under those conditions?

Mr. WALSH of Massachusetts. Of course, there is no reason at all, and these increased prices merely indicate excessive

profiteering, with some increase, of course, in the cost of production.

Mr. SIMMONS. Certainly we ought not to be levying duties for the purpose of enabling the manufacturers of that particular product to sustain a price which is more than 100 per cent over the price at which the article sold anterior to the war.

Mr. WALSH of Massachusetts. Of course the Senator from North Carolina is absolutely correct in his statement.

Mr. President, I desire to discuss in detail this paragraph, which includes the heavier fabrics, or what are technically known in the trade as cloths; also the bulk of the flannels—i. e., those weighing over 4 ounces per square yard.

The rates of duty imposed are graduated upward by steps as the value of the goods per pound increases.

The first bracket covers goods valued at not more than 60 cents per pound, and levies a compensatory duty of 26 cents per pound and a protective duty of 40 per cent.

The second bracket covers goods ranging from 61 cents to 80 cents per pound in value, and imposes a compensatory duty of 40 cents per pound and a protective duty of 50 per cent.

The third bracket covers goods valued at from 81 cents to $1.50, and imposes a compensatory duty of 49 cents per pound and a protective duty of 50 per cent.

The fourth bracket covers goods valued at more than $1.50 per pound, and imposes a compensatory duty of 49 cents per pound and a protective duty of 50 per cent.

It will be noted that both the compensatory and protective rates are graduated upward with the successive increases in the value of the cloths. The proper compensatory duty, according to the findings of the old Tariff Board, assuming a 33-cent duty on clean wool, would be 49 cents per pound on cloths composed wholly of virgin wool. On cloths valued at not more than 80 cents per pound, however, the assumption in this paragraph is that the content will not be wholly of new wool. Consequently the compensatory duties given are slightly more than half the compensatory which is given on goods valued at over 60 cents and about four-fifths of the full compensatory duty in the case of goods valued between 61 and 80 cents per pound. These allowances are, of course, estimated only and not based upon scientific accuracy.

Goods valued at more than 80 cents are assumed to consist wholly of virgin wool, and therefore carry a full compensatory duty of 49 cents per pound.

COMPARISON OF PROTECTIVE DUTIES IN SENATE AND HOUSE BILLS.

As in the case of paragraph 1108, it will be noted that the valuation brackets in paragraph 1109 have been cut down from those in the House text in order to make allowance for the change in basis from American to foreign valuation. The increases of protective rates in the Senate text over those in the House text distinctly exceed the ratio by which the valuations in the Senate bill were reduced below those in the House bill. In other words, even making allowance for the change from American to foreign valuation, it seems quite apparent that the protective rates in the Senate bill are distinctly higher than were those in the House bill. If the same ratio had been used in translating the protective rates as in changing the valuation brackets, the rates in the Senate bill would have been as follows:

First bracket would have been 21.6 per cent instead of 40 per cent.
Second bracket would have been 28.56 per cent instead of 50 per cent.
Third bracket would have been 33.6 per cent instead of 50 per cent.
Fourth bracket would have been 38.5 per cent instead of 50 per cent.

The very fact that the protective rates in the Senate bill are double, or more than double, those in the House text indicates very strongly without any further analysis that the rates in the Senate bill are substantially higher.

COMPARISON WITH THE EMERGENCY ACT.

The emergency tariff law imposed a compensatory duty of 45 cents per pound upon all wool manufactures—including the cloths, and so forth, covered in this paragraph—in addition to the protective rate of 35 per cent which already existed in the Underwood law. Considering that the emergency duty on raw wool became effective only by slow degrees as the stocks of wool in the country were gradually exhausted, and that the skirting joker has not even yet become effective, it is quite apparent that this compensatory duty of 45 cents per pound has thus far, at least, contained a considerable amount of protection. Yet it does not appear that imports of woolen and worsted cloths have been seriously affected. The monthly importations since the emergency law was passed have been substantially the same as those before it was passed, except for the two or three months which immediately preceded the enactment of the emergency law. (See the report of the Tariff Commission upon the operation of the emergency tariff law.)

The fact that this duty of 45 cents per pound, which, under the conditions here described, was largely a protective duty, at least during the earlier months of the emergency law, did not curtail imports would appear to indicate that the imports of cloths are largely supplementary and that they do not compete directly with goods made in this country. Indeed, it is a well-known fact that imports of wool fabrics have generally consisted of goods made from fine yarns or fancy woven and special cloths largely used by custom tailors, such as Scotch and Irish tweeds, superior face goods, such as English broadcloths, and other special fabrics of a type not duplicated in this country. Most of these fabrics sell at a higher price than domestic goods. They are sold on the basis of superiority and established reputation and amount to a very minor factor of domestic consumption, and they compete only with the highest classes of goods which we make, or not at all.

COMPARISON WITH THE UNDERWOOD ACT.

The Underwood law imposed a straight ad valorem duty of 35 per cent upon cloths, as upon other wool fabrics, with no compensatory, since wool was admitted free. Upon the lowest classes of cloths covered in paragraph 1109 of the Senate bill there is a differential of 5 per cent between the Senate rate and the Underwood rate, the Senate rate being about 14 per cent higher. In the next two brackets, however, the differential between the Underwood law and the Senate bill is 15 per cent and on the highest bracket 20 per cent, the rates in these three brackets being 40 to 57 per cent higher than the rates in the Underwood bill, just as in the case of dress goods.

Yet, even under the duty of 35 per cent imposed by the Underwood law, it can hardly be contended that imports have seriously interfered with the prosperity of the domestic industry at any time. It is true that immediately after the enactment of this law there was a substantial increase in the imports. From an annual average during the period from 1910 to 1913 of 4,742,081 pounds imports increased to 16,439,655 pounds during the calendar year 1914.

Considering that imports prior to the enactment of the law had been exceedingly small in relation to our consumption and that the imports during the first half of the year included a large amount of goods that had been held back in anticipation of a lower duty, this 16,439,655 pounds is not a formidable figure.

(It should be noted that the rates in the wool schedule did not go into effect until January 1, 1914.)

Indeed, after the calendar year 1914 imports fell off sharply, nor has the postwar importation reacted to a point much beyond the importations under the Payne-Aldrich law. In 1921, for example, the imports were only about 6,300,000 pounds. These figures do not bulk large in contrast with a combined production of cloths and dress goods amounting to almost 300,000,000 pounds in 1919 and over 500,000,000 square yards in 1914.

DIFFERENCE IN COST OF CONVERSION HERE AND ABROAD.

Now, Mr. President, I want to turn to the arguments advanced by the proponents of this amendment, if I may properly call them such. There has been nothing whatever said in justification of this rate except the presentation of a table showing the wage scale in some woolen mills in Germany. The Senator from Utah [Mr. SMOOT] made a very remarkable admission in reply to a question by me. He said he had paid no attention to the effect of war conditions upon this industry; that he has not investigated to ascertain the financial status of those engaged in the domestic industry. The Senator from Utah may justify the levying of high protective duties simply upon the request of manufacturers, but the American people, who must pay the tax, want to know upon what basis, by what reasoning, have these rates been determined; and where is the evidence to show the need for such protection to this industry.

I now make the assertion—and I challenge contradiction—first, that the difference in conversion cost between woolen cloth woven in America and that woven in the United Kingdom does not justify this protective rate of 50 per cent, and I call as authority to confirm my statement the information furnished by the Tariff Commission itself, which I gave in detail when I was discussing the previous paragraph on dress goods.

I also contend that the prices of foreign fabrics comparable with the American fabrics do not justify the protective duty that it is proposed to levy in this instance.

I have in my hand the table prepared by Mr. Culbertson when he was engaged as a tariff expert. He is now a Republican member of the Tariff Commission. The table, however, was prepared when he was a tariff expert in 1913, when at the request of the Tariff Commission he investigated the prices of fabrics falling within this paragraph which are produced in

America and similar fabrics produced in the United Kingdom, comparing the price of the foreign fabrics with the price of the American fabrics in order to determine what ad valorem protective duty was justified. The table, which is printed in House Document No. 50, first session Sixty-third Congress, discloses the following information:

Sample number.	Name of cloth.	Ad valorem rate necessary to cover difference in conversion cost.
		Per cent.
13	Men's fancy wool suiting	33.16
42	Fancy woolen overcoating	32.72
21	....do	32.45
28	Men's fancy woolen suiting	41.00
9	Woolen tweed	26.79
22	Men's blue serge	34.12
23	Men's worsted serge	37.79
37	Black clay worsted	27.44
44	Wool overcoating	24.02
46	Uniform cloth	21.94
36	Men's blue serge	22.50
42	Men's light weight blue serge	34.00
45	Men's fancy half worsted suiting	28.05
48	Men's unfinished worsted	35.62
49	Men's serge	37.10
53	Men's unfinished worsted	42.39

The samples here chosen from the table to which reference is given are fairly representative of the entire group of 53, some of which have been included in the discussion above relating to dress goods (paragraph 1108). Out of the entire list of 53 samples, the highest ad valorem duty necessary to cover the difference in conversion cost is 46.07 per cent in the case of sample No. 34, a fancy worsted suiting, while the minimum is 21.15 per cent in the case of sample No. 24, a fancy cotton warp worsted.

The Tariff Commission made a survey of the British woolen industry in 1920, and they find in their report—I quoted it this morning—that there has been a decrease in the conversion cost since 1911.

Even at a glance it is apparent that upon cloths, just as upon dress goods, the 35 per cent in the Underwood bill constitutes a high average for the cloths listed in this table. That the changes which have occurred in prices and in labor costs since these figures were computed do not invalidate them for our present purpose has already been explained in connection with the dress goods paragraph (1108).

Mr. WALSH of Montana. Mr. President, before the Senator proceeds I should like to remind him that the distinguished Senator from Indiana [Mr. WATSON] stated a few moments ago that there was no purpose on earth in imposing these duties except to take care of the poor laboring man. The Senator from Indiana unfortunately is not now in the Chamber. I should like to hear what he has to say about the figures now presented for the second time by the Senator from Massachusetts, showing that the total difference in the conversion cost is not to exceed 33⅓ per cent.

Mr. WALSH of Massachusetts. Mr. President, no Senator has taken the floor here to dispute the claim that the conversion cost does not justify this duty; no Senator has taken the floor to dispute the fact that there are no imports coming into this country of such volume as to threaten the domestic industry; no Senator has taken the floor to dispute the fact that the difference in the price of the foreign product and the American product does not justify this high protective tariff duty; and no Senator will take the floor to make any such contention. It was almost pathetic to listen to the attempt to urge justification for this rate which we witnessed here a short time ago, when a piece of cloth was lifted before the eyes of the Senate, and it was said that the piece of cloth cost so much in 1920, and it cost so much now; ergo, there should be a protective duty. How much? Fifty per cent. How was the conclusion reached that 50 per cent should be the rate? There has been no attempt whatever to determine the rates here upon any basis of honest calculation and of disinterested information.

Mr. WALSH of Montana. Mr. President——

Mr. WALSH of Massachusetts. I yield to the Senator from Montana.

Mr. WALSH of Montana. I merely wish to add the remark that there is only one of two conclusions which may be drawn from the remarks of the Senator from Indiana, namely, either that he does not know the facts as disclosed by the Senator from Massachusetts, or else there must be some other reason besides concern for the welfare of the workingman prompting the imposition of these high duties.

Mr. WALSH of Massachusetts. I desire now, Mr. President, to proceed with another branch of the subject.

COMPARISON WITH THE PAYNE-ALDRICH ACT.

The Payne-Aldrich law imposed duties of 33 cents per pound, plus 50 per cent; 44 cents per pound, plus 50 per cent; and 44 cents per pound, plus 55 per cent, respectively, upon cloths according as the valuation increased. It is thus apparent that in the Senate bill, except for the lowest bracket—in which the protective rate is 40 per cent—the protective rates are practically identical with those in the Payne-Aldrich Act, while the compensatory rates are even higher by virtue of the increase in the duty upon raw wool.

It is not fair, however, to say that the net protection to the manufacturer afforded by the Senate bill will be as high as in the Payne-Aldrich law, for here again, as in the case of dress goods and in general of the entire wool schedule, the compensatory duties in the Payne-Aldrich law included a large amount of concealed protection, so much, in fact, that a decrease in the net protection to the manufacturer much greater than has been made in the Senate bill would need to occur to bring the rates within the realm of moderation and reason.

Nowhere in the old Schedule K did this concealed protection operate to greater advantage to the manufacturers than in the case of wool cloths. Upon the absurd assumption that, on the average, it took 4 pounds of grease wool to make 1 pound of cloth, the compensatory duty, when added to the high ad valorem protective rates, amounted to almost complete prohibition. On wool cloths, where there was a very liberal use of substitutes and adulterants like shoddy, noils, and cotton, the reduction of the ratio from 4 to 1 to 3 to 1 did not by any means remove the protection contained in the compensatory duty. In fact, the Tariff Board found that this concealed protection served to keep the lowest valued cloths out of the country. In other words, it discriminated against those of modest means who were compelled to purchase the cheaper goods. For example, the board found that the compensatory duty alone on cloths valued at 44 cents or less per pound was 99.59 per cent of their value in 1911, that on cloths valued at from 41 to 70 cents per pound the compensatory duty was 73.71 per cent of their value, and that on cloth valued at over 70 cents the compensatory duty was only 39.17 per cent of their value; yet the compensatory rates for the lowest valued cloths were 3 to 1 as against 4 to 1 for those of higher valuation.

Under the circumstances here described it is not surprising, therefore, that imports under the Payne-Aldrich law were very small compared with our domestic production. As already stated in the discussion of the Underwood law, imports during the period 1910 to 1913 averaged 4,742,081 pounds annually; in other words, about 4 per cent of the total production of cloths and dress goods combined in 1914. The census of 1914 does not segregate cloths from dress goods, but the total production of cloths in 1909, it will be noted, was 242,665,949 square yards. (See report of Tariff Board on Schedule K, pp. 127–129.)

RECAPITULATION.

Mr. President, I am now going to summarize for the RECORD, as I did this morning, the objections to the rates proposed, and then I am going to proceed to discuss a very important aspect of this question; I am going to say something about the financial standing of some of the beneficiaries of this protective tariff duty.

From the discussion in which I have indulged the following conclusions may be drawn:

1. That the protective rates in the Senate amendments are a substantial increase over those levied in the House bill.

Would you not think, Mr. President, at least that the committee would give us the information which they had and which the House did not have? The House is Republican; the Members of the House are responsible to their constituents; the Members of the House may have their votes challenged and be asked to explain why they fixed the rates proposed by them. Would it not be reasonable to expect, at least, some information or the indication of some reason why the Senate Finance Committee increased the House rates?

2. That the emergency duty of 45 cents per pound, which was intended as a compensatory duty but which contained a large amount of protection, did not seriously affect the small importations of wool cloths which were already coming in under the 35 per cent imposed by the Underwood law, a fact which can be readily understood when it is realized that a very substantial proportion of the imports, always negligible, are supplemental and not competitive in character.

Even the levying of a 45 per cent compensatory duty, plus a 35 per cent protective duty, did not stop these importations because they are not competitive at all; they are made up of special cloths. Now, let me follow that. The record shows that even when an increased duty of 45 cents a pound was put

upon these woolen cloths, the importations came in just the same; they had to come in, for that character of cloth did not compete with the American trade at all.

3. That the protective rates to the manufacturer in the Senate bill are an increase over the Underwood rate of from 40 to 55 per cent, although it was shown in House Document No. 50, first session Sixty-third Congress, above referred to, that the average protective rate required on these cloths in 1913, at the time when the old Tariff Board made its report, was even less than the 35 per cent rate fixed in the Underwood law, and that there has been no substantial change of conditions which would materially increase the amount of the rate required.

There has been no attempt made to dispute that. They will not even say that it is not so. They will not even deny these facts. There is not a denial, but only an exhibition of a piece of cloth. Think of answering a challenge such as I am making here by saying, "Here is a piece of cloth that cost so much two years ago, and costs so much now," and "Here is the scale of wages over in Germany." That is the answer that is made to your argument.

I want this in the RECORD, so that the country will know just what is happening here. for, after all, our plea must be made to the country. So far as changing votes here is concerned, we are wasting our time and our energy; but we have an obligation to our fellow citizens to stop what will overthrow this Government if it keeps on—the levying of unwarranted and unjustifiably heavy tax burdens upon the American people. If I should be asked what, in my opinion, would lead to dangerous attacks upon our free institutions—and God forbid that such attacks may ever come—I should say that in my opinion it would be the imposition of taxes upon the people which resulted in favors and privileges and gifts to the few at the expense of the many, and to the neglect of our Government to limit the watering of stocks and the creation of monopolies and trusts so that a combination of a few would be able to control prices and profiteer mercilessly at the expense of the American people.

Mr. STANLEY. Mr. President, at that point I wish to suggest to the Senator, because he is touching a very interesting phase of this situation, that perhaps the socialist has a better argument and a better cause than the protectionist, and the socialist is doing but common justice in going from rank protectionism to sane socialism; and I am not a socialist.

If an industry is to be maintained by taxation and not by reason of the fact that it is indigenous to the soil and is producing well, if the source of its wealth is taxation, is it not better that that industry should be operated for the benefit of the people who are taxed than for the benefit of the few men who eat those taxes and enjoy them? Has not the socialist the better of the argument? And have we any answer to the socialist who charges us with having maintained a wealthy and privileged class not by virtue of their own industry but by the absolute, indefensible, and partial operation of the law?

This is socialistic—worse than socialistic. It has all the evils of socialism and none even of its apocryphal virtues.

Mr. WALSH of Massachusetts. Mr. President, to be unable to justify the levying of a tax upon the people of the country is bound to lead to unrest and discontent and dissatisfaction; and every time we invoke the taxing power to bestow favors upon groups of our citizens at the expense of the many we are doing a very dangerous thing to free institutions.

I do not want, however, to depart from my speech, interesting as that phase of this question is.

4. That the total compound rates in this cloth paragraph are never less than double the total rate in the Underwood bill, and on the lower-priced goods are more than three times the Underwood rate. That, of course, means that the Underwood rates are only protective, while the rates in this bill are both compensatory and protective.

5. That while the protective rates in the Senate bill are substantially the same as in the old Schedule K of the Payne-Aldrich law, the net protection accorded to the manufacturer is probably less, owing to the large amount of concealed protection in the compensatory rates of the Payne-Aldrich law.

6. That the cost to the consumer has been increased to a higher point than ever before, for, as has been stated elsewhere, the compensatory duty is as much of a burden as is the protective duty, and the sum of the two is greater in the Senate bill than in the old Schedule K.

7. That there is no danger of foreign competition to the domestic manufacturer, by reason of the fact that there are no importations of consequence..

Now, I am going to ask this question: Does the conduct of this business by some engaged in it in recent years entitle them to this gift or subsidy from the American people? Does it become us, with the information available as to the extent to which profiteering was carried on in this country during the war, to turn about now and say: "For your success in profiteering we are about to bestow upon you, in order that you may continue your profiteering, an increased measure of protection to your industries"?

I pointed out yesterday that 25 per cent of the domestic production of dress goods and woolen cloths was in the hands of the American Woolen Co. I pointed out the fact that in the last 25 years they have purchased and consolidated over 50 independent woolen manufacturing units. I called attention to the fact that they are still consolidating; that last year they consolidated three more big woolen mills, and that they must have now at least 60, and I do not know how many more. I called attention to the fact that levying an unwarranted and an unjustifiable and an excessive protective tariff duty is an invitation to monopoly. Why?

If a high protective tariff duty is levied, it shuts out imports and competition from abroad, and the only thing necessary in order to control absolutely the home market is to stifle competition at home. The next step is to corral all the domestic manufacturers into one powerful organization to stifle domestic competition, control the home market, and dictate prices to be imposed upon the American people.

This bill is helping to bring about that condition. Previous protective tariff bills have helped to bring it about. It will not be long before the woolen industry will be one big monopoly. They already can destroy any small unit, any little woolen mill.

I do not know whether or not the Senator from Kentucky was here a few days ago when I called attention to the fact that the census showed that 40 years ago we had 4,000 little woolen mills in this country, all over this country, good American citizens carrying on an honest-to-God mill business in these little woolen mills, employing men in the same neighborhood where they lived, paying decent wages, and conducting a profitable business. With the coming of these high protective tariff laws during the last 40 years that number has been reduced to 900; yet the capitalization and the amount of money invested in the woolen manufacturing industry has increased tremendously, but the little unit is gradually being destroyed. Why? The big units are in a position in one way or another to stamp out competition. As the Tariff Commission report shows in discussing the industry, the American Woolen Co. now names the prices of dress goods and woolen cloths, and all the others follow. No independent company names its prices each season until the American Woolen Co. speaks.

I must hasten on. I am going just to develop two thoughts and close the debate upon this paragraph, and I am going to have very little to say about the rest of this schedule; but it is a good opportunity to call attention to the absence of any investigation by anybody to find out whether these industries or these producers—it makes no difference—were in such a financial condition that they needed protection. I tell you the American people will not permit themselves to be taxed in the manner that it is proposed to tax them here without some information that the distressed condition of the industry requires and necessitates protection.

Mr. SIMMONS. Mr. President, has the Senator any data showing the profits that these mills were making?

Mr. WALSH of Massachusetts. Yes. In 1920 I prepared a speech which I delivered in this Chamber on May 18, 1920.

Before making that speech I made some investigation in reference to the extent to which profiteering had been carried on in this country during the war and up to May, 1920, and collected some very valuable information. I made an analysis of the extent of profiteering in the fuel, food, clothing, and iron and steel industries, and I discovered that it was very difficult to get very much definite information, because the profiteering corporations had resorted to many successful devices to conceal from the public the true relation between their net incomes and the actual investments on which the percentage of profit should justly be computed. I found that one of the ways resorted to for the purpose of hiding their profits was to pay large salaries. One corporation paid to its president, two vice presidents, the chairman of its board of directors, and two office managers, six executives altogether, an average of $200,000 apiece, aggregating $1,189,000. I cite that only as an illustration, to show the extent to which some of these beneficiaries have gone to hide their profits.

An article published by a former member of the Federal Trade Commission on war profits of the "patrioteers" shows many secret methods resorted to to hide profits, and he makes this comment:

So far as the income and excess-profits taxes are concerned, the Treasury Department is an impenetrable veil, through which no citizen is permitted to see.

Calling attention to the fact that the disclosures made to our Government are secret and if they were made public there would be much very valuable information available. But the Finance Committee could have seen those returns. There is provision in the law permitting the Finance Committee to ask the President to have furnished to that committee the returns of those corporations. The committee could have summoned their officers before them. The witnesses who appeared, saying "Our industries need this rate of protection," could have been asked by the committee, "What are your earnings? What are your profits? What dividends have you been paying?"

Mr. POMERENE. Did they do it?

Mr. WALSH of Massachusetts. In not one instance was it done. There was no attempt made to do so. The committee did not want it. That is why I asked the Senator from Utah the question to-day, and that is why the Senator from Montana was also prompted to ask it, because the same thought was going through his mind—if these increased prices of woolen cloths show, in part, the extent to which profiteering was indulged in during the years of the war, and during the years the high prices were maintained.

Mr. SMOOT. Does the Senator say that I admitted that the committee has made no endeavor at all to find out any reasons why these rates were imposed?

Mr. WALSH of Massachusetts. No. I said the Senator had made no effort to find out the profits of these corporations; had made no effort to find out what dividends they paid; had made no effort to find out what salaries their officers received; had made no effort whatever to determine whether they are in financial distress or not. Am I correct in that?

Mr. SMOOT. The Senator, of course, is correct in his statement that the committee did not go into the question of the profits the companies have made in the past. I suppose the Senator would mean by that to infer that we could take the American Woolen Co., and one or two other of the large woolen mills and compare the profits of all the other mills in the United States with the profits they made during the war. That would be unfair. I want to say to the Senator that, as far as the rates in the bill are concerned, they are not nearly what the Reynolds report would justify, and the Senator knows that that report was made at the instigation of the Congress. I have sample after sample which the Reynolds committee submitted to the Committee on Finance with the results and the tabulations, and according to their figures the duty of 50 per cent would not be sufficient to afford protection.

Mr. WALSH of Massachusetts. What the Senator is saying is that the committee were furnished by the Reynolds committee with information as to what the prices of various products made in this country were abroad and in this country, as of August, 1921.

Mr. SMOOT. Yes; and I say that is what we had when we had the bill under consideration. As I have said before, the rates which were named and the changes which have been made have been due to changes in conditions which have taken place. The Senator also will admit that the compensatory duties have been based upon the reports of the Tariff Commission absolutely.

Mr. WALSH of Massachusetts. I asked the Senator if he made any investigation of the profits and earnings of these companies, and he has admitted he did not.

Mr. SMOOT. The committee did not make that investigation, and I do not see that the committee could have gotten any information which would have assisted them at all in making the rates, either in the case of the woolen business or any other business in the United States.

Mr. WALSH of Massachusetts. I am going to proceed now to show what the chief beneficiary of this protective duty has made, and show that the woolen industry, honestly managed, never needed such high protective duties, and does not need any such high rate as is now proposed.

Mr. SMOOT. Does the Senator mean that the tariff bill ought to be passed with only the American Woolen Co. in view?

Mr. WALSH of Massachusetts. Evidently the Senator anticipates what I am going to say. He evidently is not going to be surprised at the figures which I will give, showing the extent to which stock watering has been carried on and stock dividends and excessive dividends paid. He is not surprised at all. If the American Woolen Co. can pay, upon the stock which they have expanded and expended upon earnings, the present dividends they are paying, I contend that an honestly managed small industry can make money without these high protective duties.

Mr. SMOOT. The Senator has a perfect right to make that statement, and I have no doubt he believes it.

Mr. STANLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Kentucky?

Mr. WALSH of Massachusetts. I yield.

Mr. STANLEY. Mr. President, I want to call the Senator's attention to one fact at this point, and I think the Senator from Utah will agree with me. The Senator intimates that a great industry like the American Woolen Co. can make cloth much cheaper than a small mill can. It is true that a great steel plant which is integrated—that is, where they own their transportation facilities, and where they have no loss in reheating metals—can produce steel fabrics cheaper than a smaller mill can. But that is not true of woolen mills or cotton mills. They are built up like a Wernicke bookcase. You have the same loom here you have there, and when you add to your mills you simply add to the number of looms. There is no integration. A little woolen mill or a little cotton mill differs in size only from a large one, as a little Wernicke bookcase differs from a big one, and the economies are on the side of the smaller mill.

Mr. SMOOT. A little mill may have only one set of cards, and of course everything in the mill is based upon the set, whether it is 1 set, or 2, or 10, or 20, or 30. The overhead expenses of a large concern are not as much as those in a smaller mill by any manner of means.

Mr. STANLEY. If you take a mill with 100 looms or 200 looms——

Mr. SMOOT. Say, a 10-set mill.

Mr. STANLEY. After you get a mill with the requisite number of cards, and so on, necessary to carry on the different processes, from the wool through the yarns, the tops, and so forth, you can multiply that by the hundred if you want to, but you will not have materially cheapened the cost of production.

Mr. SMOOT. The same room for a salesroom would be just as much for one as the other.

Mr. STANLEY. That is not a material economy.

Mr. SMOOT. That is overhead expense, and the overhead expenses are extremely heavy. For instance, in one plant of the American Woolen Co. they may have 20 sets of cards, and in another one only 5, but you have to have foremen in each place.

Mr. STANLEY. As I understand, the American Woolen Co. is not one single factory?

Mr. SMOOT. Oh, no.

Mr. STANLEY. They have mills scattered all over the country?

Mr. SMOOT. Certainly.

Mr. STANLEY. One corporation owning 20 mills is not going to operate any one of those 20 mills much more cheaply than a single owner, and the economies secured by joint ownership are more than offset by the lack of attention to particular business. The only economy is in combination.

Mr. WALSH of Massachusetts. The facts I am going to disclose were submitted to the Federal Trade Commission in 1920 for verification and approval, and I do not think they can be seriously disputed. They were prepared with great care and simply for the purpose of getting accurate information. There is no reason why I should try to exaggerate or in any way seek to put the American Woolen Co. in an unfavorable light. I am citing this case to show why our present economic system is being attacked by labor and by the consumer.

At its organization it was capitalized at $70,000,000, of which the thirty millions of common was unquestionably water and the forty millions of 7 per cent preferred was represented by mill properties whose combined market value at the time probably did not exceed four or five millions. The company, while every year paying this nominally 7 per cent, but more probably 50 per cent, on the actual investment, remodeled its old mills and built new mills of much greater capacity entirely from the proceeds of short-time notes which were redeemed out of surplus earnings. A few years later ten millions of the common stock was "retired" at 31; in other words, $3,100,000 of surplus earnings were diverted into the pockets of certain shareholders whose identity was carefully concealed, leaving, however, little doubt that by this one transaction all the money actually ventured by those in control of the combine was replaced in full. This pre-war record of profiteering was in the war period entirely cast in the shade. Its profits, as disclosed by the company's annual report for 1919, rose from $2,788,602 in 1914 to $15,513,414 in 1919, this after all taxes had been paid. Meanwhile the working capital of the company has been raised through its earnings from $21,843,636 in 1914

to $64,086,943 in 1919, and its "surplus reserves" from $8,024,435 to $39,004,426, while $13,193,549 has been written off for depreciation of plant and machinery which cost the company nothing, though its book value was originally $63,642,911.

Mr. POMERENE. Within what period did the increases in earnings and increase in capital stock out of the earnings occur?

Mr. WALSH of Massachusetts. Between 1914 and 1919. The working capital was raised from those earnings from $21,000,000 to $64,000,000.

Mr. POMERENE. Over 300 per cent.

Mr. WALSH of Massachusetts. Yes. Its surplus reserve during that period was raised from $8,000,000 to $39,000,000, nearly 500 per cent.

The actual earnings for the common stock, as computed from the company's report by the Christian Science Monitor, were $41.87 a share in 1917, $93.86 in 1918, and $76.14 in 1919, or a total in three years of $211.87 per share of common stock, every dollar of which is undeniably water. Think of it.

Let me digress a moment to read a newspaper clipping which came to my office a few days ago:

PRIEST CHAMPIONS CAUSE OF LABOR.

LAWRENCE, MASS., July 20.—Foremost among the champions of the striking operatives of the textile mills in this city who are refusing to accept a 20 per cent wage cut ordered by the mill owners is Rev. James T. O'Reilly, pastor of St. Mary's Church and chairman of a citizens' strike committee named to effect some possible settlement of the difficulties. The mill men, however, have flatly refused to arbitrate. They say the wage reduction is forced by economic conditions.

"It is to the discredit of those who are paying 12 per cent dividends to say that they can not afford to pay their workers a living wage," said Father O'Reilly last Sunday, as he announced from the pulpit that a special collection would be taken up for use of the Society of St. Vincent de Paul in its work among the poverty-stricken mill workers. This great Catholic charitable organization has been doing wonderful work throughout the city.

"The strikers will remain out until they get the living wage that they want," said Father O'Reilly. He said that there were many cases of actual want in Lawrence, and that within 400 yards of his church there were families of from 7 to 12 persons who did not know whence their next meal was to come.

"Though there are not yet any cases of actual starvation," said he, "this is due entirely to the efficient work of the relief organization, and conditions are rapidly approaching those of the terrible days of 1912, when the sufferings of the Lawrence mill workers were known throughout America."

Mr. STANLEY. Mr. President, right at that point, if the Senator will pardon another interruption, let me say that I happened to be a member of the congressional committee which investigated the conditions of the Lawrence strike to which the article refers. It appeared in that hearing that the original mill workers, American citizens and citizens of Irish and German descent, went on a strike.

Mr. WALSH of Massachusetts. There are many foreigners there. They speak 20 or 25 different languages. At the time to which he refers, however, I think the Senator is correct.

Mr. STANLEY. That was in 1911. Their places were filled by employees gathered from southern Europe, from the Balkan States. Great posters were placed, according to the testimony of those people, in the little Balkan countries like Czechoslovakia and Bulgaria, and in every pest-haunted hole in the Orient and in southern Europe, containing pictures of long streams of beautifully dressed people passing from magnificent vans to lovely villas, which were described as the residences of the mill workers. They were brought over here without any knowledge of our institutions, without any knowledge of the actual conditions which were to confront them; brought over in the holds of cattle ships, unloaded in violation of our immigration laws into the city of Lawrence, and there they worked for a song. They did not speak our language and were utterly helpless when they got here.

These people afterwards went on a strike. They were I. W. W.'s. They did not speak our language. They were perfectly desperate as to conditions, and in a way they wrecked the mills so far as they could. They picked up wooden billets and smashed the windows. They ran the employers out. The police were called out and the strikers marched in the streets with the women and children in front of them to protect them. There was a horrible state of affairs all around. This undesirable population worked at a starvation wage to take the places of American citizens, all of which was the result of the desperate efforts of the Lawrence Mill Co. to employ laborers who were willing to work in America under conditions similar to those from which they were taken in Europe.

Mr. WALSH of Massachusetts. I thank the Senator for his observations.

But let me proceed. I showed what the earnings were for three years, being $211 on each $100 share of stock. The common stock, according to this report, has now behind each share a value of $320 in quick assets alone, or not less than $520 per share when we estimate the company's plants at a fair replacement value. The financial editor of the Christian Science Monitor is clearly well within the mark in characterizing this 1919 report as "the most brilliant in the series of extraordinary statements issued by the company since 1916."

But the American Woolen Co., if the chief, is not the only clothing profiteer. It would be a long story to discuss the information that is available to anybody who will look into it as to the extent to which profiteering has been indulged in by the very persons who are to be the beneficiaries of the high protective duties proposed in the pending bill. I shall not take the time to go into that at this time.

If there is any question about what I have been saying, let me put this proposition to the Senate. The common stock of the American Woolen Co. was quoted in 1915 at $16. What do Senators suppose it was quoted for in 1920? One hundred and sixty-nine dollars.

Mr. STANLEY. That is only 1,000 per cent increase.

Mr. WALSH of Massachusetts. That is all, and that was during the war, from clothing that our soldiers had to wear—I do not know how many war contracts they had—and that our people had to wear during those years.

But let me turn to the RECORD, because what I have read was from a speech which I prepared on May 18, 1920. I read now from another newspaper clipping from the New York Daily News-Record:

American Woolen Co. reports profits of $9,192,621 net. Shows gain from operations over previous year amounting to $2,337,362.

Even in the year 1921, these were the gains over 1920:

Earned, 8.02 per cent on common—

The common stock, as I stated, was water.

Preferred shares earned slightly over 15 per cent, compared with 11.56 per cent in 1920. Surplus gains, $406,648. Company in splendid position after difficult year, says William M. Wood.

I am not going to read the report in detail, but because it has some relation to the tariff discussion, I am going to call attention to one paragraph in it. Commenting upon export business of the company, this news article states:

Mr. Wood explains that the reason for liquidating the American Woolen Products Co. was because foreign buyers of goods are able to purchase requirements at prices lower in England and on the Continent than the American Woolen Products Co. could offer. This, coupled with the gradual recuperation of the manufacturing centers of Europe and the increasing costs of wool in this country, due to the high tariff existing, made it impossible successfully to export the company's products, Mr. Wood states.

That is Mr. Wood's statement, referring, of course, to the emergency tariff law of 1921.

Mr. President, why have I called attention to this? Because I could not vote against excessively high duties on agricultural products and then when it came to this industry turn about and vote for high protective duties to it. I felt that I owed it to my colleagues to show why great care and caution should be exercised in the levying of protective tariff duties upon these beneficiaries of protection, and to point out to the country that no Senator can justify levying taxation upon their neighbors and their neighbors' neighbors for the benefit of industries unsoundly organized.

It may be said that this is only one of the woolen industries, but it is the controlling industry. I omitted to read from my clipping the reference made to the number of mills the American Woolen Co. brought into the combine during the year 1921 and to give their names for the RECORD, showing that they are still enlarging and combining. That, however, is only typical of the indefensible way in which the American people are being fleeced for the benefit of monopolies. It shows that to levy protective tariff duties for the benefit of any industry without an examination into the financial condition of the industry works an injustice to the American people. It shows that we are levying upon the American people a toll in order to pay dividends, in many instances, upon watered stock.

This might have been done in the past and no special comment have been made about it, but our people are enlightened. There is unrest in the country. The American people are studying our economic system; our working people are asking why, why, why? It is the age of whys. Men are no longer taking anything for granted. It is asked, "Why do you want me to vote the Democratic ticket?" "Why do you want me to belong to your church?" "Why did you levy that duty?" "Why did you impose that tax?" The American people are going to ask, "Why did you make this duty 50 per cent?" "Why did you levy this protective duty?" Of course, there is no answer.

They must be told that it is a guess; a mere guess at what duty could be levied that would not provoke a storm of disapproval. There have been no figures, no calculations, no estimate at all.

I am going to say but little more on this schedule; I am not going to discuss at length the other paragraphs of this schedule, for it would be useless to do so. We must take this case to the country, not for the sake of political success, but to destroy the growing want of confidence in our own institutions. When we proceed to give protection in order to pay the dividends on watered stocks, what can be expected but protest and disrespect for such laws?

Mr. President, on no ground whatever can this high duty be justified. The Senator from Minnesota [Mr. NELSON] is absolutely right. This is one of the most flagrant paragraphs of the whole bill. These duties can not be defended and they are bound to create very serious opposition throughout the country and will bring very serious results to the political party that stands sponsor for them.

Mr. President, I yield the floor.

Mr. POMERENE. Mr. President, I am going to speak for only a very few minutes. I had hoped when the pending tariff measure was first presented that I should be able to vote for substantial changes in the wool schedule as it is now framed in the Underwood law. I had made up my mind to do that, in view of present world-wide conditions. I have been hoping that the more moderate views of the distinguished Senator from Wisconsin [Mr. LENROOT] and those of the venerable Senator from Minnesota [Mr. NELSON] might prevail, but that seems impossible. Now to vote for the duties as they are presented by the Finance Committee would be to do violence to my own judgment and my own conscience. I do not want to vote for or to speak in behalf of any rate of duty here which is going to do any injury to any established industry, but, on the other hand, I can not vote for duties which, in my judgment, are going to impoverish the consumers of the country; and I wish to submit a few figures to indicate how the proposed rates will affect the State of Ohio, which I have the honor in part to represent.

Ohio is one of the States that has a very substantial sheep industry. There are, generally speaking, two classes of sheep raised in Ohio, one the merino, which is raised more particularly for its wool and of which mutton is a by-product. This class of sheep is more largely produced in the southeastern section of the State. There is another class of sheep raised in the western and northern sections which is produced rather for its mutton, as sheep men tell me, with wool as a by-product.

In 1900 the population of Ohio, according to the Federal census, was 4,157,545. At that time there were 2,648,000 sheep of shearing age which were raised on 73,636 farms, the average flock numbering 36 sheep.

In 1910 the population of Ohio was 4,767,121; the sheep of shearing age numbered 2,890,000; the number of farms reporting was 70,458, and the average flock was 41.

In 1920 the population was 5,759,394; the number of sheep of shearing age was 2,152,550; the number of farms reporting sheep 55,246, and the average flock 38.

The average weight of grease wool per fleece in Ohio, according to the report of the United States Tariff Commission known as "The Wool Growing Industry," is about 8.7 pounds, with a shrinkage of 60 per cent. The merino wool shrinks somewhat more than that, and the wool of mutton sheep in Ohio somewhat less, the average being, as I have stated, about 60 per cent. This would give 3½ pounds of clean or scoured wool per fleece.

In 1922 the number of sheep in Ohio was 1,957,000. Multiplying this by 3½ pounds gives a total of 6,849,000 pounds. Supposing the duty of 33 cents per clean pound to be fully effective, the tariff would result in increasing the value of the wool crop of the State over its value under the free wool by $2,260,335. This sum, divided by the 55,246 raisers of sheep, gives an increased value to each flock owner of $40.91 per annum; that is all. If, of course, the duty of 33 cents per pound on the scoured content should only be one-half effective, then it would cut the total gross profit to the farmer down to $20.455 on the average flock in Ohio.

I am advised that the consumption of clean wool in the United States averages around 3 pounds per capita. It must be borne in mind that the rate of per capita consumption in States such as Ohio and other States in the northern section of the country is considerably larger than in the Southern States. Many of the people in the South use little wool, so that the per capita consumption of wool in the North would be considerably more than the average of 3 pounds. Let us estimate this at 5 pounds per capita.

A duty of 33 cents a pound on the clean wool means, with the unavoidable pyramiding, a tax of about 93 cents a pound by the time the wool reaches the consumer in the form of clothing. The cost to the people of Ohio, therefore, assuming that the per capita consumption is 5 pounds, could be figured as 5 pounds multiplied by 93 cents, or $4.65 per capita; and this, multiplied by the total population of the State, of 5,789,394, would mean a total increased cost to the people of Ohio for their woolens of $26,781,182 per annum. Of course, the figures assume that the duty on the fabric complete is wholly effective. If it were only 50 per cent effective, then the increased cost to the people of Ohio would be $13,340,000 plus. Assuming, for the sake of the argument, that the consumption is 4 pounds per capita and that the tariff is pyramided as above stated to 93 cents, it would equal $3.72 in increased cost, or the total would be $21,436,545.66. These figures, again, assume that this duty is wholly effective. If it were only 50 per cent effective, then the increased cost would be $10,718,000 plus.

I understand, of course, that there are many varying circumstances which affect this situation; but it is just as likely that the tariff tax on the raw wool will be wholly effective as it is that the tariff tax on the finished product will be wholly effective. It was demonstrated here yesterday in the course of the debate that the increase in the cost of the fabric under these tariff rates was 100 per cent over and above what it would be if there were no tariff rate either on the raw material or on the finished product; and I want to commend to the attention of the Senate and to the attention of the country the statement made by the venerable Senator from Minnesota [Mr. NELSON] when he said:

> In some way it has been fixed so that on the cloth that we buy, that we can all afford to wear—and when I say "we" I mean the common people of the country—we have to pay a 100 per cent duty, unless the Senator takes the theory that the common people have no business to wear that kind of cloth, and would remit us back to cloth made from carpet wool.

Again, I want to commend his words when he said:

> I want to say in all Christian spirit to the Senator from Utah that I shall be ashamed to go back to the people of Minnesota and tell them that we have enacted a law providing a duty of 100 per cent on the cloth they and I must buy and wear, cloth that we have to wear in the winter. We shall have to pay 100 per cent duty on it under this provision.

Later, again, he said:

> I do not care what the difference is. I do not care about this sublime argument about compensatory duty, nor do I care about some other refinements here. I only know that this paragraph fixes a duty of 100 per cent on woolen goods that we all have got to wear. I say that is an outrageous duty.

Senators, an analysis of these figures shows that in order to get the benefit of a tariff duty of 33 cents per scoured pound, if the duty is wholly effective, in order to give to the flockmasters $2,260,335, we must impose upon the people of the State of Ohio, if the total consumption is figured at 5 pounds per capita, a burden of $26,781,182 per annum. If it is figured at 4 pounds per capita, then the total burden to the people of the State of Ohio would be $21,436,545.66.

Mr. President, I want to do the fair thing, and I know that I am going to be criticized by some of the people of my own State for taking this position, but I can not help it. I can not impose a burden of $26,000,000 and over, as it would appear if the consumption is 5 pounds per capita, or $21,000,000 and over, if the per capita consumption is 4 pounds to the person, in order to give a benefit of $2,260,335 to the woolgrowers of the State, assuming, of course, that they would get the benefit of it.

For these reasons I shall vote for the lower duty.

Mr. McCUMBER. Mr. President, the Senator from Ohio has made a wonderful speech as a free-trade speech—wonderful in its logic, wonderful in its mathematics—and it is absolutely correct.

The Senator says, and we must all admit, that where there is one producer of anything that is used in the United States there are from a thousand to five thousand consumers; and therefore, in order to give a protection to that one producer, we necessarily have to make a charge on from 1,000 to 5,000 consumers. So the Senator argues that out very nicely with reference to the population of the State of Ohio; and in that respect the Democratic side have the easy philosophy and the easy side in the discussion of a protective tariff bill. They can go to Mr. A and say, "They are giving you a duty of 40 per cent ad valorem so as to allow you to earn 40 cents more a day, but when they are doing this they are also giving a duty of 40 per cent ad valorem on a thousand things that you buy. There-

fore, while you make 40 cents saving because of a duty on you, you pay $400 for the things that you buy."

It is a very fine argument, Mr. President. It lacks only one thing, and that is the Senator fails to tell Mr. A what he would have to buy with if he produced nothing and none of the rest of the country produced anything, but the foreign country produced it all. That he has not yet shown us.

The Senator from Minnesota [Mr. NELSON] with all his complaint yesterday voted against a reduction of the rate of 33 cents a pound on wool. I assume, therefore, that he was in favor of a duty of 33 cents a pound on wool. There is not one man in five hundred in my State who has a sheep on his farm, and probably, other things being equal, if he had protection on everything that he produced, he would be better off if there were no protection upon wool; but having given the farmer of the other States, like Arizona and New Mexico and Idaho, an equivalent of 33 cents a pound upon the scoured content of his product, we have to carry that into the yarn and into the cloth. We have had the careful estimate of the Tariff Commission expert and of others to determine just to what extent that increases the cost of a pound of noils, a pound of yarn, and a pound of cloth, and in every instance we have given a less duty than that shown to be absolutely required. We have to give that compensatory duty. Then we took up the matter of protection. We had not any very late statistics on that point that were extremely reliable, I admit, but we had the statistics under normal conditions, say in 1912; and taking all of the importations at that time we arrived at the fact, and it was so reported by the Tariff Commission, that the differential which would require protection to put the two upon an equal footing was from 60 to 70 per cent, and we gave 50 per cent.

In every instance we gave very much lower than that which was shown to be required to actually balance the accounts.

Mr. LENROOT. Mr. President, the pending question is the committee amendment.

The PRESIDING OFFICER. The committee amendment as amended.

Mr. LENROOT. I move to amend, on line 25, page 146, by striking out "40" and inserting "35"; on line 2, page 147, by striking out "50" and inserting "40"; on line 4, by striking out "50" and inserting "40"; on line 5, by striking out "55" and inserting "45," so as to read:

Woven fabrics, weighing more than 4 ounces per square yard, wholly or in chief value of wool, valued at not more than 60 cents per pound, 26 cents per pound and 35 per cent ad valorem; valued at more than 60 cents but not more than 80 cents per pound, 40 cents per pound and 40 per cent ad valorem; valued at more than 80 cents but not more than $1.50 per pound, 49 cents per pound and 40 per cent ad valorem; valued at more than $1.50 per pound, 49 cents per pound and 45 per cent ad valorem.

Mr. WALSH of Massachusetts. That is an amendment which I had intended to offer, and I am very glad the Senator has proposed it. I prefer to have it come from the other side than from this side, and I shall be glad to support the amendment. I think it provides very fair protective rates.

Mr. LENROOT. Mr. President, the hour is late, and I shall occupy the time of the Senate but a few moments.

I offer this amendment because from such study as I have been able to give to this paragraph I find that the present rate of 35 per cent is practically prohibitive; that the imports which do come in are almost exclusively of specialties, which would come in under almost any rate. I find, further, that the average value of the imports which have come in run about $1, or on the average $1.80 a pound, while the average value of our production of like goods in 1919, according to the latest figures we have before us, was only a little over $2 a pound. When we come to the various kinds of goods I find that of fancy woven fabrics the imports for 1921 were valued at $2.96 a pound, upon the average; of the plain woven fabrics, $2.66 of one class, and $3.58 of another, under the emergency tariff act, being the latest importations, $2.27 a pound; under another classification, fancy woven woolens, $1.63 a pound; under the emergency tariff, $1.85 a pound. Plain, $1.82 a pound.

When we come to the figures of our own production of the various classes of goods I find in the Summary of Tariff Information that the very highest rate on any class was $2.50 a pound, and it runs $2, $1.50, $2, $2, and so on, showing conclusively, because the prices of 1919 were certainly higher than the prices of to-day, that there is not and there can not be any such difference as 40 per cent between the prices of the foreign goods and the present prices of our domestic goods.

That being true, how can an increase to 40 and 50 per cent be justified? If it be said that importations are increasing, I refer to the Monthly Summary of Commerce and Finance and I find that of woolen cloths—worsted and woolen—while the importations in May, 1921, were 674,000 pounds, the importations of this last May were only 598,000 pounds. The importations of May of this year were less than the importations of May of last year.

As you go through the statistics it is conclusively shown, it seems to me, that, except for these specialties, the 35 per cent rate applicable prior to the passage of the emergency tariff law—and that had nothing to do with it, because that adds only the compensatory duty—was practically prohibitive. Therefore, Mr. President, in my judgment the committee has not made any defense of this increased rate. They read again from the Reynolds report the duty which would be required under the Reynolds report, and under that report the duties proposed by the committee are too low.

All I have to say with reference to the Reynolds report is what I have heretofore stated. The test is whether imports come in, and if the Reynolds report is correct, why do not imports come in in greater volume? The answer is conclusive—there is something the matter with the Reynolds report. It is not my business to inquire what it is, but it is very evident that it does not give the correct picture of competitive conditions between Europe and the United States to-day in the matter of woven cloths.

I have been very moderate in this amendment I have proposed. The amendment I have proposed upon the lowest class of goods will leave the rate the same as in the Underwood law, which is now prohibitive. Upon the higher-valued goods it is an increase of 5 per cent in one case and 10 per cent in another case over the present Underwood rates.

I know this amendment is going to be defeated. I know it is going to be voted down. I know it does not make any difference what facts are presented with reference to these duties, a majority of the Senate has determined to vote this wool schedule through, and will do so without the slightest change, except in the one particular, where an amendment of mine was accepted this morning, where it was very clear that without that amendment hidden protection would be given to the manufacturer. I know this amendment will be voted down; yet I want to make this record, and I want a yea-and-nay vote upon this proposition, because I want to know, and to let the record show, whether the Senate is standing for prohibitive duties or not.

I want to say, Mr. President, that I shall not carry this effort on through this schedule. I think this is as good a test as we can have, and if the amendment is voted down I think I shall be content to let the other paragraphs take their course. I ask for the yeas and nays upon it.

Mr. WALSH of Massachusetts. Mr. President, before the vote is taken, I ask to have inserted in the RECORD a table showing a comparison of ad valorem equivalents of total duties, based on foreign valuation of various grades of dress goods, cotton-warp dress goods, and heavy cloths.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Statement showing a comparison of ad valorem equivalents of total duties.

DRESS GOODS.

Value (cents).	Payne-Aldrich law.	House bill.	Senate committee.
	Per cent.	*Per cent.*	*Per cent.*
50	138	112	130
80	110	109	100
100	99	96	104
120	92	87	96
150	84	78	81
200	77	70	79

COTTON-WARP DRESS GOODS.

50	106	98	133
80	95	89	104
100	87	80	94
120	82	74	87

HEAVY CLOTHS.

20	215	150	170
40	132	112	105
60	123	85	83
80	110	87	100
100	99	77	99
120	92	70	91
150	84	78	88
200	77	70	79

Mr. McCUMBER. Mr. President, I ask unanimous consent to insert in the RECORD a table prepared by an actuary of the Treasury Department showing the ad valorem rates of duties

under all the paragraphs of the Payne-Aldrich law in 1910 and the duties estimated under the proposed law.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Article.	Payne-Aldrich law, imports 1910.			Estimated imports first 12 months under proposed bill.		
	Value.	Duty.	Equivalent ad valorem.	Value.	Duty.	Equivalent ad valorem.
			Per ct.			*Per ct.*
Raw wool	$47,687,293	$21,128,729	44.31	$19,909,500	$12,172,500	61
Wastes	203,509	79,293	38.96	1,500,250	731,980	49
Wools, etc., advanced, including tops, etc	1,130	1,188	105	171,000	98,550	58
Yarns	326,886	269,296	82.38	295,000	226,000	77
Woven fabrics	15,445,409	15,546,605	100.66	5,955,600	4,509,370	76
Pile fabrics	16,726	17,118	102.34	150,000	114,000	76
Blankets	45,995	33,768	73.42	59,400	38,578	65
Felts, not woven	107,018	103,821	97.01	112,000	66,000	52
Fabrics with fast edges, etc	77,158	67,173	87.06	17,400	13,820	71
Knit fabrics	37,000	35,431	95.76	7,000	4,480	64
Knit articles	389,308	372,329	95.63	1,635,500	985,132	60
Wearing apparel (not knit)	1,388,928	1,071,977	77.29	3,000,000	1,766,000	59
Carpets and rugs	4,619,170	2,802,212	60.66	4,550,000	2,410,000	53
Manufactures, n. s. p. f	393,407	371,763	94.5	800,000	440,000	55
Total, wools and manufactures	70,736,937	41,900,694	59.23	38,162,650	23,576,410	62

Mr. LENROOT. I ask that the three amendments to the amendment of the committee may be considered together.

The PRESIDING OFFICER. They will be so voted upon as one amendment, and upon agreeing to the amendment to the amendment the Senator from Wisconsin demands the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. DIAL (when his name was called). I have a pair with the Senator from Michigan [Mr. TOWNSEND], which I transfer to the Senator from Arizona [Mr. ASHURST], and vote "yea."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. HARRIS (when his name was called). Making the same announcement as on the previous vote, I vote "yea."

Mr. JONES of New Mexico (when his name was called). Making the same announcement as to my pair and its transfer as on the previous vote, I vote "yea."

Mr. LODGE (when his name was called). I transfer my pair with the Senator from Alabama [Mr. UNDERWOOD] to the Senator from Maryland [Mr. WELLER] and vote "nay."

Mr. McCUMBER. Transferring my general pair as on the previous vote, I vote "nay."

Mr. McLEAN (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. McNARY (when his name was called). Upon this amendment to the committee amendment I am paired with the junior Senator from Minnesota [Mr. KELLOGG]. If he were present, he would vote "yea," and if I were permitted to vote I would vote "nay."

Mr. NEW (when his name was called). Making the same announcement with reference to the transfer of my pair as upon the previous ballot, I vote "nay."

Mr. ROBINSON (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the Senator from Missouri [Mr. REED] and vote "yea."

Mr. DIAL (when Mr. SMITH's name was called). My colleague [Mr. SMITH] is detained on official business. He is paired with the Senator from South Dakota [Mr. STERLING]. I ask that this announcement may continue for the balance of the day.

Mr. STERLING (when his name was called). I have a general pair with the Senator from South Carolina [Mr. SMITH]. I understand that that Senator, if present, would vote as I intend to vote. I therefore am at liberty to vote. I vote "yea."

Mr. WALSH of Montana (when his name was called). Transferring my pair as announced on the previous vote, I vote "yea."

The roll call was concluded.

Mr. McNARY. I transfer my pair with the junior Senator from Minnesota [Mr. KELLOGG] to the junior Senator from Vermont [Mr. PAGE] and vote "nay."

Mr. CARAWAY (after having voted in the affirmative). I have a pair with the junior Senator from Illinois [Mr. McKINLEY]. I transfer that pair to the senior Senator from South Carolina [Mr. SMITH] and allow my vote to stand.

Mr. GLASS. Making the same announcement as to my pair and transfer as on the preceding vote, I vote "yea."

Mr. CURTIS. I wish to announce the following general pairs:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON]; and

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS].

The result was announced—yeas 24, nays 27, as follows:

YEAS—24.

Borah	Heflin	Overman	Sterling
Capper	Jones, N. Mex.	Pomerene	Swanson
Caraway	Jones, Wash.	Robinson	Trammell
Dial	Lenroot	Sheppard	Wadsworth
Glass	Nelson	Simmons	Walsh, Mass.
Harris	Norbeck	Stanley	Walsh, Mont.

NAYS—27.

Brandegee	Gooding	Moses	Ransdell
Broussard	Hale	New	Smoot
Bursum	Kendrick	Newberry	Spencer
Cameron	Lodge	Nicholson	Stanfield
Colt	McCumber	Oddie	Warren
Curtis	McLean	Pepper	Willis
Ernst	McNary	Phipps	

NOT VOTING—45.

Ashurst	France	McCormick	Shortridge
Ball	Frelinghuysen	McKellar	Smith
Calder	Gerry	McKinley	Sutherland
Crow	Harreld	Myers	Townsend
Culberson	Harrison	Norris	Underwood
Cummins	Hitchcock	Owen	Watson, Ga.
Dillingham	Johnson	Page	Watson, Ind.
du Pont	Kellogg	Pittman	Weller
Edge	Keyes	Poindexter	Williams
Elkins	King	Rawson	
Fernald	Ladd	Reed	
Fletcher	La Follette	Shields	

So Mr. LENROOT's amendment to the amendment of the committee was rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee as amended.

Mr. WALSH of Massachusetts. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. CARAWAY (when his name was called). I have a pair with the junior Senator from Illinois [Mr. McKINLEY]. I can obtain no transfer of that pair, and therefore withhold my vote.

Mr. DIAL (when his name was called). Making the same announcement as to my pair and transfer as on the previous ballot, I vote "nay."

Mr. GLASS (when his name was called). Making the same announcement as to my pair and transfer as on the previous vote, I vote "nay."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "yea."

Mr. HARRIS (when his name was called). Making the same announcement as before, I vote "yea."

Mr. JONES of New Mexico (when his name was called). Making the same announcement regarding my pair and transfer as on the previous vote, I vote "nay."

Mr. LODGE (when his name was called). Making the same announcement as before as to the transfer of my pair, I vote "yea."

Mr. McCUMBER (when his name was called). Transferring my pair as on the previous vote, I vote "yea."

Mr. McNARY (when his name was called). Making the same announcement as to my pair and transfer, I vote "yea."

Mr. NEW (when his name was called). Transferring my pair as on the previous vote, I vote "yea."

Mr. ROBINSON (when his name was called). Announcing the same pair and transfer as on the last vote, I vote "nay."

Mr. STERLING (when his name was called). On this vote I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from New Hampshire [Mr. KEYES] and vote "yea."

Mr. WALSH of Montana (when his name was called). Transferring my pair as heretofore, I vote "nay."

The roll call was concluded.

Mr. JONES of Washington (after having voted in the negative). I understand the Senator from Virginia [Mr. SWANSON] did not vote. I promised to pair with him for the afternoon, but I understand on this amendment he would vote as I have voted. Therefore I allow my vote to stand.

Mr. CARAWAY. I transfer my pair with the junior Senator from Illinois [Mr. MCKINLEY] to the senior Senator from Virginia [Mr. SWANSON] and vote "nay."

The roll call resulted—yeas 27, nays 21, as follows:

YEAS—27.

Broussard	Hale	Newberry	Smoot
Bursum	Kendrick	Nicholson	Spencer
Cameron	Lodge	Norbeck	Stanfield
Colt	McCumber	Oddie	Sterling
Curtis	McNary	Pepper	Warren
Ernst	Moses	Phipps	Willis
Gooding	New	Ransdell	

NAYS—21.

Borah	Heflin	Pomerene	Wadsworth
Capper	Jones, N. Mex.	Robinson	Walsh, Mass.
Caraway	Jones, Wash.	Sheppard	Walsh, Mont.
Dial	Lenroot	Simmons	
Glass	Nelson	Stanley	
Harris	Overman	Trammell	

NOT VOTING—48.

Ashurst	Fletcher	La Follette	Reed
Ball	France	McCormick	Shields
Brandegee	Frelinghuysen	McKellar	Shortridge
Calder	Gerry	McKinley	Smith
Crow	Harreld	McLean	Sutherland
Culberson	Harrison	Myers	Swanson
Cummins	Hitchcock	Norris	Townsend
Dillingham	Johnson	Owen	Underwood
du Pont	Kellogg	Page	Watson, Ga.
Edge	Keyes	Pittman	Watson, Ind.
Elkins	King	Poindexter	Weller
Fernald	Ladd	Rawson	Williams

The PRESIDING OFFICER. On the amendment of the committee as amended, the yeas are 27 and the nays are 21, no quorum having voted.

RECESS.

Mr. MCCUMBER. In accordance with the unanimous-consent agreement heretofore entered into, I move that the Senate now take a recess, the recess being until to-morrow morning at 11 o'clock.

Mr. WALSH of Massachusetts. I suggest that the Senator from North Dakota give notice that we shall have a vote the very first thing after convening.

Mr. MCCUMBER. We shall have to vote immediately on convening.

Mr. LODGE. We could not do anything else.

The PRESIDING OFFICER. The question is on the motion of the Senator from North Dakota [Mr. MCCUMBER].

The motion was agreed to; and (at 6 o'clock and 20 minutes p. m.) the Senate, under the order previously made, took a recess until to-morrow, Saturday, July 29, 1922, at 11 o'clock a. m.

SENATE.

SATURDAY, *July 29, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The VICE PRESIDENT. The Secretary will call the roll, to ascertain the presence of a quorum.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Jones, N. Mex.	New	Stanfield
Borah	Jones, Wash.	Newberry	Stanley
Brandegee	Kellogg	Nicholson	Sterling
Bursum	Kendrick	Norbeck	Swanson
Capper	Keyes	Oddie	Trammell
Caraway	Lenroot	Overman	Underwood
Cummins	Lodge	Phipps	Wadsworth
Curtis	McCumber	Ransdell	Walsh, Mass.
Dial	McKinley	Robinson	Walsh, Mont.
Ernst	McLean	Sheppard	Warren
Gooding	McNary	Simmons	Willis
Harris	Moses	Smoot	
Heflin	Nelson	Spencer	

Mr. HARRIS. My colleague [Mr. WATSON of Georgia] is absent on account of illness. I ask that this announcement may stand for the day.

Mr. DIAL. I desire to announce that my colleague [Mr. SMITH] is detained on official business. I ask that this notice may continue through the day.

The VICE PRESIDENT. Fifty Senators have answered to their names. A quorum is present. The question is on the committee amendment inserting paragraph 1109 as amended, on which the yeas and nays have been ordered. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. HARRIS (when his name was called). I transfer my pair with the junior Senator from New York [Mr. CALDER] to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "nay."

Mr. JONES of New Mexico (when his name was called). I transfer my general pair with the senior Senator from Maine [Mr. FERNALD] to the senior Senator from Nevada [Mr. PITTMAN]. I ask that this announcement may stand for the day. I vote "nay."

Mr. JONES of Washington (when his name was called). On this vote I am paired with the junior Senator from Arizona [Mr. CAMERON]. If he were present, he would vote "yea." If at liberty to vote, I would vote "nay."

Mr. MCCUMBER (when his name was called). Transferring my pair with the junior Senator from Utah [Mr. KING] to the junior Senator from North Dakota [Mr. LADD], I vote "yea."

Mr. NEW (when his name was called). Transferring my pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from Vermont [Mr. PAIGE], I vote "yea." I will let this announcement of my pair and transfer stand for the day.

Mr. ROBINSON (when his name was called). Transferring my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the senior Senator from Missouri [Mr. REED], I vote "nay."

Mr. STERLING (when his name was called). Transferring my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Pennsylvania [Mr. PEPPER], I vote "yea."

Mr. WALSH of Montana (when his name was called). I transfer my pair with the Senator from New Jersey [Mr. FRELINGHUYSEN] to the Senator from Rhode Island [Mr. GERRY] and vote "nay."

The roll call was concluded.

Mr. DIAL. I am paired with the Senator from Michigan [Mr. TOWNSEND]. I transfer that pair to the Senator from Texas [Mr. CULBERSON] and vote "nay." If my colleague [Mr. SMITH] were present and not paired, he would vote "nay" on this question.

Mr. WILLIS. I am paired with my colleague [Mr POMERENE] and therefore withhold my vote. If at liberty to vote, I would vote "yea."

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Maryland [Mr. WELLER] with the Senator from Illinois [Mr. MCCORMICK];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON];

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS]; and

The Senator from Maine [Mr. HALE] with the Senator from Tennessee [Mr. SHIELDS].

The result was announced—yeas 26, nays 24, as follows:

YEAS—26.

Brandegee	Keyes	New	Smoot
Broussard	Lodge	Newberry	Spencer
Bursum	McCumber	Nicholson	Stanfield
Curtis	McKinley	Norbeck	Sterling
Ernst	McLean	Oddie	Warren
Gooding	McNary	Phipps	
Kendrick	Moses	Ransdell	

NAYS—24.

Ashurst	Harris	Nelson	Swanson
Borah	Heflin	Overman	Trammell
Capper	Jones, N. Mex.	Robinson	Underwood
Caraway	Kellogg	Sheppard	Wadsworth
Cummins	Lenroot	Simmons	Walsh, Mass.
Dial	Myers	Stanley	Walsh, Mont.

NOT VOTING—46.

Ball	Edge	Hale	La Follette
Calder	Elkins	Harreld	McCormick
Cameron	Fernald	Harrison	McKellar
Colt	Fletcher	Hitchcock	Norris
Crow	France	Johnson	Owen
Culberson	Frelinghuysen	Jones, Wash.	Page
Dillingham	Gerry	King	Pepper
du Pont	Glass	Ladd	Pittman

Poindexter	Shields	Townsend	Williams
Pomerene	Shortridge	Watson, Ga.	Willis
Rawson	Smith	Watson, Ind.	
Reed	Sutherland	Weller	

So the amendment of the committee as amended was agreed to.

PETITIONS.

Mr. ROBINSON presented resolutions of the Arkansas Association of Pharmacists, favoring inclusion in the pending tariff bill of a prohibition against importation of merchandise bearing any trade-mark, label, print, or other mark registered in the United States Patent Office and owned by any person domiciled in the United States, unless imported by such owner, provided the owner shall file with the Secretary of the Treasury a certified copy of the registration of the mark, which were referred to the Committee on Finance.

REPORTS OF COMMITTEES.

Mr. SPENCER, from the Committee on Claims, to which was referred the bill (S. 1715) for the relief of the heirs of Almon R. Proctor, reported it without amendment and submitted a report (No. 839) thereon.

Mr. WADSWORTH, from the Committee on Military Affairs, to which was referred the bill (S. 2750) to provide for the advancement on the retired list of the Regular Army of Second Lieut. Ambrose I. Moriarity, reported it with amendments and submitted a report (No. 840) thereon.

BRANCH OF FEDERAL RESERVE BANK AT DETROIT, MICH.

Mr. McLEAN. From the Committee on Banking and Currency I report back favorably without amendment the joint resolution (S. J. Res. 229) authorizing the Federal Reserve Bank of Chicago to enter into contracts for the erection of a building for its branch office in Detroit, Mich. I do not suppose there will be any objection to the joint resolution, and I ask for its present consideration.

Mr. SMOOT. I should like to ask the Senator if the joint resolution takes care of the other two branch offices?

Mr. McLEAN. No; there are two others. They are all approved by the Federal Reserve Board.

Mr. SMOOT. I know they are.

Mr. HEFLIN. Let the joint resolution go over. I should like to look into it.

The PRESIDING OFFICER (Mr. SPENCER in the chair). Objection is made, and the joint resolution will be placed on the calendar.

RIO GRANDE RIVER BRIDGE.

Mr. SHEPPARD introduced a bill (S. 3874) granting the consent of Congress for a temporary toll bridge and a permanent bridge across the Rio Grande River, which was read twice by its title and referred to the Committee on Commerce.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McCUMBER. Mr. President, I send to the desk and desire to have printed an amendment which is designed as a substitute for paragraph 1215 of the silk schedule.

I also desire now to ask unanimous consent that when the Senate closes its session on this legislative day it recess until Monday next at 11 o'clock a. m.

The VICE PRESIDENT. The amendment submitted by the Senator from North Dakota will be printed, and, without objection, the unanimous consent for which he asks, that when the Senate closes its session on this legislative day it take a recess until Monday next at 11 o'clock a. m., is granted.

Mr. SMOOT. Mr. President, on behalf of the Committee on Finance I ask that paragraph 1110, beginning in line 11, on page 147, down to and including line 11, be stricken from the bill.

This paragraph provides for the 2 per cent ad valorem duty additional where the cloth is cut in suit lengths or where the cloth has been shrunk or dampened or sponged before being shipped from the foreign country into the United States. The House of Representatives no doubt inserted this provision in the bill because of the fact that when cloth is sponged or dampened, as it has to be before it can be made into a suit, it shrinks and loses in length about 2 per cent.

It is, however, a small matter, and, so far as the cloth being cut into suit lengths is concerned—and a great many of the importations reach the customhouse in that form—there is always a 15 per cent increase in price on cloth so cut and shrunk. So the 15 per cent addition in the price, while it will not entirely take care of the shrinkage, will take care of a part of it, and the committee thinks, that being so, it is not necessary further to take the matter into consideration at all.

Mr. ROBINSON. Will the Senator from Utah yield to me?

Mr. SMOOT. I yield.

Mr. ROBINSON. The effect of the Senator's proposal to strike out the paragraph to which he refers, if agreed to, would be to diminish the rate that would otherwise be imposed on that class of goods?

Mr. SMOOT. Yes; that is the object of the amendment.

Mr. SIMMONS. Mr. President, I think the Senate is to be congratulated upon the fact that there is something connected with the manufacture of textiles which is not to be subjected to a duty. Every possible waste in the process of manufacture seems to have been provided for in the bill as presented; but now we are. I am glad to say, advised that the committee has finally, after mature deliberation, decided to strike out this paragraph imposing a duty to compensate for every little item of shrinkage in the process of manufacturing woolen goods.

Mr. CARAWAY. Mr. President, after consulting with a number of my colleagues on this side of the Chamber and some on the other side, in view of certain editorials which have been appearing in the leading metropolitan newspapers, principally Republican newspapers, I shall ask leave at the conclusion of the few remarks I am about to make to introduce and have immediately considered a resolution.

In the New York Herald of the 26th of July appeared an editorial of which I shall read only a portion, omitting the names of those who are mentioned. It says:

> The shocking thing about the tariff duties on wool now being jammed through the United States Senate is not merely that they are extravagantly, inordinately, incomparably excessive. Other tariff duties framed by the Finance Committee and adopted by the general membership of the Senate are, from the point of view of economic sense and of consideration for the consuming public, so high as to be outrageous. The wool schedule, therefore, has plenty of bad company. But that is not all there is to say against the wool tariff.
>
> The worst indictment of the wool schedule and of the men responsible for it, bad as is the wool tax itself, is that the wool duties were made and are being driven through the Senate under whip and spur by United States Senators who are financially interested, directly and heavily, in the growing of sheep and the production of wool. The circumstances are flagrant.

I am omitting the names of those mentioned—

* * * * * * *

> Their performance is the last word in personally interested, private-pocket statesmanship.

I am skipping again—

* * * * * * *

> Yet Members of the United States Senate, up to their necks in the business of growing sheep and producing wool, have not hesitated to make the highest wool duties in the history of the country—have not hesitated in a matter deeply touching their own private pockets, to put an extra wool tax on the American people estimated at not less than $200,000,000 a year.

A newspaper published here in the city of Washington yesterday contained an editorial in which a Senator is named, saying that he has been absent until the duty on wool was to be fixed; that he came then and was exceedingly interested in putting through that schedule; and it quoted from his biography as it appears in the Congressional Directory—and I shall omit his name—which says:

> Engaged in the live-stock industry, being America's largest producer of wool and mutton.

Other papers are carrying similar charges. It has been asserted that certain Senators were even interested in purchasing the products that are to be affected by either this or the emergency tariff and in forming pools and selling on a higher market.

I, of course, make no comment as to whether the charges are true or false. I shall leave each Senator, of course, as I will be compelled to do, to determine for himself how far he may consistently with his own honor and the public good vote for a measure that directly enriches him.

But, Mr. President, I sat in the gallery here a few years ago, before I was a Member of either body and when I expected never to be a Member of either, and saw a judge impeached while standing at the corner of the Vice President's rostrum. It was charged that as a judge he influenced the sale of a coal dump. I doubt if any Senator thought that he directly profited by his conduct. It was thought, however, by the Senate—and many of the Senators voting in that case then are here now—that he was so intimately related to the transaction that his usefulness as a public servant, as a judge of a court, had been destroyed, and that he should be impeached, and he was impeached. He was driven out of public office in disgrace, and his family were disgraced, because it was suspected that he had abused his office to try to influence the price of a coal dump in which he might have some interest.

I deny, Mr. President, that the honor of the bench is any more sacred than the honor of the Senate of the United States. This judge was the chief justice of a court which Congress had created, and therefore he was a creature of this legislative body; he had been confirmed by a vote of the Senate; but he was driven out of public office because it was thought that he had not been circumspect in the use of his official position and that possibly he tried to profit by some judicial act of his.

The constitution of my State, and I presume of every State, and of the United States forbids a judge to sit in judgment upon a cause in which he is interested. It not only forbids him to sit in a case in which he is interested but in which a kinsman down to the third degree is interested, so jealous are we of the honor and integrity of the courts and so considerate of the rights of the individual.

The laws everywhere forbid a juror to be accepted to sit in a cause in which he is financially interested or in which a near relative of his might be so interested. Can we say that we are more concerned for the honor and integrity of the courts than we are for the legislative honor?

A judge may be dishonest, and his decision may affect only a few people, the litigants before him. It can not be said that this body can be influenced by a personal consideration and affect the welfare of but a few people, because we legislate for all the people; and the honor and the dignity and the respect and the confidence of this country must be reposed in the integrity and honor of the Senate as one of the bodies of the legislative branch of the Government or else the Government ends.

If a decision had been handed down by the Supreme Court of the United States, we will say, in Smith against Jones, and it should be charged in reputable papers that five members of that court were interested in the decision, and that their wealth was increased by it, that $200,000,000 worth of property was affected by their decision, and that they profited by this decision, unless they could show that that was not true this body would impeach them. It would sit in judgment on them when the charge has been made in the other body, and we would drive them out of office. Here are reputable papers, Republican papers, saying that this legislation was framed and is being jammed through this body by men who are legislating to put money in their own pockets. The Senators whose names were mentioned in the editorial to which I have referred have not seen fit to demand an investigation. I am unwilling that the incident shall be closed without our knowing whether it is true or not.

Yesterday one of the most respected Members of this body, a man who possesses the confidence of every man who knows him, Democrat and Republican alike, said this:

> It is evident, it seems to me, that the Senator from North Dakota [Mr. MCCUMBER], in his zeal to put such an immense tariff on these agricultural products—higher than we have ever had before, higher than there was any necessity for—has done so simply to oil the protection machine for the woolen schedule and some other schedules in the bill. I do not want to do the Senator from North Dakota any injustice. This is simply a notion of mine. I do not make the charge against him, of course. I would not think of doing that. It is only a notion and a suspicion of mine.

Mr. BURSUM. Mr. President——

The PRESIDING OFFICER (Mr. SPENCER in the chair). Does the Senator from Arkansas yield to the Senator from New Mexico?

Mr. CARAWAY. I yield.

Mr. BURSUM. Under what authority would the Senator suggest that the Senate should investigate this matter?

Mr. CARAWAY. I am proposing in a resolution to let the Committee on the Judiciary, either by the full committee or by a special committee, for which there is precedent, investigate it.

Mr. BURSUM. Does not the Senator believe that the charge to which he is referring might with equal justice be made against any Member of this body who might have voted on any schedule which has been passed upon by the Senate? Might not the owner of a farm, who may produce a few turnips, who may raise a few bushels of oats or a few bushels of wheat, also be charged with having a personal interest, and might not anyone who represented some other interest be charged with the same thing? Would it not be impossible to have a body representative of the people of this country and limit its membership to those who had no interest of any kind or character in legislation and who would not be affected by it?

Mr. GOODING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Idaho?

Mr. CARAWAY. I will yield. I wanted to answer the question of the Senator from New Mexico, but I will hear the Senator from Idaho first.

Mr. GOODING. While the Senator is drafting his resolution will he not be kind enough to incorporate in it a direction to investigate as to why the junior Senator from Arkansas voted for a high protective tariff on rice?

Mr. CARAWAY. I will say to the Senator from Idaho that I am not interested, directly or indirectly, and that no kinspeople of mine are interested, in a grain of rice.

Mr. GOODING. How is the Senate to know whether the Senator is or not?

Mr. CARAWAY. I know it; and I will say to the Senator that if anybody said I was I would say that he was an unqualified liar. That is what I would say, because I do not legislate for myself.

Mr. GOODING. We will investigate and see why the Senator voted for it, and why he has condemned every other schedule.

Mr. CARAWAY. Investigate.

Mr. GOODING. That is the most extraordinary exception.

Mr. CARAWAY. Investigate; investigate. The resolution is going to require me to disclose it, as it will require the Senator from Idaho to disclose his interest. I am willing to do it. I would spurn the idea of trying to take money from somebody else to put into my pocket by legislation, and I am willing that every other Senator shall have a chance to show how he stands on that matter.

Mr. SMOOT. Mr. President——

Mr. GOODING. Mr. President, will the Senator yield again?

Mr. CARAWAY. I yield to the Senator from Utah now.

Mr. SMOOT. Mr. President, from what the Senator has said, if a statement was made in the paper that was not true he would not approve of any such statement, would he?

Mr. CARAWAY. No, sir.

Mr. SMOOT. Then I want to say to the Senator that the article in the New York Herald of July 26, which the Senator has just read, charges me with being a Member of the Senate who is interested in the tariff upon wool.

Mr. CARAWAY. I know it, sir; but I did not put it in the RECORD.

Mr. SMOOT. I want to say to the Senator, as I have said before, that I have not owned a sheep or a lamb since I sold all that I had immediately after Grover Cleveland was elected.

Mr. CARAWAY. I heard the Senator say that the other day.

Mr. SMOOT. I do not own a single head of sheep, and I do not know of a relative of mine who owns a single head of sheep.

Mr. CARAWAY. I do not doubt that, and I thought, in view of what I had heard the Senator say, that this article did him a grave injustice; but we will give each Senator a chance.

Mr. ODDIE. Mr. President——

Mr. CARAWAY. If it is right to do these things, no Senator can complain of having it made public that he does them. That is evident. If it is right, he will not complain. If it is right, he has no objection to having it known. If it is wrong, he has no right to ask that it be concealed.

Mr. ODDIE and Mr. BURSUM addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Nevada?

Mr. CARAWAY. I started in with the Senator from New Mexico. I will yield to the Senator from Nevada just as soon as I am through with him.

Mr. BURSUM. Just by way of calling attention to the unreliability and the recklessness and the malice, for no other purpose, apparently, except to capitalize prejudice, of the statement which the Senator from Arkansas referred to in a paper called the Daily News, I believe, there is one statement with reference to myself as to which I wish to say that I should be very glad if it were true, namely, that I am one of the millionaires of this body. I should be perfectly willing to give my note for half the amount stated in that article and turn it over to anyone who would agree to have it discounted at the bank, and I will divide with the fellow who obtains that discount. There is nothing further from the fact; and if the rest of the article is no more accurate than that——

Mr. CARAWAY. That is the very reason, then, why there ought to be an investigation. If Senators have been slandered, they ought to have a chance to appear in a forum where they can vindicate themselves.

Mr. BURSUM. I have no objection to an investigation or to the world knowing everything about this matter. I may question the propriety of a representative body like the Senate of the United States taking notice of every little slur that may be published by some half-brained fellow who may be in the employ of some political party or of some particular interest for the purpose of disseminating propaganda. If we are to

spend our time attending to those things, we will not do anything else.

Mr. CARAWAY. If the Senator thinks it is merely a little slur to have it charged in the newspapers all over this country that he was voting to put money in his pocket, which meant that he was voting to take money out of somebody else's pocket, he does not look at what is a little slur as I do. I am going to afford the Senator, if he does not object to the consideration of the resolution, an opportunity to vindicate himself.

Mr. BURSUM. I have nothing to vindicate. I want to ask the Senator this question: If there is a Member of this body who happens to be interested in a patch of potatoes, and who voted for a tariff on potatoes, would the Senator charge him with acting improperly?

Mr. CARAWAY. I might want to know what the size of the potato patch was, and how much his direct interest was. I am going to say in good faith to the Senator that I realize that it may become difficult to draw the exact line.

Mr. BURSUM. So far as being interested in the industry is concerned, I have said on the floor of the Senate that I was interested in it. There is no secret about that.

Mr. CARAWAY. All right; then the Senator will have no objection to the resolution?

Mr. STANFIELD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Oregon?

Mr. CARAWAY. I promised to yield first to the Senator from Nevada.

Mr. ODDIE. Mr. President, I could not hear what the article was that the Senator from Arkansas put into the RECORD. Was it an editorial from the New York Herald?

Mr. CARAWAY. Yes, sir. I left out the names of everybody who was mentioned, and read just the charging part.

Mr. ODDIE. That editorial mentioned my name, did it not, as being interested in sheep?

Mr. CARAWAY. I have not the editorial before me. I do not know, but I think it did.

Mr. ODDIE. I saw the editorial yesterday, and I wish to state to the Senator that I do not own one sheep, and am not interested in any manner whatever in sheep, except that I am interested in the welfare of the West and the upbuilding of the West and consequently the welfare of our whole country.

Mr. CARAWAY. The Senator has a right to be.

Mr. ODDIE. Just as the Senator says he is interested in Arkansas rice, I am interested in sheep.

Mr. BURSUM and Mr. GOODING addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Arkansas yield; and if so, to whom?

Mr. CARAWAY. I am going to let the Senator from New Mexico get through with his questions first.

Mr. BURSUM. I simply desire to ask the Senator from Nevada if he pleads guilty to being a millionaire.

Mr. CARAWAY. He is not charged with that.

Mr. BURSUM. Yes; it is said that he is one of them.

Mr. CARAWAY. Is he charged with being a millionaire?

Mr. BURSUM. Yes; he is charged with being a millionaire.

Mr. CARAWAY. Well, possibly.

Mr. STANFIELD. Mr. President, will the Senator yield?

Mr. CARAWAY. Yes; I yield.

Mr. STANFIELD. I simply want to ask the Senator from Arkansas a question. In his opinion is a member of a legislative body disqualified from voting on a legislative measure because it affects in some way an industry in which he may be interested?

Mr. CARAWAY. I should not say "in some way." If he is directly financially interested in the result, I should like to answer the Senator in the language of Jefferson's Manual, which we have always thought to be a rule of the Senate. It reads in this way—I am reading from section 17, on page 249:

> Where the private interests of a member are concerned in a bill or question he is to withdraw. And where such an interest has appeared his voice has been disallowed, even after a division. In a case so contrary, not only to the laws of decency but to the fundamental principle of the social compact, which denies to any man to be a judge in his own cause, it is for the honor of the House that this rule of immemorial observance should be strictly adhered to.

I am going to say to the Senator that I do not know where the line lies. If the interest of a representative is merely that of the American people, if he has no special interest, it is presumed that legislation will be helpful to us all, and where his interest is general I think there is no question about his right to participate in the legislation; but where he is to be directly financially benefited by his vote it seems to me that he ought not to cast a vote.

Mr. STANFIELD. Does not the Senator think, rather, that instead of applying the rule in that way, if the Senator is not so big that he will not be influenced, and is not going to vote according to a principle, he should withdraw from the industry in which he is engaged, rather than not do his legislative duty here? The Senator surely realizes that if we are to enact a tariff bill—in which the Senator does not believe; it is well known that the Senator from Arkansas is opposed to a protective tariff, except in a very few instances he is in favor of a free-trade proposition——

Mr. CARAWAY. The Senator would do well to state his own position, and not mine.

Mr. STANFIELD. There are a number here who are interested in this woolen schedule. Some may be the owners of ranches. It is laudable for a man to be the owner of ranch property. It is laudable for a man to be a flockmaster, the owner of a flock. If he is, should he then stand aside and permit an injustice to be done to the great industry in which he is interested?

I want to say to the Senator now that if any Senator here believes in a protective tariff, he can defend this woolen schedule fairly and truly, under the principle of a protective tariff, which is that an industry is entitled to protection equal to the difference in the costs of production in this country and the foreign countries in competition in the home market. I want to say to the Senator from Arkansas that, so far as the duty on wool is concerned, this tariff does not represent the difference between the cost of production in this country and in foreign countries with which this country comes in competition. Further, I hope the Senator is not impugning the character or the standing of any Senator here, in voting for this woolen schedule, because he happens to be interested in wool. I am interested in wool, and I believe my interest in it only fits me to vote intelligently here, more intelligently, perhaps, than many others who have not given it a thought, but simply stand here on this floor and oppose the principle of a protective tariff.

Mr. CARAWAY. Let me ask the Senator a question. Suppose that a judge has a lawsuit in which he is interested. He doubtless knows more about it than any juror who could be selected. Yet would we expect him to try the case?

Mr. STANFIELD. But this is a legislative body, not a judicial body, and there is no one here who knows better than the Senator from Arkansas that there is a difference. We know that a legislative body should not function as a judicial body. We pass judicial questions on to the judiciary. We are not standing here passing judgment; we are here enacting a law, according to a principle, that is to save a great industry in our country.

Mr. CARAWAY. The judge might say it was to save a right he had, and therefore he wanted to sit in the trial, so that no mistake would be made. He would know how to render a judgment to protect his interests. I am not here charging anybody with anything. I say that certain charges have been made in the newspapers to the effect that Senators are influenced by their financial interests. I do not know whether it is true or not, and I am not going to pass judgment on it.

Mr. BURSUM. Mr. President, does the Senator from Arkansas believe all he sees in the newspapers?

Mr. CARAWAY. I am going to be very largely compelled to believe or disbelieve by the attitude which the Congress itself may take with reference to whether it wants the facts known; and the country is of the same opinion. Let me say this to the Senator from Oregon—I am not pointing the accusing finger at anyone: Charges have been made. They have been made by members of his own party, by men who believe in the same theory he professes to believe in, in protection. They have said that the rates are unconscionable; that they are indefensible; that they are outrageous; and that they are the result of pocketbook legislation. Those are charges made by people on your side. I do not know whether they are true or false. Every Senator can answer under his own conscience. But I do want to say this, and the Senator must know it to be true, that if the people out in the States are to believe these charges, that legislation is the result of corrupt bargaining, that men who have private interests get together and fix a tax on them that is going to cost the people hundreds of millions of dollars, that that is the way their laws are made, they are not going to respect law, and I do not blame them. If I believed that laws were bought and sold, I would owe no obedience to the law made or the government in which that thing could happen. It would become the duty of every self-respecting citizen to rise up not only in protest but if necessary in rebellion against a government where the laws were bought and sold.

This is a charge made by a reputable Republican paper. It has been reiterated here on the floor of the Senate. It was charged yesterday afternoon by a Member on your side whose

honor, and whose acute sense of honor, nobody questions, that it was an outrage, and, using his own language, to which I will go back, he said:

But, Mr. President, this is all "love's labor lost." We are in the hands of the wool Philistines. They have us by the throat, and perhaps it would be wiser for us to take the medicine in silence and turn our heads toward Providence and hope to get relief from that source.

Is it wise to let the impression go abroad that legislation is being framed by selfish interests, by men directly profiting by the legislation?

Mr. STANFIELD. Mr. President, the Senator knows that the great American people are not accepting a report written in some paper by some individual.

Mr. CARAWAY. I am not reading a paper; I am reading the language of Senator KNUTE NELSON, a man whose honor no man ever impugned.

Mr. STANFIELD. I have the highest respect for the Senator from Minnesota.

Mr. CARAWAY. And he uttered that sentiment here on the floor of the Senate.

Mr. STANFIELD. I do not believe the Senator from Minnesota intended, and I do not believe the Senator from Arkansas thinks, that it was the intention of the Senator from Minnesota to impugn the motives of any Member of the Senate, and I do not believe that the great American people are going to accept any such opinion as that. I can understand that the Senator from Arkansas is attempting to write into the RECORD something to promote that feeling among the great American people, but the great American people indicated by their ballots not long ago that they believe in a protective tariff, and that they believe in the cardinal principles of a protective tariff.

Mr. CARAWAY. When was it they did that?

Mr. STANFIELD. In the last election, when, by the large majority of 7,000,000 votes, they put the Republican Party into power, and that party was pledged to a protective-tariff policy.

Mr. CARAWAY. I have heard so many alibis for what the people mistakenly did in 1920 that I am at a loss to know which of them to accept. The Senator from Illinois [Mr. MCCORMICK] assures us always that it was a repudiation of Wilson's League of Nations. Other Senators have ascribed it to the extravagance of the last administration. Now the Senator says it is because they want an embargo on wool.

Mr. STANFIELD. No; not on wool. I said they believed in the principle of a protective tariff. Do not put words in my mouth I did not use.

Mr. CARAWAY. Wool is what we happen to be discussing.

Mr. TRAMMELL. Mr. President, I would like to have the Senator inform me, if he knows, whether or not the rates in the wool schedule were increased in the Senate over the rates of the House, which, of course, is overwhelmingly Republican.

Mr. CARAWAY. They are.

Mr. TRAMMELL. They were increased in the Senate over the rates fixed by the House, although the House has a very large Republican majority, entertaining the same ideas of protection, as far as the general public is concerned, as are entertained in the Senate.

Mr. CARAWAY. They are closer to an election. If I may, I want to read an extract from the CONGRESSIONAL RECORD of May 7, 1909, page 1837. This is the utterance of a Republican Senator when a tariff bill was before the Senate:

* * * Mr. President, I am myself placed in a position where I shall withhold my vote upon this amendment, and for this reason: Some years ago, when I was not in official life, I acquired an interest in land in Wisconsin which was believed to be, and which has proven to be, in part lead-bearing property. Some development has taken place upon it, and one portion of it is at this time producing lead ore in small quantities, and zinc ore as well. I make this statement now as covering both those products.

If maintaining duties or increasing duties affects the price of those products, I can not consistently and conscientiously vote upon this question as a Member of this body, and therefore upon this roll call, for the reason stated, withhold my vote.

Mr. BURSUM. Mr. President, if that lead stock referred to is worth as much as some lead stock I know of, it would not bring the price of print paper. The Senator was not hazarding very much.

Mr. CARAWAY. The Senator must set up his own standard. I am reading from the CONGRESSIONAL RECORD a speech made by a man who was a Member of the Senate then and who is a Member of the Senate now, and merely in order not to drag him into the RECORD, I shall withhold his name. Two such occasions arose. On June 16, 1909, pages 3363 and 3364 of the CONGRESSIONAL RECORD of that date, he said:

* * * Mr. President, as I am confident that the amendment offered by the committee will be adopted, I shall take the time of the Senate to submit a brief statement. * * * Mr. President, for reasons which I stated when the paragraph on lead ore was under consideration, I am compelled to withhold my vote on all questions or amendments offered as to paragraph 190.

I am interested in property which I believe will be increased in value if zinc ore is made dutiable as provided in the amendment proposed by the Finance Committee. For that reason I will ask to be excused from voting.

I am going to leave every man to be his own judge, whether he stands in a better light who declines to vote at all where his vote might increase his own wealth than the Senators who come together and frame a schedule which will put into their pockets money, a large amount of money, and for which they have been pilloried in the public press as having made this schedule because they were financially interested in it. I do not say it is true, but I say that every man who feels very acutely what public opinion might be, should want an opportunity to have all the facts known.

I know there is not a Senator on this floor who would not vote to impeach a judge if he were guilty of having done that thing. I know that under a law which Congress passed a Senator from this Chamber was taken to a court and convicted and imprisoned for violating a provision of that law, which declared that no Congressman should for hire, or as an attorney, appear before one of the departments, for fear he might unduly influence that department. You were so jealous of other people's honor that you made it a crime for a man who held a seat in either House of Congress to appear before one of the bureaus or one of the departments of the Government and try to influence that department, as an attorney, to render a decision, even in a matter which might not have involved five dollars worth of property.

I know of another Senator, I believe from the Senator's own State, who was indicted and carried west to his own State to be tried for having used influence in a matter affecting public land. He died before the trial, and what the result would have been I do not know.

Mr. GOODING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Idaho?

Mr. CARAWAY. I yield.

Mr. GOODING. I wanted to ask the Senator if he was the holder of property in his State of any kind.

Mr. CARAWAY. Oh, yes, sir.

Mr. GOODING. The Senator owns property down there?

Mr. CARAWAY. Yes, sir; and I would be glad to disclose what it is.

Mr. GOODING. Why did the Senator vote for a protective duty on rice?

Mr. CARAWAY. I have explained to the Senator over and over again——

Mr. GOODING. Was that not for the purpose of increasing the prosperity of the rice grower, enhancing the value of the Senator's own property?

Mr. CARAWAY. No.

Mr. GOODING. If the rice growers were prosperous——

Mr. CARAWAY. If I had had a dollar invested in rice I should not have voted, and I do not think I ought to have voted.

Mr. GOODING. Mr. President, if every Senator followed that out, there would not be a quorum to vote on the tariff question.

Mr. CARAWAY. If every Senator had a special interest, and came to write a law to make himself rich, it would be infinitely better if there never was a quorum in the Senate.

Mr. STANLEY. Mr. President, I would suggest to the Senator that there is a way to settle this question without any investigation, a very proper way——

Mr. GOODING. Mr. President, there is going to be an investigation; let Senators make no mistake about that.

Mr. CARAWAY. I have the floor.

Mr. STANLEY. I am not opposing an investigation, but I simply suggest, to save time, that we could easily enough determine this question by simply proposing an amendment, like that of the Senator from Wisconsin [Mr. LENROOT], providing for a sane reduction in the duty on raw wool, and I can not conceive it possible that Senators with a direct interest in a schedule in this bill have or will vote on it. If there are such, let them abstain from just one vote, and the question will be settled to the satisfaction of the country.

Just take one vote and let the men with a "take out in this pot" take no hand in the game, and the country and the press will be content.

Mr. GOODING. If the Senator would not restrict that to wool, if he would put that embargo on all agricultural products and manufactured products, and all others, of course——

Mr. STANLEY. Certainly.

Mr. GOODING. And rice.

Mr. STANLEY. Yes, sir; and rice.

Mr. GOODING. Certainly.

Mr. STANLEY. Rice and hemp and horses and mules, everything that is raised in Kentucky, from a quart of whisky to a row.

Mr. GOODING. The Senator should add jackasses.

Mr. CARAWAY. That would exclude the Senator from Idaho.

Mr. STANLEY. If ever we get to jackasses, I advise the Senator from Idaho to wait on the Lord in prayer, for He is the only one who can save him. But there is no use in talking about an animal after having heard it bray.

Mr. President, I am perfectly willing to have the Senator catechise me as to the property I hold and the cash I have and the votes I have cast until he is black in the face. I have no treasures except treasures in heaven, and nothing to fight except the iniquities of the Republican Party and such scandalous situations as this.

Mr. BURSUM. Mr. President, I suggest to the Senator from Kentucky that if his treasures are all in heaven his income tax will not be a burden upon him.

Mr. STANLEY. Absolutely not. But I would not trade my peace of mind for all the sheep the Senator owns.

Mr. BURSUM. The Senator would not have much if he had them all.

Mr. CARAWAY. Anyway, we would find out just how many sheep the Senator does own if he would let us pass the resolution. I want to say to the Senator from Idaho that the resolution contemplates every article that appears in the tariff bill. Whether it is sheep, rice, cotton, sugar, or whatever the article is, it covers the whole field. I believe that when it is done and the American people see by what interests certain schedules were adopted the proponents of the bill themselves would move a reconsideration of it, because there is a power in public opinion—the Senator from Idaho and the Senator from New Mexico and the Senator from Oregon seem to doubt it—but there is such a power in public opinion that it compels people to right wrongs, and I say it is wrong to legislate to put money in the pocket of one individual when it is taken out of somebody else's pocket. Tariffs do not create wealth; they transfer it. If $40,000,000—because that is about the duty the woolgrowers will get—has been put in their pockets at a cost of $200,000,000, according to most conservative estimates, that $200,000,000 has to come out of somebody else's pocket. Tariff does not create it. It does not coin it. It transfers it, and public opinion will not stand for it.

Mr. STANFIELD. Mr. President, will the Senator yield?

Mr. CARAWAY. I yield.

Mr. STANFIELD. Is it not true that that applies to all tariffs, in the estimation of the Senator? The Senator would have all free trade, except as to a duty on rice.

Mr. CARAWAY. Let the Senator state his own position.

Mr. STANFIELD. The point I am seeking to bring out is the fact that the Senator is entirely opposed to any protective duty.

Mr. CARAWAY. Let me tell the Senator what I am opposed to. I am not entirely opposed to a duty on a revenue basis, though some of my votes I might not be able to defend on that basis. I am perfectly willing for the Senator, after he knows what my views are and what my motives are, to call the attention of the world to them, but I am unalterably opposed and would be opposed to what is being done here. I would rather surrender my seat in this body and go back to the people who sent me here than by a vote of mine to take one dollar out of their pockets and put it in my own. I would not do it. I did not inherit wealth and I shall take none with me. I did inherit a good name, and, so help me Almighty God, I shall attempt to keep it. I do not believe any man has a right to take advantage of an official position to enrich himself at the expense of his Nation.

Mr. STANFIELD. Neither do I believe he should, I will say to the Senator.

Mr. CARAWAY. Then we should pass the resolution and find out.

Mr. STANFIELD. For that purpose, and neither am I going to object to the Senator's resolution; but here is the question I want to ask the Senator from Arkansas: If he did believe in a protective tariff, would he not believe that an industry is entitled to protection to the extent of the difference in the cost of production in a foreign country that comes in competition with the American production, and the cost of production in our own country?

Mr. CARAWAY. Yes; I would believe that.

Mr. STANFIELD. If the Senator believed in it, would he not apply that principle?

Mr. CARAWAY. Oh, yes.

Mr. STANFIELD. I will say to the Senator that the woolen schedule does not afford that protection. It does not even afford the difference in the cost of labor. I want to say, just to show my position, that I do not believe, whether a Senator happened to be interested in sheep or owns sheep, that that has been the motive which is impelling him to vote for the woolen schedule. He has voted for the woolen schedule, because he realizes the industry in America can not exist with a lesser protection. I want to say to the Senator that the duty imposed has left a large margin to be absorbed by the efficiency of the American producer over the foreign producer.

I want to say, further, in explanation, because I do not believe the Senator has given it thought, that if he will give to the American wool producer the same conditions, so far as labor is concerned, that exist in the rest of the world, the American can produce wool without a protective tariff. Let him go out into the world and hire the same labor that they hire in Patagonia and Australia and New Zealand, and he can produce wool here without protection. But I say that whenever that is done the Senator is going to lower the American standard of living; he is going to take away from the great American laborer the right to live as he does live, and he will have to live as people live in those foreign countries. So it is not the producer selfishly contending for himself, but he is contending to see that protection is given to the American laborer to enable him to live upon the American standard of living.

Mr. CARAWAY. Of course, I might go into an argument of whether he is doing that or whether he is protecting selfish interests, which would lead nowhere. The Senator from Oregon wholly misses the point. I presume he believes that wool got no more than it was entitled to receive. The question is, Shall a man sit in judgment upon his own case? Shall he determine whether he is being fairly treated and vote to treat himself fairly according to his own ideas, although it costs millions of dollars to other people who differ with him in opinion?

If the Senator could affect only himself by his vote and put money in his pocket without taking it from somebody else, I presume there would not be anybody complaining, but when he takes money from the other 110,000,000 American people or makes them freeze in winter in order to enrich the man who has sheep, then the man who owns the sheep ought not to decide the question in controversy.

Mr. STANFIELD. Mr. President——

The PRESIDING OFFICER (Mr. SPENCER in the chair). Does the Senator from Arkansas yield to the Senator from Oregon?

Mr. CARAWAY. I yield.

Mr. STANFIELD. The point that I was attempting to bring to the Senator's mind a moment ago was that the one interested in an industry is not concerned about himself nor his interest in the industry; he is concerned about the industry for the benefit of the whole American people.

Mr. CARAWAY. I can not concede that, of course.

Mr. STANFIELD. I had hoped the Senator would be fair and concede that.

Mr. CARAWAY. Let us say that a judge who was interested in a case before him would be absolutely honest. Lord Bacon's defense for accepting bribes was that they never changed his verdict; that he accepted bribes, but was not influenced thereby. But posterity has not accepted his excuse for being a bribe taker. A judge who sat in judgment on his own case might say, "So help me God, I rendered a verdict according to the law and the evidence," but the Senate would impeach him for having done it.

I say that we ought not to be more jealous of the honor of other people than we are of our own. The Secretary of the Treasury has to divest himself, before he can become the Secretary of the Treasury, of all banking and commercial interests. Many Cabinet officers have to do the same thing, because Congress has said that they must—not that we presume a man would be interested and therefore be biased, but for public decency we said, "You shall not be a Cabinet officer, you shall not be Secretary of the Treasury and be interested in banks which are controlled and affected by the Treasury." We create commissions here and make their members swear that they are not interested in matters which they are going to consider as members of the commission. No Senator would vote to confirm a man as interstate commerce commissioner who owned stock in a railroad. He might be able truthfully to swear that his ownership of the stock would not bias him at all, and yet we would say it was abhorrent to public policy to let him sit in judgment and raise or lower rates on property in which he himself was financially interested.

If it is wise and if it is right that we should guard other people, if we shall say they shall not be suspected of being influenced by their selfish interests and therefore we make them disclaim, before they enter upon their duties, that they have any interests of that kind, shall we, then, who create those conditions for other men, say that we rise above them, that we will disregard public opinion, that we will disregard what we think to be wise for other people and say we will vote money into our own pockets, and nobody shall have the right to complain? It is abhorrent, and we can not afford to do it.

Mr. President, I send to the desk and ask unanimous consent to introduce a resolution, and I ask for its immediate consideration.

Mr. WADSWORTH. I ask that the resolution be reported.

Mr. CARAWAY. I want it reported.

The PRESIDING OFFICER. The Secretary will read the resolution.

Mr. BURSUM. Mr. President——

Mr. CARAWAY. Just a moment, and then I shall yield the floor. I want the resolution read, and then the Senator may have the floor.

Mr. BURSUM. I shall only occupy the floor a moment.

Mr. CARAWAY. I want the Senator to have a chance to say whatever he pleases, but I want to have the resolution read first.

The PRESIDING OFFICER. The Secretary will read the resolution as requested.

The Assistant Secretary read as follows:

Whereas it has been charged both on the floor of the Senate and in the public press that Senators whose names have been mentioned are financially interested in the rates of duty proposed in certain schedules of the pending tariff bill; and

Whereas it is also charged that Senators are, or were, financially interested in the passage or extension of the so-called emergency tariff act; and

Whereas these charges are hurtful to the honor of those Senators and to that of the Senate itself: Therefore

Resolved, That the Committee on the Judiciary of the Senate or a subcommittee appointed by the committee be, and is hereby, authorized and instructed to investigate said charges and to report its findings to the Senate within 10 days. Said committee is hereby instructed to ascertain:

First, whether any Senator is or has been financially or professionally interested in the production, manufacture, or sale of any article or articles mentioned in either of said tariff bills, and if so, to what extent.

Second, whether any Senator represents or is connected professionally or otherwise, directly or indirectly, with any person, firm, association, or organization engaged in the manufacture, production, or sale of any of said articles, or has been so interested during the pendency of this bill or the emergency tariff bill.

The committee is authorized to administer oaths, subpœna witnesses, send for persons or papers in the prosecution of said investigations, and to employ stenographers and to pay for the services therefor not to exceed $1.25 per printed page of said testimony, all expenses of said investigation to be paid out of the contingent fund of the Senate.

Mr. WADSWORTH. Mr. President, I object.

The PRESIDING OFFICER. Is there objection to the introduction of the resolution?

Mr. WADSWORTH. I object to its introduction and to its consideration.

The PRESIDING OFFICER. Objection is made.

Mr. BURSUM. Mr. President, this whole proceeding seems to me to be ridiculous——

Mr. GOODING. Mr. President, I would say, if I may——

The PRESIDING OFFICER. The Senator from New Mexico [Mr. BURSUM] has the floor.

Mr. BURSUM. And is giving undue recognition to matters which are of daily occurrence and which are indulged in by the opposition press every day in the year. It seems to me that it is tainted with an attempt to capitalize partisanship and to inject politics.

Mr. CARAWAY. Will the Senator yield to me?

Mr. BURSUM. I yield.

Mr. CARAWAY. The Senator from Iowa, the present President pro tempore of the Senate, in 1913 introduced a resolution from which the resolution which I have introduced was copied. That resolution was passed by the Senate when it was Democratic. The investigation was had. If to introduce this resolution now is partisan, was it not partisan when the Senator from Iowa introduced such a resolution?

Mr. BURSUM. Very likely it was. The Senator from Arkansas is not the only gentleman who has the privilege, and who enjoys it and takes advantage of it, of indulging in partisanship and in capitalizing such things. He is very smart and very adroit in such procedure.

Mr. CUMMINS. Will the Senator from Arkansas [Mr. CARAWAY] repeat what he said? I did not quite catch it.

Mr. CARAWAY. I said that the senior Senator from Iowa introduced a resolution in 1913 of which the resolution which I have introduced is a copy. The resolution then introduced by the Senator from Iowa was passed by the Senate and an investigation was had.

Mr. CUMMINS. Oh, surely. Mr. President, the committee appointed by the Chair, as I remember it, entered into an investigation upon that subject, and the committee compelled every Senator to inventory all his possessions, in order to ascertain whether or not he had any property that was likely to be affected by any kind of legislation.

Mr. BURSUM. And there was not a mother's son of you disfranchised from that day to this; so I suppose that you were all paupers and did not have anything.

Mr. CUMMINS. I was a member of the committee that conducted the investigation.

Mr. CARAWAY. The Senator from Iowa introduced the resolution.

Mr. OVERMAN. The Senator from Iowa introduced the resolution asking for an investigation of the so-called lobby. President Wilson had charged that there was a lobby here, and the Senator from Iowa introduced a resolution to investigate whether that charge was true or false. The senior Senator from Missouri [Mr. REED] then proposed an amendment to the resolution which had been introduced by the Senator from Iowa to inquire into the fact as to whether or not any Senator was interested in the tariff bill then pending.

Mr. CARAWAY. The original resolution was amended, and of that amended resolution the one I have introduced is a copy.

Mr. CUMMINS. At any rate, we conducted an investigation I think requiring months—I do not remember just how long——

Mr. OVERMAN. I think it was about three months.

Mr. CUMMINS. And when it is understood that we were inquiring into all the property that every Senator owned, it may be appreciated that it would take quite a while.

Mr. CARAWAY. It would not take long if they have not got more than I have.

Mr. ROBINSON. Mr. President——

Mr. BURSUM. I yield to the Senator from Arkansas.

Mr. WARREN. Mr. President, I inquire who has the floor. I should like to have just a moment in order to make an observation.

The PRESIDING OFFICER. The Senator from New Mexico has the floor, and he has yielded to the senior Senator from Arkansas.

Mr. ROBINSON. I desire to point out to the Senator from Iowa that the Senator from New Mexico has just stated that both the resolution of the Senator from Arkansas and the resolution of the Senator from Iowa were presented for partisan purposes. The Senator from New Mexico made that declaration, but I do not think the Senator from Iowa heard it.

Mr. WARREN. Mr. President, I wish to say that I was here when the investigation referred to was conducted——

Mr. CUMMINS. Mr. President, the resolution which I presented was not for partisan purposes. Whatever may have been the character or tinge of any other resolution that has ever been offered in the Senate, the resolution I offered was not for partisan purposes.

Mr. ROBINSON. I thought the Senator from Iowa ought to be advised as to what the Senator from New Mexico had stated.

Mr. CARAWAY. Mr. President, I hope the Senator from New Mexico will accept that explanation.

Mr. WARREN. Mr. President——

Mr. BURSUM. I yield to the Senator from Wyoming.

Mr. WARREN. Mr. President, as I was about to say a moment ago, I was present and testified before the committee created by the resolution of the Senator from Iowa; but what did the investigation amount to? It amounted, as all similar investigations do, to a heavy draft on the Treasury of the United States; and that is all the resolution now proposed will amount to if it should be adopted. It will simply fill up pages of the record of the committee, and result in a little notoriety, perhaps, for some "holier than thou" man, and probably enable it to be proved to the Senate that the only men who are eligible to the Senate are the hoboes who ride on the brake beams of freight trains and who, when the train runs through some village, go to some near-by farm to get a free meal.

How many Senators are there here who are not interested in some property somewhere? Shall they be debarred from voting upon this measure? If the farmers of this country are interested in this legislation, are they to be debarred from representation here?

I have no objection whatever to the resolution which has been offered, or any other similar resolution, except I am tired of having to accept demands from the disbursing officer for

hundreds of thousands of dollars for these damn-fool, nonsensical investigations called for from time to time.

Mr. CARAWAY. Mr. President, will the Senator from New Mexico yield to me for a moment?

Mr. BURSUM. I yield.

Mr. CARAWAY. Of course, the Senator no doubt thinks it is a damn-fool resolution. It is much more to his way of thinking that you may conceal your interest and profit by it. I should not have said an unkind thing if he had not seen fit to start it. He says that if certain sentiments were to prevail nobody but hoboes would sit in the Senate. I sometimes doubt if the country would be much worse off if the membership of the Senate were composed of hoboes than when it is composed of millionaires. People have a right to sit in the Senate whether they are rich or poor, although rich people do not sometimes think so, and it thoroughly angers the Senator from Wyoming that anybody who is not among the rich questions what the rich do.

That may be good politics; I do not know and I do not care; it may be altogether according to the standards that the Senator from Wyoming sets up for human conduct; I do not care as to that, and neither do I care whether or not the Senator thinks the resolution I have introduced is a damn-fool resolution. I shall entertain the same opinion about it that I had before, although I shall not entertain quite the same opinion about the Senator from Wyoming that I had before he used the expression. I do not care who profits by it; I know that it is morally indefensible for a man to get the confidence of his people and to be elected to office and then use that office to enrich himself, and I do not care whether he is from Wyoming or any other State.

Mr. STANFIELD. Mr. President, will the Senator from Arkansas yield to me for a moment?

Mr. CARAWAY. The Senator from New Mexico has the floor.

The PRESIDING OFFICER. The Senator from New Mexico has the floor. Does he yield to the Senator from Oregon?

Mr. BURSUM. I yield.

Mr. STANFIELD. Mr. President, I should like to say to the Senator from Arkansas that I dare say, so far as the subject that has been discussed is concerned, probably, if the Senator from Wyoming and other Senators who are here went before their constituencies and made it an issue in their reelection, that their constituencies would stand by them and show their confidence in them.

Mr. CARAWAY. Suppose the constituency of the Senator from Wyoming did say, "You can go back there and enrich yourself at the expense of everybody else," does that make it right?

Mr. STANFIELD. That, however, is not the point I am making.

Mr. CARAWAY. That is the question we were discussing—whether it is right to enrich yourself through the medium of legislation.

Mr. STANFIELD. That is not the question.

Mr. CARAWAY. That is the point I was discussing with the Senator from Wyoming.

Mr. BURSUM. Mr. President, it does not seem to me that we are getting very far in this discussion.

Mr. CARAWAY. Oh, no; the resolution has been objected to.

Mr. BURSUM. As I said a few moments ago, the whole proceeding seems to me an undue capitalization of a matter which is unimportant, for the reason that it is of daily occurrence and is indulged in by the opposition press every day in the year. Without reflecting on anyone, it reminds me——

Mr. CARAWAY. Mr. President, will the Senator yield?

Mr. BURSUM. I will yield in just a moment.

Mr. McCUMBER. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator from New Mexico has the floor. Does he yield; and, if so, to whom?

Mr. McCUMBER. I do not ask the Senator to yield. I rise to a point of order. I ask the Chair to enforce the rule that no Senator shall speak oftener than twice on the same subject in one day.

The PRESIDING OFFICER. The point of order is well taken.

Mr. BURSUM. Mr. President, I have the floor. This proceeding reminds me very much of a Chinese poem which, when translated, reads as follows:

> In speech he is a wonder,
> How small are his games;
> How loud is his thunder,
> How little it rains!

Mr. CARAWAY. May I just say that so long as an objection can save its raining it will not rain.

Mr. JONES of New Mexico and Mr. GOODING addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. JONES of New Mexico. Mr. President, I would not rise solely for the purpose of referring to the matter which has been under discussion, but it leads me to some thoughts regarding the general subject. I was interested some years ago in the production of wool; but in 1904 I disposed of all the interest which I had, and have not had any interest in wool production since. I may state further that when I disposed of my interest I just about got a return of the capital invested in the enterprise. I did acquire, however, some personal knowledge of the industry. During those years I became acquainted with the adverse condition under which wool is produced in this country; I realized the effect of drought, the effect of severe winters, and of the extremely unstable markets. I can state that even with the protection accorded by the pending bill the business of the woolgrower will still be speculative; there is no assurance that even with such duties upon imports the wool-producing industry of the country is going to be prosperous, although, in my judgment, the duties will add to the chances of his prosperity.

I was very glad to support the emergency tariff law. I had something to do with the framing of that law. I was also very glad, when the time came to continue the emergency tariff law in operation, to suggest that it be continued not for an unlimited time but until otherwise supplanted or modified by law, and with that modification that law is permanent to-day. I had this thought especially in mind when that proposal was made that it would put the woolgrowers of this country in position to inveigh against exorbitant taxation and tariffs upon manufactured products.

The emergency tariff law reasonably took care, so far as legislation can do it, of the agricultural interests of this country. It is true there was not a tariff upon hides. The Senate put such a tariff duty in the bill upon my motion; but in conference the distinguished Senator from Massachusetts [Mr. LODGE] succeeded in having the tariff upon hides removed. After the war agricultural conditions in this country were alarmingly depressed, and those conditions largely prevail to-day. While the prices of manufactured products have gone down somewhat, they have not gone down to anything like the same extent as the prices of agricultural products. The prices of manufactured products to-day, as compared with the pre-war prices, are 72 per cent above the prices of 1913 and 1914, while the prices of agricultural products, and particularly the meat products of the country, are to-day only a little—about 10 or 12 per cent—above the prices of 1913 and 1914.

It is true that the price of wool has rallied; the price of wool has increased beyond the 1913 price, and, in my judgment, it should be largely attributed to the emergency tariff law; but still the prices of wool are not above the pre-war price to the same extent as the prices of hundreds and thousands of manufactured commodities.

There are some farm products which can not be benefited by a tariff. In my judgment, a tariff has little influence upon any farm product with the exception of wool; but after the war the farming industries of this country were laboring under such depression that I felt that I was willing to prescribe any remedy which the farmer might think would benefit him.

Mr. BURSUM. Mr. President——

Mr. JONES of New Mexico. I yield to my colleague.

Mr. BURSUM. The newspaper referred to by the Senator from Arkansas [Mr. CARAWAY], the News, refers to my colleague as being one of the millionaires created out of the raising of sheep and wool.

Mr. JONES of New Mexico. I have stated, Mr. President, that if I made anything out of wool it was a very small amount, and that was more than 18 years ago.

After the war a campaign was started over this country in favor of a high protective tariff. There existed almost universally throughout this country what I believe to be a mere superstition that the tariff will benefit any product on which it is placed. It is not so; it can not be so; but if by the passage of an emergency tariff law we could improve even the psychological situation of the country, I was in favor of it. I wanted to relieve the minds of the farmers and producers of this country. If there is any benefit to be derived from a protective tariff or any tariff, why should not the farmers of the country get it?

If we look over the history of this country of ours, we see wealth concentrated in a few centers and sections of the coun-

try. It has been brought about largely through the favoritism of protective tariffs.

I think the tariff bill has advanced the price of wool. As to the revenue, why should we not be willing to raise revenue by a tax upon imported wool at least as high as upon many other commodities? There are manufactured products in this bill, hundreds and thousands of them, where the revenue derived from the tariff amounts only to a nominal sum. We import at least one-half the wool consumed in this country, and the Treasury of the United States is largely benefited by a tariff upon wool. Such can not be said of hundreds and thousands of manufactured articles. The tariff is put there for the express purpose of creating a monopoly in this country, to prevent any imports; and time and again in the discussion of this bill, when Senators have been called upon to tell why we ought to have a tariff on some manufactured article, they have referred to the fact that some infinitesimal amount of the commodity was being imported. When this thing is going on, when this orgy of tariff raising is rampant, why should not the farmers of this country get some benefit from it, if there is any benefit to be had? The same thing may be said of the mining interests of the country.

I think the time has come when we ought to take into consideration the welfare of the whole country. I think my good friend from Idaho [Mr. GOODING] has gone too far. By giving up the emergency tariff law and voting for these high protective duties upon manufactured products he has been voting so as to injure the farming interests of this country. Why not keep the present emergency law, rather than pass this infamous bill, which is increasing by enormous amounts the duty upon manufactured products where no further protection is needed, where it will have the effect of increasing the prices of these commodities to the consumer, where it will have the effect of making the farmers of this country surrender to the manufacturers of the country what little benefit they received through the emergency tariff law?

There is no better index to what this bill proposes than what was stated by the Senator from Connecticut [Mr. MCLEAN] in the discussion of the bill. When I was discussing putting sheep shears upon the free list he said that the woolgrowers had a tariff upon wool, and he thought they ought to give some of their gains to the manufacturer of shears whether the industry needed it or not. He did not, of course, use the latter part of my expression, but that is what his expression meant, and that runs all through this bill—that while a few agricultural producers may get some benefit from the emergency tariff there is a combined and concerted effort here to take that benefit away from them and give it to the manufacturing interests of this country, simply because they have put a tariff upon some of these agricultural products.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. WALSH of Massachusetts. As I understand the Senator's argument, it is that those who are really interested in the welfare of the farmers should vote to substitute the emergency law for this bill.

Mr. JONES of New Mexico. Mr. President, the emergency law will remain the law of the land if this bill is not passed.

Mr. WALSH of Massachusetts. They should vote against this bill and therefore permit the emergency law to remain in force?

Mr. JONES of New Mexico. If they consider the interests of the agricultural producers of the country, in my judgment they should.

Mr. WALSH of Massachusetts. I thought the emergency law provided that it should no longer be operative after the passage of this bill.

Mr. JONES of New Mexico. That is quite true.

Mr. WALSH of Massachusetts. So that if this bill is not passed, the Senator claims that it will continue in operation?

Mr. JONES of New Mexico. If this bill is not passed, the emergency tariff law will continue in effect.

Mr. WALSH of Massachusetts. And of course the tariff on wool would then be about 60 cents a pound.

Mr. JONES of New Mexico. There would then be a tariff of 15 cents a pound upon wool in the grease and of 45 cents a pound upon scoured wool.

Mr. WALSH of Massachusetts. And, of course, having in mind the "joker" clause, the rate would be very much higher on the clean content.

Mr. JONES of New Mexico. No; there is no "joker" clause in the emergency tariff bill that I know of. The old skirting clause of the Payne-Aldrich law was removed specifically by the terms of the emergency tariff law.

Mr. WALSH of Massachusetts. Does the Senator claim that under the emergency law the duty on wool is higher or lower than under this bill?

Mr. JONES of New Mexico. As to perhaps 80 or 90 per cent of the wool grown in this country, the duty under this bill is less than it is under the emergency tariff law.

Mr. WALSH of Massachusetts. So the real friends of the woolgrowing industry would serve them best by voting to retain the emergency law?

Mr. JONES of New Mexico. Mr. President, it is hard to make an unqualified answer, because the different classes of wool receive different rates of duty under the respective laws, and it is really difficult to answer that; but so far as the fine wools of the country are concerned there is more protection under the emergency law than under this law.

Mr. WALSH of Massachusetts. The Senator will please pardon me for interrupting him. I simply wanted to bring out the fact that he thinks the emergency law is a better tariff law for the farmers than the pending bill.

Mr. JONES of New Mexico. It is for all those who raise fine wool, in my judgment, and that is quite evident from the remark which has been made here by different Senators. The Senator from Utah [Mr. SMOOT], the Senator from Massachusetts [Mr. LODGE], and others have referred to the fact that there are 107,000,000 pounds of wool in bond in the warehouses of Boston to-day awaiting the passage of this bill so as to come in at the lower rate of duty under this bill than that of the emergency tariff law.

Mr. President, so far as the farmers of this country are concerned, this bill simply means an increase in the cost of what the farmer has to buy. Take the present tariff upon meats, the emergency tariff upon meats. It has operated to the interest of the meat producers of this country in a way, but only in a very limited extent. There is no meat now coming into the United States which would make necessary an increase in the duty on meats. This bill proposes to do it, and I have voted for it, because if we are going to raise these tariffs higher and higher upon the manufactured products of the country, why not do so in the case of the agricultural products?

So far as wheat is concerned, the tariff has very little influence upon it. The hard spring wheat of the Northwest may be to some extent advantaged by the tariff upon wheat; but this bill reduces the duty upon that wheat, so how can any wheat grower of the country claim any advantage under this bill? As to the wheat grower, this bill simply means increased costs of everything he has to buy, and why should the wheat grower favor this bill rather than the present law?

The same thing may be said of the bean growers. The duty under this law is precisely the same as in the emergency tariff law, so as to the bean grower the only effect is to increase the price of the things which he has to buy.

The tariff can not affect the price of corn in this country to any substantial extent, but if it does the tariff upon corn in the pending bill is no greater than that in the present law. So why should the corn producer favor this bill? Its only effect as to him would be to increase the price of everything he must buy.

So with the other commodities. There have been a few changes here and there, but in my honest judgment there is no reason on earth why anyone who has the real agricultural interests of this country at heart should vote for this bill in preference to the existing law, including the emergency tariff law.

I hope the Senators on the other side who say they are speaking in the interest of agriculture will bear these things in mind. I come from an agricultural section of the country. I voted for the emergency tariff law; I helped frame it, and I helped continue it until it should be supplanted by some other law; but in my humble judgment, by repealing that law, as this bill does, by substituting these enormous duties upon manufactured products, as this bill does, for the rates in that bill, anyone who votes for the pending bill will be voting against the interest of the agricultural producers of the country.

Mr. SMOOT. "Consistency, thou art a jewel." I want simply to call attention to the fact that there are 17 Democratic Senators who have voted for these so-called "indefensible" rates wherever the products on which those rates were placed were produced in the States which they represent. I am not that kind of a protectionist. I believe in the policy of protection. I believe that this country can not live without it. I believe in it so strongly, Mr. President, that it makes no difference to me where an industry is located, or whether it be agriculture, whether it be the manufacture of any article whatever; whether it be located in the North, in the South, in the East, or in the West. As far as I am concerned, I believe those industries ought to be protected, so that if there are other places in the world which can produce the goods at costs

low enough to result in the destruction of those industries in the United States, I want them to be protected to that limit, and no more.

I do not believe in embargoes. I voted against the embargo presented in this bill on dyestuffs. I was opposed to it, and will be to the end. I do not believe in a rate of duty which would act indirectly as an embargo, but I can not understand a Senator who will vote for a duty upon a product of the farm, or a product which may be produced in his State, the product requiring further manufacturing processes in the different stages before it can be disposed of, refusing to give a compensatory duty for the duty imposed upon the raw material, so called. There is no consistency in that at all, and I can not justify any such vote.

I did not expect to say even this much, but I looked over the list of those Senators voting as stated and saw the articles on which rates have been imposed and voted for by Members on the other side, which Democratic Members have vociferously denounced as indefensible rates of duty, and then, in the very next paragraph, on an article not produced in their State, in which their people are not interested, they vote against even a compensatory duty for the duty they have placed upon the raw product. I say that such action is inconsistent.

Mr. GOODING. Mr. President, first let me say that I want to congratulate Senators on the other side of the Chamber who have courage enough to vote for the industries of their States, and I care not whether it be rice, peanuts, wool, long-staple cotton, graphite, or anything else. It shows to me that, after all, when it comes to the interest of their own people they know and understand that protection is a blessing to their States. I understand, of course, that under the party lash, working under a Democratic platform which declared that protection is unconstitutional, as it has done for a hundred years, all of them can not see their way clear to go the full length of the matter. But I say in all sincerity, and I say it to the junior Senator from Alabama [Mr. HEFLIN], who saw a little village spring up in his State where there was a graphite mine, who saw a schoolhouse there, with happy children, who saw a people prosperous, an industry which had been developed by the war, because that gave it protection on account of lack of transportation to bring graphite from the mines of foreign countries. As soon as the war was over, and ocean transportation became normal, he saw that little mining camp go down, the schoolhouse was closed, every home was deserted, and if there was any wild game in that neighborhood it stalked through that deserted village.

I have seen just such things as that happen in the mining camps of the West when there has been a lack of proper protection. It never entered my mind that the Senator from Alabama had an interest in that graphite mine. I believed his heart was touched with sympathy, and I knew it was, for people who had once been happily engaged in that industry and were thrown out of an occupation, and are no doubt struggling now to keep the wolf from the door. I never had such a feeling in regard to any other Senator who had the courage to vote for protection for an industry of his State. Never once did it come to my mind that he was doing it for any selfish purpose.

Of course, I know that if something unpleasant had to happen on the other side for the political advantage of the Democratic Party the junior Senator from Arkansas would be the first to take up the matter.

I plead guilty to owning a few sheep. We would call them a few out West; they would not be called a few down here. Sheep raising has been my life's work, almost from boyhood. The people of Idaho knew I owned sheep when they elected me, and, as I remember it, I lead the ticket in majorities. There is no question of doubt about my people understanding that I was a woolgrower, and that I would fight for that industry to the last ditch, because without it my State can not exist. Without the live-stock industry—I will include sheep and cattle—the great West can not go on, and so I am going to fight, and I am going to insist that this resolution be passed, and that this investigation which the other side is so keen to have, for political purposes, proceed in an orderly and proper manner.

For weeks I have known that the importers were spreading propaganda all over this country, just as the resolution offered by the junior Senator from Arkansas intends to do, and I am ready for that investigation. If I have violated any law in voting for the industries of my State, I am ready to resign, and, by the eternal gods, I will resign. I have held public office before, and have always been able to lie down with my conscience clear, and go to sleep, and I know that when I get through with this job in the United States Senate I shall be able to sleep with a clear conscience.

Of course, if there was any reflection to be made on an honest man for political purposes, if there was one man in the Senate who would be more ready to do it than any other, it would be the junior Senator from Arkansas.

There are 700,000 woolgrowers in America, and I believe it is safe to say that 95 per cent of the Senators on this floor own property of some kind or other that is affected by this bill. I think it is safe to say that 80 per cent of them own land upon which farm products are grown. God forbid that the day shall come when the Senate and the House will be filled with men who do not own property in their own rights.

Maybe the Senate is not functioning in the interest of the people as fully and forcibly as it ought to be, but when the time comes—and I do not mean this as any reflection upon the great profession of the law—when all the Members of this body are lawyers, and not a business man is to be found here, God pity the American people. There is no question about their honesty, but their whole life's work has led them along such lines that not all of them have had an opportunity to know, after all, what is for the best interest of humanity in this country. They think they know.

Nobody has any greater regard for them and respect for them than I, but if it must come to a time when a man must not have property in this body and only lawyers serve here, or men who have not had energy enough in this life to accumulate property, ah, this great American Republic will go down to decay.

I am not going to take up a great deal of the time of the Senate, but I say again that I am going to insist that the resolution offered by the junior Senator from Arkansas be passed, because for weeks it has been whispered around the Capitol Building that I was interested in the wool pool and that for that reason I was pushing a tariff on wool. Is there a Senator here who will say I have not fought just as hard for peanuts and for rice and for soya beans and for vegetable oils and for the manufacturers as I have for wool?

No Senator must say that I have not, for it would not be true. In my efforts to secure proper protection I have not known any North or South, East or West. I have stood for every industry because I believed in the great American principle of protection. There never has come to my mind at any time any thought of dishonesty on the part of any Senator voting for any schedule upon this floor. But I want the investigation to be made, because if I have violated my oath of office in trying to protect the industries of my State there will be a vacancy in this Chamber, so far as I am concerned.

I want the American people to know the truth, the whole truth, and nothing but the truth. At some future time I shall pay my respects to the importers and some of the great newspapers for their outrageous attack upon my integrity because I have had the courage to do my duty as I saw it toward the great agricultural industry of this country.

Mr. HEFLIN. Mr. President, the Senator from Idaho made reference to the vote I cast on the graphite item of the bill. I have explained to the Senate——

Mr. GOODING. Mr. President, if the Senator will yield to me a moment, he need not explain further.

Mr. HEFLIN. I understand.

Mr. GOODING. The Senator raised himself in my estimation by that vote. When he voted for graphite I felt that he had a heart.

Mr. HEFLIN. I was not quarreling with the Senator from Idaho about his reference to me.

Mr. President, I stated at the time that I believed in a tariff for revenue. I am not a free trader. I stated at that time that graphite had no tariff upon it whatever; that the graphite produced in foreign countries had come in without paying any revenue and had taken possession of the home market and literally closed the graphite mines in the United States. The mines in my State were closed and the people who were working in those mines lost their employment. I wanted our Government to derive some revenue from graphite coming in from foreign countries, and if that tariff incidentally helped the graphite industry in my State and in other parts of the country, all well and good.

Mr. President, the Senator from Idaho [Mr. GOODING], commenting upon the resolution offered by the Senator from Arkansas [Mr. CARAWAY], intimated that the Senator from Arkansas did not want anybody in this Chamber unless he was a pauper. That is not the position of the Senator from Arkansas.

The Senator from Arkansas does not care how much property a man in this body has if he came by it honestly and is faithful to his oath of office, is one who safeguards the interest of the

people of the United States, and is one who does not use his position and power to feather his own nest or put money in his own pocket. I think that is the position of the Senator from Arkansas. It is well and good to have Senators in this body representing the various stratas of society, but, Mr. President, it is not well for the country to fill this body up with millionaires, and I do not care whether they are wool kings, flockmasters, trust magnates, or tariff barons. It is not well to fill this body with men of great wealth. No man should be elected to membership here who is lacking in human sympathy and a knowledge of the science of government.

Mr. GOODING.. Mr. President——

Mr. HEFLIN. I yield to the Senator from Idaho.

Mr. GOODING. I want to say to the Senator that the newspapers do me entirely too much honor when they mention me as being a millionaire. I would not object to being a millionaire, but, unfortunately, through conditions which have existed, I have a pretty hard fight myself, not to keep the wolf from the door but to pay my debts, and unless conditions improve in the West I shall be fortunate if I am able to liquidate.

Mr. HEFLIN. The Senator is not by himself. There are millions in his class under this Republican administration. [Laughter.]

Mr. GOODING. I want to say to the Senator that this happened to me under a Democratic administration and free wool.

Mr. HEFLIN. I have told the Senator from Idaho and others on the other side of the Chamber frequently that in spite of free wool, when the Democrats were in power every industry in the country prospered, and we never had any fall down in the business of wool until deflation was started by the Federal Reserve Board under a resolution that was passed by a Republican Senate. Now they are undertaking to tax the whole American people for the benefit of the wool kings of the country. I want to say to the Senator from Idaho that the Tariff Commission right here in Washington in its report said that the wool industry was injuriously affected by the Federal Reserve Board's policy when it determined to contract the currency and deflate credits.

Mr. President, I have not heard the Senator from Idaho lift his voice against the reappointment of the present governor of the Federal Reserve Board, and I want to comment just briefly upon that. Of course, I expect him to vote against his confirmation, if his name should by any hook or crook be sent to the Senate.

Mr. BURSUM. Mr. President, I rise to a point of order. I request that order be maintained on the Democratic side of the Chamber.

Mr. HEFLIN. I thank my friend from New Mexico. He is one of the wool kings to whom I have reference. I appreciate his kindly interest in this side of the Chamber. This side of the Chamber is in perfect order, and it wants an investigation of wool kings, including the Senator from New Mexico.

Mr. BURSUM. Mr. President——

Mr. HEFLIN. I yield to the Senator from New Mexico.

Mr. BURSUM. I hope the Senator appreciates the fact that kings have been very unpopular in the last few years and some of them have been beheaded. I hope the Senator does not intend to behead us because we happen to be shepherds.

Mr. HEFLIN. I am not in favor of beheading them literally, but I am in favor of beheading them politically. I think it would be a good thing for the country to have them beheaded politically.

Mr. BURSUM. We will get to that next November. But what about my colleague from New Mexico [Mr. JONES]? Would the Senator from Alabama like to have him beheaded politically?

Mr. HEFLIN. The other Senator from New Mexico made the statement that he did not belong in that class and had not made anything out of wool in about 18 years, or words to that effect. Now I should like to hear the real wool kings here testify who are voting money into their own pockets when they place a high tariff tax on wool.

Mr. President, I desire to speak for a little while about another matter. I am going to read an interesting document about the governor of the Federal Reserve Board, about a newspaper man being on the Federal reserve pay roll, naming one and asking about others. I have been suggesting for some time to the Senate that I would read this statement.

I have a letter here from a prominent banker which says that on page 3049 of Who's Who in America, edition of 1920–21, there is a biographical sketch of H. Parker Willis, economist, born at Weymouth, Mass., August 14, 1874, from which the following is quoted:

Associate editor New York Journal of Commerce, 1912–1914, and editor same 1919.

That means that he was an associate editor of the Journal of Commerce from 1912 to 1914, when he ceased the duties as associate editor, and after an interval of five years he went back to the newspaper as editor and was still editor when the 1920–21 edition of Who's Who was printed. The same sketch then proceeds:

Secretary Federal Reserve Board, Washington, 1914–1918, and director of research same 1918.

That means, the letter continues, that Doctor Willis was secretary of the Federal Reserve Board from 1914 to 1918, and that when he ceased to be secretary he took the job of director of research in 1918 and was still holding the job when the 1920–21 edition of Who's Who was printed.

On page 257 of the annual report of the Federal Reserve Board for the year 1920 we find the name of H. Parker Willis listed as director of analysis and research and drawing a salary of $6,000 a year. Is he drawing that salary now? Has it been increased or reduced? If he is the editor of the Journal of Commerce, as is asserted in his biographical sketch in Who's Who, and is also on the pay roll of the Federal reserve system at a salary of $6,000 a year, as the Reserve Board said that he was in 1920, we can very well understand why the editorial columns of the Journal of Commerce are so earnest in their defense of the Federal Reserve Board.

Mr. President, I had passed through this body a resolution calling upon the Federal Reserve Board to state whether they had a publicity fund. The governor of that board came back and positively stated that he had no such fund. I said there was some way by which they were getting publicity, there was some way by which they were getting into the newspaper columns, and I said that it must be that they are putting men on the pay roll to do a little research work of this kind and that in order to cover up what they are really paying them for. Are they paying certain newspaper men to get publicity for their views and for refusing to give publicity to those who criticize their official conduct?

Certain banking and speculative interests are making a hard fight just now to have Governor Harding reappointed. All news detrimental to their scheme must be kept in the background. It must not get in the papers. Look at the press gallery now, if you please. Watch those who represent some of the great dailies of the country. Whenever a Senator criticizes the deflation and the Federal Reserve Board on this floor now they leave the gallery instanter. They fly away out of sight and hearing like a covey of birds flushed upon the field. Why is it that these grave matters touching the public interest are ignored or suppressed? Who is it that does not want them to reach the people of the country? I am making a charge here to-day that there is an editor of a great daily paper on the pay roll of the Federal reserve system enthusiastically defending the Federal Reserve Board and denying publicity to those who attack it. Look in certain big dailies to-morrow and see if you find an accurate report regarding this matter.

I have a note, written by a gentleman who has been for some time a visitor in the Senate gallery, calling my attention to a certain fact and asking me, "Have you noticed that certain newspaper men get up and leave the gallery whenever a discussion of deflation and the Federal Reserve Board is commenced in the Senate? If you have not noticed it, watch the next time and see what happens." So when I got up this morning and mentioned deflation and said I was going to read something important in reference to it, I looked at the press gallery and saw several very clever gentlemen quietly walking out. I asked my correspondent why that was; why they did that? I was told, "They do it in order that they may say if questioned about it, 'Why, I was not in the gallery when that was said; I did not hear it, and that is why I did not write a story about it.'"

Mr. President, I am fighting a battle here for the good of my country, and the people are entitled to know what we, their public servants, are doing to safeguard their interests. It is wrong to support that portion of the press that will not give to the people both sides of the great questions discussed here.

I wish to refer to another interesting matter in this connection. Some time ago I made the mistake of referring to the Wall Street Journal when I should have said the New York Journal of Commerce. The Journal of Commerce stated editorially that it had declined to print certain material sent to it by the president of the great American Cotton Association, Hon. J. S. Wannamaker. I read excerpts from that editorial on the floor and I confused the Journal of Commerce with the Wall Street Journal. I have apologized to the Wall Street Journal for having done so. It was the Journal of Commerce which refused to take material sent by the head of the great American Cotton Association, which shut out that material and threw it into the wastebasket.

I have found the reason for that. H. Parker Willis, who is or was and may be both, on the Federal reserve pay roll at $6,000 a year, is one of the editors of the New York Journal of Commerce. Mr. Wannamaker, who is the president of the American Cotton Association, wrote many articles in which he pointed out wherein the deflation policy had been ruinous to the cotton producer. He was giving his side of it; he was asking this great newspaper in New York to carry his views; but all of a sudden that paper stopped printing anything that he wrote and boasted of it in an editorial; it threw his matter into the wastebasket. I wondered why. Now, we find that Mr. Wannamaker was attacking the Federal Reserve Board; and I find that the man who sits in the "holy of holies" in the office of the Journal of Commerce is on the Federal reserve pay roll at a salary of $6,000 a year. And yet the Federal Reserve Board, without explaining how it is they get publicity, deny that they have a publicity fund.

Mr. President, a few days ago I called the attention of the Senate and the country to the fact that Mr. Curtiss, appointed by Governor Harding as the chairman of the Federal Reserve Bank of Boston, was connected with Harvard University, and that he had probably been influential in securing the degree of LL. D. for W. P. G. Harding. I did not know that any other institution had given him such a degree. But I have secured some more thrilling information. The gentleman who writes me says:

I am advised that Governor Harding has recently obtained a degree of LL. D. from Columbia University, New York.

I thought it was high time that New York was doing something to show its appreciation for what Governor Harding did for the New Yorkers through his deadly deflation policy. I now ascertain that they have annointed him with the degree of LL. D.—this same W. P. G. I find that Dr. H. Parker Willis, who is drawing a salary of $6,000 a year from the Federal reserve system of which "Doctor" Harding is governor, was lecturer at Columbia University in 1913–14, and that since 1917 and up to the time of the publication of the 1920–21 edition of "Who's Who" he was professor of banking at Columbia University.

"Lord God of Hosts, be with us yet!" Professor of banking at Columbia University and on the pay roll of the Federal reserve system, aye, and four years secretary to Governor Harding's board, this same H. Parker Willis, who is also now the editor of the New York Journal of Commerce, which is now shutting out material presenting the cotton producers' side of deflation as sent in by the president of the great American Cotton Association, and just now on the home stretch, when they are trying to get W. P. G. Harding reappointed governor of the Federal Reserve Board, they come forth and give him another degree of LL. D.—the aforesaid and same W. P. G.

Senators, what are we coming to in this country? I saw a picture of him participating in the parade which was held as an incident to the ceremony of conferring the LL. D. degree at Columbia University. The head of our great Federal reserve system was walking along, all capped and gowned, with a Chinaman, also capped and gowned, near by in the same parade. A deflation policy so deadly that it destroyed property values by the billions was conducted by the head of the board. It took men's homes away from them; it made them tenants; it took farms away from farmers and turned men out of employment by the millions.

It destroyed property values in America to the extent of more than $10,000,000,000. New York profited by it. New York made her hundreds of millions and her billions of dollars by that deadly deflation process. Now they are reaching out for every influence at their command in order to boost this man. So they have made him a "doctor of laws." Who was standing by his side, fanning him, and praising him and deflation when he got his degree and his cap and gown on that hot day at Harvard? Mr. Curtiss, intimately connected with Harvard and chairman of the Federal Reserve Bank of Boston, drawing $18,000 a year through an appointment given him by this same Governor Harding. Who was with him at Columbia, and said softly, "Lean on me"? Prof. H. Parker Willis, who is on the Federal reserve pay roll at $6,000 a year, who is editor of the New York Journal of Commerce. He shuts out from the columns of that journal criticisms of the Federal Reserve Board, and boldly takes his stand by his chief while, strange to say, the faculty or board at Columbia consents that the degree of LL. D. shall pass to W. P. G.

Oh, Mr. President, I am sure such performances are not going to deceive President Harding. The wholesale farce in LL. D. degrees has become so ridiculous that some of the poets of America are writing about them and making fun of them. Time was when the man who was given the degree of LL. D. at one of our great universities had to be a profound scholar, a man of great learning and of superb intellectual powers, and because of these great qualities or achievements the universities would honor him and feel themselves honored by giving him the degree of LL. D.; but it has gotten so now that one can almost get such degrees by subscribing to newspapers and periodicals in a club—of two dailies, one weekly, and an LL. D. degree for $4 cash. [Laughter.]

Mr. President, I want to read to the Senate how such proceedings strike the intelligent mind of the average man and the average woman in the country. S. E. Kiser expressed their views of some of these ridiculous LL. D. performances in the following poem. Listen, Senators. I would that the sheep kings were here:

THE DOUBLE ELL DEES.

Buck Bunkerson now is a doctor of laws;
His manner is proud since he got his degree;
Lift your hat, if you please, when you meet him, because
It's a fine thing to bow to a double ell dee!
Buck Bunkerson's wife has a right to be glad;
Her hard-fisted husband now ranks with the great.
Who cares if the English he uses is bad?
He's the richest egg dealer we have in this State.

[Laughter.]

Oh, Mr. President, these degrees of LL. D. are going easy now.

There Bullwinkle, too, stands among the select;
If ever you've doubted his wisdom or worth,
Begin to address him with proper respect;
His honor is greater than breeding or birth!
Remember the double ell dee he has won,
And cease to be jarred by his vulgar displays;
His beginning was humble; see what he has done:
His horses run fast and his trolley road pays.

[Laughter.]

LL. D's in this morning of the twentieth century are exceedingly easy to get, Mr. President.

Begosh was another who loomed in the line,
Looking great in his gown where degrees were conferred;
His children have something your children and mine
Will lack all their lives—it is pride, in a word.
Don't sneer and don't scoff; keep your jealousy down;
Each garden possesses a prominent toad;
Begosh is the richest coal man in this town;
His honor, of course, has been justly bestowed.

[Laughter.]

How thrilling it is, when the college year ends,
To read how our leaders received their degrees!
Skaggs gets a degree that surprises his friends,
For making six millions in doughnuts and cheese;
Tubbs, Tinker, Gilfeather, De Gass, and Macneil
Are "doctored" for winning in timber or tea;
Bohunkus goes through as the king of corn meal—
Oh, it's great to be tagged with a double ell dee!

[Laughter.]

Mr. President, I do not intend that these disgusting tricks shall be turned without the Congress of the United States, the President, and the country knowing just how they are being done. Senators, the deadly influence of the insidious and dangerous money power is worming itself into everything. Beware! It is time to cry out against it; it is time to stop it. One can not get these attacks on the Federal Reserve Board published in the New York Journal of Commerce. Into the wastebasket they go. One of its editors is on the pay roll of the Federal Reserve Board at $6,000 a year, we are told; professor of banking at the Columbia University for four years, secretary to Governor Harding, of the board, and is now drawing this salary out of the purse of the American people. LL. D. degrees are showered down upon W. P. G. Harding on every hand just as he is on the home stretch, and the appointment of governor of the Federal Reserve Board is soon to be made.

How alert and enterprising are they who have profited through deflation at the hands of the Federal Reserve Board governor!

Mr. President, this man took the greatest banking system ever devised when it was in the pink of condition and operating to the satisfaction of business of every kind in every section of the country and changed it from a helpful and serviceable agency into an implement of torture and destruction; but those who sat back and clipped their coupons and made their millions pat him on the back and say, "Leave that to us; we will fix all that; we will root out all these impressions in the public mind; we will do such things for you that we will make them think you are really great, anyway. We will have institutions of learning which are mighty in the land give you the degree of LL. D. After all these attacks have been made, after all this ruin has been wrought, and all this history has been written, we will lift you up above all this ruin that you have helped to bring about and crown you with dozens of

LL. D. degrees and clothe you in the splendor and glory that predatory interests alone can bestow. Leave it to us."

But, Mr. President, I have assurances that they will not succeed. I owe it to the Senate, in view of his deflation record since, as this man hails from my State, to fight his reappointment to the uttermost. I am proud of my State; proud of her splendid history and look with perfect faith to a glorious future for her. When a man holding a great position misuses and abuses his power, and by so doing injures not only the people of his own State to the extent of millions of dollars but the people of other sections of the country while sinister interests grow richer and richer upon the distress and misfortune thus produced, I owe it to the whole people to repudiate him.

Mr. President, it is no small offense to take a man—I do not care whether he is a man in small business or in big business—and simply destroy him, take his substance away from him, turn him adrift without a dollar, and shatter his hopes for the future. There are millions, not merely hundreds of thousands, of people who were robbed outright by the deflation policy conducted by the Federal Reserve Board. I would be a hypocrite and a coward and unfaithful to my oath when I said I would defend my country against all enemies, both foreign and domestic, if I should sit silent and permit this thing to pass without characterizing it as it should be characterized, without doing everything in my power to make it so hated and odious that it never will be undertaken again.

Mr. President, I said the other day, and I am going to repeat in conclusion, that 25 years from now, 50 years from now, parties will be referring to the deflation crime of 1920; and the Wall Street buccaneers, the wolves who profited from the distress and misfortune of millions of people of the South and West, are not going to escape the condemnation which is the just and righteous judgment of the people.

What ought posterity to think of me, and especially the people in my State, who honored me, if I should sit silent here because I was afraid of that part of our press known as a subsidized press that would attack me, as it has, and would misrepresent me, as it has? What ought it to think of me if I should fold my arms and say: "I am not going to assail this thing. I know it was a crooked deal; I know it was a crime; I know that it destroyed this man's business; I know that it shut the schoolhouse door to thousands of children out yonder; I know that it made tenants out of home owners, and put adrift farmers who owned their land, and turned people out of employment—all this in order that the wild speculators might, like those at Belshazzar's feast, revel at their own deflation carnival, buying up Liberty bonds and other Government securities for practically nothing, and sitting back enjoying their billions.

New York City, I repeat, never made as much money in the same length of time in all its history as when this dragnet of deflation was working through the South and through the West, to the ruin of my people and your people of the West; and yet every kind of pressure has been brought to bear to silence me because I dared to point out the doings of big crooks in high places. I am indorsed by nearly every honest man and woman in the country. I ought to be cor mended for my efforts by every newspaper in the United States. Some of them—a good many of them—are commending my course and are doing good service in this important battle.

Mr. President, I am either right or wrong in the fight I am making. If I am right, I am entitled to the support of every honest man and woman in the country. If I am wrong, I ought to be opposed by all of them. I have stated facts from time to time as to what this deflation policy has done, and Senators on the other side, a few of them—my friend from Oregon [Mr. MCNARY] in the number—and Senators on this side, a majority of them, including my friends from Georgia, Senators WATSON and HARRIS, tell me: "You are exactly right. They did that same thing to my people. Go on with your fight"; but some of the newspapers have published editorials attacking me. They do not represent the people.

Mr. President, I said once before, and I am going to repeat, that when I am attacked by some of them I regard it as a compliment, because when I am assailed by some of them that I know are the mouthpieces of these corrupt interests I know that I am on the right road.

If they feel that they are to be the tools of these interests, and they want to carry on that sort of work, I suppose they are at liberty to do that; but, Mr. President, there is a wonderful stir going on in this country about a free press just now as surely as you and I live. I have in my possession now some awful editorials, written by strong men, about how susceptible certain papers are to the coin of the realm—how money controls certain newspapers' policies. Time was when you could get news in the columns of certain newspapers and the editor reserved the right to take issue with your position, to criticize what you had written, or criticize what you had said in a speech that was printed in his paper. A gentleman wrote me not long ago and said, "You can not only get the news columns now in some of these papers, but you can literally buy the editorials as well." He is a very responsible man; he has had a good deal of experience and has been around the world a great deal, and that is his deliberate opinion.

Mr. President, we have two classes in the newspaper business—one of them is honest and the other is dishonest; one of them is subsidized or corruptly controlled and the other is not. That is the situation we have in this country, and we might just as well talk plainly about it.

I am not afraid of the press. I am the firm friend of the honest press. God knows I would not hamper the press in the discharge of its duty, or take away from it any of its rights and privileges to give the news to the people, and print the views of those who own the papers; but I am against the scheme that some of them have of suppressing the news of events of importance that take place right here in this Chamber, around this Capitol, that the people of the country are entitled to know about. Why is it that you never see a line about a lot of important matters discussed in this Chamber?

Mr. WATSON of Georgia. Mr. President——

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Does the Senator from Alabama yield to the Senator from Georgia?

Mr. HEFLIN. I am glad to yield to my friend from Georgia.

Mr. WATSON of Georgia. The time is coming when the press will have to be free if it wants to exist. This country can not live and tolerate a press which it knows is a hireling press. It will not pay for such papers. It will not advertise in such papers. People will not buy from those who advertise in such papers, and the worst of the fight is past.

When the espionage law was passed and so many hundreds of newspapers were crushed by arbitrary orders of the Post Office Department freedom of press was more in danger than it ever had been since our Government was established or since Charles Fox, Lord Grey, and John Wilkes had made their noble fight in England for the freedom of the press, and Thomas Erskine had made his glorious fight for trial by jury instead of arbitrary directions of verdicts by judges. That time, if the Senator will allow me, is coming again. The forces of conflict are arraying themselves against each other again. That battle is irresistible. Nothing on earth can stop it and nothing on earth can silence the people. They are going to be heard, or we will have a revolution in this country.

I will say to the Senator from Alabama, for his encouragement, that there was one little press, one little weekly paper, that rode out the storm during the war times. That paper is being sustained without subsidy and without private capital of any sort. The money that sustains it comes from the pockets of the people who pay for it as subscribers. It has almost no advertising. It asks for none on those terms alone upon which advertising could be obtained for such a paper; and I tell the Senator now that there is more demand for such speeches as his than there ever has been before. There is more demand for such attacks as I have made on the Federal Reserve Board, upon the same lines as those which he has used, than ever before. They can not cry us down. They can not answer us. They dare not try to answer us. They need not try to ignore us.

My belief is that in the next congressional election in the South, at least—I can not speak for other sections—the man who dares to stand for the contraction policy of the Federal Reserve Board will take his death warrant in his hands, already signed by himself, and I myself will do all in my power to put that death warrant into effect. No such man has a right to a place in this body, because his heart is not with the people. The very fight which the Senator from Alabama has made here against the Federal Reserve Board Andrew Jackson made against James Biddle, and if he will read those thrilling chapters, written by Van Buren in his old age, he will find that every argument he has made here was made then. If he will read the speeches which Thomas H. Benton made here in the Senate he will find that he has made no speech differing from those made by Benton in the great fight of himself and of Jackson against the old Federal bank.

Mr. HEFLIN. Mr. President, I thank my good friend from Georgia for his very valuable suggestions. I rejoice to see him back in his seat again. I am glad that he has gained strength enough from his recent illness to come back to his post of duty, where he can fight the battles of his people.

Mr. President, as the Senator from Georgia proceeded I was reminded by what he said about the fight that was made back

yonder by Jackson to keep the banking system out of politics, and there came to my mind the little poem—

Freedom's battle, once begun,
Bequeathed from bleeding sire to son,
Though baffled oft, is ever won.

And that is literally true.

The people in that time won their battle against the banking system that was undertaking not only to control everything in the business world but sought to dominate the political affairs of the Nation. They were stopped. Jackson drove them back out of politics. Am I to be criticized; are both of my friends, the Senators from Georgia, and others to be criticized for fighting this battle to punish those who committed that crime? What do we do to a burglar who breaks into a dwelling house, steals property, and appropriates it to his own use? We stand him up in the court, and the judge scolds and reprimands him as a culprit and punishment is imposed upon him.

What do you do to the man who breaks into a bank and takes the money out of the vault and appropriates it to his own use? You arraign him before 12 jurors, and they punish him for his crime.

What did deflation do? It did more harm to Alabama and the South and West than an invading army could have done. A million burglars turned loose could not have done the harm that the Federal Reserve Board's deflation policy did under the guise of civic authority.

What was ordered to be done? The widow in my State and yours with $1,500 of Liberty bonds, which she had bought by stinting herself. When deflation came, what happened? Her little farm was swept away. She went to the bank and tried to borrow money on her bonds, and could not get it. The bankers said, "We would like to accommodate you, but we have been instructed not to loan on bonds." What then? She was told that the sharks of Wall Street would buy her bonds. She asked what they would give, and she was told $80 or $85 on the hundred.

They got her bonds through deflation. What caused her to have to sell the bonds? Her debt-paying power was destroyed by deflation. What was that? It was a crime against honest business and a crime against this good woman. What did that necessitate her doing? She had to go to the bank with the Liberty bonds. Could she borrow money on them? No; she had to sacrifice them, interest-bearing bonds of the Government, for which she had paid $100 on the hundred, and was told that they would always be as good as gold. They were sacrificed upon the altar of the greed of Wall Street. Wall Street got them. Then what happened? This woman's business was ruined and she is without a home to-day, and Wall Street has her bonds. They are above par, drawing 4 and 4½ per cent interest.

What is that offense? It is a crime. What is my duty? My duty is to condemn it as a crime. If some man had gone there and stolen $15 on the hundred out of $1,500 worth of bonds you would have sent him to the penitentiary; but the bond sharks of Wall Street, through a deflation policy, will steal $15 on the hundred, and then you want to honor and glorify the man who conducted the deflation thievery that took her money. Then they assail me with a miserable, subsidized press, because I dared to defend right dealing and dared to condemn crooked conduct in a thing like this. I just want to serve notice of them now what will happen. I am not making any criticism on any paper that is not subsidized, and I do not want these clever boys who represent papers at this Capitol—and many of them are exceedingly clever gentlemen—to take any offense at what I say, unless they represent a subsidized paper, for what I say is not intended for them. I am talking about the enemies of my country, papers who are hired character assassins, hired to try to destroy men who stand in this body and fight the crooked conduct of big crooks and the interests they represent. I want to serve notice on them now that they are wasting space in their paper, they are wasting ink, and wasting time, by their attacks upon me. I am going to fight them to the end.

Mr. President, I have spoken longer than I had intended, but this is the most serious question which confronts the American people by far. It affects very vitally the business life of the Nation. I have heretofore used this illustration, but it comes to my mind, and I am so anxious that all Senators should get it that I will repeat it. I said I would not like to turn the control of the circulation of the blood through my body over to anybody. He might go to sleep or, if these subsidized newspaper fellows had control over it now, they would stop it altogether, and put me out of commission.

It is a serious thing to permit a few men to control the money supply of the country, which is the lifeblood of the business of the country, and let them control the circulation as they see fit. I quote the Manufacturers' Record when I say that Governor Harding hoarded the lifeblood of the Nation, and would not let it circulate. What a crime! That was said by Richard H. Edmonds, one of the bravest and best of all the brave editors in the country or that the country has ever produced. He indicts this governor of the system for hoarding the Nation's lifeblood and not letting it circulate.

That is the fellow I am condemning, and that is the crime I am condemning. Here is H. Parker Willis on the pay roll of the system, drawing $6,000 a year, the editor of a great paper that is attacking me because I fight this board's conduct and its deadly deflation policy.

Mr. President, I suppose they would like to have every Senator where they could say to him what was said to the new preacher who came into the community. He said, "I hope you will all be out Sunday night when I preach my first sermon." They said, "We want to start you off right. What line of talk are you going to give us?"

He said, "I am going to preach against sin, as the Bible tells me to do. I am going to preach against sin as my conscience as a Christian man dictates that I should. I am going to condemn sin in the big sinner and the little sinner alike."

They said, "Let us tell you something. You had better give us a little outline of your sermon and let us see whether it is going to suit this settlement or not."

He said, "Gambling at cards leads to other vices. It is a dangerous thing. I knew a young man who started out that way, and he went to ruin."

They said, "Whoa, whoa, you want to cut that all out. The best paying member of this church plays cards, and he plays for big money, and you don't want to offend him. Cut that out."

He said, "I don't like to cut out anything. I don't like to have anybody dictate to me what I shall preach about."

They said, "You cut that out"; and they made him cut it out, and several other things.

So finally they told him of so many things that he should cut out that he said, "Now, you have just about cut everything out of my sermon. What am I to preach about?" One old fellow over in the corner stroked his beard and said, "There is an infernal old infidel here in town, you can turn loose on him. He hasn't got a friend in town."

So, Mr. President, these highbrows, who represent these big interests in Wall Street, and the subsidized press like to take a Senator and start him off right. They pat him on the back and tell him, "You want to lay off of this. It is dangerous, and you will hurt the feelings of men of big wealth, don't you see?" And they try to scare you by telling you that certain men have gone down politically for attacking these big interests. You do not want to say anything about those things, they remind you. Fold your arms and drift. Move against the lines of least resistance. Put your courage aside. Swallow your convictions. Draw your pay. Be a rubber stamp. Do the bidding of the interests. Lead an easy life, and you will have no opposition in the future. We will take care of that. Do you understand? "We will have," they will tell you, "the newspaper publishers tell how smart you are if you will serve us and what a big and wonderful man you are, if you do our bidding." Do you get that? But do not oppose us. If you do, we will fight you. "For what care we for wrongs and crimes, its dimes and dollars and dollars and dimes."

It is high time that some of us were accepting the challenge. Conscious of the righteousness of my position and knowing the people that I represent, I do not fear those interests. I accept the challenge. I would rather go out fighting for what I believed was honest, fair, just, and right and leave to my son and the people who have honored and trusted me a stainless record, one of devotion to duty and fearlessness in its discharge, than to stay here a quarter of a century and be the subservient tool of those whose unbridled corruption, greed, and avarice mean ruin to my country.

That is my position upon this question, and I shall continue the fight.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Utah [Mr. SMOOT] to strike out paragraph 1110.

The amendment was agreed to.

Mr. SMOOT. Now, I move, on line 17, page 147, in paragraph 1111, to substitute "50" for "55," so as to read "50 per cent ad valorem."

The PRESIDING OFFICER. The Secretary will state the amendment.

The READING CLERK. On page 147, lines 16 and 17, the committee report, to strike out "36 cents per pound, and, in addi-

tion thereto, 27½," and to insert "45 cents per pound and 50," so as to make the paragraph read:

PAR. 1111. Pile fabrics, cut or uncut, whether or not the pile covers the whole surface, made of wool or of which wool is a component material, whether or not constituting chief value, and manufactures, in any form, made or cut from such pile fabrics, 45 cents per pound and 50 per cent ad valorem.

Mr. WALSH of Massachusetts. Mr. President, we have come now to the paragraphs which cover, respectively, pile fabrics, blankets, automobile rugs, steamer rugs, felts, knit goods, and so forth. All of these paragraphs involve exactly the same principles we have been discussing. It would be futile for me to reiterate the arguments I have made during the last few days, especially when we were discussing the paragraph dealing with dress goods and wool cloths. It would be irksome and tiresome to the Senate, and all I could do would be to repeat what I have said about the preceding paragraphs, namely, that the duties are excessively high, that the information before us as to the difference in conversion costs does not justify these high duties, and that the importations have not been of a character to threaten the domestic industry. In fact, the importations under the rates named in the Underwood law have been negligible. So far as I am concerned, I am going to hasten action on these paragraphs, have a record vote taken, and have the balance of the wool schedule disposed of this afternoon, if it is possible.

Mr. McCUMBER. I want to ask the Senator a question for information. I think the Senator agrees that the compensatory duties are accurately levied upon these goods, but the Senator says that the conversion duty is too high. I have tried to get some evidence upon that. I have no information relating to it later than 1912. I do not think that is very accurate, but it was the best we could get hold of. That would show a difference in the conversion costs at home and abroad reaching all the way from 60 to 80 per cent, but I am well aware that the labor costs in Great Britain and the United States are closer together to-day than they were at that time.

I ask the Senator what he thinks is the difference in the cost of conversion and what evidence he has which directly bears upon the subject. We put the rate at 50 per cent. If the Senator has anything direct to the point showing that that is erroneous, I would like to get it.

Mr. WALSH of Massachusetts. Mr. President, I find that I shall have to take some time in discussing this paragraph. The Senator did not pay me much of a compliment by his inquiry. I spent hours in discussing that subject, producing tables and figures to show what were the prices of domestic cloths and the comparable foreign cloths, compared the difference in the prices, and proved, as far as I could prove, that a protective duty of 35 cents was ample. I produced information in regard to tops, worked out by experts, showing exactly to the cent what the conversion cost was and showing that the rate named in the bill was too high. I produced similar evidence from the Tariff Commission, to the effect that the conversion costs of yarns and cloths were not as high now as formerly and that the duties proposed in the bill were too high.

Now I am going to call attention to what the Senator from North Dakota said yesterday, and I am going to ask the Senator, as this is a good opportunity to do it, either to bring me the proof or retract what he said yesterday about information from the Tariff Commission. I want to find out if I have been deceived in this matter by the experts who have been sent to me and have informed me that the Tariff Commission have never made any estimate as to just what protective duty was necessary to protect the American industries making woolen manufactures. The information I have is that the Tariff Commission will prepare tables, give data of imports and exports, prices, and other facts, but that they have never advised the committee as to what rates to levy, and there has been no rate in the bill levied upon the advice of the Tariff Commission.

I am going to read what the Senator said yesterday and what was printed in the press to-day about the rates on cloths. I was not in the Chamber at the time or else I should have called attention to it at once. I refer to what was printed of the Senator's remarks on page 10776 of the RECORD:

We—

Referring to the committee—

had not any very late statistics on that point that were extremely reliable—

Meaning, of course, the conversion costs—

I admit, but we had the statistics under normal conditions, say, in 1912; and taking all the importations at that time we arrived at the fact, and it was so reported by the Tariff Commission, that the differential which would require protection to put the two upon an equal footing was from 60 to 70 per cent, and we gave 50 per cent.

The Senator from North Dakota allowed the impression to go out, and the papers of the country printed it, that the Tariff Commission recommended 60 or 70 per cent and the committee gave only 50 per cent. If the Tariff Commission recommended 60 or 70 per cent, I say to the Senator that he ought to have given 60 or 70 per cent to the woolen manufacturers as well as to give to the woolgrowers the duty which they asked.

Mr. McCUMBER. Does the Senator want a reply at this time?

Mr. WALSH of Massachusetts. In just a moment. I am going to read what the Tariff Commission said, not in 1912 but in 1920, absolutely refuting the statement made by the Senator yesterday.

Mr. President, I read from a report issued by the Tariff Commission in 1920 entitled "A survey of the British wool manufacturing industry." On page 76 of this report is a table showing the American wholesale price of cloth, such as we were discussing yesterday, under paragraphs 1108 and 1109, and showing the English and American prices per yard. Following that table the Tariff Commission makes the following comment—and remember, this was in 1920, the last word upon the matter—on page 80:

While there are important irregularities among these figures—

Referring to the prices quoted—

certain conclusions are possibly warranted. The tendency for English and American prices to approximate one another, already noted in the case of tops and yarns, is here also evident.

The tendency of American and English prices of woolen cloth to approach each other was in 1920 evident, and yet the Senator from North Dakota had the hardihood to say here yesterday that the Tariff Commission recommended a 60 or 70 per cent protective duty. Let me continue:

Even making allowances for minor variations between the estimates of English values and those actually prevailing, there are obviously cloths of several types with regard to which there is no considerable difference of price existing between the English and American markets, while in some instances the domestic manufacturer really has the advantage.

I am reading from the Tariff Commission, which made a survey of the British wool-manufacturing industry in 1920. These are not my findings of fact:

It is noteworthy in this connection to recall that in a similar, though more comprehensive, comparison made by the Tariff Board in 1911 there was no fabric of which the English price was higher than the American, nor, indeed, any which came nearer than 20 per cent of the American price.

In view of that statement, how can it be said on the floor of the Senate that the Tariff Commission recommended a protection of 60 or 70 per cent and the committee only gave them 50 per cent?

Again, the difference in comparative advantage among the several types of cloth is fairly clear. Values in the two markets are much closer together in the case of serges and cotton-warp dress goods than in that of fancy fabrics. With regard to the former, no importation is possible, at least over the 35 per cent duty of the present tariff law—

With regard to certain classes, no importation is possible with a 35 per cent protective duty—

but for the latter the present rate is entirely inadequate.

That shows that there are some woolen cloths on which the commission thinks the rate of 35 per cent is inadequate, and those, of course, are the fancy cloths.

Just where the dividing line lies and to what extent the domestic production of cloths is of the more self-sufficient types could be determined only by a wide and thoroughgoing inquiry.

That is in the RECORD. I put this evidence in the RECORD when I discussed the paragraph on cloths. Other tables and other information were put in the RECORD. I ask the Senator, in the face of that statement from the Tariff Commission in 1920, where is the evidence before the Finance Committee since 1920 which is to the effect that the Tariff Commission believe that a protective duty of 60 or 70 per cent ought to be levied?

If the explanation of the Senator is that he drew those deductions from the Reynolds report on prices, and when he referred to the Tariff Commission he meant the Reynolds report showing the difference in cost, then it may be possible that he could claim that the value of some cloth in some other part of the world other than England would show a wider difference in prices.

But I want to know, for I do not propose that any Senator shall vote upon the strength of my argument and upon the information furnished to me by the experts of the Tariff Commission until I am answered. I do not propose that the Senator from North Dakota can make the statement he did, that the committee only gave 50 per cent when the Tariff Commission recommended 60 or 70 per cent, without refutation. I wait for the Senator's answer.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Does the Senator from Massachusetts yield to the Senator from North Dakota?

Mr. WALSH of Massachusetts. I yield. I am waiting for the Senator's reply.

Mr. McCUMBER. I can answer now or wait until the Senator gets through.

Mr. WALSH of Massachusetts. I am confining myself to the allegation made by the Senator yesterday, and I am asking the Senator to give me the information which he has, which I have not been able to get, which is to the effect that the Tariff Commission made any such recommendation.

Mr. McCUMBER. I do not know, Mr. President, just how accurately I expressed myself yesterday, as I did not have time to look over my remarks, but what I attempted to say and what I reiterate to-day is that the conversion costs in the woolen schedule would range from 60 to, I think, almost 100 per cent more in the United States than in Great Britain. In France, I think, the spread would be still greater. I do not mean to say that that means we would have from 60 to 80 per cent upon the cost of the goods which are manufactured to meet that. That would depend entirely upon the price of the goods, and it might average 50 per cent.

This is what the Tariff Commission said, and I am reading from page 75 of the Survey of the British wool-manufacturing industry, which was furnished to the Committee on Ways and Means of the House in 1920. This is what the Tariff Commission say:

> In the comparison of commission rates in England and in the United States for the several sections of the wool manufacture, information is too inadequate to permit the formulation of accurate conclusions as to the primary consideration relative to costs of production in the two countries. Such data as have been presented, together with such fragmentary figures on weaving as the commission has been able to secure, suggest that, at least at present, the differences in cost are not as great as they were found to be in 1911 by the Tariff Board. In its report the board stated that the cost of converting wool to tops was approximately 80 per cent higher in this country than in England; that of converting tops to yarns, about 100 per cent higher; and of turning yarns into cloth "for a great variety of fabrics," 100 to 150 per cent greater. The present commission rates for combing in this country have been shown to be not over 40 per cent greater than the current rates in England; those for spinning around 80 per cent; while, for manufacturing proper and dyeing, the data which have as yet been secured indicate that the difference in both cases, except, perhaps, for fancy cloths, would surely be below the low figure in 1911 (100 per cent)—

That is, 100 per cent was given in 1911, and it would be below that—

> and perhaps as low as from 60 to 80 per cent.

Then, Mr. President, on page 691 of the document entitled "Wool and Manufactures of Wool," published in 1912, there is a table showing the comparative conversion cost from yarn to finished cloth of 53 samples of American cloth and similar English cloth. In the case of sample No. 1 the American cost is 8 cents and the English cost 4 cents; in the second the American cost is 8.3 cents and the English 4.1 cents; in the third the American cost is 8.9 cents and the English cost 4.8 cents, and in the other cases about the same difference is shown to exist.

If anyone understood me as intending to convey the idea that the difference in the cost of conversion, ranging all the way from 60 to 100 per cent, necessarily would require a duty of from 60 to 100 per cent on the value of the foreign product, he certainly misunderstood me or I did not accurately express myself.

Mr. WALSH of Massachusetts. If the Senator will pardon me, the Washington Post carries a story this morning evidently sent out by the Associated Press, and this is the headline:

> McCUMBER defends rates. Lower than Tariff Commission had calculated as needed, he says.

That shows that even the press gallery construed the Senator's statement to mean that the committee had reported a rate lower than the Tariff Commission had recommended.

Mr. McCUMBER. I think if the Senator will ascertain to what that relates, he will find that it undoubtedly relates to the table that I put in the RECORD on yesterday following the table which was offered by the Senator from Massachusetts himself, a table made by the Actuary of the Treasury Department, in which he takes the average rate upon each paragraph of Schedule K in 1910, and then makes an estimate of what it would be under the pending bill for the year 1922, and shows a greatly decreased ad valorem rate of duty. That, of course, is absolutely true.

Mr. WALSH of Massachusetts. As I now understand the Senator from North Dakota, he did not intend to state, and does not intend that his remarks of yesterday shall be construed to indicate, that the Tariff Commission made any recommendation about the tariff duty which would be required; that whatever duty was levied by the committee was levied after the committee had studied the question, with the aid of such tables and information as were available to them, and after the hearing of all the evidence?

Mr. McCUMBER. Certainly. The Tariff Commission is very careful always to make no recommendations in reference to any duty. It is so careful for fear it may be regarded as making a recommendation that, in many instances, it does not express itself as clearly as it might otherwise do.

Mr. WALSH of Massachusetts. That was the information that I had; and that is the reason I was surprised at the Senator's statement, and surprised at the construction put upon the statement, that in this case the committee had repudicated the recommendation of a higher rate claimed to have been made by the Tariff Commission.

Mr. McCUMBER. Oh, Mr. President, I think the newspaper evidently must have gotten matters somewhat mixed. In the table which I introduced I simply sought to show that of the goods that would come in under the pending bill, when it passes, the ad valorem rate will be, I think, about 30 per cent less than the ad valorem rate upon similar goods which came in 1910 under the Payne-Aldrich law; and I think I am absolutely correct in that.

Mr. LENROOT. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Wisconsin?

Mr. WALSH of Massachusetts. I yield.

Mr. LENROOT. I am quite sure, in view of the Senator's statement, that he would desire the RECORD to show that he wishes to correct the statement which he made on yesterday, wherein he said:

> And taking all of the importations at that time we arrived at the fact, and it was so reported by the Tariff Commission, that the differential which would require protection to put the two upon an equal footing was from 60 to 70 per cent, and we gave 50 per cent.

Mr. McCUMBER. Possibly I should have stated from all of the testimony that we concluded that it would require about 50 per cent. I did not intend to convey the idea that that was based entirely upon the Tariff Commission's report nor based entirely upon the difference in cost of conversion as shown in the tables.

Mr. LENROOT. Nor did he intend to say the Tariff Commission had reported that 60 to 70 per cent ad valorem protection would be required.

Mr. McCUMBER. No; the Tariff Commission did not so report, but the committee, if it had followed the recommendation of the Reynolds report and some of the other evidence and held to that alone, would have had to so conclude.

Mr. WALSH of Massachusetts. That is a different story. The statement I wanted to challenge was that the Tariff Commission had recommended a higher rate. This all amounts, as I understand, to this, that the cost of converting the wool into cloth represents about 50 per cent; and the Tariff Commission reported the difference between the conversion in America and England was 60 to 80 per cent, which would make the conversion duty practically between 60 and 80 per cent of the 50 per cent cost of conversion, or between 30 and 40 per cent, which I stated yesterday.

Mr. McCUMBER. The difference in the cost of conversion might be even more than that, but, as I have stated before, that would not necessarily mean 40 or 50 or 60 per cent; it would depend, of course, upon the cost of the goods.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. The Chair understands the Senator from Massachusetts yields the floor?

Mr. WALSH of Massachusetts. I yield the floor.

Mr. SMOOT. The junior Senator from Wisconsin [Mr. LENROOT] has called my attention to the wording of the compensatory duty in this paragraph, and suggested that it ought to conform with the wording in other paragraphs, and I myself think it should. Therefore, I should like to modify the amendment of the committee, on line 13, after the word "made," by inserting the words "wholly or in chief value"; then, after the word "wool," in line 13, strike out "or of which wool is a component material, whether or not constituting chief value," so that the paragraph as modified would read:

> PAR. 1111. Pile fabrics, cut or uncut, whether or not the pile covers the whole surface, made wholly or in chief value of wool, and manufactures, in any form, made or cut from such pile fabrics, 45 cents per pound and 50 per cent ad valorem.

The PRESIDING OFFICER. The Secretary will state the amendment as proposed to be modified by the Senator from Utah.

Mr. WALSH of Massachusetts. I have no objection to the modification suggested, but I shall want a record vote on the paragraph.

Mr. SMOOT. I am perfectly willing that the yeas and nays should be called on the paragraph.

Mr. WALSH of Massachusetts. The amendment offered by the Senator from Utah, which is merely to correct the text, may be adopted first.

Mr. SMOOT. It may all be treated as one amendment, if that is desired, or the Senator can have a separate vote if he wishes.

Mr. LENROOT. I suggest that the amendment proposed by the Senator from Utah to the amendment may be adopted by unanimous consent.

Mr. SMOOT. We can adopt now the amendment which I have just suggested.

The PRESIDING OFFICER. The Secretary will state the amendment as modified in behalf of the committee by the Senator from Utah.

The READING CLERK. It is proposed to modify the committee amendment to paragraph 1111 so as to read:

PAR. 1111. Pile fabrics, cut or uncut, whether or not the pile covers the whole surface, made wholly or in chief value of wool, and manufactures, in any form, made or cut from such pile fabrics, 45 cents per pound and 50 per cent ad valorem.

Mr. SMOOT. That is correct.

The PRESIDING OFFICER. Is there objection to the modification? The Chair hears none. The question now is on the amendment of the committee to paragraph 1111 as modified.

Mr. LENROOT. Mr. President, I desire to give notice that I shall reserve for a separate vote in the Senate the committee amendment to paragraph 1109.

Mr. WALSH of Massachusetts. Mr. President, I omitted to state when I was on my feet that the duties in paragraph 1111, as originally reported by the committee, were even higher than those of the Payne-Aldrich law, and I think they are as high now, even as the amendment has been modified by the Senator from Utah. I ask for the yeas and nays on the adoption of the committee amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee as modified, on which the Senator from Massachusetts asks for the yeas and nays.

The yeas and nays were ordered.

Mr. SIMMONS. I ask that the amendment be stated.

Th PRESIDING OFFICER. The Secretary will again state the paragraph as proposed to be amended.

The reading clerk again stated the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee as modified. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. McCUMBER (when his name was called). Transferring my pair as on the previous vote, I vote "yea."

Mr. ROBINSON (when his name was called). Transferring my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the Senator from Missouri [Mr. REED], I vote "nay."

Mr. STERLING (when his name was called). I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Pennsylvania [Mr. PEPPER] and will vote. I vote "yea."

Mr. WATSON of Georgia (when his name was called). I have a general pair with the Senator from California [Mr. JOHNSON] and therefore withhold my vote. If the Senator from California were present, he would vote "yea" on this question, and I would vote "nay."

Mr. WILLIS (when his name was called). I am paired for the day with my colleague, the senior Senator from Ohio [Mr. POMERENE], who is absent. I transfer that pair to the junior Senator from Washington [Mr. POINDEXTER] and will vote. I vote "yea."

The roll call was concluded.

Mr. DIAL. I have a pair with the Senator from Michigan [Mr. TOWNSEND]. I transfer that pair to the Senator from Rhode Island [Mr. GERRY] and will vote. I vote "nay."

Mr. HARRIS. Making the same announcement as before as to my pair, I vote "nay."

Mr. WALSH of Massachusetts. The Senator from Ohio [Mr. POMERENE] is absent from the Senate to-day. If present, he would vote "nay."

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from Maine [Mr. HALE] with the Senator from Tennessee [Mr. SHIELDS];

The Senator from California [Mr. JOHNSON] with the Senator from Georgia [Mr. WATSON];

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS]; and

The Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH].

The result was announced—yeas 33, nays 16, as follows:

YEAS—33.

Borah	Kellogg	Moses	Spencer
Brandegee	Kendrick	Nelson	Stanfield
Broussard	Keyes	Newberry	Sterling
Bursum	Lenroot	Nicholson	Wadsworth
Capper	Lodge	Norbeck	Warren
Cummins	McCumber	Oddie	Willis
Curtis	McKinley	Phipps	
Gooding	McLean	Ransdell	
Jones, Wash.	McNary	Smoot	

NAYS—16.

Ashurst	Harris	Robinson	Swanson
Caraway	Heflin	Sheppard	Trammell
Culberson	Myers	Simmons	Underwood
Dial	Overman	Stanley	Walsh, Mass.

NOT VOTING—47.

Ball	France	La Follette	Reed
Calder	Frelinghuysen	McCormick	Shields
Cameron	Gerry	McKellar	Shortridge
Colt	Glass	New	Smith
Crow	Hale	Norris	Sutherland
Dillingham	Harreld	Owen	Townsend
du Pont	Harrison	Page	Walsh, Mont.
Edge	Hitchcock	Pepper	Watson, Ga.
Elkins	Johnson	Pittman	Watson, Ind.
Ernst	Jones, N. Mex.	Poindexter	Weller
Fernald	King	Pomerene	Williams
Fletcher	Ladd	Rawson	

So the amendment of the committee as modified was agreed to.

The PRESIDING OFFICER (Mr. SPENCER in the chair). The next amendment of the committee will be stated.

The next amendment was, on page 147, after line 18, to strike out:

PAR. 1112. Blankets, wholly or in part of wool, not exceeding 3 yards in length, plain woven, with not more than one color in warp or filling, and not advanced beyond weaving by any process of finishing, valued at not more than 75 cents per pound, 20 cents per pound and, in addition thereto, 20 per cent ad valorem; valued at more than 75 cents but not more than $1.50 per pound, 25 cents per pound and, in addition thereto, 20 per cent ad valorem; valued at more than $1.50 per pound, 30 cents per pound and, in addition thereto, 20 per cent ad valorem.

And in lieu thereof to insert:

PAR. 1112. Blankets and similar articles, including carriage and automobile robes and steamer rugs, made of blanketing, wholly or in chief value of wool, not exceeding 3 yards in length, valued at not more than 50 cents per pound, 20 cents per pound and 30 per cent ad valorem; valued at more than 50 cents but not more than $1 per pound, 30 cents per pound and 32½ per cent ad valorem; valued at more than $1 but not more than $1.50 per pound, 33 cents per pound and 35 per cent ad valorem; valued at more than $1.50 per pound, 40 cents per pound and 40 per cent ad valorem.

Mr. WALSH of Massachusetts. Mr. President, in the case of blankets the protective rates are practically the same as those in the Payne-Aldrich law, but on account of the change in the raw-wool rate the compensatory rates are higher. This, of course, means that the total duty levied upon blankets is higher than ever before. It also means that the consumers will have to pay more for blankets than ever before.

As I said in the case of the last paragraph, I am not going to take the time of the Senate to discuss the principles that I attempted to outline yesterday in the debate on woolen manufactures. I simply want to call attention to the fact that in the case of blankets, unlike most of these woolen manufactures, we export more than we import. We have a fair export business in blankets and the imports are negligible. If the domestic industry was not troubled by competition from imports under total duties of 35 per cent, why is there need of these high duties of 40 cents per pound of wool plus 40 per cent ad valorem? I can only reiterate what I have said before, that I am unable to find any information which justifies the levying of these duties and the consequent result that will follow, that the price of blankets will be higher than ever before to the American consumer.

Mr. SMOOT. Mr. President, I simply want to say that the equivalent ad valorem in this bill is very much less than it was in the Payne-Aldrich law, but the Senator's statement as to the compensatory duty is about correct, although in the first bracket in this bill the rate is 20 cents and 30 per cent, and in the Payne-Aldrich law it was 22 and 30.

Mr. WALSH of Massachusetts. What does the Senator say the protective duty was in the Payne-Aldrich law?

Mr. SMOOT. The first bracket in the Payne-Aldrich Act was 22 cents a pound and 30 per cent ad valorem.

Mr. WALSH of Massachusetts. That is the same as it is here.

Mr. SMOOT. No; it is 20 cents a pound here.

Mr. WALSH of Massachusetts. And 30 per cent protective duty.

Mr. SMOOT. Yes.

Mr. WALSH of Massachusetts. I said that the protective duty was the same and the compensatory duty was higher, by reason of the higher duty upon raw wool.

Mr. SMOOT. That is as I understood the Senator; but I call attention to the fact that even with higher wool in the present bill the compensatory duty on the first bracket of blankets is 20 cents, and in the Payne-Aldrich bill it was 22 cents; so it is lower there.

Mr. WALSH of Massachusetts. Slightly lower; very slightly.

Mr. SMOOT. The next bracket is 30 cents, and under the Payne-Aldrich law was 33 cents.

Mr. WALSH of Massachusetts. What was the protective duty in the second bracket of the Payne-Aldrich law?

Mr. SMOOT. Forty per cent.

Mr. WALSH of Massachusetts. In the second?

Mr. SMOOT. In the second bracket, and in this bracket it is 32½ per cent.

Mr. WALSH of Massachusetts. My statement has been challenged, and I am going to state what I find it to be.

Mr. SMOOT. I do not do it in a spirit of criticism at all.

Mr. WALSH of Massachusetts. Oh, no; I understand; but the Senator says that the rates named here are less than those in the Payne-Aldrich law.

Mr. SMOOT. The equivalent ad valorems.

Mr. WALSH of Massachusetts. The highest bracket in the Payne-Aldrich law has a compensatory duty of 33 cents and a protective duty of 40 per cent. The highest bracket in this amendment has a compensatory duty of 40 cents, as against 33 cents in the Payne-Aldrich law, and a protective duty of 40 per cent, as against the 40 per cent in the Payne-Aldrich law. Of course, the highest bracket is the most important bracket, because it refers to the blankets that have the most wool in them.

Mr. SMOOT. I intended to go through each bracket and show just what the changes were. I began with the first two brackets, and, of course, they happen to be lower.

Mr. WALSH of Massachusetts. I think the Senator, in fairness, ought to state that the rates are very, very close to, if not identical with, the rates in the Payne-Aldrich law.

Mr. SMOOT. With the exception of the equivalent ad valorem of both of them, and in that case it is because of the lower price of blankets at the time they were made. I want to say to the Senator that I have not made any statement on the floor that I do not believe is fair. I do not try to dodge a question in any way, shape, or form. I admit that the compensatory duty in the last bracket is 35 cents instead of 33, but the Senator knows the reason for that, and he has stated frankly the reason why that was. We have not given the amount in the lower brackets because I know that at those prices it would be largely wool waste, and therefore I am only taking wool waste into consideration here in giving compensatory duties, and the Payne-Aldrich act does not take that into consideration as far as we did.

Mr. WALSH of Massachusetts. Of course, we are agreed that there was no compensatory duty under the Underwood law, and merely a protective duty of 25 per cent. It is now proposed that there should be a compensatory duty of 40 cents per pound and a protective duty of 40 per cent in the highest bracket, against the Underwood duty of only 25 per cent.

Mr. SMOOT. But the Senator will remember that in the Payne-Aldrich law carriage and automobile robes carried a duty of 35 per cent, and we have put them all together here, and they are all carrying the same rate of duty, namely, 40 per cent. So, as far as the carriage and automobile robes are concerned, there is only 5 per cent difference between the existing law and this, and there is the other difference of 10 per cent more on the blankets—the protective rate on the blankets.

Mr. WALSH of Massachusetts. On this amendment I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. LENROOT. Mr. President, I think this is probably the only remaining paragraph I wish to comment upon, but I do want to say a word about this paragraph.

I would like to ask the Senator from Utah what reasons actuated the committee in increasing the present rate, so far as the protection is concerned. I say nothing about the compensatory rate.

Mr. SMOOT. We had the Tariff Commission make a thorough investigation in June of 1922, and they took samples at that time from the Sanford Mills, of Sanford, Me.; W. F. Libbey Co., of Lewiston, Me.; Stroock Plush Co., of Newburgh, N. Y.; Orr Felt & Blanket Co., of Piqua, Ohio. I do not want to identify the costs of each one of these, but I am giving the names of the mills, and I want the Senator to understand, if I give any comparison, that I am not going to say which mill the figures refer to, because that would be unfair to the mills. I am going to give the names of the mills to show simply how thorough this investigation was in June of this year.

There is also Shuler & Benninghofen, of Hamilton, Ohio; Beckman Co., of Cleveland, Ohio; Colonial Woolen Mills, Cleveland, Ohio; Portland Woolen Mills, Portland, Oreg.; Columbia Mills, Lewiston, Me. That is a fair selection of all of the blanket mills in the United States and in all sections of the country.

The articles which were taken were bed blankets, steamer rugs, and auto robes. In their report to the committee the commission gave a description of every one of these samples. For instance, we will take camel's-hair noils. They gave the percentage of the noils used in the blankets and the percentage of the wool, then the weight of the cotton warp, if it were a cotton warp, and if it were a wool warp they gave the amount of wool, and also the noils used in that wool. Then they took three types of blankets, called the highest and the lowest, and what they termed the bulk sale of the blankets; that is, the lowest cost, the highest cost, and the cost of the bulk of the blankets which went into the trade. Then they gave the selling price per pound, and each one of these is then converted into the equivalent ad valorem which would be necessary in order to protect the blankets.

Mr. LENROOT. Did the Senator say they gave the cost?

Mr. SMOOT. They gave the percentage of conversion cost in each case.

Mr. LENROOT. What was that percentage?

Mr. SMOOT. In stating this I am not going to give the name of the mill.

Mr. LENROOT. I do not want the Senator to name the mills.

Mr. SMOOT. I am not going to read the percentages in the same way I read the names of the mills, but in this first one to which I shall refer on the bulk of the goods sold it was 39.8 per cent. That is the only one we had of that kind. Then I will take another one. It showed 49.4 per cent on the high and 35.4 per cent on the low.

Mr. LENROOT. Will the Senator give me those figures again?

Mr. SMOOT. Forty-nine and four-tenths per cent on the high and 35.4 on the low, and on the bulk of the goods it was 42.8 per cent.

On the next one it was 71 per cent on the high, 62 per cent on the low, and 63½ on the bulk. Then I take another one. On the high it was 73 per cent, on the low 67 per cent, and they do not give the conversion cost on the bulk. Another one shows 82 per cent on the high, 60 per cent on the low, and 67 per cent on the bulk.

Mr. LENROOT. Where the conversion cost is 82 per cent, what kind of material was used?

Mr. SMOOT. That was an auto robe, and it would be a pretty good auto robe. I will say to the Senator that in that particular case the cost price was running about a dollar a pound.

Mr. LENROOT. Is that on the material or the finished product?

Mr. SMOOT. That is the finished product. I will run through this quickly. They run 72, 73, 63, 51, 64, 82, 80, 81, 44, 50, and 54. There is no need of giving any others, because that is a fair sample of what the report shows.

Mr. LENROOT. Take the case of the auto robe. Does the Senator mean to say that the material in that represented but 18 per cent?

Mr. SMOOT. The conversion cost was 82 per cent and——

Mr. LENROOT. The material would represent only 18 per cent, then.

Mr. SMOOT. We know the conversion cost in the case of that particular article; we know that the cost of that was $1 and the great bulk of it must have been cotton. They used a cotton warp and most cotton in the filling, or approximately that. That could not be done in the case of cloth, but in a blanket it could be. In fact, they made cotton blankets which were gigged so that a few feet off you could hardly tell them from wool.

Mr. LENROOT. Did the Tariff Commission give the exports of the mills or say what they did with the products?

Mr. SMOOT. They have not made that report.

Mr. LENROOT. Upon the matter of blankets the information which the Senator has given us would be valuable provided we had comparable conversion costs of foreign manufacturers, and provided we had the figures of imports which had a bearing upon the question. Very hastily figuring this, with an average of 42 per cent conversion cost, it seems to me these rates will cover, not the difference in conversion cost but will equal the entire American conversion cost in a great many cases. It is bound to be so, from the figures the Senator has given.

What are the facts with reference to what the Tariff Commission reports as to these blankets, as to imports, exports, and production? The imports are absolutely negligible. The imports of blankets in 1920 were valued at only $40,000; in 1921, for nine months, they were valued at $48,000. The exports of blankets in 1920 amounted to $1,257,000, as against imports of $40,000.

Mr. SMOOT. There is an explanation for that.

Mr. LENROOT. I would like to have it.

Mr. SMOOT. I want to give it to the Senator and to the Senate. A considerable part of the blankets exported in 1920 went to Russia. Senators know that in that year everybody was fighting for goods. That was the year of peak prices. It was a question of securing goods, not what the price was. That is the reason that shows the exportations of that year so high.

Mr. LENROOT. The Tariff Commission states that in 1918 about 80 per cent of the exports went to Italy. I can well understand that. That was immediately following the war. In 1919 about one-half went to France and Austria. In 1920 about one-half went to Russia and Asia, a considerable part to Mexico, Turkey, and Poland.

Mr. SMOOT. I do not care to go into details of the Poland purchases of that year.

Mr. WATSON of Georgia. Mr. President, will the Senator from Wisconsin state the date of the shipment to Poland?

Mr. LENROOT. The Tariff Commission does not report it, except as 1920.

Mr. SMOOT. That was the year they were looking for goods all over the world, and they could not get them in sufficient quantities anywhere.

Mr. LENROOT. But the important point after all, Mr. President, is not the amount of our exports, although that has a bearing. The important factor is, are we importing in great quantities under the present tariff rate of 25 per cent ad valorem? We are not. We have not been at any time. The Tariff Commission reports that despite a distinct lowering of duty in 1913 the imports immediately thereafter increased only slightly.

Now, Mr. President, I submit that there has not been any showing made for the increase that is proposed by the committee upon this article of universal use. The Senator from Utah has given the conversion cost of the American mill. That has no bearing on it unless we have other costs with which to make comparisons, and also unless we have imports coming in to bear out the difference in conversion cost, if there be such difference. The House rate, I am frank to say, I think is too low.

I am going to propose an amendment. I move to amend in line 8 by striking out the numeral "30" and inserting the numeral "25," in line 10 by striking out the numeral "32½" and inserting "30," and in line 13 by striking out the numeral "40" and inserting the numeral "35." I present it as one amendment, so that there may be one vote on all three.

The PRESIDING OFFICER. It will be so ordered. The Secretary will state the amendment to the amendment.

The ASSISTANT SECRETARY. On page 148, in line 8, strike out "30" and insert "25"; in line 10 strike out "32½" and insert "30"; and in line 13 strike out the numeral "40" where it occurs the second time and insert "35," so as to make the paragraph read:

PAR. 1112. Blankets and similar articles, including carriage and automobile robes and steamer rugs, made of blanketing, wholly or in chief value of wool, not exceeding 3 yards in length, valued at not more than 50 cents per pound, 20 cents per pound and 25 per cent ad valorem; valued at more than 50 cents but not more than $1 per pound, 30 cents per pound and 30 per cent ad valorem; valued at more than $1 but not more than $1.50 per pound, 33 cents per pound and 35 per cent ad valorem; valued at more than $1.50 per pound, 40 cents per pound and 35 per cent ad valorem.

Mr. LENROOT. I ask for the yeas and nays on agreeing to my amendment to the amendment of the committee.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. McCUMBER (when his name was called). Transferring my pair as on the last vote, I vote "nay."

Mr. STERLING (when his name was called). On this vote I understand that my pair, the Senator from South Carolina [Mr. SMITH], if present, would vote as I intend to vote. I therefore vote. I vote "yea."

Mr. TRAMMELL (when his name was called). I transfer my pair with the senior Senator from Rhode Island [Mr. COLT] to the senior Senator from Texas [Mr. CULBERSON], and vote "yea."

Mr. WILLIS (when his name was called). I transfer my pair with my colleague, the senior Senator from Ohio [Mr. POMERENE], to the junior Senator from Washington [Mr. POINDEXTER], and vote "nay."

The roll call having been concluded,

Mr. DIAL. Making the same announcement as to my pair and transfer as on the previous ballot, I vote "yea."

Mr. HARRIS. Making the same announcement as to my pair and its transfer, I vote "yea."

Mr. NEW. Making the same announcement as on the previous vote with reference to my pair and its transfer, I vote "yea."

The roll call resulted—yeas 22, nays 23, as follows:

YEAS—22.

Ashurst	Heflin	Overman	Trammell
Capper	Jones, Wash.	Sheppard	Underwood
Caraway	Kellogg	Simmons	Wadsworth
Cummins	Lenroot	Stanley	Walsh, Mass.
Dial	Myers	Sterling	
Harris	Norbeck	Swanson	

NAYS—23.

Brandegee	Kendrick	McNary	Smoot
Broussard	Keyes	Moses	Spencer
Bursum	Lodge	New	Stanfield
Curtis	McCumber	Newberry	Warren
Ernst	McKinley	Oddie	Willis
Gooding	McLean	Phipps	

NOT VOTING—51.

Ball	France	McCormick	Reed
Borah	Frelinghuysen	McKellar	Robinson
Calder	Gerry	Nelson	Shields
Cameron	Glass	Nicholson	Shortridge
Colt	Hale	Norris	Smith
Crow	Harreld	Owen	Sutherland
Culberson	Harrison	Page	Townsend
Dillingham	Hitchcock	Pepper	Walsh, Mont.
du Pont	Johnson	Pittman	Watson, Ga.
Edge	Jones, N. Mex.	Poindexter	Watson, Ind.
Elkins	King	Pomerene	Weller
Fernald	Ladd	Ransdell	Williams
Fletcher	La Follette	Rawson	

The PRESIDING OFFICER. A quorum of the Senate not having voted, the Secretary will call the roll.

Mr. McCUMBER. I know that is the usual program in such cases, but I think it would be almost useless to spend hours here in attempting to secure and to maintain a quorum this afternoon. That being the case, I move that the Senate now take a recess, the recess being in accordance with the unanimous-consent agreement entered into earlier to-day, until Monday next at 11 o'clock a. m.

The motion was agreed to; and (at 3 o'clock and 15 minutes p. m.) the Senate, under the order previously made, took a recess until Monday, July 31, 1922, at 11 o'clock a. m.

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